



## Item No. 17 Town of Atherton

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

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**THROUGH: GEORGE RODERICKS, CITY MANAGER**

**FROM: LISA COSTA SANDERS, TOWN PLANNER**

**DATE: NOVEMBER 18, 2020**

**SUBJECT: AUTHORIZE THE CITY MANAGER TO TRANSMIT A LETTER TO THE ASSOCIATION OF BAY AREA GOVERNMENTS (ABAG) REGARDING THE TOWN'S REGIONAL HOUSING NEEDS ALLOCATION (RHNA)**

#### **RECOMMENDATION**

Authorize the City Manager transmit a letter to ABAG expressing concern with the Town's RHNA allocation.

#### **BACKGROUND**

All California cities and counties are required to accommodate their fair share of regional housing need. The fair share assignment is determined through a Regional Housing Needs Allocation (RHNA) process. State Housing and Community Development (HCD) determines the share of the State's housing need for each regional and in turn, the Association of Bay Area Governments (ABAG) allocates to each jurisdiction its share of the regional housing need. The RHNA assignment for each jurisdiction is comprised of four income categories: very low; low; moderate; and above moderate.

The Town last updated its Housing Element and received certification from the State in March 2015. The next Housing Element cycle covers the period of 2023 through 2031 and is required to be certified by the State by January 1, 2023.

The City Council, at its November 4, 2020 meeting reviewed the Town's RHNA allocation and requested staff prepare a letter to AGAB expressing the Town's concern with the RHNA allocation methodology.

**ANALYSIS**

The ABAG regional housing needs determination from HCD is a total of 441,176 housing units. ABAG formed a Housing Methodology Committee (HMC) to provide recommendations on the methodology to assign the housing allocations to jurisdictions. The allocation factor for very low and low-income units is weighted as follows: 70% to access to high opportunity area; 15% based on job proximity (auto) and 15% based on job proximity (transit). The allocation factors for moderate and above moderate-income units is weighted as 40% access to high opportunity areas and 60% to job proximity (auto). Atherton’s factors were weighted 0.01% for each distribution category. The HMC and ABAG’s Executive Board voted to recommend Option 8A: High Opportunity Areas Emphasis & Job Proximity. The proposed allocation would result in a 13% growth rate for the Town.

**Atherton RHNA Allocation for 2014-2022:**

Very low income	Low income	Moderate income	Above Moderate income	Total
17	18	26	29	93

Of the 93 allocated in the current housing element cycle, for the period of 2014-2019, Atherton has reported production of 126 housing units, of which; 34 are very-low; 12 low; 3 moderate and 77 above moderate. It should be noted that most of the above moderate-income units are replacement units that will not count in the next housing element cycle as new housing units.

**Atherton Proposed Allocation for 2023-2031 (ABAG Option 8A):**

Very low income	Low income	Moderate income	Above Moderate income	Total
74	43	51	130	298

As with past Housing Elements, jurisdictions are required to *plan* for the development of new housing (through General Plan and Zoning land use designations and reductions of any other governmental barriers), but the Town is not required to *construct* the housing units.

The proposed RHNA methodology is available for a 30-day public comment period from October 25, 2020 through November 24, 2020. ABAG will hold a hearing on the proposed methodology and draft subregion share on November 12, 2020, with the ABAG Executive Board scheduled to take final action on the draft allocation methodology at its January 21, 2021 meeting and submit to HCD. It is anticipated that the allocations will be finalized in Spring 2021.

Staff has drafted the attached letter to ABAB expressing concern with the Town’s RHNA allocation. The letter notes that the Town is entirely single family residential and there are very few jobs within the Town-limits. Therefore, the methodology should be adjusted to account for jobs within the Town and not require the Town plan for jobs that are outside of its jurisdictions limits and for which it does not benefit from.

**POLICY ISSUES**

As noted above, the RHNA methodology is currently available for a 30-day public comment period (ending on November 24, 2020). The attached letter expresses the Town's concern with the methodology.

**FISCAL IMPACT**

None.

**PUBLIC NOTICE**

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

**ATTACHMENT**

Draft Letter to ABAG

# ATTACHMENT 1

November \_\_\_\_, 2020

Ms. Karen Mitchoff, Chair  
ABAG Regional Planning Committee  
c/o ABAG-MTC Public Information Office  
375 Beale St, Suite 800  
San Francisco, CA 94105

VIA EMAIL

## **RE: Proposed RHNA Methodology and Subregional Shares**

Dear Chair Mitchoff:

I write on behalf of the Town of Atherton to provide comment on the proposed methodology for the RHNA 6 cycle and the draft subregion shares passed by the Executive Board at their meeting on October 15, 2020.

The Town of Atherton is a small, residential community with public and private schools. Aside from local school operations, the Town's primary land use is residential, and the Town does not allow commercial development. As a result, there are very few jobs outside of Town employees and employees of the local schools.

The RHNA methodology relies heavily on proximity to jobs as a factor. Neighboring jurisdictions regularly approve large scale commercial developments that result in job growth, demands on local resources, and a demand for new housing in those communities. Those communities in turn, also benefit from the resulting tax bases and should be required to provide their fair share of housing and resource amenities to meet a healthy job-to-housing ratio. As the Town does not anticipate growth, let alone job growth within the Town limits, this methodology is not applicable to the Town of Atherton.

As noted above, the Town's long-standing character is as a residential community. With the last Housing Element process, the Town revised its Accessory Dwelling Unit (ADU) ordinance to exempt ADUs from floor area. This resulted in substantial new construction of ADUs in a manner that remains consistent with the Town's character. The Town updated its ADU ordinance for compliance with State regulations and will continue to promote new ADU construction as a means of balancing new housing options. In addition, the Town has committed to working with the local schools to promote new housing on their facilities. The Town is supportive of a reasonable RHNA allocation that can be achieved within its community character.

Satisfying the RHNA requirement as proposed will be nearly impossible to achieve without *fundamental* changes to the Town's land use framework. The Town's General Plan and Zoning Ordinance – the key elements of our Town's constitution—will need to be rewritten in order to

## **ATTACHMENT 1**

accommodate this level of new growth. The Town requests that the final methodology take into consideration sustainability and impacts on community character.

For the reasons outlined above, the Town respectfully asks that you reconsider the allocation methodology. Thank you for your consideration, and this opportunity to provide comment.

Sincerely,

George Rodericks  
City Manager  
Town of Atherton