To: Portola Valley Town Council Members and Community

From: Willow Commons

Date: Monday September 8, 2025

Subject: Additions to Staff Report regarding Financial Contribution from Affordable Housing Fund – Willow Commons Permanent Supportive Housing Project for Adults with Intellectual and Developmental Disabilities

We believe that the Town's memo is missing some significant background as its basis for recommending granting a fraction of our original formal proposal (2021) asking for $3.5m financial support from the affordable housing fund. I am sharing some of that background here along with some facts about how low income housing is customarily supported. But before offering that background and those facts I'd like to share a recommendation for a framework to be used when considering supportive funding for affordable housing projects.

A Framework for Affordable Housing Fund decision making:

Here is a framework for *minimum* support of affordable housing projects going forward that would help the council, planning department and future developers to know what the town values and minimum levels of support a project can expect.

Not all affordable units are the same. Some of the main differences are affordable units that are a small percentage of a project are viewed as *inclusionary units* that allow entitlement for a market rate project as a condition for approval and are entitled to some density benefits. These projects don't need financial support due to enabling a project that makes economic and/or strategic sense - the Priory, Blue Oaks and Stanford Wedge are good examples. *Therefore it is recommended that fee waivers or financial support only for projects that have at least 50% of the total units that are at Low Income or lower level of affordability.*

Affordability Depth is another key dimension - that is at what level the income level restriction as a function of the San Mateo Area Median Income (AMI) level. Rents are then limited based on these income levels with the basic equation of being no more than 30% of the maximum income level based on unit/family size. The big fact to know is Very Low Income (VLI) generally just cover the hard costs so they can't support debt or other ways for long term operations like building operating and building reserves. This is why you will typically only see a fraction of project building serving VLI or ELI income levels.

We would not recommend supporting units that use Moderate Income level as it is 120% of San Mateo AMI, this can be financed. A one bedroom Moderate income rent would $4,500/mth. *Recommendation is to only support Low-Income and lower levels of affordability.*

Lastly, the dimension on who the project serves. **Supportive Housing is expensive because of added building space for program and community.** Willow Commons has 40% of the total square footage for common non-residential programming space. This results in much higher construction costs and operating costs on a per/unit basis. The higher the percentage of permanent supportive housing, the higher the financial support to make the project a reality.

Here is a matrix recommendation that I have shared with the town council members and staff before:

Minimum Level of Town Financial Support For Affordable Housing Projects with at Least 50% of units at Low-Income or Lower income thresholds. Financial Support for projects that are 100% affordable or have high levels of supportive units or use design and quality materials should be adjusted upwards.

Level of Affordability	**Financial Grant for Deed Restricted Unit**	**Permanent Supportive Housing Deed Restricted Unit**
Moderate Income (120-80% AMI)	$0k	$100k
Low Income (80-50% AMI)	$100k	$200k
Very Low Income (50-30% AMI)	$250k	$350k

- Only for projects with at least 50% of units deed restricted at 80% or lower affordability level (AMI)
- Grants based on fund availability
- Adjust support levels annual based housing price increase for Portola Valley or inflation which ever is higher
- San Mateo2025 Income and Rent limits tables: https://www.smcgov.org/media/154289/download?inline=

Lastly, I would add a Linkage Fee for any projects in PV - both Residential and Commercial that require building permits to continue to add funds to the Affordable Housing Fund - this is what neighbors do like Los Altos.

Background on the Willow Commons Request and Experience

When embarking on this project we were given clear encouragement by a town staff that had a degree of longevity with the town and who quickly recognized that this project offered more units and a more difficult classification (low income rather than moderate) than the project around which the “in lieu” fund was created. They also recognized that given the town's history of having no multifamily housing, no permanent supportive housing and no deed restricted affordable housing (what some call 'true affordable housing'), that the completed project would enable the town to be able to highlight the project in future HCD reports. Given all of this we were highly encouraged to trust the process rather than hold out to have the request resolved *before* going forward, which is more typical for a project like this, and we were led to believe that the amount of our request was absolutely reasonable given that no other projects had come forward requesting money from the fund in its 10 year history.

Our patience has been tested and so has our faith in our town.

The town enjoys the benefits. Specifically it highlights and takes credit for partnering to bring a project like Willow Commons to fruition in the town. The supportive words have been great but sadly the hard reality has been quite different. Everyone on this council and the one before knows first-hand the challenges the town has created for this project. While we recognize the town has had its own challenges, it is hard to square where the actual priorities were. We share some facts below.

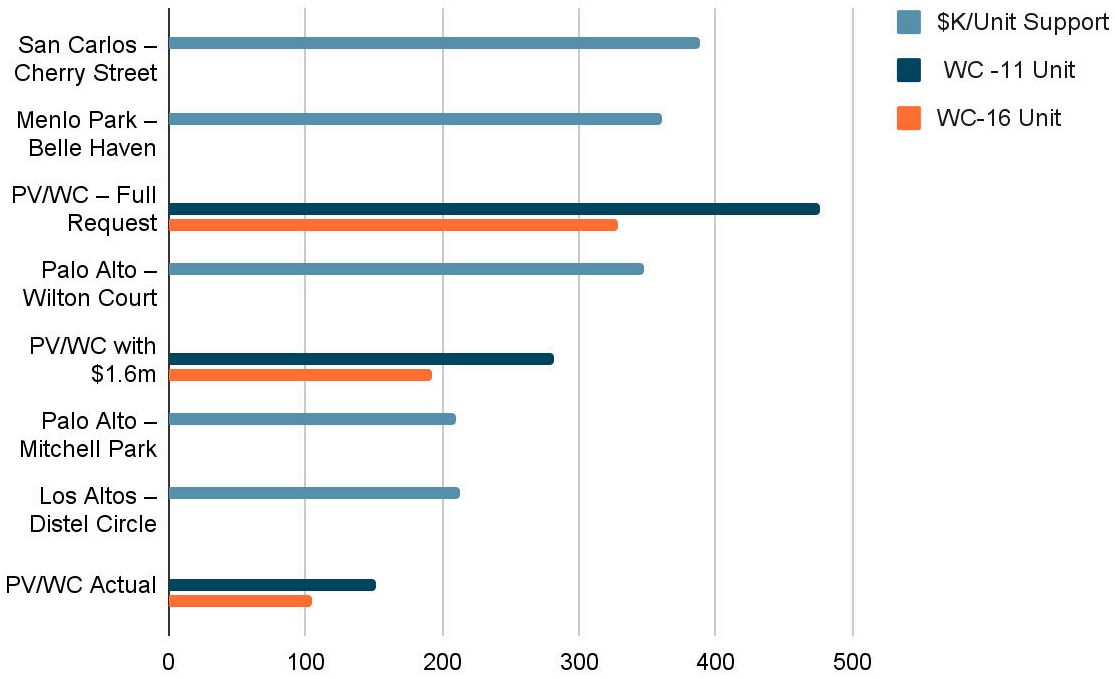
The main point is that instead of helping, the town detracted and created significant actual hard cost increases and delays for the project. Furthermore, the project identified several issues with town policies, ordinances and infrastructure that remain unresolved, so if there is a next affordable project it will unfortunately have similar issues and cost impacts.

