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3.000 HOUSING ELEMENT (2023-2031 UPDATE)

3.100 INTRODUCTION

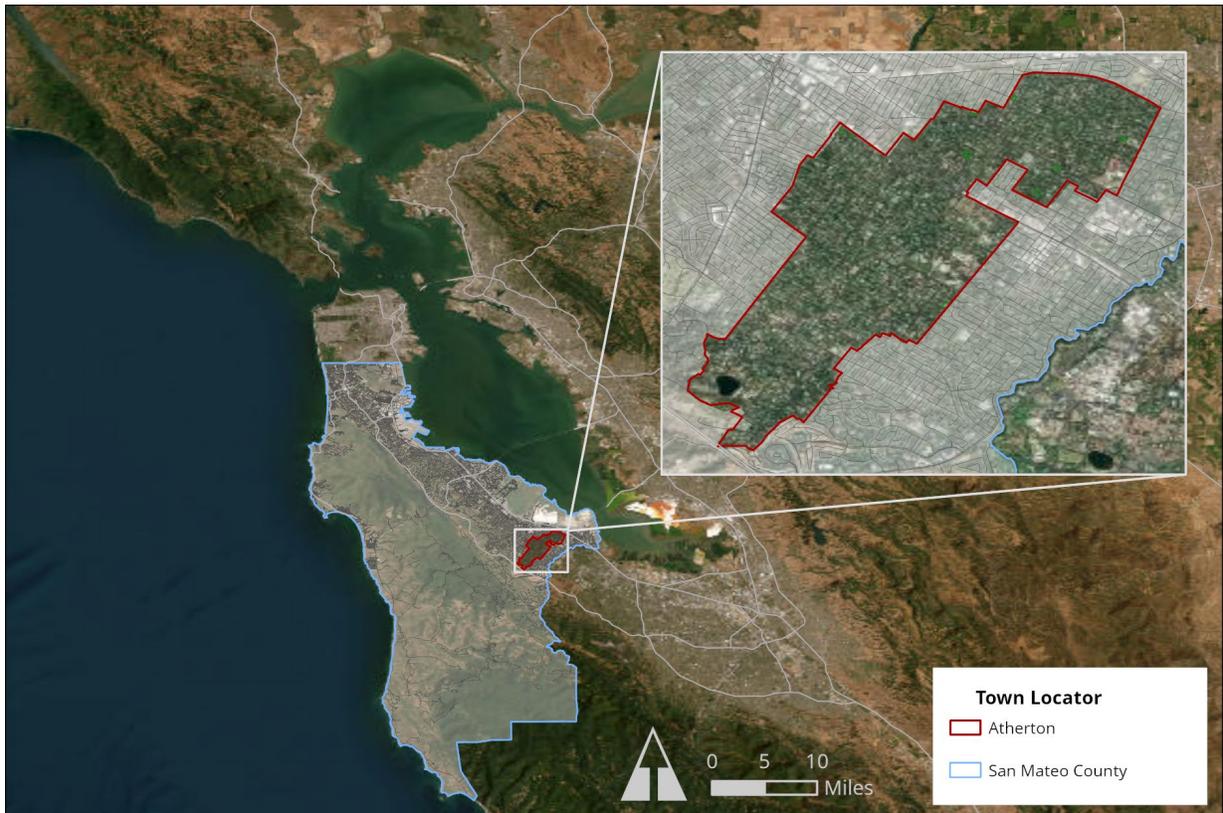
3.110 Purpose of the Housing Element

The State of California Government Code § 65588(e)(2) requires that all cities within the San Francisco Bay Area update the Housing Element of their General Plan by January 31, 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, shown in relation to San Mateo County in Figure HE - 1 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.

FIGURE HE - 1: TOWN LOCATOR



Source: San Mateo County GIS

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 Department of Housing and Urban Development (HUD) has established household income categories based on a proportion of the area's median family income as summarized in Table HE - 1. The income categories established by HUD are used by the California Department of Housing and Community Development (HCD) to calculate income limits for counties throughout the state. The income limits established by HCD for San Mateo County in 2021 are presented in Table HE - 2. This information also provides the maximum income limits based on the number of persons per household. Table HE - 3 identifies the monthly maximum affordable housing cost by number of people in a household and income category of the household for San Mateo County in 2021. The monthly amount is calculated as 30 percent of the household's annual income.

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
Lower ¹	50%-80% of area median income
Moderate	80%-120% of area median income
Above Moderate	Above 120% of area median income

Source: HCD Income Limits

TABLE HE - 2: ANNUAL INCOME LIMITS BY HOUSHOLD 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

*The HCD State Income Limits goes up to a family size of 8. Because so few families are 6-8 persons, only 1 through 5 are listed here.

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

¹ Term may also be used to mean 0% - 80% of AMI

TABLE HE - 2: 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, calculations by Good City Company.

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 in Table HE – 4 for this cycle:

TABLE HE - 4: ATHERTON'S 6TH CYCLE RHNA

Income Category	Number of Units
Very Low Income	94 dwelling units
Low Income	54 dwelling units
Moderate Income	56 dwelling units
Above Moderate Income	144 dwelling units
Total	348 dwelling units

Source: HCD

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 2 for detailed Housing Needs Analysis provided by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). To assist local jurisdictions in the preparation of their housing elements, MTC/ABAG provides data on topics of population, demographics, employment, and households for individual jurisdictions, counties and the region. An assessment of this information and related housing needs is provided in this section of the Housing Element.

3.211 Summary of Key Facts

This section provides a brief summary of key facts about people, jobs, housing and households, and special housing needs within Atherton. These facts give a demographic background for the town, highlighting its small population, relatively high income, and the rarity of in-town employment. Atherton's fair housing analysis, housing resources, and constraints are best understood in the context of these facts. In depth analysis of Affirmatively Furthering Fair Housing (AFFH) and housing needs is included in section 3.300. Housing resources are described in section 3.400, and constraints on housing are provided in section 3.500.

People

- **Population** – Atherton's population has been declining, unlike the rest of San Mateo County and the Bay Area region. While the city's population decreased by 0.3% from 2000-2020², both the county and the Bay Area's populations have increased (by 8% and 15% respectively)³. In Atherton, this has been the result of almost complete buildout of the Town in accordance with the General Plan, aging population, the escalating cost of land, and policies that restrict land use to low density residential and minimum lot sizes of 1 acre or 1/3 acre. The increase in population 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)⁴ compared to 40% of households in San Mateo

2 U.S. Census Bureau 2020 Decennial Census Table P1, 2000 Decennial Census Table DP1.

3 Ibid.

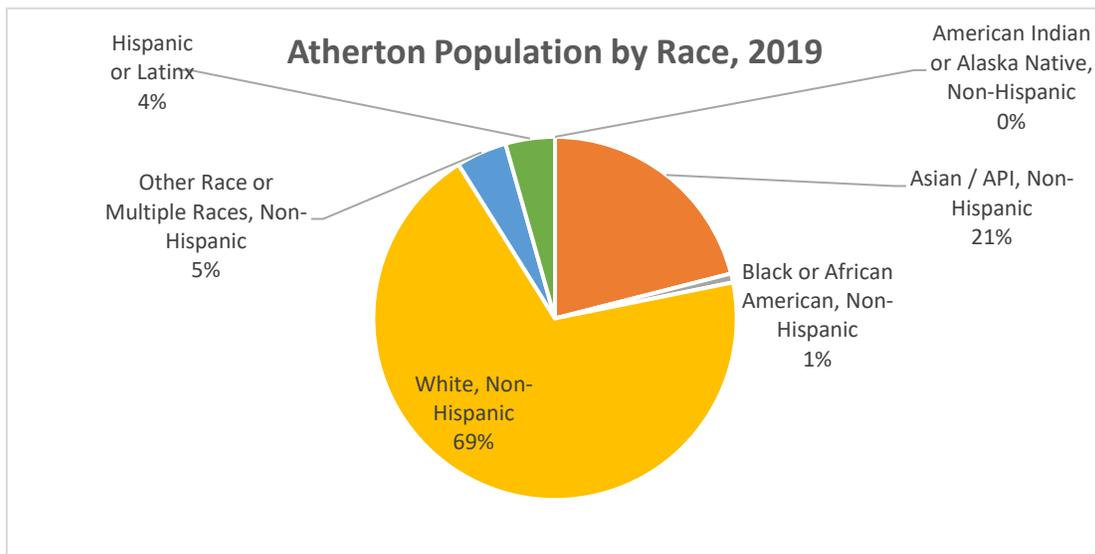
4 The Area Median Income (AMI) is the middle spot between the lowest and highest incomes earned. The 2021 AMI for the county is \$104,700 for a single person, \$119,700 for a household of two and \$149,600 for a family of four.

County and 39% of households in the Bay Area as a whole. Of those that are considered lower income in Atherton, approximately 6.3% are considered very low-income (earning less than 50% of AMI) and 6.5% are considered extremely low income (earning less than 30% of AMI).

- Age** – Community members in Atherton, as a group, are older than in the past, and compared to San Mateo County and the Bay Area as a whole. The median age in Atherton has increased from 45.1 in 2000 to 47.4 in 2019. The median age in San Mateo County was 39.7 in 2019, and median ages in counties of the greater Bay Area range from 37.1 in Santa Clara County, to 46.8 in Marin County. In 2019, 22.3% of the population of Atherton was under 18 years old and 22.4% was over 65 years old. In San Mateo County, 20.8% of the population was under 18, and 15.8% was over 65, while for the Bay Area as a whole, 20.6% was under 18 and 15% was over 65.⁵

Race/Ethnicity – Atherton is less diverse than San Mateo County and the Bay Area as a whole. In 2019, 69% of the population of Atherton was White, 21% was Asian, 4.4% was Latinx, and 0.8% was African American. By comparison, in San Mateo County, 39% of the population was White, 28% was Asian, 24% was Latinx, and 2% was African American. The population of the Bay Area by race was 39%, 26%, 24%, and 6%, respectively.⁶ The population of Atherton broken down by race is included in Figure HE - 2.

FIGURE HE - 2: ATHERTON POPULATION BY RACE (2019)



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

5 U.S. Census Bureau American Community Survey 2019 5-Year Estimates Table S0101.

6 U.S. Census Bureau American Community Survey 2019 5-Year Estimates Table DP05.

- **Poverty** – Currently, people of color in San Mateo County and the Bay Area as a whole are more likely to experience poverty. The group with the highest poverty rate in Atherton is Asian/Pacific Islander residents (5.3%). White (Hispanic and Non-Hispanic) residents have the lowest poverty rate (3.5%).⁷

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. The 2018 jobs-to-resident-workers ratio for San Mateo County is 0.96, compared to 0.95 for the greater Bay Area. In contrast, Atherton is job poor. In 2018, there were 2,995 employed residents and 2,570 jobs^{8,9} in Atherton, resulting in a jobs-to-resident-workers ratio of 0.86. 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 Cal Water employees. There are, however, a number of service industry jobs that are located in Atherton, such as construction, delivery, and household staff. Unfortunately there is no data readily available to more accurately represent local jobs. **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 higher than the county unemployment rate of 5.9%, slightly lower than the regional unemployment rate of 6.6%, but much lower than its pandemic-related high rate of 14.6% in April 2020. Atherton's pre-pandemic unemployment rate in January 2020 was 2.8%.¹⁰

⁷ Some 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.

⁸ 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).

⁹ U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files, 2002-2018

¹⁰ California Department of Employment Development, Local Area Unemployment Statistics (LAUS), Sub-county areas monthly updates, 2010-2021.

Housing and Households

- **Housing Units** – The growth in the number of homes 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 housing units in Atherton increased by 7% from 2010 to 2020, which is driven by the number of new ADUs within the town. The growth rates for San Mateo County and the region's housing stock during the same time period were 3% and 5% respectively.¹¹
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 and the greater Bay Area, 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 2020.¹² In comparison, the average sales price of a single-family home in San Mateo County was \$2,153,231,¹³ and \$2,049,216 in the greater Bay Area.¹⁴ Figure HE - 3 shows the change in average home sales prices in Atherton between 2010 and 2020.

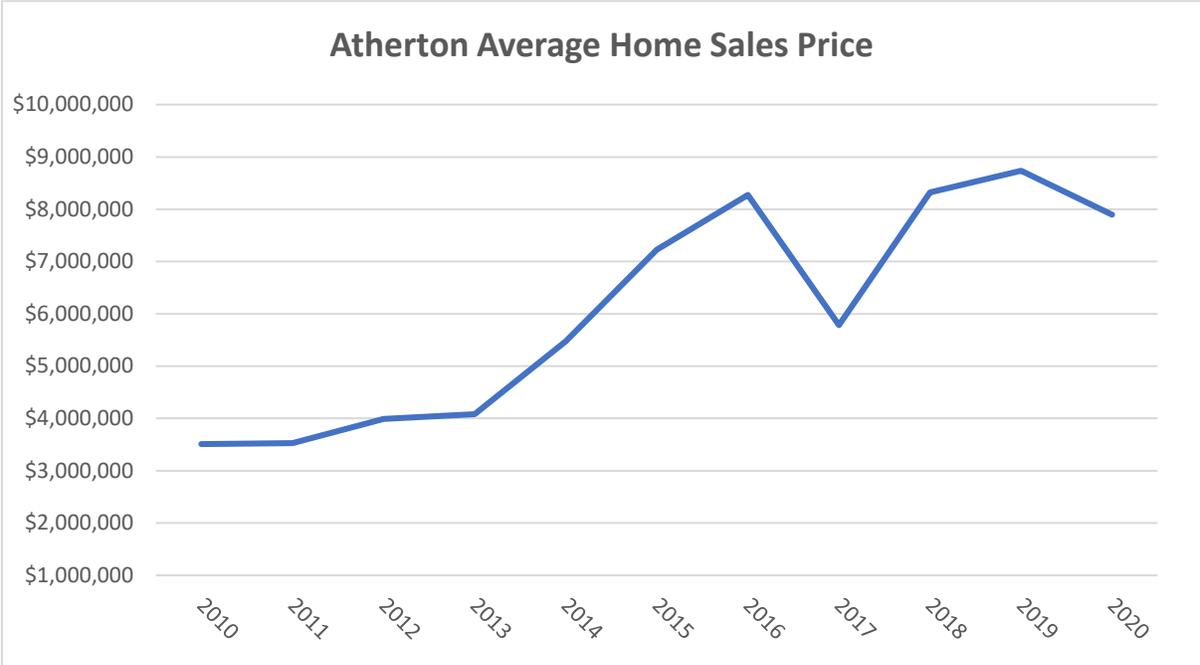
¹¹ U.S. Census Bureau, American Community Survey 2010 and 2020 5-Year Estimates Table B25001.

¹² San Mateo Association of REALTORS Annual Reports 2010-2020

¹³ Ibid.

¹⁴ California Association of REALTORS California Housing Market Update

FIGURE HE - 3: ATHERTON AVERAGE HOME SALE PRICE (2010-2020)



Source: San Mateo Association of REALTORS Annual Reports 2010-2020

- o **Rental Prices** – According to the US Census Bureau's American Community Survey 5-Year Datasets, rental prices in Atherton 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.¹⁵ Although Atherton's housing stock is primarily single-family residential, there are multifamily units provided on institutional sites that are rented. However, data distinguishing between the actual unit types is not available. There are not a sufficient number of rental units (only 150 in the town)¹⁶ for the US Census to break this number down by housing type. The rental data gathered by the Census does not necessarily corroborate with Atherton's internal data that tracks attested rents for accessory dwelling units (ADUs), the most recent of which is from 2023. The Town's internal data includes 41 ADUs rented for a median of \$0 – that is, the property owner is not charging rent on the occupant – and an average rent of \$765. Higher prices in census data may reflect larger homes than the lower cost of ADU rental in Atherton.

¹⁵ Note that contract rents may differ significantly from, and often being lower than, current listing prices.

¹⁶ This number comes from the US Census Bureau's American Community Survey 5-year Datasets and is an estimate. It may not corroborate with the Town's internal sources of data.

- **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). Moreover, 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, and 66% in San Mateo County).
- **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, compared to 37% renter-occupied and 63% owner-occupied in San Mateo County, and 39% renter-occupied and 61% owner-occupied in the greater Bay Area.
- **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. In San Mateo County, 19% of households are cost burdened, with 17% of households severely cost burdened, while the same proportions of households (19% and 17%, respectively) are cost burdened in the Bay Area as a whole.
- **Neighborhood Equity** – Some neighborhoods are identified as “Highest Resource” or “High Resource” by the State of California's Tax Credit Allocation Committee and HCD 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.¹⁷ However, neighborhoods do not 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”. While one of the census tracts is identified as “Moderate Resource,” Atherton, as a whole, is commonly understood and accepted as a high-resource community.

¹⁷ “The TCAC/HCD Opportunity Map identifies areas in every region of the state whose characteristics have been shown by research to be most strongly associated with positive economic, educational, and health outcomes for low-income families – particularly long-term outcomes for children – when compared to other neighborhoods in the same region.” 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>.

- **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.

Low-income households are excluded from virtually all of Atherton's neighborhoods due to the high cost of land. No households in Atherton live in neighborhoods that are susceptible to or experiencing displacement, or in areas at risk of or undergoing gentrification.¹⁸

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 and may have greater difficulty in finding decent, adequate, and affordable housing due to mobility and accessibility barriers. For instance, individuals with disabilities are often unable to work and live off of a fixed income, such as Supplemental Security Income. They also may require accessibly designed housing to accommodate needs related to their specific disabilities, employment and income, family characteristics, disability, and/or household characteristics.

- In Atherton, 7.8% of residents have a disability of any kind and may require accessible housing. People with disabilities face challenges when looking for housing, especially housing that is “visitable,” or able to be entered and used by someone in a wheelchair or other mobility device. There is a limited supply of handicap accessible, generally affordable housing, and the supply is especially limited near transit. Proximity to transit is important because many people with disabilities cannot drive. People with disabilities are also often extremely low-income due to the challenge of securing long-term employment and higher medical bills. Additionally, some people with disabilities, particularly developmental disabilities, have lived with their parents and often do not have

¹⁸ For more information on the University of California, Berkeley Urban Displacement map, see this website: <https://www.urbandisplacement.org/maps/california-estimated-displacement-risk-model/>

rental or credit history. This makes it harder for them to compete for the limited housing that is available.

- Seniors (individuals 64 years of age or older) are another segment of the population with special housing needs. As previously mentioned, 22.4% of Atherton's population, or 1,596 individuals, were seniors in 2019. As the large baby boomer population ages, Atherton, like the rest of San Mateo County, is expected to see a growing population of seniors. Currently, there are no senior housing units in Atherton. However, as the population of the Town continues to age, there may be a greater need for more senior housing (i.e. smaller, multifamily units, or accessible units), spurred by a growing trend by many to age-in-place or downsize to remain in their communities. In Atherton, 13% of households are larger households with five or more people sharing the same home. These households likely need larger housing units with three bedrooms or more. Since 0% of the large households in the Town are considered very low-income and 94% of the units in the Town are three or more bedrooms, the high cost of housing in the Town has not prevented a majority of these large families from securing adequate housing. However, larger households needing three or more bedrooms often have difficulty in finding adequate and affordable housing. The higher costs required for homes with multiple bedrooms can result in larger families experiencing a disproportionate cost burden compared to the rest of the population and can increase the risk of housing insecurity. ADUs typically cannot achieve three or more bedrooms within realistic square footage limitations and do not necessarily meet the needs of low-income or cost burdened larger households.
- In Atherton, 5.4% of households are female-headed families, which can be of greater risk of housing insecurity, or losing their home. Households headed by a single parent can have special needs due to the economic limitation of earning only one income, and the challenges of childcare without a partner. Although gender equality has made strides over the past 50 years, women continue to earn lower incomes than men. Therefore, female-headed households have specific housing needs that must be addressed: low-cost housing, suitability for children and located near schools and childcare facilities. Difficulty in finding affordable housing can result in disproportionate cost burden on female headed families compared to the rest of the population and can also increase the risk of housing insecurity.
- In the 2022 San Mateo County One Day Homeless Count and Survey, there were 3 homeless individuals in Atherton, or less than 1% of the town's population. Atherton historically has one of the lower homeless counts in San Mateo County. Shelters and homeless assistance programs are the main resources available to homeless residents of San Mateo County. San Mateo County's Center on

Homeless, a program overseen by the County Human Services Agency, coordinates the provision of homeless services within the County, including those by non-governmental entities. The Center on Homeless provides information to county residents and referrals, administers self-sufficiency programs, and develops homeless resources. There are also several specialized shelters for people with substance abuse problems, mental illnesses, victims of domestic violence and for the youth. The nearest large homeless assistance facility is the Shelter Clearinghouse at the Fair Oaks Community Center in Redwood City. This is an information resource and reference point that provides shelter referrals to homeless individuals and families and works in close with San Mateo County Human Services to provide individuals and families much-needed support to stabilize their living situations. Limited housing affordability and availability increases the risk of continued housing insecurity for homeless individuals.

- **Extremely Low Income (ELI) Households** – ELI households earn 30% of the Area Median Income or less. This amounts to an annual income of \$54,800 or below for a family of four in San Mateo County. According to HUD data, there are 149 households with extremely low incomes (out of 2,305 total households, or 6.4%). Of these households, 130 are owner occupied (87% of all extremely low income households) and 19 are renter occupied (13%).

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"¹⁹

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.

¹⁹ California Department of Housing and Community Development Guidance, 2021, page 9.

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. 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 to 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. Typically, this housing was segregated into less desirable areas, such as next to highways, and concentrated in public housing and urban renewal developments.

The private sector contributed to segregation through activities that discouraged (blockbusting) or prohibited (restrictive covenants) integrated neighborhoods. The segregatory effect of blockbusting activities in the County is 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

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.

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.

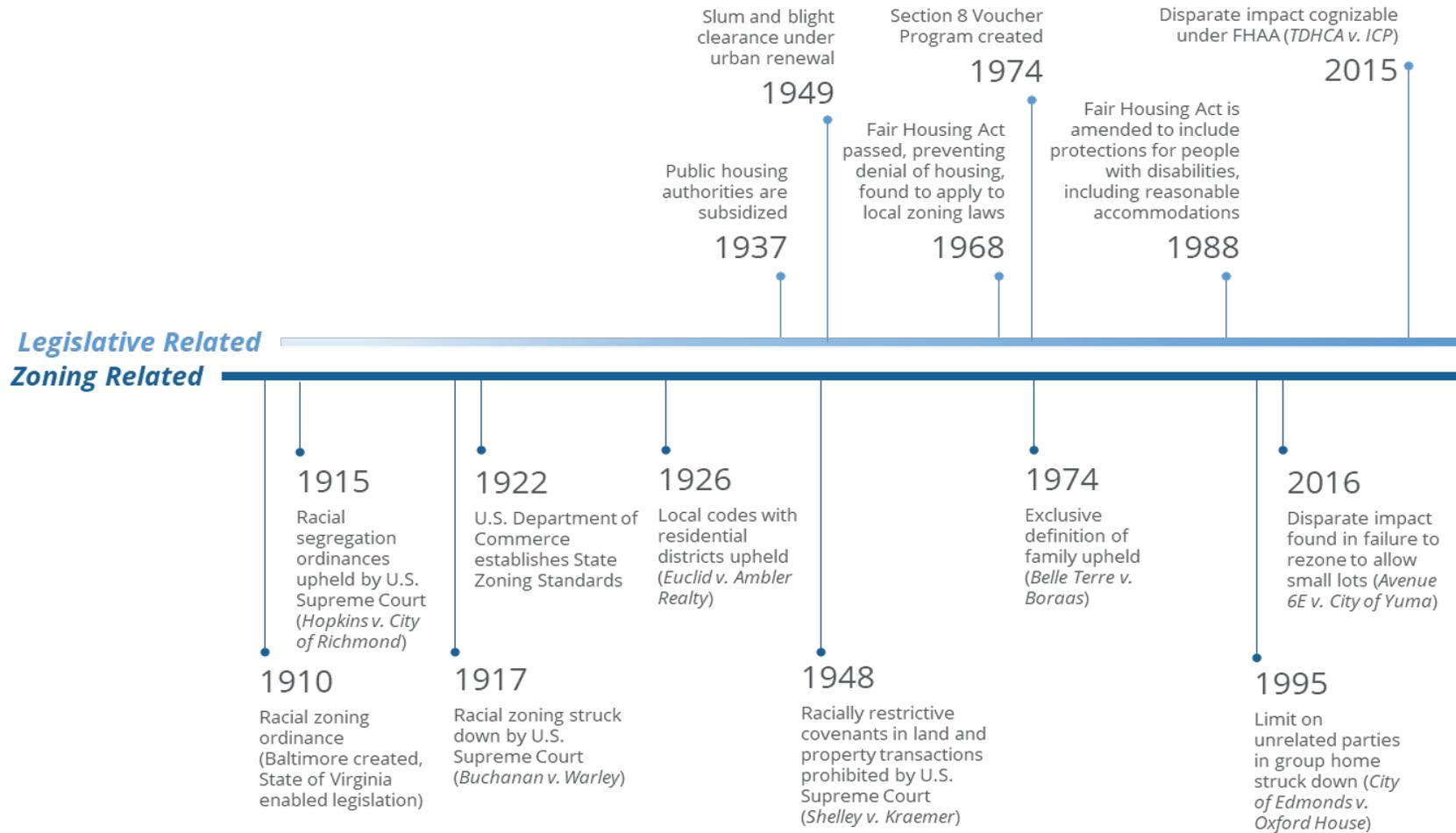
Throughout the county, neighborhood associations and city leaders attempted to thwart integration of communities. Although some neighborhood residents supported integration, most did not, and it was not unusual for neighborhood associations to require acceptance of all new buyers. Builders with intentions 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 Figure HE – 4, 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. Amber 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.

FIGURE HE - 4 MAJOR PUBLIC AND LEGAL ACTIONS THAT INFLUENCE FAIR ACCESS TO HOUSING²⁰



²⁰ Moore, Eli, Montojo, Nicole, and Mauri, Nicole. *Roots, Race, & Place: A History of Racially Exclusionary Housing in the San Francisco Bay Area* (Othering and Belonging Institute at the University of California, Berkeley: October 2, 2019. Available at: <https://belonging.berkeley.edu/rootsraceplace>

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, with modifications made after consultation with HCD:

Section 3.330. Fair Housing Enforcement and Outreach Capacity reviews lawsuits/enforcement actions/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. Local Data, Knowledge, and Other Relevant Factors provides additional information and context about fair housing in Atherton.

Section 3.390. 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

Fair Housing Appendices that provide additional AFFH data are provided alongside the other Housing Element appendices, at the end of the element.

- **3.3-A:** Resident survey results—findings from a survey of San Mateo County residents on their experience finding and remaining in housing
- **3.3-B:** Disparate Access to Educational Opportunities—findings from a countywide analysis of access to education and educational outcomes by protected class.

- **3.3-C:** State Fair Housing Laws and Regulations—summary of key state laws and regulations related to mitigating housing discrimination and expanding housing choice
- **3.3-D:** 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 its affluence and high ownership rates, with a median income of over \$250,000 (the highest census cut-off) and a homeownership rate of 93%, compared to a median income of \$149,907 and a homeownership rate of 60% in San Mateo County. Racial and ethnic minorities living in Atherton are wealthier compared to the county. However, in general, Appendix 2 data indicates the following about Atherton:
 - In the county, households of other or multiple races experience higher rates of cost burden—56% are extremely cost burdened, compared to 16% in Atherton overall. 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.
 - 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.
 - 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%).

- 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). Despite the low population growth, home values accelerated since 2014. 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. According to the ABAG Housing Data Workbook, 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. However, actual Town building permit records reflect that from 2010 forward more than 320 new single-family home building permits were issued.
- Atherton has relatively the same share of residents with a disability compared to the county. In general, residents living with a disability in the town are more likely to be unemployed. Finally, the aging population in the county is putting a strain on paratransit access countywide. 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.
- Atherton is served by the Menlo Park City, Redwood City, and Las Lomas Elementary School Districts, and the Sequoia Union High School District. 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, 31% of public-school students in San Mateo County qualify for reduced-price lunch in the 2022-2023 school year.²¹ In Redwood City Elementary School

²¹ Data collected by the California Department of Education (CDE) through the California Longitudinal Pupil Achievement Data System (CALPADS).

District, which includes Atherton, 61% of students qualify for free and reduced-price meals. This number is far higher than Menlo Park City Elementary School District (10%) or Las Lomas Elementary School District (6%). County-wide, 21% of public-school students are English learners. Again, this rate is higher at Redwood City Elementary School District, where 38% of students are English learners, compared to Menlo Park City Elementary School District (7.3%) or Las Lomas Elementary School District (13%).

- At the high school level, Sequoia Union High School district (which includes Atherton) 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 (Appendix 3: AFFH Atherton Map and Data Packet).

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 and 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".²²

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

²² California Department of Civil Rights,
<https://calcivilrights.ca.gov/aboutcrd/>

process, appealing a decision, and other frequently asked questions.²³ 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 of 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.

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 county.**

Countywide, most complaints cited disability status as the basis (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

²³ California Department of Civil Rights. Complaint Process, <https://www.dfeh.ca.gov/complaintprocess/>

agencies—reinforcing the need for local, active fair housing organizations and increased funding for such organizations.²⁴

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 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

Outreach and capacity. The Town of Atherton has posted its Draft Housing Element for 2023-2031 and advertised to residents an ADU survey, held multiple special meetings and study sessions with the City Council, and held 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.

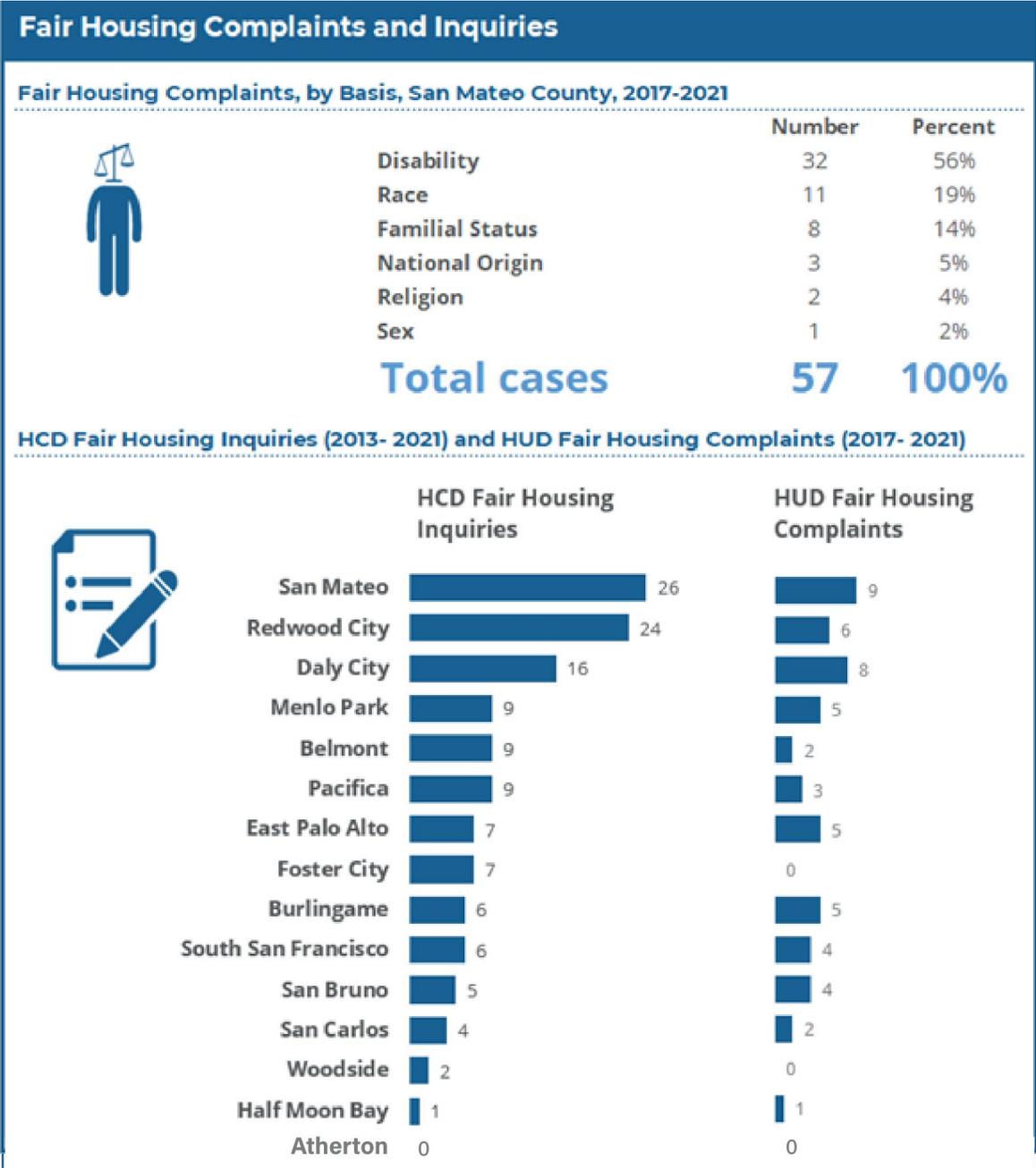
The Town of Atherton does not currently have a fair housing outreach and enforcement program, and rather receives complaints from independently informed, interested stakeholders. The Town has not developed a fair housing enforcement and outreach program due to Atherton's small size and extremely low incidence of fair housing complaints. There were no fair housing inquiries between 2013 to 2021. Distribution and basis of fair housing complaints and inquiries in San Mateo County between 2017 and 2021 are included in Figure HE - 5. That said, the Town acknowledges that it has a responsibility to conduct proactive outreach to ensure residents are aware of their rights regarding fair housing issues. These changes shall be discussed below.

The Town of Atherton will improve the accessibility of fair housing information on its website and resources for residents experiencing housing discrimination. Information on

²⁴ National Fair Housing Alliance Report on Housing Harassment, <https://nationalfairhousing.org/2021/07/29/annual-fair-housing-report-shows-increase-in-housing-harassment/>

housing resources can be 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. The Town shall receive and compile fair housing complaints by conducting proactive, annual outreach to homeowners and renters. The Town shall also conduct proactive educational outreach to increase awareness of fair housing rights and responsibilities within the jurisdiction. After receiving and aggregating complaints, the Town will make regular monthly referrals to local enforcement agencies and non-profits. An annual review of the effectiveness of this program will be carried out in tandem with the educational outreach process.

FIGURE HE - 5: FAIR HOUSING COMPLAINTS AND INQUIRIES



Source: California Department of Housing and Community Development AFFH Data Viewer

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. The section includes analyses of:
 - Race and Ethnicity in Atherton
 - Racially and ethnically concentrated areas of poverty and affluence
 - Dissimilarity Index
 - Disability Status
 - Familial Status
 - Household Income

Integration and Segregation
<p>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.</p> <p>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."</p>

Race and Ethnicity

As shown in Figure HE - 6, Atherton became more diverse between 2000 and 2019, during a time when the town's population declined. However, Atherton is less racially and ethnically diverse than San Mateo County. The largest proportion of the population is non-Hispanic White (69% v. 39% countywide), followed by Asian/Asian Pacific Islander (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%.²⁵ Figure HE - 7 shows the differences in racial makeup in Atherton, San Mateo County, and the greater Bay Area.

²⁵ The share of the population that identifies as American Indian or Alaska Native is less than 1%.

