



April 15, 2022

San Clemente City Council
City Hall, 100 Avenida Presidio
San Clemente, California

Re: April 2022 version of Draft Housing Element Update, 6th Cycle (2021-2029)

Dear Mayor James, Mayor Pro Tem Duncan, and Councilmembers Ferguson, Knoblock and Ward,

The San Clemente Affordable Housing Coalition (the Coalition) commends the City staff on their hard work in revising the Draft 6th Cycle Housing Element (H.E.) to meet the numerous concerns raised by the California Office of Housing and Community Development (HCD) in its January 12, 2022 Review Letter. (See 1/12/22 Review Letter: <https://www.hcd.ca.gov/community-development/housing-element/docs/orasanclementeadoptedout011222.pdf>. See earlier 8/6/21 Review Letter: <https://www.hcd.ca.gov/community-development/housing-element/docs/orasanclementedraft080621.pdf>.)

As you know, the Coalition is committed to advocating for increased affordable housing opportunities for San Clemente's lower income residents. While we appreciate staff's effort to address HCD's concerns in this latest draft, we believe **more changes are needed** in the H.E. if it is to serve as an adequate blueprint for developing the lower income affordable housing our City desperately needs.

A Few General Observations

1. The H.E. makes much of the fact it now uses **vacant land** to meet 77% of the City's lower income RHNA. But there are **substantial problems** with the three parcels of vacant land identified for lower income units, raising serious concerns as to the feasibility of all three vacant sites.
2. A new "Workforce Housing Overlay" allowing densities between 30 and 45 units per acre, with a minimum density of 30 units per acre, and **requiring at least 20% affordable units at lower income levels** should be applied to all the lower income sites on Table 4-6 – the Candidate Sites for Rezoning.
3. The City's Inclusionary Ordinance must be strengthened.

4. The H.E. still fails to address the infeasibility of the existing SB2 Zone and the unreasonable restrictions in the City's Emergency Shelter Overlay
5. The City should take all steps necessary to allow the Emergency Shelter Coalition (ESC) to use its vacant 10-acre site on Pico for lower income housing, including permanent supportive housing, and temporary supportive housing (Navigation Site).

Specific Questions, Concerns and Recommendations

Category I The following comments and questions concern the Residential Sites Inventory (Table 4-4 on Page HE-79) and the Candidate Sites for Rezoning (Table 4-6 on Page HE 89).

A. Problems with the three vacant sites

1. Item "P" on the Residential Site Inventory (1801 N. El Camino Real)

Comment: This site is listed as a .74-acre vacant lot with 22 lower income units possible. We question whether this site is available/feasible for affordable housing development.

We have learned from the City's Planning Department that the owner of this site has submitted plans to develop the site for commercial use, with no residential component, and that the plans have received at least preliminary approval.

Question: What information do you have about this site that leads you to believe this site is feasible for lower income housing, given the above information regarding the owner's plans for the property?

Comment: A recent news article described an applicable "view corridor" restriction on building height as one of the challenges to developing the property.

Question: What is the effect of this height limitation on developing affordable housing on this site, given that the current zoning is MU1, which requires residential units to be on the second floor?

Recommendation: If this site is deemed feasible for lower income housing, the Affordable Housing Overlay should be extended to include this site, allowing housing on the ground floor.

2. Item "A" on the Candidate Sites for Rezoning list (190 La Pata)

Comment: This site is listed as 2.17 acres of vacant land with 52 lower income units possible. In our previous letter, we noted this site is owned by Christianitos Church, operating as Heritage Christian Fellowship. The church is actively fundraising and applying for city permits to develop a portion of this parcel as an additional parking area for the church facilities on the adjacent

parcel. (See “Lot 2” indicated in the property diagram of the “Parking Expansion Project” described in <https://heritagesc.org/parking-lot-project/>) In a telephone conversation, knowledgeable church personnel confirmed the church has plans for the remainder of the now-vacant lot and has no interest in selling it or using it as an affordable housing site.

