



DATE: JANUARY 19, 2023

FROM: LISA COSTA SANDERS, PLANNING CONSULTANT

SUBJECT: Consideration of a Resolution Recommending the City Council Adopt a General Plan Amendment to repeal the 2015-2022 Housing Element and replace it with the 2023-2031 Housing Element (sixth cycle).

CEQA: The consideration and adoption of the Town-initiated Housing Element (6th Cycle) is not a project pursuant to the California Environmental Quality Act (CEQA). The consideration and adoption of the Housing Element is alternatively exempt from CEQA pursuant to CEQA Guidelines Section 15002 as the adoption of the Housing Element is a planning study and will not have any impacts to the environment. Further, to the extent the Regional Housing Needs determinations are made, the Project is further exempt from CEQA pursuant to Section 15283, which provides, "CEQA does not apply to regional housing needs determinations made by the Department of Housing and Community Development, a council of governments, or a city or county pursuant to Section 65584 of the Government Code." A CEQA analysis will be conducted for any future zoning code amendments and/or development of specific projects when those are considered.

RECOMMENDATION

It is recommended that the Planning Commission adopt the Resolution and recommend the City Council adopt the 2023-2031 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)	54

Max income of \$102,450 for single person to \$146,350 for family of 4	
Moderate (80-120% of area median income)	56
Max income of \$125,640 for single person to \$179,520 for family of 4	
Above Moderate (more than 120% of area median income)	144
Market rate housing	
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. 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 City Council, at its December 15, 2022 and January 11, 2023 meetings reviewed the revised Draft Housing Element and provided direction to staff on responses to HCD's comments.

Several distributed neighborhood outreach meetings throughout Town were conducted on the revised Draft Housing Element. In addition, a community meeting was conducted on January 12, 2023 at the Menlo College campus and public comments may be received at the January 18, 2023 City Council meeting.

The City Council is scheduled to consider the Planning Commission's recommendation on the revised Draft Housing Element at a Special Meeting on January 31, 2023.

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

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).

Staff and consultants have extensively revised the Draft Housing Element to respond to HCD's comments. Many of the comments requested additional data, analysis and additional justification on the proposed housing programs.

In response to HCD's comments, the City Council, revised the housing programs as follows:

- Identified 23 Oakwood for rezoning to multifamily at 10 units per acre. The site is 1.62 acres in area resulting in 16 housing units.
- Rezone 18 properties along western side of El Camino Real from Stockbridge to the Redwood City limits to allow 20 units per acre with a lot consolidation program. The properties are less than ½ acre and would need to be consolidated to be considered a viable housing site per HCD.
- Adopt an Inclusionary Ordinance to require 20% of multifamily units be designated as affordable to lower income households

Summary of Proposed Housing Sites and Programs:

	Very low - Low	Mod	Above Mod	Total
ADUs	112	56	112	280
Lot Splits (SB9)			48	48
Vacant sites			10	10
RM 10 (23 Oakwood)	4		12	16
RM 20 (ECR north)	4		15	19
Menlo College	30	30		60
Menlo School	10	10		20
Total	160	96	197	453
RHNA	148	56	144	348

NEXT STEPS

The City Council is scheduled to consider the Planning Commission's recommendation on the revised Draft Housing Element at a Special Meeting on January 31, 2023.

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.

FORMAL MOTION

I move that the Planning Commission adopt a Resolution recommending the City Council adopt a General Plan Amendment to repeal the 2015-2022 Housing Element and replace it with the 2023-2031 Housing Element (sixth cycle).

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. Legal advertisement of this hearing was published in *The Almanac* newspaper, 15 days prior to the hearing date. 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 – Planning Commission Resolution
- Attachment 2 – Revised Draft Housing Element
- Attachment 2a – 21 Elements Survey
- Attachment 2b – ABAG Housing Needs Data
- Attachment 2c – Atherton Map and Data
- Attachment 2d – Countywide Housing Needs
- Attachment 2e – Site Inventory
- Attachment 3 - HCD Comment Matrix with Responses
- Attachment 4 – HCD Comment with Legal Citation
- Attachment 5 - HCD Comment Letter
- Town Housing Element Update Website Link:
 - [Housing Element Update | Atherton, CA - Official Website](#)