

REGULAR PLANNING COMMISSION MEETING, TOWN OF PORTOLA VALLEY, NOVEMBER 20, 2013,  
SCHOOLHOUSE, TOWN CENTER, 765 PORTOLA ROAD, PORTOLA VALLEY, CA 94028

Chair Von Feldt called the Planning Commission regular meeting to order at 7:30 p.m.

Present: Commissioners Arthur McIntosh, Nate McKitterick and Nicholas Targ; Vice Chair Denise Gilbert  
Chair Alexandra Von Feldt

Absent: None

Staff Present: Tom Vlastic, Town Planner  
Karen Kristiansson, Deputy Town Planner  
Leigh Prince, Town Attorney

ORAL COMMUNICATIONS

None.

REGULAR AGENDA

- (1) Continued Public Hearing: Proposed Amendments to Conditional Use Permits (CUP) X7D-151 and X7D-169, 555 Portola Road, Spring Ridge LLC (Kirk Neely/Holly Myers) [7:31 p.m.]

Mr. Vlastic referred to the November 14, 2013 staff report, noting that tonight's meeting continues the public hearing that opened on October 2, 2013 and continued to October 16, 2013. He said the staff report reflects the direction of Commissioners from October 16 relative to considerations for allowing vineyard acreage within the meadow area. Approval of this CUP amendment would allow removal of some of the haying and permit 5.5 acres of vineyards, he said.

Mr. Vlastic said the action resolution, prepared in conjunction with the Town Attorney, includes the action on the negative declaration, and the staff report discusses input received during the circulation period of the negative declaration. The Commission asked staff to assemble an action resolution to help ensure that the area for more active agricultural uses (i.e., vineyards) be limited. The proposed resolution includes three exhibits:

- Exhibit A: Findings to support proposed amendments to CUPs X7D-151 and X7D-169
- Exhibit B: Amended Terms and Conditions, CUP X7D-169, providing limitations on fencing and other elements associated with the Commission acts and allowing for 5.5 acres of new vineyards within the lower portion of the property.
- Exhibit C: Amended Terms and Conditions, CUP X7D-151, which regulated the winery operation on the property, reflecting the additional vineyard acreage that would be processed onsite.

Mr. Vlastic said staff has tried to incorporate within the action resolution responses to Commission input and now recommends adopting the resolution with whatever clarifications to the exhibits that are appropriate. In that light, he said there has been communication with Commissioner Targ related to an additional finding. Mr. Vlastic said he informed the applicants about the addition being proposed today. Mr. Vlastic read it into the record, explaining that the addition, dated November 20, 2013, would become Finding 7 with the renumbering of the findings in Exhibit A (with current Finding 7, about the Williamson Act contract, become Finding 8):

The General Plan provides that the Meadow Preserve would be kept in a natural condition and existing agricultural character preserved, but does not specifically define the actual or existing agricultural condition. The existing permitted agricultural uses include haying, growing of vegetables, maintaining orchards and an agricultural building with access on approximately 10.5 to 11 acres of the subject 229-acre property's 17-acre Meadow Preserve area. The proposed CUP amendment would allow those 10.5 to 11 acres of the subject Meadow Preserve to be used

for agricultural uses of a similar character as presently allowed, but would reduce the hay/grass area meadow and allow 5.5 acres of the northerly preserve area to be devoted to new vineyards. The remaining meadow on the subject property would include approximately 4.6 acres, which would be located immediately contiguous to the 4- or 5-acre grassland on the 7-acre Midpeninsula Regional Open Space District Meadow Preserve land, establishing a combined meadow area of approximately 8.5 to 9.5 acres that is highly visible from Portola Road. The combined area of grassland, other agricultural use lands and undeveloped land would total approximately 21 to 22 acres of the 24-acre Meadow Preserve. The ASCC concluded on May 14, 2013, that the proposed range of agricultural uses was appropriate and that the area proposed for the uses would not be highly exposed to view from the Portola Road Corridor. Based on the foregoing, the Planning Commission finds that the natural condition and the existing agricultural character of the Meadow Preserve would not be preserved if the meadow on the subject property were reduced beyond that proposed by the CUP amendment as identified on Sheet S-K1 dated 11/14/13 or to reconfigured so as not to be contiguous to the MROSD grassland meadow area.

Chair Von Feldt invited the applicant to speak.

Dr. Neely said he and Ms. Myers went over the proposed exhibits and findings with Ms. Prince and were reasonably satisfied. As for the addition that emerged from Commissioner Targ's conversations with Mr. Vlastic, he said one could always quibble over language but it says practically the same as the existing findings, so he has no particular objections.

