

Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.



AGENDA
OXNARD CITY COUNCIL
HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
Council Chambers, 305 West Third Street
September 10, 2019
Regular Meeting - 4:30 to 5:45 PM

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of fifteen minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker cards will not be accepted after the beginning of the general public comment period. Based on the number of speaker cards submitted, the presiding officer may impose time limits per speaker. Typically, speakers are limited to two minutes, but shorter time may be established as deemed necessary. A person not able to address the legislative body at this time because the fifteen minutes expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager for administrative action or scheduled on a subsequent agenda for discussion.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Housing and Economic Development Committee approve the minutes of the June 25, 2019 and July 9, 2019 regular meetings as presented.

Contact: Michelle Ascencion, (805) 385-7805

D. REPORTS

1. Community Development Department

SUBJECT: Comment Letter to the Southern California Association of Governments (SCAG), Regarding Proposed 2021-2029 Regional Housing Needs Assessment (RHNA) Allocation Methodologies. (15/10/15)

RECOMMENDATION: That the Housing and Economic Development Committee:

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item time estimates: (Staff Presentation / Committee Discussion / Public Comment)

1. Receive a report summarizing three SCAG-developed methodologies to determine upcoming housing allocations;
2. Deliberate and provide direction to City staff on issues and concerns pertaining to the methodology; and
3. Authorize the Mayor to submit the attached comment letter, as updated based upon comments received at the Committee meeting.

Contact: Jeffrey Lambert, (805) 385-7882

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

DRAFT
MINUTES
OXNARD CITY COUNCIL
HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
Regular Meeting
June 25, 2019

A. ROLL CALL / POSTING OF AGENDA

At 4:33 p.m., Chair Madrigal called to order the regular meeting of the Oxnard City Council Housing and Economic Development Committee in the City Hall Council Chambers, 305 W. Third Street, Oxnard, California. The Assistant City Clerk called the roll and announced the posting of the agenda. Members Tim Flynn, Vianey Lopez, and Chair Oscar Madrigal were present.

Staff members present were Ashley Golden, Assistant City Manager; Kenneth Rozell, Assistant City Attorney; Jeffrey Lambert, Community Development Director; Roger Brooks, Code Compliance Manager; Emilio Ramirez, Housing Director; and Elizabeth Rubalcava, Assistant City Clerk.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA (None received.)

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Housing and Economic Development Committee approve the minutes of the May 14, 2019 regular meeting as presented.

It was moved by Member Lopez, seconded by Member Flynn, to approve the minutes as presented.
VOTE: Flynn, Lopez, and Madrigal voted in favor; the motion carried 3-0.

D. REPORTS

Community Development Department

1. SUBJECT: Safe Homes, Safe Families Repeat Offender Program Report.

RECOMMENDATION: That the Housing and Economic Development Committee receive a verbal report on the Safe Homes, Safe Families repeat offender program.

The Community Development Director introduced the Code Compliance Manager who gave a report. Discussion ensued among the Committee and staff. No action was required.

2. SUBJECT: Presentation of Economic Development Strategy.

RECOMMENDATION: That the Housing and Economic Development Committee receive a staff presentation outlining the City's current Economic Development Assets and provide guidance for the development of an Economic Development Strategy for future consideration by the Committee.

The Community Development Director gave a report. Public comments were received from Andrew Palomares, Nancy Lindholm, Barbara Macri-Ortiz, and Abel Magana. Discussion ensued among the Committee and staff. The Committee provided direction to staff; no formal action was required.

E. ITEMS FOR FUTURE AGENDAS

Member Flynn requested a timetable for economic development strategy planning efforts. Chair Madrigal requested an update on the Camino Del Sol apartments recently damaged by fire, and quarterly updates on development progress in Downtown Oxnard. Brief discussion ensued among the Committee and staff.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Madrigal adjourned the meeting at 5:41 p.m.

MICHELLE ASCENCION, CMC
City Clerk

OSCAR MADRIGAL
Chair

DRAFT
MINUTES
OXNARD CITY COUNCIL
HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
Regular Meeting
July 9, 2019

A. ROLL CALL / POSTING OF AGENDA

At 4:31 p.m., Chair Madrigal called to order the regular meeting of the Oxnard City Council Housing and Economic Development Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Members Tim Flynn, Vianey Lopez, and Chair Oscar Madrigal were present.

Staff members present were Ashley Golden, Assistant City Manager; Kenneth Rozell, Assistant City Attorney; Paul McClaren, Associate Planner; Jeffrey Lambert, Community Development Director; Elizabeth Rubalcava, Assistant City Clerk; and Michelle Ascencion, City Clerk.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Kathy Guerrero (recent earthquake, tsunami risk).

C. REPORTS

Community Development Department

1. SUBJECT: Short Term Rental Ordinance – Article XI of Chapter 16 and Section 17-53 of Chapter 17.
RECOMMENDATION: That the Housing and Economic Development Committee receive a summary report on the draft Short Term Rentals (STRs) ordinance and provide input on the content of the ordinance.

The Assistant City Manager and Associate Planner gave reports. Public comments were received from Walter Hagedohm, Karen Zethreus, Gary Zethreus, Neal Berger, Bill Weilbacher, Ted Kuepper, Karen Brooks, Charles Boyd, Mark Ostrove, Robert Murphy, Deirdre Frank, Nancy Lindholm, Tom McNally, Virginia Weilbacher, Peggy Rivera, Julie Pena, Warner Keller, Audrey Keller, Barbara Macri-Ortiz, A.C. Moore, Tony Rondinello, Diane Delaney, Robert Dushane, Karen Willis, and Jon Milchail. Discussion ensued among the Committee and staff. The Committee provided direction on the five percent cap, the 180-day annual limit, and the homestays limit. No formal action was required.

