

Attachment A: City of Irvine Appeal of the City of Santa Ana Regional Housing Needs Assessment (RHNA) Allocation Documentation

In accordance with Government Code Section 65504.05, subdivisions (b)(1), (b)(2), and (b)(3), the City of Irvine hereby submits this appeal to the Southern California Association of Governments (SCAG) for a revision of the City of Santa Ana's Draft Regional Housing Needs Assessment (RHNA) Allocation for the 6th Cycle Housing Element Cycle (2021-2029). The City of Irvine appreciates and encourages the Southern California Association of Governments Regional Housing Needs Assessment Appeal Board to review the appeal outlined below because a revision on the draft allocation is necessary to further – and not undermine- the intent of the statutorily mandated objectives listed in Government Code Section 65584, subdivision (d) ("Section 65584(d)" and "Section" refers to the Government Code unless otherwise noted). With the issuance of the draft allocation, there were failures not only (1) to adequately consider the information submitted as part of the methodology, but also (2) to determine the share according to the information and the methodology established, pursuant to Section 65584.04, subdivision (b). These failures ultimately undermine – instead of further-the intent of objectives in Section 65584(d).

- The draft allocation does not increase the housing supply and mix of housing types in an equitable manner;
- The draft allocation does not promote infill development and socioeconomic equity, encourage efficient development patterns, and will result in the inability to achieve the region's greenhouse gas reduction targets

As required by Section 65504.05, subdivision (b), this appeal is consistent with – and not to the detriment of – the development pattern in the applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Government Code Section 65080.

SUMMARY OF THE APPEAL:

Utilizing the approved RHNA methodology, the City of Santa Ana RHNA Allocation would have 26,255 units. The City of Santa Ana benefits from the disadvantage communities ("DAC") residual component that was added to the final RHNA methodology less than a week before the adoption by the SCAG Regional Council. As a result, the City of Santa Ana's Draft RHNA Allocation is 3,087 units; however, as documented on their website and in the "Santa Ana General Plan Buildout Methodology" (June 2020), the City of Santa Ana has identified over 10,000 new units under construction, approved, or currently under review. At a minimum, the City of Santa Ana RHNA should be consistent with their current list of reasonably foreseeable development projects that will ultimately count towards their RHNA for the 6th Cycle and results in greater consistency with the growth strategies of Connect SoCal.

The City of Irvine is requesting an additional 10,000 units should be added to the City of Santa Ana's current RHNA Allocation of 3,087, resulting in a revised allocation of **13,087 total units**.

Grounds for Appeal #1: Failure to Adequately Consider Information for the Methodology (Government Code Section 65584.05, subd. (b)(1)).

According to the approved RHNA methodology, two factors were included in the determination of a jurisdiction's existing need. For extremely disadvantaged communities (hereafter "DACs") the residual need was identified. The residual need is defined as total housing need in excess of household growth between 2020 and 2045. DACs are jurisdictions with more than half of the population living in high segregation and poverty or low resource areas as defined by the California Tax Credit Allocation Committee (TCAC)/ HCD Opportunity Index Scores. According to the methodology for the 2020 TCAC/HCD Opportunity Index Scores and Map (June 2020), "the opportunity mapping is a way to measure and visualize place-based characteristics linked to critical life outcomes. Opportunity maps can be used to inform how to target investments and policies in a way that is conscious of the independent and inter-related effects that research has shown places on economic, educational, and health outcomes."

However, "Opportunity mapping also has limitations. For example, maps' accuracy is dependent on the accuracy of the data behind them. Data may be derived from self-reported surveys of subsets of the area's population and sometimes may not be recorded or reliable in some areas. Further, even the most recent publicly available datasets typically lag by two years, meaning they may not adequately capture conditions in areas undergoing rapid change." The TCAC/HCD Opportunity Maps and corresponding Opportunity Index Scores are designed to identify high-opportunity areas for the investment of private capital into the development of affordable rental housing for low income Californians. **The purpose of the TCAC/HCD Opportunity Index Scores and Mapping were never intended to be used for the purpose of calculating the RHNA.**

- The residual existing need was then reallocated by Orange County to non-DAC jurisdictions within the same county based on the formula (50% transit accessibility and 50% job accessibility). The redistribution of the DAC residual at the county level was not vetted at the RHNA Subcommittee or the CEHD and was introduced days before the vote at the Regional Council. Had the DAC residual been redistributed at the SCAG regional level, the impact would not have been as significant to non-DAC jurisdictions within the county. There are five jurisdictions in Orange County that qualify for the DAC protection of the 2020-2045 household growth (Anaheim, La Habra, Orange, Santa Ana, and Stanton), resulting in 44,452 units that are redistributed to non-DAC Orange County jurisdictions. Over 23,000 of these units are redistributed from a single jurisdiction, the City of Santa Ana. The City of Irvine receives a total of 5,294 units from the five Orange County DACs. The City of Irvine receives 52 percent of its net residual factor for existing need from the City of Santa Ana (2,759 units).

