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June 5, 2019

Honorable Peggy Huang, Chair
Community, Economic, and Human Development Committee and Regional Housing
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, California 90017

RE: Draft Regional Housing Needs Assessment (RHNA) Consultation Package to the California Department of Housing and Community Development (HCD) and Proposed RHNA Methodology Components

Honorable Chair Huang and Honorable Committee Members:

The City of Santa Ana (City) welcomes the opportunity to provide comments to the Southern California Association of Governments (SCAG) on the Draft RHNA Consultation Package to HCD. Santa Ana is committed to the local and statewide goal of encouraging the production of housing for all segments of the population - in a manner that is thoughtful, effective, and equitable throughout the region. Toward this goal, the City of Santa Ana offers the following key points for consideration.

As stated in the Orange County Council of Government (OCCOG) letter dated May 23, 2019, it is requested that SCAG adjust the voluntary RHNA Consultant Package to HCD to identify a regional determination of 430,000 housing units. This number reflects the forecasted growth assumed in the Regional Transportation Plan (RTP) / Sustainable Communities Strategy (SCS) for the SCAG region and is consistent with the most recent Orange County Projections (OCP) formulated with local input. In addition, the RHNA Consultant Package proposes a methodology that would assign jurisdictions with High Quality Transit Areas/Corridors (HQTA/C), like Santa Ana, with a disproportionate amount of the existing need, without any basis for determining whether the jurisdiction has policies or factors that have contributed to this assumption.

As you know, the State Legislature has adopted a number of housing bills over the last few years that place increased pressure on local governments to facilitate the development of affordable

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housing and achieve their respective RHNA allocations. These bills include:

- Senate Bill 35 (SB 35) requires local governments that have not met their RHNA allocations to expedite and approve “by right” (streamline) affordable housing development projects that provide a prescribed amount of affordable units, on an infill site and comply with existing zoning.
- Senate Bill 166 (SB 166) requires local jurisdictions to continually update their housing elements and general plans, as new development permits are issued and land uses change, to ensure that their housing elements maintain enough adequate sites for potential development to meet assigned housing affordability goals. This law, referred to as the “No Net Loss” provision, creates a new challenge and dynamic for communities; as local jurisdictions rely upon housing developers and local market conditions to build housing, cities cannot fully control the density or income level the housing proposes.
- Senate Bill 1397 (SB 1397) specifies that housing elements can only identify land as a potential site to accommodate new housing if such land has realistic capacity for housing development. Basing existing need on the jurisdiction’s share of population and presence of a HQT/A/C without considering available sites and context will place numerous jurisdictions in a position where their housing elements cannot comply with State law. This law also includes a limitation on carrying over vacant land as housing opportunity sites if they have been included in two or more previous housing elements, which further limits cities’ potential resources to meet their RHNA goals.

While well-intended, these bills place significant pressure on local jurisdictions to facilitate the production of new housing, without the funding and resources to comply with these mandates. Further, the excessive “existing need” requirement proposed in the methodology for the 6th Cycle of RHNA in the HCD Consultation Package would increase the SCAG RHNA regional determination. Consequently, cities would be assigned larger RHNA numbers and face additional challenges to provide quality affordable housing in a sustainable environment.

As demonstrated by our accomplishments, Santa Ana is committed to the local and statewide goal of encouraging the production of housing for segments of the population. In an Orange County Register article on February 28, 2019, Santa Ana was noted as one of the few cities in the State that “ranked among the State’s best performing communities for meeting housing needs”. Through the vision of our community’s adopted General Plan Housing Element policies and programs, the City of Santa Ana has successfully exceeded its overall target for Santa Ana’s RHNA 5th Cycle allocation (2014-2021). Between 2014 and 2018, building permits were issued for 2,728 new housing units; including 857 affordable units and 1,871 market rate units. These achievements do not include 200 beds for people experiencing homelessness provided as part of the new Interim Emergency Homeless Shelter (The Link).

Relative to other cities in Orange County, Santa Ana has a disproportionate number of existing affordable housing units, with the highest concentration of poverty in Orange County. Since its inception, the overall RHNA allocation process has been based on the principles of equity and

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regional responsibility. As the SCAG RHNA Subcommittee continues to discuss the methodology for the distribution of the regional RHNA determination, we support the use of the equity variable to create balance. The equity variable is particularly important to address imbalances in cities that have been disproportionately assigned affordable housing units in previous RHNA cycles.

In closing, the City of Santa Ana encourages SCAG to propose to HCD a regional determination of 430,000 housing units for the 6th RHNA Cycle as a reasonable and equitable determination that meets State law requirements and allows local jurisdictions to shape the development of their communities. Please let us know if you need additional information; if you have any questions, feel free to contact Melanie McCann, Senior Planner, at (714) 667-2746.

Respectfully,



Kristine Ridge
City Manager

- C: CEHD Committee
- RHNA Subcommittee
- Kome Ajise, Executive Director, SCAG
- Minh Thai, Executive Director, Santa Ana Planning & Building Agency
- Judson Brown, Santa Ana Housing Manager
- Candida Neal, Santa Ana Planning Manager