

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](http://www.oxnard.org).



This meeting is held pursuant to the State Emergency Services Act, the Governor's Emergency Declaration, and Governor's Executive Order N-29-20 to allow members of the City Council or staff to participate via teleconference.

Pursuant to the Ventura County Public Health Official's order and Governor's Executive Order N-33-20, all city buildings are temporarily closed to the public. The public is encouraged to view the meeting from home on the City's website at [Oxnard.org/city-meetings](http://Oxnard.org/city-meetings), Spectrum channel 10, Frontier channel 35, or YouTube at [Youtube.com/oxnardnews](http://Youtube.com/oxnardnews). Video recordings are typically available online immediately following the meeting.

The public may provide comments to the City Council via email at [cityclerk@oxnard.org](mailto:cityclerk@oxnard.org) no later than 2:00 p.m. on the day of the meeting. Please identify the agenda item in the email Subject line.

A telephone option for public comments is also available at this time due to the State of California "Stay At Home" order. Requests to speak must be submitted no later than 2:00 p.m. on the day of the meeting. Use the form on the city's website to submit your request: [Oxnard.org/city-meetings](http://Oxnard.org/city-meetings), or call the City Clerk's Office at (805) 385-7803, or email your request to [cityclerk@oxnard.org](mailto:cityclerk@oxnard.org) (identify the agenda item in the Subject line).

**AGENDA**  
**OXNARD CITY COUNCIL**  
**HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE**  
Council Chambers, 305 West Third Street  
April 28, 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 April 14, 2020 regular meeting as presented.

Contact: Michelle Ascencion, (805) 385-7805

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

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

D. REPORTS

1. Community Development Department

SUBJECT: Development Impact Fee: Affordable Housing In-Lieu Fee and Inclusionary Housing Ordinance Amendments. (15/20/20)

RECOMMENDATION: That the Housing and Economic Development Committee:

1. Recommend the City Council receive a presentation and public comments regarding the Affordable Housing In-Lieu Nexus Study and fee and modifications to the City's Inclusionary Housing Ordinance;
2. Recommend the City Council adopt the Development Impact Fee Nexus Study;
3. Recommend the City Council adopt the Affordable Housing Ordinance; and
4. Recommend the City Council adopt the Affordable Housing Resolution.

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

2. Housing Department

SUBJECT: Award of Contract for the Kitchen Rehabilitation Project at Palm Vista. (5/5/5)

RECOMMENDATION: That the Housing and Economic Development Committee recommend the City of Oxnard Housing Authority Board of Commissioners approve and authorize the Chairman to execute a firm-fixed price contract in the amount of \$577,165 with Bentley Construction Group, Inc. (Agreement number A-8215).

Contact: Emilio Ramirez, (805) 385-8094

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

MINUTES  
OXNARD CITY COUNCIL  
HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE  
Regular Meeting  
April 14, 2020

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

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

Staff members present were Ashley Golden, Assistant City Manager; Kenneth Rozell, Chief Assistant City Attorney; Keith Brooks, Chief Information Officer; Kevin Pisacich, Information Technology Manager; Jeffrey Lambert, Community Development Director (via telephone); 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 March 24, 2020 regular meeting as presented.

*It was moved by Member Flynn, seconded by Member Basua, to approve the minutes as presented.*

VOTE: Basua, Flynn, and Madrigal voted in favor; the motion carried 3-0.

D. REPORTS

Information Technology Department

1. SUBJECT: Fiber Master Plan Adoption.

RECOMMENDATION: That the Housing and Economic Development Committee recommends the City Council:

1. Adopt the Fiber Master Plan; and

2. Discuss and provide direction on

a. Adopting a requirement that Development Agreements include deployment of fiber optic network infrastructure;

b. Evaluating and adopting a requirement that discretionary permit approvals include deployment of fiber optic network infrastructure; and

c. Creation of a broadband infrastructure development impact fee to expand and maintain broadband infrastructure.

The Chief Information Officer and Jory Wolf of Magellan Advisors gave a report. Written comments

were received from Nancy Lindholm. Discussion ensued among the Committee and staff.

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

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

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Madrigal adjourned the meeting at 5:42 p.m.

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MICHELLE ASCENCION, CMC  
City Clerk

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OSCAR MADRIGAL  
Chair

DRAFT



**HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE  
AGENDA REPORT  
REPORTS  
AGENDA ITEM NO. D.1**

**DATE:** April 28, 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:** Development Impact Fee: Affordable Housing In-Lieu Fee and Inclusionary Housing Ordinance Amendments. (15/20/20)

**RECOMMENDATION**

That the Housing and Economic Development Committee:

1. Recommend the City Council receive a presentation and public comments regarding the Affordable Housing In-Lieu Nexus Study and fee and modifications to the City's Inclusionary Housing Ordinance;
2. Recommend the City Council adopt the Development Impact Fee Nexus Study;
3. Recommend the City Council adopt the Affordable Housing Ordinance; and
4. Recommend the City Council adopt the Affordable Housing Resolution.

**BACKGROUND**

The City's Inclusionary Housing Ordinance ("Ordinance"), most recently adopted in 2006, generates affordable housing in proportion with the overall increase in market-rate residential units. The current ordinance requires the following for housing projects with 10 or more units:

- For-Sale: 10% of all units must be affordable to lower-income households and each unit is required to have at least 3 bedrooms, unless the project contains at least ten (10) 2 bedroom units, in which case 2 bedroom affordable units may be provided in the same percentage ratio to all affordable units as the percentage ratio of two (2) bedroom market rate units bears to the total number of market rate units in the project;
- For-Rent: 5% of all units must be affordable to very low-income households (50% Average Median Income (AMI) or below), and 5% must be affordable to lower-income households (80% AMI or below); and
- Covenants must be recorded for projects to preserve the affordability of these units for at least 20 years.
- Allows developers to pay an in-lieu Affordable Housing Payment ("in-lieu fee" or "Fee") instead of constructing affordable units as part of the proposed project or constructing these units off site.
- The existing Fee amount for for-sale (ownership) units is set at one percent (1%) of the sales price of each market-rate unit in increments of \$50,000 with a minimum of \$5,000 for each unit. The current in lieu payment amount for a development project where the units will be sold as rental units is \$7,735 for

each market-rate unit to be built within a qualifying development project.

The Ordinance (and therefore the in-lieu fees) do not apply to projects in areas subject to specific plans that require a project to provide as many or more affordable units.

**Discussion**

In June of 2018, the City hired Harris and Associates (“Harris”), and was also hired to conduct a Development Impact Fee (DIF) study to analyze and recommend updates to several City fees and to conduct an Affordable Housing In-Lieu Nexus Study. The DIF study, and associated proposed fees, will be presented to the Public Works and Transportation Committee (PWTC) on April 28th. The Affordable Housing Fee is being presented to both the PWTC and HEDC.

The City’s Inclusionary Housing Ordinance requires the inclusion of affordable housing units within new residential development projects. The ordinance requires 10% of new units in a development to be set aside and restricted as affordable housing units; and 15% within Urban Village areas as defined by the 2030 General Plan. City Council approval is required for a developer who seeks to pay the City’s affordable housing in lieu fee instead of construct the units on site. Because the City’s in-lieu fee has not been comprehensively updated, the established fee is considerably low and the City Council has not supported Developers request to pay the in lieu fee instead of constructing the affordable units.

The Affordable Housing In-Lieu Fee Nexus Study analyzed in-lieu fees in two different ways. First, the Study provides an analysis of the linkage between the development of market-rate housing units and the need/demand for additional affordable housing units (i.e., the Demand-Based Supportable Fee shown in Table 1). Secondly, the Study uses the City’s existing Inclusionary Housing Ordinance methodology, with current development costs and household income data (the current fees for rental units relies on 2006 development cost and household income data), to calculate the maximum supportable fees (i.e., the Inclusionary Equivalent Fee shown in Table 1). Additionally, the fees calculated under both methodologies are then compared to Inclusionary Housing In-Lieu fees in other local cities and a suggested fee amount is provided. The Inclusionary Equivalent Fees, as contained in the Study, range from \$28,407 to \$44,702, which are somewhat higher than the average of other cities with inclusionary housing in-lieu fees.

Table 1

Fee Analysis

	<u>Existing</u> In-Lieu Fee	<u>Demand</u> Based Supportable Fee	<u>Inclusionary</u> Equivalent Supportable Fee	Local City Survey
Single-Family For-Sale	\$7,000	\$99,111	\$44,700	\$36,026
Multifamily For-Sale	\$5,500	\$70,180	\$36,800	\$34,951
Multifamily For-Rent	\$7,735	\$53,029	\$28,400	\$23,147

City staff reviewed the options provided in the Study and is recommending adoption of a modified fee structure as shown below in Table 2. Table 2 shows the detail of the methodology utilized to calculate the Inclusionary Equivalent fees for each housing type and income level pursuant to the requirements of the exiting Ordinance. Table 2 also compared the Inclusionary Equivalent Fees (per unit) to the average of other cities. The last

column of Table 2 shows the fee recommended by staff that would provide funding to continue to provide affordable housing in the community. The proposed fee for single-family and multi-family for-sale units represents a comparative average of in-lieu fees in other local jurisdictions.

Table 2

Inclusionary Equivalent, Average City and Proposed Inclusionary In-Lieu Fees

Land Use	Inclusionary Requirement	Affordability Level	Affordability Gap per Unit	Fee per Unit	Total Fee/ Unit	Average Fee - Other Cities	Proposed Fee
Single Family Detached For-Sale	10%	80% AMI or below	\$447,023	\$44,702	\$44,702	\$36,026	\$36,000
Multifamily For-Sale	10%	80% AMI or below	\$368,534	\$36,853	\$36,853	\$34,951	\$35,000
Multifamily For-Rent	5%	50-80% AMI	\$234,315	\$11,716	\$28,407	\$23,147	\$28,000
	5%	50% AMI or below	\$333,823	\$16,691			

The proposed fee for rental units is modified to allow for a greater capacity for multi-family development by recommending a fee similar to the Inclusionary Equivalent Fee. The proposed fees fall below the maximum supportable fees calculated under the Demand Based Fee model for all unit types and the Inclusionary Equivalent model for single-family and multi-family units offered for purchase. The proposed fees were determined based on the following rationale:

- The maximum Demand Based (Supportable) Fee is 100% to 175% higher than the fees charged by other cities. Given the option to develop housing in an adjacent Ventura County city that has no inclusionary housing requirement or significantly lower fees, many developers will likely not build in Oxnard which would result in a lack of market-rate housing and affordable housing. In addition, Inclusionary In-Lieu Fee would either not be collected or would be greatly diminished.
- Leveraging the inclusionary housing fees paid with other state and federal housing funding gives the City the ability to build more affordable units than would have otherwise been constructed by relying on just one funding source. Utilizing in-lieu fee payments, and leveraging these funds with other funding sources available for the development of affordable housing is a successful approach to produce affordable units while considering fees imposed throughout the region. The City of Oxnard has worked with non-profits and other developers to leverage funding collected from in-lieu fees with other federal and state funding sources to facilitate the development of hundreds of affordable units over the past several years.

The proposed fee and fee methodology necessitate an amendment to various sections of existing Ordinance No. 2721 (Part 10 (b) and (c) of the City’s Inclusionary Housing Ordinance). The ordinance changes are needed to align with the in-lieu fee methodology calculation outlined in the Nexus Study and to clarify the timing to pay the required in-lieu fee. A change is also recommended to adjust the yearly in-lieu fee amount by utilizing the Engineering News Record Building Cost Index for the Los Angeles Region instead of the Consumer Price Index for all Urban Consumers. Utilizing this adjustment index is consistent with other City Development Impact Fees (DIFs) and the adjustment factor used for these DIFs. Additionally, the revisions to the Ordinance No. 2721 also removes reference to the redevelopment areas of the City (redevelopment was eliminated by

State Law in 2011) and a requirement that the fee be paid at the time the permits are pulled (Part 14 and Part 11, respectively). A clean version of the amendments to the City's Code of Ordinances (Code) will be presented to the City Council for approval.

As part of the City's update to its 2021-2029 Housing Element, substantial revisions to the City's Inclusionary Housing Ordinance will be considered. City Council policy direction will be sought in this comprehensive update to the Inclusionary Housing Ordinance. This update is expected to occur by July 2021.

### **Community Input**

In an effort to solicit stakeholder input on the proposed DIF's, on March 12, 2020, Harris, as well as City Department Directors and key City staff members, met with the Chamber of Commerce, Developers, Architects, and members of the Building Industry Association. Approximately 15 members attended and asked questions regarding the fee methodology and anticipated growth, development, and inflation factors.

In addition, a meeting was held on April 8, 2020 with members of the community including, affordable housing advocates, farmworker representatives, and affordable housing developers to solicit input on the proposed in-lieu fee. Approximately 17 attended this meeting. A summary of this input will be provided at the HEDC meeting.

### **Environmental Review**

In accordance with Section 15378(b)(4) of the California Environmental Quality Act (CEQA) Guidelines, the Affordable Housing In-Lieu Nexus Study has been determined to not be a project as described and determined by CEQA.

### **STRATEGIC PRIORITIES**

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to establish, preserve and improve our infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding. This item supports the following goals and objectives:

Goal 3. Ensure Funding is adequate to meet the goals of the master plans.

Objective 3a. Maximize funding sources.

Objective 3b. Set rates and fees to fully recover cost.

### **FINANCIAL IMPACT**

Direct fiscal impacts to the City's operating budget are not expected as a result of this recommended action. Rather, Affordable Housing In-Lieu are fees paid by new development will provide funding that will be used by the Housing Department to create new affordable housing opportunities in the City, including leveraging Affordable Housing In-Lieu funds with other state and federal housing funds to build more affordable units than would have otherwise been constructed by relying on just one funding source. Since the City's currently adopted Affordable Housing In-Lieu fees have not been updated in some time the recommended action will generate additional funds beyond those expected under the existing fees.

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

**ATTACHMENTS**

1. Oxnard Affordable Housing Fee Report
2. Comment Letter BIA-LAV 4.16.20
3. Comment Letter Chamber of Commerce 4-17-20
4. Affordable Housing In-lieu Fee Resolution (with Exhibit)
5. Affordable Housing In-lieu Fee Ordinance
6. Presentation



**FINAL DRAFT**

# Affordable Housing In-Lieu Fee Nexus Study

**City of Oxnard**

**April 8, 2020**

Prepared for:



Prepared by:



**22 Executive Park, Suite 200  
Irvine, California 92614  
(949) 655-3900**

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# EXECUTIVE SUMMARY

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## INTRODUCTION

The City of Oxnard (City) retained Harris & Associates (Harris) to prepare an Affordable Housing In-Lieu Fee Nexus Study (Study) in order to update previously adopted Affordable Housing In-Lieu Fees (Fees) contained in Ordinance 2721 adopted July 18, 2006. The Fees provide additional flexibility to the City and development community in meeting affordable housing needs generated by new market-rate units in the City.

This Study provides a nexus analysis of the linkages between the new development of residential units and the need/demand for additional affordable housing for informational purposes. This Study also analyzes the reasonable relationship between new residential development and the Fee amounts under assumptions that are consistent with the City’s existing Inclusionary Housing Ordinance. The Fees in this Study represent the maximum fees supported but do not represent specific Fee recommendations. The City has the latitude to adopt the Fees deemed appropriate.

## FINDINGS AND METHODOLOGY

Table ES.1 compares the City’s existing in-lieu fees, the supportable fees under the demand based model, the supportable fees using under the equivalent inclusionary cost, and the in-lieu fees in other local cities.

*Table ES.1: Maximum Supported Fee Comparison*

	Existing In-Lieu Fee <sup>1</sup>	Demand Based Supportable Fee <sup>2</sup>	Inclusionary Equivalent Supportable Fee <sup>3</sup>	Local City Survey <sup>4</sup>
<b>Single-Family For-Sale</b>	\$7,000	\$99,111	\$44,700	\$36,026
<b>Multifamily For-Sale</b>	5,500	70,180	36,800	34,951
<b>Multifamily For-Rent</b>	7,735	53,029	28,400	23,147

1) Using the median sales price estimate from January 2020 Multiple Listing Service (MLS) survey, for-rent fee per January 2020 fee update.

2) Tables 13, 14, 15.

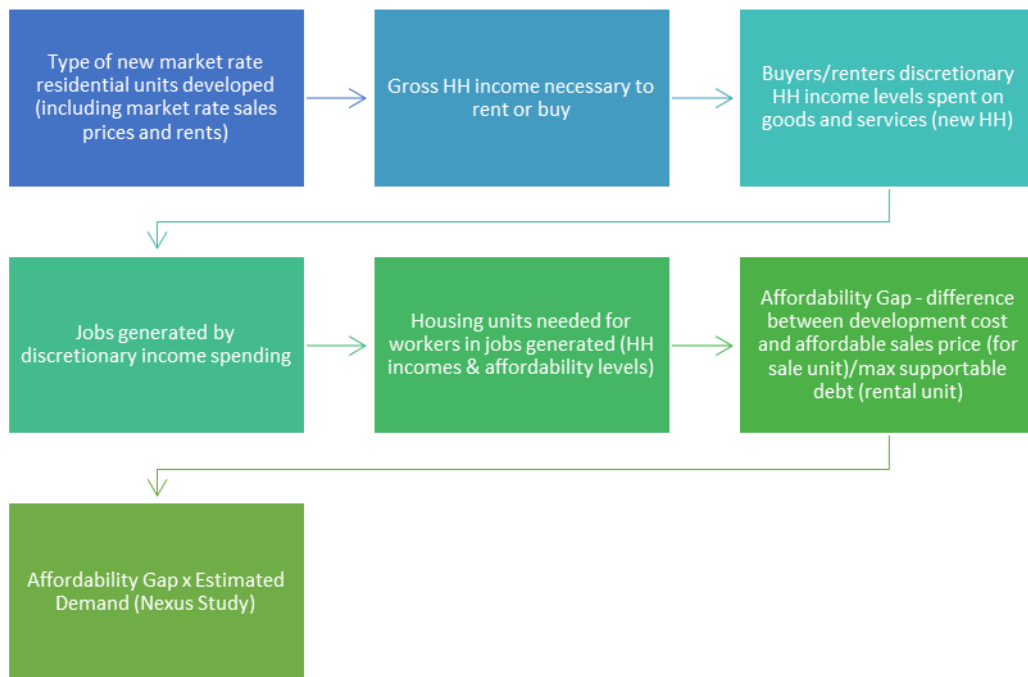
3) Tables 16 and 17.

4) Table 19.

The existing in-lieu fee is based on the requirements of the existing Inclusionary Housing Ordinance. The Demand-Based Supportable Fee represents the gap in affordability created by new low-income households generated by new market rate development in the City. The Inclusionary Equivalent Supportable Fee is the gap in affordability under the affordable unit production requirement in the existing Inclusionary Housing Ordinance. Finally, the Local City Survey numbers represent the average in-lieu fees required by surrounding cities. Harris staff completed the analysis using two methodologies to determine the maximum supportable Fee for the City.

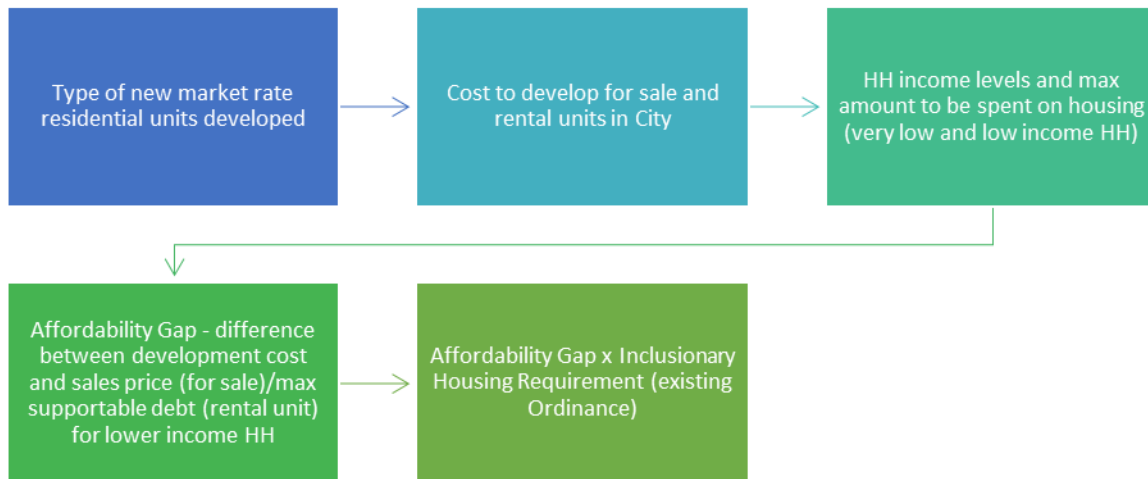
The first portion of the analysis determines the demand created by the development of market-rate residential units for affordable housing units. The demand for affordable housing units at various income levels is then used to calculate the “affordability gap”. For ownership housing units, the sales price needed for units to be affordable to low-income households is compared to the cost to develop these units to calculate the “affordability gap.” For rental units, the development cost is compared with income sources available for housing to determine the “affordability gap”. The figure below illustrates this methodology.

### Demand-Based Fee Methodology



The second portion of the analysis involves applying the affordability gap calculations per unit to both the estimated affordable housing demand determined in the first portion of the analysis and the affordable unit requirements from the existing Inclusionary Housing Ordinance. The figure on the following page illustrates this methodology.

## Inclusionary Equivalent Fee Methodology



The in-lieu fee estimates were based on three general development types:

- Single-family detached (SFR for-sale)
- Multifamily condominiums (MFR for-sale)
- Multifamily apartments (MFR for-rent)

In order to estimate future market-rate housing development in the City, Harris staff researched and reviewed new residential development projects from the City's website, the Multiple Listing Service data showing recently constructed units for-sale, and information from City staff to identify recent market trends related to home prices, and held interviews with local developers. The Fees calculated in this Study reflect the estimated cost of future residential development.

The household income limits as a percentage of area median income (AMI) for Ventura County are shown in Table ES.2. These threshold incomes are a key input to the economic impact analysis described in Section 1.

**Table ES.2: Threshold Incomes and percent of Area Median Income (AMI)**

	Percent of AMI	Family Size					
		1	2	3	4	5	6
<b>Very Low Income</b>	0-50%	\$36,650	\$41,850	\$47,100	\$52,300	\$56,500	\$60,700
<b>Low Income</b>	50-80%	58,600	67,000	75,350	83,700	90,400	97,100
<b>Moderate Income</b>	80-120%	82,150	93,900	105,600	117,350	126,750	136,150

*Source: Ventura County Housing Authority Income Limits published 4/24/19.*

## **POLICY CONSIDERATIONS**

The City should evaluate several policy considerations and implications related to the in-lieu fees. Harris & Associates reviewed the maximum supportable Fees for consistency with the Housing Policy outlined in the City’s Housing Element and has prepared a comparison of fees with other jurisdictions.

### **Housing Policy Consistency**

The 2013-2023 Mid Cycle Housing Element, adopted in 2017, discusses the current affordable housing issues that exist within the City and details the City’s existing Inclusionary Housing Program. The proposed Fees are consistent with the Housing Element’s goal of providing opportunities for the development of adequate housing for households of all income levels.

### **Comparison to Other Jurisdictions**

An analysis of comparable cities that require affordable housing in-lieu fees is below as a comparison to the maximum supported Fees as determined by this Study. Table ES.3 shows the average amount of affordable housing in-lieu fees collected per residential type in comparable communities in the region. See Table 19 for an in depth review of surrounding cities.

**Table ES.3: Average Fee of Comparable Municipalities**

<b>Land Use</b>	<b>Fee</b>
Single Family (Detached)	\$36,026
Multifamily - For-Sale (Attached)	34,951
Multifamily - For-Rent (Attached)	23,147

*Source: See Table 20 for detailed local city survey.*

Policymakers may choose to adopt a fee less than the maximum supported amount in order to lessen the burden on new development while still mitigating a portion of the affordable housing needs created from new development.

## Proposed Fees

City staff reviewed the options provided in this analysis and is recommending the following fees be adopted. These fees fall below the maximum supportable fees calculated in this report and were determined based on an analysis of other local agencies. The maximum fee based on the City's existing ordinance was deemed higher than the market would bear for single family and multifamily for-sale units. Staff recommends lowering the fees to an amount more in line with competitive cities for the single family and multifamily for-sale units but setting the fee for for-rent units closer to the actual cost to develop a multi-family project. This methodology supports the City's goal of using the in-lieu fee funds to build multifamily for rent projects. See Table ES.4 for a summary of the recommended fees.

**Table ES.4: Proposed Fees**

Land Use	Inclusionary Requirement <sup>1</sup>	Affordability Level	Affordability Gap per Unit <sup>2</sup>	Fee per Unit	Total Fee per Unit	Average of Other Cities <sup>3</sup>	Proposed Fee
<b>Single Family Detached For-Sale</b>	10%	80% AMI or below	\$447,023	\$44,702	\$44,702	\$36,026	\$36,000
<b>Multifamily For-Sale</b>	10%	80% AMI or below	368,534	36,853	36,853	34,951	35,000
<b>Multifamily For-Rent</b>	5%	50-80% AMI	234,315	11,716	28,407	23,147	28,000
	5%	50% AMI or below	333,823	16,691			

1) Per Ordinance 2721 adopted July 18, 2006

2) Table 10

3) Table 19

## **Section 1 INTRODUCTION AND METHODOLOGY**

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### **INTRODUCTION**

The City desires to update the Inclusionary Housing In-Lieu Fee for new residential development to offer developers the option to pay an in-lieu fee rather than producing deed-restricted, affordable units pursuant to the City’s Inclusionary Housing Ordinance (Ordinance Nos. 2615, 2688 and 2721) as part of any new residential development project of 10 units or more. The Fee is designed to mitigate the impact of an increase in affordable housing needed from the development of new market-rate residential units.

This Study establishes the maximum supported Fee levels related to residential development. The methodology establishes a reasonable relationship between the associated impact of new development, the amount of the Fee, and details the data sources and associated findings. More specifically, two methodologies were utilized to determine the maximum supportable Fee for the City. The first portion of the analysis determines the demand created by the development of market-rate residential units for affordable housing units. The demand for affordable housing units at various income levels is then used to calculate the “affordability gap”. For ownership housing units, the sales price needed for units to be affordable to low-income households is compared to the cost to develop these units to calculate the “affordability gap.” For rental units, the development cost is compared with income sources available for housing to determine the “affordability gap”.

The second portion of the analysis involves applying the affordability gap calculations per unit to both the estimated affordable housing demand determined in the first portion of the analysis and the affordable unit requirements from the existing Inclusionary Housing Ordinance.

#### **Background**

This section discusses the City’s historical Inclusionary Housing Policy and the results of recent legislation and judicial rulings.

#### **City’s Inclusionary Housing Ordinance**

The City has historically used an Inclusionary Housing Policy originally established by Ordinance Nos. 2615 (adopted in 1999), 2688 (adopted in 2005) and 2721 (adopted in 2006) to generate affordable housing in proportion with the overall increase in market-rate residential units and is described in the Housing Element of the City’s General Plan. The Policy requires the following for housing projects with 10 or more units:

- For-Sale: 10% of all units must be affordable to lower-income households and each unit is required to have at least 2 bedrooms (in some circumstances) or 3 bedrooms;

- For-Rent: 5% of all units must be affordable to very low-income households (50% AMI or below), and 5% must be affordable to lower-income households (80% AMI or below); and
- Covenants must be recorded for the projects to preserve the affordability of these units for at least 20 years.

However, the Ordinance (and therefore the in-lieu fees) do not apply to the following:

- Projects in areas subject to specific plans that require a project to provide as many or more affordable units for lower and very low-income households as the Ordinances.

The current Policy (as described in Ordinance 2721) allows developers to pay an in-lieu Affordable Housing Payment instead of developing affordable units as part of a project or as part of an offsite project. The existing fee amount for ownership units is one percent (1%) of the sales price of each market-rate unit in increments of \$50,000 with a minimum of \$5,000 for each unit. The payment amount for rental units is \$7,735 for each market-rate unit.

### **Legal Framework**

In 2009, the Court of Appeals struck down a City of Los Angeles ordinance imposing inclusionary housing requirements on rental housing projects with a density of more than 10 dwelling units per lot. The Courts’ decision that regulating the rent levels to ensure the units were affordable in nature directly violated the provisions of the Costa-Hawkins Act. Jurisdictions were unable to require affordable housing units at affordable rental rates as a condition of project approval because of this decision.

In 2015, the California Supreme Court ruled in favor of the City of San Jose in a court case involving the California Building Industry Association (Association). The Association challenged the legality of San Jose’s inclusionary program on the basis that it constituted an “exaction” that required a nexus study. The court deemed that San Jose’s inclusionary program was not an exaction and it constituted a valid exercise of the City’s power to regulate land use.

Finally, in 2017, Governor Jerry Brown signed a package of housing related bills, which included AB 1505, commonly referred to as the “Palmer Fix”. AB 1505 allows jurisdictions to adopt ordinances that require a percentage of residential rental units to be affordable to individuals whose income falls below the moderate-income level for the jurisdiction. Additionally, AB 1505 requires jurisdictions to provide alternative methods for developers to satisfy their affordable housing requirements, which may include in-lieu fees, off-site construction, land dedication, or acquisition and rehabilitation of existing units.

# METHODOLOGY

## Nexus Analysis

Residential development projects contribute to population growth. As the population grows, additional services and facilities are needed to accommodate the residential population influx. In order to meet the increased demands of population growth, new non-residential development will occur, correlating to an increase in the worker population. A portion of the new worker population will earn a wage that is not sufficient to rent or purchase market-rate housing. The Study analyzes the maximum supported Fee to address the affordable housing need created by new residential development. The Fee will be used to build affordable housing to address the demand generated.

The methodology utilized in this nexus analysis for the Demand-Based maximum supportable Fees complies with general best practices related to nexus studies and follows the following order, specific data points are explained in the following sections of this study:



This nexus analysis is broken down into the steps described below.

### *Step 1: Determine the type of units to be developed*

Harris & Associates coordinated with City staff, local real estate professionals, and a sampling of planned and current recently developed housing types to determine the likely characteristics of new residential units developed in the City and categorized the development into three land use types:

- Single-family units represent for-sale, detached homes.

- Multifamily attached for-sale units.
- Multifamily attached for-rent units.

Using separate housing types ensures the presentation of an accurate representation of similar market-rate units.

*Step 2: Estimate the income levels of buyers and tenants of market-rate units.*

The sales price and rent costs for market-rate units, as well as the income levels of potential buyers and tenants were determined using several data sources. For rental units, the income level required to occupy market-rate units is determined by taking the average annual rent for a variety of rental housing apartment sizes (studio to three bedroom) and adding the annual utility amounts, as recommended by the US Department of Housing and Urban Development (HUD), to determine the total annual cost. The annual housing cost is divided by 30%, the recommended maximum percentage of gross income to be spent on housing costs, to determine the amount of household income that would be required in order to rent a unit of that size. Table 1 details the calculations for the income levels necessary to occupy market-rate rental units. The average household income needed to rent a two or three bedroom MFR unit is estimated at \$102,740.

**Table 1: Housing Income Requirements – For-Rent Market-rate Units**

	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>
Average Monthly Rent <sup>1</sup>	\$1,502	\$1,621	\$2,028	\$2,652
Monthly Utility Deduction	181	181	181	276
Annual Housing Costs	20,196	21,624	26,508	35,136
Percent of Income Spent on Rent	30%	30%	30%	30%
<b>Annual Household Income Required</b>	<b>\$67,320</b>	<b>\$72,080</b>	<b>\$88,360</b>	<b>\$117,120</b>

*1) July 2019 Ventura County Apartment Market Survey, Dyer Sheehan Group*

With for-sale units, the calculation for the income level requirement to purchase a market-rate unit accounts for a five percent (5%) down payment to determine the mortgage amount and then applying the current mortgage insurance rates, homeowner’s insurance, estimated property tax payments, and home owner’s association (HOA) fees to determine the total monthly housing costs. Finally, dividing the total monthly obligation by the maximum 35 percent (35%) of gross income, as recommended by HUD. Table 2 details the calculations of the income levels required to purchase for-sale market-rate units.

**Table 2: Housing Income Requirements – For-Sale Market-rate Units**

	<b>For-Sale SFR</b>	<b>For-Sale MFR</b>
Market Sales Price <sup>1</sup>	\$725,000	\$599,000
Down Payment (5%)	36,250	29,950
Amount Borrowed	688,750	569,050
Estimated Mortgage Payment <sup>2</sup>	\$3,911	\$3,231
Mortgage Insurance (0.90%) <sup>3</sup>	517	427
Homeowners Insurance (0.25%) <sup>4</sup>	151	125
Property Tax (1.22%) <sup>5</sup>	740	611
HOA <sup>1</sup>	50	250
<b>Total Monthly Housing Cost</b>	<b>\$5,369</b>	<b>\$4,644</b>
Share of Income Spent on Mortgage <sup>3</sup>	35%	35%
<b>Annual Household Income Required</b>	<b>\$184,080</b>	<b>\$159,223</b>

1) MLS Survey completed January 2020 for non-coastal properties constructed and sold in the last 3 years, rounded

2) Assumes 5.5% interest rate and a 30-year amortization

3) U.S. Department of Housing and Urban development

4) Per City of Oxnard Housing Department

5) Oxnard CAFR average tax rate

### **Step 3: Calculate Jobs Generated**

IMPLAN is an industry standard economic impact analysis tool that uses data aggregated from various data sources to allocate the spending patterns of individuals from different income groups. This spending data is used to estimate the new jobs created from spending by new households. Table 2 summarizes the estimated household income data for the unit types detailed in Step 1.

The information from Table 2 and the average household income needed from Table 1 to rent a two or three bedroom MFR unit (\$102,740) were used as inputs to IMPLAN to estimate the number of jobs created to serve new development. IMPLAN further categorizes these new workers based on their occupation and their estimated wages. Table 3 is a summary of the output data from IMPLAN. The full IMPLAN dataset is available in Attachment 1.

**Table 3: Jobs Generated per Market-rate Unit**

	For-Sale SFR Unit	For-Sale MFR Unit	For-Rent MFR Unit
Very Low Income (0-50% AMI)	0.123	0.096	0.073
Low Income (50-80% AMI)	0.232	0.152	0.115
Moderate Income Jobs (80-120% AMI)	0.276	0.203	0.154
Jobs over 120% AMI	0.354	0.283	0.214
<b>Total Jobs Created</b>	<b>0.985</b>	<b>0.734</b>	<b>0.556</b>

Source: IMPLAN 2019. See Attachment 1 for detailed information.

**Step 4: Determine the number of new worker households and their annual income**

Calculating the Fee based on the addition of new permanent employment is not done on an individual jobs basis, as it is typical for households in the City to have more than one wage earner per household. The calculation of the total number of new worker households divides the induced worker output from the IMPLAN analysis by the average number of workers per household as determined by the U.S. Census Bureau American Community Survey and the Housing Element (1.87 workers/household). The resultant households attributed to the housing categories determined in Step 1 and are outlined in Table 4.

