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.

CITY OF OXNARD CALIFORNIA

# AGENDA
## OXNARD CITY COUNCIL
## OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY
## OXNARD FINANCING AUTHORITY
## OXNARD HOUSING AUTHORITY

Council Chambers, 305 West Third Street

October 29, 2019

**Special Meeting - 5:00 PM**

A. ROLL CALL, POSTING OF AGENDA

THE FOLLOWING LEGISLATIVE BODIES ARE MEETING: City Council

B. OPENING CEREMONIES (5:00 PM)

Pledge of allegiance to the flag of the United States.

C. REPORTS

1. Finance Department

   SUBJECT: "Municipal Budgeting 101" Presentation. (30/20/10)

   RECOMMENDATION: That the City Council receive a presentation on "Municipal Budgeting 101." (Finance and Governance Committee provided feedback and suggestions on the draft presentation on September 24, 2019)

   Legislative Body: City Council

   Contact: Kevin Riper, (805) 385-7475

2. Community Development Department

   SUBJECT: Housing Update and Policy Discussion. (20/35/30)

   RECOMMENDATION: That the City Council

   1) Receive a presentation regarding California housing legislation, the City's Housing Element, the Regional Housing Needs Assessment ("RHNA") process, and housing policies and programs, and

   2) Discuss new housing policies and programs and the implication to the City of Oxnard.

   Legislative Body: City Council

   Contact: Jeffrey Lambert, (805) 385-7882

D. ADJOURNMENT

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 / Council Discussion / Public Comment)**

CITY OF OXNARD CALIFORNIA

**CITY COUNCIL AGENDA REPORT**

**REPORTS**
**AGENDA ITEM NO. C.1.**

**DATE:** October 29, 2019

**TO:** City Council

**FROM:** Kevin Riper, Chief Financial Officer, (805) 385-7475, kevin.riper@oxnard.org

**SUBJECT:** "Municipal Budgeting 101" Presentation. (30/20/10)

## RECOMMENDATION

That the City Council receive a presentation on "Municipal Budgeting 101." (Finance and Governance Committee provided feedback and suggestions on the draft presentation on September 24, 2019)

## BACKGROUND

The Mayor and Mayor Pro Tem requested that the Finance Department prepare and deliver a presentation to the City Council to provide a common understanding of the City's budget, budgeting process and financial policies.

## STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to strengthen and stabilize the organizational foundation of the City in the areas of Finance, Information Technology, and Human Resources, and to improve workforce quality while increasing transparency to the public. This item supports the following goals and objectives:

Goal 2. Increase transparency with Council, community and staff related to the City’s budget and financial management processes.

## FINANCIAL IMPACT

There is no financial impact.

## COMMITTEE OUTCOME

The Finance and Governance Committee heard a summary version of the presentation at its meeting of September 24, 2019, and provided extensive feedback and suggestions on how to modify and improve the presentation to the full City Council.

*Prepared by: Donna Ventura, Assistant Chief Financial Officer*

## ATTACHMENTS

1. Glossary of Terms
2. Municipal Budgeting 101 Presentation

## *Municipal Budgeting 101—Glossary of Terms*

**Appropriation** – money set aside by formal action for a specific use

**Bond** – an interest bearing promise to repay a specified sum of money borrowed (principal) by a certain date

**Capital Improvement Program (CIP)** – an agency's plan for capital improvement projects, such as street or park improvements, building construction, and various kinds of major facility maintenance

**Capital Outlay** – spending that results in the acquisition of or addition to the agency's land, buildings, equipment, machinery, vehicles, and the like to provide services to the community

**Debt Service Fund** – A fund established to track payments made to repay principal and interest on debt

**Encumbrance** – a commitment within an organization to use funds for a specific purpose (such as with a purchase order)

**Enterprise Fund** – a separate fund used to account for services supported primarily by service charges

**Expenditure** – amount paid for goods and services associated with the provision of public services, including payments for debt and capital outlays

**FTE** – full-time equivalent, the number of hours per year that a full-time employee is expected to work

**Fund** – a self-balancing set of accounts; accounting information is organized into funds, each with separate revenues, expenditures, and fund balances

**Fund Balance** – Difference between the assets (revenues and other resources) and liabilities (amounts spent or committed) of a particular fund

**General Fund** – Fund used to account for all financial resources except those accounted for in another fund (for example, enterprise or grant funds).

**GASB** – Government Accounting Standards Board, the body that sets accounting standards for governmental entities at the state and local levels

**Grant** – payment of money from one entity to another for a specified purpose, activity or facility. Generally grants do not have to be repaid by the recipient, as long as funds are used for promised purpose.

**Intergovernmental Revenue** – revenues from other public agencies in the form of grants, entitlements, shared revenues or payments in lieu of taxes

**Investment Earnings** – revenue earned from the investment of public funds

**Local Agency Investment Fund (LAIF)** – a special investment fund in the State Treasury into which local agencies may deposit money for investment

**Other Post Employment Benefits (OPEB)** – A pension is a form of post-employment benefit, that is, a benefit an employee receives after their service to the agency ends. Other forms of such benefits include health insurance and other health-related benefits provided to retirees.

**Reserve** – amounts set aside to provide a funding source for extraordinary or unforeseen expenses or revenue shortfalls. Sometimes also referred to as "fund balance."

**Revenue Bonds** – a form of debt in which the agency pledges the income received from the operation of the facilities being financed with the debt to repay the amounts borrowed plus interest

**Special Revenue Fund** – funds used to account for proceeds from specific revenue sources that are legally restricted as to how the revenues may be spent. A special revenue fund must have a separate budget adopted annually.

**Total Appropriations and Total Revenues** – the consolidation of all revenues and expenditures for all funds. The purpose is to report accurately the full amount of governmental revenues and expenditures for the budget period.

# MUNICIPAL BUDGETING 101

Presentation for City Council
October 29, 2019

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## MUNICIPAL BUDGETING IS LIKE BUDGETING FOR YOUR HOME

| | INCOME | INVESTMENTS | EXPENSES | BUDGET |
|---|---|---|---|---|
| Home | You receive money from your job | Your job offers a 401K to invest your money | You use money from your job to pay your bills | A budget helps you determine how much money you have |
| City of Oxnard, California | The City brings in revenue from property taxes, sales taxes, etc. | What the City will spend in the near future, it invests temporarily | The City uses revenues to pay for its expenses | 175+ different budgets, each with its own spending cap |

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## AGENDA

- Revenue Sources & Restrictions
- Fund Types & Fund Balance
- Cash Management & Investments
- Budget Process and Key Financial Policies


OXNARD

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## REVENUE SOURCES & RESTRICTIONS


is


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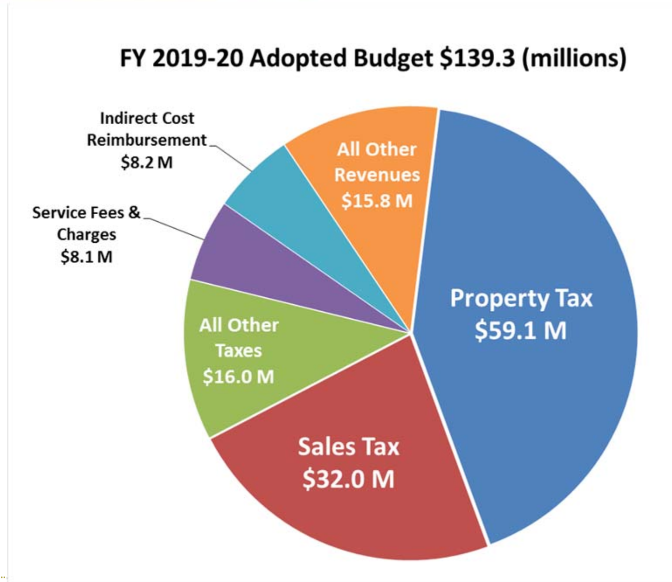
## GENERAL FUND REVENUE SOURCES

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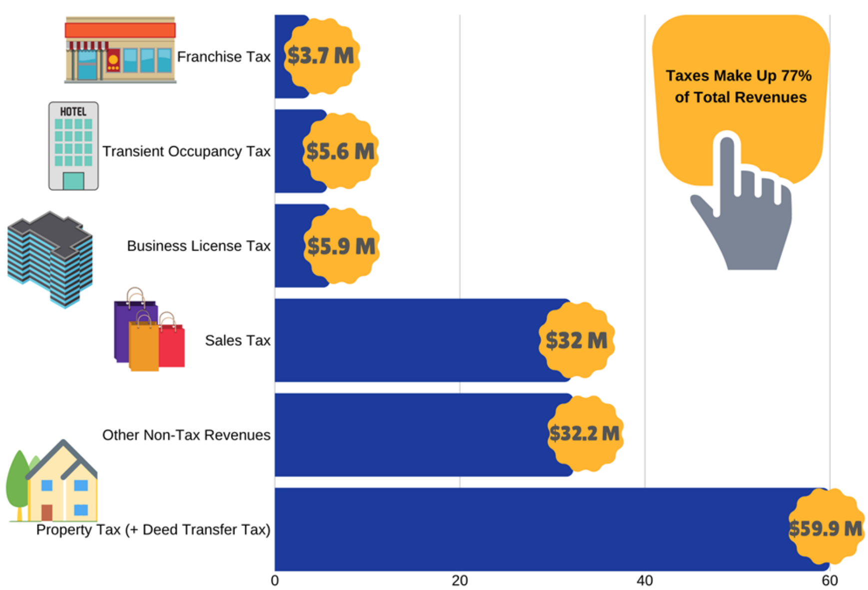
## General Fund Revenues - Unrestricted

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## Property Tax

FOR EVERY $1 COLLECTED, THE CITY GETS ABOUT 17.6 CENTS

**$300,000** (assessed value home) = **$3,000 PROPERTY TAX**


City receives **$528**

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## Property Tax

**Understanding Prop 13**

Property taxes are restricted under State law to a 1% tax based upon a property's purchase price plus 2% annual inflation rate

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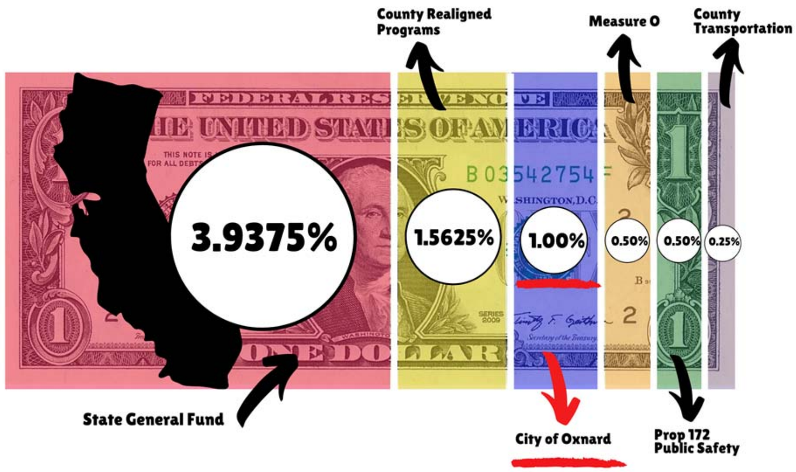
## Sales Tax

Of 7.75%, 1.0% goes to the City

+ an additional .50% for Measure O (expires 2029)






