

PLANNING COMMISSION REGULAR MEETING, TOWN OF PORTOLA VALLEY, MAY 21, 2014,
SCHOOLHOUSE, TOWN CENTER, 765 PORTOLA ROAD, PORTOLA VALLEY, CA 94028

Vice Chair Targ called the Planning Commission regular meeting to order at 7:30 p.m. Ms. Kristiansson called the roll.

Present: Commissioners Judith Hasko, Nate McKitterick and Alexandra Von Feldt; Vice Chair Nicholas Targ

Absent: Chair Denise Gilbert

Staff Present: Karen Kristiansson, Interim Town Planner
Tom Vlastic, Town Planning Consultant
Jeff Aalfs, Vice Mayor and Council Liaison

ORAL COMMUNICATIONS

Lou Ebner, Wyndham Drive, noting that he was dissatisfied with the response he received at the Town Council meeting on May 14, 2014, registered his “grave disappointment” at the lack of proper advance notice of the May 18, 2014 meeting of the Town Council, the Planning Commission and the ASCC. He said from what he was able to glean, it was a very significant meeting, and more representatives of the community would have been present had they been aware of it. He personally was committed to be out of town. In reviewing Town regulations, he said he saw no stipulation about the proper procedure for providing notice except in emergency cases, and would like the Town to develop some formal rule, providing at least a couple of weeks notice. He said he recognizes the difficulty of planning such a meeting – “herding the cats” of the entities together in one spot being a minor logistical miracle – but the public needs notice. He also referred to considerable discussion over the past year in a variety of venues about emphasizing transparency and community participation. As someone who was “pried out from under the rocks” during the past couple of years, he said he’s trying to find ways to get everyone to pay attention.

Acting Chair Targ said that there are regulations at the state level regarding notice for certain types of meeting, and those usually define proper notice as 10 days. He said it was an interesting, important meeting, and certainly a logistical challenge. In this case, Mr. Ebner said it was only 72 hours’ notice in this case and contained no information about the agenda. He believes the Town needs a regulation in addition to the state requirements, particularly for meetings of the magnitude and importance of the one held on May 18, 2014.

Acting Chair Targ noted that the Planning Commission isn’t the appropriate body to move Mr. Ebner’s request forward, but two Councilmembers are present tonight. Commissioner McKitterick emphasized that Mr. Ebner’s message was clear, and that the short notice was unintentional. He suggested Mr. Ebner submit something in writing, and everyone would certainly read it. Town Council Liaison Hughes, too, emphasized that Mr. Ebner’s message to the Town Council was clear. He noted that resident Virginia Bacon had recorded the meeting.

REGULAR AGENDA

- (1) Preliminary Review: Application for Variance X7E-136 for a house addition, 20 Russell Avenue (Ramesh Subramonian)

Acting Chair Targ recused himself and left the room, as he owns property that is within 500 feet of the subject property. Commissioner McKitterick stepped in to serve as Acting Chair.

Ms. Kristiansson described the project as 427-square-foot addition to an existing 928-square-foot home, plus a new 161-square-foot back deck, on a Woodside Highlands property of slightly less than 0.5 acre. There were no Portola Valley zoning regulations when the home was build in 1935, well before the Town was incorporated, so a substantial portion of the home is in the currently required 20-foot front yard setback area. A portion of the proposed addition is within 16 feet of the property line, even though it is located at the rear of the house, and therefore a variance is needed. Aside from the setback, though, Ms. Kristiansson said the proposal is a straightforward one that complies with other Town standards (i.e., height, floor area, impervious surface, etc.).

On May 12, 2014, Ms. Kristiansson said the ASCC conducted a preliminary review of the project and the variance request, had no objections to the design and is anticipated to recommend approval of the variance request. Two neighbors have expressed concerns about the project, although neither objects to the project design or the variance request per se. The neighbor at 6 Leroy Avenue requested screening from his downhill property. In response to the concerns, the architect has submitted revised plans that the neighbors are reviewing; they include four new trees on the eastern corner of the lot. An uphill neighbor at 3 Tynan Way who is concerned about on-street parking, objects to continued exemption of the property from off-street parking requirements. Ms. Kristiansson noted that the property has sufficient space for two off-street parking spaces in the paved area north of the house, but it isn't covered as is required under current zoning regulations. The revised plans include extending the paved area 17 more feet.

