



October 5, 2021

**Re:** October 6, 2021 Planning Commission Meeting Agenda Item #7.1 – Public Review Draft Housing Element

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.

We have reviewed [Rancho Santa Margarita's September 2021 Housing Element Draft](#). We offer the following comments and questions – some of which amplifies our previously submitted comments (included below).

1. **Public Input** - Will the city be offering any opportunity for stakeholders and city staff to review and discuss the proposed Housing Element in an informal setting to allow an opportunity for questions and answers?
2. **Inclusionary Housing Ordinance** – A program that we believe will help the city achieve its low-income housing goal is an inclusionary housing policy. We recommend that the city adopt an inclusionary housing ordinance that will require that at least 15% of any new development of 6 or more units be for very low income people, i.e., those earning less than \$50,000 per year. When this is not possible, we urge the city to require an in-lieu fee of at least \$10,000 to \$15,000 per unit - to build a fund for building affordable housing elsewhere.
3. **Chiquita Ridge** - The Planning Commission recommended that the city pursue development of Chiquita Ridge in early June. As Chair Camuglia correctly pointed out, it has always been the city's plan to develop this land. In fact, it is listed under the Future Land Use Opportunities section of the city's General Plan revised in 2020. The city council had concluded that it is impossible to develop this land due to its location in a Very High Fire Hazard zone. However, *this is not true*. As Richard Montague, former director of Aviation and Fire Management for the US Forest Service wrote, "...if new

home construction in [very high fire hazard severity] zones were to be banned, new home construction would [...] effectively cease. The fact is that [we] are in the midst of an historic housing crisis in California. [Elected officials] have been working with the development community to strengthen building regulations and create communities that are far more resistant to wildfires.”<sup>1</sup>

As members of the planning commission, I hope you take the opportunity to educate the city council. In rejecting your recommendation, they are rejecting the number #1 development type choice of citizens surveyed, “undeveloped/underdeveloped sites” (example given for this type was open space or agricultural properties). To ignore development of this large amount of acreage based on an erroneous reason in the midst of a housing crisis is highly questionable.

We also would draw the Commission’s attention to a new tool<sup>2</sup> that will help communities plan housing while taking into account nature conservation – and hope that you recommend staff and the housing element consultant use it – if they have not already. The [SoCal Greenprint](#) takes existing data and synthesizes it to create a more complete picture of the possibilities of incorporating nature in planning for an area. Using this tool, developers and city officials will be able to easily assess what conservation and development opportunities are available to design a sustainable and resilient region—especially knowing the climate-related challenges that lie ahead: high heat days, drought, coastal erosion, and wildfire.

3. **Town Center Car Wash** - Can you elaborate on the inclusion of Site 9, the Town Center Car Wash & gas station? It would appear to be an undesirable site for housing because the gas tanks would need to be removed and there are potential toxicity issues associated with it. Besides, the gas station and car wash are highly utilized by the community.
4. **Site Viability** - How viable are the proposed sites for development? Have the owners been contacted to see if they are interested in the redevelopment of their property?
5. **El Paseo** - A large percentage of the RHNA needs are proposed to be met at the El Paseo shopping center by re-zoning for mixed-use. What is envisioned at this shopping center?
6. **Workforce Housing** - We appreciate the support the city has secured from Applied Medical for Workforce Housing. What specific measures will the city adopt to ensure that 107 units of the proposed 344 Workforce Housing units will be designated for Extremely Low and Very Low-income levels?

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<sup>1</sup> <https://www.voiceofsandiego.org/topics/opinion/new-developments-in-fire-hazard-areas-are-safer-than-ever/>

<sup>2</sup> <https://voiceofoc.org/2021/10/schlotterbeck-housing-and-conservation-can-co-exist-and-a-new-tool-makes-it-more-possible/?eType=EmailBlastContent&eId=cd351065-0e6d-495b-8230-d0c755fd69c1>

7. **Program 3 - Accessory Dwelling Units (ADUs)** - We note the projection of 40 ADUs to help the city meet its RHNA goals.
  - a. We recommend that ADU owners be required to report rental rates so the city can track its progress in meeting its low income RHNA goal.
  - b. We also ask the city to adopt programs that would incentivize ADU owners to rent their ADU at affordable rates – such as:
    - the ADU Forgivable Loan program in Santa Cruz (see attached),
    - in exchange for committing to offer low rents, significantly reduce permit fees and application fees for construction of ADUs
    - provide a set of pre-approved ADU designs in order to streamline the approval of the ADU’s construction.
  
8. **Program Plans** – We would like to see more specificity in the actions and associated timelines in some of the proposed programs. Without being more specific, it will be hard to judge how well the city achieves its objectives.
  - a. **Program 5 – Housing Choice Voucher (Section 8) Assistance and Program 8 OCHA Special Needs Group Rental Assistance Programs:**
    - We ask that the city be more specific and proactive in its educational efforts about these programs. For instance, what is the planned in terms of frequency of outreach through the city newsletters? Are there any other communication channels that the city can use to promote the availability of vouchers?
    - Does the city maintain a list of landlords in RSM who are willing to accept Housing Vouchers? If not, we suggest the city start to do this and to publicize the list.
    - Does the city have any plans to proactively recruit landlords to accept housing vouchers?
  - b. **Program 6 – Homeless Services.**
    - i. Does/will the city partner with the Sherriff’s Department to employ the [Behavioral Health Bureau](#) in RSM? The Behavior Health Bureau is a new unit tasked with assisting the homeless population and those with mental health disorders through a robust program that includes proactive engagement, case management, and resource distribution.
    - ii. What outcome data do we have for the services that Mercy House has provided to the city in the past? The Housing First model is the evidence-based best practice solution to address the issue of homelessness. Congregate shelter beds are neither safe in a pandemic nor are they appropriate for many of our unhoused neighbors.
  - c. **Program 10 – Affordable Housing Development**

We were glad to note the plan to “Achieve the development of 48 affordable housing units over eight years.”

