



# TOWN OF PORTOLA VALLEY

## STAFF REPORT

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**TO:** Mayor and Members of the Town Council

**FROM:** Laura Russell, Planning & Building Director

**DATE:** May 24, 2023

**RE:** Annual Housing Element Progress Report for 2022

### RECOMMENDATION

Staff recommends receiving the report and providing any comments to staff for inclusion in the submittal to the Department of Housing and Community Development.

### BACKGROUND

The Town of Portola Valley's Housing Element examines the success of past housing efforts, evaluates the need for and status of housing in the town, considers constraints to expanding the housing supply, and identifies sites available for housing. The Housing Element also responds to requirements set forward in the California Government Code.

State law requires that the Town submit a Housing Element Annual Progress Report (APR) to the California Department of Housing and Community Development (HCD) and the governor's Office of Planning and Research (OPR). State law also requires that the governing body consider the APR at a public meeting where members of the public are invited to comment. This report must be provided on forms developed by HCD and completed by Town staff each year. The information collected for the report covers each calendar year. The Town's progress towards meeting its goals is tracked through issued building permits in the calendar year. Staff have prepared the Town's APR covering the 2022 Calendar Year. This is the last year of reporting for the 2015-2022 Housing Element, also called the 5<sup>th</sup> Cycle.

Town Council adopted the new Housing Element for the 2023-2031 planning period on [May 10, 2023](#)

### DISCUSSION

The Town of Portola Valley's RHNA for the 5<sup>th</sup> Cycle was 64 net new units for the 2015 to

2022 planning period. In 2022, 8 building permits were issued for net new housing units which consisted of six Accessory Dwelling Units (ADUs) and two single family dwellings. The new total number of net new units during this RHNA cycle is 108. Portola Valley has continued to make progress towards increasing the housing stock and has exceeded the total number of units assigned to the Town through the RHNA process; however, there is a deficiency in the low-income category. This is due to the allocation formula that was used to assign the ADUs; this formula comes from the 2015 Housing Element. The units are distributed across income categories as shown in the table below.

#### Town's Progress in Meeting RHNA Goals

<b>Income Category</b>	<b>RHNA Allocation</b>	<b>2022 Units (permits issued)</b>	<b>Total Units to Date</b>		<b>Remaining RHNA</b>
Very Low	21	3	41		
Low	15	1	9		6
Moderate	15	1	16		
Above Moderate	13	3	42		
<b>Total</b>	<b>64</b>	<b>8</b>	<b>108</b>		

The Annual Report also includes reports on the Programs in the Housing Element, which are included below.

#### Program 1: Inclusionary Housing

The Town Council adopted the Housing Strategic Plan in 2016 and the implementation was ongoing through the planning period. In 2016, Council postponed additional work on the inclusionary housing program to ensure the approach was comprehensive in light of other housing efforts. In late 2018, Council formed a Subcommittee to discuss the potential changes to the Inclusionary Housing Program and how to use the existing funds. That work was postponed by the pandemic. The Town Council recognized that the increase in the Town's RHNA for the 2023-2031 Housing Element Update (6<sup>th</sup> Cycle) would be significant and that more broad housing solutions would be necessary to meet the Town's housing obligations in coming years. The 6<sup>th</sup> Cycle Housing Element includes a goal to amend the zoning ordinance to establish inclusionary housing requirements for new multi-family developments to complement the existing inclusionary requirements for projects with subdivisions. Town Committee began discussion of how the Inclusionary Housing Funds should be spent during the 6<sup>th</sup> Cycle.

#### Program 2: Affiliated Housing

Priory School completed construction on six units of housing in 2021. Stanford's 39 unit housing project (inclusive of 12 BMR units) for the Wedge Property is currently in review. The Sequoias conducted geologic feasibility studies and is considering a project with additional senior units and workforce housing; that project has been included in the 6<sup>th</sup> Cycle Housing Element. The Town Council voted to expand the Affiliated Housing Program to add three additional partners including Ladera Church, Christ Church and the Town itself.

**Program 3: Second Units / Accessory Dwelling Units (ADUs)**

Town Council approved the amendments outlined in the Housing Element in 2015. Additional amendments were adopted in compliance with 2017 State law changes. In 2017, the Town received a grant from Home for All to conduct community workshops on housing topics, which were held in 2018. Accessory Dwelling Units became a focus of that effort. In fall of 2018, additional zoning code amendments were considered to further encourage ADUs and allow ADUs in all zoning districts. The ordinance was adopted in early 2019. In 2021, the Town adopted another set of amendments for compliance with State law.

**Program 4: Shared Housing**

The Housing Element calls for the Town to work with HIP Housing to publicize their home sharing program to help increase resident participation. HIP Housing is a non-profit organization based in San Mateo County that seeks to invest in human potential by improving housing and lives. Staff helped promote the program by providing a booth at the Farmers' Market and forwarding their informational fliers to the PV Forum. Information on HIP's program is also available at Town Hall and the library, and on the Town's website. Staff plans to continue exposure to the program by including it in future discussions, coordinate with neighboring cities to established a shared housing staff person, and promote ADUs and housing options.

**Program 5: Fair Housing**

The Town has publicized the County-wide fair housing program Project Sentinel, a housing counseling agency, by making brochures and handouts available at both Town Hall and the library. Information on Project Sentinel is available on the Town website.

**Program 6: Energy Conservation and Sustainability**

The Town Council adopted an amendment to the green building requirements in 2022 that went into effect January 2023. Handouts and informational materials are available on the Town's website.

