DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
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August 26, 2026

Karen Downs, Contract Planner
Planning Department
City of Portola
35 Third Avenue
Portola, CA 96122

Dear Karen Downs:

RE: City of Portola's 7th Cycle (2024-2029) Adopted Housing Element

Thank you for submitting the City of Portola's (City) housing element that was adopted August 12, 2026 and received August 20, 2026. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review.

HCD is pleased to find the adopted housing element in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq) as of August 26, 2026. The adopted element was found to be substantially the same as the revised draft element that HCD's July 15, 2026 review determined met statutory requirements.

Additionally, the City must continue timely and effective implementation of all programs including but not limited to the following:

- Policy 1-1-1 Program 1 (Assist Developers)
- Policy 1-1-3 Program 2 (State Density Bonus Law)
- Policy 1-1-3 Program 3 (Accessory Dwelling Unit (ADU) Incentives)
- Policy 1-3-1 Program 2 (Zoning Amendments for Special Needs Housing)
- Policy 1-3-1 Program 3 (Employee Housing)
- Policy 1-3-1 Program 5 (Affirmatively Furthering Fair Housing)
- Policy 2-1-2 Program 4 (SB9 Implementation)
- Policy 3-4-2 Program 2 (ADUs)
- Policy 3-4-2 Program 3 (City-Owned Sites)
- Policy 3-4-2 Program 5 (Portola Highlands and Portola 192)
- Policy 5-1-1 Program 4 (Reasonable Accommodation)

The City must monitor and report on the results of these and other programs through the annual progress report, required pursuant to Government Code section 65400.

Please be aware, Government Code section 65585, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities program, HCD's Prohousing Designation Program, HCD's Prohousing Incentive Program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City now meets housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: https://www.opr.ca.gov/planning/general-plan/guidelines.html.

HCD appreciates the hard work and dedication the housing element update team provided throughout the housing element update and review. HCD wishes the City success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code section 65400. If HCD can provide assistance in implementing the housing element, please contact Jed Hackett, of our staff, at jed.hackett@hcd.ca.gov.

Sincerely,

Paul McDougall
Senior Program Manager