The town benefits from Willow Commons having created permanent supportive housing apartments for adults with intellectual and developmental disabilities (IDD) - the first Deed-Restricted Affordable housing project and the first Intellectual or Developmental Delays (IDD) Permanent Supportive Housing project in the town's history.

Why Local Contribution is Needed

- **Catalyst for Other Funding:** County, State agencies and philanthropists expect a meaningful local financial commitment before awarding allocations.
- **Customary Practice**: Neighboring cities routinely make substantial grant-equivalent contributions. Here are some recent similar neighboring project examples.

This chart below depicts per unit contributions from neighboring communities for recent small scale affordable housing projects. None of these other projects were for 100% affordable and permanent supportive housing. For comparison sake we have added three 'Portola Valley' lines. The highest one (third one down) reflects a contribution that includes the full funding requested as well as fees waived and the $1.5m from the county. The black line represents per unit cost of 11 units, which is what is currently part of the regulatory agreement for the site. The orange line represents per unit cost of 16 units, for which a regulatory agreement has been signed, but not yet sent to the county. (See appendix for information about unit count.) The next PV line (fourth from bottom) reflects a contribution of the $1.6m being proposed as well as fees waived and $1.5m from the county. The final/lowest bar is the current situation in which Willow Commons received $180k fee waivers and $1.5m from the county.



Here are the project details, they all have different characteristics but almost none are 100% affordable AND Permanent supportive housing, which is the hardest.

City / Project	**Year**	**LI Units**	**Local Contribution**	**$/Unit**
San Carlos – Cherry Street	2020	33 (VLI)	$12.8M	~$388k
Menlo Park – Belle Haven	2024	10	$3.6M City + $1.5M County	~$360k
PV – Willow Commons **full request.**	2025	11 (9 IDD	$3.75M Town + $1.5M County	~$477k
Palo Alto – Wilton Court	2019	59 (21 IDD)	$20.5M	~$347k
PV- Willow Commons with **proposed $1.6m**	2025	11 (9 IDD	$1.6m City + $1.5m County	~$281k
Palo Alto – Mitchell Park	2022	50 (25 IDD)	$3.0M City + $7.5M County*	~$210k
Los Altos – Distel Circle	2022	90	$4.6M City + $14.6M County*	~$213k

PV – Willow Commons **Actual**	2025	11 (9 IDD)	$180k + $1.5m County	~$152k

Sources: San Carlos staff reports (2020); Almanac News (2024); Palo Alto Online (2019); Eden Housing & AbilityPath releases (2022–2024); SF YIMBY (2025).

LI - Low-Income 50-80% of Area Median Income (AMI) VLI - Very Low Income Classification (30-50% of AMI)

IDD - Intellectual or Developmentally Delayed * Land

Policy Context: Why Local Subsidy is Critical and Typical for Supporting Projects Primarily Composed of Affordable Units and Supportive Housing.

- **Los Altos Affordable Housing Alliance (Sept 22, 2021)**: Emphasized that financing 100% affordable housing requires meaningful public investment because restricted rents cannot support construction debt. It showed the local town contributed 20-40% of the project development costs, typically being in the $125k-$300k/unit. *Portola Valley Unit costs are higher due to land costs, lower density and higher building codes.*

It also illustrated, Inclusionary units(where a project has 10-20% of below market units) are cross-subsidized in mixed-income projects and generally don't need subsidization as entitlement of the market rate units makes the project feasible. Recent local examples of inclusionary units are Blue Oaks and Stanford's Portola Terrace (Wedge) projects. **Source**: Los Altos Affordable Housing Alliance 9/22/2021 letter to the editor

- **2017 MTC/BAHFA Report**, 'Funding Affordable Housing Near Transit in the Bay Area Region': Found that local contributions averaged ~$145k per unit and were decisive in enabling 100% affordable developments. Inclusionary projects typically did not require this support. This is quite dated and understates today's costs and supports needed. *Portola Valley's costs are significantly higher due to land, lower density zoning and more stringent building codes.* **Source**: 2017 MTC/BAHFA Report

Local Control: Why did the Project Not use Other Financial Resources: Section 8 or Low Income Tax Credits?

Portola Valley won't compete well for Low Income Tax Credits (LITC) or Project Based Section 8 funding. Projects utilizing these sources have to compete based on criteria which don't work well for small projects and Portola Valley specifically. Projects get scored based on cost/unit, level of public transit, retail resources, post office and other key items. Across all of California in 2023 there were only 184 projects successful in winning Low Income Tax Credits. Of the 184 projects, the more valuable ones called 9% credits, the project sizes averaged 51 units/project (too big for PV), and only $4.7m/project or $92k/unit. 4% credit projects were even bigger at 117 units/project averaging $7.2m/project or $61k/unit.

