

- B. Review the 2023 General Plan Implementation and 6th Cycle Housing Element Annual Progress Report (APR)** and recommend its transmittal to the City Council pursuant to Section 65400 of the California Government Code. The APR is a routine status update to the State regarding the Town's performance in meeting housing goals identified in a concurrent Housing Element



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**DATE: FEBRUARY 28, 2024**

**TO: PLANNING COMMISSION**

**FROM: BRITTANY BENDIX, TOWN PLANNER  
RADHA HAYAGREEV, SENIOR PLANNER**

**SUBJECT: 2023 GENERAL PLAN IMPLEMENTATION AND HOUSING ELEMENT  
ANNUAL PROGRESS REPORT**

### **RECOMMENDATION**

Review the 2023 General Plan Implementation and 6<sup>th</sup> Cycle Housing Element Annual Progress Report (APR) and recommend its transmittal to the City Council pursuant to Section 65400 of the California Government Code.

### **BACKGROUND**

The State of California Government Code 65400 et seq requires jurisdictions to prepare an annual progress report (APR) for review by its local legislative body, the California Governor's Office of Planning and Research (OPR) and the California Department of Housing and Community Development (HCD). Each report must describe the following:

- The status of the local general plan and progress in its implementation.
- The progress in meeting its share of regional housing needs.
- The degree to which the local general plan complies with the adopted OPR guidelines.
- The date of the last revision to the local general plan

California Government Code Section 65400(a)(2)B states that "The housing element portion of the annual report ... shall be prepared through the use of forms and definitions adopted by the Department of Housing and Community Development ..." The tables provided in Attachment 1 reflect the required formatting delivered to the State each year and reflect the progress made in meeting Atherton's share of regional housing needs. The following list identifies the tables required for the APR:

Table A:	Housing Development Applications Submitted
Table A2:	Annual Building Activity Report Summary (New Construction, Entitled, Permits and Completed Units)
Table B:	Regional Housing Needs Allocation (RHNA) & Extremely Low-Income Need Progress – Permitted Units Issued by Affordability
Table C:	Sites Identified or Rezoned to Accommodate Shortfall

Table D:	Program Implementation Status
Table E:	Commercial Density Bonus Approved
Table F:	Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites
Table F2:	Units Converted to Moderate Income
Table G:	Locally Owned Housing Element Sites
Table H:	Locally Owned Surplus Land
Table J:	Student Housing that Received Density Bonus
Table K:	Tenant Preference Policies

For the purpose of reporting to the Planning Commission and City Council, staff has included tables that are relevant to the Town’s housing programs at Attachment 1. This includes Tables A, A2, B, and D. The remaining tables are not currently applicable to the Town. Any changes to the Town’s Housing Element during 2024 will be reflected in the 2024 APR.

The following analysis provides an update on each of these topic areas. Prior to submittal to HCD, staff will also present this summary to the Atherton City Council.

## **ANALYSIS**

### **Status of the Atherton General Plan and Progress in its Implementation**

The Land Use, Circulation, Open Space and Conservation, Noise, and Community Safety Elements of the Atherton General Plan were updated between 2017 and 2020 and adopted by the City Council on January 15, 2020. The Housing Element is the only element required to be reviewed by HCD and has been found to be “in compliance” with the HCD review criteria. The Town adopted and self-certified its 6<sup>th</sup> Cycle Housing Element for 2023 to 2031 on January 31, 2023. However, to achieve state-certification, the Town continues to work towards updating the adopted 6<sup>th</sup> Cycle Housing Element. At present, the Town’s contract planning staff is completing an initial study that addresses requirements of the California Environmental Quality Act (CEQA) to address potential impacts from zoning changes relating to the 6<sup>th</sup> Cycle Housing Element. As this process continues, the Town continues to pursue the 2023-31 RHNA allocation requirements assigned by HCD and OPR, and in compliance with the Town’s adopted General Plan.

### **Progress in meeting Atherton’s Share of Regional Housing Needs**

Atherton’s 2023-31 RHNA allocation is a total of 348 units with affordability requirements of 148 very low-income or low-income units, 56 moderate-income units, and 182 above moderate-income units. The Town’s adopted 6<sup>th</sup> cycle housing element uses a combination of projected pipeline projects, the Town’s Accessory Dwelling Unit (ADU) program, development of multifamily zoning overlay, underutilized parcels and the SB9 program to meet the unit requirements for all income levels.

Table A lists the housing development permit applications for single family dwellings and accessory dwelling units that were filed with the Planning Department during 2023. The table identifies sites by Assessor’s Parcel Number (APN), street address, a project name as categorized in the Department’s permit tracking system, and a permit number. The details provided for each application include the type of housing unit developed, such as an ADU or single-family dwelling (SFD), the anticipated tenure of the unit (renter or owner occupied), the date of application submittal, and the anticipated affordability of the unit. The current status of each submittal is also provided, indicating if the application is still pending review, approved, or disapproved. The state

also requests that the Town report on the use of any permit streamlining processes (i.e. SB 9) or the use of the state's Density Bonus program.

As indicated in Table A, the planning department reviewed twenty-one applications for single-family dwellings and sixty-eight ADU applications in 2023. Additionally, for forty-seven of the ADU applications the Town also had the opportunity to collect applicant-reported rental information through a voluntary survey. This data indicates that five ADU's within the Town are rented to low-income households and three ADUs are rented to at moderate-income levels. The remaining ADU's and single-family homes are categorized as above-moderate income, with ownership occupancy.