**Table 4: Households Generated per Market-rate Unit**

	For-Sale SFR Unit	For-Sale MFR Unit	For-Rent MFR Unit
Very Low Income (0-50% AMI)	0.066	0.051	0.039
Low Income (50-80% AMI)	0.124	0.081	0.061
Moderate Income Jobs (80-120% AMI)	0.148	0.109	0.082
Jobs over 120% AMI	0.189	0.151	0.114
<b>Total Households Generated</b>	<b>0.527</b>	<b>0.392</b>	<b>0.296</b>

Source: IMPLAN 2019. See Attachment 1 for detailed information.

Based on 1.87 jobs per household.

**Step 5: Calculate the demand for affordable units for new worker households**

Based on the calculation of new worker household income, the worker households are categorized by target income group (very low income, low income, moderate income). Worker households with above-moderate incomes are removed from this nexus analysis, because they would not require affordable housing.

***Step 6: Calculate the affordability gap per unit between development costs and sales price/rental income***

The affordability gap is calculated by comparing the amount the workers within the low income and very low income can pay for housing versus the total cost of developing a residential unit (the amount of subsidy needed to fill the “gap”). Section 2 provides a detailed explanation of this calculation.

***Step 7: Calculate the maximum supported Fee for the type of units analyzed***

The maximum supported Fee calculation for each housing type included in the nexus study is derived by multiplying the total number of households requiring affordable housing (Step 5) by the average affordability gap per household (Step 6). The maximum supported Fee pursuant to the requirements in the City’s current Inclusionary Housing Ordinance (i.e., the percentage of affordable units required to be produced) is also calculated and provided in Section 3.

## Section 2 **AFFORDABILITY GAP ANALYSIS**

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A key input required in the calculation of the maximum supported in-lieu Fees is the affordability gap. The affordability gap provides information on the difference between what lower-income buyers and renters can afford to pay versus the total cost of developing the units. This section summarizes the methodology used to calculate the affordability gap and presents the results of this analysis for the respective unit type. The affordability gap calculations in this section are the same for both the Demand-Based and Inclusionary Equivalent Fee methodologies.

### **METHODOLOGY**

The following section details the findings for affordable housing rates, total development costs of units in the City, and a summary of the affordability gap by unit type.

### **AFFORDABLE HOUSING RATES**

Prior to determining the affordability gap, the total amount that households can afford to allocate to their housing must be determined. For the purposes of this report, the income levels included in the City’s Inclusionary Housing Ordinance have been included in the analysis and are defined as:

1. Very Low Income (Between 0 and 50% of AMI)
2. Low Income (Between 50 and 80% of AMI)

For the demand based Fee, the Moderate Income Level (80-120% of AMI) is also used.

Housing affordability for rental units is defined by HUD as 30% of gross income. Table 5 shows the maximum affordable rent attributed to each income level.

*Table 5: Maximum Affordable Rent by Income Level*

	<b>Very low Income (0-50% AMI)</b>	<b>Low Income (50-80% AMI)</b>	<b>Moderate Income (80-120% AMI)</b>
Maximum Household Income <sup>1</sup>	\$52,300	\$83,700	\$117,350
Maximum Monthly Housing Cost <sup>2</sup>	1,308	2,093	2,934

<sup>1</sup> Household AMI is shown for a family of four

<sup>2</sup> 30% of gross monthly income per HUD guidelines

The recommended household gross income expenditure for ownership housing units pursuant to HUD is 35% of gross income minus a deduction for typical homeownership costs, such as insurances, taxes, utilities, and fees. Table 6 shows the maximum affordable mortgage for a low-income household of four persons.

It is important to note that only low-income and moderate income households are included in this portion of the analysis due to several factors including the affordability requirements in the City’s

existing Inclusionary Housing Ordinance (that references only very low and low-income households), the tightening of lending requirements and the elimination of redevelopment agencies in 2011. Under current programs and very limited funding sources, it is generally not financially feasible to develop for-sale housing units for very low-income households. Prior to 2011, redevelopment provided a significant funding source to cities to assist homebuyers with loan qualification and down payment assistant at lower income levels. Additionally, lending practices after the housing crash in 2008 have been reformed, making it more difficult for individuals to obtain loans. These events have affected lower-income households significantly, making ownership very challenging. The following analysis includes a deduction for utilities to follow HUD guidelines.

**Table 6: Maximum Affordable Mortgage by Income Level**

	<b>Low Income SFR (50-80% AMI)</b>	<b>Low Income MFR (50-80% AMI)</b>	<b>Moderate Income SFR (80-120% AMI)</b>	<b>Moderate Income MFR (80-120% AMI)</b>
Household Income <sup>1</sup>	\$83,700	\$83,700	\$117,350	\$117,350
Maximum Monthly Housing Cost <sup>2</sup>	2,441	2,441	3,423	3,423
<i>Less:</i>				
Utility Deduction	\$276	\$181	\$276	\$181
Mortgage Insurance (0.90%) <sup>3</sup>	206	197	309	300
Homeowner's Insurance (0.25%) <sup>3</sup>	148	129	148	129
Property Tax (1.22%) <sup>4</sup>	279	267	419	406
HOA <sup>5</sup>	50	250	50	250
<b>Maximum Monthly Mortgage</b>	<b>\$1,482</b>	<b>\$1,417</b>	<b>\$2,221</b>	<b>\$2,157</b>
Maximum Mortgage Amount	\$261,012	\$249,565	\$391,166	\$379,895

1) Table ES.2 for a family of 4

2) 35% of gross income per U.S. Department of Housing and Urban Development

3) Per City of Oxnard Housing Department

4) Oxnard CAFR average tax rate

5) MLS survey completed January 2020, rounded

## DEVELOPMENT COSTS

Next, the estimated cost of developing affordable housing units was determined by examining current development trends related to unit type and size. As the development, sale, and operations associated with for-rent and for-sale units vary, an analysis of each housing type was required.

For the purposes of this Study, the development costs for rental housing were based on the Turner Center for Housing Innovation at the University of California, Berkeley study entitled “Making It Pencil: The Math Behind Housing Development” (Turner Center Study) as well as recently completed market-rate and affordable multifamily projects in the City.

The costs associated with the cost for acquisition of land are from a CoStar survey of vacant land transactions completed January 2020 while the development costs were provided by local developers and are representative of multifamily units recently completed within the City.

Table 7 shows the total development cost of multifamily for-rent two and three-bedroom units, pursuant to the requirements in the City’s existing Inclusionary Housing Ordinance. Two-bedroom multifamily units are assumed to be 950 square feet and three-bedroom units are assumed to be 1,025 square feet.

**Table 7: Development Costs – Affordable Multifamily For-Rent**

Assumed Density	A	39 Units/Acre
Land Acquisition Cost (\$/Acre) <sup>1</sup>	B	\$728,000
Land Price per Unit	$B \div A = C$	18,667
Land Price per Unit SF	$C \div \text{Average Unit Size}^2$	18.90
<b>Development Costs<sup>3</sup></b>		
Land Cost (\$/Rentable SF)		\$18.90
Building Hard Costs (\$/SF)	D	200.00
Prevailing Wage Cost Increase (35%)	$D \times 0.35 = E$	70.00
Soft Costs (30%) <sup>4</sup>	$D \times 0.30 = F$	60.00
Developer Fees (12%)	$(D + E + F) \times 0.12$	39.60
Financing Costs (10%)	$(D + E + F) \times 0.10$	33.00
<b>Total Development Costs per SF</b>		<b>\$421.50</b>
<b>Rental Unit Development Cost</b>	<b>Average Unit Size<sup>5</sup></b>	
2 Bedroom Unit	950	\$400,425
3 Bedroom Unit	1,025	\$432,038
<b>Average Development Cost of 2 and 3 Bedroom Unit</b>		<b>\$416,231</b>

1) Per Vacant Land Report from CoStar, January 2020.

2) Average square footage is 988 square feet.

3) “Making It Pencil: The Math Behind Housing Development.” Aug. 2019, [www.TernerCenter.Berkeley.Edu](http://www.TernerCenter.Berkeley.Edu).

4) Includes design, engineering, city permits and fees, and contingencies.

5) Square footages based on recently completed affordable projects.

Table 8 shows the total development cost of multifamily for-sale two and three-bedroom units. Two-bedroom units are assumed to be 1,200 square feet and three-bedroom units are assumed to be 1,750 square feet.

**Table 8: Development Costs – Affordable Multifamily For-Sale**

Assumed Density	A	30 Units/Acre
Land Acquisition Cost (\$/Acre) <sup>1</sup>	B	\$728,000
Land Price per Unit	$B \div A = C$	24,267
Land Price per Unit SF	$C \div \text{Average Unit Size}^2$	16.45
<b>Development Costs <sup>2</sup></b>		
Land Cost (\$/Rentable SF)		\$16.45
Building Hard Costs (\$/SF)	D	200.00
Prevailing Wage Cost Increase (35%)	$D \times 0.35 = E$	70.00
Soft Costs (30%) <sup>3</sup>	$D \times 0.30 = F$	60.00
Developer Fees (12%)	$(D + E + F) \times 0.12$	39.60
Financing Costs (10%)	$(D + E + F) \times 0.10$	33.00
<b>Total Development Costs per SF</b>		<b>\$419.05</b>
<b>For-Sale Unit Development Cost</b>	<b>Average Unit Size <sup>5</sup></b>	
2 Bedroom Unit	1,200	\$502,860
3 Bedroom Unit	1,750	\$733,338
<b>Average Development Cost of 2 and 3 Bedroom Unit</b>		<b>\$618,099</b>

1) Per Vacant Land Report from CoStar, January 2020.

2) Average square footage is 1,475 square feet.

3) "Making It Pencil: The Math Behind Housing Development." Aug. 2019, [www.TernerCenter.Berkeley.Edu](http://www.TernerCenter.Berkeley.Edu).

4) Includes design, engineering, city permits and fees, and contingencies.

5) Square footages based on recently sold multifamily properties.

Table 9 shows the total development cost per for-sale unit. For-sale units are assumed to be 1,500 square foot, single-family homes, consisting of 3 bedrooms and 2.5 bathrooms. The costs associated with the development of these units were obtained from the Turner Center Study and local developers and are representative of recently completed units within the City.

**Table 9: Development Costs – Affordable Single-Family**

<b>Land Costs</b>		
Land Acquisition Cost per Acre <sup>1</sup>		\$728,000
Land Cost per Unit (8 Units/Acre)		91,000
Site Improvement (15%)		13,650
<b>Finished Lot Cost</b>		<b>\$104,650</b>
<b>Construction Costs <sup>2</sup></b>		
	<i>Estimated Cost per SF</i>	<i>Total Building Costs <sup>3</sup></i>
Direct Costs	\$200.00	\$300,000
Prevailing Wage Cost Increase (35%)	70.00	105,000
Soft Costs (20%) <sup>4</sup>	54.00	81,000
Developer Fees (12%)	38.88	58,320
Financing Costs (10%)	39.38	59,065
<b>Total Construction Cost</b>	<b>\$402.26</b>	<b>\$603,385</b>
<b>Total Building Cost for 1,500 square foot affordable unit</b>		<b>\$708,035</b>

1) *Per Vacant Land Report from CoStar, January 2020.*

2) *“Making It Pencil: The Math Behind Housing Development.” Aug. 2019, www.TurnerCenter.Berkeley.Edu*

3) *Construction assumed to be a single family 1,500 SF, 3 bedroom, 2.5 bathroom*

4) *Includes design, engineering, city permits and fees, and contingencies.*

## **AFFORDABILITY GAP RESULTS**

The differences between the total amount that each targeted income level can afford to allocate for housing (Table 5, Table 6) and the total cost of developing new units (Table 7, Table 8, Table 9) determines the Affordability Gap. This difference represents the fee amount that is necessary to cover the costs of developing housing at each of the respective income levels analyzed. While other funding sources may be available to assist in mitigating this difference between affordability and development costs, these sources are very difficult to predict with accuracy moving forward.

In the case of for-sale housing, there are very few funding sources for subsidy on this unit type in the wake of redevelopment dissolution in 2011 which eliminated approximately \$1 billion of low and moderate-income housing revenue Statewide. Lending practices have become stricter in the years following the 2008 recession and qualifying households below 80% AMI for a mortgage is extremely challenging, even with the City’s current down payment assistance program.

The City’s current Ordinance calls for 10% of all newly developed for-sale units to be affordable to very low and low-income households (i.e., below 80% of AMI). Therefore, the inclusionary equivalent gap analysis for ownership units has been limited to the low-income category for the purposes of this analysis. Table 10 shows the for-sale affordability gap calculation for low and moderate income households.

**Table 10: Affordability Gap –For-Sale Units**

	Maximum Mortgage		Affordability Gap
	Amount <sup>1</sup>	Development Costs <sup>2</sup>	
Low Income Single Family (80% AMI)	\$261,012	\$708,035	<b>\$447,023</b>
Low Income Multifamily (80% AMI)	249,565	618,099	<b>368,534</b>
Moderate Income Single Family (120% AMI)	391,166	708,035	<b>316,869</b>
Moderate Income Multifamily (120% AMI)	379,895	618,099	<b>238,204</b>

1) Table 6

2) Tables 8 and 9

The affordability gap for rental units is the difference between the development and the maximum supported debt for each income level, shown in Table 11. The moderate income households are used only for the demand based fee calculation.

**Table 11: Affordability Gap – For-Rent Units**

	Very Low Income (0-50% AMI)	Low Income (50-80% AMI)	Moderate Income (80-120% AMI)
Maximum Available for Rent <sup>1</sup>	\$1,308	\$2,093	\$2,934
Annual Gross Rental Income <sup>2</sup>	15,696	25,116	35,208
Estimated Annual Expenses <sup>3</sup>	8,285	8,756	9,260
Net Operating Income	7,411	16,360	25,948
Available for Debt Service <sup>4</sup>	5,929	13,088	20,758
Supportable Debt <sup>5</sup>	82,408	181,916	288,523
Development Costs <sup>6</sup>	416,231	416,231	416,231
<b>Affordability Gap</b>	<b>\$333,823</b>	<b>\$234,315</b>	<b>\$127,708</b>

1) Table 5: Maximum Affordable For-Rent by Income Level

2) Available rent multiplied by 12

3) Assumes 5% for vacancy/collection loss and \$7,500 annual maintenance/capital improvement costs.

4) Assumes 1.25 Debt Coverage Ratio

5) Assumes a 6% interest rate and 30-year loan term

6) Table 7: Development Costs - Affordable Multifamily For-Rent

## Section 3 FINDINGS AND NEXUS REQUIREMENTS

This section presents the maximum supported fee per market-rate unit, which is calculated by following the methodology outlined in Section 1 and using the results from the affordability gap analysis detailed in Section 2.

### MAXIMUM FEE CALCULATION

The maximum supported Fees has been calculated in two different ways. Both calculations incorporate the affordability gap by unit type and income level. The first way of calculating the fee (the Demand-Based Method) consists of multiplying the affordability gap per unit by the number of affordable units needed by income level. The second way to calculate Fees (Inclusionary Equivalent Fee) is by multiplying the affordability gap by unit type and at affordability levels required by the City’s Inclusionary Housing Ordinance. Table 12 shows the average affordability gap by income group.

*Table 12: Average Affordability Gap*

	For Sale SFR Affordability Gap <sup>1</sup>	For Sale MFR Affordability Gap <sup>1</sup>	For Rent MFR Affordability Gap <sup>1</sup>	Average Affordability Gap
Very Low Income (0-50% AMI)	n/a	n/a	\$333,823	\$333,823
Low Income (50-80% AMI)	447,023	368,534	234,315	349,957
Moderate Income (80-120% AMI)	316,869	238,204	127,708	227,594

1) Tables 10 and 11

Table 13 shows the maximum supported Fees for a single residential unit under the Demand-Based Method. This is calculated by taking the number of affordable households generated at each income level times the average affordability gap at that income level.

*Table 13: Maximum Supported Demand-Based Affordable Housing In-Lieu Fee, Single-Family*

	Affordable Households Generated <sup>1</sup>	Average Affordability Gap <sup>2</sup>	Affordable Gap per Unit
Very Low Income (0-50% AMI)	0.066	\$333,823	\$22,032
Low Income (50-80% AMI)	0.124	349,957	43,395
Moderate Income (80-120% AMI)	0.148	227,594	33,684
<b>Total</b>	<b>0.338</b>		<b>\$99,111</b>

1) Table 4

2) Table 12

Tables 14 provides the estimated Fees under the Demand-Based Method for multi-family for-sale units.

**Table 14: Maximum Supported Demand-Based Affordable Housing In-Lieu Fee, For-Sale Multifamily**

	Affordable Households Generated <sup>1</sup>	Average Affordability Gap <sup>2</sup>	Affordable Gap per Unit
Very Low Income (0-50% AMI)	0.051	\$333,823	\$17,025
Low Income (50-80% AMI)	0.081	349,957	28,347
Moderate Income (80-120% AMI)	0.109	227,594	24,808
<b>Total</b>	<b>0.241</b>		<b>\$70,180</b>

1) Table 4

2) Table 12

Table 15 provides the estimated Fees under the Demand-Based Method for multi-family rental units.

**Table 15: Maximum Supported Demand-Based Affordable Housing In-Lieu Fee, For-Rent Multifamily**

	Affordable Households Generated <sup>1</sup>	Average Affordability Gap <sup>2</sup>	Affordable Gap per Unit
Very Low Income (0-50% AMI)	0.039	\$333,823	\$13,019
Low Income (50-80% AMI)	0.061	349,957	21,347
Moderate Income (80-120% AMI)	0.082	227,594	18,663
<b>Total</b>	<b>0.182</b>		<b>\$53,029</b>

1) Table 4

2) Table 12

Tables 16 and 17 provide estimated maximum supported Fees using the requirements on the total percentage of affordable units (both for-sale and rental) that must be developed as part of market rate housing projects as stated in the City’s existing Inclusionary Housing Ordinance.

**Table 16: Maximum Supported Inclusionary Equivalent Fee, For-Sale Units**

	<b>Low Income (50-80% AMI) Single Family For-Sale</b>	<b>Low Income (50-80% AMI) Multifamily For-Sale</b>
Maximum Affordable Price <sup>1</sup>	\$261,000	\$250,000
Development Cost <sup>2</sup>	708,000	618,000
Affordable Gap	\$447,000	\$368,000
<b>Inclusionary 10% Requirement</b>	<b>\$44,700</b>	<b>\$36,800</b>

1) Table 6, rounded

2) Tables 8 and 9, rounded

**Table 17: Maximum Supported Inclusionary Equivalent Fee, For-Rent Multifamily**

	<b>Very Low Income (0-50% AMI) Multifamily For-Rent</b>	<b>Low Income (50-80% AMI) Multifamily For-Rent</b>
Maximum Supportable Debt <sup>1</sup>	\$82,000	\$182,000
Development Costs <sup>2</sup>	416,000	416,000
Affordable Gap	\$334,000	\$234,000
Inclusionary 5% Requirement	\$16,700	\$11,700
<b>Total For-Rent Fee</b>		<b>\$28,400</b>

1) Table 11, rounded

2) Table 7, rounded

Table 18 provides a comparison of Fees calculated under the current Inclusionary Housing Ordinance (including the fees contained in the Ordinance), the estimated fees under the nexus analysis (utilizing the IMPLAN model to project demand of affordable units resulting from market rate residential development), and the estimated fees under the existing Inclusionary Housing Ordinance but analyzing the affordable gap to determine Fees (rather than the existing fee calculation contained in the Ordinance).

**Table 18: Maximum Supportable Fees**

	<b>Existing In-Lieu Fee<sup>1</sup></b>	<b>Demand Based Supportable Fee<sup>2</sup></b>	<b>Inclusionary Equivalent Supportable Fee</b>
<b>Single-Family For-Sale</b>	\$7,000	\$99,111	\$44,700
<b>Multifamily For-Sale</b>	5,500	70,180	36,800
<b>Multifamily For-Rent</b>	7,735	53,029	28,400

*1) Using the median sales price estimate from January 2020 Multiple Listing Service (MLS) survey, for-rent fee per July 15, 2019 fee update*

## **Section 4 POLICY CONSIDERATIONS**

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Adopting a fee to be collected from new development should be consistent with other City policies and should not have measurable impacts on the development community. Harris and City staff evaluated multiple scenarios and present the following for consideration.

### **HOUSING POLICY CONSISTENCY**

The City adopted its 2013-2021 Mid-Cycle Housing Element (housing element) in October 2017. The Housing Element identified that approximately five percent (5%) of lower-income households have housing issues, such as incomplete kitchen or plumbing facilities, or were overpaying for adequate housing. Adopting an affordable housing impact fee enables the City to mitigate these issues for future development by providing lower-income households the ability to afford adequate housing.

The City has historically utilized an Inclusionary Housing Policy originally established by Ordinance No. 2615 (adopted in 1999) and most recently amended by Ordinance No. 2721 (adopted in 2006) to generate affordable housing in proportion with the overall increase in market-rate residential units and is described in the Housing Element of the City's General Plan. The Policy required the following for housing projects with 10 or more units:

- For-Sale: 10% of all units must be affordable to lower-income households and each unit is required to have at least 2 bedrooms (in some circumstances) or 3 bedrooms;
- For-Rent: 5% of all units must be affordable to very low-income households (50% AMI or below), and 5% must be affordable to lower-income households (80% AMI or below); and
- Covenants must be recorded for the projects to preserve the affordability of these units for at least 20 years.

However, the Ordinance (and therefore the in-lieu fees) do not apply to the following:

- Projects in areas subject to specific plans that require project to provide as many or more affordable units for lower and very low-income households as the Ordinances

The current Policy (as described in Ordinance 2715) allows developers to pay an in-lieu Affordable Housing Payment instead of developing affordable units as part of a project or as part of an offsite project. The existing Payment amount for ownership units is one percent (1%) of the sales price of each market-rate unit in increments of \$50,000 with a minimum of \$5,000 for each unit. The Payment amount for rental units is \$4,590 for each market-rate unit (increased annually after 2006 by the Consumer Price Index). The fee is currently \$7,735.

## COMPARISON TO OTHER JURISDICTIONS

Jurisdictions throughout the State of California have adopted an affordable housing fee program as a method of bridging the housing affordability gap. Harris & Associates has compiled a list of fees from nearby cities that have adopted comparable affordable housing fees. Table 19 summarizes the aggregated fees of the jurisdictions.

*Table 19: Affordable Housing Fee Market Survey*

<b>Municipality</b>	<b>Single Family For-Sale</b>	<b>Multifamily For-Sale</b>	<b>Multifamily For-Rent</b>
<b>Oxnard (Proposed)</b>	<b>\$36,000</b>	<b>\$35,000</b>	<b>\$28,000</b>
Oxnard (Existing)	7,000	5,500	7,735
Agoura Hills	71,190	35,029	34,002
Calabasas	37,500	36,875	18,772
Huntington Beach	29,640	29,640	29,640
Oceanside	11,735	11,558	8,105
Pasadena (10-49 Units)	44,625	43,881	18,110
Pasadena (50+ Units)	61,924	60,892	24,868
San Diego	16,230	15,960	10,690
San Luis Obispo County	5,625	5,625	3,375
Santa Barbara (10+ Units)	55,482	55,482	48,954
Santa Barbara (2-9 Units)	18,493	18,493	16,317
Santa Monica	n/a	62,865	36,052
West Hollywood	43,845	43,114	28,879
<b>Comparable City Average</b>	<b>\$36,026</b>	<b>\$34,951</b>	<b>\$23,147</b>

## CONCLUSION

Table 20 below provides a summary of all fees calculated as part of this study.

*Table 20: Maximum Supported Fee Comparison*

	<b>Existing In-Lieu Fee<sup>1</sup></b>	<b>Demand Based Supportable Fee<sup>2</sup></b>	<b>Inclusionary Equivalent Supportable Fee<sup>3</sup></b>	<b>Local City Survey<sup>4</sup></b>
<b>Single-Family For-Sale</b>	\$7,000	\$99,111	\$44,700	\$36,026
<b>Multifamily For-Sale</b>	5,500	70,180	36,800	34,951
<b>Multifamily For-Rent</b>	7,735	53,029	28,400	23,147

1) Using the median sales price estimate from January 2020 Multiple Listing Service (MLS) survey, for-rent fee per January 2020 fee update.

2) Tables 13, 14, 15.

3) Tables 16 and 17.

4) Table 19.

The City has the discretion to adopt fees that are lower than the maximum supported fees under the Demand-Based and Inclusionary Equivalent levels. It is clear that the high development costs have resulted in significantly higher costs to develop affordable housing. Due to the housing legislation and mandates from the State to cities to encourage the development of housing at all

income levels, it is important to note residential development could potentially decrease and occur in other jurisdictions with lower fees. This would potentially result in decreased housing development in the City. One option available to the City is to adopt Fees that are consistent with the average of the fees collected in other jurisdictions (in the column titled Local City Survey) in order to ensure that housing development continues at its current pace.

## PROPOSED FEES

City staff reviewed the options provided in this analysis and is recommending the following fees be adopted. These fees fall below the maximum supportable fees calculated in this report and were determined based on an analysis of other local agencies. The maximum fee based on the City’s existing ordinance was deemed higher than the market would bear for single family and multifamily for-sale units. Staff recommends lowering the fees to an amount more in line with competitive cities for the single family and multifamily for-sale units but setting the fee for for-rent units closer to the actual cost to develop a multi-family project. This methodology supports the City's goal of using the in-lieu fee funds to build multifamily for rent projects. See Table ES.4 for a summary of the recommended fees.

**Table 21: Proposed Fees**

Land Use	Inclusionary Requirement	Affordability Level	Affordability Gap per Unit	Fee per Unit	Total Fee per Unit	Average of Other Cities	Proposed Fee
Single Family Detached For-Sale	10%	80% AMI or below	\$447,023	\$44,702	\$44,702	\$36,026	\$36,000
Multifamily For-Sale	10%	80% AMI or below	368,534	36,853	36,853	34,951	35,000
Multifamily For-Rent	5%	50-80% AMI	234,315	11,716	28,407	23,147	28,000
	5%	50% AMI or below	333,823	16,691			

## **Appendix A: IMPLAN Output**

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Appendix A  
Induced Employment per New Unit

Impact Industry	Income per Job	SFR Jobs Generated	For-Sale MFR Jobs Generated	For-Rent MFR Jobs Generated
10 - All other crop farming	\$ 47,144.69	0.00000491713	0.00000335834	0.00000254377
101 - Coffee and tea manufacturing	\$ 228,442.45	0.00000032927	0.00000025789	0.00000019534
102 - Flavoring syrup and concentrate manufacturing	\$ 925,559.53	0.00000046297	0.00000033940	0.00000025708
103 - Mayonnaise, dressing, and sauce manufacturing	\$ 85,985.89	0.00000017998	0.00000014177	0.00000010739
104 - Spice and extract manufacturing	\$ 139,538.64	0.000000259475	0.000000204787	0.00000155116
105 - All other food manufacturing	\$ 113,889.89	0.00001570009	0.00001243046	0.00000941544
106 - Bottled and canned soft drinks & water	\$ 159,248.46	0.00001136477	0.00000904207	0.00000684891
107 - Manufactured ice	\$ 1,016,280.32	0.00000011225	0.00000008931	0.00000006765
108 - Breweries	\$ 360,435.38	0.00001078887	0.00000706565	0.00000535187
109 - Wineries	\$ 243,422.39	0.00000601301	0.00000397018	0.00000300720
110 - Distilleries	\$ 2,096,314.21	0.00000002529	0.00000001687	0.00000001278
119 - Carpet and rug mills	\$ 86,042.95	0.00000244658	0.00000155822	0.00000118027
121 - Textile bag and canvas mills	\$ 38,929.06	0.00000058550	0.00000037611	0.00000028488
123 - Other textile product mills	\$ 43,711.51	0.00000145641	0.00000092489	0.00000070056
125 - Other apparel knitting mills	\$ 145,174.28	0.00000020761	0.00000133338	0.00000010103
126 - Cut and sew apparel contractors	\$ 133,653.33	0.00000044879	0.00000032636	0.00000024720
127 - Men's and boys' cut and sew apparel manufacturing	\$ 133,216.91	0.00000279856	0.00000178061	0.00000134872
128 - Women's and girls' cut and sew apparel manufacturing	\$ 196,018.39	0.00000063252	0.00000040184	0.00000030437
129 - Other cut and sew apparel manufacturing	\$ 173,739.18	0.00000127874	0.00000081409	0.00000061663
130 - Apparel accessories and other apparel manufacturing	\$ 338,270.71	0.00000090805	0.00000058001	0.00000004394
137 - Engineered wood member and truss manufacturing	\$ 71,795.00	0.00000166716	0.00000123883	0.00000093835
138 - Reconstituted wood product manufacturing	\$ 199,548.98	0.00000226806	0.00000168501	0.00000127631
139 - Wood windows and door manufacturing	\$ 75,212.06	0.00000129698	0.00000095046	0.00000071993
14 - Animal production, except cattle and poultry and eggs	\$ 308,396.63	0.00000032967	0.00000021387	0.00000016199
141 - Other millwork, including flooring	\$ 79,053.42	0.00000129464	0.00000095253	0.00000072150
142 - Wood container and pallet manufacturing	\$ 83,549.59	0.00000131715	0.00000090870	0.00000068829
145 - All other miscellaneous wood product manufacturing	\$ 76,243.89	0.00000186874	0.00000131750	0.00000099794
147 - Paper mills	\$ 243,089.09	0.00000921611	0.00000601283	0.00000455441
149 - Paperboard container manufacturing	\$ 116,838.78	0.00000517365	0.00000376897	0.00000285480
150 - Paper bag and coated and treated paper manufacturing	\$ 86,983.57	0.00000073943	0.00000051944	0.00000039345
151 - Stationery product manufacturing	\$ 84,102.93	0.00000031273	0.00000022299	0.00000016890
152 - Sanitary paper product manufacturing	\$ 348,923.61	0.00001029384	0.00000702757	0.00000532303
153 - All other converted paper product manufacturing	\$ 89,099.05	0.00000033061	0.00000022682	0.00000017180
154 - Printing	\$ 55,853.53	0.000090351428	0.00007096293	0.000053707889
155 - Support activities for printing	\$ 48,139.12	0.00000084972	0.00000065189	0.00000049378
156 - Petroleum refineries	\$ 2,741,355.01	0.00000334387	0.00000282778	0.00000214190
159 - Petroleum lubricating oil and grease manufacturing	\$ 895,494.40	0.00000016951	0.00000014087	0.00000010670
163 - Synthetic dye and pigment manufacturing	\$ 288,672.75	0.00000149248	0.00000097061	0.00000073518
166 - Plastics material and resin manufacturing	\$ 329,697.18	0.00000017325	0.00000012074	0.00000009145
169 - Nitrogenous fertilizer manufacturing	\$ 286,702.32	0.00000850420	0.00000586953	0.00000444587
17 - Commercial fishing	\$ 58,329.00	0.00009617060	0.00006905170	0.00005230313
172 - Pesticide and other agricultural chemical manufacturing	\$ 778,492.65	0.00004370253	0.00002746928	0.00002080657
173 - Medicinal and botanical manufacturing	\$ 235,648.60	0.00000071349	0.00000055546	0.00000042073
174 - Pharmaceutical preparation manufacturing	\$ 1,917,062.29	0.00001927374	0.00001578699	0.00001195685
175 - In-vitro diagnostic substance manufacturing	\$ 518,981.00	0.00000904811	0.00000651897	0.00000493779
176 - Biological product (except diagnostic) manufacturing	\$ 662,726.04	0.00002377268	0.00001788041	0.00001354350
177 - Paint and coating manufacturing	\$ 128,663.71	0.000000115114	0.000000084911	0.000000064316
178 - Adhesive manufacturing	\$ 40,943.26	0.00000036494	0.00000025796	0.00000019539
179 - Soap and other detergent manufacturing	\$ 526,026.98	0.00000507860	0.00000333989	0.00000252980
18 - Commercial hunting and trapping	\$ 211,188.20	0.00000029370	0.00000021129	0.00000016004
180 - Polish and other sanitation good manufacturing	\$ 159,203.34	0.00000203818	0.00000134959	0.00000102224
182 - Toilet preparation manufacturing	\$ 299,279.91	0.00002360520	0.00001664510	0.00001260781
185 - Custom compounding of purchased resins	\$ 138,319.30	0.00000559631	0.00000430608	0.00000326164
186 - Photographic film and chemical manufacturing	\$ 194,679.65	0.00000332877	0.00000237171	0.00000179645
187 - Other miscellaneous chemical product manufacturing	\$ 139,904.28	0.00000542168	0.00000413769	0.00000313409
188 - Plastics packaging materials and unlaminated film and sheet manufacturing	\$ 102,217.27	0.00000083210	0.00000056381	0.00000042706
19 - Support activities for agriculture and forestry	\$ 51,229.95	0.00059902452	0.000043581411	0.00033010689
190 - Plastics pipe and pipe fitting manufacturing	\$ 134,869.17	0.00000136893	0.00000098817	0.00000074849
192 - Polystyrene foam product manufacturing	\$ 51,865.49	0.00000092769	0.00000065860	0.00000049885
193 - Urethane and other foam product (except polystyrene) manufacturing	\$ 78,946.45	0.00000061294	0.00000044555	0.00000033748
194 - Plastics bottle manufacturing	\$ 127,441.60	0.00000051293	0.00000037378	0.00000028312
195 - Other plastics product manufacturing	\$ 73,567.88	0.00001267899	0.00000914038	0.00000692337
196 - Tire manufacturing	\$ 62,210.48	0.00000066185	0.00000070933	0.00000053728
197 - Rubber and plastics hoses and belting manufacturing	\$ 59,865.35	0.00000022338	0.00000021670	0.00000016414
198 - Other rubber product manufacturing	\$ 70,291.13	0.00000055321	0.00000041677	0.00000031569
199 - Pottery, ceramics, and plumbing fixture manufacturing	\$ 25,666.56	0.00000049247	0.00000035033	0.00000026536
20 - Extraction of natural gas and crude petroleum	\$ 448,316.38	0.00009744676	0.00008240113	0.00006241464
202 - Other pressed and blown glass and glassware manufacturing	\$ 63,879.97	0.00000044325	0.00000029981	0.00000022709
203 - Glass container manufacturing	\$ 96,696.85	0.00000032623	0.00000023321	0.00000017664
204 - Glass product manufacturing made of purchased glass	\$ 68,317.59	0.00000288605	0.00000202660	0.00000153126
206 - Ready-mix concrete manufacturing	\$ 100,105.64	0.00000021493	0.00000015489	0.00000011732
207 - Concrete block and brick manufacturing	\$ 121,281.70	0.00000057812	0.00000041094	0.00000003126
208 - Concrete pipe manufacturing	\$ 132,703.14	0.00000017451	0.00000014532	0.00000011007
209 - Other concrete product manufacturing	\$ 84,668.39	0.00000042472	0.00000033135	0.00000025098
21 - Extraction of natural gas liquids	\$ 120,001.74	0.00004032199	0.00003409634	0.00002582623
212 - Abrasive product manufacturing	\$ 120,594.86	0.00000159373	0.00000112387	0.00000085127
213 - Cut stone and stone product manufacturing	\$ 50,182.05	0.00000320759	0.00000249122	0.0000188697
215 - Mineral wool manufacturing	\$ 152,079.01	0.00004293056	0.00003063858	0.00002320716
229 - Ferrous metal foundries	\$ 76,231.15	0.00000020716	0.00000016114	0.00000012206
230 - Nonferrous metal foundries	\$ 62,254.84	0.00000018804	0.00000013771	0.00000010431
231 - Iron and steel forging	\$ 111,814.84	0.00000044240	0.00000032513	0.00000024627
232 - Nonferrous forging	\$ 127,169.40	0.00000025935	0.00000019050	0.00000014429
233 - Custom roll forming	\$ 122,110.47	0.00000011365	0.00000008466	0.00000006413
234 - Crown and closure manufacturing and metal stamping	\$ 59,548.24	0.00000032198	0.00000024516	0.00000018569
235 - Cutlery, utensil, pot, and pan manufacturing	\$ 170,460.32	0.00000011039	0.00000007861	0.00000005954
236 - Handtool manufacturing	\$ 137,675.42	0.00000077930	0.00000056324	0.00000042663
237 - Prefabricated metal buildings and components manufacturing	\$ 94,541.56	0.00000078612	0.00000054536	0.00000041308
238 - Fabricated structural metal manufacturing	\$ 73,477.07	0.00000072776	0.00000056906	0.00000043103
239 - Plate work manufacturing	\$ 59,068.65	0.00000063194	0.00000055816	0.00000042278
24 - Gold ore mining	\$ 95,636.56	0.00000030975	0.00000022840	0.00000017300
240 - Metal window and door manufacturing	\$ 81,124.21	0.00002296420	0.00001613974	0.00001222503
241 - Sheet metal work manufacturing	\$ 57,446.39	0.00000699501	0.00000489423	0.00000370713
242 - Ornamental and architectural metal work manufacturing	\$ 73,758.20	0.00000102559	0.00000079087	0.00000059904
243 - Power boiler and heat exchanger manufacturing	\$ 133,951.38	0.00000018392	0.00000013705	0.00000010381
247 - Hardware manufacturing	\$ 142,974.99	0.00000067122	0.00000047867	0.00000036257
248 - Spring and wire product manufacturing	\$ 102,433.64	0.00000086261	0.00000065945	0.00000049950
249 - Machine shops	\$ 62,466.79	0.00001057813	0.00000837551	0.00000634402