D. ITEMS FOR FUTURE AGENDAS (No requests were made.)

E. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Madrigal adjourned the meeting at 6:08 p.m.

MICHELLE ASCENCION, CMC
City Clerk

OSCAR MADRIGAL
Chair

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HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE AGENDA REPORT

REPORTS AGENDA ITEM NO. D.1.

DATE: September 10, 2019

TO: Housing and Economic Development Committee

FROM: Jeffrey Lambert, Community Development Director, (805) 385-7882,
jeffrey.lambert@oxnard.org

SUBJECT: Comment Letter to the Southern California Association of Governments (SCAG), Regarding
Proposed 2021-2029 Regional Housing Needs Assessment (RHNA) Allocation Methodologies.
(15/10/15)

RECOMMENDATION

That the Housing and Economic Development Committee:

1. Receive a report summarizing three SCAG-developed methodologies to determine upcoming housing allocations;
2. Deliberate and provide direction to City staff on issues and concerns pertaining to the methodology; and
3. Authorize the Mayor to submit the attached comment letter, as updated based upon comments received at the Committee meeting.

BACKGROUND

Since 1969, California has required that all cities and counties adopt a housing element as part of their General Plan guided by the eight-year Cycle Regional Housing Needs Assessment (RHNA) process. For Oxnard and Ventura County, the current RHNA "5th Cycle" period is 2013 to 2021. The Southern California Association of Governments (SCAG) began the "6th Housing Element Cycle" ("6th Cycle") covering the planning period of October 2021 through October 2029 in 2018 by requesting its 192 cities and six counties to update and correct population, employment, and housing projections and a range of geographic databases (General Plan, zoning, 2016 land use, infill sites "local input"). In mid-2018, City staff completed and submitted the City's local input work to SCAG. Staff also completed the RHNA Local Planning Factor Survey in early 2019 that included two factors unique to Ventura County: 1) agreements between a county and cities to direct growth to incorporated areas of the county ("Greenbelt Agreements"); and 2) county policies to preserve agricultural land. While a formal letter transmitting the City's input on the Local Planning Factors was not required, the County Board of Supervisors sent a letter to SCAG on July 23rd emphasizing same factors (Attachment A).

SCAG created three RHNA methodologies in the process of developing the 6th Cycle covering the planning period of October 2021 through October 2029. The methodology will determine how the final housing allocation will be distributed to local jurisdictions. The three distribution methodologies for the region's HCD allocation were conceptually discussed at the SCAG meeting on June 3, 2019. These methodologies were then refined and presented at SCAG's July 22, 2019 meeting. On August 2, 2019, SCAG advised that public comment on the final methodology was due by September 3, 2019. On August 14, 2019 SCAG notified cities that the comment deadline had been extended to September 13, 2019.

The California Department of Housing and Community Development (HCD) provided their Regional Housing Need determination for the SCAG region. HCD provided a total of 1,344,740 housing units that the six-county region must plan for in the October 2021 - October 2029 planning period. SCAG has 30 days following receipt of the HCD Regional Housing Need determination to either accept the number or file an objection, along with a basis consistent with state housing law.

SCAG Regional Council will select and/or revise a methodology, based on public comment, and forward it to the Department of Housing and Community Development (HCD). A final proposed methodology recommendation will go before the SCAG Regional Council for approval at its November 7 meeting. When approved, SCAG will use the approved methodology to calculate RHNA jurisdiction allocations by February, 2020. After an appeal period, the RHNA allocations will become final in August 2020 and the 2021-2029 Housing Elements are due one year later, by October 2021.

Once the housing element is certified, each jurisdiction is required to submit an Annual Progress Report (APR) on the progress in implementing their respective housing element goals, policies, and programs (Government Code Section 65400(2)). The APR tracks housing development by four income categories: very low (50% of Area Median Income - AMI), low (50-80% of AMI), moderate (80-120% of AMI), and above moderate (120%+ of AMI). The APR must be submitted to HCD and the Governor's Office of Planning and Research (OPR) by April 1 of each year covering the previous calendar year.

In 2017, the Governor's housing bill package created robust financial incentives along with punitive measures for cities that fail to construct or report on compliance in building affordable housing. If HCD finds that a jurisdiction does not comply with housing law by adopting a HCD-certified housing element, HCD may notify the Attorney General (AG) that the jurisdiction is in violation under Government Code § 65585(j). Jurisdictions that are not in compliance may not receive revenues from the SB 1 gas tax or the state's discretionary housing and transit funding and may be required to complete housing elements on a four-year Cycle rather than eight-year Cycle. In January 2019, the AG sued the City of Huntington Beach claiming the city became out of compliance when it approved two rezonings that together created a 400-affordable unit shortfall. How this lawsuit is resolved could foretell changes for affordable housing production in other California cities.

DISCUSSION

The RHNA utilizes counts of population, households (occupied housing units), vacant units, and total housing units (occupied plus vacant units). The RHNA process begins at the state level with population projections (compiled by the Department of Finance - DOF), which are then configured into households by the four income categories at the county level (by the HCD). SCAG requested Local Input from its 192 jurisdictions in terms of population, housing units, households projections.

As part of the Local Input process all Ventura County cities provided population and housing projections to SCAG through the year 2020, 2025, 2030, 2035, and 2045. Population and housing projections were used to assist SCAG in developing two of the RHNA methodology options (Options 1 and 3, further discussed below). Option 2 is largely based on each jurisdictions' share of the region's total 2019 population; it is not based on population and housing projections.

