

August 3, 2020

Chair McLoughlin and Planning Commissioners  
City of Santa Ana  
20 Civic Center Plaza  
Santa Ana, CA 92701



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17701 Cowan Ave., Suite 200  
Irvine, CA 92614  
949 250 0909

**Re: OPPOSITION to Agenda Item 1: Housing Opportunity Ordinance Amendments**

Dear Members of the Planning Commission,

The Kennedy Commission (the Commission) is a broad based coalition of residents and community organizations that advocates for the production of homes affordable for extremely, very low and low-families earning less than \$25,000 annually in Orange County. Formed in 2001, the Commission has been successful in partnering and working with Orange County jurisdictions to create effective housing policies that have led to the construction of new homes affordable and investments to improve quality of life for lower income working families.

We write to express our strong opposition to amending the Housing Opportunity Ordinance (“HOO”) as proposed. As working families continue to face economic uncertainty as a result of the ongoing COVID-19 pandemic it is crucial that the City preserve its Housing Opportunity Ordinance (HOO) as a policy for creating new affordable housing opportunities. The creation of housing at all income levels is vital to our recovery. **Creating new affordable housing units needs to continue to be a top housing priority in Santa Ana.**

The City of Santa Ana is a renter majority city and despite the City’s progress towards meeting its Regional Housing Needs Assessment(RHNA) allocation for very low and income housing there continues to be a great need for housing that is affordable to its residents. The current pandemic has increased the economic and housing pressures on low-income families in Santa Ana. As incomes are decreasing and jobs are being lost, many low income families are struggling to remain housed. This is especially true for the majority of Santa Ana’s low-income households that are suffering with the impacts of housing cost and economic uncertainty. As an example, according to the City’s local data, 70 percent of Santa Ana renters are low and very low-income renters.<sup>1</sup> While the city has seen increased production of affordable housing there has been a larger increase of above moderate housing with the city’s 2,409 RHNA above moderate allocation being exceeded by 2,677% per the City’s RHNA progress reports submitted to the CA Department of Housing and Community Development<sup>2</sup> With average rents of \$2000 - \$4000, none of these above market rent units are affordable to most of Santa Ana’s working families.

The need will be much greater as the COVID-19 pandemic has exacerbated needs that were already existing in our communities. Housing costs in Santa Ana have been out of reach and will continue to be out of reach in this current economic climate. Households that live in the 92701

<sup>1</sup> City of Santa Ana 5<sup>th</sup> Cycle Housing Element, 2014-2121

<sup>2</sup> City of Santa Ana Housing Element Progress Report 2019, April 2020

zip code, the city's most affordable zip code, must earn \$35.68 an hour to afford two-bedroom housing. (*National Low Income Housing Coalition's "Out of Reach: The High Cost of Housing in 2020" Report*). The proposed amendments only incentivize housing units with market rate rents and will not be affordable to the majority of the City's residents. The proposed amendments do not address the city's needs and create further inequity for the city's residents with the greatest housing need. Furthermore, these amendments will compromise the City's ability to reach its Housing Element goals and requirements in the upcoming 6<sup>th</sup> Cycle Housing Element. We urge the Planning Commission to vote against these proposed amendments.

Should the Planning Commission move forward in considering the proposed amendments, we would request consideration to the following comments:

1. The proposed amendment would reduce the in-lieu fee from \$15 to \$5. The city must retain a \$15 in-lieu fee and secure this funding source for much needed affordable housing. The city risks losing state and federal housing matching funds by lowering the in-lieu fee, at a time we face economic uncertainty as a result of the pandemic. Should the Commission consider an in lieu fee change, it should be supported by financial analysis and data.
2. The City should remove the priority on acquisition and rehabilitation and prioritize construction of new affordable housing units. If the City wants to jointly prioritize acquisition/rehabilitation and construction of new units to address the City's housing crisis, it should set goals and percentages in each program to identify how it will help them meet its housing goals and Housing Element requirements.
3. Clarify that where a rehabilitation project results in displacement of tenants, the City will pay relocation costs in line with the requirements of the California Relocation Assistance Act.
4. Ensure that the City and the developer will provide the density bonus affordable housing units in exchange for the development incentives and concessions received.
5. The proposed amendment allows for the use of inclusionary housing for 'one-time programs for code enforcement, and quality of life, and general health and safety activities'  
The creation of new affordable housing for Santa Ana residents needs to continue to be a priority to address the critical housing shortage for lower income working families. Affordable housing monies should not be diverted to fund code enforcement and health and public safety programs that are funded from the City's budget. The City should not deplete the Inclusionary Housing Fund's limited funds for these programs. Such an amendment goes against the purpose of the HOO. Since its inception the HOO has been clear in its language and purpose in that it states "*Monies deposited into the inclusionary housing fund must be used to increase and improve the supply of housing affordable to moderate, low, very low, and extremely low income housings in the city...*" (Sec. 41-1909. (a)(1)).

We urge you to vote against the proposed amendments to the Housing Opportunity Ordinance.

*Cesar Covarrubias*

Cesar Covarrubias  
Executive Director