## Sales Tax Example


T-shirt purchased at the Collection

The City gets $0.30 of the total $1.55 in sales tax collected

## RESTRICTED REVENUES

- Utilities – charges for water, sewer and trash services
- Federal & State Grants – housing, transportation, infrastructure, community services
- Special Taxes (i.e., the Gas Tax) – streets and rights of way
- Special Assessments (collected on top of 1% property tax) – Landscape Maintenance & Community Facilities Districts, Public Safety Pension Override
- Bond Proceeds




## FUND TYPES & FUND BALANCE

## REFERENCE GUIDE

**Fund** is **Account**

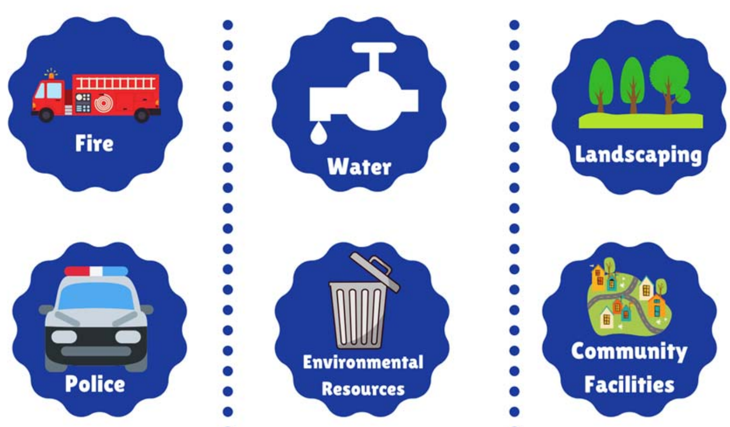
**Revenue** is **Money**



## EXAMPLES OF FUNDS

*THE CITY HAS OVER 175 ACTIVE INDIVIDUAL FUNDS*

**General Fund** | **Water, Sewer, Trash** | **Special Districts**



## CONCEPT OF FUND BALANCE

- Similar to household net worth
  *Example: Assets [market value of home and/or fully paid vehicle] minus liabilities [mortgage, credit card balance, personal loan]*
- Provides cushion against contingencies and unplanned expenditures
- Different fund balance classifications identify different levels of constraints

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## FUND BALANCE CLASSIFICATIONS

| Term | What it is | Similar To |
|---|---|---|
| Nonspendable | Resources not in spendable form or are legally required to be maintained intact | Your car or other assets |
| Restricted | Constraint EXTERNALLY imposed by third party: bondholders, grantors, State law or enabling legislation | Income taxes or property taxes you owe |
| Committed | Constraint INTERNALLY imposed by formal action of City Council | Rent or the mortgage |
| Assigned | Constraint is INTERNAL expression of intent by City Council/authorized official | Putting aside money for groceries |
| Unassigned | No constraints. Only General Fund can have positive unassigned fund balance. | What you have left over |

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## FUND BALANCE: "GOLDILOCKS AND THE THREE BEARS"

*How much fund balance (or "reserve") is necessary?*

**TOO LITTLE**

A fund runs out of cash, has to borrow from other funds

**TOO MUCH**

City holds taxpayer/ ratepayer money that would be better invested in City's infrastructure

**JUST RIGHT**

A balancing act between the two

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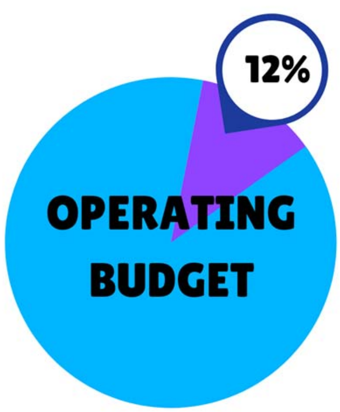
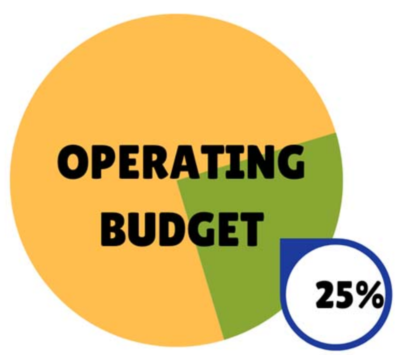
## CURRENT FUND BALANCE POLICY TARGETS

**General Fund (101)**




**Water, Sewer & Trash**

*Each 25% of operating budget*

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# INVESTMENTS

## CASH MANAGEMENT & INVESTMENTS

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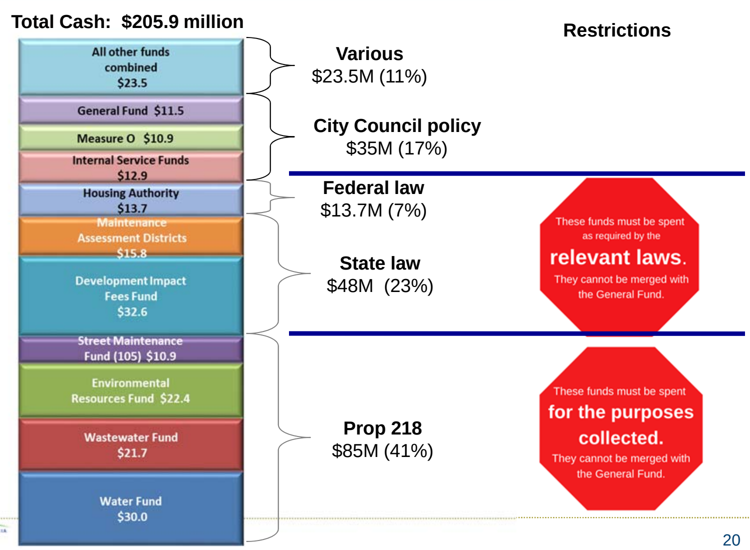
## MANAGEMENT OVERVIEW

### CASH MANAGED AND INVESTED BY CITY TREASURER
*AS OF JUNE 30, 2018*




CITY OF OXNARD CALIFORNIA

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## CITY BUDGET



## UNDERSTANDING THE BUDGET

**Budgets serve a different purpose in a government than they do in a business**

- Businesses can often have an aggressive plan that you may or may not be likely to achieve
- In a government, the expenditure side of the budget is called "appropriations," and it is the legal authority for management to spend toward a given level of services
- The budget appropriation is not a forecast of the amount the City expects to spend; it is the **maximum amount that staff is allowed to spend**

CITY OF OXNARD CALIFORNIA

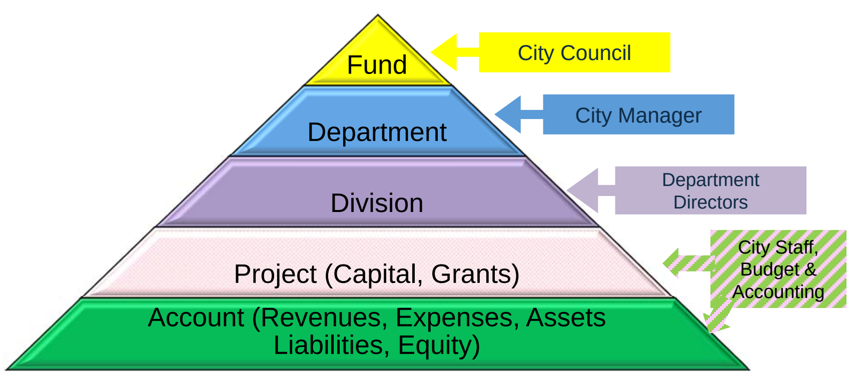
## WHAT'S IN A BUDGET?

A budget is an estimate of revenues and expenditures for a set period of time and should include:

- Projected revenue by type and source
- Estimated expenditures by department, division, project (including capital projects and debt service)
- Separate budgets for each fund
- Balanced annual revenues and expenditures
- Realistic estimates based on history of actual revenues / expenditures and anticipated future changes



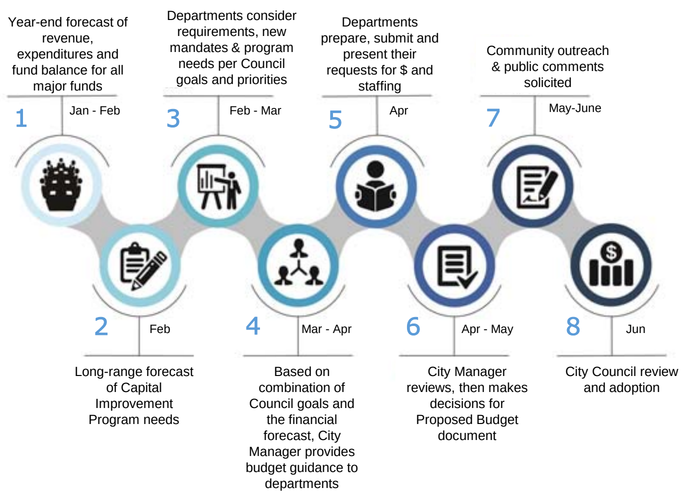
## BUDGET IS DEVELOPED AT MANY LEVELS OF CONTROL




The City's chart of accounts assigns specific codes to each level of control for tracking and reporting purposes

# TIMELINE

## BUDGET DEVELOPMENT IS A MULTI-STEP, SEVERAL MONTH PROCESS

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## KEY FINANCIAL MANAGEMENT POLICIES RELATED TO BUDGET

- **City Manager** prepares the budget and multi-year forecast
- **City Council** approves appropriations for a 1-year operating budget and first year of a 5-year capital improvement program
- Once adopted by City Council, budget changes occur:
  - **City Council** must approve all increases or decreases in *fund* appropriations
  - **City Manager** can approve transfers *between departments within a fund*
  - **Department Directors** can approve transfers between programs (line items, projects) *within the same fund and department*

CITY OF OXNARD CALIFORNIA

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## FY 2019-2020: APPROVED BUDGET

| Fund | FY 18-19 Adopted | FY 19-20 Adopted | $ Changes | % Change |
|---|---|---|---|---|
| General Fund | 134,191,718 | 141,567,529 | 7,375,811 | 5% |
| Measure O | 17,994,745 | 23,782,900 | 5,788,155 | 32% |
| Public Safety Retirement | 13,253,323 | 14,494,838 | 1,241,515 | 9% |
| Storm Water Management | 1,689,621 | 1,639,705 | (49,916) | -3% |
| Street Maintenance Fund | 221,682 | 3,137,730 | 2,916,048 | 1315% * |
| Performing Arts and Convention Center | 1,981,693 | 410,000 | (1,571,693) | -79% |
| Golf Course Operating | 922,418 | 988,280 | 65,862 | 7% |
| State + RMRA Gas Tax | 6,423,078 | 11,346,067 | 4,922,989 | 77% |
| Special Revenue Funds | 11,409,408 | 23,776,337 | 12,366,929 | 108% |
| Landscape & Community Facility Maintenance + Assessment Districts Funds | 16,597,700 | 16,475,076 | (122,624) | -1% |
| Water Enterprise | 59,073,089 | 77,779,828 | 18,706,739 | 32% |
| Sewer Enterprise | 59,478,630 | 62,602,033 | 3,123,403 | 5% |
| Trash Enterprise | 44,702,253 | 51,972,149 | 7,269,896 | 16% |
| Internal Service Funds | 31,727,626 | 31,896,627 | 169,001 | 1% |
| Housing Authority (Non-City) | 28,030,936 | 29,002,856 | 971,920 | 3% |
| **Total All Funds** | **427,697,920** | **490,871,955** | **63,174,035** | **15%** |

This budget reflects the City Council's cuts of approximately $5.1 million of $9.2 million projected deficit in the General Fund, and a one-time transfer of $1.4 million from the Measure O Fund.