250 - Turned product and screw, nut, and bolt manufacturing	\$	126,284.19	0.0000073315	0.0000053488	0.0000040514
251 - Metal heat treating	\$	93,585.85	0.00000606131	0.0000047807	0.0000036211
252 - Metal coating and nonprecious engraving	\$	74,544.55	0.00000242964	0.00000194595	0.00000147396
253 - Electroplating, anodizing, and coloring metal	\$	71,859.34	0.00000343869	0.00000272660	0.00000206526
254 - Valve and fittings, other than plumbing, manufacturing	\$	189,466.11	0.00000203123	0.0000018772	0.0000014219
255 - Plumbing fixture fitting and trim manufacturing	\$	292,147.23	0.00000047581	0.0000003206	0.00000025152
256 - Ball and roller bearing manufacturing	\$	191,759.38	0.00000119930	0.00000104341	0.00000079033
259 - Small arms, ordnance, and accessories manufacturing	\$	296,969.24	0.00000652718	0.00000517254	0.00000391794
260 - Fabricated pipe and pipe fitting manufacturing	\$	58,430.92	0.00000021156	0.00000014819	0.00000011224
261 - Other fabricated metal manufacturing	\$	66,519.37	0.00000325261	0.00000232469	0.00000176083
266 - Oil and gas field machinery and equipment manufacturing	\$	93,823.36	0.00000014495	0.00000011976	0.00000009071
271 - All other industrial machinery manufacturing	\$	78,302.76	0.00000010047	0.00000007889	0.00000005976
274 - Other commercial service industry machinery manufacturing	\$	126,228.39	0.00000029952	0.00000018142	0.00000013742
275 - Air purification and ventilation equipment manufacturing	\$	81,690.44	0.00000028815	0.00000023568	0.00000017852
276 - Heating equipment (except warm air furnaces) manufacturing	\$	124,092.31	0.00001041551	0.00000768412	0.00000582033
277 - Air conditioning, refrigeration, and warm air heating equipment manufactu	\$	107,066.71	0.00000086754	0.00000062521	0.00000047356
281 - Machine tool manufacturing	\$	166,592.97	0.00000089793	0.00000062064	0.00000047010
286 - Other engine equipment manufacturing	\$	175,122.32	0.00000019476	0.00000012430	0.00000009415
287 - Pump and pumping equipment manufacturing	\$	69,504.15	0.00000012111	0.00000008685	0.00000006579
288 - Air and gas compressor manufacturing	\$	120,544.68	0.00000033371	0.00000024819	0.00000018799
293 - Industrial truck, trailer, and stacker manufacturing	\$	93,707.23	0.00000011011	0.00000008690	0.00000006583
3 - Vegetable and melon farming	\$	116,839.45	0.00021844704	0.00016615545	0.00012585426
30 - Stone mining and quarrying	\$	146,209.45	0.00005517274	0.000003918037	0.00002967713
300 - Scales, balances, and miscellaneous general purpose machinery manufactu	\$	119,386.34	0.00000018460	0.00000013553	0.00000010266
302 - Computer storage device manufacturing	\$	328,837.07	0.00000022459	0.0000011858	0.00000008982
303 - Computer terminals and other computer peripheral equipment manufactu	\$	285,608.31	0.00000134696	0.00000083434	0.00000063197
304 - Telephone apparatus manufacturing	\$	187,224.82	0.00000017707	0.00000015859	0.00000012012
305 - Broadcast and wireless communications equipment manufacturing	\$	146,950.44	0.00000166554	0.00000145793	0.00000110431
307 - Audio and video equipment manufacturing	\$	103,304.30	0.00000138705	0.00000089975	0.00000068152
309 - Semiconductor and related device manufacturing	\$	292,864.12	0.00001562885	0.00001406114	0.00001065059
31 - Sand and gravel mining	\$	162,848.81	0.00000451304	0.000000321259	0.00000243337
310 - Capacitor, resistor, coil, transformer, and other inductor manufacturing	\$	68,322.04	0.00000074124	0.00000064917	0.00000049171
311 - Electronic connector manufacturing	\$	129,149.20	0.00000081167	0.00000062685	0.00000047481
312 - Printed circuit assembly (electronic assembly) manufacturing	\$	86,538.52	0.00000136586	0.00000095462	0.00000072308
313 - Other electronic component manufacturing	\$	123,635.43	0.00000057093	0.00000041237	0.00000031235
314 - Electromedical and electrotherapeutic apparatus manufacturing	\$	732,677.73	0.00000015574	0.00000011191	0.00000008476
317 - Industrial process variable instruments manufacturing	\$	212,506.16	0.00000017355	0.00000013019	0.00000009861
320 - Analytical laboratory instrument manufacturing	\$	110,287.61	0.00000013038	0.00000007746	0.00000005867
322 - Watch, clock, and other measuring and controlling device manufacturing	\$	137,262.82	0.00000163866	0.00000111658	0.00000084576
324 - Software and other prerecorded and record reproducing	\$	116,931.56	0.00000047795	0.00000035439	0.00000026843
325 - Electric lamp bulb and part manufacturing	\$	84,643.70	0.00000115620	0.00000077413	0.00000058636
326 - Lighting fixture manufacturing	\$	100,576.40	0.00000295552	0.00000213570	0.00000161768
327 - Small electrical appliance manufacturing	\$	459,988.99	0.00000013848	0.00000010454	0.00000007918
332 - Power, distribution, and specialty transformer manufacturing	\$	754,342.52	0.00000002495	0.00000001751	0.00000001326
333 - Motor and generator manufacturing	\$	147,705.57	0.00000108352	0.00000084926	0.00000064327
335 - Relay and industrial control manufacturing	\$	118,818.18	0.00000026975	0.00000020400	0.00000015452
336 - Storage battery manufacturing	\$	93,882.26	0.00000148875	0.00000137991	0.00000104521
337 - Primary battery manufacturing	\$	128,634.34	0.00000023530	0.00000015089	0.00000011429
339 - Other communication and energy wire manufacturing	\$	93,159.55	0.00000024462	0.00000019542	0.00000014802
340 - Wiring device manufacturing	\$	85,047.80	0.00000099026	0.00000070013	0.00000053032
342 - All other miscellaneous electrical equipment and component manufacturin	\$	107,196.51	0.00000041914	0.00000029320	0.00000022208
343 - Automobile manufacturing	\$	179,619.01	0.00000037570	0.00000030937	0.00000023433
349 - Travel trailer and camper manufacturing	\$	41,985.49	0.00000496382	0.00000156352	0.00000118429
350 - Motor vehicle gasoline engine and engine parts manufacturing	\$	123,917.93	0.00000019691	0.00000017322	0.00000013120
352 - Motor vehicle steering, suspension component (except spring), and brake s	\$	290,564.81	0.00000036165	0.00000030500	0.00000023102
356 - Other motor vehicle parts manufacturing	\$	98,864.45	0.00000294269	0.00000284066	0.00000215165
359 - Other aircraft parts and auxiliary equipment manufacturing	\$	133,641.69	0.00000423986	0.00000350475	0.00000265467
360 - Guided missile and space vehicle manufacturing	\$	163,016.16	0.00000076146	0.00000063632	0.00000048198
364 - Boat building	\$	68,324.56	0.00005508505	0.00001682602	0.00001274485
365 - Motorcycle, bicycle, and parts manufacturing	\$	113,341.25	0.00000521317	0.00000162288	0.0000122925
366 - Military armored vehicle, tank, and tank component manufacturing	\$	343,918.00	0.00000004415	0.00000003633	0.00000002752
367 - All other transportation equipment manufacturing	\$	48,200.63	0.00000027744	0.00000019135	0.00000014494
368 - Wood kitchen cabinet and countertop manufacturing	\$	48,668.58	0.00001476812	0.00001003155	0.00000759839
369 - Upholstered household furniture manufacturing	\$	72,021.10	0.00000267689	0.00000169657	0.00000128507
37 - Drilling oil and gas wells	\$	196,526.05	0.00000022284	0.00000017436	0.00000013207
370 - Nonupholstered wood household furniture manufacturing	\$	43,240.59	0.00000384638	0.00000243802	0.00000184668
371 - Other household nonupholstered furniture manufacturing	\$	47,196.99	0.00000068456	0.00000043782	0.00000033162
375 - Office furniture, except wood, manufacturing	\$	84,253.53	0.00000018658	0.00000012364	0.00000009365
376 - Showcase, partition, shelving, and locker manufacturing	\$	55,882.49	0.00000077999	0.00000053193	0.00000040291
377 - Mattress manufacturing	\$	24,334.23	0.00000082539	0.00000052390	0.00000039683
378 - Blind and shade manufacturing	\$	29,274.80	0.00000098779	0.00000062661	0.00000047463
379 - Surgical and medical instrument manufacturing	\$	162,402.15	0.00000240672	0.00000170343	0.00000129026
38 - Support activities for oil and gas operations	\$	126,328.97	0.00003985230	0.00000318204	0.00002361880
380 - Surgical appliance and supplies manufacturing	\$	133,090.01	0.00000889995	0.00000646983	0.0000490056
381 - Dental equipment and supplies manufacturing	\$	118,082.05	0.00000147905	0.00000108966	0.00000082536
383 - Dental laboratories	\$	33,922.12	0.00000316615	0.00000233298	0.00000176711
384 - Jewelry and silverware manufacturing	\$	55,132.23	0.00000074514	0.00000051694	0.00000039156
385 - Sporting and athletic goods manufacturing	\$	61,424.08	0.00001088824	0.00000861147	0.00000652275
386 - Doll, toy, and game manufacturing	\$	43,525.44	0.00000019848	0.00000015184	0.00000011501
388 - Sign manufacturing	\$	37,957.13	0.00006205114	0.00004882519	0.00003698258
39 - Metal mining services	\$	208,479.10	0.00000004478	0.00000003366	0.00000002550
390 - Musical instrument manufacturing	\$	65,093.72	0.00000648480	0.00000432906	0.00000327904
394 - All other miscellaneous manufacturing	\$	42,638.10	0.00001217181	0.00000834084	0.00000631776
395 - Wholesale trade	\$	180,232.64	0.02372305457	0.01764225262	0.01336310368
396 - Retail - Motor vehicle and parts dealers	\$	138,779.32	0.0140928768	0.01018788204	0.00771679938
397 - Retail - Furniture and home furnishings stores	\$	72,309.19	0.00477903436	0.00355962459	0.00269623350
398 - Retail - Electronics and appliance stores	\$	47,367.95	0.00378785186	0.00281971771	0.00213579190
399 - Retail - Building material and garden equipment and supplies stores	\$	78,135.20	0.01065634971	0.00793908217	0.00601344854
4 - Fruit farming	\$	43,290.99	0.00170124552	0.00125957537	0.00095406390
40 - Other nonmetallic minerals services	\$	137,520.78	0.000000010106	0.000000007549	0.000000005718
400 - Retail - Food and beverage stores	\$	60,516.54	0.02858457768	0.02075159560	0.01571827190
401 - Retail - Health and personal care stores	\$	67,046.89	0.01023386626	0.00762691178	0.00577699544
402 - Retail - Gasoline stores	\$	154,305.31	0.00458502962	0.00341377465	0.00258575963
403 - Retail - Clothing and clothing accessories stores	\$	48,802.85	0.01578063706	0.01175187532	0.00890144427
404 - Retail - Sporting goods, hobby, musical instrument and book stores	\$	36,021.03	0.00660468298	0.00492222954	0.00372833703
405 - Retail - General merchandise stores	\$	54,117.04	0.02573685345	0.01868439034	0.01415246969
406 - Retail - Miscellaneous store retailers	\$	41,553.60	0.01182755984	0.00881352584	0.00667579487
407 - Retail - Nonstore retailers	\$	73,930.62	0.01924224613	0.01425006657	0.01079369631
408 - Air transportation	\$	207,927.46	0.00049813000	0.00030076657	0.00022781529
409 - Rail transportation	\$	164,252.59	0.00003715005	0.00002803884	0.00002123799
410 - Water transportation	\$	173,614.23	0.00000853053	0.00000562954	0.00000426409

411 - Truck transportation	\$	67,412.61	0.00455599388	0.00321697988	0.00243669766
412 - Transit and ground passenger transportation	\$	28,820.08	0.00760992977	0.00453197355	0.00343273809
413 - Pipeline transportation	\$	280,573.03	0.00001722134	0.00001443889	0.00001093672
414 - Scenic and sightseeing transportation and support activities for transportat	\$	87,484.34	0.00164055615	0.00123270645	0.00093371206
415 - Couriers and messengers	\$	68,860.17	0.00281171261	0.00194965424	0.00147676333
416 - Warehousing and storage	\$	70,772.34	0.00211008527	0.00156413608	0.00118475305
417 - Newspaper publishers	\$	107,737.35	0.00042941790	0.00032478798	0.00024601028
418 - Periodical publishers	\$	123,598.77	0.00036329786	0.00027013048	0.00020461002
419 - Book publishers	\$	709,260.87	0.00045635784	0.00032330106	0.00024488401
42 - Electric power generation - Fossil fuel	\$	880,732.99	0.00004437996	0.00004145084	0.00003139689
420 - Directory, mailing list, and other publishers	\$	436,953.11	0.00050536323	0.00038677203	0.00029296003
422 - Software publishers	\$	135,246.73	0.00123053109	0.00065288372	0.00049452602
423 - Motion picture and video industries	\$	80,422.82	0.00158731356	0.00118946769	0.00090906092
424 - Sound recording industries	\$	151,308.83	0.00010895927	0.00007085784	0.00005367119
425 - Radio and television broadcasting	\$	768,151.75	0.00060407948	0.00048271339	0.00036563070
426 - Cable and other subscription programming	\$	1,654,653.47	0.00005570958	0.00004809205	0.00003642727
427 - Wired telecommunications carriers	\$	17,416.02	0.00385071463	0.00366379782	0.00277513939
428 - Wireless telecommunications carriers (except satellite)	\$	880,595.51	0.00076815362	0.00070734030	0.00053577408
429 - Satellite, telecommunications resellers, and all other telecommunications	\$	82,531.46	0.00067296679	0.00064188015	0.00048619137
430 - Data processing, hosting, and related services	\$	109,701.81	0.00107975320	0.00100194463	0.00075892179
431 - News syndicates, libraries, archives and all other information services	\$	131,390.10	0.00030880315	0.00022447840	0.00017003090
432 - Internet publishing and broadcasting and web search portals	\$	30,016.13	0.00012877983	0.00009812436	0.00007432418
433 - Monetary authorities and depository credit intermediation	\$	281,469.75	0.01096471018	0.01135031589	0.00859728354
434 - Nondepository credit intermediation and related activities	\$	91,658.79	0.01094614936	0.00905065030	0.00685540452
435 - Securities and commodity contracts intermediation and brokerage	\$	48,175.64	0.00317663509	0.00351056287	0.00265907175
436 - Other financial investment activities	\$	11,238.99	0.02175412725	0.02567440309	0.01944704670
437 - Insurance carriers	\$	259,409.57	0.00524425686	0.00391433653	0.00296490965
438 - Insurance agencies, brokerages, and related activities	\$	63,261.71	0.01508293081	0.01261761748	0.00955719966
439 - Funds, trusts, and other financial vehicles	\$	90,891.60	0.00565399673	0.00702581734	0.00532169716
44 - Electric power generation - Solar	\$	758,904.76	0.00001485555	0.00001387517	0.00001050973
440 - Real estate	\$	136,123.81	0.04935353776	0.04872928720	0.03690994180
442 - Automotive equipment rental and leasing	\$	209,763.04	0.00109272494	0.00076406748	0.00057874202
443 - General and consumer goods rental except video tapes and discs	\$	53,387.31	0.00219211660	0.00117319992	0.00129826724
444 - Video tape and disc rental	\$	224,916.02	0.00007337791	0.00005872659	0.00004482339
445 - Commercial and industrial machinery and equipment rental and leasing	\$	192,389.69	0.00066038497	0.00049258470	0.00037310771
446 - Lessors of nonfinancial intangible assets	\$	102,462.69	0.00030301772	0.00023953192	0.00018143318
447 - Legal services	\$	103,191.19	0.01139129038	0.00516091690	0.00390913050
448 - Accounting, tax preparation, bookkeeping, and payroll services	\$	53,605.59	0.00885568421	0.00694362056	0.00525943730
449 - Architectural, engineering, and related services	\$	75,689.39	0.00459521467	0.00359504244	0.00272306071
450 - Specialized design services	\$	53,909.94	0.00172391943	0.00135788088	0.00102852529
451 - Custom computer programming services	\$	104,889.55	0.00004258243	0.00003379345	0.00002559681
452 - Computer systems design services	\$	74,544.89	0.00147812155	0.00118938700	0.00090089979
453 - Other computer related services, including facilities management	\$	93,623.85	0.00125260745	0.00099379883	0.00057257176
454 - Management consulting services	\$	55,940.98	0.00061652669	0.00502827278	0.00380865936
455 - Environmental and other technical consulting services	\$	42,845.74	0.00228526282	0.00190203089	0.00144069108
456 - Scientific research and development services	\$	149,415.84	0.00027951786	0.00023370255	0.00017701772
457 - Advertising, public relations, and related services	\$	65,105.60	0.00285771192	0.00224829131	0.00170296563
458 - Photographic services	\$	19,842.06	0.00320484192	0.00221188347	0.00167538924
459 - Veterinary services	\$	64,947.01	0.00454862618	0.00294460542	0.00223038794
460 - Marketing research and all other miscellaneous professional, scientific, anc	\$	37,210.19	0.00499448444	0.00414216390	0.00313747722
461 - Management of companies and enterprises	\$	105,967.14	0.00336202544	0.00265464104	0.00201075476
462 - Office administrative services	\$	63,348.05	0.00306305403	0.00249304792	0.00188835624
463 - Facilities support services	\$	61,893.42	0.00015934993	0.00012312704	0.00009326243
464 - Employment services	\$	61,402.26	0.01644552777	0.01357957071	0.01028830001
465 - Business support services	\$	46,237.86	0.00413624310	0.00307593945	0.00232986675
466 - Travel arrangement and reservation services	\$	85,748.57	0.00190129017	0.00087098771	0.00066435740
467 - Investigation and security services	\$	39,795.53	0.00327569239	0.00250347439	0.00189625376
468 - Services to buildings	\$	35,402.87	0.01718210370	0.01246370224	0.00944061674
469 - Landscape and horticultural services	\$	40,006.45	0.00923660625	0.00657738213	0.00498203043
470 - Other support services	\$	115,304.12	0.00098141105	0.00073448475	0.00055633462
471 - Waste management and remediation services	\$	113,132.83	0.00175471601	0.00151534379	0.00114779539
472 - Elementary and secondary schools	\$	51,935.98	0.01158963450	0.00543687924	0.00411815784
473 - Junior colleges, colleges, universities, and professional schools	\$	41,166.26	0.01472384861	0.00540569571	0.00409453792
474 - Other educational services	\$	20,026.74	0.01430711270	0.00812366565	0.00615326108
475 - Offices of physicians	\$	90,188.90	0.02891724394	0.02318044488	0.01755800096
476 - Offices of dentists	\$	85,157.00	0.01428175112	0.01052352897	0.00797103476
477 - Offices of other health practitioners	\$	60,438.09	0.02169916257	0.01361658653	0.01031386760
478 - Outpatient care centers	\$	98,102.22	0.01064985742	0.00720807808	0.00545975034
479 - Medical and diagnostic laboratories	\$	58,595.00	0.00365571309	0.00165416124	0.00125294250
48 - Electric power generation - All other	\$	254,555.20	0.00002590200	0.00002419245	0.00001832454
480 - Home health care services	\$	43,431.13	0.01996049439	0.00734217969	0.00556132545
481 - Other ambulatory health care services	\$	75,923.26	0.00267121691	0.00172890964	0.00130956059
482 - Hospitals	\$	115,132.52	0.03346456042	0.02414612836	0.01828945679
483 - Nursing and community care facilities	\$	46,333.58	0.01249323237	0.01172649666	0.00888233712
484 - Residential mental retardation, mental health, substance abuse and other	\$	42,493.79	0.00409161882	0.00328163459	0.00248567030
485 - Individual and family services	\$	21,125.26	0.03085521824	0.02274856725	0.01723087576
486 - Community food, housing, and other relief services, including rehabilitator	\$	62,345.27	0.00505419430	0.00383338693	0.00290359447
487 - Child day care services	\$	39,215.40	0.01270901575	0.00754402882	0.00571421584
488 - Performing arts companies	\$	43,899.82	0.00217632931	0.00123902181	0.00093849563
489 - Commercial Sports Except Racing	\$	29,396.81	0.00134495953	0.00089512877	0.00067801424
49 - Electric power transmission and distribution	\$	843,058.58	0.00046761211	0.00043674931	0.00033081526
490 - Racing and Track Operation	\$	23,331.42	0.00029234370	0.00018782777	0.00014226992
491 - Promoters of performing arts and sports and agents for public figures	\$	26,126.45	0.00167363145	0.00102501514	0.00077639653
492 - Independent artists, writers, and performers	\$	17,732.91	0.00653243932	0.00462702260	0.00350473288
493 - Museums, historical sites, zoos, and parks	\$	39,006.05	0.00032626687	0.00025363163	0.00019211298
494 - Amusement parks and arcades	\$	28,330.33	0.00018085381	0.00011749598	0.00008899719
495 - Gambling industries (except casino hotels)	\$	102,301.14	0.00114793957	0.00221577656	0.00167833737
496 - Other amusement and recreation industries	\$	40,361.65	0.00571330088	0.00311305704	0.00235798142
497 - Fitness and recreational sports centers	\$	29,820.79	0.00772123582	0.00421957699	0.00319611368
498 - Bowling centers	\$	34,094.65	0.00078720341	0.00041899743	0.00031736912
499 - Hotels and motels, including casino hotels	\$	67,856.23	0.00037646047	0.00034518984	0.00026146365
5 - Tree nut farming	\$	110,822.05	0.00001057887	0.00000771977	0.00000584733
50 - Natural gas distribution	\$	265,843.53	0.00041931978	0.00032448361	0.00024577973
500 - Other accommodations	\$	33,030.22	0.00000483718	0.00000319387	0.00000241919
501 - Full-service restaurants	\$	30,330.37	0.05687713669	0.04095734453	0.03102309289
502 - Limited-service restaurants	\$	59,345.58	0.06389027858	0.04574926689	0.03465272889
503 - All other food and drinking places	\$	25,227.62	0.02420460437	0.01728227566	0.01309043956
504 - Automotive repair and maintenance, except car washes	\$	96,147.70	0.01690431645	0.01535653942	0.01025323601
505 - Car washes	\$	48,300.79	0.00316639583	0.00253824696	0.00192259220
506 - Electronic and precision equipment repair and maintenance	\$	119,197.14	0.00082606756	0.00065861988	0.00049887086
507 - Commercial and industrial machinery and equipment repair and mainten	\$	134,872.06	0.00131887193	0.00102040682	0.00077290596

508 - Personal and household goods repair and maintenance	\$	108,184.65	0.00334894279	0.00203455665	0.00154107257
509 - Personal care services	\$	31,415.75	0.02174868061	0.01593090843	0.01206684803
51 - Water, sewage and other systems	\$	205,089.45	0.00030580955	0.00028036104	0.00021235914
510 - Death care services	\$	71,584.86	0.00060049835	0.00061587728	0.00046649553
511 - Dry-cleaning and laundry services	\$	40,887.33	0.00224870347	0.00149379875	0.00113147612
512 - Other personal services	\$	31,746.63	0.01606006749	0.01145741044	0.00867840219
513 - Religious organizations	\$	3,503.10	0.00823965468	0.00678251346	0.00513740692
514 - Grantmaking, giving, and social advocacy organizations	\$	97,465.87	0.00313019182	0.00256225163	0.00194077451
515 - Business and professional associations	\$	146,926.10	0.00057031472	0.00039296754	0.00029765281
516 - Labor and civic organizations	\$	68,199.84	0.00600363835	0.00389081166	0.00294709076
517 - Private households	\$	17,262.67	0.01159328573	0.00728499664	0.00551801221
518 - Postal service	\$	87,740.75	0.00194314719	0.00155768994	0.00117987043
520 - Other federal government enterprises	\$	34,099.31	0.00111759041	0.00092180591	0.00069822081
525 - Local government electric utilities	\$	190,472.29	0.00011390278	0.00010638510	0.00008058127
526 - Other local government enterprises	\$	200,766.06	0.00342906829	0.00360378960	0.00272968623
6 - Greenhouse, nursery, and floriculture production	\$	106,322.27	0.00012737711	0.00008836578	0.00006693256
62 - Maintenance and repair construction of nonresidential structures	\$	88,193.27	0.00451736068	0.00414338046	0.00313839870
63 - Maintenance and repair construction of residential structures	\$	85,849.37	0.00527038646	0.00362483505	0.00274562708
65 - Dog and cat food manufacturing	\$	360,145.67	0.00000025125	0.00000015843	0.00000012000
71 - Soybean and other oilseed processing	\$	232,037.97	0.00000082588	0.00000061534	0.00000046609
72 - Fats and oils refining and blending	\$	130,282.71	0.00000157315	0.00000124706	0.00000094459
76 - Nonchocolate confectionery manufacturing	\$	231,710.06	0.00000092055	0.00000073458	0.00000055641
79 - Frozen fruits, juices and vegetables manufacturing	\$	208,323.68	0.00000721185	0.00000576055	0.00000436332
80 - Frozen specialties manufacturing	\$	173,395.20	0.00000393118	0.00000314068	0.00000237891
81 - Canned fruits and vegetables manufacturing	\$	260,457.32	0.00000609488	0.00000484193	0.00000366751
87 - Dry, condensed, and evaporated dairy product manufacturing	\$	165,154.32	0.00000400747	0.00000316705	0.00000239888
93 - Seafood product preparation and packaging	\$	145,838.04	0.00000608267	0.00000467839	0.00000354364
94 - Bread and bakery product, except frozen, manufacturing	\$	79,683.35	0.00006460855	0.00005088970	0.00003854634
95 - Frozen cakes and other pastries manufacturing	\$	73,116.81	0.00000176784	0.00000139271	0.00000105491
97 - Dry pasta, mixes, and dough manufacturing	\$	167,027.07	0.00000063596	0.00000050761	0.00000038449
99 - Roasted nuts and peanut butter manufacturing	\$	282,327.37	0.00000472527	0.00000376226	0.00000284972
<b>Totals</b>			<b>0.98496479365</b>	<b>0.73390517488</b>	<b>0.55589561946</b>



Los Angeles/Ventura Chapter

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April 16, 2020

## **Re: Oxnard Development Impact Fees, Affordable Housing, and Parking-In-Lieu Fee Update as Relates to COVID-19 Pandemic and Housing Crisis Emergency**

Dear Council Committee Members,

The Los Angeles/Ventura Chapter of the Building Industry Association of Southern California, Inc. (BIA), is a non-profit trade association representing more than 1,000 companies employing over 100,000 people focused on building housing for all. On behalf of our membership, we appreciate and support your unwavering efforts to keep everyone safe while also providing for construction to continue as an essential service.

We have partnered with you during this challenging time to protect workers health in a way that does not exacerbate the housing and shelter shortfall. We continue to help develop, support and educate our membership on critical COVID-19 related health and safety guidance.

BIALAV attended an initial outreach workshop on March 12, 2020, where we learned about the development impact fees proposal. The following day, March 13, the President of the United States declared a National Emergency, and the following Thursday, March 19, the California State Governor declared the “shelter-in-place” order. Therefore, we are surprised and disappointed to learn that the Committee is still considering the development impact fees proposal. This is extremely troubling, considering that we are amid both a deadly pandemic and housing emergency. Businesses and families are merely trying to survive and operate during these crises. Now, more than ever, people need shelter. They don’t need new fees or regulations that will increase the hurdles to build housing.

In a separate letter sent earlier today to all Council and staff, we respectfully requested an emergency adoption of the following, as relates to fees:

1. A moratorium on all proposed municipal fees or policies unless they are specifically designed to create relief by reducing costs



Los Angeles/Ventura Chapter

- and/or by streamlining the housing planning and production process
2. Deferment of the payment of impact fees until the close of escrow for homes sold, and until Certificate of Occupancy for homes rented, since there is no impact until the unit is occupied

**Therefore, we respectfully request at this time that the consideration of this proposal is deferred indefinitely.** Today, we are not operating in the environment we were on March 12. This is no longer business as usual. And yet, the fee proposal includes an increase to Park & Rec fees by 2,697% for single-family homes and 1,750% for multifamily homes. Other fees include increases of 100%, 115%, and even a 40% increase to the current art fee. Additionally, it is difficult to understand the logic to introduce an in-lieu parking fee of \$44,050 per space, and exponentially increase the City's affordable housing in-lieu fee while investment is drying up across the Country and certainly our region.

We commend the City's actions in addressing the health pandemic during this difficult and uncertain reality. We want to reiterate our commitment to working with Government leaders to help keep housing affordable and our communities safe. Thank you for your consideration of this request. Should you have any questions, please contact me at (917) 204-0233 or at [crangel@bialav.org](mailto:crangel@bialav.org).

Sincerely,

Christine Rangel  
Senior Director, Government Affairs  
BIA-Los Angeles/Ventura

Sent via e-mail

April 17, 2020

Members of the Public Works Council Committee  
Members of the Housing and Economic Development Committee  
Mr. Jeff Lambert, Community Development Director  
City of Oxnard

RE: Proposed Development Impact Fees, Affordable Housing, and Parking-In-Lieu Fees

The Oxnard Chamber of Commerce **STRONGLY** opposes any increases in Development Impact Fees at this time. Our economy is in a freefall due to the COVID-19 pandemic. We also have an affordable housing crisis. The proposed fee increases will exacerbate the affordability challenge. How would this reflect on our homelessness challenges? Do we really need to increase the Park and Recreation Fee 2697% on a single family dwelling?

Regarding the presentation from Harris & Associates, it appears the cities of Santa Clarita and Goleta were listed only because their fees are extremely high, which distorts the averages. The comparisons should only include Ventura County cities.

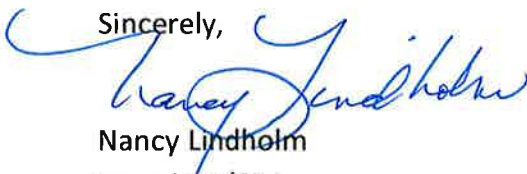
The proposed summary of fees (page 20) indicates Development Impact Fees for a single family dwelling would be \$22,900. Ventura's fees are listed at \$8,870 and Camarillo's at \$6,164. We certainly trust this is not acceptable to you.

Comparing fees for Office Development, if approved by the council, Oxnard would be \$12,650 per 1,000 square feet; Ventura \$5,375; and Camarillo \$6,358. There is bound to be a substantial softening of the commercial office space market in the coming months and years. Why would Oxnard seem to chase any development to our neighboring communities?

The leadership of the Oxnard Chamber of Commerce believes that local government must be fiscally balanced. We are not advocating the Community Development Department be subsidized by the general fund. If our neighboring communities can provide development services for substantially lower fees, perhaps we should research how they accomplish that.

We urge you not to move forward with the proposed fee increases at this time.

Sincerely,



Nancy Lindholm  
President/CEO

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD ADOPTING THE AFFORDABLE HOUSING IN-LIEU FEE NEXUS STUDY AND AFFORDABLE HOUSING IN-LIEU FEES.

