

UNITE HERE! Local 11

August 3, 2020

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

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

Dear Members of the Planning Commission,

UNITE HERE Local 11 represents more than 5,000 hard working men and women employed in hotels, restaurants, airports, and convention centers through Orange County, many of whom live in the City of Santa Ana. As you may be aware the hospitality industry was hit very hard along with some many other industries by the COVID-19 health care crisis. 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 funding source for creating new affordable housing. The creation of housing at all income levels is vital to our recovery. **Creating new affordable housing 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. 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 state. 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-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 further incentivize housing units with market rate rents and are not 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.

For these reasons that we oppose the following amendments to the Housing Opportunity Ordinance:

Sec. 41-1904. – Options to satisfy Inclusionary requirements

- **(c)(1) The proposed amendment reduces 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.
- **(c)(2)(ii) The proposed amendments allow for Entitled Residential Projects to pay a reduced fee of \$10 per square foot as an incentive to obtain building permits during the current economic climate.**
Santa Ana residents are those that are most affected by the current economic climate. The entitled projects in the pipeline would generate well over \$30 million in in-lieu fees that is needed urgently to create new affordable housing. Providing this incentive until April 2020 may result in a loss of 33% of the in-lieu fees expected to be collected, or over \$10 million dollars, that would be used to build much needed affordable housing in the city.

Sec. 41-1909. - Inclusionary Housing Fund

- **(a)(1)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. The proposed amendments are inconsistent with the intent of the ordinance and do not advance its goals.

Sincerely,

Martin G. López

Recording Secretary
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