The item, with the Planning Commission's decision and comments, is scheduled to go back to the ASCC for architectural review at the May 27, 2014 ASCC meeting, and then come to the Planning Commission again on June 4, 2014.

Commissioner Hasko asked Ms. Kristiansson to elaborate on the nonconforming gate mentioned in the letter from David and Lynne Madison, who live at 3 Tynan Way. Ms. Kristiansson said Town files contain no records about the gate, which is located partially within the private right-of-way (ROW) for Russell Avenue. It appears in old photographs, she said, so it may be a legal nonconforming use. Addressing a follow-up question from Commissioner Von Feldt, Ms. Kristiansson said she understands the current gate replaced an older one, which the applicants said they could reinstall if necessary. Commissioner Hasko also asked about the gate's impact on the road ROW. Because it's a private ROW, Ms. Kristiansson said, it's an issue between the homeowners' association that owns the road and the property owners.

Architect John Richards said the project is fairly straightforward. He said one of the reasons they expanded the paving was to avoid on-street parking.

Public comments were requested, but none were offered.

Commissioner Von Feldt said that on the basis of the application and the ASCC's comments, the variance request seems reasonable. In addition to the fact that the improvements date so far back, she mentioned that staff has done well outlining the fact that steep slopes elsewhere on the site would be negatively affected if the applicants were forced them to comply with current setbacks. From her initial reading of the findings, Commissioner Von Feldt said she feels she could support the project as proposed.

Commissioner Hasko said she has observed the steepness, and the owners have other constraints. She agreed with Commissioner Von Feldt that the proposal is reasonable and she could support it, but wants to discuss more detailed plans in the next meeting.

Acting Chair McKitterick said he generally objects to increasing square footage in a setback, but this case is unusual. Although the addition is in front setback, it lies in the the back of the house, and an addition would likely have more impact if it were located in another place. Given the site conditions, he said he could support the variance request, but is inclined to want the gate removed. He said, too, that he wouldn't want the Planning Commission to exacerbate a bad parking situation, but the additional paved area in the revised plans seems to address the parking issue.

In response to Commissioner Hasko, Acting Chair McKitterick said it's Town policy to discourage gates, and this particular one is nonconforming under current Town policy. He was on the Planning Commission when the gate ordinance was approved. He said this particular gate was also discussed as causing parking problems. Furthermore, he said the gate has no historical value, and is tied to the increase in building in the front setback.

Commissioner Hasko said she believes it would be fair to look at the gate issue further, and wants to review the gate ordinance.

Mr. Richards said the gate is there due to the lot's odd shape. It would make more sense to encourage off-street parking or deal with the owner to come up with a solution, he said, and doesn't think removing the gate is a good idea. Moving it downslope probably could result in more parking up above, rather than less, he added. It would

also be a hardship because the owners have dogs. He does not think that what the applicant is doing with the house has any relationship to the gate.

In response, Acting Chair McKitterick said that there was a connection because both the gate and the addition affected the front setback, and that he would like to hear more about the gate before taking final action.

Commissioner Von Feldt said she's reluctant to add any undue burden on the applicant, but she would like to understand whether the gate's presence makes the road less safe and how it would affect the visual massing of the project proposed because of its proximity to the road.

Acting Chair Targ returned to the dais.

(2) Preliminary Review: Proposed Amendment to CUP X7D-167, Professional/Personal Office Uses, 828 Portola Road (William Crown)

Acting Chair Targ disclosed that Dr. Sara Gandy, who has submitted a Zoning Permit Application for a psychiatry office at this site, is a personal friend.

Mr. Vlastic said he spoke last week with Michael Bialas, the applicant's representative, so he's surprised no applicant's representative is present now. Mr. Vlastic said the May 17, 2014 staff report reviews the history of this site, including information about the Conditional Use Permit (CUP) granted in 2007, with limitations on that CUP relative to medical, dental and psychiatric care. The two offices located on the property had been dental offices for many years, and in 2007 a zoning permit was granted to allow psychiatric uses. The property was sold to William Crown in October 2013, the leases that were in place at the time have not been renewed, and the offices are now vacant.

As Mr. Vlastic explained, the current application proposes expanding provisions of the 2007 CUP to also allow professional and personal offices. Descriptions of the intended uses are included with the staff report, which also contains copies of Zoning Permit Applications for a personal office and a psychiatric office. No external changes are proposed for either the building or the site it occupies, but the applicant has submitted a new floor plan for the specific zoning permits requested and possible professional office use at a later time.

