



Item No. 17 Town of Atherton

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
CHAIR AND MEMBERS OF THE PLANNING COMMISSION**

THROUGH: GEORGE RODERICKS, CITY MANAGER

FROM: LISA COSTA SANDERS, TOWN PLANNER

DATE: MARCH 16, 2022

**SUBJECT: DISCUSS HOUSING ELEMENT UPDATE STRATEGIES AND PROVIDE
DIRECTION TO STAFF**

RECOMMENDATION

Provide direction to staff on Housing Element Update strategies to achieve the regional housing needs allocation requirement.

BACKGROUND

All California cities and counties are required to accommodate their fair share of regional housing need in its General Plan. The next Housing Element cycle covers the period of 2023 through 2031 and is required to be certified by the State by January 1, 2023.

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

Income Level	Housing Units
Very Low (less than 50% of area median income)	94
Low (50% - 80% of area median income)	54
Moderate (80-120% of area median income)	56
Above Moderate (more than 120% of area median income)	144
Total	348

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

Housing Element Update Strategies Discussion

March 16, 2022

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The City Council, at its January 12, 2022 and February 24, 2022 meetings received an update report from Staff on the initial strategies and provided further direction. This report focuses on the areas for multi-family zoning consideration.

ANALYSIS

The Town’s Housing Element is required to plan for the development of 348 new housing units over the next eight years. This report focuses on the areas for multi-family zoning consideration.

The Council discussed housing production driven by accessory dwelling units, SB 9 related lot splits, existing vacant parcels, Town-owned land development, and school and facility site development. Based on suggested revisions to target development in each category, the overall total was adjusted. However, HCD may not accept all the Town’s methodologies in determining a compliant Housing Element. Therefore, staff recommends that the Council add an additional layer of housing production strategies while still maintaining a conservative development approach.

The City Council discussed the option to adopt an overlay Zone that would apply to existing single-family zoned properties to allow up to 10-units per acre. Staff does not anticipate that every parcel within each Overlay Zone will develop to the maximum extent during the eight-year Housing Element cycle.

Councilmembers reviewed maps with optional areas to apply the zone and provided direction to staff to refine the overlay area. Based on direction from Councilmembers, staff prepared seven specific maps for consideration.

Map	Addresses	# of Lots	Maximum Development Capacity
1	23 Oakwood and 63-98 Cebalo	8	50 units
2	264-999 Bay Road	5	46 units
3	19-99 Victoria Drive	10	30 units
4	West side of El Camino from Almendral north to Selby Lane	19	69 units
5	West side of El Camino from Almendral to Tuscaloosa	9	27 units
6	Llyoden Park Lane facing ECR	9	20 units
7	67,77, 85, 91 and 99 Marsh Road	5	32 units

The development capacity listed above assumes each lot builds out to the maximum density of 10 units per acre. While the properties along El Camino Real (Maps 3, 4, 5 and 6) provide excellent locations for denser housing given proximity to transit and services, these lots tend to be smaller in size and more difficult to develop at the intended density.

The areas with larger parcel sizes, Maps 1, 2 and 7, seem more likely to be considered appropriate for denser housing development given lot size, access to major corridors, adjacent to

denser housing and located throughout the community so as not to concentrate multi-family housing in one location. It is possible that during the next eight-year cycle, one of the lots from each of these three map areas would develop for a total of 26 net new housing units:

- Map area 1 – 14 net new units
- Map area 2 – 8 net new units
- Map area 7 – 4 net new units

Estimated Housing Production

The below production numbers reflect the changes based on direction received from the City Council at its February 24, 2022 meeting and the inclusion of production from Map areas 1, 2 & 7:

	Very Low	Low	Mod	Above Mod	Total
ADUs	84	84	84	28	280
Lot Splits (SB9)				80	80
Vacant Sites				10	10
Town owned property		2	4		6
Townhouse overlay			4	22	26
School & Facility sites	4	10	10	10	34
Total	88	96	102	150	436
RHNA	94	54	56	152	348
Amount above or below RHNA	-6	+42	+46	-2	+116

ADU production was increased to 35 new units per year from the estimated 30 new units per year. Staff has seen a higher level of interest in SB 9 splits than initially anticipated. Based on the level of interest in SB 9 lot splits and new units, staff recommends increasing the projection to 10 new units per year from the earlier projection of 5 new units per year. If the recent trend of inquiries continues through the year, the Town may have sufficient evidence to support higher SB9 unit production. If the Council is supportive of the three map areas identified above (Map 1, 2 and 7) for denser housing overlay zone, staff estimates new development during this period of 26 net new housing units.