Table 1, below identifies the 5th Cycle Housing Unit Allocation by jurisdiction. In the 5th Cycle, while the City represented only approximately 25% of the total Ventura County population the City received approximately 38% of the SCAG distributed housing units (all income categories). As shown in Table 1, Options in the 6th Cycle consider population and households; so through the addition of housing units in the 5th Cycle the City continues to have a higher RHNA allocation in the 6th Cycle.

Table 1

Jurisdictions	5th RHNA Housing Unit Allocation - housing units	5th Cycle Percentage of County Allocation	2019 Population (DOF)	2030 Population Projections (Local Governments)	2021-2029 Local Input (Households) (SCAG)*
Camarillo	2,224	12%	69,880	74,388	641
Fillmore	694	4%	15,925	17,193	351
Moorpark	1,164	6%	37,020	41,079	652
Ojai	371	2%	7,769	7,766	34
Oxnard	7,301	38%	209,879	225,720	3,120
Port Hueneme	2	0%	23,526	22,336	86
Ventura	3,654	19%	108,170	115,853	1,552
Santa Paula	1,285	7%	30,779	33,295	499
Simi Valley	1,256	7%	127,716	131,395	1,304
Thousand Oaks	192	1%	129,557	136,244	1,510
Unincorporated	1,015	5%	96,377	100,240	558
TOTAL County	19,158		856,598	905,509	10,307
Oxnard % of County population	38.11%		24.5%	24.9%	30.3%

*Oxnard staff Local input was 3,120 units. However, through inclusion of vacant units the City's total projected need was 3,218 units pursuant to the SCAG data from Aug. 22nd.

The City's 2018 annual report submitted to HCD documented that the City constructed 5,244 of its total 7,301 housing units and with planned programs, AAHOP inventory, and ADU construction, the City is closely on target to meet 5th Cycle RHNA goals (July 2, 2019 - City Council 2013-2021 Mid-Cycle Housing Element 2018 Annual Progress Report).

Table F-1 Comparison of Site Capacity and the Regional Housing Need Allocation (2018)

	A	B	C	D = B+C	E	F	G	H=E-F-G
Income Group	RHNA	Units Built 2014-2018	U/C or Approved Projects	Total Progress	Remaining RHNA	AAHOP Inventory Capacity/ Vacant Land	Projected ADU Capacity Thru 2021	Surplus over Remaining RHNA Need
	Table D-1	Table D-2	Table D-3		Table D-4	Table S2-1 and Table S2-2		
Extremely Low	1,688	131	40	171	1,517	1,773	150	148
Very Low								
Low	1,160	671	231	902	258	250**	--	124
Moderate	1,351	375	850	1,225	126			
Above Moderate	3,102	408	2076	2,946	156	500**	--	344
Above Moderate DOF*		462						
	7,301	2,047	3,197	5,244	2,057	1,773	150	616

*DOF Reports E-5 2013 to 2018 calculate to 462 additional units, assumed to be above moderate.

** Downtown Code project anticipates 1,100 units. Lower income units listed in AAHOP inventory.

THREE RHNA METHODOLOGY OPTIONS

On July 22, 2019, SCAG staff released conceptual descriptions of three RHNA methodologies to calculate a jurisdictions upcoming RHNA allocation (see Attachment B). The three options are described below.

Option 1 - Allocates total housing units based on current (or “existing”) and projected (or future) need. This is the only option that considers current or “existing” need in the RHNA process. Regional existing need is comprised of estimated housing units which would be needed to reduce overcrowding, reduce cost-burden, replace housing units lost due to fire and demolition, and reduce vacancy rates. This current or “existing” need is allocated to a jurisdiction. Option 1 considers these factors:

1. Future need based upon Local Input through year 2030, then adjusted to the year 2029.
2. Share of the region's population (70% of the total existing need to be distributed to the entire SCAG region to all jurisdictions based upon 2019 population).
3. Share of the region's population in high-quality transit areas (HQTAs, 20% of the existing need allocated to HQTA's).
4. Recent new housing units permitted relative to the regional average (10% of the total SCAG allocation).
5. Applies a 110% social equity adjustment for existing need and a 150% social equity adjustment for future need.

Option 1 results in Oxnard having a higher RHNA allocation, relative to other cities, as we have relatively more overcrowding and cost-burdened households which are components of current or “existing” need. However, the 150% social equity adjustment for future need lowers our housing allocation as we have constructed a large number of affordable housing units. For an affluent community, Option 1 takes a jurisdictions allocation, and distributes “more” of the housing units to very low and low income categories to address that this jurisdiction may not have constructed these affordable units. This adds fairness to the allocation process.

Option 2 - Local Input is not a component of Option 2. This option allocates the combined current or “existing” and future housing needs based upon:

1. The jurisdiction's share of the region's total population (80% of the total SCAG regional need, allocated based upon the jurisdictions share of the 2019 population)
2. The share of the region's population in HQTA's (remaining 20% allocated to HQTA's).
3. Social equity adjustment of 150% for projected or future need.

This approach takes a straight line approach based 80% on population share and 20% on access to transit (Metrolink stations). It does not take into account what affordable units have been built by a jurisdiction. This approach does not consider social equity or Local Input. Essentially, future growth is based off of 2019 population - the larger your population, the larger your RHNA allocation. Because this option considers no local input factors or unique land planning constraints in Ventura County, the City is not supportive of this approach. Further, since the City accepted a larger housing unit number in the 5th Cycle, this will result in a continued higher RHNA housing allocation in the 6th Cycle.

Option 3 - Allocates share of regional population growth with consideration to Local Input. This is a “bottom-up” process that relied upon City household projections for years 2020, 2030, 2035, and 2045 and submitted to SCAG. Option 3 uses 82.5% of projected local input growth from 2020-2030. In doing this, it helped determine the 6th Cycle RHNA allocation (2021-2029) housing need based on Oxnard’s projected household growth. Key components of Option 3 include:

1. Like Option 2, provides for a social equity adjustment of 150% of a City’s total RHNA allocation.
2. Considers Local Input and future need projections.
3. Does not consider HQTAs, recent building activity, or separates out existing need from future need. Essentially the allocation is “rolled up” into one RHNA number.