Dr. Neely said the process "has been a long and winding road," but he appreciates the efforts of all the Commissioners and believes that if they approve the project they'll find it a very attractive addition to the Town that the Town will not regret.

Vice Chair Gilbert inquired about the number of acres for particular uses. She said the subject property is 17 acres, and in prior discussions on the CUP they've talked about roughly 11 of those 17 acres. Noting that the staff report refers to "the remainder" staying in "its existing open-space condition," she asked where the remaining acreage is located. In response, Mr. Vlastic pinpointed three areas: 1) along the frontage on Portola Road, 2) along the northerly boundary and 3) along the Sausal Creek side of the property.

Vice Chair Gilbert asked whether adding language that would allow using pesticides under extraordinary circumstances, at the discretion of staff, creates issues with the CEQA document. Mr. Vlastic said they tried to craft it to state the process to ensure good communication and appropriate environmental review if any such circumstances come up, but in speaking with Dr. Neely about it, Mr. Vlastic said Dr. Neely's position also is that if it presented any issue for the Commission, that provision could be removed. Ms. Prince said that it was not intended as a mitigation measure in any case. Commissioner Targ said that provided the pesticides are used in the ordinary course of application consistent with instructions on the label and approved by the EPA, their use would not require mitigation.

Chair Von Feldt asked Commissioner Targ to elaborate on the last part of the proposed additional finding. In response, Commissioner Targ said that in encompassing the concepts of "natural condition" and "agricultural character," the General Plan includes open-ended language. The last sentence is to say that if the acreage devoted to meadow were to be reduced further or not to be contiguous with the open space on the neighboring property, it would be inconsistent with and conflict with the General Plan provision.

Chair Von Feldt re-read the last sentence: "Based on the foregoing, the Planning Commission finds that the natural condition and the existing agricultural character of the Meadow Preserve would not be preserved if the meadow and the subject property. . ." and asked if that means the haying portion. Commissioner Targ said yes, it's the portion adjacent, the 4.5 acres or so. Ms. Prince said that could be clarified, but it is already spelled out earlier in the proposed language.

Chair Von Feldt opened the public hearing.

Jon Silver, Portola Road, said he considers Commissioner Targ's finding positive because it allows the vineyard use to go this far but no farther. He suggested that it could be strengthened by saying that the meadow should not be visually divided or obscured from Portola Road by plantings.

With no other speakers coming forward, Chair Von Feldt closed the public hearing and brought the matter back to the Commission for discussion. She invited Commissioners' thoughts on the proposed Finding 7.

Commissioner McKitterick said he was struck the same as Mr. Silver, but the way he read Finding 7, it implied that the vineyard area was no longer part of the meadow. He said that if the Commission approves the application in some form, the "hay/grass" and "vineyard" areas of the meadow should both be identified. He said it's important to be specific about the location and permitted uses of both those areas. Commissioner Targ agreed; his intent was to address both location and acreage for those elements. Mr. Vlasic said the Commission would be approving a very specific proposal. He read from Finding 6A:

The area identified as Hay/Grass on SK-1 shall be maintained in such agricultural uses or open space. If a future use permit amendment is sought to extend other agricultural uses into this area, it would be considered only after the General Plan has been modified to clarify "Meadow Preserve" provisions so as to allow consideration of such other agricultural uses.

Commissioner McKitterick said that what had been specified was hay/grass in one area and vegetables in another. Vice Chair Gilbert said the term "existing agricultural conditions" has multiple interpretations and removing some of the words may clarify it. Accordingly, she suggested that instead it could say, "the permitted uses being referred to are those permitted by the CUP." Commissioner McKitterick said that he would prefer to take out the second sentence.

Ms. Prince said most of the "meat" of this finding is in the first and last sentences; the rest is covered in other findings. Thus, she said that if Commissioners are comfortable with the material in the other findings about acreage uses, an option may be to keep only the first and last sentences. Commissioner Targ said he didn't disagree, noting that while the internal language provides clarity and basis, the first and last sentences are key.

If the middle of the finding is deleted, Commissioner McKitterick suggested that the last sentence's "Based on the foregoing. . ." be changed to "Based on the foregoing findings . . ." Chair Von Feldt said she'd be comfortable with that, plus changing "the meadow" to the "hay/grass area."