WHEREAS, on October 10, 2017 the City adopted the 2013-2021 Housing Element of the General Plan in compliance with State law, which includes the goal of encouraging the development of affordable housing to meet the City's assigned share of the regional housing need; and

WHEREAS, in 1999 the City adopted an Inclusionary Housing Program, requiring developers to provide a percentage of their units at affordable prices and a policy to establish an affordable housing in-lieu fee to facilitate new housing units that are affordable to households with extremely low, very low and low incomes; and

WHEREAS, the City's inclusionary housing ordinance requires for-sale projects with at least 10 or more units, to reserve at least ten percent (10%) of all newly constructed dwelling units to be sold to lower-income households (80% AMI); and

WHEREAS, the City's inclusionary housing ordinance requires for-rent projects with at least 10 or more units, make available at least five percent (5%) of all newly constructed dwelling units to very low income (50% AMI or below) households, and 5% of all units to affordable lower-income (80% AMI) households; and

WHEREAS, Ordinance 2721 established the current Housing In-Lieu Fee; and

WHEREAS, the City wishes to update the in-lieu fees based on current affordability gaps; and

WHEREAS, the City's consultant Harris & Associates has completed the Affordable Housing In-Lieu Nexus Study dated April 2020, which sets forth the methodology used to determine the in-lieu fee; and

WHEREAS, the Affordable Housing In-Lieu fees established by this resolution are equal to or lower than the amount needed to fully mitigate the impacts of new for sale and rental residential projects as shown in the Nexus Study; and

WHEREAS, the fees are summarized in Appendix A attached hereto and incorporated herein by this reference; and

WHEREAS, in accordance with Government Code Section 66016, at least 14 days prior to the public hearing at which the Council first considered the adoption of the Affordable Housing

In-Lieu Fee, notice of the time and place of the hearing was mailed to eligible interested parties who filed written requests with the City for mailed notice of meetings on new or increased fees or service charges; and

WHEREAS, in accordance with Government Code Section 66016, the Affordable Housing In-Lieu Fee Nexus Study containing the data supporting the imposition of the Fee, was made available for public review and comment for 10 days prior to the public hearing at which the Council first considered the adoption of the Fee; and

WHEREAS, ten days advance notice of the public hearing at which the Council first considered the adoption of the Fee was given by publication in accordance with Section 6062a of the California Government Code; and

WHEREAS, the fees shall be adjusted each year beginning on July 1<sup>st</sup> of 2021 using the percentage increase or decrease for the prior twelve months as determined by the Engineering News Record Building Cost Index for the Los Angeles Region.

NOW, THEREFORE, the City Council of the City of Oxnard resolves as follows:

1. That it does hereby approve the Affordable Housing In-Lieu Study and Schedule of Affordable Housing In-Lieu Fees, prepared by Harris & Associates attached hereto as Exhibit A establishing revised fees.
2. That the fees shall become effective 60 days following the adoption of this Resolution.
3. The City Manager is hereby authorized on July 1<sup>st</sup> of each year to adjust the fees using the June Engineering News Record Building Cost Index for the Los Angeles region.
4. The City Council finds that City staff have evaluated the potential environmental impacts of the adoption of this Ordinance, the approval of the *Affordable Housing In-Lieu Fee Nexus Study* prepared by Harris & Associates and dated April 2020, and the updated Affordable Housing In-lieu Fee pursuant to the California Environmental Quality Act ("CEQA"). City staff has determined that these actions do not constitute a "project" under CEQA pursuant to State CEQA Guidelines Section 15378(b)(4) because these actions involve the creation of a government funding mechanism which does not involve any commitment to any specific project which *may* result in a potentially significant physical impact on the environment.
5. The City Manager is hereby authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Tim Flynn, Mayor

ATTEST:

---

Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

---

Stephen M. Fischer, City Attorney



**FINAL DRAFT**

# Affordable Housing In-Lieu Fee Nexus Study

**City of Oxnard**

**April 8, 2020**

Prepared for:



Prepared by:



22 Executive Park, Suite 200  
Irvine, California 92614  
(949) 655-3900

# EXHIBIT A

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# EXECUTIVE SUMMARY

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## INTRODUCTION

The City of Oxnard (City) retained Harris & Associates (Harris) to prepare an Affordable Housing In-Lieu Fee Nexus Study (Study) in order to update previously adopted Affordable Housing In-Lieu Fees (Fees) contained in Ordinance 2721 adopted July 18, 2006. The Fees provide additional flexibility to the City and development community in meeting affordable housing needs generated by new market-rate units in the City.

This Study provides a nexus analysis of the linkages between the new development of residential units and the need/demand for additional affordable housing for informational purposes. This Study also analyzes the reasonable relationship between new residential development and the Fee amounts under assumptions that are consistent with the City’s existing Inclusionary Housing Ordinance. The Fees in this Study represent the maximum fees supported but do not represent specific Fee recommendations. The City has the latitude to adopt the Fees deemed appropriate.

## FINDINGS AND METHODOLOGY

Table ES.1 compares the City’s existing in-lieu fees, the supportable fees under the demand based model, the supportable fees using under the equivalent inclusionary cost, and the in-lieu fees in other local cities.

*Table ES.1: Maximum Supported Fee Comparison*

	Existing In-Lieu Fee <sup>1</sup>	Demand Based Supportable Fee <sup>2</sup>	Inclusionary Equivalent Supportable Fee <sup>3</sup>	Local City Survey <sup>4</sup>
<b>Single-Family For-Sale</b>	\$7,000	\$99,111	\$44,700	\$36,026
<b>Multifamily For-Sale</b>	5,500	70,180	36,800	34,951
<b>Multifamily For-Rent</b>	7,735	53,029	28,400	23,147

*1) Using the median sales price estimate from January 2020 Multiple Listing Service (MLS) survey, for-rent fee per January 2020 fee update.*

*2) Tables 13, 14, 15.*

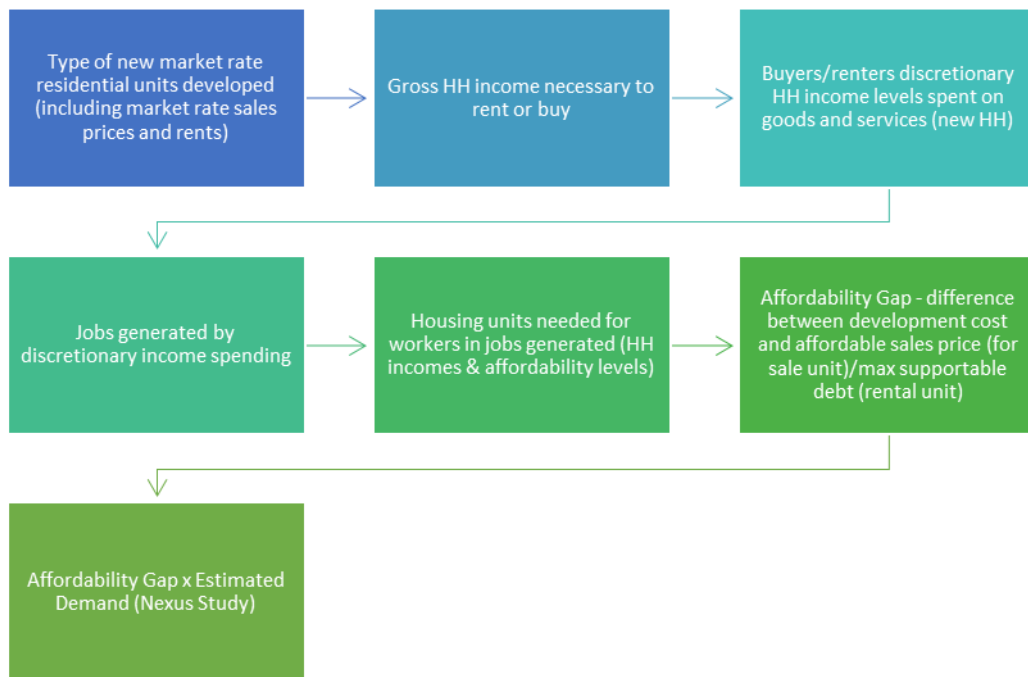
*3) Tables 16 and 17.*

*4) Table 19.*

The existing in-lieu fee is based on the requirements of the existing Inclusionary Housing Ordinance. The Demand-Based Supportable Fee represents the gap in affordability created by new low-income households generated by new market rate development in the City. The Inclusionary Equivalent Supportable Fee is the gap in affordability under the affordable unit production requirement in the existing Inclusionary Housing Ordinance. Finally, the Local City Survey numbers represent the average in-lieu fees required by surrounding cities. Harris staff completed the analysis using two methodologies to determine the maximum supportable Fee for the City.

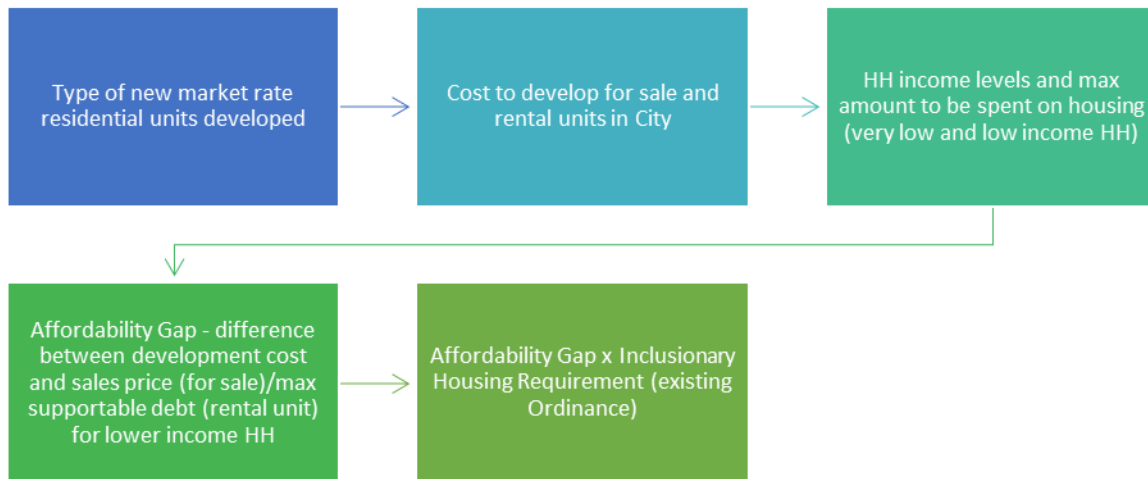
The first portion of the analysis determines the demand created by the development of market-rate residential units for affordable housing units. The demand for affordable housing units at various income levels is then used to calculate the “affordability gap”. For ownership housing units, the sales price needed for units to be affordable to low-income households is compared to the cost to develop these units to calculate the “affordability gap.” For rental units, the development cost is compared with income sources available for housing to determine the “affordability gap”. The figure below illustrates this methodology.

### Demand-Based Fee Methodology



The second portion of the analysis involves applying the affordability gap calculations per unit to both the estimated affordable housing demand determined in the first portion of the analysis and the affordable unit requirements from the existing Inclusionary Housing Ordinance. The figure on the following page illustrates this methodology.

## Inclusionary Equivalent Fee Methodology



The in-lieu fee estimates were based on three general development types:

- Single-family detached (SFR for-sale)
- Multifamily condominiums (MFR for-sale)
- Multifamily apartments (MFR for-rent)

In order to estimate future market-rate housing development in the City, Harris staff researched and reviewed new residential development projects from the City's website, the Multiple Listing Service data showing recently constructed units for-sale, and information from City staff to identify recent market trends related to home prices, and held interviews with local developers. The Fees calculated in this Study reflect the estimated cost of future residential development.

The household income limits as a percentage of area median income (AMI) for Ventura County are shown in Table ES.2. These threshold incomes are a key input to the economic impact analysis described in Section 1.

**Table ES.2: Threshold Incomes and percent of Area Median Income (AMI)**

	Percent of AMI	Family Size					
		1	2	3	4	5	6
<b>Very Low Income</b>	0-50%	\$36,650	\$41,850	\$47,100	\$52,300	\$56,500	\$60,700
<b>Low Income</b>	50-80%	58,600	67,000	75,350	83,700	90,400	97,100
<b>Moderate Income</b>	80-120%	82,150	93,900	105,600	117,350	126,750	136,150

Source: Ventura County Housing Authority Income Limits published 4/24/19.

## POLICY CONSIDERATIONS

The City should evaluate several policy considerations and implications related to the in-lieu fees. Harris & Associates reviewed the maximum supportable Fees for consistency with the Housing Policy outlined in the City’s Housing Element and has prepared a comparison of fees with other jurisdictions.

### Housing Policy Consistency

The 2013-2023 Mid Cycle Housing Element, adopted in 2017, discusses the current affordable housing issues that exist within the City and details the City’s existing Inclusionary Housing Program. The proposed Fees are consistent with the Housing Element’s goal of providing opportunities for the development of adequate housing for households of all income levels.

### Comparison to Other Jurisdictions

An analysis of comparable cities that require affordable housing in-lieu fees is below as a comparison to the maximum supported Fees as determined by this Study. Table ES.3 shows the average amount of affordable housing in-lieu fees collected per residential type in comparable communities in the region. See Table 19 for an in depth review of surrounding cities.

**Table ES.3: Average Fee of Comparable Municipalities**

Land Use	Fee
Single Family (Detached)	\$36,026
Multifamily - For-Sale (Attached)	34,951
Multifamily - For-Rent (Attached)	23,147

Source: See Table 20 for detailed local city survey.

Policymakers may choose to adopt a fee less than the maximum supported amount in order to lessen the burden on new development while still mitigating a portion of the affordable housing needs created from new development.

## Proposed Fees

City staff reviewed the options provided in this analysis and is recommending the following fees be adopted. These fees fall below the maximum supportable fees calculated in this report and were determined based on an analysis of other local agencies. The maximum fee based on the City's existing ordinance was deemed higher than the market would bear for single family and multifamily for-sale units. Staff recommends lowering the fees to an amount more in line with competitive cities for the single family and multifamily for-sale units but setting the fee for for-rent units closer to the actual cost to develop a multi-family project. This methodology supports the City's goal of using the in-lieu fee funds to build multifamily for rent projects. See Table ES.4 for a summary of the recommended fees.

**Table ES.4: Proposed Fees**

Land Use	Inclusionary Requirement <sup>1</sup>	Affordability Level	Affordability Gap per Unit <sup>2</sup>	Fee per Unit	Total Fee per Unit	Average of Other Cities <sup>3</sup>	Proposed Fee
<b>Single Family Detached For-Sale</b>	10%	80% AMI or below	\$447,023	\$44,702	\$44,702	\$36,026	\$36,000
<b>Multifamily For-Sale</b>	10%	80% AMI or below	368,534	36,853	36,853	34,951	35,000
<b>Multifamily For-Rent</b>	5%	50-80% AMI	234,315	11,716	28,407	23,147	28,000
	5%	50% AMI or below	333,823	16,691			

1) Per Ordinance 2721 adopted July 18, 2006

2) Table 10

3) Table 19

## **Section 1 INTRODUCTION AND METHODOLOGY**

---

### **INTRODUCTION**

The City desires to update the Inclusionary Housing In-Lieu Fee for new residential development to offer developers the option to pay an in-lieu fee rather than producing deed-restricted, affordable units pursuant to the City’s Inclusionary Housing Ordinance (Ordinance Nos. 2615, 2688 and 2721) as part of any new residential development project of 10 units or more. The Fee is designed to mitigate the impact of an increase in affordable housing needed from the development of new market-rate residential units.

This Study establishes the maximum supported Fee levels related to residential development. The methodology establishes a reasonable relationship between the associated impact of new development, the amount of the Fee, and details the data sources and associated findings. More specifically, two methodologies were utilized to determine the maximum supportable Fee for the City. The first portion of the analysis determines the demand created by the development of market-rate residential units for affordable housing units. The demand for affordable housing units at various income levels is then used to calculate the “affordability gap”. For ownership housing units, the sales price needed for units to be affordable to low-income households is compared to the cost to develop these units to calculate the “affordability gap.” For rental units, the development cost is compared with income sources available for housing to determine the “affordability gap”.

The second portion of the analysis involves applying the affordability gap calculations per unit to both the estimated affordable housing demand determined in the first portion of the analysis and the affordable unit requirements from the existing Inclusionary Housing Ordinance.

#### **Background**

This section discusses the City’s historical Inclusionary Housing Policy and the results of recent legislation and judicial rulings.

#### **City’s Inclusionary Housing Ordinance**

The City has historically used an Inclusionary Housing Policy originally established by Ordinance Nos. 2615 (adopted in 1999), 2688 (adopted in 2005) and 2721 (adopted in 2006) to generate affordable housing in proportion with the overall increase in market-rate residential units and is described in the Housing Element of the City’s General Plan. The Policy requires the following for housing projects with 10 or more units:

- For-Sale: 10% of all units must be affordable to lower-income households and each unit is required to have at least 2 bedrooms (in some circumstances) or 3 bedrooms;

- For-Rent: 5% of all units must be affordable to very low-income households (50% AMI or below), and 5% must be affordable to lower-income households (80% AMI or below); and
- Covenants must be recorded for the projects to preserve the affordability of these units for at least 20 years.

However, the Ordinance (and therefore the in-lieu fees) do not apply to the following:

- Projects in areas subject to specific plans that require a project to provide as many or more affordable units for lower and very low-income households as the Ordinances.

The current Policy (as described in Ordinance 2721) allows developers to pay an in-lieu Affordable Housing Payment instead of developing affordable units as part of a project or as part of an offsite project. The existing fee amount for ownership units is one percent (1%) of the sales price of each market-rate unit in increments of \$50,000 with a minimum of \$5,000 for each unit. The payment amount for rental units is \$7,735 for each market-rate unit.

### **Legal Framework**

In 2009, the Court of Appeals struck down a City of Los Angeles ordinance imposing inclusionary housing requirements on rental housing projects with a density of more than 10 dwelling units per lot. The Courts' decision that regulating the rent levels to ensure the units were affordable in nature directly violated the provisions of the Costa-Hawkins Act. Jurisdictions were unable to require affordable housing units at affordable rental rates as a condition of project approval because of this decision.

In 2015, the California Supreme Court ruled in favor of the City of San Jose in a court case involving the California Building Industry Association (Association). The Association challenged the legality of San Jose's inclusionary program on the basis that it constituted an "exaction" that required a nexus study. The court deemed that San Jose's inclusionary program was not an exaction and it constituted a valid exercise of the City's power to regulate land use.

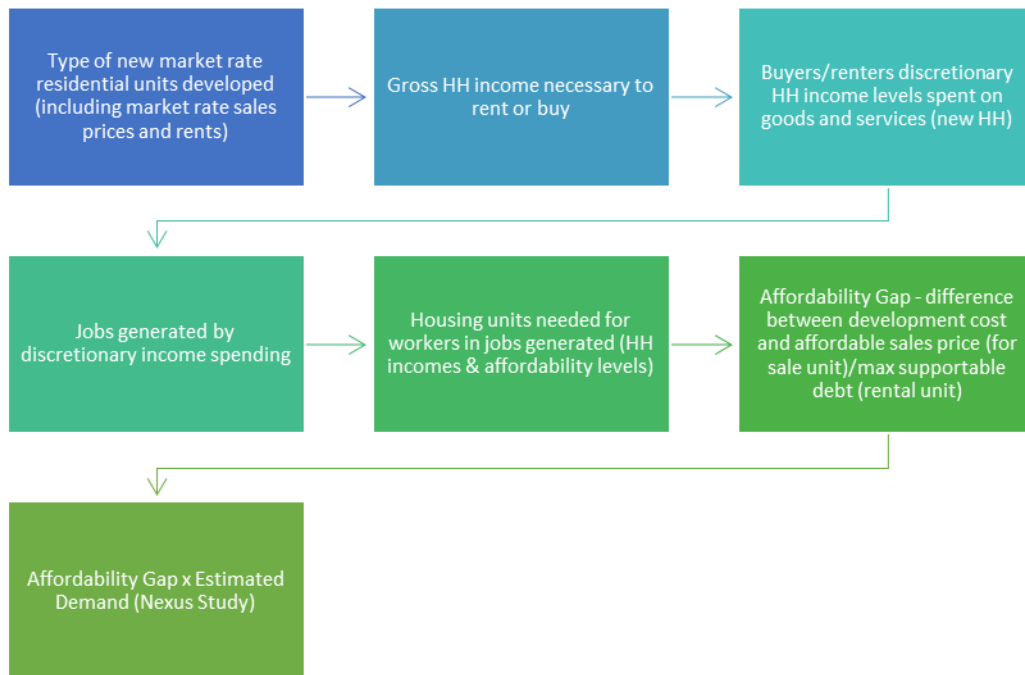
Finally, in 2017, Governor Jerry Brown signed a package of housing related bills, which included AB 1505, commonly referred to as the "Palmer Fix". AB 1505 allows jurisdictions to adopt ordinances that require a percentage of residential rental units to be affordable to individuals whose income falls below the moderate-income level for the jurisdiction. Additionally, AB 1505 requires jurisdictions to provide alternative methods for developers to satisfy their affordable housing requirements, which may include in-lieu fees, off-site construction, land dedication, or acquisition and rehabilitation of existing units.

# METHODOLOGY

## Nexus Analysis

Residential development projects contribute to population growth. As the population grows, additional services and facilities are needed to accommodate the residential population influx. In order to meet the increased demands of population growth, new non-residential development will occur, correlating to an increase in the worker population. A portion of the new worker population will earn a wage that is not sufficient to rent or purchase market-rate housing. The Study analyzes the maximum supported Fee to address the affordable housing need created by new residential development. The Fee will be used to build affordable housing to address the demand generated.

The methodology utilized in this nexus analysis for the Demand-Based maximum supportable Fees complies with general best practices related to nexus studies and follows the following order, specific data points are explained in the following sections of this study:



This nexus analysis is broken down into the steps described below.

### *Step 1: Determine the type of units to be developed*

Harris & Associates coordinated with City staff, local real estate professionals, and a sampling of planned and current recently developed housing types to determine the likely characteristics of new residential units developed in the City and categorized the development into three land use types:

- Single-family units represent for-sale, detached homes.

- Multifamily attached for-sale units.
- Multifamily attached for-rent units.

Using separate housing types ensures the presentation of an accurate representation of similar market-rate units.

*Step 2: Estimate the income levels of buyers and tenants of market-rate units.*

The sales price and rent costs for market-rate units, as well as the income levels of potential buyers and tenants were determined using several data sources. For rental units, the income level required to occupy market-rate units is determined by taking the average annual rent for a variety of rental housing apartment sizes (studio to three bedroom) and adding the annual utility amounts, as recommended by the US Department of Housing and Urban Development (HUD), to determine the total annual cost. The annual housing cost is divided by 30%, the recommended maximum percentage of gross income to be spent on housing costs, to determine the amount of household income that would be required in order to rent a unit of that size. Table 1 details the calculations for the income levels necessary to occupy market-rate rental units. The average household income needed to rent a two or three bedroom MFR unit is estimated at \$102,740.

**Table 1: Housing Income Requirements – For-Rent Market-rate Units**

	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>
Average Monthly Rent <sup>1</sup>	\$1,502	\$1,621	\$2,028	\$2,652
Monthly Utility Deduction	181	181	181	276
Annual Housing Costs	20,196	21,624	26,508	35,136
Percent of Income Spent on Rent	30%	30%	30%	30%
<b>Annual Household Income Required</b>	<b>\$67,320</b>	<b>\$72,080</b>	<b>\$88,360</b>	<b>\$117,120</b>

*1) July 2019 Ventura County Apartment Market Survey, Dyer Sheehan Group*

With for-sale units, the calculation for the income level requirement to purchase a market-rate unit accounts for a five percent (5%) down payment to determine the mortgage amount and then applying the current mortgage insurance rates, homeowner’s insurance, estimated property tax payments, and home owner’s association (HOA) fees to determine the total monthly housing costs. Finally, dividing the total monthly obligation by the maximum 35 percent (35%) of gross income, as recommended by HUD. Table 2 details the calculations of the income levels required to purchase for-sale market-rate units.

**Table 2: Housing Income Requirements – For-Sale Market-rate Units**

	<b>For-Sale SFR</b>	<b>For-Sale MFR</b>
Market Sales Price <sup>1</sup>	\$725,000	\$599,000
Down Payment (5%)	36,250	29,950
Amount Borrowed	688,750	569,050
Estimated Mortgage Payment <sup>2</sup>	\$3,911	\$3,231
Mortgage Insurance (0.90%) <sup>3</sup>	517	427
Homeowners Insurance (0.25%) <sup>4</sup>	151	125
Property Tax (1.22%) <sup>5</sup>	740	611
HOA <sup>1</sup>	50	250
<b>Total Monthly Housing Cost</b>	<b>\$5,369</b>	<b>\$4,644</b>
Share of Income Spent on Mortgage <sup>3</sup>	35%	35%
<b>Annual Household Income Required</b>	<b>\$184,080</b>	<b>\$159,223</b>

1) MLS Survey completed January 2020 for non-coastal properties constructed and sold in the last 3 years, rounded

2) Assumes 5.5% interest rate and a 30-year amortization

3) U.S. Department of Housing and Urban development

4) Per City of Oxnard Housing Department

5) Oxnard CAFR average tax rate

### **Step 3: Calculate Jobs Generated**

IMPLAN is an industry standard economic impact analysis tool that uses data aggregated from various data sources to allocate the spending patterns of individuals from different income groups. This spending data is used to estimate the new jobs created from spending by new households. Table 2 summarizes the estimated household income data for the unit types detailed in Step 1.

The information from Table 2 and the average household income needed from Table 1 to rent a two or three bedroom MFR unit (\$102,740) were used as inputs to IMPLAN to estimate the number of jobs created to serve new development. IMPLAN further categorizes these new workers based on their occupation and their estimated wages. Table 3 is a summary of the output data from IMPLAN. The full IMPLAN dataset is available in Attachment 1.

**Table 3: Jobs Generated per Market-rate Unit**

	<b>For-Sale SFR Unit</b>	<b>For-Sale MFR Unit</b>	<b>For-Rent MFR Unit</b>
Very Low Income (0-50% AMI)	0.123	0.096	0.073
Low Income (50-80% AMI)	0.232	0.152	0.115
Moderate Income Jobs (80-120% AMI)	0.276	0.203	0.154
Jobs over 120% AMI	0.354	0.283	0.214
<b>Total Jobs Created</b>	<b>0.985</b>	<b>0.734</b>	<b>0.556</b>

Source: IMPLAN 2019. See Attachment 1 for detailed information.

**Step 4: Determine the number of new worker households and their annual income**

Calculating the Fee based on the addition of new permanent employment is not done on an individual jobs basis, as it is typical for households in the City to have more than one wage earner per household. The calculation of the total number of new worker households divides the induced worker output from the IMPLAN analysis by the average number of workers per household as determined by the U.S. Census Bureau American Community Survey and the Housing Element (1.87 workers/household). The resultant households attributed to the housing categories determined in Step 1 and are outlined in Table 4.

**Table 4: Households Generated per Market-rate Unit**

	<b>For-Sale SFR Unit</b>	<b>For-Sale MFR Unit</b>	<b>For-Rent MFR Unit</b>
Very Low Income (0-50% AMI)	0.066	0.051	0.039
Low Income (50-80% AMI)	0.124	0.081	0.061
Moderate Income Jobs (80-120% AMI)	0.148	0.109	0.082
Jobs over 120% AMI	0.189	0.151	0.114
<b>Total Households Generated</b>	<b>0.527</b>	<b>0.392</b>	<b>0.296</b>

Source: IMPLAN 2019. See Attachment 1 for detailed information.

Based on 1.87 jobs per household.

**Step 5: Calculate the demand for affordable units for new worker households**

Based on the calculation of new worker household income, the worker households are categorized by target income group (very low income, low income, moderate income). Worker households with above-moderate incomes are removed from this nexus analysis, because they would not require affordable housing.

***Step 6: Calculate the affordability gap per unit between development costs and sales price/rental income***

The affordability gap is calculated by comparing the amount the workers within the low income and very low income can pay for housing versus the total cost of developing a residential unit (the amount of subsidy needed to fill the “gap”). Section 2 provides a detailed explanation of this calculation.

***Step 7: Calculate the maximum supported Fee for the type of units analyzed***

The maximum supported Fee calculation for each housing type included in the nexus study is derived by multiplying the total number of households requiring affordable housing (Step 5) by the average affordability gap per household (Step 6). The maximum supported Fee pursuant to the requirements in the City’s current Inclusionary Housing Ordinance (i.e., the percentage of affordable units required to be produced) is also calculated and provided in Section 3.

## Section 2 AFFORDABILITY GAP ANALYSIS

---

A key input required in the calculation of the maximum supported in-lieu Fees is the affordability gap. The affordability gap provides information on the difference between what lower-income buyers and renters can afford to pay versus the total cost of developing the units. This section summarizes the methodology used to calculate the affordability gap and presents the results of this analysis for the respective unit type. The affordability gap calculations in this section are the same for both the Demand-Based and Inclusionary Equivalent Fee methodologies.

### METHODOLOGY

The following section details the findings for affordable housing rates, total development costs of units in the City, and a summary of the affordability gap by unit type.

### AFFORDABLE HOUSING RATES

Prior to determining the affordability gap, the total amount that households can afford to allocate to their housing must be determined. For the purposes of this report, the income levels included in the City’s Inclusionary Housing Ordinance have been included in the analysis and are defined as:

1. Very Low Income (Between 0 and 50% of AMI)
2. Low Income (Between 50 and 80% of AMI)

For the demand based Fee, the Moderate Income Level (80-120% of AMI) is also used.

Housing affordability for rental units is defined by HUD as 30% of gross income. Table 5 shows the maximum affordable rent attributed to each income level.

*Table 5: Maximum Affordable Rent by Income Level*

	Very low Income (0-50% AMI)	Low Income (50-80% AMI)	Moderate Income (80-120% AMI)
Maximum Household Income <sup>1</sup>	\$52,300	\$83,700	\$117,350
Maximum Monthly Housing Cost <sup>2</sup>	1,308	2,093	2,934

<sup>1</sup> Household AMI is shown for a family of four

<sup>2</sup> 30% of gross monthly income per HUD guidelines

The recommended household gross income expenditure for ownership housing units pursuant to HUD is 35% of gross income minus a deduction for typical homeownership costs, such as insurances, taxes, utilities, and fees. Table 6 shows the maximum affordable mortgage for a low-income household of four persons.

It is important to note that only low-income and moderate income households are included in this portion of the analysis due to several factors including the affordability requirements in the City’s

existing Inclusionary Housing Ordinance (that references only very low and low-income households), the tightening of lending requirements and the elimination of redevelopment agencies in 2011. Under current programs and very limited funding sources, it is generally not financially feasible to develop for-sale housing units for very low-income households. Prior to 2011, redevelopment provided a significant funding source to cities to assist homebuyers with loan qualification and down payment assistant at lower income levels. Additionally, lending practices after the housing crash in 2008 have been reformed, making it more difficult for individuals to obtain loans. These events have affected lower-income households significantly, making ownership very challenging. The following analysis includes a deduction for utilities to follow HUD guidelines.

**Table 6: Maximum Affordable Mortgage by Income Level**

	<b>Low Income SFR (50-80% AMI)</b>	<b>Low Income MFR (50-80% AMI)</b>	<b>Moderate Income SFR (80-120% AMI)</b>	<b>Moderate Income MFR (80-120% AMI)</b>
Household Income <sup>1</sup>	\$83,700	\$83,700	\$117,350	\$117,350
Maximum Monthly Housing Cost <sup>2</sup>	2,441	2,441	3,423	3,423
<i>Less:</i>				
Utility Deduction	\$276	\$181	\$276	\$181
Mortgage Insurance (0.90%) <sup>3</sup>	206	197	309	300
Homeowner's Insurance (0.25%) <sup>3</sup>	148	129	148	129
Property Tax (1.22%) <sup>4</sup>	279	267	419	406
HOA <sup>5</sup>	50	250	50	250
<b>Maximum Monthly Mortgage</b>	<b>\$1,482</b>	<b>\$1,417</b>	<b>\$2,221</b>	<b>\$2,157</b>
Maximum Mortgage Amount	\$261,012	\$249,565	\$391,166	\$379,895

1) Table ES.2 for a family of 4

2) 35% of gross income per U.S. Department of Housing and Urban Development

3) Per City of Oxnard Housing Department

4) Oxnard CAFR average tax rate

5) MLS survey completed January 2020, rounded

## DEVELOPMENT COSTS

Next, the estimated cost of developing affordable housing units was determined by examining current development trends related to unit type and size. As the development, sale, and operations associated with for-rent and for-sale units vary, an analysis of each housing type was required.

For the purposes of this Study, the development costs for rental housing were based on the Turner Center for Housing Innovation at the University of California, Berkeley study entitled “Making It Pencil: The Math Behind Housing Development” (Turner Center Study) as well as recently completed market-rate and affordable multifamily projects in the City.

The costs associated with the cost for acquisition of land are from a CoStar survey of vacant land transactions completed January 2020 while the development costs were provided by local developers and are representative of multifamily units recently completed within the City.

Table 7 shows the total development cost of multifamily for-rent two and three-bedroom units, pursuant to the requirements in the City’s existing Inclusionary Housing Ordinance. Two-bedroom multifamily units are assumed to be 950 square feet and three-bedroom units are assumed to be 1,025 square feet.

**Table 7: Development Costs – Affordable Multifamily For-Rent**

Assumed Density	A	39 Units/Acre
Land Acquisition Cost (\$/Acre) <sup>1</sup>	B	\$728,000
Land Price per Unit	$B \div A = C$	18,667
Land Price per Unit SF	$C \div \text{Average Unit Size}^2$	18.90
<b>Development Costs<sup>3</sup></b>		
Land Cost (\$/Rentable SF)		\$18.90
Building Hard Costs (\$/SF)	D	200.00
Prevailing Wage Cost Increase (35%)	$D \times 0.35 = E$	70.00
Soft Costs (30%) <sup>4</sup>	$D \times 0.30 = F$	60.00
Developer Fees (12%)	$(D + E + F) \times 0.12$	39.60
Financing Costs (10%)	$(D + E + F) \times 0.10$	33.00
<b>Total Development Costs per SF</b>		<b>\$421.50</b>
<b>Rental Unit Development Cost</b>	<b>Average Unit Size<sup>5</sup></b>	
2 Bedroom Unit	950	\$400,425
3 Bedroom Unit	1,025	\$432,038
<b>Average Development Cost of 2 and 3 Bedroom Unit</b>		<b>\$416,231</b>

1) Per Vacant Land Report from CoStar, January 2020.

2) Average square footage is 988 square feet.

3) “Making It Pencil: The Math Behind Housing Development.” Aug. 2019, [www.TernerCenter.Berkeley.Edu](http://www.TernerCenter.Berkeley.Edu).

4) Includes design, engineering, city permits and fees, and contingencies.

5) Square footages based on recently completed affordable projects.

Table 8 shows the total development cost of multifamily for-sale two and three-bedroom units. Two-bedroom units are assumed to be 1,200 square feet and three-bedroom units are assumed to be 1,750 square feet.

**Table 8: Development Costs – Affordable Multifamily For-Sale**

Assumed Density	A	30 Units/Acre
Land Acquisition Cost (\$/Acre) <sup>1</sup>	B	\$728,000
Land Price per Unit	$B \div A = C$	24,267
Land Price per Unit SF	$C \div \text{Average Unit Size}^2$	16.45
<b>Development Costs <sup>2</sup></b>		
Land Cost (\$/Rentable SF)		\$16.45
Building Hard Costs (\$/SF)	D	200.00
Prevailing Wage Cost Increase (35%)	$D \times 0.35 = E$	70.00
Soft Costs (30%) <sup>3</sup>	$D \times 0.30 = F$	60.00
Developer Fees (12%)	$(D + E + F) \times 0.12$	39.60
Financing Costs (10%)	$(D + E + F) \times 0.10$	33.00
<b>Total Development Costs per SF</b>		<b>\$419.05</b>
<b>For-Sale Unit Development Cost</b>	<b>Average Unit Size <sup>5</sup></b>	
2 Bedroom Unit	1,200	\$502,860
3 Bedroom Unit	1,750	\$733,338
<b>Average Development Cost of 2 and 3 Bedroom Unit</b>		<b>\$618,099</b>

1) Per Vacant Land Report from CoStar, January 2020.