While this option relies on Local Input, meaning Oxnard's General Plan buildout and envisioned growth projections through 2045, this process essentially compresses our planned and projected housing unit growth to the year 2045 (25 years) to an eight year housing element cycle (2021 - 2029). This option will result in an overall lower RHNA number as it does not consider over crowding as a component of existing need. Further, this option recognizes that the City has constructed affordable housing, and therefore, allocates more of the City’s RHNA allocation to the moderate and above moderate income categories.

As part of the 6th Cycle RHNA process, on August 2, 2019, SCAG released an excel table with only one input variable - “estimate of total regional need” for the SCAG region. For the 6th RHNA Cycle, State legislation requires that existing housing need (defined as overcrowding, low rental vacancy rates, and excessive cost-burden) be added to future need.

On August 22, 2019, HCD issued a SCAG allocation number of 1,344,740 units for the entire SCAG region. For reference, the 5th Cycle SCAG regional RHNA was 430,000 units. The 1,344,740 units allocated to the SCAG region will then be allocated to the six counties in the SCAG region, and further allocated down to the 192 cities. The next step will be for the RHNA Subcommittee (for which Mayor Pro Tem is a voting member) to recommend a RHNA methodology to the SCAG Regional Council. This methodology recommendation will occur on November 7th and then forwarded to HCD. For all cities including Ventura County, the total allocation depends upon the Option selected. Ventura County’s 6th Cycle RHNA number ranges from 42,751 (Option 1), to 49,055 (Option 2), to 31,499 (Option 3).

Utilizing the 1,344,740 unit SCAG allocation, Table 2 shows the RHNA allocations for each methodology (Options 1 to 3) for Ventura County’s 10 cities and the unincorporated areas. The current 5th Cycle (2013-2021) RHNA allocation and SCAG-derived Local Input (added households between 2021 and 2029 only) is provided for reference.

Table 2*

Jurisdiction	5TH RHNA 2013-2021 Housing Unit Allocation	2021-2029 Local Input (Households) (SCAG)	OPTION 1 Total Housing Units	OPTION 2 Total Housing Units	OPTION 3 Total Housing Units
Camarillo	2,224	641	2,893	4,066	1,660
Fillmore	694	351	874	894	997
Moorpark	1,164	652	1,930	2,254	1,155
Ojai	371	34	366	436	87
Oxnard	7,301	3,120	10,353	12,111	9,412
Port Hueneme	2	86	1,114	1,321	121
Ventura	3,654	1,552	5,227	6,265	5,899
Santa Paula	1,285	499	1,762	1,729	1,497
Simi Valley	1,256	1,304	6,538	7,290	3,581
Thousand Oaks	192	1,510	7,012	7,276	5,940
Unincorporated	1,015	558	4,682	5,413	1,150
TOTAL County	19,158	10,307	42,751	49,055	31,499
Oxnard % of	38.11%	30.3%	24.2%	24.7%	29.9%

County					
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**IMPORTANT DISCLAIMER: This Estimate Tool is for illustrative purposes to evaluate the three methodology options and should not be interpreted as the RHNA allocation for any local jurisdiction. SCAG has not finalized its allocation methodology.*

Table 2 shows that Option 2 results in the largest RHNA allocation or 49,055 units countywide. Under each option, Oxnard’s RHNA allocation is much higher than the current (5th) RHNA allocation of 7,301 units. Based upon the SCAG allocation released on August 22nd, under Option 3, even though this yields the lowest housing unit allocation to Oxnard (or 9,412 units), the City would be allocated close to 30 percent of the County’s total RHNA (or 31,499) despite the fact that Oxnard represents approximately 25% of the total population of the County.

Attachment D provides a breakdown of each jurisdictions population in 2013 and 2019 and how their percentage of population relates to their percentage of the RHNA housing allocation for the 5th and 6th cycles. It is important to note that in the 5th Cycle, while the City represented only approximately 25% of the total Ventura County population the City received approximately 38% of the SCAG distributed housing units (all income categories). Options in the 6th Cycle consider population and households; so through the addition of housing units in the 5th Cycle the City continues to have a higher RHNA allocation in the 6th Cycle.

RECOMMENDATIONS

Staff recommends Option 3, with modifications. This recommendation is largely because this option includes Local Input, and a social equity adjustment of 150%, and does not include current or “existing” need. Staff recommends that the Housing and Economic Development Committee (HEDC) deliberate and provide input and authorize the Mayor to transmit the attached comment letter (Attachment C), with any necessary modifications the HEDC may have at the subject meeting, to SCAG by the public comment due date of September 13, 2019.

For Oxnard, the equity adjustment reduces the City’s very low and low income allocation because the City already has a higher-than-county average of lower income households and has been constructing these units.

Staff recommends that Option 3 be modified to more closely reflect Oxnard’s percentage of total County population. Oxnard is approximately 25% of the County based upon 2030 total Ventura County Local Input data (per SCAG), yet under Option 3, the total City 6th Cycle RHNA allocation represents approximately 29.9% of the total County RHNA allocation.

In addition, staff recommends that Option 3, or any subsequent methodology options, take into account Oxnard’s efforts to build affordable housing relative to the overall County affordable housing obligation. During this 5th RHNA Cycle, Oxnard issued over 70 percent of the lower income affordable housing building permits; the City should be acknowledged for being a leader in constructing affordable housing and there should be an adjustment to Option 3 methodology to take this into consideration.

Considering that the City represents approximately 25% of the population in the County, it is recommended that the City’s RHNA allocation for Option 3 be 7,875 units (vs. 9,412 units). 7,878 units represents 25% of the total Option 3 allocation to Ventura County or 31,499 units. Further, it is recommended that the allocation match the affordability distribution recommended by SCAG in their Aug. 22nd excel spreadsheet for Oxnard to account for social equity factors and the City’s history of constructing affordable housing. Based on the current Option 3 methodology, and an adjustment for Oxnard’s percentage of the county population, the City’s 6th Cycle RHNA allocation would be:

RECOMMENDED 6th RHNA Cycle*	
Very low income units	1,653 units
Low income units	1,103 units
Moderate income units	1,418 units
Above moderate income units	3,701 units

**This number represents 25% of the total Option 3 allocation to Ventura County or 31,499 units and with the assumption the SCAG region continues to receive the 1,344,740 unit allocation.*

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase

the promising future of Oxnard. This item supports the following goals and objectives:

Goal 2. Address homelessness through the development and implementation of a multi-tiered strategy.

Objective 2a. Identify the City's homelessness mission and create a 5-year plan to address homelessness.

This agenda item supports the Economic Development strategy. The purpose of the Economic Development strategy is to develop and enhance Oxnard's business climate, promote the City's fiscal health, and support economic growth in a manner consistent with the City's unique character. This item supports the following goals and objectives:

Goal 1. Create vibrant and economically sustainable commercial, industrial and retail industries throughout the City.

Objective 1a. Focus available resources on a comprehensive effort to promote economic activity in Oxnard, including a marketing program that communicates the City's available resources and assets.

Goal 5. Revitalize Oxnard's downtown and pursue economic development opportunities.

Objective 5a. Develop a vision and plan (with timelines) for downtown revitalization to create a vibrant center for our community, emphasizing cultural arts, diversity and historic assets.

FINANCIAL IMPACT

Preparation and submission of the APR is required by State law. The State does not directly compensate the City for staff and consultant costs. Timely filing of the APR continues to qualify the City for a range of State grants and programs for which compliance with housing element law is a requirement.

Prepared by: Kathleen Mallory, Planning & Sustainability Manager, and Chris Williamson, Contract Planner

ATTACHMENTS

1. Attachment A - County Board of Supervisors July 2019 Comment Letter
2. Attachment B - Option Comparison
3. Attachment C - Comments on the Proposed 6th Cycle RHNA Methodology Letter from City of Oxnard
4. Attachment D- Summary Sheet RHNA Allocations and Populations for Jurisdictions of Ventura County
5. RHNA PPT HEDC 09.10.19

July 23, 2019

Mr. Kome Ajise
Executive Director
Southern California Association of Governments (SCAG)
818 West 7th Street, 12th Floor
Los Angeles, CA 90017

Subject: SCAG Region 6th Cycle Regional Housing Needs Assessment (RHNA)

Dear Mr. Ajise:

I'm writing on behalf of the Ventura County Board of Supervisors to share with you that housing production and affordability remains a critical priority for our County. As such, our Board continues to actively pursue methods for promoting and funding housing, consistent with our certified Housing Element. However, the other reality is that much of the unincorporated area of Ventura County is agrarian and protected for the purposes of farming and growing crops. These local constraints were described in detail in the Local Planning Factors Survey submitted to your office on April 30, 2019.

Pursuant to California Government Code section 65584.04, fourteen local planning factors were included in the survey covering a range of planning opportunities and constraints. It's our understanding that SCAG is required to review and consider each of these factors in the development of a proposed RHNA methodology that will ultimately determine each jurisdiction's RHNA allocation. For this reason, our Board wanted to highlight two local planning factors that remain very relevant to Ventura County and long-established land-use policies to preserve agricultural land.

Consistent with the local planning factor cited in California Government Code section 65584.04 (e)(4), the County and the cities in Ventura County have protected open space and agricultural resources through adoption of policies contained in a document called the Guidelines for Orderly Development (Guidelines). These Guidelines have been in place for the past 50 years and consist of policies that direct growth toward the incorporated areas and discourage urban development within agricultural and open space areas of the unincorporated County. Under the Guidelines for Orderly Development, proposed urban development within the spheres of influence of a city would be required to annex to the adjacent city to receive municipal services, rather than forming new, or expanding existing County service areas.

Letter to Mr. Ajise
Southern California Association of Governments
July 23, 2019
Page 2 of 2

Consistency with these Guidelines has been incorporated into the County's General Plan. In concert with other measures intended to prevent urban sprawl and maintain the economic vitality of the County's agricultural industry, these Guidelines have resulted in the successful preservation of agricultural land, including farmland designated as prime, of statewide importance, and locally important by the California Department of Conservation's Farmland Mapping and Monitoring Program. Indeed, farmland in the Oxnard Plain has some of the deepest and richest topsoil in the world. Ventura County produce is exported world-wide and the agricultural industry is one of our County's largest economic sectors.

In addition, consistent with the local planning factors cited in California Government Code section 65584.04 (e)(2)(C) and 65584.04 (2)(D), Ventura County voters passed the Save Open-Space and Agriculture Resources (SOAR) measure in 1998 and again as an initiative in 2016. This local ballot initiative protects farmland from urban development through 2050 by prohibiting conversion to non-agricultural land use designations without a vote of the electorate.

These two local planning factors highlight the County's emphasis on protecting agricultural resources for future generations. Our Board urges SCAG staff to weight them appropriately in the development of the RHNA methodology. Ventura County continues to make steady progress toward meeting assigned RHNA targets and remains committed to adopting programs to facilitate and promote new housing to the extent feasible given our constraints. In addition, the County remains an active participant in developing regional solutions and has partnered on projects for housing people who are homeless, farmworkers, and other vulnerable populations.

Thank you for the opportunity to comment on the development of the 6th cycle RHNA methodology.

Sincerely,

Steve Bennett, Chair
Ventura County Board of Supervisors

Option 1 vs. Option 2 vs. Option 3: A Comparison

The three proposed RHNA methodology options offer different mechanisms to determine a jurisdiction's draft RHNA allocation from the regional total.

	Option 1	Option 2	Option 3
Existing need separate from projected need	Yes	No	No
Higher total of lower income categories	Yes	No	No
Emphasis on HQTAs from regional total	On existing need only, 20%	On total allocation, 20%	No
Accounts for recent building activity	Yes	No	No
Social equity adjustment	110% for existing need 150% for projected need	150% for total need	150% for total need
Local input as a component	Yes	No	Yes

Option 1 allows for a higher degree of variability than Option 2 since it relies on both pre-determined characteristics (such as HQTAs) and on local input, which can vary by jurisdiction and does not necessarily rely on pre-determined characteristics. Proponents of Option 1 may argue that its distribution mechanism allows for local conditions as reported by jurisdictions while still accommodating a need for linkage to regional transportation and land use planning. Option 1 also assigns existing need to lower income categories, which can meet the existing need factor of cost-burden specifically for low income households.

Option 2 does not differentiate between existing and projected need in its distribution mechanism and creates a stronger link to regional transportation and land use planning by applying proximity to transit as a factor to the total need distribution. While local input is not a component, some proponents of Option 2 may argue that because local input may not inherently consider regional goals might be a reason to exclude it as a main factor in RHNA methodology.

Option 3 uses local input as the basis for determining a jurisdiction's share of regional growth. While Option 1 considers share of household growth as a factor for projected need, Option 3 considers population growth as a factor for total RHNA need. Except for household income distribution for social equity adjustment, this option does not use other factors beyond local input on growth, such as transit proximity, to determine a jurisdiction's housing need.

Tim Flynn
Mayor

Office of the Mayor

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September 11, 2019

Mr. Kome Ajise, Executive Director
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

**RE: COMMENTS ON THE PROPOSED 6TH CYCLE REGIONAL HOUSING
NEEDS ASSESSMENT (RHNA) METHODOLOGY**

Dear Mr. Ajise:

Thank you for the opportunity to provide comments regarding the 6th Cycle RHNA Methodology and options outlined in the Southern California Association of Governments (SCAG) call for public comments released on August 2, 2019. The City of Oxnard acknowledges the difficult task before SCAG to allocate housing numbers across our vast and diverse region. Although we agree that California, the SCAG region, Ventura County and the City of Oxnard are experiencing an affordable housing crisis, and we anticipated a high allocation from the California Department of Housing and Community Development (HCD), we were particularly alarmed when we received the August 22 email correspondence from your office informing the SCAG region that HCD had allocated 1,344,740 housing units to the 6 County and 192 city SCAG region. This is a staggering number for which cities and counties will have difficulty accommodating within an eight-year cycle. The SCAG region, and California as a whole, must collaborate to determine how to best address existing housing needs combined with future housing needs. The allocation of housing units from SCAG to each region needs to use a housing allocation methodology that acknowledges current growth patterns, local and regional infrastructure constraints, and municipal services.

The City of Oxnard has taken its responsibility not only to plan for but to support the construction of housing units at all income levels. Mandates to build more of these units without robust housing incentive funds, infrastructure and transportation funding, or market-driven solutions will not result in jurisdictions being able to meet the housing needs. We applaud HCD for the recent grant and funding programs aimed at addressing the financing shortfall. However, significantly more incentives need to be offered to encourage construction, master planning, and infrastructure support.

We commend SCAG for its emphasis on Local Input as an input factor associated with SCAG methodology Options 1 and 3. We have carefully considered the options and criteria and offer the following input:

- 1. We support inclusion of Social Equity.** We support the inclusion of a significant social equity adjustment in the RHNA allocation process as a way to acknowledge the affordable housing which has been constructed. This effort avoids assigning additional need in income categories where there is already a high concentration. During the 5th RHNA cycle, the City of Oxnard received a housing allocation of 7,301 dwelling units, of which 2,848 units were allocated to very low and low income groups; this represented approximately 38% of the County's total allocation. Although the City represented approximately 25% of the County of Ventura population in the 5th cycle, this allocation represented approximately 38% of the entire Ventura County 5th cycle RHNA allocation. Your social equity adjustment acknowledges high concentrations of affordable housing in communities.
- 2. Addressing decades of existing need within a single eight-year RHNA cycle.** The HCD RHNA allocation of 1.3 million housing units unrealistically requires that existing need, accumulated over at least 20 years and almost 60% of the total regional RHNA allocation, be remedied in the 6th Cycle eight-year planning horizon.[1] In the case of Oxnard in Option 1, existing need is 69% of total need, about twice the City's future need. It is unrealistic to collapse existing and projected housing need into an eight year cycle (Option 1). Option 2 allocates the regional RHNA allocation irrespective of existing need and patterns of construction of affordable housing. The City of Oxnard is supportive of Option 3, but as currently crafted this option is flawed. The City believes Option 3 should be modified so that the existing need is spread over more than one RHNA cycle and/or the 70% assignment based on current population is significantly reallocated based on jobs. Further, the City of Oxnard requests that a factor be added to Option 3 that reassigns existing need to jurisdictions that have not added lower income housing based upon an established percentage in the 5th RHNA Cycle. Alternatively, within Option 1 the social equity adjustment could be increased from 110% to 150% for existing need.
- 3. Options should value jobs-housing and greenhouse gas reduction strategies.** A methodology factor should be added to value placement of jobs in proximity to housing. Job rich communities should receive corresponding housing allocations to offset impacts to the environment due to commuting and corresponding environmental externalities. Failure to provide a robust methodology to address this concept, results in the perpetual imbalance in jobs and housing.