Chair Von Feldt moved to alter Finding 7 to include only the first and last sentence, delete "foregoing" and add "findings herein" to the end of the introductory clause in the last sentence, and change the word "meadow" to "hay/grass area," so that Finding 7 reads (with additions underscored and deletions showing in ~~strikethrough~~ type):

The General Plan provides that the Meadow Preserve would be kept in a natural condition and existing agricultural character preserved, but does not specifically define the actual or existing agricultural character condition. ~~The existing permitted agricultural uses include haying, growing of vegetables, maintaining orchards and an agricultural building with access on approximately 10.5 to 11 acres of the subject 229-acre property's 17-acre Meadow Preserve area. The proposed CUP amendment would allow those 10.5 to 11 acres of the subject Meadow Preserve to be used for agricultural uses of a similar character as presently allowed, but would reduce the hay/grass area meadow and allow 5.5 acres of the northerly preserve area to be devoted to new vineyards. The remaining meadow on the subject property would include approximately 4.6 acres, which would be located immediately contiguous to the 4- or 5-acre grassland on the 7-acre Midpeninsula Regional Open Space District Meadow Preserve land, establishing a combined meadow area of approximately 8.5 to 9.5 acres that is highly visible from Portola Road. The combined area of grassland, other agricultural use lands and undeveloped land would total approximately 21 to 22 acres of the 24-acre Meadow Preserve. The ASCC concluded on May 14, 2013, that the proposed range of agricultural uses was appropriate and that the area proposed for the uses would not be highly exposed to view from the Portola Road Corridor. Based on the foregoing findings herein, the Planning Commission finds that the natural condition and the existing agricultural character of the Meadow Preserve would not be preserved if the~~

~~meadow~~ hay/grass portion on the subject property were reduced beyond that proposed by the CUP amendment as identified on Sheet S-K1 dated 11/14/13 or to reconfigured so as not to be contiguous to the MROSD grassland meadow area.

Vice Chair Gilbert called attention to the first sentence of Finding 1:

The January 2012 approval of CUP X7D-169 allowed for approximately 10.5-11.0 acres of hay/grass and other vegetable and orchard agricultural uses in the 17 acre General Plan "Meadow Preserve" area of the subject 229-acre property."

She said she is concerned how this would be interpreted if some day a future Planning Commission is considering a proposal for this property. To her, the language implies that hay/grass, vegetables and orchards can go anywhere on the 10.5-11.0 acres, but Commissioners have agreed that orchards, in particular, would be assigned to one particular area on the periphery. The vegetable issue is more complex in that it involves fences breaking up the area, she added. Commissioner McKitterick suggested, ". . . acres of hay/grass in, and other vegetable and orchard agricultural uses on the periphery of, in the 17 acre . . ." Ms. Kristiansson said another alternative is to say, "in designated areas," because this would refer back to the January 2012 approval. Commissioner Targ said he preferred the second alternative.

Vice Chair Gilbert also had an issue with Finding 5, because caution was expressed in the findings for CUP X7D-151 relative to winery expansion due to the high visibility of the property and potential for modification of natural landforms and vegetation. She said she understands the visibility issue, but said while vineyards would not modify natural land forms, they would modify vegetation. After some discussion, the Commission determined to remove the last part of the final sentence of Finding 5, so that the last sentence would read, "Thus, the additional proposed vineyard area would not be highly visible."

Vice Chair Gilbert referred next to Finding 6, and expressed concern about the introductory section of this finding:

. . . the requested amendments can be found consistent with the General Plan "Meadow Preserve" provisions because the area proposed for additional vineyards is not highly visible from Portola Road, continues to maintain an agricultural character to the property . . .

As Vice Chair Gilbert pointed out, to be consistent with the General Plan language the wording of the last phrase of this text should be changed to say, "continues to maintain the existing agricultural character . . ." Commissioners agreed.

Vice Chair Gilbert said Finding 6a also needs to be modified. She pointed out inconsistencies with new Finding 7 and the General Plan language. Commissioner McKitterick suggested the substitution of "hay/grass uses" for "agricultural uses" in the first sentence and deletion of the second sentence. He also suggested deleting a phrase from the end of the sentence, ". . . relative to the most visible meadow area."

The area identified as Hay/Grass in SK-1 shall be maintained in such Hay/Grass agricultural uses or open space. ~~If a future use permit amendment is sought to extend other agricultural uses into this area, it shall be considered only after the General Plan has been modified to clarify "Meadow Preserve" provisions so as to allow consideration of such other agricultural uses.~~ The Commission finds that maintaining the hay/grass areas on SK-1 and the grass uses on the adjacent MROSD property (regulated by the Town pursuant to MROSD CUP X7D-133) achieves conformity with General Plan "Meadow Preserve" provisions ~~relative to the most visible meadow area.~~

Commissioner McKitterick asked whether the Commission had any issues with Finding 6c, which references ". . . trees along the southern boundary [that] may remain as [they] . . . provide some identification of the transition between the properties and also some habitat for deer and other meadow area wildlife." He said he didn't recall which trees in particular that the Commission agreed would stay, or whether that was an ASCC decision. Chair Von Feldt said the reference is to a few trees on the proposed fence line. Mr. Vlasic said that all the trees that had been planted were removed; the few that remain are volunteers.