- Can staff elaborate on how they envision this objective being achieved?
- Is there an affordable housing development already in the works?
- Will the affordable housing be all in one development – or is there a plan to include them in multiple developments?

**d. Program 17 - Expand Housing Opportunities**

On pg. 181 of the Housing Element almost the entire city is displayed in orange and red, representing the percentage of renters who spend 40-60% (orange) or 60-80% (red) of their income on rent. Given that so many of our residents lack access to affordable housing, we recommend that the Housing Element reflect the urgency of this problem and commit to making the necessary zoning changes in one year rather than three years.

The need for more affordable housing for those earning less than \$50,000 per year is acute. We urge the city to take proactive steps, such as those outlined above, to promote the production of more affordable housing in Rancho Santa Margarita.

Now, with funding available from the State of California's HomeKey funds ([https://homekey.hcd.ca.gov/sites/default/files/2021-09/NOFA\\_Homekey\\_0.pdf](https://homekey.hcd.ca.gov/sites/default/files/2021-09/NOFA_Homekey_0.pdf)), and the federal government American Rescue Plan Act funds, it is important for the city to take advantage of these funding sources to make important strides in the provision of affordable housing.

Thank you for considering our public comment – for your public service.

Sincerely,

*Cindy Ashley*

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

*Tasia Surch*

Tasia Surch, RSM Resident

*Kent Doss*

Rev Kent Doss, Minister  
Tapestry, a Unitarian Universalist Congregation

*Rona Henry*

Rona Henry, Chair  
Welcoming Neighbors Home Initiative

Cc: L. Anthony Beall, Mayor

Anne D. Figueroa, Mayor Pro Tempore

Carol A. Gamble, Council Member

Jerry Holloway, Council Member

Bradley J. McGirr, Council Member

Jennifer M. Cervantez, RSM City Manager

Cheryl Kuta, RSM Director of Development Services

Mike Linares, RSM Housing Programs Coordinator

Cesar Covarrubias, Executive Director, Kennedy Commission

Paul McDougall, Marisa Prasse, Chelsea Lee, Collin Cross, Mashal Ayobi - California State  
Housing and Community Development Office



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%
<b>TOTAL</b>	<b>17,074</b>	<b>1,635</b>	<b>9.6%</b>
Renter-occupied	4,905	1,065	21.7%
Owner-occupied	12,180	580	4.8%
<b>TOTAL</b>	<b>17,085</b>	<b>1,645</b>	<b>9.6%</b>

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
	<b>Median Income</b>	74700	85350	96050	<b>106700</b>	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
<b>Total</b>	<b>12,290</b>	<b>5,050</b>	<b>17,340</b>

**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?

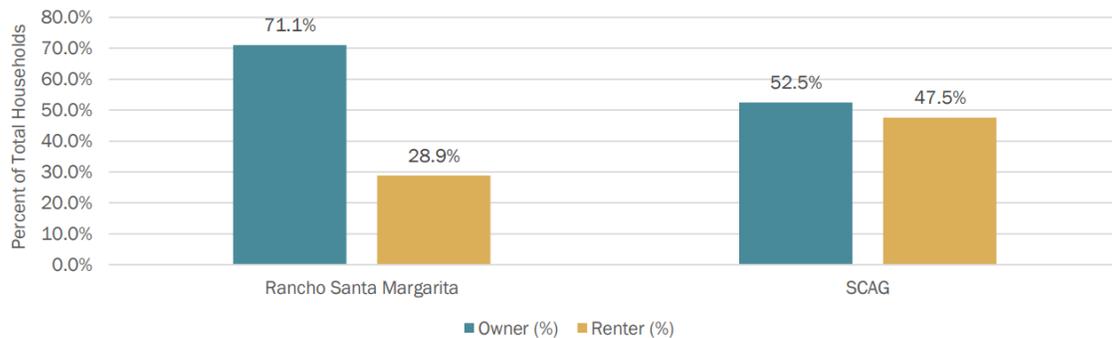
With regards to Survey #2 on development types, 52% of the residents live in Dove Canyon and appear to be overrepresented.

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 Ana<sup>3</sup> 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](#).<sup>4</sup>

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<sup>3</sup> <https://www.santa-ana.org/sites/default/files/pb/planning/Counter%20Forms/Adaptive%20Reuse%20Ord.%206.30.20.pdf>

<sup>4</sup> <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 6<sup>th</sup> 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 6<sup>th</sup> 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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Paul McDougall, David Navarrette, Marisa Prasse, Chelsea Lee - California State Housing and Community Development Office