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3.000 HOUSING ELEMENT (2023-2031 UPDATE)

3.100 INTRODUCTION

3.110 Purpose of the Housing Element

The State of California Government Code¹ requires that all cities within the San Francisco Bay Area update the Housing Element of their General Plan by January 1, 2023. The purpose of this document is to meet this requirement by evaluating the existing and projected housing needs of all economic segments of Atherton, evaluating existing policies and programs aimed at the preservation, improvement and development of housing and where appropriate, identifying new priorities.

The contents of this update include an analysis of housing needs, statements of goals and policies, a schedule of programs and actions and an estimate of the number of housing units the Town expects to be developed, improved and maintained in the local housing stock. Programs and policies included in the existing Housing Element were evaluated and modified where necessary to reflect changing market conditions and policy priorities.

Atherton is a residential community of approximately 7,200 residents with a land area of approximately six square miles. The Town is bordered by Menlo Park, Woodside, Redwood City and unincorporated San Mateo County. Founded in the early 1920's, Atherton is characterized by large lot residential land use, where minimum lot size is 1/3 to 1 acre throughout the Town. There is no commercial or industrial land use in Atherton. There are eight schools in Town, three of which are private.

3.120 Definition of Income Categories

Since the determination of housing need is often discussed in terms of income categories, it is important to define the categories used in this update at the outset. The California Department of Housing and Community Development (HCD) has established household income categories based on a proportion of the area's median family income as summarized below:

TABLE HE-1: HCD INCOME CATEGORIES DEFINED

Income Category Definitions	
Acutely Low	0 – 15% of area median income
Extremely Low	15% - 30% of area median income
Very Low	30%-50% of area median income

¹ § 65588(e)(2)
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Lower ²	50%-80% of area median income
Moderate	80%-120% of area median income
Above Moderate	Above 120% of area median income

The income limits established by HCD for San Mateo County in 2021 are presented in Table HE-2.

TABLE HE-2: ANNUAL INCOME LIMITS BY HOUSEHOLD SIZE - 2021(US\$)

San Mateo County Income Limits (2021)					
Income Category	Number of Persons Per Household (Maximum Income)				
	1	2	3	4	5
Extremely Low	\$38,400	\$43,850	\$49,350	\$54,800	\$59,200
Very Low	\$63,950	\$73,100	\$82,250	\$91,350	\$98,700
Low Income	\$102,450	\$117,100	\$131,750	\$146,350	\$158,100
Median Income	\$104,700	\$119,700	\$134,650	\$149,600	\$161,550
Moderate Income	\$125,650	\$143,600	\$161,550	\$179,500	\$193,850

Source: HCD State Income Limits 2021 and State CDBG and HOME Income Limits.

TABLE HE-3: MONTHLY MAXIMUM AFFORDABLE HOUSING COST BY HOUSEHOLD SIZE – 2021 (US\$)

San Mateo County Income Limits (2021)					
Income Category	Number of Persons Per Household (Maximum Income)				
	1	2	3	4	5
Extremely Low	\$960	\$1,096	\$1,234	\$1,370	\$1,480
Very Low	\$1,599	\$1,828	\$2,056	\$2,284	\$2,468
Low Income	\$2,561	\$2,928	\$3,294	\$3,659	\$3,953
Median Income	\$2,618	\$2,993	\$3,366	\$3,740	\$4,039
Moderate Income	\$3,141	\$3,590	\$4,039	\$4,388	\$4,846

Source: HCD State Income Limits 2013 and State CDBG and HOME Income Limits.

² Term may also be used to mean 0% - 80% of AMI
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3.130 RHNA (Regional Housing Needs Allocation) 2023 - 2031 (6th Cycle)

The Regional Housing Needs Allocation in the Bay Area is a process managed by ABAG (Association of Bay Area Governments) and MTC (Metropolitan Transportation Commission), whereby the housing needs for the Bay Area are distributed to the various County and city jurisdictions. The 2023 - 2031 period is the 6th RHNA cycle since the beginning of the process. The Town of Atherton has been assigned the allocations by income category, listed below for this cycle:

Very Low Income	94 dwelling units
Low Income	54 dwelling units
Moderate Income	56 dwelling units
Above Moderate Income	144 dwelling units

3.140 Relation to Other Elements (including General Plan Consistency Analysis)

The Housing Element is closely related to the Land Use, Open Space and Circulation Elements. In the Housing Element, residential land use is translated into terms of household units to be accommodated in the future. Lands designated for residential use are identified in the Land Use Element; the location, site area and terrain suitable for housing is related to both open space and land use; and the capability of serving residential neighborhoods by an efficient circulation system is discussed in the Circulation Element.

State law requires that all elements of the general plan be consistent with each other. The General Plan was reviewed to ensure that the goals and policies of this Housing Element are consistent with the other elements of the Town's General Plan

3.200 ASSESSMENT OF HOUSING NEEDS

3.210 Housing Needs Detailed Analysis

See Appendix for detailed Housing Needs Analysis.

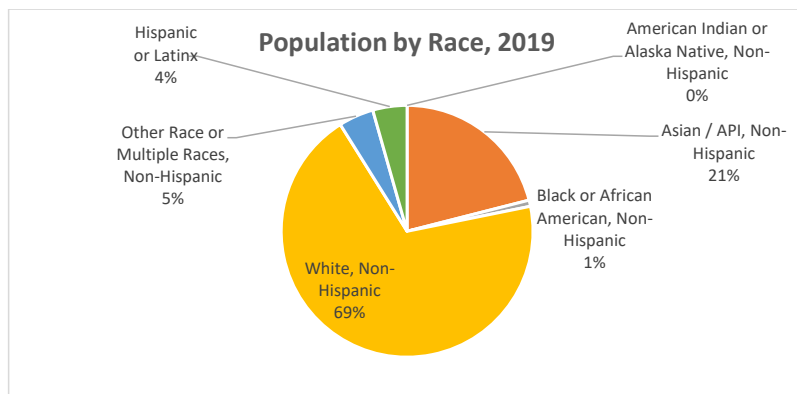
3.211 Summary of Key Facts

People

- **Population** – Unlike the rest of the Bay Area, Atherton's population has been declining. The Town's population decreased by 2.3% from 2000-2020, while both the county and the Bay Area's populations have increased (by 9% and 15% respectively). In Atherton, this has been the result of almost complete buildout of the Town in accordance with the General Plan, aging population, and policies that restrict land use to low density residential and minimum lot sizes to 1 acre or ½ acre. This increase throughout the region is mostly due to natural growth (births minus deaths) and a strong economy drawing new residents to the region.
- **Income** – Atherton has a lower percentage of lower income households than the rest of the county and region, with 17% of households earning less than 80% of the Area Median Income (AMI)³ compared to 40% of households in San Mateo County and 39% of households in the Bay Area as a whole.
- **Age** – Community members in Atherton are overall older than they were in the past. The median age has increased from 45.2 in 2000 to 47 in 2019. In 2019, 22.3% of the population was under 18 and 22.4% was over 65.
- **Race/Ethnicity** – Atherton is less diverse than the Bay Area as a whole. In 2019, 69% of the population was White, 21% was Asian, 4.4% was Latinx, and 0.8% was African American (see chart).
- **Poverty** – Currently, people of color in San Mateo County are more likely to experience poverty. The group with the highest poverty rate in Atherton is

³ The Area Median Income is the middle spot between the lowest and highest incomes earned. The AMI for the county is \$104,700 for a single person, \$119,700 for a household of two and \$149,600 for a family of four.

Asian/Pacific Islander residents (5.3%). White (Hispanic and Non-Hispanic) residents have the lowest poverty rate (3.5%).⁴



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B03002.

Jobs

- **Employment** – Generally, having a similar number of jobs and employed residents produces more benefits for a community, such as reducing traffic and climate impacts, and allowing people who work in the community to also live there. San Mateo County is job rich, meaning it has more jobs than employed residents.

In contrast, Atherton is job poor. Based on ABAG/MTC data, of 7,200 residents there are 2,870 employed residents and 2,726 jobs⁵ in Atherton, resulting in a jobs-to-resident-workers ratio of 0.95. However, the estimation of jobs likely includes commercial enterprises within the nearby County-unincorporated area as the Town has no commercial land use. **The Town believes that a more accurate number for jobs in Atherton is far less and has advised ABAG/MTC of this concern during each Plan Bay Area review.** Actual jobs with physical locations in Atherton are limited to Town employees, public and private school employees, country club employees and CalWater employees. There are, however, a number of service industry jobs that are located in Atherton, such as construction, delivery, and household. Unfortunately there is no data readily available to more accurately represent local jobs.

⁴Some demographic groups do not have reported poverty rates or may have over/underestimated rates as a result of having a limited sample for the particular group.

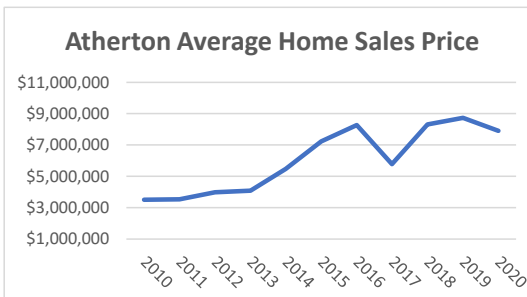
⁵ Employed *residents* in a jurisdiction are counted by place of residence (they may work elsewhere) while *jobs* in a jurisdiction are counted by place of work (they may live elsewhere).

- **Unemployment** – Jurisdictions throughout the region experienced a sharp rise in unemployment in 2020 due to impacts related to the COVID-19 pandemic, though with a general improvement and recovery in the later months of 2020. As of January 2021, Atherton's unemployment rate was 6.1%, which was slightly lower than the regional unemployment rate of 6.6% and much lower than its pandemic-related high rate of 14.6% in April 2020. Atherton's pre-pandemic unemployment rate was 2.8% (January 2020). (Source: California Employment Development Department, Local Area Unemployment Statistics (LAUS), Sub-county areas monthly updates, 2010-2021).

Housing and Households

- **New Homes Built** – The number of new homes built in the Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. The number of homes constructed in Atherton decreased 1% from 2010 to 2020, which is below the growth rate for San Mateo County and below the housing growth rate of the region's housing stock during this period (4% and 5% respectively).

- **Home Prices and Rents** – Housing prices in Atherton are not seen as affordable to most residents and workers in the region. Given high job growth and low housing growth in the county, the cost of housing in Atherton has increased significantly in the past decade:



- **Sales Price** – In 2020, the average sales price of a single-family home in Atherton was approximately \$7,897,800. Home prices increased by 196% from 2010 to 2020.⁶
- **Rental Prices** – Rental prices increased by 60% from 2009 to 2019. The median rent in 2019 was \$3,200. To rent a typical apartment without cost burden, a household would need to make \$128,320 per year.⁷

⁶ San Mateo Association of REALTORS Annual Reports 2010-2020

⁷ Note that contract rents may differ significantly from, and often being lower than, current listing prices.

- **Housing Type** – In 2020, 98% of homes in Atherton were single family detached, 2% were single family attached, 0.2% were small multifamily (2-4 units), and 0% were medium or large multifamily (5+ units). Atherton's housing consists of more detached single-family homes than the region as a whole (98% as compared to 52% in the Bay Area)
- **Housing for Large Families** - Large families are generally served by homes with 3 or more bedrooms, of which there are 2,093 units in Atherton (94% of the housing). Among these 3+ bedroom units, 6% are renter-occupied and 94% are owner-occupied.
- **Cost Burden** – The U.S. Department of Housing and Urban Development (HUD) considers housing to be affordable for a household if the household spends less than 30% of its income on housing costs. A household is considered "cost-burdened" if it spends more than 30% of its monthly income on housing costs, while those who spend more than 50% of their income on housing costs are considered "severely cost-burdened." In Atherton, 14% of households are cost burdened, while an additional 18% of households are severely cost burdened.
- **Neighborhood Equity** – Some neighborhoods are identified as "Highest Resource" or "High Resource" by the State of California based on a range of indicators such as access to community resources—quality schools, proximity to jobs and economic opportunities, low pollution levels, and other factors.⁸ Neighborhoods don't always receive an equitable share of these community resources and may be designated as "Low Resource" if they lack these amenities. Approximately 40% of residents in Atherton live in neighborhoods identified as "Highest Resource" or "High Resource", while no residents live in areas identified by this research as "Low Resource".
- **Displacement & Gentrification** – Displacement, or the inability of residents to afford to remain in their homes, is a major concern in the Bay Area due to increasing housing prices. Displacement has the most severe impacts on low- and moderate-income residents. When individuals or families are forced to leave their homes and communities, they lose their support network. A related concern is the impact of gentrification or exclusion—when neighborhoods have limited or no housing opportunities for low- and moderate-income residents.

⁸ For more information on the "opportunity area" categories developed by HCD and the California Tax Credit Allocation Committee, see this website: <https://www.treasurer.ca.gov/ctcac/opportunity.asp>.

Low-income households are excluded from virtually all of Atherton's neighborhoods due to the high cost of land. The notable exception to this is accessory dwelling units (ADUs) and junior ADUs (JADUs) throughout town. The Town supports and encourages an active and successful home-sharing program through HIP Housing. Lastly, Menlo College provides extensive dormitory use for students that would otherwise be housed and renting affordable units off campus. By supporting multi-family housing on campus, the Town is able to assist in opening up scarce affordable housing resources throughout the region.

- **Special Housing Needs** – Some population groups may have special housing needs such as mobility and accessibility barriers. In Atherton, 7.8% of residents have a disability of any kind and may require accessible housing. Additionally, 13% of Atherton households are larger households with five or more people, who likely need larger housing units with three bedrooms or more. Also, 5.4% of households are female-headed families, which are often at greater risk of housing insecurity, or being at risk of losing their home.

3.300 **ATHERTON FAIR HOUSING ASSESSMENT**

3.310 Introduction – What is Fair Housing?

The State of California's 2018 Assembly Bill (AB 686) requires that all public agencies in the state affirmatively further fair housing (AFFH) beginning January 1, 2019. Public agencies receiving funding from the U.S. Department of Housing and Urban Development (HUD) are also required to demonstrate their commitment to AFFH. The federal obligation stems from the fair housing component of the federal Civil Rights Act mandating federal fund recipients to take "meaningful actions" to address segregation and related barriers to fair housing choice. The Town does not receive HUD funding.

AB 686 requires all public agencies to "administer programs and activities relating to housing and community development in a manner that affirmatively furthers fair housing, and take no action inconsistent with this obligation"⁹

AB 686 also makes changes to Housing Element Law to incorporate requirements to AFFH as part of the housing element and general plan to include an analysis of fair housing outreach and capacity, integration and segregation, access to opportunity, disparate housing needs, and current fair housing practices.

Affirmatively Furthering Fair Housing

"Affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development. (Gov. Code, § 8899.50, subd. (a)(1).)"

Source: California Department of Housing and Community Development Guidance, 2021, page 14.

⁹ California Department of Housing and Community Development Guidance, 2021, page 9.
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History of segregation in the region. The United States' oldest cities have a history of mandating segregated living patterns—and Northern California cities are no exception. ABAG, in its recent Fair Housing Equity Assessment, attributes segregation in the Bay Area to historically discriminatory practices—highlighting redlining and discriminatory mortgage approvals—as well as “structural inequities” in society, and “self-segregation” (i.e., preferences to live near similar people). **The narrative below applies regionally and is not solely specific to the Town of Atherton.**

Researcher Richard Rothstein's 2017 book *The Color of Law: A Forgotten History of How Our Government Segregated America* chronicles how the public sector contributed to the segregation that exists today. Rothstein highlights several significant developments in the Bay Area region that played a large role in where the region's non-White residents settled.

Pre-civil rights San Mateo County faced resistance to racial integration, yet it was reportedly less direct than in some Northern California communities, taking the form of “blockbusting” and “steering” or intervention by public officials. These local discriminatory practices were exacerbated by actions of the Federal Housing Administration which excluded low-income neighborhoods, where the majority of people of color lived, from its mortgage loan program.

According to the San Mateo County Historical Association, San Mateo County's early African Americans worked in a variety of industries, from logging, to agriculture, to restaurants and entertainment. Expansion of jobs, particularly related to shipbuilding during and after World War II attracted many new residents into the Peninsula, including the first sizable migration of African Americans. Enforcement of racial covenants after the war forced the migration of the county's African Americans into neighborhoods where they were allowed to occupy housing—housing segregated into less desirable areas, next to highways, and concentrated in public housing and urban renewal developments.

This history of segregation in the region is important not only to understand how residential settlement patterns came about—but, more importantly, to explain differences in housing opportunity among residents today. In sum, not all residents had the ability to build housing wealth or achieve economic opportunity. This historically unequal playing field in part determines why residents have different housing needs today.

The private sector contributed to segregation through activities that discouraged (blockbusting) or prohibited (restrictive covenants) integrated neighborhoods. The segregationary effect of blockbusting activities in the County is most well-documented in East Palo Alto. In 1954, after a white family in East Palo Alto sold their home to an African American family, the then-president of the California Real Estate Association set up an office in East Palo Alto to scare white families into selling their homes ("for fear of declining property values") to agents and speculators. These agents then sold these homes at over-inflated prices to African American buyers, some of whom had trouble making their payments. Within six years, East Palo Alto—initially established with "whites only" neighborhoods—became 82% African American. The FHA prevented re-integration by refusing to insure mortgages held by white buyers residing in East Palo Alto.

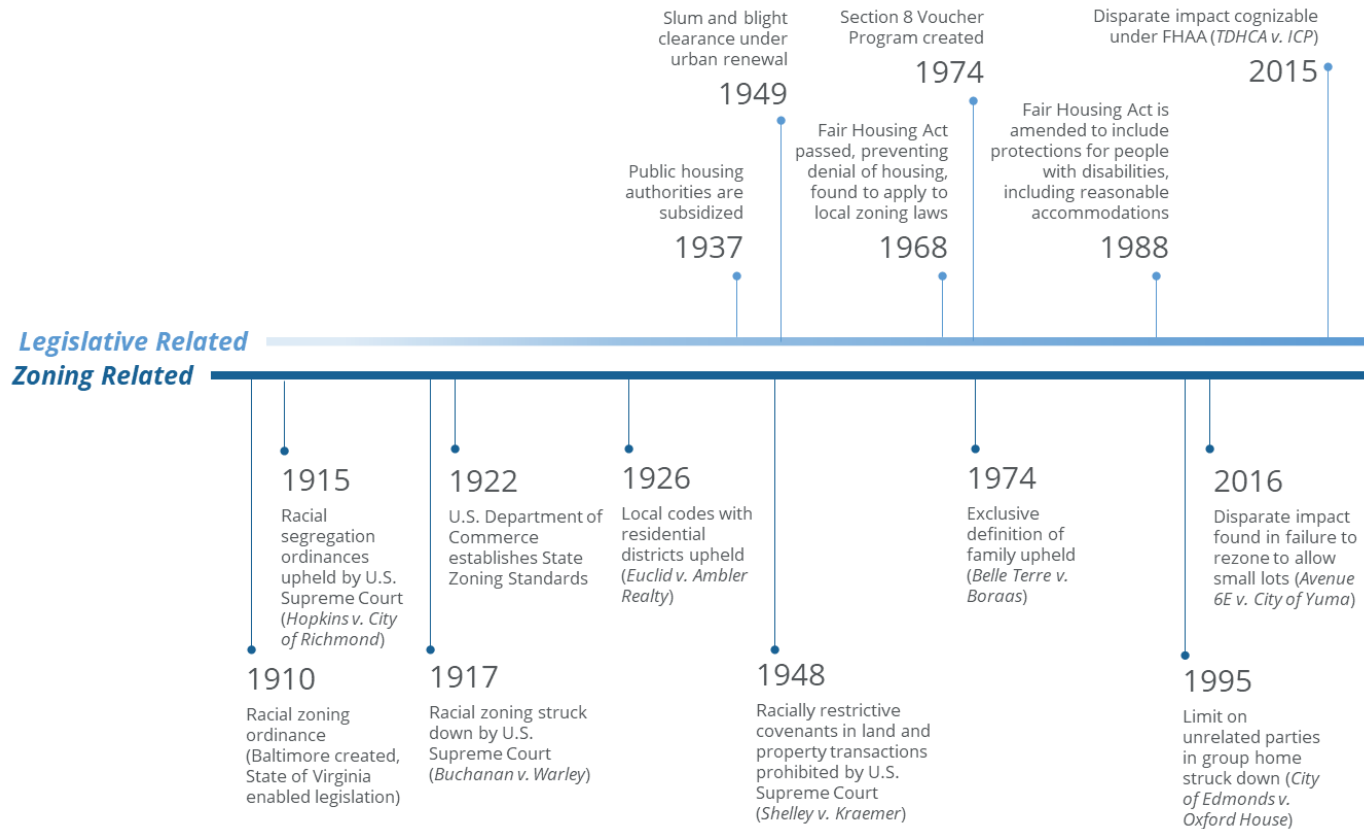
Throughout the county, neighborhood associations and city leaders attempted to thwart integration of communities. Although some neighborhood residents supported integration, most did not, and it was not unusual for neighborhood associations to require acceptance of all new buyers. Builders with intentions to develop for all types of buyers (regardless of race) found that their development sites were rezoned by planning councils, required very large minimum lot sizes, and/or were denied public infrastructure to support their developments or charged prohibitively high amounts for infrastructure.

The timeline of major federal acts and court decisions related to fair housing choice and zoning and land use appears on the following page.

As shown in the timeline, exclusive zoning practices were common in the early 1900s. Courts struck down only the most discriminatory and allowed those that would be considered today to have a "disparate impact" on classes protected by the Fair Housing Act. For example, the 1926 case *Village of Euclid v. Ambler Realty Co.* (272 U.S. 365) supported the segregation of residential, business, and industrial uses, justifying separation by characterizing apartment buildings as "mere parasite(s)" with the potential to "utterly destroy" the character and desirability of neighborhoods. At that time, multifamily apartments were the only realistic housing options for people of color, including immigrants.

The Federal Fair Housing Act was not enacted until nearly 60 years after the first racial zoning ordinances appeared in U.S. cities. This coincided with a shift away from federal control over low-income housing toward locally-tailored approaches (block grants) and market-oriented choice (Section 8 subsidies)—the latter of which is only effective when adequate affordable rental units are available.

Major Public and Legal Actions that Influence Fair Access to Housing



3.320 Section Content and Organization

This Fair Housing Assessment follows the April 2021 State of California State Guidance for AFFH. The study was conducted as part of the 21 Elements process, which facilitates the completion of Housing Elements for all San Mateo County jurisdictions.

Section 3.330. Fair Housing Enforcement and Outreach Capacity reviews lawsuits, enforcement actions, and complaints against the jurisdiction; compliance with state fair housing laws and regulations; and jurisdictional capacity to conduct fair housing outreach and education.

Section 3.340. Integration and Segregation identifies areas of concentrated segregation, degrees of segregation, and the groups that experience the highest levels of segregation

Section 3.350. Access to Opportunity examines differences in access to education, transportation, economic development, and healthy environments.

Section 3.360. Disparate Housing Needs identifies which groups have disproportionate housing needs including displacement risk.

Section 3.370. Site Inventory Analysis provides an analysis of sites identified to meet RHNA obligations for their ability to affirmatively further fair housing.

Section 3.380. Contributing Factors and Fair Housing Action Plan identifies the primary factors contributing to fair housing challenges and the plan for taking meaningful actions to improve access to housing and economic opportunity.

Fair Housing Appendices

- Resident survey results—findings from a survey of San Mateo County residents on their experience finding and remaining in housing
- Disparate Access to Educational Opportunities—findings from a countywide analysis of access to education and educational outcomes by protected class.
- State Fair Housing Laws and Regulations—summary of key state laws and regulations related to mitigating housing discrimination and expanding housing choice
- Fair Housing Organizations in San Mateo County—mission, services, and contact information

3.321 Primary Findings

This section summarizes the primary findings from the Fair Housing Assessment for Atherton including the following sections: fair housing enforcement and outreach capacity, integration and segregation, access to opportunity, disparate housing needs, and contributing factors and the town's fair housing action plan.

- From 2017 to 2021, 57 fair housing complaints in San Mateo County were filed with the U.S. Department of Housing and Urban Development (HUD)—**there were no complaints identified for Atherton**. Compared to nearby Redwood City and Menlo Park, Atherton does not appear to have any housing stock currently used by renters with housing vouchers. The Town does not have an inventory of income assisted rental units and to our knowledge, no one has requested the use of vouchers.
- Atherton stands out for the income level of its residents and high ownership rates.
- Racial and ethnic minorities living in Atherton are wealthier compared to the county. However, in general:
 - Households of other or multiple races experience higher rates of cost burden—56% are extremely cost burdened, compared to 16% in Atherton overall (Figure IV-11). Lower income households are also more likely to experience housing cost burden. One out of seven households with income below 80% AMI are severely cost burdened (Figure IV-10).
 - Racial and ethnic minorities are more likely than non-Hispanic White households to experience overcrowding. Other races (21% of households), and Hispanic households (19%), experience the highest rates of overcrowding (Figure IV-17).
 - Disparities by race and ethnicity are prevalent for home mortgage applications, particularly in denial rates. Hispanic (60% denial rate) and Asian/API (29%) have the highest denial rates for mortgage loan applications in 2018 and 2019, compared to non-Hispanic White households (18%) (Figure IV-33).
- Population growth in Atherton since 2010 has been slower than the County's and the town has not reached the population level it had prior to the late 1900's (Figure IV-1). Despite the low population growth, home values accelerated since 2014 (Figure IV-5). Atherton is part of Silicon Valley and home prices have been driven by the regional economy that has generated significant value. Atherton is one of

the region's most expensive communities. Though it is separately incorporated, its economy and home prices are largely due to regional growth and demand.

- However, growth in home prices has not translated to more building activity. The majority of the housing inventory in Atherton was constructed from 1940 to 1959, with 1,087 units built between 1940 to 1959 compared to 180 units built in 2010 or later (Figure IV-3).
- Atherton has relatively the same share of residents with a disability compared to the county (Figure III-17). In general, residents living with a disability are more likely to be unemployed and an aging population is putting a strain on paratransit access countywide.
 - Regionally, unemployment is disproportionately high among residents living with a disability at 11% compared to 5% for residents without a disability in Atherton—particularly when compared to the county (Figure III-20).
- Atherton is served by the Menlo Park City, Redwood City, and Las Lomas Elementary School Districts. The Town is split into thirds amongst these districts.
- Countywide 27% of Hispanic students met or exceeded mathematics testing standards and 40% met or exceeded English testing standards. Hispanic students in Menlo Park City Elementary, Las Lomas Elementary, and Redwood City Elementary, which includes Atherton's Adelante Selby Spanish Immersion School, performed better compared to the county (55%, 44%, and 34% respectively in mathematics and 62%, 65%, and 43% in English).
- Overall, 29% of public-school students in San Mateo County qualify for reduced lunch. This was substantially higher in Redwood City Elementary School District, where 56% of students qualify for reduced lunch which includes Atherton's Adelante Selby Spanish Immersion School. County-wide, 20% of public-school students are English learners. Again, this rate is higher at Redwood City Elementary, where 38% of students are English learners. In contrast, the share of students who qualify for reduced lunch, are experiencing homelessness, or are English learners is lower in Menlo Park City Elementary and Las Lomas Elementary is significantly lower than the countywide share (Disparate Access to Educational Opportunities Appendix).

- At the high school level, Sequoia Union district has the highest dropout rate in the County (10%), with dropout rates among Pacific Islander (20%), Hispanic (16%), and Black (12%) students are being higher than amongst their peers of other races and/or ethnicities (Disparate Access to Educational Opportunities Appendix).

3.330 Fair Housing Enforcement and Outreach Capacity

This section discusses fair housing legal cases and inquiries, fair housing protections and enforcement, and outreach capacity.

Fair housing legal cases and inquiries. California fair housing law extends beyond the protections in the Federal Fair Housing Act (FHA). In addition to the FHA protected classes—race, color, ancestry/national origin, religion, disability, sex, and familial status—California law offers protections for age, sexual orientation, gender identity or expression, genetic information, marital status, military or veteran status, and source of income (including federal housing assistance vouchers).

The California Department of Fair Employment in Housing (DFEH) was established in 1980 and is now the largest civil rights agency in the United States. According to their website, the DFEH's mission is, "to protect the people of California from unlawful discrimination in employment, housing and public accommodations (businesses) and from hate violence and human trafficking in accordance with the Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, and Ralph Civil Rights Act".¹⁰

DFEH receives, evaluates, and investigates fair housing complaints. DFEH plays a particularly significant role in investigating fair housing complaints against protected classes that are not included in federal legislation and therefore not investigated by HUD. DFEH's website provides detailed instructions for filing a complaint, the complaint process, appealing a decision, and other frequently asked questions.¹¹ Fair housing complaints can also be submitted to HUD for investigation.

Additionally, San Mateo County has a number of local enforcement organizations including Project Sentinel, the Legal Aid Society of San Mateo County, and Community Legal Services in East Palo Alto. These organizations receive funding from the County and participating jurisdictions to support fair housing enforcement and outreach and education in the County.

¹⁰ <https://www.dfeh.ca.gov/aboutdfeh/>

¹¹ <https://www.dfeh.ca.gov/complaintprocess/>

From 2017 to 2021, 57 fair housing complaints in San Mateo County were filed with the U.S. Department of Housing and Urban Development (HUD)—none of the complaints were in Atherton. **The data below reflects complaint data submitted for the region.**

Countywide, most complaints cited disability status as the bias (56%) followed by race (19%), and familial status (14%). No cause determination was found in 27 complaints followed by successful conciliation or settlement with 22 complaints. Fair housing inquiries in 2020 were submitted primarily from the City of San Mateo, Redwood City, Daly City, and Menlo Park.

Fair housing complaints filed with HUD by San Mateo County residents have been on a declining trend since 2018, when 18 complaints were filed. In 2019, complaints dropped to 5, increased to 11 in 2020, and had reached 6 by mid-2021.

Nationally, the National Fair Housing Alliance (NFHA) reported a “negligible” decrease in the number of complaints filed between 2019 and 2020. The primary bases for complaints nationally were nearly identical to San Mateo County's: disability (55%) and race (17%). Familial status represented 8% of complaints nationally, whereas this basis comprised 14% of cases in the county.

NFHA identifies three significant trends in 2020 that are relevant for San Mateo County:

- First, fair lending cases referred to the Department of Justice from federal banking regulators have been declining, indicating that state and local government entities may want to play a larger role in examining fair lending barriers to homeownership.
- Second, NFHA identified a significant increase in the number of complaints of harassment—1,071 complaints in 2020 compared to 761 in 2019.
- Finally, NFHA found that 73% of all fair housing complaints in 2020 were processed by private fair housing organizations, rather than state, local, and federal government agencies—reinforcing the need for local, active fair housing organizations and increased funding for such organizations.¹²

There were no complaints filed against the Town. Residents in Atherton are either not confronted by housing discrimination, or, if they are, have the financial power to overcome it without filing a complaint. There are affordable housing opportunities at Menlo College for students, staff, faculty, and their families; as well as accessory

¹² <https://nationalfairhousing.org/2021/07/29/annual-fair-housing-report-shows-increase-in-housing-harassment/>

dwelling units throughout Town rented at affordable rates. There too, there have not been any housing complaints filed.