Commissioner McIntosh and Vice Chair Gilbert raised questions the last sentence of Finding 6f:

The existing property dirt/grass road system as described on Sheet SK-1 . . . may continue to be used for periodic maintenance and harvesting of agricultural production consistent with the agricultural plan on SK-1 and the provisions of CUPs . . . . No new property dirt/grass roads shall be established for the meadow area. Further, the current meadow area dirt/grass roads shall not be improved beyond their current conditions. The above notwithstanding, the existing dirt/grass roads may be modified when found appropriate by the ASCC during review and approval of detailed meadow area planting and fencing plans.

Vice Chair Gilbert concurred with Commissioner McKitterick's suggestion to strike the last sentence, inasmuch as the applicants have not made any proposals to expand the roads. Mr. Vlasic pointed out that this sentence is not meant to allow expansion or paving of any roads, but rather to address situations such as if a detailed planting plan required minor adjustment to a service road. Commissioner McKitterick proposed changing the last part of this sentence to read as follows, and to change the wording in Finding 5 of Exhibit B to also specifically refer to the alignment of the road:

~~The above notwithstanding,~~ the alignment of the existing dirt/grass roads may be modified . . .

In Finding 6g, Vice Chair Gilbert suggested deleting the parenthetical "meadow" from the line "New agricultural (meadow)" and also from "Hay/grass (meadow)" in the table.

In terms of what would be re-numbered Finding 8 (regarding the Williamson Act), Vice Chair Gilbert said she's not sure why it is included because the Planning Commission does not know the details of the contract. Commissioner Targ said she had a good point, and Commissioners agreed to strike this finding.

Turning to Exhibit B (Amended CUP X7D-169), Vice Chair Gilbert asked about the reference to "secondary access" in the second sentence of Condition 3:

The existing gated driveway at the north end of the parcel's Portola Road frontage shall only be for secondary access, i.e., maintenance of the meadow area, emergency access and service to the meadow area agricultural uses allowed for herein.

She suggested deleting the reference to secondary access lest it open it up to a broader definition of secondary access. Mr. Vlasic said the wording was taken from the original CUP. After some discussion, the Commission determined to leave the finding as drafted.

Commissioner McKitterick expressed concern about leaving Condition 6 of Exhibit B open-ended by calling for a good faith effort. He said he regrets that the applicants have received mixed messages, and acknowledged that the Town Council has not yet approved the recommended plan for the Corridor. Mr. Vlasic said part of the problem is that the Portola Road Corridor effort included some differences of opinion relative to clearing, and there was some pushback related to habitat protection. He also pointed out that there's a lot of work for the Town to do in terms of clearing, including removing branches that extend into the trail area, and once that's completed the views would be considerably more open. He said that the Conservation Committee and the ASCC did a careful job of walking the land and working with the applicants to selectively remove plantings, although some Commissioners have indicated they didn't go far enough. He said he believes the Conservation Committee and the ASCC probably remain the best entities to strike the balance, and once the plan is approved, the Public Works Department would receive further direction. The question, he said, is how to tie the property owner to conformity with a plan that hasn't been finalized and determine who would oversee it. Dr. Neely said they had worked with Mr. Vlasic to create a document with considerable clarity, and they would have problems with changing the wording for this finding. After additional discussion, the Commission agreed to leave the wording for this finding as proposed.

With the concurrence of Chair Von Feldt, Commissioner McKitterick proposed changing Condition 9 to read:

The area identified as Hay/Grass on SK-1 shall be maintained in such Hay/Grass agricultural ~~uses~~ or open space.

Noting that Condition 10 addresses the issue of fencing along the southern boundary, Commissioner McKitterick asked how other Commissioners feel about fencing elsewhere on the property and wondered whether the condition should prohibit other fencing in the meadow. Mr. Vlasic said that the approval specifically defines the fencing that is allowed under the use permit, and no other fencing would be authorized. Dr. Neely pointed out that the agricultural fences would be controlled by the ASCC, so he believes everything is already covered.

Vice Chair Gilbert asked whether the site plan submitted as part of the applications would be part of the use permit, and asked whether the language regarding the planting plan should be more definitive in terms of what uses are allowed where. Mr. Vlasic confirmed that the site plan would be part of the CUP approval and would control the uses and locations of uses on the property. Dr. Neely said they would like to have some flexibility to adjust the planting plan, but it would be acceptable if the Commission were to exclude orchards from the area identified for vineyards. Mr. Vlasic suggesting that it would make sense to allow flexibility but to prohibit orchards in Block A1 southerly of the existing agricultural building line.