More importantly, those programs generally impact control of critical admissions and operating policies and have other demands which will not be attractive to Portola Valley or local philanthropic donors.

Portola Valley Benefits

Willow Commons checks many boxes for Portola Valley. It is a project that the community and staff can and should feel proud of. The project counters many years of bad press and claims that the town is avoiding affordable housing. One of HCD's primary issues with our housing element was how we are dealing with Fair Housing and also creating affordable housing with ADU's using the affordability allocation methodology versus creating deed restricted affordable housing. Lastly, Willow Commons was one of only a handful of County projects awarded affordable funding and at the maximum of what they do for direct financial support, further pointing to the importance of the project.

Portola Valley Mayor Jeff Aalfs speaks at the groundbreaking for the Willow Commons housing project on June 15, 2023.

Source:
https://www.almanacnews.com/news/2023/06/20/portola-valley-community-celebrates-groundbreaking-for-first-affordable-housing-project-in-town/#:~:text=The%20groundbreaking%20for%20the%20Willow,Valley%20on%20June%2014%2C%202023.

The town highlights as *the* key example in its Housing Element and last two annual HCD Progress Reports the Willow Common's project for Affordable Housing progress and for addressing Fair Housing Goals, so it is taking credit and benefiting. The project created ~25% of the total Low Income units for the *full* eight year RHNA cycle through to 2031 and created the first Permanent Supportive Housing units in the town. To date, the only financial support has been $180k in fee waivers.

1. Portola Valley's Approved Housing Element: https://www.portolavalley.net/home/showdocument?id=18176&t=638457695180547968
2. Portola Valley 2024 HCD Annual Progress Report: https://www.portolavalley.net/home/showpublisheddocument/18283/638485133561170000
3. Portola Valley 2023 HCD Annual Progress Report:https://www.portolavalley.net/home/showpublisheddocument/19552/638828383188400000
4. Portola Valley Web Site: https://www.portolavalley.net/departments/planning-building-department/development-projects/willow-commons

Portola Valley Difficult Affordable Housing History

On July 22, 1998, 27 years ago the Blue Oaks development was approved. The 30 Blue Oaks lots approved by Portola Valley had the condition of including four lots (13% inclusionary) to create 8 Below Market Rate units consisting of four duplexes with deed restrictions for moderate income. Other concessions made by the developer for entitlement approval were trail easements and new trails, emergency roads, improvements to Los Trancos Road and local water supply improvements. All of those conditions for the project were done *except* for the 8 below market units. The town allowed occupancy even though the condition was not met. However, the developer had only two years to complete the subdivision improvements. **Source**: Almanac 7/29/1998 Portola Valley: Construction ready to Start on Blue Oaks Subdivision

In 2009 PV took title to the lots and after 3 years of work concluded it could not get an affordable developer to build the duplexes. In 2012 the town tried to buy the 900 Portola Rd lot but failed and instead sold the Blue Oak Lots and created the basis for the Housing fund which now stands at $4.9m. No affordable units have been built since then and the efforts described above point to how difficult it is to create affordable units. In summary, we have had several efforts over the last 30 years that resulted in no affordable units being created in Portola Valley.

Source: https://www.hcd.ca.gov/housing-elements/docs/portola_valley_5th_adopted012615.pdf

Willow Common's is the only project that has created affordable units. Its 2021 request is typical for a project like this in general and specifically, this produces more units (16 versus 8) than the original project and at lower affordability levels (Low Income instead Moderate). It also ticks an additional HCD box of serving as Permanent Supportive Housing for adults with IDD.

Portola Valley's Impact on Willow Commons

While we feel the above comparison of our project to the one which created the fund should be enough to deserve the requested funding, there are additional reasons we feel the full funding is warranted: The town caused direct real cost increases to the project and significant delays. Here are several issues which caused the project to be delayed by over a year and added over $1m in actual costs:

1. Willow Commons was not a prioritized project (see below for actual data reflecting what the town priorities were)

2. Portola Valley's unprecedented staff turn over
3. Essentially no assistance with core town infrastructure issues

1. Single family homes were the priority. PV Data on Planning Department Priorities:

5/1/25 excerpt of our public comment to the town council on Portola Valley HCD 2025 Annual Progress Report:

"What is to be congratulated in the report is to see that despite losing virtually all the staff over the last two years, having more than one Interim Planning Director and staff, and establishing a laundry list of programs requiring staff time and emphasizing prioritization on producing affordable units, we were able to process dramatically more projects than we have since 2018.

- 2018-2023, we averaged about 10 projects and 10 units/year
- In 2023, we produced 19 units, consisting of 8 projects/units and the Willow Commons project at 11 units, so without Willow Commons, it was an average year.
- In 2024, we processed 31 units in 24 projects (most were properties with a single-family home rebuild and an ADU).

With fewer staff and no permanent leadership, we processed 2.5 to 3.0 times as many units and projects as we have on average since 2018. Well Done!

But I can speak personally to the fact that that progress came at a cost. Despite the Willow Commons being named in **Program 5-3** as a prioritized project, it suffered a consistent pattern of weeks and months of silence and unresponsiveness from the planning department. After significant and costly delays, the Willow Commons issues were addressed individually, rather than by amending ordinances and resolving the root cause of the problems. As a result, the next multifamily or affordable project will likely have a similar frustrating experience. (We are still awaiting a response for a request associated with **Program 4-4** in the Progress Report.)"

As we have said, I think the town claiming it gave prioritized and technical support to the project in the last 2 HCD Annual Progress Reports on Program 5-3 was incorrect and disingenuous.

2. We experienced four town managers (two interim), four planning directors (still interim) and two town attorneys resulting in poor management of the project and reliance on outside consultants. We have had no PV planning staff on the project so we lost all town and project history with each turnover. As you saw in the town memo, the PV staff in 2022 planned for project fees to $23k. The actual fee amount was over $250k, *11 times the estimate*. The town paid that significant extra expense to outside consultants that were poorly managed. Sadly, the Willow Commons project paid multiples of that amount. Most on this council know the number of times we had to escalate to you to get responses that went over three months and at some points of no response from the town.

