

3.000 HOUSING ELEMENT (2023-2031 UPDATE)

3.100 INTRODUCTION

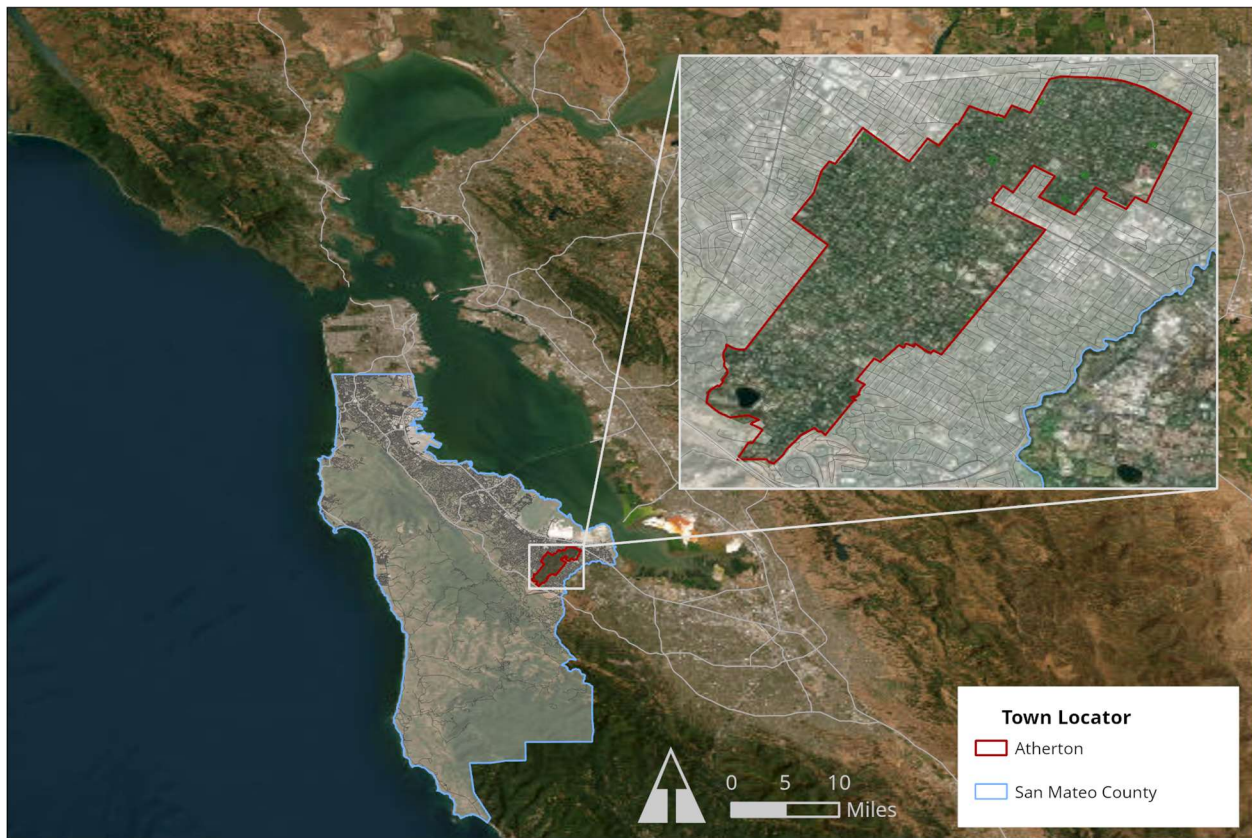
3.110 Purpose of the Housing Element

The State of California Government Code¹ requires that all cities within the San Francisco Bay Area update the Housing Element of their General Plan by January 31, 2023. The purpose of this document is to meet this requirement by evaluating the existing and projected housing needs of all economic segments of Atherton, evaluating existing policies and programs aimed at the preservation, improvement and development of housing and where appropriate, identifying new priorities.

The contents of this update include an analysis of housing needs, statements of goals and policies, a schedule of programs and actions and an estimate of the number of housing units the Town expects to be developed, improved and maintained in the local housing stock. Programs and policies included in the existing Housing Element were evaluated and modified where necessary to reflect changing market conditions and policy priorities.

Atherton, [shown in relation to San Mateo County in Figure HE-1](#) is a residential community of approximately 7,200 residents with a land area of approximately six square miles. The Town is bordered by Menlo Park, Woodside, Redwood City and unincorporated San Mateo County. Founded in the early 1920's, Atherton is characterized by large lot residential land use, where minimum lot size is 1/3 to 1 acre throughout the Town. There is no commercial or industrial land use in Atherton. There are eight schools in Town, three of which are private.

¹ The State of California Government Code § 65588(e)(2)

FIGURE HE-1: TOWN LOCATOR

Source: San Mateo County GIS

3.120 Definition of Income Categories

Since the determination of housing need is often discussed in terms of income categories, it is important to define the categories used in this update at the outset. The Department of Housing and Urban Development (HUD) has established California Department of Housing and Community Development (HCD) has established household income categories based on a proportion of the area's median family income as summarized below: in Table HE-1. The income categories established by HUD are used by the California Department of Housing and Community Development (HCD) to calculate income limits for counties throughout the state. The income limits established by HCD for San Mateo County in 2021 are presented in Table HE-2. This information also provides the maximum income limits based on the number of persons per household. Table HE-3 shows identifies the monthly maximum affordable housing cost by number of people in a household and income category of the household for San Mateo County in 2021. The monthly amount is calculated as 30 percent of the household's annual income.

TABLE HE-1: HCD INCOME CATEGORIES DEFINED

Income Category Definitions	
Acutely Low	0 – 15% of area median income
Extremely Low	15% - 30% of area median income
Very Low	30%-50% of area median income
Lower ²	50%-80% of area median income
Moderate	80%-120% of area median income
Above Moderate	Above 120% of area median income

Source: HCD Income Limits

TABLE HE-2: ANNUAL INCOME LIMITS BY HOUSEHOLD SIZE - 2021(US\$)

San Mateo County Income Limits (2021)					
Income Category	Number of Persons Per Household*				
	(Maximum Income)				
	1	2	3	4	5
Extremely Low	\$38,400	\$43,850	\$49,350	\$54,800	\$59,200
Very Low	\$63,950	\$73,100	\$82,250	\$91,350	\$98,700
Low Income	\$102,450	\$117,100	\$131,750	\$146,350	\$158,100
Median Income	\$104,700	\$119,700	\$134,650	\$149,600	\$161,550
Moderate Income	\$125,650	\$143,600	\$161,550	\$179,500	\$193,850

*The HCD State Income Limits goes up to a family size of 8. Because so few families are 6-8 persons, only 1 through 5 are listed here.

Source: HCD State Income Limits 2021 and State CDBG and HOME Income Limits

²Term may also be used to mean 0% - 80% of AMI

TABLE HE-3: MONTHLY MAXIMUM AFFORDABLE HOUSING COST BY HOUSEHOLD SIZE – 2021 (US\$)

San Mateo County Income Limits (2021)					
Income Category	Number of Persons Per Household				
	(Maximum Income)				
	1	2	3	4	5
Extremely Low	\$960	\$1,096	\$1,234	\$1,370	\$1,480
Very Low	\$1,599	\$1,828	\$2,056	\$2,284	\$2,468
Low Income	\$2,561	\$2,928	\$3,294	\$3,659	\$3,953
Median Income	\$2,618	\$2,993	\$3,366	\$3,740	\$4,039
Moderate Income	\$3,141	\$3,590	\$4,039	\$4,388	\$4,846

Source: HCD State Income Limits 2013 and State CDBG and HOME Income Limits, calculations by Good City Company.

3.130 RHNA (Regional Housing Needs Allocation) 2023 - 2031 (6th Cycle)

The Regional Housing Needs Allocation in the Bay Area is a process managed by ABAG (Association of Bay Area Governments) and MTC (Metropolitan Transportation Commission), whereby the housing needs for the Bay Area are distributed to the various County and city jurisdictions. The 2023 - 2031 period is the 6th RHNA cycle since the beginning of the process. The Town of Atherton has been assigned the allocations by income category, listed ~~below~~ in [Table HE-4](#) for this cycle:

TABLE HE-4: ATHERTON'S 6TH CYCLE RHNA

Income Category	Number of Units
Very Low Income	94 dwelling units
Low Income	54 dwelling units
Moderate Income	56 dwelling units
Above Moderate Income	144 dwelling units
Total	348 dwelling units

Source: HCD

3.140 Relation to Other Elements (including General Plan Consistency Analysis)

The Housing Element is closely related to the Land Use, Open Space and Circulation Elements. In the Housing Element, residential land use is translated into terms of household units to be accommodated in the future. Lands designated for residential use are identified in the Land Use Element; the location, site area and terrain suitable for housing is related to both open space and land use; and the capability of serving residential neighborhoods by an efficient circulation system is discussed in the Circulation Element.

State law requires that all elements of the general plan be consistent with each other. The General Plan was reviewed to ensure that the goals and policies of this Housing Element are consistent with the other elements of the Town's General Plan.

3.200 ASSESSMENT OF HOUSING NEEDS

3.210 Housing Needs Detailed Analysis

See Appendix 2 for detailed Housing Needs Analysis provided by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). To assist local jurisdictions in the preparation of their housing elements, MTC/ABAG provides data on topics of population, demographics, employment, and households for individual jurisdictions, counties and the region. An assessment of this information and related housing needs is provided in this section of the Housing Element.

3.211 Summary of Key Facts

This section provides a brief summary of key facts about people, jobs, housing and households, and special housing needs within Atherton. These facts give a demographic background for the town, highlighting its small population, relatively high income, and the rarity of in-town employment. Atherton's fair housing analysis, housing resources, and constraints are best understood in the context of these facts. In depth analysis of Affirmatively Furthering Fair Housing (AFFH) and housing needs is included in section 3.300. Housing resources are described in section 3.400, and constraints on housing are provided in section 3.500.

People

- Population** – ~~Unlike the rest of the Bay Area,~~ Atherton's population has been declining. ~~The Town's, unlike the rest of San Mateo County and the Bay Area region. While the city's~~ population decreased by 02.3% from 2000-2020³, ~~while~~ both the county and the Bay Area's populations have increased (by 89% and 15% respectively)⁴. In Atherton, this has been the result of almost complete buildout of the Town in accordance with the General Plan, aging population, and policies that restrict land use to low density residential and minimum lot sizes ~~to of~~ 1 acre or 1/3 acre. ~~The~~ increase in population throughout the region is mostly due to natural growth (births minus deaths) and a strong economy drawing new residents to the region.
- Income** – Atherton has a lower percentage of lower income households than the rest of the county and region, with 17% of households earning less than 80% of the

³ U.S. Census Bureau 2020 Decennial Census Table P1, 2000 Decennial Census Table DP1.

⁴ Ibid.

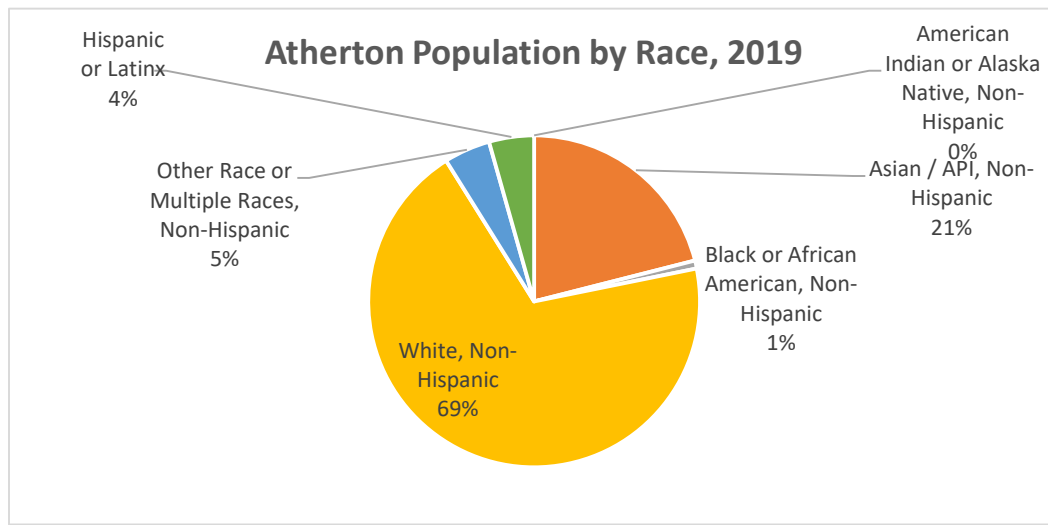
Area Median Income (AMI)⁵ compared to 40% of households in San Mateo County and 39% of households in the Bay Area as a whole. Of those that are considered lower income in Atherton, approximately 6.3% are considered very low-income (earning less than 50% of AMI) and 6.5% are considered extremely low income (earning less than 30% of AMI).

- **Age** – Community members in Atherton, as a group, are ~~overall~~ older than they were in the past, and compared to San Mateo County and the Bay Area as a whole. The median age in Atherton has increased from 45.12 in 2000 to 47.4 in 2019. The median age in San Mateo County was 39.7 in 2019, and median ages in counties of the greater Bay Area range from 37.1 in Santa Clara County, to 46.8 in Marin County. In 2019, 22.3% of the population of Atherton was under 18 years old and 22.4% was over 65 years old. In San Mateo County, 20.8% of the population was under 18, and 15.8% was over 65, while for the Bay Area as a whole, 20.6% was under 18 and 15% was over 65⁶.
- **Race/Ethnicity** – Atherton is less diverse than San Mateo County and the Bay Area as a whole. In 2019, 69% of the population of Atherton was White, 21% was Asian, 4.4% was Latinx, and 0.8% was African American. By comparison, in San Mateo County, 39% of the population was White, 28% was Asian, 24% was Latinx, and 2% was African American. The population of the Bay Area by race was 39%, 26%, 24%, and 6%, respectively.⁷ The population of Atherton broken down by race is included in Figure HE-2.

⁵ The Area Median Income is the middle spot between the lowest and highest incomes earned. The AMI for the county is \$104,700 for a single person, \$119,700 for a household of two and \$149,600 for a family of four.

⁶ U.S. Census Bureau American Community Survey 2019 5-Year Estimates Table S0101.

⁷ U.S. Census Bureau American Community Survey 2019 5-Year Estimates Table DP05.

FIGURE HE-2: AThERTON POPULATION BY RACE (2019)

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B03002.

- Poverty** – Currently, people of color in San Mateo County and the Bay Area as a whole are more likely to experience poverty. The group with the highest poverty rate in Atherton is Asian/Pacific Islander residents (5.3%). White (Hispanic and Non-Hispanic) residents have the lowest poverty rate (3.5%).⁴⁸

Jobs

- Employment** – Generally, having a similar number of jobs and employed residents produces more benefits for a community, such as reducing traffic and climate impacts, and allowing people who work in the community to also live there. San Mateo County is job rich, meaning it has more jobs than employed residents. The 2018 jobs-to-resident-workers ratio for San Mateo County is 0.96, compared to 0.95 for the greater Bay Area. In contrast, Atherton is job poor. Based on MTC data, of 7,200 residents As of 2018, there are 2,995 employed residents and 2,726 jobs⁵ 2,570 jobs⁹¹⁰ in Atherton, resulting in a jobs--to-resident-workers ratio of 0.9586. . However, the estimation of jobs likely includes commercial enterprises within the nearby County-unincorporated area as the Town has no commercial land use. **The Town believes that a more accurate number for jobs in Atherton is far less and has advised ABAG/MTC of this concern during each Plan Bay Area review.** Actual

⁸ Some demographic groups do not have reported poverty rates or may have over/underestimated rates as a result of having a limited sample for the particular group.

⁹ Employed residents in a jurisdiction are counted by place of residence (they may work elsewhere) while jobs in a jurisdiction are counted by place of work (they may live elsewhere).

¹⁰ U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files, 2002-2018

jobs with physical locations in Atherton are limited to Town employees, public and private school employees, country club employees and Cal Water employees. There are, however, a number of service industry jobs that are located in Atherton, such as construction, delivery, and household. Unfortunately there is no data readily available to more accurately represent local jobs.

- **Unemployment** – Jurisdictions throughout the region experienced a sharp rise in unemployment in 2020 due to impacts related to the COVID-19 pandemic, though with a general improvement and recovery in the later months of 2020. As of January 2021, Atherton's unemployment rate was 6.1%, which was higher than the county unemployment rate of 5.9%, slightly lower than the regional unemployment rate of 6.6%, but much lower than its pandemic-related high rate of 14.6% in April 2020. Atherton's pre-pandemic unemployment rate in January 2020 was 2.8% ~~(January 2020)~~.¹¹ ~~—(Source: California Employment Development Department, Local Area Unemployment Statistics (LAUS), Sub-county areas monthly updates, 2010-2021).~~

Housing and Households

- **~~Housing Units~~New Homes Built** – The growth in the number of ~~new~~ homes ~~built~~ in the Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. The number of housing homes constructed units in Atherton increased by~~decreased~~ 71% from 2010 to 2020, which is driven by the number of new ADUs within the town. ~~below~~ The growth rates for San Mateo County and below the housing growth rate of the region's housing stock during this the same time period ~~(4% and 5% respectively)~~. were 3% and 5% respectively.¹²
- **Home Prices and Rents** – Housing prices in Atherton are not seen as affordable to most residents and workers in the region. Given high job growth and low housing growth in the county and the greater Bay Area, the cost of housing in Atherton has increased significantly in the past decade:
 - **Sales Price** – In 2020, the average sales price of a single-family home in Atherton was approximately \$7,897,800. Home prices increased by 196% from 2010 to 2020.¹³ In comparison, the average sales price of a single-family home in San Mateo County was \$2,153,231¹⁴, and \$2,049,216 in the

¹¹ California Department of Employment Development Department, Local Area Unemployment Statistics (LAUS), Sub-county areas monthly updates, 2010-2021.

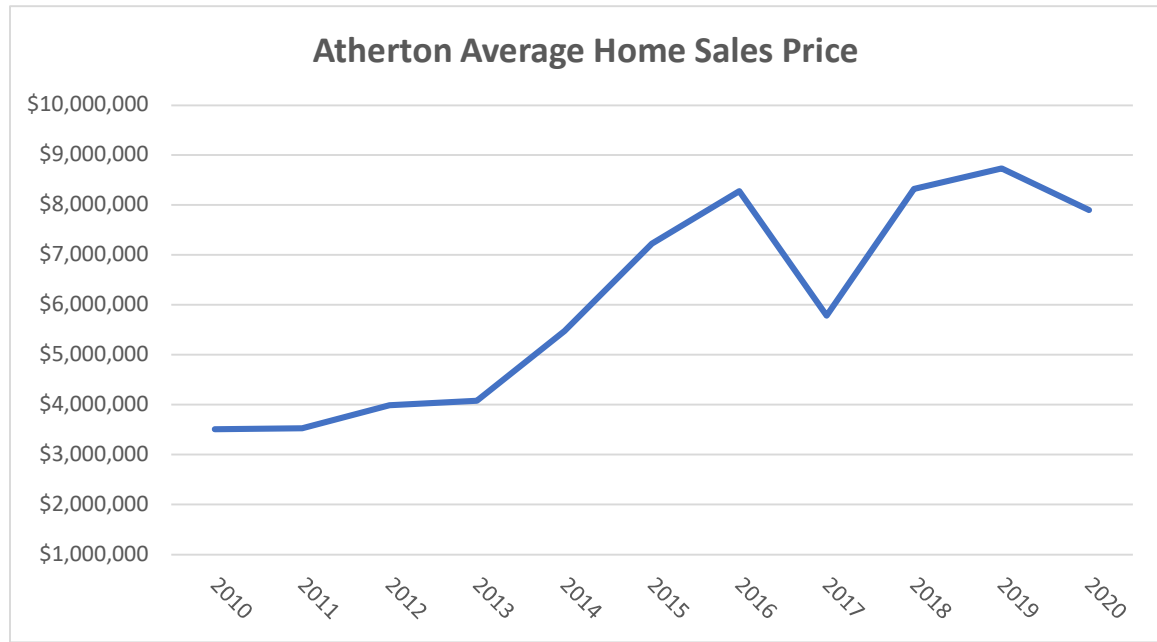
¹² U.S. Census Bureau, American Community Survey 2010 and 2020 5-Year Estimates Table B25001.

¹³ San Mateo Association of REALTORS Annual Reports 2010-2020

¹⁴ Ibid.

greater Bay Area¹⁵. Figure HE-3 shows the change in average home sales prices in Atherton between 2010 and 2020.

FIGURE HE-3: ATHERTON AVERAGE HOME SALE PRICE (2010-2020)



Source: San Mateo Association of REALTORS Annual Reports 2010-2020

- o **Rental Prices** – According to the US Census Bureau's American Community Survey 5-Year Datasets, Rental prices in Atherton increased by 60% from 2009 to 2019. The median rent in 2019 was \$3,200. To rent a typical apartment without cost burden, a household would need to make \$128,320 per year.¹⁶ Although Atherton's housing stock is primarily single-family residential, there are multifamily units provided on institutional sites that are rented. However, data distinguishing between the actual unit types is not available. There are not a sufficient number of rental units (only 150 in the town) for the US Census to break this number down by housing type. The rental data gathered by the Census does not necessarily corroborate with Atherton's internal data that tracks attested rents for accessory dwelling units (ADUs). The Town's internal data includes 41 ADUs rented for a median of \$0 – that is, the property owner is not charging rent on the occupant – and an average rent of \$765.

¹⁵ California Association of REALTORS California Housing Market Update

¹⁶ Note that contract rents may differ significantly from, and often being lower than, current listing prices.

- Housing Type** – In 2020, 98% of homes in Atherton were single family detached, 2% were single family attached, 0.2% were small multifamily (2-4 units), and 0% were medium or large multifamily (5+ units). Moreover, Atherton's housing consists of more detached single-family homes than the region as a whole (98% as compared to 52% in the Bay Area, and 66% in San Mateo County).
- Housing for Large Families** - Large families are generally served by homes with 3 or more bedrooms, of which there are 2,093 units in Atherton (94% of the housing). Among these 3+ bedroom units, 6% are renter-occupied and 94% are owner-occupied, compared to 37% renter-occupied and 63% owner-occupied in San Mateo County, and 39% renter-occupied and 61% owner-occupied in the greater Bay Area.
- Cost Burden** – The U.S. Department of Housing and Urban Development (HUD) considers housing to be affordable for a household if the household spends less than 30% of its income on housing costs. A household is considered “cost-burdened” if it spends more than 30% of its monthly income on housing costs. These, while those who spend more than 50% of their income on housing costs are considered “severely cost-burdened.” In Atherton, 14% of households are cost burdened, while an additional 18% of households are severely cost burdened. In San Mateo County, 19% of households are cost burdened, with 17% of households severely cost burdened, while the same proportions of households (19% and 17%, respectively) are cost burdened in the Bay Area as a whole.
- Neighborhood Equity** – Some neighborhoods are identified as “Highest Resource” or “High Resource” by the State of California based on a range of indicators such as access to community resources – quality schools, proximity to jobs and economic opportunities, low pollution levels, and other factors.¹⁷ However, neighborhoods do not always receive an equitable share of these community resources and may be designated as “Low Resource” if they lack these amenities. Approximately 40% of residents in Atherton live in neighborhoods identified as “Highest Resource” or “High Resource”, while no residents live in areas identified by this research as “Low Resource”. While one of the census tracts is identified as “Moderate Resource,” Atherton, as a whole, is commonly understood and accepted as a high-resource community.
- Displacement & Gentrification** – Displacement, or the inability of residents to afford to remain in their homes, is a major concern in the Bay Area due to increasing housing prices. Displacement has the most severe impacts on low- and moderate-

¹⁷ For more information on the “opportunity area” categories developed by HCD and the California Tax Credit Allocation Committee, see this website:

<https://www.treasurer.ca.gov/ctcac/opportunity.aspx><https://www.treasurer.ca.gov/ctcac/opportunity.asp>.

income residents. When individuals or families are forced to leave their homes and communities, they lose their support network. A related concern is the impact of gentrification or exclusion—when neighborhoods have limited or no housing opportunities for low- and moderate-income residents.

Low-income households are excluded from virtually all of Atherton's neighborhoods due to the high cost of land. No households in Atherton live in neighborhoods that are susceptible to or experiencing displacement, or in areas at risk of or undergoing gentrification.¹⁸ The entire town is identified as an area that is "Stable/Advanced Exclusive."

The notable exception to this is accessory dwelling units (ADUs) and junior ADUs (JADUs) throughout town. The Town supports and encourages an active and successful home-sharing program through HIP Housing. Lastly, Menlo College provides extensive dormitory use for students that would otherwise be housed and renting affordable units off campus. By supporting multi-family housing on campus, the Town is able to assist in opening up scarce affordable housing resources throughout the region.

Special Housing Needs

Some population groups may have special housing needs such as and may have greater difficulty in finding decent, adequate, and affordable housing due to—mobility and accessibility barriers. For instance, individuals with disabilities are often unable to work and live off of a fixed income, such as Supplemental Security Income. They also may require accessibly designed housing to accommodate needs related to their specific disabilities. employment and income, family characteristics, disability, and/or household characteristics.

- In Atherton, 7.8% of residents have a disability of any kind. While there are not any and may require accessible housing. People with disabilities face challenges when looking for housing, especially accessible housing units in the Town that are specifically tailored to the needs of individuals. There is a limited supply of handicap accessible, generally affordable housing, and the supply is especially limited near transit. Proximity to transit is important because many people with disabilities, such as supportive housing or assisted living facilities, the data appears to indicate that Town residents cannot drive. People with disabilities are housed, typically with family members who are able to provide also often extremely low-income due to the challenge of securing long-term employment and higher

¹⁸ For more information on the University of California, Berkeley Urban Displacement map, see this website: <https://www.urbandisplacement.org/maps/california-estimated-displacement-risk-model/>

medical bills. Additionally, some people with disabilities, particularly developmental disabilities, have lived with their parents and often do not have rental or credit history. This makes it harder for them to compete for the limited housing that is available.

- Seniors (individuals 64 years of age or older) are another segment of the population with special housing needs. As previously mentioned, 22.4% of Atherton's population, or 1,596 individuals, were seniors in 2019. As the large baby boomer population ages, Atherton, like the rest of San Mateo County, is expected to see a growing population of seniors. Currently, there are no senior housing units in Atherton. However, as the population of the Town continues to age, there may be a greater need for more senior housing (i.e. smaller, multifamily units, or accessible units), spurred by a growing trend by many to age-in-place or downsize to remain in their communities.
- Additionally, In Atherton, 13% of Atherton households are larger households with five or more people, who sharing the same home. These households likely need larger housing units with three bedrooms or more. Since 0% of the large households in the Town are considered very low-income and 94% of the units in the Town are three or more bedrooms, the high cost of housing in the Town has not prevented a majority of these large families from securing adequate housing. However, larger households needing three or more bedrooms often have difficulty in finding adequate and affordable housing. The higher costs required for homes with multiple bedrooms can result in larger families experiencing a disproportionate cost burden compared to the rest of the population and can increase the risk of housing insecurity. ADUs typically cannot achieve three or more bedrooms within realistic square footage limitations and do not necessarily meet the needs of low-income or cost burdened larger households.
- Finally, In Atherton, 5.4% of households in the Town are female-headed families, which can be of greater risk of housing insecurity, or losing their home. Households headed by a single parent can have special needs due to the economic limitation of earning only one income, and the challenges of childcare without a partner. Although gender equality has made strides over the past 50 years, women continue to earn lower incomes than men. Therefore, female-headed households have specific housing needs that must be addressed: low-cost housing, suitability for children and located near schools and childcare facilities. Difficulty in finding affordable housing can result in disproportionate cost burden on female headed families compared to the rest of the population and can also increase the risk of housing insecurity.
- In the 2022 San Mateo County One Day Homeless Count and Survey, there were 3 homeless individuals in Atherton, or less than 1% of the town's population.

Atherton historically has one of the lower homeless counts in San Mateo County. Shelters and homeless assistance programs are the main resources available to homeless residents of San Mateo County. San Mateo County's Center on Homeless, a program overseen by the County Human Services Agency, coordinates the provision of homeless services within the County, including those by non-governmental entities. The Center on Homeless provides information to county residents and referrals, administers self-sufficiency programs, and develops homeless resources. There are also several specialized shelters for people with substance abuse problems, mental illnesses, victims of domestic violence and for the youth. The nearest large homeless assistance facility is the Community Service Center in Daly City. The Center is a clearinghouse providing motel vouchers, bus tickets and referrals to the County's transitional shelters. In addition, this facility provides a Home Sharing service which keeps track of those with living quarters to share. Limited housing affordability and availability increases the risk of continued housing insecurity for homeless individuals.

- **Extremely Low Income (ELI) Households** – ELI households earn 30% of the Area Median Income or less. This amounts to an annual income of \$54,800 or below for a family of four in San Mateo County. According to HUD data, there are 149 households with extremely low incomes (out of 2,305 total households, or 6.4%). Of these households, 130 are owner occupied (87% of all extremely low income households) and 19 are renter occupied (13%).

3.300 ATHERTON FAIR HOUSING ASSESSMENT

3.310 Introduction – What is Fair Housing?

The State of California's 2018 Assembly Bill (AB 686) requires that all public agencies in the state affirmatively further fair housing (AFFH) beginning January 1, 2019. Public agencies receiving funding from the U.S. Department of Housing and Urban Development (HUD) are also required to demonstrate their commitment to AFFH. The federal obligation stems from the fair housing component of the federal Civil Rights Act mandating federal fund recipients to take "meaningful actions" to address segregation and related barriers to fair housing choice. The Town does not receive HUD funding.

AB 686 requires all public agencies to "administer programs and activities relating to housing and community development in a manner that affirmatively furthers fair housing, and take no action inconsistent with this obligation"⁹¹⁹

AB 686 also makes changes to Housing Element Law to incorporate requirements to AFFH as part of the housing element and general plan to include an analysis of fair housing outreach and capacity, integration and segregation, access to opportunity, disparate housing needs, and current fair housing practices.

Affirmatively Furthering Fair Housing

"Affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development. (Gov. Code, § 8899.50, subd. (a)(1).)"

Source: California Department of Housing and Community Development Guidance, 2021, page 14.

¹⁹ [California Department of Housing and Community Development Guidance, 2021, page 9.](#)

History of segregation in the region

The United States' oldest cities have a history of mandating segregated living patterns—and Northern California cities are no exception. ABAG, in its recent Fair Housing Equity Assessment, attributes segregation in the Bay Area to historically discriminatory practices—highlighting redlining and discriminatory mortgage approvals—as well as “structural inequities” in society, and “self-segregation” (i.e., preferences to live near similar people). **The narrative below applies regionally and is not solely specific to the Town of Atherton.**

Researcher Richard Rothstein's 2017 book *The Color of Law: A Forgotten History of How Our Government Segregated America* chronicles how the public sector contributed to the segregation that exists today. Rothstein highlights several significant developments in the Bay Area region that played a large role in where the region's non-White residents settled. the Bay Area region that played a large role in where the region's non-White residents settled.

This history of segregation in the region is important not only to understand how residential settlement patterns came about—but, more importantly, to explain differences in housing opportunity among residents today. In sum, not all residents had the ability to build housing wealth or achieve economic opportunity. This historically unequal playing field in part determines why residents have different housing needs today.

Pre-civil rights San Mateo County faced resistance to racial integration, yet it was reportedly less direct than in some Northern California communities, taking the form of “blockbusting” and “steering” or intervention by public officials. These local discriminatory practices were exacerbated by actions of the Federal Housing Administration which excluded low-income neighborhoods, where the majority of people of color lived, from its mortgage loan program.

According to the San Mateo County Historical Association, San Mateo County's early African Americans worked in a variety of industries, from logging, to agriculture, to restaurants and entertainment. Expansion of jobs, particularly related to shipbuilding during and after World War II attracted many new residents to the Peninsula, including the first sizable migration of African Americans. Enforcement of racial covenants after the war forced the migration of the county's African Americans into neighborhoods where they were allowed to occupy housing. Typically, this housing was segregated into less desirable areas, such as next to highways, and concentrated in public housing and urban renewal developments.