The Town has engaged a consultant to prepare a fiscal analysis of the feasibility to develop multifamily housing and appropriate affordable housing requirements (inclusionary ordinance). Assuming this study has favorable findings on the financial feasibility of this density, the information will be included in the Housing Element to support the development projections. HCD requires evidence of the viability of new development be included in the Housing Element.

Next Steps

Based on direction from the City Council at this meeting, staff will prepare an outreach mailer to be distributed Town-wide on the draft Housing Element strategies and schedule a community meeting in March/April. Staff will also continue to work with the consultant team on the Draft Housing Element.

The Draft Housing Element is required to be available for public review and comment for 30-days. Following the public review prior, staff is required to incorporate public comments and transmit the Draft Housing Element to HCD for its initial 90-day review period. Staff anticipates publishing the Draft Housing Element for public review in April/May 2022. Staff will then revise the document for consideration at the May or June City Council meeting for submission to HCD. Staff will then revise the Draft Housing Element to incorporate HCD comments for consideration by the Planning Commission and adoption by the City Council in October/November 2022. The Housing Element is required to be certified by HCD by January 15, 2023.

Failure to obtain a certified Housing Element by that deadline can result in penalties and an accelerated timeline for housing and land use compliance actions.

POLICY ISSUES

Staff is seeking policy direction from the City Council on strategies to achieve compliance with the RHNA allocation and Housing Element update.

FISCAL IMPACT

None.

GOAL ALIGNMENT

This report and its contents are in alignment with the following Council Policy Goals:

- Goal B – Preserve Small Town Character and Quality of Life
- Goal F – Be Forward-Thinking, Well-Managed, and Well-Planned

PUBLIC NOTICE

Public notification was achieved by posting the City Council agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power and sewer), and regional elected officials.

ATTACHMENT 1

		lot size (acres)	# units*	# of units **
map 1	23 oakwood	1.52	15.2	15
map 1	63 cebalo	1.007	10.07	10
map 1	75 cebalo	0.934	9.34	9
map 1	97 cebalo	0.37	3.7	3
map 1	98 cebalo	0.34	3.4	3
map 1	94 cebalo	0.41	4.1	4
map 1	8 Selby	0.37	3.7	3
map 1	2 Selby	0.33	3.3	3
	total		52.81	50

map 2	264 Bay	0.91	9.1	9
map 2	296 Bay	0.93	9.3	9
map 2	318 Bay	0.94	9.4	9
map 2	352 Bay	0.92	9.2	9
map 2	999 Ringwood	0.9	9	9
	total		46	46

map 3	19 Victoria	0.32	3.2	3
map 3	27 victoria	0.32	3.2	3
map 3	37 Victoria	0.32	3.2	3
map 3	45 victoria	0.32	3.2	3
map 3	55 victoria	0.32	3.2	3
map 3	63 victoria	0.34	3.4	3
map 3	73 victoria	0.34	3.4	3
map 3	81 victoria	0.31	3.1	3
map 3	89 victoria	0.32	3.2	3
map 3	99 victoria	0.3	3	3
	total		32.1	30

map 4	99 Nora	0.39	3.9	3
map 4	87 Nora	0.52	5.2	5
map 4	73 nora	0.52	5.2	5
map 4	59 Nora	0.52	5.2	5
map 4	45 nora	0.52	5.2	5
map 4	29 nora	0.52	5.2	5
map 4	1 nora	0.5	5	5
map 4	2 stockbridge	0	2.4	2
map 4	190 El Camino	0.34	3.4	3
map 4	182 el camino	0.34	3.4	3
map 4	99 gresham	0.41	4.1	4
map 4	97 gresham	0.32	3.2	3
map 4	85 gresham	0.32	3.2	3
map 4	73 gresham	0.32	3.2	3
map 4	61 gresham	0.32	3.2	3
map 4	49 gresham	0.32	3.2	3
map 4	37 gresham	0.32	3.2	3