- Utilizing the RHNA methodology approved by the SCAG Regional Council, the City of Santa Ana would have received an allocation of 26,255 units. However, SCAG added an exception for jurisdictions that are considered a disadvantaged community (DAC) utilizing information from the TCAC.
- The City of Santa Ana's RHNA allocation of 3,087 housing units is being capped to the household growth between 2020 and 2045 per the adopted RHNA methodology.
- The remaining 23,168 units (the residual) are being redistributed to other non-DAC Orange County jurisdictions. The DAC redistribution to the county of origin was added to the methodology days before the adoption by the Regional Council. The impact of the DAC redistribution on jurisdictions within the county of origin was not adequately vetted by jurisdictions and the true impact of the methodology were not realized until after the plan was adopted by the Regional Council. According to the November 7, 2019 Regional Council report for the RHNA methodology (page 56), SCAG staff states: "Staff was also asked by several members of the Regional Council to analyze for Board consideration the merits of the staff recommendation versus a substitute motion that was defeated in a 4-3 vote during the October 7, 2019, RHNA Subcommittee." It should be noted that the substitute motion that was proposed by Subcommittee Member Rusty Bailey on October 7, 2019 did NOT contain any component even remotely close to the DAC residual; it simply asked for the elimination of the household growth component (local input) between 2030 and 2045.
- This alternative methodology from Member Bailey was not considered at the October 17, 2019 Community, Economic and Human Development (CEHD) meeting where the CEHD unanimously approved the original methodology recommended by the RHNA Subcommittee. If this component of the final November 7, 2019 methodology had been known, the City of Irvine would have raised the concern with the outdated growth forecast for the City of Santa Ana at that time.
- SCAG staff received a copy of the letter from Member Bailey proposing an alternative methodology on November 1, 2019 and ultimately, this became the proposed SCAG staff RHNA methodology. The City of Irvine still expresses concern with the quick turn around and analysis of Member Bailey's methodology, which was outlined in the Regional Council staff report released for public review on the day SCAG received the letter from Member Bailey. From the November 7, 2019 Regional Council agenda: "the RHNA methodology considers many factors across the complex regional geography of Southern California, and as such, **changes to a single factor may have unintended consequences that should be considered and addressed.** However to be responsive to the request **and for discussion purposes**, staff conducted preliminary analysis of the defeated motion (Bailey substitute motion from RHNA Subcommittee). In conducting the analysis, staff modified the Recommended Draft Methodology as follows to reflect the desire to eliminate the use of Household Growth between 2030 and 2045:
 - The Existing Needs allocation factors were changed to only rely on "transit accessibility" and "jobs accessibility" factors (for the year 2045) with 50% of existing need assigned to each. The share of existing need allocated based Household Growth between 2030 and 2045 was eliminated.