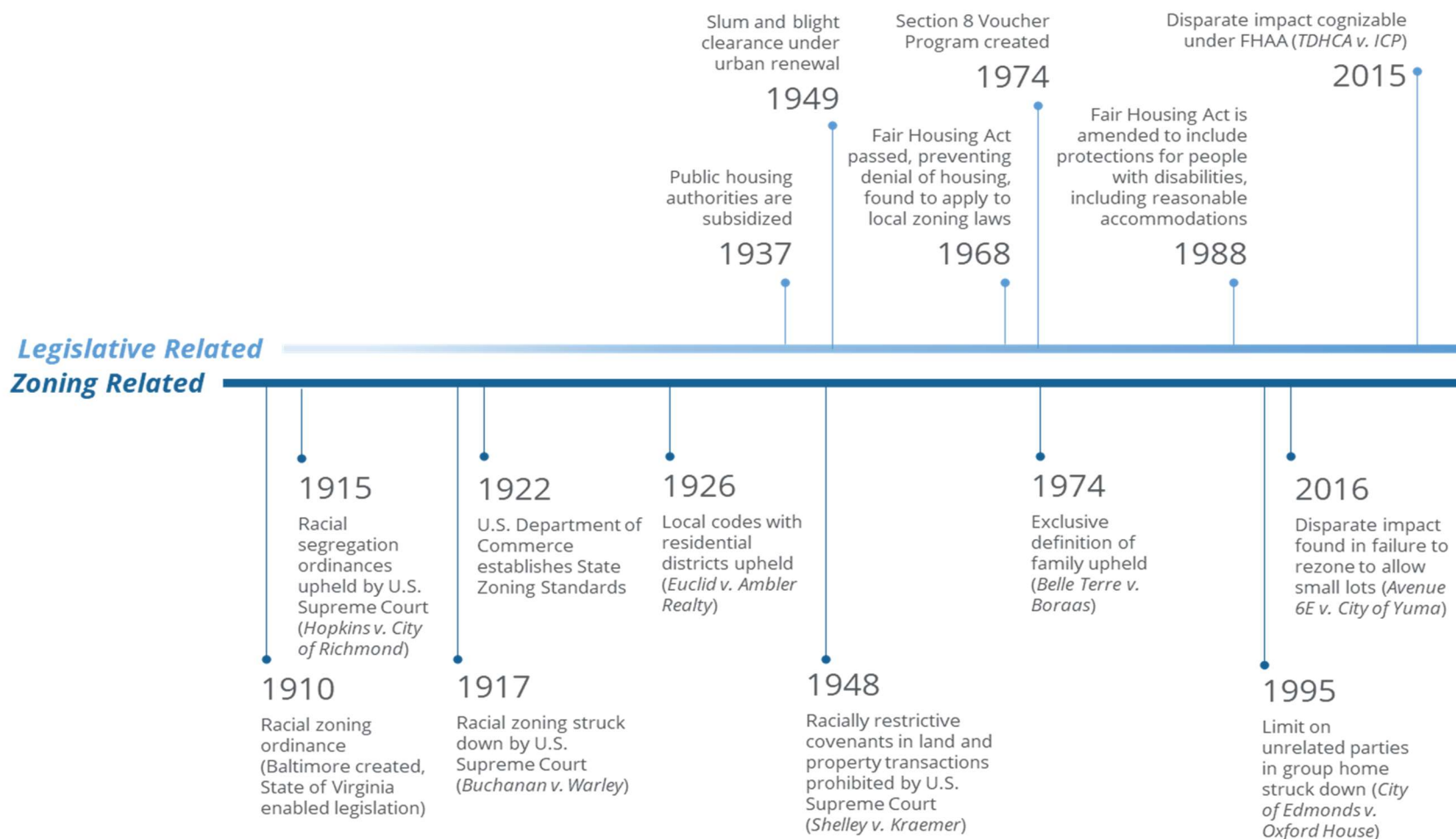
The private sector contributed to segregation through activities that discouraged (blockbusting) or prohibited (restrictive covenants) integrated neighborhoods. The segregationary effect of blockbusting activities in the County is well-documented in East Palo Alto. In 1954, after a white family in East Palo Alto sold their home to an African American family, the then-president of the California Real Estate Association set up an office in East Palo Alto to scare white families into selling their homes (“for fear of declining property values”) to agents and speculators. These agents then sold these homes at over-inflated prices to African American buyers, some of whom had trouble making their payments. Within six years, East Palo Alto—initially established with “whites only” neighborhoods—became 82% African American. The FHA prevented re-integration by refusing to insure mortgages held by white buyers residing in East Palo Alto.

Throughout the county, neighborhood associations and city leaders attempted to thwart integration of communities. Although some neighborhood residents supported integration, most did not, and it was not unusual for neighborhood associations to require acceptance of all new buyers. Builders with intentions to develop for all types of buyers (regardless of race) found that their development sites were rezoned by planning councils, required very large minimum lot sizes, and/or were denied public infrastructure to support their developments or charged prohibitively high amounts for infrastructure.

The timeline of major federal acts and court decisions related to fair housing choice and zoning and land use appears on the following page.

As shown in the timeline [\(Figure HE-4\)](#), exclusive zoning practices were common in the early 1900s. Courts struck down only the most discriminatory and allowed those that would be considered today to have a “disparate impact” on classes protected by the Fair Housing Act. For example, the 1926 case *Village of Euclid v. Ambler Realty Co.* (272 U.S. 365) supported the segregation of residential, business, and industrial uses, justifying separation by characterizing apartment buildings as “mere parasite(s)” with the potential to “utterly destroy” the character and desirability of neighborhoods. At that time, multifamily apartments were the only realistic housing options for people of color, including immigrants.

The Federal Fair Housing Act was not enacted until nearly 60 years after the first racial zoning ordinances appeared in U.S. cities. This coincided with a shift away from federal control over low-income housing toward locally-tailored approaches (block grants) and market-oriented choice (Section 8 subsidies)—the latter of which is only effective when adequate affordable rental units are available.

FIGURE HE-4: MAJOR PUBLIC AND LEGAL ACTIONS THAT INFLUENCE FAIR ACCESS TO HOUSING²⁰

²⁰ Moore, Eli, Montojo, Nicole, and Mauri, Nicole. *Roots, Race, & Place: A History of Racially Exclusionary Housing in the San Francisco Bay Area* (Othering and Belonging Institute at the University of California, Berkeley: October 2, 2019. Available at: <https://belonging.berkeley.edu/rootsraceplace>

3.320 Section Content and Organization

This Fair Housing Assessment follows the April 2021 State of California State Guidance for AFFH. The study was conducted as part of the 21 Elements process, which facilitates the completion of Housing Elements for all San Mateo County jurisdictions, with modifications made after consultation with HCD:

- **Section 3.330. Fair Housing Enforcement and Outreach Capacity** reviews lawsuits, ~~/~~enforcement actions, ~~and~~ ~~/~~complaints against the jurisdiction; compliance with state fair housing laws and regulations; and jurisdictional capacity to conduct fair housing outreach and education.
- **Section 3.340. Integration and Segregation** identifies areas of concentrated segregation, degrees of segregation, and the groups that experience the highest levels of segregation.
- **Section 3.350. Access to Opportunity** examines differences in access to education, transportation, economic development, and healthy environments.
- **Section 3.360. Disparate Housing Needs** identifies which groups have disproportionate housing needs including displacement risk.
- **Section 3.370. Site Inventory Analysis** provides an analysis of sites identified to meet RHNA obligations for their ability to affirmatively further fair housing.
- **Section 3.380. Local Data, Knowledge, and Other Relevant Factors** provides additional information and context about fair housing in Atherton.
- **Section 3.390. Contributing Factors and Fair Housing Action Plan** identifies the primary factors contributing to fair housing challenges and the plan for taking meaningful actions to improve access to housing and economic opportunity.

Fair Housing Appendices

Fair Housing Appendices that provide additional AFFH data are provided alongside the other Housing Element appendices, at the end of the element.

- **3.3-A:** Resident survey results—findings from a survey of San Mateo County residents on their experience finding and remaining in housing
- **3.3-B:** Disparate Access to Educational Opportunities—findings from a countywide analysis of access to education and educational outcomes by protected class.
- **3.3-C:** State Fair Housing Laws and Regulations—summary of key state laws and regulations related to mitigating housing discrimination and expanding housing choice

- **3.3-D:** Fair Housing Organizations in San Mateo County—mission, services, and contact information

3.321 Primary Findings

This section summarizes the primary findings from the Fair Housing Assessment for Atherton including the following sections: fair housing enforcement and outreach capacity, integration and segregation, access to opportunity, disparate housing needs, and contributing factors and the town's fair housing action plan.

- From 2017 to 2021, 57 fair housing complaints in San Mateo County were filed with the U.S. Department of Housing and Urban Development (HUD)—**there were no complaints identified for Atherton.** Compared to nearby Redwood City and Menlo Park, Atherton does not appear to have any housing stock currently used by renters with housing vouchers. The Town does not have an inventory of income assisted rental units and to our knowledge, no one has requested the use of vouchers.
- Atherton stands out for the income level of its residents affluence and high ownership rates, with a median income of over \$250,000 (the highest census cut-off) and a homeownership rate of 93%, compared to 149,907 and 60% in San Mateo County.
- Racial and ethnic minorities living in Atherton are wealthier compared to the county. However, in general:
 - In the county, Hhouseholds of other or multiple races experience higher rates of cost burden—56% are extremely cost burdened, compared to 16% in Atherton overall. (Figure IV-11). Lower income households are also more likely to experience housing cost burden. One out of seven households with income below 80% AMI are severely cost burdened (Figure IV-10).
 - Racial and ethnic minorities are more likely than non-Hispanic White households to experience overcrowding. Other races (21% of households), and Hispanic households (19%), experience the highest rates of overcrowding. (Figure IV-17).
 - Disparities by race and ethnicity are prevalent for home mortgage applications, particularly in denial rates. Hispanic (60% denial rate) and Asian/API (29%) have the highest denial rates for mortgage loan applications in 2018 and 2019, compared to non-Hispanic White households (18%). (Figure IV-33).

- Population growth in Atherton since 2010 has been slower than the County's and the town has not reached the population level it had prior to the late 1900's ~~(Figure IV-1)~~. Despite the low population growth, home values accelerated since 2014 ~~(Figure IV-5)~~. Atherton is part of Silicon Valley and home prices have been driven by the regional economy that has generated significant value. Atherton is one of the region's most expensive communities. Though it is separately incorporated, its economy and home prices are largely due to regional growth and demand.
- However, growth in home prices has not translated to more building activity. According to the ABAG Housing Data Workbook, the majority of the housing inventory in Atherton was constructed from 1940 to 1959, with 1,087 units built between 1940 to 1959 compared to 180 units built in 2010 or later. ~~(Figure IV-3)~~. However, actual Town building permit records reflect that from 2010 forward more than 320 new single-family home building permits were issued.
- Atherton has relatively the same share of residents with a disability compared to the county. ~~(Figure III-17)~~. In general, residents living with a disability in the town are more likely to be unemployed ~~and an~~. Finally, the aging population in the county is putting a strain on paratransit access countywide. ~~Regionally, unemployment~~ Unemployment is disproportionately high among residents living with a disability at 11% compared to 5% for residents without a disability in Atherton—particularly when compared to the county. ~~(Figure III-20)~~.
- Atherton is served by the Menlo Park City, Redwood City, and Las Lomitas Elementary School Districts, and the Sequoia Union High School District. ~~The Town is split into thirds amongst these districts.~~
- Countywide 27% of Hispanic students met or exceeded mathematics testing standards and 40% met or exceeded English testing standards. Hispanic students in Menlo Park City Elementary, Las Lomitas Elementary, and Redwood City Elementary, which includes Atherton's Adelante Selby Spanish Immersion School, performed better compared to the county (55%, 44%, and 34% respectively in mathematics and 62%, 65%, and 43% in English).
- Overall, 31.29% of public-school students in San Mateo County qualify for reduced lunch in the 2022-2023 school year.²¹ In Redwood City Elementary School District,

²¹ Data collected by the California Department of Education (CDE) through the California Longitudinal Pupil Achievement Data System (CALPADS).

~~which includes Atherton. This was substantially higher in Redwood City Elementary School District, 61% of students qualify for free and reduced-price meals. This number is far higher than Menlo Park City Elementary School District (10%) or Las Lomas Elementary School District (6%). where 56% of students qualify for reduced lunch which includes Atherton's Adelante Selby Spanish Immersion School. County-wide, 2021% of public-school students are English learners. Again, this rate is higher at Redwood City Elementary School District, where 38% of students are English learners. In contrast, the share of students who qualify for reduced lunch, are experiencing homelessness, or are English learners is lower and significantly lower at Menlo Park City Elementary and Las Lomas Elementary, respectively, is significantly lower than the countywide share (Disparate Access to Educational Opportunities Appendix)., compared to Menlo Park City Elementary School District (7.3%) or Las Lomas Elementary School District (13%).~~

- At the high school level, Sequoia Union High School district ~~(which includes Atherton)~~ has the highest dropout rate in the County (10%), ~~with and~~ dropout rates among Pacific Islander (20%), Hispanic (16%), and Black (12%) students are ~~being much~~ higher ~~than amongst their peers of other races and/or ethnicities~~ (Disparate Access to Educational Opportunities Appendix).

3.330 Fair Housing Enforcement and Outreach Capacity

This section discusses fair housing legal cases and inquiries, fair housing protections and enforcement, and outreach capacity.

Fair Housing Legal Cases and Inquiries

California fair housing law extends beyond the protections in the Federal Fair Housing Act (FHA). In addition to the FHA protected classes—race, color, ancestry/national origin, religion, disability, sex, and familial status—California law offers protections for age, sexual orientation, gender identity or expression, genetic information, marital status, military or veteran status, and source of income (including federal housing assistance vouchers).

The California Department of Fair Employment and Housing (DFEH) was established in 1980 and is now the largest civil rights agency in the United States. According to their website, the DFEH's mission is, "to protect the people of California from unlawful discrimination in employment, housing and public accommodations (businesses) and from hate violence

and human trafficking in accordance with the Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, and Ralph Civil Rights Act".¹⁹²²

DFEH receives, evaluates, and investigates fair housing complaints. DFEH plays a particularly significant role in investigating fair housing complaints against protected classes that are not included in federal legislation and therefore not investigated by HUD. DFEH's website provides detailed instructions for filing a complaint, the complaint process, appealing a decision, and other frequently asked questions.¹⁹²³ Fair housing complaints can also be submitted to HUD for investigation.

Additionally, San Mateo County has a number of local enforcement organizations including Project Sentinel, the Legal Aid Society of San Mateo County, and Community Legal Services ~~in~~^{of} East Palo Alto. These organizations receive funding from the County and participating jurisdictions to support fair housing enforcement and outreach and education in the County.

From 2017 to 2021, 57 fair housing complaints in San Mateo County were filed with the U.S. Department of Housing and Urban Development (HUD)— **none of the complaints were in Atherton. The data below reflects complaint data submitted for the regioncounty.**

Countywide, most complaints cited disability status as the ~~bias-basis~~ (56%) followed by race (19%), and familial status (14%). No cause determination was found in 27 complaints followed by successful conciliation or settlement with 22 complaints. Fair housing inquiries in 2020 were submitted primarily from the City of San Mateo, Redwood City, Daly City, and Menlo Park.

Fair housing complaints filed with HUD by San Mateo County residents have been on a declining trend since 2018, when 18 complaints were filed. In 2019, complaints dropped to 5, increased to 11 in 2020, and had reached 6 by mid-2021.

Nationally, the National Fair Housing Alliance (NFHA) reported a "negligible" decrease in the number of complaints filed between 2019 and 2020. The primary bases for complaints nationally were nearly identical to San Mateo County's: disability (55%) and race (17%). Familial status represented 8% of complaints nationally, whereas this basis comprised 14% of cases in the county.

NFHA identifies three significant trends in 2020 that are relevant for San Mateo County:

²² California Department of Civil Rights, <https://civildrights.ca.gov/aboutcrd/> <https://www.dfeh.ca.gov/aboutdfeh/>

²³ California Department of Civil Rights, Complaint Process, <https://www.dfeh.ca.gov/complaintprocess/>

- First, fair lending cases referred to the Department of Justice from federal banking regulators have been declining, indicating that state and local government entities may want to play a larger role in examining fair lending barriers to homeownership.
- Second, NFHA identified a significant increase in the number of complaints of harassment—1,071 complaints in 2020 compared to 761 in 2019.
- Finally, NFHA found that 73% of all fair housing complaints in 2020 were processed by private fair housing organizations, rather than state, local, and federal government agencies—reinforcing the need for local, active fair housing organizations and increased funding for such organizations.¹²²⁴

There were no complaints filed against the Town. Residents in Atherton are either not confronted by housing discrimination, or, if they are, have the financial power to overcome it without filing a complaint. There are affordable housing opportunities at Menlo College for students, staff, faculty, and their families; as well as accessory dwelling units throughout Town rented at affordable rates. There too, there have not been any housing complaints filed.

In preparing this AFFH, the San Mateo County jurisdictions participating in 21 Elements participated in a discussion with the local fair housing organizations Legal Aid of San Mateo County and Project Sentinel to learn about fair housing trends and concerns, as well as to discuss best practices in AFFH. Following this discussion, the consultant team contacted local fair housing organizations to obtain local data on fair housing complaints and lawsuits beyond what was available in HCD and HUD datasets. Consultants also obtained and analyzed data from HUD. These datasets were compared for duplicate cases and analyzed and appear in the graphics and tables in this section.

Outreach and capacity. The Town of Atherton has posted its Draft Housing Element for 2023-2031 and advertised to residents an ADU survey, held multiple special meetings and study sessions with the City Council, and held community forums in January to gain input on the final Housing Element. The outreach was conducted via direct mailers to each property owner, use of social media, e-blasts to the Town's registered email list and emails to housing organizations requesting notification.

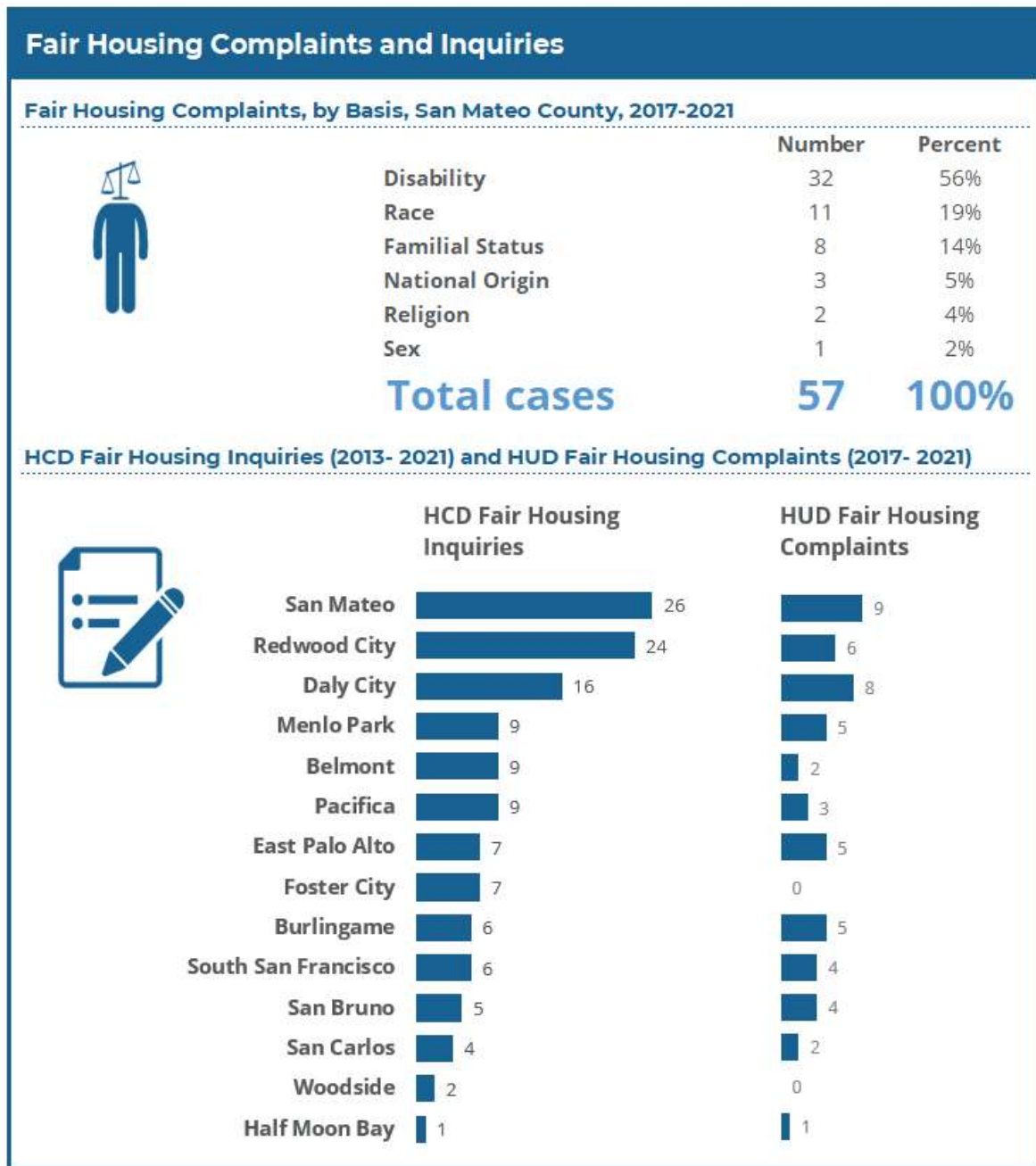
Outreach and Capacity

The Town of Atherton does not currently have a fair housing outreach and enforcement program, and rather receives complaints from independently informed, interested

²⁴ National Fair Housing Alliance Report on Housing Harassment,
<https://nationalfairhousing.org/2021/07/29/annual-fair-housing-report-shows-increase-in-housing-harassment/>

stakeholders. The Town has not developed a fair housing enforcement and outreach program due to Atherton's small size and extremely low incidence of fair housing complaints. As there were no fair housing inquiries between 2013 to 2021. Distribution and basis of fair housing complaints and inquiries in San Mateo County between 2017 and 2021 are included in Figure HE-5. That said, the Town acknowledges that it has a responsibility to conduct proactive outreach to ensure residents are aware of their rights regarding fair housing issues. These changes shall be discussed in below.

~~Atherton has and~~ The Town of Atherton will improve the accessibility of fair housing information on its website and resources for residents experiencing housing discrimination. Information on housing resources ~~has already been~~ can be expanded on the town's website as well as information or resources for residents experiencing discrimination in housing or the Fair Housing Act. This includes providing contact information for local fair housing organizations, legal assistance, and general information about the Fair Housing Act and discrimination. The Town shall receive and compile fair housing complaints by conducting proactive, annual outreach to homeowners and renters. The Town shall also conduct proactive educational outreach to increase awareness of fair housing rights and responsibilities within the jurisdiction. After receiving and aggregating complaints, the Town will make regular monthly referrals to local enforcement agencies and non-profits. An annual review of the effectiveness of this program will be carried out in tandem with the educational outreach process.

FIGURE HE-5: FAIR HOUSING COMPLAINTS AND INQUIRIES

Source: California Department of Housing and Community Development AFFH Data Viewer

~~Housing Specific Policies Enacted Locally~~ Atherton identified the following local policies that contribute to the regulatory environment for affordable housing development in the town.

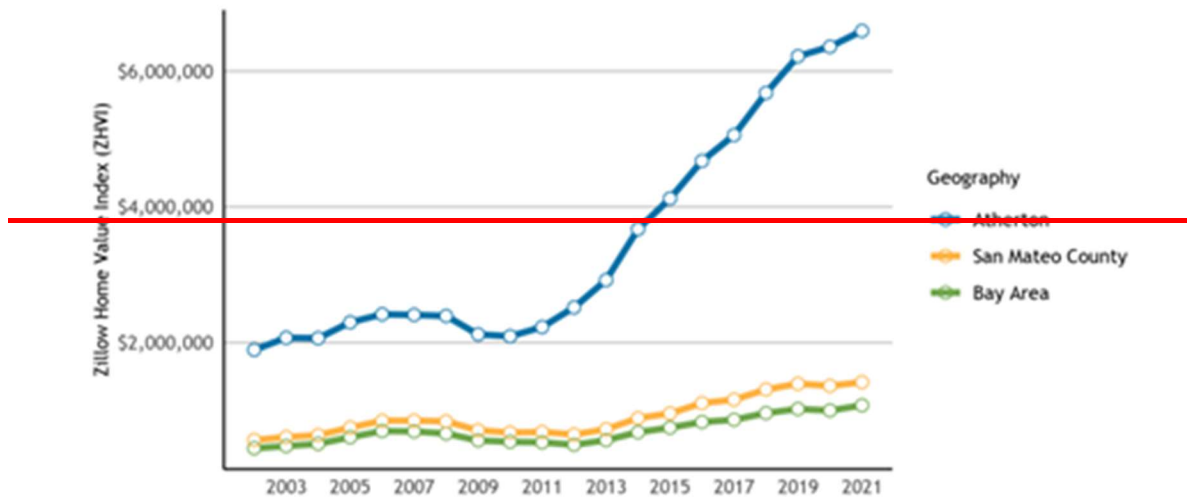
~~Local policies in place to encourage housing development:~~

- ~~•—Density bonuses for affordable housing per State Density~~
- ~~•—Bonus/Low-Exempt floor area for ADU and JADU construction~~
- ~~•—Local Ordinance implementing SB9~~
- ~~•Support for school and faculty housing solutions throughout town and on campuses~~

~~Local policies that are NOT in place but have Council interest for further exploration.~~

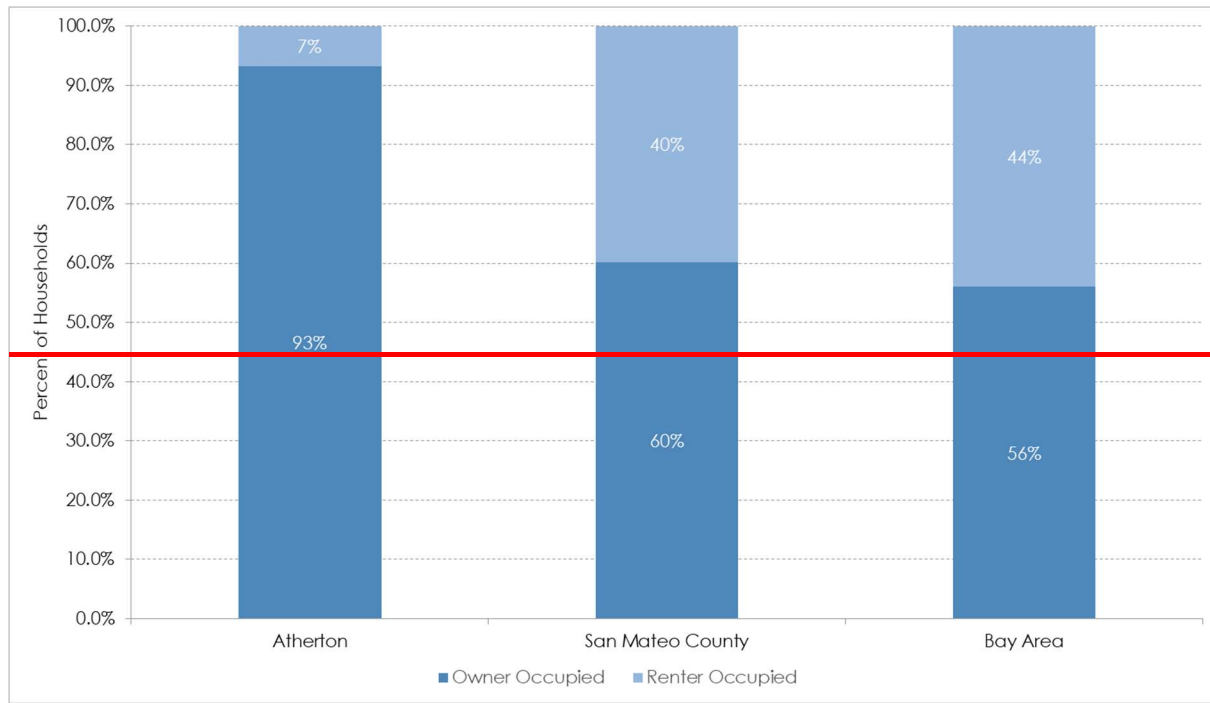
- ~~▪—Expanded ADU development and rental programs as well as incentives, to include reduction in fees~~
- ~~▪—Expanding support for school and faculty housing solutions~~
- ~~▪—Support for multiple single-family ADU rentals on single-family zoned parcels~~
- ~~▪—Support for new multifamily housing~~
- ~~▪ Fair housing legal service referrals Housing counseling subsidy referrals~~

The greatest barrier to construction of affordable housing in Atherton is the high cost of land. Property values in Atherton greatly outpace average land cost in other jurisdictions in San Mateo County. The current average cost of a developed an acre in Atherton is \$7-\$8 million. The Town believes that the high cost of land deters development opportunities for large-scale affordable housing projects. The Town believes that a distributed approach through the use of an ADU and JADU development and rental program mitigates the high cost of land and will ultimately be more successful. The Town has also identified several properties for rezoning to permit multifamily housing. The graph below shows the radical difference in home values in Atherton that reflect the high cost of land as compared to other jurisdictions in San Mateo County and throughout the Bay Area.



According to the California Department of Housing and Community Development AFFH Data Viewer (HCD data viewer), Atherton does not have public housing buildings. Atherton also does not have a significant share of households using housing vouchers.

Compared to nearby Redwood City and Menlo Park, to the Town's knowledge, the Town does not have housing stock being utilized by available to renters with housing vouchers. The lack of presence of housing voucher users could indicate limited or no rental supply to house these residents.



Bay Area policies are interconnected; Atherton's land use policies that limit the parcel size and restrict multifamily development contribute to housing shortages in other areas of the county. Due to the high cost of housing, town employees and service workers are forced to other areas in search of affordable housing that is not found in the town in which they work. However, the Town does support the expansion of multifamily housing for students, staff and faculty at its local school sites that opens up affordable housing found in other communities by housing these individuals locally.

The figure above shows Atherton lacks renter-occupied housing compared to San Mateo County and the Bay Area. 40% of San Mateo County households are renters compared to only 7% in Atherton. This suggests that workers who cannot afford Atherton must rent elsewhere in the county, given the very limited numbers of rental units in Atherton. There are only 150 renter households in Atherton compared to 2,065 owner-occupied households in Atherton. These statistics do not include multi-family rental opportunities at school sites. Both numbers have stayed relatively stagnant since 2000. Renters in Atherton are young: 74% of those aged 15-24 and 88% of those aged 25-34 are renters. Unless they benefit from familial wealth, these renters must leave the town to purchase homes. Data is from ACS 5-year data (2015-2019).