ATTACHMENT 1

map 4	25 gresham	0.32	3.2
map 4	1 gresham	0.32	3.2
	total		73.8

3
3
69

map 5	7 almendral	0.61	6.1
map 5	330 el camino	0.39	3.9
map 5	338 el camino	0.39	3.9
map 5	352 el camino	0.31	3.1
map 5	358 el camino	0.31	3.1
map 5	364 el camino	0.19	1.9
map 5	372 el camino	0.19	1.9
map 5	8 tuscaloosa	0.48	4.8
map 5	6 tuscaloosa	0.39	3.9
	total		32.6

6
3
3
3
3
1
1
4
3
27

map 6	2 wilburn	0.3	3.0
map 6	323 llyoden	0.28	2.8
map 6	335 llyoden	0.27	2.7
map 6	343 llyoden	0.27	2.7
map 6	355 llyoden	0.27	2.7
map 6	367 llyoden	0.27	2.7
map 6	375 llyoden	0.27	2.7
map 6	385 llyoden	0.27	2.7
map 6	7 llyoden	0.3	3.0
	total		25

3
2
2
2
2
2
2
2
3
20

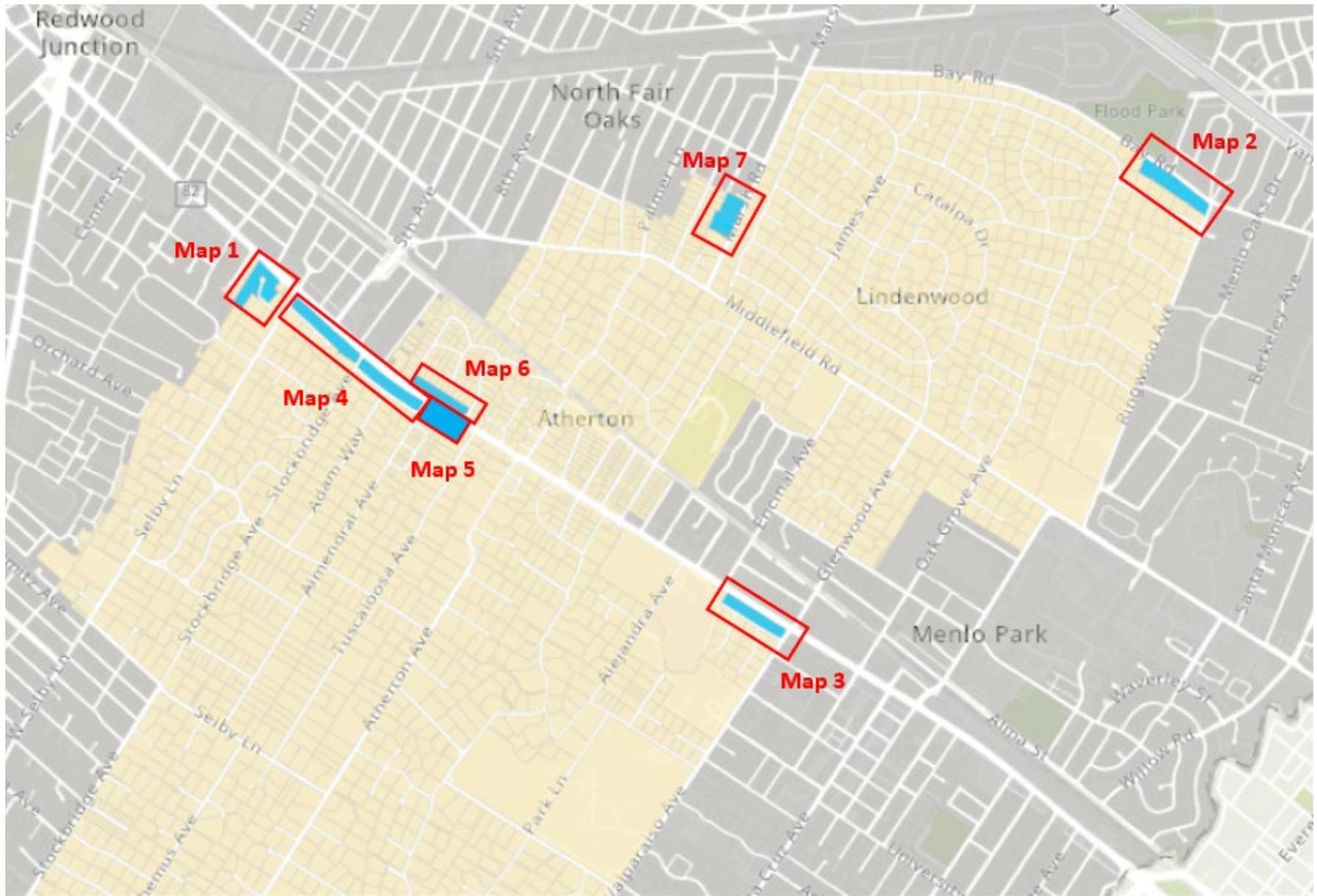
map 7	67 marsh	0.79	7.9
map 7	77 marsh	1	10
map 7	85 marsh	0.56	5.6
map 7	91 marsh	0.56	5.6
map 7	99 marsh	0.56	5.6
	total		34.7

