

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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February 5, 2024

Jon Biggs, Director
Planning and Building Department
Town of Portola Valley
765 Portola Valley
Portola Valley, CA 94028

RE: Portola Valley Housing Element Implementation – Corrective Action Letter

Dear Jon Biggs:

The California Department of Housing and Community Development (HCD) has reviewed the Town of Portola Valley's (Town) obligations under the housing element and hereby issues its written findings that the Town has failed to implement Programs 1-1a, 1-1b, and 1-6 included in its housing element.

HCD requests that the Town review this correspondence and provide a written response to these findings within 30 days and no later than March 6, 2024. HCD will review and consider the Town's written response before taking any action authorized by Government Code section 65585, subdivisions (i) and (j). As noted below, such action could include revoking HCD's finding that the Town's housing element is in substantial compliance with California's Housing Element Law and/or referral to the California Office of the Attorney General.

State Housing Element Law

Pursuant to Government Code section 65588, subdivision (e)(4)(C), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (January 31, 2023), then any rezoning pursuant to Government Code sections 65583, subdivision (c), and 65583.2, subdivision (c), shall be completed no later than one year from the statutory deadline (January 31, 2024).

In addition, HCD must review any action or failure to act by a Town that it determines to be inconsistent with an adopted housing element or section 65583 generally, and it must issue written findings to the Town accordingly. (Gov. Code, § 65585, subd. (i)(1).) HCD must give the Town a reasonable time, no longer than 30 days, to respond to these findings. (Gov. Code, § 65585, subd. (i)(1)(A).) If HCD does not receive a written response from the Town within 30 days, or the response does not demonstrate that the program action has been implemented, then HCD will revoke its findings that the

Town's housing element substantially complies with State Housing Element Law. (Gov. Code, § 65585, subd. (i)(1)(B).)

Additionally, HCD may notify the California Office of the Attorney General when a Town takes actions that are inconsistent with an adopted housing element or Government Code sections 65583 and 65915, among other laws. (Gov. Code, § 65585, subd. (j).)

Findings

On January 30, 2024, HCD found the Town's housing element in substantial compliance with State Housing Element Law. HCD based its compliance finding on, among other things, a commitment to implement housing element programs 1-1a, 1-1b, 1-2, and 1-6, in accordance with Government Code section 65583, subdivision (c). Program 1-1a commits to creating a new "Gateway" land use classification in the General Plan that allows affordable housing, recreation, and open space to facilitate construction of 50 very low-income and 10 lower-income units. Program 1-1b commits to create two new zoning districts that allow for multifamily housing at 2 to 4 du/acre and 203 to 230 du/acre to provide for development of housing at lower-income levels, among other things. Program 1-2 commits to create a new zoning district that allows for mixed-use residential development with 34 to 6 du/ac and would allow for up to 100 percent of building floor area to be dedicated to residential uses, among other things. Program 1-6 commits to rezone sites identified to accommodate 272 residential units, representing the Town's Regional Housing Needs Allocation (RHNA) of 253 units and an 8 percent buffer to allow for compliance with No Net Loss Provisions of SB 166.

While the due date committed to in the certified adopted housing element for completing rezone actions in Programs 1-1b, 1-2, and 1-7 is March of 2024, in its January 30, 2024 review letter HCD clarified that because the Town did not adopt a compliant housing element within 120 days of its statutory due date (January 31, 2023), any rezoning to make prior identified sites available or accommodate the Town's RHNA needed be completed no later than January 31, 2024.

Based upon communications received from the Town that it does not intend to adopt required rezones until late March of 2024, HCD finds that the Town has failed to implement these program actions within the statutorily required timeframe.

Next Steps

HCD provides the City until March 6, 2024 to send a written response to these findings. If you have questions, need additional information, or wish to schedule a meeting, please contact me at Melinda.Coy@hcd.ca.gov or Fidel Herrera at fidel.herrera@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Melinda Coy", with a long horizontal stroke extending to the right.

Melinda Coy
Proactive Housing Accountability Chief