



CITY OF NEWPORT BEACH

100 Civic Center Drive
Newport Beach, California 92660
949 644-3004 | 949 644-3039 FAX
newportbeachca.gov

Mayor

Will O'Neill

Mayor Pro Tem

Brad Avery

Council Members

Joy Brenner

Diane Brooks Dixon

Marshall "Duffy" Duffield

Jeff Herdman

Kevin Muldoon

October 23, 2020

Mr. Kome Ajise, Executive Director
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

Subject: Appeal of the City of Santa Ana's Sixth Cycle Draft Regional Housing Needs Assessment (RHNA) Allocation

Dear Mr. Ajise:

On behalf of the City of Newport Beach City Council, and in accordance with applicable California Government Code ("Government Code") Section 65584.05, the City of Newport Beach ("City") 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 of Needs Assessment (RHNA) Allocation ("Draft RHNA Allocation") for the Sixth Housing Element Cycle (2021-2029) (referred to herein as the Sixth Cycle).

The City of Santa Ana's Draft RHNA Allocation is 3,087 units; however, as documented on their website, there are currently over 10,000 new units approved or under review. At minimum, their RHNA Allocation should be consistent with their current list of reasonably foreseeable development projects that will ultimately count towards their RHNA progress in the Sixth Cycle and result in greater consistency with the growth strategies of Connect SoCal.

A revision to the Draft RHNA Allocation is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d). In addition, this appeal is consistent with, and not to the detriment of, the development pattern in the applicable Sustainable Communities Strategy (SCAG's Connect SoCal Plan) developed pursuant to Government Code Section 65080(b)(2) as explained herein. This appeal is based on the following grounds:

- 1) **Local Planning Factors** - *SCAG failed to adequately consider readily available data related to 10,174 housing units approved and/or planned by the City of Santa Ana over the next eight years that that will exceed their Draft RHNA Allocation of 3,087 units for the Sixth Cycle.*
 - a. *Availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities.*
- 2) **Methodology** - *SCAG failed to determine the share of the regional housing need in accordance with the information described in and the methodology established pursuant to Government Code Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in Government Code Section 65584(d).*

To be clear, the intent of this appeal is not to force new housing into Santa Ana. Nor is it the intent of this appeal that all units reallocated back to Santa Ana would be removed from Newport Beach's requirements. The intent is to recognize the overall goal of the RHNA framework, which is to require housing in specific sectors of our region. This goal has been partially accomplished in Santa Ana and SCAG should give credit where credit is due, which would thereby reduce regional allocations in surrounding communities.

(The balance of this page left intentionally blank.)

Grounds for the City of Newport Beach Appeal

1	Local Planning Factors	<i>SCAG failed to adequately consider readily available data related to 10,174 housing units approved and/or planned by the City of Santa Ana over the next eight years that will exceed their Draft RHNA Allocation of 3,087 units for the Sixth Cycle.</i>
<i>Availability of Land Suitable for Urban Development or for Conversion to Residential Use, the Availability of Underutilized Land, and Opportunities for Infill Development and Increased Residential Densities</i>		

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...***

The adopted Sixth Cycle RHNA Allocation Methodology fails to take into consideration 10,174 units of housing approved and/or planned for production by 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/> :

Non-Specific Plan Projects:

The City of Santa Ana lists on their website 28 Major Planning Projects not located in the Specific Plan Areas listed above and totaling **7,594 housing units** (see Attachment A).

Specific Plan Projects:

Harbor Mixed-Use Transit Corridor-

20-Year Implementation Period (2014 through 2034)

Provides framework to support 1,700 to 4,600 new residential units

Minimum Planned Production - 1,700 units (85 units/year)

680 units - Estimated Total Production over the next 8 years

[Harbor Corridor Plan](#)

Mainplace Mall Transformation-

8-Year Implementation Period (2019 through 2027)

1,900 units – Total Planned Production over the next 8 years

[Mainplace Specific Plan](#)

Combined, the Non-Specific Plan and Specific Plan projects total 10,174 units of housing. In addition, the City of Santa Ana is in process of adopting a comprehensive General Plan Update, which if adopted, results in a projected growth of 36,261 additional units between 2020 to 2045 (Attachment B). At minimum, their RHNA Allocation should be consistent with their current list of development projects totaling 10,174 units that will ultimately count towards their RHNA for in Sixth Cycle and result in greater consistency with the growth strategies of Connect SoCal.