2) Average square footage is 1,475 square feet.

3) "Making It Pencil: The Math Behind Housing Development." Aug. 2019, [www.TernerCenter.Berkeley.Edu](http://www.TernerCenter.Berkeley.Edu).

4) Includes design, engineering, city permits and fees, and contingencies.

5) Square footages based on recently sold multifamily properties.

Table 9 shows the total development cost per for-sale unit. For-sale units are assumed to be 1,500 square foot, single-family homes, consisting of 3 bedrooms and 2.5 bathrooms. The costs associated with the development of these units were obtained from the Turner Center Study and local developers and are representative of recently completed units within the City.

**Table 9: Development Costs – Affordable Single-Family**

<b>Land Costs</b>		
Land Acquisition Cost per Acre <sup>1</sup>		\$728,000
Land Cost per Unit (8 Units/Acre)		91,000
Site Improvement (15%)		13,650
<b>Finished Lot Cost</b>		<b>\$104,650</b>
<b>Construction Costs <sup>2</sup></b>		
	<i>Estimated Cost per SF</i>	<i>Total Building Costs <sup>3</sup></i>
Direct Costs	\$200.00	\$300,000
Prevailing Wage Cost Increase (35%)	70.00	105,000
Soft Costs (20%) <sup>4</sup>	54.00	81,000
Developer Fees (12%)	38.88	58,320
Financing Costs (10%)	39.38	59,065
<b>Total Construction Cost</b>	<b>\$402.26</b>	<b>\$603,385</b>
<b>Total Building Cost for 1,500 square foot affordable unit</b>		<b>\$708,035</b>

1) *Per Vacant Land Report from CoStar, January 2020.*

2) *“Making It Pencil: The Math Behind Housing Development.” Aug. 2019, www.TurnerCenter.Berkeley.Edu*

3) *Construction assumed to be a single family 1,500 SF, 3 bedroom, 2.5 bathroom*

4) *Includes design, engineering, city permits and fees, and contingencies.*

## **AFFORDABILITY GAP RESULTS**

The differences between the total amount that each targeted income level can afford to allocate for housing (Table 5, Table 6) and the total cost of developing new units (Table 7, Table 8, Table 9) determines the Affordability Gap. This difference represents the fee amount that is necessary to cover the costs of developing housing at each of the respective income levels analyzed. While other funding sources may be available to assist in mitigating this difference between affordability and development costs, these sources are very difficult to predict with accuracy moving forward.

In the case of for-sale housing, there are very few funding sources for subsidy on this unit type in the wake of redevelopment dissolution in 2011 which eliminated approximately \$1 billion of low and moderate-income housing revenue Statewide. Lending practices have become stricter in the years following the 2008 recession and qualifying households below 80% AMI for a mortgage is extremely challenging, even with the City’s current down payment assistance program.

The City’s current Ordinance calls for 10% of all newly developed for-sale units to be affordable to very low and low-income households (i.e., below 80% of AMI). Therefore, the inclusionary equivalent gap analysis for ownership units has been limited to the low-income category for the purposes of this analysis. Table 10 shows the for-sale affordability gap calculation for low and moderate income households.

**Table 10: Affordability Gap –For-Sale Units**

	Maximum Mortgage		Affordability Gap
	Amount <sup>1</sup>	Development Costs <sup>2</sup>	
Low Income Single Family (80% AMI)	\$261,012	\$708,035	<b>\$447,023</b>
Low Income Multifamily (80% AMI)	249,565	618,099	<b>368,534</b>
Moderate Income Single Family (120% AMI)	391,166	708,035	<b>316,869</b>
Moderate Income Multifamily (120% AMI)	379,895	618,099	<b>238,204</b>

1) Table 6

2) Tables 8 and 9

The affordability gap for rental units is the difference between the development and the maximum supported debt for each income level, shown in Table 11. The moderate income households are used only for the demand based fee calculation.

**Table 11: Affordability Gap – For-Rent Units**

	Very Low Income (0-50% AMI)	Low Income (50-80% AMI)	Moderate Income (80-120% AMI)
Maximum Available for Rent <sup>1</sup>	\$1,308	\$2,093	\$2,934
Annual Gross Rental Income <sup>2</sup>	15,696	25,116	35,208
Estimated Annual Expenses <sup>3</sup>	8,285	8,756	9,260
Net Operating Income	7,411	16,360	25,948
Available for Debt Service <sup>4</sup>	5,929	13,088	20,758
Supportable Debt <sup>5</sup>	82,408	181,916	288,523
Development Costs <sup>6</sup>	416,231	416,231	416,231
<b>Affordability Gap</b>	<b>\$333,823</b>	<b>\$234,315</b>	<b>\$127,708</b>

1) Table 5: Maximum Affordable For-Rent by Income Level

2) Available rent multiplied by 12

3) Assumes 5% for vacancy/collection loss and \$7,500 annual maintenance/capital improvement costs.

4) Assumes 1.25 Debt Coverage Ratio

5) Assumes a 6% interest rate and 30-year loan term

6) Table 7: Development Costs - Affordable Multifamily For-Rent

## Section 3 FINDINGS AND NEXUS REQUIREMENTS

This section presents the maximum supported fee per market-rate unit, which is calculated by following the methodology outlined in Section 1 and using the results from the affordability gap analysis detailed in Section 2.

### MAXIMUM FEE CALCULATION

The maximum supported Fees has been calculated in two different ways. Both calculations incorporate the affordability gap by unit type and income level. The first way of calculating the fee (the Demand-Based Method) consists of multiplying the affordability gap per unit by the number of affordable units needed by income level. The second way to calculate Fees (Inclusionary Equivalent Fee) is by multiplying the affordability gap by unit type and at affordability levels required by the City’s Inclusionary Housing Ordinance. Table 12 shows the average affordability gap by income group.

*Table 12: Average Affordability Gap*

	For Sale SFR Affordability Gap <sup>1</sup>	For Sale MFR Affordability Gap <sup>1</sup>	For Rent MFR Affordability Gap <sup>1</sup>	Average Affordability Gap
Very Low Income (0-50% AMI)	n/a	n/a	\$333,823	\$333,823
Low Income (50-80% AMI)	447,023	368,534	234,315	349,957
Moderate Income (80-120% AMI)	316,869	238,204	127,708	227,594

1) Tables 10 and 11

Table 13 shows the maximum supported Fees for a single residential unit under the Demand-Based Method. This is calculated by taking the number of affordable households generated at each income level times the average affordability gap at that income level.

*Table 13: Maximum Supported Demand-Based Affordable Housing In-Lieu Fee, Single-Family*

	Affordable Households Generated <sup>1</sup>	Average Affordability Gap <sup>2</sup>	Affordable Gap per Unit
Very Low Income (0-50% AMI)	0.066	\$333,823	\$22,032
Low Income (50-80% AMI)	0.124	349,957	43,395
Moderate Income (80-120% AMI)	0.148	227,594	33,684
<b>Total</b>	<b>0.338</b>		<b>\$99,111</b>

1) Table 4

2) Table 12

Tables 14 provides the estimated Fees under the Demand-Based Method for multi-family for-sale units.

**Table 14: Maximum Supported Demand-Based Affordable Housing In-Lieu Fee, For-Sale Multifamily**

	Affordable Households Generated <sup>1</sup>	Average Affordability Gap <sup>2</sup>	Affordable Gap per Unit
Very Low Income (0-50% AMI)	0.051	\$333,823	\$17,025
Low Income (50-80% AMI)	0.081	349,957	28,347
Moderate Income (80-120% AMI)	0.109	227,594	24,808
<b>Total</b>	<b>0.241</b>		<b>\$70,180</b>

1) Table 4

2) Table 12

Table 15 provides the estimated Fees under the Demand-Based Method for multi-family rental units.

**Table 15: Maximum Supported Demand-Based Affordable Housing In-Lieu Fee, For-Rent Multifamily**

	Affordable Households Generated <sup>1</sup>	Average Affordability Gap <sup>2</sup>	Affordable Gap per Unit
Very Low Income (0-50% AMI)	0.039	\$333,823	\$13,019
Low Income (50-80% AMI)	0.061	349,957	21,347
Moderate Income (80-120% AMI)	0.082	227,594	18,663
<b>Total</b>	<b>0.182</b>		<b>\$53,029</b>

1) Table 4

2) Table 12

Tables 16 and 17 provide estimated maximum supported Fees using the requirements on the total percentage of affordable units (both for-sale and rental) that must be developed as part of market rate housing projects as stated in the City’s existing Inclusionary Housing Ordinance.

**Table 16: Maximum Supported Inclusionary Equivalent Fee, For-Sale Units**

	<b>Low Income (50-80% AMI) Single Family For-Sale</b>	<b>Low Income (50-80% AMI) Multifamily For-Sale</b>
Maximum Affordable Price <sup>1</sup>	\$261,000	\$250,000
Development Cost <sup>2</sup>	708,000	618,000
Affordable Gap	\$447,000	\$368,000
<b>Inclusionary 10% Requirement</b>	<b>\$44,700</b>	<b>\$36,800</b>

1) Table 6, rounded

2) Tables 8 and 9, rounded

**Table 17: Maximum Supported Inclusionary Equivalent Fee, For-Rent Multifamily**

	<b>Very Low Income (0-50% AMI) Multifamily For-Rent</b>	<b>Low Income (50-80% AMI) Multifamily For-Rent</b>
Maximum Supportable Debt <sup>1</sup>	\$82,000	\$182,000
Development Costs <sup>2</sup>	416,000	416,000
Affordable Gap	\$334,000	\$234,000
Inclusionary 5% Requirement	\$16,700	\$11,700
<b>Total For-Rent Fee</b>		<b>\$28,400</b>

1) Table 11, rounded

2) Table 7, rounded

Table 18 provides a comparison of Fees calculated under the current Inclusionary Housing Ordinance (including the fees contained in the Ordinance), the estimated fees under the nexus analysis (utilizing the IMPLAN model to project demand of affordable units resulting from market rate residential development), and the estimated fees under the existing Inclusionary Housing Ordinance but analyzing the affordable gap to determine Fees (rather than the existing fee calculation contained in the Ordinance).

**Table 18: Maximum Supportable Fees**

	<b>Existing In-Lieu Fee<sup>1</sup></b>	<b>Demand Based Supportable Fee<sup>2</sup></b>	<b>Inclusionary Equivalent Supportable Fee</b>
<b>Single-Family For-Sale</b>	\$7,000	\$99,111	\$44,700
<b>Multifamily For-Sale</b>	5,500	70,180	36,800
<b>Multifamily For-Rent</b>	7,735	53,029	28,400

*1) Using the median sales price estimate from January 2020 Multiple Listing Service (MLS) survey, for-rent fee per July 15, 2019 fee update*

## **Section 4 POLICY CONSIDERATIONS**

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Adopting a fee to be collected from new development should be consistent with other City policies and should not have measurable impacts on the development community. Harris and City staff evaluated multiple scenarios and present the following for consideration.

### **HOUSING POLICY CONSISTENCY**

The City adopted its 2013-2021 Mid-Cycle Housing Element (housing element) in October 2017. The Housing Element identified that approximately five percent (5%) of lower-income households have housing issues, such as incomplete kitchen or plumbing facilities, or were overpaying for adequate housing. Adopting an affordable housing impact fee enables the City to mitigate these issues for future development by providing lower-income households the ability to afford adequate housing.

The City has historically utilized an Inclusionary Housing Policy originally established by Ordinance No. 2615 (adopted in 1999) and most recently amended by Ordinance No. 2721 (adopted in 2006) to generate affordable housing in proportion with the overall increase in market-rate residential units and is described in the Housing Element of the City's General Plan. The Policy required the following for housing projects with 10 or more units:

- For-Sale: 10% of all units must be affordable to lower-income households and each unit is required to have at least 2 bedrooms (in some circumstances) or 3 bedrooms;
- For-Rent: 5% of all units must be affordable to very low-income households (50% AMI or below), and 5% must be affordable to lower-income households (80% AMI or below); and
- Covenants must be recorded for the projects to preserve the affordability of these units for at least 20 years.

However, the Ordinance (and therefore the in-lieu fees) do not apply to the following:

- Projects in areas subject to specific plans that require project to provide as many or more affordable units for lower and very low-income households as the Ordinances

The current Policy (as described in Ordinance 2715) allows developers to pay an in-lieu Affordable Housing Payment instead of developing affordable units as part of a project or as part of an offsite project. The existing Payment amount for ownership units is one percent (1%) of the sales price of each market-rate unit in increments of \$50,000 with a minimum of \$5,000 for each unit. The Payment amount for rental units is \$4,590 for each market-rate unit (increased annually after 2006 by the Consumer Price Index). The fee is currently \$7,735.

## COMPARISON TO OTHER JURISDICTIONS

Jurisdictions throughout the State of California have adopted an affordable housing fee program as a method of bridging the housing affordability gap. Harris & Associates has compiled a list of fees from nearby cities that have adopted comparable affordable housing fees. Table 19 summarizes the aggregated fees of the jurisdictions.

*Table 19: Affordable Housing Fee Market Survey*

<b>Municipality</b>	<b>Single Family For-Sale</b>	<b>Multifamily For-Sale</b>	<b>Multifamily For-Rent</b>
<b>Oxnard (Proposed)</b>	<b>\$36,000</b>	<b>\$35,000</b>	<b>\$28,000</b>
Oxnard (Existing)	7,000	5,500	7,735
Agoura Hills	71,190	35,029	34,002
Calabasas	37,500	36,875	18,772
Huntington Beach	29,640	29,640	29,640
Oceanside	11,735	11,558	8,105
Pasadena (10-49 Units)	44,625	43,881	18,110
Pasadena (50+ Units)	61,924	60,892	24,868
San Diego	16,230	15,960	10,690
San Luis Obispo County	5,625	5,625	3,375
Santa Barbara (10+ Units)	55,482	55,482	48,954
Santa Barbara (2-9 Units)	18,493	18,493	16,317
Santa Monica	n/a	62,865	36,052
West Hollywood	43,845	43,114	28,879
<b>Comparable City Average</b>	<b>\$36,026</b>	<b>\$34,951</b>	<b>\$23,147</b>

## CONCLUSION

Table 20 below provides a summary of all fees calculated as part of this study.

*Table 20: Maximum Supported Fee Comparison*

	<b>Existing In-Lieu Fee<sup>1</sup></b>	<b>Demand Based Supportable Fee<sup>2</sup></b>	<b>Inclusionary Equivalent Supportable Fee<sup>3</sup></b>	<b>Local City Survey<sup>4</sup></b>
<b>Single-Family For-Sale</b>	\$7,000	\$99,111	\$44,700	\$36,026
<b>Multifamily For-Sale</b>	5,500	70,180	36,800	34,951
<b>Multifamily For-Rent</b>	7,735	53,029	28,400	23,147

1) Using the median sales price estimate from January 2020 Multiple Listing Service (MLS) survey, for-rent fee per January 2020 fee update.

2) Tables 13, 14, 15.

3) Tables 16 and 17.

4) Table 19.

The City has the discretion to adopt fees that are lower than the maximum supported fees under the Demand-Based and Inclusionary Equivalent levels. It is clear that the high development costs have resulted in significantly higher costs to develop affordable housing. Due to the housing legislation and mandates from the State to cities to encourage the development of housing at all

income levels, it is important to note residential development could potentially decrease and occur in other jurisdictions with lower fees. This would potentially result in decreased housing development in the City. One option available to the City is to adopt Fees that are consistent with the average of the fees collected in other jurisdictions (in the column titled Local City Survey) in order to ensure that housing development continues at its current pace.

## PROPOSED FEES

City staff reviewed the options provided in this analysis and is recommending the following fees be adopted. These fees fall below the maximum supportable fees calculated in this report and were determined based on an analysis of other local agencies. The maximum fee based on the City’s existing ordinance was deemed higher than the market would bear for single family and multifamily for-sale units. Staff recommends lowering the fees to an amount more in line with competitive cities for the single family and multifamily for-sale units but setting the fee for for-rent units closer to the actual cost to develop a multi-family project. This methodology supports the City's goal of using the in-lieu fee funds to build multifamily for rent projects. See Table ES.4 for a summary of the recommended fees.

**Table 21: Proposed Fees**

Land Use	Inclusionary Requirement	Affordability Level	Affordability Gap per Unit	Fee per Unit	Total Fee per Unit	Average of Other Cities	Proposed Fee
Single Family Detached For-Sale	10%	80% AMI or below	\$447,023	\$44,702	\$44,702	\$36,026	\$36,000
Multifamily For-Sale	10%	80% AMI or below	368,534	36,853	36,853	34,951	35,000
Multifamily For-Rent	5%	50-80% AMI	234,315	11,716	28,407	23,147	28,000
	5%	50% AMI or below	333,823	16,691			

## **Appendix A: IMPLAN Output**

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Appendix A  
Induced Employment per New Unit

Impact Industry	Income per Job	SFR Jobs Generated	For-Sale MFR Jobs Generated	For-Rent MFR Jobs Generated
10 - All other crop farming	\$ 47,144.69	0.00000491713	0.00000335834	0.00000254377
101 - Coffee and tea manufacturing	\$ 228,442.45	0.00000032927	0.00000025789	0.00000019534
102 - Flavoring syrup and concentrate manufacturing	\$ 925,559.53	0.00000046297	0.00000033940	0.00000025708
103 - Mayonnaise, dressing, and sauce manufacturing	\$ 85,985.89	0.00000017998	0.00000014177	0.00000010739
104 - Spice and extract manufacturing	\$ 139,538.64	0.000000259475	0.000000204787	0.00000155116
105 - All other food manufacturing	\$ 113,889.89	0.00001570009	0.00001243046	0.00000941544
106 - Bottled and canned soft drinks & water	\$ 159,248.46	0.00001136477	0.00000904207	0.00000684891
107 - Manufactured ice	\$ 1,016,280.32	0.00000011225	0.00000008931	0.00000006765
108 - Breweries	\$ 360,435.38	0.00001078887	0.00000706565	0.00000535187
109 - Wineries	\$ 243,422.39	0.00000601301	0.00000397018	0.00000300720
110 - Distilleries	\$ 2,096,314.21	0.00000002529	0.00000001687	0.00000001278
119 - Carpet and rug mills	\$ 86,042.95	0.00000244658	0.00000155822	0.00000118027
121 - Textile bag and canvas mills	\$ 38,929.06	0.00000058550	0.00000037611	0.00000028488
123 - Other textile product mills	\$ 43,711.51	0.00000145641	0.00000092489	0.00000070056
125 - Other apparel knitting mills	\$ 145,174.28	0.00000020761	0.00000133338	0.00000010103
126 - Cut and sew apparel contractors	\$ 133,653.33	0.00000044879	0.00000032636	0.00000024720
127 - Men's and boys' cut and sew apparel manufacturing	\$ 133,216.91	0.00000279856	0.00000178061	0.00000134872
128 - Women's and girls' cut and sew apparel manufacturing	\$ 196,018.39	0.00000063252	0.00000040184	0.00000030437
129 - Other cut and sew apparel manufacturing	\$ 173,739.18	0.00000127874	0.00000081409	0.00000061663
130 - Apparel accessories and other apparel manufacturing	\$ 338,270.71	0.00000090805	0.00000058001	0.00000004394
137 - Engineered wood member and truss manufacturing	\$ 71,795.00	0.00000166716	0.00000123883	0.00000093835
138 - Reconstituted wood product manufacturing	\$ 199,548.98	0.00000226806	0.00000168501	0.00000127631
139 - Wood windows and door manufacturing	\$ 75,212.06	0.00000129698	0.00000095046	0.00000071993
14 - Animal production, except cattle and poultry and eggs	\$ 308,396.63	0.00000032967	0.00000021387	0.00000016199
141 - Other millwork, including flooring	\$ 79,053.42	0.00000129464	0.00000095253	0.00000072150
142 - Wood container and pallet manufacturing	\$ 83,549.59	0.00000131715	0.00000090870	0.00000068829
145 - All other miscellaneous wood product manufacturing	\$ 76,243.89	0.00000186874	0.00000131750	0.00000099794
147 - Paper mills	\$ 243,089.09	0.00000921611	0.00000601283	0.00000455441
149 - Paperboard container manufacturing	\$ 116,838.78	0.00000517365	0.00000376897	0.00000285480
150 - Paper bag and coated and treated paper manufacturing	\$ 86,983.57	0.00000073943	0.00000051944	0.00000039345
151 - Stationery product manufacturing	\$ 84,102.93	0.00000031273	0.00000022299	0.00000016890
152 - Sanitary paper product manufacturing	\$ 348,923.61	0.00001029384	0.00000702757	0.00000532303
153 - All other converted paper product manufacturing	\$ 89,099.05	0.00000033061	0.00000022682	0.00000017180
154 - Printing	\$ 55,853.53	0.000090351428	0.00007096293	0.000053707889
155 - Support activities for printing	\$ 48,139.12	0.00000084972	0.00000065189	0.00000049378
156 - Petroleum refineries	\$ 2,741,355.01	0.00000334387	0.00000282778	0.00000214190
159 - Petroleum lubricating oil and grease manufacturing	\$ 895,494.40	0.00000016951	0.00000014087	0.00000010670
163 - Synthetic dye and pigment manufacturing	\$ 288,672.75	0.00000149248	0.00000097061	0.00000073518
166 - Plastics material and resin manufacturing	\$ 329,697.18	0.00000017325	0.00000012074	0.00000009145
169 - Nitrogenous fertilizer manufacturing	\$ 286,702.32	0.00000850420	0.00000586953	0.00000444587
17 - Commercial fishing	\$ 58,329.00	0.00009617060	0.00006905170	0.00005230313
172 - Pesticide and other agricultural chemical manufacturing	\$ 778,492.65	0.00004370253	0.00002746928	0.00002080657
173 - Medicinal and botanical manufacturing	\$ 235,648.60	0.00000071349	0.00000055546	0.00000042073
174 - Pharmaceutical preparation manufacturing	\$ 1,917,062.29	0.00001927374	0.00001578699	0.00001195685
175 - In-vitro diagnostic substance manufacturing	\$ 518,981.00	0.00000904811	0.00000651897	0.00000493779
176 - Biological product (except diagnostic) manufacturing	\$ 662,726.04	0.00002377268	0.00001788041	0.00001354350
177 - Paint and coating manufacturing	\$ 128,663.71	0.000000115114	0.000000084911	0.000000064316
178 - Adhesive manufacturing	\$ 40,943.26	0.00000036494	0.00000025796	0.00000019539
179 - Soap and other detergent manufacturing	\$ 526,026.98	0.00000507860	0.00000333989	0.00000252980
18 - Commercial hunting and trapping	\$ 211,188.20	0.00000029370	0.00000021129	0.00000016004
180 - Polish and other sanitation good manufacturing	\$ 159,203.34	0.00000203818	0.00000134959	0.00000102224
182 - Toilet preparation manufacturing	\$ 299,279.91	0.00002360520	0.00001664510	0.00001260781
185 - Custom compounding of purchased resins	\$ 138,319.30	0.00000559631	0.00000430608	0.00000326164
186 - Photographic film and chemical manufacturing	\$ 194,679.65	0.00000332877	0.00000237171	0.00000179645
187 - Other miscellaneous chemical product manufacturing	\$ 139,904.28	0.00000542168	0.00000413769	0.00000313409
188 - Plastics packaging materials and unlaminated film and sheet manufacturing	\$ 102,217.27	0.00000083210	0.00000056381	0.00000042706
19 - Support activities for agriculture and forestry	\$ 51,229.95	0.00059902452	0.000043581411	0.00033010689
190 - Plastics pipe and pipe fitting manufacturing	\$ 134,869.17	0.00000136893	0.00000098817	0.00000074849
192 - Polystyrene foam product manufacturing	\$ 51,865.49	0.00000092769	0.00000065860	0.00000049885
193 - Urethane and other foam product (except polystyrene) manufacturing	\$ 78,946.45	0.00000061294	0.00000044555	0.00000033748
194 - Plastics bottle manufacturing	\$ 127,441.60	0.00000051293	0.00000037378	0.00000028312
195 - Other plastics product manufacturing	\$ 73,567.88	0.00001267899	0.00000914038	0.00000692337
196 - Tire manufacturing	\$ 62,210.48	0.00000066185	0.00000070933	0.00000053728
197 - Rubber and plastics hoses and belting manufacturing	\$ 59,865.35	0.00000022338	0.00000021670	0.00000016414
198 - Other rubber product manufacturing	\$ 70,291.13	0.00000055321	0.00000041677	0.00000031569
199 - Pottery, ceramics, and plumbing fixture manufacturing	\$ 25,666.56	0.00000049247	0.00000035033	0.00000026536
20 - Extraction of natural gas and crude petroleum	\$ 448,316.38	0.00009744676	0.00008240113	0.00006241464
202 - Other pressed and blown glass and glassware manufacturing	\$ 63,879.97	0.00000044325	0.00000029981	0.00000022709
203 - Glass container manufacturing	\$ 96,696.85	0.00000032623	0.00000023321	0.00000017664
204 - Glass product manufacturing made of purchased glass	\$ 68,317.59	0.00000228605	0.00000202160	0.00000153126
206 - Ready-mix concrete manufacturing	\$ 100,105.64	0.00000021493	0.00000015489	0.00000011732
207 - Concrete block and brick manufacturing	\$ 121,281.70	0.00000057812	0.00000041094	0.00000003126
208 - Concrete pipe manufacturing	\$ 132,703.14	0.00000017451	0.00000014532	0.00000011007
209 - Other concrete product manufacturing	\$ 84,668.39	0.00000042472	0.00000033135	0.00000025098
21 - Extraction of natural gas liquids	\$ 120,001.74	0.00004032199	0.00003409634	0.00002582623
212 - Abrasive product manufacturing	\$ 120,594.86	0.00000159373	0.00000112387	0.00000085127
213 - Cut stone and stone product manufacturing	\$ 50,182.05	0.00000320759	0.00000249122	0.0000188697
215 - Mineral wool manufacturing	\$ 152,079.01	0.00004293056	0.00003063858	0.00002320716
229 - Ferrous metal foundries	\$ 76,231.15	0.00000020716	0.00000016114	0.00000012206
230 - Nonferrous metal foundries	\$ 62,254.84	0.00000018804	0.00000013771	0.00000010431
231 - Iron and steel forging	\$ 111,814.84	0.00000044240	0.00000032513	0.00000024627
232 - Nonferrous forging	\$ 127,169.40	0.00000025935	0.00000019050	0.00000014429
233 - Custom roll forming	\$ 122,110.47	0.00000011365	0.00000008466	0.00000006413
234 - Crown and closure manufacturing and metal stamping	\$ 59,548.24	0.00000032198	0.00000024516	0.00000018569
235 - Cutlery, utensil, pot, and pan manufacturing	\$ 170,460.32	0.00000011039	0.00000007861	0.00000005954
236 - Handtool manufacturing	\$ 137,675.42	0.00000077930	0.00000056324	0.00000042663
237 - Prefabricated metal buildings and components manufacturing	\$ 94,541.56	0.00000078612	0.00000054536	0.00000041308
238 - Fabricated structural metal manufacturing	\$ 73,477.07	0.00000072776	0.00000056906	0.00000043103
239 - Plate work manufacturing	\$ 59,068.65	0.00000063194	0.00000055816	0.00000042278
24 - Gold ore mining	\$ 95,636.56	0.00000030975	0.00000022840	0.00000017300
240 - Metal window and door manufacturing	\$ 81,124.21	0.00002296420	0.00001613974	0.00001222503
241 - Sheet metal work manufacturing	\$ 57,446.39	0.00000699501	0.00000489423	0.00000370713
242 - Ornamental and architectural metal work manufacturing	\$ 73,758.20	0.00000102559	0.00000079087	0.00000059904
243 - Power boiler and heat exchanger manufacturing	\$ 133,951.38	0.00000018392	0.00000013705	0.00000010381
247 - Hardware manufacturing	\$ 142,974.99	0.00000067122	0.00000047867	0.00000036257
248 - Spring and wire product manufacturing	\$ 102,433.64	0.00000086261	0.00000065945	0.00000049950
249 - Machine shops	\$ 62,466.79	0.00001057813	0.00000837551	0.00000634402

250 - Turned product and screw, nut, and bolt manufacturing	\$	126,284.19	0.0000073315	0.0000053488	0.0000040514
251 - Metal heat treating	\$	93,585.85	0.0000060131	0.0000047807	0.0000036211
252 - Metal coating and nonprecious engraving	\$	74,544.55	0.00000242964	0.0000014595	0.00000147396
253 - Electroplating, anodizing, and coloring metal	\$	71,859.34	0.00000343869	0.00000272660	0.00000206526
254 - Valve and fittings, other than plumbing, manufacturing	\$	189,466.11	0.00000203123	0.0000018772	0.0000014219
255 - Plumbing fixture fitting and trim manufacturing	\$	292,147.23	0.0000047581	0.0000033206	0.0000025152
256 - Ball and roller bearing manufacturing	\$	191,759.38	0.00000119930	0.00000104341	0.00000079033
259 - Small arms, ordnance, and accessories manufacturing	\$	296,969.24	0.00000652718	0.00000517254	0.00000391794
260 - Fabricated pipe and pipe fitting manufacturing	\$	58,430.92	0.0000021156	0.0000014819	0.00000011224
261 - Other fabricated metal manufacturing	\$	66,519.37	0.00000325261	0.00000232469	0.00000176083
266 - Oil and gas field machinery and equipment manufacturing	\$	93,823.36	0.0000014495	0.00000011976	0.00000009071
271 - All other industrial machinery manufacturing	\$	78,302.76	0.0000010047	0.0000007889	0.0000005976
274 - Other commercial service industry machinery manufacturing	\$	126,228.39	0.0000020952	0.0000018142	0.0000013742
275 - Air purification and ventilation equipment manufacturing	\$	81,690.44	0.00000228815	0.0000023568	0.0000017852
276 - Heating equipment (except warm air furnaces) manufacturing	\$	124,092.31	0.00001041551	0.00000768412	0.00000582033
277 - Air conditioning, refrigeration, and warm air heating equipment manufactu	\$	107,066.71	0.00000086754	0.00000062521	0.00000047356
281 - Machine tool manufacturing	\$	166,592.97	0.00000089793	0.00000062064	0.00000047010
286 - Other engine equipment manufacturing	\$	175,122.32	0.00000019476	0.00000012430	0.00000009415
287 - Pump and pumping equipment manufacturing	\$	69,504.15	0.00000012111	0.00000008685	0.00000006579
288 - Air and gas compressor manufacturing	\$	120,544.68	0.00000033371	0.00000024819	0.00000018799
293 - Industrial truck, trailer, and stacker manufacturing	\$	93,707.23	0.00000011011	0.00000008690	0.00000006583
3 - Vegetable and melon farming	\$	116,839.45	0.00021844704	0.00016615545	0.00012585426
30 - Stone mining and quarrying	\$	146,209.45	0.00005517274	0.000003918037	0.00002967713
300 - Scales, balances, and miscellaneous general purpose machinery manufactu	\$	119,386.34	0.00000018460	0.00000013553	0.00000010266
302 - Computer storage device manufacturing	\$	328,837.07	0.0000022459	0.0000011858	0.00000008982
303 - Computer terminals and other computer peripheral equipment manufactu	\$	285,608.31	0.00000134696	0.00000083434	0.00000063197
304 - Telephone apparatus manufacturing	\$	187,224.82	0.00000017707	0.00000015859	0.00000012012
305 - Broadcast and wireless communications equipment manufacturing	\$	146,950.44	0.00000166554	0.00000145793	0.00000110431
307 - Audio and video equipment manufacturing	\$	103,304.30	0.00000138705	0.00000089975	0.00000068152
309 - Semiconductor and related device manufacturing	\$	292,864.12	0.00001562885	0.00001406114	0.00001065059
31 - Sand and gravel mining	\$	162,848.81	0.00000451304	0.000000321259	0.00000243337
310 - Capacitor, resistor, coil, transformer, and other inductor manufacturing	\$	68,322.04	0.00000074124	0.00000064917	0.00000049171
311 - Electronic connector manufacturing	\$	129,149.20	0.00000081167	0.00000062685	0.00000047481
312 - Printed circuit assembly (electronic assembly) manufacturing	\$	86,538.52	0.00000136586	0.00000095462	0.00000072308
313 - Other electronic component manufacturing	\$	123,635.43	0.00000057093	0.00000041237	0.00000031235
314 - Electromedical and electrotherapeutic apparatus manufacturing	\$	732,677.73	0.00000015574	0.00000011191	0.00000008476
317 - Industrial process variable instruments manufacturing	\$	212,506.16	0.00000017355	0.00000013019	0.00000009861
320 - Analytical laboratory instrument manufacturing	\$	110,287.61	0.00000013038	0.00000007746	0.00000005867
322 - Watch, clock, and other measuring and controlling device manufacturing	\$	137,262.82	0.00000163866	0.00000111658	0.00000084576
324 - Software and other prerecorded and record reproducing	\$	116,931.56	0.00000047795	0.00000035439	0.00000026843
325 - Electric lamp bulb and part manufacturing	\$	84,643.70	0.00000115620	0.00000077413	0.00000058636
326 - Lighting fixture manufacturing	\$	100,576.40	0.00000295552	0.00000213570	0.00000161768
327 - Small electrical appliance manufacturing	\$	459,988.99	0.00000013848	0.00000010454	0.00000007918
332 - Power, distribution, and specialty transformer manufacturing	\$	754,342.52	0.00000002495	0.00000001751	0.00000001326
333 - Motor and generator manufacturing	\$	147,705.57	0.00000108352	0.00000084926	0.00000064327
335 - Relay and industrial control manufacturing	\$	118,818.18	0.00000026975	0.00000020400	0.00000015452
336 - Storage battery manufacturing	\$	93,882.26	0.00000148875	0.00000137991	0.00000104521
337 - Primary battery manufacturing	\$	128,634.34	0.00000023530	0.00000015089	0.00000011429
339 - Other communication and energy wire manufacturing	\$	93,159.55	0.00000024462	0.00000019542	0.00000014802
340 - Wiring device manufacturing	\$	85,047.80	0.00000099026	0.00000070013	0.00000053032
342 - All other miscellaneous electrical equipment and component manufacturin	\$	107,196.51	0.00000041914	0.00000029320	0.00000022208
343 - Automobile manufacturing	\$	179,619.01	0.00000037570	0.00000030937	0.00000023433
349 - Travel trailer and camper manufacturing	\$	41,985.49	0.00000496382	0.00000156352	0.00000118429
350 - Motor vehicle gasoline engine and engine parts manufacturing	\$	123,917.93	0.00000019691	0.00000017322	0.00000013120
352 - Motor vehicle steering, suspension component (except spring), and brake s	\$	290,564.81	0.00000036165	0.00000030500	0.00000023102
356 - Other motor vehicle parts manufacturing	\$	98,864.45	0.00000294269	0.00000284066	0.00000215165
359 - Other aircraft parts and auxiliary equipment manufacturing	\$	133,641.69	0.00000423986	0.00000350475	0.00000265467
360 - Guided missile and space vehicle manufacturing	\$	163,016.16	0.00000076146	0.00000063632	0.00000048198
364 - Boat building	\$	68,324.56	0.00000508050	0.00001682602	0.00001274485
365 - Motorcycle, bicycle, and parts manufacturing	\$	113,341.25	0.00000521317	0.00000162288	0.0000122925
366 - Military armored vehicle, tank, and tank component manufacturing	\$	343,918.00	0.00000004415	0.00000003633	0.00000002752
367 - All other transportation equipment manufacturing	\$	48,200.63	0.00000027744	0.00000019135	0.00000014494
368 - Wood kitchen cabinet and countertop manufacturing	\$	48,668.58	0.00001476812	0.00001003155	0.00000759839
369 - Upholstered household furniture manufacturing	\$	72,021.10	0.00000267689	0.00000169657	0.00000128507
37 - Drilling oil and gas wells	\$	196,526.05	0.00000222284	0.0000017436	0.00000013207
370 - Nonupholstered wood household furniture manufacturing	\$	43,240.59	0.00000384638	0.00000243802	0.00000184668
371 - Other household nonupholstered furniture manufacturing	\$	47,196.99	0.00000068456	0.00000043782	0.00000033162
375 - Office furniture, except wood, manufacturing	\$	84,253.53	0.00000018658	0.00000012364	0.00000009365
376 - Showcase, partition, shelving, and locker manufacturing	\$	55,882.49	0.00000077999	0.00000053193	0.00000040291
377 - Mattress manufacturing	\$	24,334.23	0.00000082539	0.00000052390	0.00000039683
378 - Blind and shade manufacturing	\$	29,274.80	0.00000098779	0.00000062661	0.00000047463
379 - Surgical and medical instrument manufacturing	\$	162,402.15	0.00000240672	0.00000170343	0.00000129026
38 - Support activities for oil and gas operations	\$	126,328.97	0.00003985230	0.00000318204	0.00002361880
380 - Surgical appliance and supplies manufacturing	\$	133,090.01	0.00000889995	0.00000646983	0.0000490056
381 - Dental equipment and supplies manufacturing	\$	118,082.05	0.00000147905	0.00000108966	0.00000082536
383 - Dental laboratories	\$	33,922.12	0.00000316615	0.00000233298	0.00000176711
384 - Jewelry and silverware manufacturing	\$	55,132.23	0.00000074514	0.00000051694	0.00000039156
385 - Sporting and athletic goods manufacturing	\$	61,424.08	0.00001088824	0.00000861147	0.00000652275
386 - Doll, toy, and game manufacturing	\$	43,525.44	0.00000019848	0.00000015184	0.00000011501
388 - Sign manufacturing	\$	37,957.13	0.00006205114	0.00004882519	0.00003698258
39 - Metal mining services	\$	208,479.10	0.00000004478	0.00000003366	0.00000002550
390 - Musical instrument manufacturing	\$	65,093.72	0.00000648480	0.00000432906	0.00000327904
394 - All other miscellaneous manufacturing	\$	42,638.10	0.00001217181	0.00000834084	0.00000631776
395 - Wholesale trade	\$	180,232.64	0.02372305457	0.01764225262	0.01336310368
396 - Retail - Motor vehicle and parts dealers	\$	138,779.32	0.0140928768	0.01018788204	0.00771679938
397 - Retail - Furniture and home furnishings stores	\$	72,309.19	0.00477903436	0.00355962459	0.00269623350
398 - Retail - Electronics and appliance stores	\$	47,367.95	0.00378785186	0.00281971771	0.00213579190
399 - Retail - Building material and garden equipment and supplies stores	\$	78,135.20	0.01065634971	0.00793908217	0.00601344854
4 - Fruit farming	\$	43,290.99	0.00170124552	0.00125957537	0.00095406390
40 - Other nonmetallic minerals services	\$	137,520.78	0.00000010106	0.00000007549	0.00000005718
400 - Retail - Food and beverage stores	\$	60,516.54	0.02858457768	0.02075159560	0.01571827190
401 - Retail - Health and personal care stores	\$	67,046.89	0.01023386626	0.00762691178	0.00577699544
402 - Retail - Gasoline stores	\$	154,305.31	0.00458502962	0.00341377465	0.00258575963
403 - Retail - Clothing and clothing accessories stores	\$	48,802.85	0.01578063706	0.01175187532	0.00890144427
404 - Retail - Sporting goods, hobby, musical instrument and book stores	\$	36,021.03	0.00660468298	0.00492222954	0.00372833703
405 - Retail - General merchandise stores	\$	54,117.04	0.02573685345	0.01868439034	0.01415246969
406 - Retail - Miscellaneous store retailers	\$	41,553.60	0.01182755984	0.00881352584	0.00667579487
407 - Retail - Nonstore retailers	\$	73,930.62	0.01924224613	0.01425006657	0.01079369631
408 - Air transportation	\$	207,927.46	0.00049813000	0.00030076657	0.00022781529
409 - Rail transportation	\$	164,252.59	0.00003715005	0.00002803884	0.00002123799
410 - Water transportation	\$	173,614.23	0.00000853053	0.00000562954	0.00000426409