FIGURE HE - 6: RACE AND ETHNICITY IN ATHERTON

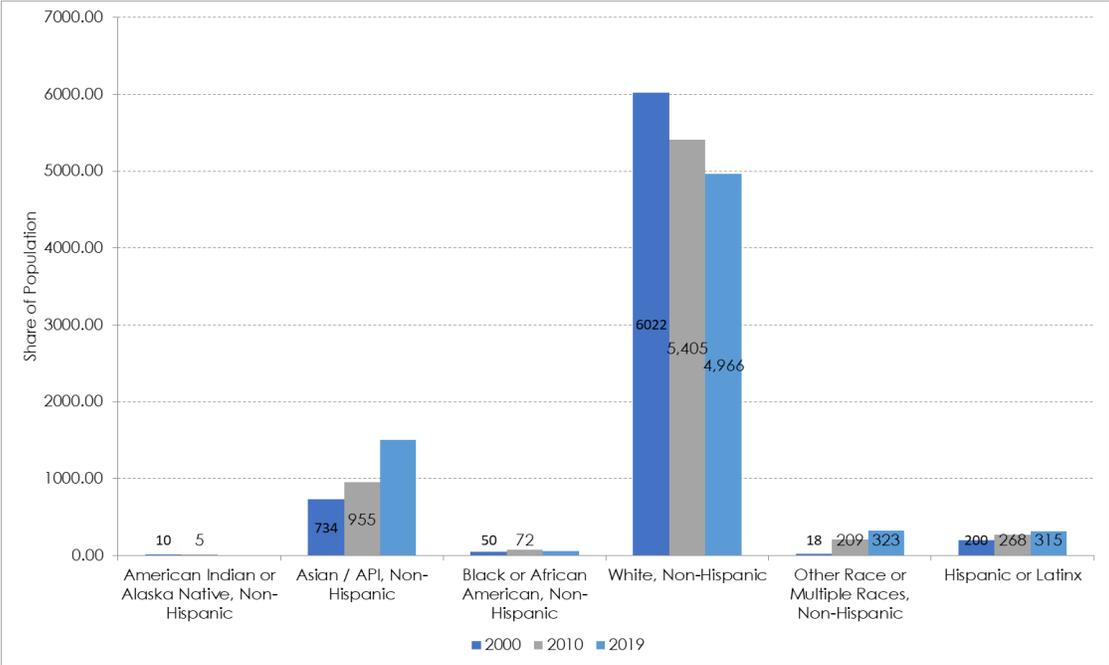
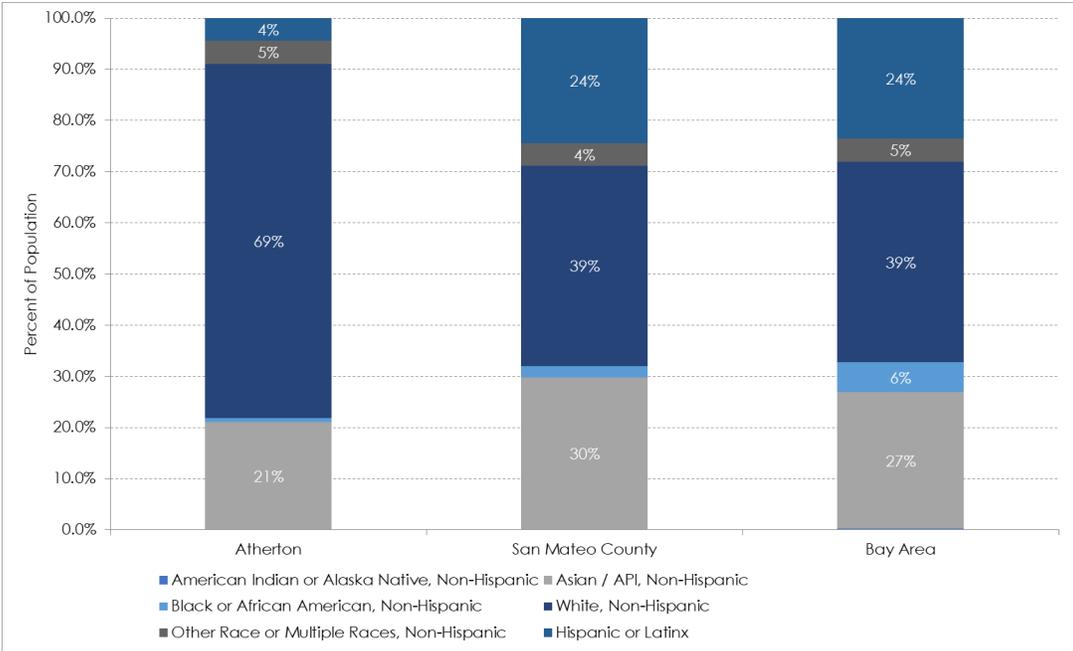


FIGURE HE - 7: RACE AND ETHNICITY IN ATHERTON, SAN MATEO COUNTY, AND THE BAY AREA

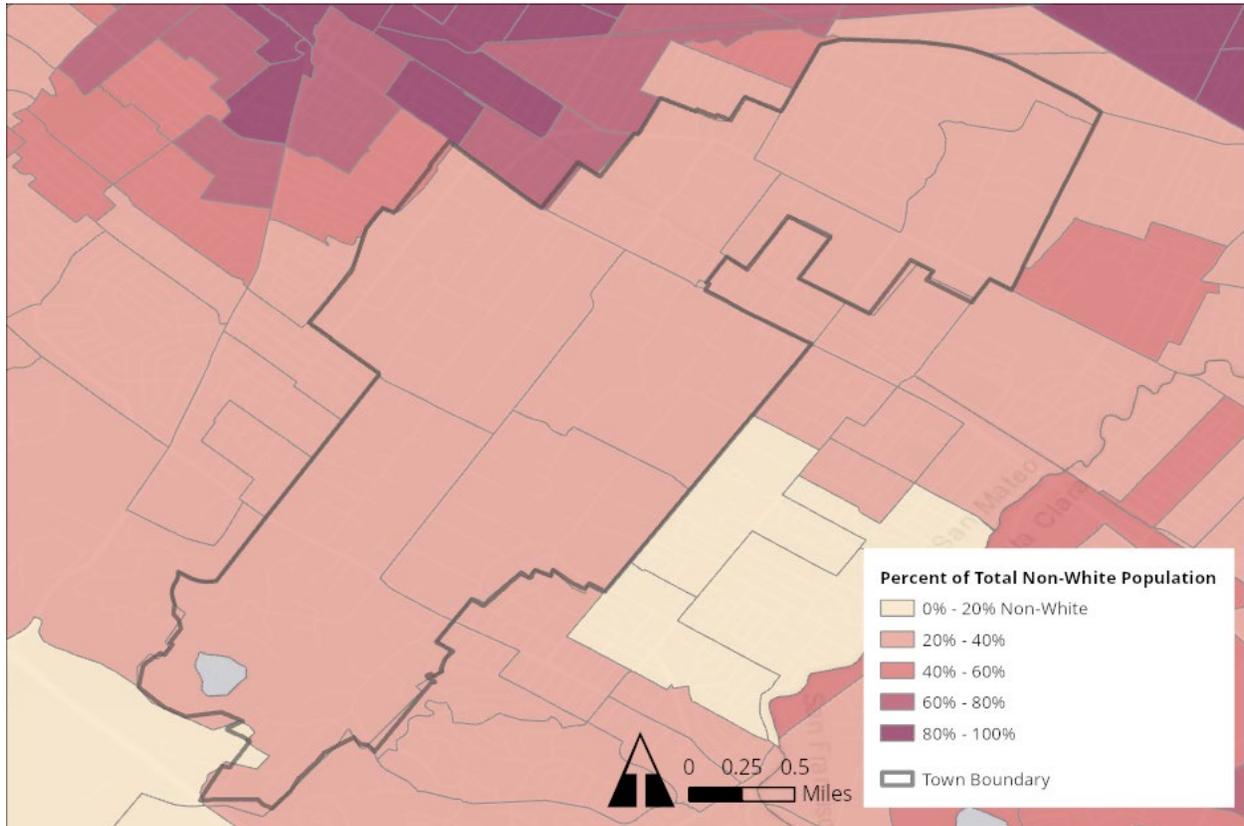


Source: American Community Survey 2019 5-Year Estimates

Atherton is predominantly white, but Redwood City and areas of unincorporated San Mateo County to the town's north are predominantly non-White, as shown in Figure HE - 8. There are no particularly unique racial concentrations within the town. Older residents

of Atherton are less diverse than the town as a whole, with 89% of the population older than 65 years identifying as White compared to 61% of the population for children less than 18 years old.

FIGURE HE - 8: PERCENTAGE OF TOTAL NON-WHITE POPULATION IN ATHERTON AND SURROUNDING JURISDICTIONS



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001

Racially or Ethnically Concentrated Areas of Poverty and Affluence

A 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 and/or ethnically segregated areas with high poverty rates to affluent predominantly White neighborhoods.²⁶ Historically, the Department of Housing and Urban Development (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

²⁶ 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*

RCAAs to acknowledge current and past policies that created and perpetuate these areas of high opportunity and exclusion.²⁷

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

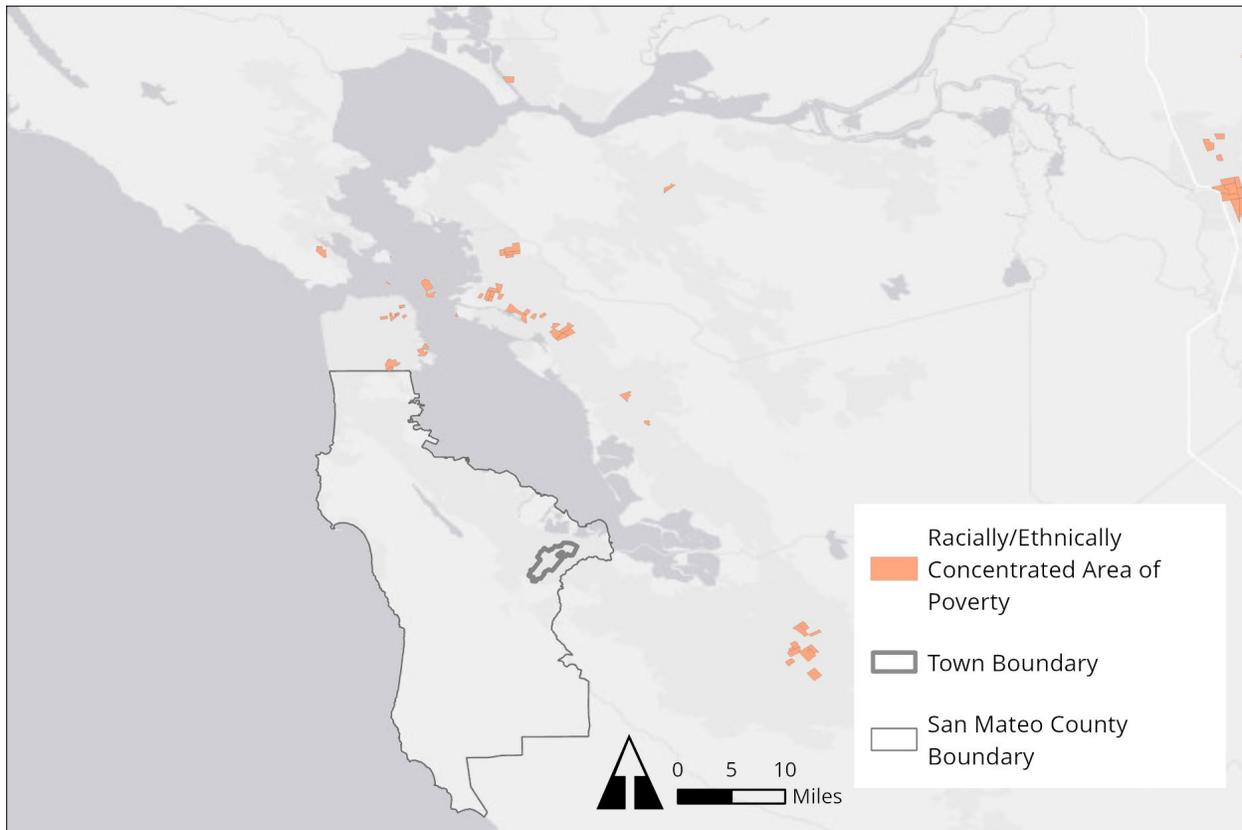
- HCD and HUD's definition of a Racially/Ethnically Concentrated Area of Poverty is: A census tract that has a non-White population of 50 percent or more (majority-minority) or, for non-urban areas, 20 percent, AND a poverty rate of 40 percent or more; OR
- A census tract that has a non-white population 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%. 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%). Figure HE – 9 identifies all R/ECAPs within the region. There are no R/ECAPs within San Mateo County.

²⁷ Ibid.

FIGURE HE - 9: RACIALLY OR ETHNICALLY CONCENTRATED AREAS OF POVERTY



Source: California Department of Housing and Community Development AFFH Data Viewer

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 a total white population in the given COG region, and a median income that was 2 times higher than the COG AMI.

The purpose of identifying R/ECAPs is to locate areas where residents may have historically faced discrimination and continue to be challenged by limited economic opportunity. Conversely, RCAAs are meant to identify areas of particular advantage and exclusion. For the purpose of the fair housing assessment, these designations are indicators of integration and segregation of a population based on race and ethnicity, and income status.

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

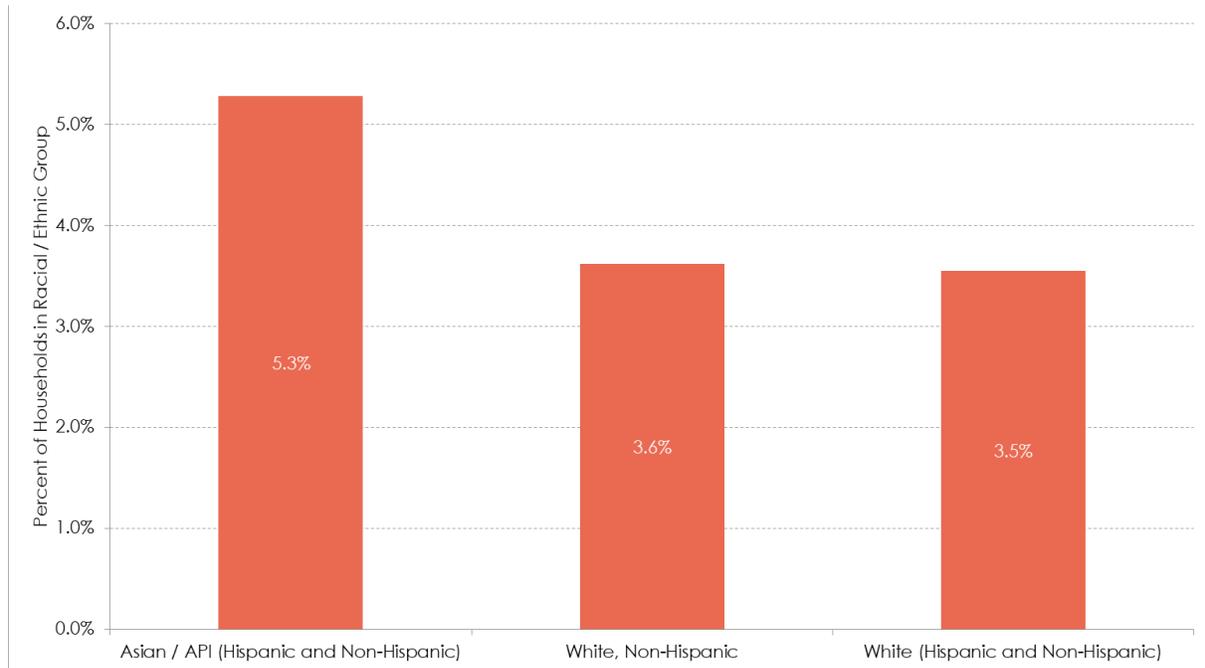
towards Redwood City, there are fewer RCAAs. Although maps are not available through time, analysis shows that the white population has remained the majority demographic throughout Atherton's history. Atherton has consistently had high home prices compared to San Mateo County and the Bay Area, suggesting 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.

FIGURE HE - 10: RACIALLY CONCENTRATED AREAS OF AFFLUENCE



Source: California Department of Housing and Community Development AFFH Data Viewer

FIGURE HE - 11: PERCENT OF ATHERTON HOUSEHOLDS IN POVERTY BY RACIAL/ETHNIC GROUP



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 Alaskan 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 change 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.

Dissimilarity Index

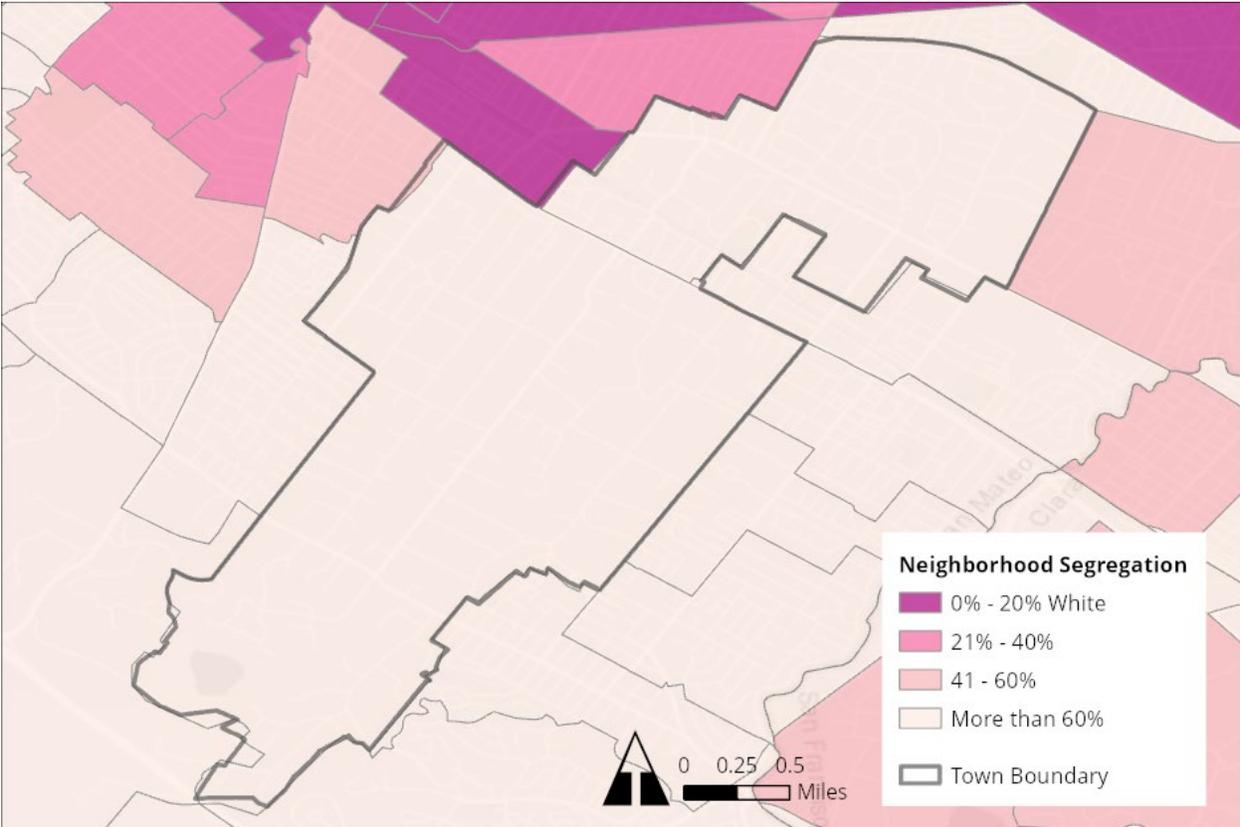
The Dissimilarity Index, or DI, is a common tool that measures segregation in a community. The DI is an index that measures the degree to which two distinct groups are evenly distributed across a geographic area. The DI represents the percentage of a group's population that would have to move for each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

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.

As shown in Figure HE - 12, per the Association of Bay Area Governments' (ABAG) Data Viewer, the entire census tract for Atherton has a high racial segregation, characterized by a population that is greater than 60 percent White. This contrasts with the low- and medium-segregation areas immediately outside of jurisdiction boundaries, particularly in areas north of Atherton. Analysis of the DI between 2010-2020 indicates that surrounding jurisdictions made some improvement regarding racial integration from 2010-2020; however, during the same time period Atherton maintained the same or similar level of racial segregation, even with a growing diversity of residents. The Town acknowledges that it is critical to be aware of these circumstances and use it to inform the development of proactive policies and implement these practices to achieve higher incremental racial integration, as much as possible, within the jurisdiction.

FIGURE HE - 12: RACIAL SEGREGATION IN ATHERTON AND SURROUNDING JURISDICTIONS



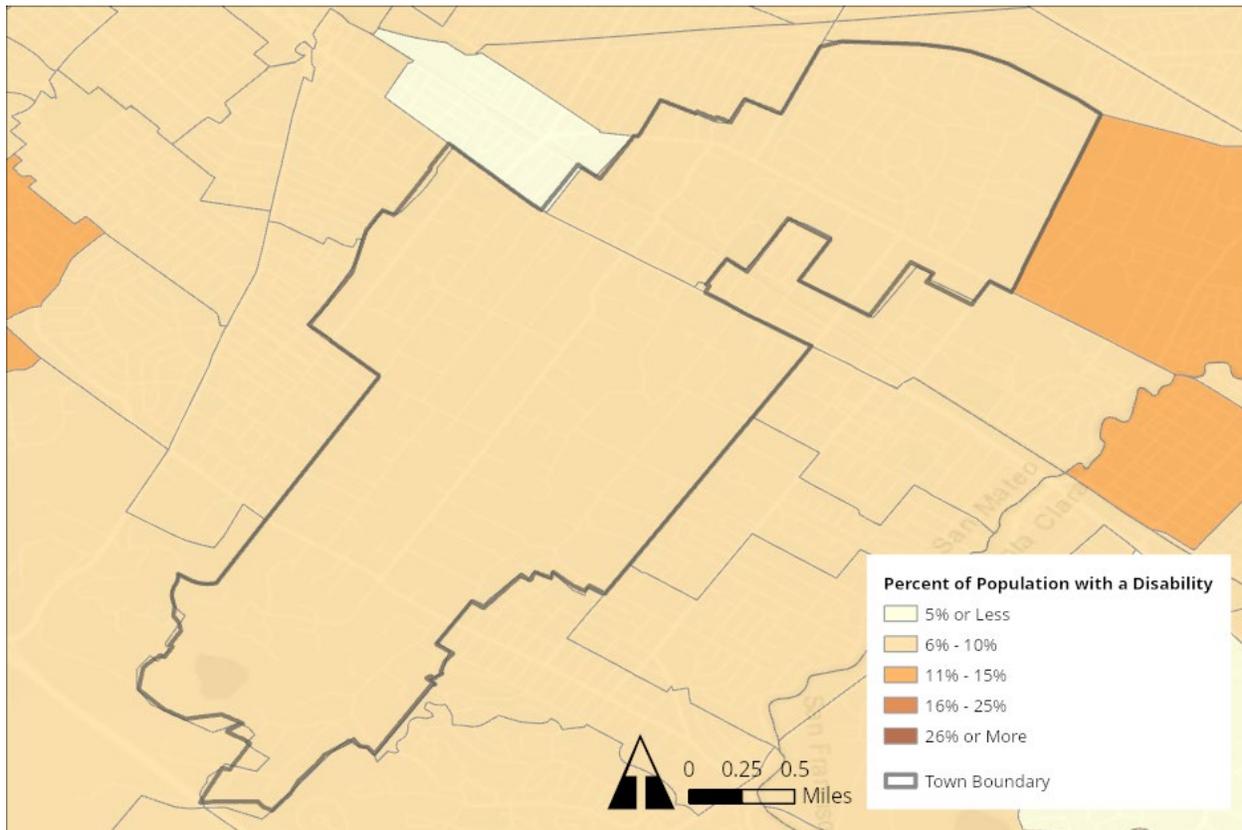
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001

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 and slightly more than the 7% in the Bay Area, according to census data. 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%). There are no census tracts in the Town with a share of the population living with a disability above 10%, as shown in Figure HE - 13. 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.

FIGURE HE - 13: DISABILITY STATUS



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table S1810

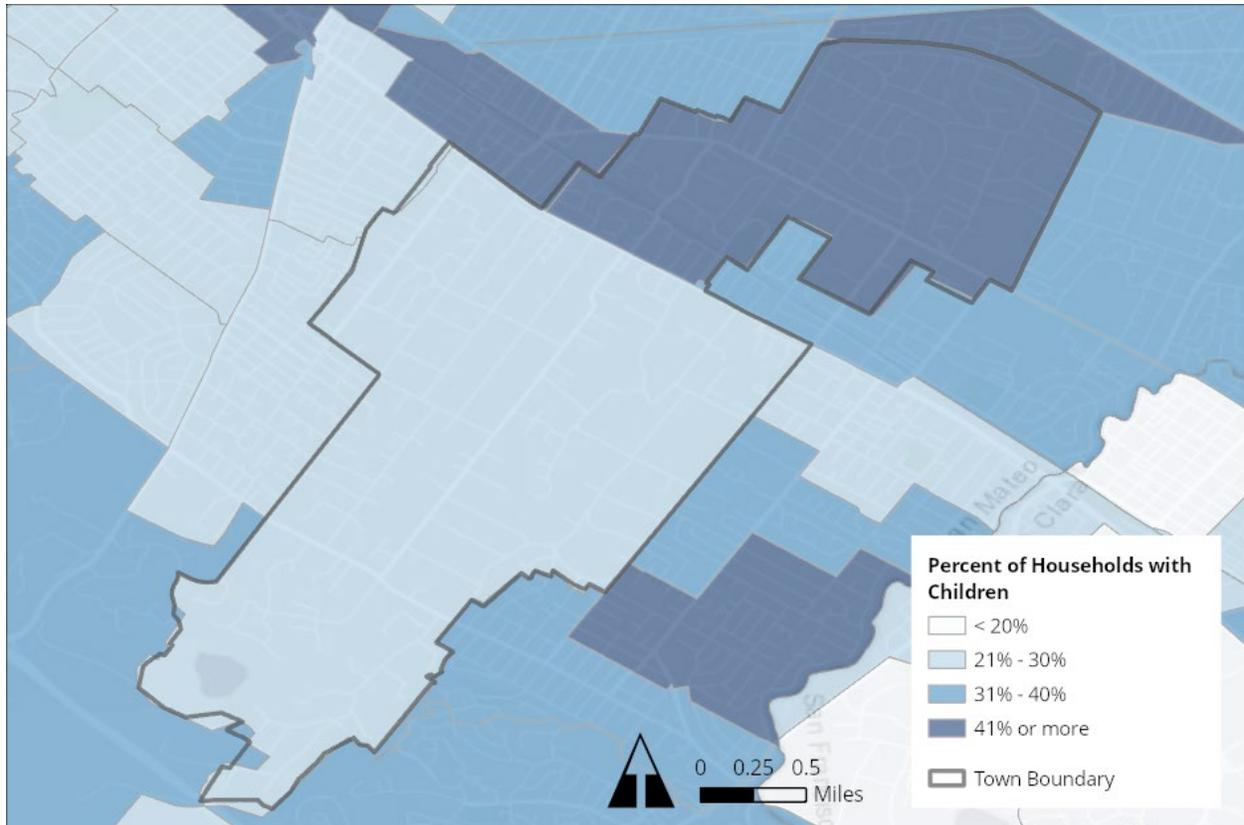
Familial Status

In Atherton, 67% of households are married couples and 65% of all households have children under 18 present. This is compared to 55% married and 67% households with children for San Mateo County, and 51% married couples and 68% households with children for the Bay Area region. The town is home to fewer single-person households (13% in Atherton v. 22% countywide v. 25% for the Bay Area region). 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 income 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.

In Atherton, the concentrations of households with children are found in the census tract east of El Camino Real, as shown in Figure HE - 14; however, there are very few households of individuals living alone are found in the entire jurisdiction. This is likely due to older households with children having grown up and left the household in the areas west of El Camino Real. In Atherton, 35% of households have one or more children under the age of 18, compared with 33% in San Mateo County and 30% in the Bay Area region.

FIGURE HE - 14: HOUSEHOLDS WITH CHILDREN

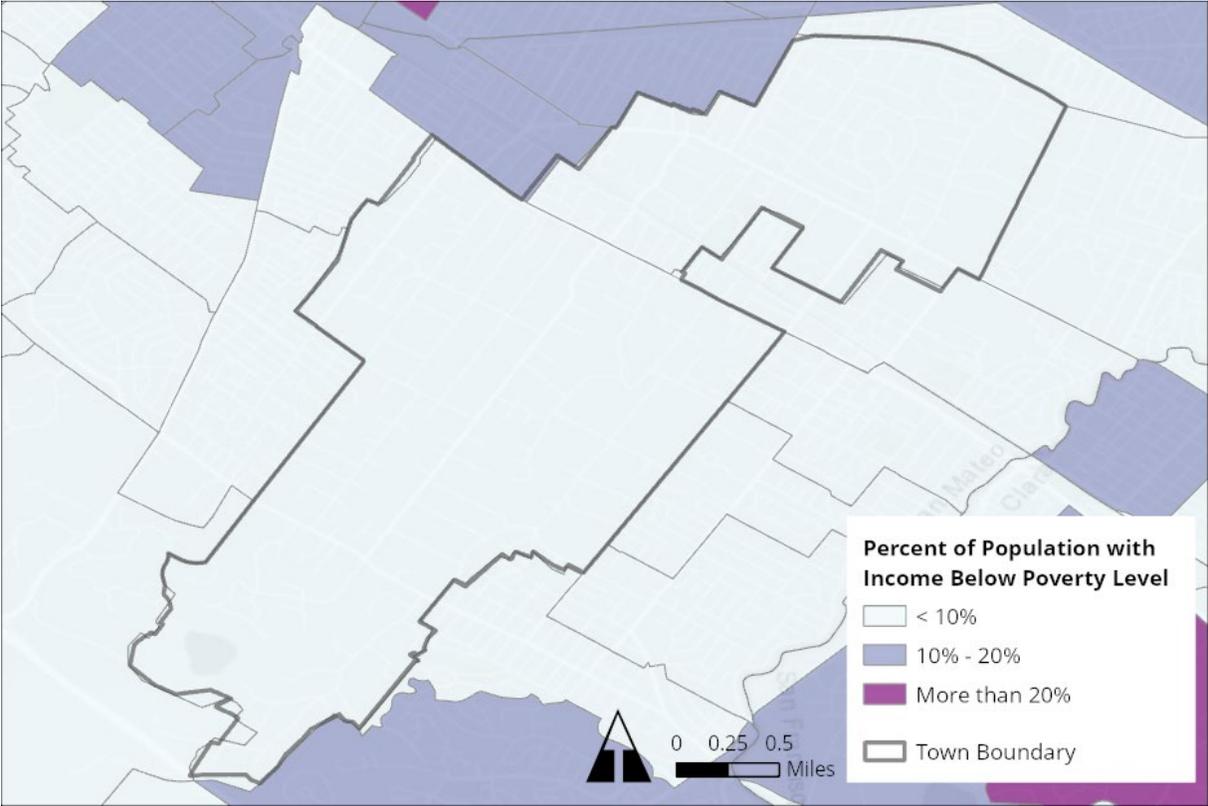


Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table S1101

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), and the Bay Area as a whole (52%). As shown in Figure HE - 15, there are no census tracts in the town with concentrations of poverty rates over 10%. The Town has fewer extremely low-income and very low-income households, both at 6%, that the County as a whole at 13% and 11%, respectively.

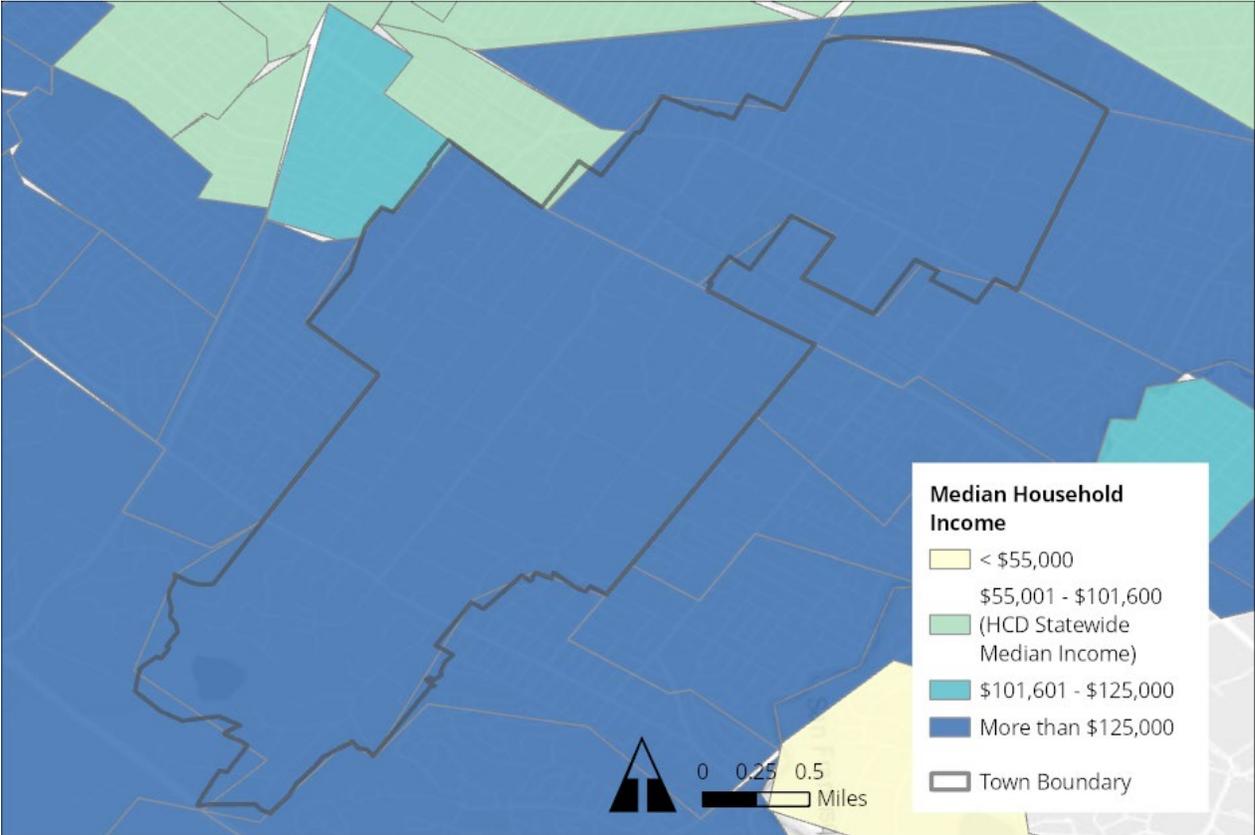
FIGURE HE - 15: POVERTY RATE



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table S1701

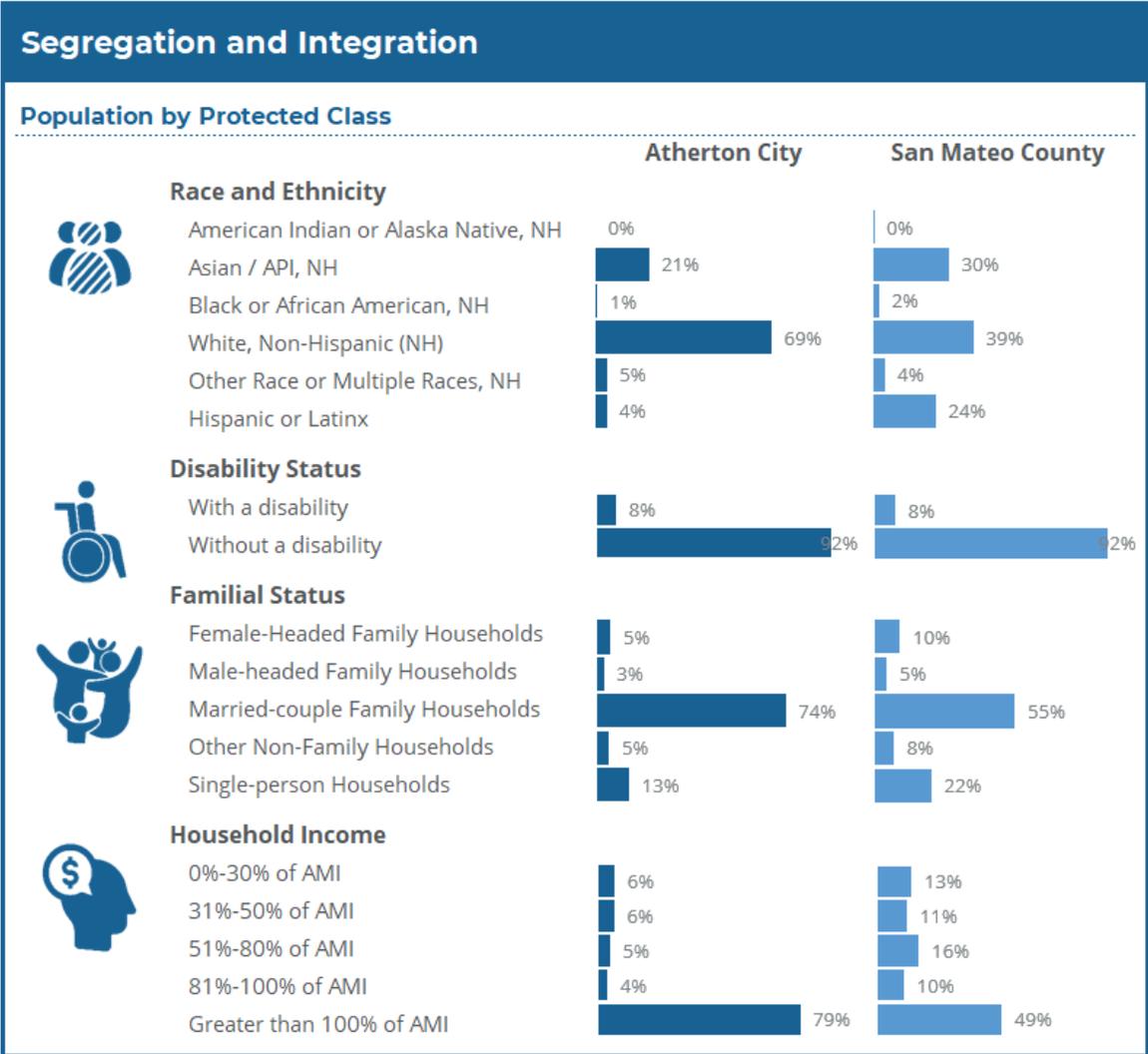
Throughout the jurisdiction, fewer than 0.2% of households are low to moderate income, or below the poverty level. Surrounding jurisdictions, including East Palo Alto, Menlo Park, and Redwood City have broader bands of incomes and have significantly more households earning less than \$136,837; the 2021 median income in San Mateo County.

