

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

651 Bannon Street, Suite 400
Sacramento, CA 95811
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



May 5, 2025

George Rodericks, Town Manager
Town of Atherton
80 Fair Oaks Lane
Atherton, CA 94027

Dear George Rodericks:

RE: Town of Atherton's 6th Cycle (2023-2031) Adopted Housing Element

Thank you for submitting the Town of Atherton's Adopted Housing Element, adopted on February 19, 2025, and received for review on March 6, 2025. In addition, the California Department of Housing and Community Development (HCD) received Ordinance Number 667 as a supplement to prior adopted rezoning documents. Pursuant to Government Code section 65585, HCD is reporting the results of its review. In addition, HCD considered comments from Housing Leadership Council of San Mateo County pursuant to Government Code section 65585, subdivision (c).

HCD is pleased to find the adopted housing element in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq) as of the date of this letter. The adopted element meets the statutory requirements that were described in HCD's December 30, 2024 review. This finding is based on, among other items, the completion of Program 3.811 (C) (New Multi-Family Housing Development) which, among other provisions, committed to address the regional housing need allocation (RHNA) shortfall of capacity, including permit housing developments with 20 percent affordability without discretionary action.

Additionally, the Town must continue timely and effective implementation of all programs including but not limited to the following:

- Program 3.811(B): SB9 Implementation
- Program 3.811(C): Multi-Family Housing Development
- Program 3.811(D): Mid-Cycle Check-In
- Programs 3.812(A-B): Affordable Accessory Dwelling Units
- Program 3.813: CEQA Analysis on School Properties
- Program 3.813: Inclusionary Zoning Ordinance
- Program 3.815: Conservation and Rehabilitation
- Program 3.817: Conditional Use Permits

George Rodericks, Town Manager
Page 2

- Program 3.819: Landscape Screening
- Program 3.822(C): Reasonable Accommodations
- Program 3.824(A): Emergency Shelters, Transitional and Supportive Housing
- Program 3.825: Group Homes
- Program 3.826: Employee Housing
- Program 3.834: Single-Room Occupancy
- Program 3.841: Shared Housing
- Program 3.844(A): Permanent Supportive Housing
- Program 3.844(B): Low-Barrier Navigation Centers
- Program 3.844(C): Mobile Homes and Manufactured Housing
- Programs 3.846(A-B): Publicly-Owned Sites

The Town must monitor and report on the results of these and other programs through the annual progress report, required pursuant to Government Code section 65400. Please be aware, Government Code section 65585, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

In addition, as part of Programs 3.811(C) (Multi-Family Housing Development), 3.811(D) (Mid-Cycle Check-In), and 3.819 (Landscape Screening), the Town must closely monitor and evaluate new zoning, objective design and development standards, and other land use controls and permit procedures for impacts on the ability to achieve maximum densities as well as impacts on the cost, supply, affordability, and/or availability of housing development. Based on the outcomes of an evaluation, the Town must make adjustments to meet program objectives. Examples of adjustments include addressing landscape screening requirements, parking requirements related to bedroom counts, window detail requirements, primary entryway requirements, objective design standards, and adjustments to fees and exactions, particularly as some of these requirements go beyond what is required of other residential land uses.

Further, as part of Programs 3.811(C) (Multi-Family Housing Development), zoning to address the shortfall of capacity to accommodate the lower-income RHNA must permit housing developments with 20 percent affordability to lower-income households without discretionary action.

Finally, please be aware, the recent California appellate decision in *Martinez v. City of Clovis* found that while overlays can be used in a rezone, when the base zone allows residential development, both the base zone and the overlay zone must comply with the minimum density requirements of Government Code section 65583.2, subdivision (h). For the shortfall of capacity to accommodate the lower-income RHNA (Program 3.811(C): New Multi-Family Housing Development), the Town must ensure base zones

George Rodericks, Town Manager
Page 3

(e.g., PFS Zone) require a minimum density of no less than 20 dwelling units per acre (Martinez v. City of Clovis (2023) 90 Cal.App.5th 193, 307 Cal.Rptr.3d 64.).

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the Town to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Land Use and Climate Innovation at: <https://www.lci.ca.gov/planning/general-plan/guidelines.html>.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the Town now meets housing element requirements for these and other funding sources.

HCD appreciates the cooperation and hard work the Town's housing element team provided throughout the housing element review and update. HCD wishes the Town success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code section 65400. If HCD can provide technical assistance in implementing the housing element, please contact Anthony Errichetto, of our staff, at Anthony.Errichetto@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager