



Item No. 2 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: JANUARY 11, 2023

SUBJECT: REVISIONS TO THE DRAFT HOUSING ELEMENT IN RESPONSE TO HCD COMMENTS

RECOMMENDATION

Provide specific programmatic and policy direction to staff and consultants on the primary housing programs and policies to include in the next responsive iteration of the Draft Housing Element.

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
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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. 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 City Council, at its November 17, 2022 study session reviewed HCD comments line by line with legal citations and discuss responses.

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 City Council, at its December 15, 2022 reviewed the revised Draft Housing Element and provided direction to staff on responses to HCD's comments.

ANALYSIS

The Town received the HCD comment letter October 31, 2022 included as Attachment 4. The Town's consultant team prepared a matrix of the HCD comments with a reference the corresponding Housing Element section (Attachment 2) and a matrix with the legal citation for each HCD comment (Attachment 3).

Root Policy, the Affirmatively Furthering Fair Housing (AFFH) consultant with the 21 Elements Group, prepared draft responses relating to the AFFH comments. The Town's consultant team prepared draft responses of the HCD comments. The Revised Draft Housing Element, included as Attachment 1, includes the draft responses in strikethrough and underline text..

The City Council, at its December 15, 2022 meeting provided the following direction to staff/consultants for the revised Draft Housing Element:

- Remove the Bear Gulch Reservoir Site from the Housing Element based on comments from CalWater.
- Include multifamily housing by right at 20 units pr acre at two sites on Menlo College for a total of 60 housing units during this Housing Element cycle based on discussion with Menlo College.
- Include multifamily housing by right at 20 units per acre at two sites on Menlo School for a total of 20 housing units during this Housing Element cycle.
- Include the expanded ADU program with a projection of 27 ADUS per year for a total of 216 ADU/JADUs during this Housing Element cycle.
- Include Lot Splits (SB9) units with a production of 6 new units per year or 48 total units during the Housing Element cycle.

Summary of Proposed Housing Sites and Programs:

	Very low - Low	Mod	Above Mod	Total
ADUs	108	36	72	216
Lot Splits (SB9)			48	48
Vacant sites			10	10
Menlo College	30	10	20	60
Menlo School	10	10		20
Total	148	56	150	354
RHNA	148	56	144	348

The attached revised Draft Housing Element includes the direction provided at the December 15, 2022 City Council meeting and additional text revisions to respond to HCD's comments.

NEXT STEPS

Distributed small group neighborhood outreach meetings are currently being conducted at several locations throughout Town. A Community-wide meeting was held on January 9, 2023, with an additional meeting scheduled for January 12, 2023 at Menlo College.

A final public meeting will occur at the Planning Commission on January 19, 2023 at 6:00pm with a recommendation to the City Council for adoption. The Council will need to meet on or before January 31, 2023 at a Special Meeting to adopt and authorize submission of the Draft Housing Element to the State.

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 - Draft Housing Element with Draft Responses to HCD
- Attachment 2 - HCD Comment Matrix with Responses
- Attachment 3 – HCD Comment with Legal Citation
- Attachment 4 - HCD Comment Letter
- Attachment 5- Site Inventory
- Town Housing Element Update Website Link:
 - [Housing Element Update | Atherton, CA - Official Website](#)