~~According to ACS data, there are no multi-family homes, boats, RVs, vans or other types of housing in Atherton. 93% (2,021) of detached single family homes are owner-occupied and 7% (150) are renter-occupied—providing the only rental stock in Atherton. All attached single family homes (38) and mobile homes (6) are owner-occupied. Attached single family homes have grown by only 30 homes and single family detached homes have lost 61 units in the past decade. The California Department of Finance counts six multi family homes with two to four units built in 2020.~~

3.340 Integration and Segregation

This section discusses integration and segregation of the population by protected classes including race and ethnicity, disability status, familial status, and income status. The section includes analyses of:

- Race and Ethnicity in Atherton
- Racially and ethnically concentrated areas of poverty and affluence
- Dissimilarity Index
- Disability Status
- Familial Status
- Household Income

Integration and Segregation

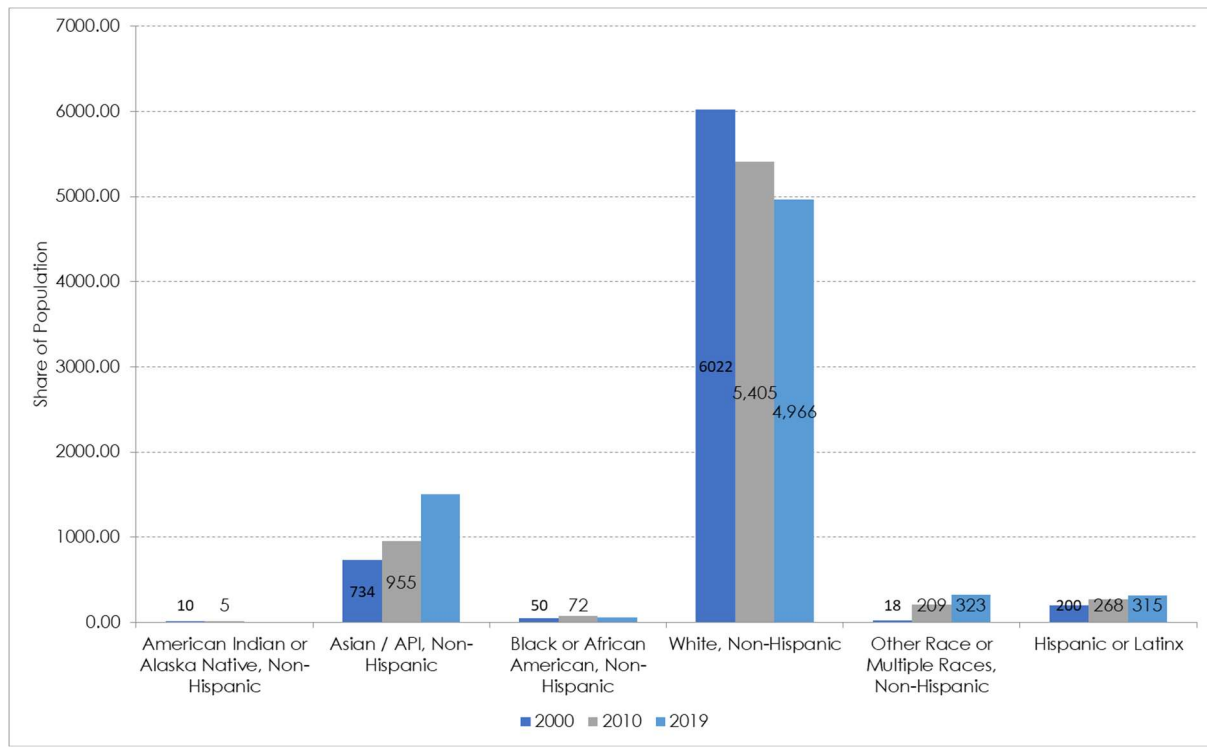
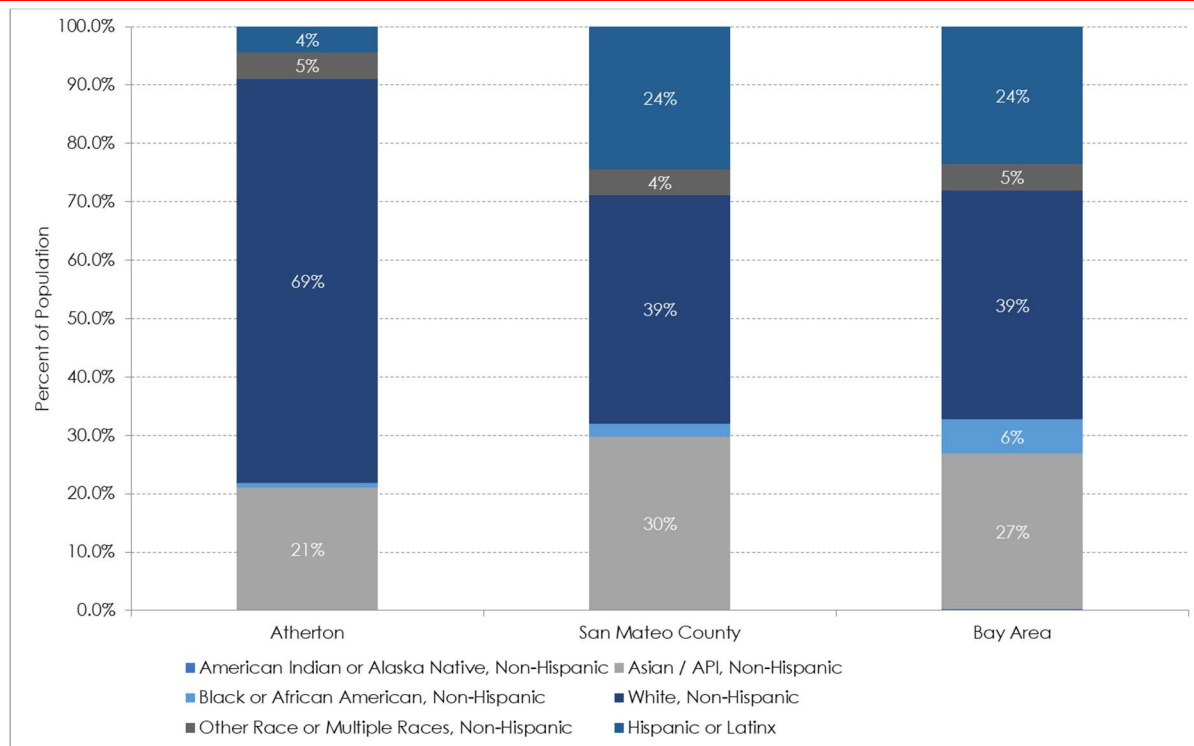
“Integration generally means a condition in which there is not a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a particular type of disability when compared to a broader geographic area.

Segregation generally means a condition in which there is a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area.”

Race and Ethnicity.

As shown in Figure HE-6, Atherton became more diverse between 2000 and 2019, during a time when the town's population declined. However, Atherton is a less racially and ethnically diverse community compared to the county than San Mateo County as a whole. The largest proportion of the population is non-Hispanic White (69% v. 39% countywide), followed by Asian/Asian Pacific Islander (API) (21% v. 30% countywide). Residents of other or multiple races make up 5% of the population, Hispanic residents make up 4% of the population, and Black or African American residents make up 1%.²⁵ Figure HE-7The4-chart, informed by ACS 2019 5-year data, shows the differences in racial makeup in Atherton, San Mateo County, and the greater Bay Area.

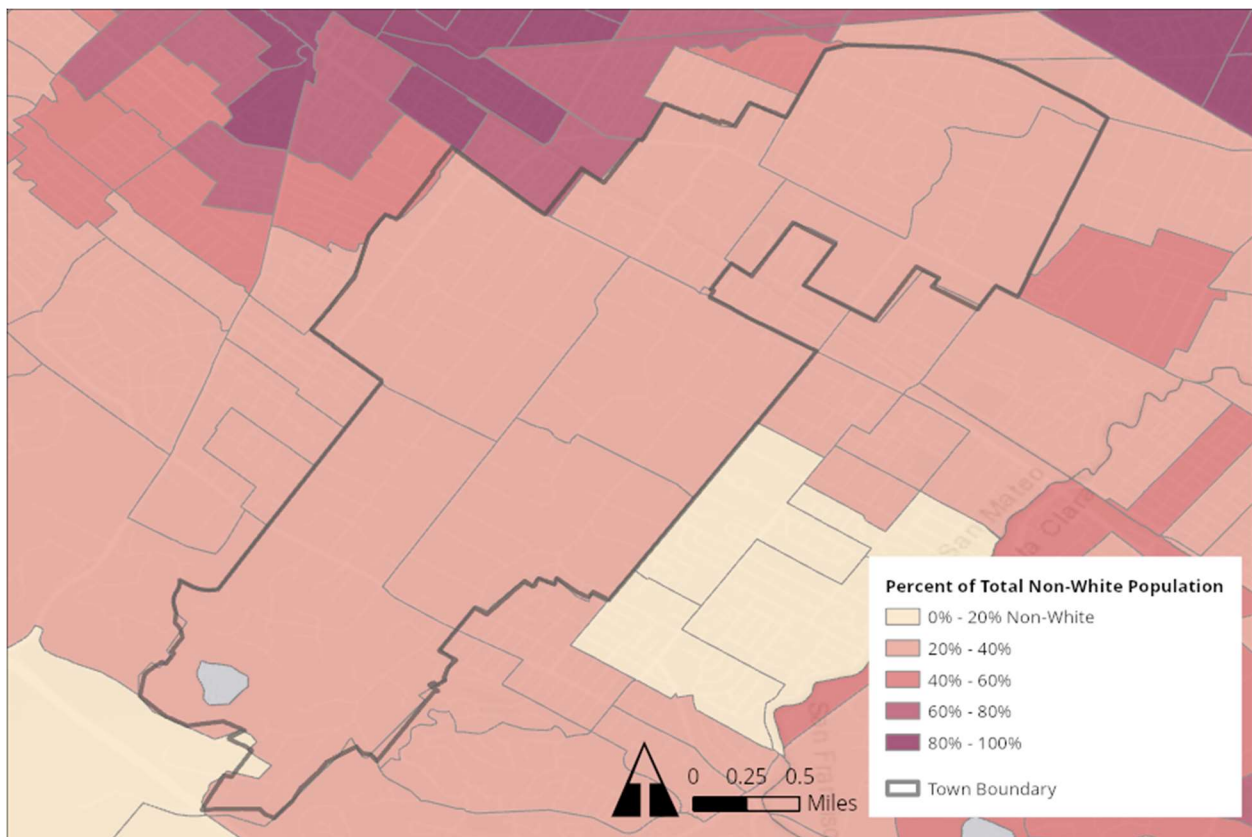
²⁵ The share of the population that identifies as American Indian or Alaska Native is less than 1%.

FIGURE HE-6: RACE AND ETHNICITY IN ATHERTON, SAN MATEO COUNTY, AND THE BAY AREA**FIGURE HE-7: RACE AND ETHNICITY IN ATHERTON, SAN MATEO COUNTY, AND THE BAY AREA**

Source: American Community Survey 2019 5-Year Estimates

Black or African American residents make up 1%. The chart below, informed by ACS 2019 5-year data, shows the differences in racial makeup between Atherton, San Mateo County, and the Bay Area. Atherton is predominantly white, but Redwood City and areas of unincorporated San Mateo County to the town's north are predominantly non-White, as shown in Figure HE-8. There are no particularly unique racial concentrations within the town. Note that diversity by age cohort varies—older. Older residents of Atherton are less diverse than the town as a whole, with 89% of the population older than 65 years identifying as White compared to 61% of the population for children less than 18 years old.

FIGURE HE-8: PERCENTAGE OF TOTAL NON-WHITE POPULATION IN ATHERTON AND SURROUNDING JURISDICTIONS



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001

Racially or Ethnically Concentrated Areas of Poverty and Affluence

A Racially Concentrated Area of Poverty or an Ethnically Concentrated Area of Poverty (R/ECAP) and Racially Concentrated Areas of Affluence (RCAAs) represent opposing ends of the segregation spectrum from racially and/or ethnically segregated areas with

high poverty rates to affluent predominantly White neighborhoods²⁶. Historically, the Department of Housing and Urban Development (HUD) has paid particular attention to R/ECAPs as a focus of policy and obligations to AFFH. Recent research out of the University of Minnesota Humphrey School of Public Affairs argues for the inclusion of RCAAs to acknowledge current and past policies that created and perpetuate these areas of high opportunity and exclusion.²⁷

It is important to note that R/ECAPs and RCAAs are not areas of focus because of racial and ethnic concentrations alone. This study recognizes that racial and ethnic clusters can be a part of fair housing choice if they occur in a non-discriminatory market. Rather, R/ECAPs identify areas where residents may have historically faced discrimination and continue to be challenged by limited economic opportunity, and conversely, RCAAs are meant to identify areas of particular advantage and exclusion.

R/ECAPs

HCD and HUD's definition of a Racially/Ethnically Concentrated Area of Poverty is:

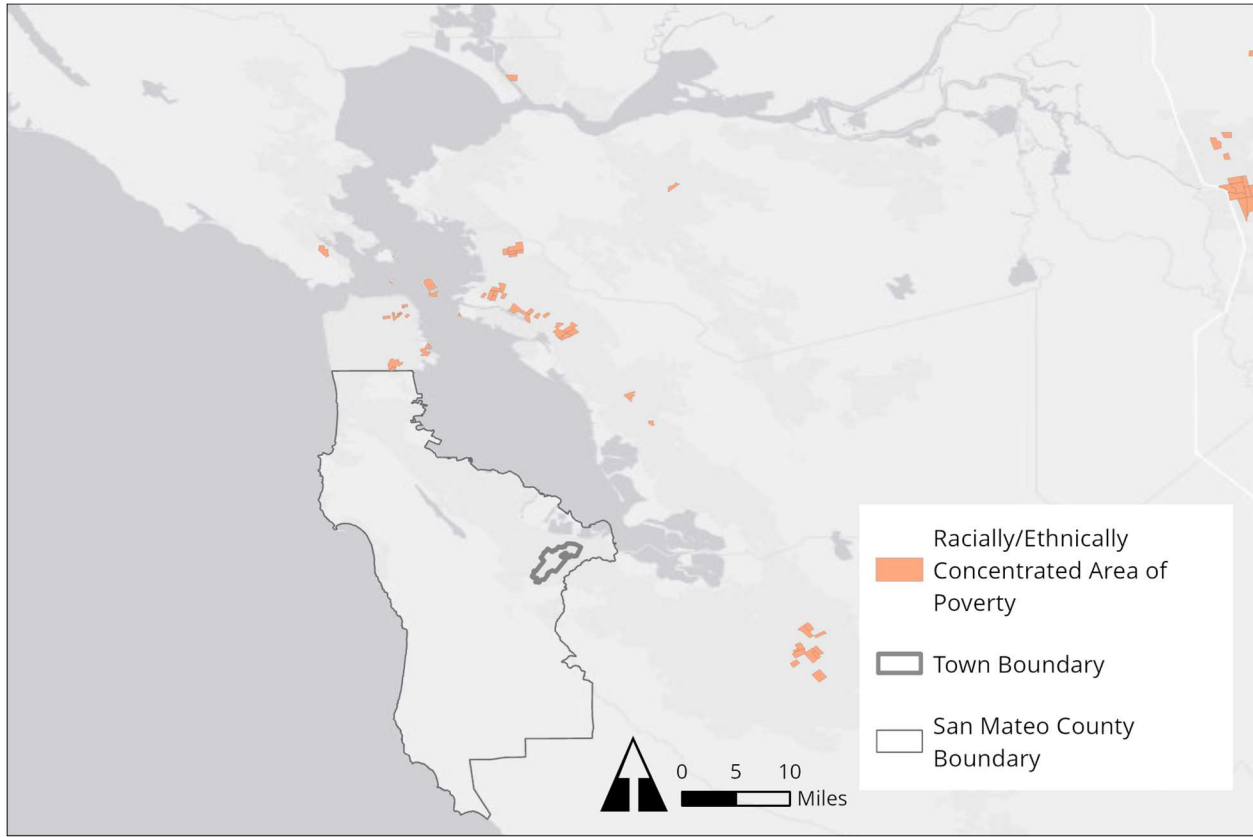
- A census tract that has a non-White population of 50 percent or more (majority-minority) or, for non-urban areas, 20 percent, AND a poverty rate of 40 percent or more; OR
- A census tract that has a non-white population of 50 percent or more (majority-minority) AND the poverty rate is three times the average tract poverty rate for the County, whichever is lower.

Source: California Department of Housing and Community Development Guidance, 2021.

For this study, the poverty threshold used was three times the average tract poverty rate for the County – or 19%. In addition to R/ECAPs that meet the HUD threshold, this study includes edge or emerging R/ECAPs which hit two thirds of the HUD defined threshold for poverty – emerging R/ECAPs in San Mateo County have 2 times the average tract poverty rate for the county (12.8%). Figure HE-9 identifies all R/ECAPs within the region. There are no R/ECAPs within San Mateo County.

²⁶ Goetz, E. G., Damiano, A., & Williams, R. A. (2019). Racially Concentrated Areas of Affluence: A Preliminary Investigation. *Cityscape: A Journal of Policy Development and Research*

²⁷ Ibid. Goetz, E. G., Damiano, A., & Williams, R. A. (2019). Racially Concentrated Areas of Affluence: A Preliminary Investigation. *Cityscape: A Journal of Policy Development and Research*, 21(1), 99–124

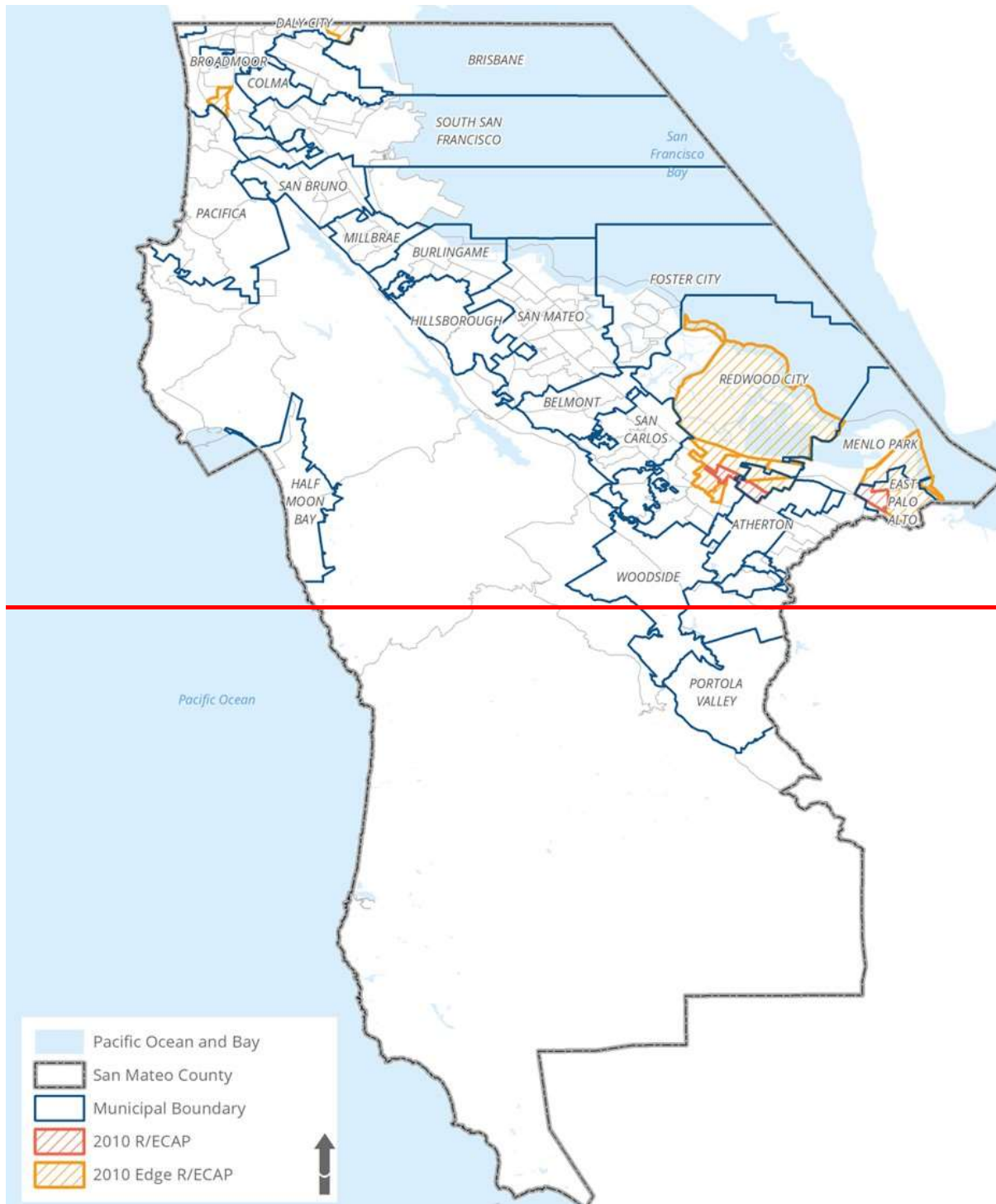
FIGURE HE-9: RACIALLY OR ETHNICALLY CONCENTRATED AREAS OF POVERTY

Source: California Department of Housing and Community Development AFFH Data Viewer

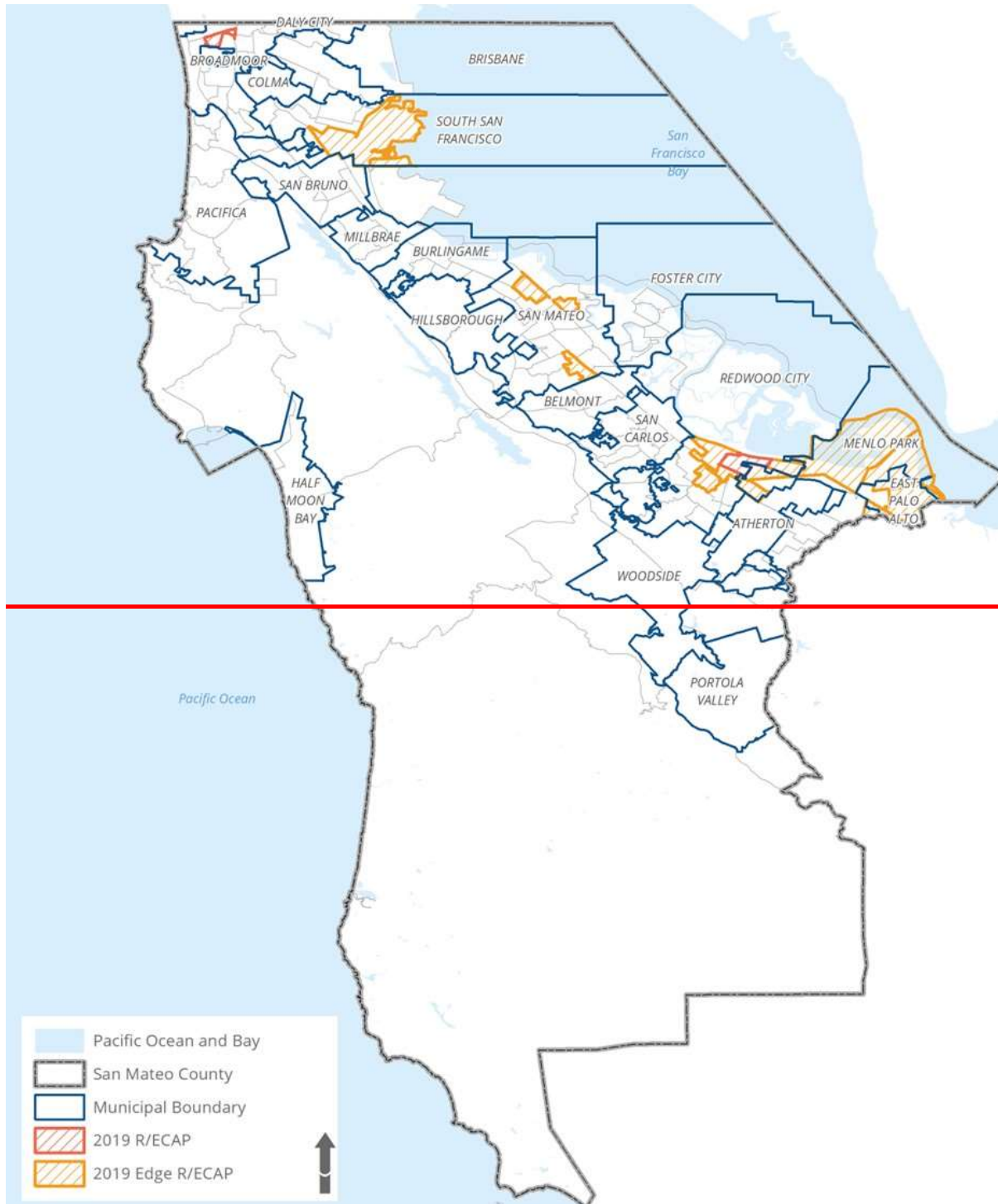
In 2010 there were three census tracts that qualify as R/ECAPs (19.4% poverty rate) in the county and 11 that qualify as edge R/ECAPs (13% poverty rate). None of the R/ECAPs were located in Atherton in 2010.

In 2019 there are two census tracts that qualify as R/ECAPs (19.1% poverty rate) in the county and 14 that qualify as edge R/ECAPs (12.8% poverty rate). None of the 2019 R/ECAPs or edge R/ECAPs are located in Atherton. Below is the map for R/ECAPs in 2010.

There are two R/ECAPs bordering Atherton in the Redwood City area and several more edge R/ECAPs. The cluster of R/ECAPs on the border of Atherton is significant because it shows that 1) minority census tracts tend not to access resources west of Redwood City, including Atherton; and 2) there are stronger minority communities that choose to live outside of the affluent, neighborhoods in Atherton. Both of these options inform each other.



In 2019, there remains a cluster of R/ECAPs and edge R/ECAPs on the border of Atherton. The only change in the maps regionally is the expansion of the East Palo Alto/Menlo Park area as an edge R/ECAP.



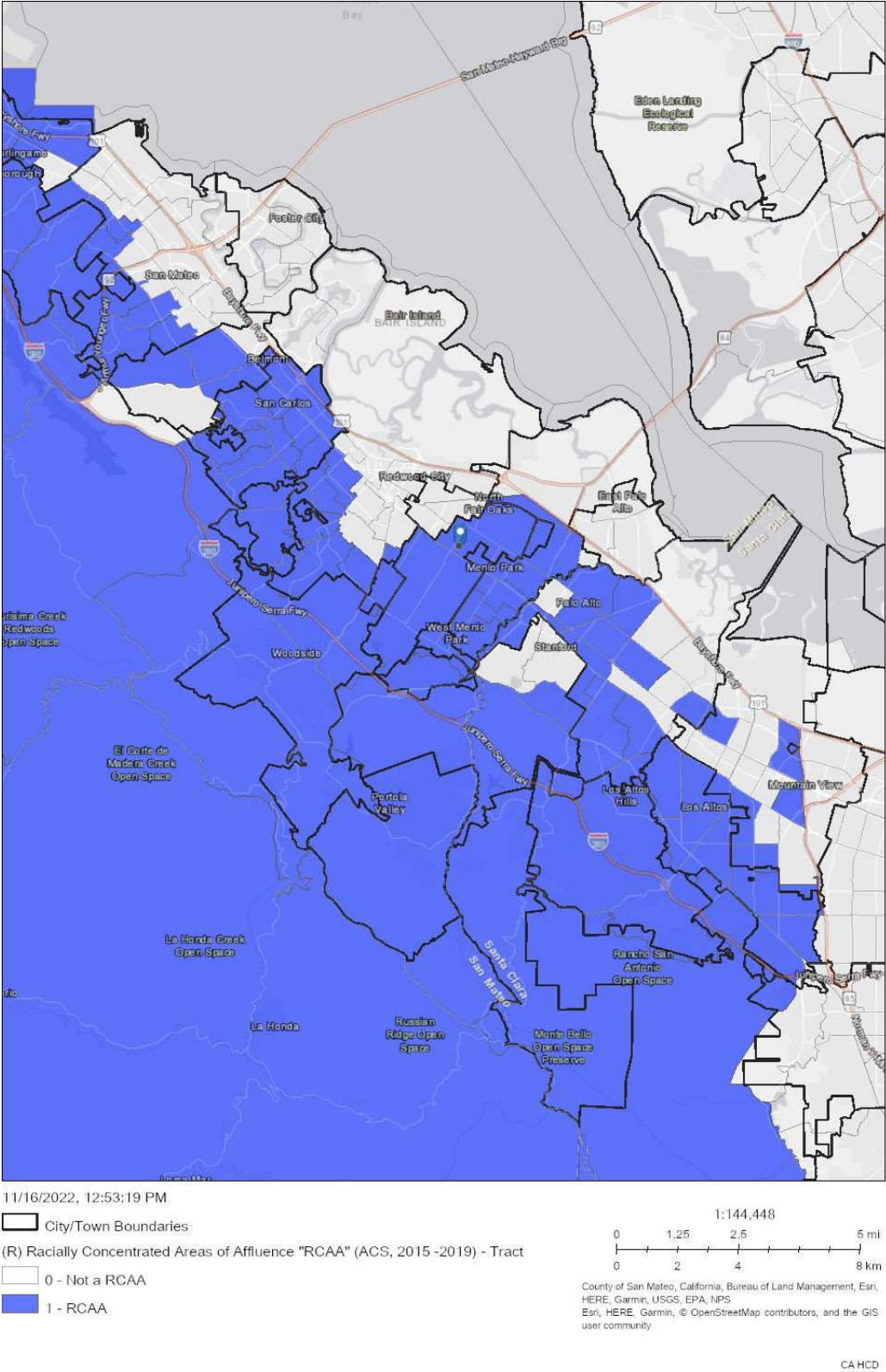
RCAAs. HCD's definition of a Racially Concentrated Area of Affluence is:

- A census tract that has a percentage of total white population that is 1.25 times higher than the average percentage of a total white population in the given COG region, and a median income that was 2 times higher than the COG AMI.

The purpose of identifying R/ECAPs is to locate areas where residents may have historically faced discrimination and continue to be challenged by limited economic opportunity. Conversely, RCAAs are meant to identify areas of particular advantage and exclusion. For the purpose of the fair housing assessment, these designations are indicators of integration and segregation of a population based on race and ethnicity, and income status.

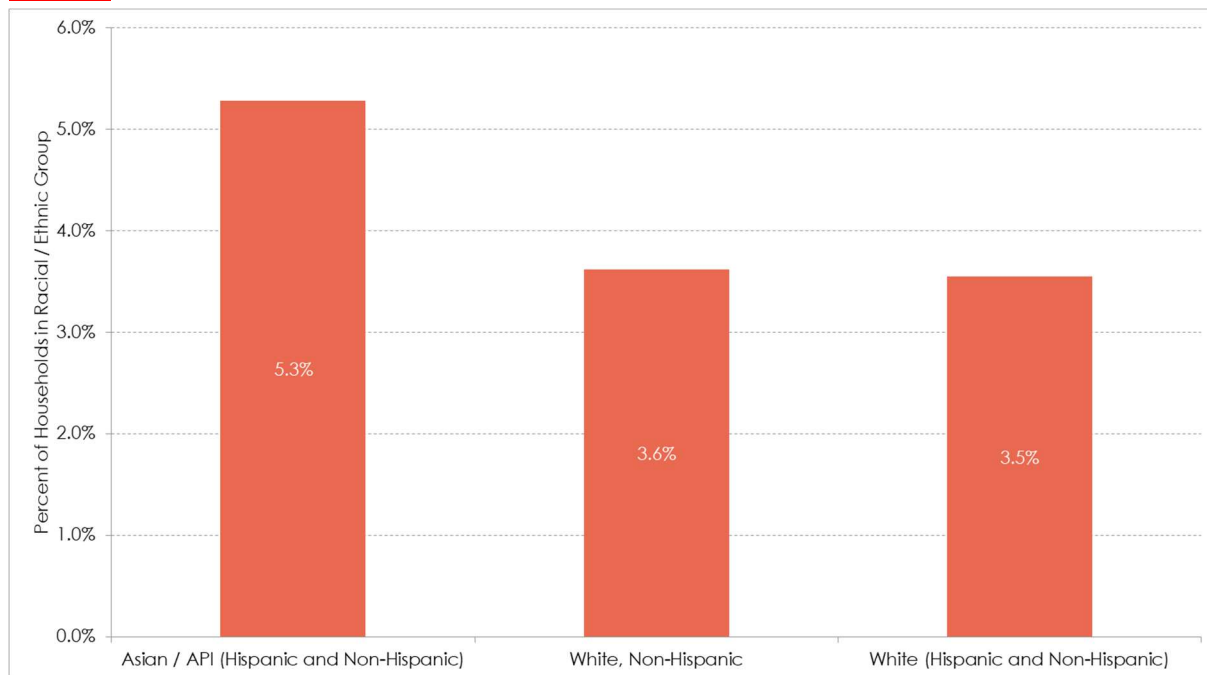
Atherton is considered an RCAA (based on 2019 data) because its total white population is 67% while that of the Association of Bay Area Governments (ABAG) is 40%. The map below shows Atherton's proximity to other RCAAs. Atherton is largely surrounded by communities that are also RCAAs. These include portions of Menlo Park, Woodside, Portola Vally, Palo Alto and Redwood City. As one travels West on El Camino Real towards Redwood City, there are fewer RCAAs. Although maps are not available through time, analysis shows that the white population has remained the majority demographic throughout Atherton's history. Atherton has consistently had high home prices compared to San Mateo County and the Bay Area, suggesting that high income people are drawn to the area and are willing to pay a high price for large homes in the residential town. The Stanford area has more racial and income diversity from its student body and staff. The Palo Alto area is still expensive, and many employees of the University likely bypass Atherton and Menlo Park for cheaper housing in Sunnyvale and Redwood City.

FIGURE HE-10: RACIALLY CONCENTRATED AREAS OF AFFLUENCE



Source: California Department of Housing and Community Development AFFH Data Viewer

FIGURE HE-11: PERCENT OF ATHERTON HOUSEHOLDS IN POVERTY BY RACIAL/ETHNIC GROUP



Although poverty rates within Atherton are very low, there are still minor disparities by race. For example, 5.3% of Asian and Asian Pacific Islanders are in poverty compared to 3.5% of white households. While the percentage is zero, Black, American Indian and Alaskan Native populations may also face poverty in Atherton, but this should be interpreted with caution as the sample is far too small to draw conclusions. This change shows that, although the area is considered a RCAA, within Atherton's small Black Indigenous and People of Color (BIPOC) population there are variations of experience.

