

The Bay Area Is A Shit Hole

One of America's richest towns where the average home costs \$4M is on brink of bankruptcy over property fight

A picturesque **California** community full of Silicon Valley billionaires which was once dubbed America's richest town is on the **brink of going broke**.

Portola Valley, about an hour drive south of San Francisco, is home to 4,500 people. Nestled on the eastern slopes of the Santa Cruz Mountains, the median cost of buying a home in the ritzy enclave sits at a whopping \$8.35 million, per **Redfin**.

The small Bay Area community is known for its influential residents including **LinkedIn co-founder Reid Hoffman** and **recently-retired Nike CEO John Donahoe**. But it seems even billionaires can't stop the town from slipping into the red.

Portola Valley's cash reserves are running out fast, driven by rising costs from a new sheriff's contract which recently doubled to \$2.1 million coupled with **affordable housing requirements** set by the **Democrat** state.

The housing rule compels the town to build 253 low-income housing units in return for receiving government funds - despite there being little demand for it, according to wealthy locals.

Residents have hit back - spending more than \$1 million on consultants and 150 hours in public meetings trying to hash out a blueprint for an agreement which would satisfy both state legislators and the town.

Others have hired attorneys in an attempt to circumvent state laws through legal means.

'There are no neighborhoods where there's not a billionaire who might sue you,' mayor Craig Hughes told the **Los Angeles Times**.



© Nextdoor

+7

[View gallery](#)

A northern California community full of Silicon Valley billionaires which was once dubbed America's richest town is on the brink of going broke. (Pictured: Portola Valley, CA)



+7

[View gallery](#)

Portola Valley, about an hour drive south of San Francisco, is home to 4,500 people. Nestled on the eastern slopes of the Santa Cruz Mountains, the median cost of buying a home in the ritzy enclave sits at a whopping \$8.35 million, per Redfin



+7

[View gallery](#)

Portola Valley's cash reserves are running out fast, driven by rising costs from a new sheriff's contract which recently doubled to \$2.1 million, and California's affordable housing rules



I found my son after 14 years.. his three-word greeting broke my heart



Two men found dead after searching for sasquatch in national forest



Bird was seen stuck in WING of doomed South Korea flight

But locals remain in a stalemate with the state. More than 70 percent of town officials have left their posts, with the last employees standing only just managing to 'keep the lights on,' according to Hughes.

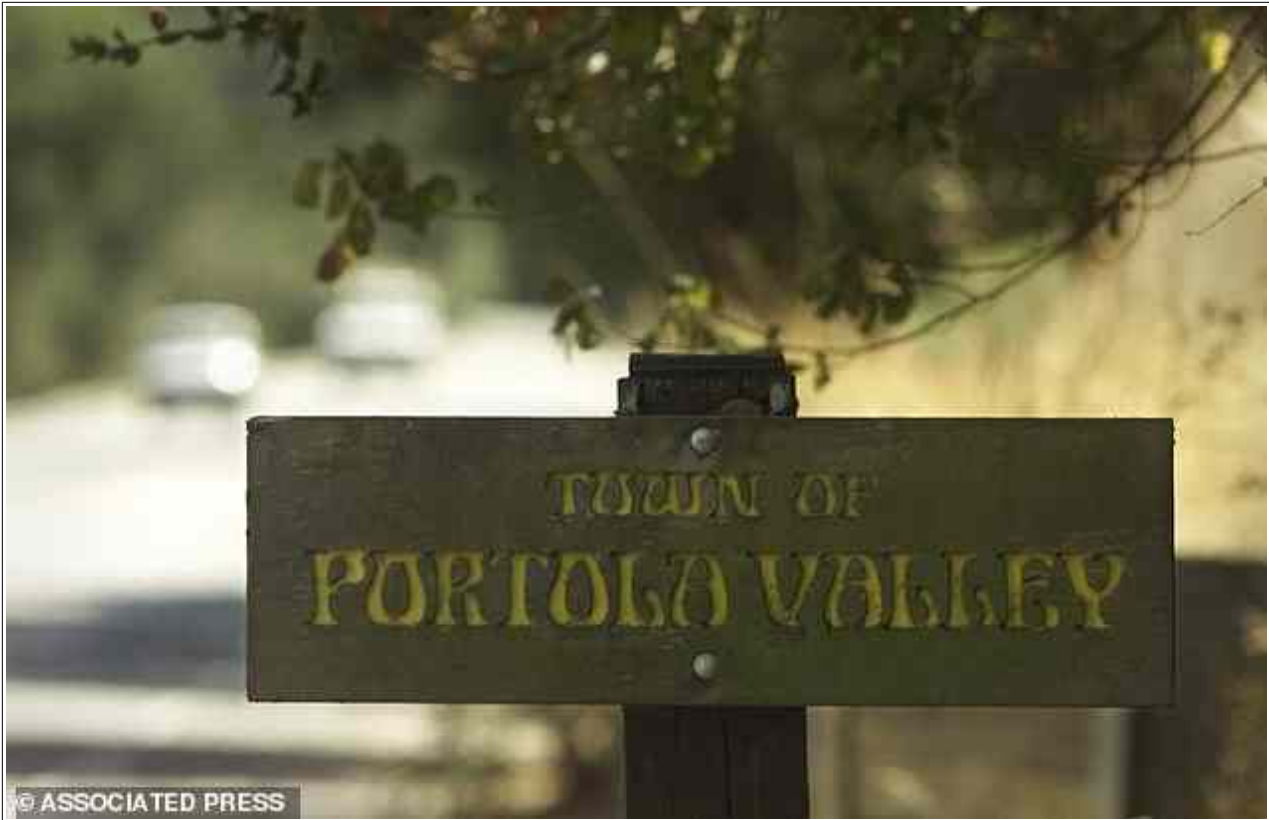
Locals recently raised concerns about their **dwindling cash reserves** which despite sitting at around \$1.6 million, most of it is set aside and earmarked for retiree benefits. 'The state just doesn't understand,' council member Rebecca Flynn told the LA Times. 'They say, "Oh well, the billionaires live here so they should be able to build all sorts of stuff".'