Vice Chair Gilbert said the only issue relating to vegetables is fencing, because if the uses are mixed and matched, there could be a visual impact. Ms. Myers said that it would be inefficient to have a number of small uses mixed.

Chair Von Feldt invited comments on the CEQA document.

Commissioner McKitterick noted the change to a Negative Declaration as had been discussed previously by the Commission. He proposed changing the document under "Findings and Basis for a Negative Declaration" in point 1 to say that the project would have "less than significant impact" on scenic resources rather than that "The project will not adversely impact scenic resources. . ." The Commission agreed.

For the record, Vice Chair Gilbert asked whether Commissioners need to repeat their reasons when they vote if they have issues with the findings. Mr. Vlasic said no, that they can reference the record if they have already expressed their concerns, and the minutes would support their reasoning. Chair Von Feldt added that the findings go through the reasons and the logic behind the decision.

Commissioner McKitterick moved to approve Resolution 2013-3, including the exhibits therein, of the Town of Portola Valley granting Spring Ridge LLC (Neely/Myers) amendments to CUPs for property located at 555 Portola Road; in particular, adopting:

- 1) Proposed negative declaration as revised November 14, 2013 and with comments made and approved on November 20, 2013
- 2) Use permit amendments as set forth in Exhibit A of the resolution as modified on November 20, 2013
- 3) Amendments to CUP X7D-169, subject to the terms and conditions set forth in Exhibit B of the resolution as modified on November 20, 2013 and
- 4) Amendments to CUP X7D-151, subject to the terms and conditions set forth in Exhibit C of the resolution

Commissioner McIntosh seconded the motion.

Chair Von Feldt said that although tonight's discussion alleviates some of her concerns, she does not believe the vineyard use is consistent with the meadow language in the general plan. The fencing and braces to support the grapes would change the look and use of the land.

Vice Chair Gilbert said that she, too, cannot find the vineyard consistent with her interpretation of the General Plan, because in her view a meadow is hay or grass. In addition, she said that she is concerned about reviewing and acting on the use permit prior to clarifying the General Plan language.

The motion carried 3-2, with Von Feldt and Gilbert dissenting.

Chair Von Feldt said the Planning Commission decision is effective 15 days from approval unless an appeal is filed within that time.

(2) Study Session: 2014 Housing Element Update [8:56 p.m.]

Chair Von Feldt launched the first Planning Commission study session on the Housing Element update.

Referring to her staff report of November 15, 2013, Ms. Kristiansson said there were two goals for tonight's discussion. First is to go over the schedule for the Planning Commission's other study sessions; all of the meetings would be in front of the Planning Commission, with possibly two of them more widely advertised to take the place of the community meetings discussed with the Town Council on November 13, 2013. Second is to begin talking about some ideas for encouraging additional second units.

The Town is currently averaging about 5.6 second unit permits per year, she said. Based on current projections and assumptions, it appears that if we can increase that to about seven, the Town will likely be able to meet its share of the regional housing need. In response to Commissioner McKitterick, she said that most communities about Portola Valley's size tend to meet their numbers primarily through second units and through some affiliated housing program.

Chair Von Feldt invited questions from Commissioners, which would be followed by public comments.

Commissioner McIntosh suggested that the state should be cognizant of production declines during the recession. Ms. Kristiansson agreed but added that production during boom times also averaged fewer than seven second units per year. As a result, the town probably needs to do more than in the past.

Chair Von Feldt opened the public comment period.

Virginia Bacon, Golden Oak Drive, stated that originally second units with kitchens were only allowed on lots that were two acres or larger. Ms. Bacon also noted that according to the study session schedule outlined in the staff report, most of the discussion about second units would occur on December 4 and December 18, 2013, when she said a lot of people who would like to participate would not be available. She suggested postponing this discussion until January or February of 2014 so that more people might be able to come out and provide input. Ms. Bacon said the issue of second units raises the question of density, and at some point, that should be addressed, and also expressed a concern about where (in terms of zoning districts) the Town's second units are concentrated today. She asked where the income distribution of second units came from. She said we should know the situation as it is now before getting into a discussion of what we should do and what we want to do to change. Ms. Bacon asked whether basements are pertinent for 750 square foot units.

Mr. Silver said that historically, at one point, guest houses were allowed on all lots but they could only have kitchens on lots greater than two or 2.5 acres. Thinking back, this created an odd category of kitchenless guest houses.

Tom Kelley, Franciscan Ridge, said he became interested in housing because of his time serving on the school board and the difficulty of recruiting teachers to the area. He said Portola Valley, and other communities as well, have always used guest houses to get around the affordable housing issue. He said that if the Town is truly interested in affordable housing, we can make it happen, and he provided a plan for producing affordable housing to a couple of Town Council members.