7
10
5
5
5
32

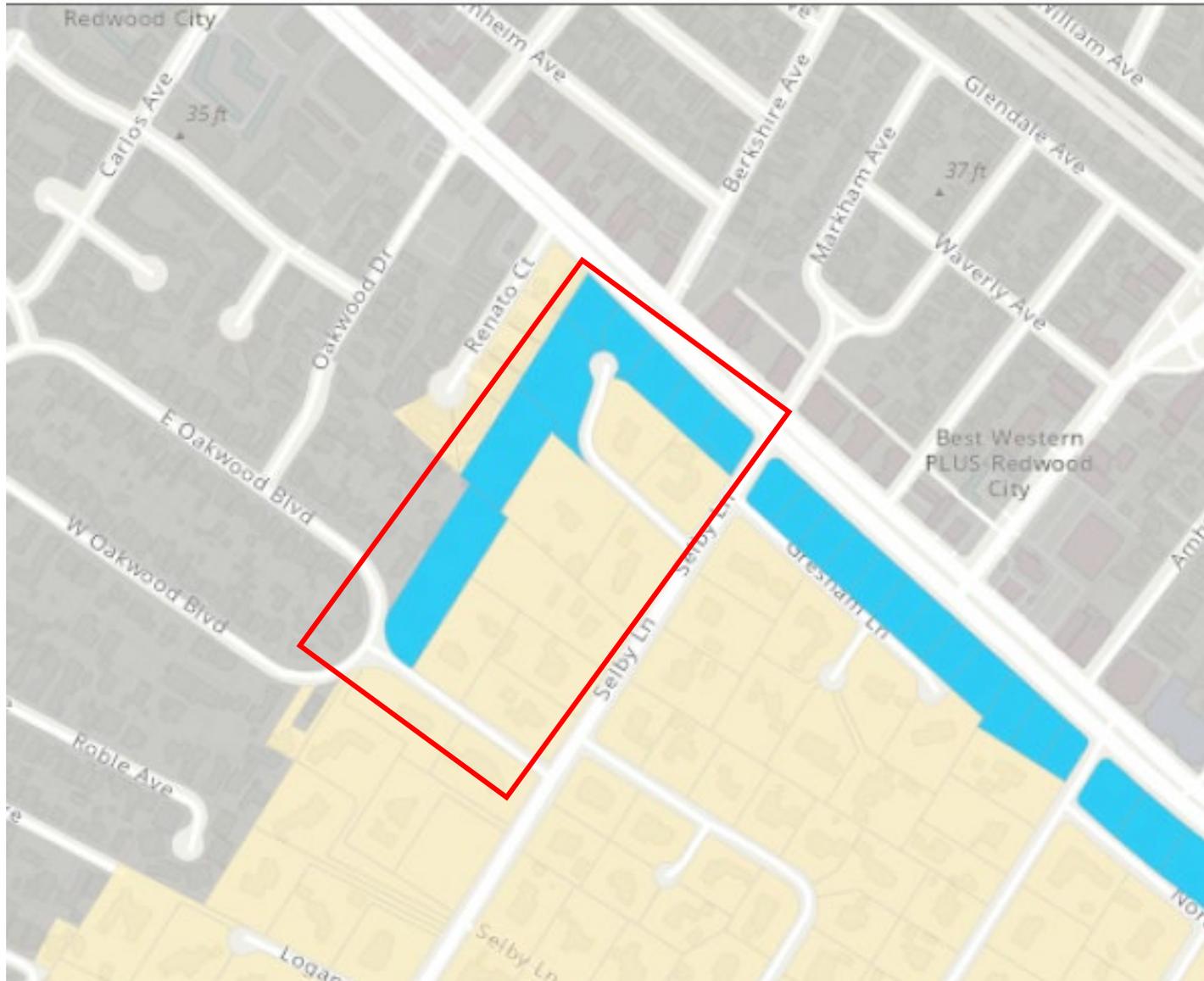
* total density with parcel consolidation