Question: What information do you have about this site that leads you to believe this site is feasible for affordable housing development, given the above information that we provided to the City?

3. Item “U” on the Candidate Sites for Rezoning list

Comment: This site, newly restored onto the list, is listed as 8.46 acres of vacant land on Pico, with 271 lower income units possible. The addition of this property is a highly significant change to the City’s plan for meeting its lower income RHNA. We question whether this site is available/feasible for affordable housing development.

The H.E. lists the current zoning for this parcel as “TSP (C&OS).” The “OS” designation means the parcel is at least partly deemed “open space,” making it subject to San Clemente’s Measure V, a local land use ordinance which is a significant constraint on development because it requires a vote of the people to change the use of any Open Space land to Non-Open Space use, unless a specific exception applies.¹

Question: What part and how much of this property is “OS?”

Comment: The H.E. concedes this property is in a “high fire risk” zone. City planners stated at a public meeting at an earlier stage of this process that residential development on this property would require a new fire station, at an annual operating cost to the City of \$2.5 million.

Question: Will the City commit to absorbing the new expense of paying the \$2.5 million annual operating cost of a new fire station to facilitate the development of affordable housing at this site?

Recommendation: The City should commit to resolving the feasibility problems of the Talega site within two years. Specifically, if the “OS” designation requires a vote under Measure V, within two years the City should put the proposed zoning change (from “OS” to “TSP RH (40)”)

¹ Measure V’s Exception 2 allows the City to reclassify an open space site for residential use without a vote of the people upon the application of the landowner if the City Council finds residential use is “necessary to comply with federal or state law regarding the provision of housing.” The City Council would also have to find that a specific federal or state law requires the City to accommodate the proposed housing, and “no alternative site within the city which is not open space” could be used to satisfy the state housing law.

Exception 5 allows a reclassification of not more than one acre of an open space parcel, upon the application of an affected landowner, “to the extent the City Council determines, based on substantial evidence, . . . [that] (b) reclassifying the Open Space Area in question to authorize or permit a Non-Open Space Use allows for a superior development alternative that benefits the public health, safety, or welfare”

on the ballot or make the specific findings under Measure V needed to exempt the parcel from that vote requirement (see fn. 1, preceding page). Additionally, the City should commit to funding the annual operating cost of a new fire station as required for this new housing. Moreover, the City should commit, **alternatively**, in the event it fails within two years to meet the requirements of either the zoning change or commitment to fire station funding, the City should substitute ESC's ten acres of vacant land on Pico in place of these 8.5 Talega acres, and make the findings necessary under Measure V to exempt ESC's land from the city-wide vote requirement.

B. Problem with item "G" on Residential Sites Inventory (100 Ave. Del Poniente)

Comment: This site is listed as .65 acres, "low intensity strip shopping with large parking lot" with 17 units possible. We have learned from the City's Planning Department that the owner of this site has submitted plans for an expansion and remodel of the existing structure for commercial uses, with no residential component. The plans are now awaiting final approval.

Question: What information do you have about this site that leads you to believe this site is feasible for lower income housing, given the above information regarding the owner's plans for the property?

C. Problem with item "V" on Candidate Sites for Rezoning list (654 Camino de las Mares)

Comment: This large site is a closed, former hospital owned by Memorial Care. The last H.E. draft said of the 232 housing units to be built here, only 24 would be lower income. This draft of the H.E. provides no numbers other than 239 total possible units. A recent news article stated this site has recently had a re-focus as a possible combined Medical and Senior Housing residence for "250" units, with only 10 units reserved for lower income housing. (See <https://www.sancllementimes.com/memorialcare-proposes-senior-living-health-care-community-on-site-of-former-hospital/>)

Question: How many of the units will be Lower Income?.

Recommendation: The City should require 20% lower income affordable units in exchange for the proposed upzoning to 45 units/acre.