FIGURE HE - 16: MEDIAN HOUSEHOLD INCOME



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table S1903

FIGURE HE - 17: SEGREGATION AND INTEGRATION



Source: California Department of Housing and Community Development AFFH Data Viewer

3.350 Access to Opportunity

This section discusses disparities in access to opportunity among protected classes including access to quality education, employment, transportation, and environment. HCD's definition for access to opportunity is defined in the text box below."

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’ neighborhoods²⁸. This encompasses education, employment, economic development, safe and decent housing, low rates of violent crime, transportation, and other opportunities, including recreation, food and healthy 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 are based on the research on how positive economic, educational, and health “domains” (as outcomes are described) for low-income families are correlated to geographic factors and were developed to align funding allocations with the goal of improving outcomes for low-income residents—particularly children.²⁹

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.

TCAC maps identify Atherton south of El Camino Real as “Moderate Resource” and east of El Camino Real as “High Resource.” This is due to the relatively low Education score in Atherton tracts, as Atherton is commonly understood and accepted as a high-resource community. Table HE – 5 below describes the TCAC scoring in each of Atherton’s two census tracts across the three domains (Education, Economic, and Environment) as well as its overall opportunity category.

²⁸ Neighborhoods with the greatest access to public parks, transit, schools, grocery stores, and health facilities.

²⁹ For more information, visit the California Tax Credit Allocation Committee’s CTCAC/HCD Opportunity Area Maps website at <https://www.treasurer.ca.gov/ctcac/opportunity.asp>

TABLE HE - 5: TCAC OPPORTUNITY SCORES BY TRACT AND DOMAIN

	Tract 6114	Tract 6115
Education	73	81
Economic	40	61
Environment	64	74
Overall Opportunity Category	Moderate Resource	High Resource

Source: California State Treasurer's Office California Tax Credit Allocation Committee

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 south/west of El Camino Real and the census tract to the east scores between 0.50 and 0.75, as shown in Figure HE – 18 below. These relatively low education scores impact the TCAC Opportunity Mapping for Atherton. In outreach with Atherton residents, individuals state that the relatively worse-performing schools do not make a significant impact on ameliorating housing costs in Atherton. On the contrary, Atherton residents note that they often prefer spending on private education, adding to the cost of living in the town.

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.

FIGURE HE - 18: TCAC EDUCATION SCORES



Source: California State Treasurer's Office California Tax Credit Allocation Committee

Atherton is served by the Menlo Park City, Redwood City, and Las Lomitas 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 Lomitas 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 Lomitas 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.

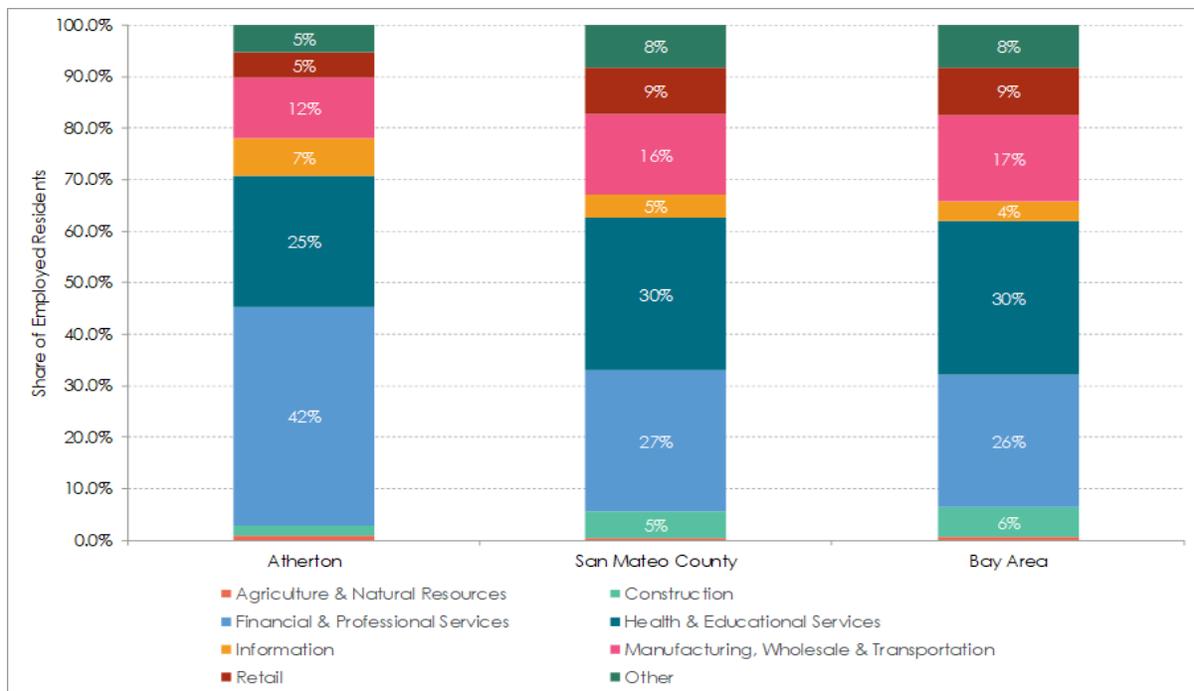
Another possible reason can be traced to chronic absenteeism, which means students miss more than 10% of school days. 17% of students in the Sequoia Union High School District struggle with chronic absenteeism, which drastically lowers test scores and social engagement with peers and mentors. Black and 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.

Menlo College has a student population of more than 825. Demographics of the College are 29% White, 6% Black, 22% Hispanic, 10% Asian, 1% American Indian/Alaskan, 2% Hawaiian/Pacific Islander, 8% Two or More races, 14% International and 9% Race Unknown.

Employment

According to ACS data, 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.

FIGURE HE - 19: EMPLOYMENT BY FIELD FOR ATHERTON, SAN MATEO COUNTY, AND THE BAY AREA



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

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.

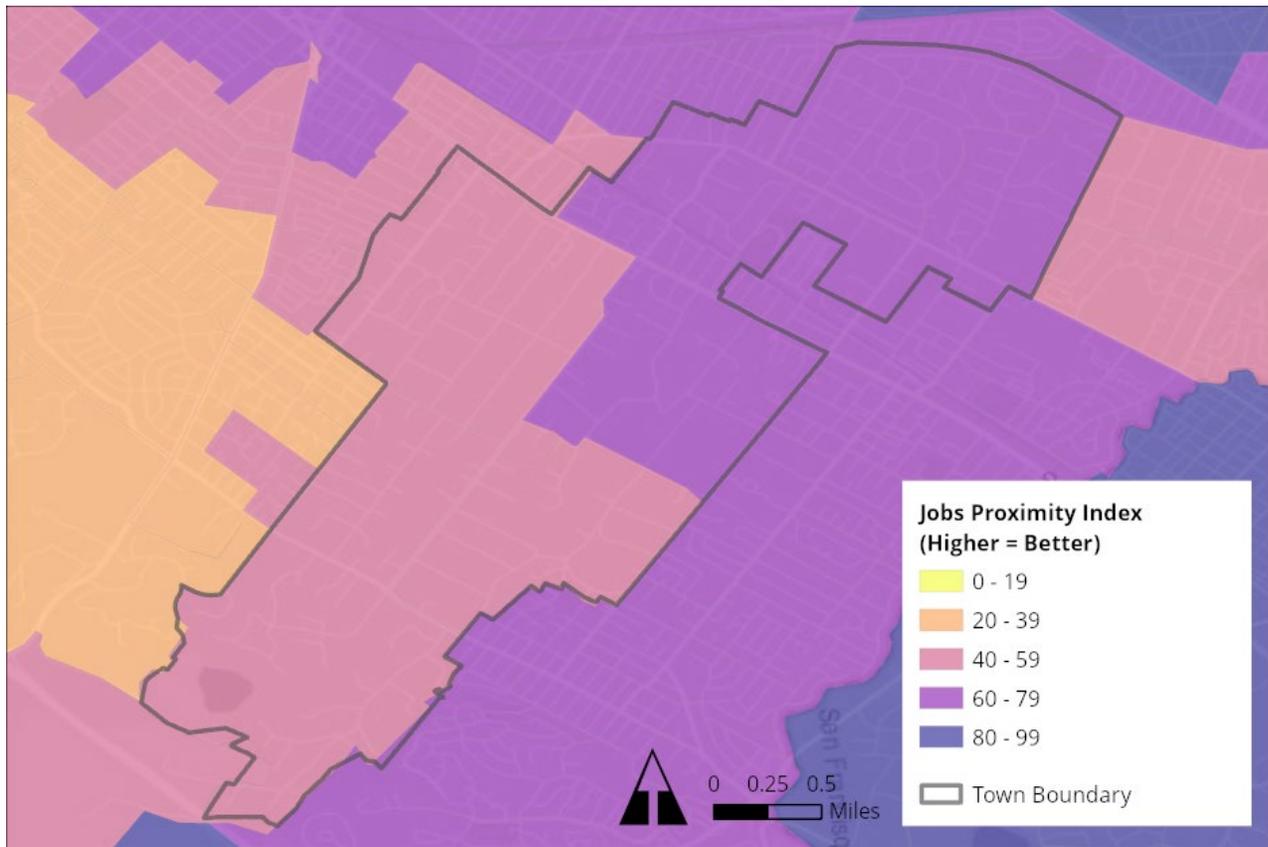
TCAC's economic opportunity score is comprised of poverty, adult educational attainment, employment, job proximity, and median home value. The entire town area scores more than 0.75 for economic opportunity—highest economic outcome.

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 based on ABAG projections. 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.

FIGURE HE - 20: JOBS PROXIMITY INDEX



Source: HUD

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 (SMCTD) 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 region, 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 overall. 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.”³⁰

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.”³¹

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.³²

³⁰ Metropolitan Transportation Commission Coordinated Public Transit-Human Services Transportation Plan, https://mtc.ca.gov/sites/default/files/MTC_Coordinated_Plan.pdf

³¹ World Institute on Disability Transportation Accessibility Resources, <https://wid.org/transportation-accessibility/>

³²San Mateo County Transit District Senior Mobility Action Plan, https://www.samtrans.com/Planning/Planning_and_Research/Mobility_Plan_for_Older_Adults_and_People_with_Disabilities.html

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.³³ 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.³⁴

Environment

TCAC's opportunity areas environmental scores are based on the CalEnviroScreen 4.0 indicators, which identify areas disproportionately vulnerable to 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, as shown in Figure HE - 21, census tracts in Atherton score between 0.50 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 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.³⁵

³³ Metropolitan Transportation Commission Clipper Start, <https://mtc.ca.gov/planning/transportation/access-equity-mobility/clipperr-startsm>

³⁴Zachary Clark, "Residents react to plan to close Atherton's Caltrain Stop," The Daily Journal, August 4, 2020 https://www.smdailyjournal.com/news/local/residents-react-to-plan-to-close-atherton-s-caltrain-stop/article_3070cdd2-d539-11ea-ad6b-4b3eeab63a6c.html

³⁵ See "The Healthy Places Index", <https://www.healthyplacesindex.org/>

FIGURE HE - 21: TCAC ENVIROMENT SCORES

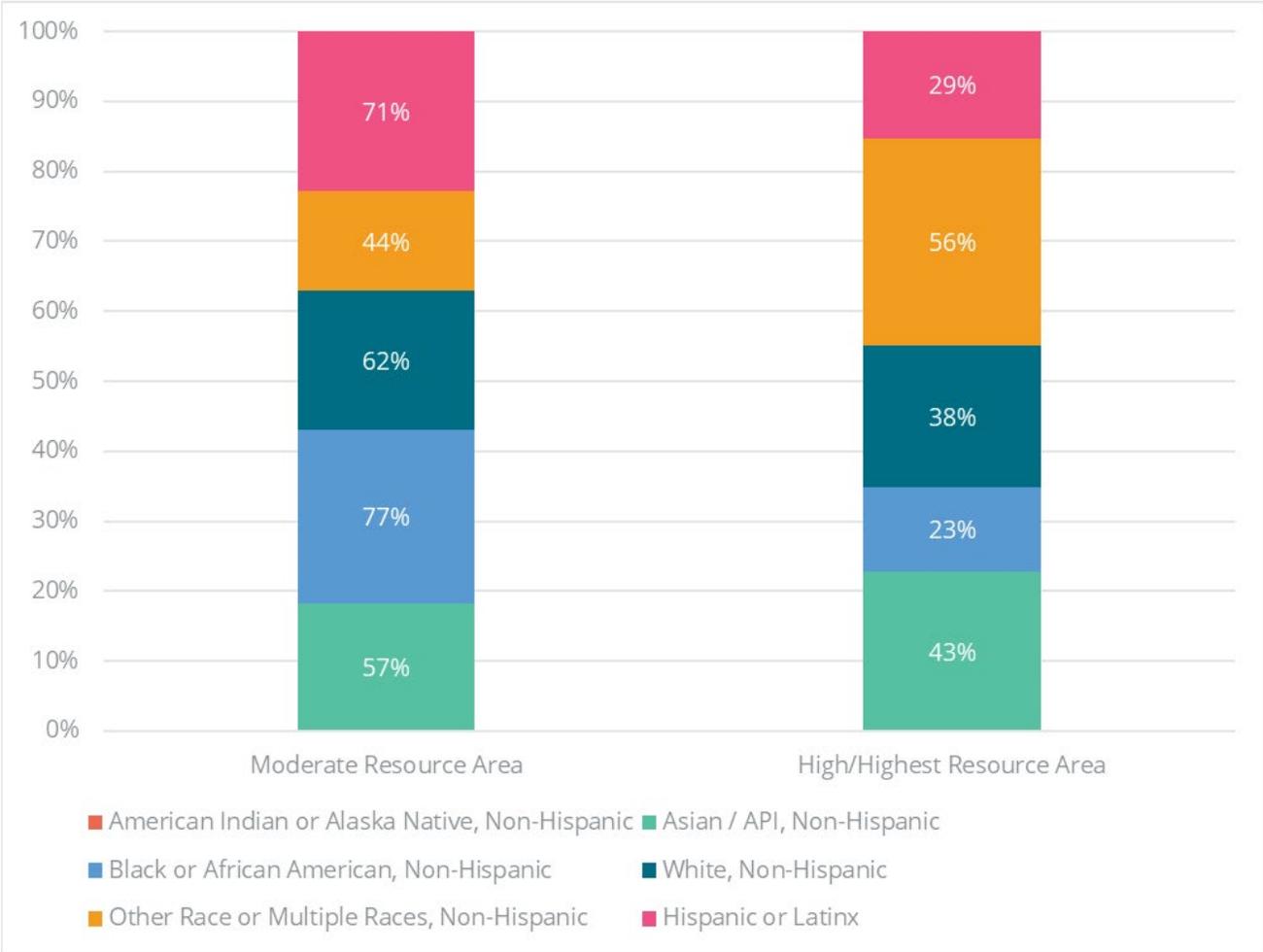


Source: California State Treasurer's Office California Tax Credit Allocation Committee

Disparities In Access to Opportunity

Racial and ethnic minorities are more likely to live in moderate resource areas compared to non-Hispanic White residents. Figure HE – 22 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).

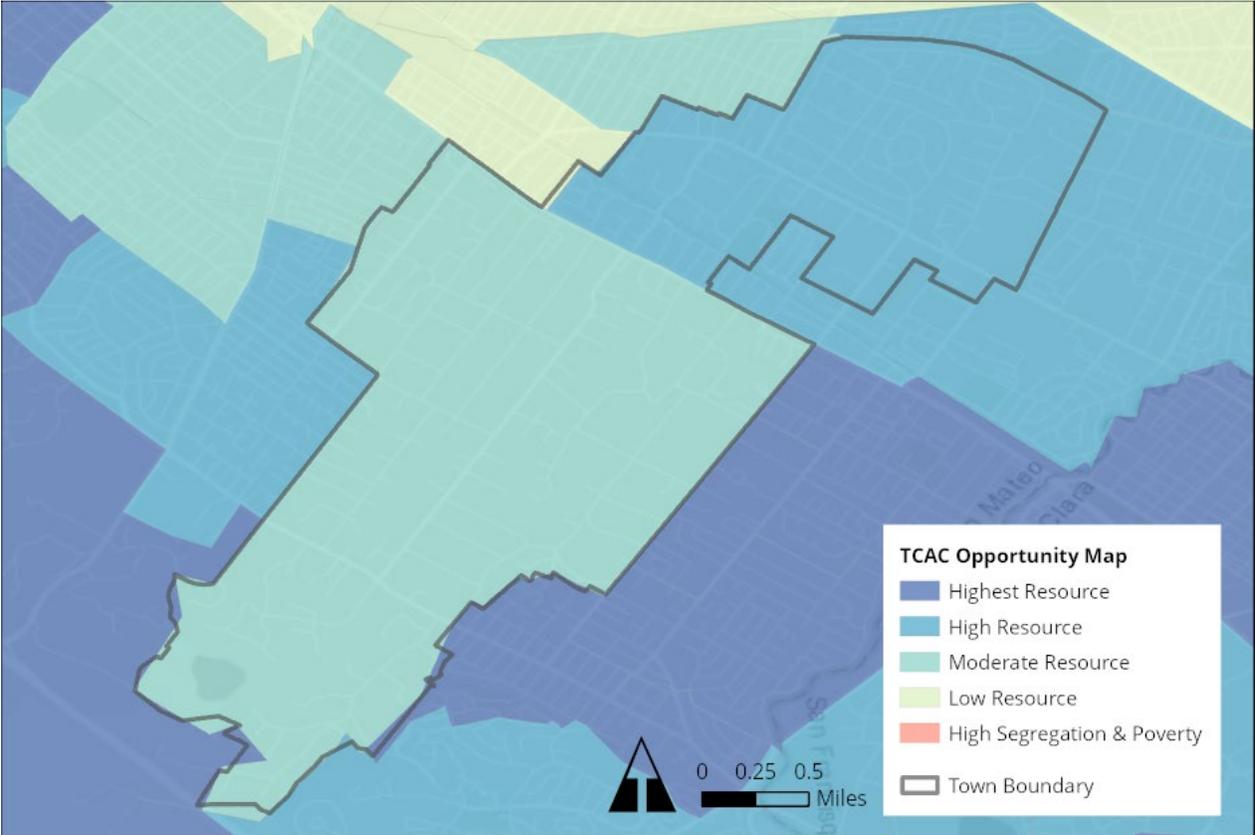
FIGURE HE - 22: TCAC POPULATION COMPOSITION OF SELECT RESOURCE AREAS



Source: California State Treasurer's Office California Tax Credit Allocation Committee

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, as shown in Figure HE - 23. This is an artifact of data, particularly the relatively low education scores in that tract, and belies Atherton's other exclusive high-resource and high-opportunity indicators.

FIGURE HE - 23: TCAC OPPORTUNITY AREAS



Source: California State Treasurer's Office California Tax Credit Allocation Committee

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, presented in Figure HE – 24 shows the entirety of Atherton as a low vulnerability area.

FIGURE HE - 24: SOCIAL VULNERABILITY INDEX



Source: CDC

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.”³⁶

Disparities Specific to the Population Living with a Disability

Eight percent of the population in Atherton are living with at least one disability, as defined by the California Department of Housing and Community Development (HCD) in the text box below, the same share as in the county (7% live with a disability in the Bay Area region). The most common disabilities in the town are ambulatory (4.5%), cognitive (3.1%), and hearing (3.0%). For the county and Bay Area region, the most common are ambulatory difficulty (4% in San Mateo County, 5% in region), independent living difficulty (3% and 4%, respectively) and a cognitive difficulty (3% and 4%, respectively).

³⁶ <https://oehha.ca.gov/calenviroscreen/sb535>

Disability

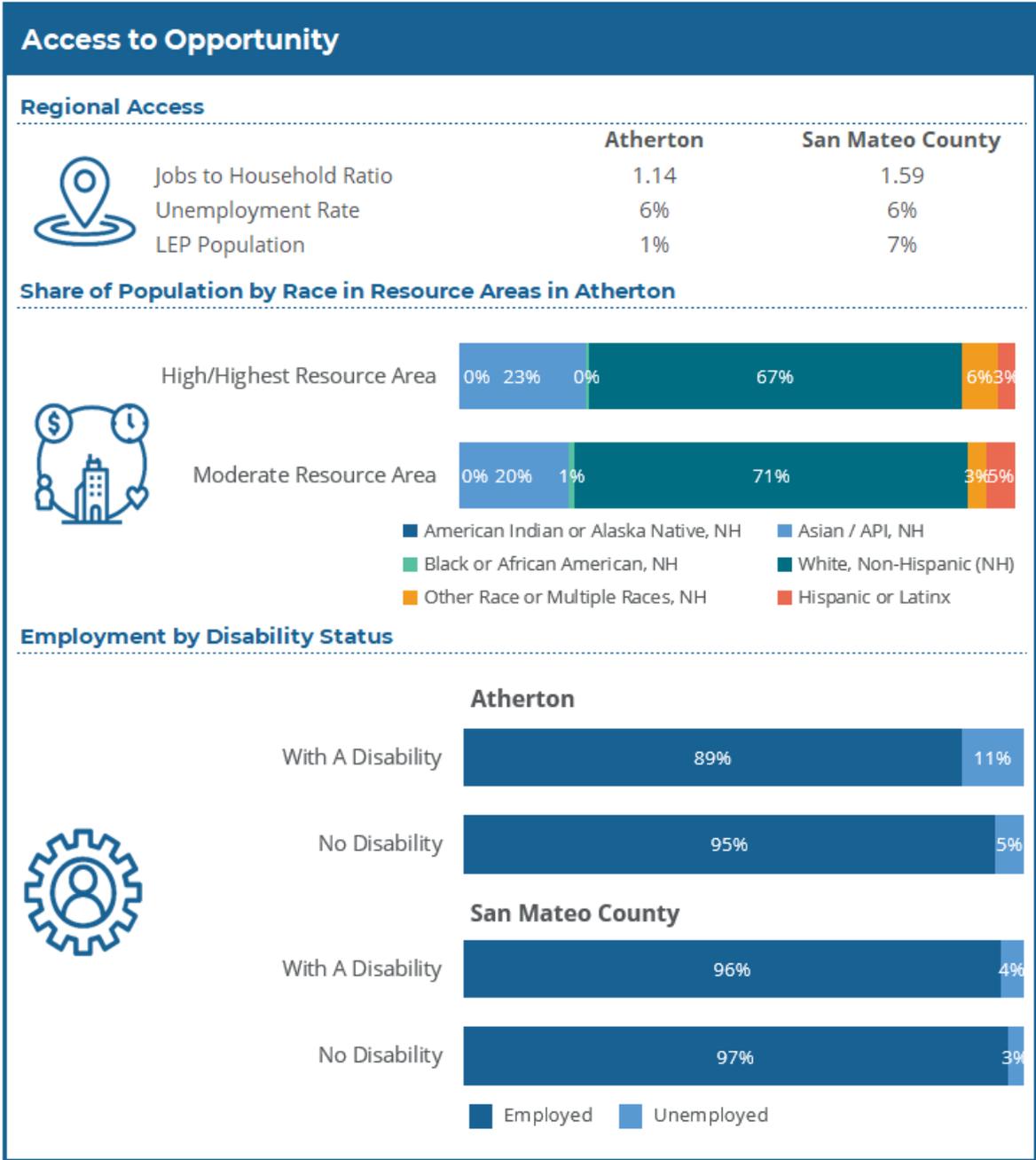
“**Disability types** include hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty.”

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.

FIGURE HE - 25: ACCESS TO OPPERTUNITIES



Source: California Department of Housing and Community Development AFFH Data Viewer

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, Extremely Low Income (ELI) households, 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

The town experienced a sharp loss in population between 1990 and 2000 and again between 2009 and 2010. Since 2010 population growth has been slower than the county's and region's, as seen in Figure HE - 26, 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.

FIGURE HE - 26: POPULATION CHANGE IN ATHERTON, SAN MATEO COUNTY, AND THE BAY AREA REGION 1990-2020 (USING 1990 AS “INDEX” YEAR OF 100)



Source: California Department of Finance, E-5 series

Since 2015, the housing permitted 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 Area²⁴ and has not kept pace with demand throughout the Bay Area, “resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness.”³⁷ One

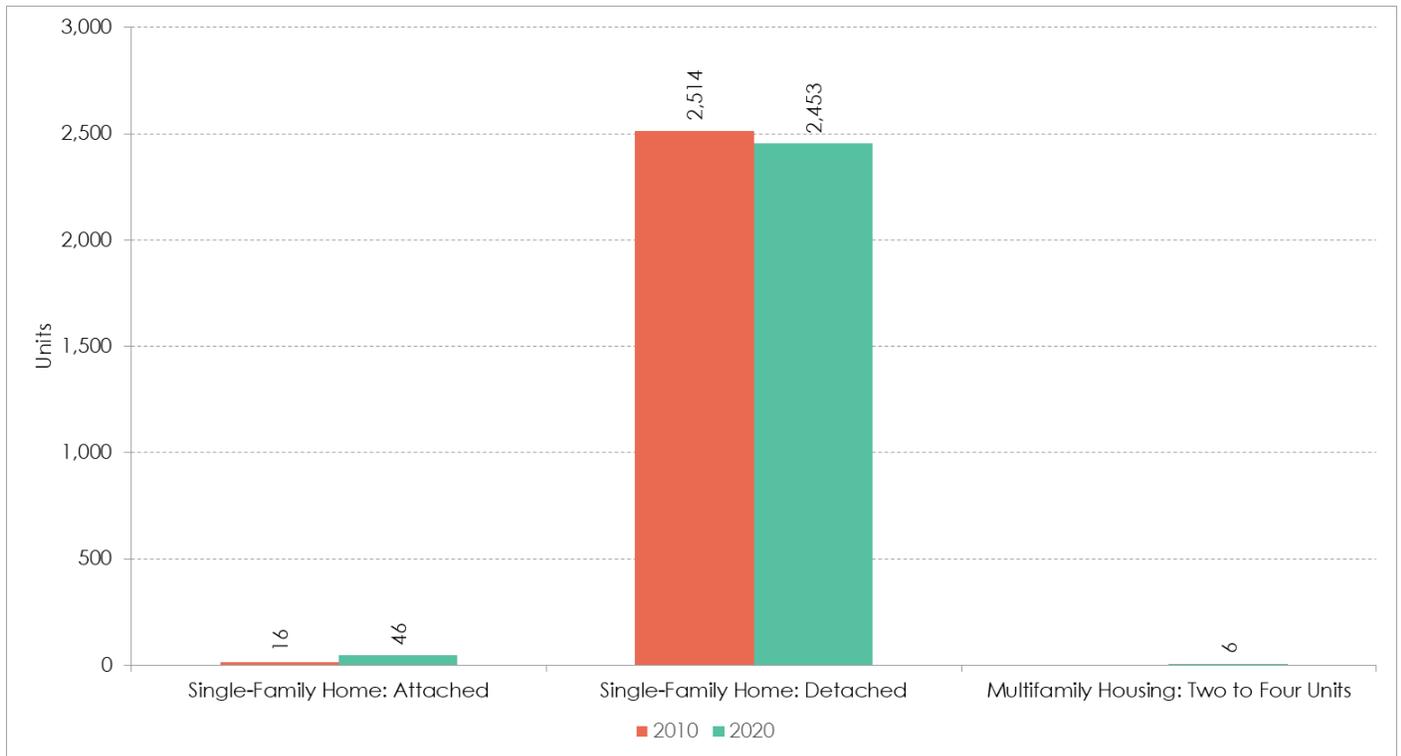
³⁷ Housing Needs Data Report: Atherton, ABAG/MTC Staff and Baird + Driskell Community Planning, 2021.

reason for this may be that Atherton has very low turnover in its housing stock. People may become Athertonians when they begin a family, but they often stay through retirement. This presents a unique challenge for housing mobility and is also connected to the need for senior resources identified elsewhere in this document.

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%), as shown in Figure HE - 27. Six multi-family homes were added in 2020. Single family detached saw a decline in units (2,453 from 2,514, or -2.4%) and single family attached saw a substantial increase (46 from 16, or 6188%). Due to its land use and zoning, Atherton has developed far fewer multi-family units than the region.³⁸

³⁸ Housing Needs Data Report: Atherton, ABAG/MTC Staff and Baird + Driskell Community Planning, 2021.

FIGURE HE - 27: HOUSING UNITS BY TYPE IN ATHERTON IN 2010 AND 2020

Source: California Department of Finance, E-5 series

According to the ABAG Housing Data Workbook, 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. However, actual Town building permit records reflect that from 2010 forward more than 320 new single-family home building permits were issued. 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 high appreciation since 2014. Compared to the county, Atherton has more expensive rental units according to the US Census Bureau's ACS data—67% of units rent for more than \$3,000 per month 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, but the attestations of 2023 ADU rentals (41 respondents) have a median ADU rental of cost \$0 and an average rental monthly cost of \$765. As implied by the low rents, these ADUs are often rented to a close friend or family member and

may be difficult to find for workers or other community members. 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 facilitate, support, and encourage the development and rental of accessory dwelling units at affordable rates via a Human Investment Project, Inc. (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.

Low-Income Housing Needs

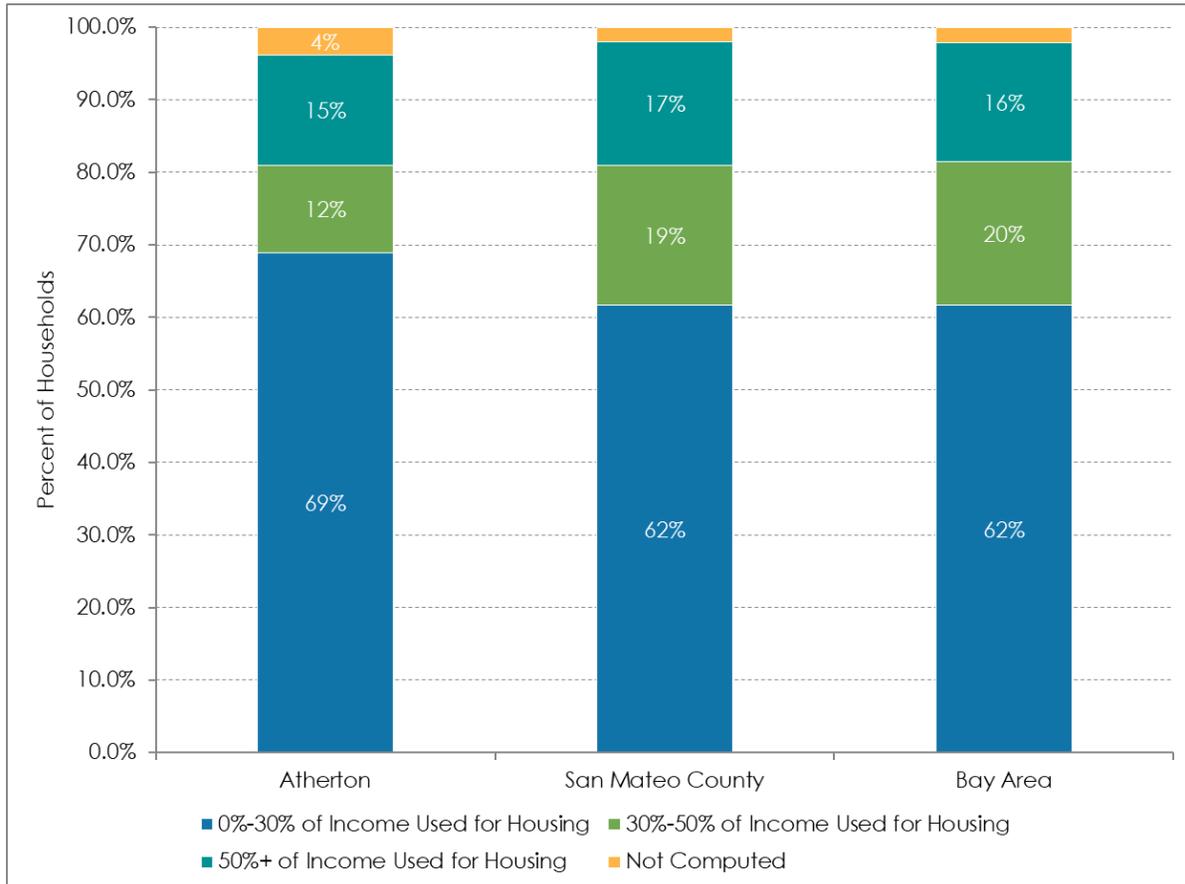
Extremely Low Income (ELI) households are most likely to face overpayment, overcrowding and substandard housing conditions. The projected housing need for ELI households is 47 units. This is calculated by taking half of Atherton's Very Low Income RHNA (94 units) because ELI households are approximately half of the Town's current share of households with incomes 0%-50% of AMI (114 Extremely Low-Income households and 142 Very Low-Income households).

Housing types suitable for ELI households include affordable rentals, accessory dwelling units (ADUs), emergency shelters, supportive housing and transitional housing. The town will meet this need through ADU construction and programs expanding opportunities for emergency shelters as well as supportive and transitional housing in Atherton.

Cost Burden and Severe Cost Burden

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 (27% in Atherton, versus 36% in the County, and 36% in the Bay Area), as shown in Figure HE - 28.

FIGURE HE - 28: PERCENTAGE OF INCOME USED FOR HOUSING IN ATHERTON, SAN MATEO COUNTY AND THE BAY AREA



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25070, B2509

Although there are far fewer lower income households, they are more likely to experience housing cost burden. 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. As seen in Table HE - 6, of the 256 households in Atherton with Extremely Low or Very Low incomes, 219 (85%) are extremely cost burdened, spending more than 50% of their income on housing.

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.

TABLE HE - 6: PERCENT OF INCOME USED FOR HOUSING BY HOUSEHOLD INCOME COHORT

Percent of Income Used for Housing									
Income Group	Count (Percent) of Atherton Households			Count (Percent) of San Mateo County Households			Count (Percent) of Bay Area Households		
	0%-30%	30%-50%	>50%	0%-30%	30%-50%	>50%	0%-30%	30%-50%	>50%
Extremely Low (0%-30% of AMI)	4 (0.2%)	10 (0.4%)	100 (4.4%)	5,315 (2.0%)	4,210 (1.6%)	23,190 (8.9%)	63,508 (2.4%)	59,990 (2.2%)	245,825 (9.2%)
Very Low (31%-50% of AMI)	19 (0.8%)	4 (0.2%)	119 (5.3%)	8,405 (3.2%)	10,045 (3.9%)	11,540 (4.4%)	86,175 (3.2%)	98,055 (3.7%)	109,950 (4.1%)
Low (51%-80% of AMI)	40 (1.8%)	30 (1.3%)	40 (1.8%)	20,290 (7.8%)	15,550 (6.0%)	6,510 (2.5%)	164,130 (6.1%)	129,050 (4.8%)	57,425 (2.1%)
Moderate (81%-100% of AMI)	39 (1.7%)	23 (1.0%)	14 (0.6%)	17,555 (6.8%)	7,610 (2.9%)	1,625 (0.6%)	152,050 (5.7%)	76,080 (2.8%)	17,697 (0.6%)
Above Moderate (> 100% of AMI)	1,454 (64.4%)	238 (10.5%)	125 (5.5%)	113,325 (43.6%)	13,055 (5.0%)	1,590 (0.6%)	1,237,595 (46.3%)	157,574 (5.9%)	18,312 (0.7%)
Totals	1,556 (68.9%)	305 (13.5%)	398 (17.6%)	164,890 (53.5%)	50,470 (19.4%)	44,455 (17.1%)	1,703,458 (63.7%)	520,749 (19.5%)	449,209 (16.8%)

Source: American Community Survey 2015-2019

In Atherton, approximately 95 percent of residents earning under \$75,000 annually are overpaying for homeownership. Per Census data, 23% of those making more than \$75,000 are overpaying for their homes. However, Census data does not provide additional detail regarding the "more than \$75,000" income category, and the lower-income limit for San Mateo County is \$149,100. This makes it impossible to quantify cost burden by tenure, even if there is data stating that 255 of Atherton's 2,244 households (11 percent) are cost burdened and that 10 percent of renters are cost-burdened against 12 percent of homeowners. This is seen in Table HE - 7.

TABLE HE - 7: HOUSEHOLDS OVERPAYING FOR HOUSING

Occupant	Income	Atherton		County	Region
		Count	Percent	Percent	Percent
Owner-Occupied	Less than \$35,000	105	100%	80%	73%
	\$35,000 - \$74,999	125	91%	52%	48%
	\$75,000+	427	25%	20%	17%
Renter-Occupied	Less than \$35,000	0	0%	91%	91%
	\$35,000 - \$74,999	0	0%	88%	65%
	\$75,000+	25	13%	23%	15%

Source: US Census, 2020 American Community Survey 5-Year

Note: Excludes Households with no income or cash rent

As mentioned previously, racial and ethnic minorities living in Atherton are wealthier compared to the county and Bay Area as a whole. A lower percentage of 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.

