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
HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
Council Chambers, 305 West Third Street
January 14, 2020
Regular Meeting - 4:30 to 5:45 PM

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

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

C. CONSENT AGENDA

1. City Clerk Department

   SUBJECT: Approval of Minutes.

   RECOMMENDATION: That the Housing and Economic Development Committee approve the minutes of the December 10, 2019 regular meeting as presented.

   Contact: Michelle Ascencion, (805) 385-7805

D. REPORTS

1. Community Development Department

   SUBJECT: Update Pertaining to Local Preference - For Sale or For Rent Housing Projects Within the City of Oxnard. (10/10/10)

   RECOMMENDATION: That the Housing and Economic Development Committee:
   1. Receive a report from the Community Development and Housing Departments regarding local

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

preference for for sale or for rent market-rate residential units and potential strategies to establish an "Oxnard Resident" priority; and

2. Provide feedback to staff regarding strategies to encourage local preference for market rate units.

Contact: Jeffrey Lambert, Emilio Ramirez, (805) 385-7882, (805) 385-8094

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

M I N U T E S
OXNARD CITY COUNCIL
HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
Regular Meeting
December 10, 2019

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 4:35 p.m., Member Flynn called to order the regular meeting of the Oxnard City Council Housing and Economic Development Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Members Tim Flynn and Vianey Lopez were present; Chair Oscar Madrigal was absent.

Staff members present were Shiri Klima, Deputy City Manager; Kenneth Rozell, Chief Assistant City Attorney; Emilio Ramirez, Housing Director; and Michelle Ascencion, City Clerk.

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

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.
   RECOMMENDATION: That the Housing and Economic Development Committee approve the minutes of the November 12, 2019 regular meeting as presented.

It was moved by Member Lopez, seconded by Member Flynn, to approve the minutes as presented. VOTE: Flynn and Lopez voted in favor; the motion carried 2-0.

D. REPORTS

Housing Department

1. SUBJECT: Update on Las Cortes Housing Development.
   RECOMMENDATION: That the Housing and Economic Development Committee receive an update on the Las Cortes Housing Development Located at First Street & Rose Avenue.

The Housing Director gave a report. Discussion ensued among the Committee and staff. No action was required.

E. ITEMS FOR FUTURE AGENDAS

Member Lopez announced an upcoming housing survey report by Central Coast Alliance United for a Sustainable Economy ("CAUSE"), and requested a summary of the recent mobility summit presentation on a future agenda.

DRAFT

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Member Flynn adjourned the meeting at 4:52 p.m.

MICHELLE ASCENCION, CMC City Clerk	OSCAR MADRIGAL Chair

DRAFT

CITY OF OXNARD CALIFORNIA

HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1.

DATE: January 14, 2020

TO: Housing and Economic Development Committee

FROM: Jeffrey Lambert, Community Development Director, (805) 385-7882, jeffrey.lambert@oxnard.org
Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: Update Pertaining to Local Preference - For Sale or For Rent Housing Projects Within the City of Oxnard. (10/10/10)

RECOMMENDATION

That the Housing and Economic Development Committee:
1. Receive a report from the Community Development and Housing Departments regarding local preference for for sale or for rent market-rate residential units and potential strategies to establish an "Oxnard Resident" priority; and
2. Provide feedback to staff regarding strategies to encourage local preference for market rate units.

BACKGROUND

On February 26, 2019 at the Housing & Economic Development Committee meeting Councilmember Vianey Lopez requested that staff provide information regarding the feasibility of requiring housing developers to provide housing priority for local residents. This term is coined "local preference". The intent in implementing local preference is that by requiring a specific number of residential units for local residents, additional housing opportunities will be created for local residents as a means to lessen the housing crisis. This report summarizes staff's research and recommends strategies to advance this concept.

ANALYSIS

The City's existing Inclusionary Housing Ordinance (No. 2721) establishes that all new residential projects containing ten or more dwelling units to be offered for sale shall include not less than 10% of the project at affordable levels. Within Urban Village areas, as defined by the 2030 General Plan, the inclusionary requirement is 15%. The ordinance provides a local preference by stipulating that: "The developer shall offer the affordable units to qualified Oxnard resident buyers or renters on the waiting list first and give preference to them until there are no qualified Oxnard residents on the waiting list. At such time, the developer may make units available to all other prospective buyers or renters meeting the income limitations for such units."

Local preference can be imposed on for-sale, for-rent or market rate housing projects. However, the imposition of this requirement is more legally defensible when: 1) imposed on an affordable housing project where the developer is securing funding from the City (i.e., "gap financing"); 2) a housing project that secures

a Development Agreement (a voluntary agreement for benefits above and beyond code requirements); or 3) concessions are requested for a development project (thereby discretion is afforded to the City).

The City would have difficulty requiring local preference on a development project that complies with the Oxnard City Code, does not seek any code modifications, or doesn't request City financial subsidies. There are no policies or mechanisms in place that give Oxnard residents priority to secure market-rate for sale or rental housing.