Dissimilarity Index

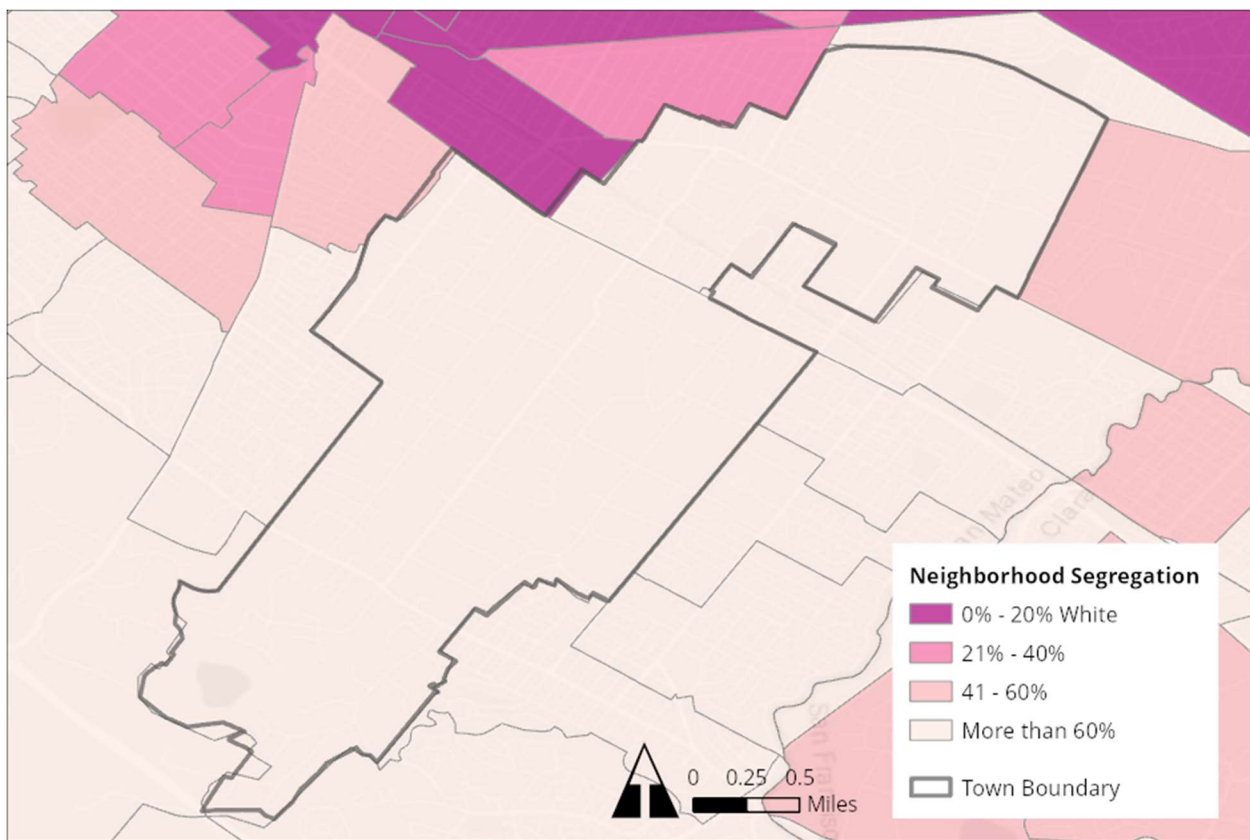
The Dissimilarity Index, or DI, is a common tool that measures segregation in a community. The DI is an index that measures the degree to which two distinct groups are evenly distributed across a geographic area. The DI represents the percentage of a group's population that would have to move for each area in the county to have the same percentage of that group as the county overall.

DI values range from 0 to 100—where 0 is perfect integration and 100 is complete segregation. Dissimilarity index values between 0 and 39 generally indicate low segregation, values between 40 and 54 generally indicate moderate segregation, and values between 55 and 100 generally indicate a high level of segregation.

The isolation index is interpreted as the probability that a randomly drawn minority resident shares an area with a member of the same minority, it ranges from 0 to 100 and higher values of isolation tend to indicate higher levels of segregation.

As shown in Figure HE-12, per the Association of Bay Area Governments' (ABAG) Data Viewer, the entire census tract for Atherton has a high racial segregation, characterized by a population that is greater than 60 percent White. This contrasts with the low- and medium-segregation areas immediately outside of jurisdiction boundaries, particularly in areas north of Atherton. Analysis of the DI between 2010-2020 indicates that surrounding jurisdictions made some improvement regarding racial integration from 2010-2020; however, during the same time period Atherton maintained the same or similar level of racial segregation, even with a growing diversity of residents. The Town acknowledges that it is critical to be aware of these circumstances and use it to inform the development of proactive policies and implement these practices to achieve higher incremental racial integration, as much as possible, within the jurisdiction.

FIGURE HE-12: RACIAL SEGREGATION IN ATHERTON AND SURROUNDING JURISDICTIONS

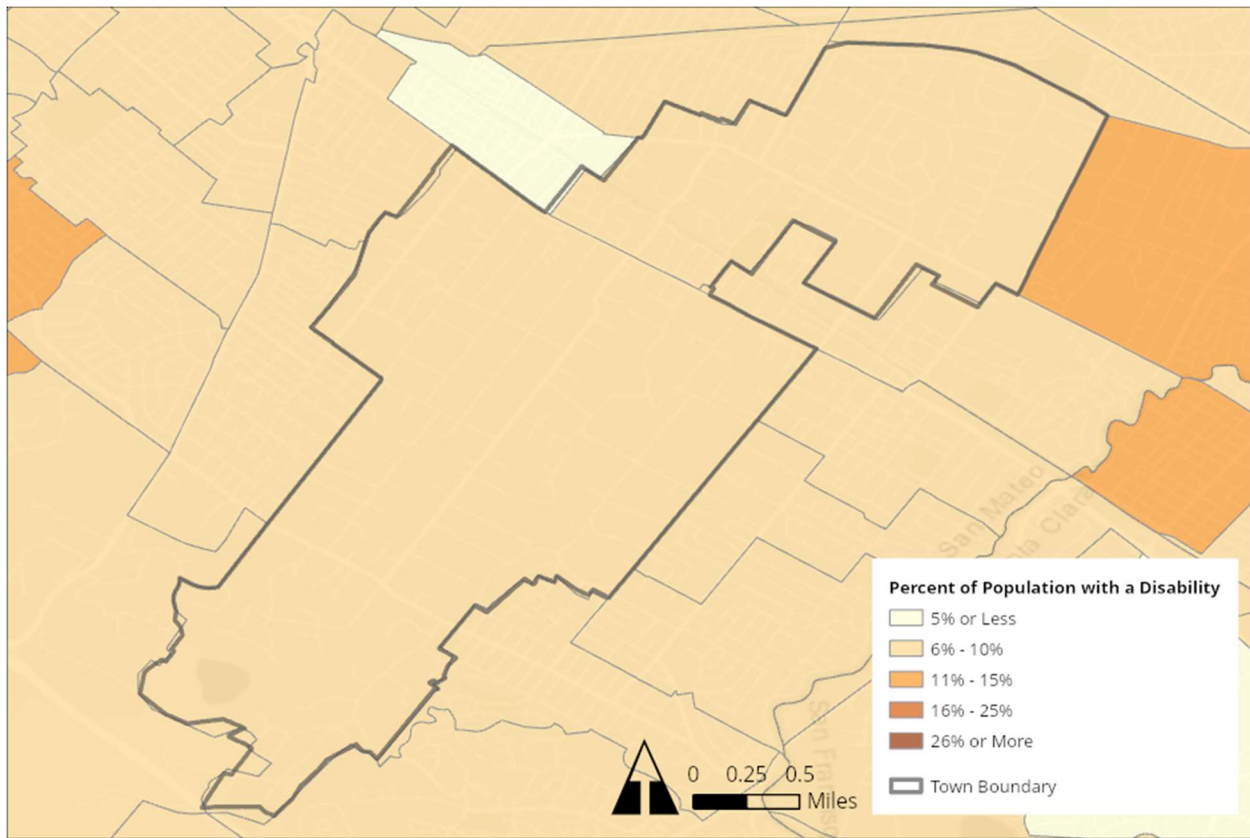


Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001

Disability Status

The share of the population living with at least one disability is 8% in Atherton, which is the same as in San Mateo County and slightly more than the 7% in the Bay Area, according to census data. This has changed little over time, as the population was 7% in 2012. The three most common types of disabilities among those Atherton residents who indicated they were disabled are ambulatory difficulties (4.5%), cognitive difficulties (3.0%) and hearing difficulties (3.0%). There are ~~N~~o census tracts in the Town with a share of the population living with a disability above 10%, as shown in Figure HE-13. Geographic concentrations of people living with a disability may indicate the area has ample access to services, amenities, and transportation that support this population.

In addition, there are an estimated 18 individuals in Atherton with developmental disabilities, which include Down's Syndrome, autism, epilepsy, cerebral palsy, and mild to severe mental retardation. Of those in Atherton with a developmental disability, 27.8% are children under the age of 18 and 72.2% are adults. The most common living situation for individuals with developmental disabilities in Atherton is the home of a parent, family member or guardian; the second most common is independent or supported living facilities.

FIGURE HE-13: DISABILITY STATUS

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table S1810

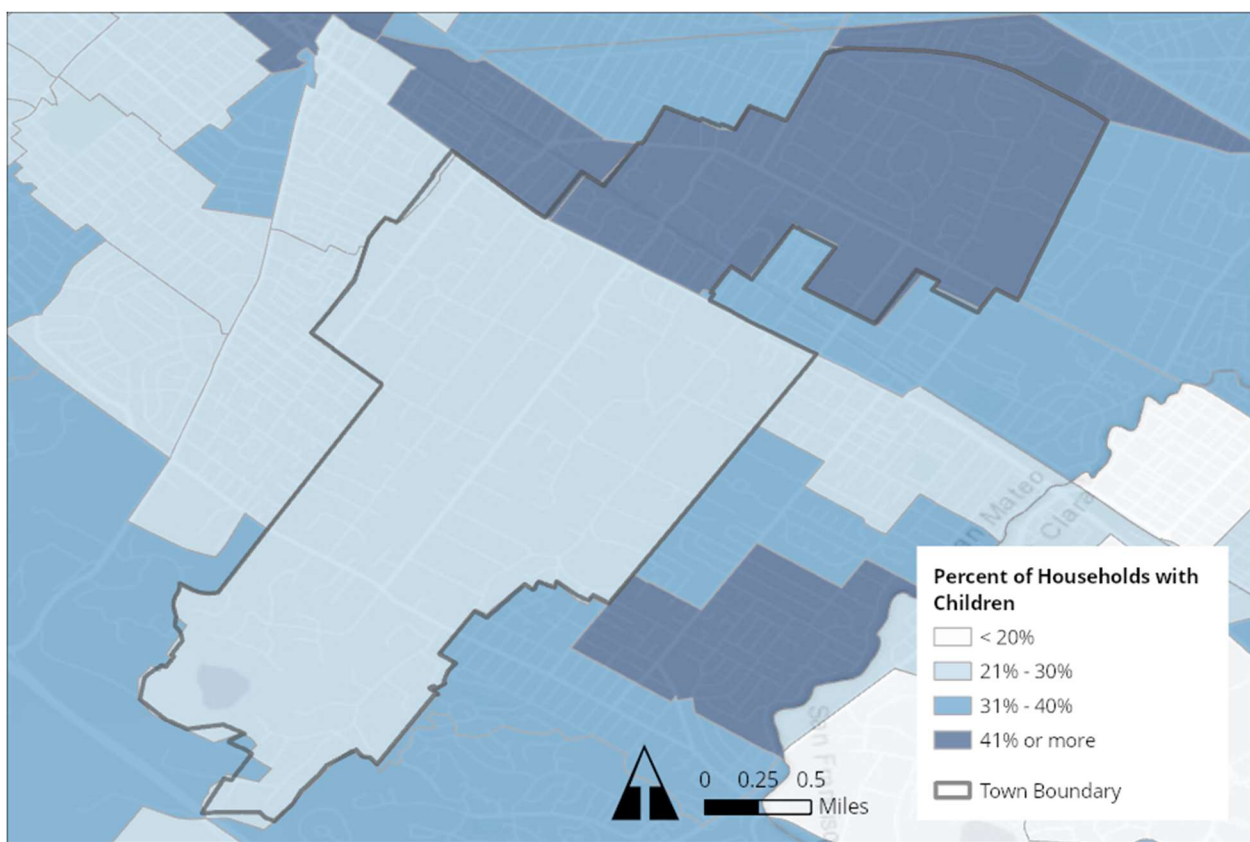
Familial Status

In Atherton, 67% of households are married couples and 65% of all households have children under 18 present. This is compared to 55% married and 67% households with children for San Mateo County, and 51% married couples and 68% households with children for the Bay Area region. Atherton is home to more married-couple families and families with children than the county with 74% households being married-couple families compared to only 55% in the County. The town is home to fewer single-person households (13% in Atherton v. 22% countywide v. 25% for the Bay Area region). This is up from 61.7% of married-couple families in Atherton in 2010. The large, expensive homes in the area may draw prosperous couples in while also making it necessary to have income of two people to be able to afford the cost of living. Atherton has a similar share of families with children as both the county and the region (35% v. 33% countywide v. 32% for the Bay Area). It would appear that the greater concentration of large, single-family homes in Atherton compared to the region has little impact on the presence of children in a household.

The vast majority of households in Atherton are homeowners (93%). The number of housing units available by number of bedrooms and tenure is consistent with the familial status of the households that live in Atherton.

In Atherton, the concentrations of households with children are found in the census tract north of El Camino Real, as shown in Figure HE-14; however, there are very few households of individuals living alone are found in the entire jurisdiction. This is likely due to older households with children having grown up and left the household in the areas south of El Camino Real. In Atherton, 35% of households have one or more children under the age of 18, compared with 33% in San Mateo County and 30% in the Bay Area region.

FIGURE HE-14: HOUSEHOLDS WITH CHILDREN



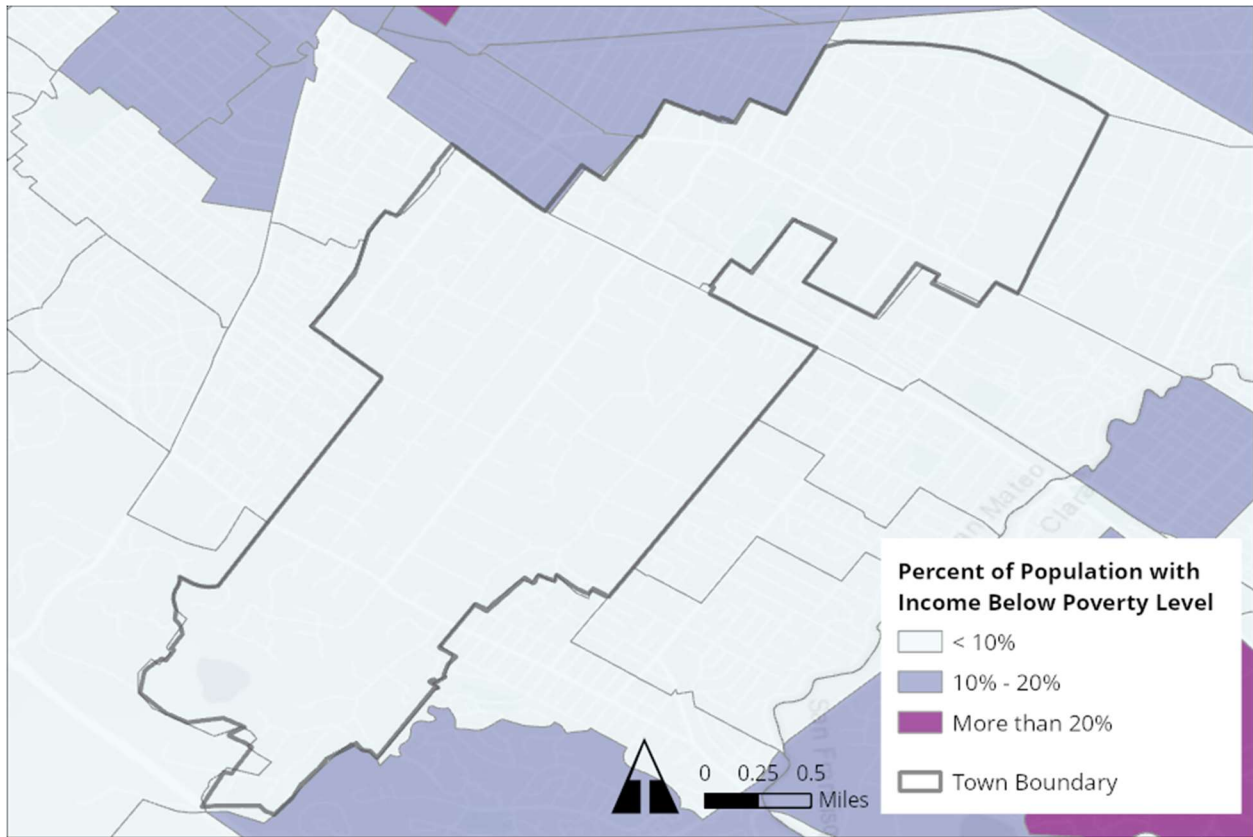
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table S1101

Household Income

The household income distribution by percent of area median income (AMI) in Atherton is much more concentrated at above 100% AMI compared to the county (79% v. 49% countywide), and the Bay Area as a whole (52%). As shown in Figure HE-15, there are no census tracts in the town with concentrations of poverty rates over 10%. The Town has

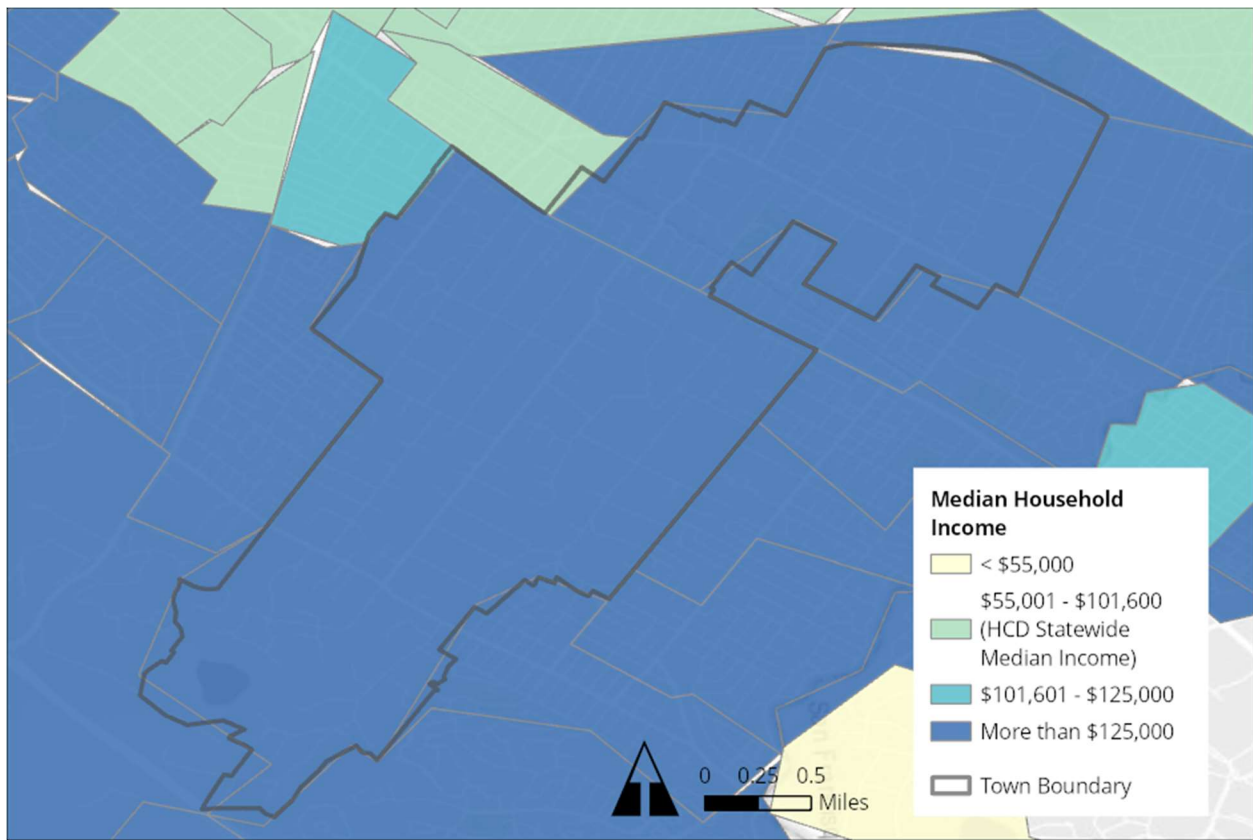
fewer extremely low-income and very low-income households, both at 6%, that the County as a whole at 13% and 11%, respectively.

FIGURE HE-15: POVERTY RATE

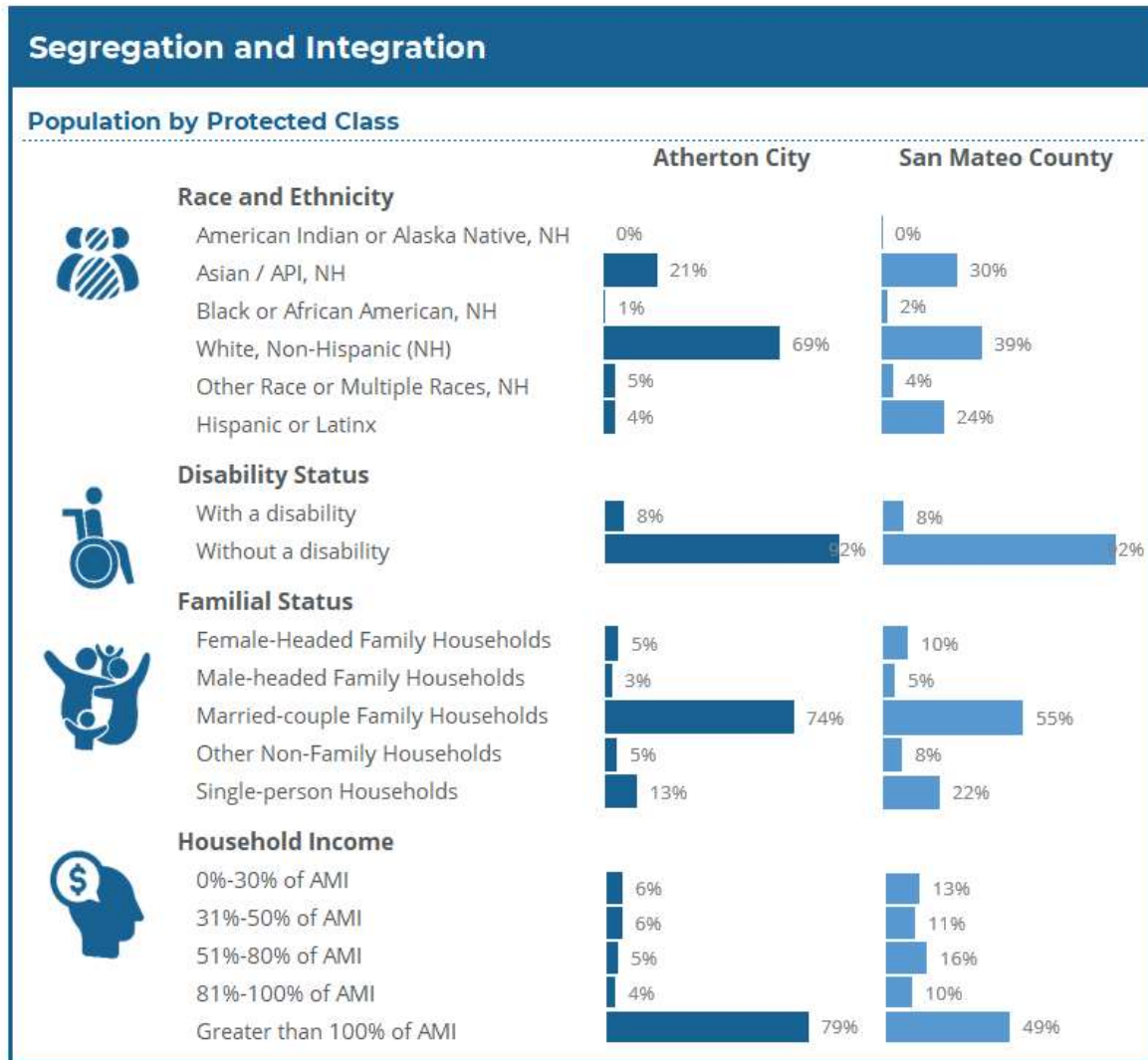


Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table S1701

Throughout the jurisdiction, fewer than 0.2% of households are low to moderate income, or below the poverty level. Surrounding jurisdictions, including East Palo Alto, Menlo Park, and Redwood City have broader bands of incomes and have significantly more households earning less than \$136,837; the 2021 median income in San Mateo County.

FIGURE HE-16: MEDIAN HOUSEHOLD INCOME

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table S1903

FIGURE HE-17: SEGREGATION AND INTEGRATION

Source: California Department of Housing and Community Development AFFH Data Viewer

3.360350 Access to Opportunity

This section discusses disparities in access to opportunity among protected classes including access to quality education, employment, transportation, and environment. HCD's definition for access to opportunity is defined in the text box below.²⁸

Access to Opportunity

“Access to opportunity is a concept to approximate place-based characteristics linked to critical life outcomes. Access to opportunity oftentimes means both improving the quality of life for residents of low-income communities, as well as supporting mobility and access to ‘high resource’ neighborhoods²⁸. This encompasses education, employment, economic development, safe and decent housing, low rates of violent crime, transportation, and other opportunities, including recreation, food and healthy environment (air, water, safe neighborhood, safety from environmental hazards, social services, and cultural institutions).”

Source: California Department of Housing and Community Development Guidance, 2021, page 34.

The California Tax Credit Allocation Committee (TCAC) in collaboration with HCD developed a series of opportunity maps that help to identify areas of the community with good or poor access to opportunity for residents. These maps are based on the research on how positive economic, educational, and health outcomes for low-income families are correlated to geographic factors and were developed to align funding allocations with the goal of improving outcomes for low-income residents—particularly children.²⁹

The opportunity maps highlight areas of highest resource, high resource, moderate resource, moderate resource (rapidly changing), low resource and high segregation and poverty. TCAC provides opportunity maps for access to opportunity in quality education, employment, transportation, and environment. Opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes.

TCAC maps identify Atherton south of El Camino Real as “Moderate Resource” and north of El Camino Real as “High Resource.” This is due to the relatively low Education score in Atherton tracts, as Atherton is commonly understood and accepted as a high-resource community.

²⁸ Neighborhoods with the greatest access to public parks, transit, schools, grocery stores, and health facilities.

²⁹ For more information, visit the California Tax Credit Allocation Committee's CTCAC/HCD Opportunity Area Maps website at <https://www.treasurer.ca.gov/ctcac/opportunity.asp>

Education

TCAC's education score is based on math proficiency, reading proficiency, high school graduation rates, and the student poverty rate. According to TCAC's educational opportunity map, census tracts in Atherton score between 0.25 and 0.75—opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes. The census tract scoring between 0.25 and 0.50 is located south/west of El Camino Real and the census tract to the north/east scores between 0.50 and 0.75, as shown in Figure HE-18 below. These relatively low education scores impact the TCAC Opportunity Mapping for Atherton.

Patterns within San Mateo County reveal that over the last decade, schools have become increasingly more diverse, with Hispanic students making up 38% of enrollments. Ravenswood and Redwood City, to the West and Northeast of Atherton respectively, have the highest number of Hispanic students in the County at 84% and 70%. In Redwood City Elementary, which includes Adelante Selby Spanish Immersion School in Atherton, more than one-third of students are English learners. Ravenswood serves the census tract that scored between 0.25 and 0.50. Therefore, the significant number of English learner students could be skewing down the educational outcomes in that census tract compared to schools with more proficient English speakers

An astounding 30% of students at Ravenswood Elementary are experiencing homelessness compared to the county-rate of 2%. Without a stable place to complete schoolwork and, most importantly, feel safe and secure, students are unable to reach their full potential and thus have lower education scores. There are limited affordable housing options in Atherton and other jurisdictions surrounding Ravenswood for families to access once they are displaced.

FIGURE HE-18: TCAC EDUCATION SCORES

Source: California State Treasurer's Office California Tax Credit Allocation Committee

Atherton is served by the Menlo Park City, Redwood City, and Las Lomas Elementary School Districts; and the Sequoia Union Unified High School District.

Menlo Park City Elementary experienced an increase in enrollment of 6% from 2010 to 2020, while enrollment in Redwood City Elementary and Las Lomas Elementary decreased 11% and 16% respectively. This represents a much larger decrease than the one percent decrease experienced in the county.

Enrollment in Sequoia Union Unified High School District increased by 18% from 2010 to 2020. **Enrollment at Menlo Atherton High School is approximately 2,400 students, with 5% of those students residing in Atherton.**

Enrollment composition by race and ethnicity varies by district. Menlo Park City Elementary and Las Lomas Elementary have a higher share of White students than San Mateo County (55%, and 53% respectively, v. 26%). Redwood City Elementary has a much higher share of Hispanic students than San Mateo County (70% v. 38%). The enrollment composition in Sequoia Union High School District is similar to the countywide distribution.

Atherton has received an average of 18 short-term enrollments of migrant student workers per year according to California Department of Education data. This is significantly fewer than the county level, which sees an average of 416 per year.

Overall, 29% of public-school students in San Mateo County qualify for reduced lunch. This number was substantially higher in Redwood City Elementary School District (which includes Atherton's Adelante Selby Spanish Immersion School), where 56% of students qualify for reduced lunch. County-wide, 20% of public-school students are English learners. Again, this rate is higher at Redwood City Elementary, where 38% of students are English learners.

In contrast, the share of students who qualify for reduced lunch, are experiencing homelessness, or are English learners is lower in Menlo Park City Elementary and is significantly lower in Las Lomas Elementary than the countywide share.

Countywide 27% of Hispanic students met or exceeded mathematics testing standards and 40% met or exceeded English testing standards. Hispanic students in Menlo Park City Elementary, Las Lomas Elementary, and Redwood City Elementary, which includes Atherton's Adelante Selby Spanish Immersion School, performed better compared to the county (55%, 44%, and 34% respectively in mathematics and 62%, 65%, and 43% in English).

Many high schoolers in the county met admission standards for a University of California (UC) or California State University (CSU) school. Of the high school districts in San Mateo County, Sequoia Union had the highest rate of graduates who met such admission standards at 69% followed by San Mateo Union High with 68%. Pacific Islander, Hispanic, and Black students in the Sequoia Union district were less likely than their peers of other races and ethnicities to meet the admission standards with rates of 38%, 55%, and 50%, respectively.

Despite the high share of students meeting college admission standards, Sequoia Union has the second to lowest college going rate in the County, at 70%. The highest rate was 77% in San Mateo Union High.

In addition, Sequoia Union district has the highest dropout rate in the County (10%) and dropout rates among Pacific Islander (20%), Hispanic (16%), and Black (12%) students are much higher. Students with disabilities and those learning English dropped out at the highest rate at 24% and 27%, respectively. This is a sign that the district does not offer adequate support for students facing barriers because of their race, language skill, and disability. However, there are promising increases in diversity of school staff that serve as an advantage to a diverse student body.