[1] HCD letter to SCAG, August 22, 2019, Attachment 2, Difference between 2021 and 2029 households (551,499) is considered Future Need, remainder of total SCAG RHNA is considered existing need (793,241units)

4. **We do not support Option 2 as it is not based on local Input.** Local Input factors are critical to land use planning in Oxnard, and Ventura County. Our County has long standing policies, and ordinances which restrict development and urban sprawl directing development to urban areas in order to protect and preserve open space and agricultural resources and to comply with equally important State policies and programs such as greenhouse gas reductions. Assignment of housing numbers without consideration to our unique land planning mission unfairly places housing in unrealistic locations that contradict other State mandates.

Additionally, Option 2 does not take into account any of the affordable housing units which have been built by a jurisdiction. Essentially, future growth is based off of a 2019 population - the larger your population, the larger your RHNA allocation. Further, since the City accepted a larger 5th Cycle RHNA allocation than what it should have based on our percent of the Ventura County population, this will result in a continued higher 6th Cycle RHNA allocation.

Oxnard recommends Option 3, with an adjustment for communities like ours which have constructed very low and low income housing, and existing need spread out over more than one RHNA cycle. Option 3 is largely based on Local Input as the main factor and has a social equity adjustment of 150%. The 150% equity adjustment reduces the City's lower income allocation recognizing that Oxnard already has a higher-than-county average of lower income households. As a result, Oxnard's RHNA allocations of moderate and above moderate units are higher, allowing our residents to "move up".

The City of Oxnard recommends an adjustment to Option 3 to acknowledge the City's efforts in building affordable housing relative to the overall County affordable housing obligation. During this 5th RHNA cycle through the end of 2018, Oxnard issued over 70% of the lower income affordable housing building permits; the City should be acknowledged for being a leader in constructing affordable housing and there should be an adjustment to the Option 3 methodology to take this into consideration.

In no instance should any RHNA allocation for the City of Oxnard exceed 25% of the Ventura County allocation based on our current share of the County population. Addressing this in RHNA Cycle 6 will not address our past disadvantage of receiving a higher allocation than our share of the County population but it will correct the City's position going forward. Based upon the current HCD allocation for the SCAG region, and considering that the City of Oxnard represents approximately 25% of the population in Ventura County it is recommended that the City's RHNA allocation for Option 3 be 7,875 units (25% of the total Option 3 allocation to Ventura County or 31,499 units). Further, it is recommended that the allocation match the affordability distribution recommended by SCAG in their August 22 excel spreadsheet for the City of Oxnard to account for social equity factors and the City's history of constructing affordable housing. This would mean the City's 6th cycle RHNA allocation would be adjusted. The following table provides the recommended dwelling unit numbers for the 6th RHNC Cycle and provides a comparison of dwelling unit numbers to the 5th RHNA cycle:

RECOMMENDED 6th RHNA Cycle*	
Very low income units	1,653 units
Low income units	1,103 units
Moderate income units	1,418 units
Above moderate income units	3,701 units
Total Allocation Recommended	7,875 units

**This number represents 25% of the total Option 3 allocation to Ventura County or 31,499 units and with the assumption the SCAG region continues to receive the 1,344,740 unit allocation.*

Thank you for the opportunity to comment on the development of the 6th Cycle RHNA methodology. Should you have any further questions regarding this letter, please contact Kathleen Mallory, Planning & Sustainability Manager (805) 385-8370 or Kathleen.Mallory@oxnard.org.

Sincerely,

Tim Flynn
Mayor, City of Oxnard

Summary Sheet RHNA Allocation and Populations for Jurisdictions of Ventura County

Jurisdictions	2013 Population (DOF)	2013 HCD Population as % of 2013 HCD County Population	% of Housing Allocation 5th RHNA (in units)	% of Housing Allocation 6th RHNA - Ventura County Only Option 1	% of Housing Allocation 6th RHNA - Ventura County Only Option 2	% of Housing Allocation 6th RHNA- Ventura County Only Option 3	2019 Population (DOF)	2019 HCD Population as % of 2019 HCD County Population
Camarillo	66,752	8%	12%	6.77%	8.29%	5.27%	69,880	8.16%
Fillmore	15,339	1.82%	4%	2.04%	1.82%	3.17%	15,925	1.86%
Moorpark	35,172	4.17%	6%	4.51%	4.59%	3.67%	37,020	4.32%
Ojai	7,594	0.91%	2%	0.86%	0.89%	0.28%	7,769	0.91%
Oxnard	203,645	24.16%	38%	24.22%	24.69%	29.88%	209,879	24.50%
Port Hueneme	22,399	2.66%	0%	2.61%	2.69%	0.38%	23,526	2.75%
Ventura	108,961	12.93%	19%	12.23%	12.77%	18.73%	108,170	12.63%
Santa Paula	30,448	3.61%	7%	4.12%	3.52%	4.75%	30,779	3.59%
Simi Valley	126,305	14.98%	7%	15.29%	14.86%	11.37%	127,716	14.91%
Thousand Oaks	129,039	15.31%	1%	16.40%	14.83%	18.86%	129,557	15.12%
Unincorporated	97,313	11.54%	5%	10.95%	11.03%	3.65%	96,337	11.25%
TOTAL County	842,967	100%	19,158 units	42,751 units	49,055 units	31,499 units	856,598	100%

Comment Letter Regarding Proposed Regional Housing Needs Assessment (RHNA) Allocation Methodologies