3. Lack of infrastructure support, which is critical for 100% affordable projects. CalWater, PGE, Westbay Sanitation are not adequate for multifamily housing even on Alpine Rd. Willow Commons has had to spend over $1.25m on infrastructure and got extremely limited assistance in dealing with conflicting requirements from Woodside Fire, CalWater, WestBay Sanitation, County emergency standards and our town policies.

Conclusion

The town has a question to answer - does it want to be a meaningful Willow Commons partner?

The County's answer was YES and Willow Commons received one of the rare and largest financial grants from the county with no strings attached.

To date, the town has not helped and rather, has hurt the project. We are not complaining but we are pointing out facts and a sad reality. While the fee waiver is appreciated, it has been PV's only affordable housing program in the General Plan. (As an aside, Willow Commons should not have financed those fees, paying for them and then waiting for reimbursement. By doing this we may have unwittingly sheltered the town from the visibility to costs that might have caused the town to manage the outsourced planning resources better. Doing that would have saved the town a significant amount of money and would have saved the project significant dollars and prevented schedule delays. *Recommendation; make a fee waiver decision on an affordable project approval and with a budget. Have the Planning Department pay the fees to increase accountability and alignment.)*

If it can not meet our $3.5m grant request, we don't think it is because the town doesn't have the money as it does ($4.9m).

We don't think it is because this is out of line with what a project like this would receive from its local city - because it is not.

It isn't because the town doesn't get excellent value for the investment, because it does.

If there is concern about setting a precedent, it could be positioned just as a one-time reimbursement for the costs and schedule increases to the project resulting from the town staffing problems.

However, if the argument is that we need to hold off because other projects are coming, I think you should agree on what is the right level of support for Willow Commons, pay out an amount now and if no projects come forward in the next 12 months the remainder is released. The town should not sit for decades on the funds given its past history and known challenges.

How the County Structured Their Financial Support of Willow Commons

The staff memo raises some concern about the financing request, for example, triggering Prevailing Wage requirements. We are happy to share information about how the County, with similar restrictions having to do with use of public funds, was able to resolve the issues as they made their $1.5m contribution to the project.

Appendix:

Willow Commons number of units?

The original approval in December of 2021 was for 13 units. The project made a change for several of the units making them configurable to either 1br/1ba or 2br/2ba to offer flexibility on the request of the service provider to the residents. This change is reflected in the recorded Regulatory Agreement of March 14, 2025 which is for 11 total units for the permanent supportive housing project, 2 less than the original approval. An amended Regulatory Agreement that is notarized and executed on May 28, 2025 has not yet been recorded that acknowledges the flexible layout that allows for the 1br/1ba

treatment of 5 units (that had previously been considered as part of a 2br/2ba configuration). This increases the total units of the project to 16 with each of the units meeting the state definition of a dwelling unit. In addition the unit count is consistent with zoning and will increase our town unit count but will not change the way Willow Commons is operating. This has not been recorded and is not included in our HCD reported production numbers at this time..

For affordable projects the unit count is the total number of units as all projects include some number of management units to make the project work. Those are included in the unit count for the project and in the regulatory agreements.

Cost to build affordable or Multi-family units in Portola Valley:

Unit costs are over $1m/unit - based on three recent Portola Valley actual construction costs

Project	**Year**	**Units**	**Cost**	**$/unit**	**$/sf**	**comment**
Priory	2022	6	$6.5m	$1.1m	$833	
Willow Common	2025	11 16	$23m $23m	$2.1m $1.4m	$1,538 $1,538	40% non housing; high infra costs; and 6 discrete buildings*
Ladera Church	2023	1	$371k	$371k	$463	Replace existing ADU with mfg built

*The project design process took care to ensure that this first multifamily project in the town would 'blend in' with the existing look and feel of Portola Valley which is why the design resulted in six buildings rather than one single larger structure.

Why is affordable housing so expensive? (recent Rand Study comparing CA, TX and CO https://www.rand.org/pubs/commentary/2025/04/why-is-it-so-expensive-to-build-affordable-homes-in.html#:~:text=%E2%80%9CSoft%20costs%E2%80%9D%20in%20California%20are,and%20San%20Francisco%20metro%20areas.)

a. Land costs (very high and low density so high per unit)
b. Soft Costs - Professional (architectural, engineering, design, legal very high)
c. Time - entitlement and building
d. Density (lack of)
e. Zip Code Bidding (94028)
f. Building code (PV has very high and challenging building standards compared to many towns)

Submitter DB ID	7690
IP Address	[redacted]
Submission Recorded On	09/10/2025 12:18 PM
Time to Take the Survey	9 minutes, 11 secs.

Page 1

1. First and Last Name

William Stronck

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

IACPV LLC

4. Street address (will not be publicly displayed)

[redacted]

5. City

Woodside

6. State

CA

7. Zip Code

94062

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

7. b

10. Comment

See attached

11. Optional: You can upload a copy of your comments.

Grant support.pdf

September 10, 2025

Portola Valley Town Council

Re: Willow Commons

Subj: Affordable Housing Fund Grant Request

Dear Council Members:

I write to you today to offer my full support for Jim and Patti White's request for financial support in the form of a $3.5m housing grant funded from the town's Affordable Housing Fund. My firm, Gonsalves & Stronck Construction Company Inc. (G&S) was the general contractor for the unique and innovative Willow Commons project. In addition, I am a lifelong local (Woodside) resident whose three children attended Ormondale and Corte Madera Schools and as a local builder have built numerous large-scale projects in town over the years including The Sequoias, Alpine Hills and Ladera Oaks.