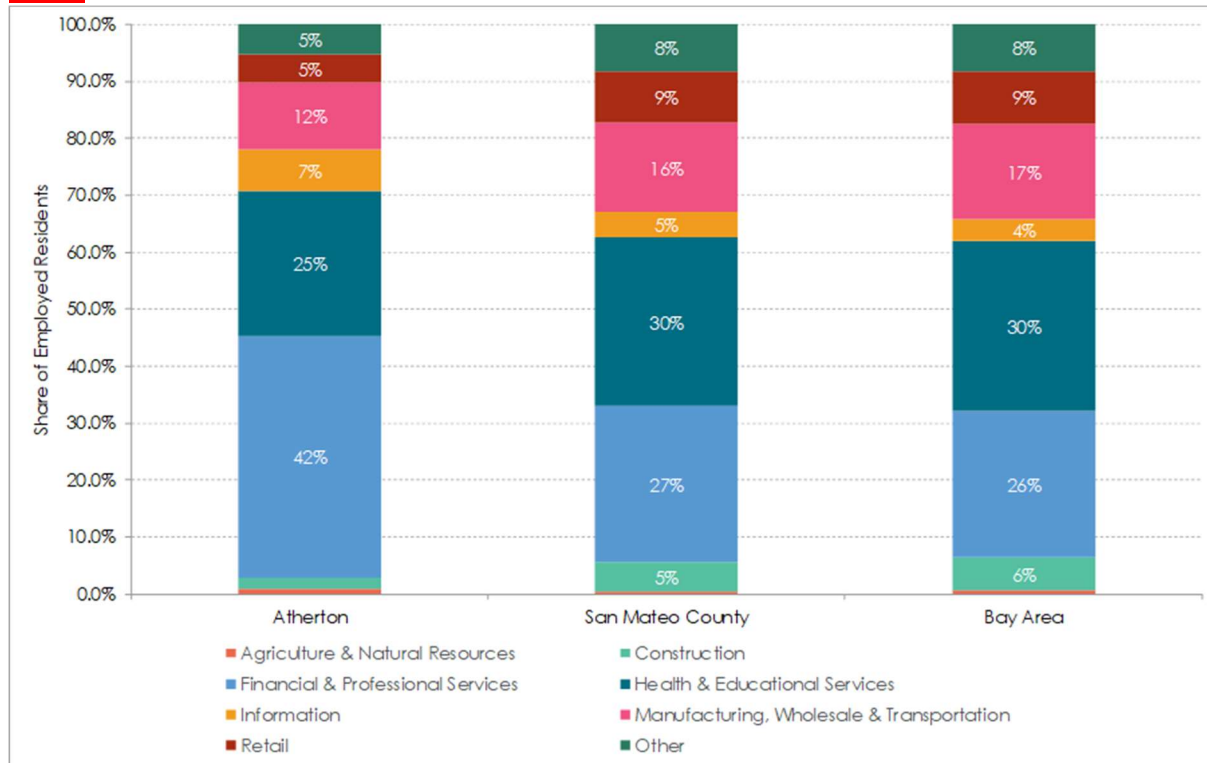
Another possible reason can be traced to chronic absenteeism, which means students miss more than 10% of school days. 17% of students in the Sequoia Union High School District struggle with chronic absenteeism, which drastically lowers test scores and social engagement with peers and mentors. Black and Hispanic students were more likely to be chronically absent. Schools with more homeless students also saw more chronic absenteeism, illuminating a connection between school performance and stable housing.

Menlo College has a student population of more than 825. Demographics of the College are 29% White, 6% Black, 22% Hispanic, 10% Asian, 1% American Indian/Alaskan, 2% Hawaiian/Pacific Islander, 8% Two or More races, 14% International and 9% Race Unknown.

Employment

According to ACS data, top three industries by number of jobs in Atherton include professional and managerial services, health and educational services, and arts and recreation services. In the terms of job holders, the top industries are professional and managerial services, and health and educational services. The chart below shows employment by industry and region.

FIGURE HE-19: EMPLOYMENT BY FIELD FOR ATHERTON, SAN MATEO COUNTY, AND THE BAY AREA



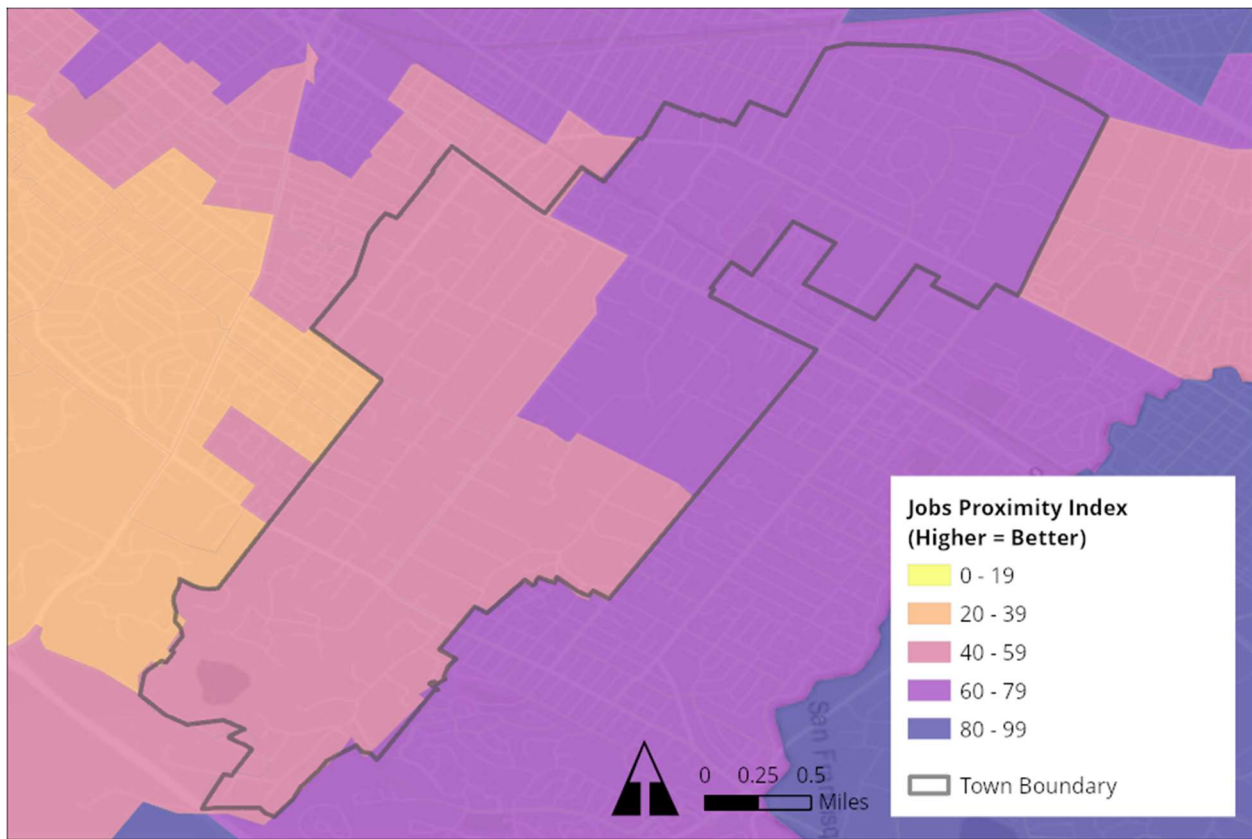
Atherton has a lower job to household ratio at 1.14 when compared to the county at 1.59. The town has a slightly higher unemployment rate than the county, but saw a sharp incline in the unemployment rate in 2020 that has yet to return to pre pandemic levels.

TCAC's economic opportunity score is comprised of poverty, adult educational attainment, employment, job proximity, and median home value. The entire town area scores more than 0.75 for economic opportunity—highest economic outcome.

HUD's job proximity index shows the eastern part of the town in relatively close proximity to jobs (score between 60 to 80) while the western part scores between 40 and 60—on a scale from zero to 100 where 100 is the closest proximity to jobs.

There are several barriers to high paying jobs for protected classes, most of which can be traced back to educational opportunities and outcomes. As highlighted in the previous education section, Black, Hispanic, and English language learners have the highest school absenteeism and drop out rate in the school district covering Atherton. The majority of employment in Atherton is in the financial and professional service sector and the health and educational services sector. Most of these jobs likely require education beyond high school. Because Black and Hispanic students are more likely to drop out, employment options that will provide adequate pay to financially qualify for housing in Atherton are drastically reduced.

In general, new jobs continue to outpace new homes, and especially new affordable homes, in the county. Since 2010, the county has added 100,000 jobs but only 10,000 new homes. Jobs are expected to increase 22 percent between 2020 and 2050- based on ABAG projections. ~~So while~~ While residents in the county may technically have more employment opportunities, the lack of affordable housing near these jobs will continue to act as a barrier to accessing these employment opportunities

FIGURE HE-20: JOBS PROXIMITY INDEX

Source: [HUD](#)

Transportation

This section provides a summary of the transportation system that serves Atherton and the broader region including emerging trends and data relevant to transportation access in the town. The San Mateo County Transit District ([SMCTD](#)) acts as the administrative body for transit and transportation programs in the county including SamTrans and the Caltrain commuter rail. SamTrans provides bus services in San Mateo County, including Redi-Wheels paratransit service.

In 2018, the Metropolitan Transportation Commission (MTC), which covers the entire Bay Area [region](#), adopted a coordinated public transit and human services transportation plan. While developing the coordinated plan, the MTC conducted extensive community outreach about transportation within the area. That plan—which was developed by assessing the effectiveness of how well seniors, persons with disabilities, veterans, and people with low incomes are served—was reviewed to determine gaps in services in San Mateo and the county overall. Below is a summary of comments relevant to San Mateo County [overall](#). There were no comments specific to Atherton.

"San Mateo's PCC and County Health System, as well as the Peninsula Family Service Agency provided feedback. The most common themes expressed had to do with pedestrian and bicycle needs at specific locations throughout the county, though some covered more general comments such as parked cars blocking sidewalk right-of-way and a desire for bike lanes to accommodate motorized scooters and wheelchairs. Transportation information, emerging mobility providers, and transit fares were other common themes.

While some comments related to the use of car share, transportation network companies (TNCs), or autonomous vehicles as potential solutions, other comments called for the increased accessibility and affordability of these services in the meantime."⁺⁷³⁰

A partnership between the World Institute on Disability and the MTC created the research and community engagement project TRACS (Transportation Resilience, Accessibility & Climate Sustainability). The project's overall goal is to, "stimulate connection and communication between the community of seniors and people with disabilities together with the transportation system– the agencies in the region local to the San Francisco Bay, served by MTC."⁺⁸³¹

As part of the TRACS outreach process, respondents were asked to share their compliments or good experiences with MTC transit. One respondent who had used multiple services said, "it is my sense that SamTrans is the best Bay Area transit provider in terms of overall disability accommodation."

The San Mateo County Transit District updated their Mobility Plan for Older Adults and People with Disabilities in 2018. According to the district, the county's senior population is expected to grow more than 70% over the next 20 years and the district is experiencing unprecedented increases in paratransit ridership. The plan is targeted at developing effective mobility programs for residents with disabilities and older adults including viable alternatives to paratransit, partnerships, and leveraging funding sources.⁺⁹³²

³⁰ Metropolitan Transportation Commission Coordinated Public Transit-Human Services Transportation Plan, https://mtc.ca.gov/sites/default/files/MTC_Coordinated_Plan.pdf

³¹ World Institute on Disability Transportation Accessibility Resources, <https://wid.org/transportation-accessibility/>

³² San Mateo County Transit District Senior Mobility Action Plan, https://www.samtrans.com/Planning/Planning_and_Research/Mobility_Plan_for_Older_Adults_and_People_with_Disabilities.html

MTC also launched Clipper START—an 18-month pilot project— in 2020 which provides fare discounts on single transit rides for riders whose household income is no more than double the federal poverty level.²⁰ ~~Homeowners in the County are more likely to report that they cannot access public transit easily or safely.~~³³ In 2020, Caltrain voted to close Atherton's station due to low ridership. There were some residents that thought this would be harmful to those who do not have access to a car or cannot drive, such as the elderly and disabled community; however, there were alternative resources identified such as the nearby Menlo Park Train Station and associated bus lines on El Camino Real and Middlefield Road.²¹³⁴

³³ Metropolitan Transportation Commission Clipper Start, <https://mtc.ca.gov/planning/transportation/access-equity-mobility/clipperr-startsm>

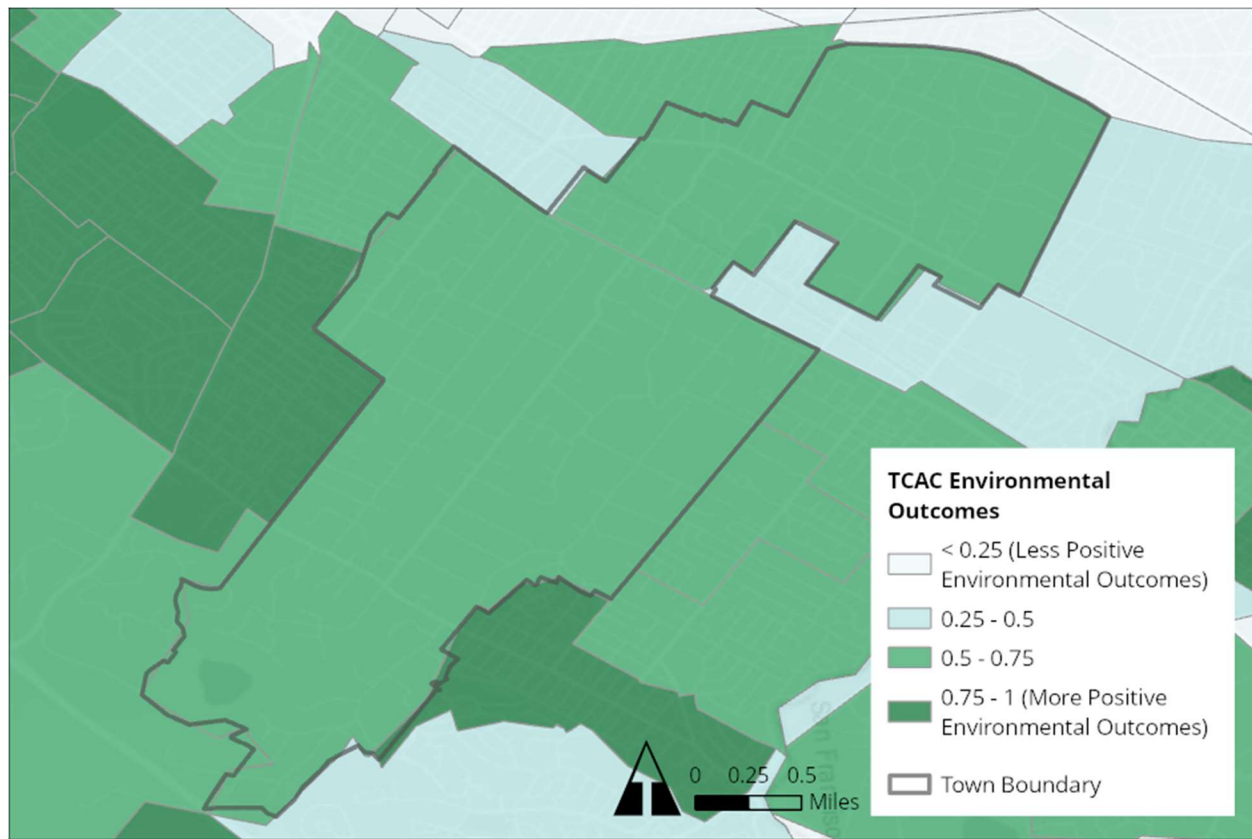
³⁴ Zachary Clark, "Residents react to plan to close Atherton's Caltrain Stop," The Daily Journal, August 4, 2020 https://www.smdailyjournal.com/news/local/residents-react-to-plan-to-close-atherton-s-caltrain-stop/article_3070cdd2-d539-11ea-ad6b-4b3eeab63a6c.html

Environment

TCAC's opportunity areas environmental scores are based on the CalEnviroScreen ~~3.04.0~~ indicators, which identify areas disproportionately vulnerable to pollution sources such as ozone, PM2.5, diesel PM, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water bodies, and solid waste sites.

According to TCAC's opportunity map, as shown in Figure HE-21, census tracts in Atherton score between 0.~~25~~50 and 0.75 – opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes. ~~The census tract scoring between 0.25 and 0.50 is located west of El Camino Real and the census tract to the east scores between 0.50 and 0.75.~~

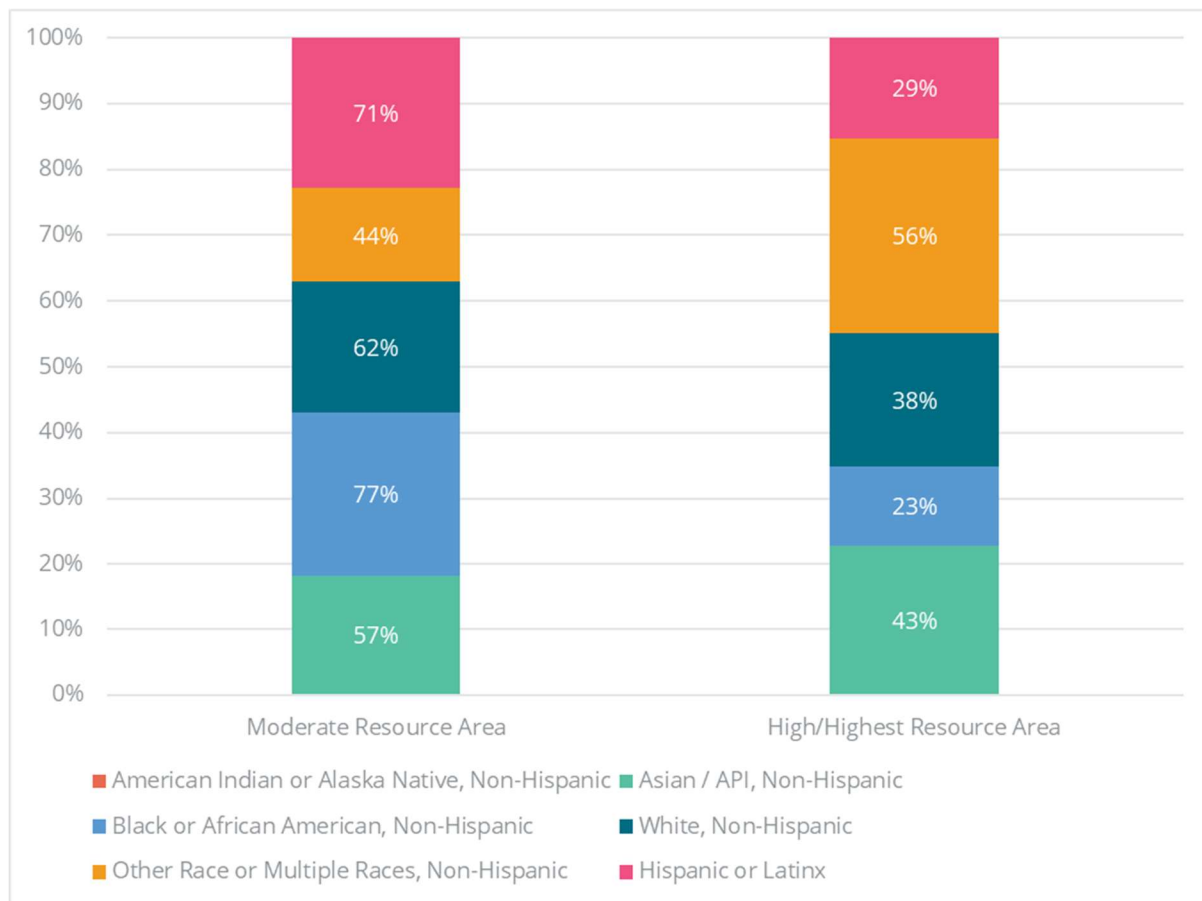
The town scores the highest on the California Healthy Places Index (HPI) developed by the Public Health Alliance of southern California (PHASC). The HPI includes 25 community characteristics in eight categories including economic, social, education, transportation, neighborhood, housing, clean environment, and healthcare.²²³⁵

FIGURE HE-21: TCAC ENVIRONMENT SCORES

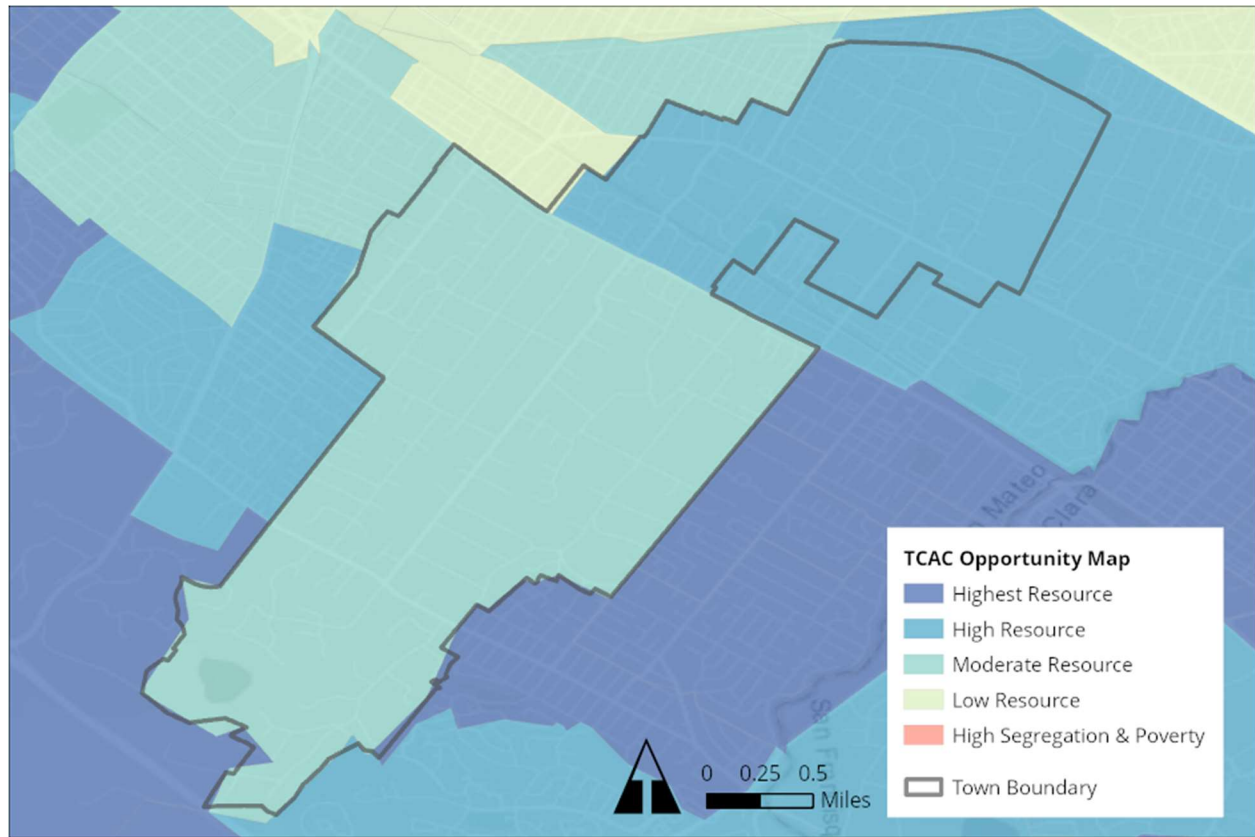
Source: CalEnviroScreen 4.0

Disparities In Access to Opportunity

Racial and ethnic minorities are more likely to live in moderate resource areas compared to non-Hispanic White residents. [Figure HE-22](#) details the percentage of households by race living in resource areas. Note that there are no households in Atherton living in a low resource area. 71% of Hispanic households live in moderate resource areas compared with 29% in high resource areas. Similarly, 77% of Black households live in moderate resource areas and 23% live in high resource areas. Non-Hispanic, multiple race households have the highest population in high resource areas, however this population is relatively small with 323 households compared with 4,966 white households. Racial and ethnic minorities living in Atherton are wealthier compared to the county and Atherton is home to a disproportionately small share of residents with limited English proficiency (1% compared to 7% countywide).

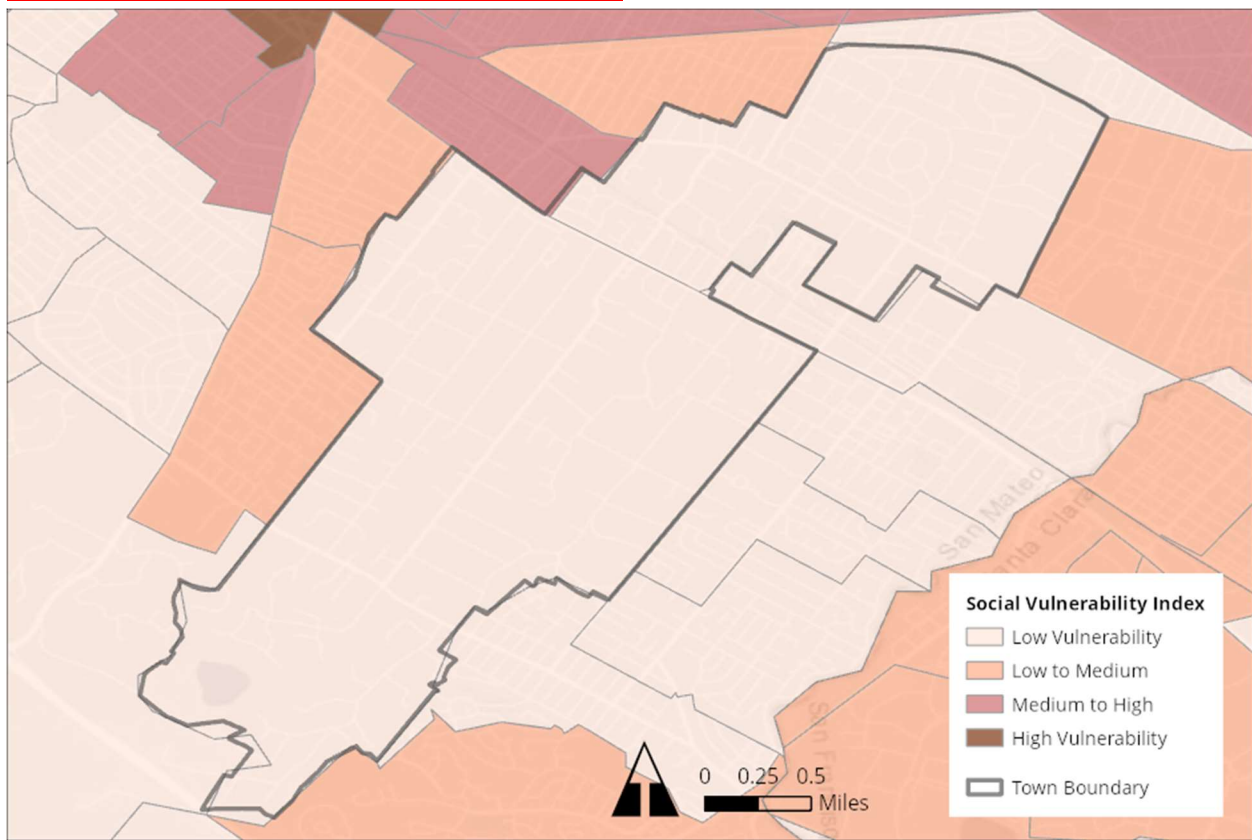
FIGURE HE-22: TCAC ENVIRONMENT SCORES

TCAC's composite opportunity score for Atherton shows census tracts south/west of El Camino Real fall within moderate resource areas while the rest is within high resource areas, as shown in Figure HE-23. This is an artifact of data, particularly the relatively low education scores in that tract, and belies Atherton's other exclusive high-resource and high-opportunity indicators.

FIGURE HE-23: TCAC OPPORTUNITY AREAS

Source: California State Treasurer's Office California Tax Credit Allocation Committee

The Social Vulnerability Index (SVI) provided by the CDC—ranks census tracts based on their ability to respond to a disaster—includes four themes of socioeconomic status, household composition, race or ethnicity, and housing and transportation. The index, [presented in Figure HE-24](#) shows [the entirety of](#) Atherton as a low vulnerability area.

FIGURE HE-24: SOCIAL VULNERABILITY INDEX

Source: CDC

Atherton does not have any disadvantaged communities as defined under SB 535, "disadvantaged communities are defined as "the top 25% scoring areas from CalEnviroScreen along with other areas with high amounts of pollution and low populations."²³³⁶

Disparities Specific to the Population Living with a Disability

Eight percent of the population in Atherton are living with at least one disability, as defined by the California Department of Housing and Community Development (HCD) in the text box below, the same share as in the county (7% live with a disability in the Bay Area region). The most common disabilities in the town are ambulatory (4.5%), cognitive (3.1%), and hearing (3.0%). For the county and Bay Area region, the most common are ambulatory difficulty (4% in San Mateo County, 5% in region), independent living difficulty (3% and 4%, respectively) and a cognitive difficulty (3% and 4%, respectively).

³⁶ <https://oehha.ca.gov/calenviroscreen/sb535>

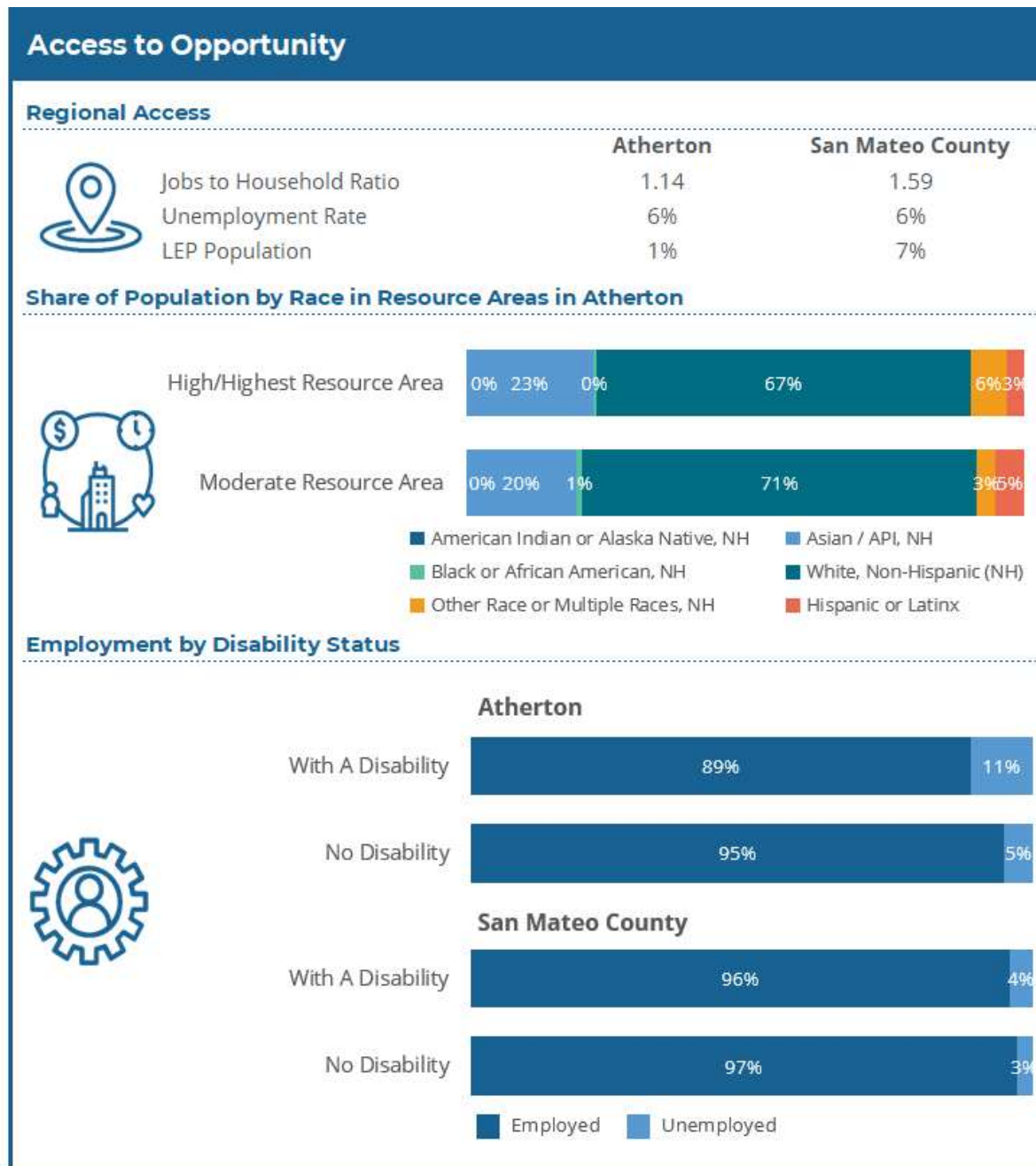
Disability

"**Disability types** include hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty."

Source: California Department of Housing and Community Development Guidance, 2021, page 36.

For the population 65 and over the share of the population with an ambulatory or independent living difficulty increases. As mentioned above under access to transportation, San Mateo County is rapidly aging, therefore this population with a disability is likely to increase.