In preparing this AFFH, the San Mateo County jurisdictions participating in 21 Elements participated in a discussion with the local fair housing organizations Legal Aid of San Mateo County and Project Sentinel to learn about fair housing trends and concerns, as well as to discuss best practices in AFFH. Following this discussion, the consultant team contacted local fair housing organizations to obtain local data on fair housing complaints and lawsuits beyond what was available in HCD and HUD datasets. Consultants also obtained and analyzed data from HUD. These datasets were compared for duplicate cases and analyzed and appear in the graphics and tables in this section.

Outreach and capacity. The Town of Atherton has posted its Draft Housing Element for 2023-2031 and advertised to residents an ADU survey, multiple special meetings and study sessions with the City Council, and plans to host community forums in January to gain input on the final Housing Element. The outreach was conducted via direct mailers to each property owner, use of social media, e-blasts to the Town's registered email list and emails to housing organizations requesting notification.

Atherton has and will improve the accessibility of fair housing information on its website and resources for residents experiencing housing discrimination. Information on housing resources has already been expanded on the town's website as well as information or resources for residents experiencing discrimination in housing or the Fair Housing Act. This includes providing contact information for local fair housing organizations, legal assistance, and general information about the Fair Housing Act and discrimination.

Fair Housing Complaints and Inquiries

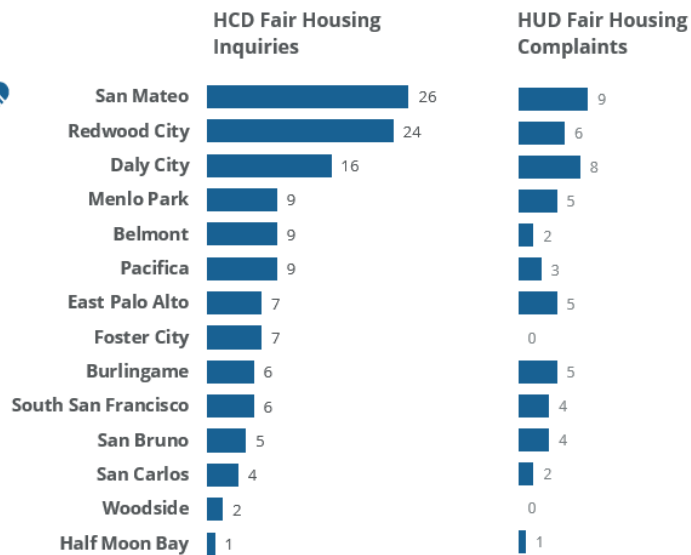
Fair Housing Complaints, by Basis, San Mateo County, 2017-2021



	Number	Percent
Disability	32	56%
Race	11	19%
Familial Status	8	14%
National Origin	3	5%
Religion	2	4%
Sex	1	2%

Total cases 57 100%

HCD Fair Housing Inquiries (2013- 2021) and HUD Fair Housing Complaints (2017- 2021)



Housing specific policies enacted locally. Atherton identified the following local policies that contribute to the regulatory environment for affordable housing development in the town.

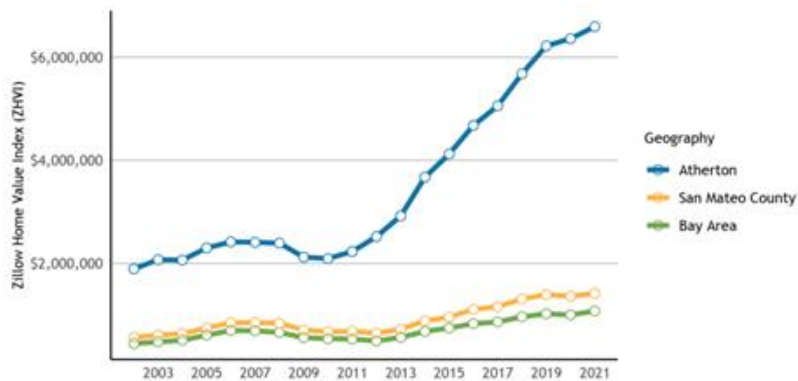
Local policies in place to encourage housing development.

- Density bonuses for affordable housing per State Density Bonus Law
- Exempt floor area for ADU and JADU construction
- Local Ordinance implementing SB9
- Support for school and faculty housing solutions throughout Town and on campuses

Local policies that are NOT in place but have Council interest for further exploration.

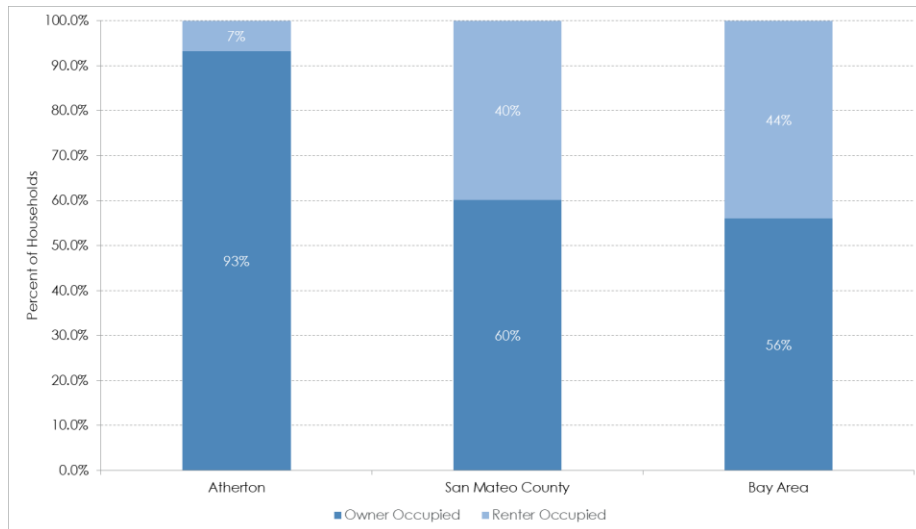
- Expanded ADU development and rental programs as well as incentives, to include reduction in fees
- Expanding support for school and faculty housing solutions
- Support for multiple single-family ADU rentals on single-family zoned parcels
- Fair housing legal service referrals
- Housing counseling subsidy referrals

The greatest barrier to construction of affordable housing in Atherton is the high cost of land. Property values in Atherton greatly outpace average land cost in other jurisdictions in San Mateo County. The current average cost of an acre is \$7-8 million. The Town believes that the high cost of land deters development opportunities for large-scale affordable housing projects. The Town believes that a distributed approach through the use of an ADU and JADU development and rental program mitigates the high cost of land and will ultimately be more successful. The graph below shows the radical difference in home values in Atherton that reflect the high cost of land as compared to other jurisdictions in San Mateo County and throughout the Bay Area.



According to the California Department of Housing and Community Development AFFH Data Viewer (HCD data viewer), Atherton does not have public housing buildings. Atherton also does not have a significant share of households using housing vouchers.

Compared to nearby Redwood City and Menlo Park, to the Town's knowledge, the Town does not have housing stock being utilized by renters with housing vouchers. The lack of presence of housing voucher users could indicate limited or no rental supply to house these residents.



Bay Area policies are interconnected; Atherton's land use policies that limit the parcel size and restrict multifamily development contribute to housing shortages in other areas of the county. Due to the high cost of housing, town employees and service workers are forced to other areas in search of affordable housing that is not found in the town in which they work. However, the Town does support the expansion of multifamily housing for students, staff and faculty at its local school sites that opens up affordable housing found in other communities by housing these individuals locally.

The figure above shows Atherton lacks renter-occupied housing compared to San Mateo County and the Bay Area. 40% of San Mateo County households are renters compared to only 7% in Atherton. This suggests that workers who cannot afford Atherton must rent elsewhere in the county, given the very limited numbers of rental units in Atherton. There are only 150 renter households in Atherton compared to 2,065 owner-occupied households. These statistics do not include multifamily rental opportunities at school sites. Both numbers have stayed relatively stagnant since 2000. Renters in Atherton are young: 74% of those aged 15-24 and 88% of those aged 25-34 are renters. Unless they benefit from familial wealth, these renters must leave the town to purchase homes. Data is from ACS 5-year data (2015-2019).

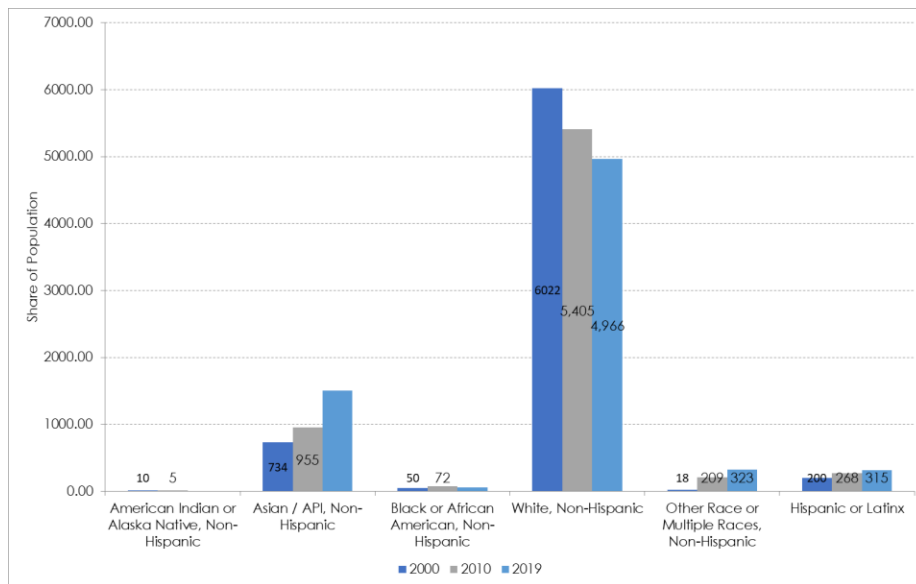
According to ACS data, there are no multi-family homes, boats, RVs, vans or other types of housing in Atherton. 93% (2,021) of detached single-family homes are owner-occupied and 7% (150) are renter-occupied—providing the only rental stock in Atherton. All attached single-family homes (38) and mobile homes (6) are owner-

occupied.. Attached single-family homes have grown by only 30 homes and single family detached homes have lost 61 units in the past decade. The California Department of Finance counts six multi family homes with two to four units built in 2020.

Local Data and Knowledge. The demographics seen today are rooted in the region's history. In the 1960s, continued disinvestment and urban renewal in areas surrounding Atherton, such as East Palo Alto, exacerbated housing and education inequality. Frustrated families in East Palo Alto petitioned for redistricting to address their concerns about education. The lines were drawn and redrawn, and eventually many Black students were bussed to Menlo-Atherton high school. Entrenched housing segregation translated to tension within the school. Black students felt unwelcome and white students felt unsafe in what developed as a microcosm of the exclusionary housing debate formed outside the school walls. The District Board of Trustees representing Menlo-Atherton High responded by limiting the policy to include only students living two miles or more from the school, strategically excluding Black neighborhoods as white students mostly had their own transportation. Protests and fighting ensued.¹³

Housing and educational boundaries go hand in hand. Over the years, overt tension has abated, but the effects of District policies and land use decision-making can still be seen. The zoning code in Atherton limits parcel size to primarily 1-acre parcels and this has an impact on student demographics by limiting the overall number of students and the income level of the parents of those students due to the extremely high land cost. The zoning code in Atherton has almost exclusively permitted 1-acre parcels and single-family developments. The population charts below show how Atherton's history is reflected in the demographics today. Data is from ACS.

¹³ <https://www.machronicle.com/menlo-athertons-race-riots/>
Town of Atherton 2023-2031 Housing Element – DRAFT
January 2023



3.340 Integration and Segregation

This section discusses integration and segregation of the population by protected classes including race and ethnicity, disability status, familial status, and income status.

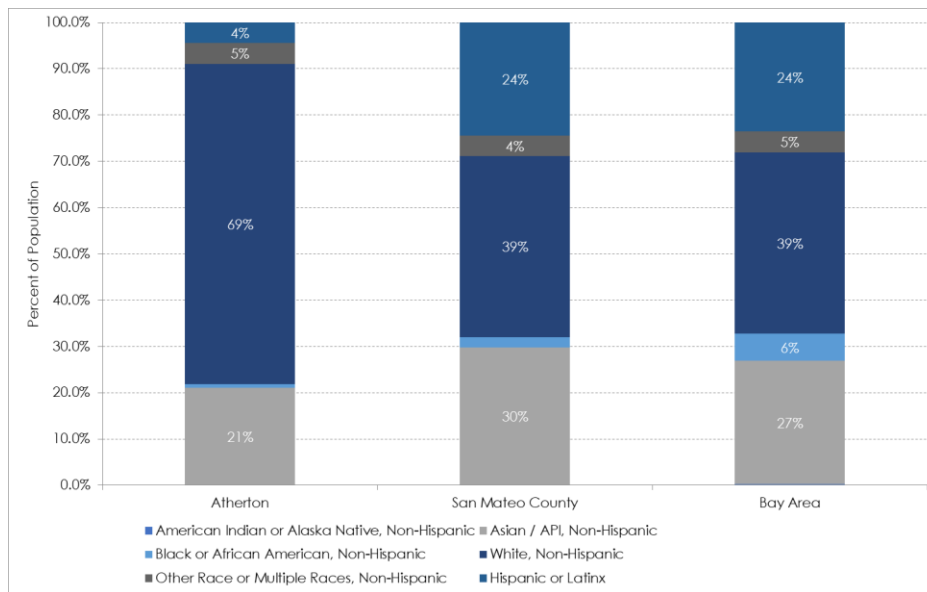
Integration and Segregation

Integration generally means a condition in which there is not a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a particular type of disability when compared to a broader geographic area.

Segregation generally means a condition in which there is a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area."

Race and ethnicity. Atherton is a less diverse community compared to the county. The largest proportion of the population is non-Hispanic White (69% v. 39% countywide), followed by Asian/API (21% v. 30% countywide). Residents of other or multiple races make up 5% of the population, Hispanic residents make up 4% of the population, and

Black or African American residents make up 1%.¹⁴ The chart below, informed by ACS 2019 5-year data, shows the differences in racial makeup between Atherton, San Mateo County, and the Bay Area. Note that diversity by age cohort varies—older residents are less diverse with 89% of the population older than 65 years identifying as White compared to 61% of the population for children under the age of 18 years old.



The Dissimilarity Index, or DI, is a common tool that measures segregation in a community. The DI is an index that measures the degree to which two distinct groups are evenly distributed across a geographic area. The DI represents the percentage of a group's population that would have to move for each area in the county to have the same percentage of that group as the county overall.

DI values range from 0 to 100—where 0 is perfect integration and 100 is complete segregation. Dissimilarity index values between 0 and 39 generally indicate low segregation, values between 40 and 54 generally indicate moderate segregation, and values between 55 and 100 generally indicate a high level of segregation.

¹⁴ The share of the population that identifies as American Indian or Alaska Native is less than 1%.

The isolation index is interpreted as the probability that a randomly drawn minority resident shares an area with a member of the same minority, it ranges from 0 to 100 and higher values of isolation tend to indicate higher levels of segregation.

Disability status. The share of the population living with at least one disability is 8% in Atherton, which is the same as in San Mateo County. This has changed little over time, as the population was 7% in 2012. The three most common types of disabilities among those Atherton residents who indicated they were disabled are ambulatory difficulties (4.5%), cognitive difficulties (3.0%) and hearing difficulties (3.0%). No census tracts in the town with a share of the population living with a disability above 10%. Geographic concentrations of people living with a disability may indicate the area has ample access to services, amenities, and transportation that support this population.

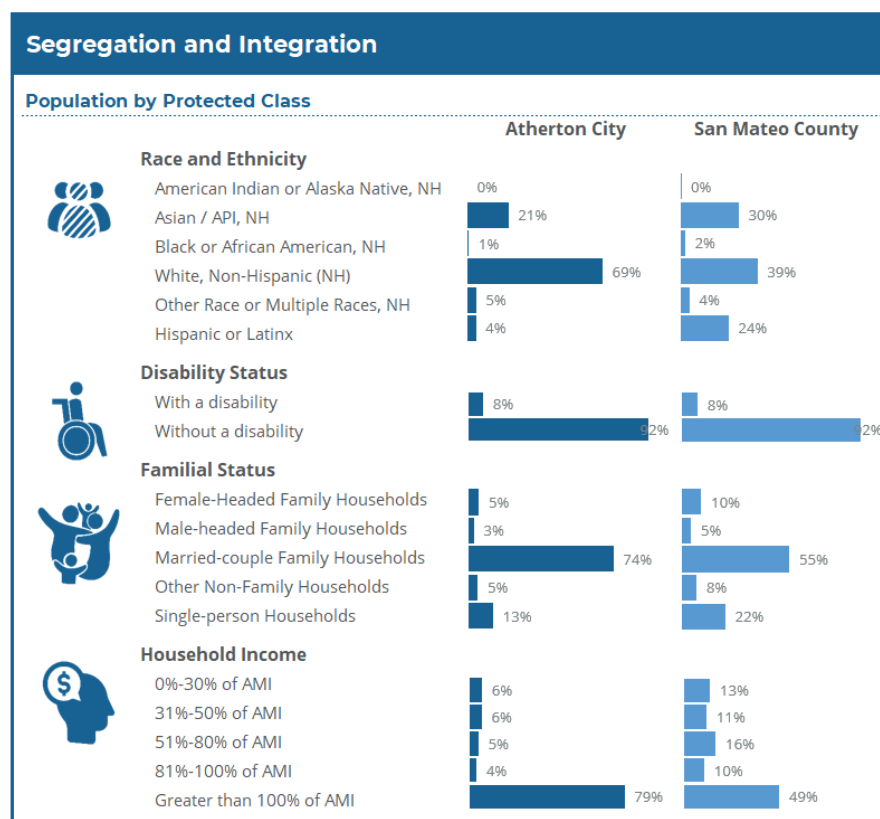
In addition, there are an estimated 18 individuals in Atherton with developmental disabilities, which include Down's Syndrome, autism, epilepsy, cerebral palsy, and mild to severe mental retardation. Of those in Atherton with a developmental disability, 27.8% are children under the age of 18 and 72.2% are adults. The most common living situation for individuals with developmental disabilities in Atherton is the home of a parent, family member or guardian; the second most common is independent or supported living facilities.

Familial Status. Atherton is home to more married-couple families and families with children than the county with 74% households being married-couple families compared to only 55% in the County. The town is home to fewer single-person households (13% v. 22% countywide v. 25% for the Bay Area). This is up from 61.7% of married-couple families in Atherton in 2010. The large, expensive homes in the area may draw prosperous couples in while also making it necessary to have incomes of two people to be able to afford the cost of living. Atherton has a similar share of families with children as both the county and the region (35% v. 33% countywide v. 32% for the Bay Area). It would appear that the greater concentration of large, single-family homes in Atherton compared to the region has little impact on the presence of children in a household.

The vast majority of households in Atherton are homeowners (93%). The number of housing units available by number of bedrooms and tenure is consistent with the familial status of the households that live in Atherton.

Household income. The household income distribution by percent of area median income (AMI) in Atherton is much more concentrated at above 100% AMI compared

to the county (79% v. 49% countywide). There are no census tracts in the town with concentrations of poverty rates over 10%. Zoning exclusively for single family home development can drive up the area median income.



3.3550 Racially or ethnically concentrated areas of poverty and affluence

Racially Concentrated Area of Poverty or an Ethnically Concentrated Area of Poverty (R/ECAP) and Racially Concentrated Areas of Affluence (RCAAs) represent opposing

ends of the segregation spectrum from racially or ethnically segregated areas with high poverty rates to affluent predominantly white neighborhoods. Historically, HUD has paid particular attention to R/ECAPs as a focus of policy and obligations to AFFH. Recent research out of the University of Minnesota Humphrey School of Public Affairs argues for the inclusion of RCAAs to acknowledge current and past policies that created and perpetuate these areas of high opportunity and exclusion.¹⁵

It is important to note that R/ECAPs and RCAAs are not areas of focus because of racial and ethnic concentrations alone. This study recognizes that racial and ethnic clusters can be a part of fair housing choice if they occur in a non-discriminatory market. Rather, R/ECAPs identify areas where residents may have historically faced discrimination and continue to be challenged by limited economic opportunity, and conversely, RCAAs are meant to identify areas of particular advantage and exclusion.

R/ECAPs

HCD and HUD's definition of a Racially/Ethnically Concentrated Area of Poverty is:

- A census tract that has a non-White population of 50 percent or more (majority-minority) or, for non-urban areas, 20 percent, AND a poverty rate of 40 percent or more; OR
- A census tract that has a non-white population of 50 percent or more (majority-minority) AND the poverty rate is three times the average tract poverty rate for the County, whichever is lower.

Source: California Department of Housing and Community Development Guidance, 2021.

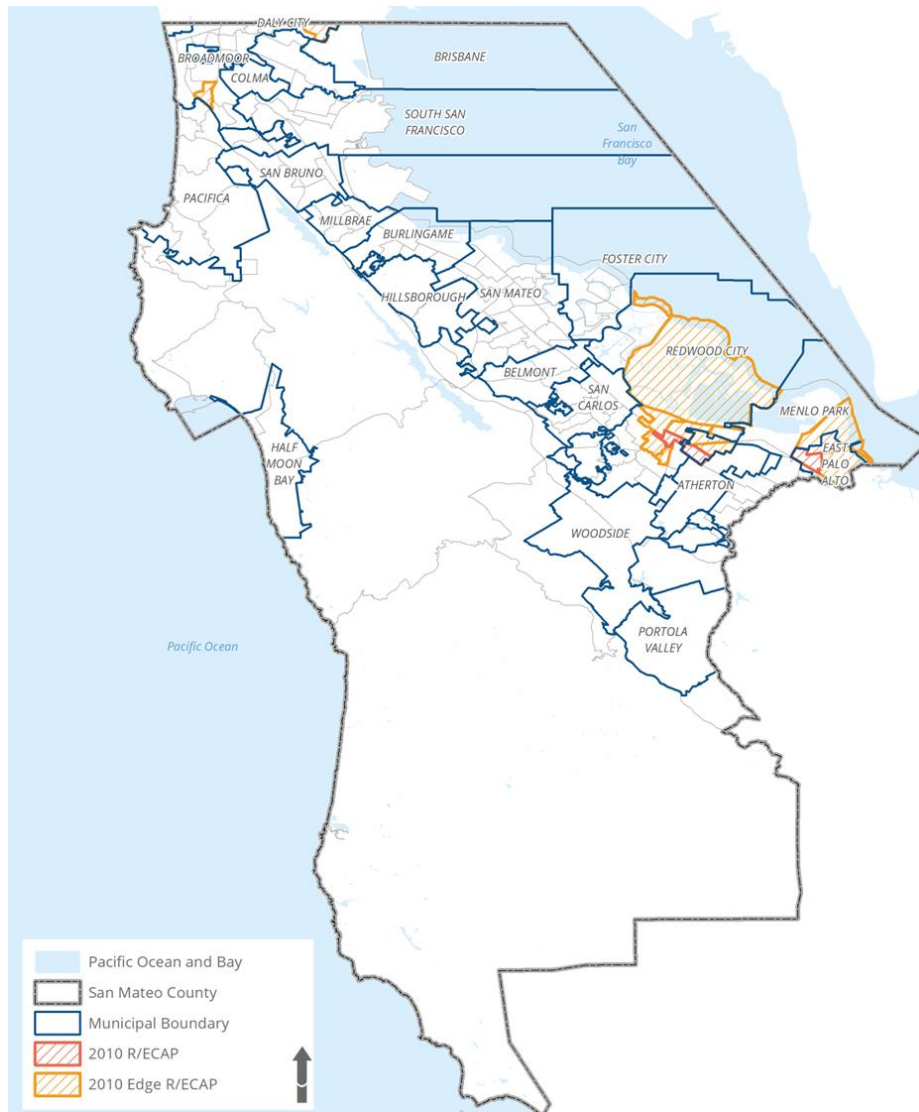
For this study, the poverty threshold used was three times the average tract poverty rate for the County—or 19.1%. In addition to R/ECAPs that meet the HUD threshold, this study includes edge or emerging R/ECAPs which hit two thirds of the HUD defined threshold for poverty—emerging R/ECAPs in San Mateo County have 2 times the average tract poverty rate for the county (12.8%).

In 2010 there were three census tracts that qualify as R/ECAPs (19.4% poverty rate) in the county and 11 that qualify as edge R/ECAPs (13% poverty rate). None of the R/ECAPs were located in Atherton in 2010.

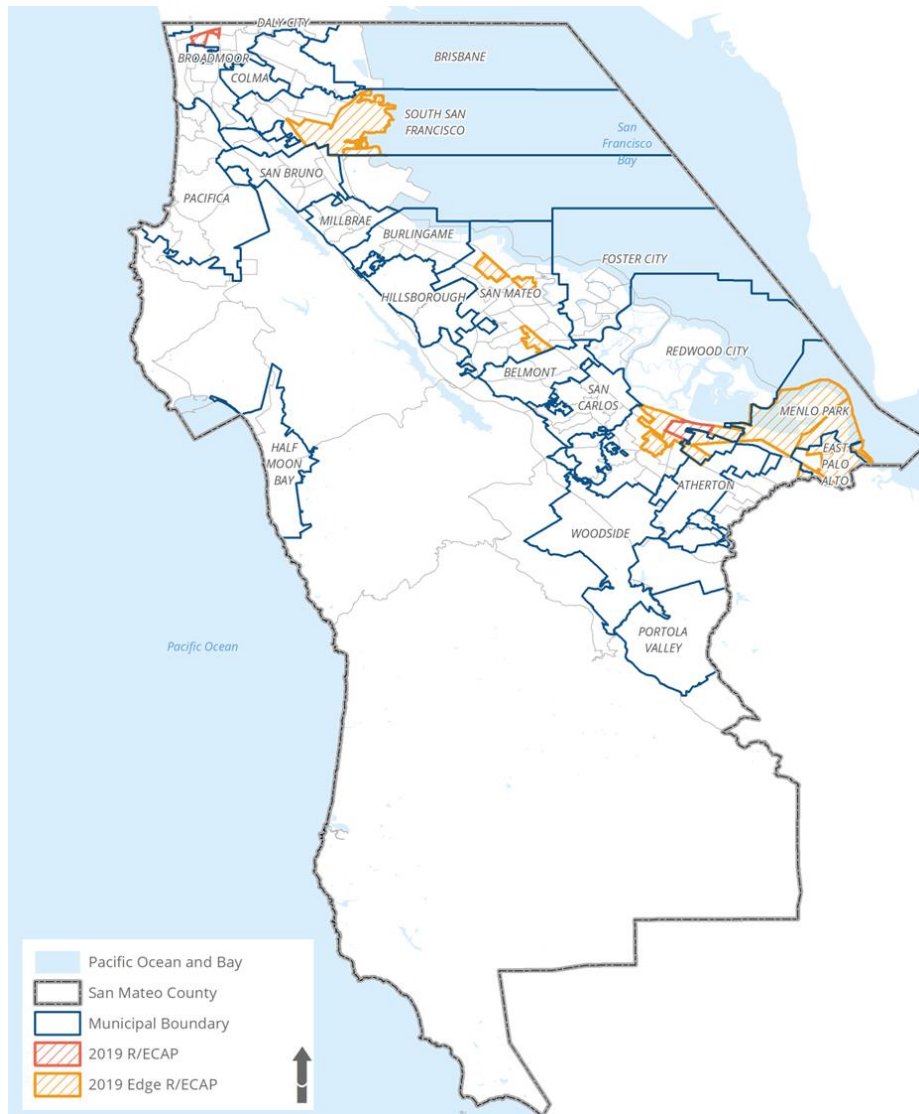
¹⁵ Goetz, E. G., Damiano, A., & Williams, R. A. (2019). Racially Concentrated Areas of Affluence: A Preliminary Investigation. *Cityscape: A Journal of Policy Development and Research*, 21(1), 99–124

In 2019 there are two census tracts that qualify as R/ECAPs (19.1% poverty rate) in the county and 14 that qualify as edge R/ECAPs (12.8% poverty rate). None of the 2019 R/ECAPs or edge R/ECAPs are located in Atherton. Below is the map for R/ECAPS in 2010.

There are two R/ECAPs bordering Atherton in the Redwood City area and several more edge R/ECAPs. The cluster of R/ECAPs on the border of Atherton is significant, because it shows that 1) minority census tracts tend not to access resources west of Redwood City, including Atherton; and 2) there are stronger minority communities that choose to live outside of the affluent, neighborhoods in Atherton. Both of these options inform each other.



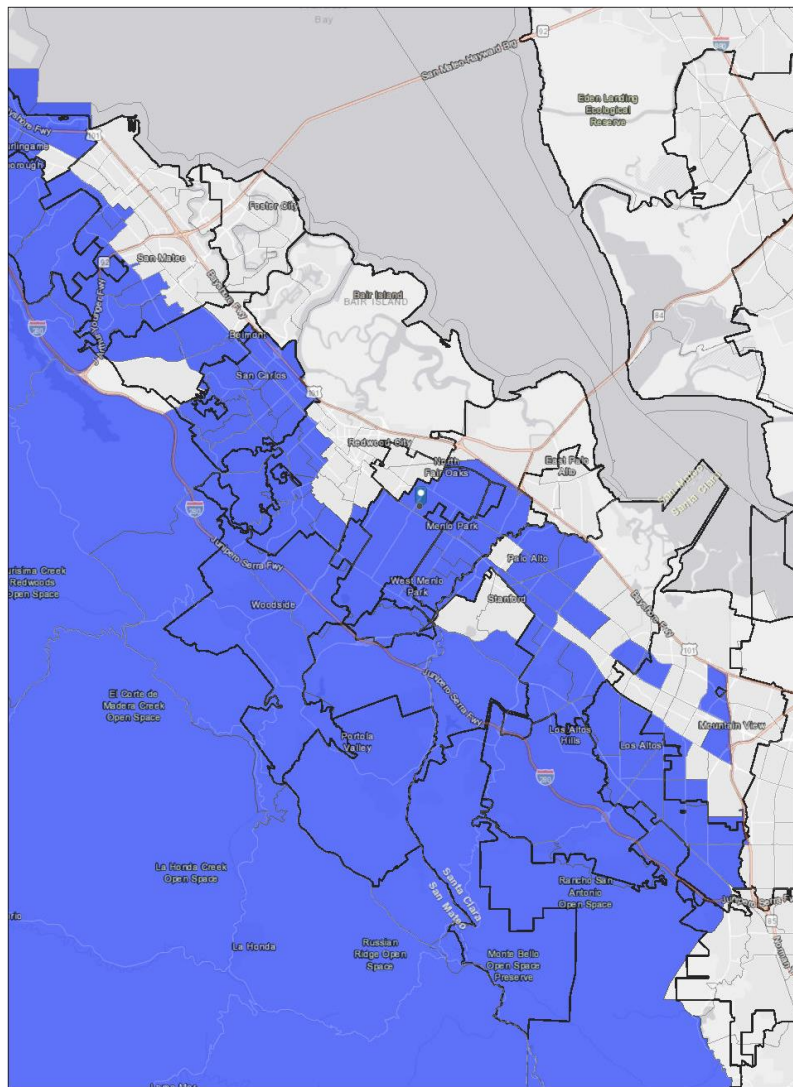
In 2019, there remains a cluster of R/ECAPs and edge R/ECAPS on the border of Atherton. The only change in the maps regionally is the expansion of the East Palo Alto/ Menlo Park area as an edge R/ECAP.