* The Adopted Budget for FY 2018-19 did not include any CIP appropriations. Rather, during FY 2018-19 individual CIP project appropriation requests were bought to City Council as they arose. In contrast, for FY 2019-20 City Council reviewed and approved in April 2019 all CIP projects together for the upcoming fiscal year.



## RECOMMENDATION

That the City Council receive and file the Municipal Budgeting 101 presentation.

## QUESTIONS & DISCUSSION

CITY OF OXNARD CALIFORNIA

# CITY COUNCIL AGENDA REPORT

## REPORTS
## AGENDA ITEM NO. C.2.

**DATE:** October 29, 2019

**TO:** City Council

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

**SUBJECT:** Housing Update and Policy Discussion. (20/35/30)

**RECOMMENDATION**

That the City Council
1) Receive a presentation regarding California housing legislation, the City's Housing Element, the Regional Housing Needs Assessment ("RHNA") process, and housing policies and programs, and
2) Discuss new housing policies and programs and the implication to the City of Oxnard.

**BACKGROUND**

The purpose of this staff report is to provide information regarding 2017 state legislation impacting housing policy throughout Southern California and summarize 2019 state legislation ("legislation") which will impact the forthcoming Housing Element (2021-2029) process and overall housing policy and programming in the City of Oxnard. The report also summarizes the City's compliance with the current 2013-2021 Housing Element (5th cycle) and provides an update on the 6th Regional Housing Needs Assessment (RHNA 2021-2029) cycle currently being initiated by the Southern California Association of Governments (SCAG). The purpose of this staff report and study session is also to receive preliminary input from the City Council on key policy questions which will help shape the City's future housing policy and in particular the upcoming 6th RHNA cycle.

The RHNA process and housing legislation is constantly evolving and changing; therefore the information contained in this report reflects the best information staff has available as of the time of report production. For example, on October 16th, new 6th cycle RHNA numbers were released. Therefore, information regarding the RHNA process and housing allocation numbers identified in this staff report may be different from when Council considers this item and staff will provide any relevant updated information during the study session.

**2017 and 2019 Housing Legislation**

Over the past few years, the state legislature has focused on the lack of adequate housing statewide; this has resulted in the passage of a number of bills in 2017 and the recent 2019 housing bill package.

On October 9, 2019, the Governor signed 16 bills designed to jumpstart housing production. Over the next few months, staff will complete their analysis of these bills to determine the impact to the City and need for adjustment to ordinances and development of, or modification to, programs. A brief summary of the bills that may impact the City's housing policies is included below:

1. SB 330 - Establishes the Housing Crisis Act of 2019, which will accelerate housing production in California by streamlining permitting and approval processes, ensuring no net loss in zoning capacity and limiting fees after projects are approved.

2. AB 1763 - Creates more affordable housing by giving 100 percent affordable housing developments an enhanced density bonus to encourage development.
3. AB 116 - Removes the requirement for Enhanced Infrastructure Financing Districts (EIFDs) to receive voter approval prior to issuing bonds.
4. AB 1485 - Builds upon existing environmental streamlining law and encourages moderate-income housing production.
5. AB 1255 - Requires cities and counties to report to the state an inventory of its surplus lands in urbanized areas. The bill then requires the state to include this information in a digitized inventory of state surplus land sites.
6. AB 1486 - Expands Surplus Land Act requirements for local agencies, requires local governments to include specified information relating to surplus lands in their housing elements and annual progress reports (APRs), and requires the state Department of Housing and Community Development (HCD) to establish a database of surplus lands, as specified.
7. SB 6 - Requires the state to create a public inventory of local sites suitable for residential development, along with state surplus lands.
8. AB 1483 - Requires local jurisdictions to publicly share information about zoning ordinances, development standards, fees, exactions, and affordability requirements. The bill also requires the Department of Housing and Community Development to develop and update a 10-year housing data strategy.
9. AB 1743 - Expands the properties that are exempt from community facility district taxes to include properties that qualify for the property tax welfare exemption, and limits the ability of local agencies to reject housing projects because they qualify for the exemption.
10. SB 196 - Enacts a new welfare exemption from property tax for property owned by a Community Land Trust (CLT), and makes other changes regarding property tax assessments of property subject to contracts with CLTs.
11. SB 113 - Authorizes State Attorney General, upon a finding of the court that a jurisdiction's housing element does not substantially comply with Planning and Zoning Law, to request that the court issue an order or judgment directing the jurisdiction to bring its housing element into substantial compliance.

The construction of accessory dwelling units (ADUs) has been identified as a way the City and other jurisdictions can help meet their housing goals and increase the state's affordable housing supply. The Governor signed the following bills in 2019 to eliminate barriers to building ADUs:

1. AB 68 - Major changes to facilitate the development of more ADUs and address barriers to building. The bill reduces regulatory barriers to ADU approval and construction. This is intended to increase production of these low-cost, energy-efficient units and add to California's affordable housing supply.
2. AB 881 - Restricts local jurisdictions' permitting criteria, clarifying that ADUs must receive streamlined approval if constructed in existing garages, and eliminates local agencies' ability to require owner-occupancy for five years.
3. AB 587 - Provides a narrow exemption for affordable housing organizations to sell deed-restricted land to eligible low-income homeowners.
4. SB 13 - Creates a tiered fee structure which charges ADUs more fairly based on their size and location. The bill also addresses other barriers by lowering the application approval time frame, creating an avenue to get unpermitted ADUs up to code, and enhancing an enforcement mechanism allowing the state to ensure that localities are following ADU statute.
5. AB 671 - Requires local governments' housing plans to encourage affordable ADU rentals and requires the state to develop a list of state grants and financial incentives for affordable ADUs.

Two years ago, then Governor Brown signed the 2017 Housing Bills, listed below; these bills are in effect at this time. Staff has revised ordinances, adjusted permitting processes, and applied for additional grant funding under the 2017 legislative mandates:

1. SB 2 - Imposes a fee on real estate transactions to fund affordable housing development, programs to assist homeless people and long-range development planning in cities and counties.
2. SB 3 - Four billion dollar housing bond approved in November 2018 for veterans and low-income housing projects.
3. SB 35 - Establishes, under certain conditions, that a developer is exempt from municipal review for new housing development if a community has not built its proportional RHNA allocation.
4. SB 166 - Requires development sites be identified, at all times, for all unmet housing needs and prevents cities and counties from reducing zoning densities to ensure there is "no net loss" of building capacity.
5. SB 167/AB 678 - Strengthens Housing Accountability Act to make it more difficult to deny proposals and allows for

court-ordered fines (commonly called the "anti-NIMBY law)."
6. SB 540 - Allows cities and counties to create pre-planned zones for affordable housing.
7. AB 72 - Gives HCD the authority to report violations to the attorney general if jurisdictions are not complying with their own housing plans or state law. Establishes financial ramifications to jurisdictions for failure to comply.
8. AB 73 - Allows cities and counties to designate "housing sustainability districts" which streamline the development process for new housing near transit. Transit is typically defined as an area with a bus or metrolink/train route.
9. AB 571 - Expands the state's low-income tax credit program to farmworker housing.
10. AB 879 - Requires cities and counties to remove hurdles to housing productions.
11. AB 1397 - Requires cities and counties to zone land that can realistically support housing development to have sufficient infrastructure for water, sewer and other public utilities.
12. AB 1505 - Enables 15-percent inclusionary zoning.
13. AB 1515 - Amends Housing Accountability Act to make it harder to deny housing projects or emergency shelters that meet existing zoning and other land-use regulations.
14. AB 1521 - Strengthens public notification requirements when low-income housing protections expire and units can be converted to market-rate.

**The Housing Element, as a Component of the City's General Plan**

In California the General Plan is a document providing a long-range plan for a city's physical development. Local jurisdictions have freedom as to what their general plans include, however there are certain requirements under California state law that each general plan must meet. Each general plan must include the vision, goals, and objectives of the city in terms of planning and development within eight different "elements" defined by the state as: land use, housing, circulation, conservation, noise, safety, open space, and environmental justice (added as an official element in 2016). State Legislature requires that all jurisdictions prepare a Housing Element every eight years in a prescribed format and schedule different from the rest of the General Plan. The California Department of Housing and Community Development (HCD) reviews and certifies that a City Housing Element meets State law.

Per Government Code Section 65583, a housing element must contain "…an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled program actions for the preservation, improvement, and development of housing." The Housing Element does not obligate the City to develop and/or fund the target number of affordable housing units, but does require the City to encourage, facilitate, identify opportunity development sites with a high level of approval certainty, and otherwise take steps towards meeting the goals by working with the private and non-profit housing developers and special populations service providers.

Every eight years, HCD establishes a target number of housing units in all four income categories (extremely low, low, moderate, and above moderate) and allocates these numbers to Council of Governments (COG); the City of Oxnard is part of the Southern California Association of Government (SCAG). The COG helps implement SCAG policies and ensure that regional interests are appropriately balanced with local concerns. All cities are required to update their Housing Element to reflect the State's allocated housing units and address legislative mandates. The process to allocate housing units occurs through the Regional Housing Needs Assessment (RHNA).

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.

**Status of 5th RHNA Cycle**

The City is currently within the 5th RHNA cycle which covers the timeframe 2013-2021. Within the SCAG region, 430,000 dwelling units were identified as needing to be constructed. SCAG identified that the City should construct 7,301 of the 430,000 dwelling units over the aforementioned eight year cycle.

The City is required to submit an Annual Report to HCD to document compliance in constructing housing. In the 2018 report, the City demonstrated that it had constructed 5,244 of its total 7,301 dwelling units and with planned programs, All Affordable Housing Opportunity (AAHOP) inventory, and Accessory Dwelling Unit (ADU) construction, the City was closely on target to meet its 5th RHNA cycle goals. The following table identifies the City's compliance with the 5th RHNA cycle:

## 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<br>Very Low | 1,688 | 131 | 40 | 171 | 1,517 | 1,773 | 150 | 148 |
| Low | 1,160 | 671 | 231 | 902 | 258 | | | |
| Moderate | 1,351 | 375 | 850 | 1,225 | 126 | 250** | -- | 124 |
| 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 |

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 the City embarks on the 6th RHNA process which covers the timeframe of 2021-2029, existing population and households is one factor in the 6th RHNA process so the City's housing allocation will be larger.

Table 1

| Jurisdictions | 5th RHNA Housing Unit Allocation - housing units | 5th Cycle Percentage of County Allocation |
|---|---|---|
| Camarillo | 2,224 | 12% |
| Fillmore | 694 | 4% |
| Moorpark | 1,164 | 6% |
| Ojai | 371 | 2% |
| Oxnard | 7,301 | 38% |
| Jurisdictions | 5th RHNA Housing Unit Allocation - housing units | 5th Cycle Percentage of County Allocation |
| Port Hueneme | 2 | 0% |
| Ventura | 3,654 | 19% |
| Santa Paula | 1,285 | 7% |
| Simi Valley | 1,256 | 7% |

| | | |
|---|---|---|
| Thousand Oaks | 192 | 1% |
| Unincorporated | 1,015 | 5% |
| TOTAL County | 19,158 | |
| Oxnard % of County population | 38.11% | |

**5th RHNA Cycle Housing Element Programs and Initiatives**

The Housing Element includes 30 housing programs, and identifies the City department responsible for implementation, existing and potential funding sources, and an implementation timeframe. The Housing Element identifies policies and programs specifically aimed at assisting: persons with disabilities, the elderly, large families and single-parent families, farmworkers, and families and persons in need of emergency housing (inclusive of homeless). The Programs and Initiatives portion of the Housing Element describes programs that implement the City's goals and their respective policies. Not all policies have a program but instead give general direction to the City. For each program, the City department responsible for implementing the program is identified, along with existing and potential funding sources, and an implementation time frame.

