



City of Westminster

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Via email: housing@scag.ca.gov

October 26, 2020

SCAG – Main Office
900 Wilshire Blvd., Suite 1700
Los Angeles, CA 90017

Re: Appeal of 6th RHNA Cycle Allocation

TRI TA
Mayor

KIMBERLY HO
Vice Mayor

SERGIO CONTRERAS
Council Member

TAI DO
Council Member

CHI CHARLIE NGUYEN
Council Member

SHERRY JOHNSON
Interim City Manager

Dear SCAG:

The City of Westminster, a city of only 90,643 residents, appeals its RHNA allocation of 9,733 units because the allocation does the *exact opposite* of the goals of the allocation process set forth in Government Code section 65584(d).¹

Those five goals are to (1) allocate equitably; (2) reduce socioeconomic inequity; (3) reduce the jobs/housing imbalance; (4) allocate fewer units to a community with an abundance of units; and (5) reduce segregation / encourage fair housing.

The overwhelming majority of Westminster's residents do not speak English at home (63.4%). It has among the highest poverty rates (15.9%) and is consistently either the second highest, or the *highest unemployment rate in all of Orange County* (12.5%).² It is among the most racially segregated of all cities (49.4% Asian and 22.8% Latino/Hispanic). And yet it received among the *highest* RHNA allocations on both a per-capita and on a per-square-mile basis.

¹ Unless otherwise all demographic statistics are from the most current data of the U.S. Census, which derives the data from: Population Estimates, American Community Survey, Census of Population and Housing, Current Population Survey, Small Area Health Insurance Estimates, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits.

² Source: CA State Employment Development Department, Labor Market Information Division. Unemployment Rates for Cities and Census Designated Places (CDP), Orange County, California. <http://www.labormarketinfo.edd.ca.gov>. The preliminary data for September 2020 show Westminster with an unemployment rate of 12.5%, second only to Garden Grove with 12.6%. Data from June 2020 showed Westminster with the highest unemployment rate in the state. The third highest unemployment rate cities are a full percentage point lower: the cities of Stanton (11.5%) and Buena Park.

Why? In every instance, based upon the goals of the RHNA allocation process, it should have received among the lowest allocations, but the allocation methodology, as applied to Westminster resulted in it receiving among the highest on a per capita basis.

Had SCAG used the most current 2021 data, rather than antiquated data, Westminster would have been calculated to have more than 50% of its population living in a “low resourced area”, and therefore would have had a “net residual factor” of negative 5,516 units. Not only does the 2021 draft California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Index Scores data show 52% of the Westminster population lives within a disadvantaged community (DAC), but that it has been trending unfavorably, dramatically increasing from 38% to 52% over the course of 3 years. Westminster should have had a RHNA allocation of 1,207 units.

Instead, we have an absurd situation where Westminster would receive RHNA at levels that the allocation will deter, rather than further the goals of 65584(d).

A. Westminster’s RHNA allocation undermines the five objectives listed in Government Code Section 65584(d).

The City of Westminster has received a grossly excessive RHNA allocation. Westminster is a city of 90,643 people that received an allocation of 9,733 units – an allocation of 10.74 units per 100 residents.

Westminster is one of the nine cities in the Central Region Service Planning Area (Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Newport Beach, Santa Ana, Seal Beach, Tustin, Westminster). Collectively, these cities will be referred to as the “SPA Cities.”

This allocation of 10.74 units per 100 residents places its allocation at the second most in all of the SPA Cities – only Garden Grove (at 11.14 units per 100 residents) is slightly higher. And, as shown below, Westminster’s allocation is *11.57 times* Santa Ana’s allocation. This is but one of many examples of how the allocation received by Westminster causes the *exact opposite* of these stated goals in Government Code section 65584(d).

1. The Opposite of Objective #1 Will Occur -- The Allocation to Westminster is Inequitable

Objective #1 is as follows:

“Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.”

SCAG is charged with increasing the housing supply in an “equitable” manner. Merriam Webster defines “equitable” as: “dealing fairly and equally with all concerned.” In no way is the end result fair or equal.

a. Westminster’s Allocation is 11.54 times that of Santa Ana

The following chart shows that Westminster received a per-capita RHNA allocation more than 11 times higher than Santa Ana, and substantially higher than the median allocation of the SPA Cities.

City	RHNA Allocation	U.S. Census 2019 estimated population	RHNA allocation per 100 people in population
Garden Grove	19,124	171,644	11.14
Westminster	9,733	90,643	10.74
Costa Mesa	11,727	113,003	10.38
Fountain Valley	4,837	55,357	8.74
Tustin	6,777	79,348	8.54
Huntington Beach	13,337	199,223	6.69
Newport Beach	4,832	84,534	5.72
Seal Beach	1,240	23,896	5.19
Santa Ana	3,087	332,318	0.93

By any metric, allocating 11.54 times Santa Ana’s per person allocation is inequitable, as is allocating more than double Seal Beach’s amount.

