



June 1, 2021

Regarding: June 2, 2021 Planning Commission Meeting - RSM Housing Element Update Workshop

Dear RSM Planning Commission Chair Camuglia, Vice Chair Nelson, and Commissioners Leach, McQuaid & Triepke:

We write as members of the Welcoming Neighbors Home Initiative - a ministry of the Tapestry Unitarian Universalist Congregation. Tapestry has members who live in Rancho Santa Margarita (RSM). Welcoming Neighbors Home volunteers work to end and prevent homelessness by advocating for more affordable housing in South OC – including RSM.

Three important requests up front:

- 1) **Please use a track changes method as your team goes through its DRAFT revisions, so content changes can be apparent to the reader.**
- 2) Can you **provide us with an electronic file of the site inventory**, i.e., a spreadsheet so we may conduct our own analysis?
- 3) **We are requesting confirmation from the city that it will allow a public review period of at least 30 days before any version of the revised Housing Element (HE) – either the Draft HE or FINAL HE – is transmitted to HCD.** We request that the city publicly announce the dates for the commencement and end of the review period.

We realize that you are still early in the process of completing the update to the Housing Element. We urge you to be creative and intentional in meeting the need for more affordable housing in RSM – especially for those with extremely-low- incomes (e.g. \$28,250 and below) and very- low- incomes (\$47,100 and below). We ask this because 9.6%, or 1,635 households out of 17,074 in RSM in 2013 to 2016 fell into the “Extremely Low Income” category.

Extremely Low Income Housing Needs

	Total Households	Households below 30% HAMFI	Share below 30% HAMFI
White, non-Hispanic	11,890	1,095	9.2%
Black, non-Hispanic	285	0	0.0%
Asian and other, non-Hispanic	2,225	100	4.5%
Hispanic	2,674	440	16.5%
TOTAL	17,074	1,635	9.6%
Renter-occupied	4,905	1,065	21.7%
Owner-occupied	12,180	580	4.8%
TOTAL	17,085	1,645	9.6%

HUD CHAS, 2012-2016. HAMFI refers to Housing Urban Development Area Median Family Income.

Housing the extremely-low income population (below 30% of area median income) can be especially challenging. HUD's CHAS dataset provides a wealth of information on such households in Rancho Santa Margarita. The above table provides a breakdown of extremely low income households by race and ethnicity. The race/ethnicity with the highest share of extremely-low income households in Rancho Santa Margarita is Hispanic (16.5% compared to 9.6% of total population). In the SCAG region, the highest share of extremely-low income households is Black, non-Hispanic (27.1% compared to 17.7% of total households).

Source: [SCAG Pre-Certified Local Housing Data for the City of Rancho Santa Margarita , August 2020](#).

As a reminder, below is the chart showing what the income levels are for Orange County. It's worth noting that Extremely Low Income is \$28,250 for a single person and \$40,350 for a family of 4.

Number of Persons in Household:		1	2	3	4	5	6	7	8
Orange County Area Median Income: \$106,700	Extremely Low	28250	32300	36350	40350	43600	46850	50050	53300
	Very Low Income	47100	53800	60550	67250	72650	78050	83400	88800
	Low Income	75300	86050	96800	107550	116200	124800	133400	142000
	Median Income	74700	85350	96050	106700	115250	123750	132300	140850
	Moderate Income	89650	102450	115250	128050	138300	148550	158800	169050

Source: <https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/income-limits-2021.pdf>

Another reminder of the economic make-up of RSM comes from the [HUD Comprehensive Housing Affordability Strategy \(CHAS\) Dataset](#) – which shows, for the period 2013 to 2017, that 40.5% of the households were earning less than 100% of HAMFI (Housing Urban Development Area Median Family Income). From this dataset we see that 16.9% of households qualified as “very low income” – earning less than or equal to 50% of the HAMFI.



Displaying data for Rancho Santa Margarita city, California
Year Selected: 2013-2017 ACS

Income Distribution Overview	Owner	Renter	Total
Household Income <= 30% HAMFI	530	905	1,435
Household Income >30% to <=50% HAMFI	650	840	1,490
Household Income >50% to <=80% HAMFI	1,135	1,125	2,260
Household Income >80% to <=100% HAMFI	1,205	635	1,840
Household Income >100% HAMFI	8,765	1,545	10,310
Total	12,290	5,050	17,340

FEEDBACK ON COMMUNITY INPUT:

On Page 7 of the staff report, it mentions that Housing Advocacy Groups were consulted.

- **Please let us know which groups/individuals, other than Habitat for Humanity, that were represented as part of the Advocacy Groups.**
- **NOTE: We would welcome a dialog with city staff, and De Novo consulting staff, to be able to give our input on the housing element draft.**

How were At-Large Community Members selected?