Unemployment is disproportionately high among residents living with a disability, at 11% compared to 5% for residents without a disability in Atherton—particularly when compared to the county. High unemployment rates among this population points to a need for increased services and resources to connect this population with employment opportunities.

FIGURE HE-25: ACCESS TO OPPORTUNITIES

Source: California Department of Housing and Community Development AFFH Data Viewer

3.360 Disparate Housing Needs

This section discusses disparate housing needs for protected classes including cost burden and severe cost burden, overcrowding, substandard housing conditions,

homelessness, displacement, Extremely Low Income (ELI) households, and other considerations.

Disproportionate Housing Needs

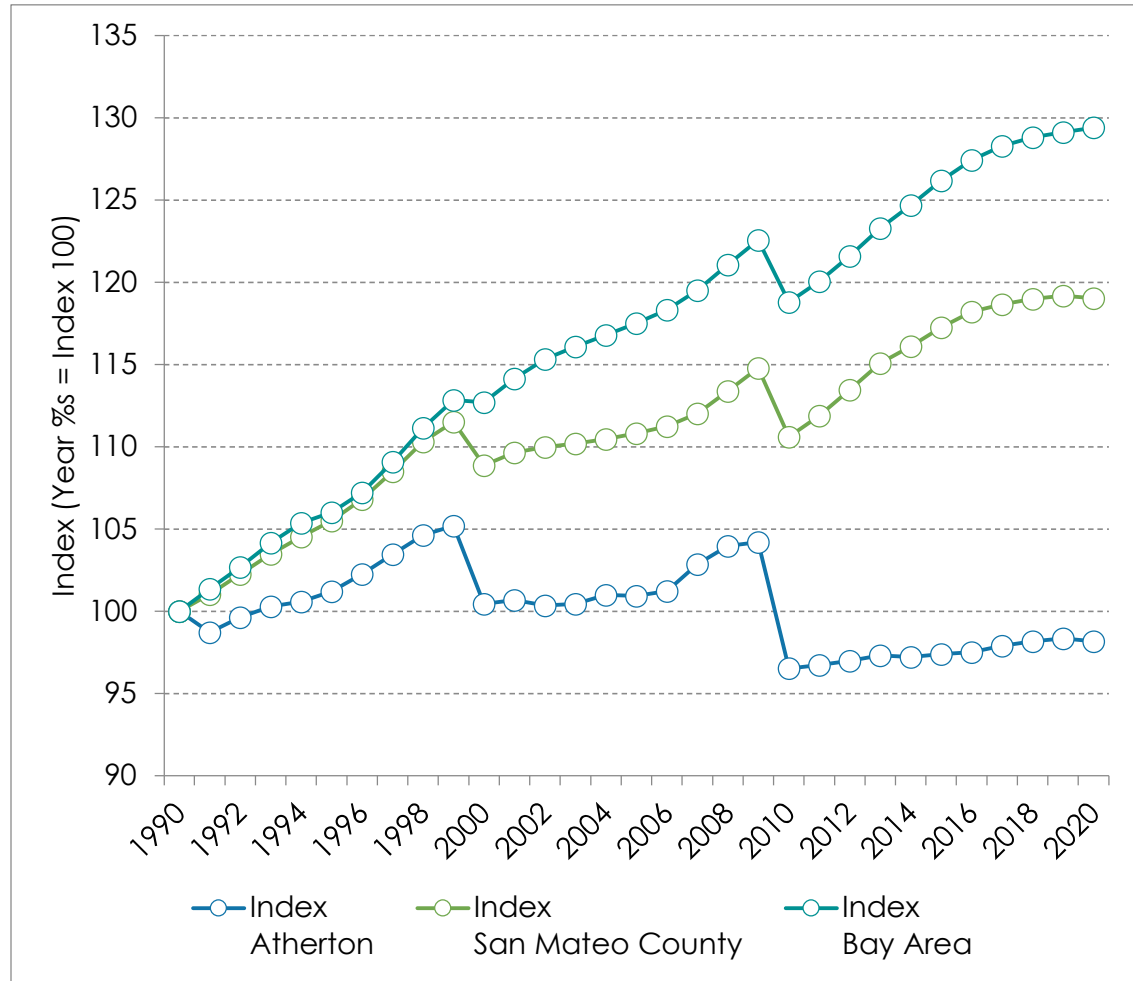
"Disproportionate housing needs generally refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups, or the total population experiencing that category of housing need in the applicable geographic area. For purposes of this definition, categories of housing need are based on such factors as cost burden and severe cost burden, overcrowding, homelessness, and substandard housing conditions."

Source: California Department of Housing and Community Development Guidance, 2021, page 39.

Housing Needs

The town experienced a sharp loss in population between ~~1999~~1990 and 2000 and again between 2009 and 2010. Since 2010 population growth has been slower than the ~~County's~~county's and region's, as seen in Figure HE-26, and the town has not reached the population level it had prior to the 2008-~~20~~'09 financial crisis. However, the town does not appear to have experienced a sharp population decrease in 2020, with the COVID-19 pandemic.

FIGURE HE-26: POPULATION CHANGE IN ATHERTON, SAN MATEO COUNTY, AND THE BAY AREA REGION 1990-2020 (USING 1990 AS "INDEX" YEAR OF 100)



Source: California Department of Finance, E-5 series

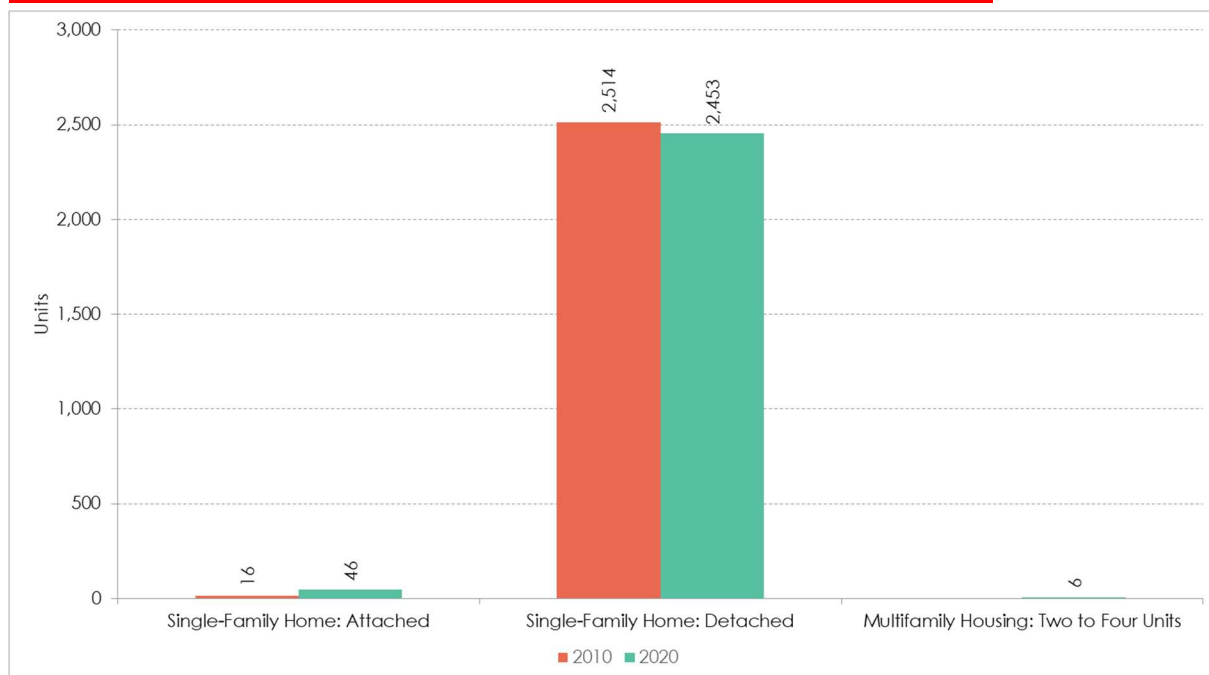
Since 2015, the housing construction permitted to accommodate growth has largely been priced for above moderate-income households, with 78 units permitted for above moderate-income households compared to 35 for very low-income households, 15 for low-income households, and 3 for moderate income households. The Housing Needs Data Report for Atherton indicates new construction is slower than the rest of the Bay Area.²⁴ and has not kept pace with demand throughout the Bay Area, "resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness."³⁷

³⁷ Housing Needs Data Report: Atherton, ABAG/MTC Staff and Baird + Driskell Community Planning, 2021.

One example of a group who has found workforce housing hard to come by are the employees of the Atherton Police Department. In 2018, employees advised the City Council that they faced long commutes on top of twelve-hour shifts and had little time to sleep. The commute was necessary because there are limited affordable options in the region for their families. In the past, the town had used a town-owned property in a deed-restricted park as a place for police to sleep. This solution was not sustainable for the town or police officers, who wanted to spend more time with their families instead of commuting.²⁵ This makes recruitment and retention difficult.

The variety of housing types available in the town in 2020 are predominantly single family (98%), as shown in Figure HE-27. Six multi-family homes were added in 2020. Single family detached saw a decline in units (2,453 from 2,514, or -2.4%) and single family attached saw a small incline-substantial increase (46 from 16, or 6188%). Due to its land use and zoning, Atherton has developed far fewer multi-family units than the region.³⁸

FIGURE HE-27: HOUSING UNITS BY TYPE IN ATHERTON IN 2010 AND 2020



Source: California Department of Finance, E-5 series

According to the ABAG Housing Data Workbook, the majority of the housing inventory in Atherton was constructed from 1940 to 1959, with 1,087 units built between 1940 to 1959 compared to 180 units built in 2010 or later (Figure IV-3). However, actual Town building permit records reflect that from 2010 forward more than 320 new single-family home

³⁸ Housing Needs Data Report: Atherton, ABAG/MTC Staff and Baird + Driskell Community Planning, 2021.

building permits were issued. Compared to San Mateo County, the Town's owner-occupied housing market has a greater share of units priced above \$2 million. Ninety percent (90%) of units in Atherton fall within this price range compared to 19% in the county. According to the Zillow home value index, home prices have experienced exponential growth in the town and the county. The town is an outlier, with the Zillow home value index at \$6.6 million for Atherton compared to the county's \$1.4 million.

Given the small share of renters in the town, rental price trends are less accurate than the County's, but appear to have experienced high appreciation since 2014. Compared to the county, Atherton has more luxuryexpensive rental units according to the US Census Bureau's ACS data—67% of units rent for more than \$3,000 per month in the town compared to 22% in the county. A point-in-time Google search found no home for rent under \$5,000 per month, but the attestations of 2023 ADU rentals (41 respondents) have a median ADU rental of cost \$0 and an average rental monthly cost of \$765. As implied by the low rents, these ADUs are often rented to a close friend or family member and may be difficult to find for workers or other community members.

Workers would need higher incomes to qualify for rentals available in Atherton—and are thus inclined to seek out homeownership or lower cost rental opportunities in other communities. However, the Town is in the process of implementing a robust and inclusive ADU program that will facilitate, support, and encourage the development and rental of accessory dwelling units at affordable rates via a Human Investment Project, Inc. (HIP Housing) Program.

Resident survey data provide evidence of more rental inventory, reporting that owners are renting ADUs to senior family members, students, school faculty, and local service workers at significantly reduced or below market rental prices. Many of these rental opportunities are not marketed in the traditional way using Zillow, Craigslist or other platforms. Rather, because Atherton is a small community, property owners will reach out directly to those in need of such housing solutions or offer housing through a local school's housing referral program.

Low-Income Housing Needs

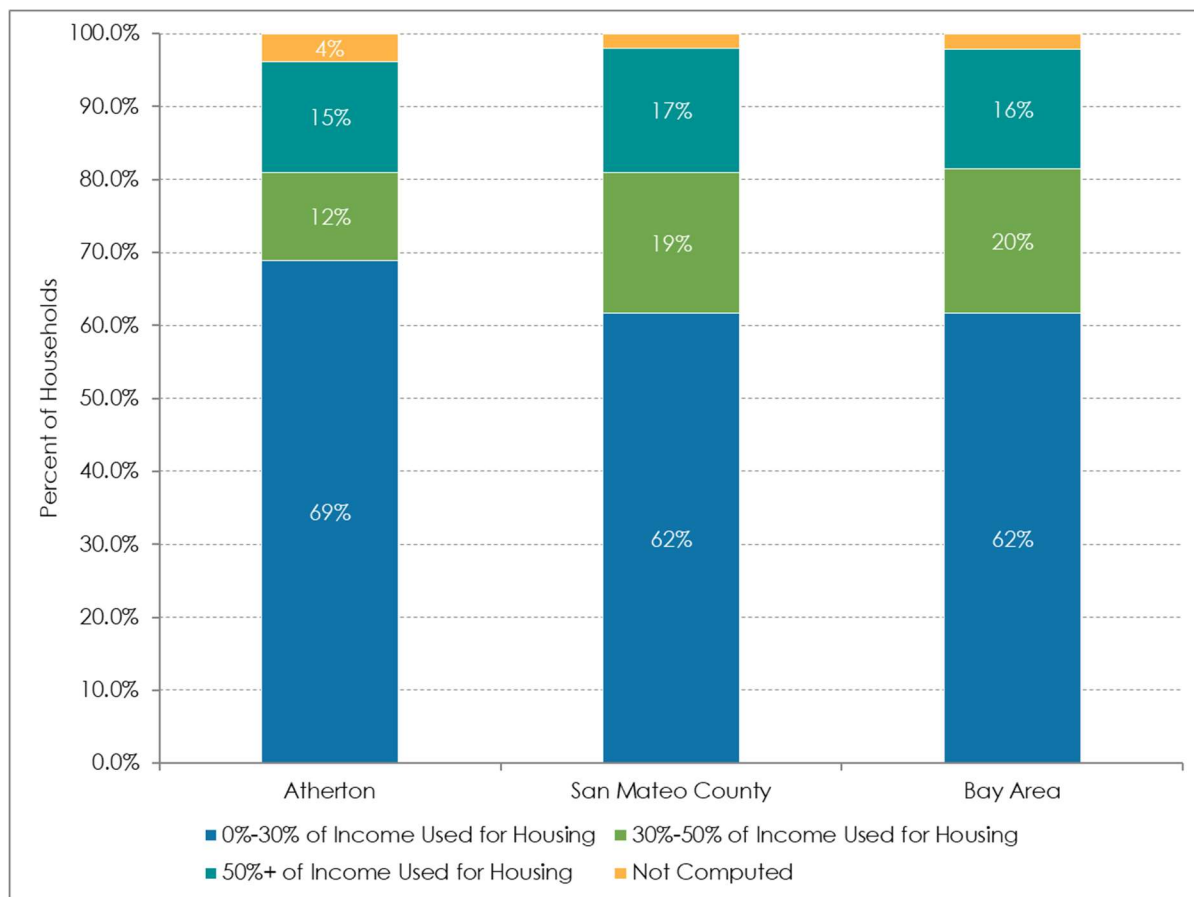
Extremely Low Income (ELI) households are most likely to face overpayment, overcrowding and substandard housing conditions. The projected housing need for ELI households is 47 units. This is calculated by taking half of Atherton's Very Low Income RHNA (94 units) because ELI households are approximately half of the Town's current share of households with incomes 0%-50% of AMI (149 Extremely Low-Income households and 145 Very Low-Income households).

Housing types suitable for ELI households include affordable rentals, accessory dwelling units (ADUs), emergency shelters, supportive housing and transitional housing. The town will meet this need through ADU construction and programs expanding opportunities for emergency shelters as well as supportive and transitional housing in Atherton.

Cost Burden and Severe Cost Burden

As expected, a low share of households in Atherton are cost burdened—spending more than 30% of their gross income on housing costs—compared to the county (28% in Atherton, versus 37% in the county), and 36% in the Bay Area), as shown in Figure HE-28.

FIGURE HE-28: PERCENTAGE OF INCOME USED FOR HOUSING IN ATHERTON, SAN MATEO COUNTY, AND THE BAY AREA



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25070, B2509

Although there are far fewer lower income households, they are more likely to experience housing cost burden. One out of seven households with income below 80%

AMI are severely cost burdened – spending more than 50% of their gross income on housing costs. Cost burdened households have less money to spend on other essentials like groceries, transportation, education, healthcare, and childcare. Extremely cost burdened households are considered at risk for homelessness. Cost burden suggests that wages have not kept up with housing costs in the area. As seen in Table HE-5, of the 256 households in Atherton with Extremely Low or Very Low incomes, 219 (85%) are extremely cost burdened, spending more than 50% of their income on housing.

When cost burden is broken down by Area Median Income (AMI), there are stark differences. The chart below indicates these disparities. Although those with greater than 100% AMI likely spend the most on housing, their incomes can meet these costs. 80% of those in this group spend 0-30% of their income on housing. In contrast, 88% of those earning 0-30% AMI spend over 50% of their income on housing costs.

HE-5: PERCENT OF INCOME USED FOR HOUSING BY HOUSEHOLD INCOME COHORT

<u>Percent of Income Used for Housing</u>									
	<u>Count (Percent) of Atherton Households</u>			<u>Count (Percent) of San Mateo County Households</u>			<u>Count (Percent) of Bay Area Households</u>		
<u>Income Group</u>	<u>0%-30%</u>	<u>30%-50%</u>	<u>>50%</u>	<u>0%-30%</u>	<u>30%-50%</u>	<u>>50%</u>	<u>0%-30%</u>	<u>30%-50%</u>	<u>>50%</u>
<u>Extremely Low</u> <u>(0%-30% of AMI)</u>	<u>4</u> <u>(0.2%)</u>	<u>10</u> <u>(0.4%)</u>	<u>100</u> <u>(4.4%)</u>	<u>5,315</u> <u>(2.0%)</u>	<u>4,210</u> <u>(1.6%)</u>	<u>23,190</u> <u>(8.9%)</u>	<u>63,508</u> <u>(2.4%)</u>	<u>59,990</u> <u>(2.2%)</u>	<u>245,825</u> <u>(9.2%)</u>
<u>Very Low</u> <u>(31%-50% of AMI)</u>	<u>19</u> <u>(0.8%)</u>	<u>4</u> <u>(0.2%)</u>	<u>119</u> <u>(5.3%)</u>	<u>8,405</u> <u>(3.2%)</u>	<u>10,045</u> <u>(3.9%)</u>	<u>11,540</u> <u>(4.4%)</u>	<u>86,175</u> <u>(3.2%)</u>	<u>98,055</u> <u>(3.7%)</u>	<u>109,950</u> <u>(4.1%)</u>
<u>Low</u> <u>(51%-80% of AMI)</u>	<u>40</u> <u>(1.8%)</u>	<u>30</u> <u>(1.3%)</u>	<u>40</u> <u>(1.8%)</u>	<u>20,290</u> <u>(7.8%)</u>	<u>15,550</u> <u>(6.0%)</u>	<u>6,510</u> <u>(2.5%)</u>	<u>164,130</u> <u>(6.1%)</u>	<u>129,050</u> <u>(4.8%)</u>	<u>57,425</u> <u>(2.1%)</u>
<u>Moderate</u> <u>(81%-100% of AMI)</u>	<u>39</u> <u>(1.7%)</u>	<u>23</u> <u>(1.0%)</u>	<u>14</u> <u>(0.6%)</u>	<u>17,555</u> <u>(6.8%)</u>	<u>7,610</u> <u>(2.9%)</u>	<u>1,625</u> <u>(0.6%)</u>	<u>152,050</u> <u>(5.7%)</u>	<u>76,080</u> <u>(2.8%)</u>	<u>17,697</u> <u>(0.6%)</u>
<u>Above Moderate</u> <u>(> 100% of AMI)</u>	<u>1,454</u> <u>(64.4%)</u>	<u>238</u> <u>(10.5%)</u>	<u>125</u> <u>(5.5%)</u>	<u>113,325</u> <u>(43.6%)</u>	<u>13,055</u> <u>(5.0%)</u>	<u>1,590</u> <u>(0.6%)</u>	<u>1,237,595</u> <u>(46.3%)</u>	<u>157,574</u> <u>(5.9%)</u>	<u>18,312</u> <u>(0.7%)</u>
<u>Totals</u>	<u>1,556</u> <u>(68.9%)</u>	<u>305</u> <u>(13.5%)</u>	<u>398</u> <u>(17.6%)</u>	<u>164,890</u> <u>(53.5%)</u>	<u>50,470</u> <u>(19.4%)</u>	<u>44,455</u> <u>(17.1%)</u>	<u>1,703,458</u> <u>(63.7%)</u>	<u>520,749</u> <u>(19.5%)</u>	<u>449,209</u> <u>(16.8%)</u>

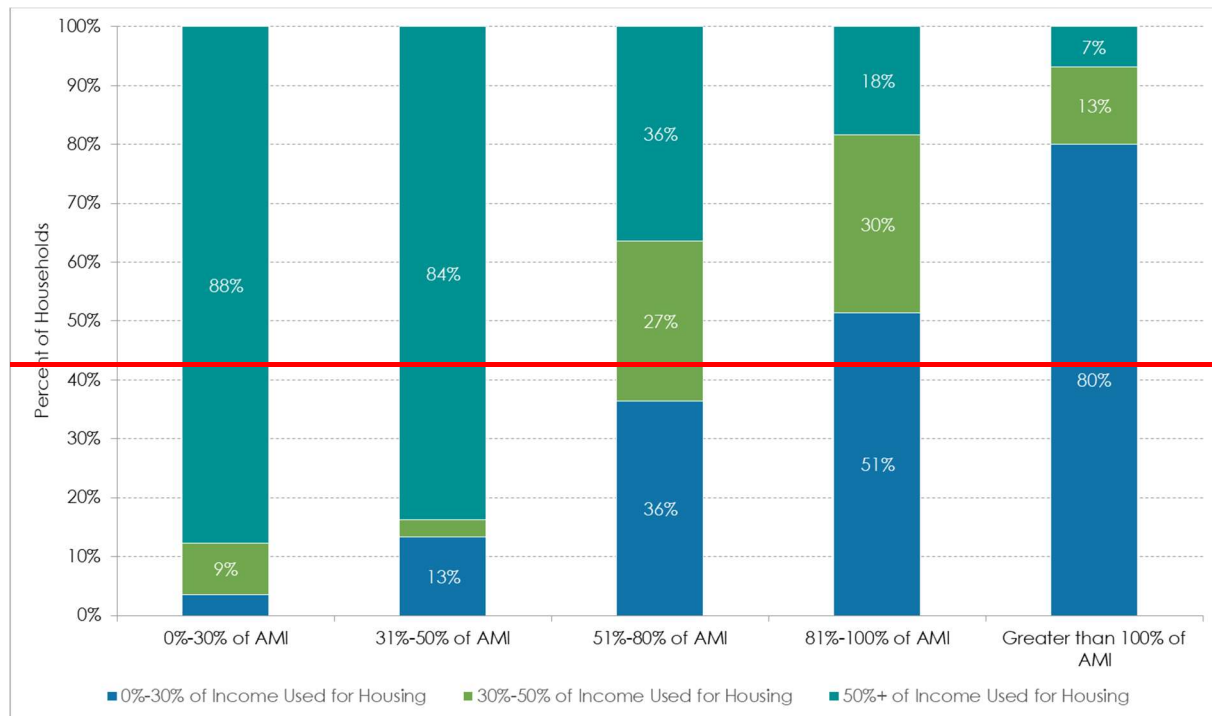
In Atherton, approximately 95 percent of residents earning under \$75,000 annually are overpaying for homeownership. Per Census data, 23% of those making more than \$75,000 are overpaying for their homes. However, Census data does not provide additional detail regarding the "more than \$75,000" income category, and the lower-income limit for San Mateo County is \$149,100. This makes it impossible to quantify cost burden by tenure, even if there is data stating that 255 of Atherton's 2,244 households (11 percent) are cost burdened and that 10 percent of renters are cost- burdened against 12 percent of homeowners. This is seen in Table HE-6.

TABLE HE-6: HOUSEHOLDS OVERPAYING FOR HOUSING

<u>Occupant</u>	<u>Income</u>	<u>Atherton</u>		<u>County</u>	<u>Region</u>
		<u>Count</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
<u>Owner-Occupied</u>	<u>Less than \$35,000</u>	<u>105</u>	<u>100%</u>	<u>80%</u>	<u>73%</u>
	<u>\$35,000 - \$74,999</u>	<u>125</u>	<u>91%</u>	<u>52%</u>	<u>48%</u>
	<u>\$75,000+</u>	<u>427</u>	<u>25%</u>	<u>20%</u>	<u>17%</u>
<u>Renter-Occupied</u>	<u>Less than \$35,000</u>	<u>0</u>	<u>0%</u>	<u>91%</u>	<u>91%</u>
	<u>\$35,000 - \$74,999</u>	<u>0</u>	<u>0%</u>	<u>88%</u>	<u>65%</u>
	<u>\$75,000+</u>	<u>25</u>	<u>13%</u>	<u>23%</u>	<u>15%</u>

Source: US Census, 2020 American Community Survey 5-Year

Note: Excludes Households with no income or cash rent



As mentioned previously, racial and ethnic minorities living in Atherton are wealthier compared to the county and Bay Area as a whole. A lower percentage of additionally, Asian/API and Hispanic households are less likely to be cost burdened than non-Hispanic white households. Households of other or multiple races experience higher rates of cost burden—56% are extremely cost burdened, compared to 16% in the town overall.

TABLE HE-7: HOUSEHOLDS OVERPAYING FOR HOUSING BY RACE

<u>Racial /Ethnic Group</u>	<u>0%-30% of Income Used for Housing</u>	<u>30%-50% of Income Used for Housing</u>	<u>50%+ of Income Used for Housing</u>	<u>Cost Burden Not computed</u>
<u>American Indian or Alaska Native, Non-Hispanic</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Asian / API, Non-Hispanic</u>	<u>70% (264)</u>	<u>15% (55)</u>	<u>12% (45)</u>	<u>4% (15)</u>

<u>Black or African American, Non-Hispanic</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>White, Non-Hispanic</u>	<u>67% (1,255)</u>	<u>14% (255)</u>	<u>18% (340)</u>	<u>1% (15)</u>
<u>Other Race or Multiple Races, Non-Hispanic</u>	<u>44% (8)</u>	<u>0</u>	<u>56% (10)</u>	<u>0</u>
<u>Hispanic or Latinx</u>	<u>85% (45)</u>	<u>8% (4)</u>	<u>8% (4)</u>	<u>0</u>
<u>Totals</u>	<u>68% (1,572)</u>	<u>14% (314)</u>	<u>17% (399)</u>	<u>30</u>

As discussed, the majority of Atherton's 2,190 housing units (1,950 or 89%) are owner occupied. Only 240 (11%) are renter occupied. Not only are a larger number of owner-occupied units cost burdened, but proportionally, when compared to renter-occupied units, a higher percentage of owner-occupied units are cost burdened, with 214 homeowners households paying 30% or more of their income for housing (9.77%) and an additional 345 homeowner households (15.75%) paying 50% or more of their income for housing. Only 30 renter households are overpaying for housing: 20 households (.091%) using more than 30% and 10 (.045%) using more than 50% of their income for housing.

TABLE HE-6: COST BURDEN BY TENURE

<u>Tenure</u>	<u>% Cost Burden</u>	<u>Number</u>	<u>Percent (of all households)</u>
<u>Owner Occupied</u>	<u>30% or more of income</u>	<u>214</u>	<u>9.77%</u>
-	<u>50% or more of income</u>	<u>345</u>	<u>15.75%</u>
<u>Renter Occupied</u>	<u>30% or more of income</u>	<u>20</u>	<u>0.91%</u>
-	<u>50% or more of income</u>	<u>10</u>	<u>0.45%</u>

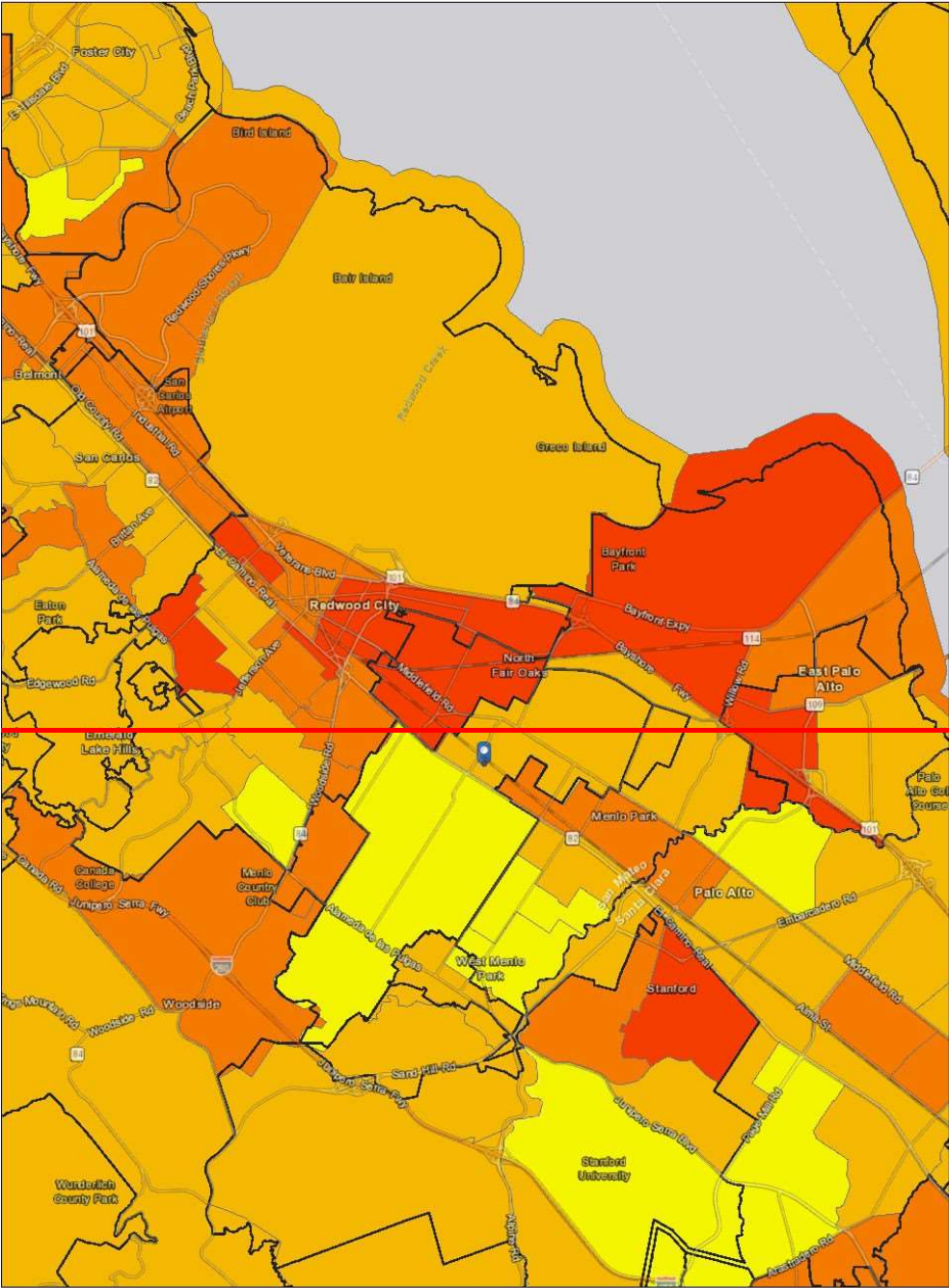
Source: HUD Comprehensive Housing Affordability Strategy (2016-2020 ACS)

There are also differences by tenure. In San Mateo County, 29.6% of homeowners pay more than 35% of their income towards housing and 42.8% of renters pay more than 35% of their income towards housing costs. This is higher than in Atherton, likely because there are more people over 100% AMI. In Atherton, 29% of owner-occupiers pay more than 30% of income towards housing. Statistics on renter income to housing costs are difficult to calculate because of the low number of renters in Atherton, thus 51% of renter cost has not been calculated in ACS data. From what exists, 65% of renter-occupied households pay more than 30% of income on housing costs and 11% pay 30-50% of income on rent.

The map below shows cost burden by census tract. Discrepancies in the percentage of Atherton renters paying more than 30% of their income for rent may be attributed, as has been noted, to the difficulty of calculating these figures based on the low number of renters in Atherton. ACS 5-year 2019 data shows 20-40% of renters in Atherton are paying more than 30% of their income on rent. Atherton is largely surrounded by cost burdened communities. 60-80% of renters are cost burdened in the

East Palo Alto and Redwood City area. It could be that there are more renters in these adjacent communities because Atherton offers few renter-occupied units. Thus residents of San Mateo County who cannot yet afford a house are forced to pay a high cost of housing as renters in areas outside of Atherton.

