

39. Local Resident Preference in Affordable Housing Ordinance

Department(s):

Recommended Action: Approve first reading of the Local Resident Preference in Affordable Housing Ordinance to comply with the State of California Local Tenant Preferences to Prevent Displacement Act and codify the City's existing local resident preference policy.

ORDINANCE NO. NS-XXXX entitled AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA ANA CREATING A NEW ARTICLE XXI IN CHAPTER 8 OF THE MUNICIPAL CODE TO CODIFY THE CITY'S LOCAL RESIDENT PREFERENCE IN AFFORDABLE HOUSING (includes determination that the ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment and 15060(c)(3) because the activity is not a project as defined in Section 15378 of the CEQA Guidelines)



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
June 4, 2024

TOPIC: Local Resident Preference in Affordable Housing Ordinance

AGENDA TITLE

Local Resident Preference in Affordable Housing Ordinance

RECOMMENDED ACTION

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GOVERNMENT CODE §84308 APPLIES: No

DISCUSSION

On March 20, 2018, the City Council adopted the Affordable Housing Funds Policies and Procedures, which included a new local resident preference policy. The local resident preference policy prioritizes Santa Ana residents who live or work in the city for affordable housing projects by giving them a preference when they apply for a project. Since the adoption of this policy, staff has implemented the City's local resident preference in all affordable housing projects funded or entitled in the city. The City's local preference policy has been effective to provide priority access to limited affordable housing opportunities for Santa Ana residents.

For example, the Legacy Square project opened their waiting list in February 2023 and received a total of 4,668 applications for only 93 affordable housing units. However, the City's local resident preference allowed 1,451 applicants who live or work in Santa Ana to be prioritized at the top of the waiting list by giving them a preference. This means

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Santa Ana local residents were selected first off of the waiting list. These three other projects had similar numbers of applicants with a local resident preference:

Project Name (# of Affordable Housing Units)	Waiting List Opening Month	Total # of Applications	Applicants with a Local Resident Preference
Crossroads at Washington (86 units)	December 2023	2,034	1,167
Rafferty (11 units)	January 2024	3,141	2,472
Archways (85 units)	February 2024	5,889	3,991

Since March 20, 2018, the City's new local resident preference policy has had a positive impact to ensure that the limited affordable housing units developed in the city are prioritized for our residents who live or work in Santa Ana.

After the adoption of the City's local resident preference policy, on January 1, 2023, the State of California adopted the Local Tenant Preferences to Prevent Displacement Act (the "Act"). The Act requires any local government adopting a local resident preference policy to create a webpage on its internet website containing their ordinance and its supporting materials, and to annually submit a link to its local resident preference webpage to the State of California Department of Housing and Community Development (HCD). Finally, the Act requires local governments adopting a local resident preference policy to submit the ordinance to HCD within 30 days of it becoming operational.

As a result, staff is recommending approval of the Local Resident Preference in Affordable Housing Ordinance to facilitate compliance with the State of California Local Tenant Preferences to Prevent Displacement Act and codify the City's existing local resident preference policy.

FISCAL IMPACT

There is no fiscal impact associated with this item.

EXHIBIT

1. Local Resident Preference in Affordable Housing Ordinance

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Alvaro Nuñez, Acting City Manager

ORDINANCE NO. NS-XXXX**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA ANA CREATING A NEW ARTICLE XXI IN CHAPTER 8 OF THE SANTA ANA MUNICIPAL CODE TO CODIFY THE CITY'S LOCAL RESIDENT PREFERENCE IN AFFORDABLE HOUSING**

WHEREAS, the City of Santa Ana, California ("City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, the Housing Authority of the City of Santa Ana, California ("Housing Authority") is a public body, corporate and politic; and

WHEREAS, Section VII of Article XI of the California Constitution provides that a city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws; and

WHEREAS, on June 20, 2017, the City Council directed staff to develop a policy to allocate affordable housing development funds and criteria for selection of projects; and

WHEREAS, on March 20, 2018, the City and the Housing Authority adopted the City's Affordable Housing Funds Policies and Procedures, which were developed to guide how affordable housing funds and land assets available to the City are allocated, committed, loaned and monitored for multi-family affordable housing development in the City; and

WHEREAS, the Affordable Housing Funds Policies and Procedures detailed the City's local preference for Santa Ana residents and workers in tenant selection shall be a requirement of the programs implemented through the City's Affordable Housing Funds Policies and Procedures, among other programs if permitted ("Local Preference"); and

WHEREAS, on August 18, 2020, the City and the Housing Authority adopted an Amended Affordable Housing Funds Policies and Procedures; and

WHEREAS, since the adoption of the Affordable Housing Funds Policies and Procedures and subsequent Amendment, the City and the Housing Authority of the City of Santa Ana has continued to fulfill their duty to affirmatively further fair housing by taking meaningful actions to combat discrimination, overcome patterns of discrimination, and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics, by among other things: 1) implementing the City's Rent Stabilization and Just Cause Eviction Ordinance to prevent displacement and eviction in existing housing; 2) enforcing the City's inclusionary housing ordinance, known as the Affordable Housing Opportunity & Creation Ordinance, for new development; 3) holding an annual mandatory training for all staff in the City's Housing Division and Housing Authority; 4) providing annual small apartment managers' workshop to train and educate property owners, HOAs, property managers, and tenants about best practices in property management, neighborhood safety, and landlord/tenant responsibilities; 5) providing CDBG funding to the Fair Housing Council of Orange County to provide legal clinics for tenants on

tenants' rights and recourse for intimidation and unjust evictions; 6) providing housing assistance payments to eligible households who are participating in the Housing Choice Voucher Program; 7) providing down payment assistance; 8) providing funding for a single-family rehabilitation program; and 9) providing various sources of funding to develop affordable housing; and.