In considering the White's request, the council must weigh the role the town played in driving up the cost of construction. With more than forty-two years of building experience and over $3.2 billion successfully built I can personally attest that I have never experienced a more dysfunctional plan-check/building permit process than what we endured in the never-ending cycle of plan review and resubmittals. Specifically, as everyone is aware, the town's revolving door of staff changes severely impacted on continuity, institutional knowledge and frankly, staff ownership and responsibility. This disfunction caused numerous delays (measured in months), uncertainty (conflicting code interpretations) and wasted efforts on our design and construction staff. In contrast, all my previous experiences with town staff over the past 25 years have been cooperative and successful.

It should also be mentioned that in the process of creating the town's housing plan, it appears that the town staff failed to coordinate (or even reach out) to the local utility providers. There remain serious questions whether the local infrastructure as currently configured can adequately support future high density housing projects without large scale upgrades. In the case of Willow Commons this resulted in delays, inordinately high engineering fees, connection fees, and infrastructure cost.

In closing, the Willow Commons project is an incredible addition to the fabric of Portola Valley that everyone should be proud of and deserves the full support of the council as expressed by approving the full affordable housing fund grant request.

Sincerely,

William Stronck

Submitter DB ID	7682
IP Address	[redacted]
Submission Recorded On	09/09/2025 8:59 PM
Time to Take the Survey	2 minutes, 31 secs.

Page 1

1. First and Last Name

Mary Henry

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[redacted]

5. City

Woodside

6. State

CA

7. Zip Code

94062

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

7

10. Comment

As a resident of the Portola Valley School district, a community member, and a parent of a Willow Commons resident, I strongly urge the Town Council to grant the White's request for a fee waiver and a grant from the Affordable Housing Fund.

There are many arguments for this.

1) Keeping this fund in an unused reserve for more than 13 years without deploying it underscores the reputation of Portola Valley as being indifferent o hostile to promoting affordable housing.
2) Willow Commons is especially worthy of an affordable housing project grant, as a model that addresses numerous affordable housing challenges in a single project.
a. It provides a significant number of low-income units, about a quarter of the Town's target goal, with a small scale and a natural setting. Most planned affordable housing units are included in much larger multi-unit developments of market-rate units to create a favorable return on investment. Willow Commons integrates seamlessly into Portola Valley.
b. It provides supportive, affordable living to adults with disabilities, which is a category of affordable living that is particularly rare and needed in the Bay Area.
c. Willow Commons is already built and operational. Unlike awarding a grant to a proposed development, where there is risk that the project will not be completed, we already know that this project is accomplishing its goals. We should not penalize the Whites for going forward with this project without an initial grant. Rather, we should acknowledge the worthiness of Willow Commons with the grant it deserved years ago, which will encourage other projects and improve the Town's reputation for supporting affordable housing.
3) The Town's administrative issues were very costly for this project. A fee waiver and grant would help to remedy these mistakes.
4) Willow Commons will be studied across the country as a model for affordable housing projects and supportive communities for adults with disabilities. Portola Valley will benefit from the positive press, but the story will be more compelling if the Town's support of this project is more concrete.

Thank you for considering this request.

Sincerely,
Mary Henry

11. Optional: You can upload a copy of your comments.

Submitter DB ID	7688
IP Address	[redacted]
Submission Recorded On	09/10/2025 10:11 AM
Time to Take the Survey	14 minutes, 53 secs.

Page 1

1. First and Last Name

Mark Waissar

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

--None--

4. Street address (will not be publicly displayed)

[redacted]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

7.b.

10. Comment

I am writing to support that the Town Council approve appropriating $3.5 million from the Affordable Housing Fund for the Willow Commons Housing Project, as requested by the applicant. The Affordable Housing Fund exists precisely to help fund projects such as Willow Commons. Currently (September 2025), the Affordable Housing Fund has $5.1 million in assets. The Fund has been in place for over 13 years with no awards to date. Given the cost to build in Portola Valley, it is unlikely that there will be future significant requests of this nature, so this is the optimal use of these funds. Appropriating the full $3.5 million requested will still leave over $1.5 million in the fund, which will continue to grow via interest earnings and new contributions to the Fund - leaving future Town Councils the dilemma of how best to use the remaining funds.

11. Optional: You can upload a copy of your comments.

Submitter DB ID	7683
IP Address	[redacted]
Submission Recorded On	09/09/2025 9:09 PM
Time to Take the Survey	10 minutes, 9 secs.

Page 1

1. First and Last Name

Sarah Dorahy

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[redacted]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

6 and 7

10. Comment

Dear Council,

I am writing in strong support of releasing Town Affordable Housing Funds for a fee waiver and a grant for the Willow Commons development. This project represents exactly the kind of community-minded investment that the fund was created to support.

For over 13 years, $4.8 million has been sitting unused in the Town's Affordable Housing Fund. Meanwhile, the need for inclusive housing in our community has only grown more urgent. Willow Commons is a thoughtful, well-designed project that provides affordable housing opportunities for people who live, work, and contribute to our town.

We are fortunate that the Whites stepped forward to take on this work. Their commitment over the last several years has been extraordinary. Despite enduring more than four years of delays and more than $1 million in additional costs, they have continued to advance Willow Commons because they believe in its value for its residents and for our town. We owe them not only our gratitude, but also our partnership.

Releasing Affordable Housing Funds for Willow Commons would also serve a broader purpose: it would demonstrate that Portola Valley is taking meaningful action to address affordable housing. After several years of negative attention in the media and from HCD regarding our housing stance, supporting Willow Commons is a tangible, immediate step toward fairness, inclusivity, and good governance.

Willow Commons will deliver real community benefit. By agreeing to the Whites' request, the Town can demonstrate commitment to affordable housing support the Whites' investment and perseverance, and create a more welcoming, balanced, and sustainable community for us all.

Thank you for your leadership and for making this important choice.

11. Optional: You can upload a copy of your comments.

Submitter DB ID	7673
IP Address	[redacted]
Submission Recorded On	09/09/2025 7:04 AM
Time to Take the Survey	5 minutes, 55 secs.