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

2	Methodology	<i>SCAG failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in Section 65584(d).</i>
----------	--------------------	--

SCAG's adoption of a methodology that allocates units in direct opposition to the development patterns described in the approved Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS) (Connect SoCal) is both a violation of the statute and results in a highly inequitable redistribution of units.

Pursuant to Government Code 68554.04:

(m)(1) It is the intent of the Legislature that housing planning be ***coordinated and integrated with the regional transportation plan***. To achieve this goal, the allocation plan shall allocate housing units within the region ***consistent with the development pattern included in the sustainable communities strategy***.

On September 3, 2020, the SCAG Regional Council adopted Connect SoCal. Connect SoCal is supported by a combination of transportation and land use strategies that help the region achieve state greenhouse gas emission reduction goals and federal Clean Air Act requirements, preserve open space areas, improve public health and roadway safety, and utilize resources more efficiently. Strategies includes focusing growth near transit investments and jobs to reduce commute times, distances, and greenhouse gas emissions; and prioritizing infill and redevelopment of underutilized land to accommodate new growth, increased amenities, and connectivity in existing neighborhoods. SCAG's adoption of a methodology that allocates housing near jobs and transit, but then reduces

and redistributes said units to various jurisdictions within the same County is in direct violation of Government Code 68554.04(m)(1).

According to the approved RHNA methodology, the *Existing Need* component is based on: 1) share of population in High Quality Transit Areas (HQTAs); 2) Share of region's jobs that can be accessed within 30-minute commute (jobs accessibility); and 3) a Residual Need adjustment. The Residual Need adjustment either increases or decreases a jurisdiction's RHNA depending on its classification as an Extremely Disadvantaged Community (DAC). DACs are jurisdictions with more than half of their 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. However, the purpose of the TCAC/HCD Opportunity Index Scores and Mapping is 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 have on economic, educational, and health outcomes". **The purpose of the TCAC/HCD Opportunity Index Scores and Mapping was never intended to be used for the purposes of calculating the RHNA.** If a jurisdiction is defined as a DAC, such as the City of Santa Ana, their Draft RHNA Allocation is capped at their household growth projections reported through 2045. Any residential need beyond that cap is then reallocated to other non-DAC jurisdictions in the same county, such as Newport Beach.

There are five jurisdictions identified as DACs in Orange County, resulting in a total Residual Need of 44,442 units that must be reallocated to non-DAC jurisdictions. City of Santa Ana's Residual Need adjustment is disproportionately the largest reducing their Draft RHNA Allocation down from 26,255 down to 3,087 units (88 percent reduction or 23,168 units). As previously stated, this reduction is not consistent with actual minimum projected housing development of 10,174 units anticipated in the City of Santa Ana over the next eight years.

According to the SCAG methodology, the City of Santa Ana has the second highest share of the region's job accessibility in Orange County and the highest share of population in HQTAs in Orange County. Despite this information and Connect SoCal's emphasis on providing more housing at all income levels near existing and high ridership HQTAs and job center to reduce vehicle miles traveled, SCAG's methodology does the opposite by redistributing City of Santa Ana's RHNA to jurisdictions that have less access to transit and longer drives from the job centers.

The City of Newport Beach contends that increasing the City of Santa Ana's RHNA allocation to 10,174 units will ensure greater consistency with the identified growth strategies of Connect SoCal.

CONCLUSION

The City of Newport Beach respectfully requests that the City of Santa Ana RHNA allocation be increased 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 jurisdictions in Orange County is in 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 Sixth Cycle RHNA planning period.

Respectfully Submitted,



Will O'Neill, Mayor
City of Newport Beach

Cc: City Council Members, City of Newport Beach
Grace K. Leung, City Manager
Aaron C. Harp, City Attorney
Seimone Jurjis, Community Development Director

Attachments:

- A. City of Santa Ana Major Planning Projects
- B. Table 1- Existing Conditions, Potential Growth, and Buildout Conditions in Santa Ana, 2020 to 2045