WHEREAS, on January 1, 2023, the Local Tenant Preferences to Prevent Displacement Act, California Government Code Sections 7061, *et seq.* became effective, and states "Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community"; and

WHEREAS, the Local Tenant Preferences to Prevent Displacement Act, requires any local government adopting a local tenant preference policy to create a webpage on its internet website containing the ordinance and its supporting materials, and to annually submit a link to its tenant preference webpage to the Department of Housing and Community Development; and

WHEREAS, the City and the Housing Authority, in light of subsequent enactment of State law, desire to satisfy Federal funding requirements for development of affordable housing in accordance with the already adopted Local Preference provisions in the Affordable Housing Funds Policies and Procedures as Amended, and implement City policies and procedures in accordance with the Local Tenant Preferences to Prevent Displacement Act and the City's duty to affirmatively further fair housing under state law;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA ANA DOES ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The recitals above are true, correct and each incorporated herein by reference and adopted as findings by the Santa Ana City Council ("City Council").

SECTION 2. Addition. Chapter 8, Article XXII (Section 8-3500), of the Santa Ana Municipal Code shall read as follows:

ARTICLE XXII – LOCAL RESIDENT PREFERENCE IN AFFORDABLE HOUSING

Sec. 8-3500. – Local Preference.

(a) The City may, through its Affordable Housing Funds Policies and Procedures, as amended from time to time, or by Resolution, or by other subsequently approved policies and procedures by City Council, adopt a Local Preference policy for Santa Ana residents and workers in tenant or homebuyer selection as a requirement of the City's local housing programs, and other State or Federal programs implemented by the City.

(b) The Local Preference shall comply with Federal and State law, and implementing regulations or other program funding requirements. Pursuant to California Government Code Section 7061, the Local Preference shall be subject to the duty of public agencies to affirmatively further fair housing pursuant to Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2, the California Fair Employment and Housing Act (Part 2.8 (commencing with Section

12900) of Division 3 of Title 2), the Unruh Civil Rights Act (Section 51 of the Civil Code), the federal Fair Housing Act (42 U.S.C. Sec. 3601 et seq.), and any implementing regulations thereunder.

(c) Subject to the requirements of this section, the Affordable Housing Funds Policies and Procedures may specify the criteria, qualifications and other requirements of the Local Preference.

“Local” may be defined narrowly or broadly for any specific affordable housing project to include but not be limited to a specific zip code or City Council ward map in the City; and “Resident” may be defined narrowly or broadly to include people who are employed in the City of Santa Ana for a specific number of hours.

(d) The Local Preference policy in effect through the City’s Affordable Housing Funds Policies and Procedures, as they existed at the time of this enactment, shall continue until amended or superseded by an act of City Council or by the terms of the policies and procedures itself.

SECTION 3. California Environmental Quality Act. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment and 15060(c)(3) because the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly and so is not a project.

SECTION 4. Severability. Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance and, to that end, the provisions hereof are severable.

SECTION 5. Effective Date. This Ordinance shall become effective thirty (30) days following its adoption.

SECTION 6. Publication. The City Clerk shall attest to the passage and adoption of this Ordinance, causing it to be published as required by law, and it shall become effective thirty (30) days after its adoption.

ADOPTED this _____ day of _____, 2024.

Valerie Amezcua
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho
City Attorney

By: Andrea Garcia-Miller
Andrea Garcia-Miller
Assistant City Attorney

AYES: Councilmembers _____
NOES: Councilmembers _____
ABSTAIN: Councilmembers _____
NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, JENNIFER HALL, City Clerk, do hereby attest to and certify that the attached Ordinance No. NS-XXXX to be the original ordinance adopted by the City Council of the City of Santa Ana on _____, 2024 and that said ordinance was published in accordance with the Charter of the City of Santa Ana.

Dated: _____

City Clerk
City of Santa Ana

Araiza, Fatima

From: Nathaniel Greensides - [REDACTED]
Sent: Wednesday, May 29, 2024 12:56 PM
To: eComment
Subject: City Council Meeting June 4 2024 - Item 39

Attention: This email originated from outside of City of Santa Ana. Use caution when opening attachments or links.

Dear City Council,

I write in support of the ordinance and I am glad to see that the local policy thus far has served to benefit those who live or work in our City. One large caveat I wish to point out, however, is that many long-term and low-income residents in our City are ineligible for affordable housing programs because of their legal immigration status (undocumented, ineligible immigration class/status, or otherwise).

Sincerely,

Nate Greensides
Ward 5 resident