RCAAs. HCD's definition of a Racially Concentrated Area of Affluence is:

- A census tract that has a percentage of total white population that is 1.25 times higher than the average percentage of total white population in the given COG region, and a median income that was 2 times higher than the COG AMI.

Atherton is considered an RCAA (based on 2019 data) because its total white population is 67% while that of the Association of Bay Area Governments (ABAG) is 40%. The map below shows Atherton's proximity to other RCAAs. Atherton is largely surrounded by communities that are also RCAAs. These include portions of Menlo Park, Woodside, Portola Valley, Palo Alto, and Redwood City. As one travels West on El Camino Real towards Redwood City, there are fewer RCAAs. Although maps are not available through time, analysis shows that the white population has remained the majority demographic throughout Atherton's history. Atherton has consistently had high home prices compared to San Mateo County and the Bay Area, suggesting that high income people are drawn to the area and are willing to pay a high price for large homes in the residential town. The Stanford area has more racial and income diversity from its student body and staff. The Palo Alto area is still expensive, and many employees of the University likely bypass Atherton and Menlo Park for cheaper housing in Sunnyvale and Redwood City.



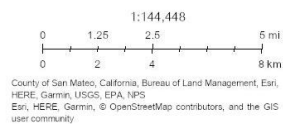
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City/Town Boundaries

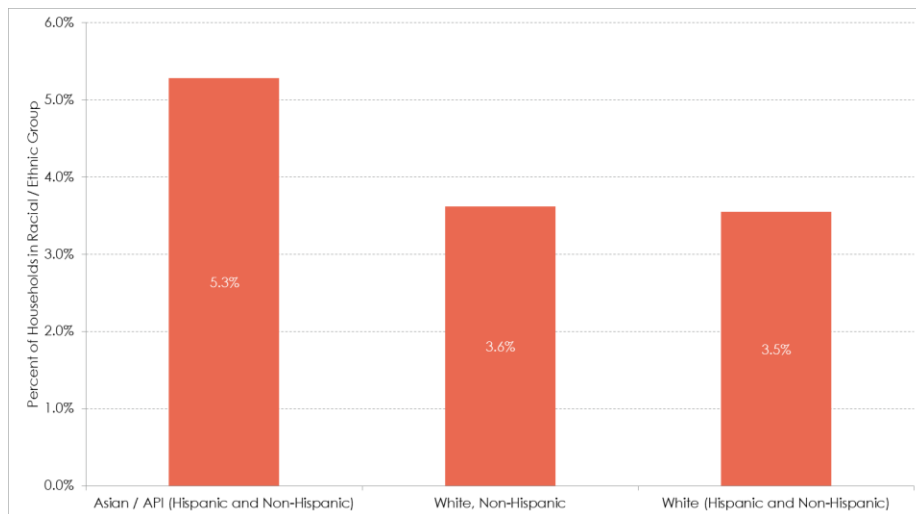
(R) Racially Concentrated Areas of Affluence "RCAA" (ACS, 2015 -2019) - Tract

0 - Not a RCAA

1 - RCAA



CA HCD



Although poverty rates within Atherton are very low, there are still minor disparities by race. For example, 5.3% of Asian and Asian Pacific Islanders are in poverty compared to 3.5% of white households. While the percentage is zero, Black, American Indian and Alaska Native populations may also face poverty in Atherton, but this should be interpreted with caution as the sample is far too small to draw conclusions. This chart shows that, although the area is considered a RCAA, within Atherton's small Black Indigenous and People of Color (BIPOC) population there are variations of experience.

3.360 Access to Opportunity

This section discusses disparities in access to opportunity among protected classes including access to quality education, employment, transportation, and environment.

Access to Opportunity

"Access to opportunity is a concept to approximate place-based characteristics linked to critical life outcomes. Access to opportunity oftentimes means both improving the quality of life for residents of low-income communities, as well as supporting mobility and access to 'high resource' neighborhoods¹⁶. This encompasses education, employment, economic development, safe and decent housing, low rates of violent crime, transportation, and other opportunities, including recreation, food and healthy

¹⁶ Neighborhoods with the greatest access to public parks, transit, schools, grocery stores, and health facilities.

environment (air, water, safe neighborhood, safety from environmental hazards, social services, and cultural institutions)."

Source: California Department of Housing and Community Development Guidance, 2021, page 34.

The California Tax Credit Allocation Committee (TCAC) in collaboration with HCD developed a series of opportunity maps that help to identify areas of the community with good or poor access to opportunity for residents. These maps were developed to align funding allocations with the goal of improving outcomes for low-income residents—particularly children.

The opportunity maps highlight areas of highest resource, high resource, moderate resource, moderate resource (rapidly changing), low resource and high segregation and poverty. TCAC provides opportunity maps for access to opportunity in quality education, employment, transportation, and environment. Opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes.

Education. TCAC's education score is based on math proficiency, reading proficiency, high school graduation rates, and the student poverty rate. According to TCAC's educational opportunity map, census tracts in Atherton score between 0.25 and 0.75—opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes. The census tract scoring between 0.25 and 0.50 is located west of El Camino Real and the census tract to the east scores between 0.50 and 0.75.

Patterns within San Mateo County reveal that over the last decade, schools have become increasingly more diverse, with Hispanic students making up 38% of enrollments. Ravenswood and Redwood City, to the West and Northeast of Atherton respectively, have the highest number of Hispanic students in the County at 84% and 70%. In Redwood City Elementary, which includes Adelante Selby Spanish Immersion School in Atherton, more than one-third of students are English learners. Ravenswood serves the census tract that scored between 0.25 and 0.50. Therefore, the significant number of English learner students could be skewing down the educational outcomes in that census tract compared to schools with more proficient English speakers

An astounding 30% of students at Ravenswood Elementary are experiencing homelessness compared to the county-rate of 2%. Without a stable place to complete schoolwork and, most importantly, feel safe and secure, students are unable to reach their full potential and thus have lower education scores. There are limited affordable

housing options in Atherton and other jurisdictions surrounding Ravenswood for families to access once they are displaced.

Atherton is served by the Menlo Park City, Redwood City, and Las Lomas Elementary School Districts; and the Sequoia Union Unified High School District.

Menlo Park City Elementary experienced an increase in enrollment of 6% from 2010 to 2020, while enrollment in Redwood City Elementary and Las Lomas Elementary decreased 11% and 16% respectively. This represents a much larger decrease than the one percent decrease experienced in the county.

Enrollment in Sequoia Union Unified High School District increased by 18% from 2010 to 2020. **Enrollment at Menlo Atherton High School is approximately 2,400 students, with 5% of those students residing in Atherton.**

Enrollment composition by race and ethnicity varies by district. Menlo Park City Elementary and Las Lomas Elementary have a higher share of White students than San Mateo County (55%, and 53% respectively, v. 26%). Redwood City Elementary has a much higher share of Hispanic students than San Mateo County (70% v. 38%). The enrollment composition in Sequoia Union High School District is similar to the countywide distribution.

Atherton has received an average of 18 short-term enrollments of migrant student workers per year according to California Department of Education data. This is significantly fewer than the county level, which sees an average of 416 per year.

Overall, 29% of public-school students in San Mateo County qualify for reduced lunch. This number was substantially higher in Redwood City Elementary School District (which includes Atherton's Adelante Selby Spanish Immersion School), where 56% of students qualify for reduced lunch. County-wide, 20% of public-school students are English learners. Again, this rate is higher at Redwood City Elementary, where 38% of students are English learners.

In contrast, the share of students who qualify for reduced lunch, are experiencing homelessness, or are English learners is lower in Menlo Park City Elementary and is significantly lower in Las Lomas Elementary than the countywide share.

Countywide 27% of Hispanic students met or exceeded mathematics testing standards and 40% met or exceeded English testing standards. Hispanic students in Menlo Park City Elementary, Las Lomas Elementary, and Redwood City Elementary, which includes Atherton's Adelante Selby Spanish Immersion School, performed better

compared to the county (55%, 44%, and 34% respectively in mathematics and 62%, 65%, and 43% in English).

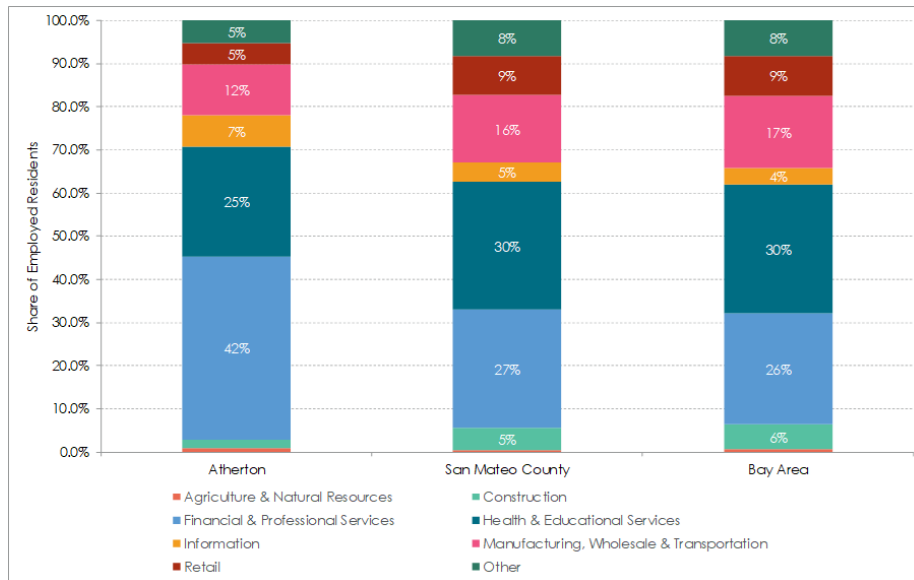
Many high schoolers in the county met admission standards for a University of California (UC) or California State University (CSU) school. Of the high school districts in San Mateo County, Sequoia Union had the highest rate of graduates who met such admission standards at 69% followed by San Mateo Union High with 68%. Pacific Islander, Hispanic, and Black students in the Sequoia Union district were less likely than their peers of other races and ethnicities to meet the admission standards with rates of 38%, 55%, and 50%, respectively.

Despite the high share of students meeting college admission standards, Sequoia Union has the second to lowest college going rate in the County, at 70%. The highest rate was 77% in San Mateo Union High.

In addition, Sequoia Union district has the highest dropout rate in the County (10%) and dropout rates among Pacific Islander (20%), Hispanic (16%), and Black (12%) students are much higher. Students with disabilities and those learning English dropped out at the highest rate at 24% and 27%, respectively. This is a sign that the district does not offer adequate support for students facing barriers because of their race, language skill, and disability. However, there are promising increases in diversity of school staff that serve as an advantage to a diverse student body.

Another possible reason can be traced to chronic absenteeism, which means students miss more than 10% of school days. 17% of students in the Sequoia Union High School District struggle with chronic absenteeism, which drastically lowers test scores and social engagement with peers and mentors. Black and Hispanic students were more likely to be chronically absent. Schools with more homeless students also saw more chronic absenteeism, illuminating a connection between school performance and stable housing.

Employment. According to ACS data, the top three industries by number of jobs in Atherton include professional and managerial services, health and educational services, and arts and recreation services. In the terms of job holders, the top industries are professional and managerial services, and health and educational services. The chart below shows employment by industry and region.



Atherton has a lower job to household ratio at 1.14 when compared to the county at 1.59. The town has a slightly higher unemployment rate than the county, but saw a sharp incline in the unemployment rate in 2020 that has yet to return to pre pandemic levels.

TCAC's economic opportunity score is comprised of poverty, adult educational attainment, employment, job proximity, and median home value. The entire town area scores more than 0.75 for economic opportunity—highest economic outcome.

HUD's job proximity index shows the eastern part of the town in relatively close proximity to jobs (score between 60 to 80) while the western part scores between 40 and 60—on a scale from zero to 100 where 100 is the closest proximity to jobs.

There are several barriers to high paying jobs for protected classes, most of which can be traced back to educational opportunities and outcomes. As highlighted in the previous education section, Black, Hispanic, and English language learners have the highest school absenteeism and drop out rate in the school district covering Atherton. The majority of employment in Atherton is in the financial and professional service sector and the health and educational services sector. Most of these jobs likely require education beyond high school. Because Black and Hispanic students are more likely

to drop out, employment options that will provide adequate pay to financially qualify for housing in Atherton are drastically reduced.

In general, new jobs continue to outpace new homes, and especially new affordable homes, in the county. Since 2010, the county has added 100,000 jobs but only 10,000 new homes. Jobs are expected to increase 22 percent between 2020 and 2050. So while residents in the county may technically have more employment opportunities, the lack of affordable housing near these jobs will continue to act as a barrier to accessing these employment opportunities

Transportation. This section provides a summary of the transportation system that serves Atherton and the broader region including emerging trends and data relevant to transportation access in the town. The San Mateo County Transit District acts as the administrative body for transit and transportation programs in the county including SamTrans and the Caltrain commuter rail. SamTrans provides bus services in San Mateo County, including Redi-Wheels paratransit service.

In 2018, the Metropolitan Transportation Commission (MTC), which covers the entire Bay Area, adopted a coordinated public transit and human services transportation plan. While developing the coordinated plan, the MTC conducted extensive community outreach about transportation within the area. That plan—which was developed by assessing the effectiveness of how well seniors, persons with disabilities, veterans, and people with low incomes are served—was reviewed to determine gaps in services in San Mateo and the county overall. Below is a summary of comments relevant to San Mateo County. There were no comments specific to Atherton.

“San Mateo’s PCC and County Health System, as well as the Peninsula Family Service Agency provided feedback. The most common themes expressed had to do with pedestrian and bicycle needs at specific locations throughout the county, though some covered more general comments such as parked cars blocking sidewalk right-of-way and a desire for bike lanes to accommodate motorized scooters and wheelchairs. Transportation information, emerging mobility providers, and transit fares were other common themes.

While some comments related to the use of car share, transportation network companies (TNCs), or autonomous vehicles as potential solutions, other

comments called for the increased accessibility and affordability of these services in the meantime.”¹⁷

A partnership between the World Institute on Disability and the MTC created the research and community engagement project TRACS (Transportation Resilience, Accessibility & Climate Sustainability). The project’s overall goal is to, “stimulate connection and communication between the community of seniors and people with disabilities together with the transportation system– the agencies in the region local to the San Francisco Bay, served by MTC.”¹⁸

As part of the TRACS outreach process, respondents were asked to share their compliments or good experiences with MTC transit. One respondent who had used multiple services said, “it is my sense that SamTrans is the best Bay Area transit provider in terms of overall disability accommodation.”

The San Mateo County Transit District updated their Mobility Plan for Older Adults and People with Disabilities in 2018. According to the district, the county’s senior population is expected to grow more than 70% over the next 20 years and the district is experiencing unprecedented increases in paratransit ridership. The plan is targeted at developing effective mobility programs for residents with disabilities and older adults including viable alternatives to paratransit, partnerships, and leveraging funding sources.¹⁹

MTC also launched Clipper START—an 18-month pilot project—in 2020 which provides fare discounts on single transit rides for riders whose household income is no more than double the federal poverty level.²⁰

In 2020, Caltrain voted to close Atherton’s station due to low ridership. There were some residents that thought this would be harmful to those who do not have access to a car or cannot drive, such as the elderly and disabled community; however, there were alternative resources identified such as the nearby Menlo Park Train Station and associated bus lines on El Camino Real and Middlefield Road.²¹

Environment. TCAC’s opportunity areas environmental scores are based on the CalEnviroScreen 3.0 indicators, which identify areas disproportionately vulnerable to

¹⁷ https://mtc.ca.gov/sites/default/files/MTC_Coordinated_Plan.pdf

¹⁸ <https://wid.org/transportation-accessibility/>

¹⁹ https://www.samtrans.com/Planning/Planning_and_Research/Mobility_Plan_for_Older_Adults_and_People_with_Disabilities.html

²⁰ <https://mtc.ca.gov/planning/transportation/access-equity-mobility/clipper-startsm>

²¹ https://www.smdailyjournal.com/news/local/residents-react-to-plan-to-close-atherton-s-caltrain-stop/article_3070cdd2-d539-11ea-ad6b-4b3eeab63a6c.html

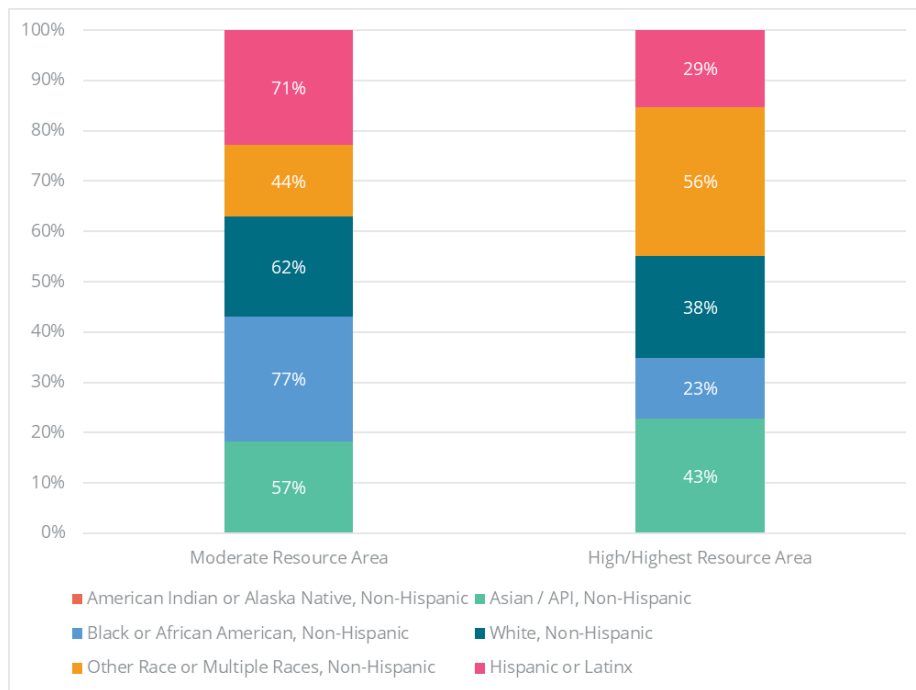
pollution sources such as ozone, PM2.5, diesel PM, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water bodies, and solid waste sites.

According to TCAC's opportunity map, census tracts in Atherton score between 0.25 and 0.75—opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes. The census tract scoring between 0.25 and 0.50 is located west of El Camino Real and the census tract to the east scores between 0.50 and 0.75. The town scores the highest on the California Healthy Places Index (HPI) developed by the Public Health Alliance of Southern California (PHASC).

The HPI includes 25 community characteristics in eight categories including economic, social, education, transportation, neighborhood, housing, clean environment, and healthcare.²²

Disparities in access to opportunity. Racial and ethnic minorities are more likely to live in moderate resource areas compared to non-Hispanic White residents. The chart below details the percentage of households by race living in resource areas. Note that there are no households in Atherton living in a low resource area. 71% of Hispanic households live in moderate resource areas compared with 29% in high resource areas. Similarly, 77% of Black households live in moderate resource areas and 23% live in high resource areas. Non-hispanic, multiple race households have the highest population in high resource areas, however this population is relatively small with 323 households compared with 4,966 white households. **Racial and ethnic minorities living in Atherton are wealthier compared to the county and Atherton is home to a disproportionately small share of residents with limited English proficiency (1% compared to 7% countywide).**

²² <https://healthyplacesindex.org/about/>



TCAC's composite opportunity score for Atherton shows census tracts west of El Camino Real fall within moderate resource areas while the rest is within high resource areas.

The Social Vulnerability Index (SVI) provided by the CDC—ranks census tracts based on their ability to respond to a disaster—includes four themes of socioeconomic status, household composition, race or ethnicity, and housing and transportation. The index shows Atherton as a low vulnerability area.

Atherton does not have any disadvantaged communities as defined under SB 535, "disadvantaged communities are defined as the top 25% scoring areas from CalEnviroScreen along with other areas with high amounts of pollution and low populations."²³

Disparities specific to the population living with a disability. Eight percent of the population in Atherton are living with at least one disability, the same share as in the

²³ <https://oehha.ca.gov/calenviroscreen/sb535>
 Town of Atherton 2023-2031 Housing Element – DRAFT
 January 2023

county. The most common disabilities in the town are ambulatory (4.5%), cognitive (3.1%), and hearing (3.0%).

Disability

"**Disability types** include hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty."

Source: California Department of Housing and Community Development Guidance, 2021, page 36.

For the population 65 and over the share of the population with an ambulatory or independent living difficulty increases. As mentioned above under access to transportation, San Mateo County is rapidly aging, therefore this population with a disability is likely to increase.

Unemployment is disproportionately high among residents living with a disability at 11% compared to 5% for residents without a disability in Atherton—particularly when compared to the county. High unemployment rates among this population points to a need for increased services and resources to connect this population with employment opportunities.

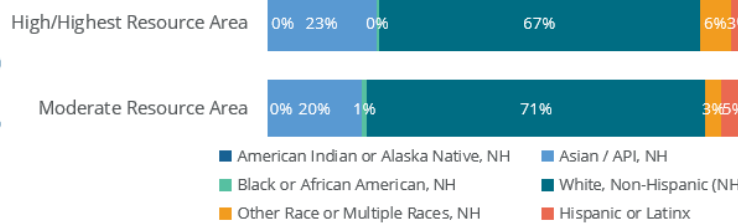
Access to Opportunity

Regional Access

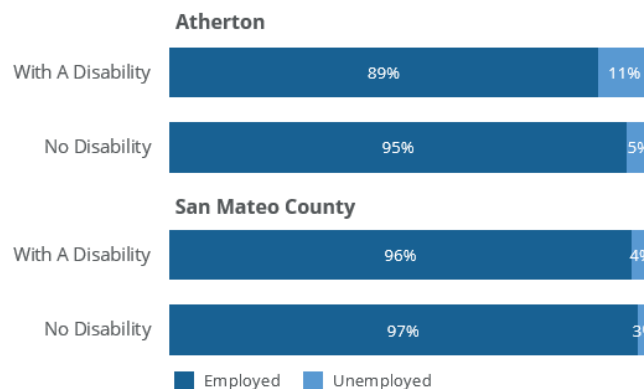


	Atherton	San Mateo County
Jobs to Household Ratio	1.14	1.59
Unemployment Rate	6%	6%
LEP Population	1%	7%

Share of Population by Race in Resource Areas in Atherton



Employment by Disability Status



3.360 Disparate Housing Needs

This section discusses disparate housing needs for protected classes including cost burden and severe cost burden, overcrowding, substandard housing conditions, homelessness, displacement, and other considerations.

Disproportionate Housing Needs

"Disproportionate housing needs generally refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups, or the total population experiencing that category of housing need in the applicable geographic area. For purposes of this definition, categories of housing need are based on such factors as cost burden and severe cost burden, overcrowding, homelessness, and substandard housing conditions."

Source: California Department of Housing and Community Development Guidance, 2021, page 39.

Housing needs. Population growth in Atherton has historically been driven by economic cycles. The town experienced a sharp loss in population between 1999 and 2000 and again between 2009 and 2010. Since 2010 population growth has been slower than the County's and the town has not reached the population level it had prior to the 2008-09 financial crisis. However, the town does not appear to have experienced a sharp population decrease in 2020 with the COVID-19 pandemic.

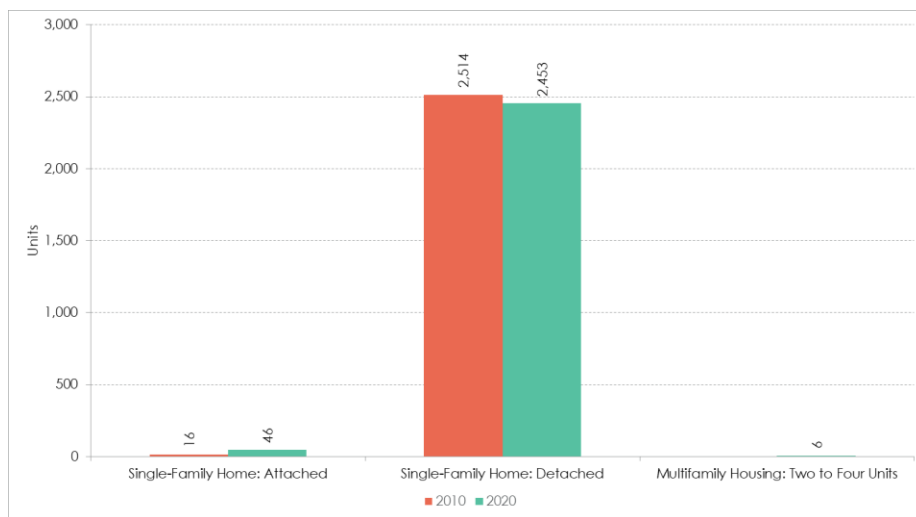
Since 2015, the housing construction to accommodate growth has largely been priced for above moderate-income households with 78 units permitted for above moderate-income households compared to 35 for very low-income households, 15 for low-income households, and 3 for moderate income households. The Housing Needs Data Report for Atherton indicates new construction is slower than the rest of the Bay Area.²⁴ One example of a group who has found workforce housing hard to come by are the employees of the Atherton Police Department. In 2018, employees advised the City Council that they faced long commutes on top of twelve-hour shifts and had little time to sleep. The commute was necessary because there are limited affordable options in the region for their families. In the past, the town had used a town-owned property in a deed-restricted park as a place for police to sleep. This solution was not sustainable for the town or police officers, who wanted to spend more time with their families instead of commuting.²⁵ This makes recruitment and retention difficult.

The variety of housing types available in the town in 2020 are predominantly single family (98%). Six multi-family homes were added in 2020. Single family detached saw a decline in units and single family attached saw a small incline. Due to its land use

²⁴ Housing Needs Data Report: Atherton, ABAG/MTC Staff and Baird + Driskell Community Planning, 2021.

²⁵ Atherton looking for place for officers, dispatchers to sleep between shifts | News | Almanac Online | (almanacnews.com)
Town of Atherton 2023-2031 Housing Element – DRAFT
January 2023

zoning and high cost of land, Atherton has developed far fewer multifamily units than the region. .²⁶



The majority of the housing inventory in Atherton was constructed from 1940 to 1959, with 1,087 units built between 1940 to 1959 compared to 180 units built in 2010 or later. Compared to San Mateo County, the Town's owner-occupied housing market has a greater share of units priced above \$2 million. Ninety percent (90%) of units in Atherton fall within this price range compared to 19% in the county. According to the Zillow home value index, home prices have experienced exponential growth in the town and the county. The town is an outlier, with the Zillow home value index at \$6.6 million for Atherton compared to the county's \$1.4 million.

Given the small share of renters in the town, rental price trends are less accurate than the County's, but appear to have experienced appreciation since 2014. Compared to the county, Atherton has more luxury rental units—67% of units rent for more than \$3,000 in the town compared to 22% in the county. A point-in-time Google search found no home for rent under \$5,000 per month. Workers would need higher incomes to qualify for rentals available in Atherton—and are thus inclined to seek out homeownership or lower cost rental opportunities in other communities. However, the Town is in the process of implementing a robust and inclusive ADU program that will

²⁶ Housing Needs Data Report: Atherton, ABAG/MTC Staff and Baird + Driskell Community Planning, 2021.

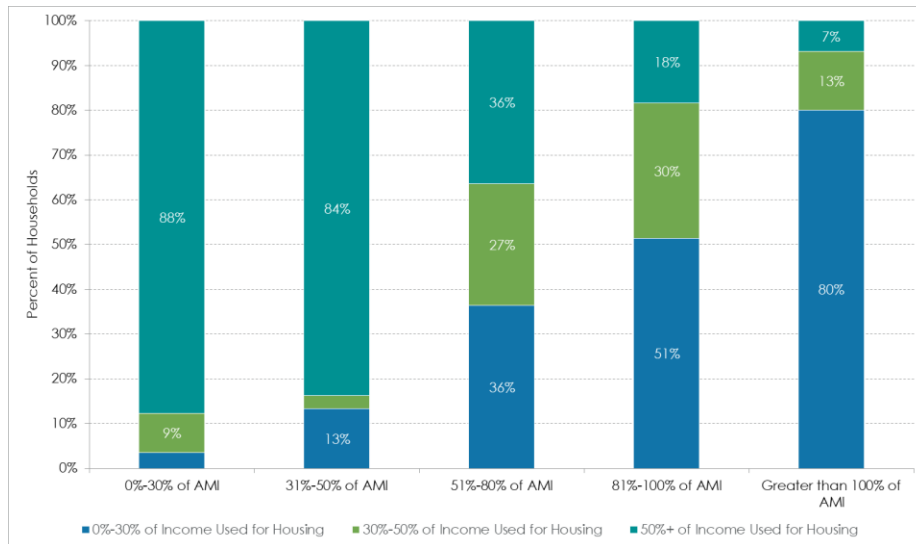
facilitate, support, and encourage the development and rental of accessory dwelling units at affordable rates via a HIP Housing Program.

Resident survey data provide evidence of more rental inventory, reporting that owners are renting ADUs to senior family members, students, school faculty, and local service workers at significantly reduced or below market rental prices. Many of these rental opportunities are not marketed in the traditional way using Zillow, Craigslist or other platforms. Rather, because Atherton is a small community, property owners will reach out directly to those in need of such housing solutions or offer housing through a local school's housing referral program.

Cost burden and severe cost burden. As expected, a low share of households in Atherton are cost burdened—spending more than 30% of their gross income on housing costs—compared to the county (28% v. 37% in the county).

Lower income households are more likely to experience housing cost burden. One out of seven households with income below 80% AMI are severely cost burdened—spending more than 50% of their gross income on housing costs. Cost burdened households have less money to spend on other essentials like groceries, transportation, education, healthcare, and childcare. Extremely cost burdened households are considered at risk for homelessness. Cost burden suggests that wages have not kept up with housing costs in the area.

When cost burden is broken down by Area Median Income (AMI), there are stark differences. The chart below indicates these disparities. Although those with greater than 100% AMI likely spend the most on housing, their incomes can meet these costs. 80% of those in this group spend 0-30% of their income on housing. In contrast, 88% of those earning 0-30% AMI spend over 50% of their income on housing costs.