'Every project that comes up you've got the neighbors complaining about whatever it is that people want to do on their private property,' she added. 'They feel entitled.'

But Church leader Mike Smith said there is some need for the low-cost units imposed by the state, even in Portola Valley.

'I just think some people need to get off their high horse and realize that there's people in need,' he told the LA Times. 'There's not going to be one iota of change to quality of life.'

Some have even joked about asking some of the town's wealthy residents including LinkedIn's Hoffman and co-founder of Sun Microsystems, Vinod Khosla, to donate. The pair have both given to political causes in the past.



+7

[View gallery](#)

Portola Valley's cash reserves are running out fast and the town could soon go bankrupt

+7

[View gallery](#)

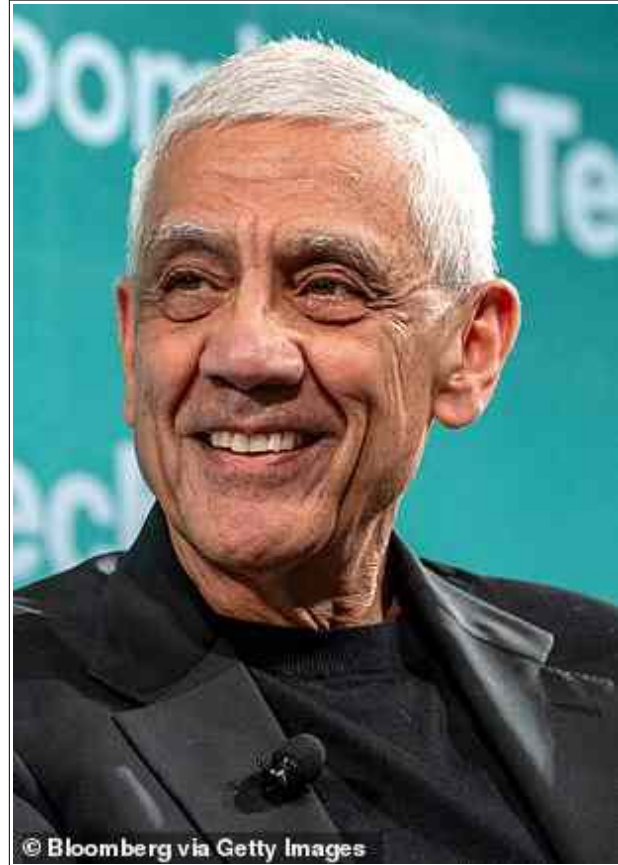
The town's cash reserves are running out fast, driven by rising costs including from a new sheriff's contract and California's affordable housing requirements. Pictured, the Portola Valley Library



+7

[View gallery](#)

Some have even joked about asking some of the town's wealthy residents including venture capitalists Reid Hoffman, left, and Vinod Khosl, right, to donate



+7

[View gallery](#)

Despite the affluence of those living in Portola Valley, like other many small towns in the area, they rely on the San Mateo County Sheriff's Office for policing.

In 2022, the sheriff's union negotiated a more expensive labor agreement, and the increased costs are now being passed in turn onto local governments.

The town's payments to the sheriff's office have doubled in the space of just three years from \$1 million in 2021 to \$2.1 million in 2024.

California's **housing rules** were imposed by Governor Gavin Newsom in an attempt to address the decades-long homelessness and housing affordability crisis.

According to the most recent verified data, in 2023 roughly 181,000 Californians experienced homelessness, with approximately 90,000 people in unsheltered conditions.

The scarcity of available affordable homes in the state was a 'key driver' behind these dire stats, according to Newsom's office.

'Adding to the inventory of available housing is an essential part of the state's strategy to address this challenge,' the governor's office said.