TABLE HE - 8: HOUSEHOLDS OVERPAYING FOR HOUSING BY RACE

Racial /Ethnic Group	0%-30% of Income Used for Housing	30%-50% of Income Used for Housing	50%+ of Income Used for Housing	Cost Burden Not computed
American Indian or Alaska Native, Non-Hispanic	0	0	0	0
Asian / API, Non-Hispanic	70% (264)	15% (55)	12% (45)	4% (15)
Black or African American, Non-Hispanic	0	0	0	0
White, Non-Hispanic	67% (1,255)	14% (255)	18% (340)	1% (15)
Other Race or Multiple Races, Non-Hispanic	44% (8)	0	56% (10)	0
Hispanic or Latinx	85% (45)	8% (4)	8% (4)	0
Totals	68% (1,572)	14% (314)	17% (399)	30

Source: American Community Survey 2015-2019

As discussed, the majority of Atherton's 2,190 housing units (1,950 or 89%) are owner occupied. Only 240 (11%) are renter occupied. Not only are a larger number of owner-occupied units cost burdened, but proportionally, when compared to renter-occupied units, a higher percentage of owner-occupied units are cost burdened, with 214 homeowners households paying 30% or more of their income for housing (9.77%) and an additional 345 homeowner households (15.75%) paying 50% or more of their income for housing. Only 30 renter households are overpaying for housing: 20 households (.091%) using more than 30% and 10 (.045%) using more than 50% of their income for housing.

TABLE HE - 9: COST BURDEN BY TENURE

Tenure	% Cost Burden	Number	Percent (of all households)
Owner Occupied	30% or more of income	214	9.77%
	50% or more of income	345	15.75%
Renter Occupied	30% or more of income	20	0.91%
	50% or more of income	10	0.45%

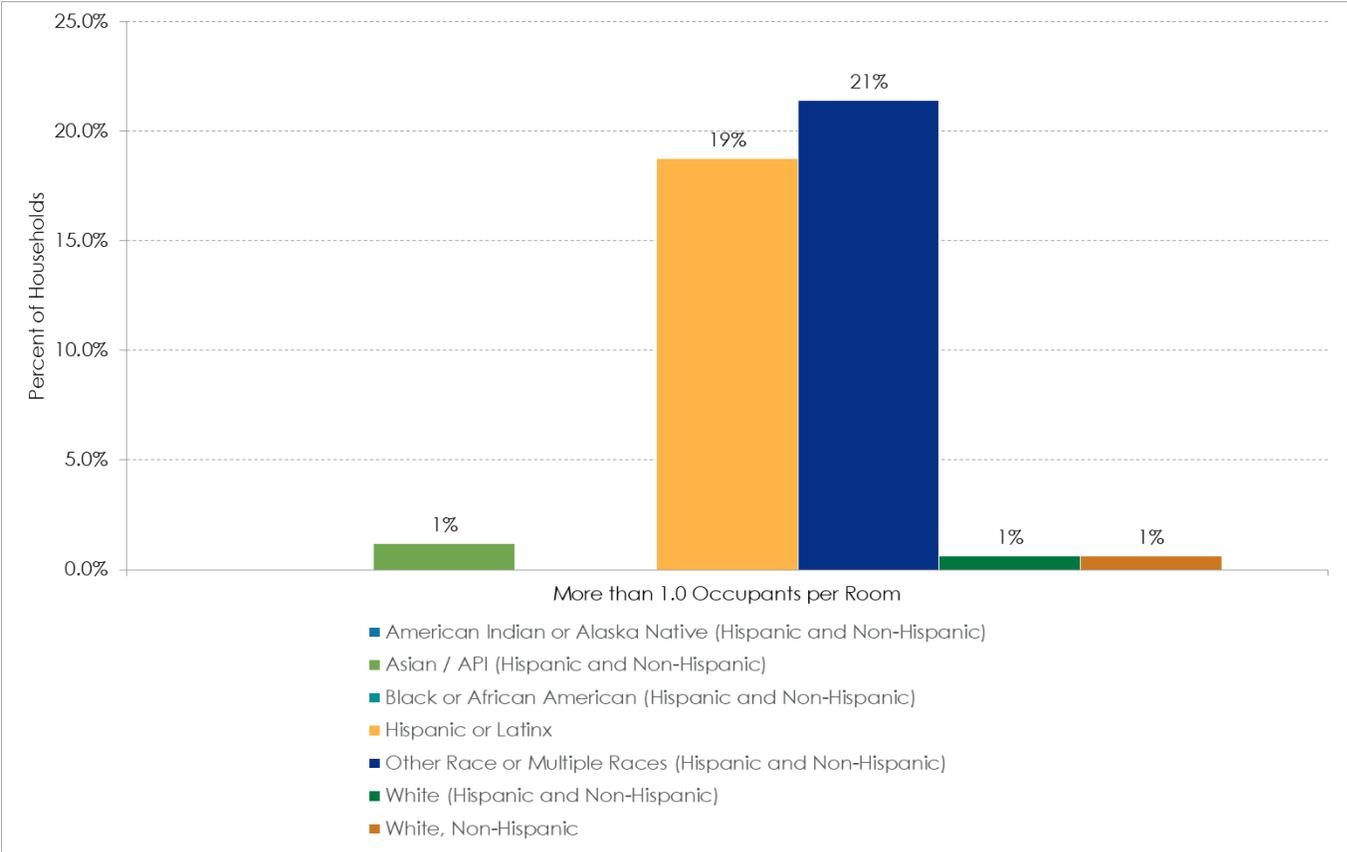
Source: HUD Comprehensive Housing Affordability Strategy (2016-2020 ACS)

Overcrowding

The vast majority of households (99%) in Atherton are not overcrowded—indicated by more than one occupant per room, compared to 7.9% in the county, and 6.9% in the region.³⁹

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 Atherton as shown in Figure HE - 29. In San Mateo County, 7.9% of households have more than one occupant per room. This is slightly better than the state average of 8.2%.

FIGURE HE - 29: OVERCROWDING IN ATHERTON BY RACE



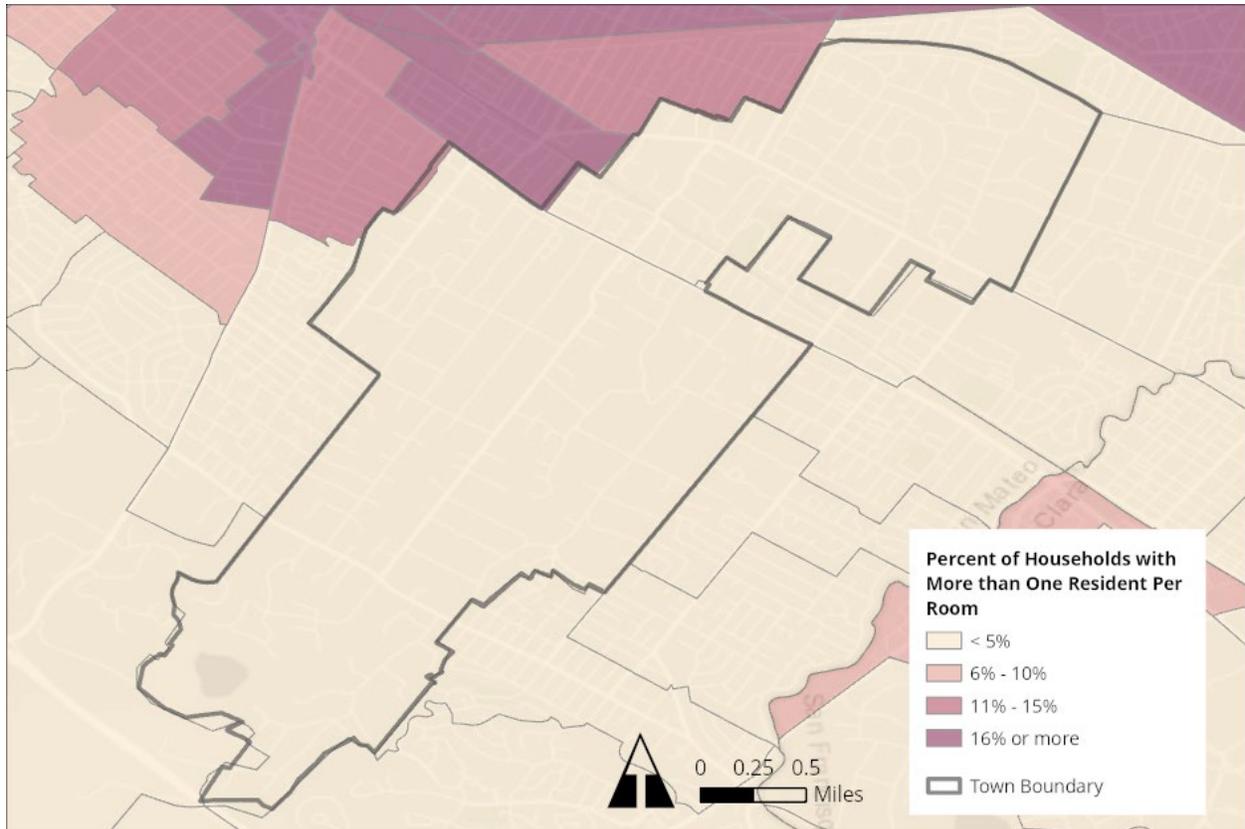
Source: U.S. Census Bureau, American Community Survey 2019 5-Year Estimates Table B25014.

Overcrowding is often related to the cost of housing with multiple households sharing a unit to make it possible to afford the unit. Figure HE – 30 shows where overcrowding in Atherton and surrounding census tracts is more common. East Palo Alto and Redwood City have the highest percentage of overcrowding in the region, likely due to large

³⁹ U.S. Census Bureau, American Community Survey 2019 5-Year Estimates Table B25014.

households – including multigenerational households – trying to fit in to smaller units due to lack of income and/or lack of availability of larger, affordable, units.

FIGURE HE - 30: OVERCROWDING



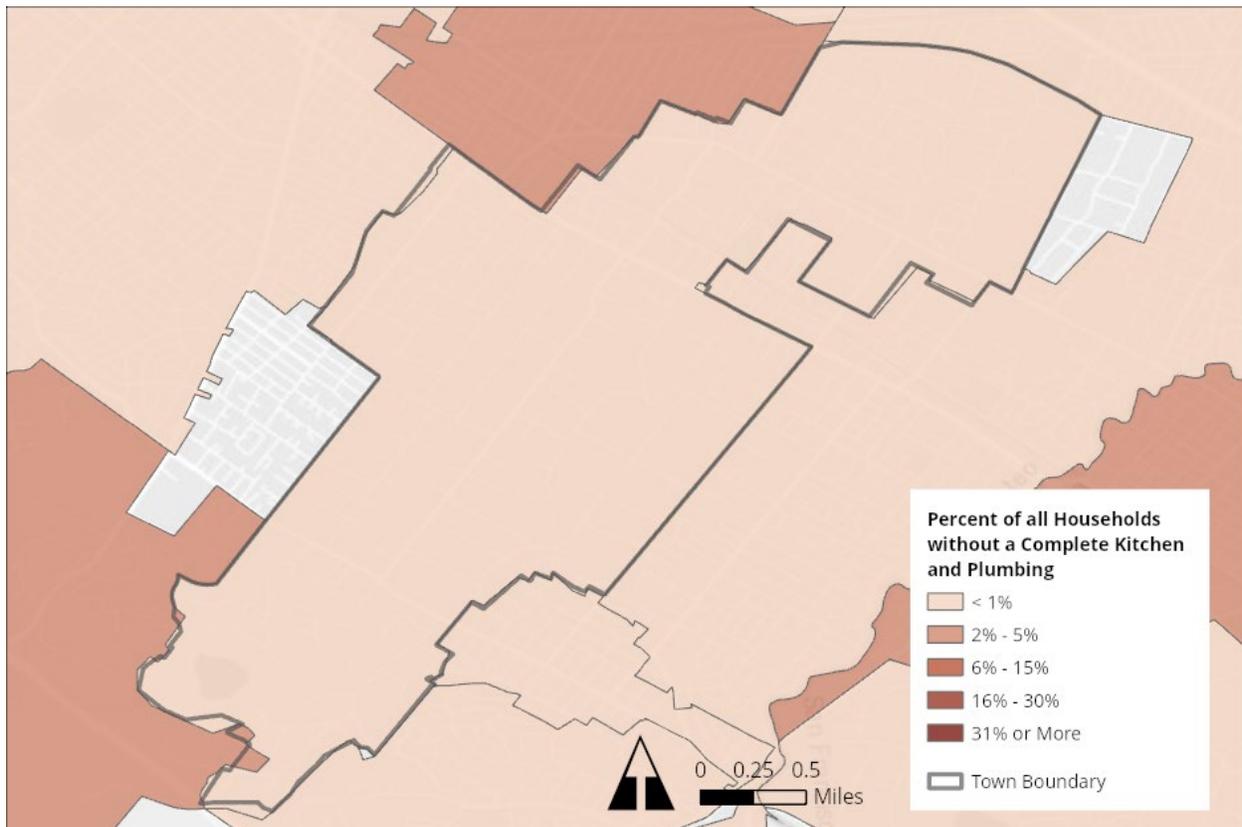
Source: U.S. Department of Housing and Urban Development (HUD), *Comprehensive Housing Affordability Strategy (CHAS)* ACS tabulation, 2013-2017 release

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 due to the relative wealth and home-owning status of Atherton residents, making renovations financially and logistically feasible. San Mateo County also has an extremely low rate of substandard housing; 99.9% of households have complete kitchen and plumbing facilities. For the Bay Area region, 99.7% of households have complete kitchens and 99.8% have complete plumbing facilities.

As shown in Figure HE – 31, 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.

FIGURE HE - 31: SUBSTANDARD HOUSING



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25053, Table B25043, Table B25049

Homelessness

In 2019, 1,512 people were experiencing homelessness in the county, 40% of these individuals were in emergency or transitional shelters 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. The 2019 count identified one person in Atherton experiencing homelessness. In the Bay Area region, the 2019 count identified 36,701 individuals.

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. In the Bay Area region, 2,907 (2%) of the region's 116,459 income-assisted rental units are at risk.

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"

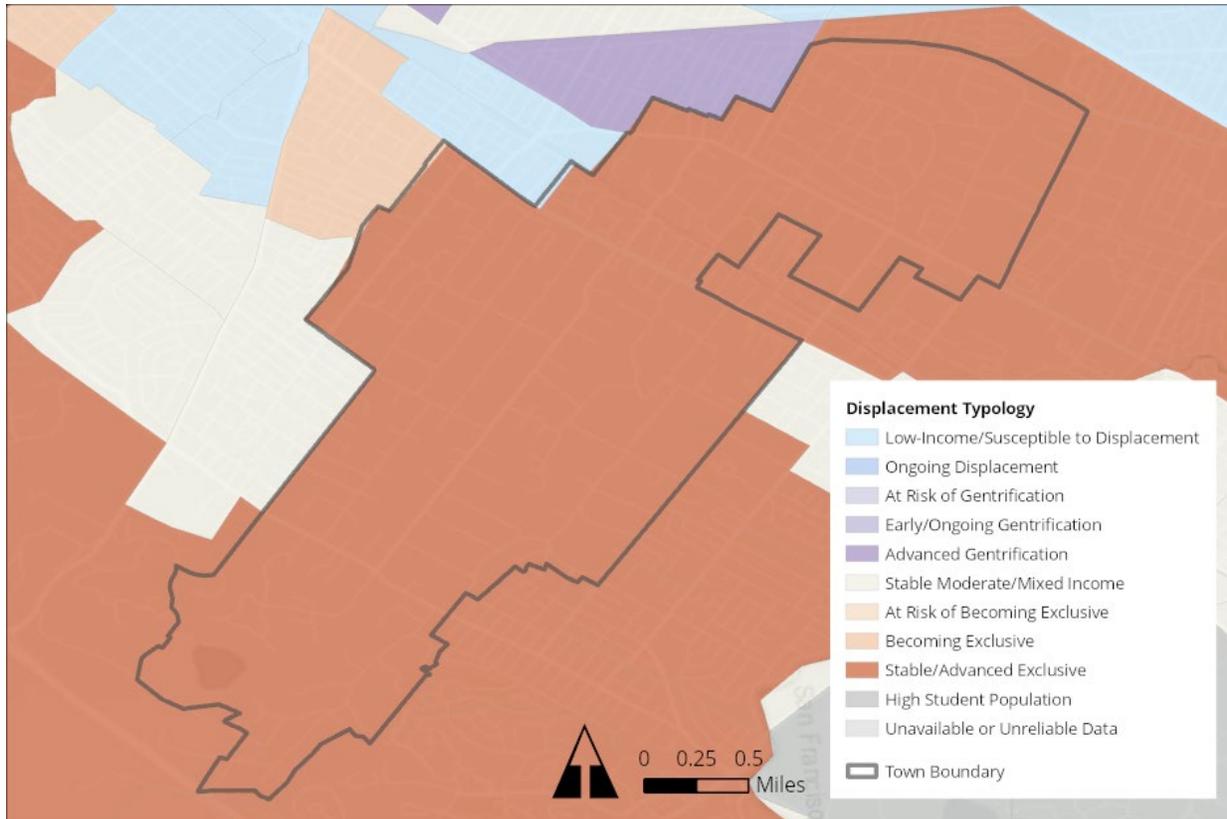
Source: <https://www.sensitivecommunities.org/>

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 rental cost is far above regional median rent, suggesting that there is displacement pressure in place. Assuming this number trend applies to the Town, that would mean that of the Town's 149 extremely low-income households, 131 are overburdened by their housing costs.

As shown in Figure HE - 32, the entirety of Atherton is identified as 'Stable/Advanced Exclusive,' meaning that it was a high-income tract in 2000 and 2018, and that housing costs have only increased. Although some of the jurisdictions neighboring Atherton have the same designation, there are also areas that indicate low-income areas are

susceptible to displacement or are undergoing advanced gentrification. 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.

FIGURE HE - 321: DISPLACEMENT RISK

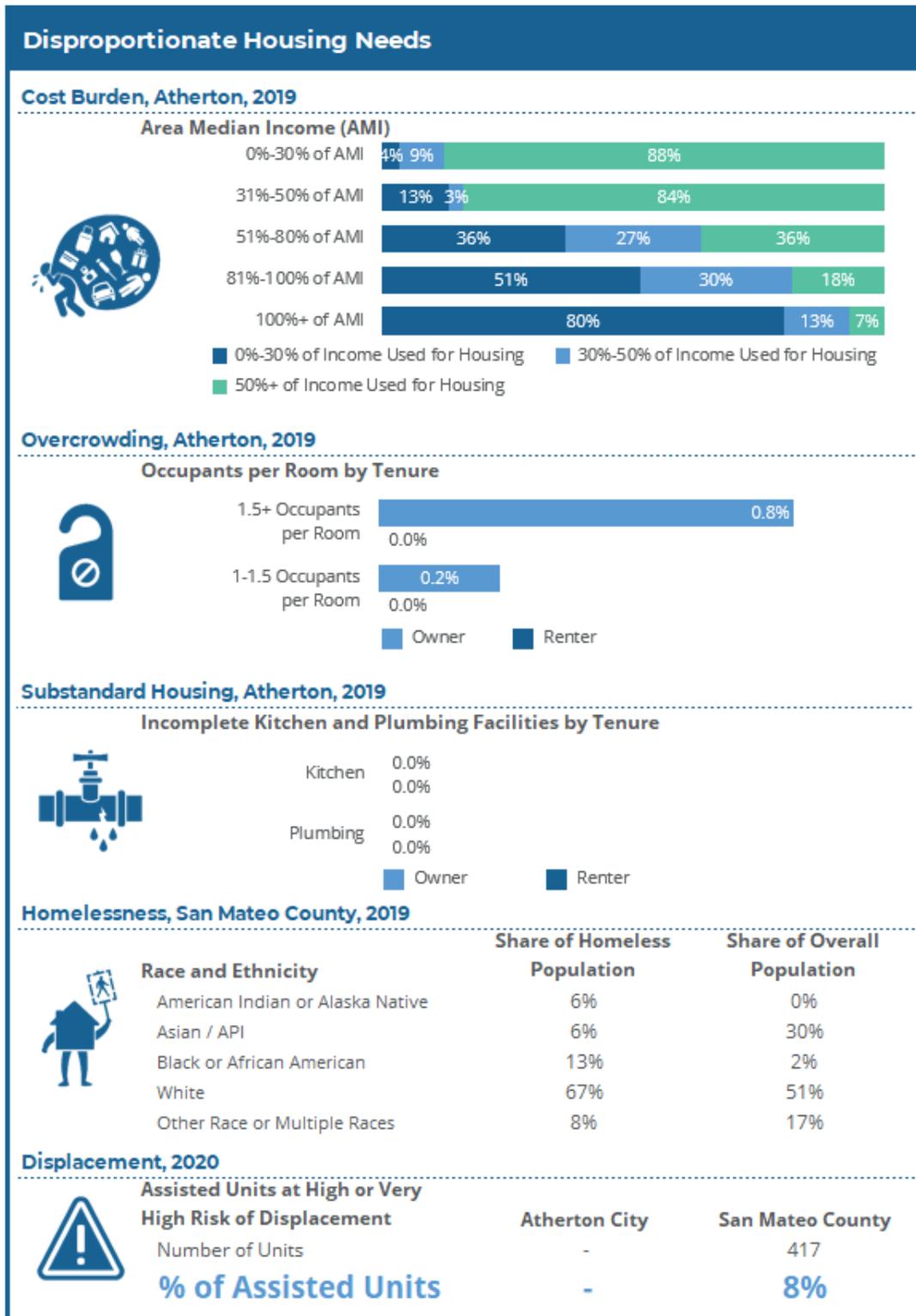


Source: Urban Displacement Project, urbandisplacement.org

Access to Mortgage Loans

Disparities by race and ethnicity are prevalent for home mortgage applications, particularly in denial rates. In San Mateo County, 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.

FIGURE HE - 33: DISPROPORTINATE HOUSING NEEDS



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

3.370 Site Inventory Analysis

The Site Inventory analysis regarding AFFH is provided in Section 3.417: AFFH and Identified Sites

3.380 Local Data, Knowledge, and Other Relevant Factors

The housing element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. This information should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers. The element must also include meaningful analysis related to historical practices and discuss past, present and future investment practices and other information.

As previously described Section 3.310, the federal Fair Housing Act passed in 1968 prevented denial of housing found to apply to local zoning laws. Since that time, fair housing law continues to evolve at the federal and state levels. This is evident in the State of California's 2018 passage of AB 686, requiring jurisdictions to address how they Affirmatively Further Fair Housing in their local housing elements. Although there has been no published documentation of explicit exclusionary practices in Atherton, the town's history is deeply connected to the exclusionary history of the Bay Area. The area that is now Atherton is the aboriginal homeland of the Ramaytush Ohlone.⁴⁰ The Spanish empire colonized the region in the 18th century and in 1795 provided a land grant to Jose Dario Arguello for Rancho de las Pulgas that included what would become portions of San Mateo County and the jurisdictions of San Mateo, Belmont, San Carlos, Redwood City, Menlo Park and Atherton.⁴¹ By 1801 all of the people indigenous to the San Francisco Peninsula had located to Mission Dolores. By 1834, only 37 descendants of native San Francisco Peninsula people remained, and by 1842, the population was 15.⁴² Throughout this time period the area surrounding present-day Atherton remained rural and agricultural, used predominantly as a cattle range.

Eventually, the Rancho was subsumed into the United States after the Mexican-American War concluded in 1848 and California joined the United States in 1850. As a result of political shifts and the economic pressures of new settlers arriving to California in search of wealth, the Arguello family had to defend their land titles in court. In their claim, the

40 The Association of Ramaytush Ohlone, available at <https://www.ramaytush.org/ramaytush-ohlone.html>

41 Plat of the Pulgas Rancho, finally confirmed to Maria de la Soledad Ortega de Arguello et al., available at <https://oac.cdlib.org/ark:/13030/hb6d5nb3xp/?brand=oac4>

42 Randall Milliken et al. Ohlone/Costanoan Indians of the San Francisco Peninsula and Their Neighbors, Yesterday and Today. Oakland, CA: Archaeological and Historical Consultants, 2009.

Arguellos attested that the Rancho was nearly three times larger than what was ultimately decided by U.S. Supreme Court.⁴³ Therefore, while the family did receive a land grant, they were not successful in receiving their entire claim. Additionally, their holdings were further diminished by a transfer of approximately 25% of their grant to their Attorney Simon Mezes as payment for legal representation.⁴⁴

In 1866, the Southern Pacific Railroad established a station in the area in order to ferry newly-wealthy San Franciscans to their second homes in the valley.⁴⁵ Accessibility between the region's major city and the large rural lots of the mid-peninsula heightened the attractiveness of Atherton as a residential area. During the mid-nineteenth century California experienced an increased in trade, population, and early industrialized development. Land ownership of the region's rancheros transferred to increasingly smaller scale properties as a means for Spanish/Mexican owners to quickly gain capital and liquidate assets. Descendants of the indigenous populations, remained disenfranchised.

Atherton was incorporated in 1923 under pressure from neighboring Menlo Park, whose government was attempting to annex the land into its own boundaries in order to bolster their own property tax rolls (this was decades before Proposition 13 limited property tax increases in 1978). From the outset, early residents of Atherton intended to develop a town with large residential lots and no commercial uses (unlike Menlo Park, which had a commercial downtown with smaller parcels).

After its 1923 incorporation, Atherton remained small in the years before World War II, with a population of 1,242 in the 1930 census and 1,908 in the 1940 census. The town nearly doubled after the war, with a population of 3,630 recorded in the 1950 census. By this time Atherton was already established as an exclusive outpost. The family median income of \$3,857 was about 17 percent higher than the average family income nationally. There were 237 private household workers (household staff, gardeners, and butlers) employed in the town's 1,140 homes, or roughly one for every five Atherton households. By the 1960 census, there were 7,717 residents – a 113 percent increase over 1960. However, the number of Black residents, only increased from 75 people in 1950 to 76 a decade later.

43 *Arguello v. United States*, 59 U.S. 539 (1855)

44 'Who was Dona Arguello?' Published in Redwood City VOICE by James O. Clifford, Sr.
<https://medium.com/redwood-city-voice/who-was-dona-arguello-97075145a74d>

45 Town of Atherton "History of Atherton" available at <https://www.ci.atherton.ca.us/96/History-of-Atherton>

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 often felt unwelcome and white students described feeling unsafe in what developed as a microcosm of the exclusionary housing debate formed outside the school walls.⁴⁶ 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.

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. This land use policy impacts student demographics (1) by limiting the overall number of students and (2) by skewing upward the household income level 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.

3.390 Fair Housing Issues, Contributing Factors, and Town 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 Town has taken a multi-pronged approach to address affordable housing. The best opportunities for affordable housing include ADUs and multi family units on school sites where the land is already owned by the entity. In addition, the Town has identified several properties for upzoning to permit multifamily housing. Coupled with the new multifamily zoning districts, the Town will adopt an inclusionary ordinance to ensure a portion of the new multifamily housing units are available as affordable housing to lower income households. These steps will address fair housing issues, including segregation.

46 Tara Madhav, "Community Control and Desegregation in East Palo Alto, California, 1958-1986" (UC Berkeley Charlene Conrad Liebau Library Prize for Undergraduate Research: April 2021), available at <https://escholarship.org/content/qt84n6s7t0/qt84n6s7t0.pdf?t=qv7av0>

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 code 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 Zoning 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 parcels that are 2 acres or greater.
- 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 Program 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.

- A. Lastly, as part of its ADU rental strategy, **the Town will implement a program (Program 3.823(G)) 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. Atherton has several housing element programs that make specific, measurable, commitments towards affirmatively furthering fair housing. These programs and commitments are covered in section 3.800: Housing Goals, Policies, and Programs. That section includes a matrix identifying Atherton's primary fair housing issues, their contributing factors, a priority level for the fair housing issues, and Town actions to remediate the issue. The fair housing issues identified are: Lack of housing that accommodates people of lower-income with a disproportionate impact on people of color, resulting in a lack of overall socio-economic and racial diversity in the city. (High Priority)
- B. The predominance of single-family detached housing in the city has led to an exclusive and high-priced ownership housing market relative to San Mateo County and the Bay area overall. (High Priority)
- C. High land acquisition cost. (Low Priority)

3.400 HOUSING RESOURCES

3.410 Inventory of Sites Suitable for Residential Development

State law requires that the housing element identify adequate sites for housing, including rental and manufactured housing, and make adequate provisions for the existing and projected needs of all economic segments of the community. This chapter includes an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public services to these sites.

These remaining sections of this chapter analyze how Atherton will meet its 6th Cycle RHNA. The section will also describe and map each of the housing development categories, analyze the current zoning shortfall, analyze zoning that encourages and facilitates a variety of housing types and then analyze related environmental constraints, infrastructure availability, and other housing resources.

3.411 6th Cycle RHNA

Atherton has a Regional Housing Needs Allocation (RHNA) of 348 units, which it will meet with 396 units projected over the 2023-2031 planning period. This provides the Town with a substantial buffer to ensure that sufficient capacity exists in the housing element to accommodate the RHNA throughout the planning period: a 14 percent buffer for units at all affordability levels, and an 18 percent buffer for lower income units.⁴⁷

Atherton's RHNA of 348 units is made up of four allocations per income category as shown in Table HE - 10: 94 units for very low income households (0%-50% of the Area Median Income (AMI)), 54 units for low income households (50%-80% of AMI), 56 units for moderate income households (80%-120% of AMI) and 144 units for above moderate income households (greater than 120% of AMI). These numbers represent new homes Atherton must plan for.⁴⁸

⁴⁷ "To ensure that sufficient capacity exists in the housing element to accommodate the RHNA throughout the planning period, it is recommended the jurisdiction create a buffer in the housing element inventory of at least 15 to 30 percent more capacity than required, especially for capacity to accommodate the lower income RHNA." See "Housing Element Site Inventory Guidebook Government Code Section 65583.2" (HCD: June 10, 2020) available at https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

⁴⁸ "Frequently Asked Questions about RHNA" (ABAG: July 2020), available at https://abag.ca.gov/sites/default/files/abag_2023-2031_rhna_faq_-_july_2020.pdf

TABLE HE - 10: ATHERTON'S 6TH CYCLE RHNA AND INCOME LIMITS

Income Level	Very Low	Low	Moderate	Above Moderate
% of AMI (\$149,600)	0%-50%	50%-80%	80%-120%	>120%
Maximum Household Income*	\$91,350	\$146,350	\$179,520	N/A
RHNA	94	54	56	144

*=Based on family of four persons

Source: Department of Housing and Community Development

Strategies for Potential Future Housing

Atherton will meet RHNA through a multi-channel housing strategy that includes the 433 units in the following six categories:

- Pipeline Projects: 52 units
- ADUs: 208 units
- Multi-family Residential Overlays (RM-20 and RM-40): 96 units
- Underutilized Parcels: 29 units
- SB 9 Subdivisions: 48 units

These channels are described below in Table HE - 11. Of these, Pipeline Projects, Multi-Family Overlays, Underutilized Parcels, and SB 9 subdivisions are identified in the Site Inventory. ADUs are projected from recent development trends and not identified in the Site Inventory. The channels are described in detail in sections 3.412 through 3.416, below.

TABLE HE - 11: ATHERTON'S PLAN FOR MEETING RHNA BY CATEGORY

	Income Level				Total
	Very Low	Low	Moderate	Above Moderate	
RHNA	94	54	56	144	348
Units by Category	120	77	89	147	433
Pipeline Projects	1	1	2	48	52
ADUs	62	62	62	22	208
Multi-family Overlays	57	14	25	0	96
Underutilized Parcels	0	0	0	29	29
SB 9	0	0	0	48	48
<i>Buffer</i>	<i>28%</i>	<i>43%</i>	<i>59%</i>	<i>2%</i>	<i>24%</i>

Source: Town of Atherton

Of these 433 units, 197 are suitable for lower-income RHNA (very low- and low-income households). These lower-income units consist of:

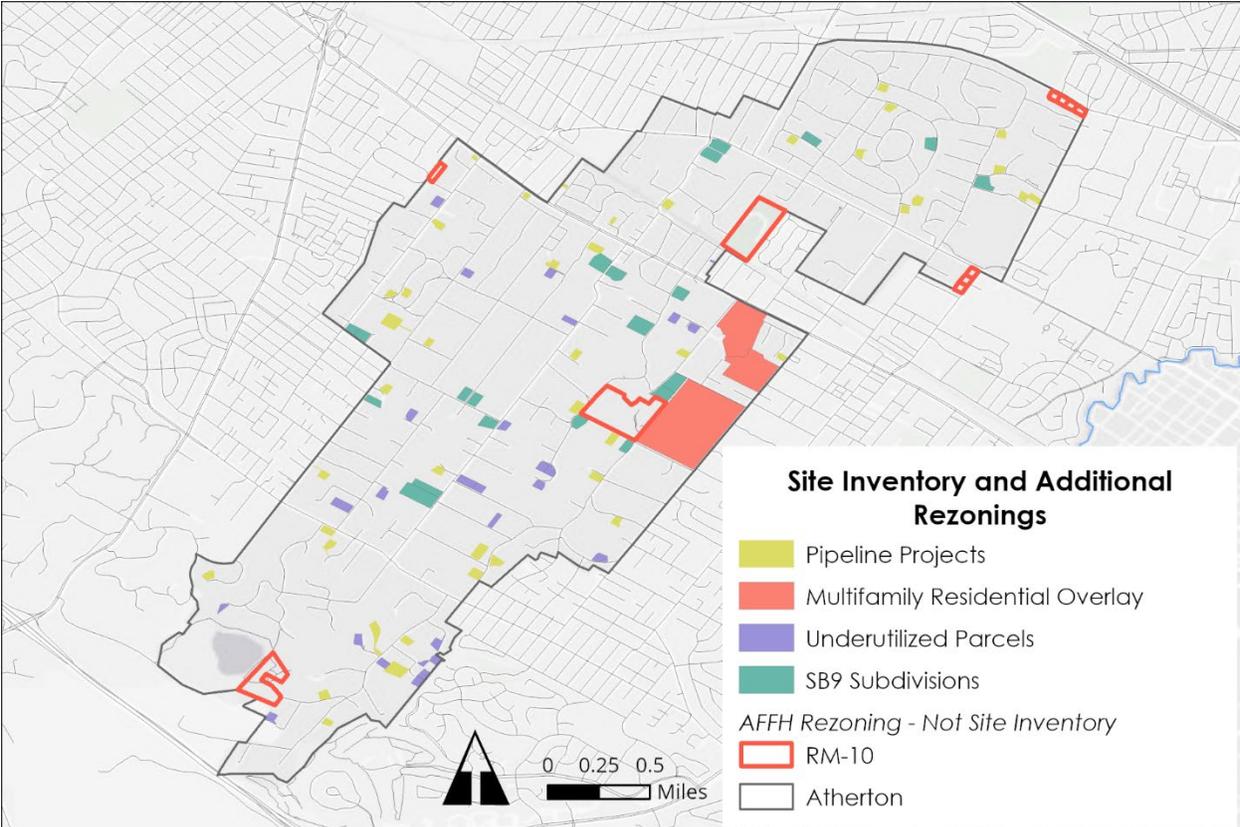
- Pipeline Projects: 2 units with building permits issued with attested rents in Atherton's annual ADU survey below low income limits
- ADUs: 124 units projected over the 8-year planning period using the ABAG region's "safe harbor" approach calculating units based on past production (an average of 2021, 2022, and 2023 ADU production).
- Multi-family Residential Overlays: 71 units on parcels with sufficient density and size, factoring in capacity analysis and nonvacant site analysis

Section 3.412 through 3.416 provide specific details for each channel of housing production. Figure HE – 34 illustrates the Site Inventory – the location of the parcels used for each of these housing types:

- 3.412: Pipeline Projects (gold)
- 3.413: Accessory Dwelling Units (not illustrated – projections are not tied to any particular parcel)
- 3.414: RM-20 and RM-40 Multi-family Overlays (red)
- 3.415: Underutilized Parcels (purple)
- 3.416: SB9 Subdivisions (green)

This figure also includes additional RM-10 rezonings used by the Town to affirmatively further fair housing (red outlines).

FIGURE HE - 34: SITE INVENTORY AND ADDITIONAL REZONINGS



Source: Town of Atherton

RHNA on Nonvacant Sites

HCD requires additional findings to be made if a jurisdiction is meeting 50 percent or more of its lower income RHNA with units on nonvacant sites. As shown in Tabe HE – 12, only 15 percent (22 units) of Atherton's lower-income RHNA is accommodated on nonvacant sites. ADUs and Pipeline Projects. Therefore, this does not apply to Atherton.