411 - Truck transportation	\$	67,412.61	0.00455599388	0.00321697988	0.00243669766
412 - Transit and ground passenger transportation	\$	28,820.08	0.00760992977	0.00453197355	0.00343273809
413 - Pipeline transportation	\$	280,573.03	0.00001722134	0.00001443889	0.00001093672
414 - Scenic and sightseeing transportation and support activities for transportat	\$	87,484.34	0.00164055615	0.00123270645	0.00093371206
415 - Couriers and messengers	\$	68,860.17	0.00281171261	0.00194965424	0.00147676333
416 - Warehousing and storage	\$	70,772.34	0.00211008527	0.00156413608	0.00118475305
417 - Newspaper publishers	\$	107,737.35	0.00042941790	0.00032478798	0.00024601028
418 - Periodical publishers	\$	123,598.77	0.00036329786	0.00027013048	0.00020461002
419 - Book publishers	\$	709,260.87	0.00045635784	0.00032330106	0.00024488401
42 - Electric power generation - Fossil fuel	\$	880,732.99	0.00004437996	0.00004145084	0.00003139689
420 - Directory, mailing list, and other publishers	\$	436,953.11	0.00050536323	0.00038677203	0.00029296003
422 - Software publishers	\$	135,246.73	0.00123053109	0.00065288372	0.00049452602
423 - Motion picture and video industries	\$	80,422.82	0.00158731356	0.00118946769	0.00090096092
424 - Sound recording industries	\$	151,308.83	0.00010895927	0.00007085784	0.00005367119
425 - Radio and television broadcasting	\$	768,151.75	0.00060407948	0.00048271339	0.00036563070
426 - Cable and other subscription programming	\$	1,654,653.47	0.00005570958	0.00004809205	0.00003642727
427 - Wired telecommunications carriers	\$	17,416.02	0.00385071463	0.00366379782	0.00277513939
428 - Wireless telecommunications carriers (except satellite)	\$	880,595.51	0.00076815362	0.00070734030	0.00053577408
429 - Satellite, telecommunications resellers, and all other telecommunications	\$	82,531.46	0.00067296679	0.00064188015	0.00048619137
430 - Data processing, hosting, and related services	\$	109,701.81	0.00107975320	0.00100194463	0.00075892179
431 - News syndicates, libraries, archives and all other information services	\$	131,390.10	0.00030880315	0.00022447840	0.00017003090
432 - Internet publishing and broadcasting and web search portals	\$	30,016.13	0.00012877983	0.00009812436	0.00007432418
433 - Monetary authorities and depository credit intermediation	\$	281,469.75	0.01096471018	0.01135031589	0.00859728354
434 - Nondepository credit intermediation and related activities	\$	91,658.79	0.01094614936	0.00905066030	0.00685540452
435 - Securities and commodity contracts intermediation and brokerage	\$	48,175.64	0.00317663509	0.00351056287	0.00265907175
436 - Other financial investment activities	\$	11,238.99	0.02175412725	0.02567440309	0.01944704670
437 - Insurance carriers	\$	259,409.57	0.00524425686	0.00391433653	0.00296490965
438 - Insurance agencies, brokerages, and related activities	\$	63,261.71	0.01508293081	0.01261761748	0.00955719966
439 - Funds, trusts, and other financial vehicles	\$	90,891.60	0.00565399673	0.00702581734	0.00532169716
44 - Electric power generation - Solar	\$	758,904.76	0.00001485555	0.00001387517	0.00001050973
440 - Real estate	\$	136,123.81	0.04935353776	0.04872928720	0.03690994180
442 - Automotive equipment rental and leasing	\$	209,763.04	0.00109272494	0.00076406748	0.00057874202
443 - General and consumer goods rental except video tapes and discs	\$	53,387.31	0.00219211660	0.00117399992	0.00129826724
444 - Video tape and disc rental	\$	224,916.02	0.00007337791	0.00005872659	0.00004482339
445 - Commercial and industrial machinery and equipment rental and leasing	\$	192,389.69	0.00066038497	0.00049258470	0.00037310771
446 - Lessors of nonfinancial intangible assets	\$	102,462.69	0.00030301772	0.00023953192	0.00018143318
447 - Legal services	\$	103,191.19	0.01139129038	0.00516091690	0.00390913050
448 - Accounting, tax preparation, bookkeeping, and payroll services	\$	53,605.59	0.00885568421	0.00694362056	0.00525943730
449 - Architectural, engineering, and related services	\$	75,689.39	0.00459521467	0.00359504244	0.00272306071
450 - Specialized design services	\$	53,909.94	0.00172391943	0.00135788088	0.00102852529
451 - Custom computer programming services	\$	104,889.55	0.00004258243	0.00003379345	0.00002559681
452 - Computer systems design services	\$	74,544.89	0.00147812155	0.00118938700	0.00090089979
453 - Other computer related services, including facilities management	\$	93,623.85	0.00125260745	0.00099379883	0.00075275176
454 - Management consulting services	\$	55,940.98	0.00061652669	0.00502827278	0.00380865936
455 - Environmental and other technical consulting services	\$	42,845.74	0.00228526282	0.00190203089	0.00144069108
456 - Scientific research and development services	\$	149,415.84	0.00027951786	0.00023370255	0.00017701772
457 - Advertising, public relations, and related services	\$	65,105.60	0.00285771192	0.00224829131	0.00170296563
458 - Photographic services	\$	19,842.06	0.00320484192	0.00221188337	0.00167538924
459 - Veterinary services	\$	64,947.01	0.00454862618	0.00294460542	0.00223038794
460 - Marketing research and all other miscellaneous professional, scientific, anc	\$	37,210.19	0.00499448444	0.00414216390	0.00313747722
461 - Management of companies and enterprises	\$	105,967.14	0.00336202544	0.00265464104	0.00201075476
462 - Office administrative services	\$	63,348.05	0.00306305403	0.00249304792	0.00188835624
463 - Facilities support services	\$	61,893.42	0.00015934993	0.00012312704	0.00009326243
464 - Employment services	\$	61,402.26	0.01644552777	0.01357957071	0.01028583001
465 - Business support services	\$	46,237.86	0.00413624310	0.00307593945	0.00232986675
466 - Travel arrangement and reservation services	\$	85,748.57	0.00190129017	0.00087098771	0.00066435740
467 - Investigation and security services	\$	39,795.53	0.00327569239	0.00250347439	0.00189625376
468 - Services to buildings	\$	35,402.87	0.01718210370	0.01246370224	0.00944061674
469 - Landscape and horticultural services	\$	40,006.45	0.00923660625	0.00657738213	0.00498203043
470 - Other support services	\$	115,304.12	0.00098141105	0.00073448475	0.00055633462
471 - Waste management and remediation services	\$	113,132.83	0.00175471601	0.00151534379	0.00114779539
472 - Elementary and secondary schools	\$	51,935.98	0.01158963450	0.00543687924	0.00411815784
473 - Junior colleges, colleges, universities, and professional schools	\$	41,166.26	0.01472384861	0.00540569571	0.00409453792
474 - Other educational services	\$	20,026.74	0.01430711270	0.00812366565	0.00615326108
475 - Offices of physicians	\$	90,188.90	0.02891724394	0.02318044488	0.01755800096
476 - Offices of dentists	\$	85,157.00	0.01428175112	0.01052352897	0.00797103476
477 - Offices of other health practitioners	\$	60,438.09	0.02169916257	0.01361658653	0.01031386760
478 - Outpatient care centers	\$	98,102.22	0.01064985742	0.00720807808	0.00545975034
479 - Medical and diagnostic laboratories	\$	58,595.00	0.00365571309	0.00165416124	0.00125294250
48 - Electric power generation - All other	\$	254,555.20	0.00002590200	0.00002419245	0.00001832454
480 - Home health care services	\$	43,431.13	0.01996049439	0.00734217969	0.00556132545
481 - Other ambulatory health care services	\$	75,923.26	0.00267121691	0.00172890964	0.00130956059
482 - Hospitals	\$	115,132.52	0.03346456042	0.02414612836	0.01828945679
483 - Nursing and community care facilities	\$	46,333.58	0.01249323237	0.01172649666	0.00888233712
484 - Residential mental retardation, mental health, substance abuse and other	\$	42,493.79	0.00409161882	0.00328163459	0.00248567030
485 - Individual and family services	\$	21,125.26	0.03085521824	0.02274856725	0.01723087576
486 - Community food, housing, and other relief services, including rehabilitator	\$	62,345.27	0.00505419430	0.00383338693	0.00290359447
487 - Child day care services	\$	39,215.40	0.01270901575	0.00754402882	0.00571421584
488 - Performing arts companies	\$	43,899.82	0.00217632931	0.00123902181	0.00093849563
489 - Commercial Sports Except Racing	\$	29,396.81	0.00134495953	0.00089512877	0.00067801424
49 - Electric power transmission and distribution	\$	843,058.58	0.00046761211	0.00043674931	0.00033081526
490 - Racing and Track Operation	\$	23,331.42	0.00029234370	0.00018782777	0.00014226992
491 - Promoters of performing arts and sports and agents for public figures	\$	26,126.45	0.00167363145	0.00102501514	0.00077639653
492 - Independent artists, writers, and performers	\$	17,732.91	0.00653243932	0.00462702260	0.00350473288
493 - Museums, historical sites, zoos, and parks	\$	39,006.05	0.00032626687	0.00025363163	0.00019211298
494 - Amusement parks and arcades	\$	28,330.33	0.00018085381	0.00011749598	0.00008899719
495 - Gambling industries (except casino hotels)	\$	102,301.14	0.00114793957	0.00221577656	0.00167833737
496 - Other amusement and recreation industries	\$	40,361.65	0.00571330088	0.00311305704	0.00235798142
497 - Fitness and recreational sports centers	\$	29,820.79	0.00772123582	0.00421957699	0.00319611368
498 - Bowling centers	\$	34,094.65	0.00078720341	0.00041899743	0.00031736912
499 - Hotels and motels, including casino hotels	\$	67,856.23	0.00037646047	0.00034518984	0.00026146365
5 - Tree nut farming	\$	110,822.05	0.00001057887	0.00000771977	0.00000584733
50 - Natural gas distribution	\$	265,843.53	0.00041931978	0.00032448361	0.00024577973
500 - Other accommodations	\$	33,030.22	0.00000483718	0.00000319387	0.00000241919
501 - Full-service restaurants	\$	30,330.37	0.05687713669	0.04095734453	0.03102309289
502 - Limited-service restaurants	\$	59,345.58	0.06389027858	0.04574926689	0.03465272889
503 - All other food and drinking places	\$	25,227.62	0.02420460437	0.01728227566	0.01309043956
504 - Automotive repair and maintenance, except car washes	\$	96,147.70	0.01690431645	0.01535653942	0.01025326011
505 - Car washes	\$	48,300.79	0.00316639583	0.00253824696	0.00192259220
506 - Electronic and precision equipment repair and maintenance	\$	119,197.14	0.00082606756	0.00065861988	0.00049887086
507 - Commercial and industrial machinery and equipment repair and mainten	\$	134,872.06	0.00131887193	0.00102040682	0.00077290596

508 - Personal and household goods repair and maintenance	\$	108,184.65	0.00334894279	0.00203455665	0.00154107257
509 - Personal care services	\$	31,415.75	0.02174868061	0.01593090843	0.01206684803
51 - Water, sewage and other systems	\$	205,089.45	0.00030580955	0.00028036104	0.00021235914
510 - Death care services	\$	71,584.86	0.00060049835	0.00061587728	0.00046649553
511 - Dry-cleaning and laundry services	\$	40,887.33	0.00224870347	0.00149379875	0.00113147612
512 - Other personal services	\$	31,746.63	0.01606006749	0.01145741044	0.00867840219
513 - Religious organizations	\$	3,503.10	0.00823965468	0.00678251346	0.00513740692
514 - Grantmaking, giving, and social advocacy organizations	\$	97,465.87	0.00313019182	0.00256225163	0.00194077451
515 - Business and professional associations	\$	146,926.10	0.00057031472	0.00039296754	0.00029765281
516 - Labor and civic organizations	\$	68,199.84	0.00600363835	0.00389081166	0.00294709076
517 - Private households	\$	17,262.67	0.01159328573	0.00728499664	0.00551801221
518 - Postal service	\$	87,740.75	0.00194314719	0.00155768994	0.00117987043
520 - Other federal government enterprises	\$	34,099.31	0.00111759041	0.00092180591	0.00069822081
525 - Local government electric utilities	\$	190,472.29	0.00011390278	0.00010638510	0.00008058127
526 - Other local government enterprises	\$	200,766.06	0.00342906829	0.00360378960	0.00272968623
6 - Greenhouse, nursery, and floriculture production	\$	106,322.27	0.00012737711	0.00008836578	0.00006693256
62 - Maintenance and repair construction of nonresidential structures	\$	88,193.27	0.00451736068	0.00414338046	0.00313839870
63 - Maintenance and repair construction of residential structures	\$	85,849.37	0.00527038646	0.00362483505	0.00274562708
65 - Dog and cat food manufacturing	\$	360,145.67	0.00000025125	0.00000015843	0.00000012000
71 - Soybean and other oilseed processing	\$	232,037.97	0.00000082588	0.00000061534	0.00000046609
72 - Fats and oils refining and blending	\$	130,282.71	0.00000157315	0.00000124706	0.00000094459
76 - Nonchocolate confectionery manufacturing	\$	231,710.06	0.00000092055	0.00000073458	0.00000055641
79 - Frozen fruits, juices and vegetables manufacturing	\$	208,323.68	0.00000721185	0.00000576055	0.00000436332
80 - Frozen specialties manufacturing	\$	173,395.20	0.00000393118	0.00000314068	0.00000237891
81 - Canned fruits and vegetables manufacturing	\$	260,457.32	0.00000609488	0.00000484193	0.00000366751
87 - Dry, condensed, and evaporated dairy product manufacturing	\$	165,154.32	0.00000400747	0.00000316705	0.00000239888
93 - Seafood product preparation and packaging	\$	145,838.04	0.00000608267	0.00000467839	0.00000354364
94 - Bread and bakery product, except frozen, manufacturing	\$	79,683.35	0.00006460855	0.00005088970	0.00003854634
95 - Frozen cakes and other pastries manufacturing	\$	73,116.81	0.00000176784	0.00000139271	0.00000105491
97 - Dry pasta, mixes, and dough manufacturing	\$	167,027.07	0.00000063596	0.00000050761	0.00000038449
99 - Roasted nuts and peanut butter manufacturing	\$	282,327.37	0.00000472527	0.00000376226	0.00000284972
<b>Totals</b>			<b>0.98496479365</b>	<b>0.73390517488</b>	<b>0.55589561946</b>

CITY COUNCIL OF THE CITY OF OXNARD

UNCODIFIED ORDINANCE NO.

ORDINANCE OF THE CITY OF OXNARD, CALIFORNIA, CONCERNING AFFORDABLE HOUSING REQUIREMENTS FOR NEW DEVELOPMENTS AND IN-LIEU AFFORDABLE HOUSING PAYMENTS

WHEREAS, the State of California has declared that the provision of affordable housing in all communities for all segments of the population is a matter of statewide importance and concern; and

WHEREAS, the State of California requires all cities and counties to adopt and implement a general plan which governs many of the overall land use and planning issues for the local agency to use as a guideline for future development, including affordable housing; and

WHEREAS, the City of Oxnard adopted the 2030 General Plan which includes several specific elements, including the Growth Management Element, the Land Use Element, and a Housing Element, which all contain certain goals, objectives and policies concerning affordable housing; and

WHEREAS, the 2030 General Plan Growth Management Element encourages the adoption of implementation measures which would promote a match between the price of housing and the household income of all Oxnard residents; and

WHEREAS, the 2030 General Plan Land Use Element requires a balanced community that meets the housing needs of all segments of the community and also provides for a balance between jobs and housing within the community; and

WHEREAS, the 2030 General Plan Housing Element contains a requirement that the City provide for a variety of housing types throughout the City which meet the needs of all economic segments of the community, including affordable housing units; and

WHEREAS, State law provides that legal actions may be brought to prohibit new residential housing if the 2030 General Plan Housing Element is not complied with; and

WHEREAS, the City Council has received an affordable housing report which found that low and very low income families, especially large and farm worker families, in the community are experiencing a housing shortage; and

WHEREAS, the City Council has stated in the 2030 General Plan and the Housing and Land Use Elements, that one of the major goals of the City is to achieve a balanced community with housing available for households of all income levels, so that the low and very low income families may have housing available at an affordable cost; and

WHEREAS, the affordable housing report further found that low and very low income families are living within the community in severely overcrowded housing and/or in housing that is not decent, safe and sanitary; and

WHEREAS, the affordable housing report further found that federal and state housing subsidy programs are not sufficient by themselves to satisfy all of the housing needs of low and very low income households, which has further exacerbated the availability of affordable housing; and

WHEREAS, the affordable housing report found that the housing shortage of new housing affordable to low and very low income families is detrimental to the public health, safety and welfare and that the City is required by California public policy to make available an adequate supply of housing for persons of all economic segments of the community, including low and very low income families; and

WHEREAS, the City Council finds that new residential development enjoys the benefits of public resources and City facilities and must participate in protecting and enhancing the public welfare by helping to meet the goals and objectives for affordable housing set out in the 2020 General Plan and its various elements; and

WHEREAS, the City Council finds that new residential development that does not include affordable housing on site reduces the limited inventory of real property in the city that may be used to develop affordable housing; and

WHEREAS, the City Council desires to establish a policy for the provision of affordable housing on a City-wide basis for all new development; and

WHEREAS, the City Council desires that a program exist to allow new residential development to provide an in-lieu affordable housing payment in place of providing affordable housing units on site, which in-lieu payment would allow other affordable housing goals and objectives to be met throughout the City; and

WHEREAS, based on the foregoing recitals, on April 20, 1999, the City Council adopted Resolution No. 11,570, establishing affordable housing requirements and in-lieu fees; and

WHEREAS, on October 5, 1999, the City Council adopted Resolution No. 11,645, amending Resolution No. 11,570, and on October 19, 1999, adopted Resolution No. 11,651, repealing Resolution No. 11,645; and

WHEREAS, on October 19, 1999, the City Council adopted Resolution No. 11,652, amending Resolution No. 11,570 to exempt certain projects there from; and

WHEREAS, on October 26, 1999, the City Council adopted Ordinance No. 2506, establishing the affordable housing requirements contained in Resolution Nos. 11,570 and 11,652 by ordinance; and

WHEREAS, on December 5, 2000, the City Council adopted Ordinance No. 2545,

making certain adjustments to Ordinance No. 2506; and

WHEREAS, on March 5, 2002, the City Council adopted Ordinance No. 2594, providing a procedure to appeal application of Ordinance No. 2545, and any successor ordinance, on the basis that its application to a specific project was unconstitutional; and

WHEREAS, December 3, 2002, the City Council adopted Ordinance No. 2615, replacing Ordinance No. 2545; and

WHEREAS, on June 28, 2005, the City Council adopted Ordinance No. 2688, making adjustments to Ordinance No. 2615; and

WHEREAS, on July 18, 2006 the City Council adopted Ordinance No. 2721, making adjustments to Ordinance No. 2688; and

WHEREAS, the City Council now desires to amend Part 10 of Ordinance No. 2721 and make other minor adjustments thereto and reenact Ordinance No. 2721 as amended; and

WHEREAS, as this ordinance does not establish a new affordable housing program, but only makes certain adjustments to Ordinance No. 2721, the City Council finds that there is no possibility that adoption of this ordinance may have a significant effect on the environment; that the in-lieu Affordable Housing Payments adopted by this ordinance create government funding mechanisms that do not involve any commitment to any specific project and thus do not constitute a project, as defined by Section 15378(b)(4) of the State California Environmental Quality Act (CEQA) Guidelines; and that consequently adoption of this ordinance is not subject to CEQA.

NOW, THEREFORE, the City Council of the City of Oxnard does ordain as follows:

Part 1. All recitals set forth hereinabove are found and determined to be true and correct and are incorporated into this ordinance by this reference.

Part 2. The findings and references to affordable housing that are contained in the 2020 General Plan, as set out in Attachment 1 to the staff agenda report on affordable housing, dated April 8, 1999, and the staff reports considered at the City Council meetings held on November 14, 2000, in connection with the adoption of Ordinance No. 2545, the staff report considered on January 29, 2002 in connection with the report of the ad hoc affordable housing committee, and the staff report dated July 20, 2004, all on file with the City Clerk, are incorporated by reference as findings in support of the affordable housing requirements set out in this ordinance.

Part 3. All new residential projects containing ten or more dwelling units to be offered for sale shall include a number of dwelling units equal to not less than 10% of the total number of dwelling units offered for sale in the project that shall be sold at an affordable housing cost to persons and families of lower income, as defined in California Health and Safety Code Section 50079.5. Each such affordable dwelling unit shall have at

least three bedrooms, provided that if a project contains at least ten two bedroom units, two bedroom affordable units may be provided in the same percentage ratio to all affordable units as the percentage ratio of two bedroom market rate units bears to the total number of market rate units in the project. For purposes of this ordinance, the term "units offered for sale" includes units classified as condominium units under California law.

Part 4. All new residential projects containing ten or more dwelling units to be offered for rent shall include a number of dwelling units equal to not less than 5% of the total number of dwelling units in the project offered for rent that shall be rented at an affordable rent to persons and families of very low income, as defined in California Health and Safety Code section 50105, and shall include an additional number of dwelling units equal to not less than 5% of the total number of dwelling units in the project offered for rent at an affordable rent to persons and families of lower income, as defined in California Health and Safety Code section 50079.5. If the number of bedrooms per unit varies within a project, the number of low and very low income units of each bedroom numbers must meet the requirements of this part 4, i.e., affordable units shall be proportionately distributed throughout the project by bedroom size.

Part 5. As used in this ordinance, the term "housing cost" includes the costs described in 25 California Code of Regulations section 6920, except that in determining housing cost under this ordinance the amount paid for maintenance and utilities will not be included. For purposes of calculating mortgage loan cost, a prevailing market interest rate for a fixed interest rate loan will be used. As used in this ordinance, the word "rent" has the meaning ascribed to such word in 25 California Code of Regulations section 6918. For purposes of this ordinance, "affordable housing cost or rent" shall mean:

- (a) With respect to a low income person or family, rent or housing cost not in excess of 30% of 80% of the Area Median Income for the Ventura County Metropolitan Statistical Area, adjusted for family size appropriate for the unit in question, as set forth in Section 6932 of Title 25 of the California Code of Regulations; and
- (b) With respect to a very low income person or family, rent or housing cost not in excess of 30% of 50% of the Area Median Income for the Ventura County Metropolitan Statistical Area, adjusted for family size appropriate for the unit in question, as set forth in Section 6932 of the Title 25 of the California Code of Regulations.

Prior to offering for sale or rental the first unit which the developer intends to qualify as an affordable unit under Part 3 or Part 4 of this ordinance, the developer shall submit to the City's Housing Director the proposed sale price or rental amount for all the affordable units and the dates upon which the affordable units will be offered for sale or rental, and thereafter, any other information requested by the City's Housing Director. The Housing Director shall review the information submitted, and within 30 days of receipt of all requested information, shall determine whether the sales price or rental amount is affordable

as provided in Parts 3 and 4. Thereafter, if the developer desires to increase the sales price or initial rental amount for any for sale affordable units, the developer must obtain the approval of the Housing Director. A developer may appeal a decision of the Housing Director made pursuant to this Part 5 within the time and following the procedures (including payment of the fee) set forth in the Oxnard City Code section 16-545 et seq. for appeal of a decision of the Planning Commission denying a special use permit.

Part 6. Not later than the date of application for the first building permit for a project that is subject to Part 3 or 4 of this ordinance, the developer shall cause to be recorded in the office of the Ventura County Recorder covenants approved in form and substance by the Housing Director. Such covenants shall identify the affordable dwelling units, restrict the qualifying income of purchasers and tenants of such units, specify the maximum housing cost for such units, and require that such units remain affordable for at least 20 years. The covenants shall provide that the developer shall require any purchaser of an affordable unit or project to execute a resale restriction agreement in form and substance satisfactory to the City's Housing Director, which resale restriction agreement shall provide for continuing affordability in the sale or rental of units for at least 20 years. The covenants shall run with the land. If the original developer or a subsequent owner complies with the covenants and/or resale restriction agreement by conveying the project or unit only to an eligible low or very low income transferee at an affordable cost as provided in this ordinance, the developer or such owner shall not be responsible for any violation of such covenants or resale restriction agreement by future transferees.

Part 7. Such affordable units shall be designed and constructed so as to be architecturally consistent with and qualitatively similar to other (unrestricted) units in the project. Generally, affordable units shall be dispersed throughout the project. As part of the developer's application for any land use approvals required for the project and prior to the date upon which the application is deemed complete, the developer shall submit to the City planning staff such documents and plans as planning staff determines are necessary and appropriate for the City to determine that the requirements of this ordinance have been met and that the design and placement of the affordable units will not affect the quality of the project or the affordable units, and will not result in discrimination on any legally prohibited basis. The City Council, Planning Commission, or other decision making person or body with final approval over the project shall make such determination. The determination of such decision making body shall be made exercising its sole, good faith, discretion.

Part 8. As part of the developer's application for land use approvals required for the project and prior to the date upon which the application is deemed complete, the developer of a project that is subject to this ordinance may request in writing that instead of providing such affordable housing within the proposed project, the developer shall provide such affordable housing on specified off-site land. The request shall be presented to the City Council, which shall determine in its sole discretion whether the land is suitable for affordable housing. If the City Council determines that the land is suitable, the developer shall enter into an agreement with the City to provide affordable housing on such land. The agreement shall provide for affordable units in a number not less than the number of on-site units required by this ordinance for the project. The agreement shall contain conditions and provisions requiring the construction of such affordable units prior to or concurrent with construction of the project, unless the City Council determines in its sole discretion that such a condition is not

necessary to ensure that the affordable units are constructed. The agreement may contain such other terms and conditions as the City Council determines are necessary or appropriate.

Part 9. The developer shall establish and at all times maintain a written list of Oxnard residents qualified to purchase or rent each of the 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.

10. A developer may, following the procedure set forth in this Part 10, make a written request that instead of providing such affordable housing units within the proposed project or off site, the developer make an in-lieu Affordable Housing Payment ("Payment") to the City's Affordable Housing In-Lieu Fee Fund.

(a) All projects for which the developer makes a request to make a Payment shall be subject to the City's pre-application process. During the pre-application process, the City Council shall determine whether a Payment may be made.

The City Council shall consider the following factors in determining whether to grant a request:

- a. the size, type and nature of the lots and homes and/or apartment buildings and units proposed for the development;
- b. the prices for which the developer plans to sell the market rate homes or rent market rate apartment units;
- c. the extent to which the proposed development may be designed or redesigned to allow the production of quality units at lower costs; and
- d. the extent to which City is meeting the affordable housing goals of its 2030 General Plan.

(b) If the request is granted, the Payment shall be calculated using the City's adopted affordable housing in-lieu fee schedule. The fee for each unit shall be paid when the developer pulls a building permit for each unit.

(c) Beginning on July 1, 2021, and every July 1st thereafter, the Housing Director shall adjust the Fee by the percentage increase or decrease for the prior twelve months as determined by the Engineering News Record Building Cost Index for the Los Angeles Region.

Part 11. If a developer's request to make a Payment is granted, the fee for each unit shall be paid when the developer pulls a building permit for each unit. Within 60 days after a developer's request to make a Payment is granted, the developer may request in writing that

the City allow the developer to satisfy all or part of the Payment by dedicating specified off-site land to the City. With such request, the developer shall submit a written M.A.I. appraisal of the land. The City may require that the developer pay for an additional M.A.I. appraisal obtained by the City. The City Council shall determine the market value of the land, based on the appraisals provided or paid for by the developer and any other reliable data. The City Council shall also determine whether the land is suitable for affordable housing and meets the City's needs for sites for affordable housing. If the City Council so determines and the Mayor executes a certificate of acceptance for the land, the City shall apply the market value of the land to the Payment owed. If the market value of the land is less than the Payment, the developer shall pay the difference. If the market value of the land is more than the Payment, dedication of the land shall be deemed the equivalent of making the Payment, and the developer shall not be entitled to any payment for the excess market value. The developer shall deed to the City land so accepted before the developer applies for the first building permit for the project.

Part 12. As provided by Ordinance No. 2594, a developer may appeal to the City Council a decision of the Planning Commission requiring compliance with this ordinance, on the ground that such application of this ordinance to the developer's project results in an unconstitutional taking of property or that there is no reasonable relationship between the impact of the project and such requirements.

Part 13. All in-lieu Affordable Housing Payments shall be deposited in the City's Affordable Housing Trust Fund and used exclusively to provide affordable housing and affordable housing assistance to persons and families of lower and very low income.

Part 14. This ordinance does not apply to the following new residential projects of ten or more dwelling units:

- (a) Projects located in areas that are subject to a specific plan adopted by the City that requires such projects to provide as many or more affordable units for lower and very low income persons and families as does this ordinance.

Part 15. In a project that receives a density bonus pursuant to Government Code Section 65915 or 65915.5, the calculation pursuant to Part 3 or Part 4 of this ordinance of the number of dwelling units to be offered for sale or rent shall be based on the number of units before the density bonus is applied. Affordable units provided pursuant to this ordinance shall not be included in the calculation of affordable units provided pursuant to density bonus statutes, ordinances or resolutions.

Part 16. This ordinance shall be uncodified.

Part 17. This ordinance shall apply to applications for land use approvals that are filed on or after the effective date of this ordinance and to applications for land use approvals that have been filed but have not been accepted as complete as of the effective date of this ordinance.

Part 18. This ordinance replaces Ordinance No. 2721 as to applications for land use

Ordinance No.

