



Item No. 1 Town of Atherton

CITY COUNCIL (WITH THE PLANNING COMMISSION) STUDY SESSION STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
PLANNING COMMISSION
GEORGE RODERICKS, CITY MANAGER**

**FROM: BRITTANY BENDIX, CONSULTING TOWN PLANNER
ASHER KOHN, HOUSING ELEMENT PROJECT MANAGER, M-
GROUP**

DATE: APRIL 29, 2024

**SUBJECT: RECIEVE A SUMMARY OF RECOMMENDED TEXT CHANGES TO
THE ADOPTED 2023-2031 HOUSING ELEMENT.**

RECOMMENDATION

Receive a summary of recommended text changes to the adopted 2023-2031 Housing Element. These changes respond to feedback received from the State and provide greater analysis of housing needs in Atherton, relative to the County and region, and with particular focus on housing needs for special populations.

BACKGROUND

On January 31, 2023, the Town Council adopted Atherton's 2023-31 Housing Element. Pursuant to state law, the Town submitted a copy of the adopted housing element to the Department of Housing and Community Development (HCD) for review and certification. This provided HCD with its second opportunity to review the Town's 2023-31 Housing Element, which included modifications that addressed prior HCD comments received in a letter dated October 31, 2022. On April 4, 2023, the Town received a letter from HCD that found the adopted housing element addresses many statutory requirements; however, additional revisions are necessary to substantially comply with State Housing Element Law (Article 10.6 of the Government Code). The following report provides a summary of recommended text changes to the adopted 2023-31 Housing Element to respond to HCD's most recent and prior comment letters.

FINDINGS | ANALYSIS

The summary of text changes contained in this report relates to HCD's request for greater analysis of housing needs in Atherton, relative to the County and region, and with particular focus on

housing needs for special populations. Recommended text revisions apply to the following sections of the adopted housing element:

- 3.100 Introduction
- 3.200 Assessment of Housing Needs
- 3.300 Atherton Fair Housing Assessment
- 3.600 Review of 2015-2022 Housing Element Performance

To facilitate review, this report includes a brief description of each section, its purpose in the housing element, a reminder of comments received from HCD that relate to changes, and a summary of changes made in response to HCD. A clean version of all four sections is provided at Attachment 1. A red-lined version of all four sections is provided at Attachment 2. Staff is seeking feedback on the text revisions and any analysis the town may wish to further pursue.

3.100 Introduction

Section 3.100 of the Housing Element provides an introduction to the purpose of the element, establishes household income categories and limits, identifies the Town's Regional Housing Needs Allocation (RHNA), and orients the housing element to the Town's overall general plan. Changes to this section address comments received by HCD indicating confusion in how to efficiently navigate the document, find required information and track how certain programs of the element relate to a needs analysis.

Although the introduction section is short, it provides an opportunity to assert some basic information. Revisions to this section include the following:

- Standardized Headings and References for Tables and Figures. When the full Housing Element update moves forward for adoption it will include a list of all tables and figures included in the document after the Table of Contents. To facilitate the quick location of any desired information (i.e. RHNA for 2023-2031) every table or figure has been provided a label and reference number in this section and throughout all other sections of the housing element. Additionally, source information for each table and figure has been added for transparency.
- Locator Map. Figure HE-1 provides a reference for the Town's location in San Mateo County and gives locational context for discussion in other sections where comparisons are made between local and county characteristics.
- Income Categories Transparency. Additional explanation related to the definition and source of income categories and limits was added. This is intended to provide transparency for readers and decision makers.

3.200 Assessment of Housing Needs

State law requires that local governments use their housing element to adequately plan to meet their existing and projected housing needs, including their RHHA. A complete analysis of housing needs must include a quantification and descriptive analysis of the specific population needs. The needs assessment must also address special population groups such as farmworkers, large

families, female-headed households, people experiencing homelessness, people with disabilities (including developmental disabilities), seniors, and extremely low income (ELI) households.