Ed Wells, Naranja Way, said the state's housing mandate for Portola Valley calls for an increase of less than 1% per year. As it stands now, he said, many of Portola Valley's homes are more than 50 years old, and many began as summer cabins and small houses. The Town's system of square footage allowances encourages monster houses, and the Town encourages second units without defining any ways to control how they are used. He recommended that the Town take a look at its housing now and think about what kind of housing mix we want 20 years from now. He also suggested that as the Planning Commission goes through its Housing Element meetings, it's important that everyone understands what the various terms mean – affordable housing, second units, BMRs (below-market-rate units), etc. The Planning Commission should also think about how to use in-lieu funds, such as using them as a revolving fund to lend money to start a project in return for a requirement that the

unit be rented affordably for five to ten years. Mr. Wells suggested getting together a team with legal, financial and auditing help to ensure maximizing use of the in-lieu money, and offered his assistance.

Mark Moulton, Executive Director of the Housing Leadership Council of San Mateo County, said he is available as a resource to the Town. He is hopeful about the interest in affordable housing in town, and he encouraged the Planning Commission to think about this not as some onerous burden that comes down from the state, but as an opportunity to do something that you might like to do. The Housing Leadership Council watches all of the 21 jurisdictions in the County, looking for increased performance. He emphasized that the Council stands ready as a resource for the Town to tap.

Carter Warr, Willowbrook Drive, said that as a member of the Ad Hoc Affordable Housing Committee, he had hoped everyone would read its recommendations carefully. He said every member of the Committee is willing and available to help the Planning Commission better understand the group's vision. Some of their recommendations are for actions that should be pursued now, he said, and others may be for future planning periods. One thing the Committee didn't get a chance to review and the Planning Commission should, Mr. Warr said, is the overall effect of the continuing increase in the number of housing units in Portola Valley over a series of eight-year Housing Element cycles, particularly in light of the community's recreational resources, topography and values, such as open-space preservation. He said that looking for ways to provide greater variety and greater opportunity for families who need affordable housing at each of the RHNA income levels should be a priority goal for Portola Valley in this round of the Housing Element update.

Regarding second units, Mr. Warr said one reason they haven't been developed as much as they might be is because it is nearly impossible to house a three- or four-member family in a 750 square foot structure. As an architect, he added, he also has clients who want second units on smaller parcels, which is not currently an option in Portola Valley, and this could be significant opportunity.

Judith Murphy, Portola Green Circle, who also served on the Ad Hoc Affordable Housing Committee, agreed that virtually everyone on the Committee would continue helping in whatever way they can. She said Committee members were struck very much by the need to continually engage people and the fact that the early meetings were dominated by discussions of what went on before, with negativity stemming from fear and uncertainty. Ms. Murphy said that the goal of the housing element process should be to participate whole-heartedly rather than trying to find a way around the state requirements. She emphasized that the Town needs clarity to reduce uncertainty. Density will need to decrease, but the Town will need to protect key areas in order to minimize or mitigate the impact. The uncertainty and ambiguity inhibit our ability to hold the lines we want to hold.

Virginia Bacon expressed concern about the impact of building codes on affordability. For example, when sprinklers are required, costs can be excessive, and fire alarms may be just as effective. If these problems are not addressed, people who are interested in converting existing structures to second units may not be able to find a way.

Mr. Silver echoed the concern that discussion of second units is all scheduled for December and suggested that the Commission plan for more after the holidays. He also promoted the idea of a tour to look at examples of affordable-housing projects and the impact they have on the neighborhoods in which they're located. He said additional guest houses make a lot of sense and would be productive in terms of the housing numbers and also consistent with the Town's goals. However, he is concerned to hear talk of using guest houses as living quarters for families of four, because he is not sure that's the purpose of second units. Larger second units would also be less affordable. He added that in Santa Cruz, second units are allowed with the idea that they are rent-controlled but that would not be the case in Portola Valley.

Chair Von Feldt brought the matter back to the Commission, first inviting comments on the schedule.

Commissioner McKitterick noted that February 19, 2014 date falls in Ski Week, and April 16, 2014 occurs during Spring Break. He also suggested considering the possibility of special meetings. Ms. Kristiansson said at this point, because adjustments are likely in any case, it would be a good start if the Planning Commission can agree on December and January dates.

Chair Von Feldt asked when discussion about the possibility of purchasing property would be scheduled. Ms. Kristiansson said that would be part of the February 19, 2014 agenda (with "Identify preferred housing programs.") Commissioner McKitterick said that we could also schedule extra meetings, as we see how the process goes.