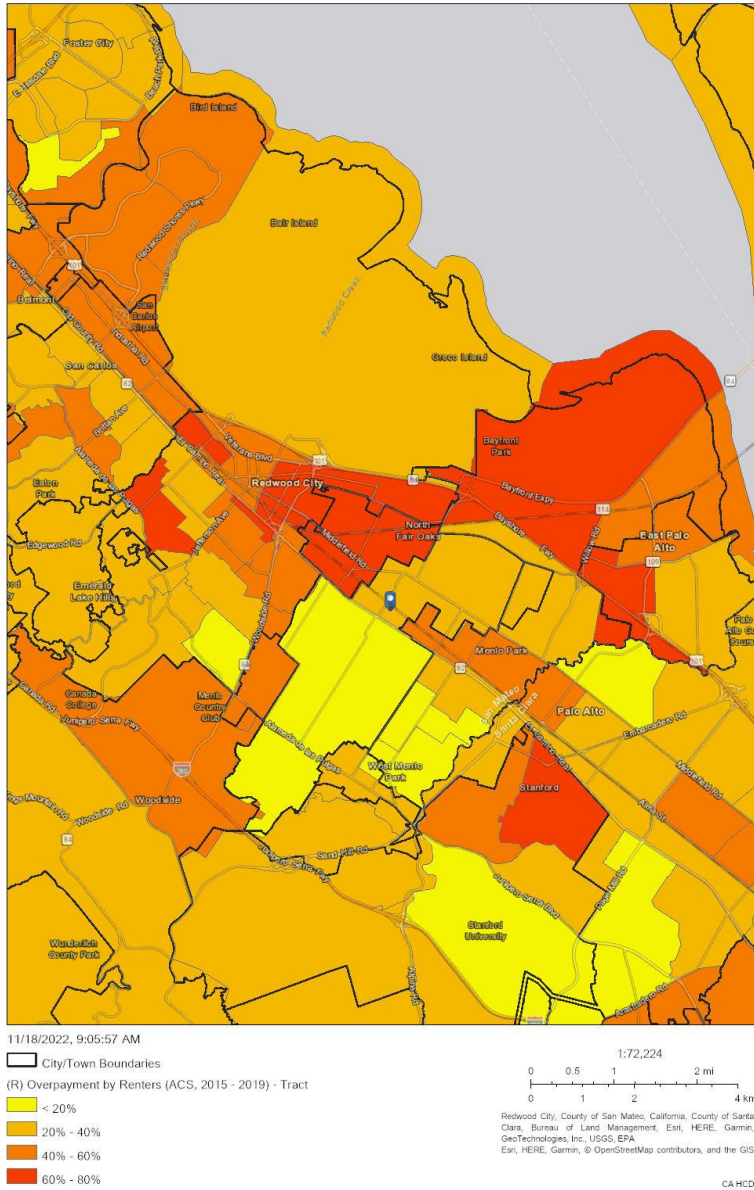
As mentioned previously, racial and ethnic minorities living in Atherton are wealthier compared to the county. Asian/API and Hispanic households are less likely to be cost burdened than non-Hispanic white households. Households of other or multiple races experience higher rates of cost burden—56% are extremely cost burdened, compared to 16% in the town overall.

There are also differences by tenure. In San Mateo County, 29.6% of homeowners pay more than 35% of their income towards housing and 42.8% of renters pay more than 35% of their income towards housing costs. This is higher than in Atherton, likely because there are more people over 100% AMI. In Atherton, 29% of owner-occupiers pay more than 30% of income towards housing. Statistics on renter income to housing costs are difficult to calculate because of the low number of renters in Atherton, thus 51% of renter cost has not been calculated in ACS data. From what exists, 65% of renter-occupied households pay more than 30% of income on housing costs and 11% pay 30-50% of income on rent.

The map below shows cost burden by census tract. Discrepancies in the percentage of Atherton renters paying more than 30% of their income for rent may be attributed, as has been noted, to the difficulty of calculating these figures based on the low number of renters in Atherton. ACS 5-year 2019 data shows 20-40% of renters in Atherton are paying more than 30% of their income on rent. Atherton is largely surrounded by cost burdened communities. 60-80% of renters are cost burdened in the

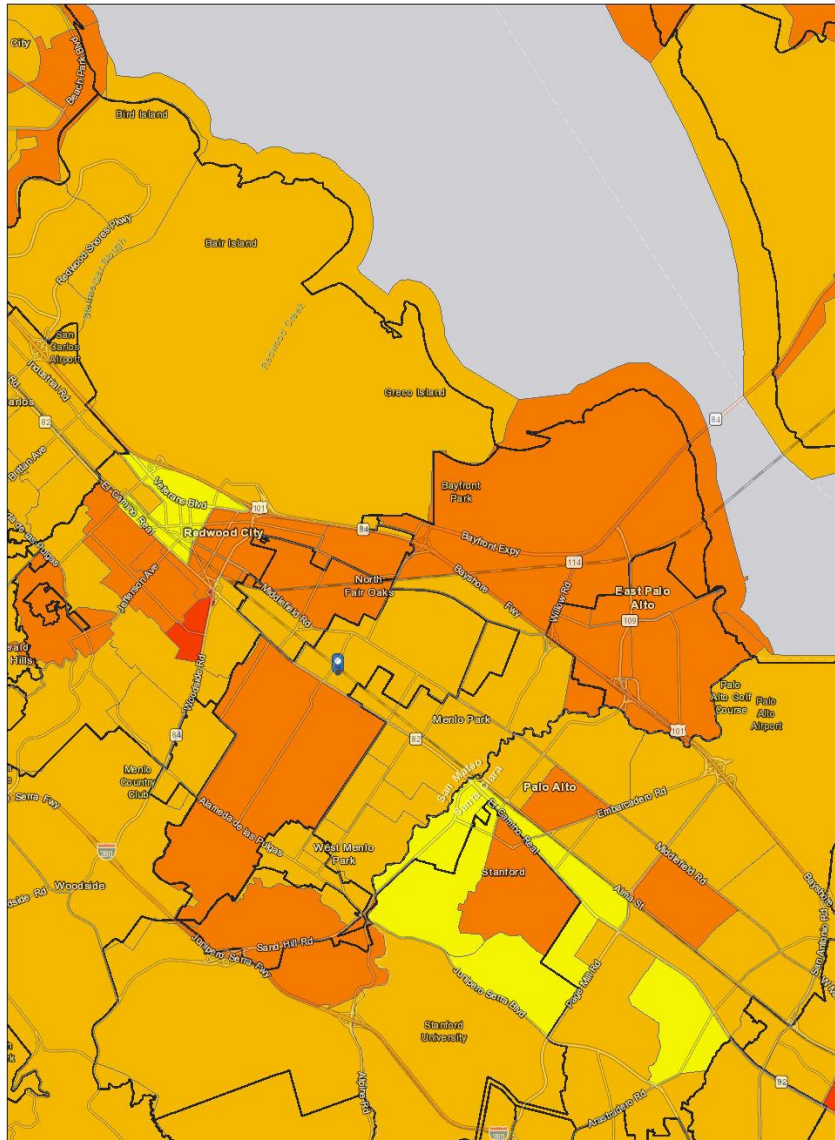
East Palo Alto and Redwood City area. It could be that there are more renters in these adjacent communities because Atherton offers few renter-occupied units. Thus residents of San Mateo County who cannot yet afford a house are forced to pay a high cost of housing as renters in areas outside of Atherton. Southwest Atherton has less than 20% of renters who are cost burdened, but is similarly surrounded by communities that have more than 20% of renters that are cost burdened.

Renter Cost Burden



Cost burden for homeowners is more significant in Atherton. This is not surprising given that there are more owner-occupied single family homes in the town and therefore there is better data on owners than renters. At least 20% of homeowners in Atherton spend more than 30% of their income on housing costs. Southwest Atherton, which notably had fewer cost burdened renters than other areas of the town, has the town's highest percentage of homeowners who are cost burdened in the town at 40-60%. Again, Atherton is surrounded by communities where over 20% of homeowners are cost burdened, suggesting that homeownership is still unaffordable to those even with relatively high incomes.

Home Owner Cost Burden



11/18/2022, 9:35:12 AM

City/Town Boundaries

(R) Overpayment by Home Owners (ACS, 2015 - 2019) - Tract

< 20%

20% - 40%

40% - 60%

60% - 80%

1:72,224



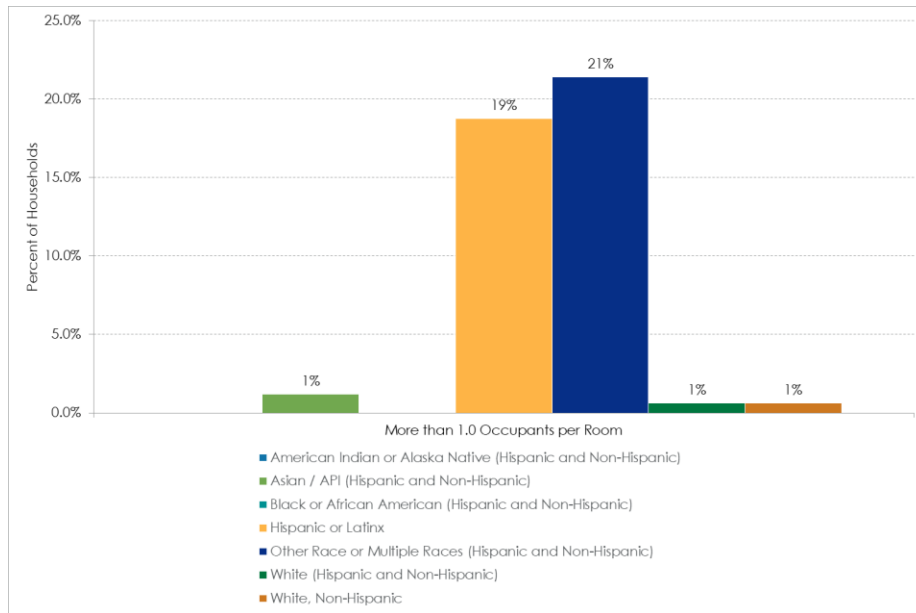
Redwood City, County of San Mateo, California, County of Santa Clara, Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS

CA HCD

Overcrowding. The vast majority of households (99%) in Atherton are not overcrowded—indicated by more than one occupant per room.

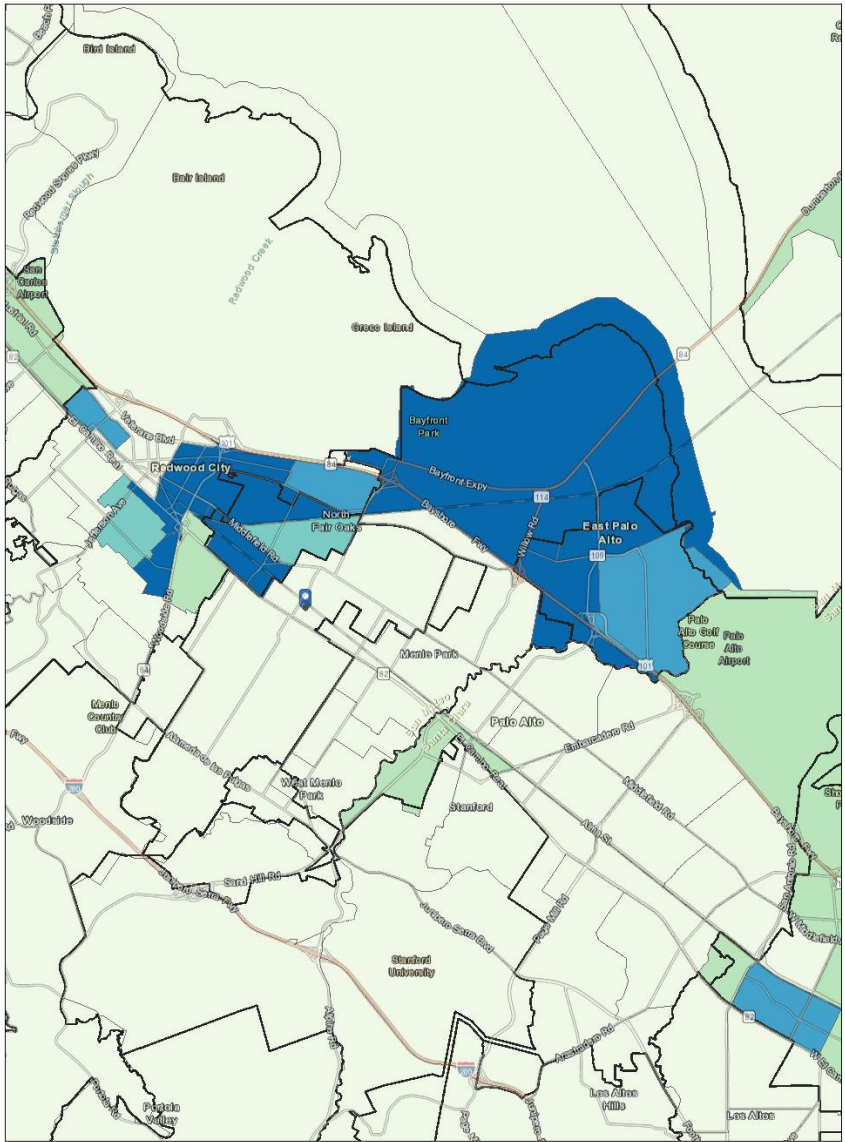
Racial and ethnic minorities are more likely than non-Hispanic White households to experience overcrowding. Other races (21% of households), and Hispanic households (19%), experience the highest rates of overcrowding.

In San Mateo County, 6.9% of households have more than one occupant per room. This is slightly better than the state average of 8.2%.



Overcrowding is often related to the cost of housing with multiple households sharing a unit to make it possible to afford the unit. Below, the map shows where overcrowding in the Bay Area is more common. East Palo Alto and Redwood City have the highest percentage of overcrowding in the region, likely because of their high renter population. Multifamily rental units have less bedrooms than single family homes. There are also higher populations of Hispanic residents in these areas. Hispanic households tend to have larger, multigenerational households, which could account for the higher overcrowding rate.

Overcrowding



11/18/2022, 9:53:49 AM

City/Town Boundaries

(R) Overcrowded Households (CHHS) - Tract

≤ 8.2% (Statewide Average)

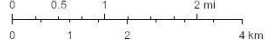
8.3% - 12%

12.01% - 15%

15.01% - 20%

> 20%

1:72,224

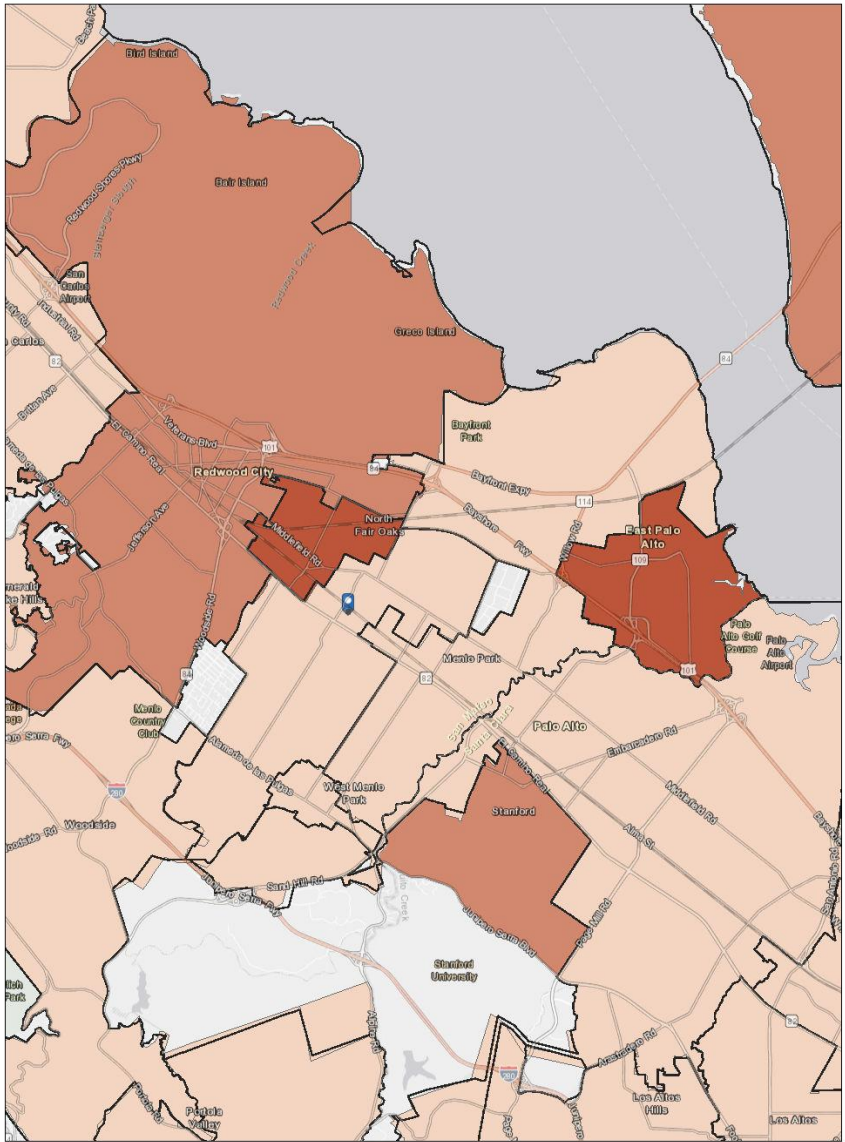


Redwood City, County of San Mateo, California, County of Santa Clara, Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS

Substandard housing. Data on housing conditions are very limited, with the most consistent data available across jurisdictions found in the American Community Survey (ACS)—which captures units in substandard condition as self-reported in Census surveys. According to data estimates, the share of housing units with substandard kitchen and plumbing facilities in Atherton is zero, despite an aging housing stock. This data estimate is further substantiated by direction from the Town's Code Enforcement Officer. . This could be because all residents live in moderate or high resource areas where renovations are financially feasible and most residents are homeowners who are able to modify their units. San Mateo County also has a low rate of substandard housing; 99.9% of households have complete kitchen and plumbing facilities.

As shown in the map below, residents who do not have complete kitchen or plumbing utilities tend also to live in severely overcrowded conditions, and are severely cost burdened, Atherton has less than 20% of residents in substandard conditions. In East Palo Alto and Southeast Redwood City, however, 40-60% of all households selected at least one of the substandard housing issues. Substandard housing congregates in areas of low income because these residents do not have the financial leverage to improve housing conditions, have landlords who are unwilling to make improvements, or do not ask for improvements or report conditions in fear of retaliatory eviction.

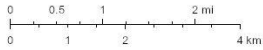
Substandard Housing



11/18/2022, 10:07:03 AM

City/Town Boundaries

1:72,224



Redwood City, County of San Mateo, California, County of Santa Clara, Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS

Homelessness. In 2019, 1,512 people were experiencing homelessness in the county, 40% of these individuals were in emergency or transitional shelter while the remaining 60% were unsheltered. The majority of unsheltered people experiencing homelessness were in households without children. The majority of people in transitional housing were in households with children. These disparities may indicate there are more resources available in the County for families experiencing homelessness as compared to for single individuals experiencing homelessness.

People who identify as American Indian or Alaskan Native (6% homeless, less than 1% general population), Black (13%, 2%), White (67%, 51%), and Hispanic (38%, 28%) are overrepresented in the homeless population compared to their share of the general population. The disparities by race can be traced back to discrimination in the housing market and the exclusion of non-white populations from high resource areas. There are few housing options for low-income people in the region. Housing that is available at the market rate likely forces people to spend more than 50% of their income on housing, which puts households at risk for homelessness.

People struggling with chronic substance abuse (112 people), severe mental illness (305), and domestic violence (127) represent a substantial share of the homeless population in 2019. This indicates that there are not enough resources or beds for those experiencing mental illness, substance abuse, and domestic violence in the county.

Displacement. Owner households generally enjoy a greater amount of housing stability whereas renter households are more mobile. Atherton has no inventory of income assisted rental units. In San Mateo County, 417 units are at risk, accounting for 8% of the total assisted housing units in the county.

Displacement Sensitive Communities

"According to the Urban Displacement Project, communities were designated sensitive if they met the following criteria:

- They currently have populations vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost. Vulnerability is defined as:

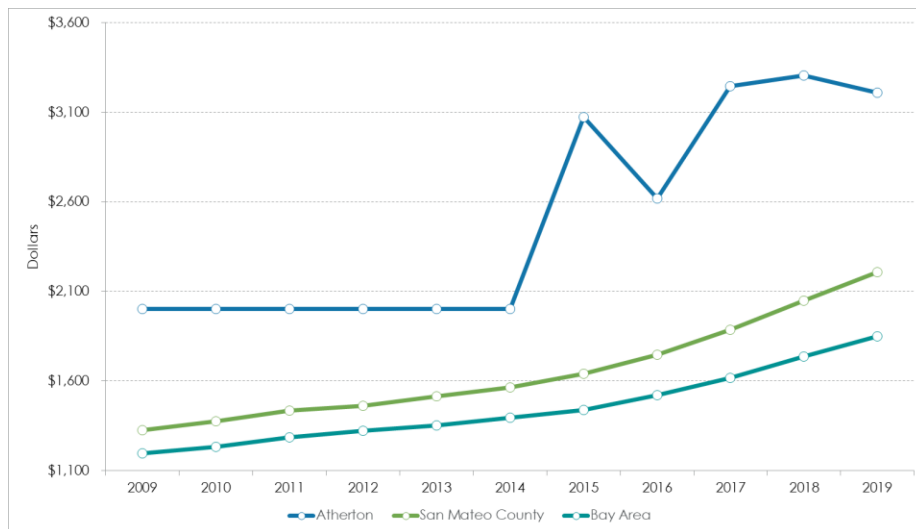
- Share of very low-income residents is above 20%, 2017
- AND
- The tract meets two of the following criteria:
 - Share of renters is above 40%, 2017
 - Share of people of color is above 50%, 2017
 - Share of very low-income households (50% AMI or below) that are severely rent burdened households is above the county median, 2017
 - They or areas in proximity have been experiencing displacement pressures. Displacement pressure is defined as:
 - Percent change in rent above county median for rent increases, 2012-2017

OR

- Difference between tract median rent and median rent for surrounding tracts above median for all tracts in county (rent gap), 2017"

Source: <https://www.sensitivecommunities.org/>.

No census tracts in the town are vulnerable to displacement, however, housing cost burden is a risk for displacement and 88% of residents below 30% AMI pay more than 50% of their income on housing Atherton's rent's rental cost is far above regional median rent, suggesting that there is displacement pressure in place. The chart below shows median rent in Atherton, San Mateo County, and the Bay Area. As of December 2022, based on research from local residential rental advertising companies, the average monthly asking rent in Atherton was \$24,000 a month.



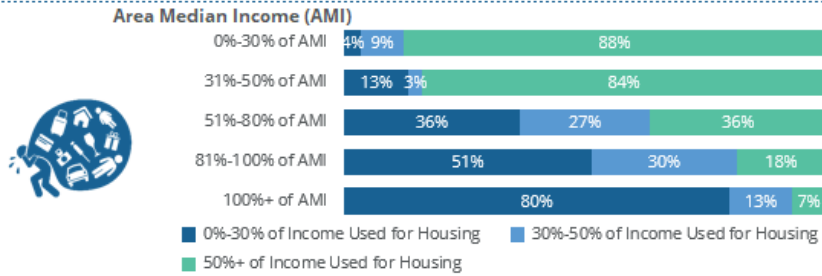
As discussed in the previous section regarding R/ECAPs, Atherton is near edge R/ECAPs in Redwood City and Menlo Park. This suggests that people who may be displaced from Atherton may migrate to these areas and that people within Redwood City and Menlo Park who are displaced cannot access resources within Atherton.

Displacement can also occur because of natural disasters. Atherton is in San Mateo County, which is on the San Andreas fault and therefore has a high likelihood of severe earthquakes. Houses in California are generally made to withstand earthquakes, but those who spend more than 30% of their income on housing costs likely cannot save enough to repair severe damage. This means those of lower income are more at risk of displacement.

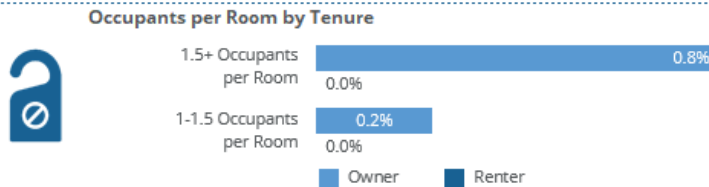
Access to mortgage loans. Disparities by race and ethnicity are prevalent for home mortgage applications, particularly in denial rates. Hispanic (60% denial rate) and Asian/API (29%) have the highest denial rates for mortgage loan applications in 2018 and 2019, compared to non-Hispanic White households (18%). These numbers suggest that traditional routes to homeownership are barriers to non-white households. Credit score, assets, and income disparities between races show in denial rates.

Disproportionate Housing Needs

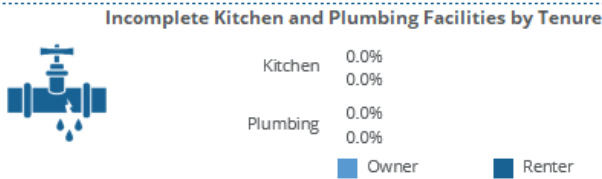
Cost Burden, Atherton, 2019



Overcrowding, Atherton, 2019



Substandard Housing, Atherton, 2019



Homelessness, San Mateo County, 2019

Race and Ethnicity	Share of Homeless Population	Share of Overall Population
American Indian or Alaska Native	6%	0%
Asian / API	6%	30%
Black or African American	13%	2%
White	67%	51%
Other Race or Multiple Races	8%	17%

Displacement, 2020

Assisted Units at High or Very High Risk of Displacement	Atherton City	San Mateo County
Number of Units	-	417
% of Assisted Units	-	8%

3.370 Site Inventory Analysis

There are no R/ECAPs or edge R/ECAPS located within the Town of Atherton. Edge R/ECAPS within unincorporated San Mateo County have proximity to portions of Atherton along the western edge of Town bounding El Camino Real.

The complete inventory of identified opportunity sites is included as Appendix 5 and expanded up in section 3.410.

3.380 Contributing Factors and Fair Housing Action Plan

The factors contributing to fair housing challenges within Atherton is the high cost of land acquisition, zoning primarily for single family homes, and little affordable housing for those with moderate and low income who work in the town, other than ADUs and housing at local school sites. Per an analysis completed in 2022, the average land acquisition cost for a single acre in Atherton is approximately \$7-8 million. The affordability of land is a high bar to the creation of affordable housing and the greatest barrier to development. The best opportunities for affordable housing include ADUs and multi family units on school sites where the land is already owned by the entity. The Town is continuing to see success in the creation of additional ADU units. **The Town estimates that 60% of new rental ADU units will be rented at very low or low-income levels.** Based on existing precedent, these units are often used for housing for a senior family member, employees of the homeowner, students, or in other similar circumstances where the renter would otherwise be unable to find similar accommodations locally. Consequently, the ADU occupants do not displace others from low-income housing that is available locally.

ADUs have several other advantages. They can be constructed at significantly lower cost than the cost to build a new multifamily unit. They can be located anywhere within the Town, which means such low-income units are geographically spread throughout Atherton. They are also politically popular and easy to permit.

The Town is implementing several strategies to further utilize ADUs as a tool for providing fair housing opportunities, including:

- Expanding community outreach to realize additional ADU development.
- Developing assistance programs for JADUs to make alterations easier and more cost effective so that additional units can be developed within the existing building envelope of houses and made available at more affordable rates.
- Amending the Zoning title to eliminate the occupancy limitation on other accessory units, such as guest houses and pool houses.
- Creating an inventory of existing pool houses and guest houses, and then working with a nonprofit to connect homeowners to prospective renters.

- Amending the code to increase the height limit to allow ADUs to be constructed above garages.
- Amending the zoning code to allow two ADUs to be constructed on a property.
- Amending the zoning code to allow multiple ADUs to be rented on a property.
- Amending the fee resolution to remove the planning review fees for ADUs.
- Adopt an affordable housing impact fee on single family construction. The Town will make available funds from this program to provide very low-income rental assistance for eligible households identified by HIP.

The Town's complete strategy related to encouraging ADU production and the rental of these units is provided in section 3.812.

Further to provide greater diversity in the housing stock and opportunities for lower income households, the Town has included programs to rezone several properties to allow multi-family housing. These properties have been strategically identified to be near transit and services.

Additionally, the Town will be providing additional fair housing resources and training for property owners, real estate agents, and tenants, per section 3.823 E. This will be provided through a collaboration with other cities and towns, Project Sentinel, or other similar organization. This will provide information on reasonable accommodation and issues related to income and other forms of discrimination. This training could be mandated for multi-family developers, property owners and any resident renting an ADU or similar unit. The Town will also create a webpage to host this information and improve awareness around fair housing training, issues and available programs. The webpage will also provide information on filing fair housing complaints with HCD or HUD.

Lastly, as part of its ADU rental strategy, **the Town will implement a program to affirmatively market low-income units** to households that are under-represented in the Town in comparison to neighboring jurisdictions and the County. To examine the effectiveness and interest in the ADU strategy, a survey of potential renters in the area, such as employees of homeowners, school and city staff, and elderly individuals is also being pursued.

3.400 HOUSING RESOURCES

3.410 Inventory of Sites Suitable for Residential Development

3.411 Parcel-specific List of Available Sites

This section contains an inventory of specific sites suitable for residential development so that a comparison may be made with Atherton's new construction need by affordability category with its residential development capacity.

The accompanying table (Appendix 5) identifies lands suitable for residential development in Atherton. The HCD Electronic Housing Element Site Inventory Form has been used. Each site is identified by address and assessor's parcel number and includes the site acreage and existing land use. Existing zoning falls into the categories listed below. It should be noted that Atherton has only four zoning districts, the three listed below plus a Parks and Open Space District.

R-1A (Residential District) - Limits land uses to single-family detached homes on minimum one-acre size lots.

R-1B (Residential District)-Limits uses to single-family detached homes on minimum size 13,500 square foot (0.31 acre) lots.

PFS (Public Facilities and Schools District) - Limits land uses to public and private schools including affiliated residential uses, town hall, library and other similar public and quasi-public uses without limitation on lot size. This district also permits single-family and multifamily residences pursuant to a master plan.

Multifamily Rezonings

Two new multifamily zoning districts are proposed to be adopted following Housing Element certification to provide a range of housing opportunities to the community. The RM 20 Multifamily District permits multifamily residential uses by right with a maximum density of 20 dwelling units per acre and the RM 10 Multifamily District permits multifamily residential uses by right with a maximum density of 10 dwelling units per acre. The new multifamily zoning districts will allow heights up to 40 feet, adequate setbacks to accommodate the maximum density, parking standards and objective design standards. In addition, to support the development of multifamily housing within the RM 20 Multifamily District, the Town will adopt a lot consolidation program to facilitate consolidation of properties and new housing development. This will include outreach to property owners, an expedited process and waiver of planning review fees.

The 19 properties listed below were prioritized for rezoning because they are located close to services, transit, jobs with adequate access along a public right-of-way.

Multifamily rezone properties:

	Address	Lot Size	Density	Development Potential
1	97 Cebalo	0.37 acre	20 units per acre	3 units
2	98 Cebalo	0.34 acre	20 units per acre	3 units
3	94 Cebalo	0.41 acre	20 units per acre	4 units
4	75 Cebalo	0.934 acre	20 units per acre	9 units
5	8 Selby Lane	0.37 acre	20 units per acre	3 units
6	2 Selby Lane	0.33 acre	20 units per acre	3 units
7	1 Gresham Lane	0.32 acre	20 units per acre	3 units
8	25 Gresham Lane	0.32 acre	20 units per acre	3 units
9	37 Gresham Lane	0.32 acre	20 units per acre	3 units
10	49 Gresham Lane	0.32 acre	20 units per acre	3 units
11	61 Gresham Lane	0.32 acre	20 units per acre	3 units
12	73 Gresham Lane	0.32 acre	20 units per acre	3 units
13	85 Gresham Lane	0.32 acre	20 units per acre	3 units
14	97 Gresham Lane	0.32 acre	20 units per acre	3 units
15	99 Gresham Lane	0.41 acre	20 units per acre	4 units

16	182 El Camino	0.34 acre	20 units per acre	3 units
17	190 El Camiono	0.34 acre	20 units per acre	3 units
18	2 Stockbridge	0.24 acre	20 units per acre	2 units
19	23 Oakwood	1.62 acres	10 units per acre	16 units

The new multifamily districts are further described in Section 3.811 - Housing Programs.