The City provided a comprehensive update on the status of implementation of the 2013-2021 Housing Element programs within the 2018 Annual Report submitted to HCD (see Attachment 2). The Planning Division, in close coordination with the City's Housing Department, continues to track compliance with established Housing Element programs, policies, and initiatives.

The City's Housing Department and Oxnard Housing Authority (OHA) are continuing to carry out and provide programs and services as identified in the 2013-2021 Housing Element Programs and Initiatives. Following submittal of the 2018 Annual Report (submitted in April 2019), the Housing Department provided an additional update and status regarding implementing the Housing Element (see end of Attachment 2).

**6th RHNA Update Process (2021-2029) and Methodology**

The Planning Division has been actively involved in the 6th RHNA process since 2018. As part of the Local Input component of the RHNA 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 various 6th cycle RHNA methodology options. In July 2019, SCAG presented three RHNA methodology options which yielded vastly different housing unit target numbers to Ventura County and the City of Oxnard. On August 22, 2019, HCD allocated a target number of 1,344,740 housing units - meaning HCD established the goal that these units should be constructed within the SCAG region during the 6th RHNA cycle - between 2021-2029.

Through the months of July and August 2019, SCAG developed various methodologies as to how the projected 6th cycle housing units should be allocated throughout the SCAG region. On September 10th, Planning staff presented to the City's Housing & Economic Development Committee the various options (Options 1-3) being considered by SCAG staff to allocate housing units; based upon this meeting, the Mayor submitted a comment letter objecting to various methodologies and recommending a methodology approach (Attachment 1). The City of Oxnard was not alone in expressing concern regarding the methodologies proposed at that time and in fact over 250 comment letters were submitted.

Based on comments received during the public comment period, on October 3, 2019 SCAG staff released a new RHNA methodology option ("4th Option"). The "4th Option" applies a highly technical formula considering existing and projected housing need. Projected need will be based on household growth between 2020 and 2030, as well as future vacancy and replacement need. Existing need, which is the remainder of regional need after projected need is calculated, will be based on household growth (2030 - 2045), transit accessibility (based on 2045 High Quality Transit Area (HQTA) population), and job accessibility. The 4th Option also considers social equity and assigns a greater percentage (180%) adjustment for cities which have constructed affordable housing during the prior 5th RHNA cycle.

On October 7, 2019 SCAG held a public meeting presenting the 4th Option for 6th RHNA methodology allocation. The RHNA SCAG Committee voted 5-1 to recommend to the Community, Economic Development, and Human Committee (CEHD) consideration of the 4th Option in allocation of the HCD assigned housing target of 1,344,740. The 4th Option will be presented to the CEHD committee at a special meeting on October 21, 2019, and then the SCAG Regional Council on November 7th. Following this meeting, the methodology will be forwarded to HCD for a 60-day review (anticipated to be November 2019-January 2020). Somewhere between January/February 2020 the final RHNA methodology will be established. An appeal period will occur sometime in early 2020. An appeal period follows, followed by the final RHNA allocation in October 2020. The City's 2021-2028 Housing Element is due one year later.

As a comparison, the four options yielded the following allocations for Ventura County and the City:

| 6th RHNA Methodology Options | Ventura County Total (in units) | Oxnard Total in Units (percent of County) |
|---|---|---|
| 1 | 42,751 | 10,353 (24.2%) |
| 2 | 49,055 | 12,111 (24.7%) |
| 3 | 31,499 | 9,412 (29.9%) |
| 4 - Recommended by RHNA Subcommittee | 23,196 | 8,484 (36.6%) |

On October 11, 2019 the Mayor submitted a letter to SCAG (see Attachment 3) providing comments on the proposed 4th Option associated with the 6th RHNA cycle. The City stated concern regarding the 4th Option, and communicates an error in the Ventura County HQTA distribution and inconsistency in allocating units to job centers. Finally the letter communicated a concern regarding allocation of units to cities within Ventura County.

As shown in Table 2 below and based upon the proposed 4th Option, the total Ventura County 6th Cycle RHNA allocation would be 26,214 units, an increase of 7,056 units over the 5th Cycle total (19,158 units), or 36.8%. The increase is entirely within the added category of Existing Need of 15,274 units. Existing need is a target dwelling unit number that HCD has identified as dwelling units needed to address current housing deficiencies (i.e., lack of housing units constructed to meet existing housing needs which results in cost burden, homelesssless, and/or overcrowding). Without Existing Need, the total 6th Cycle County RHNA allocation would be lower than the 5th Cycle Allocation by 8,218 units, a 42.9 percent decrease. The 4th Option assigns Oxnard 34.4% of existing need and 32.4% of the total County RHNA allocation, well above the City's 25% share of the County's population. Oxnard's disproportionate share of Existing Need, it could be argued, is largely based on several cities not providing sufficient affordable housing or pricing workers out of the housing/rental market. These actions force workers to live elsewhere, thereby relying on other communities to house lower income employees. Oxnard receives a greater share of Ventura County's future growth partly because several Ventura County cities plan for relatively small amounts growth to 2045.

Table 2

| Jurisdiction | 6th RHNA Housing Total Unit Allocation | Existing Need | Percentage of Total County RHNA Allocation |
|---|---|---|---|
| Camarillo | 1,305 | 647 | 5.0% |
| Fillmore | 687 | 321 | 2.6% |
| Moorpark | 1,232 | 549 | 4.7% |
| Ojai | 78 | 31 | 0.3% |
| Oxnard | 8,484 | 5,266 | 32.4% |
| Jurisdiction | 6th RHNA Housing Total Unit Allocation | Existing Need | Percentage of Total County RHNA Allocation |
| Port Hueneme | 125 | 36 | 0.5% |
| Ventura | 4,999 | 3,317 | 19.1% |

| | | | |
|---|---|---|---|
| Santa Paula | 1,063 | 521 | 4.1% |
| Simi Valley | 3,339 | 2,003 | 12.7% |
| Thousand Oaks | 3,705 | 2,157 | 14.1% |
| Unincorporated | 1,197 | 426 | 4.6% |
| TOTAL County | 26,214 | 15,274 | |
| Oxnard % of County | 32.4% | 34.4% | |

**Due to Legislation - Housing Issues Facing the City and 6th RHNA Cycle Impact**

The combination of new state legislation, the evolving RHNA process that will likely lead to a dwelling unit allocation larger than any of our previous RHNA allocations, and the characteristics of the City's housing market leads to several issues that the City will need to address in the coming 18 months.

- Several new State laws facilitate development of ADUs by requiring streamlined review for garage conversions, limiting the owner-occupied requirement, limiting permitting and impact fees, and creating a path to legalize unpermitted ADU's. Community Development will need to amend the ADU provisions of the municipal code to modify procedures for Planning, Code Compliance, and Building and Engineering staff to address illegal units that could be permitted as ADU's (AB 68, AB 881, SB 13). The construction of additional ADU's may result in infrastructure impacts. Due to the recent and robust 2019 ADU Housing legislation, further analysis and study of this issue will be needed.
- HCD and some affordable housing advocates often cite inclusionary housing requirements and/or in-lieu fees, as well as utility connection, and capital growth fees as impediments to the construction of affordable housing. Community Development will need to demonstrate to HCD, that the City's permit policies and procedures for housing implement a wide range of statutes and codes that cannot be waived to substantially streamline entitlement processing or reduce fees. For example, the City's inclusionary program and its in-lieu fees provide the City its only significant funding to develop affordable housing (SB 330). The City will continue to evaluate permit processes to ensure compliance with housing policies.
- City staff will have to periodically report surplus lands to the State (AB 1255) and provide and update a listing of local development sites (SB 6). Reporting will also assist in compliance with existing City housing policies (surplus land disposal) and revenue generation. This will also be analyzed and included within the updated Housing Element.
- As a result of the 6th RHNA cycle, it is likely that the City will need to increase density to accommodate additional housing units. Therefore, the City's Density Bonus section of the zoning code may need to be updated to reflect an additional State bonus in addition to the City density bonus for qualifying All-Affordable Housing Opportunity Program projects (AB 1763).
- Staff will need to review AB 1743 to determine how existing and future affordable housing projects within Community Facility Districts (CFD) may be exempt for certain CFD assessments. Dependent upon findings, CFD provisions may need to be amended.
- Finally, given that a large majority of cities and counties will not meet the 2013-2021 RHNA allocations, there may be legal implications associated with not reaching a RHNA target (SB 113).
- In the next few months, Planning will need to identify and incorporate objective design standards into the General Plan and Municipal Code so that projects qualifying for the SB 35 permit process are subject to reasonable development standards (SB35).
- The most significant issue will be preparing and adopting the 2021-2029 Housing Element which will involve updating the potential sites inventory and detailed sites evaluation. Development standards should be revisited as most new development is likely to be multifamily, small lots, and/or "tiny homes." The continuing trend towards on-line commerce suggests consideration of large-scale rezoning of obsolete commercial centers with consideration to mixed use. The City will likely be reevaluating density within the City and within specific areas adjacent to support services and infrastructure. The 6th Housing Element is required to be approved by HCD by October 2021. The City will embark on the Housing Element update process beginning in Feb. 2020.

**Key Policy Questions for 6th RHNA Cycle**

Council feedback on the following questions will assist the Planning Division with work on the upcoming Housing Element:

1. The upcoming Housing Element will likely need to consider increased housing densities; in what areas of the City should these increased densities be considered?
2. How supportive is Council to mixed use development in targeted areas throughout the City?
3. Due to recently passed legislation, the City will need to consider further streamlining the development review process for housing units to include by-right (no public notice or discretionary hearing) approvals; what is the Council's reaction to this concept?
4. ADUs, tiny homes, and workforce housing continue to be seen as a critical method of expanding the affordable housing stock. What is Council's feedback on additional housing units being accommodated via ADU's (allowance of two ADUs on some lots, etc.), small lot development standards and tiny homes (units 100-400 sq. ft.), as well as workforce housing. Workforce housing is commonly targeted at "essential workers" in a community i.e. police officers, firemen, teachers, nurses, medical personnel. Some communities define "essential" more broadly to include service workers, as in the case of resort communities where one finds high real estate costs and a high number of low-paying service jobs essential to the local economy. Workforce housing may be targeted more generally at certain income levels regardless of type of employment.
5. What is Council's feedback on increasing density around transit corridors throughout the City (proximity to bus lines, and rail line/Metrolink/Amtrak)?

**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**

Over the next few years significant funding will become available for housing planning and program development. SB2 created a permanent funding source to provide funding and technical assistance to all local governments in California to help cities and counties prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production. Planning and Housing staff will continue to evaluate this funding source and apply for funds as deemed warranted. The production of housing may have the potential to reduce sales tax due to conversation of commercial inventory. The City will need to continue evaluating the fiscal impact associated with these land use and policy decisions.

**COMMITTEE OUTCOME**

The Housing and Economic Development Committee approved 3-0 on September 10, 2019 the staff recommended comment letter to SCAG regarding the RHNA allocation methodologies provided at that time and forwarded the item for Council approval.