Ms. Kristiansson asked whether the Planning Commission would like to have the discussion of second units continue to be set primarily for the December meetings. Chair Von Feldt said that although she heard the concern from the audience about having the second units discussion mainly at the two December meetings, the time pressures to keep moving forward make it important to begin work on this key program as early as possible. Commissioner McIntosh agreed.

Chair Von Feldt then invited comments on potential changes to the second unit program.

Commissioner McKitterick asked about the Town's potential to meet some of its RHNA commitment via housing located in its sphere of influence, and/or what it would take to make lands within the sphere of influence part of the Town. Virginia Bacon asked whether there might be potential on some of the open land on the other side of the creek that's in Santa Clara County. Mr. Vlastic said that land is not within the Town's sphere of influence as assigned by LAFCO, the Local Agency Formation Commission. Commissioner McIntosh said he did not think Portola Valley be able to reduce its RHNA as Woodside did with the annexation agreement with Redwood City, because the Town is not in the same situation. Town Council Liaison Wengert added that incorporating any areas from the Town's sphere of influence also could increase the Town's RHNA allocation burden in the long run. Also, she noted that the issue is so large here that we're struggling to just deal with it within the Town boundaries, and we have a long list of tasks and objectives to accomplish to move things along for the 2014 Housing Element update.

Commissioner Targ stated that he would like clarification from the Town Attorney on inclusionary housing and in-lieu fees.

Chair Von Feldt requested clarification on a table on page 3 of the November 20, 2013 staff report. Ms. Kristiansson explained that the numbers shown in the table are solely for second units. For each income category, the table shows the target established in the 2009 Housing Element and the number of permits issued to date. The distribution by income levels shown in the table is based on a 2008 county-wide study of rental rates to estimate the affordability of second units.

Vice Chair Gilbert asked what the rental rate range for 1,000-square-foot second units in Portola Valley would be. Commissioner McIntosh said that a lot of residents want to provide housing to Stanford students, but a market rate might be about \$2,000 per month.

In response to Chair Von Feldt, Ms. Kristiansson clarified that the Town needs to demonstrate in its housing element how it intends to meet the housing needs for each income category, not just for the overall total number of housing units. The Town could not provide all of its housing for above moderate income households, for example.

Chair Von Feldt directed the discussion toward ideas to increase production of second units.

**Increase the permitted size of second units.** Commissioner McKitterick said this is worth exploring. Ms. Kristiansson pointed out that the state has seen this type of increase positively in the past, and also that from conversations with various residents, she believes property owners also might appreciate being able to build more spacious second units. Mr. Vlastic cautioned that a discussion of larger second units would have to take into account whether the additional square footage would come out of a property's floor-area maximum. Commissioner McIntosh pointed out that if people had to reduce the size of their main homes to increase the size of their second units, that would not be an incentive.

Chair Von Feldt about which homeowners' associations (HOAs) might have strong opinions about allowing larger second units. Mr. Vlastic said the Westridge Architectural Supervising Committee (WASC) in particular expressed concerns during earlier discussions about the density and numbers of second units. Commissioners agreed to solicit information on the possible changes to the second units program from Westridge.

**Consider allowing some small second units in smaller-lot areas.** Commissioner McKitterick said even where setbacks have room enough to build second units, parking is already a problem in places such as Woodside Highlands and along Corte Madera. Commissioner McIntosh said the idea is worth exploring in areas where it's feasible.

Vice Chair Gilbert said detached second units probably would be out of the question for most properties in the Ranch. Mr. Vlasic pointed out that at the Ranch, some of the downhill houses in particular have large basement spaces that would be easy to convert into second units. He also noted that a number of designated but undeveloped parking spaces are left in easements at the Ranch, held in reserve if needed.

Regardless of how HOAs might weigh in, Chair Von Feldt pointed out that their approval wouldn't be necessary to include a plan to start discussions on the matter in the Housing Element update. Ms. Kristiansson observed that the Town has the authority to amend the Planned Unit Development (PUD) to be more lenient in terms of second units, but at some point the HOA would also have to agree to amend their Covenants, Conditions and Restrictions (CC&Rs). Mr. Vlasic said to avoid creating unnecessary conflict, it's important early on to determine the HOA's willingness to even consider this.

In response to a question from Commissioner McKitterick, Mr. Warr indicated that he believed that many people at the Ranch would want to have the ability to have a second unit on their property, and this could also work in other small lot areas. There are a number of illegal second units already in those areas, and having a second unit can be beneficial for those who want to age in place in town.