HCD's comments on the adopted housing element's needs assessment required inclusion of specific quantitative data related to income level and tenure. HCD also requested a comparative analysis of the town with the county and region. Revisions to this section include the following:

- Expansion of Section 3.210. This provides an explanation of source data for the assessment. This is an important assertion because it indicates Atherton's use of data provided by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) to inform its analysis and assert its consistency with other jurisdictions within the region, especially those that have received state certification.
- Overview of Section 3.211. The adopted housing element lists facts within this section. The revised text provides an introductory paragraph for context.
- County and Regional Comparisons. Revisions either add or clarify comparative data and analysis for each summary fact identified.
- Special Housing Needs. The revisions expand the analysis for each population group requiring special housing needs.

3.300 Atherton Fair Housing Assessment

Section 3.300 of the housing element provides an assessment of fair housing within Atherton, as required by state law. To facilitate this assessment the town partnered with 21 Elements to analyze information provided in Sections 3.330 to 3.380. The assessment includes information on fair housing enforcement and outreach capacity, integration and segregation, access to opportunity, disparate housings need, and contributing factors and the town's fair housing action plan. Revisions to this section are extensive and include multiple changes in graphics.

Comments received by HCD on the town's fair housing assessment require greater details throughout this section. The following is a list of revisions included in this section:

- Updated Primary Findings. Section 3.321 Primary Findings is updated to summarize the fair housing assessment.
- Outreach and Capacity. In Section 3.330, the discussion on 'Outreach and Capacity' identifies how the town receives, compiles and refers fair housing complaints, as required by HCD's comments on the adopted housing element. Additional revisions indicate how the town will proactively conduct educational outreach to increase awareness of fair housing rights.
- Housing Specific Policies Enacted Locally. This discussion included a partial list of housing policies under consideration by the City Council. Because the list is partial and does not immediately relate to the topic of fair housing enforcement or outreach, it is

- removed. This information is included in other sections of the housing element that provide a full list of housing programs and policies supported by the town.
- Barriers to Housing. Section 3.300 included a discussion of barriers to housing in Atherton. This section will be relocated to Section 3.500 where constraints on housing are more thoroughly discussed.
 - Integration and Segregation. Section 3.340 includes more data and analysis of socio-economic patterns in the town, county and region. A more extensive analysis of the town, relative to other geographies, is required by HCD to fully explore all potential housing needs within the town. Additionally, the discussion of Racially or Ethnically Concentrated Areas of Poverty and Affluence (R/ECAPs) has moved from Section 3.350 to 3.340. This will facilitate a more robust consideration of all indicators of integration and segregation.
 - Local Data and Knowledge. The adopted housing element includes this discussion at the end of Section 3.330. Staff has moved this discussion to Section 3.380 and expanded the analysis to address the history of zoning and land use and impacts on fair housing issues, as required by HCD.
 - Access to Opportunity. Section 3.350 discusses disparities in access to opportunity. This information is required by HCD and will assist in identifying constraints on housing for special needs populations, especially persons with disabilities and low-income households, as well as identifying cost burdened households with the town.

3.600 Review of the 2015-2022 Housing Element Performance

The purpose of Section 3.600 is for the town to reflect on the past housing element cycle, review goals and programs and provide a performance evaluation. Similar to the annual progress reports (APRs), this section compiles all APRs for a single cycle and assesses the housing element's effectiveness.

- Table HE-11. A major update to this section is the relocation of all the text analysis that was embedded in Table HE-11 of the adopted housing element. Comments from HCD on the adopted housing element indicated that some evaluation analysis may have been overlooked.
- Special Populations. The revisions to this section include the analysis of special needs populations, as required by state law.

Next Steps

Staff will consider comments from the City Council and Planning Commission and provide further revisions or analysis as necessary. Any updates made in response to feedback at this meeting will be provided for Planning Commission and City Council review when the revised housing element moves forward for adoption.

FISCAL IMPACT

The overall fiscal impact to the General Fund would be \$323,244 to complete the Housing Element and related CEQA review. Related work would be \$159,553 to complete Objective Design Standards and \$118,553 to complete Zoning Code modifications. Funds would be allocated from the Unallocated General Fund Balance.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

CEQA

This item is statutorily exempt from CEQA under Section 15262, Feasibility and Planning Studies.

ATTACHMENT

- Attachment 1: Draft Housing Element Updated Text - Clean
- Attachment 2: Draft Housing Element Updated Text - Redlined