** individual lot density

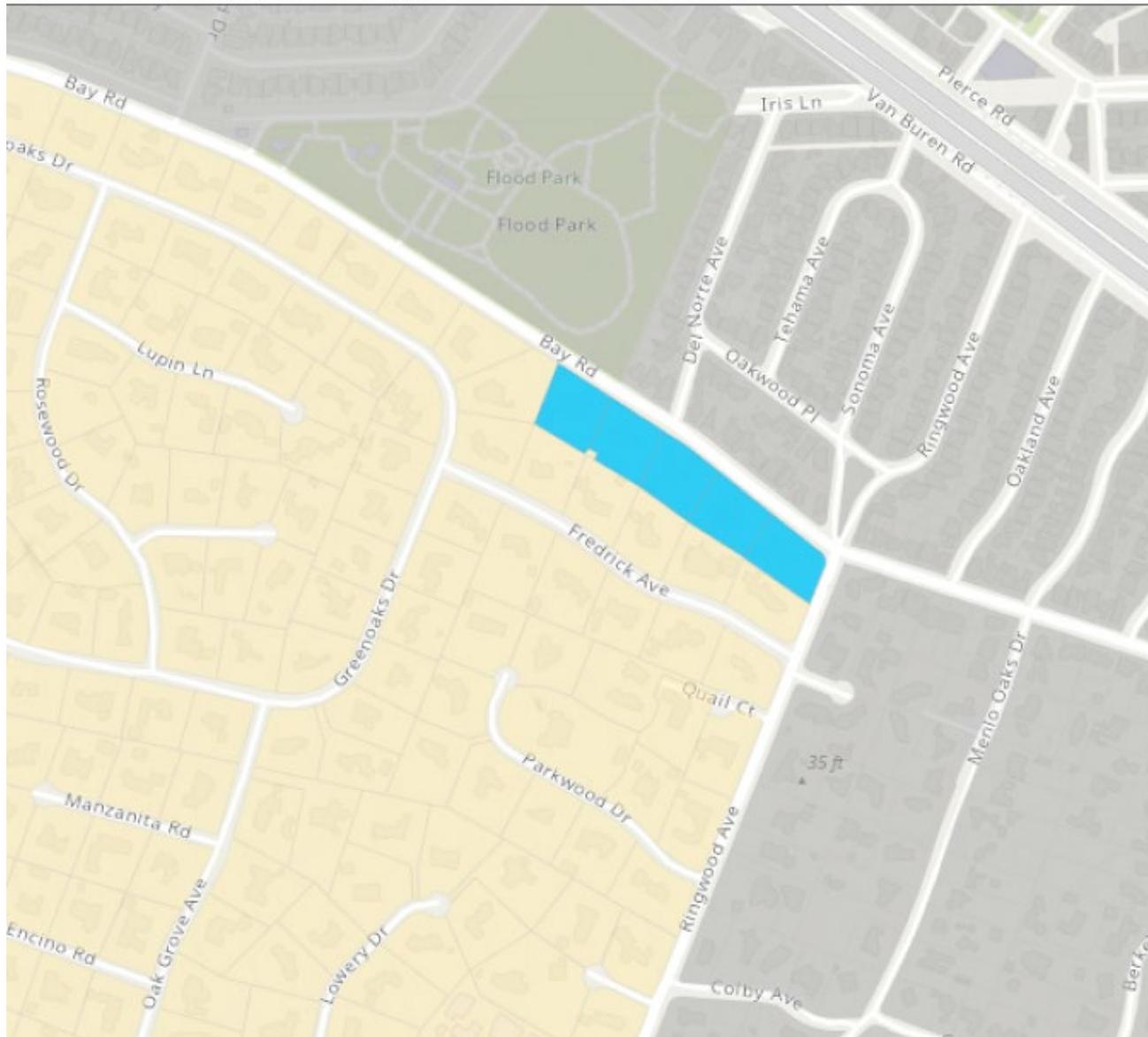
Housing Element Opportunity Sites
Overview of all Potential Sites