Page 8

approvals described in Part 17. However, Ordinance No. 2721 is not repealed. If all or any part of this ordinance be declared invalid by the courts, and Ordinance No. 2721 be not declared invalid, Ordinance No. 2721 shall apply to the subjects addressed by the portions of this ordinance declared invalid, or, if this ordinance is declared invalid in its entirety, shall supplant this ordinance.

Part 19. Within fifteen days after passage, the City Clerk shall cause this ordinance to be published one time in a newspaper of general circulation within the City. Ordinance No. \_\_\_\_\_ was first read on (\_\_\_\_\_), and finally adopted on \_\_\_\_\_ to become effective sixty days thereafter.

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Tim Flynn, Mayor

ATTEST:

\_\_\_\_\_  
Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Stephen M. Fischer, City Attorney

# AFFORDABLE HOUSING IN-LIEU FEE NEXUS STUDY

CITY OF OXNARD

April, 28, 2020



## TOPIC COVERED

- Background
- Affordable Housing Need
- Inclusionary Housing In-Lieu Fees
- Study Methodology
- Findings & Proposed Fees
- Questions



## AFFORDABLE HOUSING NEED

- Oxnard Median Annual Household Income - \$68,303

<u>RENT</u>	<u>PURCHASE</u>
<ul style="list-style-type: none"> <li>• Average Rent (Market) – \$2,209</li> <li>• Monthly income needed – \$7,363</li> <li>• Median Monthly Income (Actual) - \$5,692</li> <li>• <b>Difference = -\$1,671</b></li> </ul>	<ul style="list-style-type: none"> <li>• Average Home Price (Market) - \$662,000</li> <li>• Annual income needed - \$171,652</li> <li>• Monthly income needed - \$14,304</li> <li>• Median Monthly Income (Actual) - \$5,692</li> <li>• <b>Difference = -\$8,612</b></li> </ul>

3

## BACKGROUND

- Well Documented Affordable Housing Crisis in CA
- Many Cities Adopted Inclusionary Housing Ordinances
  - Require Affordable Units When Market-Rate Development
- Common Practice to Allow In-Lieu Fee or Off-Site Units
  - Options to Developers & Encourage More Housing Built

4

## CITY'S EXISTING INCLUSIONARY HOUSING ORDINANCE

- **For-Sale**
  - 10% units affordable to lower-income Household (<80% AMI)
- **For-Rent**
  - 5% units affordable to very low-income Household (<50% AMI); and
  - 5% affordable to lower-income households (80% AMI or below)
- 20 Year Covenants to Preserve Affordability

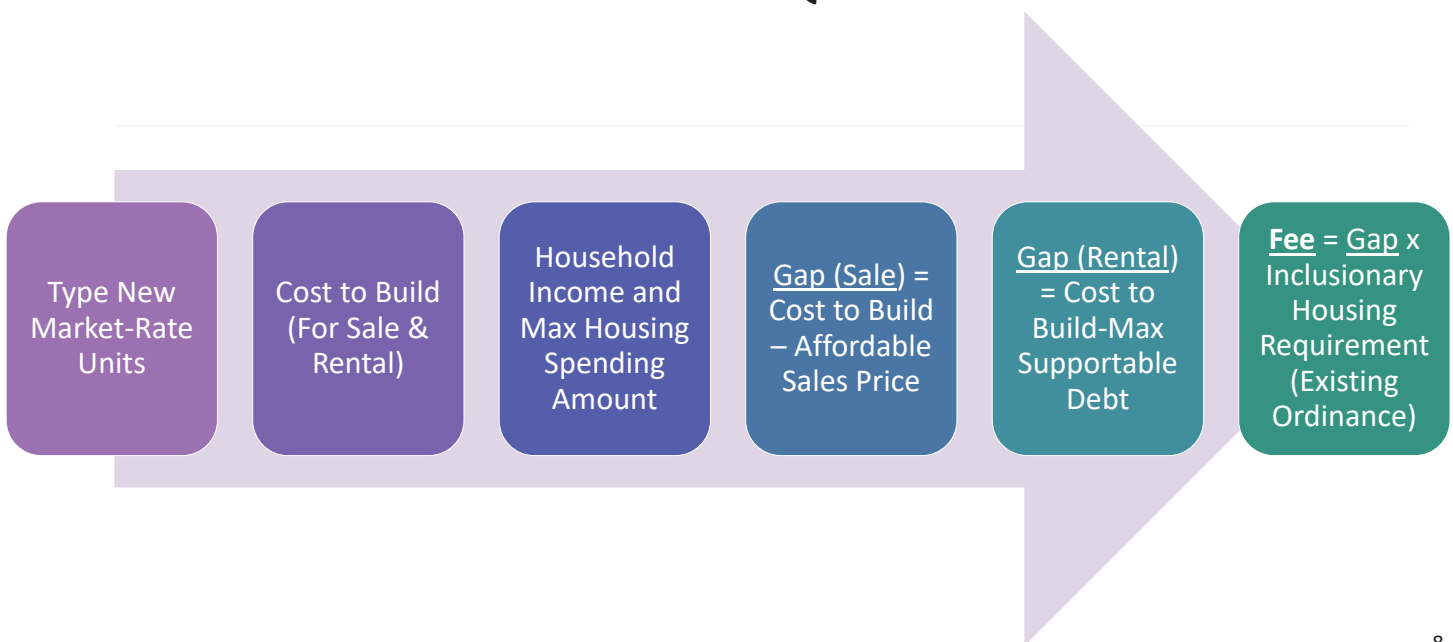
## EXISTING CITY AFFORDABLE HOUSING PAYMENT (IN-LIEU FEE)

- Developers Can Pay In-Lieu Affordable Housing Payment Instead of Including Affordable Units
  - **Ownership units**
    - ✓ 1% of sales price each market-rate unit (minimum of \$5,000/unit)
  - **Rental units**
    - ✓ \$7,735/market-rate unit

## AFFORDABLE HOUSING IN-LIEU FEE NEXUS STUDY

- Two Different Analyses Included in Study
  - #1 – Inclusionary Equivalent
    - Updated Costs, Revenues & Affordability Metrics Using City’s Existing Inclusionary Housing Ordinance Requirements on Fees
  - #2 – Demand Based Nexus Study
    - Demand for Affordable Units Resulting from Market-Rate Unit Construction
- ***Common Data Point in Both Analyses – Affordability Gap (same for each)***

## METHODOLOGY - INCLUSIONARY EQUIVALENT



## AFFORDABILITY GAP – **FOR SALE** (BOTH SCENARIOS)

For-Sale Affordability Gap				
Unit Type	Income Level	Max Mortgage	Dev Costs/ Unit	Affordability Gap/Unit
Single Family	Low	\$261,012	\$708,035	\$447,023
Multi-Family		\$249,565	\$618,099	\$368,534
Single Family	Moderate	\$391,166	\$708,035	\$316,869
Multi-Family		\$379,895	\$618,099	\$238,204

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## AFFORDABILITY GAP – **RENTAL** (BOTH SCENARIOS)

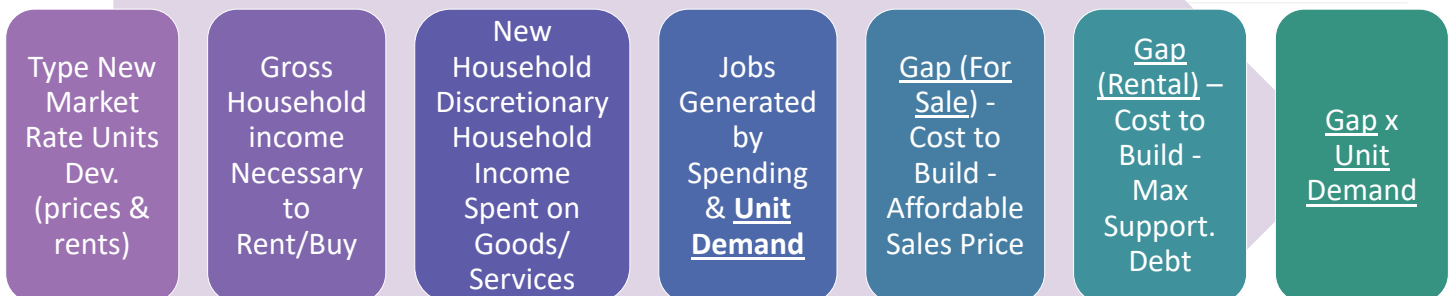
Rental Affordability Gap				
#		Very Low	Low	Moderate
1	Max Income Available for Rent	\$1,308	\$2,093	\$2,934
2	Annual Gross Rental Income (#1 * 12 mos.)	\$15,696	\$25,116	\$35,208
3	Estimated Annual Expenses	\$8,285	\$8,756	\$9,260
4	Net Operating Income (#2 - #3)	\$7,411	\$16,360	\$25,948
5	Available for Debt Service (#4 * 1.25 debt service coverage)	\$5,929	\$13,088	\$20,758
6	<b>Supportable Debt (loan @ 6% int., 30 year term)</b>	<b>\$82,408</b>	<b>\$181,916</b>	<b>\$288,523</b>
7	<b>Development Costs</b>	<b>\$416,231</b>	<b>\$416,231</b>	<b>\$416,231</b>
8	<b>Affordability Gap</b>	<b>\$333,823</b>	<b>\$234,315</b>	<b>\$127,708</b>

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## AVERAGE – FOR SALE AND RENTAL (BOTH SCENARIOS)

Average Affordability Gap - Sale and Rent				
HH Generated per Market-Rate Unit Developed	For Sale		For Rent	Average Affordability Gap
	Single Family Unit	Multi-Family Unit	Multi-Family Unit	
Very Low Income (0-50% AMI)	n/a	n/a	\$333,823	\$333,823
Low Income (50-80% AMI)	\$447,023	\$368,534	\$234,315	\$349,957
Moderate Income (80-120% AMI)	\$316,869	\$238,204	\$127,708	\$227,594

## METHODOLOGY - DEMAND-BASED



## DEMAND FOR AFFORDABLE UNITS RESULTING FROM MARKET-RATE DEVELOPMENT

Affordable Unit Demand Generated			
HH Generated per Market-Rate Unit Developed	For-Sale Single Family Unit	For-Sale Multi-Family Unit	For-Rent Multi-Family Unit
Very Low Income (0-50% AMI)	0.066	0.051	0.039
Low Income (50-80% AMI)	0.124	0.081	0.061
Moderate Income (80-120% AMI)	0.148	0.109	0.082
Over 120% AMI	0.189	0.151	0.114
<b>Total Households Generated</b>	<b>0.527</b>	<b>0.392</b>	<b>0.296</b>

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## FINDINGS & PROPOSED FEES

Land Use	Inclusionary Requirement	Afford. Level (AMI)	Afford. Gap per Unit	Fee/Unit	Total Fee/Unit	Average Fee Other Cities	Proposed Fee
SFD	10%	Up to 80%	\$447,023	\$44,702	\$44,702	\$36,026	\$36,000
MF Sale	10%	Up to 80%	\$368,534	\$36,853	\$36,853	\$34,951	\$35,000
MF Rent	5%	50-80%	\$234,315	\$11,716	\$28,407	\$23,147	\$28,000
	5%	Up to 50%	\$333,823	\$16,691			

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## NEXT STEPS

- May 19th - City Council and First Public Hearing
- June 2nd - Second Reading of Ordinances
- Fees Effective 60 days After Final City Council Action
- City will Update Inclusionary Housing Ordinance as Part of General Plan Update

## QUESTIONS



# MEMO



DATE: April 24, 2020

TO: Housing and Economic Development Committee

FROM: Jeffrey Lambert, Community Development Director  
Emilio Ramirez, Housing Director  
Kathleen Mallory, Planning & Sustainability Manager  
Elsa Brown, Affordable Housing Manager  
Alison Bouley, Senior Director, Municipal + District Finance  
Hitta Mosesman, Senior Director, Community Economics + Housing Solutions  
Harris & Associates

Subject: April 28, 2020 Committee Item No. D.1 - Development Impact Fee: Affordable Housing In-Lieu Fee and Inclusionary Housing

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The above committee staff report did not provide a summary of the April 8, 2020 community meeting with representatives of the affordable housing community regarding the proposed Affordable Housing In-Lieu Fee Nexus Study. This was a staff oversight.

The following summarizes comments received at this meeting in addition to written comments staff received following this meeting. On April 8, 2020, City staff scheduled a virtual meeting and presentation (due to the shelter-in-place directive resulting from the COVID-19 Pandemic) to provide detailed information on the Affordable Housing In-Lieu Fee Nexus Study (prepared by Harris and Associates) for local housing advocates, developers and other interested parties. Although 17 participants joined the on-line presentation, not everyone's identity was visible to other participants during the meeting. To staff's knowledge, the following were in attendance during the virtual meeting:

- Barbara Macri-Ortiz
- Maury Ruano, People's Self-Help Corporation
- Gail Weller Brown
- Mark Pettit
- Sal Gonzalez
- Eduardo Espinoza, Cabrillo Economic Development Corporation
- House Farm Workers Distribution Group
- Jeffrey Lambert, Community Development Director
- Emilio Ramirez, Housing Director
- Kathleen Mallory, Planning & Sustainability Manager
- Elsa Brown, Affordable Housing Manager
- Alison Bouley, Harris & Associates
- Hitta Mosesman, Harris & Associates

Hitta Mosesman led a powerpoint presentation that walked participants through the assumptions utilized in the Nexus Study, including the precise dollar amounts for housing costs, rents, mortgage costs, utilities, development costs, rents, income levels, unit affordability and the requirements of the City's existing Inclusionary Housing ordinance. Ms. Mosesman also presented flow charts showing a step-by-step process of how this information

was used to calculate the difference between the cost to develop affordable units and the amount of revenue those units generate through sales prices (in the case of for-sale housing) or the maximum supportable debt for financing (in the case of rental housing) at different affordability levels. It was specified that this difference is the “affordability” gap. Additionally, it was explained that the resulting affordability gap numbers were then applied to the required percentages of units that must be affordable including the levels of affordability (i.e., very low and low income units) in the City’s existing inclusionary housing ordinance to calculate the updated in-lieu fees contained in the report.

At the conclusion of the presentation, City staff and Harris took questions from participants. Ms. Macri-Ortiz had the following questions and comments. Staff’s response to these comments follows in italics:

- Ms. Marci-Ortiz expressed concern that the fee should reflect the actual price of the cost to construct the affordable units, not what the other cities are doing. *Harris and City staff responded that the “Proposed Fees” contained in the Study are based on the Inclusionary Equivalent methodology, which applies the calculated affordability gap to existing inclusionary housing percentage requirements as contained in the City’s existing and current Inclusionary Housing ordinance. Additionally, the fees under this methodology are adjusted lower somewhat to be more consistent with the in-lieu fees from several surrounding cities so that housing development as a whole would not be reduced as a result of Oxnard having higher fees than nearby cities.*
- Ms. Marci-Ortiz stated that the City’s existing Inclusionary Housing Requirement, as contained in the ordinance, should require a higher percentage of affordable units when market rate housing is built. In other words, the total percentage of units that must be affordable as part of housing development projects should be higher than the 10% contained in the existing ordinance. She also stated that fees should be high enough so that developers choose to develop the affordable units in, and included as part of, development projects rather than paying an in-lieu fee. *City Staff replied that this is a policy decision for the City and they will coordinate with her in the process of updating the Inclusionary Housing ordinance.*
- Ms. Marci-Ortiz expressed concern that the maximum housing costs in the Nexus Study did not take into account utilities and maintenance, and insurance. *Harris staff confirmed that the Nexus Study did include costs for utilities, insurance, homeowners association fees, property taxes, etc. and referenced the tables in the Nexus Study that provide this information.*
- Ms. Marci-Ortiz expressed concern with the rents identified in Nexus Study - that the rents looked higher than they are supposed to be and that rents are not going to be at the maximum housing affordability costs. *Harris staff clarified that the rents identified in the Nexus Study are based on the maximum amount that a very low, low and/or moderate income household could pay for rent, pursuant to data from the US Department of Housing and Urban Development (HUD) for Ventura County. HUD data on income and rents are required data points in affordable housing development and implementation.*
- Ms. Marci-Ortiz stated that it was unclear whether the Demand-Based Methodology or the Inclusionary Equivalent Fee Methodology was used in the Nexus Study. *Harris staff replied that the Nexus Study examines two (2) different methodologies related to the need for affordable housing units when market-rate housing is developed. The first methodology is the Inclusionary Equivalent Fee Methodology which applies the calculated affordability gap to existing inclusionary housing percentage requirements as contained in the City’s existing and current Inclusionary Housing ordinance. The second methodology is Demand-Based Methodology which applies the calculated affordability gap to the demand for affordable housing generated by the development of market rate housing, as determined by the economic modeling software, IMPLAN. Although both methodologies are presented in the Nexus Study, Harris staff replied that the first methodology was the focus for the recommended “Proposed Fees” in coordination with City*

staff because the in-lieu fees from the Inclusionary Equivalent Analysis were closer to the average of surrounding cities.

- Ms. Marci-Ortiz expressed concern with the “Proposed Fees” which are lower than the Inclusionary Equivalent fees identified in the Nexus Study. *Harris and City staff explained that the “Proposed Fees” are the Inclusionary Equivalent fees that have been adjusted to be lower and consistent with surrounding communities to avoid discouraging developers from building in Oxnard due to higher fees. Developers build when the project “pencils” or is financially feasible - adding a fee adds to the cost to build. City staff explained that the fee needs to balance constructing units while not discouraging development in the City and driving it to a neighboring city.*
- Ms. Marci-Ortiz expressed that it doesn’t do any good to bring housing development to the City when the housing is not affordable. Densities should increase as land inventory diminishes and that the community doesn’t need more single-family housing. *Harris and City staff explained that the decisions pertaining to the required inclusionary percentage of affordable housing units and density were both policy issues which would be comprehensively evaluated as part of the update to the City’s inclusionary housing ordinance. Based on further discussions with Ms. Marci-Ortiz, staff recommends that the HEDC provide a recommendation to the City Council to direct City Staff to begin a more comprehensive update to the inclusionary housing ordinance simultaneously with updating the City’s Housing Element.*
- Ms. Marci-Ortiz stated the proposed fees should be closer to the fees calculated in the Study. *During a subsequent conversation with Ms. Marci-Ortiz, she stated that she believes the “Proposed Fees” should equal the exact amount of the Inclusionary Equivalent fees (as shown in the Nexus Study) with no adjustments made based on the average in-lieu fees of other cities.*

### **People’s Self Help Housing Corporation/Maury Ruano and Eduardo Espinoza/Cabrillo Economic Development Comments**

At the April 8th virtual meeting Mr. Ruano asked questions regarding the existing fee, and how it was implemented. He also provided input on cities which he felt had good Nexus Studies. Following his oral comments on the 8th on April 17th, Ms. Ruano submitted a comment letter (see Attachment 1). In this letter he recommended the adoption of a fee structure that is based on the best two examples of programs People Self-Help Housing Corporation has successfully seen and directly participated in, those administered by the City of San Luis Obispo and the City of Goleta. In response to this comment staff is researching these programs.

On April 8th, staff received an email from Mr. Espinoza (see Attachment 2 - Cabrillo Economic Development) reinforcing the concerns expressed by Ms. Marci-Ortiz and Maury Ruano during the virtual meeting. He also indicated that the fee amount seemed low as compared to the cost of actually building an affordable housing unit.

### **Inclusionary Housing Ordinance/Housing Element**

The City has kicked off work on the City’s 2021-2029 Housing Element. As a result of the in-Lieu Nexus Study and evaluation of components of the City’s existing inclusionary ordinance, a comprehensive update to this ordinance is needed. The existing ordinance contains policy directives which require comprehensively rethinking. Through community outreach regarding the Nexus Study this became abundantly clear.

Staff recommends that as part of recommending that the City Council adopt the Affordable Housing Ordinance (recommendation no. 3.), that the HEDC provide a recommendation to the City Council to comprehensively update the City’s inclusionary housing ordinance simultaneously with update of the City’s Housing Element. Should the HEDC concur with this amended recommendation, this will be reflected in the City Council Nexus Study staff report.

**ATTACHMENTS:**

April 17, 2020 People's Self Help correspondence

April 8, 2020 Email Eduardo Espinoza



April 17, 2020

Kathleen Mallory  
City of Oxnard

**Re: Oxnard Draft Inclusionary Housing Ordinance Fee  
Peoples' Self-Help Housing's Comments**

Dear Ms. Mallory,

Peoples' Self-Help Housing ("PSHH") would like to thank you for hosting the Draft Inclusionary Housing Ordinance Fee and Fee Methodology Presentation and for seeking feedback from non-profit housing developers and stakeholders.

PSHH is a non-profit affordable housing development organization with a mission to build permanent, supportive housing with site-based services that offer opportunities to change lives and strengthen communities. To date, PSHH has produced over 3,000 affordable homes for rent and for sale, for low-income families, seniors, farmworkers, those with special needs and veterans. We have developed in nearly 30 different jurisdictions within the tri-counties area, and look forward to further partnering with communities throughout the Central Coast, including Oxnard, to create more opportunities for accessible, affordable housing.

We hope the feedback that you receive from all the stakeholders will result in a better Inclusionary Ordinance In-lieu fee policy, including those like us who have had significant experience using the inclusionary ordinances' incentives and leveraging local in-lieu fee funds. One of the biggest concerns most communities in which we work try to balance their inclusionary program, is not make it overly restrictive to reduce needed housing to be built, while maximizing the contribution that developments make toward affordable housing production. We are firm believers that In-Lieu Fees need to be both realistic and meaningful.

Our recommendation is for the City staff to consider recommending the adoption of a fee structure that is based on the best two local examples of programs that we have successfully seen and directly participated in, those administered by the City of San Luis Obispo and the City of Goleta. Both communities' programs are incenting sizable market rate housing projects to



move forward and built, along with producing significant affordable housing for lower-income residents as well, so are tried and truly market tested for feasibility.

I am happy to discuss this topic in greater detail if you have any questions. And we can potentially connect you further to key planning staff members at the cities referenced above. I can be reached by phone at 805-699-7239 or by email at [mauryr@pshhc.org](mailto:mauryr@pshhc.org) to arrange a call.

Sincerely,

*Maury Ruano*  
Maury Ruano



Brown, Elsa <elsa.brown@oxnard.org>

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## Inclusionary housing ordinance fee

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Eduardo Espinoza <EEspinoza@cabrilloedc.org>

Wed, Apr 8, 2020 at 10:56 AM

To: "Brown, Elsa" <elsa.brown@oxnard.org>

Cc: Jim Bizzelle <JBizzelle@cabrilloedc.org>

Good morning Elsa,

Thank you for hosting the discussion this morning regarding the inclusionary housing fee. I apologies that I did not have microphone capabilities and could not voice any comments. However, I do share the same questions and concerns as our colleagues Barbara Marci Ortiz and Maury Ruano expressed. Please take note that the fee amount as presented in Slide 14 seems low as compared to the cost of actually building an affordable housing unit. Also, the fee should be as calculated vs an average since Oxnard's demographics are not reflective of the housing and affordability conditions County wide.

Please keep us posted of any updates and committee/city council meetings that will occur.

Thank you

**Eduardo Espinoza**, Director of Real Estate Development

Cabrillo Economic Development Corporation

702 County Square Drive, Suite 200 | Ventura, CA 93003

Tel (805) 659-3791 x114 | Fax (805) 659-3195 | Mobile (805) 561-8491

eespinoza@cabrilloedc.org





**HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE  
AGENDA REPORT**

**REPORTS  
AGENDA ITEM NO. D.2**

**DATE:** April 28, 2020  
**TO:** Housing and Economic Development Committee  
**FROM:** Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org  
**SUBJECT:** Award of Contract for the Kitchen Rehabilitation Project at Palm Vista. (5/5/5)

**RECOMMENDATION**

That the Housing and Economic Development Committee recommend the City of Oxnard Housing Authority Board of Commissioners approve and authorize the Chairman to execute a firm-fixed price contract in the amount of \$577,165 with Bentley Construction Group, Inc. (Agreement number A-8215).

**BACKGROUND**

The project involves an an extensive rehabilitation of 89 kitchens, including replacement of kitchen cabinets, sinks, faucets and range hoods, at Palm Vista (801 S C Street). In January, the OHA solicited bids for the rehabilitation of the kitchens. During the solicitation period six bids were received and evaluated. Bentley Construction Group, Inc. was considered to be the lowest and responsive bidder.

The project schedule is 120 days. The project manager will notify the residents based on the work schedule to stay out of the kitchen area during construction hours as much as they can. However, the contractor is expected to work with the tenants if they decide to stay home and use the refrigerator and/or stove during construction. City staff will also ask the residents to empty their kitchen cabinets a day before the construction. However, if some stuff is left in the cabinets the contractor is expected to work with the residents to items out of the way.

**STRATEGIC PRIORITIES**

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to establish, preserve and improve our infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding. This item supports the following goals and objectives:

Goal 4. Ensure proper construction and maintenance of infrastructure to provide maximum benefit with lowest life cycle cost following CIP plans.

Objective 4a. Implement CIP plans.

Objective 4b. Catch up on deferred maintenance for City facilities.

## **FINANCIAL IMPACT**

On April 2, 2019, the budget for the 2019 Capital Fund Grant was approved by the Housing Board of Commissioners. That approval included \$250,000 was appropriated for the Palm Vista Kitchen Rehabilitation project. On April 2, 2019, the OHA was estimated the grant award to be \$1.5 million. However, the HUD appropriation was \$2.2 million.

The OHA is using these appropriations for this project. The \$577,165 project will be funded by Public Housing Capital Fund Grants. There is no impact to the general fund.

*Prepared by: Rhonda Hodge, Housing Finance Officer*

## **ATTACHMENTS**

1. Attachment No. 1 - Capital Improvement Contract A-8215
2. Power Point - Award of Contract for Kitchen Rehabilitation Project at Palm Vista

## CAPITAL IMPROVEMENT CONTRACT

Contract No: **A-8215**

Name of Contractor: Bentley Construction Group, Inc.

Address: 240 Ford Avenue, Ventura, CA 93003

Project description: Kitchen Rehabilitation Project at Palm Vista (CAL 31-8)

This Capital Improvement Contract ("**Contract**") is made at Oxnard, California, as of this 19<sup>th</sup> day of May 2020 between the City of Oxnard Housing Authority, called herein the "**Authority**", and the above-named contractor ("**Contractor**") for the construction of the capital improvement project described herein. The parties hereto agree as follows:

### I. Type of Contract

This contract is a firm-fixed price contract as defined by 2CFR Part 200 and the Department of Housing and Urban Development (HUD) Handbook 7460.8, Rev. 2.

### 2. Contract Price

Contractor shall perform the work described in **Exhibit A**, attached hereto and incorporated herein by this reference, Authority shall pay Contractor, as described in **Exhibit B**, attached hereto and incorporated herein by this reference, in full payment for said work, the following sum: **\$577,165**.

The above sum includes all taxes and the costs of any required bonds, required certificates and permit fees.

### 3. Payment Schedule

Authority shall pay Contractor no later than 30 calendar days after Authority accepts Contractor's invoices and Authority shall make final payment no later than 60 calendar days after Authority has issued and approved a certificate of completion for the work contemplated herein, provided that the Authority may withhold from progress payments an amount equal to 5 percent of the progress payment and may withhold from final payment an amount sufficient to protect the Authority from disputes equivalent to 150 percent of the value of any disputed amount of work.

### 4. Scope of Work

Contractor shall furnish all tools, equipment, apparatus, facilities, labor and materials necessary to, and shall perform and complete in a good, safe and workmanlike manner, the work described in Exhibit A.

## 5. Contract Documents

The complete Contract consists of all the following, which are specifically incorporated herein by reference:

- a. Change Orders
- b. Contract Amendments –
- c. This Contract
- d. Amendments to HUD Form 5370
- e. HUD Form 5370 General Conditions for Construction Contracts – Public Housing Programs
- f. Specifications
- g. Plans
- h. Permits
- i. Contractor's bid proposal and list of subcontractors (if applicable).
- j. Addenda to Notice Inviting Bids:
- k. The Notice Inviting Bids
- l. Performance and payment bonds as required by the specifications and applicable law. Unless otherwise specified, each such bond shall be 100 percent of the Contract price.
- m. Insurance as required by the specifications and applicable law.
- n. All applicable wage determinations, safety and health regulations, non-discrimination provisions, labor standards, and requirements if the Contract is federally assisted. This includes but is not limited to such items enumerated in the specifications and addenda thereto.

## 6. Indemnity

Contractor agrees to indemnify, hold harmless and defend Authority, its Commission, and each member thereof, and every officer, employee, representative or agent of Authority, from any and all liability, claims, demands, actions, damages (whether in contract or tort, including personal injury, death at any time, or property damage), costs and financial loss, including all costs and expenses and fees of litigation or arbitration, that arise directly or indirectly from any acts or omissions related to this Agreement performed by Contractor or its agents, employees, Subcontractors, Contractors, and other persons acting on Contractor's behalf. This agreement to indemnify, hold harmless and defend shall apply whether such acts or omissions are the product of active negligence, passive negligence, willfulness or acts for which Contractor or its agents, employees, subcontractors, consultants and other persons acting on Contractor's behalf would be held strictly liable.

## 7. Time for Performance

The time limit for the completion of the work is **120 working days** after receipt of the Notice to Proceed.

Contractor shall not perform any work until the Authority issues a Notice to Proceed. Work will be completed within the time limit specified above and in the Notice to Proceed.

8. Acknowledgement

Contractor by signing hereunder acknowledges that he has reviewed all the foregoing documents and agrees with the requirements, conditions and covenants contained therein.

CITY OF OXNARD

BENTLEY CONSTRUCTION  
GROUP, INC

\_\_\_\_\_  
Tim Flynn  
Chairman

\_\_\_\_\_  
Ernest Bentley  
President

APPROVED AS TO FORM:

APPROVED AS TO INSURANCE:

\_\_\_\_\_  
Stephen M. Fischer,  
Housing General Counsel

\_\_\_\_\_  
Rhonda Hodge  
Housing Finance Officer

APPROVED AS TO COMPLIANCE:

\_\_\_\_\_  
Rhonda Hodge  
Contract Administrator

**SECTION A**  
**SPECIFICATIONS/SCOPE OF WORK**

**Kitchen Rehabilitation Project**  
**CAL 31-8 Palm Vista Apartments**

The purpose of the project is to remodel and improve the existing kitchens by replacing the existing cabinets with higher quality cabinets and amenities that would be more durable and more suitable for public housing residents.

**Scope of Work:**

Scope of work includes but is not limited to the following.

A: Prepare documentation and apply for permits. Use provided documents and/ or provide additional documentation and information, if needed, until the permits are approved. Pay for and pull all the required permits for 89 units. (See Drawings & addresses below)

Call for inspection as required and get a final sign off, from the inspectors, on each permit.

B: Remove and dispose of (recycle) the existing wall cabinets, base cabinets, and countertops in 89 units.

Also remove and dispose of range hoods, kitchen sinks, kitchen faucets, p-trap, extension pipes, and garbage disposal (if any) etc. in all units and install new ones as specified in the specification section below.

**Note 1:** A few units may have **garbage disposal** which shall be removed and recycled but will not be replaced.

**Note 2:** When removing the wall cabinet, salvage the existing ductwork for the range hood passing through the wall cabinets

**Clean-outs:** before installing the base cabinets, adapt and install a clean-out with a screw-on cap on the exposed horizontal section of the drain lines in every unit. A horizontal -y- clean-out to match the existing drain line in size and in material will do the job. Face the clean-out towards the base cabinet door and extend it closer to the door.

**Note:** Contractors will need to make holes on the side wall of the sink cabinet and adjacent base cabinet to be able to install the clean-out, install and/or adjust the drain lines.

C: Supply and fit installation of all base cabinets, wall cabinets, and countertops including fillers and moldings where needed in all units (See drawings).

**Note 1:** Please note that contractors are required to provide shop drawings of the new cabinet layouts for approval prior to installation. The drawings must present the best fit possible; that is the most efficient lay out that could possibly be fit in the kitchens. The existing cabinets seems to be built in place cabinets. Their height and sizes may not match the standard sizes available in the market. Contractors to design the layout (shop drawings) and install the new cabinets to match the existing layout as much as possible. (See the proposed new kitchen interior elevations)

**Note 2:** The base of the existing base cabinets is about 21.5". Contractors to make sure the new base cabinets, once installed, cover the existing vinyl flooring properly. If a gap is seen on the floor, the contractor shall add an additional wood base over the base of the cabinet **or** install spacer blocks behind the cabinet to make up for the short width and cover the gap, whichever is easier for them to do.

**Note 3:** Contractor will need to make square holes on the sides of 2 wall cabinets to allow the existing duct work be re-used for the new range hood.

**LED Undercabinet Light:**

Supply and install an 18" undercabinet LED light above kitchen sink.

Use the existing recessed J-box on the ceiling to supply power to the new LED light through the ceiling and the top and behind the wall cabinet. Provide and install required new mounting J-box and wiring from the J-box through the cavity on the top and behind the wall cabinet to power the newly installed undercabinet light fixture in compliance with the Electrical Code. Install conduit to cover the wiring where they are exposed on the ceiling.

D: In some units, we have observed negative drop on the drain lines. Contractors to correct the slop of these drain lines during replacement of the p-traps and drain lines as much as possible.

E: Supply and properly install and seal new range hoods, new kitchen sink, new kitchen faucet, new supply lines, new p-trap, and new angle stops per contract and per specifications in each unit. In installation of these items allow for any modification that may be required to be done on the existing plumbing lines and ductwork depending on the size and style of the fixtures.

**Range Hood:**

Existing range-hoods are fake and do not have a motor. The contractor to supply and install new range hoods, as specified, under the wall cabinet above the stove. Use the adjacent electrical outlet to supply power to the new range hoods through the wall and behind the wall cabinet as needed in compliance with the Electrical Code. Also connect and seal the new range hood to the existing duct work for proper ventilation.

F: Finish the job by installing ¼" round matching moldings at all exposed corners including wall cabinets exposed sides and tops under the ceiling and at the toe boards of the base cabinets to cover the gaps of the existing floor covering in the kitchen. Apply clear silicon on the top of countertops and open joints and anywhere else where needed.

G: Supply paint and paint the affected area on the walls and ceiling to match existing paint as needed basis. (Paint specs will be provided.)

H: Clean up the kitchen area in each unit properly on a daily basis and after the job is completed.

**Location of the Project:**

The project site is located at 801 South C Street in Oxnard, California. (See floor plans)

Units 112, 113, 114, and 115 on the 1<sup>st</sup> floor and 85 units on the 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> floors, 17 units per floor.

**Note:** Parking spaces are limited in the area and usually numbered and assigned to the residents. The contractors may park on the parking spaces for the guests (Not numbered) or on adjacent 8<sup>th</sup> and 9<sup>th</sup> Streets, where available, and they will be responsible for their own violations.

**Drawings:**

Drawings in this section include, existing site plan, existing unit plan, existing kitchen floor plans with existing kitchen cabinets layout for a typical unit, and typical elevation view of the existing kitchen cabinet in each unit, plus a proposed

layout and elevations of the new cabinets. (See Plans / 7 pages).

