

MAYOR  
Miguel A. Pulido  
MAYOR PRO TEM  
Juan Villegas  
COUNCILMEMBERS  
Cecilia Iglesias  
David Penaloza  
Vicente Sarmiento  
Jose Solorio



CITY MANAGER  
Kristine Ridge  
CITY ATTORNEY  
Sonia R. Carvalho  
CLERK OF THE COUNCIL  
Daisy Gomez

## CITY OF SANTA ANA

20 Civic Center Plaza • P.O. Box 1988  
Santa Ana, California 92702  
[www.santa-ana.org/pba](http://www.santa-ana.org/pba)

September 12, 2019

The Honorable Peggy Huang, Chair  
RHNA Subcommittee  
Southern California Association of Governments (SCAG)  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

### **RE: Regional Housing Needs Assessment (RHNA) Methodology**

This correspondence serves as a follow up to our June 5, 2019 letter to the subcommittee. While the City of Santa Ana appreciates significant efforts by SCAG staff to develop three methodology options, our primary concerns remain to be addressed. In particular, the City of Santa Ana maintains its position in that unless adjusted, the draft methodology will have an inequitable impact on highly urbanized jurisdictions with larger low-income populations alongside High Quality Transit Areas (HQTA). Thus, the RHNA allocation will have a discriminatory impact on low-income families and neighborhoods in its approach to requiring the development of market-rate and affordable housing units.

The City of Santa Ana recommends a final methodology that result in a mix of reasonably zoned housing units across the SCAG region in order to promote a range of affordable options to meet our local and regional housing need. We offer that the final methodology be refined to address the following:

- 1. Increase the social equity adjustment to further fair housing.** Utilize a 200 percent social equity adjustment for this RHNA cycle to better address long-standing equity and fair housing issues throughout the region. Relative to other higher-income communities, 63.1 percent of our renter households spend 30 percent or more of their income on rent; this is the third highest percentage in Orange County. The Association of Bay Area Governments (ABAG) utilizes 175 percent as their social equity adjustment. We believe that 200 percent would be appropriate to the SCAG region.

#### SANTA ANA CITY COUNCIL

Miguel A. Pulido  
Mayor  
[mpulido@santa-ana.org](mailto:mpulido@santa-ana.org)

Juan Villegas  
Mayor Pro Tem, Ward 5  
[jvillegas@santa-ana.org](mailto:jvillegas@santa-ana.org)

Vicente Sarmiento  
Ward 1  
[vsarmiento@santa-ana.org](mailto:vsarmiento@santa-ana.org)

David Penaloza  
Ward 2  
[dpenaloza@santa-ana.org](mailto:dpenaloza@santa-ana.org)

Jose Solorio  
Ward 3  
[jsolorio@santa-ana.org](mailto:jsolorio@santa-ana.org)

Vacant  
Ward 4

Cecilia Iglesias  
Ward 6  
[ciglesias@santa-ana.org](mailto:ciglesias@santa-ana.org)

2. **High Quality Transit Area (HQTA) calculation.** The draft Option One methodology allocates 20 percent of existing need based on the jurisdiction's share of regional population within HQTAs. As has been highlighted, analysis provided by SCAG indicate that lower-income persons are more likely to live in HQTA's and higher-income persons are more likely to live outside HQTAs (see May 2019 RHNA Subcommittee Agenda Packet p.33). This effectively allocates more affordable housing to those HQTA areas rather than addressing the existing fair housing disparity. Based on the "2016 HQTA" Map, 91.1 percent of Santa Ana's 337,716 residents are within the HQTA boundary, and 91.4 percent are within the "2045 HQTA." While the City of Santa Ana is fortunate to have access to high quality transit, the use of HQTAs in the RHNA calculation must factor in local input regarding community context and long-term negative impacts this would have on already lower-income neighborhoods within our community.
3. **Reallocation of the "Above Moderate" housing category.** While there is a substantial need for affordable housing across the SCAG region, the elimination and redistribution of the Above Moderate housing need is problematic. This has the effect of concentrating lower-income units in those jurisdictions that are already impacted by higher shares of lower-income units.
4. **Use a more recent and limited timeframe to establish levels of construction.** The City of Santa Ana's certified Housing Element is for the 2014 to 2021 time period. The proposed approach to consider building activity from 2006 through 2018 is overly broad and serves to discount recent levels of construction activity. We suggest that the period from 2014 to 2018 is a more appropriate capture of each jurisdiction's post-recession commitment to facilitating housing construction.
5. **Jurisdictions which have facilitated housing of very low and low-income units should be given further consideration.** Use of Housing Element Annual Progress Reports (APRs) would allow for the distinction between affordable and market-rate units. Along with other urban cities, the City recommends that very-low and low-income units should count as double in the methodology, as a way of recognizing and rewarding those jurisdictions that have continued to do the difficult work of producing affordable units in the post-redevelopment era.
6. **Create a minimum allocation to ensure that all jurisdictions are responsible for their contribution towards addressing the regional housing challenge.** The City supports the inclusion of local input within the RHNA methodology. This approach recognizes each jurisdiction as unique, with different constraints and opportunities for addressing housing supply growth. However, there are limits and imperfections in the local input process that may result in inadequate allocations to various jurisdictions. Correcting these outliers in the data should be part of the final methodology.

Honorable Peggy Huang  
September 12, 2019  
Page 3

In closing, we sincerely thank SCAG staff for your considerable efforts to refine the RHNA methodology options thus far. The City of Santa Ana greatly supports and remains committed towards the development of both market-rate and affordable housing opportunities. We are one of only sixteen cities statewide who are meeting our RHNA requirements at all income levels. As an exemplary city, we strongly encourage a SCAG 6<sup>th</sup> RHNA Cycle methodology that promotes a fair and equitable distribution of the regional housing determination. If you need any additional information regarding this letter, please contact Melanie McCann, Senior Planner, at (714) 667-2746 or by e-mail at [mmccann@santa-ana.org](mailto:mmccann@santa-ana.org).

Respectfully,



Kristine Ridge  
City Manager

C: CEHD Committee  
RHNA Subcommittee  
Kome Ajise, Executive Director, SCAG  
Minh Thai, Executive Director, Santa Ana Planning & Building Agency  
Steven Mendoza, Executive Director, Santa Ana Community Development Agency  
Vince Fregoso, Acting Santa Ana Planning Manager  
Judson Brown, Santa Ana Housing Manager