**Program 7: Explore Future Housing Needs**

Council identified housing as a significant priority three years in a row. In 2019, the Ad Hoc Housing on Town-Owned Property Committee reviewed properties owned by the Town that may be suitable for housing and reported back to Council. That process was valuable and resulted in a list of sites that have been used in the Housing Element Update process. Communications with residents on housing topics continued at a high level in 2022 and resulted in the draft 6<sup>th</sup> Cycle Housing Element.

**Program 8: Transitional and Supportive Housing Ordinance Amendments**

The Transitional and Supportive Housing Code amendments were completed in late 2022. In December 2021, the Town approved a Supportive Housing project with 11 units for adults with developmental delays.

**ATTACHMENT**

1. EXCERPT: Annual Housing Element Progress Report for Calendar Year 2022

Jurisdiction	Portola Valley	
Reporting Year	2022	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	01/31/2015 - 01/31/2023

**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**

Table A2															
Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units															
Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement								
1					2	3	4								5
Prior APN <sup>+</sup>	Current APN	Street Address	Project Name <sup>+</sup>	Local Jurisdiction Tracking ID <sup>+</sup>	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Entitlement Date Approved	# of Units issued Entitlements
Summary Row: Start Data Entry Below							0	0	0	0	0	0	0		0
	079-192-090	391 Canyon Drive		BLDR0055-2022	ADU	R									0
	079-130-550	4660 Alpine Rd		BLDR0087-2022	ADU	R									0
	077-300-130	4 Navajo Pl		BLDR0144-2021	ADU	R									0
	077-051-030	35 Possum Lane		BLDR0160-2021	ADU	R									0
	079-073-080	99 Hillbrook Dr.		BLDR0129-2021	ADU	R									0
	076-261-290	846 Portola Rd.		BLDR0030-2021	ADU	R									0
	076-261-290	846 Portola Rd.		BLDR0030-2021	SFD	O									0
	079-060-940	77 Palmer Lane		BLDR0176-2021	SFD	O									0
															0
															0

Portola Valley		Note: "+" indicates an optional field  Cells in grey contain auto-calculation formulas
2022	(Jan. 1 - Dec. 31)	
5th Cycle	01/31/2015 - 01/31/2023	

Project Identification		Affordability by Household Incomes - Building Permits									Affordability by Household Incomes - Certificates of Occupancy							
1		7							8	9	10							11
Current APN	Street Address	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Building Permits <u>Date Issued</u>	# of Units Issued Building Permits	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Certificates of Occupancy or other forms of readiness (see instructions) <u>Date Issued</u>
Part Data Entry Below		0	3	0	1	0	1	3		8	0	1	0	0	0	0	0	
079-192-090	391 Canyon Drive		1						7/9/2022	1								
079-130-550	4660 Alpine Rd		1						11/10/2022	1								
077-300-130	4 Navajo Pl		1						1/6/2022	1		1						1/6/2022
077-051-030	35 Possum Lane				1				6/6/2022	1								
079-073-080	99 Hillbrook Dr.						1		1/24/2022	1								
076-261-290	846 Portola Rd.							1	1/12/2022	1								
076-261-290	846 Portola Rd.							1	1/12/2022	1								
079-060-940	77 Palmer Lane							1	4/29/2022	1								
										0								
										0								

Portola Valley	
2022	(Jan. 1 - Dec. 31)
5th Cycle	01/31/2015 - 01/31/2023

Project Identifier				Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions
1		12	13	14	15	16	17	18
Current APN	Street Address	# of Units issued Certificates of Occupancy or other forms of readiness	How many of the units were Extremely Low Income?	Was Project <u>APPROVED</u> using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N*	Assistance Programs for Each Development (may select multiple - see instructions)	Deed Restriction Type (may select multiple - see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)
Start Data Entry Below			1	3	0			
079-192-090	391 Canyon Drive	0	1	N	N			Conservative interpretation of Countywide study
079-130-550	4660 Alpine Rd	0	1	N	N			Conservative interpretation of Countywide study
077-300-130	4 Navajo Pl	1	1	N	N			Conservative interpretation of Countywide study
077-051-030	35 Possum Lane	0	0	N	N			Conservative interpretation of Countywide study
079-073-080	99 Hillbrook Dr.	0	0	N	N			Conservative interpretation of Countywide study
076-261-290	846 Portola Rd.	0	0	N	N			Conservative interpretation of Countywide study
076-261-290	846 Portola Rd.	0	0	N	N			
079-060-940	77 Palmer Lane	0	0	N	N			
		0						
		0						

Portola Valley	
2022	(Jan. 1 - Dec. 31)
5th Cycle	01/31/2015 - 01/31/2023

Project Identification		Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Density Bonus				Notes
1		19	20			21	22	23	24	25
Current APN	Street Address	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)*	Number of Demolished/Destroyed Units	Demolished or Destroyed Units	Demolished/Destroyed Units Owner or Renter	Total Density Bonus Applied to the Project (Percentage Increase in Total Allowable Units or Total Maximum Allowable Residential Gross Floor Area)	Number of Other Incentives, Concessions, Waivers, or Other Modifications Given to the Project (Excluding Parking Waivers or Parking Reductions)	List the incentives, concessions, waivers, and modifications (Excluding Parking Waivers or Parking Modifications)	Did the project receive a reduction or waiver of parking standards? (Y/N)	Notes*
Start Data Entry Below			0							
079-192-090	391 Canyon Drive								No	
079-130-550	4660 Alpine Rd								No	
077-300-130	4 Navajo Pl								No	
077-051-030	35 Possum Lane								No	
079-073-080	99 Hillbrook Dr.								No	
076-261-290	846 Portola Rd.								No	
076-261-290	846 Portola Rd.								No	
079-060-940	77 Palmer Lane								No	