The information provided in Table A2 focuses on permit activity that occurred during 2023 and tracks applications for ADUs and single-family homes that are already "entitled" (approved) by the Planning Department through review and permit issuance by the Building Department, as well as the final inspection and completion process that reflects when a housing unit may be occupied. Similar to Table A, Table A2 requires any known information relative to unit affordability that may or may not be deed-restricted. Table A2 also requests information relating to permit-streamlining programs, participation in financial assistance programs, specifics of affordability requirements in deed-restrictions, any demolition of units and participation in the state's Density Bonus program. Staff continues to align information relative to specific dates for each application, as it requires manual comparisons between the Building and Planning tracking programs. Gaps in this information is highlighted in yellow. However, the unit counts, affordability and participation in special permitting programs is complete. Staff will continue to monitor permit status, input dates and collect survey information from applicants until the final report is submitted to the state in April.

As shown in Table B, the Town added an additional 38 units towards its allocation during 2023. Throughout the remaining cycle, the Town must provide an additional 292 units, at varying income levels. Table D summarizes last year's progress on the adopted Housing Element implementation programs, many of these programs are structured to meet the remaining RHNA objectives.

### **Degree to which the Atherton General Plan complies with the Adopted OPR Guidelines**

The OPR adopted General Plan Guidelines in 2003 for use by local jurisdictions in the preparation of their general plans. The Guidelines were updated in 2017. The Guidelines are permissive, not mandatory and are quite extensive. According to staff analysis, the 2019 Atherton General Plan is in compliance with the adopted OPR Guidelines. As the Town considers additional changes to its adopted Housing Element, amendments to the General Plan may be required. However, these changes and their alignment with the OPR Guidelines would be addressed in the 2024 APR.

### **Date of the Last Revision to the Atherton General Plan**

The last revision to all elements except the Housing Element of the Atherton General Plan was adopted by the City Council on January 15, 2020. The 2023-31 Housing Element was adopted and self-certified by the City Council on January 31, 2023. Updates to the adopted 2023-31 Housing Element are forthcoming in 2024 and will be addressed in the 2024 APR.

## **PUBLIC NOTICE**

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically on the Town's website. Information about the project is also disseminated a legal advertisement of the agenda in Almanac newspaper.

## **ATTACHMENTS**

1. Housing Element Annual Progress Report Data Tables









Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
1.1 New Single Family Development Housing	The Town will continue to facilitate and expediate the development of new single-family housing units.	2023-31	Ongoing program
1.2 SB9 Implementation.	In 2022 the Town adopted an SB9 ordinance consistent with State Law provisions.	2023-31	Ongoing program. Six SB9 lots recorded and three under review.
1.3 ADU Construction Program	Currently approving ADUs ministerially in conformance with State Law provisions. Additional incentives are provided to larger ADUs that conform to Town's accessory structure setbacks. The Town is currently updating its ADU ordinance to align with new State laws.	2025-31	Ongoing Program. 69 ADUs were approved in 2023.
1.5 Multifamily Residential Overlay and Objective Design Standards	The Town will adopt RM-10, RM-20, and RM-40 multifamily residential overlays that allow a maximum of 10 du/ac, 20 du/ac, and 40 du/ac, respectively. These overlays will cover sites that permit by-right multifamily development per the Objective Design Standards adopted concurrently to the overlay zones.	2024-31	Currently developing a multifamily program to facilitate the developemnt of at least 96 units on sites with RM-20 and RM-40 at various affordability levels
1.11 Multifamily residential fee	The Town will revise its Master Fee Schedule with multifamily development fees that do not pose a constraint on multifamily development.	2024-31	New Program, yet to be implemented
2.2 ADU Rental Outreach	Further incentivize below-market-rate rentals of ADUs:	2025-31	The Town will take the following actions to further incentivize below-market-rate rentals of ADUs: Ongoing A. The Town will continue to request the owner fill out an ADU rental survey indicating the amount of rent to be charged for the unit at the time of construction or conversion. 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. Ongoing B. To encourage rental of ADUs and JADUs, the Town will develop a comprehensive incentive ADU/JADU rental program and partner with a non-profit organization (HIP) to facilitate the rental advertising, screening and partnering process.
2.3 Inclusionary Fee	The Town will adopt a new inclusionary housing fee for all new single family housing construction and additions. Funds generated by this fee will be used to support affordable housing in Atherton, including ADU rental outreach (Program 2-2) and support for affordable housing development in multifamily residential overlay zones (Program 1-5).	2024-31	New Program, yet to be implemented. Nexus fee study under development.
2.6 Extremely Low Income Households	The Town will facilitate housing for extremely low income households through its robust ADU development (Program 2-2) and multifamily residential overlay zone (Program 1-5) programs	2025-31	Projected 47 units through ADU and multifamily development programs.
2.9 Deed Restricted ADU	Amend the zoning code to allow two ADUs to be constructed on a property if the second ADU is deed-restricted to a lower-income household for 20 years . The deed-restricted ADU would be exempt from ADU floor-area limitations, and could be a detached unit or attached to the principal dwelling, a garage	2025-31	Program under consideration by City Council as part of the ADU Ordinance update.
4.12 Special Needs Housing	The Town will assist in the development of housing for all special needs households (e.g., elderly, homeless, farmworkers, persons with disabilities, female-headed households).	2025-31	New Program - projecting 1 special needs housing