As part of the City's Housing Element update process which will begin in March 2020, the City can evaluate strategies for establishing local preference for market-rate units. In consultation with the Housing Element Consultant additional research and feasibility will be conducted; staff has conducted some preliminary research on this topic which will be communicated at the HEDC meeting. Concepts which could be implemented to encourage local preference include requiring market rate local preference in Development Agreements (DAs) and through project conditions of approval.

Local Preference Requirement for Development Agreements

The City can adopt a policy to incorporate local preference requirements into all new residential Development Agreements between the City and developers of both market-rate and affordable housing developments. Staff can work with the City Attorney's office to develop appropriate language for establishing and incorporating local preference requirements into residential Development Agreements. Historically the City of Oxnard has not processed many Development Agreements. A Development Agreement would be an additional entitlement process since Council action would be required, and result in additional developer cost. Lastly, the City cannot require a DA, but can request that a developer seek one.

Local Preference Marketing Requirements via Conditions of Approval

For residential developments that do not require the developer/owner to enter into a Development Agreement, the City can facilitate local preference by encouraging developers/owners to market new housing units to local residents as a condition of approval. Compliance with this requirement could include that developers/owners of new residential developments with more than a given number of units provide the City with a written description of their marketing methods and documentation of their marketing materials to show compliance. Staff can work with the City Attorney's office to determine which permit applications would trigger this condition of approval as well as the timing for when developers would have to comply with this condition.

Regional Housing Needs Assessment

As the City embarks on the 6th Housing Element cycle, the question regarding how to construct affordable housing will become increasingly important. One means to secure additional affordable housing is to mandate the production through ordinances and policies as previously discussed. The 6th cycle RHNA numbers have not been finalized for the Southern California Association of Government (SCAG) region but they have been transmitted to the California Department of Housing and Community Development (HCD). The final numbers will be distributed to the City in February/March 2020. The City does not expect the City's numbers to change and are envisions to be as follows:

- Very Low Income - 1,836 units
- Low Income - 1,069 units
- Moderate Income - 1,535

- Above Moderate Income - 4,089 units
- **Total Oxnard Units: 8,529 units**

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 3. Strengthen neighborhood development, and connect City, community and culture.

Objective 3a. Create a renewed focus on establishing a positive outlook and orientation of our City, neighborhoods and overall community.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Kathleen Mallory, Planning & Sustainability Manager, Elsa Brown, Affordable Housing Program Manager

ATTACHMENTS

1. Local Preference PPT 01.14.20 HEDC

Update Pertaining to Local Preference For Sale or For Rent Housing Projects Within the City of Oxnard

Jeffrey Lambert, Community Development Director
Community Development Department

Emilio Ramirez, Housing Director
Housing Department

Housing and Economic Development Committee
January 14, 2020

Background

- Feb. 26, 2019 - Housing and Economic Development Committee Member Lopez requested info on methods to create priority for Oxnard residents to secure new market rate for sale or rent units.
- Inclusionary Housing Ordinance (Ord. No. 2721) stipulates local preference for *affordable* units.
  - "The developer shall offer the affordable units to qualified Oxnard resident buyers or renters on the waiting list first and give preference to them until there are no qualified Oxnard residents on the waiting list. At such time, the developer may make units available to all other prospective buyers or renters meeting the income limitations for such units."

2

Background

- When the City provides "Gap Funding" to developers to produce new affordable housing conditions of approval can stipulate local preference.
- Affordable Housing Agreements, as voluntarily agreed to between a developer and the City, establish local preference.

3

Strategies / Options

Local Preference Requirement for Development Agreements

- City can adopt policies and requirements for all new residential development agreements between the City and developers of both market-rate and affordable housing developments.

Local Preference Marketing Requirements via Conditions of Approval

- Residential developments where developer/owner (no development agreement), City can *encourage* local preference by requiring developers/owners to market new housing units to local residents via conditions of approval.

4

Challenges

- Inability to grant local preference:
  - For sale or rent projects that comply with all code requirements, and do not request a concession, or Development Agreement
- Development Agreements requiring local preference for rent or market-rate residential units:
  - Added cost and processing time (Council approval required) to developer
  - Cannot require that a development agreement be requested

5

6th Housing Element Cycle

- Housing Element update, policies and opportunities to encourage housing production in all income categories, including the feasibility of local preference
- 6th Housing Element cycle - housing numbers have not been finalized; anticipated to be substantial
- Preliminary numbers:

  Very Low Income - 1,836 units

  Low Income - 1,069 units

  Moderate Income - 1,535

  Above Moderate Income - 4,089 units

  Total Oxnard Units: 8,529 units

6

Staff Recommendation

- Receive a report from the Community Development and Housing Departments regarding local preference for market-rate residential units for sale or rent and potential strategies to establish an “Oxnard Resident” priority; and
- Provide feedback to staff regarding the proposed strategies.

CITY OF OXNARD CALIFORNIA

Discussion