



## **Item No. 12 Town of Atherton**

### **CITY COUNCIL STAFF REPORT – REGULAR AGENDA**

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

**FROM: BRITTANY BENDIX, TOWN PLANNER AND HOUSING ELEMENT  
PROJECT MANAGER, M-GROUP**

**DATE: SEPTEMBER 20, 2023**

**SUBJECT: REVIEW AND RECOMMEND POTENTIAL MULTI-FAMILY HOUSING  
SITES AND LAND USE STRATEGIES TO INCLUDE IN THE PROJECT  
DESCRIPTION FOR THE ENVIRONMENTAL REVIEW OF THE 6<sup>TH</sup>  
CYCLE HOUSING ELEMENT.**

#### **RECOMMENDATION**

Staff recommends that the City Council review and recommend potential multi-family housing sites and land use strategies to include in the 6<sup>th</sup> Cycle Housing Element and comply with State law. Recommended sites and strategies will then be included in the project description, which is a necessary step in commencing environmental review pursuant to the California Environmental Quality Act (CEQA).

#### **BACKGROUND**

On July 19, 2023 the City Council considered a list of ten potential multi-family housing sites and related housing strategies to include in the environmental review analysis for the 6<sup>th</sup> Cycle Housing Element. The objective to include additional sites for CEQA analysis and inclusion in the Housing Element is to identify sites that can accommodate multi-family development and address certification requirements from HCD as described in the July 19, 2023 staff report (Attachment 1).

After discussing each of the potential sites and strategies recommended by staff, the Council passed a motion to pursue analysis of the following four sites included in the staff recommendation:

- 999 Ringwood Avenue
- 352 Bay Road
- 318 Bay Road
- 296 Bay Road

At that time the City Council also directed staff to return to the next regularly scheduled Council meeting, September 20, 2023, to discuss additional properties for consideration. Specifically, this includes the following sites:

- 175, 185 and 197 Ravenswood Avenue, which have not previously received public notification relating to inclusion in the 2023-2031 Housing Element; and
- all properties within the Town’s Public Open Space (POS) Zoning District – the Bear Gulch Reservoir property, the Menlo Circus Club, and portions of Holbrook-Palmer Park (the Gilmore House and Knox Playschool Site).

In advance of the Council’s consideration of these additional sites, staff has notified the property owners and neighbors within 500-feet of each site to inform neighbors of the property’s potential for inclusion in the Town’s 2023-2031 Housing Element. This notification is consistent with all other sites that the Council has considered over the past two years of the Town’s efforts to adopt a Housing Element and obtain certification from the Department of Housing and Community Development (HCD).

## **FINDINGS | ANALYSIS**

Based on the direction from City Council, staff has provided data sheets (Attachment 2) for each potential site, consistent with the information provided at the July 19, 2023 Council meeting. Table 1 also summarizes the additional sites and includes the address, size in acres, and the estimated maximum number of units based on a 20 dwelling unit per acre (du/ac) density.

Staff recommends that all six additional sites are included in the CEQA project description (Attachment 3) for further analysis and consideration. However, it is important to emphasize that only the sites in Table 1 that are on Ravenswood Avenue would contribute to satisfying HCD’s requirement that the Town provide Affirmatively Furthering Fair Housing (AFFH) solutions through multi-family development. This is because, unless otherwise directed, the properties within the POS Zoning District would pursue multi-family housing development as workforce housing solutions, which would be exclusive to individuals affiliated with a specific institution or business. Therefore, those housing units would not provide inclusive housing options that align with AFFH.

*Table 1: Additional Multi-Family Sites and Development Potential*

Site No.	Site Address	Size (Acres)	Existing Zoning	Number of Units at 20 du/ac
1	175 Ravenswood	1.1	R-1A	22
2	185 Ravenswood	1.1	R-1A	22
3	197 Ravenswood	1.0	R-1A	20
4	Gilmore House & Knox Playschool Site	1.42	POS	28
5	Menlo Circus Club	0.5	POS	10
6	Bear Gulch Reservoir Site (CalWater)	0.25	POS	5

To further consideration of the Gilmore House and the Knox Playschool Site at Holbrook-Palmer Park, staff has commenced discussions with Stanford University relating the use of the property

for housing and any potential deed restrictions. At this time, discussions with the University are still on-going.

Additionally, on July 26, 2023 the Town received a letter from the Menlo Circus Club Board of Directors indicating its opposition to their property's listing as an opportunity site in the 2023-2031 Housing Element (Attachment 4).

As described in the adopted Housing Element, CalWater has indicated previously that it does not intend to develop any workforce housing during the 2023-2031 Housing Element cycle. That position has not changed.

It is important to clarify that inclusion of the Circus Club and CalWater within the CEQA process as opportunity sites for evaluation does not mean that those sites would be included within the 6<sup>th</sup> Cycle Housing Element as sites for the production of housing. The Circus Club and CalWater are sites within the POS Zone and staff is recommending that the Council consider the addition of all sites within the POS Zone to CEQA for evaluation for workforce housing opportunity. Both CalWater and the Circus Club already provide workforce housing on their property. Inclusion of workforce housing, at a specified density, within the POS Zone would apply to the Park, CalWater and the Circus Club and would allow each site to develop workforce housing by right at a specified density at some point in the future. It is clear that at this time, neither CalWater or the Circus Club expressed interest in expanding their current workforce housing solutions.

If the City Council wishes to remove specific sites from further consideration or include additional sites to the list, the Town will provide public notification for discussion of those properties at the next Council meeting.

## **CEQA REVIEW**

### **Initial Study**

The Town's previously adopted 2023-31 Housing Element received an exemption from environmental review pursuant to the California Environmental Quality Act (CEQA) sections 15061(b)(3)(Common Sense exemption), 15002, and 15283. At that time the housing element was exempt from environmental analysis because it would be speculative to analyze potential environmental impacts from future development when zoning code changes and development standards have yet to be approved. Instead, the Town would conduct a CEQA review when it brought forth any zoning code amendments or land use ordinance to effectuate the Housing Element or upon receipt of development applications, whichever occurred first.

However, the Town has not yet adopted a State-certified housing element. Therefore, any rezoning required to enact the element's housing programs that are necessary to achieve its regional needs allocation must be completed by January 31, 2024. To achieve this effort, the Town will now pursue certification of its housing element in tandem with zoning code modifications and the adoption of objective design standards. Accordingly, the Town must now prepare an initial study to evaluate the potential environmental impacts from the revised 2023-31 Housing Element.

### **FISCAL IMPACT**

The overall fiscal impact to the General Fund would be \$323,244 to complete the Housing Element and related CEQA review. Related work would be \$159,553 to complete Objective Design Standards and \$118,553 to complete Zoning Code modifications. Funds are incorporated as part of the Town's FY 2023-24 Budget.

### **PUBLIC NOTICE**

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

### **CEQA**

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

### **ATTACHMENTS**

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| Attachment 1: | <a href="#">July 19, 2023 City Council Meeting – Staff Report</a> |
| Attachment 2: | Site Data Sheets  |
| Attachment 3: | CEQA Project Description  |
| Attachment 4: | Letter from Menlo Circus Club                                     |