By this metric, Santa Ana (0.93), Seal Beach (5.19) and Newport Beach (5.72) received substantially fewer units than they should have, whereas Westminster (10.74) and Garden Grove (11.14) received far too many.

This disparity is caused in large part by Santa Ana receiving a reduction of 23,167 units due to “Net Residual Factor” resulting from the DAC analysis. Had Santa Ana not received these reductions, Santa Ana would have had an allocation rate similar to Westminster – and had Westminster received the reduction of 5,516 units above, Westminster would instead have a rate similar to Santa Ana. To be treated equitably, Westminster should have had a RHNA reduction similar to Santa Ana.

b. Westminster and Garden Grove received Nine Times that of Santa Ana and Seal Beach on a per square mile basis.

Westminster’s allocations were also the second highest on a per square mile basis:

City	RHNA Allocation	Square Miles in City	RHNA allocation per square mile
Garden Grove	19,124	17.94	1,066.0
Westminster	9,733	10.05	968.5
Costa Mesa	11,727	15.65	749.3
Tustin	6,777	11.08	611.6
Fountain Valley	4,837	9.02	536.3

Huntington Beach	13,337	26.75	498.6
Newport Beach	4,832	23.81	202.9
Santa Ana	3,087	27.27	113.2
Seal Beach	1,240	11.29	109.8

Westminster received an allocation of 968 units/square mile, whereas Seal Beach and Santa Ana received only 110 and 113 per square mile, and Newport Beach only 203. Westminster received an allocation nearly *nine* times that of other cities on a per square mile basis. Again, this is inequitable.

To remedy this situation, Westminster should have a reduced RHNA allocation.

2. The Opposite of Objective #2 Will Occur -- The Allocation to Westminster Incorrectly Promotes Socioeconomic Inequity

Objective #2 is as follows:

Objective #2: “Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region’s greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.”

The proposed RHNA allocation is also inequitable based upon socioeconomic factors. As shown in the chart below, the greater the percentage of Asians, the greater the chances that there is a high RHNA allocation. The two SPA cities with the highest percentage of Asians received the highest per-capita RHNA allocation. Westminster is 49.4% Asian, and Garden Grove is 40.5% Asian, and their allocations were 10.74 and 11.14, respectively. Compare this to the five cities with the lowest per capita RHNA allocation – they are on average only 15.2% Asian. This suggests that if one lives in a city with a high percentage of people of that self-identify as Asian, the RHNA allocation will be substantially higher.

City	RHNA Allocation per 100 people in population	% Asian
Westminster	10.74	49.4
Garden Grove	11.14	40.5
Fountain Valley	8.74	34.9
Newport Beach	5.72	21.6
Huntington Beach	6.69	12.1
Santa Ana	0.93	11.8
Seal Beach	5.19	10.5
Costa Mesa	10.38	8.4
Tustin	8.54	8.3

The disparate racial impact is even more pronounced when one adds the percentage of Asian (only) with Latino and Hispanic (non-white). When Santa Ana is excluded (due to the reduction of the 23,167 units), you can see nearly a 1:1 relationship between an increase in the percentage of non-whites in a city, and an increase of the RHNA allocation. The two cities with the highest percentage of minorities (excluding Santa Ana) have the highest RHNA allocation, and the lowest two have the lowest RHNA allocation. This promotes the *opposite* of socioeconomic equity. Instead of treating all ethnicities equitably, the allocation has the effect of protecting white cities at the expense of minority cities.

City	RHNA Allocation per 100 people in population	% Asian + Latino and Hispanic (non-white)
Santa Ana	0.93 ³	88.6
Garden Grove	11.14	77.5
Westminster	10.74	72.2
Fountain Valley	8.74	50.7
Tustin	8.54	50.1
Costa Mesa	10.38	44.5
Huntington Beach	6.69	32.1
Newport Beach	5.72	30.6
Seal Beach	5.19	22.8

Opponents to this argument of unfairness will argue that the correlation between the RHNA allocation and race is not due to racial animus, but due to economics – minorities tend to live in poorer neighborhoods. Let’s assume for the moment that this is correct –it still means that what is happening is unfair – rich cities do not receive RHNA allocations whereas poor cities do. Regardless of the cause, *this is the exact opposite of what is supposed to occur: socioeconomic equity.*

3. The Opposite of Objective #3 Will Occur -- The Allocation to Westminster Increases the Job/Housing Imbalance

Objective #3 is intended to decrease the jobs/housing balance by providing more affordable housing in those areas where there are jobs:

“Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.”

³ Santa Ana would have had the highest RHNA allocation but for it receiving the reduction of 23,167 units.