Menlo College – 1000 El Camino Real

Menlo College is a private 4-year college located at 1000 El Camino Real sited on 31 acres of property (including 50% ownership of Cartan Athletic Field and Wunderlich Athletic Field) serving over 800 students. The campus is zoned Public Facilities and Schools (PFS) and abuts the Victoria Manor residential subdivision to the south (R1-A zoning), the MacBain Avenue residences to the west (R1-A zoning), Alejandro Avenue to the north and Menlo School to the south (PFS zoning). The policies within the Housing Element provide that the Town would allow the school development by right at 20 units per acre.

Menlo College currently has 567 beds in 5 residence halls for its students with an additional 288 beds to be added in the fall of 2022, of which 180 beds remain unfilled, but the College expects them to be filled next year with the students moving into them and freeing up existing affordable housing opportunities in the local community. The on-site student housing frees up housing units in the community and addresses the needs of very-low-income students that were experiencing homelessness. The College also has 25 housing units for its faculty and staff and has a waiting list for more rental needs. Most of those housing units are rented at rates affordable to low- and moderate-income households.

In recent discussions between the College President and Atherton Planning Staff, the President indicated that the College is very interested in providing additional housing on campus. He stated that there is always a demand for additional housing, that the existing units are almost always 100% occupied, and that shortage of affordable housing is a barrier to hiring. Funding has also been a barrier to housing production in the past. Through this Housing Element update process, a group of residents have been formed to assist the College with resources to prepare site feasibility studies and commitment to identify funding sources to build the housing. The attached letter from the College President indicates that the College could support 60 to 90 new multifamily housing units. Letter from the College President is included as an appendix. These sites would contribute to fair housing by accommodating moderate and low income school staff including accessible units. The Town will ensure that there are units for staff

across the income spectrum, from teaching faculty to janitorial staff. This consideration applies to all premises willing to build affordable housing listed below.

The existing PFS zoning requires a conditional use permit for residential uses and allows multifamily residential uses by right (with the provision of very low and low-income units), subject to Planning Commission review of the location, size, proximity to heritage trees and environmental aspects of the project. There are seventeen existing buildings on the campus with a total floor gross area of approximately 307,700 square feet. The total building footprint area is 269,500 square feet resulting in 29% lot coverage. The PFS zone allows 40% lot coverage with no maximum floor area ratio. The site can accommodate several new buildings. Based on discussions with the College President and a review of site improvements, two viable locations on the property for multifamily housing have been identified.

Site 1: The existing O'Brien surface parking lot at the southwest corner of El Camino Real and Alejandra Avenue is approximately 75,000 square feet (1.7 acres) in area. The site is level and currently contains a paved parking lot. The lot is surrounded by mature vegetation. Construction of a multi-family housing building is feasible at this location with podium parking at ground level and 3 stories of housing above, or below grade parking. The town does not have on-site parking requirements. Parking would be replaced to meet the needs of the college. The Town will rezone this site to permit 40 units per acre by right with objective design standards. The College has expressed interest in developing 60 dwelling units at this site.

Site 2: There are four residences located on the campus in WWII barracks that are currently utilized for faculty housing. Demolition of these residences would accommodate 30 apartment units, resulting in a net increase of 26 multifamily housing units.

Both housing sites on the Menlo College campus are located near a public transportation route (SamTrans bus route on El Camino Real) and would therefore qualify for State mandated reduced parking provisions. To accommodate the new housing development, the zoning will be amended as follows:

- Rezone Site 1 to permit multifamily housing at a density of 40 units per acre and rezone Site 2 to permit multifamily housing at a density of 20 units per acre
- Reduce the minimum front yard setback to 30 feet
- Amend the height limit to allow 4 stories at 48 feet
- Permit multifamily housing by right with objective design standards

With the zoning amendment, new multifamily housing would be feasible at the Menlo College campus and would provide housing for a range of income categories, most notable in the very-low to low and moderate income range. The new multifamily housing would also provide accessible units.

Menlo School – 50 Valparaiso Avenue

Menlo School is a private grade 6 - 12 school located at 50 Valparaiso Avenue sited on 26.7 acres of property (including 50% ownership of Cartan Athletic Field and Wunderlich Athletic Field) serving approximately 795 students. The school site is zoned Public Facilities School (PFS) and currently allows for the development of multifamily residential uses. The policies within the Housing Element provide that the Town would allow the school development by right at 20 units per acre.

The school property abuts the Victoria Manor residential subdivision to the east (R1-A zoning), the Michaels Way residential subdivision to the west (R1-A zoning) and Menlo College to the north (PFS zoning). There are eleven existing buildings on the campus with a total gross floor area of 311,574 square feet. Two housing sites have been identified on the Menlo School campus following a review of site improvements:

Site 1: An approximate 56,000 square foot (1.28 acre) surface parking lot located in the southwest corner of the campus with frontage on Valparaiso Avenue and the school entry drive. A 75-foot setback for buildings higher than 22 feet is required by the zoning along the west property line (adjacent to single family homes). An emergency access road required by the Menlo Park Fire District exists within this 75-foot setback (perimeter fire road). At a density of 20-units per acre, this site could yield 25 dwelling units. With the zoning amendment, new multifamily housing would be feasible at the Menlo College campus and would provide housing for a range of income categories, most notable in the very-low to low and moderate income range. Parking to meet school demand would need to be provided either below grade or in a structure

Site 2: An approximate 44,000 square foot (1 acre) surface parking lot is located in the southeast corner of the campus with frontage on Valparaiso Avenue and the school entry drive. A 75-foot setback for buildings higher than 22 feet is required by the zoning along the east property line. An emergency access road required by the Menlo Park Fire District exists within this 75-foot setback (perimeter fire road). At a density of 20-units per acre, this site could yield approximately 20 dwelling units.

To accommodate the new housing development, the zoning will be amended as follows:

- Rezone sites 1 and 2 to permit multifamily housing at a density of 20 units per acre
- Reduce the minimum front yard setback to 30 feet (along Valparaiso Road)
- Amend the height limit to allow 4 stories of 48 feet
- Permit multifamily housing by right with objective design standards

With the zoning amendment, new multifamily housing would be feasible at the Menlo School campus and would provide housing for a range of income categories, most notable in the very-low to low and moderate income range. The new multifamily housing would also provide accessible units.

Sacred Heart – 150 Valparaiso Avenue

Sacred Heart Schools is a private preschool, K - 12 institution located at 150 Valparaiso Avenue on 60 acres of property serving approximately 1,195 students. The school site currently allows for the development of multiple-family residential uses, and adjacent parcels that may be acquired by the school in the future would likely be rezoned for such a use. There are currently 5 apartment units on the campus and housing for retired Nuns at Oakwood. The school anticipates this facility being renovated in the future to accommodate faculty housing. The school has a need for faculty and staff housing, although it is not anticipated that the school will develop new housing units during this housing element cycle.

Public Schools

Public schools in Atherton also have an identified critical need for teacher and faculty housing. These schools have the opportunity to create housing using the California Teacher Housing Act of 2016. While the Town's Housing Element does not account for additional housing at these schools over the 2023-2031 Housing Cycle, it is highly likely that one or more of the institutions below will pursue such housing. All public school sites are shown within the PFS Zone on the following Housing Sites Map. Private school sites are circled.

Menlo-Atherton High School

Menlo-Atherton High School is a public four-year secondary school in the Sequoia Union High School District serving approximately 2,400 students. The school and its athletic fields occupy 38.5 acres at 555 Middlefield Road at the corner of Middlefield and Ringwood Avenue.

Laurel School Lower Campus

Laurel School is a public elementary school in the Menlo Park City School District. Its Lower Campus is on 6 acres at 95 Edge Road in Atherton at the corner of Edge and Ringwood Avenue. The Lower Campus serves approximately 326 students in grades K-2.

Encinal School

Encinal School is a public K-5 elementary school in the Menlo Park City School District serving approximately 630 students. It is located on 10 acres at 195 Encinal Avenue at the corner of Encinal and Middlefield Road.

Las Lomitas School

Las Lomitas School is a public TK-3 elementary school in the Las Lomitas Elementary School District serving approximately 485 students. It is located on 9 acres at 299 Alameda de las Pulgas at the corner of Alameda de las Pulgas and Camino Al Lago.

Adelante Selby Spanish Immersion School

Adelante Selby Spanish Immersion School is a public K-5 elementary school in the Redwood City School District serving approximately 652 students. The portion of the campus within Atherton is located on 5.5 acres at 170 Selby Lane.

CalWater Bear Gulch Reservoir Site – 120 Reservoir Road

CalWater owns and operates 99 acres at the Bear Gulch Reservoir in Atherton. The property is located within the Town's Park and Open Space (POS) zoning district. This district currently allows caretaker housing with a Conditional Use Permit. Due to the high cost of housing and new employee recruitment, CalWater expressed interest in constructing four new affordable housing units at this site. However, this development is not currently planned within the current Housing Element cycle.

Underutilized Parcels (Further Subdivision and/or SB 9 Subdivision)

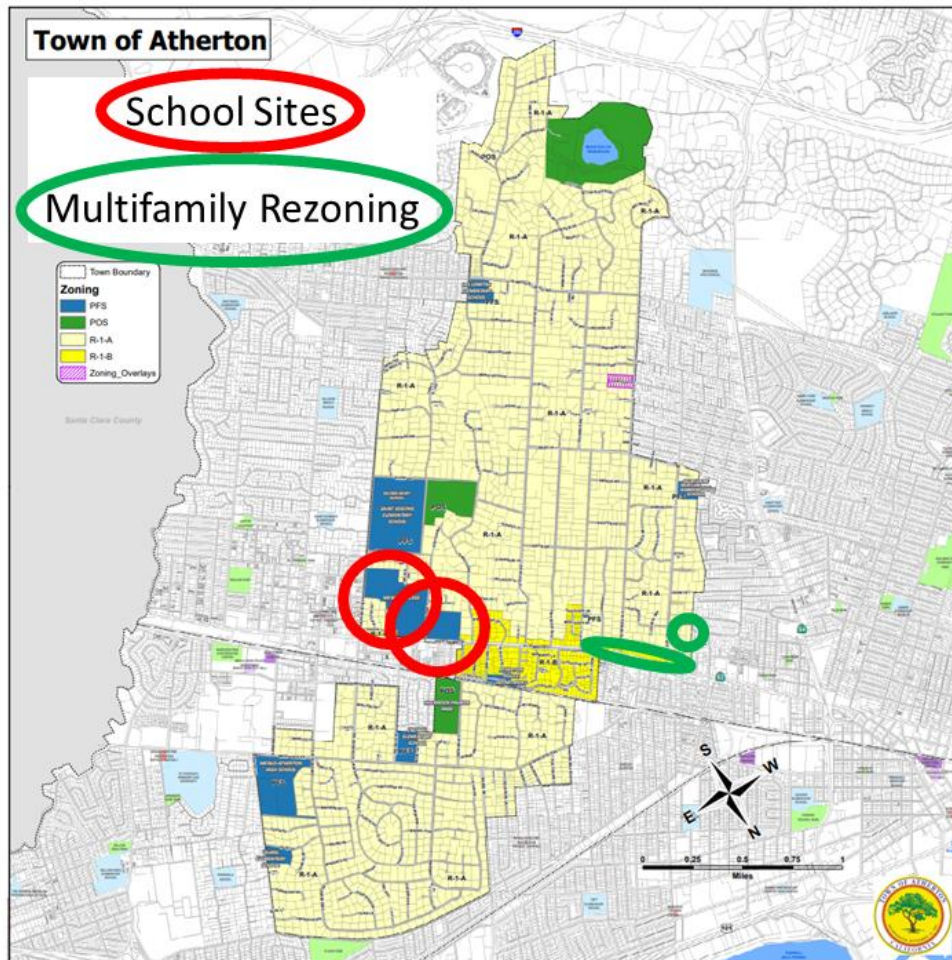
Sixty-seven parcels listed on the table from row 5 (170 Atherton) to row 71 (172 Tuscaloosa) are residential parcels included as underutilized since they are of sufficient size to be further subdivided according to the existing zoning and lot size limits. Seven of these parcels are vacant and have the capacity to yield 8 new dwellings for above moderate-income households if subdivided and developed in accordance with existing zoning regulations or to yield 16 new dwellings for above moderate-income households if subdivided and developed in accordance with SB 9 regulations.

Sixty of these parcels are developed with one single-family house. Those parcels have the capacity to yield 91 net²⁷ new dwellings for above moderate-income households if subdivided and developed in accordance with existing zoning regulations. Under the allowable provisions of SB 9, these 60 parcels could be split further, with each parcel further allowed development capacity of 2-3 net new dwelling units. It follows that under SB 9, if each parcel were to meet the required criteria for an urban lot split, the overall development capacity could yield a total of 91-242 dwelling units. Including vacant properties, this puts the potential development capacity for the single-family properties listed on the sites inventory at up to 258 units. The Town projects it will net 10 new above moderate income units from the development of vacant parcels and another 48 above moderate units from traditional and SB 9 lot splits.

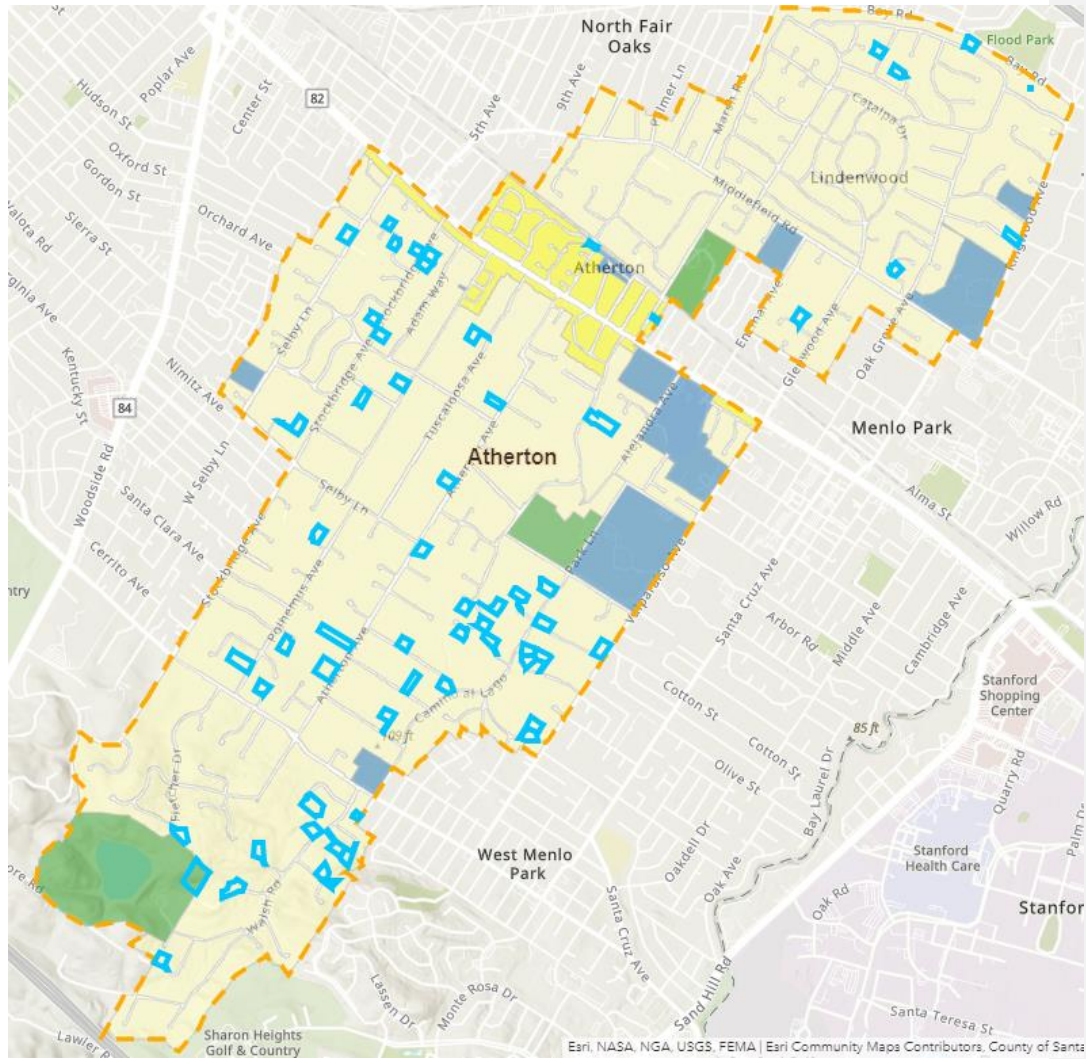
Complete Electronic Housing Element Site Inventory Form Included as Appendix 5

²⁷ Each parcel contains an existing house which must be demolished to permit subdivision and development with two new houses. Therefore, net yield was determined by subtracting one existing house from the total site capacity.

Housing Sites Map



Location of Vacant Parcels



3.414 Environmental Constraints Analysis

The analysis of environmental constraints to development of housing is provided in the discussion below.

1. Areas Subject to Flood Inundation in Event of Dam Failure

The areas below Bear Gulch Reservoir and along Atherton Channel are subject to flooding if the Bear Gulch Dam were to fail. This dam is located within about 6,000 feet of the Cañada Fault zone and 10,500 feet of the San Andreas Fault zone²⁸. Residential development is precluded in the area immediately downstream from the dam by ownership by the California Water Service Company and by open space zoning and General Plan designation. None of these sites are included in the Town's land inventory.

2. Areas Susceptible to Flooding

According to the Federal Insurance Administration, there are no areas in Atherton identified as flood prone. However, in the 1975 San Mateo County "Seismic and Safety Element" of the General Plan, a few areas in the Town of Atherton were identified as being located within the 100 Year Flood Zone. The main concentration of these areas is along the Atherton Channel with other scattered sites in the area west of El Camino Real. Areas susceptible to flooding do not have any impact on development potential.

3. Areas Subject to Wildland Fire Hazard

Areas identified on the Environmental Constraints map as subject to Wildland Fire Hazard are generally west of Alameda de las Pulgas in the vicinity of Bear Gulch Reservoir and along Walsh Road and Reservoir Road. **However, none of the Town is in a High Fire Hazard Zone, as defined.** Residential building is precluded around Bear Gulch Reservoir because of its ownership by the California Water Service Company, and the open space zoning and General Plan designation. The adopted Fire Code requires all buildings exceeding 1,000 square feet be sprinklered and that roofs be constructed of fire-resistant materials. All buildings in the wildland interface must have fire sprinklers to protect the interface from a dwelling fire incident. In addition, the Menlo Park Fire Protection District inspects the area annually and recommends homeowners to clear combustible vegetation near structures. This constraint requires mitigation but does not prevent residential construction.

4. Areas Subject to Seismic Activity

San Mateo County is in the vicinity of several known active and potentially active earthquake faults. These include the San Andreas and the Hayward faults. All

²⁸ County of San Mateo Geotechnical Hazard Synthesis Map
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properties in Atherton have an equal exposure to seismic activity. This constraint requires mitigation but does not prevent residential construction.

3.415 Infrastructure Description

Adequate infrastructure exists throughout the entire Town to accommodate the existing and planned density of development. This includes existing paved streets, sewer, water supply for domestic and fire suppression purposes and drainage facilities. Available public services include Police, Fire, Parks and Recreation, Public Works, Building Inspection and Town Administration.

There are no sites in the Town of Atherton identified as available for housing that are in areas not served by public sewer systems. Consequently, there are no sites identified as available for housing for any of the several income level households in areas not served by a public sewer system.

All the housing opportunity sites proposed in this Housing Element are on existing developed property connected or adjacent to all city services. Redevelopment of these infill sites may require infrastructure improvements by the city or the developer to upgrade aging infrastructure or to increase capacity. The provision of on-site improvements, such as streets, curbs, gutters, sidewalks, landscaping, utility undergrounding, drainage, water, and sewer infrastructure, are standard conditions of development approval and have not been barriers to housing development in the past. If off-site infrastructure improvements are required, these are the responsibility of the developer if the upgrade is not currently in the Capital Improvement Program.

Water is supplied throughout the town by the Bear Gulch District of the California Water Service. Most of the water provided (93%) is purchased or imported through the San Francisco Public Utilities Commission, with a remaining 7% supplied by Bear Gulch Reservoir. Cal Water's 2020 Urban Water Management Plan provides detail on available capacity and allocations for each district, with sufficient planned volume through 2045. While planned water capacity is already sufficient to accommodate the town's RHNA, the town also anticipates greater efficiency of water use resulting from the type of new development proposed. Atherton residences, compared to regional and state averages, use an inordinate amount of water, primarily due to landscaping. As properties are subdivided through SB 9 to create smaller lots, or new units are created with ADUs, the primary source of local water demand will not be increased. It is reasonable to project that new development of smaller units using ADUs and lot splits will serve to reduce average household water consumption. In addition, Cal Water's management plan projects water consumption for single-

family residences to decrease over time due to improved appliance standards, plumbing codes, and conservation programs.²⁹

Most Atherton residents receive sewer services from West Bay Sanitary District, with a portion of the town served by the Fair Oaks Sanitation District operated by the County of San Mateo. Capacity for new development is generally analyzed on a case-by-case basis. Improvements to sewer infrastructure to accommodate development are incumbent on the developer, and have not been a barrier to projects in the past. Similar to decreases in water use, the town also anticipates reductions in per residence demand for sewer services that will alleviate the demand created by new development.

Per Chapter 727, Statutes of 2004 (SB 1087), upon completion of an amended or adopted Housing Element, a local government is responsible for immediately distributing a copy of the element to area water and sewer providers. In addition, water and sewer providers must grant priority for service allocations to proposed developments that include housing units affordable to lower-income households. Chapter 727 was enacted to improve the effectiveness of the law in facilitating housing development for lower-income families and workers. To comply with SB 1087, upon adoption, this Housing Element will be forwarded to the city's Public Works Department.

3.416 Zoning Appropriate to Accommodate the Development of Housing Affordable to Lower Income Households

The Town is required to provide sites suitable for construction of 204 lower income units (94 very low income, 54 low income and 56 moderate income). As described in section 3.812, based on experience in the last three years of the 5th RHNA cycle, the Town expects an average construction rate of 27 Accessory Dwelling Units per year, or 216 new ADUs during the RHNA 6th cycle. The Town expects that these units will be divided between very low-, low-, moderate- and above moderate- income categories. It is projected that the number of ADUs produced in the lower income levels would be 168 units; 112 very low to low income, - and 56 moderate-income units. The zoning code would be amended to accommodate construction of these ADUs with increased height limits, removal of occupancy restriction on pool houses and guest houses and permit two ADUs per property.

The Town's distributions of project ADUs by income category are largely based on data contained in ABAG's technical assistance paper issued September 8, 2021 entitled, "Affordability of Accessory Dwelling Units." The paper was prepared based on a survey conducted by the Center for Community Innovation at UC Berkeley and utilized HCD's affordability calculator to determine the appropriate income category.

²⁹ https://www.calwater.com/docs/uwmp2020/MPS_2020_UWMP_FINAL.pdf
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Atherton is a well-established community with limited land availability, very high housing costs and limited public funding for housing programs. However, the existing land patterns and housing types are very conducive to a successful ADU program. Minimum lot sizes are larger than average in Atherton thereby providing more opportunities for the construction of ADUs.

In the past two years, a total of 48 new single family homes were built in Atherton and during this same time frame, there were 44 new ADUs, 3 JADUs, and 7 ADU-conversions. The Town believes that this nearly one to one ratio exists because the Town recently modified its regulations to encourage the development of ADUs. In addition, a recent community survey with nearly 18% of households responding indicates an interest by over 200 property owners to construct an ADU on their property over the next 8 years. Accordingly, the Town believes that the construction rate of 35 new ADUs per year over the next 8 years is achievable.

While single-family homes and owner-occupied housing with four or fewer units are typically exempt from the federal Fair Housing Act, the California Fair Housing and Employment Act (FEHA) applies to any residence of one or more households that is being offered for rent or sale. If a homeowner occupies their home and rents out a portion of their home to a tenant, FEHA does not apply so long as only one tenant can live in the home with the owner. However, ADUs are considered separate units from the primary dwelling unit on the parcel, and are therefore covered by FEHA. Owners of ADUs cannot discriminate against tenants or prospective tenants because of their status as a member of a protected class.

A second source of housing affordable to lower income households is construction of new multifamily housing on private properties. Nineteen (19) properties have been identified for rezoning to multifamily zoning with densities of 20 units per acre and 10 units per acre. The Town will also adopt an Inclusionary Zoning Ordinance that would require a minimum of 20% of the multifamily units to be affordable to lower-income households. It is projected that 27 new housing units affordable to above moderate-income households will be constructed on these properties during the 6th RHNA cycle, and 8 units would be constructed affordable to lower-income households pursuant to the Inclusionary Zoning ordinance. The Town will also adopt a lot consolidation program to work with property owners to consolidate lots within the RM 20 Zoning District and facilitate new multifamily housing development. In addition to providing housing opportunities to lower income households, new accessible units will also be constructed to provide housing resources for disabled households.

A third source of housing affordable to lower income households is construction of multifamily housing on public and private schools. As described in section 3.813, current zoning permits multifamily housing development on properties in the PFS Zoning District (all public and private schools in Town are zoned PFS). The Town will amend the zoning code to accommodate the new housing development by rezoning the properties to permit 40 units per acre at Menlo College Site 1, 20 units per acre at Menlo College site 2 and 20 units per acre at two Menlo School sites. The zoning will also be amended to increase the height limit and reduce setbacks. The

Town projects construction of 80 units of multifamily housing units at the private school campuses during the 6th RHNA cycle; 40 units for very-low-income and low income households, and 20 units for moderate-income households. These properties would also be subject to the Town's Inclusionary ordinance, although the schools have expressed need to maintain a higher level of affordability to address their staff housing needs.

3.420 Analysis of Zoning that Encourages and Facilitates a Variety of Housing Types

As required by State law, the Town allows factory-built housing or mobile homes on permanent foundations under the same terms applicable to other single-family homes in the R-1A and R-1B zones. **The Town does not have architectural review/design review of new homes**, nor any specific design guidelines new construction is mandated to follow, and consequently does not impose architectural review on factory-built housing. Lastly, and related, there are no on-site covered parking requirements associated with the construction of any type of new housing.

Currently, multifamily rental housing and single-room occupancy units are permitted in the PFS zones when included in an approved master plan and with a use permit. **The Town will amend the zoning code to allow development of multifamily rental housing by right at 20 units per acre or more on the private school sites and adopt two new multifamily zoning districts, RM 20 and RM 10 on nineteen private properties.** The rezoning to allow multifamily housing by right within the PFS zone will remove the private school master plan and use permit process and will streamline the review and approval process for new multifamily housing. Further, the creation of new RM 20 and RM 10 zoning districts will permit multifamily housing by right subject to objective design guidelines. Adding two new multifamily zoning districts in addition to the upzoning at the private schools will encourage and facilitate a variety of housing types available to the community including lower income and accessible units. **The creation of these new zoning districts is a substantial step in affirmatively furthering fair housing in Atherton and providing a diversity of housing options for the community.**

3.430 Identification of Adequate Sites for Emergency Shelters

In 2010, Atherton established a zone that meets requirements set forth in SB2 relating to emergency shelters. The Town amended the existing PFS (Public Facilities and Schools) Zoning District to provide for emergency shelters as an allowable use when located within 500 feet of the Town Civic Center. Within this zone shelters are permitted without a conditional use permit or other discretionary action. The zone contains approximately 6 acres, which can accommodate up to three shelter beds, providing adequate capacity to meet the identified need. A typical shelter approximately 1,000 sq. ft. in size is allowed in this zone by right, and the Town has adopted management and other standards as permitted by State law.

3.440 Identification of Adequate Sites for Transitional and Supportive Housing

In June 2010, Atherton amended the zoning code to explicitly state that any use is permitted if required by State law. Under this revision, supportive and transitional housing only need to obtain the same types of permits and approvals as the same

type of residential development in that zone. Residential uses, including transitional and supportive housing, are permitted without discretionary permits in the following zones; R-1A and R-1B; and are permitted with a use permit in the PFS zone.

3.450 Identification of Adequate Sites for Farm Worker Housing

As stated in previous sections, there are no agricultural jobs and no farm workers living in Atherton. The closest significant location of agricultural employment is located at least 30-minute drive away. Since there is no need for farm worker housing in Atherton, no sites are identified. See the Housing Needs section for more information on farm workers.

3.460 Other Housing Resources

The Town has no financial resources to spend on affordable housing. However, the Town is willing to consult with other agencies such as the County of San Mateo or non-profit institutions in the County about resources that might be available to the Town for affordable housing. In addition, **the Town has decided to develop a Housing Impact Fee that would be utilized by the Town to encourage and support the development of affordable housing opportunities in Town.**

3.500

CONSTRAINTS ON HOUSING

This section contains analyses of potential governmental constraints contained in the Town ordinances, codes and policies that could constitute a barrier to the maintenance, improvement or development of housing for all income levels.

3.510 Governmental Constraints Analysis

3.511 Land Use Controls

The General Plan and Zoning Ordinance of a community are two primary tools for planning and regulating land use.

General Plan - The Town of Atherton updated its General Plan in 2020. The land use character of the Town has remained that of a mainly single family residential and institutional (e.g., schools) nature. The General Plan reveals that a significant constraint to housing development is land availability. There is little vacant developable land in the Town, and most of the Town's land acreage is developed at existing General Plan densities. The lack of land use categories and associated zoning districts that permit multifamily residential development is also considered a constraint to affordable housing development in its traditional sense.

Zoning Ordinance - The Atherton Zoning Ordinance designates land uses, height, bulk, density and parking standards throughout the town. The Zoning Ordinance was designed for consistency with the General Plan. The General Plan's four basic land use designations: Single-Family Residential, Single Family Residential Low Density, Public Facilities and Schools, and Parks and Open Space are directly reflected by the zoning districts of the R-1A (Single Family Residential one acre minimum), R-1B (Single Family Residential – 0.31 acre minimum), PFS (Public Facilities and Schools), and POS (Parks and Open Space). Table HE-4 presents the Atherton Zoning Categories and Standards of density, setbacks, height limits, floor area ratios, lot coverage and parking requirements.

The zoning categories reflect the Town's low-density residential, large lot, single-family character. Commercial and industrial land uses are prohibited. The standards require large setbacks, limited floor area ratios and height restrictions. However, some standards are quite unrestrictive compared to other cities. For example, Atherton does not require on-site parking, nor is architectural or design review required. New single family residential development permits are processed ministerially and most are submitted concurrently for zoning clearing to the Planning Department and building permit issuance to the Building Department which assists in greatly expediting the permitting process. Consistent with State law, the Town allows factory-built housing or mobile homes on permanent foundations under the same terms applicable to other single-family homes.