828 Portola Road is in the Administrative Professional (A-P) District, and uses must serve the needs of the Town within a reasonable period of time. Personal offices are an exception if they are used by a Town resident and they fall within floor-area limits. In an A-P District, Mr. Vlastic said, it's not unusual to have categories of professional offices with spaces identified for possible uses and then go through the zoning permit process, which differs from the process in Community Commercial (C-C) Districts, which applies in the case of Item 3 tonight.

Mr. Vlastic said the Zoning Ordinance has been reviewed over time to determine ways to make setting standards regarding uses as objective as possible, which is the genesis for the floor-area numbers referenced in the staff report. In this case, both Zoning Permit Applications are modest in terms of square footage, Mr. Vlastic said. He also pointed out that not long after the 2007 CUP was approved, site maintenance and the building itself underwent Building Code review and were upgraded as required by conditions of approval to comply with current Building Code standards.

According to Mr. Vlastic, and as discussed in the staff report, staff believes more information could be added about the proposed professional office use, but fundamentally the two Zoning Permit Applications seem straightforward, particularly given the low intensity and small scale of the uses.

Commissioner McKitterick asked whether this proposal is likely to meet the goal of expected service to the community. With other therapy uses on a similar scale having received zoning permits, Mr. Vlastic said he saw no issue with Dr. Gandy's application. If other professional offices come in for a zoning permit within the square footage indicated on the floor plan, he said it would come to the Planning Commission for approval, whether it be for an attorney, a wealth management counselor or other professional. That process was laid out in the 2007 CUP, he said, and nothing has been proposed to change it.

In response to Commissioner Hasko, Mr. Vlastic confirmed that the proposed office sizes are small, but they meet minimum requirements and are well below the maximum permitted.

As for the zoning permit for which no application has yet been submitted, Acting Chair Targ asked whether the decision-making authority rests with staff. Mr. Vlastic said the way the Zoning Ordinance is structured, it would typically reside with the Town Planner. In some cases, particularly with greater square footages involved, the Planning Commission has been sensitive to the proposed use of a building and its occupancy, and has required with the CUP action that all zoning permits be considered by the Planning Commission. The matter goes to the Planning Commission for a use permit. He said that's what's happened in this case with the Commission's 2007 CUP approval.

Acting Chair Targ asked also about the two-year review. Mr. Vlastic said there were informal reviews. The Town had begun a comprehensive CUP process of review but it fell by the wayside due to staffing issues at the time. Acting Chair Targ commented that it seemed a high level of review for a fairly minor use. Mr. Vlastic said it was not the particular use on the table now, but a rather contentious situation involving proposals for attorneys and some other uses at another location that made the Planning Commission more sensitive to the issue of service to the community. Such findings remain a major consideration, Mr. Vlastic said, but one of the solutions the Town Attorney recommended was to use square footage measures as a basis for evaluating service to the community, and this has helped reduce the tension associated with the necessary service findings.

Acting Chair Targ said this presumably would be covered by categorical exemption, given that the uses are conditioned on meeting particular limitations associated with the site rather than being defined uses. Mr. Vlastic said that's correct.

Mr. Vlastic said the item would come to the Planning Commission on June 4, 2014.

- (3) Preliminary Review: Proposed CUP X7D-175, Professional/Personal Offices and Art/Gallery Studio Uses, 888 Portola Road (Michael and Lisa Douglas)

Mr. Vlastic said staff is seeking input and comments from the Planning Commission before this item is scheduled for public hearing. He referenced the May 16, 2014 staff report, which contains relevant history, including actions taken in 2001, such as issuance and revocation of CUP X7D-55 and issuance of Variance X7E-120. The staff report also recounts provisions of the C-C District and issues that must be addressed for categories of use if the CUP is to be granted without specific zoning permit requests. The CUP revocation was based on failure to meet a sewer connection requirement. The Douglasses filed suit, but the Town's position ultimately prevailed. Thus, the application now is for a completely new CUP, with no link to the previous one, and the site meets the standards set forth in the variance. These include parking and rehabilitation of the residential use. The site has been well-maintained.