Category II The Infeasible SB2 Zone and unreasonable restrictions in the Emergency Shelter Overlay

Comment: We agree with the excellent arguments of the Emergency Shelter Coalition in its April 15, 2022 letter to HCD, signed by its General Counsel Laura Lee Blake, regarding the latest draft of the H.E. **We wholeheartedly endorse and incorporate by reference all of ESC's arguments and its recommendations for improving the H.E.**

Recommendations:

In particular, we recommend:

- That the City include ESC's 10 acres in its Emergency Shelter Overlay Zone ("ESOZ"), since the current Rancho San Clemente Business Park ("Business Park") is an unworkable site for the much-needed homeless shelter and supportive housing.
- That the City Council vote to invoke exception No. 2 and/or exception No. 5 to Measure V, so that no vote of the citizens of San Clemente would be required to use ESC's land for affordable housing, including permanent supportive housing, and emergency shelter.
- That the City should amend the ESOZ so that it includes **all land** within the Business Park Specific Plan, and **especially ESC's Parcel Nos. 688-011-01 and 688-011-02**. This would best ensure the development of an emergency shelter, transitional and supportive housing, and much-needed affordable housing for the extremely low, very low, and low-income residents of the City.

Category III Programs Needed to Facilitate Affordable Housing Production

Comment: HCD noted in its January 12th letter the following (bold print added):

"Goals, Priorities, Metrics, and Milestones: The element largely did not address this finding. The element must add, or revise programs based on a complete analysis, listing, and prioritization of contributing factors to fair housing issues. Goals and actions must significantly seek to overcome contributing factors to fair housing issues and include metrics and milestones to target meaningful fair housing results. Currently, the element identifies outreach-focused programs to encourage and promote affordable housing; however, most of these programs do not appear to facilitate meaningful change nor address affirmatively furthering fair housing (AFFH) requirements, including metrics or targeted numerical outcomes. Given that the city is significantly whiter and wealthier than the region, the element could focus on programs that enhance housing mobility and encourage development of more affordable housing choices in an inclusive manner throughout the community."

We believe the following recommendations would make the Housing Element more compliant with respect to making progress toward meaningful fair housing results.

Recommendations:

- a. **All lower income Candidate Sites for Rezoning (Table 4-6) should be zoned with an new Workforce Housing Overlay requiring at least 20% affordable units at lower income levels.**

- b. The City should **strengthen its inclusionary housing policy**, requiring 15% of new units to be affordable to lower income households, with an in-lieu fee option in the range of \$10,000 to \$15,000 per unit, or \$10 to \$15 per square foot.
- c. The City should also **donate city-owned land** for affordable housing, and add city-owned land to the site inventories.
- d. The City should adopt a set of housing programs commensurate with the challenge of attracting affordable housing developers to build on these sites with existing structures. Such programs could include **reduced parking requirements, greater density and height allowed, reduced permit fees, alternative development standards, among other incentives.**

CONCLUSION

Lower income San Clemente residents earning less than \$50,000 per year are in dire need of affordable housing. The City must act affirmatively to meet that need. Thus far, the City's failure to identify adequate sites to meet its lower income RHNA while refusing to allow ESC to use its 10 acres of vacant land for affordable housing and for emergency housing speaks volumes. The City is turning a blind eye to the housing needs of its own lower income residents.

Thank you for considering our concerns about the draft 2021-2029 Housing Element Update.

Sincerely,

Kathy Esfahani

Kathy Esfahani,

San Clemente resident and

Chair, San Clemente Affordable Housing Coalition

cc: Planning Commission Chair Crandell, Chair Pro Tem McKhann, Vice Chair Tyler and Planning Commissioners Crandell, Cosgrove, McCaughan, and Prescott-Loeffler.
Jennifer Savage, San Clemente Assistant Manager
Mr. Paul McDougall & Marissa Prasse - CA Department of Housing and Community Development
Cesar Covarrubias, Kennedy Commission
Richard Walker, Public Law Center
Ed Conner, Emergency Shelter Coalition Chair
Laura Lee Blake, Emergency Shelter Coalition General Counsel
Members of the San Clemente Affordable Housing Coalition