Page 1

1. First and Last Name

Nicole Rubin

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[redacted]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

09/09/2025

9. Agenda Item number or name

7 b

10. Comment

Dear Town Council, I am writing to indicate my STRONG SUPPORT for Appropriating up to $3.5 Million from the Town of Portola Valley Affordable Housing Fund to Jim White and Patty White for the Willow Commons Housing Project Owned by IACPV LLC at 4388 Alpine Road, Authorizing the Town Manager to Enter into an Affordable Housing Grant Agreement, and Determining the Project is Exempt under the California Environmental Quality Act.

I believe this is a very important, responsible use of Town funds because:

- It will fund supportive housing for adults with intellectual/developmental disabilities (consistent with AB 2162).
- Willow Commons is providing 11 units toward the Town's lower-income targets in the certified Housing Element, which accounts for ~ 25% of the tota in the current 8-year RHNA cycle that ends in 2031. Likely the only example, other than Stanford's Portola Terrace, that will materialize this RHNA cycle given the insurmountable cost to build and lack of ROI for LI in PV ($109,700 HHI for an individual/$2,240 rent).
- Enables the Town to meet its HCD/Housing Element obligations, including advancing fair housing (AFFH) for people with disabilities, as the Town has promoted (i.e. taken credit for) in its past 2 years of annual progress reporting to HCD.
- Deploying funds where delivery is real maximizes RHNA progress - the project shows immediate, bankable progress. Other than Portola Terrace (approved Dec 2024 for 27 faculty + 12 affordable), there's no comparable REAL known low income project underway, or even being considered, for RHNA Cycle 6 in Portola Valley.

Thank you!

11. Optional: You can upload a copy of your comments.

Submitter DB ID	7680
IP Address	[redacted]
Submission Recorded On	09/09/2025 2:13 PM
Time to Take the Survey	24 minutes, 25 secs.

Page 1

1. First and Last Name

Lorrie Duval

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[redacted]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

7a and b

10. Comment

Dear Town Councilmembers,

Please vote to adopt the Resolution Appropriating $70,026.76 for Town
Planning Fees (Item 7a) and the Resolution Appropriating up to $3.5 Million from
the Town of Portola Valley Affordable Housing Fund (Item 7b).

I am pleased with the addition of Willow Commons to our Town -- and doubly pleased that it provides about a quarter of our Town's required Low-Income housing units for the current RHNA Cycle that ends in 2031.

Our Town in the aggregate has greatly benefitted from the extraordinary generosity of Jim and Patty White in building of Willow Commons. Let's do Ou Town's Part: vote to adopt both resolutions.

Thank you very much for all you do for our Town,
Lorrie Duval

11. Optional: You can upload a copy of your comments.

Submitter DB ID	7681
IP Address	[redacted]
Submission Recorded On	09/09/2025 3:39 PM
Time to Take the Survey	18 minutes, 44 secs.

Page 1

1. First and Last Name

Jerry Shefren

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[redacted]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

Willow Commons

10. Comment

I support using funding from the affortable housing fund to cover some of the costs of building Willow Commons which is a beautiful example of affordable housing for our community. After reading and understanding the additional costs that were incurred during the schizophrenic years where our planning department even with well intentioned people were not able to meet the normal needs of this project.

The funds were created for this purpose and it has been over 10 years without any expenditures from the fund.

We must right this wrong if we are to move forward as a respectable community and a respectable partner for future projects. If not now, then when wil we be able to show that we are back on track to being a reliable resource for the community.

11. Optional: You can upload a copy of your comments.

Submitter DB ID	7685
IP Address	[redacted]
Submission Recorded On	09/10/2025 9:01 AM
Time to Take the Survey	2 minutes, 18 secs.

Page 1

1. First and Last Name

Sarah Wernikoff

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

NA

4. Street address (will not be publicly displayed)

[redacted]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

7b

10. Comment

See letter attached.

11. Optional: You can upload a copy of your comments.

Sarah Wernikoff Letter in Support of White Grant.pdf

Why the Council Should Support the Whites' Grant Request for $3.5M from the Town's Affordable Housing Fund

[For transparency and as a reminder, I was recused from all discussions related to Willow Commons with the Town, Town staff and other Council members - private and public - during my 4 year term on Council bw 2020-2024. With these remarks I am weighing in on this project for the first time, and am glad to have the opportunity to do so.]

1. The Fund exists for precisely this reason.

- Subsidizing the cost of building affordable units is exactly why the Fund exists, and it is customary, if not necessary, for local municipalities to contribute so units actually get built (as referenced in detail in the Whites' letter - and other examples including most municipalities in the Bay Area.). This is an opportunity for Portola Valley to stand with neighboring communities that are investing in **real** projects.

2. The Town has been sitting on the funds for too long.

- The Fund has been in place for over 13 years **with no awards to date**, despite multiple attempts to allocate dollars to affordable housing (Blue Oaks, 900 Portola, and the Whites' first request in 2021).

3. Willow Commons delivers real, 100% low-income *permanent supportive housing* toward RHNA and Housing Element/AFFH obligations with HCD.

- Willow Commons units contribute 20-35% of the Town's low-income requirement for the current 8 year RHNA cycle in the Housing Element site inventory (pages 124 and 141), depending on unit scenario:
    - **9 deed-restricted units = 20%** of PV's low-income category
    - **11 as-built units = 24%** of PV's low-income category [***actual current scenario***]
    - **Up to 16 units** (offered by the Whites nearly a year ago) **= 35%** of PV's low-income category
- Because Willow Commons is not just 100% affordable but also "**permanent supportive housing"**, it **advances AFFH** (a requirement from HCD) for people with disabilities - something the Town has promoted (and taken credit for) in its last two Annual Progress Reports to HCD.
- Deploying funds **where delivery is real maximizes RHNA progress.** This project offers immediate, bankable progress.

4. Willow Commons was built the "Portola Valley way."

- The design is a two-story, smaller-scale cluster of buildings set behind a modest one-story commons building (with plans for a community coffee shop), with a courtyard including intentional native green space and architecture that echoes others along the

Alpine Scenic Corridor – vs. typical affordable housing that has greater massing and height, and no common/community space.