As applied to Westminster, SCAG’s proposed allocation does the exact *opposite* of what it should do. Only 7.2% of employed Westminster residents work in the city,⁴ and yet Westminster received one of the highest pro-rata RHNA allocations.

Westminster already has substantially more housing units than jobs – it has a 0.65 jobs/housing ratio. Stated differently, Westminster has 50% more housing availability than it does jobs. Of all of the SPA Cities, Westminster has the second *least*, yet is allocated the second *most* RHNA on a per capita basis. The following chart shows the jobs v. housing imbalance:

City	RHNA Allocation per 100 people in population	Job / Housing ratio ⁵
Santa Ana	0.93	2.69
Costa Mesa	10.38	2.15
Tustin	8.54	1.85
Newport Beach	5.72	1.50
Fountain Valley	8.74	1.15
Garden Grove	11.14	1.07
Huntington Beach	6.69	0.98
Westminster	10.74	0.65
Seal Beach	5.19	0.60

Based upon the jobs/housing balance, the cities of Westminster and Seal Beach should have *reduced* RHNA allocations, with the other jurisdictions receiving an increased allocation (especially Santa Ana and Costa Mesa). Again, Westminster’s allocation causes the exact opposite of what should occur, when compared to the jurisdictions within Westminster’s SPA.

The apparent reason for the allocation is that roughly 20% of the *region’s* jobs are within a 30 minute drive of Westminster. But regional transportation times shows that However, residents in Westminster already have commute times that are *worse* than the average of the SPA cities:

City	Mean Travel Time
Seal Beach	31.9
Huntington Beach	29.7
Garden Grove	28.4
Westminster	28.2
Fountain Valley	27.9
Santa Ana	25.3

⁴ Westminster General Plan, page 3-89. [“In 2014 only 7.2 percent of employed Westminster residents worked in the city.”]

⁵ The job / housing data is from SCAG’s publication, “The New Economy and the Jobs/Housing Balance in Southern California.” This data is consistent with page 13 of the January 2017 study from UCI School of Social Ecology “Jobs-Housing Balance in EgoHoods in Southern California.”

Newport Beach	25.2
Tustin	24.3
Costa Mesa	22.7

Among the SPA cities, the mean commute time is 27 minutes – the average commute from Westminster is 28 minutes. In other words, even if one cares only about regional transport, again, Westminster should have a lower RHNA allocation.

In short, as applied to Westminster, the allocation is unreasonable. Westminster should have a reduced RHNA allocation.

4. The Opposite of Objective #4 Will Occur – Contrary to Objective #4, Westminster Receives an Increased Percentage of Affordable Units, rather than a Decreased Percentage.

Objective #4 is as follows:

“Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.”

Westminster has the *highest poverty rate* of the SPA Cities (excluding Santa Ana). The following chart shows nearly a direct correlation between the percentage of poverty in a city, and the amount of units allocated to that city. In other words – the greater the percentage of poor in a city, the *greater* the RHNA allocation. This is the exact opposite of what should occur. Rather than Westminster receiving among the highest allocations, it should be among the lowest.

City	RHNA Allocation per 100 people in population	% of people in poverty ⁶
Westminster	10.74	15.9%
Garden Grove	11.14	15.1%
Costa Mesa	10.38	13.0%
Tustin	8.54	12.3%
Huntington Beach	6.69	8.8%
Fountain Valley	8.74	8.6%
Newport Beach	5.72	6.6%
Seal Beach	5.19	6.3%

⁶ The chart excludes Santa Ana because it had a reduced RHNA allocation of 23,167. Otherwise, it would have had the highest RHNA allocation. Coincidentally it also has the highest poverty rate: 17.7%. Stated differently, but for that reallocation, the Santa Ana would have further bolstered the conclusion that the greater the poverty rate, the greater the RHNA allocation – the exact opposite of what should occur.

Similarly, the lower the per capita income, the higher the RHNA allocation tends to be (with the exception of Santa Ana).

City	RHNA Allocation per 100 people in population	Per Capita Income in the past 12 months (in 2018 dollars)
Newport Beach	5.72	\$90,042
Seal Beach	5.19	\$56,256
Huntington Beach	6.69	\$47,078
Costa Mesa	10.38	\$39,028
Fountain Valley	8.74	\$38,149
Tustin	8.54	\$36,982
Westminster	10.74	\$27,603
Garden Grove	11.14	\$24,520
Santa Ana	0.93	\$19,517

The two cities with the highest RHNA allocation easily have the lowest per capita income. To remedy this situation, Westminster should have a reduced RHNA allocation.

5. The Opposite of Objective #5 Will Occur – The Allocation Will Affirmatively Deter Fair Housing

All of the following support the conclusion that the proposed allocation will deter, rather than encourage, fair housing.

