

October 12, 2020

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

**RE: 4<sup>th</sup> and Mortimer (Northgate) Mixed – Use Development**

Dear Planning Commissioners:

The Kennedy Commission (the Commission) is a broad based coalition of residents and community organizations that advocates for the production of homes affordable for families earning less than \$27,000 annually in Orange County. Formed in 2001, the Commission has been successful in partnering and working with Orange County jurisdictions to create effective housing and land-use policies that has led to the new construction of homes affordable to lower income working families. The Commission writes this letter to provide context on the community's opposition to the 4<sup>th</sup> and Mortimer Mixed – Use Development.

**Community Input**

The last in person community meeting for this development was the Sunshine Ordinance Meeting held on August 29, 2018; there was a large community presence with nearly 100 residents in attendance. The majority of the residents in attendance were of the Lacy neighborhood and live a walking distance from the proposed project site. At this meeting there was overwhelming community opposition to the proposed project as presented. Residents expressed that the proposed development was inconsistent with the needs of the neighborhood. The large residential development would replace their fresh food source, Northgate Gonzalez Market, with new residential units with rents that are out of reach for the neighborhood's working class community.

**Santa Ana Community Needs**

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 low 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.

While the city has seen increased production of affordable housing it has not been enough to address the past deficits and growing needs for affordable housing based on the population's housing needs and incomes of residents in Santa Ana. As an example, according to the City's local data, 80 percent of Santa Ana renters are moderate, low and very low-income renters.<sup>1</sup> Yet the most significant increase of housing has been in the above moderate housing category. The

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<sup>1</sup> City of Santa Ana General Plan Housing Element 2014-2021, p. 14, January 2014.

City's above moderate allocation is 90 units for the current RHNA planning period. To date, the City has approved 2,409 above moderate income units. This means that the City has exceeded its's above moderate income RHNA allocation by 2,677 percent, per the City's RHNA Annual Progress Report submitted to the CA Department of Housing and Community Development.<sup>2</sup> **With above moderate average rents of \$2000 - \$4000 in these developments, none of these above market rent units are affordable to most of Santa Ana's working families<sup>3</sup>.** Since 80% of renters in Santa Ana fall into the moderate, low and very low income category and 84 percent of residents hold low-income occupations that pay less than \$53,500 per year, the majority of these new rental housing units are not available to address the housing needs of most working families in Santa Ana.<sup>4</sup> Santa Ana's households are predominantly families comprising 81% of households<sup>5</sup>. These households are also rent burdened and live in overcrowded conditions<sup>6</sup>.


### **Proposed Project**

The proposed Northgate Gonzalez Real Estate fails to help address the housing needs for lower income families that live in the surrounding Lacy neighborhood community, one of the neighborhoods with a high population of lower income families. This development needs to provide affordable housing to help address existing housing needs and mitigate the gentrification and displacement that its project will create.

**The proposed project is requesting incentives, concessions higher density and General Plan amendments that make it subject to the City of Santa Ana Housing Opportunities Ordinance and State Density Bonus Law. The proposed project needs to articulate how the developer and its partners will help address the critical affordable housing needs of residents in the Lacy neighborhood and in the City of Santa Ana.**

The Commission looks forward to partnering with the City and Northgate Gonzalez Real Estate team to increase affordable home opportunities for lower income households in the City. Please keep us informed of any updates and meetings regarding strategies to increase affordable homes for lower income households in the City. If you have any questions, please free to contact me at (949) 250-0909 or cesarc@kennedycommission.org.

Sincerely,



Cesar Covarrubias  
Executive Director

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

<sup>3</sup> Rent survey of recent market rate developments - The Marke, Essex Skyline and Broadstone Arden

<sup>4</sup> City of Santa Ana General Plan Housing Element 2014-2021, p. 12 and 14, January 2014.

<sup>5</sup> City of Santa Ana General Plan Housing Element 2014 – 2021, p. 11, January 2014.

<sup>6</sup> City of Santa Ana General Plan Housing Element 2014 – 2021, p. 20, January 2014.