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

**ATTACHMENTS**

1. September 10, 2019 Housing & Economic Development Committee Staff Report
2. City of Oxnard Annual Report (April 2019) and updated October 2019 by Housing Department
3. October 11, 2019 Comment Letter to HCD
4. RHNA Powerpoint 10.29.19 Special Meeting

CITY OF OXNARD CALIFORNIA

**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 pursuit 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)

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

**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 HQTA's, 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 | | | | | |
|---|---|---|---|---|---|

**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*** | |
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| 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

**Attachment 2**

| 2018 Annual Progress Report Table D - Updated October 10, 2019 | | | |
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| **Program Implementation Status pursuant to GC Section 65583** | | | |
| **Housing Programs Progress Report**<br>Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element. | | | |
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| **Name of Program** | **Objective** | **Timeframe in H.E** | **Status of Program Implementation** |
| Program 1: Code Compliance Program | Ensure compliance with City codes, with a focus on garage conversions and unpermitted additions. 600 cases per month. | Ongoing | Program 1 is an ongoing program with no specific objective for calendar year 2018.<br><br>In 2018, the Code Compliance Division had a staff of eight field officers and one manager who carried an average of 300 cases per month. The types of cases related to residential properties are, from most to least, as follows: substandard housing, property maintenance, zoning violations, weed abatement, inoperable vehicles, and encroachments.<br><br>Community Development also implements this program through the permit review process for additions and/or new development. On every discretionary permit, standard a condition of approval require maintenance of property and removal of graffiti within five calendar days.<br><br>Code Compliance inspectors meet regularly with Community Development building inspector field staff and the City Attorney's Office to coordinate and prioritize the Code Compliance workload. The majority of cases referred involve home improvements completed without permits (replacement windows, water heaters, etc.), substandard housing including conversion of garages or internal subdivisions to create illegal living quarters that violate Building, Housing, Health and Safety, and Zoning Codes. |

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| Program 2: Citywide Homeowner Repair Program | Provide loans to rehabilitate 25 very low-<br>and 25 low- income homes annually as<br>funding allows. | Seek funding annually | Program 2 is an ongoing program with an annual objective of 50 rehabilitation loans to lower income households, as funding allows.<br><br>During 2018, the Housing Department assisted six lower-income families with rehabilitation loans: two loans with low-income families, one loan with a very low-income family, and three loans with extremely low-income families. The average loan was for $32,165 and the total of the six loans was $192,987. All of the loans were funded with CDBG funds. While an estimate of 50 annual home repair loans may have been an appropriate estimate at the time the original goal was set, a more appropriate annual target should be 6 to 10 loans given available resources, the average home repair loan amount, and applications received. The Housing Department will work with the Code Compliance staff to inform homeowners of the repair program and will continue to market the program to assist in increasing the number of eligible homeowners throughout the City that participate in the program. |
| Program 3: All Affordable Housing Opportunity Program (AAHOP) and "-AH" additive zone designation | Rezone AAHOP sites with the -AH additive zone designation and continue to maintain a running AAHOP inventory that meets or exceeds the remaining RHNA allocation need. | Place -AH additive zone designation on new sites within 180 days of HCD certification of the 2013-2021 Housing Element | Program 3 is a one-time program to be completed by 2018.<br><br>On October 10, 2017, the City adopted its 2013-2021 Mid-Cycle Housing Element (Resolution 15,060) which was subsequently conditionally certified by the Department of Housing and Community Development (HCD) on January 11, 2018. The certification was conditioned on "…timely and effective implementation of remaining commitments in Programs 3, 6, 25, 26, and 29." At that time, staff anticipated an increase in Program 3 AAHOP sites to accommodate 264 lower income units to meet the remaining unmet Regional Housing Needs Allocation (RHNA). During 2018, staff reviewed Accessory Dwelling Units (ADU) permitting activity as an alternative source of lower income units to satisfy the remaining RHNA need. A total of 53 ADU permit applications were filed in 2017 and 2018 of which 40 are permitted and/or under construction and the remainder are being ministerially processed. Based on the ADU permits filed and continued strong public interest, the Planning Manager expects to be |

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| | | | able to ministerially approved 50 affordable ADUs per year for the remainder of 2019, 2020, and 2021 for a total of 253 ADUs. These units are able to be counted towards the remaining RHNA lower income unit need. With the Program 3 lower income need of 264 units now being met by ADUs and additional rental units having been provided by other projects based on their advertised rental rates, there is no need to identify additional AAHOP sites under Program 3.<br><br>Program 3 also noted that the citywide General Plan Consistency Re-zoning program could be opportunity to rezone several AAHOP sites, but was not a requirement of Program 3. The consistency rezoning program is in progress and expected to be completed by the end of 2019. |

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| Program 4: Urban Village Program | Implement the 2030 General Plan Urban Village Program | End of 2021 | Program 4 is an ongoing program with no specific objective for calendar year 2018.<br><br>During 2018, Planning staff continued to evaluate the Teal Club Specific Plan, the conceptual Northeast Community Specific Plan Specific Plan amendment (Maulhardt 107 acres), and the Fisherman's Village redevelopment to ensure consistency with General Plan Urban Village policies. The policies are intended to provide and promote a pedestrian orientation to reduce vehicle trips and vehicle miles traveled and, therefore, reduce greenhouse gas emissions. Community Development will continue to consider renaming this program "Transit-Oriented Development Neighborhood, District, or Corridor." |

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| Program 5: Parcel Assemblage | Support State legislation that enables site assembly through creation of a tax increment supported program or district. | Implement as feasible during planning period if State legislation and/or programs enable a tax-increment or similar program that leads to funding for site assembly. | Program 5 is an ongoing program with a 2019 objective to review the program effectiveness.<br><br>During 2018, no progress in this program was achieved as no state level program was initiated and there are inadequate City funds to finance a parcel assembly program. Community Development will continue to monitor enabling legislation and seek funding. |

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| Program 6: Zoning Code Amendments | Revise Zoning Code to comply with recently adopted state law. | 2017 for Chapter 16 amendments<br>2018 for Chapter 17 (Coastal Zoning) amendments<br>2019 | Program 6 is a program with implementation during 2017, 2018, and 2019.<br><br>Most of the Program 6 objectives were accomplished with the adoption of a zone text amendment in conjunction with the 20132021 Mid-Cycle Housing Element on October 10, 2017. During 2018, Planning prepared a zone text amendment to update Accessory Dwelling Unit (ADU) regulations to be consistent with additional State ADU legislation that was adopted in 2017 and became effective January 1, 2018. This second ADU zone text amendment includes the following: clarification that passageways cannot be used to connect an ADU to the primary unit; clarification that an ADU will have separate bath, full kitchen facilities, and a separate or combined living area, and sleeping areas; added text regarding utility connection fees consistent with State Law, a added text that the ADU has a separate primary entrance; reduction in the minimum ADU floor area to 220 gsf., added text to allow the ADU floor area to be determined by the total primary unit floor area that includes a concurrent primary unit floor area addition, added text regarding parking consistent with State Law, clarification that fire safety access could be a sufficient reason to increase an otherwise allowed ADU minimum setback requirement, added text that an ADU is allowed in the CBD and C-2 zones with a special use permit and that the CBD zone is subject to possible Downtown Development Code amendments, and added a discretionary review process for larger properties with a relatively small existing primary dwelling unit that allows for development of a new primary unit and re-designation of the existing unit as the ADU. |

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| Program 7: Housing Permitting Process Review | Review and streamline permitting process, especially for AAHOP projects, second units, and manufactured housing. | Annually and as project applications are submitted. | Program 7 is a partially completed program for ADU and AAHOP projects. The program remains ongoing in terms of continuous review of the permitting process.<br><br>During 2018, Community Development filled a newly created position, Permit Coordinator, to assist in the building permit process, and the Planning Division filled two vacant positions and was fully staffed by the end of 2018. During 2018, three AAHOP projects were entitled for a total of 91 lower income units (Cypress Gardens Special Needs [30 units], 2161 Etting Road Cabrillo Farmworker Housing [42], and 234 Johnson Rd [19]). Two AAHOP projects were approved by the Development Services Director while one project with a State Density Bonus had to go to Planning Commission for approval. There were no projects involving manufactured housing in 2018 and no changes are anticipated to City permitting regulations or procedures involving manufactured housing. |
| Program 8: SOAR Affordable Housing Exemption Study | Develop guidelines for the possible use of the affordable housing exemption in the SOAR ordinance. | During the planning period, if needed. | Program 8 has a completion target year of 2019.<br><br>As documented in the 2013-2021 Mid-Cycle Housing Element, SOAR has not been an impediment to development of affordable housing. Affordable housing is being developed and AAHOP sites are available without need to use the 20-acre per year Oxnard SOAR affordable housing exemption. This program will likely not be needed through the end of this RHNA planning period. |
| Program 9: Farmworker Housing Program | Review and pursue farmworker housing opportunities. Amend the Zoning Code to comply with state law regarding Employee | Initiate historic evaluation of the Camp Vanessa camp and prepare brochure by | Program 9 has an intermediate completion target year of 2019 and then remains ongoing.<br><br>As documented in the 2013-2021 Mid-Cycle Housing Element, several |

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| | (farmworker) Housing. At least three projects to be at least in pre-development planning with a qualified nonprofit developer. | 2016; Amend Zoning Code to comply with Employee Housing Act by 2018; continue to participate with House Farmworkers stakeholders and their projects and meet with the group at least twice a year. | farmworker developments have been completed in the City utilizing a variety of local, federal, and state funding sources. The zone text amendments adopted in tandem with the 2013-2021 Mid-Cycle Housing Element brought the code into compliance with State Employee Housing law. The 42-unit Etting Road farmworker housing project and a remodel of the Garden City Labor Camp were approved in 2018. The labor camp facility has many upgrades that greatly improve the quality of life, address security concerns, and extends the life of the facility used by H2A visa guest workers. The City did not conduct a historic evaluation of the Camp Vanessa "Bracero" farm labor facility but did work closely with its new owners to accept a ministerial application for an extensive remodel (formally filed in 2019) that will extend the life of the facility with a capacity of up to 500 H2A visa workers. The City did not develop an informational brochure. Planning staff attended the House Farm Workers monthly meeting on two occasions. Therefore, the initial portion of this objective was completed.<br><br>Planning Division staff continue to work with farmworker stakeholders and the nonprofit community to discuss possible options for locating suitable and available sites for farmworker housing. The Housing Department will continue to seek development partners and funding that can be used to develop affordable farmworker housing. |

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| Program 10: Inclusionary Housing Program | Produce 50 units per year on average on-site, in-lieu fees lead to average of 30 units per year. No units are counted toward RHNA, as they are not considered certain by HCD. | Monitor annually and ongoing. 2017, 2018 | Program 10 has intermediate completion target year of 2017 and 2018 and then remains ongoing.<br><br>In 2016, Community Development prepared a draft ordinance to codify the Inclusionary Housing Program ordinance into the Zoning Code. Staff expects to present the ordinance for adoption when the inlieu fee analysis is completed in 2019.<br><br>During 2018, the development of five affordable units were funded with funds collected from inclusionary housing in-lieu fees. Two units |