TABLE HE - 12: RHNA ON NONVACANT SITES

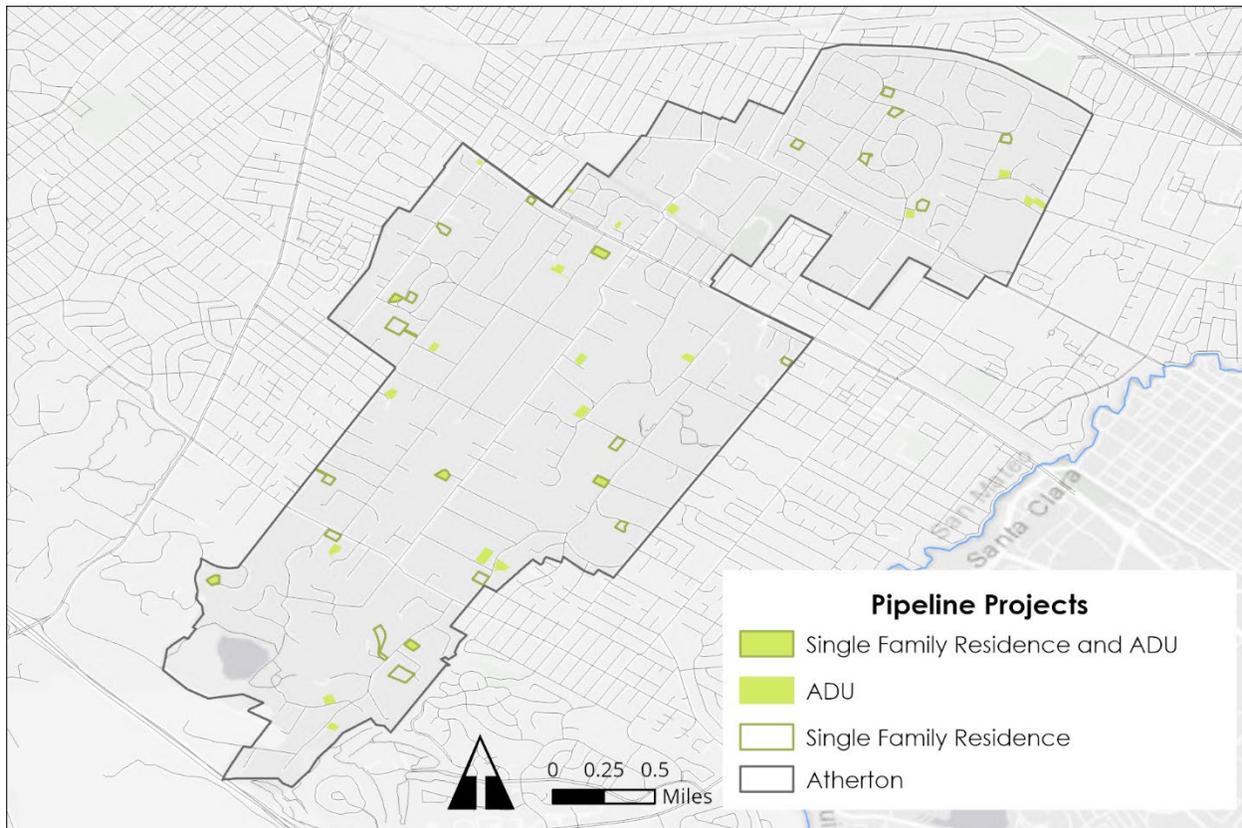
	Very Low	Low
RHNA	84 units	54 units
Total Lower Income RHNA (including buffer)	148 units	
<i>Pipeline Projects: Lower Income Capacity</i>	<i>2 units (1%)</i>	
<i>ADUs: Lower Income Capacity</i>	<i>124 units (84%)</i>	
Lower Income RHNA Accommodated with Pipeline Projects and ADUs (Percentage)	126 units (85%)	
Units Accommodated by Nonvacant Sites (Percentage)	22 units (15%)	

Source: Town of Atherton

3.412 Pipeline Projects

Housing Element law allows jurisdictions to count pipeline projects, or units constructed or under construction between the base year of the RHNA period (January 2022) and the beginning of the new planning period (January 2023), towards the RHNA. In Atherton, there have been 52 units with building permits issued during this period: 25 single-family residences and 27 accessory dwelling units (ADUs). All 25 single-family dwelling units are allocated towards above-moderate income. Of the 27 ADUs, four owners completed Atherton's ADU rental survey and attested to below-market rate rents: one at very low income, one at low income, and two at moderate income. The location and type of these Pipeline Projects are shown in Figure HE - 35.

FIGURE HE - 35: PIPELINE PROJECTS



Source: Town of Atherton

The table of pipeline projects describing the APN, address, permit issue date, building type, and affordability level is in Appendix 5: Electronic Housing Element Site Inventory Form.

3.413 Accessory Dwelling Units

Atherton makes use of ABAG's "safe harbor option"⁴⁹ to project future annual Accessory Dwelling Unit (ADU) production. In this process, the Town takes an average of the 2020 (13 ADUs), 2021 (29 ADUs), 2022 (22 ADUs, and 2023 (27 ADUs) production and multiplies this average by eight to determine the annual number of units built for the 8-year 2023-2031 6th Cycle planning period. The average of the past 3 years of ADU production is 26 units. Multiplied by 8 (the 8-year planning period from 2023-2031) gives 170.66 ADUs, rounded up to 208 ADUs as seen in Table HE – 13.

⁴⁹ "Using ADUs to Satisfy RHNA" (Association of Bay Area Governments: June 2022), available at https://abag.ca.gov/sites/default/files/documents/2022-06/ADUs-Projections-Memo_final.pdf

TABLE HE - 13: ADU PROJECTIONS

Year	# of ADUs
2021	29
2022	22
2023	27
Average	26
8 Year Accumulative Average	208

Source: Town of Atherton

The Town expects that these ADUs will be divided between very low- (30%), low- (30%), moderate- (30%) and above moderate- (10%) income categories based on ABAG analysis of ADU affordability. The “remainder” rounded-up unit is allocated to above-moderate, as a conservative estimate. Therefore, it is projected that the number of ADUs produced in the lower income levels would be 102 units; 62 very low income and 62 low-income units. There are also 62 moderate-income units and 22 above moderate-income units as shown in Table HE – 14.

TABLE HE – 14: ADU ALLOCATION

Income Category	Number of ADUs Projected
Lower Income	124
Very Low	62
Low	62
Moderate	62
Above Moderate	22
Total	208

Source: Town of Atherton

3.414 Multi-Family Overlays (RM-20 and RM-40)

This section describes specific sites suitable for below market rate residential development so that a comparison may be made with Atherton’s new construction need by affordability category with its residential development capacity.

The RM-10 Multi-family Overlay is not required to meet RHNA and is not included in this section. The RM-10 overlay is used by the Town to provide a greater variety of housing types, in order to affirmatively further fair housing (see "Promoting Housing Mobility" under 3.800 Housing Programs).

Site Inventory

There are 6 sites on 3 parcels covered by the new Multi-family Residential Overlays. There are three sites on Menlo College (APN: 073-601-100), two sites on Menlo School (APN: 070-360-080), and one site on the Sacred Heart Schools campus (APN: 070-390-010). Of these six sites, two are used to accommodate very low-income households, one is used to accommodate low-income households, two are used to accommodate moderate income households, and one is used to accommodate above moderate-income households. Table HE – 15: Site Inventory below highlights the sites covered by the new Multi-family Residential Overlays and notes their size, general plan designation and zoning, as well as the proposed zoning overlay, resulting density and potential number of units. The table also includes a zoning adjustment factor and an environmental constraints factor to determine site capacity in adjusted units. The site capacity is the number of units that can realistically be developed on a site and is required to be identified by Government Code section 65583.2(c). The adjustment factors are based on HCD Guidelines⁵⁰ and are explained in more detail in the Adjustment Factors section below.

⁵⁰ Department of Housing and Community Development Housing Element Site Inventory Guidebook. Found at https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sites_inventory_memo_final06102020.pdf

TABLE HE – 15: SITE INVENTORY

Address	APN	Lot Acreage	General Plan Land Use Designation	Existing Zoning	Proposed Overlay Zoning	Overlay Density (du/ac)	Gross Total Units	Zoning Adjustment Factor	Enviro. Constraints	Adjusted Units	Affordability
Menlo College: Site 1 (O'Brien Lot)	073-601-00	1.8	PFS	PFS	RM-40	40	72	0.73	0.8	42	Very Low
Menlo College: Site 2 (WWII Barracks)	073-601-00	0.3	PFS	PFS	RM-20	20	6	0.68	0.8	3	Moderate
Menlo College: Site 3 (Admin. Bldg.)	073-601-00	0.5	PFS	PFS	RM-40	40	20	0.73	1	15	Very Low
Menlo School: Site 1 (SE Parking Lot)	070-360-080	1.3	PFS	PFS	RM-20	20	26	0.68	0.6	11	Moderate
Menlo School: Site 2 (SW Parking Lot)	070-360-080	1.0	PFS	PFS	RM-20	20	20	0.68	1	14	Low
Sacred Heart Reconstruct Hsg.	070-390-010	1.0	PFS	PFS	RM-20	20	20	0.68	0.8	11	Moderate

Source: Town of Atherton

None of these parcels were used in previous housing elements and therefore none require rezoning to be reused in the Sixth Cycle Housing Element. None of these parcels have any environmental constraints that would preclude residential development. In addition, they are all vacant and not used for lower-income housing, and do not require a nonvacant sites analysis. This Site Inventory is organized to ease readability and functionality within the housing element. The Site Inventory is provided in the format required by HCD as Appendix 5: Electronic Housing Element Site Inventory Form.

Sites Used to Accommodate Lower Income RHNA

There are three sites, shown in bold in Table HE - 15: Site Inventory above used to accommodate lower income RHNA: Menlo College Sites 1 and 3, and Menlo School Site 2.

None of these sites were used in a prior planning period's housing element. All of them are zoned for at least the "default" density of 20 du/ac, and all are sized between 0.5 and 10 acres (as they are all smaller, vacant, subsections of larger parcels). Parcels smaller than 0.5 acres, or larger than 10 acres are considered inadequate to accommodate housing affordable to lower income households and require additional analysis as per HCD guidelines⁵¹.

Adjustment Factors

As part of its site capacity approach to the 6th Cycle Housing Element, Atherton uses the HCD recommendation⁵² of five adjustment factors to calculate the projected residential development capacity of the sites in the Site Inventory that can realistically be achieved. Atherton uses different adjustment factors for each overlay zoning district: RM-20 and RM-40 have different adjustment factors for Land Use Controls, Realistic Capacity, and Typical Density.

In addition, there is a site-by-site analysis of Environmental Constraints. There are no identified constraints on Infrastructure Availability on any of the sites. An analysis of each adjustment factor is provided in this subsection.

Land Use Controls

Based on an analysis of the zoning code updates and objective design standards adopted as part of the housing element, there are height and setback constraints that could conceptually have a cumulative impact on the maximum development potential of the opportunity sites. The RM-20 zone is assigned an 80 percent adjustment factor and the RM-40 zone is assigned an 85 percent adjustment factor. Although the development and objective design standards intend to allow for development at maximum potential, the standards could have impacts that would cumulatively limit the physical ability for developments to achieve the maximum allowed densities. These adjustment factors are required

⁵¹ Department of Housing and Community Development Analysis of Sites and Zoning. Found at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/analysis-of-sites-and-zoning>

⁵² Department of Housing and Community Development Housing Element Site Inventory Guidebook. Found at https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sites_inventory_memo_final06102020.pdf

by State⁵³ as a conservative approach to ensuring projections meet housing needs.

Realistic Capacity

There is no history of commercial or mixed-use development in Atherton's history. The parcels in the RM-20 and RM-40 do allow non-residential components, even if the objective design standards do not allow non-residential development in the areas covered by the housing element sites. The Realistic Capacity factor for the RM-20 and RM-40 sites is set at 90 percent as a conservative estimate.

Typical Densities

Typical Densities refers to the "typical densities of existing or approved residential developments" in neighboring jurisdictions and is required by Government Code section 65583.2(c)(2) to be one of the factors used to determine the number of units. The densities of developments at lower and moderate-income levels in San Mateo County are typically built above allowed densities for their zoning district. According to data collected by ABAG/MTC on San Mateo County, 14 lower-income projects were built on average at 107% of maximum allowable density as established in their respective jurisdictions. 19 moderate-income projects were built at an average of 125% of maximum allowable density. A Typical Densities factor of 90 percent can be considered conservative.

Environmental Constraints

As part of the work for the objective design standards, each site was assigned an Existing Tree Coverage Factor of Low, Medium, or High. These factors are used to understand the Environmental Constraints on a site.

- Low Tree Cover: No Environmental Constraint adjustment factor
- Medium Tree Cover: 80 percent Environmental Constraint adjustment factor
- High Tree Cover: 60 percent Environmental Constraint adjustment factor

As this adjustment factor is applied on a site-by-site basis, it is broken out into a separate column in Table HE-15: Site Inventory.

The adjustment factors for the two multi-family residential overlay zones follows in Table HE - 16: Adjustment Factors. The adjustment factors noted in Table HE - 15: Site Inventory are rounded.

⁵³ Required by Government Code section 65583.2(c)(2)

TABLE HE - 16: ADJUSTMENT FACTORS

Site Category	Land Use Controls	Realistic Capacity	Typical Densities	Infra. Availability	Total
RM-20	0.8	0.95	0.9	1	0.684
RM-40	0.85	0.95	0.9	1	0.72675

Source: Town of Atherton

Nonvacant Site Analysis

Atherton's six sites in the Site Inventory are all nonvacant. Government Code section 65583.2(g)(1) requires the housing element to describe the realistic development potential of each nonvacant site within the planning period. Specifically, the analysis must consider:

- The extent that the nonvacant site's existing use impedes additional residential development
- The jurisdiction's past experience converting existing uses to higher density residential development
- Market trends and conditions
- Regulatory or other incentives or standards that encourage additional housing development on the nonvacant sites.

The RM-20 and RM-40 sites are on parcels with existing educational uses (Menlo College, Menlo School, Sacred Heart Schools). Each required consideration is analyzed in this subsection.

Existing Uses Potentially Impeding Additional Residential Development

The sites in the RM-20 and RM-40 multi-family residential overlay zones, which are allocated for lower income housing, have been subject to intensive scrutiny as to whether they support higher-density residential development. Existing uses at Menlo College, Menlo School, and Sacred Heart Schools sites in detail.

Menlo College 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.

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.

Menlo College currently has 567 beds in 5 residence halls for its students with an additional 288 beds added in the fall of 2022. 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. 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. The College President sent a letter, included as Appendix 6, that indicates that the College could support 40 to 60 additional units (see Appendix 6. Menlo College Faculty and Staff Housing Considerations).

Menlo School

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 currently allows for the development of multiple-family residential uses, and two sites have been identified that can accommodate multifamily units.

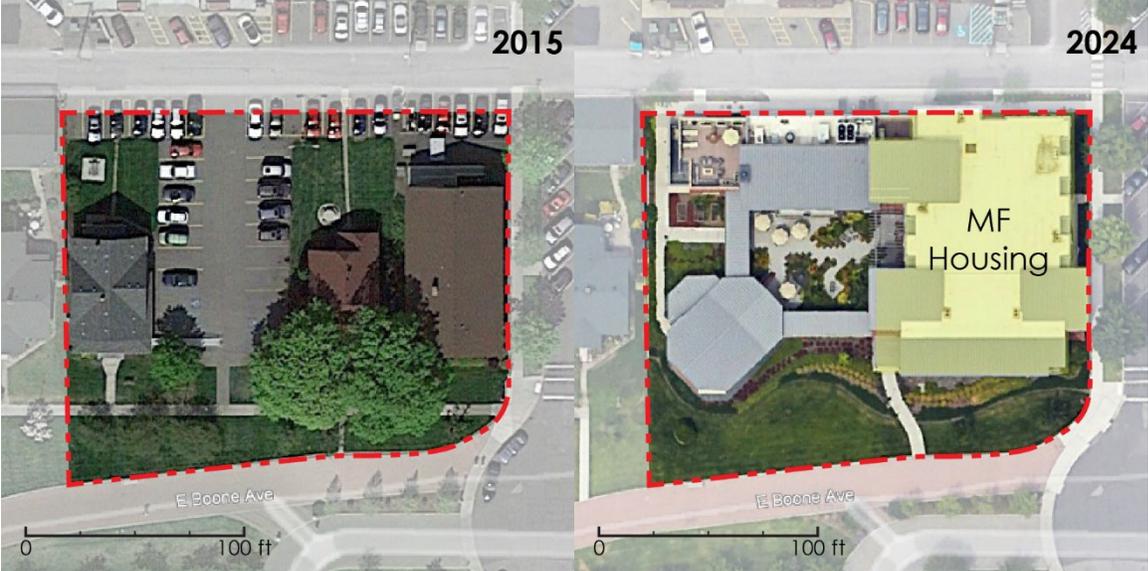
Sacred Heart Schools

Sacred Heart Schools is a private preschool, K – 12 institution located at 150 Valparaiso Avenue on 60 acres for 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 (15-20 years) to accommodate faculty housing. The school has a need for faculty and staff housing. The school anticipates this facility to be rehabilitated in the future to be used for faculty housing (allowed under PFS zoning). The Town will work with Sacred Heart to conserve the 5 apartment units, resident rooms, and facilities for the Oakwood Retirement Community (see Program 3.827 Conservation of Housing).

There has not been any development at this density in Atherton's history. Therefore, the following examples of multiple-family housing on school parcels demonstrate how existing institutional uses at Sacred Heart Schools are compatible with the school's desire to build new faculty housing.

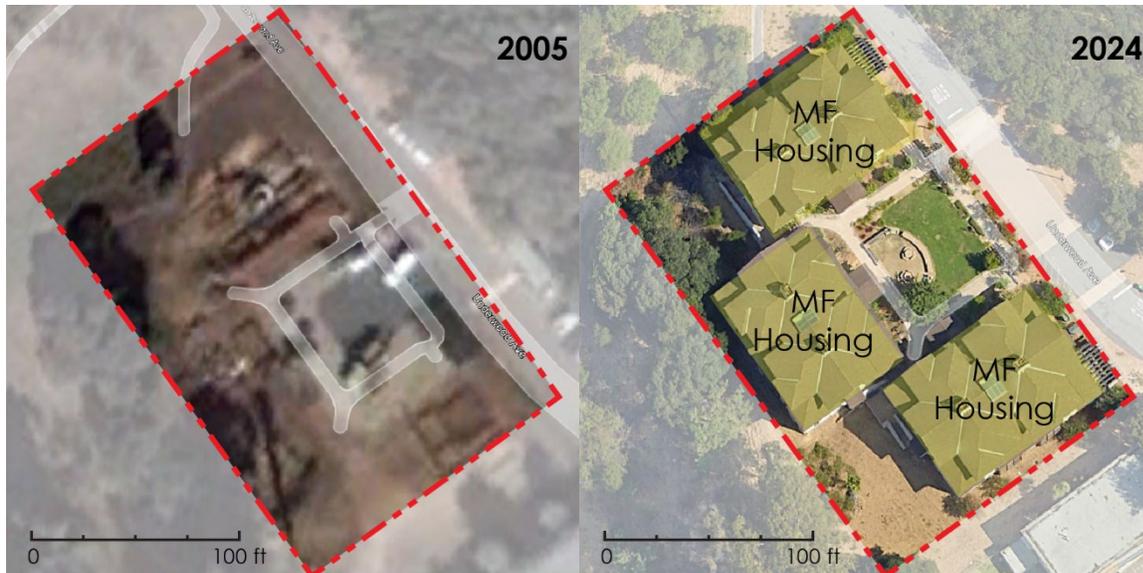
- **Della Strada Jesuit Community Residence, Gonzaga University, Spokane, WA:** The Della Strada Jesuit Community Residence supports Gonzaga University's overall mission by housing faculty and contributing to university's existing educational and religious uses. Three campus-owned buildings were demolished to make room for a project that is 35,900 gross square feet (including non-residential uses) with 22 residences in a three-story mixed-use building. There are other university-serving spaces on the ground floor. The total project site is approximately 0.73 acres.

FIGURE HE - 36: DELLA STRADA JESUIT COMMUNITY, GONZAGA UNIVERSITY, SPOKANE, WA



- Courtyard Townhouses, Northeastern University, Oakland, CA:** Undergraduate dormitories at Mills College support the university's intent to house students on campus. An open site on campus was developed as 36 residential units that are contained within three buildings on an approximately 0.75-acre site. Each building has 12 4–5-bedroom units stacked within three stories. Smaller units are placed on the top floor to allow for a reduction in floor area. Building footprints range from about 4,000 to 4,500 square feet, totaling approximately 13,000 square feet.

FIGURE HE - 37: COURTYARD TOWNHOUSES, NORTHEASTERN UNIVERSITY, OAKLAND, CA



Redevelopment Factors and Existing Uses

The factors considered in Atherton match the development trends seen in San Mateo County and the Peninsula broadly, as noted in Table HE -17: Recent Development Trends. Atherton has no history of affordable housing development to draw on, but there is a substantial sample of affordable development in the County and the San Francisco Peninsula broadly. Table HE – 17 shows how the development trends seen in recent housing development in the region, including nearby affordable housing developments, can be applied to the housing opportunity sites in the Site Inventory. These development trends indicate the substantial interest in residential development on sites that were previously nonresidential or residential, particularly if the development was only on a portion of a larger parcel and if the parcel was eligible for any transit-oriented development incentives.

The recent development trends are:

- A:** Residential development on a previously nonresidential use (industrial or commercial site)

- **B:** Residential development on a previously residential use (intensification of existing use) or if vacant, a site allowing residential use
- **C:** Development of a portion of a larger parcel with affordable housing
- **D:** Transit-oriented development eligible

TABLE HE - 17: RECENT DEVELOPMENT TRENDS

Key:

Development Trends: A: Nonresidential Redevelopment; B: Intensification of Residential Use; C: Residential Development Alongside Nonresidential; D: Transit-Oriented Development (Near transit and using incentives);

Project Name (if Applicable)	City	Address	Prior Use	Land Use Designation	Zoning	Units Proposed	Proposed Density (DU/AC)	Max. Allowed Density (DU/AC)	% of Max Density	Development Trends			
										A	B	C	D
Gateway	Menlo Park	1345 Willow Road	Residential: Single Family	High Density Residential	R4S(AHO)	140	37	40	93%		B		
Crane Place	Menlo Park	1331 Crane Street	Retirement Home	Retirement Living Units District	RLU(X)	93	99	97	102%		B		
Menlo Portal	Menlo Park	104 & 110 Constitution Drive & 115 Independence Drive	Office/Light Industrial	Mixed Use Residential	R-MU-B	335	104	50	208%	A			
Firehouse Square	Belmont	1300 El Camino Real	Vacant	Village Core	VC	81	65	N/A	N/A		B		
The Village at Burlingame	Burlingame	Public Parking Lots F and N	Parking Lot	Howard Mixed Use	HMU	132	157	N/A	N/A	A			
Alma Point at Foster Square	Foster City	790 Alma Lane	Vacant	Civic Center	C-M/PD/SHO	66	78	35	189%		B		
Arroyo Green	Redwood City	707 Bradford Street	Parking Lot	Mixed Use - Downtown	P	117	86	N/A	N/A	A			D
333 Main Street	Redwood City	353 Main Street	Industrial	Mixed Use - Corridor	P	125	77	60	208%	A			D
Huxley Apartments	Redwood City	1305 El Camino Real	Commercial	Mixed Use - Downtown	P	137	180	N/A	N/A	A			D
1409 El Camino Real	Redwood City	1409 El Camino Real	Vet	Mixed Use - Downtown	P	350	213	N/A	N/A	A			D
Kiku Crossing	San Mateo	480 East 4th Avenue	Parking Lot	Central Business Support	CBD/S	225	93	50	186%	A			D
1178 Sonora Court	Sunnyvale	1178 Sonora Court	Industrial	Flexible Mixed Use I Zoning District	MXD1	176	139	45	309%	A			D
Eagle Park	Mountain View	1701 West El Camino Real	Commercial	Village Center	P	67	136	80	170%	A			D
Wilton Court	Palo Alto	3703 El Camino Real	Commercial	Neighborhood Commercial	CN	59	128	20	640%	A			D
Edgewood Plaza	Palo Alto	2170 W Bayshore Road	Commercial	Neighborhood Commercial	CN	10	11	20	53%	A		C	
Villagio	Cupertino	20187 Civic Park Lane	Commercial	General Commercial and Residential	P(CG, Res)	150	69	25	275%	A		C	D
210-260 View Street	Mountain View	210 View Street	Commercial	View/Hope Street Residential Transition Area	P(19)	8	14	40	34%	A		C	
The Village Residences	Mountain View	555 San Antonio Road	Commercial	Mixed Use Center Subarea	P(40)	331	163	80	204%	A		C	D
Broadway Plaza	Redwood City	1401 Broadway	Commercial	Mixed Use Corridor - Gateway Broadway	MUC-GB	518	37	60	61%	A		C	
12370 Saratoga-Sunnyvale	Saratoga	12370 Saratoga Sunnyvale Road	Commercial	Commercial Neighborhood	CN	20	7	20	37%	A		C	
Raines Terrace	Sunnyvale	Raines Terrace	Auto Dealer	El Camino Real Corridor	ECR	113	19	36	52%	A		C	

Source: Town of Atherton Staff

Examples of selected projects from Table HE - 17 are provided below, in order to demonstrate how these development trends may be implemented on parcels in the Site Inventory. While these developments are built at a larger scale than what is anticipated in Atherton, they demonstrate a demand for affordable and market rate units built to a similar density as to what is proposed on the housing opportunity sites:

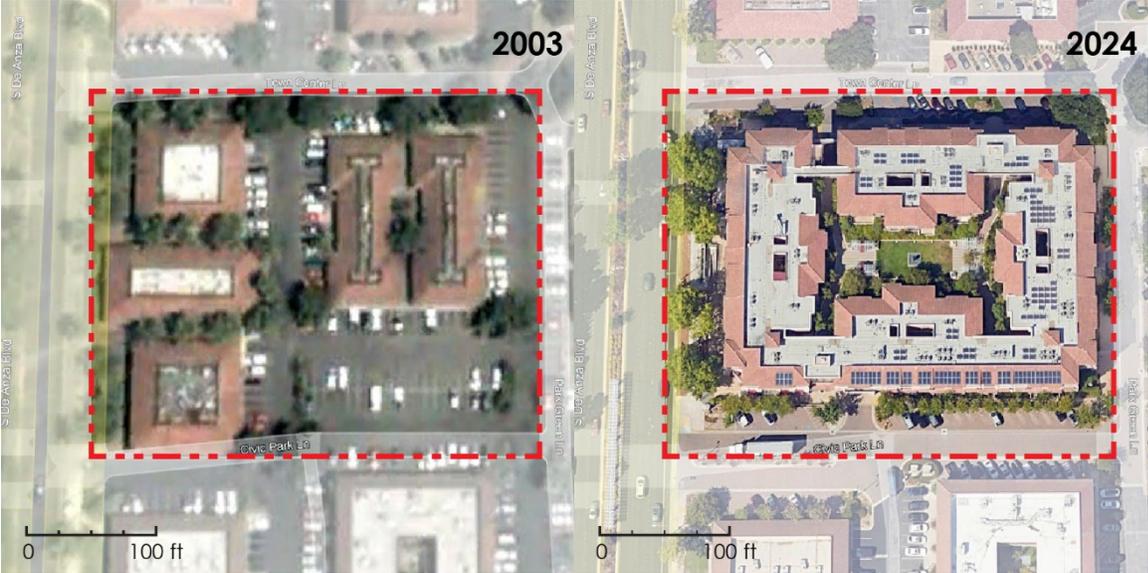
- **Gateway Rising, 1345 Willow Road, Menlo Park, CA:** Gateway Rising is the final phase in the redevelopment of the 1960s-era Gateway Apartments. This includes 230 units (a mix of one-, two-, and three-bedroom units), with seven units set aside for households experiencing homelessness and an additional 51 units for households earning up to 80% of AMI. The project has a density of 37 du/ac in three-to-four story buildings across a 4-acre site with a total residential footprint of about 57,000 square feet.

FIGURE HE - 38: GATEWAY RISING, 1345 WILLOW ROAD, MENLO PARK, CA



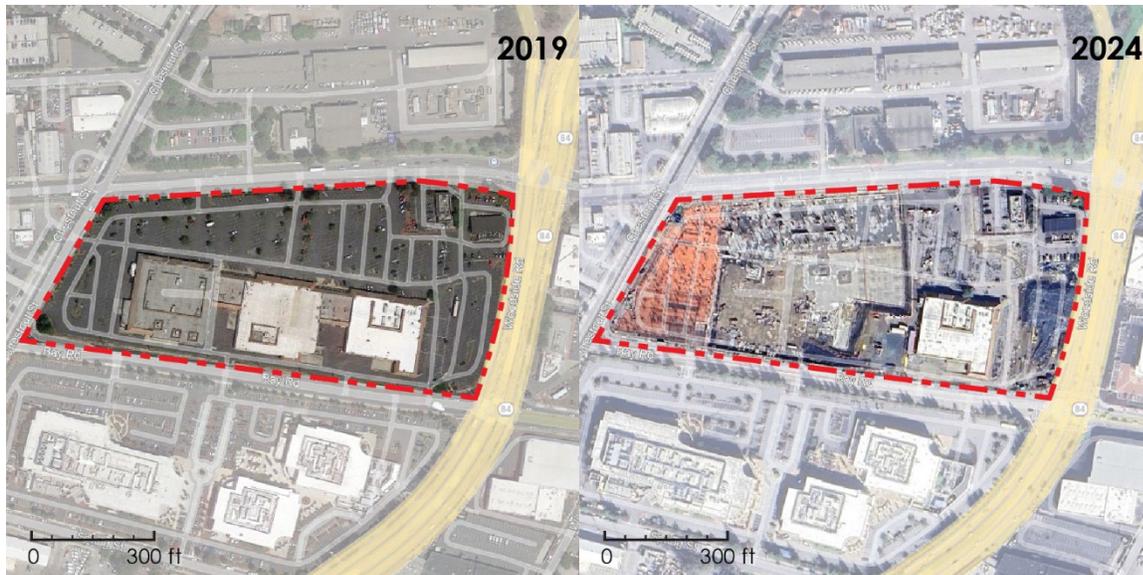
- **Villagio, 20187 Civic Park Lane, Cupertino, CA:** Villagio is a mixed-use infill development on a formerly commercial site. The project has 80 new townhomes and flats built atop a podium of ground floor parking and retail. Centered on a courtyard, units are distributed among four buildings that are three stories in height on a total site area of 2.5 acres. The combined footprint of all buildings is approximately 51,000 square feet.

FIGURE HE - 39: VILLAGIO, 20187 CIVIC PARK LANE, CUPERTINO, CA



- Broadway Plaza, 1401 Broadway, Redwood City, CA:** Formerly a commercial shopping center, Broadway Plaza is a 518-unit mixed-use infill development that is being constructed in two phases – the first of which includes a mixed-use residential and office component. Three residential buildings are being built at a density of 37 du/ac on a combined 11.3-acre site that will include 24 very-low Income units and 95 affordable units. Residential buildings are five to six stories with a total residential footprint of 176,875 square feet.

FIGURE HE - 40: BROADWAY PLAZA, 1401 BROADWAY, REDWOOD CITY, CA



While the examples above contain significantly more units than is what is anticipated to be built in Atherton, the presence of nearby infill development with similar unit densities demonstrates an overall demand for multi-family residential housing regionally. These projects demonstrate that a similar unit density can be incorporated with existing uses on PFS sites envisioned for Atherton's RM-20/40 Residential Multi-Family Overlay Zone.

Table HE - 18: Existing Uses on Site Inventory includes Atherton's Site Inventory, the existing zoning and residential zoning overlay, and their existing uses. The table also includes redevelopment factors identified by the Town that demonstrate a market trend or condition that indicates likelihood of redevelopment, as well as regulatory incentives that encourage additional housing development. These factors indicate a likelihood of development on the sites identified. The redevelopment factors that were considered in site analysis include:

- E: Improvement over Land Value Ratio of less than 1.0**, indicating that the value of the property is "locked" in the land itself and not the building constructed on it.

- **F: Existing Building 30 Years Old or More**, indicating that the building is near the end of its useful life (dilapidation and/or high vacancy is discussed in the site-by-site analysis)
- **G: Developer Interest**, indicating ongoing conversations between developers and the property owner about residential development on the parcel.
- **H: Existing Maximum Floor Area Ratio of less than 0.5**, indicating that increased development allowance would potentially spur new financial viability of the site.

The following incentives to increase residential development indicate additional enticement for residential developers. These are:

- **I: Percentage density increase** from previous maximum density, allowed by multi-family residential overlay
- **J: Location of density overlay**. Whether the site is in an RM-20 or RM-40 multi-family residential overlay zone
- **K: Ministerial Review**. Whether the site allows ministerial review per objective design standards
- **L: Proximity to transit**. Whether the site falls within an AB 2097-established half-mile from a major transit stop
- **M: Resource Availability**. Whether the site is in a High/Highest Opportunity Resource Area (2022)

TABLE HE - 18: EXISTING USES ON SITE INVENTORY

Site #	APN	Address	Existing Use	Zoning	Proposed Overlay	Development Trends				Redev. Factors				Incentives				
						A	B	C	D	E	F	G	H	I	J	K	L	J
1	070-360-100	Menlo College 1 (O'Brien Lot)	School	PFS	RM-40	A		C				G	H	I	J	K	L	J
2	070-360-100	Menlo College 2 (WWII Barracks)	School	PFS	RM-20	A		C			F	G	H	I	J	K	L	J
3	070-360-100	Menlo College 3 (Admin Building)	School	PFS	RM-40	A		C			F	G	H	I	J	K	L	J
4	070-360-080	Menlo School 1 (SE Parking Lot)	School	PFS	RM-20	A		C				G	H	I	J	K	L	J
5	070-360-080	Menlo School 2 (SW Parking Lot)	School	PFS	RM-20	A		C				G	H	I	J	K	L	J
6	070-390-010	Sacred Heart Schools	School	PFS	RM-20	A		C			F	G	H	I	J	K	L	J
7	061-281-150	197 Ravenswood Avenue	Residential: Single Family	R-1A	RM-10		B			E	F		H	I		K	L	J
8	061-281-060	175 Ravenswood Avenue	Residential: Single Family	R-1A	RM-10		B			E	F		H	I		K	L	J
9	061-281-050	185 Ravenswood Avenue	Residential: Single Family	R-1A	RM-10		B				F		H	I		K	L	J
10	061-091-080	999 Ringwood Avenue	Residential: Single Family	R-1A	RM-10		B			E	F		H	I		K	L	J
11	061-091-070	352 Bay Road	Residential: Single Family	R-1A	RM-10		B				F		H	I		K	L	J
12	061-091-060	318 Bay Road	Residential: Single Family	R-1A	RM-10		B				F		H	I		K	L	J
13	061-091-050	296 Bay Road	Residential: Single Family	R-1A	RM-10		B			E	F		H	I		K	L	J
14	059-153-080	23 Oakwood Avenue	Residential: Single Family	R-1A	RM-10		B			E	F	G	H	I		K	L	J
15	061-310-100	Gillmore House	Park	POS	RM-10	A		C					H	I		K	L	J
16	070-214-080	Circus Club	Country Club	POS	RM-10	A		C					H	I		K	L	J
17	073-192-060	Cal Water Site	Utilities	POS	RM-10	A		C		E		G	H	I		K		J

Source: Town of Atherton with calculations by M-Group

3.415 Underutilized Parcels

There are 29 vacant parcels that are zoned as of 2022 for and are suitable for residential development in Atherton. All of these parcels could potentially support ADUs and JADUs in addition to a single-family residence, but projected ADU/JADU development is credited towards the "Accessory Dwelling Unit" section described above. These 29 parcels can support 41 above moderate-income housing units developed during the planning period.

None of these parcels were used in previous housing elements and therefore none require rezoning to be reused in the Sixth Cycle Housing Element. None of these parcels have any unique constraints that would preclude residential development. In addition, they are all vacant and not used for lower-income housing, and do not require a nonvacant sites analysis

29 parcels developed over the course of the planning period could be considered a conservative estimate. In 2023, there were 49 new single-family dwellings constructed in Atherton (12 on sites with a previously-existing home). In 2022, there were 48 new single-family dwellings constructed (21 on sites with a previously-existing home). While the parcels that are still vacant may hold unique development constraints, the high value of land and housing in Atherton does ameliorate these constraints and ultimately allow for development of underutilized parcels.