Housing Element Opportunity Sites
Map 1 – Oakwood, Cebalo & Selby Lane



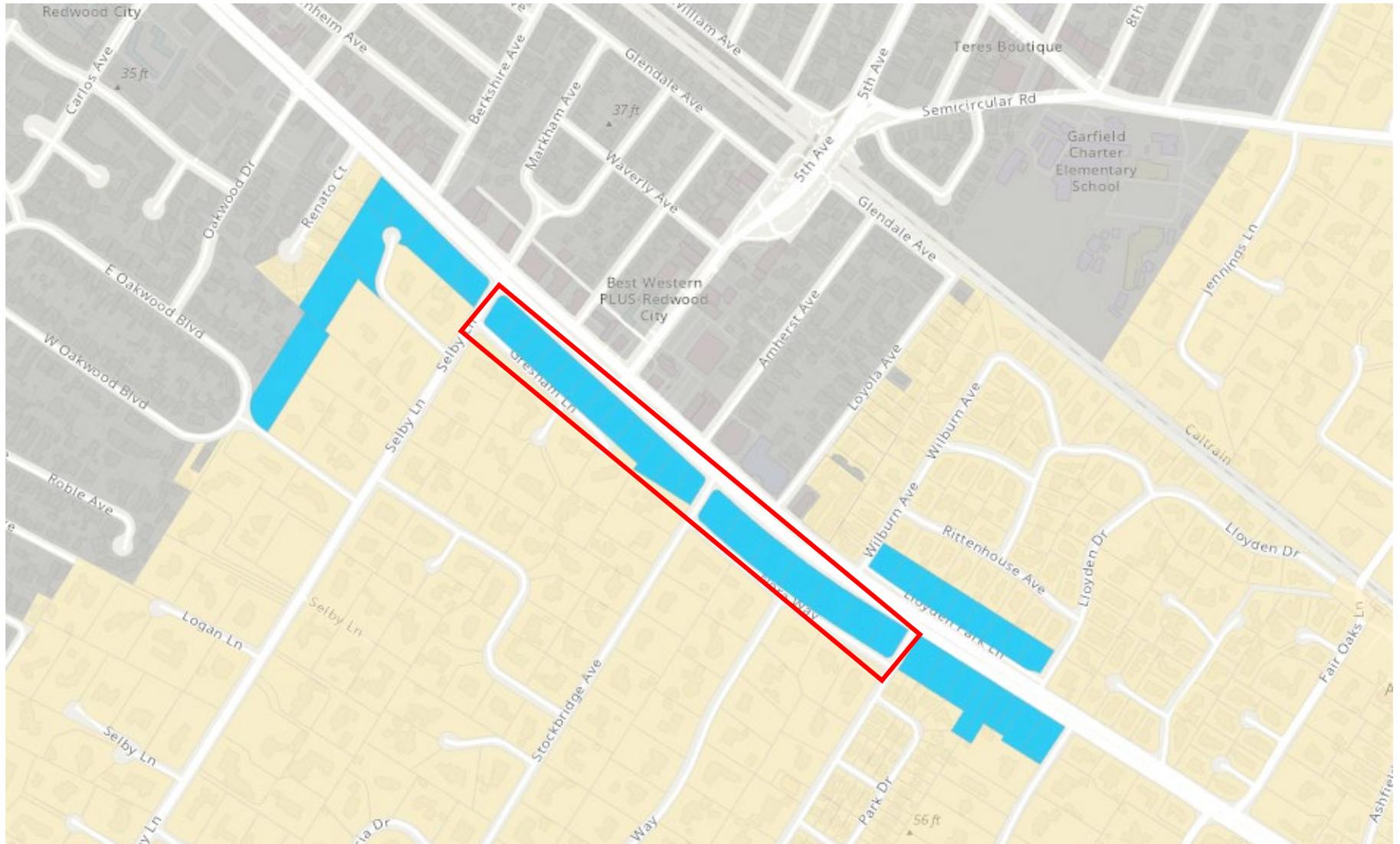
Housing Element Opportunity Sites
Map 2 – Bay Road



Housing Element Opportunity Sites
Map 3 – Victoria Drive



Housing Element Opportunity Sites
Map 4 – Nora, Stockbridge, El Camino & Gresham



Housing Element Opportunity Sites
Map 5 – Almedral, El Camino & Tuscaloosa



Housing Element Opportunity Sites
Map 6 – Lloydden Park Lane



Housing Element Opportunity Sites
Map 7 – Marsh Road