The decision rests with the Planning Commission, Mr. Vlastic said, but staff has taken the preliminary position of willingness to support the application provided that any specific proposed uses are acceptable to the San Mateo County Health Department in terms of the adequacy of the existing septic system and the applicants address certain issues. Nothing in the application proposes a sewer connection, so as now proposed, if a use comes in later that would require a sewer connection, the CUP would need an amendment. If a future use otherwise would meet the Town's zoning provisions but would need a sewer connection, the Town Attorney advised that the Planning Commission could consider some options to revise the current application if the applicant wants to modify the request to facilitate a future approval with a sewer connection without the need for CUP amendment.

The staff report also discusses the zoning permit requirements as well as the scope of possible uses and clarifications the Zoning Ordinance necessitates before the Commission can complete action on the CUP, Mr. Vlastic said. For example, there's a 15% limitation on professional office use in the C-C District. The C-C District also requires that a CUP application define the building space for office use and the specific categories of professional uses intended, so that their appropriateness and potential impact on other office use areas allowed in town can be evaluated. Mr. Vlastic said we also need to know specifically how much personal office space is being proposed.

In terms of an art/gallery studio, if there is no specific application, we would at least need some characterization in addition to the septic system adequacy. Mr. Vlastic explained that when the SPUR Art Gallery permit was approved, there were concerns about parking, the number of events, etc. that would need to be clarified in advance. He said the desire for flexibility is understandable, but given the Zoning Ordinance structure and demands on the Planning Commission to make the required findings, it's important for the applicants to be comfortable in informing the Town about their intentions and working with the Town to get the application processed and prepared for public hearing.

Commissioner McKitterick asked whether the Town or Town Council have come up with any regulations or policies mandating that property owners install sewer connections versus septic systems. Mr. Vlastic said we have requirements of new residences within a certain distance of a sewer line. Ms. Kristiansson said the Town uses the Plumbing Code requirement, which specifies that if a septic system needs upgrade, repair or replacement and is within 200 feet of a sewer line, the property must connect to the sewer, whether it's residential or commercial. When Commissioner McKitterick asked if the septic system on the Douglas property needs upgrade, repair or replacement, Ms. Kristiansson said they would have to provide evidence that the system is functioning as is.

Commissioner Von Feldt asked whether the size of the septic field is consistent with the residential use. Ms. Kristiansson said yes. Mr. Vlastic added that the septic system has proven to be adequate to meet the needs for the residents on the site, and when the SPUR Gallery was there, both commercial and residential uses functioned with no septic issues.

Commissioner McKitterick asked whether the home had been rebuilt. Mr. Vlastic said he understands that some minor remodeling work was done, including work on the garage, but it was not rebuilt.

Ms. Kristiansson said the applicants provided a test of the septic system as part of this application, which indicated that it's adequate for the residence that's on the site, but we would need additional information once we know what specific other uses are planned.

Commissioner Von Feldt posed several additional questions:

- What is the location of the septic field relative to the creek? Mr. Vlastic said the septic field is pretty much confined to the parking lot area, with Village Square Shopping Center and 900 Portola Road between the Douglas site and the creek.
- Was the San Mateo County Health Department consulted in the 2001 timeframe? Mr. Vlastic said the County indicated the septic system was functioning at that time; there were no records of any problems with it.

Commissioner Von Feldt said the record for when the 2001 permit was revoked includes a line that says, "The property fails to meet current County standards to have a septic system installed today." Mr. Vlastic said a septic system that's functioning and has no problems can continue to be used. But a new system would require not only primary leachlines but also a redundant location for lines in case the primary lines fail. Given the size and conditions of the 888 Portola Road site, he said it probably couldn't meet contemporary standards for a new septic system.

- If Windmill School renovates at 900 Portola Road, would it be required to connect to the sewer? Might there be efficiencies involved in connecting both 888 Portola Road and 900 Portola Road at the same time, or ways to share some costs, or make it more financially attractive? Mr. Vlastic said West Bay Sanitary District basically sets the framework for making the connections. Units used as a basis for charges are prorated back to anyone who connects to the sewer, and at each step along the way, those who have put in the most money begin to receive reimbursements as others add connections. He said he didn't know whether there might be construction efficiencies, but as far as the connection costs and reimbursement for the pump station and sewer extension go, the numbers are fairly well-defined and are pretty significant. He also said there have been no discussions about it with Windmill School, but he doesn't know how Windmill would be able to function at the 900 Portola Road site without connecting to the sewer.