Currently multifamily residential uses are permitted in the PFS (Public Facilities and Schools) zoning district when associated with primary nonresidential use of property on the same site. As noted previously, multifamily uses in the PFS district would require issuance of a Use Permit by the Planning Commission, but following such approval for

use, could subsequently follow the same concurrent Planning and Building Department development process as described above for single family residential uses. **The Town will amend the Zoning Code to alter this process to allow development opportunity at 20 units per acre and 40 units per acre by right for multifamily residential development on the school properties. Further, the Town will create two new multifamily zoning districts, RM 20 and RM 10 that will permit 20 units per acre and 10 units per acre multifamily residential development by right subject to objective design standards and inclusionary housing requirements. This is a substantial step in affirmatively furthering fair housing in Atherton and providing a diversity of housing options for the community.**

ADUs are permitted in both the R-1A and R-1B zoning districts. The zoning ordinance was amended in 2003 and again in 2020 to make Accessory Dwelling Units permitted by right in the R-1 districts, exempt the ADU from floor area, and for compliance with State law. An accessory dwelling unit is allowed to encroach on 20 percent of the setbacks as the main dwelling and setbacks may be reduced to 4 feet in compliance with State law, however, may be limited in size to that allowed by State law. Detached accessory dwelling units are limited to 16 feet in height and 1,200 square feet of floor area.

Attached ADUs (additional living quarters inside homes) are permitted by right in both the R-1A and R-1B zoning districts. These may include a bedroom, a bath and kitchen elements (stove, sink, and refrigerator). Accessory dwelling units are commonly constructed in Atherton (approximately 30 - 35 per year).

Currently, the Zoning Title of the Atherton Municipal Code limits full time occupancy "guest houses", pool houses and similar accessory buildings (occupancy is limited to a maximum of 30-days per year). This could be considered a constraint on the conversion or construction of such accessory buildings to an ADU. During the 2023-2031 Housing Element cycle the Town will amend the Zoning title to eliminate this occupancy limitation, thus removing this constraint.

TABLE HE-4: ATHERTON'S ZONING CATEGORIES AND STANDARDS

Atherton's Zoning Categories and Standards									
Zoning	Density	Front Setbacks	Side Setbacks	Rear Setbacks	Height Limit	FAR	Max Lot Coverage	Parking Required	Arch. Approval
R-1A									
(Single Family Residential)	1 d.u./acre	60'	50'	60'	30*	18%	N/A	None	None
R-1B (Single Family Residential)	3 d.u./ac.	30'	26'	30'	28'	18%	N/A	None	None
PFS (Public Facilities and Schools)	None	60'	75'	75'	34'	N/A	40%	None	None

POS (Parks and Open Space)	None	60'	Varies	60'	34'	N/A	20%	None	None
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* 34' maximum with increased setbacks and Special Structure Permit

The Municipal Code and Ordinance provides a variety of lot sizes with densities ranging from one dwelling unit per five acres to three units per acre. Although the Town's low allowable densities constitute a potential constraint to affordable housing development, the impact is offset somewhat by the relatively large proportion of homes containing accessory dwelling units. In addition, Atherton's single family homes provide opportunities for home sharing. These characteristics of the local housing stock assists the Town in meeting its regional share of affordable housing. Housing associated with the underlying use (including multifamily rental housing and single room occupancy units) is permitted in the PFS (Public Facilities and Schools) Zoning District. As indicated above, the Town will amend the Zoning Code to include two new multifamily zoning districts to provide additional housing opportunities and affirmatively further fair housing. The new zoning districts will allow development up to 40 feet in height with adequate setbacks to accommodate the development and subject to objective design standards.

3.512 Codes and Enforcement

The latest edition of the Uniform Building Code is enforced in Atherton. The Town's Building Department sees that new residences, additions, auxiliary structures, etc., meet all of the latest construction and safety standards. Building permits are required for any construction work. The Town has not adopted any local amendments to the State Housing Law or the Uniform Building Code. The Uniform Building Code is imposed by State law and does not pose an unusually significant constraint to housing development, maintenance or the supply and affordability of housing.

The Town has instituted a code enforcement program. This is primarily a land use enforcement, complaint-based program. Typical complaints and violations relate to noise, construction activity without a Building Permit and parking of contractors' vehicles and has not resulted in housing being deemed unfit for human habitation or vacated. The code enforcement program does not pose a constraint to housing development, maintenance or the supply and affordability of housing.

3.513 On and Off-Site Improvement Requirements

The on and off-site improvements required for residential development in Atherton are listed below.

Street Width: 20 feet

Curbs and Gutters: Rolled curbs and gutters required for new subdivisions

Sidewalks: Prohibited in new subdivisions.

Water and Sewer Connections: Required

Drainage: Storage improvements required to prevent increased runoff during storm conditions (required by the San Francisco Bay Area Regional Water Quality Control Board)

Since Atherton is a completely developed urban area, all streets are paved, water mains and sewer trunks have been installed and major drainage improvements are in place. Atherton's improvement standards are substantially less restrictive than those imposed by many communities, which often require wider streets and additional off-site improvements. The on and off-site improvement requirements do not pose a constraint to housing development, maintenance or the supply and affordability of housing.

3.514 Fees and Exactions

To assist jurisdictions in meeting requirements for analysis of fees and permit processing, 21 Elements released a survey to all jurisdictions in San Mateo County. The survey asked about potential government constraints to housing, including impact fees, entitlement fees, building permit fees, and permit processing times. In conjunction with that survey, 21 Elements hired Century Urban, a San Francisco based real-estate consulting firm, to examine the cost of land and labor for new housing development in the County. Combined, those two data sets provide a basis for a preliminary examination of constraints for jurisdictions in San Mateo County.

Participation in the 21 Elements government restraints survey was excellent, with 18 of 21 jurisdictions participating. While not all the respondents answered all the questions, the high overall participation results in a meaningful look at the landscape of government-imposed fees in San Mateo County. 21 Elements distributed the survey in November 2021 and accepted results through February 2022.

The survey asked jurisdictions to calculate fees for three hypothetical housing developments: a single-family house, a 10-unit apartment building, and a 100-unit apartment building.

Single-Family Home – Participants were asked to estimate fees for one of two, hypothetical single-family home developments:

- 2,600-square-foot house with 500-square-foot garage. The house is two stories tall with four bedrooms and two bathrooms. The house is constructed on an empty lot in an existing neighborhood and requires no significant grading or other complications.
- 5,000-square-foot house with 1,000-square-foot garage. House is two stories tall with four bedrooms and three bathrooms. The house is constructed on an

empty lot in an existing neighborhood and requires no significant grading or other complications.

Atherton, along with Woodside, and Unincorporated San Mateo, chose to estimate fees for the larger house as more representative of the community.. All other respondents estimated fees for the smaller house. For purposes of comparison, all the data are presented in the same table, regardless of which size hypothetical house was chosen.

Small Multi-Family – Jurisdictions were asked to estimate the fees for a hypothetical development with 10 units with moderate complexity.

Large Multi-Family – Jurisdictions were asked to estimate fees for a 100-unit development.

The Atherton fees estimated for the prototypical single-family project are shown in Table HE-5. As shown, Town entitlement fees are significantly lower than other communities due to the streamlined and efficient development review process currently practiced.

TABLE HE-5: FEES FOR A HYPOTHETICAL SINGLE-FAMILY HOME

	Entitlement Fees	Building Permit Fees	Impact Fees	Other Fees	Total
Atherton	1,520	13,363	0	1,058	\$15,941
Brisbane	0	4,300	10,608	10,032	\$24,940
Burlingame	3,645	49,500	16,280	0	\$69,425
Colma	0	6,760	0	0	\$6,760
Daly City	0	19,128	15,682	0	\$24,202
East Palo Alto	6,342	6,606	51,717	39,576	\$104,241
Foster City	3,000	64,886	9,854	0	\$67,886
Half Moon Bay	4,019	3,750	36,500	8,300	\$52,569

Hillsborough		7,951	48,891	11,904	14,250	\$71,092
Millbrae		7,397	--	83,213	0	\$97,756
Pacifica		11,000	10,803	11,922	0	\$33,725
Portola Valley		15,954	30,753	0	6,216	\$52,923
Redwood City		1,493	4,952	14,350	0	\$20,795
San Bruno		5,000	28,000	25,209	0	\$58,209
San Mateo		4,979	43,844	50,180	0	\$99,003
South Francisco	San	1,490	476	54,944	0	\$81,366
Unincorporated San Mateo		420	28,013	7,996	0	\$36,429
Woodside		1,980	35,497	33,480	0	\$70,957

Source: 21 Elements.

The total fees per unit are compared to all San Mateo County jurisdictions below in [Table HE-5.1](#).

**TABLE HE-5.1: TOTAL FEES PER UNIT COMPARISON: SAN MATEO COUNTY JURISDICTIONS
(INCLUDES ENTITLEMENT, BUILDING PERMITS, AND IMPACT FEES)**

	Single-Family	Small Multi-Unit	Large Multi-Unit
Atherton	\$15,941	No Data	No Data

Brisbane	\$24,940	\$11,678	No Data
Burlingame	\$69,425	\$30,345	\$23,229
Colma	\$6,760	\$167,210*	\$16,795
Daly City	\$24,202	\$32,558	\$12,271
East Palo Alto	\$104,241	No Data	\$28,699
Foster City	\$67,886	\$47,179	\$11,288
Half Moon Bay	\$52,569	\$16,974	No Data
Hillsborough	\$71,092	No Data	No Data
Millbrae	\$97,756	\$6,824	\$55,186
Pacifica	\$33,725	\$40,151	No Data
Portola Valley	\$52,923	No Data	No Data
Redwood City	\$20,795	\$18,537	\$62,696
San Bruno	\$58,209	\$72,148	\$39,412
San Mateo	\$99,003	\$133,658	\$44,907
South San Francisco	\$81,366	\$76,156	\$32,471
Unincorporated San Mateo	\$36,429	\$27,978	\$10,012
Woodside	\$70,957	\$82,764	No Data

Source: 21 Elements.

Since Atherton currently does not currently have any multi-family projects there was no data to include. As part of this update, See Policy 3.813 for new Town programs addressing multifamily housing .

Total fees as a percentage of total development costs can be found in [Table HE-5.2](#). Atherton's fees are calculated to be 0% of total development cost which is among the lowest of the County.

TABLE HE-5.2: TOTAL FEES AS A PERCENTAGE OF TOTAL DEVELOPMENT COSTS

	Single-Family	Small Multi-Unit	Large Multi-Unit
Atherton	0%	No Data	No Data
Brisbane	1%	1%	No Data
Burlingame	3%	4%	3%
Colma	0%	17%	2%
Daly City	1%	4%	2%
East Palo Alto	4%	No Data	4%
Foster City	3%	6%	2%
Half Moon Bay	2%	2%	No Data
Hillsborough	3%	No Data	No Data
Millbrae	2%	8%	7%
Pacifica	1%	5%	No Data
Portola Valley	1%	No Data	No Data

Redwood City	1%	2%	8%
San Bruno	2%	8%	5%
San Mateo	4%	14%	6%
South San Francisco	3%	9%	4%
Unincorporated San Mateo	1%	3%	1%
Woodside	2%	9%	No Data

Note: The above table is calculated using average soft costs (including an average of jurisdiction charged fees) and average land costs for the county. A more precise determination of fees as a percentage of total development costs can be calculated using jurisdiction specific land costs and fees.

Source: 21 Elements.

Atherton's fees per unit, including the percentage of total development costs and a comparison to the median of fees are shown in [Table HE-5.3](#).

Table HE-5.3: SUMMARY OF ATHERTON FEES COMPARED TO MEDIAN			
Project Type	Fees Per Unit	Percentage of Total Development Cost	Median of Fees for 21 Jurisdictions
Single Family	\$15,941	0%	\$55,566
Multi-Family in Small Project	No data	No data	\$36,355
Multi-Family in Large Project	No data	No data	\$28,699

Development Impact Fees are one-time charges levied on new developments and serve as tools to mitigate the impacts of new development by funding a range of capital programs required to address needs related to that development, including transportation, parks, and utilities (such as water, sewer, and storm drain). Other than a park in lieu fee under the Quimby Act for subdivisions, the Town does not currently have any impact fees; however, projects that connect to either sewer district are charged fees and construction costs that are outside of the Town's control.

In Atherton development fees are charged for both planning review and building permits. Planning fees are charged in order to recover the costs associated with the administration of the Town's land use regulations. Planning fees for review of projects that do not require Planning Commission action (i.e., Staff level) are charged a flat fee shown in the table below.

TABLE HE-7: PLANNING REVIEW FEES (STAFF LEVEL) – 2021-2022

Town of Atherton Planning
Fees (Staff Level) 2021-2022

Type of Fee	Fee
New Main Residence	\$1,520
Residential Additions	\$1,059
Accessory Buildings & ADUs	\$1,032

Planning fees for projects that require Planning Commission action consist of a non-refundable fee and a deposit, against which professional planning staff charge to provide review services. Charges currently range from \$125 to \$236 per hour depending upon the level of personnel involved in the review. Unused portions of the deposit are returned to the applicant at the end of the process. The fee structure reflects the Town's actual cost for the service. The Town reviews its fee structure and levels on a regular basis to ensure they reflect the cost of delivering services. Typical planning fees are shown in the table below.

TABLE HE-7.1: PLANNING FEES (PLANNING COMMISSION)– 2021-2022

Town of Atherton Planning
Fees (Planning Commission)
2021-2022

Type of Fee	Fee
Conditional Use Permit	\$2,823
Variance	\$2,823
Lot Line Adjustment	\$1,629

The Atherton planning fees are less than other San Mateo County jurisdictions, are consistent with similar charges in other small jurisdictions, and do not pose a significant constraint to housing development, maintenance or the supply and affordability of housing. The Town's policy objectives propose to waive planning fees for new ADUs.

Building fees are charged to cover costs associated with checking that the building plans conform to requirements of the Uniform Building Code (UBC) as well as costs associated with conducting building construction inspections. Fees charged for

building permits are based on the valuation of construction. The fee structure reflects the Town's actual cost for the service. The Town reviews its fee structure and levels on a regular basis to ensure they reflect the cost of delivering services. Currently new construction valuation is determined by use of a standard factor of \$350 per square foot for habitable space and \$125 per square foot for non-habitable space. The same factor is used for remodeling projects; however, the Building Department has the option to adjust the permitted value to the actual cost of the remodeling provided evidence is presented in the form of an executed contract substantiating the value. The actual building permit fee is determined using the following formula: where construction is valued over \$1,000,000 the fee is calculated as \$6,193.74 for the first \$1,000,000 plus \$4.03 for each additional \$1,000 or fraction thereof. An additional 45% of the building permit fee is charged for plan checking. For example, where construction is valued over \$1,000,000 the fee is calculated as \$6,193.74 for the first \$1,000,000 plus \$4.03 for each additional \$1,000 or fraction thereof. An additional 45% of the building permit fee is charged for plan checking.

While not imposed by the Town, local school districts charge a fee that is based on the square footage of new construction and must be paid prior to issuance of the building permits. The purpose of the fee is to compensate the school districts for the costs associated with the demand for additional services and classroom space generated by new residential construction. The Sequoia Union High School District collects the fees and distributes a portion to one of the three elementary school districts serving Atherton (i.e., Las Lomitas School District, Menlo Park City School District and Redwood City School District). Currently the Sequoia District is \$3.79 per square foot of residential construction with \$1.52 (40%) distributed to the Sequoia District and \$2.27 (60%) distributed to the Menlo Park District, Las Lomitas or Redwood City Districts.

The Town does not have any park, open space, parking or other similar development or impact fees. Nor does it have any in-lieu housing or other fees, below-market-rate housing requirements or specific land dedication requirements for streets, public utility rights-of-way, easements, parks or open space.

A recent survey by 21 Elements³⁰ revealed that a 5,000 square foot house built in Atherton would have construction fees of \$16,941 and no entitlement or impact fees (except for school fees, discussed above, which were excluded from the analysis). The 21 Elements Fee Survey revealed all jurisdictions in San Mateo County who responded to the survey (18 including Atherton) had development fees for single family homes that were higher than Atherton's; some had fees 2 and 3 times higher. With fees substantially lower than those of adjacent communities, they do not pose a constraint on housing construction.

3.515 Processing and Permit Procedures

The following table describes the Town's permit process procedures in general. These processes are required for the development of all housing for all income categories.

³⁰ 21 Elements: *Development Fees Survey Summary*, April 2022
Town of Atherton 2023-2031 Housing Element – DRAFT
January 2023

Only two levels of residential permit processing are available; a Conditional Use Permit or a Building Permit. The Town does not have an Architectural/ Design Review and does have a staff-level approval process for the construction of new housing which helps both streamline and expedite the permitting process.

Most residential construction, including accessory dwelling units and guest houses (estimated 90 percent to 95 percent of building permits) does not require Planning Commission action or permits. Only Planning Department review of the project for conformance with Town zoning standards and Building Department review for Building Code conformance are required. These reviews for zoning clearance by the Planning Department and permit issuance by the Building Department can be processed concurrently, allowing for a much more efficient and streamlined permitting process than may be typically found in other jurisdictions. Staff routinely provides [first round plan review comments within 10-working days and](#) follow-up comments within 5-working days.

Where Conditional Use Permits or Special Structure Permits are required, the process involves submitting an application to the Planning Commission for review of the proposal. Preliminary site plans and elevations are required as part of the submittal. An advertised public hearing is held by the Planning Commission with mailed notice to all property owners within 500 ft. of the proposed project. Planning Commission meetings are held monthly and the Planning Department has a significantly quick turnaround time from the point of an application submittal to scheduling the item on a Planning Commission agenda. Items are typically heard within 6-weeks of application submittal. Upon Planning Commission approval, plans may be submitted to the Building Department for Building Plan Check and Building Permit issuance.

Building permits must be secured before commencement of any residential construction, reconstruction, conversion, alteration or addition. Approval of permit applications is based on conformity with the Uniform Building Code and the Zoning Ordinance, although the Town has the power to grant variances from the terms of the Zoning Ordinance within the limitations provided in the Ordinance.

The Building Permit process has very little impact on the development of above moderate-income housing in Atherton as evidenced by building activity and the number of replacement housing units being constructed. The Building Department currently has approximately 800 active permits and approximately 25-30 houses are demolished and replaced with new houses each year. While removal of the process and reduction of fees might function to reduce costs slightly, there are many other factors that act to deter development of such housing. Factors such as the high cost of land (currently at about \$7-8 million per acre), the limitations on density and non-availability of funds (e.g., in the private educational institutions and from local public sources) are the most likely deterrents to the development of low and moderate-income housing. The Town will amend the Zoning Code to address the limitations on density with the creation of two new multifamily zoning districts, one at 20 units per acre and the other at 10 units per acre. This significant step will encourage

development of affordable housing and provide more housing choices and opportunities for the community.

TABLE HE-8: RESIDENTIAL PERMIT PROCESSING PROCEDURES AND TIMES**Residential Permit Processing Procedures and Times**

Type of Construction	Use Permit	Building Permit	Plan. Commission Public Hearing	Typical Time for Staff Plan Check & Building Permit Issue (weeks)
Single Family Residential		X		4
Accessory Dwelling Unit		X		4
Guest House		X		4
Housing on PFS Sites	X	X	X	9

The Town does not have any overlay zones such as community plan implementation zones, hillside overlay zones or environmentally sensitive areas.

Atherton has only two residential zoning districts; R-1A where the minimum lot size is 1 acre and R-1B where the minimum lot size is 13,500 square feet. Single family detached dwelling units, second dwelling units and guest houses are permitted by right in these districts. Attached and multiple family dwelling units are not currently permitted in either district. All construction in PFS zoning districts, including attached and multiple family dwelling units and single room occupancy units require a conditional use permit. Housing in PFS zoning districts is permitted when the residential use is associated with a conditional or permitted use in that district. Such residential uses are typically associated with private schools. Housing in POS zoning districts is allowed for caretaker housing associated with the primary use on the site.

3.516 Constraints on Persons with Disabilities

Chapter 17.17 of the Atherton Municipal Code entitled "Accessibility" provides for reasonable accommodation to people with disabilities and complies with the Fair Housing Amendments Act of 1988 and the California Fair Employment and Housing Act in the application of the Town's land use, zoning, rules, policies, practices, and/or procedures.

"A request for reasonable accommodation may include a request for modification or exception to Town land use, zoning or building regulations, rules, policies, practices, and/or procedures that would eliminate regulatory barriers and provide a person with a disability equal opportunity to housing. The procedure provides for a staff-level process, conducted by the Town Planner, when the accommodation is related to a physical improvement that cannot be constructed to conform to a Town standard. Should it be determined that the request is not at a staff-level it is referred to the Planning Commission. The Town Planner is required to make a written determination within 30 days after receipt." These applications are routinely approved ministerially

by staff for a determination of consistency with the purpose and intent of the Ordinance which states, :this chapter provides a process for individuals with disabilities to make requests for reasonable accommodation for relief from the various land use, zoning, or rules, policies, practices, and/or procedures of the town. It is the policy of the town, pursuant to the Federal Fair Housing Act (as amended), to provide people with disabilities reasonable accommodation in rules, policies, and procedures that may be necessary to ensure equal access to housing." The application submittal materials and process are objective, streamlined and efficient, and require only a brief written narrative describing the development standard in which an exception is requested, why the reasonable accommodation is being requested and a brief statement from the applicant's doctor stating the person's disability. To further reduce any potential constraints, the Town will modify the language within Chapter 17.17 to remove any potential discretionary review from the Planning Commission for such requests and to specify all such requests shall be approved administratively by the Town Planner

Chapter 17.17 also provides a process for requests for reasonable accommodation relating to increased occupancy of a group home.

The Town does not define the term "family" and does not limit the number of unrelated individuals who may reside in a residence. Group homes for six or fewer residents are allowed by right in the single-family residential districts. The Town does not have any spacing or concentration requirements. The Town has only two residential zoning districts; both of which are for single family residences. Therefore, allowances for group homes with more than six residents specifically for the disabled in other zoning districts are not necessary. The Town does not have any parking standards therefore there is no need for relaxed parking standards for persons with disabilities.

Atherton uses the 2022 California Building Code. The adopted Code does not include any amendments that might reduce the ability to accommodate persons with disabilities. Accessibility retrofits are handled through the standard permit process. However, permits are not required unless thresholds of health, life, and safety are exceeded. The California Building Code provides an option for meeting code requirements, whereby an applicant submits an alternative "methods and means" checklist to the Building Official noting the proposed design, the conventional design, and the rationale for the request.

The development of new multifamily housing will include new accessible housing units.

3.520 Non-Governmental Constraints Analysis

3.521 Land Prices

Land scarcity and high real estate prices are the most significant non-governmental constraints to affordable housing in Atherton. There are virtually no vacant lots in Atherton. Land currently sells for approximately \$7-8 million dollars per acre and can

only be acquired by purchase of a developed parcel or by subdividing the property, which also most likely involves the removal of an existing residence. The inventory of sites suitable for residential development described in section 3.4 shows a potential of approximately 91 new parcels that can be created by subdividing existing developed parcels.

3.522 Construction Costs³¹

Construction costs include both hard costs, such as labor and materials, and soft costs, such as architectural and engineering services, development fees and insurance. For multi-family homes in San Mateo County, hard costs account for approximately 65 percent of the building cost and soft costs average around 21 percent (the remaining 14 percent is land costs). For single family homes, hard costs often are roughly 44-59 percent of the total cost, soft costs are 14-17 percent, and land is 24-42 percent.

While multifamily construction is less relevant in most of the town, it is relevant on school facilities. According to housing developers in San Mateo County, construction costs for multi-unit buildings vary based on the form of parking (structured vs. surface) in addition to other environmental factors such as topography, pre-existing structures etc. For smaller and larger multi-unit buildings, costs can range from \$633-\$1,174 per square foot.

For a 2,600 square foot single-family home the average cost of construction is approximately \$600/sf. For a more expensive, 5,000 square foot home, however, the construction costs can average \$800-1,000/sf. In general, soft costs add another approximate 20-25% to the subtotal. Such costs are not particularly higher in Atherton than in other surrounding jurisdictions.

3.523 Availability of Financing

The availability of capital to finance new residential development is a significant factor that can impact both the cost and supply of housing. Two types of capital are involved in the housing market: 1) capital used by developers for initial site preparation and construction and 2) capital for financing the purchase of units by homeowners and investors. Interest rates substantially impact home construction, purchase, and improvement costs. Fluctuation in interest rates can have a significant impact on costs for construction or purchase, as well as impact whether a potential buyer can qualify for a loan. Following several years of historically low interest rates, the expectation is that interest rates are likely to rise in 2022 and beyond.³²

³¹ Century Urban LLC, Memo to Baird + Driskell, *San Mateo and Santa Clara Counties Development Cost & San Mateo Unit Mix Research*, April 7, 2022.

³²

⁴ Kiplinger, Interest Rates: The Fed Gets Aggressive, April 14, 2022, <https://www.kiplinger.com/economic-forecasts/interest-rates#:~:text=Expect%20the%20Treasury%2010%2Dyear,from%204.2%25%20to%204.7%25>.

Table 4-11 summarizes the total number of home loans applied for, approved (and originated), and denied within the San Jose-San Francisco-Oakland MSA. In 2020, a total of 97,147 applications for home loans were submitted within the MSA. Of these loan applications, over 66% were approved and originated while approximately 11% of applications were denied. While there are many potential reasons for denial, this percentage of loan approvals and denials vary throughout the MSA by income group. As anticipated, there is a direct relationship between household incomes and home loan application approvals and denials. As depicted in Table HE-9 as household incomes rise, the percentage of home loans denied decreases and the percentage of loans approved increases. Similarly, as household income falls, the percentage of home loan applications denied increases and the percentage of loans approved decreases. This data suggests it is much more difficult for lower-income households in the MSA to obtain home loan financing than higher-income households. This difficulty has the potential to directly affect the production and rehabilitation of housing units serving lower-income households, throughout the MSA.

TABLE HE-9 DISPOSITION OF APPLICATIONS BY INCOME OF APPLICANT 2020				
Income Group	Total Loan Applications	Loans Originated	Applications Denied	Percentage Denied
<50% MFI	6,876	3,095	1,924	28%
50-79% MFI	12,351	7,792	1,793	14.5%
80-99% MFI	5,051	3,371	543	10.7%
100-119% MFI	15,158	10,462	1,502	9.9%
>120% MFI	57,710	39,177	5,059	8.8%
TOTAL	97,147	63,897	10,821	11.1%

Most homes in Atherton are custom-built homes funded by individual households. Financing for this type of construction is more difficult to obtain now that banks have increased their requirements. However, financing is no more of a constraint in Atherton than in other communities in the Bay Area. In fact, loans for individual homes may currently be easier to obtain than loans for speculative housing developments.

3.600 REVIEW OF 2015-2022 HOUSING ELEMENT PERFORMANCE

3.610 Effectiveness of the Element

This update of the Atherton housing element provides an opportunity to reflect on past achievements and challenges, identifying what is working and what is getting in the way in meeting Atherton's housing needs.

A detailed analysis of the goals, objectives, policies and programs contained in the 2015-2022 Housing Element Update is presented in Table HE-11 below.

3.620 Progress in Implementation

A comparison of the number of projected or planned housing units (i.e., 2015-2022 Housing Need Allocation) with what was actually achieved is summarized in Table HE-10 below.

TABLE HE-10: PROGRESS IN IMPLEMENTATION

5-2022 Actual RHNA Achievement					
Income Group	2015-2022 Allocation	Private Construction	Accessory Dwelling Unit Program	Total	Met (M), Exceeded (E), or Fell Short (S) of Goal
Very Low	35	-	72	72	E
Low	26	-	22	22	S
Moderate	29	-	21	21	S
Above Moderate	3	132		132	E
Totals	93	132	115	247	E

Note: Totals through Dec. 2021

The following summary highlights key accomplishments and challenges from the previous housing element's planning period (2015 to 2022). This information will help ensure that the updated element for 2023 to 2031 builds on success, responds to lessons learned and positions us to better achieve our community's housing priorities.

A more detailed program-by-program review of progress and performance is in Table HE-11.

There were a number of notable accomplishments related to implementation of the Atherton housing element over the past eight years:

ADUs (often referred to as second units or in-law units) have become increasingly popular after the Town adopted amendments to the ADU ordinance, most recently in 2020. Prominent Ordinance revisions which support this projection and increased production trend from prior years beyond those amendments as prescribed by

Government Code Sections 65852.2 and 65852.22 included additional floor area exemption up to 1,200 square feet beyond the first 800 square feet and increased public education on the construction of ADUs. It is noted that throughout 2022, a total of 27 new single family permits were issued and these permits included a total of 26 new ADUs, and 5 ADU conversions. This nearly one to one ratio is a direct correlation to the Town's encouragement to produce ADUs. The total number of ADUs permitted and/or constructed between 2015 and 2022 (the last year with data available) was more than 125. This exceeded the Town's RHNA allocation. This is important, not only because ADU construction is the most viable form of new housing in Atherton, but also because rental surveys of ADUs show that these kinds of units are more affordable. Additionally, results from a recent Town-wide survey indicates significant support for the development of ADUs over the next 8 years showing a more than 200 property owner commitment to do so.

The Town approved dormitory housing consisting of 147 units or a total of 291 beds at Menlo College. Of these, 19 of the units were dedicated for low-income students with incomes at or below 80% of the Area Median Income (AMI). The new dormitory housing alleviated demand for other units from students and housed a number of students who were previously unhoused.

Construction of new Above Moderate market rate housing also exceeded the Town's RHNA allocation. A total of 9 net new Above Moderate market housing units were constructed during the 2015-2022 cycle. On the required CA Department of Housing and Community Development (HCD) form the summary Table B only counts newly constructed units and does not account for demolished units. There were 132 new units constructed and 123 existing units demolished.

While the Town has several achievements, there is still work to be done. Some of the challenges that kept the Town from achieving all its housing goals include:

The Town does not have any commercial activity – which means there are no retail sales taxes, commercial development impact fees or other related sources of revenue available to other cities. The Town has very restricted tax revenue. This restricts the option of financial incentives or participation by the Town in building new and affordable housing.

During the Planning Period it was anticipated that new housing would be constructed at Menlo School and Menlo College. A net of eleven new faculty units affordable to very low- and moderate-income households were planned at Menlo School and 79 new units affordable to lower income and moderate-income households were planned at Menlo College. Although the plans for these units remain on the Master Plans for these institutions there were insufficient funds available to construct them during the Planning Period. It is recommended that this program be carried forward and expanded for the 2023-2031 Planning Period.

3.630 Future Opportunities

There are some things already in motion based on existing work efforts and trends and lessons learned that have been considered for incorporation in the updated housing element.

- Imposition of an affordable housing impact fee on single family building permits to fund programs to assist in development and assistance for affordable housing.
- Implementation and promotion of SB 9 lot splits.
- Expansion of ADU programs through the consideration of various development and incentive programs.
- Amendment of PFS zoning to permit multi family housing by right
- Creation of new multifamily zoning districts, RM 20 and RM 10
- Adoption of a new affordable housing Inclusionary Ordinance

TABLE HE-11: Analysis of the Objectives, Programs contained in the 2015-2022 Housing Element Update

Housing Element Program Name/Number	Program Description and Objective	Timeframe and Achievements	Program Evaluation and Recommendation	
3.710 New Construction, Conservation, and Rehabilitation				
3.711	New Construction of Above Moderate Units	Continue to facilitate and expedite the development of new above moderate-income housing units in order to achieve the construction of net 3 new above moderate-income units.	(2015-21) A net of 9 new units were constructed during this period. Although the HCD Annual Progress Report shows 132 new units, that does not account for demolished units. Market has limited construction to reconstruct 1 unit for each demolished unit.	Objective met and exceeded.
3.712	New Construction of Affordable Units	During the previous RHNA cycle the Town amended the Zoning Ordinance to remove constraints on the development of ADUs. During the 2015-22 cycle the Zoning Ordinance was amended to conform to new ADU provisions in State law. Continue to facilitate and expedite the construction of new affordable units in order to achieve 90 new affordable units.	(2015-21) 115 new ADUs were constructed during this time frame. Construction increased as a result of zoning ordinance changes.	Objective met and exceeded. This program has been effective in providing housing for lower income families and individuals. Recommend continuance.
3.712a	Conduct Affordability Surveys	This program called for housing affordability surveys to be conducted every two years. In lieu of conducting surveys, the Town has chosen to request affordability information from each new ADU developer/owner at the time of Building Permit issuance.	(2015-22) Affordability surveys are required from each new ADU developer/owner at the time of Building Permit issuance.	Objective met. This program has been effective in providing ADU affordability information. Recommend continuance.