**Reducing fees an incentive.** Commissioner McKitterick said he does not sense that reduced fees would be much of a motivator. The staff report noted that a program in Calistoga in 2001 reduced sewer fees for second units by 50%; Ms. Kristiansson said sewer hook-up fees can be significant, depending on the property location. If a property owner with a septic system adds a bedroom, the septic system must be able to accommodate it. If not, and the property is within 200 feet of a sewer line, a sewer connection is required. Commissioner McIntosh asked for a sense of how many of Portola Valley's second units are connected to the sewer system. Mr. Vlasic responded that it would be a small number, and added that the idea of reducing fees as an incentive is worth looking into, but the Town likely would not be in a position to do much about it. The Town certainly couldn't front-end a sewer fee, he said.

**Second-unit amnesty program.** Commissioner McIntosh asked Mr. Moulton for his impression as to whether the state might give credit for any existing second units that might be grandfathered in as part of an amnesty program, if people register them and commit to long-term affordable rental rates. Mr. Moulton said it would probably be difficult to get such units into a plan that the state approves. He said it's exciting that communities have a lot of opportunity for creativity, so he suggests going from what we have and parlay that into something that would work.

Although the state may not acknowledge units added via an amnesty program (per Commissioner McIntosh's earlier exchange with Mr. Mohr), Vice Chair Gilbert said such a program would legalize them, improve many of them and provide more housing for people who work in Town to live here as well. Ms. Kristiansson said an amnesty program also would make sense if the Town decides to authorize second-unit structures that aren't currently allowed, such as units up to 1,000 square feet or on smaller lot areas. She said it's also important to remember that the Housing Element is Portola Valley's document and not the state's. While acknowledging and meeting the state's requirements, the Town is trying to set forth a vision for housing in the community. As to the number of units that an amnesty program might cover, she said it would depend on the standards the Town would impose, for instance, whether encroaching into a setback would be approved. Mr. Vlasic said code compliance would more likely be a major factor, and some people would not even want the Town to look at their unauthorized second units.

**Increased education efforts.** Chair Von Feldt said that should be fairly easy to accomplish. Ms. Bacon added that increased education about the HIP Housing program would be helpful

**More than one second unit on larger properties.** Commissioner McKitterick said this might work under the right conditions, depending on the property. Mr. Vlasic suggested that in some cases, a property could have a

smaller attached unit for relatives and a larger detached rental unit. Chair Von Feldt said that this type of arrangement could alleviate the amount of site development.

**Relax Town standards.** Commissioners discussed implications of allowing separate mailboxes and utility meters, and allowing second units in setbacks if doing so would not affect neighbors or scenic corridors. Concerns were expressed about reducing standards and about the staff resources this would take to implement.

**Economic or tax incentives for second-unit construction.** Commissioners requested more information about this option. Ms. Kristiansson said that suggestion came from the Ad Hoc Affordable Housing Committee. For economic incentives, she said they discussed loans and/or grants for building second units. Ed Wells suggested allowing lot splits whereby a property owner could divide a parcel and receive Town funding to build a small house and rent it for a specified period of time at affordable rates. Mr. Vlastic suggested that this might appeal to property owners, but it would be a difficult to reconcile with the General Plan and zoning ordinance.

**Other ideas.** Chair Von Feldt pointed out the potential of increasing second-unit production less expensively by pre-approving use of specified green pre-fabricated second units. Commissioner Targ supported the idea. Commissioner McIntosh expressed concern about potential conflict with the design of the existing house, but said that there are some great examples of pre-fabricated homes. Mr. Vlastic said that one concern is that whenever a site development permit was needed for grading, the project would go past the point where only staff approval would be sufficient. However, he believes this idea to be worth exploring.

#### COMMISSION, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS [10:30 p.m.]

Ms. Kristiansson said that so far Judith Hasko, a member of Trails and Paths Committee, is the only person who has submitted an application for the Planning Commission vacancy. The deadline is December 11, 2013. The advertisement for the vacancy on the Architectural and Site Control Commission (ASCC) is going up on the Town website this week and will be in the December 4, 2013 edition of *The Almanac*.

#### APPROVAL OF MINUTES [10:31 p.m.]

Commissioner McKitterick moved to approve the minutes of the October 2, 2013 Planning Commission meeting, incorporating revisions previously submitted by Commissioner McKitterick and Vice Chair Gilbert and an additional change from Vice Chair Gilbert. Seconded by Commissioner McIntosh, the motion carried 5-0.

Commissioner McKitterick moved to approve the minutes of the November 6, 2013 Planning Commission meeting. Seconded by Commissioner McIntosh, the motion carried 4-0-1 (Gilbert abstained).

#### ADJOURNMENT [10:35 p.m.]

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Alexandra Von Feldt, Chair

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Tom Vlastic, Town Planner