- The cap on RHNA allocation to a jurisdiction's 2045 Household Growth was eliminated for all jurisdictions except those in Disadvantaged Communities (DACs). Caps were retained in DACs and assigned within county as a measure to guard against gentrification in job and transit-accessible disadvantaged areas per HCD requirements. Removing caps reduces the impact of the "residual" redistribution to approximately 7 percent of total regional housing need, compared to 12 percent in the Recommended Draft Methodology."
- Had this component been introduced at ANY of the previous RHNA Subcommittee meetings related to the development of the methodology or the CEHD meeting of October 17, 2019, the City of Irvine and other impacted jurisdictions would have raised their concern with the outdated growth forecast for the City of Santa Ana and would have insisted that updated information be provided based on the information Santa Ana had provided adjacent jurisdictions through interagency review.
- Furthermore, the RHNA estimator calculator was not posted until November 19, 2019, well after the adoption of the RHNA methodology. With no Regional Council meetings scheduled for the remainder of the 2019 calendar year, the first opportunity for jurisdictions to express their concerns with the DAC residual redistribution or discuss an issue with the outdated growth forecast information utilized to cap the RHNA allocation for the DACs was February 6, 2020. Again, the City of Irvine vehemently emphasizes that, *IF* the City of Irvine (and other cities) had been made aware of the DAC residual redistribution component added to the RHNA methodology at the last moment and immediately prior to the November 7, 2019 Regional Council meeting, public comments on this matter would have been made verbally and in writing to all decision making committees.
- The projected household growth for the City of Santa Ana is outdated and does not reflect the reality of projects under construction, approved, or currently under review. According to the City of Santa Ana project website, there are over 10,000 units under construction, approved, or currently under review that will be completed during the 6th Cycle RHNA timeframe. (Attachments 1-2)
- This does not include the additional units that would be permitted when the City's General Plan is adopted. According to the City of Santa Ana General Plan Environmental Impact Report, the "No Project/Existing General Plan" results in the potential for more than 18,000 units than the growth projections in the adopted Connect SoCal (2020 RTP/SCS. The proposed General Plan Update would result in the potential for 31,515 more units than the "2020 RTP/SCS Consistency Alternative". The General Plan Update is tentatively scheduled for review by the Santa Ana Planning Commission in October 2020 and the City Council in November 2020.
- The City of Irvine recommends the City of Santa Ana's RHNA should be updated to reflect the total number of units identified on the City's website. A comprehensive list of projects that should be included in the revised growth forecast is attached. The residual should be readjusted to reflect the revised RHNA.
- Within Orange County, the City of Santa Ana has the second highest share of the region's job accessibility in Orange County and the highest share of the region's HQT population in Orange County.

- Failing to update Santa Ana’s RHNA allocation to reflect the units that are being constructed, approved or nearing approval within Santa Ana, prior to redistributing the residual units to other jurisdictions that have significantly lower shares of the region’s HQTAs and job accessibility population, is contrary to many of the preferred policies of the state, the California Air Resources Board, HCD, and the recently approved Connect SoCal (2020 RTP/SCS). Specifically, the redistribution is in conflict with the following:
 - As it relates to the adopted Connect SoCal plan, this includes focusing growth near destinations and existing transit options, promoting diverse housing choices, reducing vehicle miles travelled, and reducing greenhouse gas emission reductions. SCAG’s Growth Vision: “aims to increase mobility options and reduce the need for residents to drive by locating housing, jobs and transit closer together. To help the region achieve sustainable outcomes, Connect SoCal’s Forecasted Development Pattern focuses within jurisdictions near destinations and mobility options, in line with the policies and strategies of the Growth Vision.”¹ SCAG’s forecasted development pattern for the SCS relies on new housing development to be focused in “priority growth areas” and to avoid housing developments in areas with “growth constraints.”² The redistribution of growth from the City of Santa Ana to other jurisdictions within Orange County that may not have a “priority growth area”, transit, or be near jobs is in conflict with and contradicts the SCAG Growth Vision.
 - Senate Bill 375 (Chapter 728, Statutes of 2008): Requires SCAG to prepare and adopt a sustainable communities strategy that sets forth a forecasted regional development pattern which, when integrated with the transportation network, measures and polices, will reduce greenhouse gas emissions from automobiles and light-duty trucks.

Specific Policy Objectives of Connect SoCal:

Focus Growth Near Destinations and Mobility Options

- Plan for growth near transit investments and support implementation of first/last mile strategy
- Promote redevelopment of underperforming retail developments and other outmoded nonresidential uses
- Prioritize infill and redevelopment of underutilized land to accommodate new growth, increase amenities and connectivity in existing neighborhoods
- Encourage design and transportation options that reduce the reliance on and number of solo car trips

Promote Diverse Housing Choices

- Provide support to local jurisdictions to streamline and lessen barriers to housing development that supports reduction of greenhouse gas emissions

¹ Connect SoCal, Sustainable Communities Strategy Technical Report, Page 28

² Connect SoCal, Sustainable Communities Strategy Technical Report, Page 17-19

SCAG Growth Vision:

- SCAG’s Growth Vision “aims to increase mobility options and reduce the need for residents to drive by locating housing, jobs and transit closer together. To help the region achieve sustainable outcomes, Connect SoCal’s Forecasted Development Pattern focuses within jurisdictions near destinations and mobility options, in line with the policies and strategies of the Growth Vision.”³
- SCAG’s forecasted development pattern for the SCS relies on new housing development to be focused in “priority growth areas” and to avoid housing developments in areas with “growth constraints.”⁴ The redistribution of growth from the City of Santa Ana to other jurisdictions within Orange County that may not have a “priority growth area”, transit, or be near jobs is in conflict with and contradicts the SCAG Growth Vision.