Acting Chair Targ asked about parts of Resolution 2431-2009, the Town Council's affirmation of the Planning Commission decision to revoke CUP X7D-55 and denying the Douglasses appeal. He read from the resolution and noted that the resolution also indicates that Town Code Section 17.48.020 (Sewage Disposal) requires the condition of a hookup to be met. Because Section 17.48.020 is in the Municipal Code's subdivision portion, Acting Chair Targ asked whether it applies to the CUP we're dealing with now. Mr. Vlasic said because there is and was no subdivision involved, it typically would not mature to that level.

Acting Chair Targ also asked whether this application has been determined to be complete, given the lack of specificity. Mr. Vlasic said the matter has come to the Planning Commission for preliminary review because of the history and as a courtesy to the requests of the applicants in order to get some Planning Commission responses. But until the application includes all the information the Zoning Ordinance requires, it isn't complete.

In terms of CEQA compliance, Acting Chair Targ asked how issues of impacts would be evaluated. Given the breadth of uses, he said he could envision performance standards around the project to give some "purchase" on what's requested. He also said he can imagine a CEQA document that would demonstrate compliance with standards, for example, and ascertain the impacts. Assuming all three uses would be proposed in the completed application, he asked whether performance standards might be appropriate. Mr. Vlasic said the Planning Commission's preliminary review tonight should help facilitate that conversation and bring it together with the questions that have been mentioned in terms of the size and nature of professional offices, scale of personal offices, etc., gallery, etc., and their relationship to parking standards.

Acting Chair Targ said it would be good for the Planning Commission to provide initial responses to those questions, because it's a "but for" type of issue. He suggested that it may be premature to decide whether this project would be a candidate for a CEQA categorical exemption or whether a Mitigated Negative Declaration (MDN) would be appropriate. Mr. Vlasic said there may be a path to a categorical exemption if we can have a good conversation with the property owner and be clear and comfortable about a more detailed mix of uses and their scale. He added that from the staff's standpoint, the spaces aren't huge and with the proper mix, depending on County Health Department input on the septic system, this application probably could move ahead relatively expeditiously. Based on that information, Acting Chair Targ said that, as he understands it, with no specific requirement for installing a sewer connection, no specific findings are needed to provide for a variance or an exception.

0:57:50.9 Commissioner Von Feldt asked whether the Health Department could evaluate whether the septic system is sufficient if the uses aren't specified. Mr. Vlasic said they could look at the type of uses and offer tentative conclusions, if we can obtain from the applicants specifics in terms of how the spaces are proposed to be allocated, what's personal office, what might be professional office, how many people might occupy that space, etc. He said we have enough standards in the ordinance to be able to give us a framework for evaluation. As an indicator of the kind of granularity the Health Department would consider, Mr. Vlasic said if the proposal involved a restaurant versus office-space use, the Health Department would most likely not find a septic system acceptable. It would have to be relatively low-occupancy, low-impact use.

Acting Chair Targ invited the applicant to speak.

Lisa Douglas said that she and Mr. Douglas are excited about the opportunity to start over and work with the Planning Commission to enable them to lease their space. She said the application is vague because they're trying to figure out how to offer the building for lease to a potential tenant and is looking to the town for help. She clarified that they have no specific tenants in mind, nor specific thoughts on use of the space, but they want to work with the town to define potential uses in a manner that will allow a successful lease effort to proceed. She said they can't offer space for lease and then tell the tenant who wants it that there will be a six- to eight-month CUP amendment process before they could be approved by the town to move in. She said they're willing to work with everyone.

Public comments were requested. Mr. Ebner said he believes he speaks for most people in the Wyndham Drive neighborhood that they'd like to see life on these properties – Windmill School, more people coming to the church, and the beautiful building at 888 Portola Road in use with people coming and going. On a personal note, he said, "This is a very cool process ... where you get down to specifics... Nobody's being litigious... trying to find the possible answers and get to specificity." He said although the Douglasses apparently spent three to four times

more than they anticipated to rehabilitate the building, the result is terrific and all it lacks is flowers in the window and people coming and going. He said he's encouraged by the thought of getting to the point fairly quickly where someone is occupying the building.

