



## Item No. 15 Town of Atherton

### **CITY COUNCIL STAFF REPORT – REGULAR AGENDA**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**THROUGH: GEORGE RODERICKS, CITY MANAGER**

**FROM: STEPHANIE B. DAVIS, AICP SENIOR PLANNER**

**DATE: OCTOBER 16, 2019**

**SUBJECT: REPORT ON THE ESTABLISHMENT OF A REGIONAL HOUSING NEEDS ALLOCATION (RHNA) SUBREGION FOR SAN MATEO COUNTY**

### **RECOMMENDATION**

Receive a report from staff on the Town's involvement on the Regional Housing Needs Allocation (RHNA) and provide feedback.

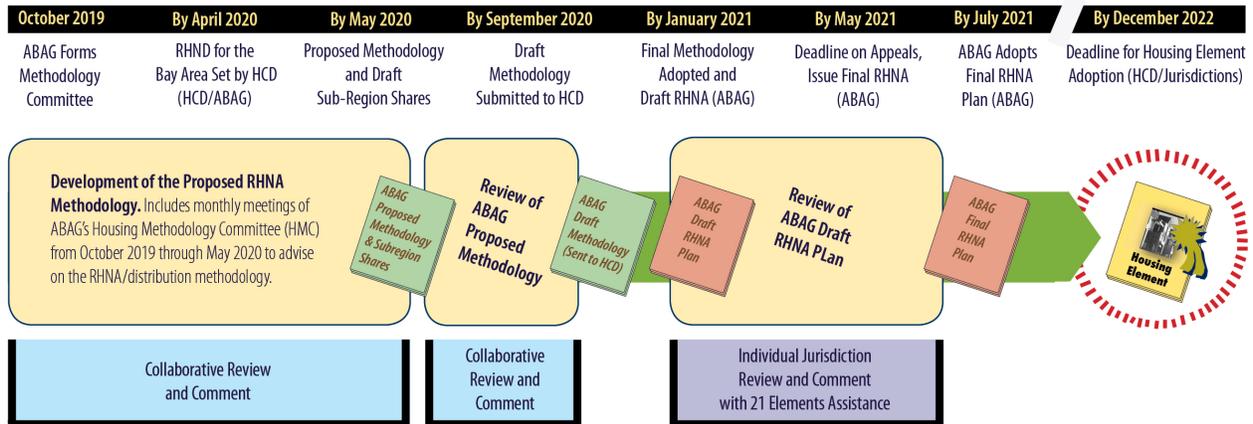
### **BACKGROUND**

The Regional Housing Needs Allocation (RHNA) process occurs every eight years, and the next eight-year period will run from 2023 - 2031. This effort begins with the State of California Department of Housing and Community Development (HCD) identifying the number of housing units needed across all income levels for the nine Bay Area counties. The Association of Bay Area Governments (ABAG) develops a methodology to distribute to each local government a fair share of the total number of housing units by income (the RHNA). For reference, once a local government has received its final RHNA from ABAG, it must revise its Housing Element to accommodate its new RHNA numbers.

As part of the RHNA process, local jurisdictions have the opportunity to form a subregion to conduct an allocation process that parallels — but is separate from — the regional process. During the previous RHNA cycle, San Mateo County formed a subregion, which allowed revisions to an individual jurisdiction's RHNA number, as long as the County's total remained the same. This subregion approach also facilitated formation of the "21 Elements" group, which consists of housing and planning staff from all 20 cities and San Mateo County. Atherton was part of this sub-region during the prior RHNA cycle. For reference, under the last RHNA cycle, ABAG assigned the Town 106 units, and as part of the sub-regional process, the Town's final number was **93 units**.

This 21 Elements group meets several times a year to discuss a variety of housing issues and will continue to exist as a resource and information sharing collaboration regardless of the decision to form a subregion.

HCD is anticipated to release draft housing numbers in April/May 2020 and finalized in July 2020. Ultimately, the Town’s Housing Element needs to be updated and certified by December 2022. Please see the graphic below for table of estimated, timelines for the next RHNA cycle.



**ANALYSIS**

The 21 Elements group most recently met on September 23, 2019. Given all the challenges noted below, there was consensus amongst the jurisdictions to **not form** a sub-region. For these same reasons, staff does not recommend that the Town participate in the formation of a sub-region.

- It is anticipated that RHNA numbers will substantially increase; at this point there is no definitive number, although it will certainly increase given the housing shortage in the State, and certainly given conditions in the San Francisco Bay Region. Based on this information, there appeared to be little interest in individual San Mateo County jurisdictions taking on an additional number of units for the sole purpose of allowing another jurisdiction to reduce its RHNA number. This anticipation is primarily based off of RHNA’s for other counties within California that have increased anywhere from 46 percent (Sacramento Area Council of Governments) to 226 percent (Southern California Association of Governments).
- There will be much more rigid requirements imposed by HCD on the sub-RHNA process to ensure the reallocation methodology furthers state housing objectives (not just merely be consistent with) and addresses “fair housing” requirements, which may further constrain any revisions to numbers – in summary “trading” efforts severely limited this cycle.
- With recent changes to State law, identifying sites for affordable units may be more challenging resulting in fewer housing sites that can be counted towards a jurisdiction’s RHNA. This legislation requires that cities list only those sites that have a *realistic* and *demonstrated* potential for redevelopment during the planning period or vacant sites. This substantially changes what is considered an adequate site.

While the consensus amongst San Mateo County jurisdictions was to not create a formal sub-region, there was consensus for jurisdictions to continue meeting through the 21 Elements as a “working

group”, in order to collaboratively strategize potential, different approaches, resources, policies and implementation programs in anticipation of the RHNA. As more information becomes available on these efforts, staff will report back to the Council.

### **POLICY FOCUS**

The State of California requires that local governments adequately plan to meet their fair share of the housing needs of the region through adoption of a state-approved housing element as part of their general plan to serve as the local government’s "blueprint" for how the city and/or county will grow and plan for enough housing to accommodate the Town’s “fair share” of housing for all economic segments of the community.

Any possible considerations in how to update the Town’s Housing Element during the next RHNA cycle should consider an approach that will allow the future, updated Housing Element to be certified by the State. As part of those future discussions, the City Council can discuss policy direction and/or land use changes that can address the Town’s mandated requirements.

### **FISCAL IMPACT**

Ultimately, there will be costs to continue participation with the 21 Elements working group and formal preparation of the future Housing Element update.

### **PUBLIC NOTICE**

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

### **COMMISSION/COMMITTEE FEEDBACK/REFERRAL**

This item \_\_\_ has or X has not been before a Town Committee or Commission.

- Audit/Finance Committee (meets every other month)
- Bicycle/Pedestrian Committee (meets as needed)
- Civic Center Advisory Committee (meets as needed)
- Environmental Programs Committee (meets every other month)
- Park and Recreation Committee (meets each month)
- Planning Commission (meets each month)
- Rail Committee (meets every other month)
- Transportation Committee (meets every other month)