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| | | | were rental units in a 40-unit 100% affordable rental development to house veterans. This development was under construction in 2018 and is scheduled to be completed in 2019. Three of the units were single-family homes in a 100% affordable homeownership development that included a total of 6 single-family homes that were completed and sold to income-qualified families in 2018.<br><br>In an effort to increase the number of affordable units developed with in-lieu fees, the City is currently in the process of conducting a study to increase the amount of in-lieu fees collected from residential housing developers. The City's current in-lieu fee is greatly below that of other jurisdictions and insufficient to develop and meet the City's affordable housing needs.<br><br>In 2018, 5 on-site inclusionary affordable units were provided in 2 development projects. These units are being counted towards the City's RHNA target.<br><br>The 2013-2021 Mid-Cycle Housing Element does not include any inclusionary units towards meeting the RHNA target until the projects are approved and have an inclusionary condition of approval. |

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| Program 11: Homeownership Assistance Citywide | Assist a total of 40 households annually. | Ongoing | Program 11 is an ongoing program with an annual objective of assisting 40 households to purchase their housing.<br><br>During 2018, Oxnard provided homeownership assistance funded by HOME, CalHome, BEGIN, in-lieu fees, and CDBG. A total of 19 households were assisted with a total of $805,591 in funding. The average loan was for $42,400. In addition, the Housing Authority conducts a Family Self-Sufficiency (FSS) program to help families save money for a home or other special needs. In 2018, one public housing FSS family transitioned to homeownership. While homeownership assistance averaged at least 40 households a year between 2014-2016, the elimination of HERO homeownership assistance funding (former |

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| | | | redevelopment agency funding through the City's Community Development Commission (CDC)) and a lack of sufficient available affordable housing in the local real estate market for low-income families has resulted in a reduced number of first-time homebuyer loans issued. Given current and available resources, a more realistic annual target may be 16 to 20 annual households assisted. |

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| Program 12: Mortgage Credit Certificate (MCC) | Continue working with the Ventura County Consortium to distribute funding and work toward Oxnard residents using at least 6 mortgage Credit Certificates per year. | Ongoing and as far as first-time homebuyers' applications are pursued. | Program 12 is an ongoing program with an annual objective of assisting six households to purchase their housing.<br><br>The City is continuing to work with the Ventura County Consortium. During 2018, 15 Oxnard residents received MCC, as reported by the Ventura County Consortium, exceeding the City's goal of 6 MCCs issued to Oxnard residents. |
| Program 13: Financial and Regulatory Assistance | Continuing to provide financial and regulatory assistance. | Pursue AHSC funding annually beginning in 2015. | Program 13 is an ongoing program with no specific objective for 2018.<br><br>During 2018, no applications were filed for AHSC funding. Community Development will continue to evaluate projects for AHSC applications. The challenge is showing significant Greenhouse Gas (GHG) reductions to score well against other AHSC applications and the costs of preparing the applications. |

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| Program 14: Shelter Development Program | Continue to work toward development of a year- round emergency shelter. | Amend Zoning Code to fully address SB 2 requirements for transitional and supportive housing by 2019. | Program 14 has an intermediate completion target year of 2019, and then remains ongoing.<br><br>Per information included in the certified 2013-2021 Mid-Cycle Housing Element, the City has completed SB2-related Zone Code updates. During 2018, the Commission on Homelessness was kept abreast of developments towards meeting this objective at their monthly meetings. The Community Development and Housing Departments are working on a partnership with the City of Ventura and the County of Ventura to develop year-round shelters in both jurisdictions, along with contracting with Mercy Housing to operate the permanent shelter. The operation of the permanent year-round shelter is scheduled for December 2019. |

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| Program 15: Homeless Assistance | Continue to implement program with shelter for women and children and winter warming service that averages 700 person-nights. | Ongoing through planning period. | Program 15 is an ongoing program with no specific objective for 2018.<br><br>During 2018, Homeless Services implemented and assisted the adults with children shelter at Gabriel's House with 45 persons a night. The winter warming shelter met its goal of serving 700+ unduplicated persons annually. (Note that there is a correction to the goal listed, the intent was to set a goal of assisting at least 700 persons annually not average 700 persons per night). Homeless Services continues to assist Grants Management and the Oxnard Housing Authority with CDBG, ESG and HUD-VASH. Currently, staff is facilitating $249,000 in CDBG funds for design and remodeling at Gabriel's House, utilizing $200,000 for emergency shelter assistance, providing ESG subrecipients with monitoring and technical assistance and awaits the placement of HUD-VASH recipients for the Ormond Beach Project. Homeless Services has also developed 1.5 million dollars in Measure O funds and $1.5 Million in State HEAP funding to build and operate the permanent year -round shelter through a tri-party agreement with the City of Ventura and County of Ventura in order to assist homeless and at-risk individuals and families. |

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| Program 16: At-Risk Household Assistance | Continue to monitor assisted units, and if any become at risk, work with property owners to develop a strategy to maintain any at-risk through 2023. | As needed through 2023. | Program 16 is an ongoing program with no specific objective for 2018.<br><br>As documented in the 2013-2021 Mid-Cycle Housing Element, Section B-7, there are no assisted units at-risk within the current planning period. Community Development will continue to monitor assisted units, and if any become at risk, work with property owners to develop a strategy to maintaining their affordability. |
| Program 17: Fostering Self-Sufficiency | Support community-based organizations to assist a minimum of 90 households annually, with | Annually and ongoing. 2017, 2018, 2019,20202021 | Program 17 is an ongoing program with an annual objective of assisting 90 households. |
| | Oxnard residents compromising a minimum of 80 percent of those assisted, with a program goal of 100 percent. | | During 2018, the goal of assisting a minimum of 90 families was met. Forty (40) Public Housing and 42 Section 8 low-income families participated in the Family Self-Sufficiency program. Of these families, three public housing and four Section 8 families graduated from the FSS program. One FSS family purchased a home and three FSS families (1 Section 8 and 2 public housing families) transitioned out of subsidized housing. For the reporting period 03/23/17-03/23/18, there were 400 individuals enrolled in various programs facilitated by the ROSS Services Coordinator. Ross programs include participation in employment training/mentoring programs, tutoring programs, GED attainment programs, job retention activities, and basic office skill workshops. All of these programs will complement a family's goal of moving out of assisted housing. However; there are often other factors that affect a family's ability to transition. |

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| Program 18: Section 8 Assistance Program | Continue to participate, encourage property owners to register units, and seek to raise the payment standard as needed. | Seek new vouchers and/or to raise the payment standard as needed annually. | Program 18 is an ongoing program with no specific objective for 2018.<br><br>On average 1,586 vouchers were in use in 2018 which does not include project based vouchers issued for the Las Cortes Project which was fully leased in 2019. The housing wait list was not opened in 2018, but was officially opened in 2019 01/15/19 at 9:00 a.m. As of 02/11/19, approximately 3,900 applications were received.<br><br>During 2018, Housing Authority staff encouraged all landlords to register their available units/properties on the "Go Section 8" website/portal which can help landlords to market their units at no cost. In addition, Section 8 staff educated potential landlords on the benefits of accepting the Section 8 program. Services offered to Section 8 landlords included the recently activated landlord on-line web-portal which offers the convenience of access to the ledgers and inspections for units that are currently rented to Section 8 program participants. The payment standard was increased/decreased on an annual basis when the Fair Market Rents were revised/published by HUD. The total number of Housing Choice Vouchers that were available in 2018 was 1,825. |
| Program 19: Fair Housing Services | Continue to implement and advertise the program in cooperation with the Housing Rights Center.<br>Average 320 per year. | Ongoing. | Program 19 is an ongoing program with no specific objective for 2018.<br><br>During 2018, the City continued contracting with the Housing Rights Center to provide individual case management and investigation services to Oxnard Residents, housing providers, and home seekers. This contract is entirely funded with CDBG funds. In 2018 the goal of 320 client contacts was met. There were at least 333 contacts (143 client households, about 160 paper distributions, 26 attendees at training sessions, and an unknown number of website contacts for Oxnard residents). |

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| Program 20: Energy Conservation | Increase public awareness and information on energy conservation opportunities and assistance programs for new and existing residential units, and comply with state energy conservation requirements. | Advertise programs and implement project related standards as feasible when development applications are received. | Program 20 is an ongoing program with no specific objective for 2018.<br><br>During 2018, Community Development continued to post and distribute information on currently available weatherization and energy conservation programs to residents and property owners through annual mailings in City utility billings and distributed program information to community organizations and at municipal offices; Community Development continued to enforce state requirements, including Title 24 of the California Code of Regulations, for energy conservation in new residential projects and encouraged residential developers to employ additional energy conservation measures for the siting of buildings, landscaping, and solar access; and Community Development continued to encourage development of affordable housing units that utilize passive or active energy saving features (e.g. solar panels, efficient appliances, and efficient building materials). |
| Program 21: Report Housing Element Implementation | Report annually on accomplishing the goals, policies, and programs that fulfill state law requirements. | Report Annually. 2017, 2018, 2019, 2020-2021 | Program 21 is an ongoing program with an annual objective of filing the Annual Progress Report (APR) by April 1 for the preceding calendar year.<br><br>The 2018 APR was filed on the April 1, 2019 deadline. All previous APR were filed by their respective due dates. |
| Program 22: Reasonable Accommodation | Continue to implement reasonable accommodation ordinance for disabled persons. | Amend Section 15501.5 of Division 17 Reasonable Accommodation by 2017. Review requests for reasonable accommodation as they are received. | Program 22 has an intermediate completion target year of 2017, and then remains ongoing.<br><br>During 2018, there were no changes to this program. Community Development continued to process requests for reasonable accommodation which are reviewed on a staff level, and approved four Reasonable Accommodation permits. |

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| Program 23: Special Needs Group | Work to identify funding and assist in addressing the housing needs of special needs groups. | Identify funding opportunities annually and/or as funding becomes available. 2017, 2018, 2019, 2020-2021 | Program 23 is an ongoing program with an annual objective of assisting 90 households.<br><br>During 2018, a web-platform was established to open a waitlist exclusively for homeless applicants when needed. At this time all applicants are given an opportunity to apply to the waitlists. The application allows for someone to indicate if they are homeless. Currently OHA has a total of 15 vouchers set -aside for homeless applicants referred to OHA. No new families have been admitted to the program due to lack of funding for the past two calendar years. There are eight vouchers available/remaining. The City of Oxnard Housing Authority partnered with the Housing Authority of the City of San Buenaventura and Area Housing Authority of the County of Ventura to apply for the Mainstream Voucher funding opportunity which targets non-elderly persons with disabilities transitioning out of institutional settings and at risk of becoming homeless. The grant was approved. In 2018, Homeless Services successfully worked with the City of Ventura and the County of Ventura to establish funding for a permanent year-round shelter and to establish a temporary emergency shelter in Oxnard. Homeless Services was able to develop 3.2 million dollars for sheltering and received $360,000 directly from the two other jurisdictions for the emergency shelter operation. Homeless Services also worked with the architectural firm Lauterbach and Associates on a $100,000 CDBG contract for ADA improvements to the Gabriel's House Family transition center. |

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| Program 24: Mobile Home Park Conservation Ordinance | Clarify the mobile home park condominium conversion process based on recent case law. | Annually. | Program 24 is an ongoing program with no specific objective for 2018.<br><br>As of 2019, a review of recent case law pertaining to conversions of mobile home parks to condominium ownership to determine if there is a need to modify the mobile home conversion code and/or administrative procedures for mobile home park conversions had not been completed by the City Attorney's office. |