A full list of these parcels by APN, including address (if applicable) and lot size, are available in the Site Inventory (Appendix 5)

3.416 SB9 Subdivisions

In addition to the 29 underutilized parcels described above, there are 24 parcels that could support SB 9 subdivisions, as highlighted in Table HE - 19: SB-9 Sites below. These parcels can support 2 single-family dwelling each (one lot split per parcel leads to 2 units). All of these parcels could potentially support ADUs and JADUs in addition to a single-family residence, but projected ADU/JADU development is credited towards the "Accessory Dwelling Unit" section described above. These 24 parcels can support 48 above moderate-income housing units developed during the planning period.

Atherton has a strong recent history of SB 9 development due to its large lot sizes and high land value. Since SB 9 was passed in 2021, there have been six recorded lot splits using the law, and three additional lot splits are currently under review. This recent trend of 3 SB 9 lot splits per year from 2022 through 2024 aligns with the SB 9 projection of 24 parcels (eight years of development at three parcels per year).

These 24 parcels were identified based on their existing floor area ratio (FAR). All of the parcels have a very low FAR (under 0.20), indicating plenty of space for an additional single-family dwelling. Based on this analysis and a review of the nine parcels with existing

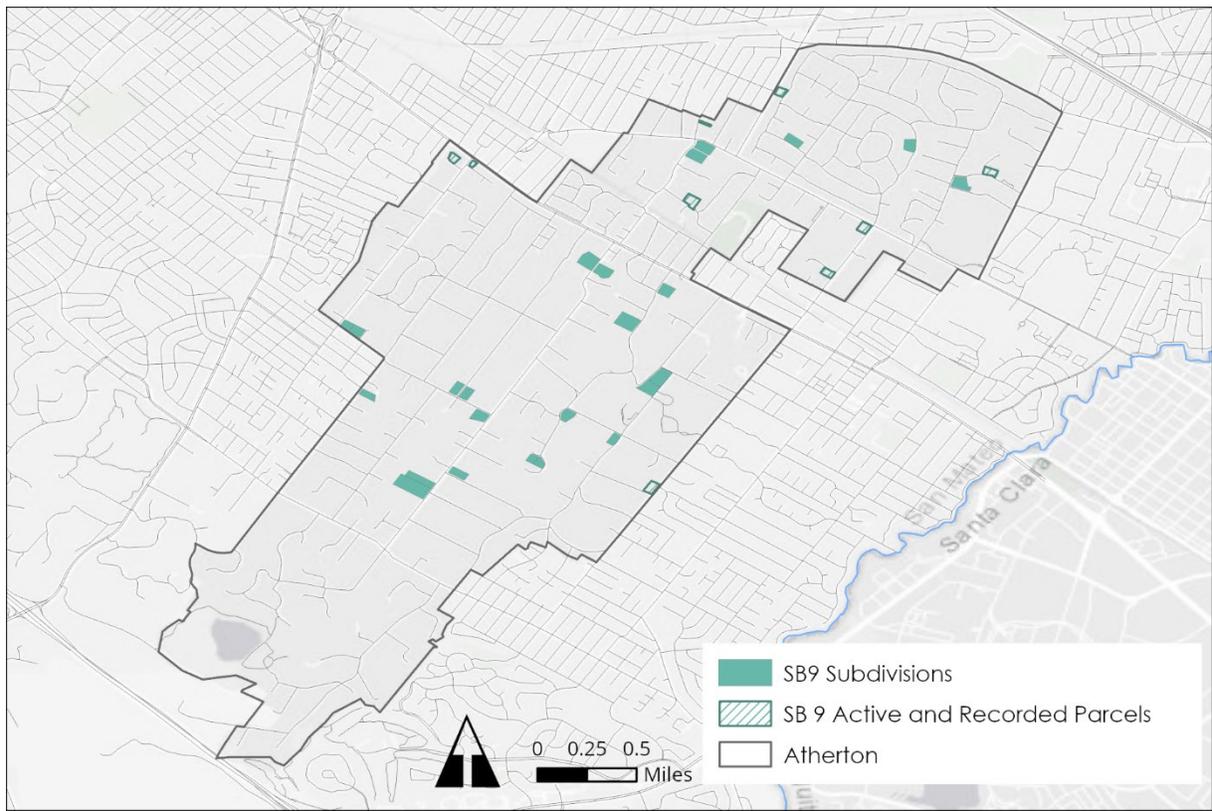
SB 9 lot splits, Atherton has identified ideal candidates for a lot split. The selection criteria for identifying these sites is provided in the following section.

TABLE HE - 19: SB-9 SITES

Address	APN	Existing FAR
30 Atherton Avenue	070-120-130	0.10
29 Atherton Avenue	070-230-270	0.06
260 Oak Grove Avenue	061-232-140	0.06
75 Catalpa Drive	061-211-130	0.00
73 Hawthorne Drive	061-132-100	0.06
198 Fair Oaks Lane	060-220-270	0.09
188 Fair Oaks Lane	060-220-060	0.07
25 Isabella Avenue	070-250-250	0.00
82 Isabella Avenue	070-240-050	0.11
101 Britton Avenue	070-214-110	0.06
131 Britton Avenue	070-214-160	0.05
449 Selby Lane	070-070-170	0.16
196 Tuscaloosa Avenue	070-050-170	0.08
202 Atherton Avenue	070-040-300	0.08
N/A	070-131-010	0.00
254 Atherton Avenue	070-040-510	0.00
260 Atherton Avenue	070-032-440	0.08
223 Stockbridge Avenue	070-022-250	0.05
241 Selby Lane	059-281-010	0.05
191 Selby Lane	059-281-020	0.08
210 Park Lane	070-330-130	0.15
1 Faxon Road	070-180-170	0.19
12 Faxon Forrest Road	070-180-340	0.00
N/A	070-180-350	0.00

Source: Town of Atherton

FIGURE HE - 41: SB 9 LOT SPLITS



Source: Town of Atherton

SB 9 Nonvacant Site Analysis

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 lot size for a subdivision in Atherton was one acre. 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.

SB 9 sites were selected based on site size and dimensions to ensure that a proposed lot split would still allow potential development to maintain adherence to the R-1A development standards on both parcels. The sites were also specifically selected to avoid historic resources and geographic barriers including liquefaction zones. The SB 9 sites are scattered throughout Atherton as shown in Figure HE – 41 above.

To demonstrate that sites in Table HE -19 above can support an SB 9 lot split, four example sites (with the highest existing FAR of the parcels), have been modeled and are shown below.

FIGURE HE - 42: 1 FAXON ROAD (1.15 ACRE AND 0.55 ACRE LOTS)



FIGURE HE - 43: 210 PARK LANE (1 ACRE AND 0.3 ACRE LOTS)



- **449 Selby Lane:** The total parcel area is approximately 1.5 acres. Figure HE-44 demonstrates this parcel's ability to incorporate an SB-9 lot split, with arrows marking access for each newly created parcel. The parcel with the existing residence is approximately 1.4 acres (61,950 sf) and the parcel for proposed housing is approximately 0.1 acres (5,217 sf).

FIGURE HE - 44: 449 SELBY LANE (1.4 ACRE AND 0.1 ACRE LOTS)

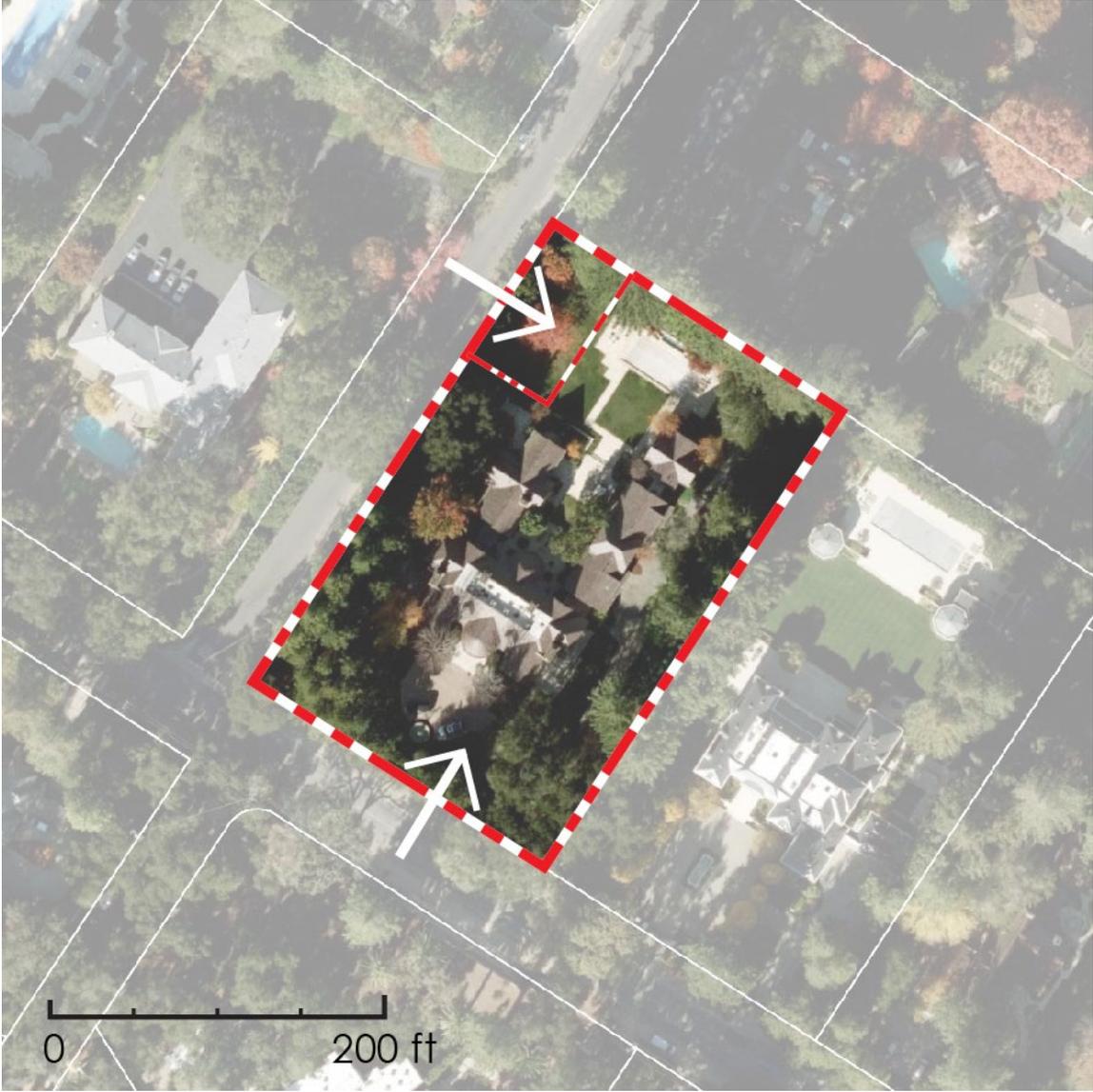
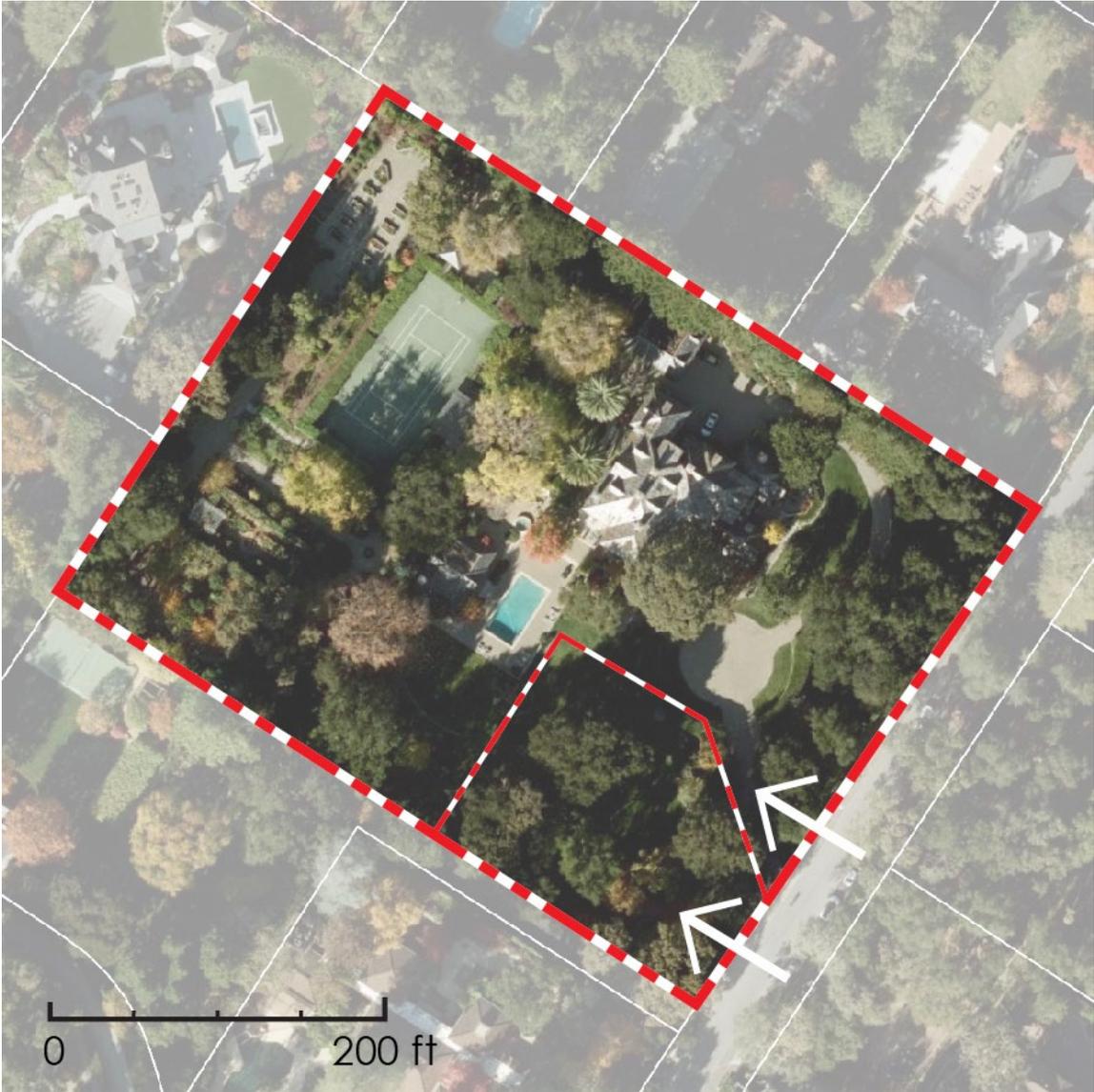


FIGURE HE - 45: 82 ISABELLA AVENUE (3.2 ACRE AND 0.5 ACRE LOTS)



SB 9 Constraints Analysis

The Town website includes a fact sheet on SB 9 Urban Lot Splits.⁵⁴ This includes a checklist and a reference to Chapter 17.53 of the Atherton Municipal Code, which governs SB 9 lot splits. Consistent with state law, the Town requires SB 9 lot splits to follow certain objective standards, including:

- One parcel shall not be less than 40 percent of the lot area of the original parcel
- No parcel may be smaller than 1,200 square feet

⁵⁴ "SB 9 Urban Lot Split", available at <https://www.ci.atherton.ca.us/640/SB-9-Urban-Lot-Split>

- Flag lots shall have minimum access width of 20 feet
- Setbacks must comply with underlying zoning district or be subject to state law regarding ADUs (4 -foot minimum setbacks, maximum floor area of 800 square feet, and maximum height of 16 feet)
- One parking space is required for each dwelling unit

SB 9 lot splits are subject to all impact or development fees related to the creation of a new parcel, with no unique fees. Additionally, the subsequent development of new single family dwelling unit projects on the lots are subject to all impact or development fees. ADUs on the lots are not subject to Town impact fees. SB 9 projects are subject to ministerial review.

As there is already substantial interest in SB 9 projects, Atherton will continue to facilitate these developments and provide ministerial review to applications, as described in Program 3.811(B).

3.417 AFFH and Identified Sites

A new requirement for this 6th Cycle Housing Element is for the Site Inventory to be consistent with a jurisdiction's duty for Affirmatively Furthering Fair Housing (AFFH).⁵⁵ HCD recommends the Site Inventory address:

- Improved Conditions
- Exacerbated Conditions
- Isolation of the RHNA
- Local Data and Knowledge
- Other Relevant Factors

In addition to the Site Inventory-specific analysis below, further information on Affirmatively Furthering Fair Housing is available in Section 3.300: Atherton Fair Housing Assessment.

AFFH Site Inventory Analysis

Atherton affirmatively furthered fair housing by integrating new affordable and market-rate housing in high-resource areas throughout the city. The RHNA is distributed throughout Atherton, focusing on amenity rich areas, and has been refined based on likelihood of development and extensive local outreach. The entire city is located within a high-resource area, so market-rate housing was distributed throughout the city to

⁵⁵ For more information, see HCD's April 27, 2021 document on Affirmatively Furthering Fair Housing, available at https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf

support integration within the existing communities. Affordable housing was distributed on the Menlo School and Menlo College properties, areas with developer interest and development patterns conducive to support higher density housing.

In addition to the Site Inventory, there are 11 sites rezoned using the RM-10 Overlay, which allows for densities of up to 10 du/ac. These sites also introduce additional opportunities for lower income housing, multi-family housing, and housing that mitigates the high cost of land in Atherton. These sites are included in section 3.420: Analysis of Zoning that Encourages and Facilitates a Variety of Housing Types

Site Inventory and Existing Social Patterns

A complete analysis of the Site Inventory must analyze how the identified sites contribute to or mitigate fair housing issues.

Atherton's three fair housing issues are:

- A. Lack of housing that accommodates people of lower-income with a disproportionate impact on people of color, resulting in a lack of overall socio-economic and racial diversity in the city. (High Priority)
- B. The predominance of single-family detached housing in the city has led to an exclusive and high-priced ownership housing market relative to San Mateo County and the Bay area overall. (High Priority)
- C. High land acquisition cost. (Low Priority)

The sites in the 6th Cycle Site Inventory utilize the Multi-family Residential Overlay, which consists of parcels predominately allocated towards the City's very low income RHNA. This is because Pipeline Projects, Underutilized Parcels and SB 9 lot splits provide the majority of the above moderate income RHNA. The affordable allocations of the Site Inventory are wholly located on two of the Menlo College sites, and one of the Menlo School sites. All of the affordable sites are located in high-resource areas and were located based on extensive community outreach.

The Housing Element's fair housing strategy is to increase the likelihood of development of affordable housing by incentivizing development in high resource areas on parcels that would support higher density housing. Atherton has historically restricted higher density and multi-family housing typologies within the city. The Housing Element outlines allowances for multi-family typologies within the city for the first time, enabling the development of more affordable units.

Lack of Lower-Income Housing

The Site Inventory improves integration and mitigates segregation by giving lower-income residents the opportunity to live in a town that has historically been exclusive. The entire town is a high-resource area (even if the high resource

identification is not corroborated by TCAC Opportunity Mapping). By increasing densities on select sites within the town to provide affordable housing options, new residents have access to higher-performing school districts and more green space than neighboring jurisdictions, this addresses a fair housing issue.

Diversity of Housing Types

The Site Inventory supports a diversity of housing types by increasing allowed densities. Historically, Atherton has only allowed low-density single-family residences within the town. By expanding the allowed densities on existing lots, more housing typologies are allowed to be developed, including multi-family housing typologies that are supportive of affordability.

High Land Acquisition Cost

The increased densities allowed on Site Inventory parcels supports mitigation of high land acquisition costs by distributing the cost of land among more units, lowering the cost of each individual unit, supporting affordability. SB 9 lot splits additionally distributes the high cost of land into two parcels, making each parcel cheaper than when the parcels were amalgamated.

The Site Inventory, through increased density allowances on select parcels and SB 9 lot splits, allows the high cost of land within Atherton to be broken down among multiple, more affordable lots and units rather than a more expensive single-family home.

3.418 Environmental Constraints Analysis

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

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 zone.⁵⁶ 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 the sites included in the Town's Site Inventory are in this area.

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

⁵⁶ County of San Mateo Geotechnical Hazard Synthesis Map

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. None of the sites included in the Town's Site Inventory are in this area.

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. 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 could ultimately impact and constrain development, but does not prevent residential construction.

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 properties in Atherton have an equal exposure to seismic activity. This would constrain development, but does not prevent residential construction.

3.419 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.

All of the sites in the Town of Atherton identified as available for housing are in areas 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 to 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.

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 Town's Public Works Department.

Water

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 (UWMP) provides detail on available capacity and allocations for each district, with sufficient planned volume through 2045.

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.⁵⁷

Wastewater

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.

Wastewater from future developments will be served by Silicon Valley Clean Water (SVCW) treatment facilities which has sufficient capacity to accommodate the town's RHNA.

Dry Utilities

Development allowed under the Housing Element Update, in combination with cumulative development within PG&E's service area would increase demand for electricity and natural gas. However, development projects would be required to comply with applicable state and local regulations pertaining to energy conservation.

PG&E routinely updates its long-range plans to incorporate potential growth in its service area. Therefore, the electrical and natural gas infrastructure would be sufficient to serve development allowed under the Sixth Cycle Housing Element.

Electricity and natural gas systems would have capacity and/or be adequate to serve cumulative development, including development allowed under this Housing Element. Therefore, the Sixth Cycle Housing Element, in combination with past, present, existing, approved, pending, and reasonably foreseeable future projects in the vicinity, would not contribute considerably to cumulative impacts on electricity and natural gas systems, and this cumulative impact would be less than significant.

The geographic context with respect to telecommunication service is the service areas for the telecommunication providers that serve the city. Development allowed under the Housing Element Update, in combination with cumulative development within the service areas for the telecommunication providers that serve the city would increase demand for telecommunication service. However, similar to the development provided for under the Sixth Cycle Housing Element, cumulative development of underground conduits and overhead cables to facilitate telecommunications services would be required to comply with applicable federal, state, and local standards pertaining to underground and overhead utility infrastructure.

3.420 Zoning Shortfall Analysis

HCD requires a housing element to determine whether there is sufficient land suitable and available for residential development to meet the locality's housing need for each designated income level, or if further program actions are required to accommodate a shortfall. The following section provides a zoning shortfall analysis of the Town's housing strategies.

Existing Zoning

Atherton has four existing zoning districts. R-1A, R-1B (under the Low Density Single Family Residential general plan land use designation) and PFS (PFS land use designation), listed below, allow residential uses by right. The POS (Parks and Open Space District – under the POS land use designation) does not.

- **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 multi-family residences pursuant to a master plan.
- **POS (Public Open Space District)** – Allows residential units as caretaker facilities for the principal uses on-site through a conditional use permit.

None of these zoning districts allow residential development at the “default” density of 20 du/ac as identified by Government Code section 65583.2(c)(3)(d)-(f)⁵⁸ that would support developing units for lower-income housing.

Without existing zoning to support lower-income housing, Atherton can use its Pipeline Projects and Accessory Dwelling Units to make up some of the lower income RHNA, as shown in Table HE – 20: Current Zoning Shortfall of Lower-Income Units. but there is a shortfall of 22 units that must be accommodated. This is calculated by combining the Very Low Income RHNA (94 units) and Low Income RHNA (54) to determine a Lower-Income RHNA of 148 units. From this number, 126 units of capacity are subtracted: 2 lower-income Pipeline Projects, 124 lower-income Accessory Dwelling units, and 0 Sites with Existing Capacity. This leaves the Town with a Lower Income Shortfall of 22 units.

⁵⁸ From the California Department of Housing and Community Development Default Density Standard Option – 2020 Census Update: <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/defaultdensity2020censusupdate.pdf>

TABLE HE – 20: CURRENT ZONING SHORTFALL OF LOWER-INCOME UNITS

	Lower-Income		Moderate Income RHNA	Above Moderate Income RHNA
	Very Low Income RHNA	Low Income RHNA		
	94	54	56	144
Very Low + Low = Lower Income RHNA	148		56	144
Current Capacity Under Existing Zoning	126		64	99
Pipeline Projects	2		2	48
ADUs	124		62	22
Sites with Existing Capacity (Underutilized Parcels)	0		0	29
Lower Income Shortfall (Lower Income RHNA – Current Capacity Under Existing Zoning)	22		-8	45

Source: Town of Atherton

Accommodating the Lower Income Shortfall

As part of the Housing Element, Atherton is introducing three new multi-family residential overlay zones. The overlay zones and their respective minimum and maximum allowed densities are included in Table HE - 21: Multi-Family Residential Overlay Zones below.

TABLE HE - 21: MULTI-FAMILY RESIDENTIAL OVERLAY ZONES

Name	Minimum Allowed Density	Maximum Allowed Density
RM-10	1	10
RM-20		20
RM-40		40

Source: Town of Atherton

The RM-20 and RM-40 multi-family residential overlay zones will be used to make up Site Inventory, which covers the lower-income shortfall. These two zones are applied to sites in the PFS zoning district, which does not otherwise allow by-right residential uses. Therefore, the *Martinez v. City of Clovis* ruling on multi-family overlay zones on lower-density underlying zoning does not apply.

The sites in the overlay zones will be used to make up Atherton's current zoning shortfall of lower-income units. To accommodate this shortfall, Atherton will allow all sites in the RM-20 and RM-40 multi-family residential overlay zones to meet the housing shortfall in

accordance with the Adequate Sites Program requirements of Government Code section 65583(h) and 65583.2(i). Pursuant to Gov. Code 65583(h) and 65583.2(ii), Program 3.811(C) will rezone to accommodate a minimum of 22 lower income units on a maximum of 1.1 acres (44 units at 20 du/ac). The program would require sites identified for rezoning to meet the following requirements:

- Permit owner-occupied and rental multi-family uses by-right in which 20% or more of the units are affordable to lower income households
- Permit a minimum density of 20 units per acre
- Allow a minimum of 16 units per site
- Accommodate at least 50 percent of the lower income need on sites designated for residential use only, otherwise allow 100% residential use and require residential to occupy at least 50% of the floor area in a mixed-use project.

For more information on the residential overlay zone, see the Multi-family Residential Overlay section, below.

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

Government Code Sections 65583 and 65583.2 require the housing element to provide for a variety of housing types including:

- Multi-family rental housing
- Factory-built housing and mobile homes
- Housing for agricultural employees
- Transitional and supportive housing
- Single-room occupancy units
- Emergency shelters

This section analyzes the constraints currently put on these housing types and includes a discussion of the programs included in the Sixth Cycle Housing Element to release identified constraints on the housing types.

Multi-family Rental Housing

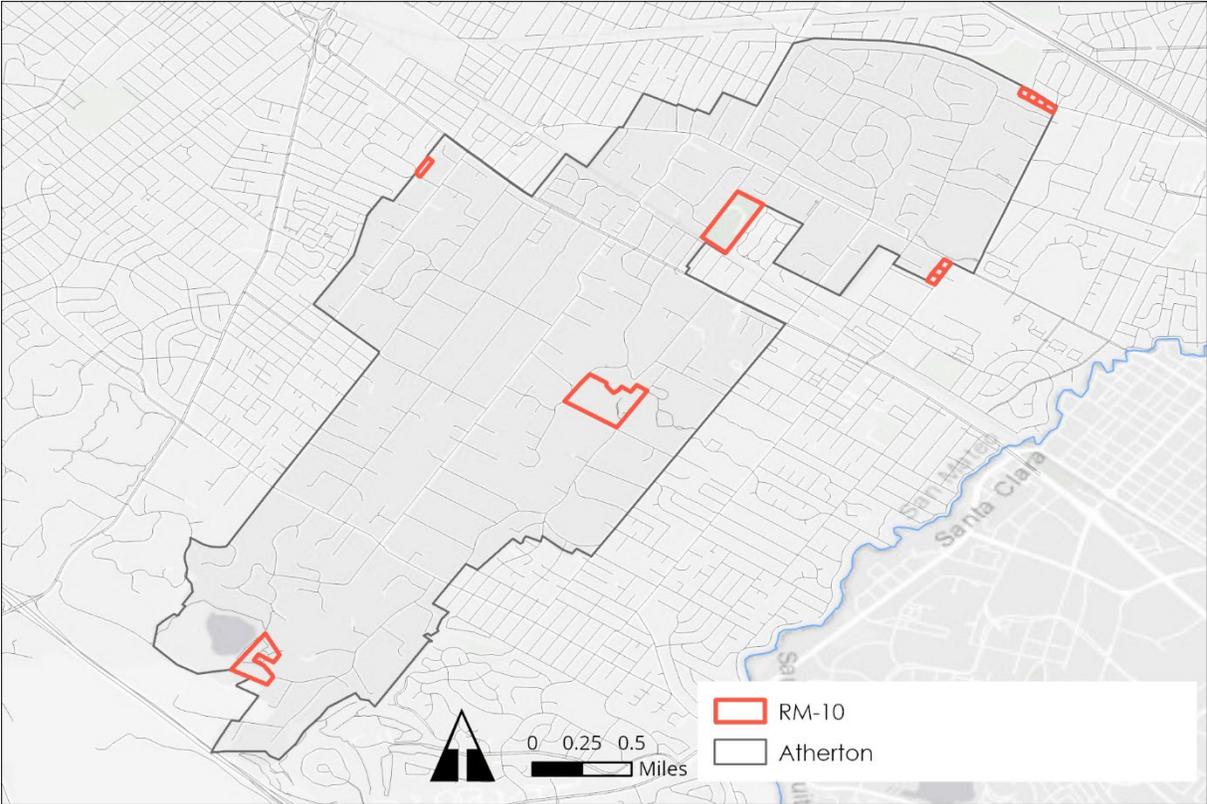
In order to provide for multi-family rental housing, HCD requires jurisdictions to have zoned areas of at least 20 du/ac and with development standards that “allow and encourage multi-family rental housing opportunities.” Atherton does not currently have sites that allow multi-family housing of any tenure type, rental or ownership, with the exception of on PFS zoned sites as related to the primary site use. Zoning code does not typically define rental or ownership units, but HCD informally makes the distinction by looking for densities of at least 20 du/ac (above typical townhome development densities).

The Sixth Cycle Housing Element's new multi-family residential overlay zoning districts provide for 14.4 acres of multi-family housing in the town. This includes 5.9 acres under the RM-20 and RM-40 Overlays used for the Site Inventory as well as 9.5 acres under the RM-10 Overlay. Collectively, these overlays allow for a development capacity of up to 239 units, not counting any density bonuses utilized by developers.

RM-10 Overlay

The RM-10 overlay goes beyond RHNA commitments in order to include multi-family housing of up to 10 du/ac on 11 sites throughout Atherton, as shown in Figure HE - 46: RM-10 Sites below. These sites are a mix of POS and R-1A zoned sites. Most are near transit and commercial areas located outside of the Town of Atherton. The new Residential Multi-family RM-10 Overlay will allow ministerial review of multi-family housing per objective design guidelines. These sites include two publicly-owned parcels (Gilmore House and Cal Water Bear Gulch Reservoir Site) and nine privately-owned parcels. None of the RM-10 overlay counts towards RHNA.

FIGURE HE - 46: RM-10 SITES



Source: Town of Atherton

The RM-10 sites have been identified through a public process that included Council analysis of potential multi-family opportunities in the town. These sites are included in Table HE - 22 RM-10 Overlay Sites below.

TABLE HE - 22: RM-10 OVERLAY SITES

Address	APN	Acres	General Plan	Existing Zoning	Proposed Overlay Zoning	Proposed Overlay Density (du/ac)	Maximum Units
197 Ravenswood	061-281-150	1	LDSFR	R-1A	RM-10	10	10
175 Ravenswood	061-281-060	1.1	LDSFR	R-1A	RM-10	10	11
185 Ravenswood	061-281-050	1.1	LDSFR	R-1A	RM-10	10	11
999 Ringwood	061-091-080	0.9	LDSFR	R-1A	RM-10	10	9
352 Bay Rd.	061-091-070	0.92	LDSFR	R-1A	RM-10	10	9
318 Bay Rd.	061-091-060	0.94	LDSFR	R-1A	RM-10	10	9
296 Bay Rd.	061-091-050	0.93	LDSFR	R-1A	RM-10	10	9
23 Oakwood	059-153-080	1.5	LDSFR	R-1A	RM-10	10	15
Gilmore House	061-310-100	0.9	POS	POS	RM-10	10	9
Circus Club	070-214-080		POS	POS	RM-10	10	0
Cal Water Site	073-192-060	0.25	POS	POS	RM-10	10	3

Source: Town of Atherton

Table HE - 22: RM-10 Overlay Sites includes the General Plan and zoning designations of the RM-10 overlay sites as well as the maximum number of units that would be allowed on each parcel. A narrative description of these sites follows.

R-1A Sites

Of the sites listed in Table HE - 22, the Site Inventory includes eight sites that are zoned R-1A. These sites were selected by Council in a series of meetings in 2023 based on the size of the property, the age of existing residences, adjacency to neighborhoods with higher densities, and proximity to amenities such as bus transit, commercial areas, and other attractive services. All eight of these properties are currently in use as single-family residences, and any sale or transfer of the property can present an opportunity for redevelopment.

Gilmore House

The Gilmore House site is located in the northwest corner of Holbrook-Palmer Park, on Watkins Avenue near the Town Center. From 2014-2018, it was used by Atherton Police Department offices as a place to rest between shifts. From 2018 to today, it is used by the police chief as a residence. The property is owned by the Town of Atherton and in 2022 there was interest stated by some Council members to facilitate multi-family housing programs at this location. Program 3.846(A) facilitates the eventual affordable residential

development of the Gilmore House site without impacting the public use of the larger Holbrook-Palmer Park.

Circus Club

The Menlo Circus Club is a privately-owned club that could potentially develop housing on its land. Although there are no current plans for such development, the property contains at least one existing caretakers' housing unit. Application of the RM-10 overlay could eventually promote development of additional workforce housing, should Club members increase interest during the planning period.

Cal Water Bear Gulch Reservoir Site

Cal Water 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, Cal Water expressed interest in constructing up to four new affordable housing units at this site. Program 3.846(B) directs the Town to collaborate with Cal Water to remove barriers to development of the site as appropriate to facilitate housing.

Deed-Restricted ADUs

In addition to the RM-10 Overlay, Atherton is allowing missing middle housing – such as multiplexes and cottage courts – through an ADU strategy that also goes beyond RHNA commitments. Atherton adopted an ADU ordinance in 2024 which allows for an extra detached and deed restricted ADU on lots two acres or larger. Program 3.812(B) allows for an additional ADU on a property if the property owner agrees to keep rent at an affordable level. This would allow development that is similar to duplex, triplex, and cottage court development alongside and/or within a traditional single-family detached house in Atherton. This housing type, 18 of which are projected in Atherton during the planning period, could also contribute to multi-family rental housing in the town.

Mid-Cycle Check-In

The Town is committing to a mid-cycle check-in if its multi-family rental housing goals are not being met. As per Program 3.811(D), Atherton staff will review development on RM-10 multi-family residential overlay sites as part of Council's review of 2027 Annual Progress Report (March 2028). If fewer than three of the 11 sites have development or active development proposals at that time, the Town will modify its zoning mid-cycle to allow additional multifamily development. This could include:

- Identification of new sites to make up the deficiency (for example, if only two sites have development or active development proposals then the goal is deficient by one, so the Town shall identify one additional site)

- A different rezoning that would allow additional housing mobility, including multifamily housing, in Atherton

If this action is necessary, City Council will adopt this mid-cycle rezoning by the end of December 2029, to be effective in January 2030.

Factory-Built Housing and Mobile Homes

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 of new homes, and consequently does not impose architectural review on factory-built housing.

Housing for Agricultural Employees

There are no agricultural jobs and no farm workers living in Atherton. The closest significant location of agricultural employment is located across the Santa Cruz Mountains and at least a 30-minute drive away.

California Health and Safety Code Section 17021.5 (Employee Housing Act) requires jurisdictions to permit employee housing for six or fewer employees as a single-family use. Employee housing shall not be included within the zoning definition of a boarding house, rooming house, hotel, dormitory, or other similar term that implies that the employee housing is a business run for-profit or differs in any other way from a family dwelling. Jurisdictions cannot impose a conditional use permit, zoning variance, or other zoning clearance of employee housing that serves six or fewer employees that is not required of a family dwelling of the same type in the same zone.

Atherton's Zoning Code does not currently address small employee housing. As such, Program 3.826 adds a definition and makes provisions for small employee housing as a permitted use in the R-1A and R-1B zones, where single-family is permitted.

Single-Room Occupancy Units

Single-room occupancy units are currently permitted in the PFS zones when included in an approved master plan and with a use permit. Program 3.835 modifies this language to permit single-room occupancy units as a permitted use in any residential zoning district (R-1 or the RM-10, R-20, and R-40 overlay zones).

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.

Emergency Shelters

As per 17.36.030-1 in the Atherton Municipal Code, emergency shelters are a permitted use when located within the Town Civic Center property (defined as Lots 1, 2, 24, 25 and 26, Watlinton Park RSM (Resubdivision Maps) 5/8). Within this zone, shelters are permitted without a conditional use permit or other discretionary action.

The current code sets forth standards for operation in 17.36.060, covering size, beds and population, location, parking, waiting and client intake areas, handicap accessibility, on-site management, and exterior lighting. Program 3.824 directs modifications to the current code to comply with AB 139 and Government Code section 65583.

Further discussion of siting and feasibility is included in section 3.517: Constraints on Emergency Shelters.

3.430 Other Housing Resources

The Town 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, as included in Program 3.823(D). The Housing Impact Fee would be collected and segregated by law for its intended purpose. Additionally, the Town is willing to consult with other agencies such as the County of San Mateo or non-profit institutions that work in the County about additional resources that might be available to the Town for affordable housing.

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 multi-family residential development is also considered a constraint to affordable housing development in its traditional sense.

Program 3.811(C) directs amendments to the General Plan land use designations to facilitate multifamily residential development in line with the adoption of the RM-20 and RM-40 zoning overlays.

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 – 23 represents the Atherton Zoning Categories and Standards of density, setbacks, height limits, floor area ratios, lot coverage and parking requirements.

TABLE HE - 23: 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 du./ acre	60'	50'	60'	30**	18%	N/A	None	None
R-1B (Single Family Residential)	3 du./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

*Side setbacks are on a sliding scale depending on lot size (see Table 17.38.010)

** 34' maximum with increased setbacks and Special Structure Permit

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 multi-family 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. Although multi-family residential, when associated with primary nonresidential use on the same site is a permitted land use, it requires location and environmental review by the Planning Commission. The location and environmental review process includes a public hearing and a review of the location, size, proximity to heritage trees and environmental aspects of the project; however, the result of the location and environmental review shall not result in the denial of the use. Program

3.811(C) directs amendments to the PFS zoning district to allow multifamily housing by-right. Accessory Dwelling Units (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, such an ADU may be limited in size to that allowed by State law. Detached accessory dwelling units are generally limited to 16 feet in height and 1,200 square feet of floor area.

Attached accessory dwelling units (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).

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 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 large homes provide opportunities for home sharing per Program 3.841. 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 multi-family rental housing and single room occupancy units) is permitted in the PFS (Public Facilities and Schools) Zoning District.

Constraints Posed by Current Land Use Controls

Atherton's land use controls were designed to ensure single-family residences would be constructed on large lots. While there are several exceptional single-family homes constructed per these land use controls, the development of multi-family housing was not envisioned by the Town.

Concurrent with the housing element, Atherton is adopting objective design standards that will modify the underlying zoning so that it does not serve as a constraint on multi-family housing as per Program 3.811(C).

TABLE HE - 24: CONSTRAINTS ON MULTI-FAMILY HOUSING REMEDIED BY OBJECTIVE DESIGN STANDARDS

Zoning District				
Zoning Constraint	R-1 A (existing)	RM-10	RM-20	RM-40
Maximum Density	1 unit/parcel	10 unit/acre	20 unit/acre	40 unit/acre
Setbacks*				
Front	60'	30'	20'	20'
Side	10'-50'	15'-20'	20'	20'
Rear	60'	20'	20'	20'
Maximum Height	30'	40' (No limit on # of stories)	48' (No limit on # of stories)	48' (No limit on # of stories)
FAR**	0.18	0.5	N/A	N/A
Maximum Lot Coverage**	18%	40%	40%	40%
Parking Requirement	N/A	Min: 1 space/bed Max: 2 space/unit	No Min Max: 2 space/unit	No Min Max: 2 space/unit
Ministerial Review?	No	Yes	Yes	Yes

***Front and Rear Setbacks:** "On lots of record prior to adoption of Ordinance No. 146 (April 16, 1946) with a depth of less than two hundred feet, the front and rear yards shall each be thirty percent of the lot depth with a minimum of thirty feet; provided further, where main building heights are between thirty feet and thirty-four feet, the front and rear yards shall be increased by a ratio of five feet for each one-foot increase in height." (17.32.040(D)(1))

Side Yard Setbacks: Minimum Side Yard requirements are dependent on lot width (Table 17.38.010-1).

Additional Setbacks: Also required if the sidewall of a building exceeds a certain height. (17.36.030(B)(1)(2)(3); 17.37.030(B)(2)(b); and 17.37.030(B)(3)(b); Required if R-1 adjacent (Table 17.36.030.B.2-1; Table 17.36.030.B.3-1; 17.37.030(B)(3))

****FAR and Lot Coverage:** Lots smaller than 1 acre have FAR and Maximum/Minimum Lot Coverage determined by the following equation: Floor area in square feet = (lot size in square feet × 0.163) + 726 square feet, with a minimum allowable floor area of 2,250 square feet. (17.32.040(C))

Source: Town of Atherton

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, and the like 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.

TABLE HE - 25: ON AND OFF-SITE IMPROVEMENTS

Category	Improvement Required
<i>Street Width</i>	20 feet
<i>Curbs and Gutters</i>	Rolled curbs and gutters required for new subdivisions
<i>Sidewalks</i>	Prohibited in new subdivisions
<i>Water and Sewer Connections</i>	Required
<i>Drainage</i>	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

Planning Fees in Atherton

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. To ensure transparency of the fees charged by the Town, Program 3.849 directs Atherton to post and regularly update the Town's website to include complete information about development fees.

TABLE HE - 26: PLANNING REVIEW FEES (STAFFL LEVEL) – 2022-2023

Name	Fee
PLANNING FEES	
Conditional Use Permit/Special Structure Permit	\$ 2,920
Variance	\$ 2,920
Heritage Tree Removal Permit	\$ 2,245
Exception Review	
Excessive Height	
Lot Line Redesignation	\$ 2,920
Lot Line Adjustment	\$ 1,685
Tentative Parcel Map	\$ 2,920
Final Parcel Map	\$ 2,920
Appeal	\$ 842
School Master Plan	\$ 842
Initial Review/Negative Declaration	\$ 2,245
Zoning Ordinance Amendment	\$ 5,615
General Plan Amendment	\$ 5,615
Zoning Review for Home Occupation Business	\$107
Pre-Application Review	\$51
Street Easement Vacation	
Code Enforcement – Administrative (Penalty)	\$ 1,065
Initial Review (2 reviews for fee amount; additional reviews billed hourly) – per application:	
a. Fence	\$ 180
b. Accessory Structures (includes pools)	\$ 506
c. Accessory Buildings	\$ 1,067
d. Additions	\$ 1,095
e. New Construction	\$ 1,570
Revisions to Previously Approved Plans	
Technology Surcharge (upgrade and maintain development technology) (3.60% of fee)	3.60%

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 \$134 to \$252 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 Commission fees are shown in the table below

.TABLE HE - 27: PLANNING FEES (PLANNING COMMISSION) – 2022-2023

Name	Fee
PLANNING FEES	
Appeal	\$872.32
Special Structures Permit	\$3,025.12
Heritage Tree Removal Permit	\$2,325.12
Tree Protection Zone Exception	\$2,325.12
Variance	\$3,025.12
Conditional Use Permit	\$3,025.12
General Plan Amendment	\$5,817.15
Initial Review/Negative Declaration	\$2,325.82
Lot Line Redesignation	\$3,025.12
School Master Plan	\$872.32
Tentative Parcel Map	\$3,025.12
Final Parcel Map	\$3,025.12
Zoning Ordinance Amendment'	\$5,817.15
Environmental Impact Report	Actual Cost
*All Fees Include 3.6% Technology Surcharge	

The Atherton planning fees are smaller 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.

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 Lomas 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 Lomas 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.

Cal Water's Bear Gulch District charges a service fee for separate water service, ranging from \$20,000 to \$40,000. They otherwise has no connection fees for areas currently covered by the District, which covers all of Atherton.

Sewer fees are dependent on district:

- Fair Oaks:
 - Single Family: \$6,153 for connection + \$380 development
 - Multi-family: \$24,612 for connection + \$380 for development
 - ADU: Charged proportionate to the burden of the ADU compared to the primary dwelling unit
- West Bay Sanitary District:
 - Single Family and Multi-family: \$8,501 for connection
 - ADU: \$6,376

A recent survey by 21 Elements (see Table HE - 28 below) 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.

Comparison to Other San Mateo County Jurisdictions

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 - 28. As shown, Town entitlement fees are significantly lower than other communities due to the streamlined and efficient development review process currently practiced.

TABLE HE - 28: FEES FOR A HYPOTHETICAL SINGLE-FAMILY HOME

	Other Fees	Total
Atherton	\$1,058	\$15,941
Brisbane	\$10,032	\$24,940
Burlingame	\$0	\$69,425
Colma	\$0	\$6,760
Daly City	\$0	\$24,202
East Palo Alto	\$39,576	\$104,241
Foster City	\$0	\$67,886
Half Moon Bay	\$8,300	\$52,569
Hillsborough	\$14,250	\$71,092
Millbrae	\$0	\$97,756
Pacifica	\$0	\$33,725
Portola Valley	\$6,216	\$52,923
Redwood City	\$0	\$20,795
San Bruno	\$0	\$58,209
San Mateo	\$0	\$99,003
South San Francisco	\$0	\$81,366
Unincorporated San Mateo	\$0	\$36,429
Woodside	\$0	\$70,957

Source: 21 Elements

The total fees per unit are compared to all San Mateo County jurisdictions below in Table HE - 29 . Atherton does not currently have fees for multi-unit developments because it has historically not allowed such developments. Program 3.816 directs the Town to adopt multi-family fees into its Master Fee Schedule by the end of March 2024.

**TABLE HE - 29: 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.

Total fees as a percentage of total development costs can be found in Table HE - 30. Atherton's fees are calculated to be 0% of total development cost, which is among the lowest of the County.

TABLE HE - 30: TOTAL FEES AS A PERCENTAGE OF TOTAL HOUSING 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 - 31.

TABLE HE - 31: 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

3.515 Processing and Permit Procedures

Only two levels of residential permit processing are available: a Conditional Use Permit or a Building Permit. The Town does not have an Architectural Review and approval 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.

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.

TABLE HE - 32: 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 ⁵⁹		X	X	9

The Town does not have any overlay zones such as community plan implementation zones, hillside overlay zones or environmentally sensitive areas. The multi-family residential overlay zones that will be adopted concurrently with the housing element will ease – rather than complicate – the permitting process.

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.

Conditional Use Permits

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. Per Municipal Code Section 17.12.030, conditional use permits are only granted when the approval authority (i.e., the Planning Commission who provides approval, upon the recommendation of the Town Planner) finds that:

- The proposed use is consistent with the general plan and all applicable provisions;

⁵⁹ Housing included in a private school master plan on a PFS site will be subject to a Planning Commission public hearing to review the characteristics of the project but cannot result in a denial of the housing use.

- The establishment, maintenance, or operation of the use applied for will not, under the circumstances of the particular case (location, size, design, and operating characteristics), be detrimental to the health, safety, peace, morals, comfort, or general welfare of persons residing or working in the neighborhood of such use, or the general welfare of the town.

This language, as applied to residential development, acts as a constraint. Program 3.817 directs the revision of the CUP process to make certain housing development ministerial by:

- Expanding by-right uses to include housing in multifamily residential overlay zones
- Removing the requirement of an advertised public hearing
- Removing Planning Commission imposition on subjective restrictions on residential development

Building Permits

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 – 35 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 \$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.

As Atherton has historically not allowed multi-family housing except in particular circumstances, there are no requests to develop housing at densities below allowed density ranges that are available to analyze.

In 2023, the only year for which Atherton has data, the length of time between receiving approval for a housing development and submittal of a building permit application averaged 93 days. This is in line with the time taken in neighboring jurisdictions.

Master Plans

Guidelines for master plans are included in section 17.36.050 of the Atherton Municipal Code and require that “where such master plans are prepared, they should be general enough to allow flexibility and adjustment of the facilities’ locations but shall have specific projections such as enrollment or floor space proposed. It is further requested that the schools involve interested neighbors, residents, town representatives, and others in the preparation of such master plans. Suggested content of master plans includes:

- A. Land uses, their location, and extent;
- B. Circulation patterns;
- C. Locations for parking and parking standards;
- D. Current enrollment projections and maximum enrollment anticipated;
- E. A list of possible facilities to be developed;
- F. A schedule or priority of development;
- G. Identification of historic or other unique facilities, heritage trees, and their disposition;
- H. Identification of uses and their days and hours of operation, including evenings; and
- I. Identification of other institutions or uses at the facility.

Where master plans have been prepared and adopted by schools, it is requested that they be filed with the office of the town planner for public record. The town planner shall report annually to the planning commission at a regular meeting on the status of school master plans, their availability, and contents. Each private school in Atherton shall report to the planning commission meeting to provide input on the status of master plan preparation and implementation. In addition, the annual meeting shall be noticed to all property owners within five hundred feet of the boundaries of the schools.”

While the master plan process requirements are vague, they stand as a constraint to housing production as all multi-family housing developments on PFS zoned sites, the only sites where multi-family housing is allowed, are required to develop a master plan through the master planning process. The master planning process involves developing master plans that allow for flexibility and adjustment of locations, as well as a plan that involves “interested neighbors, residents, town representatives, and others”. All multi-family housing development projects on PFS sites are also required to be on areas highlighted by the master plan to include multi-family developments and must also be reviewed in a public hearing and location and environmental review. While the processes are themselves, and individually not to lead to a denial of multi-family projects, the inclusion of an initial master plan review period and a subsequent location and environmental review period for any planned multi-family developments extends the timeline of approval for projects and stand as timeline constraints to housing production and

development. For multi-family developments on existing master plans, the process is streamlined: any development is reported in the annual report to planning commission. There is no need for a master plan amendment.

Affordable Housing Streamlining Process (SB 35)

The Town does not have an Affordable Housing Streamlining process and all applications for affordable housing units must comply with the development review process for all other applications and developments. Additionally, the Town does not have any sites eligible for streamlined approval under SB-35.

Program 3.818 directs the development of an Affordable Housing Streamlining process compliant with Government Code section 65913.4 in such case so the Town is prepared should it be subject to SB 35 streamlining in the future.

Local Ordinances

Chapter 17.50 of the Atherton Municipal Code requires landscape screening on most development projects. Landscape screening involves the development of a landscape screening plan to be reviewed by the Town Arborist, as well as a landscape screening agreement which outlines conditions for installation and maintenance of landscape screens on the property. The requirement of the installation, maintenance, and review of a landscape screen can be considered a constraint on the timeline and cost of housing development. Program 3.819 will clarify that landscaping requirements will be revised to as to be objective and not a constraint on affordable and/or multi-family residential development (including deed-restricted ADUs).

3.516 Constraints on Persons with Disabilities

Chapter 17.17 of the Atherton Municipal Code 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.

The applicant requesting a reasonable accommodation must provide (17.17.030):

- A. A completed town application indicating, among other things, the applicant's name, address, and telephone number
- B. The address of the property for which the request is being made
- C. The current actual use of the property
- D. The zoning code provision, regulation, or policy from which reasonable accommodation is being requested
- E. The basis for the claim that the person(s) for whom the reasonable accommodation is sought is/are considered disabled under the Fair Housing Act and why the accommodation is reasonably necessary to make specific housing available to the person(s)

- F. Such other relevant information as may be requested by the town planner or his or her designee

F is a constraint and will be removed by Program 3.822(C).

17.17.040 outlines procedures guiding Town Planning staff for how to respond to requests for modifications or exceptions to Town land use, zoning, rules, policies, and procedures that act as barriers to equal opportunity to housing. When a request for reasonable accommodation is made and “related to a physical improvement that cannot be constructed to conform to the Town’s setback or design standards”, the Town Planner must, within 30 days after receiving the request, make a written determination regarding modifications or exceptions to Town regulations, or the request must be referred to the Planning Commission.

Requested accommodations that are not “‘staff-level’ in nature” are to be deferred to the planning commission via a conditional use permit process. This is a constraint, and Program 3.822 (C) directs the rewriting of the Reasonable Accommodation process to make all decisions ministerial.

Section 17.17.040 gives the applicant the opportunity to appeal, in which case a new 30-day period of Town Planner review is provided.

The application submittal materials and process require 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.

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.

Given that less than 10% of the population in Atherton has a disability, which per ABAG's Data Viewer is comparable to most of the surrounding San Mateo County jurisdictions, the current approach serves this specialized population well and does not act as a constraint towards this population.

3.517 Constraints on Emergency Shelters

There is one parcel located within the Town Civic Center property, 2.46 acres in size. The latest Point-in-Time count, in 2022, identified 3 unsheltered persons in the town. This is an increase from recent counts, which alternated between 1 person and 0 people in the bi-annual counts from 2011-2019.

Program 3.824(A) directs Zoning Code Section 17.36.060, which describes standards for emergency shelter operation, to be updated as follows to meet current law:

- A. Size. Emergency shelters shall not exceed one thousand square feet in floor area.
Analysis: Because 500 square feet per unsheltered person is required as per Government Code section 65583(a)(4), and Atherton had 3 unsheltered persons in its last Point-in-Time count, the 1,000 square foot size limit is now a constraint. It will be removed.
- B. Beds and Population. The maximum number of client beds permitted in each emergency shelter shall be three and the maximum client population permitted to be served nightly by the facility shall be three.
Analysis: Three beds is a constraint on feasibility. This limit will be increased to 15 beds allowed by-right, with more allowed with a conditional use permit.
- C. Location. Each emergency shelter shall not be located within a one-thousand-foot radius of another emergency shelter.
Analysis: No modifications are necessary.
- D. Parking. At least one standard size car parking space per emergency shelter bed shall be provided within fifty feet of the emergency shelter.
Analysis: Requiring parking is a constraint. This will be modified to set parking standards at "at a number sufficient to accommodate staff and not exceeding the standards for other uses in the PFS zone."
- E. Waiting and Client Intake Areas. On-site waiting and client intake areas shall be located within the emergency shelter and shall not exceed two hundred fifty square feet in floor area.
Analysis: The size limit is a constraint and will be removed.
- F. Handicap Accessibility. Each emergency shelter shall be completely handicap accessible.
Analysis: No modifications are necessary.

G. On-Site Management. Space for on-site management shall not exceed five hundred square feet and shall not include more than two beds.

Analysis: This section is a constraint and will be removed.

H. Exterior Lighting. All exterior lighting shall be shielded or downlit so the source of light is not visible from other properties.

Analysis: This section is a constraint and will be removed.

Siting

The 2.46-acre parcel where emergency shelters are allowed by-right are subject to a siting analysis, reviewing proximity to transit and services, hazardous conditions, habitability, and feasibility of emergency shelter construction per AB 2339 (2022). This parcel is zoned PFS, which will be modified to allow residential as part of housing element Program 3.813 Thus, the City's parcels which allow emergency shelters as a permitted use meet the requirement under AB 2339 to also allow residential use.

Proximity to Transportation and Services

The parcel currently designated for emergency shelter use is very close (700 feet) to El Camino Real, the only road in Atherton with bus service. Although there are no services to support unsheltered persons in Atherton as of yet, the Samtrans busses on El Camino Real can connect individuals to commercial and health services in neighboring Redwood City and Menlo Park, as well as further afield.

Hazardous Conditions

The parcel was recently redeveloped, and in the course of redevelopment no hazardous conditions were identified.

Human Habitability

The parcel is home to Atherton's city departments, post office, and library. In addition to El Camino Real 700 feet to the parcel's south, Holbrook-Palmer Park – the largest park in Atherton – is less than a quarter-mile to the parcel's east.

Feasibility

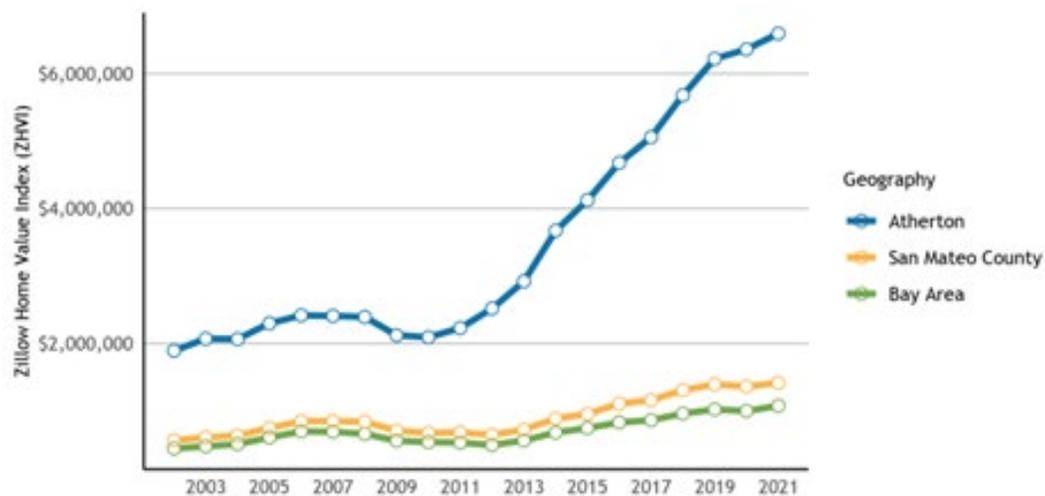
Atherton recently completed a site redevelopment plan for the Town Center, which began in 2014 and concluded in 2022. An emergency shelter was not part of this redevelopment, but there remains sufficient open space on the parcel for an emergency shelter of appropriate size to be developed, should the Town identify a partner organization that could support such a project.

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. Property values in Atherton greatly outpace average land cost in other jurisdictions in San Mateo County. Land currently sells for approximately \$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 Town believes that the high cost of land deters development opportunities for large-scale affordable housing projects. A distributed approach through the use of an ADU and JADU development and rental program (Programs 3.812 (A) and (B)) mitigates the high cost of land and will ultimately be more successful. The Town has also identified several properties for rezoning to permit multifamily housing. Figure HE – 47 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.

FIGURE HE - 47: HOME VALUES IN ATHERTON, SAN MATEO, AND THE BAY AREA



Source: Zillow

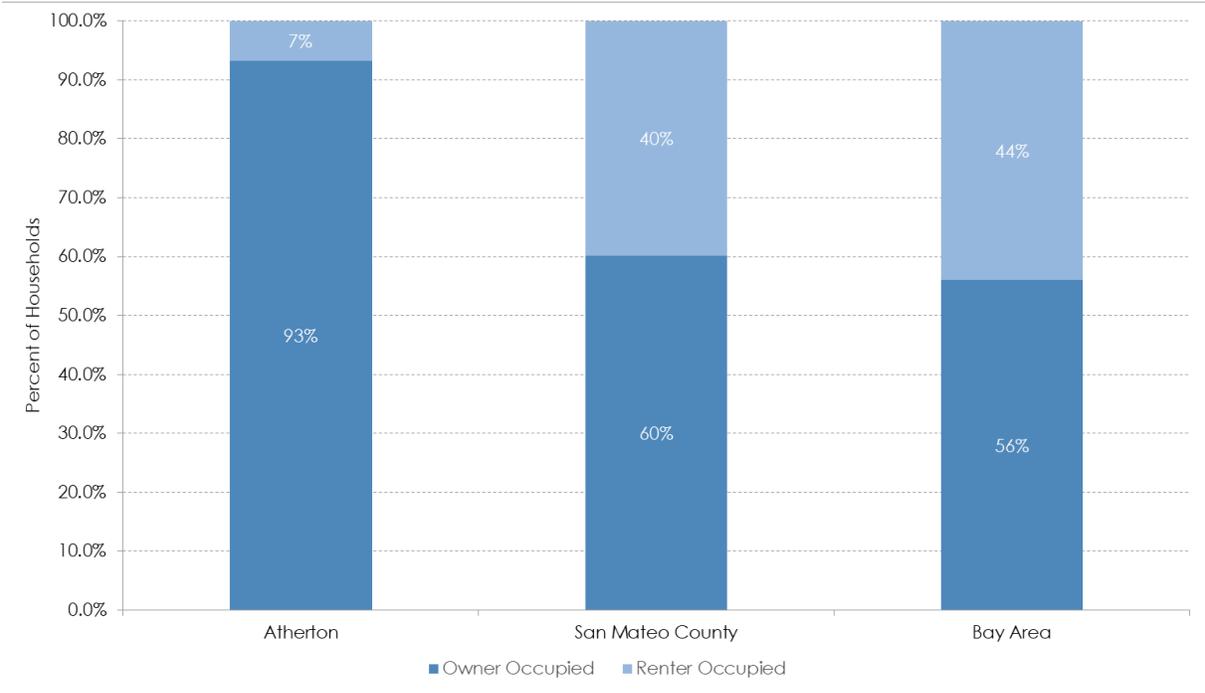
According to the California Department of Housing and Community Development AFFH Data Viewer (HCD data viewer), Atherton does not have public housing buildings. Atherton also does not have a significant share of households using housing vouchers.

Compared to nearby Redwood City and Menlo Park, to the Town's knowledge, the Town does not have housing stock available to 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 is including multifamily housing as a rezoning strategy in the housing element and will introduce deed restricted ADUs to expand rental housing opportunities in Atherton.

Figure HE – 48 shows that Atherton has fewer renter-occupied households 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 to own homes in 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 in Atherton. These statistics do not include multi-family 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).

FIGURE HE - 48: OWNER AND RENTER OCCUPIED UNITS IN ATHERTON, SAN MATEO COUNTY, AND THE BAY AREA



Source: American Community Survey 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.^{3.522} Construction Costs

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% of the total cost, soft costs are 14-17%, and land is 24-42% of the total cost⁶⁰.

While multi-family 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 \$672,500-\$846,500 per unit⁶¹.

For a 2,600 square foot single-family home the average cost of construction is approximately \$420/sf. For a more expensive, 5,000 square foot home, however, the construction costs can average \$525/sf. In general, soft costs add another approximate 20-25% to the subtotal⁶². 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.

⁶⁰Century Urban LLC, Memo to Baird + Driskell, San Mateo and Santa Clara Counties Development Cost & San Mateo Unit Mix Research, April 7, 2022. Found at <https://www.sanbruno.ca.gov/DocumentCenter/View/3422/Appendix-B-Housing-Development-and-Construction-Costs?bidId=>

⁶¹ Ibid.

⁶² Ibid.

Because interest rates are determined by national policies and economic conditions, there is little that local governments, including the Town, can do to affect the interest rates. In general, financing for both construction and long-term mortgages is available in San Mateo County, subject to normal underwriting standards.

Table HE – 33 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 - 33 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 loan governs 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 – 33: 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. Fluctuations in recent years due to the pandemic have caused caution among lenders and may have lasting effects on the availability of financing throughout this Housing Element planning period. Financing for this type of construction is more difficult to obtain now that banks have increased their requirements. While financing is no more of a constraint in Atherton than in other communities in the Bay Area, the availability of financing for developers under these economic conditions may pose a constraint on development outside of the Town's control.

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. This section reviews the previous cycle's progress in meeting RHNA, reviews the previous (5th Cycle) Housing Element programs, and discusses the implementation of those previous cycle programs.

3.620 2015-2022 RHNA 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 - 34 below. The Town's Regional Housing Needs Allocation (RHNA) for the prior (2015-2022) period was 93 units. This included 35 very low income units, 26 low income units, 29 moderate income units, and 3 above moderate income units as seen in Table HE - 34. Actual housing construction during the 2015-2022 period was 247 units.

TABLE HE - 34: PROGRESS IN IMPLEMENTATION

5th Cycle 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

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 115. 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. These ADUs were categorized under the RHNA Income Groups of Very Low, Low, and Moderate. The 115 ADUs exceeded the Town's RHNA allocation of these RHNA categories by 25 units (the total RHNA allocation for Very Low, Low, and Moderate groups was 90 units). Additionally, results from a recent Town-wide survey indicate 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. As student housing not open to the public at large, these units do not count towards meeting RHNA.

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.

3.630 Review of Prior Housing Element Programs

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 - 35.

Accomplishments

As noted in Section 3.620, ADUs have become increasingly popular after the Town adopted amendments to the ADU ordinance. Prominent Ordinance revisions support this increased production trend from prior years as prescribed by Government Code Sections 65852.2 and 65852.22. ADUs are a Town asset in accomplishing RHNA goals and providing more affordable housing units for low-income and special needs populations.

The Town's approval of dormitory housing for Menlo College contributed to the market-rate and below market-rate units in the Town of Atherton. Not only does dormitory housing provide additional housing options for students, but it also alleviates the student-demand for other units and frees up non-dormitory housing for other Town residents.

Challenges

While the Town has several achievements, there is still work to be done. Some of the challenges that kept the Town from achieving all of 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 2015-2022 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 to the 2023-2031 Planning Period.

Ongoing Efforts

The Town continues to move forward with its goals and actions outlined in the prior cycle's Housing Element. In addition, the trends and lessons learned from the prior cycle have been thoroughly analyzed and considered for effective incorporation in this Sixth Cycle Housing Element. These include:

- 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 a new multi-family zoning district RM 10
- Adoption of a new affordable housing Inclusionary Ordinance

The following describes how the objectives and programs of the 5th Cycle Housing Element will be updated and how changes will be incorporated resulting from the evaluation.

– 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 an 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 multi-family zoning districts, RM 20 and RM 10 that will facilitate the development of additional above-moderate income units.

Program 3.712: 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 several 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 2023-2031 objectives for affordable units.

Program 3.712a: 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.

Program 3.712b: 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 2023-2031 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.

Program 3.712c: 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.

Program 3.713: 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.

Program 3.720: Special Housing Needs

Program 3.721: Seniors – The Town has a number of programs supportive of Seniors. These programs include permitting residential care facilities and providing information on home repairs assistance and the Property Tax Postponement Program. The Town will continue these programs and others, in support of senior populations in the 2023-2031 Housing Element.

Program 3.722: Disabled and Developmentally Delayed Persons – The Town has a number of programs supportive of persons with disabilities. These programs include, enforcing ADA compliance in new residential developments and major remodels, providing referrals and information to the County's Housing Accessibility for Disabled Persons Program, and providing information on housing and services for persons with developmental disabilities. These programs will continue in the 2023-2031 Housing Element.

Program 3.723: Equal Housing Opportunity – The Town will continue to refer housing discrimination complaints to the appropriate groups, as well as disseminate fair housing information at Town Hall and on the Town website. The 2023-2031 Housing Element will include additional program elements that expand on the implementation of the outreach campaign, zoning code amendments, adoption of an affordable housing impact fee, increase awareness of equal housing resources for eligible population and increase the number of housing available to lower income renters/residents.

Program 3.724: Emergency Shelters, Transitional and Supportive Housing – The Town will continue to support the possibility of Emergency Shelters, Transitional Housing, and Supportive Housing in Atherton. The 2023-2031 Housing Element will also include a program expanding on the protocol in the event such housing is needed.

Program 3.730: Consistency with State Requirements

Program 3.731(a-c): Energy Conservation – The Town has regulations that encourage energy conservation. These regulations 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.

Program 3.731d: Employee Housing – The Town will continue to ensure compliance with State Health and Safety Code Sections 17021.5. Furthermore, the Town will expand on this program and the code will be revised consistent with Section 17021.6.

Program 3.740: Other Housing Programs

Program 3.741: Shared Housing – The Town will continue to support the Human Investment Program (HIP) and continue to make information available at Town Hall and on the Town website. This program will continue into the next planning cycle. The Town will include additional housing programs in the 2023-2031 Housing Element. These are reflected in Section 3.800.

Cumulative Evaluation of Effectiveness of 5th Cycle Element in Addressing Special Housing Needs

The State Department of Housing and Community Development has requested that the Town "analyze the cumulative effectiveness of the previous Housing Element goals, policies, and programs on special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers, and persons experiencing homelessness)."

Of the special needs populations, the 5th Cycle Housing Element particularly focused on seniors, who make up 22.4% of Atherton's population. There were four programs specific to seniors (Program 3.721a-3.721d). These were related to residential care facilities, home repairs assistance, property tax postponement, and creating a senior friendly plan. The last program was not implemented due to lack of funding and interest in this type of program. The first three programs however, were implemented and are continued into the 2023-2031 Housing Element. Many older Atherton residents have been able to age in place, modify their homes, and continue living in the Town as a result of these programs and policies. Understanding how seniors might be cost-burdened is of particular importance due to their special housing needs, particularly for low-income seniors. 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. The 2023-2031 Housing Element supports diverse housing options that allow senior households to have more mobility as well as programs that support seniors in maintaining their homes.

There were three programs specific to disable and developmentally delayed persons in the 5th Cycle Housing Element (Program 3.722a-3.722c). 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. The three programs were implemented and are continued into the 2023-2031 Housing Element.

In the 2022 San Mateo County One Day Homeless Count and Survey, there were 3 homeless individuals counted in Atherton, less than 1% of the Town's population. Atherton historically has one of the lower homeless counts in San Mateo County. Shelters and homeless assistance programs are the main resources available to homeless residents of San Mateo County. Program 3.724a of the 5th Cycle Housing

Element supports the facilitation of interested developers pursuing Emergency Shelters, Transitional Housing, and Supportive Housing in Atherton.

Large family households often have special housing needs due to a lack of adequately sized affordable housing available. In Atherton 13% of households are large households with five or more people sharing the same income. 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. The 2023-2031 Housing Element facilitates the development of multifamily housing, as well as SB 9 lot splits and ADUs, that provide a variety of housing options for large family households.

In Atherton, 5.4% of households are female-headed households with children present (i.e., a household unit with one female head of house only, and at least one person under 18 years of age). 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. Difficulty in finding affordable housing can result in disproportionate cost burden on female headed families compared to the rest of the population and can also increase the risk of housing insecurity. The 2023-2031 Housing Element includes programming that supports HIP Housing in facilitating secure housing for female-headed households.

All of these factors were considered in the evaluation of related programs from the past cycle and informed the recommendations as noted below in Section 3.640, as well as the development of new programs in Section 3.800.

The Town's 5th Cycle Housing Element included specific goals addressing the needs of seniors, disabled persons, and homeless (emergency shelters). Cumulatively, these measures have contributed to the health, safety, and welfare of all Atherton residents and to the quality of life and condition of housing in the town. However, the 5th Cycle could have been better in including programs addressing the needs of the remaining special needs populations, including large households and female-headed households. There were the affordable housing programs (Program 3.712), one program related to Equal Housing Opportunity (Program 3.723a), and one program related to Shared Housing (Program 3.741a). The Town will expand its programs related to special needs populations in the 6th Cycle Element by doing the following:

- Expanding the programs related to Equal Housing Opportunity with eight additional programs.
- Continuing the program to support the possibility of Emergency Shelters, Transitional Housing, and Supportive Housing in Atherton from the 5th Cycle

Element (Program 3.724a), and expanding the specifics of this with an additional program in the 6th Cycle Element.

3.640 Implementation Status and Analysis of 5th Cycle Housing Element Programs

A detailed analysis of the goals, objectives, policies and programs of the 2015-2022 Housing Element Update is presented in Table HE - 35 below.

TABLE HE - 36: ANALYSIS OF THE OBJECTIVES AND 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
Program 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.

Housing Element Program Name/Number	Program Description and Objective	Timeframe and Achievements	Program Evaluation and Recommendation
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.
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, multi-family 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	(2015-22) The Town has annually worked private schools to facilitate development of affordable, multi-family 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	Objective partially met. Recommend that Town continue to work with private schools to meet objectives.

Housing Element Program Name/Number	Program Description and Objective	Timeframe and Achievements	Program Evaluation and Recommendation
	of the units will be rented in the extremely low-income category.	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).	
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 Mateo County Department of Housing and Community Development, non-profit developers such as MidPen Housing, Bridge Housing and Habitat for Humanity.	(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.
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.

Housing Element Program Name/Number	Program Description and Objective	Timeframe and Achievements	Program Evaluation and Recommendation
Program 3.720: Special Housing Needs			
3.721 Seniors	<i>See Actions 3.721a through 3.721d below.</i>		
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	Objective met. Recommend program continuance.

Housing Element Program Name/Number	Program Description and Objective	Timeframe and Achievements	Program Evaluation and Recommendation
		program. Program publicized on Town website in lieu of in newsletter.	
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	<i>See Actions 3.722a through 3.722c below.</i>		
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	Objective met. Recommend program continuance.

Housing Element Program Name/Number	Program Description and Objective	Timeframe and Achievements	Program Evaluation and Recommendation
		program. Program publicized on Town website in lieu of in newsletter.	
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.

Housing Element Program Name/Number	Program Description and Objective	Timeframe and Achievements	Program Evaluation and Recommendation
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Program 3.730: Consistency with State Requirements

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.

Program 3.740: Other Housing Programs

Housing Element Program Name/Number		Program Description and Objective	Timeframe and Achievements	Program Evaluation and Recommendation
3.741	Shared Housing			
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.

3.700 HOUSING GOALS, POLICIES, AND QUANTIFIED OBJECTIVES

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 150 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.

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 the rental of ADU and JADU units.

3.722 POLICIES

A. Actively promote the Accessory Dwelling Unit provision of the Atherton Zoning Ordinance by encouraging and incentivizing homeowners and developers to include attached or detached Accessory Dwelling Units in existing or new homes. This will include educating homeowners on rental alternatives and the need for ADU reporting.

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

3.731 OBJECTIVES

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A.Encourage the construction of 96 new faculty 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 and incentivize schools in Atherton to provide affordable faculty, staff and student housing on and or near their campuses.