Commissioner McKitterick said he's very aware of the Douglasses' prior application, the septic-versus-sewer issue with other applications, and even discussion of the issue in regard to building Town Center. The subject has been on "the civic mind" for many years, he said, and we don't have any policy. Certainly it's within the Planning Commission's scope to require a sewer connection for any particular property for appropriate reasons, he said, but he said he isn't enthusiastic about requiring a sewer hookup without some expressed policy. He noted that the Planning Commission required it in 2001, and with no Town policy 13 years later, he said his preliminary reaction is reluctance to go in that direction.

In terms of what uses to allow, Commissioner McKitterick noted that Community Commercial and Administrative Professional Districts differ. He said he'd previously expressed concern about proposals to modify Village Square due to the shrinking commercial space in Town. He said the Town seems to have a plethora of offices, but is losing commercial space. Although by right the applicants apparently can have 15% offices in their building and he would be comfortable with that, he said he was not inclined to support anything more than 15%. He added that site restrictions for certain commercial uses might require Planning Commission dispensation regarding parking analysis, and he'd be willing to consider that. Like Mr. Ebner, he said he'd like to see the area back in business and stay Community Commercial.

Commissioner Von Feldt said she looks forward to the Health Department's input as to what the septic system can support. Having that key bit of information would make her more comfortable with any recommendation she would make, she said. She concurred with Commissioner McKitterick's point about retaining Community Commercial uses over office space, and the Planning Commission could look at being flexible in order to encourage C-C uses.

Commissioner Hasko said she agreed completely with Commissioner Von Feldt. She said she likes the word "vibrancy," and we should strive for vibrancy on this site. It has been vacant for too long, she said. Commissioner Hasko described a chicken-and-egg scenario, where the applicants don't know what they want to do and the Planning Commission needs to know what they want to do in order to be able to determine whether they can do it. She encouraged the Douglasses to work more with the Town staff and maybe draw up initial straw-man ideas about what would and would not work with the septic system to break through that scenario with options that also would work economically for the Douglasses. Commissioner Hasko also said she'd prefer not imposing a sewer hookup obligation if they can find acceptable uses that don't need it.

Acting Chair Targ said he also supports commercial uses, isn't wedded to the idea of a sewer hookup, and wants to ensure that uses would be compatible with parameters and constraints on the property. He asked whether the Planning Commission would be in a position to deny the application as a matter of general welfare of the Town if it comes forward with personal and professional offices that the Planning Commission doesn't support. Mr. Vlasic said the Planning Commission would clearly have to make specific judgments, on a strong basis, relative to exceeding the 15% professional office use limit that's in the Zoning Ordinance. He said the Douglasses tried to identify low-intensity uses, but they have not been vetted beyond that point, and staff needs to sit down with them and go through the options in some detail. Meanwhile, he said, unless the lack of need for continuing commercial use can be demonstrated, he expects the Planning Commission would find it hard to push beyond the 15% limit.

Acting Chair Targ indicated that providing flexibility through performance standards may be a way forward, and if the specific uses are defined with sufficient clarity, no MND probably would be needed under CEQA but a categorical exemption may be appropriate. As an example of a performance standard, he said one might limit the amount of effluent that could be generated. When Commissioner Hasko asked whether that's a standard the Health Department would prescribe, Mr. Vlasic said staff is working with the applicants to talk to the Health Department and have the Health Department characterize what they think the site can handle with a residential use and other uses in the building. He said we know what plumbing facilities are in the building. Acting Chair Targ said the same thing could be done with respect to parking.

Commissioner McKitterick asked whether staff or the Planning Commission can give applicants upfront anything that would help commercial property owners market their properties if their CUPs don't specify a particular use.

Mr. Vlasic said the Zoning Ordinance contains specific standards by type of use for parking, for example. With a restaurant, the number parking spaces is determined based on the number of tables. If there's no sewer connection, he said the driving force would be the Health Department's input on the range of uses. Overlaying that information with information on parking in the context of the proposed occupancy, he said, we can begin to put together performance standards such as what Acting Chair Targ suggested. If there's a commercial use for which parking is insufficient, another potential opportunity may be provisions for joint parking, if findings can be made that a neighbor is willing to allow parking on his/her property.

(4) Continued Study Session: 2014 Housing Element

Acting Chair Targ drew Commissioners' attention to two draft portions of the housing element that had been included with Ms. Kristiansson's May 16, 2014 memorandum, *Evaluation of 2009 Housing Element and Constraints on Housing*.