- ***The design aligns with preferences expressed in the Town-wide survey and the 18-month AHHEC process (2022).***

5. Willow Commons is a bright spot amid 2 years of negative media and HCD scrutiny.

- Over the past two+ years, PV has faced negative regional and national media coverage for housing resistance/decertification.
- Funding Willow Commons is a tangible, immediate fair-housing action that helps reverse the Town's anti-housing reputation.
- **Rejecting the request or underfunding** from a fund that has not been used in 13 years would likely amplify criticism and **increase HCD scrutiny** as the Town is attempting to update its Housing Element.

6. Willow Commons is an unprecedented philanthropic opportunity.

- **$23M** provided privately by a single philanthropist is highly unusual in the Bay Area (typical projects rely on complex public + tax-credit + pooled philanthropy). **I cannot find another example like it.**
- The Town should fully welcome and embrace this partnership — for what it has already contributed, and for future opportunities in our community. **Typically** you would see a municipality ***court and proactively provide incentives for an opportunity and affordable housing partner like Willow Commons****, instead, the Whites have experienced an expensive adversarial response from the Town* – **this is a opportunity to course-correct going forward.**

7. The Town recommendation of a $1.35M grant is too low.

- Anyone that has done a construction project knows that **time is money.** Over the four years (2021–2025), Town process, staffing turnover, and politics **added ~$1M in incremental costs for the Whites, making a $1.35M grant effectively $350,000 in net affordable-housing value** (since the first $1M merely backfills Town-caused overruns).
    - In addition to hard construction costs, soft costs skyrocketed as the Whites tried to navigate the process with a revolving door of Town staff and consultants; as an example, the White's legal bills alone exceeded $200K.
    - The Whites requested funding **before construction began in 2021;** the Town declined pending policy work and did not agendize approval again until now - delays that further increased costs.
- Building **100% affordable and permanent supportive housing for a 100% IDD population** is more expensive than mixed unit affordable projects because of required common, programmatic, and ancillary spaces. ***To use funding comps for projects that are not 100% affordable, and not permanent supportive housing, is not an***

apples-to-apples comp. The higher the percentage of permanent supportive housing, the higher the financial support needed to make a project a reality.

- Building "the Portola Valley way" – smaller-scale, **lower-density clustered** housing rather than a single, dense, multi-story mass - costs significantly more.
- The Town's proposal of a $1.35M grant equates to $123K for each of the 11 as-built LI units, which puts local funding for this project in the **lower third of regional project examples despite it being a higher-cost model** because *it's 100% affordable, permanent supportive housing.*
- If the Council declines the full grant request but still pursues all 16 units in the Housing Element inventory, it should invite the Whites back to request the incremental funding for the additional units ***before proceeding.***

Thank you,
Sarah Wernikoff
9-10-25

Submitter DB ID	7679
IP Address	[redacted]
Submission Recorded On	09/09/2025 1:24 PM
Time to Take the Survey	13 minutes, 24 secs.

Page 1

1. First and Last Name

Jen pleasants

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[redacted]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

6 and 7

10. Comment

Hi benevolent leaders of portola valley!! I am sure you recognize this amazing opportunity and gift by the White family for Willow Commons as the type of showing the love that the world needs more of. I am hopeful in all of your wisdom and kindness that you recognize the value of our town investing in Willow Commons as it delivers real, low-income units toward RHNA and Housing Element/AFFH obligations with HCD and the State while offering supportive housing for adults with intellectual/developmental disabilities. Seems like a no brainer to me! But that is just my two cents! I will be so proud of my community when Town Council grants Jim and Patty White's request for (1) a fee waiver and (2) a grant from the Affordable Housing Fund to support Willow Commons - Portola Valley's first and only completed supportive/affordable housing project. GO PV GO! Xo jen pleasants

11. Optional: You can upload a copy of your comments.

Submitter DB ID	7687
IP Address	[redacted]
Submission Recorded On	09/10/2025 9:56 AM
Time to Take the Survey	0 minutes, 51 secs.

Page 1

1. First and Last Name

Karen Askey

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[redacted]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

7a and b

10. Comment

see attached

11. Optional: You can upload a copy of your comments.

Letter to TC 9_10_25 - Google Docs.pdf

September 10, 2025

Dear Town Council Members,

With respect to Agenda Item 7 in your meeting tonight, I would like to offer my thoughts.

I am a big supporter of Willow Commons and commend the White Family for leading Portola Valley into our affordable housing efforts.

I am completely in favor of waiving the $70,026 in planning fees, utilizing our Affordable Housing Fund, and hope we continue the same practice for other low-income projects.

With respect to the second request of $3.5 million, that is a big ask. I like Mr. Linder's recommendation of a lower amount on a per unit basis. I am concerned, however, that $150,000 per unit may be too high, given the size of our fund. If we subsidize Willow Commons for $1.35 million, our balance would be about $3.5 million. We must consider the impact of subsidizing more low-income units within this housing cycle and the future. Between Ladera and Christ Church, who are hoping to offer homes to low-income families, we could have up to 25 new homes. At $150,000 subsidy per home, that would amount to $3,750,000, and our fund could not cover that along with planning fee waivers. Perhaps an amount of $75,000 to $100,000 per unit is more practical and prudent to ensure future low-income housing development?

Let's not forget that our RHNA allocation from 2023-2031 is for 73 very-low income and 42 low-income units. We must plan accordingly.

I am hopeful that some of our Affordable Housing Funds might be used to incentivize ADU/JADU production as well, and ask that you take that into consideration.

Thank you for your consideration and for all you do for our Town.

Karen Askey

Submitter DB ID	7686
IP Address	[redacted]
Submission Recorded On	09/10/2025 9:26 AM
Time to Take the Survey	12 minutes, 47 secs.

Page 1

1. First and Last Name

Steve Rowe

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[redacted]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

7

10. Comment

I support the request of $70K for the planning fees associated with the Willow Commons project.