3.712b	New Construction of Affordable Faculty, Student and Staff Housing on Private Schools' Property	Work and cooperate with Menlo School, Menlo College and Sacred Heart Schools to facilitate development of affordable faculty, student and staff housing on school properties and provide incentives for development through an expedited review process.	(2015-22) In 2020-21 the Town approved dormitory housing consisting of 147 units or a total of 291 beds at Menlo College. Of these, 19 of the units were dedicated for low-income students with incomes at or less than 80% of the Area Median Income (AMI).	Objective partially met. This program has been effective in providing housing for 19 lower income students at Menlo College. Recommend continuance and adjustment to encourage additional housing development.
3.712b (cont'd)	Additional Affordable Housing at Oakwood Community at Sacred Heart Schools	The Oakwood Community at Sacred Heart Schools is currently developed with housing for the retired religious in a "single room occupancy" style. These units are all affordable to extremely low-income households. The program allows for expansion of the housing should demand warrant.	(2015-22) During the prior RHNA cycle the Town amended its Zoning Ordinance to allow multi-family residential uses that provide housing for very low- and low-income households. Discretionary review is required related to the location, size, proximity to heritage trees and environmental aspects of the project but may not result in the denial of the use. A project is currently proposed at Oakwood consisting of the addition of 5 new rooms for permanent occupancy and 3 new guest rooms.	Objective is being met, no changes to Ordinance are recommended. This program has been effective in providing housing for lower income individuals. Recommend continuance.
3.712b (cont'd)	Faculty and Student Housing	Annually, at the time for review of their master plans, work with private schools to facilitate development of affordable, multifamily faculty, student, and staff housing on their properties. Achieve construction of 11 new faculty units at Menlo School, 79 new faculty and student units at Menlo College. It is anticipated that about 1/3 of the units will be rented in the extremely low-income category.	(2015-22) The Town has annually worked with private schools to facilitate development of affordable, multifamily faculty, student, and staff housing on their properties. During this cycle the schools were only partially able to achieve their goals due, in part to unavailability of funds. In 2020-21 the Town approved dormitory housing consisting of 147 units or a total of 291 beds at Menlo College. Of these, 19 of the units were dedicated for low-income students with incomes at or below 80% of the Area Median Income (AMI).	Objective partially met. Recommend that Town continue to work with private schools to meet objectives and amend the zoning code to facilitate new housing development.
3.712c	Maintain Contact with Affordable Housing Developers	Continue to maintain contacts with agencies and developers of affordable housing in the mid-peninsula area in order to consult about resources that might be available to and from the Town for affordable housing. Contacts exist with agencies such as the San	(2015-22) Town Staff continues to maintain contact with agencies and developers of affordable housing in the mid-peninsula area. The Town offers expedited planning and building processing through use of contract plan checking services and support for applications for funding.	Objective met.

Mateo County Department of Housing and Community Development, non-profit developers such as MidPen Housing, Bridge Housing and Habitat for Humanity.

3.713	Conservation and Rehabilitation of Existing Units	Continue to facilitate and expedite the rehabilitation and reconstruction of existing housing through improved review times and project assistance.	(2015-22) Between 50 and 100 permits issued each year for improvement, rehabilitation and conservation of existing units.	Objective met. Recommend continued implementation.
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3.720 Special Housing Needs

Senior households often experience a combination of factors that can make accessing or keeping affordable housing a challenge. They often live on fixed incomes and are more likely to have disabilities, chronic health conditions, and/or reduced mobility. Understanding how seniors might be cost-burdened is of particular importance due to their special housing needs, particularly for low-income seniors. People with disabilities can face additional housing challenges. Encompassing a broad group of individuals living with a variety of physical, cognitive, and sensory impairments, many people with disabilities live on fixed incomes and need specialized care, yet often rely on family members for assistance due to the high cost of care. Large family households often have special housing needs due to a lack of adequately sized affordable housing available. The higher costs required for homes with multiple bedrooms can result in larger families experiencing a disproportionate cost burden than the rest of the population and can increase the risk of housing insecurity. There are no farmworkers in Atherton, nor any seasonal agricultural work in the vicinity of Atherton. Households headed by one person are often at greater risk of housing insecurity, particularly female-headed households, who may be supporting children or a family with only one income. Homelessness remains an urgent challenge throughout the region, reflecting a range of social, economic, and psychological factors. Homelessness is disproportionately experienced by people of color, people with disabilities, those struggling with addiction and those dealing with traumatic life circumstances. In San Mateo County, the most common type of household experiencing homelessness is those without children in their care. Among households experiencing homelessness that do not have children, 75.5% are unsheltered. Of homeless households with children, most are sheltered in emergency shelters. San Mateo County conducted the latest point-in-time (PIT) Count on February 24, 2022. Volunteers were deployed to conduct an observational count of those experiencing unsheltered homelessness. San Mateo County conducted the unsheltered homeless survey through March 3, 2022. In both 2019 and 2022, Atherton had 1 and 3 (respectively) homeless individuals according to the most recent PIT San Mateo County data (<https://www.smcgov.org/hsa/2022-one-day-homeless-count>). All of these factors were considered in the evaluation of related programs from the past cycle and informed the recommendations as noted below, as well as the development of new programs in Section 3.800.

3.721	Seniors	See Actions 3.721a through 3.721d below.		
3.721a	Residential Care Facilities	Continue to facilitate the provision of board and care opportunities, particularly for seniors, some of whom may be longtime Atherton residents who can no longer remain in their homes and who wish to continue living in Atherton. State law provides that a residential care facility (defined as a facility serving six or fewer persons) is a residential use and must be permitted wherever residential uses are allowed, specifically in the R-1A and R-1B zones.	(2015-22) Zoning Ordinance was amended in 12/2010 to state that a residential care facility is a residential use and must be permitted wherever residential uses are allowed, specifically in the R-1A and R-1B zones.	Objective met. Recommend program continuance.
3.721b	Home Repairs Assistance	Publicize at Town Hall and in the Town's newsletter home repairs assistance programs offered by Senior Centers in the County and the County's Home Repair Program.	(2015-22) Handouts provided at Town Hall publicizing repairs assistance programs offered by Senior Centers in the County and the County's Home Repair Program. Publication in Town's newsletter was not accomplished. Program publicized on Town website in lieu of in newsletter.	Objective met. Recommend program continuance.
3.721c	Property Tax Postponement Program	Continue to support the County's Property Tax Postponement Program to support seniors in staying in their homes. Publicize the program at Town Hall and in the Town newsletter.	(2015-22) City Council's declaration of support of the County's Property Tax Postponement Program stated in adopted Housing Element. Handouts provided at Town Hall publicizing the program. Program publicized on Town website in lieu of in newsletter.	Objective met. Recommend program continuance.
3.721d	Create Senior Friendly Plan	The Town will create a plan to meet the needs of the growing senior population, which will double over the next decade and a half. The best way to identify the necessary changes to ensure that Atherton is senior friendly is to conduct a thoughtful process, receiving input from various stakeholders and then identifying the policies and programs which are right for Atherton.	(2015-22) This program was not implemented during this cycle because of a lack of funding. There appears to be little interest in developing this type of program in Atherton.	Objective not met. Recommend abandon program.

3.722	Disabled and Developmentally Delayed Persons	See Actions 3.722a through 3.722c below.		
3.722a	ADA Compliance	Continue to review new residential developments and major remodels for ADA compliance.	(2015-22) Building Department on-going program.	Objective met. Recommend program continuance.
3.722b	County Housing Accessibility for Disabled Persons Program	Continue to support the program, direct inquiries for house modifications for the disabled to the program and publicize the program at Town Hall and through the Town's newsletter.	(2015-22) City Council's declaration of support of the County Housing Accessibility for Disabled Persons Program stated in the adopted Housing Element. Building and Planning Dept. staff directs inquiries for house modifications for the disabled to the program. Handouts provided at Town Hall publicizing the program. Program publicized on Town website in lieu of in newsletter.	Objective met. Recommend program continuance.
3.722c	Information on Housing and Services Available for Persons with Developmental Disabilities	Work with the Golden Gate regional center to implement an outreach program that informs families within the city on housing and services available for persons with developmental disabilities. The program could include the development of an informational brochure, including information on services on the City's website, and providing housing-related training for individuals/families through workshops.	(2015-22) City Council's declaration of support for the Golden Gate regional center to implement an outreach program that informs families within the City on housing and services available for persons with developmental disabilities. Planning Dept. staff directs inquiries for housing and services for the developmentally disabled to the program. Handouts provided at Town Hall publicizing the program. Program publicized on Town website in lieu of in newsletter.	Objective met. Recommend program continuance.
3.723a	Equal Housing Opportunity	Refer housing discrimination complaints to Midpeninsula Citizens for Fair Housing. Disseminate fair housing information at various sites and through the Town newsletter and website.	(2015-22) Planning Dept. and City Attorney's Office on-going program. Fair Housing information available at Planning Dept. and City Attorney's office. Program publicized on Town website in lieu of in newsletter.	Objective met. Recommend program continuance.
3.724a	Emergency Shelters, Transitional and Supportive Housing	Continue to support the possibility of Emergency Shelters, Transitional Housing, and Supportive Housing in Atherton.	(2015-22) During the previous cycle the Public Facilities and Schools zoning district was amended to allow emergency shelters as a non-conditional use when located within the Town Civic Center property.	Objective met.

3.730 Consistency with State Requirements

The Town has had a number of regulations that encourage energy conservation for years. These include permitting solar installations, and promoting through various public education programs, energy efficient design. The Town also requires native landscaping to the greatest extent feasible, which reduces the need for both water and energy. All of these policies and regulations will continue.

3.731	Energy Conservation	See Actions 3.731a through 3.731c below.	
3.731a	Title 24 Compliance	Continue to require Title 24 compliance, and disseminate information on other agency's energy conservation programs, such as PG&E's solar subsidy program and energy audits.	(2015-22) Building Dept. continues to require Title 24 compliance, and disseminate information on other agency's energy conservation programs, such as PG&E's solar subsidy program and energy audits. Objective met. Recommend program continuance.
3.731b	Green Building	Continue to support Green Building in Atherton through upholding the Green Building Ordinance.	(2015-22) Building Dept. continues to implement and enforce the Green Building Ordinance. Objective met. Recommend program continuance.
3.731c	Energy Conservation Promotion	Continue to promote energy conservation through energy audits, participation in PG&E and Cal Water programs, and encouraging conservation retrofits.	(2015-22) Building Dept. and Public Works Dept. continues to promote energy conservation through energy audits, participation in PG&E and Cal Water programs, and encouraging conservation retrofits. Objective met. Recommend program continuance.
3.731d	Employee Housing	Ensure that the city is in compliance with State Health and Safety Code Sections 17021.5, which concerns employee housing that serves six or fewer employees.	(2015-22) It was determined that the Town is in compliance with State Health and Safety Code Sections 17021.5, which concerns employee housing that serves six or fewer employees. Objective met.

3.740 Other Housing Programs

3.741	Shared Housing	
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3.741a	Shared Housing	The Town will continue to support the Human Investment Program (HIP), a non-profit organization that matches people needing housing and people owning a home who desire additional income and/or companionship. The Town will make information about the Home Sharing program available at Town Hall and will publicize the effort through the Town's newsletter.	(2015-22) Planning Dept. and on-going program. HIP Home Sharing information available at Planning Dept. Program publicized on Town website in lieu of in newsletter.	Objective met. Recommend program continuance.
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3.750 Program by Program Evaluation and Changes Incorporated in 2023-31 Update

See Table 3.710 for 2015-22 Update Programs and Objectives Analysis. The following describes how the objectives and programs of the updated element incorporate changes resulting from the evaluation.

New Construction of Above-Moderate Income Units - The program of providing new construction of Above-Moderate income units has, in the past, depended on the construction of single-family detached homes throughout the Town's R1-A and R1-B lots. The program has been hampered by the lack of available land and the low density character of the community. New construction invariably results in the demolition of a n existing unit, leading to nearly a net zero increase in housing units. The adoption and implementation of SB 9 by the State of California is projected to allow the creation of additional lots with higher densities and thus permit the development of a greater number of Above-Moderate housing units during the 2023-31 planning period. Further, the Town will create two new multifamily zoning districts, RM 20 and RM 10 that will facilitate the development of additional above-moderate income units.

New Construction of Affordable Units - The program of providing new construction of affordable units has, in the past, depended primarily on the construction of ADUs and JADUs. While the objective was met in the 2015-22 planning period, the RHNA objectives for 2023-31 is markedly higher. Consequently the 2023-31 Update includes Housing Program 3.813 addressing multifamily housing development on school and other properties and creation of two new multifamily zoning districts, RM 20 and RM 10 that will be applied to 19 properties. In addition, an Inclusionary Zoning Ordinance will be

adopted which requires a percentage of units to be set aside for lower-income housing. These new programs should be sufficient to meet the 2023-31 objectives for affordable units.

Faculty and Student Housing - The program of providing additional faculty and student housing on or near school campuses and there appears to be a desire on the part of the schools to construct additional faculty and student housing. The 2023-31 Update includes new programs such as Inclusionary Zoning Ordinance that could assist in funding construction and zoning changes such as increased height, reduction of setbacks and similar changes that could allow increased densities, all helping to reduce barriers to development of new faculty and student housing.

Conduct Affordability Surveys - While housing affordability surveys during the 2015-22 planning period have been required as a condition of approval, they typically reflect anticipated rent, and therefore affordability, as opposed to actual affordability. Changes in the 2023-31 Update are proposed that require a survey every two years of actual rents in order to determine the actual affordability level of low and moderate income ADUs, JADUs, multifamily and other known affordable units. This change will provide data that can be used to adjust programs during the planning period, if necessary.

Maintain Contact with Affordable Housing Developers - Atherton management and planning staff have regular contact with developers of affordable housing, exchanging ideas and proposals about expanding affordable housing opportunities in Atherton. This program continues into the 2023-31 planning period in order to take advantage of affordable housing opportunities as they arise.

Conservation and Rehabilitation of Existing Units - The Atherton Planning Department works closely with the Building Department to encourage the conservation and rehabilitation of housing in Town, with particular attention to affordable housing. The Town will continue to assist the property owners and development community in the housing development, conservation and rehabilitation process. The Town will establish a building inspector ombudsman to assist property owners navigate the rehabilitation process. This program continues into the 2023-31 planning period with a projected 50 to 100 permits being issued for improvement, rehabilitation and conservation projects.

3.700 HOUSING GOALS, QUANTIFIED OBJECTIVES AND POLICIES

This section contains the Housing Goals, Quantified Objectives and Policies of the Town. These goals, objectives and policies will be implemented by the Housing Programs described in Section 3.800 of this Element.

3.710 GOAL: FACILITATE THE PRIVATE DEVELOPMENT OF HOUSING TO MEET THE ABOVE MODERATE INCOME HOUSING NEED IDENTIFIED FOR ATHERTON

3.711 OBJECTIVES

A. Realize the construction of approximately 197 net new housing units in the above-moderate income category in Atherton from 2023-2031.

3.712 POLICIES

A. Within the limitations of the private housing market the Town shall work with private developers to encourage new housing development.

B. Create two new multifamily zoning districts at 20 units per acre and 10 units per acre to facilitate additional housing opportunities for the community.

3.720 GOAL: USE ACCESSORY DWELLING UNITS TO MEET A SUBSTANTIAL PORTION OF THE TOWN'S MODERATE TO VERY LOW-INCOME HOUSING NEED.

3.721 OBJECTIVES

A. Realize the construction of 280 new accessory dwelling units planned for occupancy by moderate to extremely low-income households in Atherton from 2023-2031.

B. Partner with a non-profit organization to facilitate and promote the availability and rental of ADU and JADU units.

3.722 POLICIES

A. Actively promote the Accessory Dwelling Unit provision of the Atherton Zoning Ordinance by encouraging homeowners and developers to include attached or detached Accessory Dwelling Units in existing or new homes.

B. Comprehensively update the Town's Accessory Dwelling Unit (ADU) Ordinance to amend any identified zoning development standards which may unduly constrain development of ADUs.

3.730 GOAL: FACILITATE THE DEVELOPMENT OF FACULTY AND STUDENT HOUSING ON OR NEAR SCHOOL CAMPUSES TO MEET A PORTION OF THE MODERATE AND VERY LOW-INCOME HOUSING NEED IDENTIFIED FOR ATHERTON

3.731 OBJECTIVES

A. Encourage the construction of 80 new multifamily housing units at private and public schools in the moderate to very low-income categories in Atherton from 2023-2031.

3.732 POLICIES

A. Encourage schools in Atherton to provide affordable multifamily housing on their campuses.

B. Amend the zoning code to permit multifamily by right subject to objective design standards with increased height limits and reduced setbacks.

3.740 GOAL: FACILITATE THE DEVELOPMENT OF AFFORDABLE HOUSING ON PRIVATE PROPERTIES

3.731 OBJECTIVES

A. Realize the construction of 8 new affordable multifamily housing units on private properties in Atherton from 2023-2031.

3.732 POLICIES

A. Adopt an Inclusionary Housing Ordinance and encourage private property owners to provide affordable multifamily housing on-site.

B. Amend the zoning code to permit multifamily housing by right subject to objective design standards with increased height limits and reduced setbacks.

C. Adopt a Lot Consolidation Program to facilitate lot consolidation in the RM 20 zoning district and facilitate new multifamily housing development.

3.750 GOAL: PROMOTE PRIVATE EFFORTS TO CONSERVE AND IMPROVE ATHERTON'S EXISTING HOUSING SUPPLY.

3.751 OBJECTIVES

A. Promote the improvement, maintenance and enhancement of the existing housing stock through ongoing private and public rehabilitation efforts, with the objective of processing 1,000 applications for rehabilitation and home improvement between 2023 and 2031.

3.752 POLICIES

A. The Town shall promote conservation and improvement of the condition of its existing affordable housing stock with the goal of conserving all existing affordable units.

3.760 GOAL: ENCOURAGE SPECIAL CONSIDERATION TO THE MAINTENANCE AND EXPANSION OF HOUSING OPPORTUNITIES FOR HANDICAPPED AND LOW AND MODERATE INCOME AND HOMELESS PERSONS.

See discussion in Section 3.720. As such, the following goals, objectives and policies were developed in order to best address and/or enhance meeting the housing needs of handicapped and low and moderate income homeless persons.

3.761 OBJECTIVES

A. Enforce uniform building code regulations regarding provision of access for handicapped in residential structures, where applicable.

B. Support the conservation and development of affordable housing for citizens of modest means.

C. Encourage development of accessible units with all new multifamily housing development.

3.762 POLICIES

A. The Town shall continue to enforce the uniform building code regulations regarding provision of handicapped access in residential structures.

B. The Town shall continue to encourage the production and availability of more affordable housing through the development of new accessory dwelling units, and private and public-school faculty and student housing.

C. The Town shall cooperate with agencies providing emergency shelter, transitional and supportive housing for the homeless and those in crisis.

3.770 GOAL: MEET THE NEEDS OF SENIORS, IN LIGHT OF THE PENDING GROWTH OF THIS POPULATION IN SAN MATEO COUNTY.

See discussion in Section 3.720. As such, the following goals, objectives and policies were developed in order to best address and/or enhance meeting the housing needs of seniors.

3.771 OBJECTIVES

- A. Assist in meeting the needs of senior residents.

3.772 POLICIES

- A. Enforce uniform building code regulations regarding provision of access for handicapped in residential structures, where applicable.
- B. Support the conservation and development of affordable housing for seniors with lower incomes.
- C. Process requests for accessibility accommodations.
- D. Encourage policies that enable seniors to "age in place" as much as possible.
- E. Continue to encourage the development of accessory dwelling units, which can provide an affordable option for seniors.
- F. Identify and prioritize steps that Atherton can take to meet the needs of seniors.

3.780 GOAL: CONTINUE TO PROMOTE HOUSING OPPORTUNITIES FOR ALL PERSONS REGARDLESS OF RACE, SEX, MARITAL STATUS, ANCESTRY, NATIONAL ORIGIN OR COLOR

3.781 OBJECTIVES

- A. Eliminate discrimination in housing to the extent feasible through Town actions.

3.782 POLICIES

- A. The Town shall actively support housing opportunities for all persons regardless of race, sex, marital status, ancestry, national origin or color.

**3.790 GOAL: SUPPORT EFFORTS TO AFFIRMATIVELY FURTHER FAIR HOUSING IN
 ATHERTON.**

3.791 POLICES:

A. Amend the Zoning Code to include two new Multifamily Zoning Districts in addition to amending the code to facilitate multifamily housing development in the PFS zoning district (school properties). This substantial step will facilitate the development of multifamily housing in the community and provide a range of housing options including new affordable housing units and accessible units.

B. Regional Housing Trust Fund or Other Regional Collaboration: Support a regional Housing Trust Fund that is funded by a diversity of jurisdictions and allocated to communities based on poverty, cost burden, and segregation. The fund could support affordable housing production, community amenities, last/first month's security deposits, down payment assistance, etc. Pair assistance with affirmative marketing to households with disproportionate housing needs including Black and Hispanic households.

C. Promote Affordable ADUs and JADUs: Develop a program that would connect service providers that help displaced renters with ADU owners in Atherton that want to rent to low-income renters. Develop assistance programs for JADUs to make alterations easier and more cost effective so that additional units can be developed within the existing building envelope of houses and made available at more affordable rates.

D. Rental Assistance Program: The City Council will appoint a committee to convene a discussion with BIPOC (Black, Indigenous and People of Color) populations who are experiencing comparatively high rates of cost burden to discuss solutions for relief and consider rental assistance programs tailored to extremely high-cost burdened residents.

E. Promote Fair Housing Information: Update the Town's website to include fair housing including resources for residents who feel they have experienced discrimination, information about filing fair housing complaints with HCE or HUD, and information about protected classes under the Fair Housing Act.

F. Fair Housing Training: The City Council will appoint a committee to partner with Project Sentinel, or another affordable housing organization, to perform fair housing training for property owners, real estate agents and

tenants across the region. Focus enforcement efforts on race-based discrimination and reasonable accommodations.

G. Human Investment Program (HIP) operates a Homesharing Program in the Town. The Homesharing Program places residents seeking housing with residents open to sharing (renting) a portion of their home. Five residents contacted HIP Housing to learn more about other programs as well as to discuss affordable housing opportunities in San Mateo County. One resident applied to HIP Housing's Home Sharing Program and worked with a Home Sharing Coordinator to receive home sharing referrals, community resources, as well as ongoing information about affordable housing opportunities including waiting list opening information.

3.800

HOUSING PROGRAMS

This section contains Atherton's Housing Programs for the Planning Period 2023 – 2031. Table HE-12 presents a summary of the number of dwelling units projected to be constructed due to ongoing and proposed programs in Atherton. Those programs include maintaining and/or exceeding existing levels of new Accessory Dwelling Unit (ADU) production, lot splits and new unit development pursuant to SB 9, development of vacant sites, and increased housing production on school sites and property belonging to CalWater. These programs are elaborated upon within this chapter.

Table HE-12: Summary of Projected Dwelling Units

3.810 New Construction, Conservation and Rehabilitation

	Very low- Low	Mod	Above Mod	Total
ADUs	112	56	112	280
Lot Splits (SB 9)			48	48
Vacant Sites			10	10
RM 10 (23 Oakwood)	4		12	16
RM 20 (ECR north)	4		15	19
PFS (Private Schools)	40	40		80
Total	160	96	197	453
RHNA	148	56	144	348
Amount above or below RHNA	+12	+40	+53	+105

3.811 New Construction of Above Moderate-Income Units

A. **New Single Family Housing Development:** Continue to facilitate and expedite the development of new above moderate-income housing units. An average of 25 new single-family homes in this income category are constructed in Atherton each year. However, an almost equal number of homes are demolished. A net of 9 new above moderate-income units were constructed in the Town during the first seven years of the 2015-2022 Planning Period. It is projected that a net of 10 additional homes in the above moderate-income category will be constructed during the 2023-2031 Planning Period based on the 2015-2022 Planning Period experience. Appendix 5, the inventory of opportunity sites, includes a list of vacant properties.

B. **New Single Family Housing Development from SB9 Implementation:** It is projected that approximately 48 new above moderate-income housing units will result from lot splits and new housing development facilitated by the 2021 SB 9 State law (GC section 65852.21) during the 2023-2031 Planning Period.

Recently enacted legislation known as Senate Bill 9 or SB 9 waives discretionary review and public hearings for building two homes on a parcel in a single-family zone and subdividing a lot into two that can be smaller than the previously required minimum size. The legislation became effective on January 1, 2022.

In early 2022 the Town adopted an implementing ordinance consistent with state law to provide property owners clarity for the development opportunities under SB 9. The ordinance allows new lots created under the provisions of SB 9 to utilize the existing development standards for the base zoning district. A new residence built on a lot created through an SB 9 lot split can use the same setbacks, floor area ratio, building heights and other standards as provided for any existing lot in the same zoning district. This contrasts with the approach taken by several similar jurisdictions to Atherton to limit the size of units on new lots created through SB 9 to a maximum of 800 square feet.

Prior to the adoption of SB 9, the minimum resulting lot size for a subdivision in Atherton was one acre. The status quo of larger lots with expansive lawns and well screened homes makes Atherton distinct among other Bay Area communities, where it is more prevalent to find 6-8 single-family homes per acre. Whereas other communities have likely maximized their potential for single-family development, **Atherton is uniquely situated to see additional lot splits and new housing development result from SB 9.**

The Town anticipates that SB 9 applications will be more common on lots of at least one acre in size that contain an older residence. The Town has found that there are 606 lots of an acre or greater in size with a residence

built before 1970. These lots present a tremendous pool of homeowners who may be interested in pursuing SB 9 lot splits. The Town expects sites selected for SB 9 lot splits and the creation of additional units to be distributed throughout the Town.

In addition to the sites listed below, staff has spoken with several developers and property owners and there is support for additional SB 9 lot splits throughout Town on parcels of varying sizes.

The projected interest in pursuing SB 9 projects in Atherton has been borne out in the first few months of the law's applicability. During 2022 Atherton received 6 applications for SB 9 subdivisions and an additional 6 inquiries that would result in a total of 23 net new dwelling units as listed in Table HE-13.

All properties listed below contain existing single-family residential uses that would not impede, but support additional uses as indicated by each project applicant, combined with the existing lot configurations and existing improvements,, thus all have a high likelihood of redevelopment that all properties

Table HE-13: Existing and Potential SB-9 Project Sites

Address	Existing Lot Size	Net New Units	Application Submitted
78 Cebalo	0.55	2	Yes -Approved
2 Lowery	1.2	3	Yes - Approved
125 Glenwood	1.03	1	Yes - Approved
94 Palmer	0.55	1	Yes - In Process
47 Santiago	2.53	1	Preliminary Stage
190 Selby	1.00	3	Preliminary Stage
197 Glenwood	1.29	2	Yes - In process

1 Gresham	0.32	2	Yes - In process
97 Santiago	1.4	8	Preliminary Stage

During the same period the Town Staff has had discussions with three additional property owners about potential applications in the earlier exploratory stages that would result in another 6 net new dwelling units. Preliminary discussions with these additional property owners, as well as all other addresses noted in the Table above, all indicated the ultimate goal to develop additional units. All of these SB 9 units would be in the above moderate-income category. Assuming this trend continues, Atherton should receive applications resulting in an average of 9 to 32 net new dwelling units per year in the future. Projecting forward, as awareness around SB 9 increases, the Town reasonably expects the number of such applications to increase in kind.

Atherton conservatively projects an average of six net new dwelling units per year will result from SB 9 property divisions and construction of two homes on a single parcel. Eligible properties were estimated based on lot size and configuration which lend themselves to relatively straight forward, non-complex land subdivisions, expressed development interest from property owners and generally older, but good condition existing physical conditions per windshield surveys. Over the 2023-2031 RHNA cycle a total of 48 net new homes are forecasted to be constructed in Atherton as a result of SB 9. All of these are projected to be in the above moderate-income category.

SB 9 Applications and Interested Sites



The Town will establish a monitoring program of SB9 applications and approvals within two years of Housing Element adoption to ensure actual production is on pace with projections, to identify progress and make appropriate program adjustments and identify additional sites within six months if assumptions are not being met. The Town will monitor SB9 applications and approvals.

C. New Multi-family Housing Development: the Town of Atherton, since its incorporation in 1923, has been a residential community with no commercial entities except public and private schools. The early Town residents favored preservation of heritage trees and abundant open space and developed larger estate lots. The current minimum density is one residence per acre with the Town encouraging development of ADUs and JADUs on single family properties. Recognizing the extreme housing shortage in California and the San Francisco Peninsula, the Town desires to do its part in meeting the assigned RHNA production through rezoning nineteen single family properties to multifamily. This is a dramatic departure from the Town's historic development pattern.

The Town will create two new multifamily zoning districts, RM 20 and RM 10, permitting multifamily housing development at densities of 20 dwelling units per acre and 10-units per acre with heights up to 40 feet and adequate setbacks to accommodate the

maximum density. Multifamily housing will be allowed by right, provided that each project is consistent with adopted objective design standards. Nineteen single family properties have been identified for rezoning to multifamily (Table HE-14).

The Town will develop objective design standards that support new multifamily housing development in an inclusive manner with existing single-family residences. The Town will also adopt an Inclusionary Housing Ordinance to restrict 20% of the new multifamily units as affordable. With the affordable housing requirement, these projects will also be able to take advantage of Density Bonus provisions that provides additional housing units, waivers and concessions to support the provision of affordable housing.

The City Council conducted numerous study session meetings, performed site visits throughout the community, received numerous feedback and suggestions through email, phone or in-person meetings with residents and analyzed numerous properties for designation in new multifamily zones. The City Council prioritized properties that are close to services, transit, jobs and with adequate access along a public right-of-way. The following nineteen properties are identified:

	Address	Lot Size	Density	Development Potential*
1	97 Cebalo	0.37 acre	20 units per acre	3 units
2	98 Cebalo	0.34 acre	20 units per acre	3 units
3	94 Cebalo	0.41 acre	20 units per acre	4 units
4	75 Cebalo	0.934 acre	20 units per acre	9 units
5	8 Selby Lane	0.37 acre	20 units per acre	3 units
6	2 Selby Lane	0.33 acre	20 units per acre	3 units
7	1 Gresham Lane	0.32 acre	20 units per acre	3 units

8	25 Gresham Lane	0.32 acre	20 units per acre	3 units
9	37 Gresham Lane	0.32 acre	20 units per acre	3 units
10	49 Gresham Lane	0.32 acre	20 units per acre	3 units
11	61 Gresham Lane	0.32 acre	20 units per acre	3 units
12	73 Gresham Lane	0.32 acre	20 units per acre	3 units
13	85 Gresham Lane	0.32 acre	20 units per acre	3 units
14	97 Gresham Lane	0.32 acre	20 units per acre	3 units
15	99 Gresham Lane	0.41 acre	20 units per acre	4 units
16	182 El Camino	0.34 acre	20 units per acre	3 units
17	190 El Camino	0.34 acre	20 units per acre	3 units
18	2 Stockbridge	0.24 acre	20 units per acre	2 units
19	23 Oakwood	1.62 acres	10 units per acre	16 units

* not including Density Bonus units

The property owner at 23 Oakwood indicated his interest in developing the property with multifamily units and has been in discussions with developers and builders. The property is 1.6 acres in area, a level lot with no known site constraints. The property has access to an improved public right-of-way and is currently served with utilities. Given the property owner's interest, it is anticipated that this property will develop with 16 multifamily housing units under the new base zoning of RM 10 and not taking into consideration density bonus units.