Ms. Kristiansson said *Evaluation of 2009 Housing Element* discusses the 13 programs that were approved as part of that Housing Element and the status of each one. It incorporates information from the *Annual Element Progress Report* that the Planning Commission reviewed during its meeting on May 7, 2014. As the Evaluation shows, Ms. Kristiansson said, the Town has done most of the actions the 2009 Housing Element called for, including adoption of several Zoning Ordinance amendments and development of a second-unit manual.

She described the *Constraints on Housing* inventory as one of the longer, more technical parts of the Housing Element. With contents largely specified by state law, she said this document is based on and follows the format used in the 2009 Housing Element. The first section discusses governmental constraints such as land-use regulations permit processes, fees, etc. The analysis then looks at non-governmental constraints such as the costs of land and construction, and ease/difficulty in getting financing. The final section addresses constraints to housing for people with disabilities, including developmental disabilities.

Ms. Kristiansson indicated that the full draft of the 2014 Housing Element update will come to the Planning Commission at its meeting on June 4, 2014, and asked Commissioners to forward any typographical errors or minor corrections from review of individual sections to her to incorporate. The Town Council has a special meeting scheduled for June 18, 2014, to discuss the full draft. She said she is putting information about these meetings on the Town website, sending emails to those on the housing notification list, and asking town staff to post it on the PV Forum.

Ms. Kristiansson said she met last week with three representatives of the California Department of Housing and Community Development (HCD) to provide them with information on and a context for the town, including geology, physical conditions, actions since the 2009 Housing Element and approach to the 2014 update. She said it was a very positive meeting, and she came away with some advice and tips for expediting review and using the new streamlined review process, which the Town is now eligible for due to the Town Council's approval of the State Density Bonus Law (SDBL) ordinance.

Commissioner Hasko asked, how the Town was doing in terms of the housing element evaluation. Ms. Kristiansson said we are doing pretty well. For all of the programs, the Town has gone at least some distance if not the entire distance. Specifically, she cited:

- Six programs for Zoning Ordinance amendments, all implemented in 2011
- Steps in terms of inclusionary housing, with the sale of the Blue Oaks lots
- Discussions with both the Priory and The Sequoias about multi-family housing
- Development of the second-unit manual
- Issuing enough permits for second units to come close to the number projected in the 2009 Housing Element

Commissioner McKittrick noted that *Evaluation of 2009 Housing Element* paragraph 2411f states that Town intends to use proceeds from the sale of the Blue Oaks lots for eight units of affordable housing in addition to the housing allocated to the Town for the 2014-2022 plan period. He said he wants those units to count toward Regional Housing Needs Allocation (RHNA) numbers. Ms. Kristiansson explained that she phrased it the way she did because “it buys us time.” It leaves the door open to, for instance, partnering with The Sequoias for employee housing. She said the point is to let the state know that we intend to get at least eight moderate-income units out of those funds. Commissioner McKittrick said he sees the flexibility her choice of words built in.

Commissioner Von Feldt said staff has done a great job in parsing apart the state requirements and making sure the Town is well-covered. She pointed out also that although we’ve made progress in setting out and meeting targets, Portola Valley’s economic diversity – as discussed at the Town Council, Planning Commission and ASCC retreat on May 18, 2014 – hasn’t improved. While we’re heading in the right direction in terms of meeting state requirements, she is concerned that we haven’t even started to “crack that nut” about improving economic diversity. Ms. Kristiansson said that given the timeframe for finalizing the 2014 Housing Element update, a logical place to address that might be in the goals. She also pointed out that Program 7, the vision component, could also reflect the intention to broaden economic diversity. Commissioner Von Feldt clarified that her point was not necessarily related to this particular update but was more an observation that despite meeting requirements, the big picture is getting worse instead of better.

Commissioner McKittrick said for him it’s not so much economic diversity as a goal because that term is open to so much interpretation, but more the idea of people being able to live where they work. He mentioned teachers and employees of The Sequoias as examples. He said some people want that for reasons of economic diversity; he said he wants it because it would strengthen the community. When Commissioner Von Feldt said it would reduce traffic, too, he added to the list of positives – environmental benefits, more time to volunteer for the community and other lifestyle reasons.