Renter Cost Burden

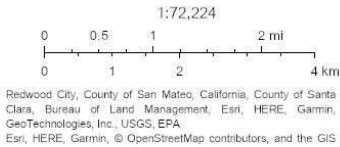


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City/Town Boundaries

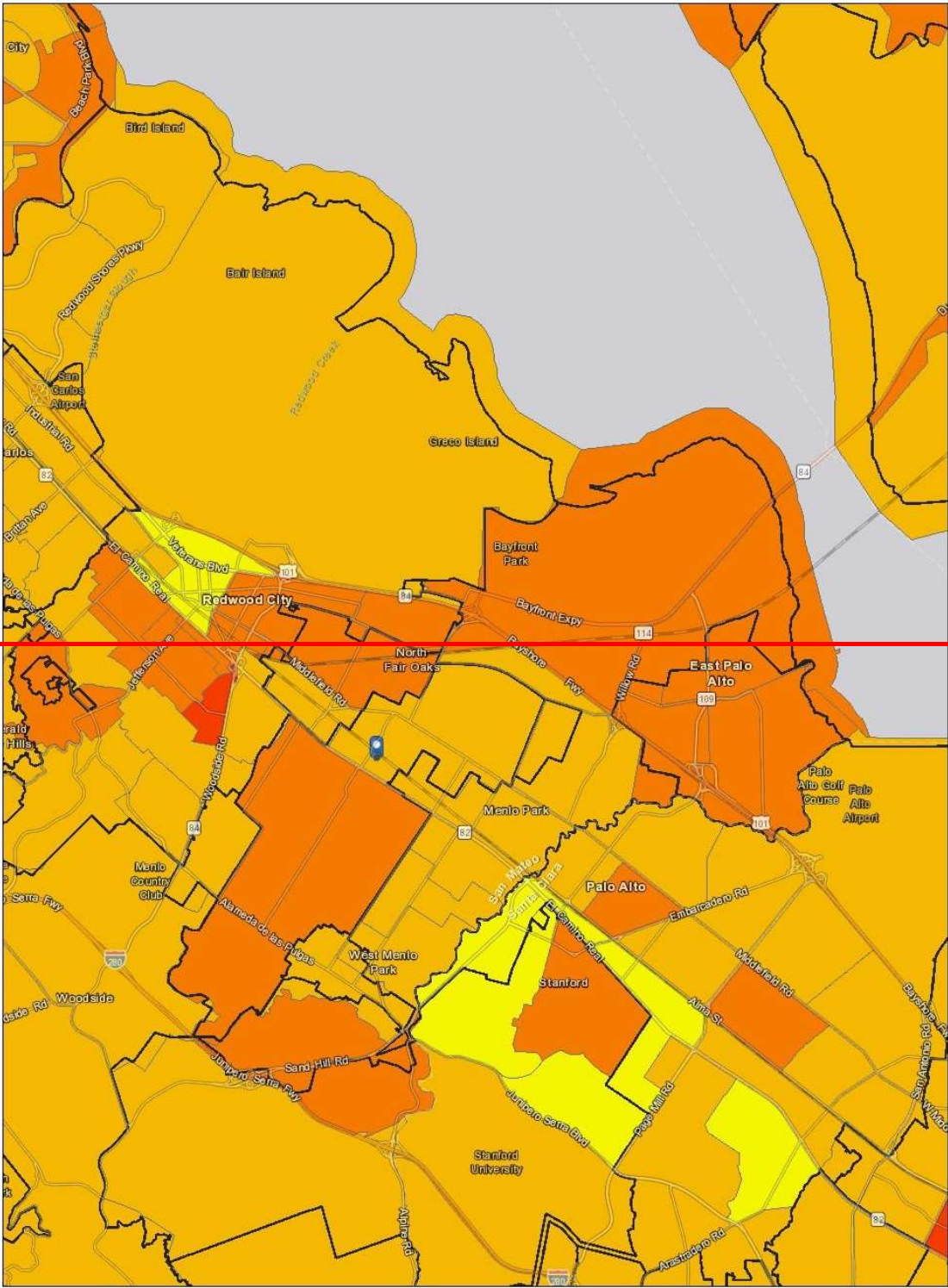
(R) Overpayment by Renters (ACS, 2015 - 2019) - Tract

- < 20%
- 20% - 40%
- 40% - 60%
- 60% - 80%



CA HCD

Cost burden for homeowners is more significant in Atherton. This is not surprising given that there are more owner-occupied single-family homes in the town and therefore there is better data on owners than renters. At least 20% of homeowners in Atherton spend more than 30% of their income on housing costs. Southwest Atherton, which notably had fewer cost burdened renters than other areas of the town, has the town's highest percentage of homeowners who are cost burdened in the town at 40-60%. Again, Atherton is surrounded by communities where over 20% of homeowners are cost burdened, suggesting that homeownership is still unaffordable to those even with relatively high incomes.



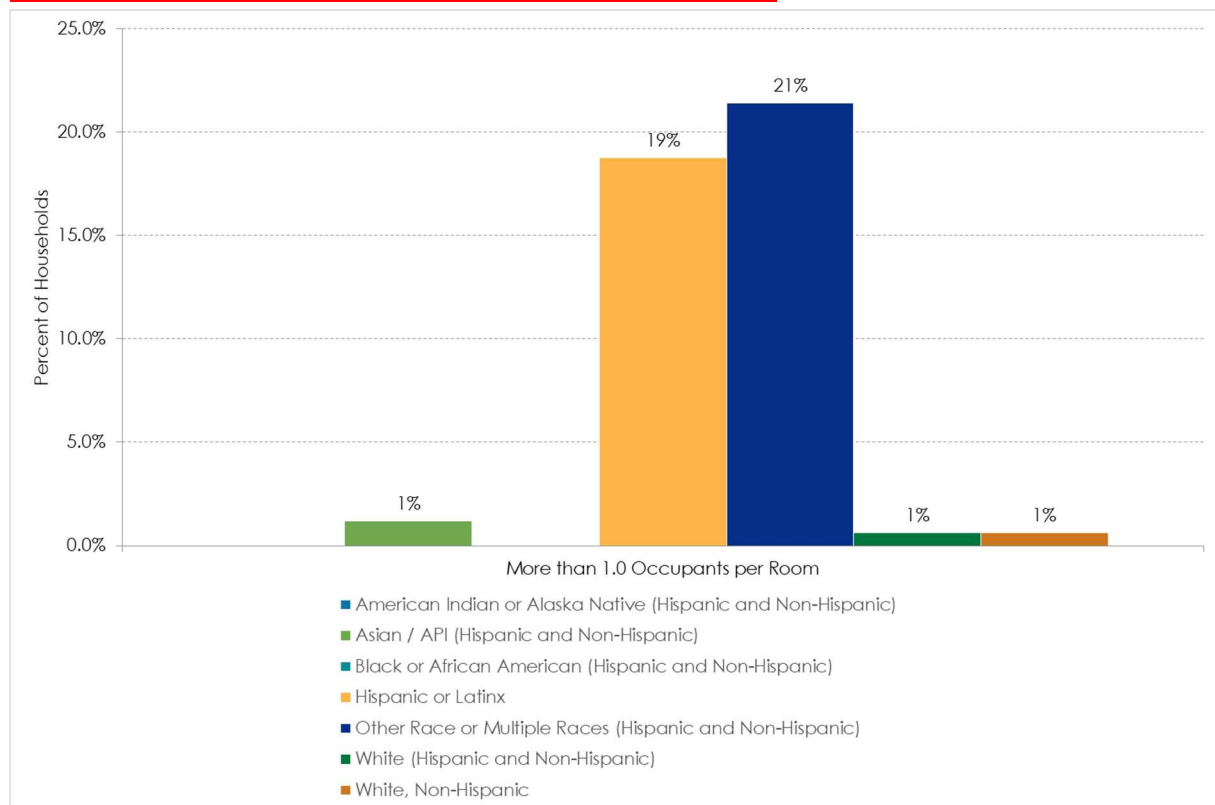
Overcrowding

The vast majority of households (99%) in Atherton are not overcrowded—indicated by more than one occupant per room, compared to 7.9% in the county, and 6.9% in the region.³⁹

Racial and ethnic minorities are more likely than non-Hispanic White households to experience overcrowding. Other races (21% of households), and Hispanic households (19%), experience the highest rates of overcrowding in Atherton as shown in Figure HE-29.

In San Mateo County, 76.9% of households have more than one occupant per room. This is slightly better than the state average of 8.2%.

FIGURE HE-29: OVERCROWDING IN ATHERTON BY RACE

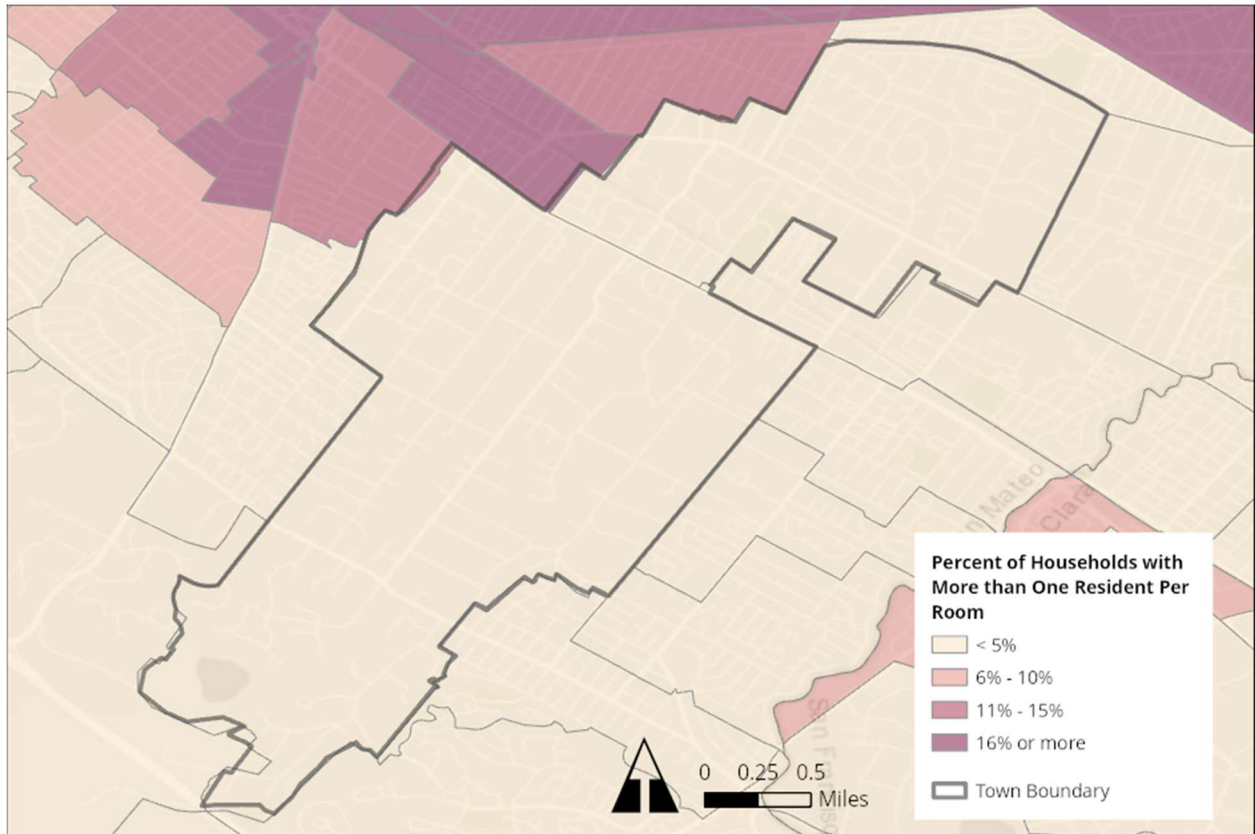


Source: U.S. Census Bureau, American Community Survey 2019 5-Year Estimates Table B25014.

Overcrowding is often related to the cost of housing with multiple households sharing a unit to make it possible to afford the unit. ~~Below, the map~~ Figure HE-30 shows where overcrowding in Atherton and surrounding census tracts~~the Bay Area~~ is more common. East Palo Alto and Redwood City have the highest percentage of

overcrowding in the region, likely ~~because of their high renter population. Multifamily rental units have less bedrooms than single family homes. There are also higher populations of Hispanic residents in these areas. Hispanic~~ due to large households tend to have larger, – including multigenerational households, which could account for the higher overcrowding rate – trying to fit in to smaller units due to lack of income and/or lack of availability of larger, affordable, units.

FIGURE HE-30: OVERCROWDING



Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

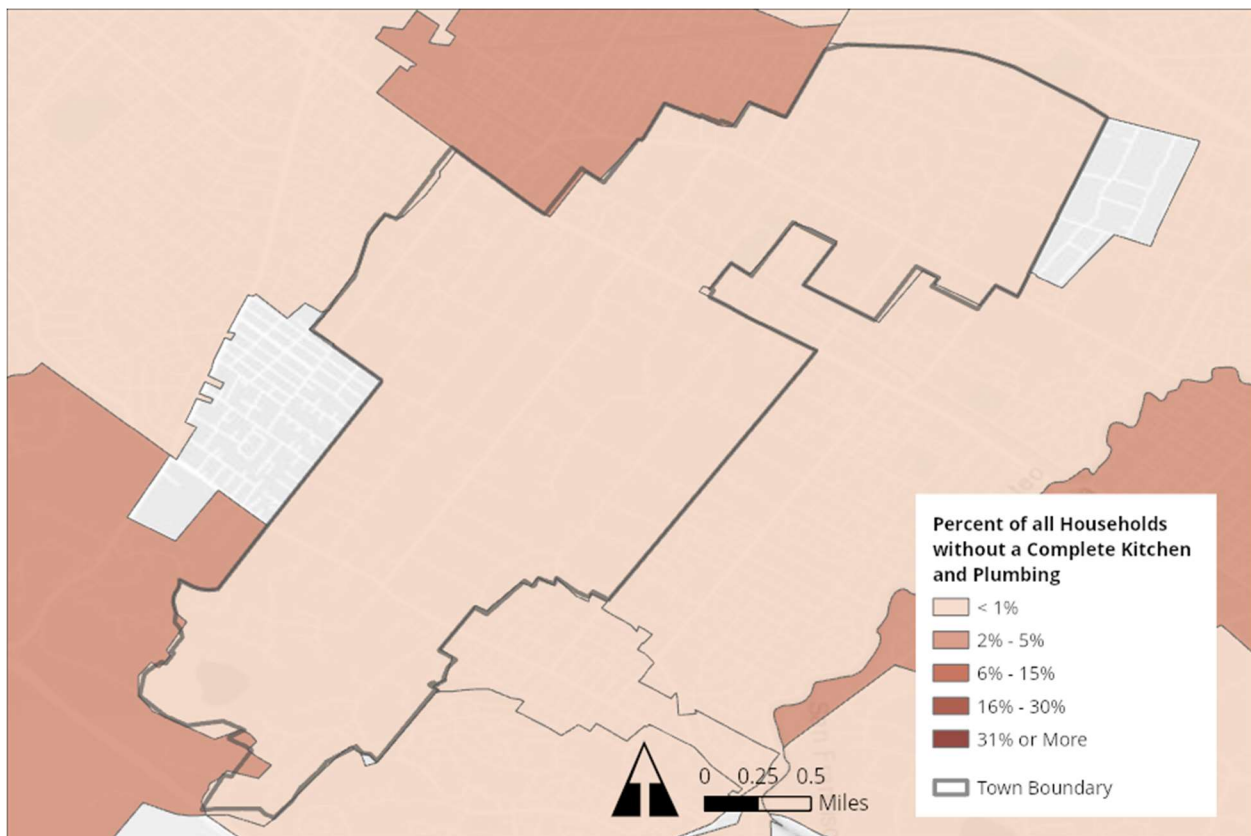
Substandard Housing

Data on housing conditions are very limited, with the most consistent data available across jurisdictions found in the American Community Survey (ACS)—which captures units in substandard condition as self-reported in Census surveys. According to data estimates, the share of housing units with substandard kitchen and plumbing facilities in Atherton is zero, despite an aging housing stock. This data estimate is further substantiated by direction from the Town's Code Enforcement Officer. ~~–~~ This could be ~~because all~~ due to the relative wealth and home-owning status of Atherton residents live in moderate or high resource areas where, making renovations are financially and

~~units.~~ San Mateo County also has ~~ean extremely~~ low rate of substandard housing; 99.9% of households have complete kitchen and plumbing facilities. For the Bay Area region, 99.7% of households have complete kitchens and 99.8% have complete plumbing facilities.

As shown ~~in the map below~~ Figure HE-31, residents who do not have complete kitchen or plumbing utilities tend also to live in severely overcrowded conditions, and are severely cost burdened. Atherton has less than 20% of residents in substandard conditions. In East Palo Alto and Southeast Redwood City, however, 40-60% of all households selected at least one of the substandard housing issues. Substandard housing congregates in areas of low income because these residents do not have the financial leverage to improve housing conditions, have landlords who are unwilling to make improvements, or do not ask for improvements or report conditions in fear of retaliatory eviction.

FIGURE HE-31: SUBSTANDARD HOUSING



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25053, Table B25043, Table B25049

Homelessness-

In 2019, 1,512 people were experiencing homelessness in the county, 40% of these individuals were in emergency or transitional shelters while the remaining 60% were unsheltered. The majority of unsheltered people experiencing homelessness were in households without children. The majority of people in transitional housing were in households with children. These disparities may indicate there are more resources available in the County for families experiencing homelessness as compared to for single individuals experiencing homelessness. The 2019 count identified one person in Atherton experiencing homelessness. In the Bay Area region, the 2019 count identified 36,701 individuals.

People who identify as American Indian or Alaskan Native (6% homeless, less than 1% general population), Black (13%, 2%), White (67%, 51%), and Hispanic (38%, 28%) are overrepresented in the homeless population compared to their share of the general population. The disparities by race can be traced back to discrimination in the housing market and the exclusion of non-white populations from high resource areas. There are few housing options for low-income people in the region. Housing that is available at the market rate likely forces people to spend more than 50% of their income on housing, which puts households at risk for homelessness.

People struggling with chronic substance abuse (112 people), severe mental illness (305), and domestic violence (127) represent a substantial share of the homeless population in 2019. This indicates that there are not enough resources or beds for those experiencing mental illness, substance abuse, and domestic violence in the county.

Displacement

Owner households generally enjoy a greater amount of housing stability whereas renter households are more mobile. Atherton has no inventory of income assisted rental units. In San Mateo County, 417 units are at risk, accounting for 8% of the total assisted housing units in the county. In the Bay Area region, 2,907 (2%) of the region's 116,459 income-assisted rental units are at risk.

Displacement Sensitive Communities

"According to the Urban Displacement Project, communities were designated sensitive if they met the following criteria:

They currently have populations vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost. Vulnerability is defined as:

Share of very low-income residents is above 20%, 2017

~~Town of Atherton 2023-2031 Housing Element – DRAFT~~

~~January 2023~~ Town of Atherton 2023-2031 Housing Element – DRAFT

~~January 2023~~ April 2024

AND

The tract meets two of the following criteria:

Share of renters is above 40%, 2017

Share of people of color is above 50%, 2017

Share of very low-income households (50% AMI or below) that are severely rent burdened households is above the county median, 2017

They or areas in proximity have been experiencing displacement pressures.

Displacement pressure is defined as:

Percent change in rent above county median for rent increases, 2012-2017

OR

Difference between tract median rent and median rent for surrounding tracts above median for all tracts in county (rent gap), 2017"

Source: <https://www.sensitivecommunities.org/>

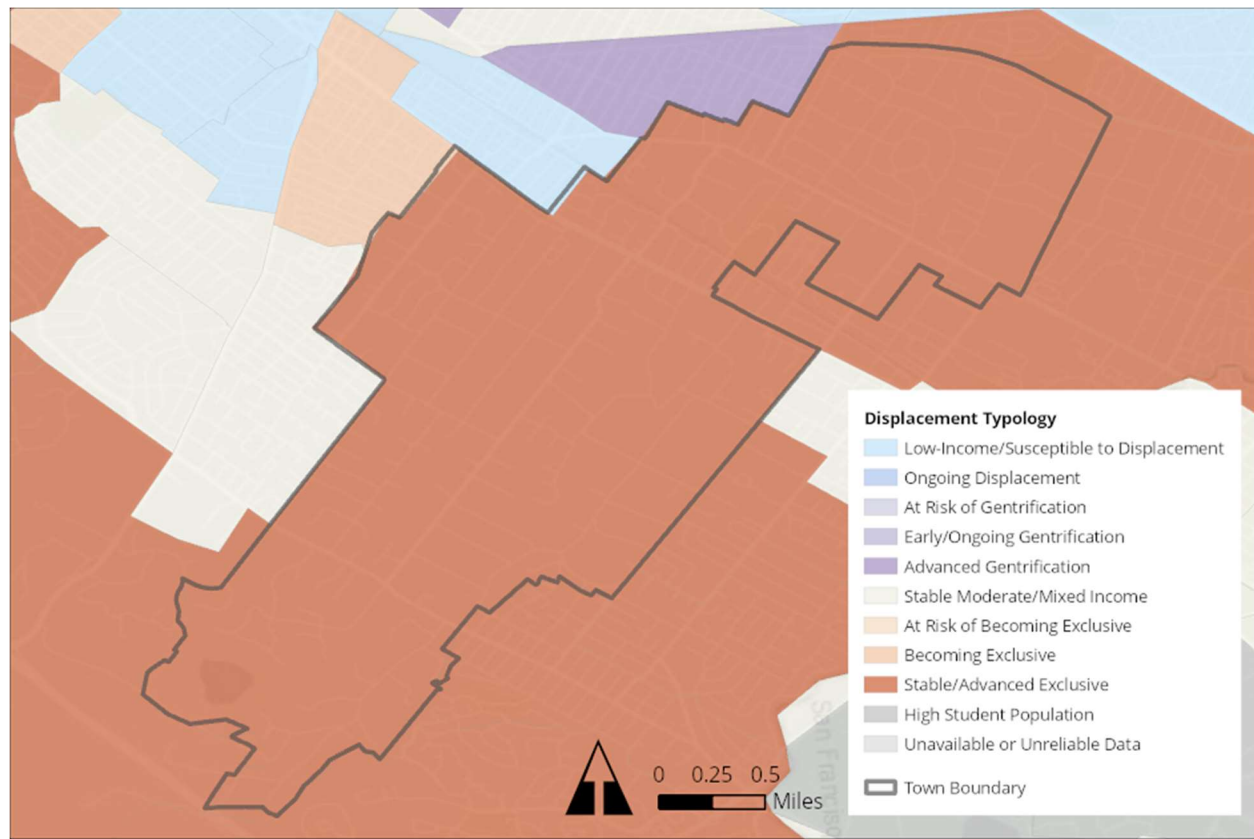
No census tracts in the town are vulnerable to displacement, however, housing cost burden is a risk for displacement and 88% of residents below 30% AMI pay more than 50% of their income on housing. Atherton's rental cost is far above regional median rent, suggesting that there is displacement pressure in place. Assuming this number trend applies to the Town, that would mean that of the Town's 149 extremely low-income households, 131 are overburdened by their housing costs.

As shown in Figure HE-32, the entirety of Atherton is identified as 'Stable/Advanced Exclusive,' meaning that it was a high-income tract in 2000 and 2018, and that housing costs have only increased. Although some of the jurisdictions neighboring Atherton have the same designation, there are also areas that indicate low-income areas are susceptible to displacement or are undergoing advanced gentrification. As discussed in the previous section regarding R/ECAPs, Atherton is near edge R/ECAPs in Redwood City and Menlo Park. This suggests that people who may be displaced from Atherton may migrate to these areas and that people within Redwood City and Menlo Park who are displaced cannot access resources within Atherton.

Displacement can also occur because of natural disasters. Atherton is in San Mateo County, which is on the San Andreas fault and therefore has a high likelihood of severe earthquakes. Houses in California are generally made to withstand earthquakes, but those who spend more than 30% of their income on housing costs likely cannot save

enough to repair severe damage. This means those of lower income are more at risk of displacement.

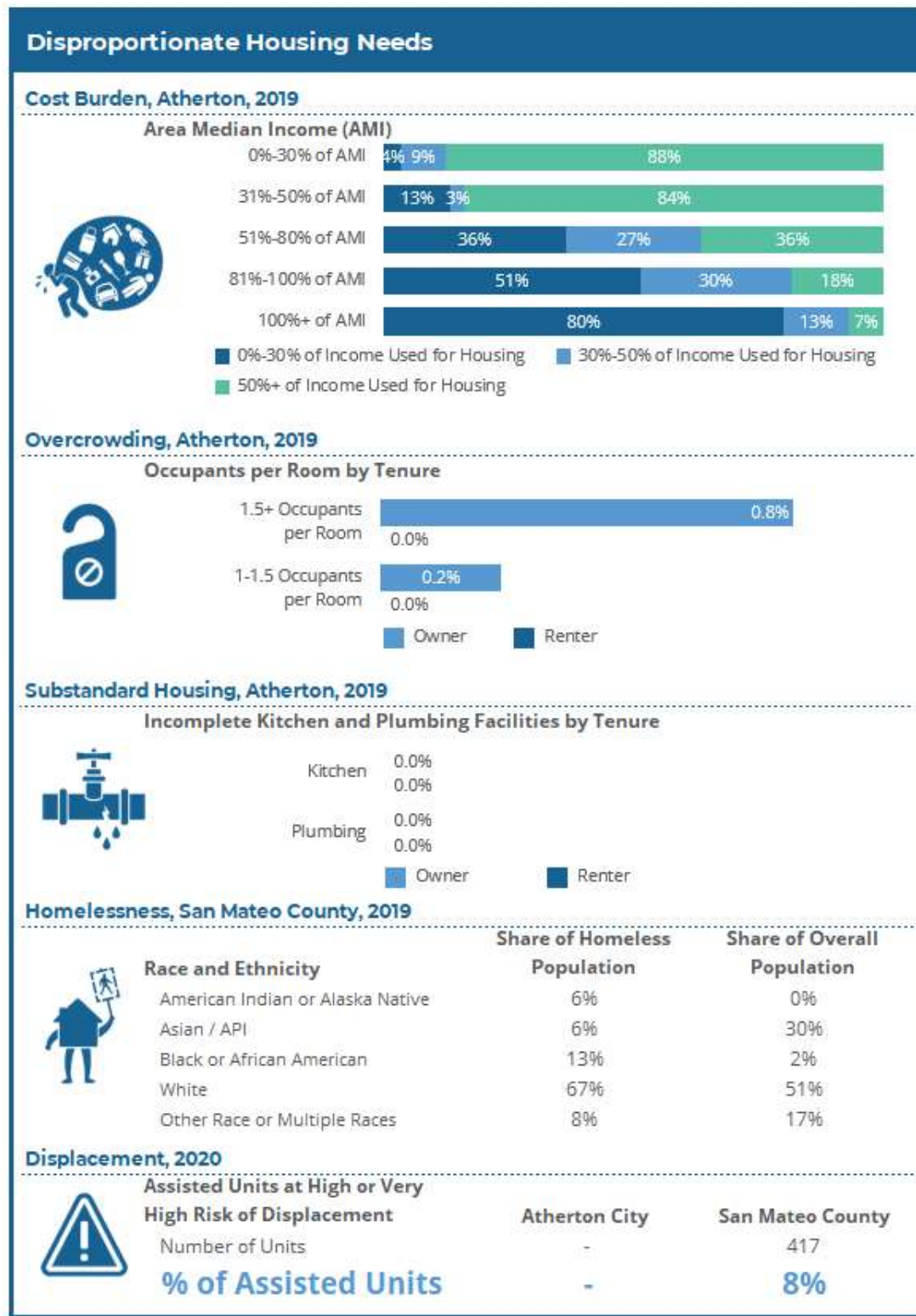
FIGURE HE-32: DISPLACEMENT RISK



Source: Urban Displacement Project, urbandisplacement.org

Access to Mortgage Loans

Disparities by race and ethnicity are prevalent for home mortgage applications, particularly in denial rates. In San Mateo County, Hispanic (60% denial rate) and Asian/API (29%) have the highest denial rates for mortgage loan applications in 2018 and 2019, compared to non-Hispanic White households (18%). These numbers suggest that traditional routes to homeownership are barriers to non-white households. Credit score, assets, and income disparities between races show in denial rates.

FIGURE HE-33: DISPROPORTIONATE HOUSING NEEDS

Source: <https://www.sensitivecommunities.org/>.

3.370 Site Inventory Analysis

~~There are no R/ECAPs or edge R/ECAPs located within the Town of Atherton. Edge R/ECAPs within unincorporated San Mateo County have proximity to portions of Atherton along the western edge of Town bounding El Camino Real.~~

~~The complete inventory of identified opportunity sites is included as Appendix 5 and expanded upon in Section 3.410. The Site Inventory analysis regarding AFFH is provided in Section 3.417: AFFH and Identified Sites~~

3.380 Local Data, Knowledge, and Other Relevant Factors

~~The housing element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. This information should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers. The element must also include meaningful analysis related to historical practices and discuss past, present and future investment practices and other information.~~

~~As previously described Section 3.310, the federal Fair Housing Act passed in 1968 prevented denial of housing found to apply to local zoning laws. Since that time, fair housing law continues to evolve at the federal and state levels. This is evident in the State of California's 2018 passage of AB 686, requiring jurisdictions to address how they Affirmatively Further Fair Housing in their local housing elements. Although there has been no published documentation of explicit exclusionary practices in Atherton, the town's history is deeply connected to the exclusionary history of the Bay Area.~~

~~The area that is now Atherton is the aboriginal homeland of the Ramaytush Ohlone.⁴⁰ The Spanish empire colonized the region in the 18th century and in 1795 provided a land grant to Jose Dario Arguello for Rancho de las Pulgas that included what would become portions of San Mateo County and the jurisdictions of San Mateo, Belmont, San Carlos, Redwood City, Menlo Park and Atherton.⁴¹ By 1801 all of the people indigenous to the San Francisco Peninsula had located to Mission Dolores. By 1834, only 37 descendants of native San Francisco Peninsula people remained, and by 1842,~~

⁴⁰ The Association of Ramaytush Ohlone, available at <https://www.ramaytush.org/ramaytush-ohlone.html>

⁴¹ Plat of the Pulgas Rancho, finally confirmed to Maria de la Soledad Ortega de Arguello et al., available at <https://atherton2023-2031housingelement.com/>
 Town of Atherton 2023-2031 Housing Element – DRAFT
 January 2023
 January 2023April 2024

the population was 15.⁴² Throughout this time period the area surrounding present-day Atherton remained rural and agricultural, used predominantly as a cattle range.

Eventually, the Rancho was subsumed into the United States after the Mexican-American War concluded in 1848 and California joined the United States in 1850. As a result of political shifts and the economic pressures of new settlers arriving to California in search of wealth, the Arguello family had to defend their land titles in court. In their claim, the Arguellos attested that the Rancho was nearly three times larger than what was ultimately decided by U.S. Supreme Court.⁴³ Therefore, while the family did receive a land grant, they were not successful in receiving their entire claim. Additionally, their holdings were further diminished by a transfer of approximately 25% of their grant to their Attorney Simon Mezes as payment for legal representation.⁴⁴

In 1866, the Southern Pacific Railroad established a station in the area in to ferry newly-wealthy San Franciscans to their second homes in the valley.⁴⁵ Accessibility between the region's major city and the large rural lots of the mid-peninsula heightened the attractiveness of Atherton as a residential area. During the mid-nineteenth century as California experienced an increased in trade, population, and early industrialized development. Land ownership of the region's rancheros transferred to increasingly smaller scale properties as a means for Spanish/Mexican owners to quickly gain capital and liquidate assets. Descendants of the indigenous populations, remained disenfranchised.

Atherton was incorporated in 1923 under pressure from neighboring Menlo Park, whose government was attempting to annex the land into its own boundaries in order to bolster their own property tax rolls (this was decades before Proposition 13 limited property tax increases in 1978). From the outside, early residents of Atherton intended to develop a town with large residential lots and no commercial uses (unlike Menlo Park, which had a commercial downtown with smaller parcels).