As listed above, eighteen (18) properties have been identified for inclusion in a new RM 20 multifamily zoning district. As these properties are less than ½ an acre, the Town will also implement a program to encourage Lot Consolidation and facilitate new multifamily housing development. It is anticipated that several lots would be combined during this planning period for the development of 19 new multifamily housing units.

A developer has approached the Town with interest in acquiring and consolidating four of the properties identified for rezoning to RM 20 for construction of new multifamily housing. Based on this developer interest, it is conservatively assumed that 19 new multifamily units will be built during the 6th cycle with 4 units designated for lower income households.

The Town will adopt an Inclusionary Housing Ordinance that will require a minimum of 20% of the multifamily dwelling units be constructed as affordable to lower income households.

The Town will take the steps listed below to facilitate new multifamily construction for market rate and lower income households:

A. Amend the Zoning Map and create two new Zoning Districts, RM 20 and RM 10 permitting 20 units per acre and 10 units per acre by right with 40 feet height limit and setbacks reasonable to accommodate the new development. Adopt objective design standards. Prepare CEQA analysis and complete the rezoning within one year of Housing Element certification.

B. Adopt an Inclusionary Housing Ordinance requiring a minimum of 20% multifamily housing units be affordable to lower income households. Adopt the Ordinance within one year of Housing Element certification.

3.812 New Construction of Affordable Accessory Dwelling Units

In 2020, the Town amended the Zoning Ordinance to encourage the development of accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) by removing constraints on their development and providing other incentives including exempting the ADU floor area from the maximum site floor area limit. During the last 3 years of the 5th RHNA cycle, the Town issued an annual average of 35.3 building permits per year for

attached and detached ADUs. In 2020, permits were issued for 34 ADUs, in 2021, permits were issued for 32 ADUs. From January 1 - October 31, 2022, the Town has received 27 new ADU permits and 6 new JADU permits for a total of 33 new housing units.

ADU plans are approved ministerially with minimal objective design standards, the Town does not impose impact fees and as discussed earlier, given the large size of Atherton properties, there is adequate land available to build attached and detached ADUs and JADUs. The most effective incentive to realize construction of ADUs has been the 1,200 square feet of exempt floor area and 500 square feet of exempt floor area for JADUs. This allows homeowners to build an ADU and a JADU without impacting the size of their main dwelling. In the past two years, a total of 48 new single family homes were built in Atherton and during this same time frame, there were 44 new ADUs, 3 JADUs, and 7 ADU-conversions. The Town believes that this nearly one to one ratio exists because the Town recently modified its regulations to encourage the development of ADUs. In addition, a recent community survey with nearly 18% of households responding indicates an interest by over 200 property owners to construct an ADU on their property over the next 8 years. Accordingly, the Town believes that the construction rate of 35 new ADUs per year over the next 8 years is achievable. Many residents at the Town held community meeting expressed interest in building a new ADU or renting their existing guest house when the code is updated.

The Town realized high ADU construction with minimum education and outreach to the community. The Town plans to greatly expand community outreach to realize additional ADU development. Specifically, the Town will distribute, at least annually, community outreach mailing and social media posts, host at least one community workshop on new ADU development standards and provide information on the Town's website and at the Town counters on the ease of ADU development. With the Town's current pace of ADU applications, the Town forecasts the development of 280 new ADUs over the next planning period. With additional outreach and other incentives and changes to the zoning code, the Town plans to meet or exceed this current pace of production over the next eight years. The Town projects that the number of ADUs produced in

the lower income levels would be 168 units; 112 very low to low income-, and 56 moderate-income units.

In addition, the Town intends to take the steps listed below to facilitate new ADU construction and rental to lower income households, additional ADU creation, construction and conversion, as well as remove any potential constraints:

C. Update ADU ordinance to comply with changes to state law. Amend zoning code by July 1, 2023.

D. Adopt a program for pre-approval of ADUs plans to streamline the review and approval process and reduce the cost to prepare detailed plans by December 31, 2023.

E. Amend the zoning code to allow ADUs to be constructed above detached garages which are numerous around Town by increasing the allowable height of such structures to be 18 feet, thus allowing a second story ADU to be constructed. .Amend the zoning code by July 1, 2023.

F. Amend the zoning code to allow two ADUs to be constructed on a property. The first ADU constructed is exempt from floor area limitations and the second ADU will be included within ADU floor area calculations. This will facilitate the construction of additional ADU units. Amend the zoning code by July 1, 2023.

G. Many Atherton properties include pool houses and guest houses in addition to ADUs. These buildings are limited to 30-day occupancy per year. To facilitate additional rental of ADUs the Town will amend the zoning code to eliminate this provision and allow pool houses and guest houses to be rented as ADUs. The Town will distribute a town wide mailer informing property owners of this change and encouraging rental of their units. This will substantially increase the inventory of available rental units in the Town. Amend the cod by July 1, 2023.

H. At the time of construction or conversion, the Town requests the owner fill out an ADU rental survey indicating the amount of rent to be charged for the unit. By comparing this rent to the San Mateo County

monthly maximum affordable housing cost by household chart, the affordability level of each unit is determined. This is an ongoing program.

I. A Town wide mailer will be completed to create an inventory of existing pool houses and guest houses. Using this inventory, the Town shall expand its work with a non-profit housing organization such as but not limited to HIP Housing (HIP) to connect homeowners to prospective renters. The mailer will be distributed by December 31, 2023 and at least annually thereafter to advertise the program.

J. To encourage rental of ADUs and JADUs, the Town has developed a comprehensive incentive ADU/JADU rental program and is partnering with a non-profit housing organization, such as, but not limited to HIP Housing to facilitate the rental advertising, screening and partnering process by December 31, 2023..

K. Adopt a Planning fee waiver for all new ADUs to incentivize new construction by July 1, 2023.

L. Prepare a nexus study and adopt an affordable housing impact fee on single family construction. The Town will make available funds from this program to provide very low-income rental assistance for eligible households identified by HIP by July 1, 2024.

M. Establish a monitoring program of ADU applications and approvals within two years of Housing Element adoption to ensure actual production is on pace with projections, to identify progress and make appropriate program adjustments. The town will monitor ADU applications and approvals.

Time frame for implementation: Ongoing (Short-term Action)

Agency/Official responsible for implementation: Town Planner

Proposed Measurable Outcomes: Complete related ADU Ordinance and other municipal code updates by July 1, 2023. Realize 144 new accessory dwelling units in the very low-, low- and moderate-income categories and 72 new accessory dwelling units in the above moderate-income category in the 2023 -2031 planning period.

Funding Sources: General Fund, Planning Department Budget, affordable housing in-lieu fees

3.813

Multifamily Housing Development on School Properties

Menlo College is a private 4-year college located at 1000 El Camino Real sited on 31 acres of property (including 50% ownership of Cartan Athletic Field and Wunderlich Athletic Field) serving approximately 750 students.

Menlo School is a private grade 6 - 12 school located at 50 Valparaiso Avenue sited on 26.7 acres of property (including 50% ownership of Cartan Athletic Field and Wunderlich Athletic Field) serving approximately 795 students.

Sacred Heart Schools is a private preschool, K - 12 institution located at 150 Valparaiso Avenue on 60 acres of property serving approximately 1,195 students.

Menlo-Atherton High School is a public four-year secondary school in the Sequoia Union High School District serving approximately 2,400 students. The school and its athletic fields occupy 38.5 acres at 555 Middlefield Road at the corner of Middlefield and Ringwood Avenue.

Laurel School is a public elementary school in the Menlo Park City School District. Its Lower Campus is on 6 acres at 95 Edge Road in Atherton at the corner of Edge and Ringwood Avenue. The Lower Campus serves approximately 326 students in grades K-2.

Encinal School is a public K-5 elementary school in the Menlo Park City School District serving approximately 630 students. It is located on 10 acres at 195 Encinal Avenue at the corner of Encinal and Middlefield Road.

Las Lomitas School is a public TK-3 elementary school in the Las Lomitas Elementary School District serving approximately 485 students. It is located on 9 acres at 299 Alameda de las Pulgas at the corner of Alameda de las Pulgas and Camino Al Lago.

Adelante Selby Spanish Immersion School is a public K-5 elementary school in the Redwood City School District serving approximately 652 students. The portion of the campus within Atherton is located on 5.5 acres at 170 Selby Lane.

A. **Public and Private Schools:** Public and private school properties are zoned PFS (Public Facilities and Schools) District in Atherton. The PFS District currently allows multiple-family residential uses that could accommodate housing for very low- and low-income households associated with primary

nonresidential use of property on the same site. No maximum density is specified in the PFS District for the multiple-family residential uses allowed in the zoning district and the Town does not have parking standards. The only multiple-family development regulations are setbacks, 34 feet height limit and 40% lot coverage. As outlined below, there is more than adequate land available on the school sites to develop new housing.

Atherton Planning Staff has had discussions with representatives of the three private schools and the public school in Town about the development of low- and moderate-income housing on their campuses. Those discussions include:

- Menlo College currently has 25 housing units for faculty and staff. Most of those housing units are rented at rates affordable to low- and moderate-income households. In recent discussions between the College President and Atherton Planning Staff, the President indicated that the College is very interested in providing additional housing on campus. He stated that there is always a demand for additional housing, that the existing units are almost always 100% occupied, and that shortage of affordable housing is a barrier to hiring. However, funding has been a barrier to housing production in the past. Through the Housing Element update process, a resident group has been formed to assist the College with fundraising and facilitate the new housing development. The letter indicates that the College could support 60 additional faculty housing units. Letter from the College President is included as an appendix.

The College has identified two sites for new multifamily housing:

- Construction of a multi-family housing project on the site of the O'Brian Parking Lot at the corner of El Camino Real and Alejandra Avenue. The building could have podium parking at ground level and 3 stories of housing above. Most of the housing units would be set-aside for low- and moderate-income households.
- Convert WWII barrack housing to new apartments. This is anticipated to result in 26 net new housing units.
- Menlo School – the school has acquired an apartment building locally for faculty housing. The cost of housing and impact on faculty is discussed annually by the school and its Board. Two sites on the Menlo School campus have been identified that can accommodate 45 multifamily units.
- Sacred Heart – there are currently five apartment units on the campus and housing for retired Nuns at Oakwood. The school anticipates this facility being renovated in the future (15-20 years) to accommodate faculty

rental housing units. It is not anticipated that the school will develop new housing units during this housing element cycle.

Given the large size of the school campuses and the minimal development regulations, there is more than adequate land available at each campus to accommodate new multiple family housing.

To facilitate development of affordable housing on single family zoned properties adjacent to school sites, upon acquisition of property by a school, if the school makes an application for a zoning change, the Town will consider rezoning the property to PFS to accommodate affordable housing consistent with existing PFS Zoning opportunities.

Time frame for implementation: The Town will amend the PFS zoning district to permit new multifamily housing by right at 40 units and 20 units per acre at four locations on the private school properties subject to objective design standards. The Town will complete the CEQA analysis and adopt the Zoning amendment within one year of Housing Element certification.

Agency/Official responsible for implementation: Planning Department and Building Department

Proposed Measurable Outcomes: Construction of 80 new affordable multifamily units at private and public schools in the very low- to moderate-income category during the 2023-2031 planning period.

3.814 Adoption of an Inclusionary Zoning Ordinance

A. Inclusionary Fee. Adopt a new inclusionary ordinance for multifamily development and housing fee for all new single family housing construction and additions The Town will complete a nexus study and develop an inclusionary housing ordinance that would require 20% affordable units with new multifamily development and a new fee for single family development and additions. The fee will provide an option to provide affordable deed restricted ADU or JADU on-site in-lieu of paying the fee. Funds generated by this fee will be used to support affordable housing in Atherton which may include subsidizing new multifamily housing development, an ADU rental program and supporting affordable housing opportunities in the Town. The Town will develop a program on the use of funds.

Time frame for implementation: Within one year of Housing Element adoption the Town will establish the Inclusionary Ordinance and fee and a program for the use of funds.

Agency/Official responsible for implementation: Planning Department and Finance Director

Proposed Measurable Outcomes: Require 20% affordable units with new multifamily development, generate new funds to support an affordable ADU rental program and other affordable housing opportunities.

Funding Sources: General Fund, Planning Department Budget

3.815 **Conservation and Rehabilitation of Existing Units**

A. Continue to facilitate and expedite the rehabilitation and reconstruction of existing residential units. The prompt processing of subdivision, planning review and building permit issuance has resulted in average review times that are some of the most reasonable in San Mateo County. The Town will continue to assist the property owners and development community in the housing development, conservation and rehabilitation process. The Town will establish a building inspector ombudsman to assist property owners navigate the rehabilitation process.

Time frame for implementation: Ongoing (Long-term Action)

Agency/Official responsible for implementation: Planning and Building Departments

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning and Building Department Budgets

3.820 **Special Housing Needs**

Some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. In evaluating related programs in the Town's past cycles, the following programs tailored to special needs populations have been identified to increase their effectiveness.

3.821 **Seniors**

A. Continue to facilitate the provision of board and care opportunities, particularly for seniors, some of whom may be longtime Atherton residents who can no longer remain in their homes and who wish to continue living in Atherton. State law provides that a residential care facility (defined as a facility serving six or fewer persons) is a residential use and must be permitted wherever residential uses are allowed.

B. The Town will continue to provide information at Town Hall regarding the numerous Senior Centers in San Mateo County that offer assistance in home repairs. Some of these programs offer subsidized services and others maintain a list of skilled workers who charge below market rates. The information also includes San Mateo County's Home Repair Program to assist low and moderate homeowners in rehabilitating their residences. The Town will publicize the availability of these services on the Town website.

C. The Town will continue to support the County Property Tax Postponement Program, which provides seniors with a means of postponing property tax payment. This program has the benefit of extending the length of time they can remain in their homes. Inquiries will be directed to the County Tax Collector's Office and information regarding the program will be available at Town Hall and publicized on the Town's website.

D. The Town will host a Senior Workshop to educate the community on available resources. Information on home repair and retrofit for accessibility resources and programs, home sharing opportunity, financial assistance, and the ADU program will be presented.

Time frame for implementation: Conduct Senior Workshop within two years of Housing Element certification and annually thereafter. Outreach and education efforts are ongoing (Long-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: educate seniors and assist in allowing them to remain in their home

Funding Sources: General Fund, Planning Department Budget

3.822 Disabled and Developmentally Delayed Persons

A. Continue to review new residential developments and major remodels for compliance with the Americans with Disabilities Act (ADA).

B. Continue to support the County Housing Accessibility for Disabled Persons program at the Center for the Independence of the Disabled. The Town will direct inquiries for house modifications for the disabled to the

County program. Public information regarding the program will be available at Town Hall and publicized on the Town's website.

C. The Town will continue to process requests for housing accessibility accommodations. The Town's municipal code provides a process for individuals with disabilities to make requests for reasonable accommodation for relief from the various land use, zoning, or rules, policies, practices, and/or procedures of the town that may be necessary to ensure equal access to housing.

D. Conduct annual outreach to the community through direct mailers and social media posting to inform the community on programs.

Commented [1]: NS: What specific programs for individuals with disabilities will be advertised?

Time frame for implementation: conduct annual outreach to the community with the first mailer distributed two years from Housing Element certification and annually thereafter. All other actions are ongoing (Long-term Action)

Agency/Official responsible for implementation: Building and Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Building Department Budget

Funding Sources: General Fund, Planning Department Budget

3.823

Equal Housing Opportunity

A. Refer complaints of discrimination in housing access based on race, religion, national origin, age, sex, marital status or physical handicap, and other arbitrary barriers that prevent choice of housing to groups such as Project Sentinel. The Town will disseminate fair housing information at Town Hall. In addition, fair housing information will be published on the Town website.

B. Develop and implement an education/outreach campaign targeting landlords/managers on renting to people with Housing Choice Vouchers.

C. Amend the Zoning title to eliminate the occupancy limitation on other accessory units, such as guest houses and pool houses and create an inventory of existing pool houses and guest houses. The Town will work with a nonprofit to connect homeowners to prospective renters.

D. Adopt an affordable housing impact fee on single family construction. The Town will make available funds from this program to provide very low-income rental assistance for eligible households identified by HIP.

E. Provide additional fair housing resources and training for property owners, real estate agents, and tenants in collaboration with other cities and towns, Project Sentinel, or other similar organization. Mandate training for multi-family developers, property owners and any resident renting an ADU or similar unit.

F. Create a webpage to host this information and improve awareness around fair housing training, issues and available programs. The webpage will also provide information on filing fair housing complaints with HCD or HUD.

G. Affirmatively market low-income units to households that are under-represented in the Town in comparison to neighboring jurisdictions.
H.

Time frame for implementation: Concurrent with 2023 – 2031 Housing Element adoption

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

3.824 Emergency Shelters, Transitional and Supportive Housing

A. Continue to support the possibility of Emergency Shelters, Transitional Housing, and Supportive Housing in Atherton. Emergency shelters are a permitted use on the Town Civic Center Property.

Timeframe for implementation: Ongoing

Agency/Official responsible for implementation: Planning Department

Funding Sources: N/A

3.830 Consistency with State Requirements

3.831 Energy Conservation

A. Continue to require compliance with Title 24 of the State's Building regulations. In addition, disseminate energy conservation information available from other agencies, such as PG&E's solar subsidy program and energy audits.

B. Continue to support Green Building in Atherton through enforcing the Green Building Ordinance and promote the Town's Green Building Guide, "Go Green and Save: Rebates for Atherton Residents" and "Clean Energy & Energy Efficiency" programs posted on the website for all new residential development

C. Continue to promote energy conservation through energy audits, participation in PG&E and Cal Water programs and encouraging energy conserving retrofits in homes.

Time frame for implementation: Ongoing (Long-term Action)

Agency/Official responsible for implementation: Building Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Building Department Budget

3.832 Consistency with Other General Plan Elements and Community Goals

A. Continue to conduct a review and analysis of the General Plan's compliance with the adopted Office of Planning and Research Guidelines as part of the annual General Plan implementation report required by Government Code Section 65400.

B. The Town will begin a program to also conduct an internal consistency review and analysis of the General Plan, including the Housing Element as part of the annual General Plan implementation report required by Government Code Section 65400.

Throughout the 2025-22 planning period Planning Department staff prepared and presented to the City Council for approval, a review and analysis of the General Plan for compliance with the adopted Office of Planning and Research Guidelines as part of the annual General Plan implementation report required by Government Code Section 65400. This program will be continued. A program has been added for the 2023-31 planning period to also conduct an internal consistency review and analysis of the General Plan, including the Housing Element as part of the annual General Plan implementation report required by Government Code Section 65400.

The Atherton General Plan was updated in 2019 and as part of the update process it was reviewed for internal consistency and found to be internally consistent. The 2023-31 Housing Element has also been reviewed for internal consistency and consistency with the adopted 2019 General Plan Update.

Time frame for implementation: Ongoing (Long-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

3.840 Other Housing Programs

3.841 Shared Housing

A. The Town will continue to support the Human Investment Program (HIP), a non-profit organization that matches people needing housing and people owning a home who desire additional income and/or companionship. The Town will make information about the Home Sharing program available at Town Hall and will publicize the effort on the Town's website. The Town will mail (Home sharing does not count toward the Town's Housing Needs Allocation.)

Commented [2]: Incomplete sentence.

Time frame for implementation: Conduct community outreach by December 31, 2023 and annually thereafter.

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: 1-2 home share matches each year.

Funding sources: general fund

3.842 Housing Compliance and Monitoring

A. The Town will partner with the County or other jurisdictions to share housing staff or hire a third party to manage the Town's affordable housing portfolio. This will be an important task in helping Atherton lay the groundwork for an effective affordable housing compliance and monitoring process,

Time frame for implementation: Within one year of Housing Element adoption and ongoing thereafter

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: Rental of ADUs and production of multi-family housing as identified in the Housing Element

Funding Sources: General Fund

3.843 Previously Identified Housing Sites

A. The Town will rezone any sites reused from a prior housing element within three years or one year of the beginning of the planning period to allow residential use by-right for housing developments in which at least 20 percent of the units are affordable to lower-income households, and no subdivision is required. (Gov. Code, § 65583.2, subd. (c).)

Time frame for implementation: complete rezoning within one year of Housing Element certification.

Agency/Official responsible for implementation: Planning Division

Proposed Measurable Outcomes: realize the development of new housing units

Funding Sources: General fund

3.844 Water and Sewer Providers - Priority for Affordable Housing

A. Water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to lower-income households. (Gov. Code, § 65589.7.) The Town will immediately deliver the housing element to water and sewer service providers upon adoption.

Time frame for implementation: upon adoption of Housing Element

Agency/Official responsible for implementation: Planning Division

Proposed Measurable Outcomes: notify water and sewer providers

Funding Sources: General fund

3.845 Accessory Dwelling Units Monitoring

A. The Town will monitor permitted ADUs and affordability every other year and take appropriate action, including adjusting assumptions or rezoning within

one year if the sites inventory is negatively impacted to ensure compliance with no net loss provisions.

Time frame for implementation: ongoing, starting one year after Housing Element adoption

Agency/Official responsible for implementation: Planning Division

Proposed Measurable Outcomes: realize development of 280 new housing units

Funding Sources: General fund

3.846 By-Right Permanent Supportive Housing

A. The Town will revise the zoning code to allow Permanent Supportive Housing a by-right use in zones where multifamily and mixed-uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. To be consistent with AB 2162, the Town will allow by-right 100% affordable housing that has 25% or 12 units of permanent supportive housing, where multifamily or mixed-use housing is permitted.

Time frame for implementation: revise Zoning code within one year of Housing Element certification

Agency/Official responsible for implementation: Planning Division

Proposed Measurable Outcomes: consistency with State law

Funding Sources: general fund

3.847 By-Right Low-Barrier Navigation Centers

A. The Town will revise the zoning code to allow Low Barrier Navigation Centers to be a use-by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65660.

Time frame for implementation: revise Zoning Code within one year of Housing Element certification

Agency/Official responsible for implementation: Planning Division

Proposed Measurable Outcomes: consistency with state law

Funding Sources: general fund

3.848 Approval of Mobile Homes and Manufactured Housing

A. The Town will revise the zoning code to ensure mobile homes and manufactured housing on a permanent foundation are approved in the same manner as single-family homes.

Time frame for implementation: revise Zoning Code within one year of Housing Element certification

Agency/Official responsible for implementation: Planning Division

Proposed Measurable Outcomes: consistency with state law

Funding Sources: general fund

3.849 Zoning, Fees and Other Development Standards Transparency

A. The Town will ensure that all fees, zoning requirements and development standards are posted on the Town's website, updating regularly, pursuant to Government Code section 65940.1(a)(1).

Time frame for implementation: ongoing

Agency/Official responsible for implementation: Planning Division and Finance Director

Proposed Measurable Outcomes: inform residents and developers

Funding Sources: general fund

3.850 Group Homes for Persons with Disabilities

A. The Town will revise the zoning code to allow group homes for seven or more residents, specifically for people with disabilities, as a permitted use in any district where residential uses are permitted.

Time frame for implementation: Revise Zoning Code one year from Housing Element certification

Agency/Official responsible for implementation: Planning Division

Proposed Measurable Outcomes: consistency with state law

Funding Sources: general fund

3.851 Replacement Housing Requirements

A. The Town will require replacement housing for lower-income units (Gov. Code, § 65583.2, subd. (g)(3).) with the same requirements as set forth in Government Code section 65915, subdivision (c), paragraph (3).

Time frame for implementation: ongoing

Agency/Official responsible for implementation: Planning Division

Proposed Measurable Outcomes: consistency with state law

Funding Sources: general fund

3.852 Employee Housing

A. The Town will amend its zoning code to allow for employee housing as provided for under the Employee Housing Act. Specifically, consistent with Section 17021.5, employee housing for six or fewer employees will be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. In addition, the code will be revised consistent with Section 17021.6, which requires that employee housing consisting of no more than 12 units or 36 beds be permitted in the same manner as other agricultural uses in the same zone.

Time frame for implementation: Amend zoning code within one year of Housing Element certification

Agency/Official responsible for implementation: Planning Division

Proposed Measurable Outcomes: consistency with state law

Funding Sources: general fund

3.853 Emergency Shelters

A. The Town will amend its zoning code to comply with all provisions of State law pertaining to emergency shelters. Specifically, the Town will permit shelters without discretionary action. In addition, the Town will analyze all development standards and address any constraints on spacing and shelter size. Further, the

Town will amend its code to ensure compliance with parking requirements of AB139/Government Code section 65583, subdivision (a)(4)(A).

Time frame for implementation: Amend zoning code within one year of Housing Element certification

Agency/Official responsible for implementation: Planning Division

Proposed Measurable Outcomes: consistency with state law

Funding Sources: general fund

3.900 EFFORTS TO ACHIEVE COMMUNITY ENGAGEMENT

Extensive public engagement is an essential component to the housing element update process. During this Planning Period, Atherton held several public meetings to discuss the proposed strategies with the community. The Town also partnered with 21 Elements and the Let's Talk Housing effort to engage with current and potential beneficiaries of housing programs and services and their advocates (e.g., lower income representatives, tenants of affordable complexes, groups targeted for special housing needs consideration, community-based organizations, health and human service providers, homeless shelter and service providers) in the update process. The participation of development professionals including local buildings, for and nonprofit developers, architects, trade labor unions, realtors, mortgage bankers and brokers, area lenders and others have been invited to participate.

The Town also created a Housing Element webpage to advertise meetings, post resources, the Draft Housing Element and a portal to provide public comments.

The community outreach effort coordinated with 21 Elements included virtual community meetings and webinars on the following topics: Introduction to the Housing Element, All About RHNA Webinar, Stakeholder Listening Sessions and Creating an Affordable Future webinars (four-part series).

In addition to the 21 Elements coordinated outreach efforts, the Town held several public meetings to discuss Housing Element programs, policies and strategies as follows:

- City Council meeting on November 4, 2020 to discuss the RHNA allocation process.
- A Joint meeting with the Planning Commission and City Council was held on April 28, 2021 to discuss key strategies to meet the RHNA obligation.
- City Council meeting held on January 12, 2022 to refine the housing element strategies.
- City Council meeting on February 24, 2022 to discuss the housing element strategies.
- City Council meeting on March 16, 2022 to discuss the housing element strategies.
- City Council meeting on May 18, 2022 to review comments from the community outreach meeting and further discuss the housing element strategies.
- Special City Council meeting on May 24, 2022 to provide further direction on the housing element strategies.

The Town held a public engagement/discussion meeting in the evening on April 26, 2022. A special edition of the Town newsletter was prepared and physically mailed to every Town of Atherton 2023-2031 Housing Element – DRAFT
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address in Town describing the proposed Housing Element programs and announcing the community meeting. The event was also promoted through the Town's email newsletter list, Town website and posted at the Town's Civic Center. Approximately 60 community members attended. An open discussion/engagement format was used rather than the typical presentation/public hearing and response format. Community leaders (City Council members and others) mixed with community members to discuss a wide variety of housing issues. Some engagement issues included:

- Education on the magnitude of the challenge facing the Town, the need for collaborative solutions, and the impact of non-compliance.
- Issues relating to a proposed multifamily overlay zone, proposed locations and details about the zoning district.
- Some community members truly want to solve the housing problem by adding or registering their ADU or JADU.
- Other community members were interested in being a part of the proposed multifamily overlay zone.
- Questions were raised about how the multifamily overlay zone works for numbers of units produced.
- Better definition of how a density bonus works.
- There were concerns raised about aesthetics and design, however that was not a primary issue for most.
- There was a lingering issue about diminished property values; single-family homes adjacent to multifamily complexes.

The meeting eventually transitioned to a question-and-answer format, which was helpful, but only after an extensive engagement format which provided an opportunity for education and discussion.

Key lessons from the meeting were that senior housing is an important topic for residents. Many residents feel passionately that they want to continue to live in Atherton as they age. Some are worried that their current houses do not meet their needs and are looking for options to stay.

The Draft Housing Element was published on the Town's website for a 30-day public review and comment period on June 10, 2022. Notice of the availability of the document was provided via email to Housing Advocates, published in the Almanac Newspaper and announced to residents via the Town's e-notify system and social media outlets. The City Council, at its June 15, 2022 regular meeting discussed comments they have received individually and provided an opportunity for the public to provide comments. During the 30-day public review period, the Planning Commission held a Special meeting

on June 23, 2022 to receive comments from Commissioners and the public. The Town received over 300 written comments on the Draft Housing Element in addition to verbal comments provided at the meetings listed above.

At the July 20, 2022 City Council meeting, the Council discussed public comments received on the Draft Housing Element and directed staff to revise the Draft Housing Element to incorporate public feedback. Specifically, with respect to the overwhelming public comments in opposition of the multi-family overlay concept, the Council directed this program be removed from the Element. Council also requested revisions to several housing programs as suggested by the Housing Leadership Council, including expanding the Accessory Dwelling Unit program.

The City Council, at its July 27, 2022 Special meeting reviewed the revised Draft Housing Element and authorized transmission to HCD for its preliminary review and comments.

The Town received the HCD comment letter on October 31, 2022. The comment letter was reviewed at the November 2, 2022 City Council study session. The Council thoroughly reviewed the HCD comment letter line by line with legal citations. Public comments were received at both meetings and in writing prior to the meeting. Staff/consultants revised the Draft Housing Element to address HCD's comments as reviewed by the City Council at its December 15, 2022 study session. Public comments were received at the meeting and in writing prior to the meeting. Staff/consultants revised the Housing Element based on City Council direction for its consideration at the January 11, 2023 City Council study session. Public comments were received at this meeting and in writing prior to the meeting. Staff/consultants further revised the Housing Element based on direction provided by the Council and additional outreach meetings were conducted on the revised Housing Element. This included several resident hosted neighborhood meetings conducted throughout the Town, and community meeting on January 12, 2023 at Menlo College.

The revised Draft Housing Element was posted on the Town's website on January 12, 2023 and notice of the availability of the revised Draft Housing Element was provided to residents, neighboring jurisdictions and housing advocates through direct mail, social media and email.

The Planning Commission considered the Housing Element at a publicly noticed meeting on January 19, 2023.

APPENDICES

- 1. 21 Elements Resident Survey Analysis, 4/14/2022**
- 2. ABAG/MTC Housing Needs Data Report - Atherton**
- 3. AFFH Atherton Map and Data Packet**
- 4. San Mateo County-wide Housing Needs Final Report, 11/3/2021**
- 5. Electronic Housing Element Site Inventory Form**
- 6. Menlo College Faculty and Staff Housing Considerations**