Commissioner Von Feldt referred to paragraph 2415c, which relates to the Human Investment Project (HIP) shared housing program. She said she personally knows five people who work for nonprofits who would be wonderful matches for elderly citizens. They’re right out of school, vetted by AmeriCorps and looking for a place to live for a year. She said this program is underutilized and there must be more we can do to help publicize the program. Ms. Kristiansson said she’s spoken someone at HIP Housing about getting more information and making it more accessible on the Town’s website. She said once the Housing Element update project is complete, she intends to re-work the housing information on the website, adding links to basic information and showcase HIP Housing with links to its site. She also noted that HIP Housing brochures are available at Town Hall. Commissioner Von Feldt suggested supplementing efforts with some low-tech initiatives such as Saturday morning coffee where residents might meet potential home-sharers. Ms. Kristiansson said we also ought to publicize that HIP Housing conducts background checks on both housing providers and housing seekers to minimize worries.

Mr. Ebner said that to bring in a flood of people wanting to take advantage of HIP Housing, post the information at Stanford, where housing-seekers are very motivated. Mr. Ebner also said the Town has no obligation to build or make available any particular number of units; it’s only an obligation to show that it hasn’t created an atmosphere that discourages affordable housing, such as prohibitive zoning. He said somehow the number eight has become attached to the outcome of Blue Oaks, but the more fundamental issue is how fungible the return from Blue Oaks is.

According to Mr. Ebner, suggestions have been made to set up a sinking fund, or an in-Town bank, to promote below market-rate (BMR) housing of various kinds, such as short- or medium-term loans to develop second units, or maybe construction loans. The idea, he said, would be to use the money as a rolling fund or seed capital to encourage creative production of this kind of housing, not necessarily buy a piece of property or build a certain number of units. He described it as a different template, which has a future to it, for approaching the problem of BMR housing. Mr. Ebner said that to his knowledge, nothing in the law would militate against that.

Commissioner Hasko asked whether there are constraints on the Town’s ability to use the Blue Oaks proceeds for units versus programs. As she recollects it, the Ad Hoc Affordable Housing Committee was asked for ideas of what to do with the Blue Oaks money to support affordable housing, but that was a big question and with so much already on its plate, the Committee was unable to follow up. Ms. Kristiansson said the Town Council would

have to make decisions on how to spend those funds. She explained that the eight units Mr. Ebner mentioned originated in the fact that the Blue Oaks lots were intended to hold eight moderate-income units, but we're not necessarily committed to that exact number.

Town Council Liaison Hughes said those eight units were part of our previous Housing Element, so when the update is approved, the eight units go away unless we reintroduce them. Assuming the state accepts the updated Housing Element, it need not be eight units.

Commissioner McKitterick said it could be six units or 16. Commissioner Hasko suggested it could be as broad as subsidizing fees for affordable housing. Ms. Kristiansson said she would discuss the options further with the Town Attorney before coming back to the Planning Commission with the full draft.

Acting Chair Targ suggested asking the Town Attorney about the Town's maximum flexibility in this regard. He wondered whether we could devote \$2 million to HIP Housing or to make the environment as hospitable as possible for affordable housing in Portola Valley. Commissioner Von Feldt said we may be able to get more than eight units out of it.

COMMISSION, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

Commissioner Hasko reported that she and Chair Gilbert, as agreed, have begun reviewing the Ad Hoc Affordable Housing Committee's report in light of the Housing Element goals and policies, and are working on integrating some of the language. They will resume when Chair Gilbert returns.

Ms. Kristiansson said a special joint field meeting of the Planning Commission with the ASCC is scheduled for May 27, 2014, beginning at 3:30 p.m. at the White property, 683 Portola Road and moving on to meet at 17 Redberry Ridge at 4:30 p.m. As Ms. Kristiansson explained, the site meetings will give Planning Commissioners the opportunity to comment on those projects – a CUP for 683 Portola Road and a site development permit at 17 Redberry – and that these projects will not be agendaized for preliminary discussion in front of the Planning Commission due to the high level of work and the cancellation of the June 18th meeting.

Ms. Kristiansson said she would send out an email to confirm which Commissioners will be able to attend which meetings this summer and to request a general picture of their availability for scheduling purposes if anything needs to be rescheduled.

APPROVAL OF MINUTES

Commissioner McKitterick moved to approve the minutes of the May 7, 2014 Regular Planning Commission meeting. Seconded by Commissioner Von Feldt, the motion carried 4-1.

ADJOURNMENT [9:30 p.m.]

Denise Gilbert, Chair

Karen Kristiansson, Interim Town Planner