After its 1923 incorporation, Atherton remained small in the years before World War 2, with a population of 1,242 in the 1930 census and 1,908 in the 1940 census. The town nearly doubled after the war, with a population of 3,630 recorded in the 1950 census. Already by this point Atherton was established as an exclusive outpost. The family

⁴² Randall Milliken at al. Ohlone/Costanoan Indians of the San Francisco Peninsula and Their Neighbors, Yesterday and Today. Oakland, CA: Archaeological and Historical Consultants, 2009.

⁴³ Arguello v. United States, 59 U.S. 539 (1855)

⁴⁴ 'Who was Dona Arguello?' Published in Redwood City VOICE by James O. Clifford, Sr. <https://medium.com/redwood-city-voice/who-was-dona-arguello-97075145a74d>

⁴⁵ Town of Atherton 2023-2031 Housing Element <http://www.ci.atherton.ca.us/96/History-of-Atherton>

median income of \$3,857 was about 17 percent higher than the average family income nationally. There were 237 private household workers (servants, gardeners, and butlers) employed in the town's 1,140 homes, or roughly one for every five Atherton households. By the 1960 census, there were 7,717 residents – a 113 percent increase over 1960. However, the number of Black residents, only increased from 75 people in 1950 to 76 a decade later.

In the 1960s, continued disinvestment and urban renewal in areas surrounding Atherton, such as East Palo Alto, exacerbated housing and education inequality. Frustrated families in East Palo Alto petitioned for redistricting to address their concerns about education. The lines were drawn and redrawn, and eventually many Black students were bussed to Menlo-Atherton high school. Entrenched housing segregation translated to tension within the school. Black students often felt unwelcome and white students described feeling unsafe in what developed as a microcosm of the exclusionary housing debate formed outside the school walls.⁴⁶ The District Board of Trustees representing Menlo-Atherton High responded by limiting the policy to include only students living two miles or more from the school, strategically excluding Black neighborhoods as white students mostly had their own transportation. Protests and fighting ensued.

Housing and educational boundaries go hand in hand. Over the years, overt tension has abated, but the effects of District policies and land use decision-making can still be seen. The zoning code in Atherton limits parcel size to primarily 1-acre parcels. This land use policy impacts student demographics (1) by limiting the overall number of students and (2) by skewing upward the household income level of those students due to the extremely high land cost. The zoning code in Atherton has almost exclusively permitted 1-acre parcels and single-family developments.

3.390 Fair Housing Issues, Contributing Factors, and Town Actions

The factors contributing to fair housing challenges within Atherton is the high cost of land acquisition, zoning primarily for single family homes, and little affordable housing for those with moderate and low income who work in the town, other than ADUs and housing at local school sites. Per an analysis completed in 2022, the average land acquisition cost for a single acre in Atherton is approximately \$7-8 million. The affordability of land is a high bar to the creation of affordable housing and the greatest barrier to development. The Town has taken a multi-pronged approach to

⁴⁶ Tara Madhav, "Community Control and Desegregation in East Palo Alto, California, 1958-1986" (UC Berkeley Charlene Conrad Liebau Library Prize for Undergraduate Research: April 2021), available at <https://escholarship.org/uc/item/84nc710d>

address affordable housing. The best opportunities for affordable housing include ADUs and multi family units on school sites where the land is already owned by the entity. In addition, the Town has identified several properties for upzoning to permit multifamily housing. Coupled with the new multifamily zoning districts, the Town will adopt an inclusionary ordinance to ensure a portion of the new multifamily housing units are available as affordable housing to lower income households. These steps will address fair housing issues, including segregation.

The Town is continuing to see success in the creation of additional ADU units. **The Town estimates that 60% of new rental ADU units will be rented at very low or low-income levels.** Based on existing precedent, these units are often used for housing for a senior family member, employees of the homeowner, students, or in other similar circumstances where the renter would otherwise be unable to find similar accommodations locally. Consequently, the ADU occupants do not displace others from low-income housing that is available locally.

ADUs have several other advantages. They can be constructed at significantly lower cost than the cost to build a new multifamily unit. They can be located anywhere within the Town, which means such low-income units are geographically spread throughout Atherton. They are also politically popular and easy to permit.

The Town is implementing several strategies to further utilize ADUs as a tool for providing fair housing opportunities, including:

- Expanding community outreach to realize additional ADU development.
- Developing assistance programs for JADUs to make alterations easier and more cost effective so that additional units can be developed within the existing building envelope of houses and made available at more affordable rates.
- Amending the Zoning code to eliminate the occupancy limitation on other accessory units, such as guest houses and pool houses.
- Creating an inventory of existing pool houses and guest houses, and then working with a nonprofit to connect homeowners to prospective renters.
- Amending the Zoning code to increase the height limit to allow ADUs to be constructed above garages.
- Amending the Zoning code to allow two ADUs to be constructed on parcels that are 2 acres or greater.
- Amending the Zoning code to allow multiple ADUs to be rented on a property.
- Amending the fee resolution to remove the planning review fees for ADUs.
- Adopt an affordable housing impact fee on single family construction. The Town will make available funds from this program to provide very low-income rental assistance for eligible households identified by HIP.

The Town's complete strategy related to encouraging ADU production and the rental of these units is provided in section 3.812.

Further to provide greater diversity in the housing stock and opportunities for lower income households, the Town has included programs to rezone several properties to allow multi-family housing. These properties have been strategically identified to be near transit and services.

Additionally, the Town will be providing additional fair housing resources and training for property owners, real estate agents, and tenants, per section 3.823 E. This will be provided through a collaboration with other cities and towns, Project Sentinel, or other similar organization. This will provide information on reasonable accommodation and issues related to income and other forms of discrimination. This training could be mandated for multi-family developers, property owners and any resident renting an ADU or similar unit. The Town will also create a webpage to host this information and improve awareness around fair housing training, issues and available programs. The webpage will also provide information on filing fair housing complaints with HCD or HUD.

Lastly, as part of its ADU rental strategy, **the Town will implement a program to affirmatively market low-income units** to households that are under-represented in the Town in comparison to neighboring jurisdictions and the County. To examine the effectiveness and interest in the ADU strategy, a survey of potential renters in the area, such as employees of homeowners, school and city staff, and elderly individuals is also being pursued.

3.600 REVIEW OF 2015-2022 HOUSING ELEMENT PERFORMANCE

3.610 Effectiveness of the Element

This update of the Atherton housing element provides an opportunity to reflect on past achievements and challenges, identifying what is working and what is getting in the way in meeting Atherton's housing needs. This section reviews the previous cycle's progress in meeting RHNA, reviews the previous (5th Cycle) Housing Element programs, and discusses the implementation of those previous cycle programs.

3.620 2015-2022 RHNA Progress in Implementation

A comparison of the number of projected or planned housing units (i.e., 2015-2022 Housing Need Allocation) with what was actually achieved is summarized in Table HE-10 below. The Town's Regional Housing Needs Allocation (RHNA) for the prior (2015-2022) period was 93 units. This included 35 very low income units, 26 low income units, 29 moderate income units, and 3 above moderate income units as seen in Table HE-10. Actual housing construction during the 2015-2022 period was 247 units.

TABLE HE-10: PROGRESS IN IMPLEMENTATION

5-2022 Actual RHNA Achievement					
<u>Income Group</u>	<u>2015-2022 Allocation</u>	<u>Private Construction</u>	<u>Accessory Dwelling Unit Program</u>	<u>Total</u>	<u>Met (M), Exceeded (E), or Fell Short (S) of Goal</u>
Very Low	35	-	72	72	E
Low	26	-	22	22	S
Moderate	29	-	21	21	S
Above Moderate	3	132		132	E
Totals	93	132	115	247	E

Note: Totals through Dec. 2021

There were a number of notable accomplishments related to implementation of the Atherton housing element over the past eight years:

ADUs (often referred to as second units or in-law units) have become increasingly popular after the Town adopted amendments to the ADU ordinance, most recently in 2020. Prominent Ordinance revisions which support this projection and increased production trend from prior years beyond those amendments as prescribed by Government Code Sections 65852.2 and 65852.22 included additional floor area

exemption up to 1,200 square feet beyond the first 800 square feet and increased public education on the construction of ADUs. It is noted that throughout 2022, a total of 27 new single-family permits were issued and these permits included a total of 26 new ADUs, and 5 ADU conversions. This nearly one to one ratio is a direct correlation to the Town's encouragement to produce ADUs. The total number of ADUs permitted and/or constructed between 2015 and 2022 (the last year with data available) was more than ~~125~~115. This exceeded the Town's RHNA allocation. This is important, not only because ADU construction is the most viable form of new housing in Atherton, but also because rental surveys of ADUs show that these kinds of units are more affordable. These ADUs were categorized under the RHNA Income Groups of Very Low, Low, and Moderate. The 115 ADUs exceeded the Town's RHNA allocation of these RHNA categories by 25 units (the total RHNA allocation for Very Low, Low, and Moderate groups was 90 units). Additionally, results from a recent Town-wide survey indicate significant support for the development of ADUs over the next 8 years showing a more than 200 property owner commitment to do so.

The Town approved dormitory housing consisting of 147 units or a total of 291 beds at Menlo College. Of these, 19 of the units were dedicated for low-income students with incomes at or below 80% of the Area Median Income (AMI). The new dormitory housing alleviated demand for other units from students and housed a number of students who were previously unhoused. As student housing not open to the public at large, these units do not count towards meeting RHNA.

Construction of new Above Moderate market rate housing also exceeded the Town's RHNA allocation. A total of 9 net new Above Moderate market housing units were constructed during the 2015-2022 cycle. On the required CA Department of Housing and Community Development (HCD) form the summary Table B only counts newly constructed units and does not account for demolished units. There were 132 new units constructed and 123 existing units demolished.

3.630 Future Opportunities Review of Prior Housing Element Programs

The following summary highlights key accomplishments and challenges from the previous housing element's planning period (2015 to 2022). This information will help ensure that the updated element for 2023 to 2031 builds on success, responds to lessons learned and positions us to better achieve our community's housing priorities.

A more detailed program-by-program review of progress and performance is in Table HE-11.

Accomplishments

As noted in Section 3.620, ADUs have become increasingly popular after the Town adopted amendments to the ADU ordinance. Prominent Ordinance revisions support

this increased production trend from prior years as prescribed by Government Code Sections 65852.2 and 65852.22. ADUs are a Town asset in accomplishing RHNA goals and providing more affordable housing units for low-income and special needs populations.

The Town's approval of dormitory housing for Menlo College contributed to the market-rate and below market-rate units in the Town of Atherton. Not only does dormitory housing provide additional housing options for students, but it also alleviates the student-demand for other units and frees up non-dormitory housing for other Town residents.

Challenges

While the Town has several achievements, there is still work to be done. Some of the challenges that kept the Town from achieving all of its housing goals include:

- The Town does not have any commercial activity – which means there are no retail sales taxes, commercial development impact fees or other related sources of revenue available to other cities. The Town has very restricted tax revenue. This restricts the option of financial incentives or participation by the Town in building new and affordable housing.
- During the 2015-2022 Planning Period, it was anticipated that new housing would be constructed at Menlo School and Menlo College. A net of eleven new faculty units affordable to very low- and moderate-income households were planned at Menlo School and 79 new units affordable to lower income and moderate-income households were planned at Menlo College. Although the plans for these units remain on the Master Plans for these institutions there were insufficient funds available to construct them during the Planning Period. It is recommended that this program be carried forward ~~and expanded for~~ to the 2023-2031 Planning Period.

Ongoing Efforts

~~Despite the setbacks noted in the prior section, the~~ The Town continues to move forward ~~within~~ its goals and actions outlined in the prior cycle's Housing Element. In addition, the trends and lessons learned from the prior cycle have been thoroughly analyzed and considered for effective incorporation in this Sixth Cycle Housing Element. These include:

- Imposition of an affordable housing impact fee on single family building permits to fund programs to assist in development and assistance for affordable housing.
- Implementation and promotion of SB 9 lot splits.

- Expansion of ADU programs through the consideration of various development and incentive programs.
- Amendment of PFS zoning to permit multi-family housing by right
- Creation of a new multi-family zoning district RM 10
- Adoption of a new affordable housing Inclusionary Ordinance

~~See Table 3.710 for 2015-22 Update Programs and Objectives Analysis.~~ The following describes how the objectives and programs of the 5th Cycle Housing Element will be updated ~~element incorporate and how~~ changes will be incorporated resulting from the evaluation.

Program 3.710: New Construction, Conservation, and Rehabilitation

Program 3.711: New Construction of Above-Moderate Income Units — The program of providing new construction of Above-Moderate income units has, in the past, depended on the construction of single-family detached homes throughout the Town's R1-A and R1-B lots. The program has been hampered by the lack of available land and the low-density character of the community. New construction invariably results in the demolition of an existing unit, leading to nearly a net zero increase in housing units. The adoption and implementation of SB 9 by the State of California is projected to allow the creation of additional lots with higher densities and thus permit the development of a greater number of Above-Moderate housing units during the 2023-31 planning period. Further, the Town will create two new multi-family zoning districts, RM 20 and RM 10 that will facilitate the development of additional above-moderate income units.

Program 3.712: New Construction of Affordable Units - The program of providing new construction of affordable units has, in the past, depended primarily on the construction of ADUs and JADUs. While the objective was met in the 2015-22 planning period, the RHNA objectives for 2023-31 is markedly higher.

Consequently the 2023-31 Update includes Housing Program 3.813 addressing multifamily housing development on school and other properties and creation of two new multifamily zoning districts, RM 20 and RM 10. that will be applied to several properties. In addition, an Inclusionary Zoning Ordinance will be adopted which requires a percentage of units to be set aside for lower-income housing. These new programs should be sufficient to meet the 2023-2031 objectives for affordable units.

Program 3.712a: Conduct Affordability Surveys - While housing affordability surveys during the 2015-22 planning period have been required as a condition of approval, they typically reflect anticipated rent, and therefore affordability, as opposed to

actual affordability. Changes in the 2023-31 Update are proposed that require a survey every two years of actual rents in order to determine the actual affordability level of low and moderate income ADUs, JADUs, multifamily and other known affordable units. This change will provide data that can be used to adjust programs during the planning period, if necessary.

Program 3.712b: Faculty and Student Housing – The program of providing additional faculty and student housing on or near school campuses and there appears to be a desire on the part of the schools to construct additional faculty and student housing. The 2023-2031 Update includes new programs such as Inclusionary Zoning Ordinance that could assist in funding construction and zoning changes such as increased height, reduction of setbacks and similar changes that could allow increased densities, all helping to reduce barriers to development of new faculty and student housing.

Program 3.712c: Maintain Contact with Affordable Housing Developers – Atherton management and planning staff have regular contact with developers of affordable housing, exchanging ideas and proposals about expanding affordable housing opportunities in Atherton. This program continues into the 2023-31 planning period in order to take advantage of affordable housing opportunities as they arise.

Program 3.713: Conservation and Rehabilitation of Existing Units – The Atherton Planning Department works closely with the Building Department to encourage the conservation and rehabilitation of housing in Town, with particular attention to affordable housing. The Town will continue to assist the property owners and development community in the housing development, conservation and rehabilitation process. The Town will establish a building inspector ombudsman to assist property owners navigate the rehabilitation process. This program continues into the 2023-31 planning period with a projected 50 to 100 permits being issued for improvement, rehabilitation and conservation projects.

Program 3.720: Special Housing Needs

Program 3.721: Seniors – The Town has a number of programs supportive of Seniors. These programs include permitting residential care facilities and providing information on home repairs assistance and the Property Tax Postponement Program. The Town will continue these programs and others, in support of senior populations in the 2023-2031 Housing Element.

Program 3.722: Disabled and Developmentally Delayed Persons – The Town has a number of programs supportive of persons with disabilities. These programs include, enforcing ADA compliance in new residential developments and major remodels.

providing referrals and information to the County's Housing Accessibility for Disabled Persons Program, and providing information on housing and services for persons with developmental disabilities. These programs will continue in the 2023-2031 Housing Element.

Program 3.723: Equal Housing Opportunity – The Town will continue to refer housing discrimination complaints to the appropriate groups, as well as disseminate fair housing information at Town Hall and on the Town website. The 2023-2031 Housing Element will include additional program elements that expand on the implementation of the outreach campaign, zoning code amendments, adoption of an affordable housing impact fee, increase awareness of equal housing resources for eligible population and increase the number of housing available to lower income renters/residents.

Program 3.724: Emergency Shelters, Transitional and Supportive Housing – The Town will continue to support the possibility of Emergency Shelters, Transitional Housing, and Supportive Housing in Atherton. The 2023-2031 Housing Element will also include a program expanding on the protocol in the event such housing is needed.

Program 3.730: Consistency with State Requirements

Program 3.731(a-c): Energy Conservation – The Town has regulations that encourage energy conservation. These regulations include permitting solar installations, and promoting through various public education programs, energy efficient design. The Town also requires native landscaping to the greatest extent feasible, which reduces the need for both water and energy. All of these policies and regulations will continue.

Program 3.731d: Employee Housing – The Town will continue to ensure compliance with State Health and Safety Code Sections 17021.5. Furthermore, the Town will expand on this program and the code will be revised consistent with Section 17021.6.

Program 3.740: Other Housing Programs

Program 3.741: Shared Housing – The Town will continue to support the Human Investment Program (HIP) and continue to make information available at Town Hall and on the Town website. This program will continue into the next planning cycle. The Town will include additional housing programs in the 2023-2031 Housing Element. These are reflected in Section 3.800.

Cumulative Evaluation of Effectiveness of 5th Cycle Element in Addressing Special Housing Needs

The State Department of Housing and Community Development has requested that the Town "analyze the cumulative effectiveness of the previous Housing Element goals,

policies, and programs on special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers, and persons experiencing homelessness)."

Of the special needs populations, the 5th Cycle Housing Element particularly focused on seniors, who make up 22.4% of Atherton's population. There were four programs specific to seniors (Program 3.721a-3.721d). These were related to residential care facilities, home repairs assistance, property tax postponement, and creating a senior friendly plan. The last program was not implemented due to lack of funding and interest in this type of program. The first three programs however, were implemented and are continued into the 2023-2031 Housing Element. Many older Atherton residents have been able to age in place, modify their homes, and continue living in the Town as a result of these programs and policies. Understanding how seniors might be cost-burdened is of particular importance due to their special housing needs, particularly for low-income seniors. Senior households often experience a combination of factors that can make accessing or keeping affordable housing a challenge. They often live on fixed incomes and are more likely to have disabilities, chronic health conditions, and/or reduced mobility. The 2023-2031 Housing Element supports diverse housing options that allow senior households to have more mobility as well as programs that support seniors in maintaining their homes.

There were three programs specific to disable and developmentally delayed persons in the 5th Cycle Housing Element (Program 3.722a-3.722c). People with disabilities can face additional housing challenges. Encompassing a broad group of individuals living with a variety of physical, cognitive, and sensory impairments, many people with disabilities live on fixed incomes and need specialized care, yet often rely on family members for assistance due to the high cost of care. The three programs were implemented and are continued into the 2023-2031 Housing Element.

In the 2022 San Mateo County One Day Homeless Count and Survey, there were 3 homeless individuals counted in Atherton, less than 1% of the Town's population. Atherton historically has one of the lower homeless counts in San Mateo County. Shelters and homeless assistance programs are the main resources available to homeless residents of San Mateo County. Program 3.724a of the 5th Cycle Housing Element supports the facilitation of interested developers pursuing Emergency Shelters, Transitional Housing, and Supportive Housing in Atherton.

Large family households often have special housing needs due to a lack of adequately sized affordable housing available. In Atherton 13% of households are large households with five or more people sharing the same income. The higher costs required for homes with multiple bedrooms can result in larger families experiencing

disproportionate cost burden than the rest of the population and can increase the risk of housing insecurity. The 2023-2031 Housing Element facilitates the development of multifamily housing, as well as SB 9 lot splits and ADUs, that provide a variety of housing options for large family households.

In Atherton, 5.4% of households are female-headed households. Households headed by one person are often at greater risk of housing insecurity, particularly female-headed households, who may be supporting children or a family with only one income. Continue Difficulty in finding affordable housing can result in disproportionate cost burden on female headed families compared to the rest of the population and can also increase the risk of housing insecurity. The 2023-2031 Housing Element includes programming that supports HIP Housing in facilitating secure housing for female-headed households.

All of these factors were considered in the evaluation of related programs from the past cycle and informed the recommendations as noted below in Section 3.640, as well as the development of new programs in Section 3.800.

The Town's 5th Cycle Housing Element included specific goals addressing the needs of seniors, disabled persons, and homeless (emergency shelters). Cumulatively, these measures have contributed to the health, safety, and welfare of all Atherton residents and to the quality of life and condition of housing in the town. However, the 5th Cycle could have been better in including programs addressing the needs of the remaining special needs populations, including large households and female-headed households. There were the affordable housing programs (Program 3.712), one program related to Equal Housing Opportunity (Program 3.723a), and one program related to Shared Housing (Program 3.741a). The Town will expand its programs related to special needs populations in the 6th Cycle Element by doing the following:

- Expanding the programs related to Equal Housing Opportunity with eight additional programs.
- Continuing the program to support the possibility of Emergency Shelters, Transitional Housing, and Supportive Housing in Atherton from the 5th Cycle Element (Program 3.724a), and expanding the specifics of this with an additional program in the 6th Cycle Element.

3.640 Implementation Status and Analysis of 5th Cycle Housing Element Programs

A detailed analysis of the goals, objectives, policies and programs of the 2015-2022 Housing Element Update is presented in Table HE-11 below.

TABLE HE-33: ANALYSIS OF THE OBJECTIVES AND PROGRAMS CONTAINED IN THE 2015-2022 HOUSING ELEMENT UPDATE

Housing Element Program Name/Number		Program Description and Objective	Timeframe and Achievements	Program Evaluation and Recommendation
Program 3.710: New Construction, Conservation, and Rehabilitation				
3.711	New Construction of Above Moderate Units	Continue to facilitate and expedite the development of new above moderate-income housing units in order to achieve the construction of net 3 new above moderate-income units.	(2015-21) A net of 9 new units were constructed during this period. Although the HCD Annual Progress Report shows 132 new units, that does not account for demolished units. Market has limited construction to reconstruct 1 unit for each demolished unit.	Objective met and exceeded.
3.712	New Construction of Affordable Units	During the previous RHNA cycle the Town amended the Zoning Ordinance to remove constraints on the development of ADUs. During the 2015-22 cycle the Zoning Ordinance was amended to conform to new ADU provisions in State law. Continue to facilitate and expedite the construction of new affordable units in order to achieve 90 new affordable units.	(2015-21) 115 new ADUs were constructed during this time frame. Construction increased as a result of zoning ordinance changes.	Objective met and exceeded. This program has been effective in providing housing for lower income families and individuals. Recommend continuance.
3.712a	Conduct Affordability Surveys	This program called for housing affordability surveys to be conducted every two years. In lieu of conducting surveys, the Town has chosen to request affordability information from each new ADU developer/owner at the time of Building Permit issuance.	(2015-22) Affordability surveys are required from each new ADU developer/owner at the time of Building Permit issuance.	Objective met. This program has been effective in providing ADU affordability information. Recommend continuance.

3.712b	New Construction of Affordable Faculty, Student and Staff Housing on Private Schools' Property	Work and cooperate with Menlo School, Menlo College and Sacred Heart Schools to facilitate development of affordable faculty, student and staff housing on school properties and provide incentives for development through an expedited review process.	(2015-22) In 2020-21 the Town approved dormitory housing consisting of 147 units or a total of 291 beds at Menlo College. Of these, 19 of the units were dedicated for low-income students with incomes at or less than 80% of the Area Median Income (AMI).	Objective partially met. This program has been effective in providing housing for 19 lower income students at Menlo College. Recommend continuance.
3.712b cont'd	Additional Affordable Housing at Oakwood Community at Sacred Heart Schools	The Oakwood Community at Sacred Heart Schools is currently developed with housing for the retired religious in a "single room occupancy" style. These units are all affordable to extremely low-income households. The program allows for expansion of the housing should demand warrant.	(2015-22) During the prior RHNA cycle the Town amended its Zoning Ordinance to allow multi-family residential uses that provide housing for very low- and low-income households. Discretionary review is required related to the location, size, proximity to heritage trees and environmental aspects of the project but may not result in the denial of the use. A project is currently proposed at Oakwood consisting of the addition of 5 new rooms for permanent occupancy and 3 new guest rooms.	Objective is being met, no changes to Ordinance are recommended. This program has been effective in providing housing for lower income individuals. Recommend continuance.
3.712b cont'd	Faculty and Student Housing	Annually, at the time for review of their master plans, work with private schools to facilitate development of affordable, multi-family faculty, student, and staff housing on their properties. Achieve construction of 11 new faculty units at Menlo School, 79 new faculty and student units at Menlo College. It is anticipated that about 1/3 of the units will be rented in the extremely low-income category.	(2015-22) The Town has annually worked private schools to facilitate development of affordable, multi-family faculty, student, and staff housing on their properties. During this cycle the schools were only partially able to achieve their goals due, in part to unavailability of funds. In 2020-21 the Town approved dormitory housing consisting of 147 units or a total of 291 beds at Menlo College. Of these, 19 of the units were dedicated for low-income students with incomes at or below 80% of the Area Median Income (AMI).	Objective partially met. Recommend that Town continue to work with private schools to meet objectives.

3.712c	Maintain Contact with Affordable Housing Developers	Continue to maintain contacts with agencies and developers of affordable housing in the mid-peninsula area in order to consult about resources that might be available to and from the Town for affordable housing. Contacts exist with agencies such as the San Mateo County Department of Housing and Community Development, non-profit developers such as MidPen Housing, Bridge Housing and Habitat for Humanity.	(2015-22) Town Staff continues to maintain contact with agencies and developers of affordable housing in the mid-peninsula area. The Town offers expedited planning and building processing through use of contract plan checking services and support for applications for funding.	Objective met.
3.713	Conservation and Rehabilitation of Existing Units	Continue to facilitate and expedite the rehabilitation and reconstruction of existing housing through improved review times and project assistance.	(2015-22) Between 50 and 100 permits issued each year for improvement, rehabilitation and conservation of existing units.	Objective met. Recommend continued implementation.
Housing Element Program Name/Number		Program Description and Objective	Timeframe and Achievements	Program Evaluation and Recommendation
Program 3.720: Special Housing Needs				
3.721	Seniors	<i>See Actions 3.721a through 3.721d below.</i>		
3.721a	Residential Care Facilities	Continue to facilitate the provision of board and care opportunities, particularly for seniors, some of whom may be longtime Atherton residents who can no longer remain in their homes and who wish to continue living in Atherton. State law provides that a residential care facility (defined as a	(2015-22) Zoning Ordinance was amended in 12/2010 to state that a residential care facility is a residential use and must be permitted wherever residential uses are allowed, specifically in the R-1A and R-1B zones.	Objective met. Recommend program continuance.

		facility serving six or fewer persons) is a residential use and must be permitted wherever residential uses are allowed, specifically in the R-1A and R-1B zones.		
3.721b	Home Repairs Assistance	Publicize at Town Hall and in the Town's newsletter home repairs assistance programs offered by Senior Centers in the County and the County's Home Repair Program.	(2015-22) Handouts provided at Town Hall publicizing repairs assistance programs offered by Senior Centers in the County and the County's Home Repair Program. Publication in Town's newsletter was not accomplished. Program publicized on Town website in lieu of in newsletter.	Objective met. Recommend program continuance.
3.721c	Property Tax Postponement Program	Continue to support the County's Property Tax Postponement Program to support seniors in staying in their homes. Publicize the program at Town Hall and in the Town newsletter.	(2015-22) City Council's declaration of support of the County's Property Tax Postponement Program stated in adopted Housing Element. Handouts provided at Town Hall publicizing the program. Program publicized on Town website in lieu of in newsletter.	Objective met. Recommend program continuance.
3.721d	Create Senior Friendly Plan	The Town will create a plan to meet the needs of the growing senior population, which will double over the next decade and a half. The best way to identify the necessary changes to ensure that Atherton is senior friendly is to conduct a thoughtful process, receiving input from various stakeholders and then identifying the policies and programs which are right for Atherton.	(2015-22) This program was not implemented during this cycle because of a lack of funding. There appears to be little interest in developing this type of program in Atherton.	Objective not met. Recommend abandon program.
3.722	Disabled and Developmentally Delayed Persons	See Actions 3.722a through 3.722c below.		

3.722a	ADA Compliance	Continue to review new residential developments and major remodels for ADA compliance.	(2015-22) Building Department on-going program.	Objective met. Recommend program continuance.
3.722b	County Housing Accessibility for Disabled Persons Program	Continue to support the program, direct inquiries for house modifications for the disabled to the program and publicize the program at Town Hall and through the Town's newsletter.	(2015-22) City Council's declaration of support of the County Housing Accessibility for Disabled Persons Program stated in the adopted Housing Element. Building and Planning Dept. staff directs inquiries for house modifications for the disabled to the program. Handouts provided at Town Hall publicizing the program. Program publicized on Town website in lieu of in newsletter.	Objective met. Recommend program continuance.
3.722c	Information on Housing and Services Available for Persons with Developmental Disabilities	Work with the Golden Gate regional center to implement an outreach program that informs families within the city on housing and services available for persons with developmental disabilities. The program could include the development of an informational brochure, including information on services on the City's website, and providing housing-related training for individuals/families through workshops.	(2015-22) City Council's declaration of support for the Golden Gate regional center to implement an outreach program that informs families within the City on housing and services available for persons with developmental disabilities. Planning Dept. staff directs inquiries for housing and services for the developmentally disabled to the program. Handouts provided at Town Hall publicizing the program. Program publicized on Town website in lieu of in newsletter.	Objective met. Recommend program continuance.
3.723a	Equal Housing Opportunity	Refer housing discrimination complaints to Midpeninsula Citizens for Fair Housing. Disseminate fair housing information at various sites and through the Town newsletter and website.	(2015-22) Planning Dept. and City Attorney's Office on-going program. Fair Housing information available at Planning Dept. and City Attorney's office. Program publicized on Town website in lieu of in newsletter.	Objective met. Recommend program continuance.

3.724a	Emergency Shelters, Transitional and Supportive Housing	Continue to support the possibility of Emergency Shelters, Transitional Housing, and Supportive Housing in Atherton.	(2015-22) During the previous cycle the Public Facilities and Schools zoning district was amended to allow emergency shelters as a non-conditional use when located within the Town Civic Center property.	Objective met.
Housing Element Program Name/Number		Program Description and Objective	Timeframe and Achievements	Program Evaluation and Recommendation

Program 3.730: Consistency with State Requirements

3.731	Energy Conservation	See Actions 3.731a through 3.731c below.		
3.731a	Title 24 Compliance	Continue to require Title 24 compliance, and disseminate information on other agency's energy conservation programs, such as PG&E's solar subsidy program and energy audits.	(2015-22) Building Dept. continues to require Title 24 compliance, and disseminate information on other agency's energy conservation programs, such as PG&E's solar subsidy program and energy audits.	Objective met. Recommend program continuance.
3.731b	Green Building	Continue to support Green Building in Atherton through upholding the Green Building Ordinance.	(2015-22) Building Dept. continues to implement and enforce the Green Building Ordinance.	Objective met. Recommend program continuance.
3.731c	Energy Conservation Promotion	Continue to promote energy conservation through energy audits, participation in PG&E and Cal Water programs, and encouraging conservation retrofits.	(2015-22) Building Dept. and Public Works Dept. continues to promote energy conservation through energy audits, participation in PG&E and Cal Water programs, and encouraging conservation retrofits.	Objective met. Recommend program continuance.

3.731d	Employee Housing	Ensure that the city is in compliance with State Health and Safety Code Sections 17021.5, which concerns employee housing that serves six or fewer employees.	(2015-22) It was determined that the Town is in compliance with State Health and Safety Code Sections 17021.5, which concerns employee housing that serves six or fewer employees.	Objective met.
Housing Element Program Name/Number		Program Description and Objective	Timeframe and Achievements	Program Evaluation and Recommendation
Program 3.740: Other Housing Programs				
3.741	Shared Housing			
3.741a	Shared Housing	The Town will continue to support the Human Investment Program (HIP), a non-profit organization that matches people needing housing and people owning a home who desire additional income and/or companionship. The Town will make information about the Home Sharing program available at Town Hall and will publicize the effort through the Town's newsletter.	(2015-22) Planning Dept. and on-going program. HIP Home Sharing information available at Planning Dept. Program publicized on Town website in lieu of in newsletter.	Objective met. Recommend program continuance.