Kathleen Mallory, Planning & Sustainability Manager

Housing and Economic Development Committee
September 10, 2019



BACKGROUND

- Housing Elements guided by Regional Housing Needs Assessment (RHNA) process
- RHNA “5th Cycle” 2013 - 2021. Approximately 430,000 units to the SCAG region, resulting in 7,301 dwelling units allocated to Oxnard. Ventura County Jurisdictions 19,158 dwelling units
 - 2018 City reporting to HCD - City had in progress 5,244 housing units of 7,301 housing units identified in the previous RHNA
- RHNA “6th Cycle” Oct. 2021 - Oct. 2029. Aug. 22nd notice of 1,344,740 dwelling units to SCAG region (192 cities/6 Counties)

BACKGROUND

- RHNA 6th Cycle local input process began in 2018 and 2019:
 - Staff updated and corrected population, employment, and housing projections for 2020, 2030, 2035, and 2045
 - Staff submitted local input; included two Ventura County factors:
 - “Greenbelt Agreements” (SOAR); and
 - County policies to preserve agricultural land
- SCAG took the City’s “Local Input” and added a vacancy adjustment and replacement units/demolition factor
- August 22, 2019 SCAG adjusted Local Input number to 3,218 housing units

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THREE RHNA METHODOLOGIES

6th RHNA Cycle - SCAG proposed three methods to distribute regional housing numbers. Allocations based upon existing or “current” need, future need, high quality transit areas, & social equity. Terminology - what’s included:

Current Need

- Cost-burden (households who pay too much for housing)
- Overcrowding
- Replacement/ demolitions or lost to fires
- Vacancy rate (increase to a least 5%)

Future Need

- Projected household growth; future vacancy; replacement need

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THREE RHNA METHODOLOGIES

Total RHNA Need

- Current + Future need

High-Quality Transit Areas (HQTA)

- Metrolink stations

Social Equity Adjustment

- Moves all jurisdictions towards the four-income profile of Ventura County
- Total RHNA is same, income levels changed:
Very Low, Low, Moderate, Above Moderate

THREE RHNA METHODOLOGIES

OPTION 1 - Regional Need assigned by HCD - 1,344,740 units.

1. Future need - Local Input (to yr 2030), adjusted to the year 2029.
2. Share of the region's population (70% total existing need distributed to the SCAG region to all jurisdictions based upon 2019 population)
3. Share of the region's population in high-quality transit areas (HQTAs, 20% existing need allocated to HQTA's)
4. Recent new housing units permitted relative to the regional average (10% total SCAG allocation)
5. Applies a 110% social equity adjustment for existing need and a 150% social equity adjustment for future need

This option yields - 42,751 total VC units; 10,353 units to Oxnard from 2021-2029

THREE RHNA METHODOLOGIES

OPTION 2 - Regional Need assigned by HCD - 1,344,740 units.

1. Jurisdiction's share of the region's total population (80% of total SCAG regional need; allocated based upon jurisdictions share of 2019 population)
2. Share of region's population in HQTAs (remaining 20% allocated to HQTAs)
3. Social equity adjustment of 150% for projected or future need

This option yields - 49,055 total VC units; 12,111 units to Oxnard from 2021-2029

THREE RHNA METHODOLOGIES

OPTION 3 - Regional Need assigned by HCD - 1,344,740 units

1. Provides a social equity adjustment of 150%
2. Considers local input and future need projections.
3. Does not consider HQTAs, recent building activity, or separates out existing need from future need. Essentially the allocation is "rolled up" into one RHNA number

This option yields - 31,499 total VC units; 9,412 units to Oxnard from 2021-2029

THREE RHNA METHODOLOGIES

HCD Set SCAG RHNA at 1,344,740 Units.

- Three times what SCAG Regional Council seeks.
- HCD and SCAG to negotiate.
- Total Need increased by Current Need:
 - Future Need is 551,499 household (41%)
 - Current Need is 793,241 (59%)

THREE RHNA METHODOLOGIES

COMPARATIVE 6TH CYCLE CITY NUMBERS - All Options

Jurisdiction	5TH RHNA 2013-2021 Housing Unit Allocation	2021-2029 Local Input (Households) (SCAG)	OPTION 1 Total Housing Units	OPTION 2 Total Housing Units	OPTION 3 Total Housing Units
Oxnard	7,301	3,276	10,353	12,111	9,412
Ventura	3,654	1,630	5,227	6,265	5,899
Simi Valley	1,256	1,369	6,538	7,290	3,581
Thousand Oaks	192	1,586	7,012	7,276	5,940
Unincorporated	1,105	586	4,682	5,413	1,150
Total County	19,158	10,822	42,751	49,055	31,499

CITY RECOMMENDATION TO SCAG

OPTION CONCLUSIONS: Provide Comment Letter to SCAG on Proposed Methodologies as follows:

- Prefer Option 3 methodology with amendments:
 - Modify City allocation - to closely match Oxnard's percentage population in the County (25% of the population)
 - Provide an adjustment factor to recognize cities that have constructed affordable housing

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NEXT STEPS

- Comments due on methodology/options by Sept. 13, 2019
- RHNA subcommittee to recommend RHNA methodology - Sept/Oct. to full SCAG Regional Council
- Methodology recommended to HCD in November
- HCD issues approval of methodology/final decision Feb. 2020
- RHNA allocation becomes final Aug. 2020
- 6th Cycle Housing Element due Oct. 2021 (2021-2029 housing cycle)

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RECOMMENDATION

That the Housing and Economic Development Committee:

- Received a report;
- Deliberate and provide input to Staff; and
- Authorize the Mayor to submit a comment letter, as updated based upon comments received at the Committee meeting by the September 13, 2019 deadline.



QUESTIONS?