



February 15, 2022

Melinda Coy  
Department of Housing and Community Development  
Division of Housing Policy Development  
2020 W. El Camino Ave., Suite 500  
Sacramento, CA 95833

**Re: Summary of Concerns Regarding Rancho Santa Margarita's 6<sup>th</sup> Cycle Housing Element Update**

Dear Ms. Coy:

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.

We have reviewed your [letter](#) from the Department of Housing and Community Development (HCD) dated December 21<sup>st</sup> 2021 and the [Rancho Santa Margarita's January 2022 Housing Element Draft](#). We offer the following comments and questions.

**NONVACANT SITES:**

HCD has offered the following feedback the Sept. 2021 Housing Element Draft:

*The element must describe the methodology used to determine the additional development potential within the planning period. The methodology must consider factors including the extent to which existing uses may impede additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites. (Gov. Code, § 65583.2, subd. (g).) The inventory could also describe whether the use is operating, marginal or discontinued, and the condition of the structure or could describe any expressed interest in redevelopment.*

The latest draft revision does not appear to adequately respond to the request for additional evidence that many of the sites identified are likely to be developed within the planning period. For “Factors Supporting Development” the city is reporting that the:

City specifically considered sites with very low lot coverage (below 30%) and where the allowable FAR allowed for at least twice the amount of existing development.

Given the existing uses detailed in our previous letter dated October 27th, 2021, it seems very unlikely that a majority of the sites listed in the Site Inventory will be developed. While the sites may physically be able to accommodate additional housing, additional evidence needs to be provided to explain how the existing uses do not impede additional residential development.

The **El Paseo sites** comprise a fairly new and thriving shopping center. Any development on these sites would harm the existing businesses during construction. Residential units could not be built above businesses in buildings not designed for mixed use. While we agree that mixed-use developments are a more contemporary way to address the residential/shopping/office space needs of a community, given that the El Paseo sites contain thriving businesses with adequate parking, **we do not see how these sites could accommodate the 296 units of housing plus parking concentrated in this small area in the heart of the City’s center.**

Not all sites in the City’s Housing Element even fit the city’s own criteria of low lot coverage (below 30%). For factors supporting development at the **RSM Office Center** (Site 4), the following information was provided which seems to support the unlikelihood of development:

The property is developed to less than 50% of the maximum allowable floor area ratio. As of September 2021, the building is 80% occupied.

It is unclear how these statements support development; they appear to do the opposite.

**Town Center Car Wash (Site 9):**

Not only is there a gas station on this site which would impede housing development due to environmental concerns, and impact the community with the loss of one of its few gas stations, the only factor supporting development is:

The property is developed to 90% of the maximum allowable floor area ratio.

**GENERAL CONCERNS:**

We continue to be concerned that unreasonable sites for development have been chosen. Nor has the city described specific policies that will be adopted to provide development incentives for the production of adequate housing to meet the need of extremely-low, very-low, and moderate-income households. Program 10 Affordable Housing Development has been modified with the following addition:

*The City will continue to grant concessions and incentives for projects which include housing affordable to lower-income and/or moderate-income households, such as reduced parking requirements.*

**We request that the city detail these incentives with specific actions and timelines, per HCD's request and we continue to recommend and Inclusionary Housing Ordinance that includes a 15% requirement of affordable housing production at extremely-low-, very-low- and low-income categories and that it apply to all residential projects.**

Additionally, we encourage the city to join the Orange County Housing Finance Trust as the majority of cities have done in Orange County.

**Many residents have expressed concern about the insufficiency of roads in and out of parts of the city. We encourage the city to address the issues caused by these deficiencies in a variety of ways.** We simply can not continue to say 'no' to housing to meet the needs of our residents of all income levels.

Sincerely,

*Cindy Ashley*

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

*Tasia Surch*

Tasia Surch, RSM Resident

*Rona Henry*

Rona Henry, Chair  
Welcoming Neighbors Home Initiative

*Kent Doss*

Rev Kent Doss, Minister  
Tapestry, a Unitarian Universalist Congregation

Cc: Mayor Anne Figueroa Tony Beall  
Mayor Pro Tem Jerry Holloway  
City Council Members Beall, Gamble, & McGirr  
Planning Commission Chair Camuglia  
Planning Commission Vice Chair Nelson

Planning Commissioner Leach

Planning Commissioner McQuaid

Planning Commissioner Triepke

Jennifer M. Cervantez, RSM City Manager

Cheryl Kuta, RSM Director of Development Services

Mike Linares, RSM Housing Programs Coordinator

Paul McDougall, California State Housing and Community Development Office

Cesar Covarrubias, Mildred Perez, Cynthia Guerra and Daisy Cruz - Kennedy Commission