3.740 GOAL: FACILITATE THE DEVELOPMENT OF ADDITIONAL AFFORDABLE HOUSING AT THE CALWATER BEAR GULCH RESERVOIR SITE AND MENLO CIRCUS CLUB SITE

3.741 *OBJECTIVES*

A.Encourage CalWater Company and Menlo Circus Club to develop new housing for employees on their respective sites.

3.742 *POLICIES*

A.Encourage the construction of 4 new housing units at the Bear Gulch Reservoir property and additional units on the Menlo Circus Club property in Atherton from 2023-2031.

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.

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.

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.

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.

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 POLICIES**

A. 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.

B. 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.

C. 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.

D. 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.

E. Fair Housing Training: The City Council will appoint a committee to partner with Project Sentinel (a non-profit agency in San Mateo County that have offices nearby and provide regular informational events), 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.

F. 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. Residents can contact HIP Housing to learn more about other programs as well as to discuss affordable housing opportunities in San Mateo County. Residents who apply to HIP Housing's Home Sharing Program may work 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 Quantified Objectives, Housing Programs, and efforts promoting Housing Mobility for the Planning Period 2023 – 2031.

QUANTIFIED OBJECTIVES

Table HE - 36 summarizes Atherton's quantified objectives for the 2023-2031 Housing Element planning period. The objectives include the City's new construction objectives to meet its regional housing needs (RHNA). The Table includes Program 3.815's goal of rehabilitating 4 units through the planning period. As the Town currently almost entirely comprises above moderate-income housing units, these rehabilitated units are allocated to that category. Through Program 3.827: Conservation of Housing, the Town will commit to conserving the existing 5 apartment units, resident rooms, and facilities for the Oakwood Retirement Community at the Sacred Heart School. The Town is also committed to conserving 4 units for above moderate households through Program 3.831 (B) (Energy Conservation) and 8 units for low-income households through Program 3.841 (Shared Housing).

TABLE HE - 36: QUANTIFIED OBJECTIVES

Income Level	New Construction Objectives	Rehabilitation Objectives	Conservation Objectives
Extremely Low (0%-30% of AMI)	47	0	0
Very Low (30%-50% of AMI)	47	0	5
Low (50%-80% of AMI)	54	0	8
Moderate (80%-120% of AMI)	56	0	0
Above Moderate (>120% of AMI)	144	4	4
Totals	348	4	17

Name of Program	Objective
Program 3.810: New Construction, Conservation and Rehabilitation	
3.811 (A) New Single Family Housing Development	<p>Continue to facilitate and expediate the development of new single-family housing units.</p> <p><i>Timeframe: Ongoing</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Sources: General Fund</i></p>
Reason for Edit:	No need to give a quantified objective for this category separate from the Quantified Objectives table HE-36
3.811 (B) New Single Family Housing Development from SB9 Implementation	<p>The Town adopted an SB9 ordinance consistent with State Law provisions in 2022. The Town projects approximately 48 new above moderate-income housing units to result from lot splits and new housing facilitated by SB9 (24 completed lot splits).</p> <p>Atherton has already completed 6 recorded SB 9 lot splits and has 3 more currently under review. If, during Council consideration of the 2027 Annual Progress Report (March 2028) there are identified constraints on SB 9 lot splits, the Planning Department will prepare an ordinance to further incentivize lot splits with fee waivers, prioritized review, or other incentives. The ordinance will be presented to Council by September 2029 with an effective date of January 2030, if necessary.</p> <p><i>Timeframe: Ongoing, with mid-cycle check-in late 2027 that could result in a revised ordinance presented to Council by August 2028, if applicable.</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Sources: General Fund</i></p> <p>AFFH Metric: 24 SB 9 lot splits completed and two above-moderate units on each lot split during the planning period, for 48 new above moderate income units</p> <p>Addresses AFFH Issue C: High land acquisition Cost</p>
Reason for Edit	Committing to an AFFH metric to meet HCD requirements and adding a mid-cycle check-in to support furthering the AFFH metric
3.811 (C) New Multi-Family Housing Development	The Town will adopt RM-20, and RM-40 multifamily residential overlays that allow a maximum of 20 du/ac, and 40 du/ac, respectively. These overlays will cover sites that permit by-right multifamily development

	<p>per the Objective Design Standards adopted concurrently to the overlay zones. The Town projects at least 96 multifamily housing units to be developed through this program.</p> <p>The Objective Design Standards will be adopted after substantial input from the affordable housing development community as well as the Atherton community. In addition to by-right development, multifamily housing will be incentivized with:</p> <ul style="list-style-type: none"> • Prioritized development review • Reduced fees • Financial support from SFR Impact Fees (Program 3.823 (D)) and Inclusionary Fees (Program 3.814) for affordable housing developments <p>This would allow multifamily rental housing in Atherton for the first time in the Town's history. The General Plan land use designations will be amended to facilitate multifamily residential development, as appropriate.</p> <p>This program will rezone to accommodate a minimum of 22 lower income units on a maximum of 1.1 acres (22 units at 20 du/ac). The program would require sites identified for rezoning to meet the following requirements:</p> <ul style="list-style-type: none"> • Permit owner-occupied and rental multi-family uses by-right (non-discretionary) in which 20% or more of the units are affordable to lower income households • Permit a minimum density of 20 units per acre • Allow a minimum of 16 units per site • Accommodate at least 50 percent of the lower income need on sites designated for residential use only, otherwise allow 100% residential use and require residential to occupy at least 50% of the floor area in a mixed-use project. <p>The Town will review development on RM-20/40 multi-family residential overlay sites during Council consideration of the 2027 Annual Progress Report (March 2028). If there has been no active development yet at this time, the City will develop new incentives and work closely with property owners. Revised incentives and a potential rezoning will be adopted by the end of September 2029, to be effective in January 2030.</p> <p><i>Timeframe: Objective Design Standards are initiated and the Town is considering expanding the sites identified in the adopted housing</i></p>
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	<p><i>element. The Objective Design Standards and rezoning will be adopted by the end of 2024.</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Sources: General Fund</i></p> <p>AFFH Metric: Facilitate the development of at least 96 units at the following affordability levels on sites with RM-20 and RM-40 overlay zoning:</p> <ul style="list-style-type: none"> • Very Low Income: 57 units • Low Income: 14 units • Moderate Income: 25 units • Above Moderate Income: 0 units <p>In addition, facilitate the development of up to 95 units of multifamily residential housing on sites with RM-10 overlay zoning.</p> <p>Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p> <p>Addresses AFFH Issue B: Predominance of single-family housing</p> <p>Addresses AFFH Issue C: High land acquisition Cost</p>
Reason for Edit:	Committing to an AFFH metric to meet HCD requirements and clarifying the connection between rezoning and Objective Design Standards
3.811(D) Mid-Cycle Check-In	<p>The Town will review development on RM-10 multi-family residential overlay sites during Council consideration of the 2027 Annual Progress Report (March 2028). If fewer than three of the 11 sites have development or active development proposals at that time, the Town will modify its zoning mid-cycle to allow additional multifamily development. This could include:</p> <ul style="list-style-type: none"> • Identification of new sites to make up the deficiency (for example, if only two sites have development or active development proposals then the goal is deficient by one, so the Town shall identify one additional site) • A different rezoning that would allow additional housing mobility, including multifamily housing, in Atherton <p>If this action is necessary, City Council will adopt this mid-cycle rezoning by the end of September 2029, to be effective in January 2030.</p>

	<p><i>Timeframe: Review of development by end of December 2026. New strategy, if necessary, to be adopted by City Council by end of December 2027, to go into effect in January 2028.</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Sources: General Fund</i></p>
<p>Reason for Inclusion: Per preliminary HCD feedback received on September 9, 2024, the Town's RM-10 strategy requires additional monitoring and alternative actions to meet HCD requirements.</p>	
<p>3.812 (A) New Construction of Affordable Accessory Dwelling Units</p>	<p>Continue to encourage the development of ADUs and approve ADUs ministerially in conformance with State Law provisions. The Town projects ADU development at a rate of 26 new ADUs per year, for a total of 280 during the planning period. The Town projects that 124 ADUs will be available to very low- and low-income households and 62 ADUs will be available to moderate income households.</p> <p>The Town has not identified any constraints to ADU construction. ADU plans are approved ministerially with minimal objective design standards, the Town does not impose impact fees and, given the large size of Atherton properties, there is adequate land available to build attached and detached ADUs and JADUs. An ADU workshop is anticipated for November 2024.</p> <p>The Town will take the following actions to further incentivize ADU production:</p> <ul style="list-style-type: none"> • Amend the zoning code to allow pool houses and guest houses to be rented as ADUs (there is currently a 30-day occupancy per year limit). The Town will distribute a town wide mailer informing property owners of this change and encouraging rental of their units. (December 2024) • Adopt a program for pre-approval of ADUs plans to streamline the review and approval process and reduce the cost to prepare detailed plans. (June 2025) <p>The Town will take the following actions to further improve outreach regarding ADU construction:</p> <ul style="list-style-type: none"> • Distribute, at least annually, community outreach mailing and social media posts (Annually, first by end of 2024)

	<ul style="list-style-type: none"> • Host at least one community workshop on new ADU development standards during the planning period (December 2027) • Provide information on the Town's website and at the Town counters on the ease of ADU development. (December 2024) • Distribute a Town-wide mailer to create an inventory of existing pool houses and guest houses. Using this inventory, the Town would work with a non-profit (HIP) to connect homeowners to prospective renters (see program 3.812 (B): ADU Rentals) (Distribute by March 2025, create inventory by September 2025 and initiate collaboration by December 2025) <p>The Town will monitor permitted ADUs and affordability every six months to one year (first year of monitoring is 2025) 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. ADU data will be provided to Council annually as part of the Annual Progress Report.</p> <p><i>Timeframe: As per bullets in lists above</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Source: General Fund</i></p> <p>AFFH Metric: Development of 208 ADUs by the end of the planning period. Outreach goals include: 7 mailers, 1 workshop, 1 complete inventory of pool and guest houses</p> <p>Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p> <p>Addresses AFFH Issue B: Predominance of single-family housing</p>
Reason for Edit:	<p>Committing to an AFFH metric to meet HCD requirements; Providing more detail to HCD on steps and timing to incentivize ADUs and provide additional outreach; Bringing in previous Program 3.845 to improve ease of implementation of program (no two separate programs on same issue)</p>
3.812 (B) Affordable ADU Rentals	<p>The Town will take the following actions to further incentivize below-market-rate rentals of ADUs:</p> <ul style="list-style-type: none"> • 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.

	<ul style="list-style-type: none"> 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. <p>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 at least 10 years, depending on availability. 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, or another ADU. This would only be applicable on lots that are 2 acres or larger.</p> <p>AFFH Metric: Development of 186 affordable ADUs by the end of the planning period.</p> <p>Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p> <p>Addresses AFFH Issue B: Predominance of single-family housing</p>
Reason for Inclusion:	Furthering support for affordable ADU units and committing to an AFFH metric to meet HCD requirements
3.813 CEQA Analysis on Multifamily Housing Development on School Properties	<p>Per Program 3.811(C), amend the PFS zoning district to permit new multifamily housing by right for 40 du/ac and 20 du/ac at four school sites, subject to objective design standards. This will support the construction of 96 new affordable multifamily units at private and public schools in the very low- to moderate-income category. Complete the CEQA analysis and adopt the Zoning amendment within one year of Housing Element certification.</p> <p><i>Timeframe: Initiated. Rezoning will be complete by July 2025.</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Source: General Fund</i></p> <p>AFFH Metric: Construction of 93 new affordable multifamily units.</p> <p>Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p> <p>Addresses AFFH Issue B: Predominance of single-family housing</p>
Reason for Edit:	Updating Site Inventory numbers and committing them to an AFFH metric to meet HCD requirements

<p>3.814 Adoption of an Inclusionary Zoning Ordinance</p>	<p>Adopt a new inclusionary ordinance for multifamily development and a housing fee for all new single-family housing construction and addition. Generate funds to support an affordable ADU rental program (Program 3.812 (B)) and other affordable housing opportunities.</p> <p>The Town is currently completing a nexus study that will inform the development of the zoning ordinance. The nexus study will ensure that a 20% affordable requirement is not a constraint, and propose a revised percentage if 20% is determined to be a constraint or if a higher percentage of inclusionary units is feasible.</p> <p><i>Timeframe: Nexus study to be completed by September 2024, with ordinance adopted by July 2025</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Source: General Fund</i></p> <p>AFFH Metric: Adopted inclusionary ordinance Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p>
<p>Reason for Edit:</p>	<p>Connecting program to ongoing work on nexus study, which contributes to AFFH goals</p>
<p>3.815 Conservation and Rehabilitation of Existing Units</p>	<p>Continue to facilitate and expedite the rehabilitation and reconstruction of existing residential units. The Town will establish a building inspector ombudsman to assist property owners navigate the rehabilitation process.</p> <p>The Town will continue to provide information on San Mateo County's Home Repair Program to assist low and moderate homeowners in rehabilitating their residences at Town Hall. The Town will publicize the availability of these services on the Town website.</p> <p>The Town will conduct proactive yearly outreach in the form of a survey to determine what bottlenecks, common questions and/or difficulties arise during the rehabilitation process. This will refine the process for property owners attempting to rehabilitate their housing. The outreach will also be used to increase awareness of the available incentives</p>

	<p><i>Timeframe: Ombudsman role established by December 2024; Information at Town Hall and website by December 2024; Outreach annual, first survey by March 2025.</i></p> <p><i>Agency Responsible: Planning Department, Building Department</i></p> <p><i>Funding Source: General Fund</i></p> <p>AFFH Metric: 4 rehabilitated units through the planning period</p> <p>Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p>
Reason for Edit:	Additional outreach commitments to support more rehabilitation and committing to an AFFH metric to meet HCD requirements
3.816 Multi-Family Residential Fees	<p>The Town will revise its Master Fee Schedule with multifamily development fees that do not pose a constraint on multifamily development.</p> <p>Conduct mid-cycle review on fees by end of December 2027, reducing fees if they have proven to be a constraint on multifamily development.</p> <p><i>Timeframe: Revised fee schedule by end of 2024, concurrent with Objective Design Standards. Mid-cycle review by December 2027.</i></p> <p><i>Agency Responsible: Planning Department, Building Department</i></p> <p><i>Funding Source: General Fund</i></p>
Reason for Inclusion:	Fee schedule to give clarity to multifamily development required alongside multifamily zoning
3.817 Conditional Use Permits	<p>The Town will revise Municipal Code Section 17.12 to make certain housing development ministerial:</p> <ul style="list-style-type: none"> • Expand by-right uses to include housing in multifamily residential overlay zone areas • Remove requirement of an advertised public hearing. Instead, a courtesy notice will be provided to properties within 500 feet of the subject property. • Remove Planning Commission potential imposition of “such reasonable conditions or restrictions, including, but not limited to, time limits, review of performance, and performance standards, as it deems necessary to secure the purpose of this title and to assure operation of the use or the construction of improvements in manner compatible with existing and potential uses of adjoining properties and in the general vicinity, and may require guarantees and evidence that such conditions are being or will be complied with.”

	<p><i>Timeframe: Rezoning will be complete by July 2025</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council</i></p> <p><i>Funding Source: General Fund</i></p>
Reason for Inclusion:	HCD requirement to aid clarity in housing development process
3.818 Streamlined Project Review (SB 35)	<p>The Town will streamline project review by developing written procedures for SB 35 applications so the City is prepared should it be subject to SB 35 streamlining in the future.</p> <p><i>Timeframe: Establish procedures by July 2025</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council</i></p> <p><i>Funding Source: General Fund</i></p> <p>AFFH Metric: Amended ordinance, including written SB 35 procedures Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p>
Reason for Inclusion:	HCD requirement to aid clarity in housing development process
3.819 Landscape Screening	<p>The Town will revise its zoning code to revise its landscaping requirements so that they are objective and not a constraint on affordable and/or multifamily residential development (including deed-restricted ADUs).</p> <p><i>Timeframe: Revise zoning code by end of 2024</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council</i></p> <p><i>Funding Source: General Fund</i></p>
Reason for Inclusion:	HCD requirement to aid clarity in housing development process
Program 3.820: Special Needs Housing	
3.821 (A) Special Needs Housing - Seniors	<p>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.</p>

	<p><i>Timeframe: Ongoing. The Town amended its Zoning Ordinance in 2010 to comply with State residential care facility zoning requirements.</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Source: General Fund</i></p>
<p>3.821 (B) Special Needs Housing - Seniors</p>	<p>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. The Town will publicize the availability of these services on the Town website. Information on San Mateo County's Home Repair Program (see Program 3.821 (D)) will also be provided at Town Hall and on the Town website.</p> <p><i>Timeframe: Ongoing. Information on County program will be provided by end of 2024.</i></p> <p><i>Agency Responsible: Planning Department, Building Department</i></p> <p><i>Funding Source: General Fund</i></p> <p>AFFH Metric: 4 rehabilitated units through the planning period</p> <p>Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p>
<p>Reason for Edit:</p>	<p>Additional outreach commitments to support more rehabilitation and committing to an AFFH metric to meet HCD requirements.</p>
<p>3.821 (C) Special Needs Housing - Seniors</p>	<p>The Town will continue to support the County Property Tax Postponement Program, which provides seniors with a means of postponing property tax payment. 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.</p> <p><i>Timeframe: Ongoing</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Source: General Fund</i></p>
<p>3.821 (D) Special Needs Housing - Seniors</p>	<p>The Town will host a Senior Workshop to educate the community on available resources and identify housing opportunities. Information on home repair and retrofit for accessibility resources and programs, home sharing opportunity, financial assistance, and the ADU program will be presented.</p> <p><i>Timeframe: Conduct first Senior Workshop by end of 2025, second by end of 2029</i></p>

	<p><i>Agency Responsible: Planning Department, City Manager</i></p> <p><i>Funding Source: General Fund</i></p>
<p>3.822 (A) Disabled and Developmentally Delayed Persons</p>	<p>Continue to review new residential developments and major remodels for compliance with the Americans with Disabilities Act (ADA).</p> <p><i>Timeframe: Ongoing</i></p> <p><i>Agency Responsible: Planning Department, Building Department</i></p> <p><i>Funding Source: General Fund</i></p>
<p>3.822 (B) Disabled and Developmentally Delayed Persons</p>	<p>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 to identify housing opportunities. Public information regarding the program will be available at Town Hall and publicized on the Town's website.</p> <p><i>Timeframe: Ongoing</i></p> <p><i>Agency Responsible: Planning Department, Building Department</i></p> <p><i>Funding Source: General Fund</i></p>
<p>3.822 (C) Disabled and Developmentally Delayed Persons</p>	<p>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.</p> <p>The Town will update the Town's reasonable accommodation procedures to be compliant with State law, including:</p> <ul style="list-style-type: none"> • Removing 17.17.030(F), requiring "such other relevant information as may be requested by the town planner or his or her designee" • Removing 17.17.040's requirement, "making all decisions..." to make all decisions ministerial <p><i>Timeframe: Revise zoning code by end of 2024</i></p> <p><i>Agency Responsible: Planning Department, Building Department, Planning Commission, City Council</i></p> <p><i>Funding Source: General Fund</i></p>
<p>Reason for Edit:</p>	<p>Meeting State and HCD Requirements</p>

<p>3.822 (D) Disabled and Developmentally Delayed Persons</p>	<p>Conduct annual outreach to the community through direct mailers and social media posting to inform the community on programs including the HIP homesharing program, organizations that provide home retrofits for accessibility, Meals on Wheels and senior in-home care providers in order to identify housing opportunities.</p> <p><i>Timeframe: Initiated in 2023. The Town included information regarding the HIP homesharing programming in regular social media posts and on the Planning website. Additionally, the Town hosted an event to connect potential homesharers with individuals looking for housing.</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Source: General Fund</i></p>
<p>3.822 (E) Special Needs Housing</p>	<p>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). Developments that include housing for special needs households will be eligible for:</p> <ul style="list-style-type: none"> • Reduced Town fees • Town assistance in supporting funding applications <p>In addition, the Town will conduct annual outreach to identify housing opportunities with special needs communities, local non-profit service providers, and special needs housing developers. Outreach will include a debriefing memo that will identify potential modifications and expansions as necessary to facilitate development of a variety of housing types that support special needs households.</p> <p><i>Timeframe: Reduce fees and initiate Town assistance by end of 2024. Initiate annual outreach by July 2025</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Source: General Fund</i></p> <p>AFFH Metric: One special needs housing development constructed during planning period</p> <p>Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p> <p>Addresses AFFH Issue B: Predominance of single-family housing</p>

Reason for Inclusion:	Meeting HCD requirements to support special needs housing and committing to an AFFH metric
3.822 (F) Extremely Low Income Households	<p>The Town will facilitate housing for extremely low income households through its robust ADU development (Program 3.812 (A)) and multifamily residential overlay zone (Program 3.811 (C)) programs. Multifamily housing developments that include housing for extremely low income units will be uniquely able to access the following incentives:</p> <ul style="list-style-type: none"> • Waivers of Town fees • Modified development standards and concessions as necessary to facilitate extremely low income housing • Town assistance in supporting funding applications <p>In addition, the Town will conduct annual outreach with non-profits serving extremely-low income households and local affordable housing developers to identify housing opportunities. Outreach will include a debriefing memo that will identify potential modifications and expansions to incentives as necessary to facilitate development of lower income units.</p> <p><i>Timeframe: Reduce fees and initiate Town assistance by end of 2024. Initiate annual outreach by July 2025</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Source: General Fund</i></p> <p>AFFH Metric: One extremely-low income housing development constructed during planning period</p> <p>Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p> <p>Addresses AFFH Issue B: Predominance of single-family housing</p>
Reason for Inclusion:	Meeting HCD requirements to facilitate development of housing for extremely low income households
3.823 (A) Equal Housing Opportunity	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.

	<p><i>Timeframe: Ongoing</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Source: General Fund</i></p>
3.823 (B) Equal Housing Opportunity	<p>Develop and implement an education/outreach campaign targeting landlords/managers on renting to people with Housing Choice Vouchers.</p> <p><i>Timeframe: Ongoing</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Source: General Fund</i></p>
3.823 (C) Equal Housing Opportunity	<p>Amend the Zoning title to eliminate the occupancy limitation on other accessory structures, 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.</p> <p><i>Timeframe: Amend zoning by end of 2024; Initial inventory is complete and will be augmented by survey described in Program 3.812 (B); Initiate collaboration by December 2025</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Source: General Fund</i></p> <p>AFFH Metric: Contribute to development of 171 ADUs by the end of the planning period. Outreach goals include: 7 mailers, 1 workshop, 1 complete inventory of pool and guest houses</p> <p>Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p> <p>Addresses AFFH Issue B: Predominance of single-family housing</p>
Reason for Edit:	Clarifying connection to Program 3.812, meeting HCD requirements to commit to AFFH metric
3.823 (D) Equal Housing Opportunity	<p>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.</p> <p><i>Timeframe: Complete as part of nexus study described in Program 3.814, by end of July 2025</i></p>

	<p><i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Source: General Fund</i></p>
3.823 (E) Equal Housing Opportunity	<p>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. So long as it does not serve as a constraint on housing development mandate training for multi-family developers, property owners and any resident renting an ADU or similar unit.</p> <p><i>Timeframe: Additional resources and training to be initiated by end of December 2025</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Source: General Fund</i></p>
Reason for Edit:	<p>Clarifying that the training requirement is not intended to be a constraint on housing</p>
3.823 (F) Equal Housing Opportunity	<p>Create a webpage to host Equal Housing Opportunity 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.</p> <p><i>Timeframe: Create website by end of 2025</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Source: General Fund</i></p>
3.823 (G) Equal Housing Opportunity	<p>Affirmatively market low-income units to households that are underrepresented in the Town in comparison to neighboring jurisdictions.</p> <p><i>Timeframe: Begin marketing by end of 2024</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Source: General Fund</i></p>
3.824(A) Emergency Shelters, Transitional and Supportive Housing	<p>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.</p> <p>The Town will amend its zoning code to comply with all provisions of State law pertaining to emergency shelters. Specifically, the Town will:</p> <ul style="list-style-type: none"> • Permit shelters without discretionary action

	<ul style="list-style-type: none"> Analyze all development standards and address any constraints, including those on spacing and shelter size Amend its code to ensure compliance with parking requirements of AB139/Government Code section 65583, subdivision (a)(4)(A). Amend its code to revise definition of emergency shelters to "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay." <p><i>Timeframe: Ongoing, the Town continues to permit emergency shelters as a use on the Town Civic Center Property; zoning code amendments to be completed by end of 2024</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager, Building Department</i></p> <p><i>Funding Source: General Fund</i></p>
Reason for Inclusion:	Meeting HCD requirements
3.824(B) Emergency Shelters, Transitional and Supportive Housing	<ul style="list-style-type: none"> In the event emergency shelters, transitional and supportive housing are needed, the Town will follow its Standards for Emergency Shelter Operation which reflect the State of California's minimum requirements. See 3.517 of this Housing Element to review available site, how constraints are to be modified to ensure its availability/usability, and its proximity to transportation and services. <p><i>Timeframe: Ongoing and as appropriate</i></p> <p><i>Agency Responsible: Planning Department, City Manager, Building Department</i></p> <p><i>Funding Source: General Fund</i></p>
Reason for Inclusion:	Meeting HCD requirements
3.825 Group Homes for Persons with Disabilities	<p>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. Such homes will have objective development standards that are similar to other residential uses in the same zone.</p> <p><i>Timeframe: Revise zoning code by end of 2024</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council</i></p> <p><i>Funding Source: General Fund</i></p>
Reason for Inclusion:	Meeting HCD requirements

<p>3.826 Employee Housing</p>	<p>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.</p> <p><i>Timeframe: Revise zoning code by end of 2024</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council</i></p> <p><i>Funding Source: General Fund</i></p>
<p>Reason for Inclusion:</p>	<p>Meeting HCD requirements</p>
<p>3.827 Conservation of Housing</p>	<p>The Town will work with the Religious of the Sacred Heart of Jesus at the Sacred Heart School site to conserve the existing 5 apartment units, resident rooms, and facilities for the Oakwood Retirement Community in the case of eventual development per Program 3.811(C). These units are counted as conserved Very Low Income housing units in the Town's Quantified Objectives.</p> <p><i>Timeframe: Outreach to Sacred Heart will begin in early 2025, and conservation efforts will occur concurrent with any development plans on the Sacred Heart site.</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Sources: General Fund</i></p> <p>AFFH Metric: Facilitate the conservation of 5 apartment units on the Sacred Heart site.</p> <p>Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p> <p>Addresses AFFH Issue B: Predominance of single-family housing</p> <p>Addresses AFFH Issue C: High land acquisition cost</p>

Reason for Inclusion: Per preliminary HCD feedback received on September 9, 2024, committing to conservation of housing over the course of the planning period and resolving a potential constraint on any development on a site.	
Program 3.830: Consistency with State Requirements	
3.831(A) Energy Conservation	<p>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.</p> <p><i>Timeframe: Ongoing. The Town requires Title 24 compliance and provides information on energy conservation on its website.</i></p> <p><i>Agency Responsible: Planning Department, Building Department</i></p> <p><i>Funding Source: General Fund</i></p>
3.831 (B) Energy Conservation	<p>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.</p> <p><i>Timeframe: Ongoing. The Town continues to support and promote its Green Building programs through community outreach, events, and its website.</i></p> <p><i>Agency Responsible: Planning Department, Building Department</i></p> <p><i>Funding Source: General Fund</i></p> <p>AFFH Metric: Conserve 4 above-moderate units through energy saving initiatives.</p> <p>Addresses AFFH Issue C: High land acquisition cost</p>
3.831 (C) Energy Conservation	<p>Continue to promote energy conservation through energy audits, participation in PG&E and Cal Water programs and encouraging energy conserving retrofits in homes.</p> <p><i>Timeframe: Ongoing. The Town promotes this program through community outreach, information provided in Town Hall and the Town's website.</i></p> <p><i>Agency Responsible: Planning Department, Building Department</i></p> <p><i>Funding Source: General Fund</i></p>

<p>3.832 (A) Consistency with Other General Plan Elements and Community Goals</p>	<p>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.</p> <p><i>Timeframe: Ongoing. The Town will conduct its first annual review by the end of 2024.</i></p> <p><i>Agency Responsible: Planning Department, Building Department</i></p> <p><i>Funding Source: General Fund</i></p>
<p>3.832 (B) Consistency with Other General Plan Elements and Community Goals</p>	<p>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.</p> <p><i>Timeframe: Ongoing. The Town will conduct its first annual review by the end of 2024.</i></p> <p><i>Agency Responsible: Planning Department, Building Department</i></p> <p><i>Funding Source: General Fund</i></p>
<p>3.833 Replacement Housing Requirements</p>	<p>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).</p> <p><i>Timeframe: Ongoing. The Town does not currently have restricted lower-income units subject to this program.</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Source: General Fund</i></p>
<p>Reason for Inclusion:</p>	<p>Meeting State and HCD requirements</p>
<p>3.834 Single-Room Occupancy</p>	<p>The Town will revise its zoning code to ensure single-room occupancy units are a permitted use in any residential zoning district (R-1 or the RM-10, R-20, and R-40 overlay zones).</p> <p><i>Timeframe: Revise zoning code by end of 2024</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council</i></p> <p><i>Funding Source: General Fund</i></p>
<p>Reason for Inclusion:</p>	<p>Meeting State and HCD requirements</p>
<p>Program 3.840: Other Housing Programs</p>	

<p>3.841 Shared Housing</p>	<p>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 information on the program to all property owners in Town. The Town projects 1 home share match each year.</p> <p><i>Timeframe: Ongoing. The Town hosted a homesharing event in 2023</i> <i>Agency Responsible: Planning Department, City Manager</i> <i>Funding Source: General Fund</i></p> <p>AFFH Metric: Eight homeshare matches (lower-income households) during planning period, beyond the Quantified Objectives of this housing element.</p> <p>Addresses AFFH Issue A: Lack of housing that accommodates lower income households</p>
<p>3.842 Housing Compliance and Monitoring</p>	<p>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.</p> <p><i>Timeframe: Ongoing. The Town shares a dedicated housing planner with a coalition of jurisdictions within San Mateo County. Pending state-certification of the Housing Element and initiation of affordable housing programs, this partnership will facilitate management of the Town's affordable housing portfolio.</i> <i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager</i> <i>Funding Source: General Fund</i></p>
<p>3.843 Water and Sewer Providers - Priority for Affordable Housing</p>	<p>Water and sewer service providers must establish specific written procedures to grant priority water and sewer service to developments with units affordable to lower-income households. (Gov. Code, § 65589.7.) Upon adoption and certification of this Housing Element, the Town will send the document to water and sewer service providers in Atherton.</p>

	<p><i>Timeframe: Within one month after Housing Element certification</i></p> <p><i>Agency Responsible: Planning Department, Building Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Source: General Fund</i></p>
Reason for Inclusion:	Meeting State and HCD requirements
3.844 (A) By-Right Permanent Supportive Housing	<p>The Town will revise the zoning code to allow Permanent Supportive Housing as 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.</p> <p><i>Timeframe: Revise zoning code by end of 2024</i></p> <p><i>Agency Responsible: Planning Department, Building Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Source: General Fund</i></p>
3.844 (B) By-Right Low-Barrier Navigation Centers	<p>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.</p> <p><i>Timeframe: Revise zoning code by end of 2024</i></p> <p><i>Agency Responsible: Planning Department, Building Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Source: General Fund</i></p>
3.844 (C) Approval of Mobile Homes and Manufactured Housing	<p>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.</p> <p><i>Timeframe: Revise zoning code by end of 2024</i></p> <p><i>Agency Responsible: Planning Department, Building Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Source: General Fund</i></p>
3.845 Zoning, Fees and Other Development	<p>The Town will continue to 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).</p>

<p>Standards Transparency</p>	<p><i>Timeframe: Ongoing. The Town includes all program information on its website</i></p> <p><i>Agency Responsible: Planning Department</i></p> <p><i>Funding Source: General Fund</i></p>
<p>3.846 (A) Publicly- Owned Sites: Gilmore House</p>	<p>The Town will promote housing development on the Gilmore House site in the Town-owned Holbrook-Palmer Park. Procedures to develop housing shall be consistent with the Surplus Land Act to provide affordable housing developers a right of first refusal (AB 1846). The process will include the following milestones:</p> <ul style="list-style-type: none"> • Solicit proposals and conduct a feasibility study to assess site (end of December 2024) • Issue RFP for affordable (moderate or lower income) on Gilmore House site (end of July 2025) • Seek to complete development of up to four units of housing (end of December 2028) <p><i>Timeframe: As per bullets in lists above</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager</i></p> <p><i>Funding Source: General Fund</i></p> <p>AFFH Metric: Develop up to four units of multifamily housing on Gilmore House site.</p> <p>Addresses AFFH Issue B: Predominance of single-family housing</p>
<p>Reason for Inclusion:</p>	<p>Meeting HCD requirements to give timeline for development and committing to an AFFH metric to meet HCD requirements</p>
<p>3.846 (B) Publicly- Owned Sites: Cal Water Site</p>	<p>The Town will collaborate with Cal Water to facilitate the development of their property in Atherton (APN: 073-192-060) with affordable housing. Procedures to develop housing shall be consistent with the Surplus Land Act to provide affordable housing developers a right of first refusal (AB 1846). Continue to meet with Cal Water and facilitate development of housing with incentives as appropriate. Incentives could include:</p> <ul style="list-style-type: none"> • Waivers from development standards as necessary to develop housing • Priority development processing • Facilitating communication with housing developers <p><i>Timeframe: Ongoing</i></p> <p><i>Agency Responsible: Planning Department, Planning Commission, City Council, City Manager</i></p>

	<i>Funding Source: General Fund</i>
Reason for Inclusion:	Meeting HCD requirements to give timeline for development

PROMOTING HOUSING MOBILITY

In addition to meeting RHNA through quantified objectives, as shown in Table HE-36, Atherton has several housing element AFFH-focused programs that promote housing mobility by improving equitable access to opportunity, addressing Atherton's fair housing issues as defined in Section 3.390: Fair Housing Issues, Contributing Factors, and Town Actions. Promoting housing mobility primarily improves Fair Housing Issues A (lack of lower-income housing) and B (diversity of housing types). Fair Housing Issue C (high land acquisition cost) is a lower priority and programs addressing this fair housing issue can enable more productive programming options for future cycles, as there are simply few opportunities for a small jurisdiction to mitigate the high land acquisition costs within its boundaries.

Due to the small size of the town and lack of distinguishing fair housing characteristics between its neighborhoods, there is no program-by-program geographic targeting. Some programs (such as multi-family residential overlays and SB 9 lot splits) target specific parcels and will have a neighborhood effect. But because the fair housing issues are so acute throughout the town, as described in sections 3.320 through 3.380, there is no area of Atherton that requires more mitigation than other areas of the town.

Through Program 3.811 (C), the Town is committed to facilitating the development of 96 multifamily units at the following affordability levels:

- 57 for Very Low income
- 14 for Low income
- 25 for Moderate Income

Other notable programs with specific commitments towards promoting housing mobility, increasing housing choice and affordability throughout the city, include:

- **Program 3.811 (B) – SB 9 Implementation:** 24 SB 9 lot splits
- **Program 3.812 (A) – ADU Construction:** 208 ADUs to be developed (186 affordable units and 22 market-rate units)
- **Program 3.812 (B) – Deed-Restricted ADUs:** 18 ADUs deed-restricted to lower-income households (as part of 186 affordable units identified in Program 3.812 (A))
- **Program 3.815 – Unit Rehabilitation:** 4 rehabilitated units
- **§Program 3.841 – Shared Housing:** 8 shared home agreements

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.
- City Council meeting on July 19, 2023 to discuss multi-family sites

- City Council meeting on September 20, 2023 to further discuss multi-family sites and environmental analysis
- Special Planning Commission and City Council study session on April 25, 2024 to discuss Affirmatively Furthering Fair Housing requirements
- Planning Commission meetings on July 24, 2024 and August 28, 2024 to review CEQA analysis, Housing Element and Zoning Code updates and provide recommendations to City Council
- City Council meetings on September 18, 2024, October 2, 2024, and October 16, 2024 to review CEQA analysis, Housing Element and Zoning Code updates before sending Housing Element update to HCD for review and certification.

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 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 home adjacent to multifamily complex.

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.

Public meetings on the housing element were re-initiated in 2024. A Planning Commission/ City Council workshop was held on April 29, 2024 to discuss new revisions regarding sections 3.100, 3.200, 3.300, and 3.600 – focusing on issues of feasibility, fair housing, and geographic equity. An additional ADU-focused workshop took place on May 20, 2024. The revised housing element (including revisions directed at the April 29 and May 20 meetings) was presented to Planning Commission on July 24, 2024 and August 28, 2024 for recommendation on adoption alongside Zoning Code changes and new Inclusionary requirements. These documents were then brought to City Council for adoption on September 18, 2024.

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**