I support the use of the Portola Valley Affordable Housing Fund to fulfill the request made by Willow Commons. As requested in their letter to the town I feel that granting $1.6m now and the rest if no other request is made in the next 12 months is appropriate.

11. Optional: You can upload a copy of your comments.

Submitter DB ID	7684
IP Address	[redacted]
Submission Recorded On	09/10/2025 12:24 AM
Time to Take the Survey	12 minutes, 25 secs.

Page 1

1. First and Last Name

Judith Mendelsohn

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[redacted]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

7

10. Comment

Dear Council,

We are in favor of making a grant from the Affordable Housing Fund to the Whites for the Willow Commons project. They have built an affordable and supportive housing project that is a wonderful addition to our community, and a considerable contribution to our required affordable housing under the current RHNA cycle. In order to support their effort to provide ongoing affordable housing, and to encourage others to follow their example, we support a grant (the first ever) from our Affordable Housing Fund. Their project is beautiful, respectful of our local aesthetics, and provides a much needed type of affordable housing. Please support their wonderful accomplishment with a grant.

Sincerely,

Judith and Andrew Mendelsohn

11. Optional: You can upload a copy of your comments.

Submitter DB ID	7675
IP Address	[redacted]
Submission Recorded On	09/09/2025 8:14 AM
Time to Take the Survey	17 minutes, 50 secs.

Page 1

1. First and Last Name

Ginny Borelli

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Willow Commons

4. Street address (will not be publicly displayed)

[redacted]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

7 Regular Agenda item A

10. Comment

As a resident of Portola Valley, I am in favor of appropriating 70k for Town Planning fees from the Town of Portola Valley Affordable Housing Fund to Jim White and Patty White for the Willow Commons Housing Project. Many thanks to the Whites and all those who have made this happen.

11. Optional: You can upload a copy of your comments.

Submitter DB ID	7678
IP Address	[redacted]
Submission Recorded On	09/09/2025 11:52 AM
Time to Take the Survey	51 minutes, 0 secs.

Page 1

1. First and Last Name

Dale Pfau

2. Email address (will not be publicly displayed)

[redacted]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[redacted]

5. City

Portola Valley CA

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

09/10/2025

9. Agenda Item number or name

7b and 7a

10. Comment

see attached pdf

11. Optional: You can upload a copy of your comments.

TC Comments on 7b 10 Sept 25.pdf

Portola Valley Town Council

9 September 2025

Councilmembers;

I must object to the proposal to grant the Willow Commons Housing project $1.35 million from the Affordable Housing Fund.

While the Willow Commons is an admirable project and supported by the Town for its objective as well as in support of the Town's RHNA for this cycle, allocating 28% of the Affordable Housing fund for only 8% of the RHNA requirement for very low and low income housing is completely inappropriate.

The current RHNA requirement for Portola Valley is 73 very low income units and 42 low income units. Most agree that achieving the very low income target is particularly challenging. We now have 3 more projects that could help Portola Valley achieve its objectives and all three are equally deserving of financial incentives. Furthermore, it is unlikely that Portola Valley will see any growth in the Affordable Housing Fund in the future, so it might be wise to reserve some of the fund for the next RHNA cycle.

In my opinion, a more rational incentive allocation of the Affordable Housing fund would be to allocate 75% of the fund to very low income units and 25% to low income units. Using this formula would result in $49,908 per very low income unit and $28,915 per low income unit. If the fund is allocated fully to very low income units the value would $66,544 per unit (this is my preferred allocation). I would also suggest that any waiver of fees (paid from the Affordable Housing Fund) should be subtracted from the per unit subsidy. I also believe that this subsidy should be granted to homeowners that deed restrict ADUs or junior ADUs. However, these numbers would not reserve any of the fund for the next RHNA cycle, and it would be prudent to carry some funds forward. I do not support providing a significant portion of the fund to the first person to request it.

The Council may have different formulas for allocation of the funds, but I strongly suggest that we allocate limited resources fairly and to those projects that need incentives to proceed.

Thanks for consideration,

Dale Pfau

Read as public comment for #7b during the meeting and copies were distributed to the Council

September 10, 2025

Members of the Town Council, ~~former and current~~ Town Manager, and staff,

As others have before me and more will long after me, I want to acknowledge my great respect and appreciation for Patty and Jim White for their vision and commitment to the community we call Willow Commons; it is a source of unreserved pride for us all. If such a role could exist, and were it mine to offer I would nominate them as Community Grand Marshalls of the Zots to Tots Town Center parade. Like that event they are at the heart of the community.

Independent of what is our collective, genuine affection for the great good of Willow Commons, is the question of distributions from the Affordable Housing Fund. I support the full waiving of fees. It is the 2nd ask on the table I address, that we allocate 77% of Portola Valley's Affordable Housing Fund for one project, as it concerns me when many more projects the community also very much needs have not yet begun.

I want to acknowledge the extraordinary burden posed by -- the stresses of Covid, then the Housing Element process, and the 100% Planning Dept turnover, that contributed to Town construction projects' distress over the past 5 years. If the Town is in any way attempting to balance those losses through the Affordable Housing Fund, I may understand it, but think it misguided, as they affected everyone under construction.

Council members you have taken the time to review the Housing Element but to refresh the memory of those who have not as much familiarity, there are a multitude of places where the Town explicitly communicates that its reliance on the Affordable Housing Fund as the financial source to execute HCD mandated activities. These are staff and consultant executed tasks that will be underwritten by the Affordable Housing Fund and within a short timetable. This is no time to deplete the necessary resources we need to execute these promises, and to do so would be a form of risk-taking I don't want to envision given what the Town has so recently suffered.

The Town's approved 2025-26 budget that is not balanced. In these uncertain times we can not count on Federal money, State money, or County money to fill in the gaps of our already limited tool kit. The Affordable Housing Fund is an asset we require to realize our near term pledges and future housing development. I urge you to please practice financial prudence.

Thank you Council, staff, and importantly Willow Commons.

Betsy Morgenthaler