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April 19, 2022
City Council
City of Santa Ana
20 Civic Center Plaza
P.O. Bo 1988, M31
Santa Ana, CA 92701

Re: Item 40: Strengthen Housing Opportunity Ordinance and Affordable Housing Funds Policies and Procedures

Dear Mayor and City Council Members,

Abrazar (means to Embrace in Spanish) is a 501 (c) 3 non-profit organization. Abrazar is dedicated to embracing the diversity of families in our community, educating them on the resources we provide through our community collaborations, and empowering them to improve the quality of their life. Abrazar's goals are to Embrace, Educate and Empower children, families, and individuals with the necessary tools to attain financial stability; physical, dental, and mental health; educational success; engage citizens in civic participation; provide or facilitate access to affordable and decent housing and prevent hunger and malnutrition. Diversity and delivery of collaborative services are critical to the success of our programs.

We are writing to support the amendments to the Housing Opportunity Ordinance and Affordable Housing Funds Policies. The changes will ensure that development in the City addresses housing needs for all residents in a balanced manner. Many working families in Santa Ana continue to be impacted by the rising cost of housing and the scarce housing opportunities available at rents they can afford. In addition, many continue to face economic uncertainty because of the ongoing COVID-19 pandemic. The creation of housing at all income levels is vital to our recovery and will provide stability for the majority of Santa Ana residents that are struggling with housing availability and cost that existed long before the pandemic. It is crucial that the City strengthen the Housing Opportunity Ordinance (HOO) to ensure that housing opportunities are available for all residents in Santa Ana and new housing options are being created in the City.

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 struggle to remain housed. This is especially true for most of Santa Ana's low-income households suffering from the impacts of housing costs and economic uncertainty. According to the City's local data, 70 % of Santa Ana renters are low and very low-income renters. 80% of renters in Santa Ana fall into the moderate, low- and very low-



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income categories and 84 % of residents hold low-income occupations that pay less than \$53,500 per year. Santa Ana's households are predominantly families comprising 81% of households. These households are also rent-burdened and live-in overcrowded conditions.

While the City has seen increased production of affordable housing, there has been a disproportionate production of above moderate housing, with a total of 3,274 above moderate units produced between 2013-2021, the City exceeded its RHNA allocation by 3,638% per the City's RHNA progress reports submitted to the state. With average rents of \$2000 - \$4000, none of these above-market rental units are affordable to most of Santa Ana's working families. In this current economic climate, housing costs in Santa Ana have been out of reach and will continue to be out of reach. Households in Santa Ana must earn \$44.83 an hour to afford two-bedroom housing. The proposed amendments further incentivize housing units with market-rate rents that are not affordable to most of the City's residents.

The Commission supports the amendments to update the in-lieu fee to \$15 per sq ft to be in line with a fair fee and allows the City to fund much-needed affordable housing for Santa Ana residents. The in-lieu fees have generated over \$21 million in funding (and helped leverage millions of federal and state housing resources) to help the City fund the development of new housing opportunities and address housing insecurity. The City's February 2021 Quarterly Report for Housing Division demonstrated that some of these in lieu fees supported the Santa Ana Arts Collective, Tiny Tim Plaza, Link Interim Emergency Shelter, Legacy Square, Habitat for Humanity "Lacy & Vance," Westview House, Wise Place Steps to Independence Public Service Program, and the City's Down Payment Assistance Program.

We also support the broader application of the Housing Opportunities Ordinance in the City of Santa Ana. This will continue to facilitate the development of affordable housing in various areas of the city. The Commission also recommends that the HOO apply to all residential developments in the City. At a minimum, the HOO affordable housing requirements should apply to all residential and mixed-use developments asking for zone changes, upzonings, following city initiated specific plans, general plan updates, or those asking for other development incentives.

In addition, the HOO should apply to all developments taking advantage of City initiated land use and zoning changes, specific plans, and general plan updates and amendments. Land-use changes may create higher land values, profit, and incentives for market-rate developers. At the same time, many of these market developments are not affordable to the majority of Santa Ana's residents. New affordable housing for Santa Ana residents must be created in exchange for these development incentives.



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The City must also ensure that the Inclusionary Housing Fund monies prioritize the construction of affordable housing for extremely low- and very low-income families. These families have the most pressing needs in the City of Santa Ana. In addition, the fund should also prioritize addressing housing insecurity, eviction prevention, and housing legal assistance for residents that would directly help current Santa Ana residents, with the exception of code enforcement. Diversion of these funds to other programs unrelated to housing and direct help for families would not increase or improve the supply of affordable housing.

We urge you to consider the amendments and proposed recommendations to the Housing Opportunity Ordinance. These recommendations will help the city increase affordable housing options for residents and help the city meet equitable housing production goals.

Sincerely,

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Santa Ana City Clerk
20 Civic Center Plaza
Santa Ana, CA 92701
Also sent via email to dgomez@santa-ana.org

Santa Ana City Attorney
20 Civic Center Plaza
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Also sent via email to scarvalho@santa-ana.org

**Regarding: Agenda Item 10 – HOO
 Agenda Item 30 – GPA
 Participation by Councilwoman Thai Phan**

To Whom it May Concern,

This letter incorporates the previously submitted letters by reference as if fully set forth within.

In February on this year, Councilwoman Thai Phan FINALLY recused herself from participating in the discussion on the HOO evidencing a conflict of interest, however, she did so by yet again participating and shaping the discussion of the procedures.

The problem with that action is that the City Attorney's direction to the Council regarding the second reading was incorrect. When Councilwoman Phan recused herself due to the financial conflict of interest, her vote on the first reading and additions to the HOO must be rescinded OR if the Council wishes to revisit the HOO, the hearings must begin completely anew.

This City Council has never fully revisited the clear conflicts of interest at the Planning Commission in connection with the creation of the HOO recommendation. THEN, this Council ignored the fact that Councilwoman Phan, with a financial conflict of interest, inserted completely new requirements into the HOO for union labor which had never been discussed previously in prior HOO discussions.

Councilwoman Phan claims to be a "yimby" but in fact is so beholden to the Building Trade Unions that she does not in any way care about creating affordable housing in the City, but rather, paying back her union benefactors to try to ensure her future re-election. Councilwoman Phan is a series of dangerous financial conflicts of interests wrapped up in a trained municipal lawyer who flaunts the law for her personal benefit.

Councilwoman Phan's additions of the requirement of union labor in the HOO is an egregious violation of the process that went into creating the HOO (such an addition should have properly gone back to the Planning Commission for re-hearing with the new substantial changes) AND is in no way germane to the opportunity to construct affordable housing. It is a blatant handout to those who give her political protection at the expense of all of the hard-working families of Santa Ana who just want a place to live and don't care about Phan paying back her political benefactors. Fortunately, the law requiring a nexus between development and exactions is very clear (which any mediocre land use attorney would know)

and Phan's insertion of these requirements cannot and will not withstand the scrutiny of a Court of Law, even if she is able to hoodwink her colleagues.

We call on the other members of the Santa Ana City Council and especially the Mayor, himself an attorney, to not laden the HOO with unnecessary costs as a giveaway to unions and to apply the wise judgement that Phan so clearly lacks. Send the HOO back to the Planning Commission for a proper hearing on Phan's substantial additions, conduct a proper study of what these additions will do to the production of affordable housing, and ask an attorney (a properly trained one) whether it is legal to mandate union labor as part of an affordable housing ordinance (it is not).

We have referred this matter to an attorney and reserve the right to challenge these decisions of the Council.

Sincerely,



Alex Lee

On behalf of numerous concerned Santa Ana residents

alexlee1212@protonmail.com