Senate Bill 375:

- Requires SCAG to prepare and adopt an SCS that sets forth a forecasted regional development pattern which, when integrated with the transportation network, measures and policies, will reduce greenhouse gas emissions from automobiles and light-duty trucks.

City of Irvine Grounds for Appeal of the City of Santa Ana RHNA #2: Failure to Determine the City’s Share of the Regional Need in Accordance with Information Described in, and Methodology Established in a Manner that Furthers and Does Not Undermine the Intent of the Objectives in Section 65584(d) (Government Code Section 65584.05, subd. (b)(2)).

SCAG failed to adequately consider readily available data related to over 10,000 housing units approved and/or planned by the City of Santa Ana over the next eight years that will exceed their RHNA allocation of 3,087 units for the 6th Cycle. Furthermore, the City of Santa Ana has documented, in the attached “Santa Ana General Plan Buildout Methodology” (June 2020) that was prepared in association with their pending General Plan Update and is posted on the City’s website, over 36,261 units are identified as growth from 2020 to 2045. This is noted as the “potential growth for new development in specific plan/special zoning area based on forecasted buildout at the time of the respective zoning document’s adoption, minus the amount of new development built between its adoption date and 2019.” (page B-b-9)

Additionally, on page B-b-8 of this document (Attachment 3), “The latest OCP (Orange County Projection) figures were finalized (September 2018) prior to the current land use planning and buildout efforts associated with the General Plan update. Interim adjustments can be made to the OCP figures if significant changes in land use or other policies will have a significant impact on the projections, and if these changes can be documented. The buildout for the Santa Ana General Plan will be finalized upon the adoption of the General Plan at the end of 2020, with implementation beginning in 2021. The General Plan land use plan and buildout projections will be incorporated into the OCP figures in 2021/2022.”

³ Connect SoCal, Sustainable Communities Strategy Technical Report, Page 28

⁴ Connect SoCal, Sustainable Communities Strategy Technical Report, Page 17-19

The City of Santa Ana has notified all residents within one of the five “Focus Areas” identified in the General Plan Update that the public hearings for the General Plan Update will be held throughout November 2020. In the notice, the City of Santa Ana states “the total long-term potential growth within these Focus Areas is estimated to be 17,575 new housing units.” (Attachment 6). This document further supports the argument that the RHNA for Santa Ana should be reflective of what is identified as the future growth for the Connect SoCal planning period.

Pursuant to Government Code 65584.04 (e)(2)(B):

(e) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, ***shall include the following factors to develop the methodology that allocates regional housing needs:***

(2) The ***opportunities and constraints to development of additional housing*** in each member jurisdiction, including all of the following:

(B) The ***availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development...***

As noted above, the adopted 6th Cycle RHNA Allocation Methodology fails to take into consideration over 10,000 units of housing approved and/or planned for production by the City of Santa Ana over the next eight years and that will be available for RHNA credit during that planning period. The following represents the City of Santa Ana’s planned/approved housing production per their Planning Division website at <https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-monthly-development-project-reports>.

The reduction of a jurisdiction’s RHNA Allocation below their projected level of development is inequitable as it causes the reduced units (residential units) to be redistributed throughout Orange County, inflating the already unrealistic housing allocations. The City of Irvine believes every jurisdiction’s RHNA Allocation, regardless of their status, should take into consideration actual projected housing development.

City of Irvine’s Request in Appealing the City of Santa Ana RHNA:

The City of Irvine respectfully requests that the City of Santa Ana RHNA allocation be increased by 10,000 units to a total of **13,087 units** to be consistent with the updated major residential development information publicly accessible on their website. The redistribution of over 23,000 units from the City of Santa Ana to non-DAC jurisdictions in Orange County is a contradiction and in conflict with many of the sustainable policies outlined in both the adopted Connect SoCal Plan and established state statute like Senate Bill 375. The City of Santa Ana growth forecast, provided over 2.5 years ago, is outdated and should be at a minimum, increased to reflect the residential units that are approved, under construction, or under review and would be constructed during the eight year, 6th Cycle RHNA planning period.

Attachments

1. City of Santa Ana Major Development (under review, approved, under construction) Map/Santa Ana Proposed General Plan Transit Map
2. City of Santa Ana Major Development Project List and Individual Project Website Information
3. Santa Ana General Plan Buildout Methodology (June 2020)
4. Historical Background Data
5. Santa Ana Major Project Photos
6. City of Santa Ana Notice of Public Hearing