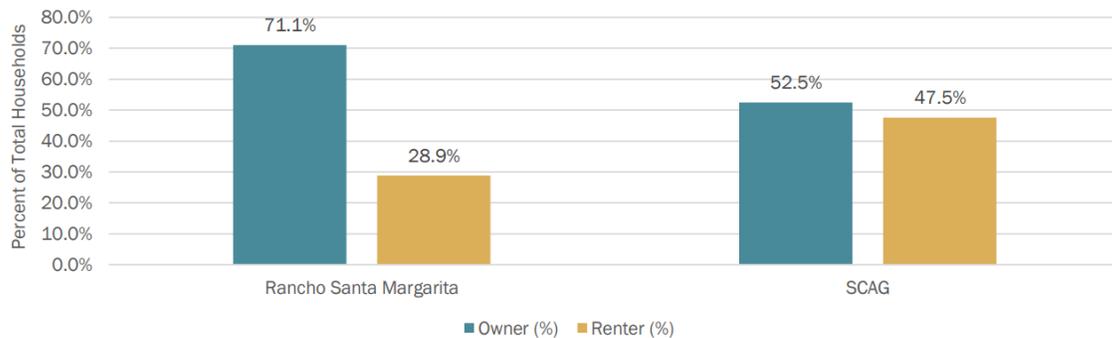
With regards to Survey #2 on development types, 52% of the residents live in Dove Canyon and appear to be overrepresented.

We are concerned that the Scenarios presented have been developed based on community input that is not truly representative of the make-up of the community. Of particular concern is the following:

- Only 11% (85) of the housing element survey respondents were renters. According to page 6 of the [SCAG Pre-Certified Local Housing Data for the City of Rancho Santa Margarita , August 2020](#), 28.9% (4,995) of the households are renters.

LOCAL HOUSING DATA, 2020

Housing Tenure



American Community Survey 2014-2018 5-year estimates.

Housing security can depend heavily on housing tenure, i.e. whether homes are owned or rented. Rancho Santa Margarita's housing stock consists of 17,290 total units, 12,295 of which are owner-occupied and 4,995 of which are renter-occupied. The share of renters in Rancho Santa Margarita is lower than in the SCAG region overall.

Source: [SCAG Pre-Certified Local Housing Data for the City of Rancho Santa Margarita , August 2020](#).

- 89% of survey respondents earned more than \$100,000. As noted above, 40% of RSM households earn less than the HAMFI – which is close to \$100,000.

We are concerned that scenarios are being constructed to meet the RHNA goals that are not taking into account the needs of renters and people with lower incomes.

QUESTIONS & FEEDBACK ON THE PROPOSED SITE SCENARIOS

- We note from the survey results that **“Repurposing Neighborhood Commercial Centers to Residential Use” was considered less acceptable. Can you please explain what it is that people object to with this option?** It seems to not be considered in the scenario options and we seek to understand why this option is considered unacceptable. Both Dove Canyon Plaza and Trabuco Marketplace may be potential sites for mixed-use zoning. As mentioned above, it was noted that 52% of Survey #2 were from Dove Canyon which has had a vocal group in opposition to repurposing the Dove Canyon Plaza, which has many vacant units. We are concerned that their views have been overrepresented in developing potential solutions.
- In reviewing the Scenarios presented in the May 2021 Housing Element document prepared for the workshop, we are struck by the fact that all but one site listed has existing structures on it. Only in Scenario A is the Rose Canyon site included.
 - What affordability levels does the city envision assigning to these sites?
 - What analysis has the staff or consultant done to assess the feasibility of these sites?
 - Why wasn't the city-owned Chiquita Ridge site included in either Scenarios A or B?

We are concerned about the feasibility of the sites listed that are currently occupied.

According to the California State Office of Housing & Community Development [Housing Element Completeness Checklist](#) – If nonvacant sites accommodate 50% or more of the lower income RHNA, the city will need to **“demonstrate the existing use is not an impediment to additional development and will likely discontinue in the planning period, including adopted findings based on substantial evidence”**.

In addition, the checklist states:

Nonvacant Sites Analysis: *For nonvacant sites, demonstrate the potential and likelihood of additional development within the planning period based on extent to which existing uses may constitute an impediment to additional residential development, past experience with converting existing uses to higher density residential development, current market demand for the existing use, any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.*

- We also request that the city abide by Affirmatively Furthering Fair Housing principles in their planning and site selection. Affordable housing should be distributed evenly throughout the city so as to avoid economic and racial segregation. Future affordable housing should be placed in high opportunity areas with good jobs, good schools, services, and public transportation. The city has a responsibility to plan thoughtfully and intentionally in order to create equitable growth. We look forward to reviewing the housing element draft and hope to see specific milestones and metrics with regard to the plan for Affirmatively Furthering Fair Housing.

