



Town of Atherton
Housing Element Update

Community Engagement Meeting
October 11, 2022

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Welcome

- Overview of Draft Housing Element programs
- Changes to Housing Element Law
- Anticipated HCD comments
- Review of Proposed ADU program
- Next Steps
- Public Comments

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Background

- Since 1969, all California cities are required to prepare a plan for housing at all income levels, and to accommodate their fair share of regional housing needs as determined by the State and ABAG
- If not approved by the State, Department of Housing and Community Development (HCD) is authorized to refer to Attorney General
- This Housing Element update cycle covers the eight-year period of 2023-2031

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Housing Needs Allocation (RHNA)

Income Level	RHNA Allocation 2023-2031	Representative Income (Family of Four, 2021)
Very Low	94	\$0 - 91,350
Low	54	\$91,351 - \$146,350
Moderate	56	\$146,351 - \$179,500
Above Moderate	144	\$179,501+
Total	348	348

Income source: State HCD income limits, 2021

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Draft Housing Element

- The Town's Draft Housing Element Update was made available on June 10, 2022 for a 30-day public review and comment period.
- City Council revised the new housing programs based on community feedback including removing multi-family overlay zone.
- The Town submitted the Draft Housing Element to HCD on August 2, 2022. Comments are expected by October 31, 2022

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Primary Housing Element Programs

- Accessory Dwelling Unit (ADU) production
- Multi-family housing at Schools and Bear Gulch
- Lot splits (SB9 development)

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Accessory Dwelling Unit (ADU)

- Plan for the development of 35 new ADU/JADU units per year during the next housing element cycle, for a total of 280 new units.
- Assume affordability of 30% very-low, 30% low, 30% moderate and 10% above moderate.
- To further encourage rental of the units, the Town will partner with a local non-profit organization to assist in matching property owners with interested renters.

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Multi-Family Housing at Schools and Bear Gulch

- Amend the PFS zone to allow multifamily housing at the schools by right.
- Allow additional housing units at the Bear Gulch Reservoir site for Cal Water employees to assist with its emergency preparedness and distant employee commutes.

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Lot Splits (SB9)

- California State Senate Bill (SB) 9 permits splitting single family lots into two parcels and the construction of up to two dwelling units on each new parcel.
- The Town adopted implementing regulations to encourage new development to comply with current development standards.
- The Town estimates a total of 96 new housing units from SB 9 projects over the next eight years.

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Anticipated Production by Strategy

	Very Low	Low	Moderate	Above Moderate	Total
ADUs	84	84	84	28	280
Lot Splits (SB9)				96	96
Vacant Sites				10	10
School & Facility sites	14	10	10	20	54
Total	98	94	94	154	440
RHNA	94	54	56	144	348
Amount above or below RHNA	+4	+40	+38	+10	+92

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Changes to Housing Element Law

- Substantially greater bar for complying
- Communities must affirmatively further fair housing by reversing patterns of segregation or restricted access to housing
- Stringent requirements for identification of housing sites, especially non-vacant sites
- New laws allow for a variety of housing types such as low-barrier navigation centers

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Anticipated HCD comments

- Must allow for a variety of housing types, including SROs, manufactured housing, multifamily housing, employee and farmworker housing, etc.
- Must allow for multifamily housing for lower-income households at least 20 du/ac with evidence that site likely to be developed
- Must commit to “no net loss” if sites developed for other income levels
- Programs must have concrete timelines and commitments

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Anticipated HCD comments

- Actions that commit to removal of constraints, such as group homes for more than 7 people, low-density zoning
- Demonstrate diligent efforts to reach all economic segments of the community (approx. 400 lower-income households in Atherton)
- Sites for housing must demonstrate consistency with AFFH requirements

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Anticipated HCD comments

- Counting ADUs towards RHNA must be based on average of permits (not applications) from 2018-2021 (or 2019-2022)
- Plans to incentivize ADU production at affordable rents “should include pursuing funding, modifying development standards, and reducing fees beyond state law, increasing awareness, pre-approved plans and homeowner/applicant assistance tools”

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Anticipated HCD comments

- Survey of actual ADU production and rents required every 2 – 4 years
- Units created under SB 9 can only be counted based on:
 - Actual production and history (like ADUs); or
 - Analysis of specific sites suitable for SB 9 units.

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Consequences of Non-Certification

- HCD has the authority to refer non-complying jurisdictions to the Attorney General for legal action
- Both the AG *or interested parties* may file suit
- Lengthy statute of limitations (over three years)
- Must comply within one year of a court order, or fines of \$10,000 to \$600,000 *per month*. Court may draft element itself and order project approvals.

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Focus on Wealthy Communities

- HCD has a new division of ***Proactive Enforcement***
- San Diego County: HEs due April 2021, but only 8 of 19 have been approved by HCD
- Five “inquiry letters” sent by HCD demanding complying elements, with focus on wealthy communities
- Atherton in the news: New York *Times* article

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Proposed ADU Program

- Partner with local organization to assist matching renters with available ADUs
- Develop new ADU program with:
 - Planning Review fee waiver
 - Pre-approved ADU plans
 - Amend code to allow conversion of guest house to ADU
 - Consider amending code to allow 2 ADUs per property
 - Develop ADU resources to assist property owners develop ADUs

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Next Steps

- City Council and community meetings in November/December to discuss response to HCD comments
- Submit Draft Housing Element to HCD January 2023

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Public Comments

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