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| Program 25: Annexation | Allow additional capacity to meet the City's RHNA. | Annexation within 18 months of Housing Element adoption; Consider alternative approaches if annexation doesn't occur by 2018. 2017, 2018, 2019 | Program 25 has an intermediate completion target years of 2017, 2018, and 2019.<br><br>The Teal Club Specific Plan (TSCP) annexation application remains in a 'hold' status as the Oxnard School District completes its acquisition of a portion of the site for a Middle School. The TSCP Draft EIR was circulated in early 2016 and the entitlement action is expected to begin again in 2019 after the EIR is updated. If the project and annexation are approved, some number of affordable units would likely be counted in the next housing element planning period, 2021 to 2029. As stated in Programs 3 and 26, Community Development has determined that the City has met the RHNA target with completed projects, proposed projects, and anticipated ADU approvals by 2021. Therefore, there is no need to consider alternatives to the TCSP annexation as stated in the program.<br><br>In 2018, the Rio School District file an annexation for an 11-acre surplus school site that included 182 condominium housing units and 19 affordable units required by the City's inclusionary ordinance. The application remains in progress. |
| Program 26: AAHOP Monitoring Program | Ensure the AAHOP does not constrain the development of affordable housing. | Update AAHOP site list and map annually; continue to refine the AAHOP program annually and as needed.<br>2017, 2018, 2019, 2020-2021 | Program 26 requires an annual review from 2017 through 2021. During 2018, there were no changes to this program. Community Development continued to post and distribute information on currently available AAHOP sites and continued to provide information to owners and developers about the AAHOP incentives. As stated in Program 3 above, three AAHOP projects were entitled in 2018 for a total of 91 lower income units (Cypress Gardens Special Needs [30 units], 2161 Etting Road Cabrillo Farmworker Housing [42], and 234 Johnson Rd [19]). A previously-approved AAHOP project, Gateway Apartments, is nearing completion with 240 affordable units. |

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| | | | Community Development has determined that the City has surplus capacity to meet all categories of the remaining 2013-2021 RHNA. With the Program 3 previously-identified lower income need now being met by ADUs and other projects, there is no need to identify additional AAHOP sites or modify the program. |

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| Program 27: Large Households | As project applications are submitted. | Assist in the development of larger units to accommodate larger households. | Program 27 is an ongoing program with no specific objective for 2018.<br><br>During 2018, there were no changes to this program. Community Development continued to encourage and developments to add additional bedrooms. However, developers are saying that there is a strong demand for smaller units for newly formed households of roommates, young couples with no children, and 'empty-nesters.' |
| Program 28: Extremely Low-Income Households | Comply with AB 2634. | Look for opportunities to develop or facilitate extremely low-income units at least annually. | Program 28 is an ongoing program with no specific objective for 2018.<br><br>During 2018, there were no changes to this program. The City continues to encourage the development of housing suitable for extremely low-income households (i.e., single-room occupancy units, transitional housing). The AAHOP Cypress Gardens project, approved in 2018, included 30 single and one-bedroom units for special needs residents who are likely to be extremely low income. |
| Program 29: Review of Parking Standards | Continue to review alternative parking requirements in all zoning districts. | Amend parking | Program 29 is an ongoing program with a reporting requirement every two years. The next required report is in 2019.<br><br>During 2018, the Planning Division prepared the ADU zone text amendment that included clarification of parking requirements consistent with State law (see Program 6). Multifamily projects are generally reducing guest parking, utilizing tandem paring, and using more surface parking as the projects qualify for Density Bonus parking standards by complying with the City's 10% inclusionary ordinance. The City will continue to allow reduced parking requirements for senior and affordable housing projects with approval of a parking |

| | | | |
|---|---|---|---|
| | | | study as well as shared parking when uses with different peaking characteristics (such as offices and apartments) are combined in a single structure. The City will also monitor the impacts of these parking studies and report every two years on any constraints identified in their annual Housing Element report to HCD (beginning in the 2019 APR). Planning developed the new Downtown Code with reduced parking requirements for residential uses in the downtown and reductions for studio and one-bedroom apartments.<br><br>The City did not establish a fixed parking requirement for congregate living facilities, community care facilities and small residential care facilities for disabled person, nor explore the feasibility of an ordinance that would prohibit the long-term storage of cars in designated parking spaces in multifamily complexes, thereby ensuring that the spaces may remain available for tenant use. The City plans to evaluate the associated costs with the current parking requirements to ensure they are not a constraint on development in 2020. |

| | | | |
|---|---|---|---|
| Program 30: Large Site Program | Assist with large site development | As project applications are submitted. | Program 30 is an ongoing program with no specific objective for 2018.<br><br>During 2018, Community Development staff worked closely with the Oxnard Union High School District and owners of a 107-acre vacant parcel to identify requirements and opportunities for affordable housing. Community Development staff also worked closely with the Rio School District, owner of an 11-acre parcel contiguous to City limits for possible annexation and inclusion of affordable housing. |

| | | | |
|---|---|---|---|
| Program 31: City Owned Sites and AAHOP Developer Assistance | Promote development of AAHOP projects on City-owned sites and assist potential developers with AAHOP projects. | Promote awareness of availability of City-owned AAHOP sites and provide assistance to applicants on an ongoing basis; disseminate information on technical assistance annually.<br>2018, 2019, 2020-2021 | Program 31 was added with the adoption of the 2013-2021 Mid-Cycle Housing Element with the first annual report due for 2018.<br><br>During 2018, the City retained consultants to prepare a form-based zoning code for the Central Business District as part of an enhanced effort to generate housing and commercial development in and around the downtown area. As part of the planning process, several City-owned and/or Successor Agency parcels in the downtown were identified for consolidation and development. In 2018, a RFP was issued for concept proposals but the responses were not fully in line with the City's vision. The program continues into 2019 with the planned adoption of the new Downtown Code. |

**Status Report Update Housing Department, October 2019:**

- Continue to issue Residential Rehabilitation loans to low-income Oxnard homeowners to make needed repairs to their homes (Program 2);
- Develop and introduce new affordable housing development opportunities for affordable housing developers to increase the City's affordable housing stock and use affordable in-lieu fee funds, as needed, to provide gap financing to affordable housing developers to incentivize the Housing Department's development opportunities (Program 10);
- Continuing to work with the consulting firm procured by the City to complete the Affordable Housing In-Lieu fee study to increase the in-lieu fees collected from residential housing developers to allow for a greater capacity for affordable multi-housing development (Program 10);
- Issuing down-payment assistance loans to low-income Oxnard residents that are first-time homebuyers (Program 11)
- Continuing to work with the Ventura County Consortium to ensure that Oxnard Residents continue to receive Mortgage Credit Certificates (MCC) to assist them in lowering their federal tax liability, resulting in the creation of additional net spendable income that first-time homebuyers can use towards paying their monthly mortgage payment (Program 12);
- Moving forward with negotiations for securing a permanent year-round homeless shelter site (Program 14/15);
- Continuing to provide homeless services to women and children at Gabriel's House and will commence ADA accessibility improvements during the current fiscal year (Program 15);
- Continuing to monitor assisted units that are at-risk of converting to market-rate. Noting that the Channel Islands Park Apartments, which were previously identified as "at-risk" have recently extended their affordability period for an additional 15 years. (Program 16);
- Continuing to support and promote community-based programs that assist Oxnard residents to achieve economic self-sufficiency such as the OHA's Family Self-Sufficiency and Ross Programs (Program 17);

- The OHA is continuing to encourage property owners to register their available units and properties for rent to Section 8 tenants and is providing landlords with various incentives to register their units including marketing of their units free of charge on the "Go Section 8" website/portal. The OHA continues to request an increase in the payment standard when Fair Market Rents published by HUD increase (Program 18);
- Continuing to promote and advertise Fair Housing Programs to Public and Private Agencies by providing fair housing information to Oxnard residents and housing providers and ensuring that housing is in compliance with fair housing requirements as specified by state and federal laws. (Program 19);
- The Housing Department's Homeless Services Division has expanded the scope of the targeted voucher program for homeless individuals with the OHA and the Ventura County Continuum Of Care, in addition the OHA is continuing to set aside 15 vouchers annually for homeless applicants (Program 23);
- The Housing Department's Grants Management Division continues to administer the U.S Department of Housing and Urban Development Department's (HUD) Hearth Emergency Solutions Grant (HESG) and provide funding for homeless services to non-profit agencies for street outreach, emergency shelter, homeless prevention, and rapid re-housing. The Grants Division also uses a portion of the City's HUD issued Community Development Block Grant (CDBG) funds to fund a non-profit agency that provides supportive and case management services including transitional shelter to homeless individuals and families (Program 23).

**Tim Flynn**
Mayor

**Office of the Mayor**

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October 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) OPTION 4 METHODOLOGY**

Dear Mr. Ajise:

This letter expresses our full support for the September 18, 2019 "objection" letter to the Department of Housing and Community Development (HCD) and provides urgent comments regarding the 6th Cycle RHNA Methodology Option 4 presented to the RHNA Subcommittee on October 7, 2019. The City of Oxnard (City) acknowledges the difficult task before SCAG to allocate 1.344 million housing units across our six-county region.

Comments Regarding Option 4

We commend SCAG for developing Option 4, which resulted from collective comments expressed within approximately 250 comment letters submitted to SCAG as a result of review of RHNA allocation Options 1- 3. Option 4 considers local input to the year 2030, increases the equity adjustment for low resource communities, and focuses post-year 2030 growth to High Quality Transit Areas (HQTA) and areas identified as jobs-rich areas. The City of Oxnard supports these adjustments in concept.

However, when we use the SCAG excel calculator dated October 2, 2019 which reflects the Option 4 RHNA Methodology, the resultant housing unit allocation for Ventura County cities and particularly the City of Oxnard lack fundamental logic. Additionally, the results seem in direct conflict with SCAG Sustainable Communities Strategy (SCS) and Regional Transportation Plan (RTP) objectives. Particularly:

1. There are five Metrolink stations in Ventura County, yet Ventura (city) and Oxnard were assigned 93% of the 3,843 HQTA units? The HQTA unit counts are below:
    a. Camarillo 55
    b. Moorpark 154
    c. Oxnard 2,224
    d. Ventura 1,345

e. Simi Valley 56

Please explain how the HQTA distribution was determined? The October 7th SCAG staff report (Page 36) states that HQTA is based on each cities projected 2045 HQTA. This implies that cities that plan no additional housing around Metrolink stations are rewarded for what appears to be a clear inconsistency with the RTP/SCS and the intent of Connect SoCal. This distribution where three existing Ventura County Metrolink stations have such a relative small HQTA simply does not make sense.

2. Compared to Option 3, which we recommended, Oxnard's total Option 4 RHNA was reduced from 9,412 to 8,484 units, or a reduction of close to 10%. Comparing Option 3 to 4, other cities in Ventura County had a range of change from an increase of 7% (Moorpark) to a decrease of 44% (Ventura and Simi Valley). Why does Option 4 results in this wide range of change compared to Option 3? It appears that existing need is allocated based upon 2030 to 2045 growth. The existing need in Oxnard is high because other Ventura County cities have not permitted their fair share of affordable housing (Oxnard permitted 70% of all affordable units since 2014). Under Option 4, Oxnard continues to provide even more housing to meet the SCAG allocated "need" while other Ventura County cities RHNA allocations are comparatively reduced. In our opinion Option 4 with the 180% equity-adjustment (which we support), creates a geographic inconsistency between Oxnard's identified existing need of 5,266 units and where Option 4 allocates lower income units in other Ventura County cities. Option 4 should include another method of allocating existing need consistent with the Option 4 social equity adjustment. For example, Thousand Oaks and Simi Valley would be allocated some of the Ventura County identified existing need.