Objective #5 is as follows:

*“Affirmatively furthering fair housing.” Pursuant to Government Code 65584(e): “Affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, **that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.**”*

In other words, the RHNA allocation should further, not hinder the goals of reducing segregation, and changing “areas of poverty into areas of opportunity.”

The opposite is occurring here despite the following characteristics of the city:

- Highest percentage of Asians (49.4%)

- Second highest percentage of minorities (72.2%)
- Third lowest per capita income (\$27,603)
- Second lowest jobs/housing ratio (0.65)
- Highest rate of poverty (15.9%)

Even though Westminster is among the poorest, and most segregated cities, Westminster received among the highest allocations.

B. Westminster’s RHNA allocation Also Undermines Fair Housing Requirements of Government Code Section 65584.04

1. Existing or projected jobs-housing balance.

As more fully described above, there is a substantial jobs-housing imbalance (2:3). The proposed allocation would exacerbate that existing imbalance.

2. Affirmatively furthering fair housing.

As described above, Westminster is one of the most racially segregated cities, and allocating an excessive number of units to Westminster is contrary to the goal of affirmatively furthering fair housing.

C. Current Data Show That Westminster Should Have Received only 1,207 Units.

Jurisdictions with more than 50% of their population already living in a “low resourced area” or in a “high segregation area” (a “High/Low Zone”) are to have their RHNA allocation substantially reduced. However, the 2020 data show that only 46% of the City is in a High/Low Zone. But if one uses the most current (2021) data, 53% of Westminster is in such an area. This is because Tract number 6059099701 has switched from “moderate” to low.”

Tract Number	Category	Population in Tract	% of Tract in Westminster	Estimated Westminster Population in Tract	Westminster Population in Low Resource/High Segregation Area
6059088802	low	5,072	1%	41	41
6059088901	low	7,060	4%	297	297
6059088904	mod	6,013	87%	5,201	0
6059088905	mod	5,273	100%	5,273	0
6059099203	low	6,246	2%	119	119
6059099204	mod	4,466	87%	3,885	0
6059099222	mod	5,420	100%	5,420	0
6059099223	low	4,940	84%	4,145	4,145
6059099241	mod	4,379	76%	3,328	0
6059099601	low	7,260	100%	7,260	7,260
6059099602	mod	3,437	43%	1,478	0

6059099603	mod	6,962	18%	1,281	0
6059099701	low	6,185	100%	6,185	6,185
6059099702	low	2,416	100%	2,416	2,416
6059099703	mod	5,962	67%	3,995	0
6059099801	low	5,583	98%	5,471	5,471
6059099802	low	5,404	100%	5,404	5,404
6059099803	low	5,483	100%	5,483	5,483
6059099902	mod	4,414	100%	4,414	0
6059099903	low	5,661	100%	5,661	5,661
6059099904	low	6,542	100%	6,542	6,542
6059099905	mod	4,252	100%	4,252	0
6059099906	mod	5,073	100%	5,073	0
Total				92,623	49,023
Percent of Westminster in Low Resource/High Segregation Area					52.9%

Because the most current data show Westminster at more than 50%, Westminster’s RHNA allocation should be reduced to 1,207 units.

Even if one were to solely rely on the 2020 data, Westminster’s RHNA allocation should be reduced. This is true for all the inequity-related reasons stated above. Moreover, adding 9,733 units would add an estimated 32,216 people to the city – a 35% increase⁷ the pace of which would likely greatly outstrip available resources, and cause at least one, if not multiple census tracts in the city, to switch into a High/Low Zone. The policy is likely to cause the very harms the allocation process is attempting to avoid.

CONCLUSION

The City of Westminster, a city of only 90,643 residents, appealed its allocation of 9,733 units because the allocation creates the exact opposite effects as compared to the goals of the allocation process set forth in Government Code section 65584(d).

Of the nine jurisdictions in the SPA, it has the highest percentage of Asians (49.4%), third highest percentage of minorities (72.2%), second lowest jobs/housing ratio (0.65), the second highest rate of poverty (15.9%), and the third lowest per capita income. Each of these factors should cause Westminster to have among the lowest, if not the lowest RHNA allocation rates – and yet it ended up with the second highest.

This improper allocation would easily be solved if the most recent data were used – Westminster has a 53% rate under the 2021 data. This minor change of a single assumption would change the entire outlook of the city. Instead Westminster having one of the highest RHNA allocation rates,

⁷ Westminster averages 3.31 per household based upon the most recent census data (2014-2018).

it would have among the lowest – something that perfectly aligns with the RHNA allocation goals stated in Government Code 65584(d).

Sincerely,

A handwritten signature in black ink, appearing to read "Alexa Smittle". The signature is fluid and cursive, with the first name "Alexa" being more prominent than the last name "Smittle".

Alexa Smittle,
Community Development Director