Here are some ideas for your consideration:

- Creatively use public lands, such as Chiquita Ridge, or if feasible, build over existing city buildings, by partnering with a non-profit affordable housing developer, such as Jamboree or National CORE. The city could donate land in exchange for a commitment from the developer to build affordable housing for people with extremely-low and very-low incomes.
- Increase mixed use zoning throughout the city that allows for substantial numbers of housing units when developing nonresidential land.
 - Due to the limited availability of new residential zoned sites, more mixed-use zoning can increase housing development opportunities, as well as offer convenience and a small community atmosphere for the residents.
 - New housing sites can be incorporated into re-vitalization of sites when older commercial buildings or housing complexes are being renovated or upgraded.

Additional Recommendations

1) Institute an Inclusionary Housing policy

Require all housing development projects to have 15% of units as affordable, dedicated for extremely-low (5%), very-low (5%), and low-income (5%) residents. This will be a critical element for meeting RHNA goals over the next 8 years.

2) Identify land sites in the city that can be repurposed and rezoned to increase opportunity for more housing for very low-income residents.

- a) **Consider adopting an [Adaptive Reuse Ordinance](#)** such as the one used by the city of Santa Ana¹ that streamlines the regulatory process for converting non-residential buildings into affordable housing. This ordinance applied in the building of the [Santa Ana Arts Collective](#).²

¹ [https://www.santa-](https://www.santa-ana.org/sites/default/files/pb/planning/Counter%20Forms/Adaptive%20Reuse%20Ord.%206.30.20.pdf)

[ana.org/sites/default/files/pb/planning/Counter%20Forms/Adaptive%20Reuse%20Ord.%206.30.20.pdf](https://www.santa-ana.org/sites/default/files/pb/planning/Counter%20Forms/Adaptive%20Reuse%20Ord.%206.30.20.pdf)

² <https://voiceofoc.org/2019/06/public-demand-for-affordable-artists-apartments-in-santa-ana-prompts-city-outreach-effort/>

- b) **Other Fiscal Incentives:** Emphasize, promote, and encourage the use of incentives available to those developers that include affordable housing. Typical incentives include waivers or reductions in fees, low interest loans or subsidies, and financial or mortgage assistance for acquisition of property.
- c) **Proactively develop relationships with non-profit housing developers.** Such a partnership could yield millions of dollars in matching funds from state and federal housing funds and specialty mortgages for building affordable housing for extremely-low, very-low, and low-income. These specialty builders can work alone or with market rate builders, enabling a faster, more cost-effective outcome.
 - i) **Today's non-profit developers have honed their abilities** to build attractive, quality housing cost effectively for low wage workers and their families. *These affordable communities are very different from the low-income housing erected 30-60 years ago!*
 - ii) **Some examples of these developments** include: Mendocino in Talega (San Clemente), Heritage Village (Mission Viejo), Alice Court (Laguna Beach) by Jamboree, and Oakcrest Terrace (Yorba Linda) by National Core. Generally, tours can be arranged to get an up-close look at results. Developments include new from the ground up as well as rehabilitation of older existing buildings.
 - (1) Jamboree: <https://www.jamboreehousing.com/blogs/affordable-housing-developer-partner>
 - (2) National CORE OC sites: <https://nationalcore.org/portfolio/california-communities/orange-county-ca/>
- 3) **Ease governmental constraints for developers who build Inclusionary housing.**
 - a) **Streamlined Procedural Incentives:** Emphasize processes/procedures like the consolidation of applications to one hearing, fast-tracking of design, and review and inspections with priority processing and scheduling for interim inspections.
 - b) **Reduction in Development Standards:** Offer a reduction in setback and square footage requirements and in the ratio of required vehicle parking.
- 4) **Prioritize getting access to affordable housing funding.**
 - a) Increased diligence to identify and access new funding sources, state and federal, to facilitate solutions. Due to the economic crisis, there is more need, and more funds are available now for support of affordable housing.
 - b) Join the Orange County Housing Trust, to tap grants and loans for housing and support services, to enable successful transition for those without shelter.

Given the importance of the 6th Cycle Housing Element, as noted above, Welcoming Neighbors Home representatives would like the opportunity to dialogue with RSM City staff and their Housing Element consultant on how to achieve a 6th Cycle Housing Element plan that includes improved policies and processes which will result in new affordable homes for people with extremely-low, very-low- and low-incomes.

In the meantime, if you have any questions, please feel free to contact Cindy at 949-689-8830 or cindy.ashley@cox.net.

Sincerely,

Cindy Ashley

Cindy Ashley, RSM Resident
RSM City Monitor for the Welcoming Neighbors Home Initiative

Tasia Surch

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Rona Henry, Chair
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