3. Similar to comment No. 2 above, Option 4 appears to have diminished the importance of focusing post-year 2030 growth to employment centers. The total RHNA for Thousand Oaks decreased by 38% between Options 3 and 4 even though it is a major employment center with considerable additional planned employment growth. We suggest that Option 4 not only consider existing jobs/housing balance, but planned jobs growth in tandem with post-year 2030 household projections.

The City supports the stated goals in SCAG's Option 4 methodology (social equity, local input, jobs/housing balance, and HQTA). However, these goals are not fairly reflected in the unit allocation calculated for the City of Oxnard. The City of Oxnard's share of the RHNA allocation for Ventura County should be adjusted downward to reflect a fair application of these principles.

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

c:
Oxnard City Council
Alex Nyguen, City Manager
Ashley Golden, Assistant City Manager
Jeffrey Lambert, Community Development Director
Kenneth Rozell, Chief Assistant City Attorney
Kathleen Mallory, Planning & Sustainability Manager

# Housing Updates
# and
# Housing Policy Discussion

Kathleen Mallory, Planning & Sustainability Manager
Jeffrey Lambert, Community Development Director

City Council Special Meeting
October 29, 2019

## PURPOSE OF THE HOUSING POLICY STUDY SESSION

- Frame the factors that will influence future housing policy
- What is a Housing Element?
- City of Oxnard performance with current Housing Element
- Housing Legislation in Sacramento impacting the City's housing and land use policies/actions
- What is the Regional Housing Needs Assessment (RHNA) and why does it matter?
  - 5th RHNA Cycle
  - 6th RHNA Cycle
- Next Steps/Future policy decisions
- Questions impacting housing policies and programs

## WHAT IS A HOUSING ELEMENT?

- Required Element of the City's General Plan
- Required to be updated every eight years
- Address all housing income categories:
  - Extremely low (0-30% Area Median Income - AMI).
  - Very low (30%-50% AMI)
  - Low (50-80% AMI)
  - Moderate (80-120% AMI)
  - Above Moderate AMI (+120% AMI)
- Housing Elements guided by Regional Housing Needs Assessment (RHNA) process
- Creates policies and programs to address all types of housing need

## 2019 VENTURA COUNTY INCOME LIMITS

| Annual Income | 1 Person Household | 2 Person Household | 3 Person Household | 4 Person Household | 5 Person Household | 6 Person Household | 7 Person Household | 8 Person Household |
|---|---|---|---|---|---|---|---|---|
| Extremely Low (30%) | $22,000 | $25,150 | $28,300 | $31,400 | $33,950 | $36,450 | $39,010 | $43,430 |
| Very Low (50%) | $36,650 | $41,850 | $47,100 | $52,300 | $56,500 | $60,700 | $64,900 | $69,050 |
| Lower (80%) | $58,600 | $67,000 | $75,350 | $83,700 | $90,400 | $97,100 | $103,800 | $110,500 |
| Median (100%) | $68,450 | $78,250 | $88,000 | $97,800 | $105,600 | $113,450 | $121,250 | $129,100 |
| Moderate (120%) | $82,150 | $93,900 | $105,600 | $117,350 | $126,750 | $136,150 | $145,500 | $154,900 |

**Face of Affordable Housing in Ventura County:**

- Teacher
- Entry level firefighter
- Postal worker
- Senior Care Provider
- Crossing Guard
- Grocery Worker

## HOUSING LEGISLATION

- 2017 and 2019 Housing Legislation also have large impacts.
- 2017 bills:
  - Strengthens Housing Accountability Act.
  - Generates funding for local planning for housing (SB2).
  - Requires ‘no net loss’ zoning and rolling inventory.
- 2019 bills:
  - Five bills further encourage/require Accessory Dwelling Units.
  - Additional concession/density bonus for 100% affordable projects.
  - Authorizes Attorney General to seek court order to bring a jurisdiction’s housing element into compliance.

## REGIONAL HOUSING NEEDS ASSESSMENT

- Housing Elements guided by Regional Housing Needs Assessment (RHNA) process.
- RHNA “5th Cycle” 2013 - 2021.
  - Approximately 430,000 units to the SCAG region
  - Ventura County’s 11 jurisdictions - 19,158 dwelling units
    - Resulted in 7,301 dwelling units allocated to Oxnard.
- 2018 City RHNA reporting to HCD.
  - 5,244 housing units of 7,301 housing units in progress

## 5TH RHNA CYCLE (2013-2021)

- **2018 Annual Report - City has in progress 5,244 of its total 7,301 units in 5th Cycle Housing Element (2013-2021)**

**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<br>Very Low | 1,688 | 131 | 40 | 171 | 1,517 | 1,773 | 150 | 148 |
| Low | 1,160 | 671 | 231 | 902 | 258 | | | |
| Moderate | 1,351 | 375 | 850 | 1,225 | 126 | 250** | -- | 124 |
| 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 |

## 5TH CYCLE - PROGRAMS AIMED AT PRODUCING AFFORDABLE HOUSING/ HOUSING ELEMENT

**Development of Affordable Sites:**

- All Affordable Housing Opportunity Program (AAHOP)(Program 3)
- City owned sites identification (Program 31)
- Parcel Assemblage (Program 5)
- State Density Bonus (Program 6)
- Accessory Dwelling Unit Ord. (Program 6)
- Inclusionary Housing Ord. (Program 10)

**Programs Assist in Ownership/Rental:**

- Homebuyer Assistance (Program 11)
- Mortgage Credit Certificate (Program 12)
- Section 8 Assistance (Program 8)

## 5TH CYCLE - PROGRAMS AIMED AT PRODUCING AFFORDABLE HOUSING/ HOUSING ELEMENT

**Programs:**

- Residential Rehabilitation loan repair program (Program 2)
- Negotiations/ securing a permanent year-round homeless shelter site (Program 14/15)
- Continuing to provide homeless services to women and children at Gabriel's House (Program 15)
- Continuing to promote and advertise Fair Housing Programs to Public and Private Agencies by providing fair housing information to Oxnard residents and housing providers and ensuring that housing is in compliance with fair housing requirements as specified by state and federal laws (Program 19)

## 6TH RHNA CYCLE (2021-2029)

- 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 and included two unique 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

## 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

## 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

**On Oct. 16, 2019 California Department of Housing and Community Development (HCD) Set SCAG RHNA as 1,341,827 units.**

- SCAG objection letter sent to HCD on September 18, 2019 for the proposed allocation oc 1,344,740 units.
- Three times what SCAG Regional Council anticipated.
- Total Need increased by current need:
  - Future Need is 551,499 household (41%)*
  - Current Need is 793,241 (59%)*

*these numbers will change slightly with the new allocation

## THREE RHNA METHODOLOGIES

- Three methodologies presented to City Council September 10, 2019.
- Options yielded different housing allocation outcomes. Under the 1,344,740 SCAG region allocation scenario:
  - Option 1 - 42,751 total VC units; 10,353 units to Oxnard from 2021-2029
  - Option 2 - 49,055 total VC units; 12,111 units to Oxnard from 2021-2029
  - Option 3 - 31,499 total VC units; 9,412 units to Oxnard from 2021-2029

## FOURTH RHNA METHODOLOGY

October 2nd - new / 4th Methodology released; intended to respond to over 250 comment letters

**Option 4 -** HCD Regional Need - 1,344,740 units

1. Uses all of the Region's projected growth to 2045, by 2029.
2. Total HCD need less Projected Growth is Current Need.
3. Allocates Current Need by policy choices, not actual data.
4. Provides a social equity adjustment up to 180%.
5. Adds units to only the high quality transit areas (HQTA's) that showed projected growth in those areas.

This option yields - 26,214 total VC units; 8,484 units to Oxnard from 2021-2029.

## FOURTH RHNA METHODOLOGY

Mayor submitted a letter on Oct. 11th objecting to 4th RHNA methodology.

**OXNARD's 4th METHODOLOGY CONCERNS (Oxnard housing allocation):**

- Existing Need allocation number is 34.4% of the County Total.
- Total RHNA for Oxnard is 32.4% of the County Total.
- City is about 25% of the County population.
- Existing need is here because other cities did not add needed housing, leading incorrect housing percentage allocation.
- Does RHNA "reward" past low housing production?

## FOURTH RHNA METHODOLOGY

**COUNTY JURISDICTIONS WITH TOTAL AND EXISTING NEED OPTION 4**

| Jurisdictions | 6th RHNA Housing Total Unit Allocation | Existing Need | Percentage of Total County RHNA Allocation |
|---|---|---|---|
| Camarillo | 1,305 | 647 | 5.0% |
| Fillmore | 687 | 321 | 2.6% |
| Moorpark | 1,232 | 549 | 4.7% |
| Ojai | 78 | 31 | 0.3% |
| Oxnard | 8,484 | 5,266 | 32.4% |
| Port Hueneme | 125 | 36 | 0.5% |
| Ventura | 4,999 | 3,317 | 19.1% |
| Santa Paula | 1,063 | 521 | 4.1% |
| Simi Valley | 3,339 | 2,003 | 12.7% |
| Thousand Oaks | 3,705 | 2,157 | 14.1% |
| Unincorporated | 1,197 | 426 | 4.6% |
| TOTAL County | 26,214 | 15,274 | |
| Oxnard % of County | 32.4% | 34.4% | |

## RHNA SCHEDULE

- Oct. 7th - SCAG Region SubCommittee voted to approve a 4th Option.
- Oct. 17th - SCAG's Technical Working Group meeting to provide technical clarification on transit and job accessibility measures
- Oct. 21st - Community, Economic Development, & Human Committee (CEHD) reviewed methodology
- Nov. 7th - Full regional council to consider the final methodology
- Nov.-Jan 2020 - SCAG selected methodology sent to HCD
- Jan/Feb 2020 - Final methodology released
- Appeal allocation number to HCD / early 2020
- Final RHNA allocation Oct. 2020
- 6th Cycle Housing Element due Oct. 2021

## WHAT DOES ALL THIS MEAN FOR FUTURE HOUSING POLICY?

- Housing production is key Governor's agenda with punitive measures for failure to construct, report, or obstruct.
- 6th Cycle Housing Element process involves more policy development, and regulatory changes to encourage construction of housing.
- Unique approaches to achieve housing encouraged; mixed use and rezoning likely needed to accommodate more housing.
- Need to increase density to accommodate more housing.

## KEY POLICY QUESTIONS FOR THE 6TH RHNA CYCLE

1. The upcoming Housing Element will need to consider increased housing densities; in what areas of the City should these increased densities be considered?

2. How supportive is Council to mixed use development in targeted areas throughout the City?

3. Streamlining the development review process for housing units to include by-right (no public notice or discretionary hearing) approvals will need to occur. What is the Council's reaction to this concept?

## KEY POLICY QUESTIONS FOR THE 6TH RHNA CYCLE

4. ADUs, tiny homes, and workforce housing continue to be seen as a critical method of expanding the affordable housing stock. What is Council's feedback on additional housing units being accommodated via ADU's (allowance of two ADUs on some lots, etc.), small lot development standards and tiny homes (units 100-400 sq. ft.), as well as workforce housing?

5. What is Council's feedback on increasing density around transit corridors throughout the City (Gold Coast bus lines) and at Metrolink/Amtrak station (downtown).

CITY OF OXNARD CALIFORNIA

## DISCUSSION