



Item No. 1 Town of Atherton

CITY COUNCIL STAFF REPORT – STUDY SESSION

TO: HONORABLE MAYOR AND CITY COUNCIL

THROUGH: GEORGE RODERICKS, CITY MANAGER

FROM: LISA COSTA SANDERS, PLANNING CONSULTANT

DATE: NOVEMBER 17, 2022

SUBJECT: HCD COMMENTS ON THE DRAFT HOUSING ELEMENT UPDATE

RECOMMENDATION

Provide direction to Staff on next steps and response to HCD comments.

BACKGROUND

All California cities and counties are required to accommodate their fair share of regional housing need in its General Plan. The next Housing Element cycle covers the period of 2023 through 2031 and is required to be adopted by January 31, 2023.

The [Final RHNA for the Bay Area \(https://abag.ca.gov/sites/default/files/documents/2021-12/Final_RHNA_Allocation_Report_2023-2031-approved_0.pdf\)](https://abag.ca.gov/sites/default/files/documents/2021-12/Final_RHNA_Allocation_Report_2023-2031-approved_0.pdf) was adopted by the Association of Bay Area Governments (ABAG) Executive Board on December 16, 2021. The Town's allocation for the period of 2023-2031 is as follows:

Income Level	Housing Units
Very Low (less than 50% of area median income) Max income of \$63,950 for single person to \$91,350 for family of 4	94
Low (50% - 80% of area median income) Max income of \$102,450 for single person to \$146,350 for family of 4	54
Moderate (80-120% of area median income) Max income of \$125,640 for single person to \$179,520 for family of 4	56
Above Moderate (more than 120% of area median income) Market rate housing	144
Total	348

The City Council held a joint session with the Planning Commission on April 28, 2021 to discuss the Housing Element process and provide direction to staff on potential strategies to consider.

Draft Housing Element Update

November 17, 2022

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The City Council, at its January 12, 2022, February 24, 2022 and March 16, 2022 meetings received update reports from Staff on the initial housing strategies and provided direction to staff. The Town hosted a Community Open House on April 26, 2022 from 5:00 p.m. until 7:00 p.m. at the Holbrook Palmer Park Pavilion to discuss potential strategies with the community and receive input. The City Council met on May 18, 2022 to refine the housing strategies and again on May 24, 2022 to provide additional direction on site selection.

The Draft Housing Element was released on June 10, 2022 for a 30-day public review and comment period. Following review of public comments, the City Council revised the Draft Housing Element programs including;

- removed the multi-family overlay zone;
- removed changes to the PFS zone relating to multi-family housing at school sites; and
- expanded the ADU program

The revised Draft Housing Element was submitted to HCD on August 2, 2022. Staff and consultant met with HCD on October 14, 2022 to hear HCD's preliminary comments. The Town received the HCD formal written comments on October 31, 2022. The City Council, at its November 2, 2022 study session discussed the HCD comments and requested additional information from the consultant team.

The Draft Housing Element is available on the Town's website:

https://www.ci.atherton.ca.us/DocumentCenter/View/10638/Atherton-Housing-Element-Draft-to-HCD-8_2_2022

The purpose of this meeting is to review, at a high-level, the HCD comments and provide direction to staff on response and next steps.

ANALYSIS

The Town received the HCD comment letter October 31, 2022 included as Attachment 2. The Town's consultant team has prepared a matrix of the HCD comments. The matrix provides a description of the comment; a determination of Council direction, if required; the level of difficulty in response; and a recommended action. The consultant team will also have a review of the legal citations for each HCD comment.

At the City Council Study Session, the consultant team will review each HCD comment and receive Council direction on the response. Root Policy, the AFFH consultant with the 21 Elements group is currently working on responses to the AFFH comments.

The team's particular attention will be focused on those measures that will require direction from the City Council prior to next steps.

NEXT STEPS

Distributed neighborhood outreach meetings are currently being planned at several locations throughout Town (dates/times are to be determined). The meetings will be hosted by property owners and attended by a Council member and staff/consultants with invites to nearby residents. These are intended to be more informal discussions with smaller groups on strategies to respond to HCD. A Community wide meeting will be held in January 2023.

The consultant team will report on its progress responding to HCD comments and request direction on programs from the City Council at a Special Study Session on December 15, 2022 at 3:00 p.m.

The Housing Element is required to be adopted by cities and counties by January 31, 2023, and the State then has 60 days in which to certify the Element as in compliance with State Law. If the Town's Housing Element is still deemed non-compliant, HCD will provide an additional response letter with comments and the Town and HCD will begin a further dialogue and revision process to achieve certification.

The Town has 120-days from January 31, 2023 to obtain a certified Housing Element. Failure to achieve a certified Element within 120-days will shorten the time allotted from 3-years to 1-year for the Town to adopted land use and development changes proposed within the Housing Element. In addition, so long as the Town does not have a certified Housing Element, the Town is exposed to potential litigation or Builder's Remedy development solutions.

PUBLIC NOTICE

Public notification was achieved by posting the City Council 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 not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power and sewer), and regional elected officials.

ATTACHMENTS

Attachment 1 - HCD Comment Matrix

Attachment 2 - HCD Comment Letter

Attachment 3 – Statutory Authority for HCD Comments

- Town Housing Element Update Website Link:
 - [Housing Element Update | Atherton, CA - Official Website](#)