**Note:** The dimensions given on the drawings are for bidding purposes only. The actual dimensions may vary by 1-2 inches more or less. Since the project is a retrofit project the contractor is required to accurately measure the existing kitchen walls and areas in each unit and fit the cabinets in place. Please allow for matching fillers in your shop drawings for best fit where needed. (Field verification is required)

**Specifications:**

**Wall and Base Cabinets** (per approved shop drawings)

**CONSTRUCTION:**

Advanta Cabinets, Extreme™ Box Series Construction or approved equal.

**DOOR STYLE:** Advanta Cabinets or approved equal. Raised Panel/ Coronet/ Plantation Hardwood  
Finish: Honey

**DIMENSIONS:**

Wall cabinets Height: 42" above Fridges 24" above Stoves and Sinks 30"  
Wall cabinets Depth: 15"  
Wall cabinets Width: See proposed elevation or as designed by contractors  
Base cabinets Height: 34 ½" Base cabinets Depth: 24" Toe board Height: 4"

**EXTREME CONSTRUCTION:** (See also Advanta Specifications)

**FRONT FRAME** - 3/4" Thick kiln dried solid hardwood. Stiles 1 1/2" wide. Mulls 3" wide. Rails 1 3/4" wide.

**END PANELS:** Nominal 1/2" thick (12mm), multi-ply Type 1 exterior glue hardwood plywood, dados to receive tops and bottoms.

**TOP/BOTTOM PANELS** - Nominal 1/2" thick (12 mm), multi-ply hardwood plywood.

**HANGING RAILS** - Wall cabinets: nominal 3/4" thick (18 mm) x 3" high multi-ply hardwood plywood, running full cabinet length at the top and bottom. Base cabinets: nominal 3/4" thick (18 mm) x 7 1/4" high solid pine running full cabinet width at the top.

**BACK PANEL** - Nominal 1/4" thick (6 mm), hardwood plywood

**SHELVES** -Nominal 1/2" thick (12 mm), multi-ply hardwood plywood, 13 7/8" deep with hardwood veneer banded front edge. Shelves are fixed into dadoes in end panels on all cabinets.

**TOE BOARD:** Toe kick is 4" min. high and recessed 4 9/16", 3/4" thick (18 mm), Alkaline Copper Quaternary pressure treated toe board captured between end panels.

**BASE I-BEAM BRACES** - Two 1/2" x 2 7/8" wide plywood braces running full depth front to back of cabinet. All braces are glued and pinned at top of cabinet to front frame, rear hanging rails and end panels.

**DRAWERS** - 5/8" thick solid wood front, back, and sides with dovetail construction. Drawer bottoms are nominal 1/4" thick (6 mm) multi-ply plywood inserted and stapled into dadoes in all four drawer box sides.

**DRAWER GUIDES** - High quality epoxy coated steel, Extreme grade, side mounted guides, self-adjusting in mounting brackets. Built-in stop, self-closing and stay-closed features with a 100 lb. rated load capacity.

**HINGES:** Heavy duty, high quality steel, concealed 6-way adjustable hinge with self-closing feature.

**FINISH:** Honey: Furniture quality protective finish system on doors, drawer fronts, front frames and veneer end panels consisting of sanding, stain, catalyzed sealer and catalyzed clear top coats. All interior end, top, bottom and back panels are finished plywood with clear sealer and top coat.

**Countertops:**

**CONSTRUCTION:** Hampton Bay Laminate Countertops or approved equal.

- Style: Juparama with Valencia Edge and Integrated Backsplash.
- Design: Premium Design: Mesa Gold 4580K-07
- Build-Up Kit: No miter cut needed, straight cuts only if needed.
- End Cap Kit: No end cap needed
- Install 4 matching side splash per kitchen.

**Under-Cabinet Kitchen Light (wired and installed)**

**Manufacture:** General Electric or approved equal

- 18 inch premium LED direct wire under Cabinet light fixture
- 3000k bright white light, fully diffused with no hotspots
- UL listed with limited-lifetime warranty.

### **Kitchen Range Hood**

**Manufacture:** Broan Buezo24WW or approved equal

- 24 in undercabinet Range Hood with light in White
- 3-1/4 inch x 10 inch ducted opening vent with built-in damper
- 160 CFM Min. with 2-speed fan
- Rocker-type fan with light switches
- Provide and include LED light bulb. **Energy Star** certified fixture is required.
- Provide and include xx" to xx" galvanized vent adapter with flap damper, if needed.

### **Kitchen Sink**

**Manufacture:** Kraus or approved equal

- Standard PRO 18 in, Single Bowl 1 Hole Drop-In Stainless-Steel Kitchen Sink.
- Overall Dimensions :18 inch x18 inch x 10 inch  
Faucet mount: 1 hole  
Durable 16 Gauge min. T304 stainless steel construction

**Note:** Includes sink, drain assembly, dish grid, mounting hardware

10 Year Limited Manufacturer Warranty

### **Kitchen Faucet**

**Manufacture:** Wolverine Brass 85050 chrome (without spray) or approved equal

- Single lever kitchen faucet has 3/8" x 11-1/2" flexible copper w/1/2" male iron pipe brass inlet connections.
- Loop/Lever handle design
- 8" oval spout
- Solid brass crafter body and sleeve
- Solid brass escutcheon
- Stainless steel underbody with 2 tiedown studs
- Triple chrome plated for a durable finish
- Uses ceramic disc cartridge # 85107 with temperature limit stop.
- Lead free. AB 1953 Compliant

- Accessible, ADA Compliant

### **Kitchen Sink Water Supply Hoses (2)**

**Manufacturer:** Wolverine Brass 80906/ or approved equal.

- Fluidmaster no-burst 16" Stainless-steel supply hoses or approved equal.
- Provide water supply hoses for both hot and cold lines.
- Verify length and connections before bidding or ordering

### **Angle Stops (2)**

**Manufacturer:** Wolverine Brass 83423 heavy duty ¼ turn angle stop or approved equal.

- All new angle stops shall have 5/8 Compression inlet and 3/8 Compression outlet connection for the existing 1/2 copper pipes.
- Verify connections and sizes before bidding or ordering.

### **P-Traps & Extensions Lines**

**Manufacturer:** Wolverine Brass 52674/ or approved equal.

- All p-traps will be 1/1/2" PVC Repair Trap with Slip Joint Connection/ adaptor
- All extension lines and connectors shall be heavy duty PVC as needed.

### **Other Specifications:**

- All caulking shall be a good grade kitchen and bathroom white caulking and shall be paintable supplied by contractors.
- All screws shall be rust proof, zinc coated, stainless steel, or equal supplied by contractors. Screws shall be placed on the wall studs for securing support or they shall be anchored to the walls.
- All other material not listed here and/or in the scope of work above shall be Wolverine Brass or approved equal supplied by the contractors.

### **Work Hours:**

**From 8:00 AM to 5:00 PM max. Including 1 hour lunch.**

No work is allowed Saturdays, Sun days and during any official holidays.

Housing Authority is closed every other Fridays. No work is also allowed on the off Fridays.

**Safety and Security:**

The contractor is required to secure the kitchen area during work hours and lunch hours and assure the safety of the residents during construction. We require the contractor to remodel as many kitchens as they can replace each day. This way the units will be secured after complete installation.

**Project Schedule:**

The contractor is expected to complete the job in not to exceed one hundred-twenty **(120) working days**.

**Tenant Notification:**

Based on the above schedule, the contractor is expected to work with the project manager in working out a work schedule. We will notify the residents based on the work schedule to stay out of the kitchen area during construction hours as much as they can. However, the contractor is expected to work with the tenants if they decide to stay home and use the refrigerator and/or stove during construction. We will also ask the residents to empty their kitchen cabinets a day before the construction. However, if some stuff is left in the cabinets the contractor is expected to work with the residents to move them out of the way.

**Construction Debris:**

The contractor shall remove and dispose any generated construction debris from each unit on a daily basis and shall return the unit back to its original situation before construction.

Due to the nature of the job, the amount of debris generated will be a lot and may require installation of additional trash bins on the street. The old cabinets, old counter tops, etc... shall be moved out of the residential units into the trash bin or be taken away out of the site on a daily basis.

**Storage Bin and Trash Bin**

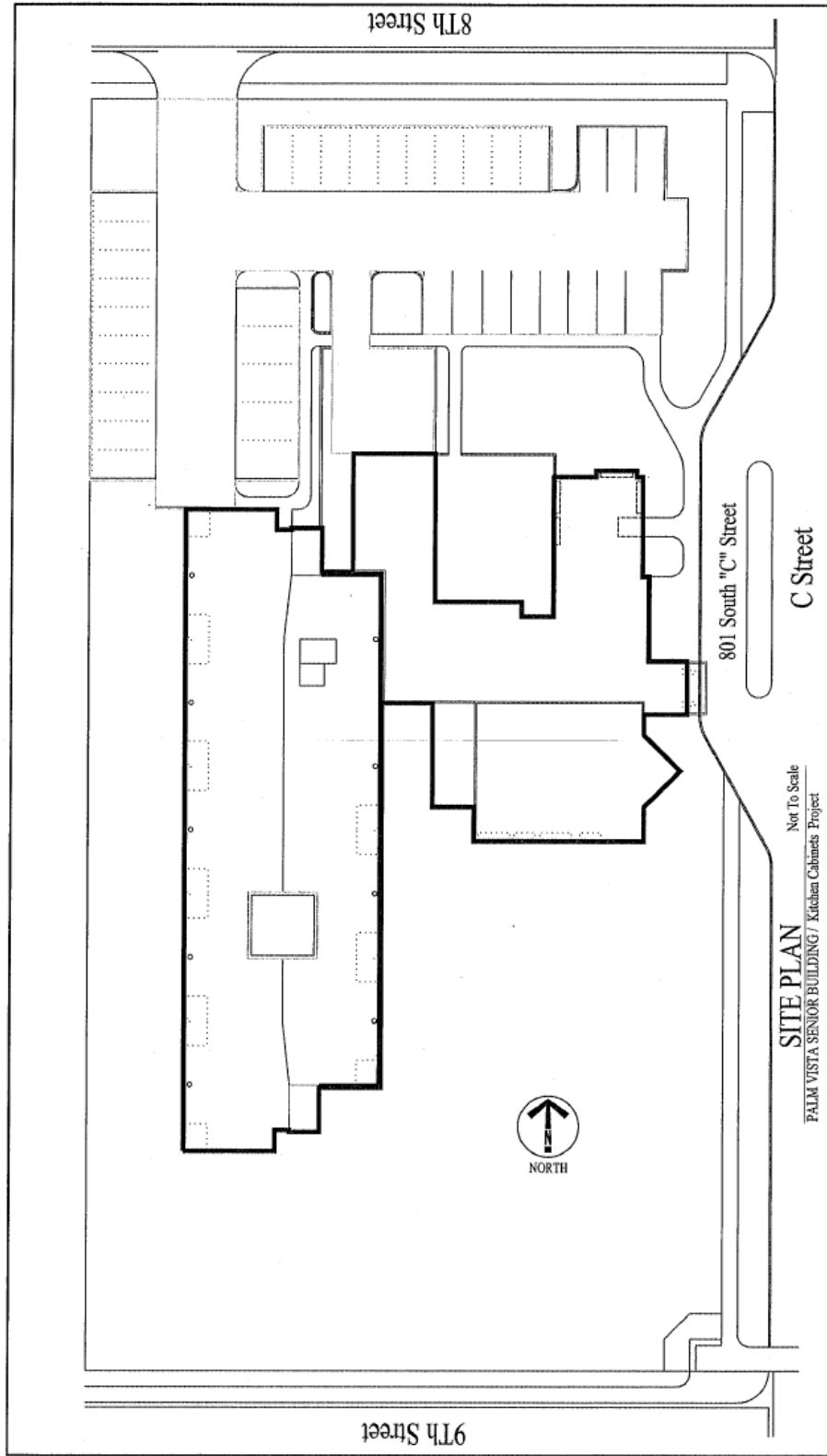
The contractor shall provide bins and/or containers for the temporary storage of the cabinets and other related materials at the job site and/or in a nearby warehouse or in their own warehouse and to coordinate delivery of the cabinets and materials to the job sites on as needed basis whichever is more cost effective and works best for them.

**Warranty:**

The contractor shall warranty the work for a period of **One (1) year** against workmanship and **Five (5) years** for the material by the manufacturer.

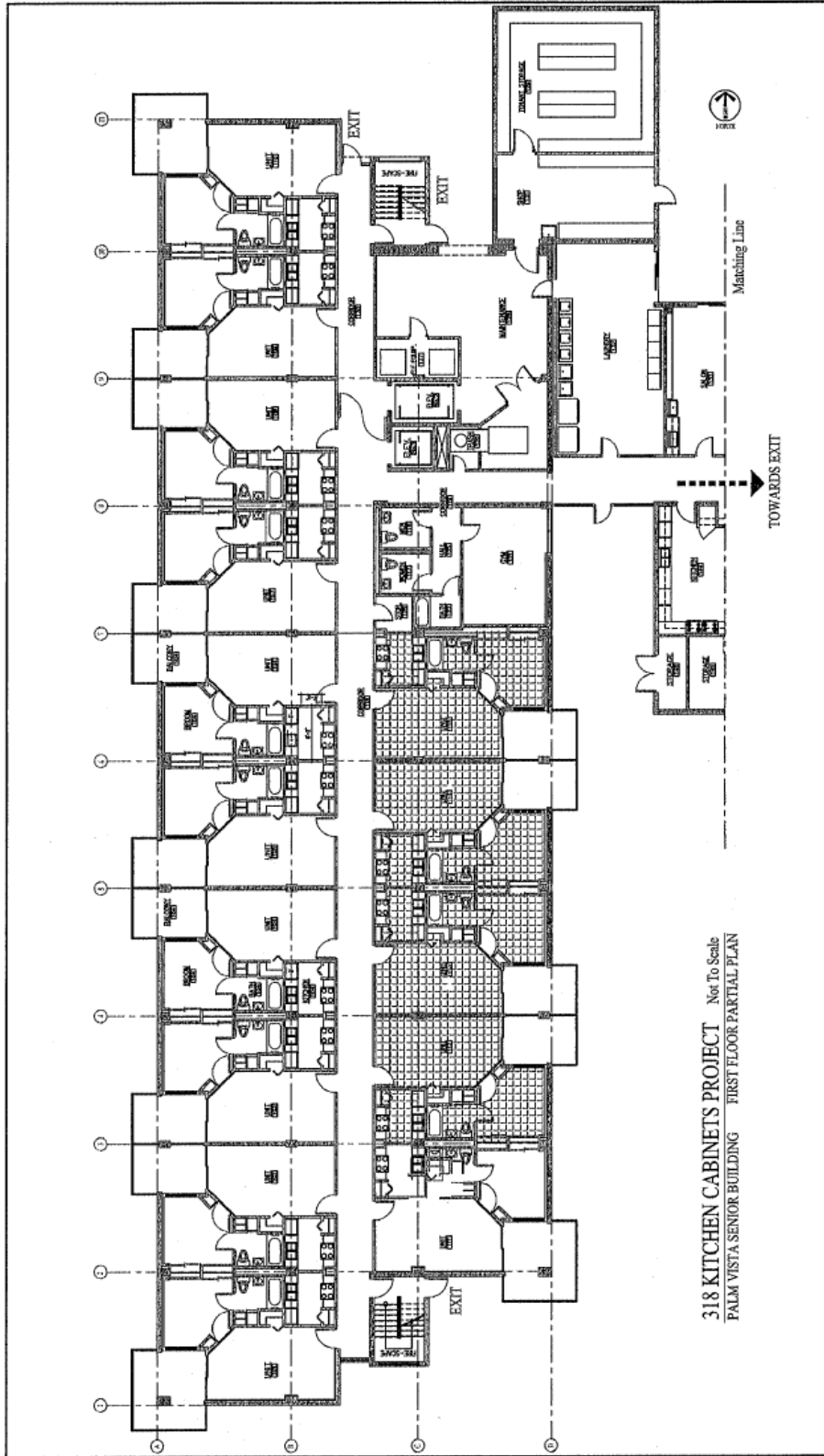
**Final Walkthrough, and Sign off:**

The contractor is required to call for a final walk through with the project manager and/ or the Housing Authority staff after completion of each building at the job sites. Upon approval the contractor may partially bill the Housing Authority for that completed building. All the payments will be pending obtaining a final sign off from the City inspector and turning in those permits.



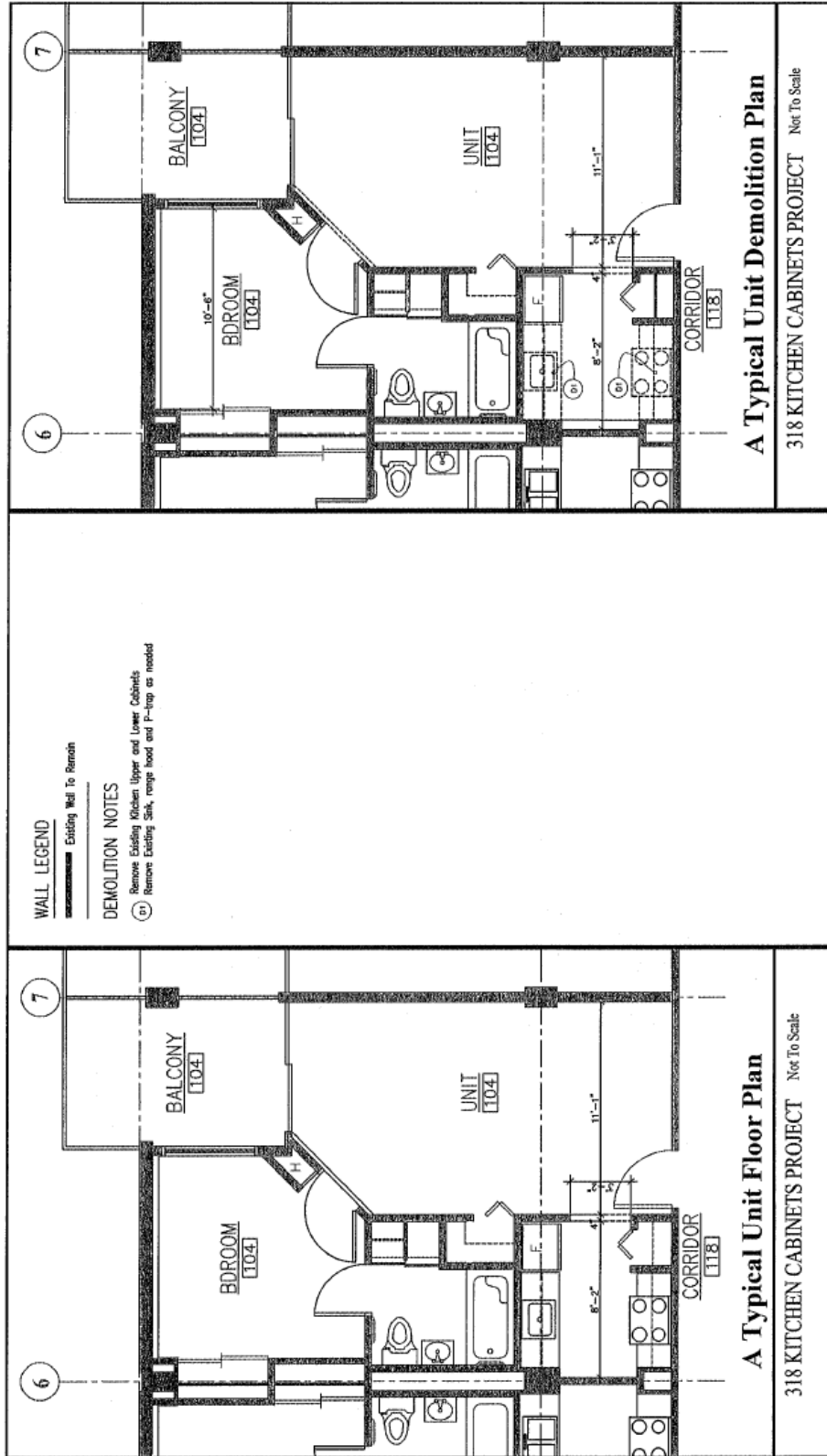
**SITE PLAN**  
 Not To Scale  
 PALM VISTA SENIOR BUILDING / Kitchen Cabinets Project

1

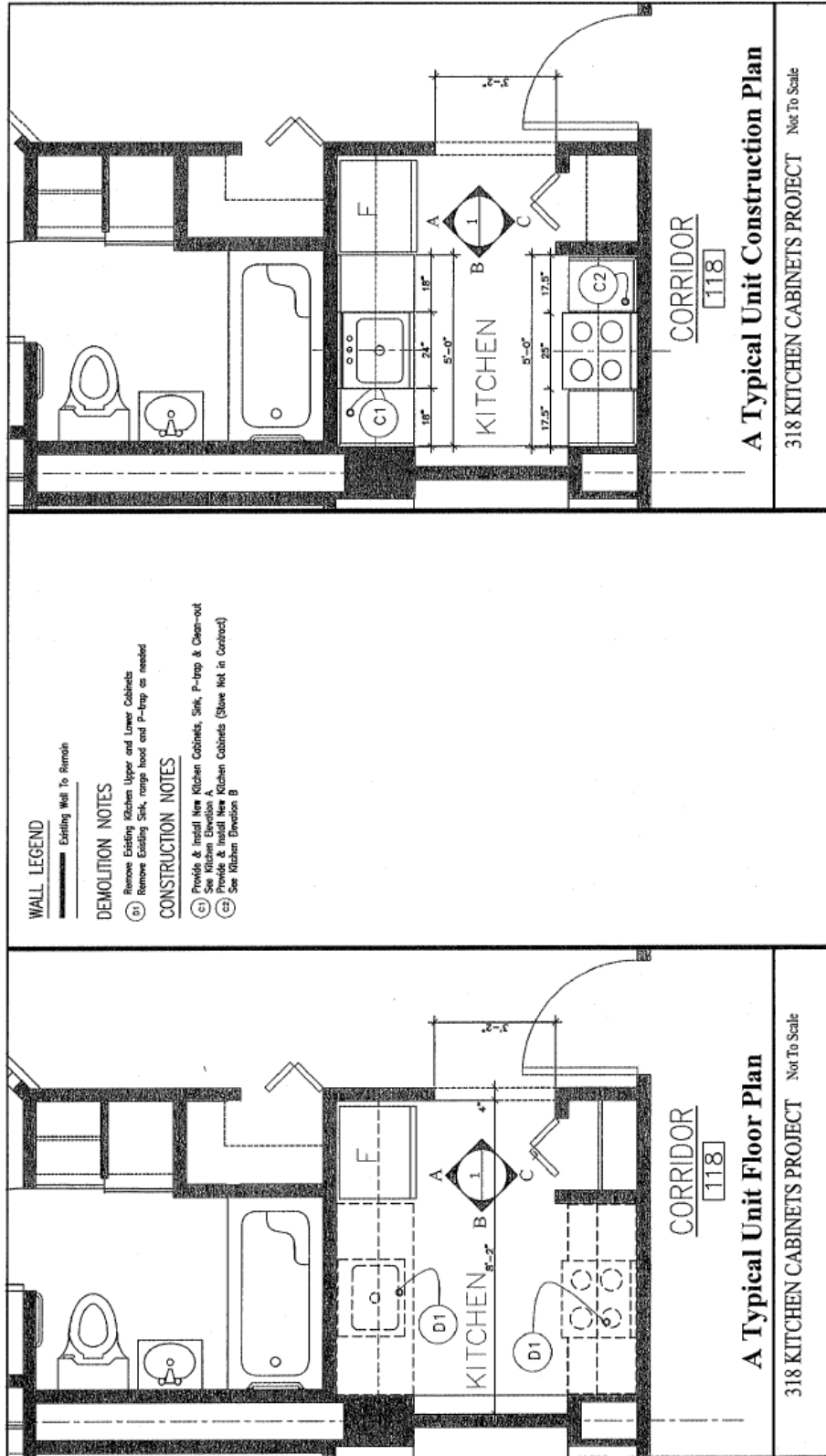


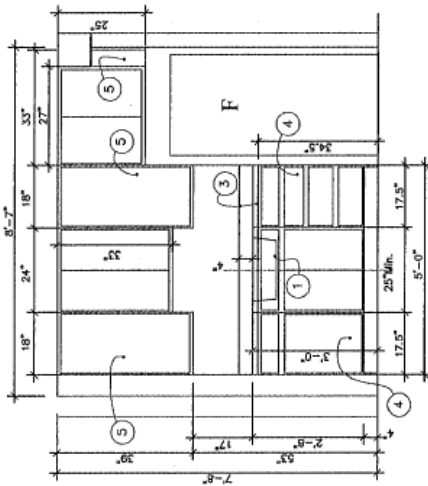
2



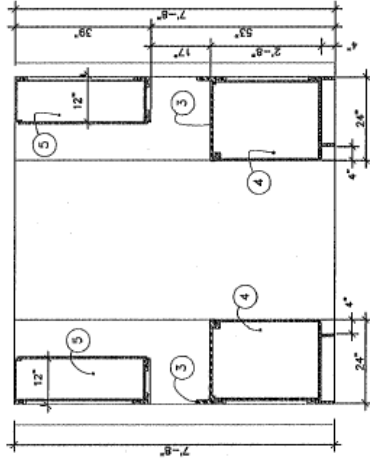


4

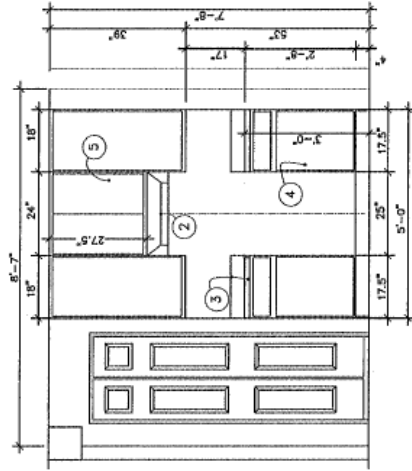




KITCHEN : VIEW A



KITCHEN : VIEW B



KITCHEN : VIEW C

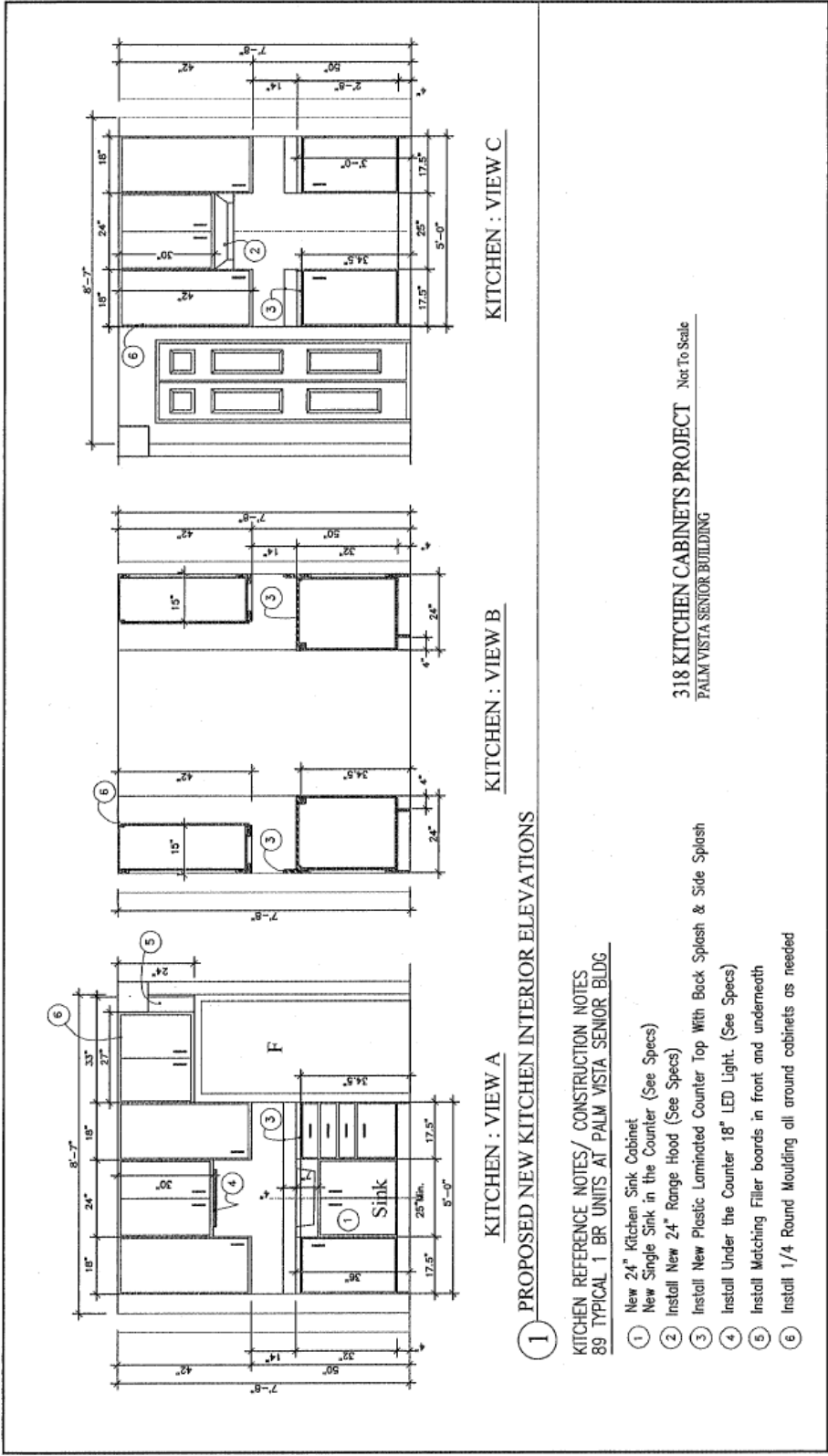
**1** EXISTING KITCHEN INTERIOR ELEVATIONS

KITCHEN REFERENCE NOTES / DEMOLITION NOTES  
 89 TYPICAL 1 BR UNITS AT PALM VISTA SENIOR BLDG

- 1 Remove Existing Kitchen Sink, P-trap, Faucet, and Cabinet
- 2 Remove Existing Range Hood, Salvage the Duct Work
- 3 Remove Existing Counter Top and Back Splash
- 4 Remove Existing Base Cabinets
- 5 Remove Existing Wall Cabinets

318 KITCHEN CABINETS PROJECT Not To Scale  
 PALM VISTA SENIOR BUILDING





KITCHEN : VIEW A

KITCHEN : VIEW B

KITCHEN : VIEW C

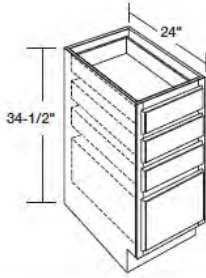
**1** PROPOSED NEW KITCHEN INTERIOR ELEVATIONS

KITCHEN REFERENCE NOTES/ CONSTRUCTION NOTES  
 89 TYPICAL 1 BR UNITS AT PALM VISTA SENIOR BLDG

- 1 New 24" Kitchen Sink Cabinet  
New Single Sink in the Counter (See Specs)
- 2 Install New 24" Range Hood (See Specs)
- 3 Install New Plastic Laminated Counter Top With Back Splash & Side Splash
- 4 Install Under the Counter 18" LED Light. (See Specs)
- 5 Install Matching Filler boards in front and underneath
- 6 Install 1/4 Round Moulding all around cabinets as needed

318 KITCHEN CABINETS PROJECT Not To Scale  
 PALM VISTA SENIOR BUILDING

**BASE CABINETS**



**FOUR DRAWER BASE CABINETS**

- Three standard-depth drawers on top and one deep drawer on bottom

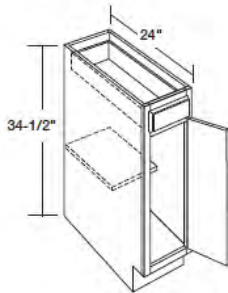
DB12  
DB15  
DB18  
DB21  
DB24



See pages 4.43-4.55 for available **in-cabinet accessories** (shipped loose with order for field installation).

- CFO
- AD
- FDS
- FI
- AW
- MPE

Choose DB18



**SINGLE DOOR AND DRAWER BASE CABINETS**

- One 5/8" thick adjustable half-depth shelf (fixed in Extreme construction)
- Two hinges per door
- Specify L or R door hinging
- **Calbra II and Coronet have two butt doors on B24**

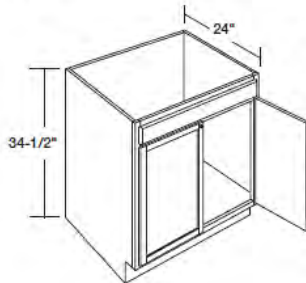
B12 L or R  
B15 L or R  
B18 L or R  
B21 L or R  
B24 L or R



See pages 4.43-4.55 for available **in-cabinet accessories** (shipped loose with order for field installation).

- CFO
- AD
- FDS
- FI
- AW
- MPE

Choose B18 2 Right, 1 Left



**BUTT DOOR SINK BASE CABINETS**

- Two hinges per door
- One false drawer front on top

SB24BD  
SB27BD  
SB30BD  
SB33BD  
SB36BD

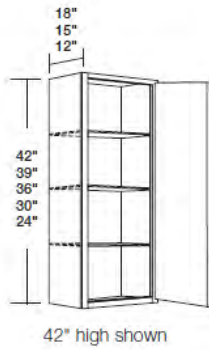


See pages 4.43-4.55 for available **in-cabinet accessories** (shipped loose with order for field installation).

- CFO
- AD
- FDS
- FI
- AW
- MPE



Choose SB24BD



**SINGLE DOOR WALL CABINETS**

- 42" and 39" high cabinets have three 5/8" thick shelves in Premier and AllWood construction and two 5/8" thick shelves in Extreme construction  
36" and 30" high cabinets have two 5/8" thick shelves  
24" and 18" high cabinets have one 5/8" thick shelf
- **Shelves are fixed in Extreme construction and adjustable in Premier and AllWood construction**
- 42" and 39" high cabinets have three hinges per door  
36", 30", 24", and 18" high cabinets have two hinges per door
- **Calibra II and Coronet are not available on W2442, W2436, and W2430 (see Butt Door wall cabinets). W2424 comes with two butt doors in Calibra II and Coronet**
- Specify L or R door hinging
- **MW and DGW Cabinets come standard with plywood construction and matching finished interior in Premier and Allwood construction. See page 10.1 for MW and DGW availability by door style. Glass ordered separately**

■	CFO
■	AD
+	DGW
+	MW
■	FI
■	AW
■	MPE



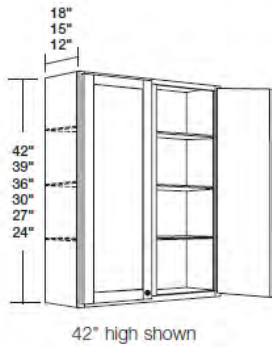
See pages 3.28-3.31 for available **in-cabinet accessories** (shipped loose with order for field installation).

Mullion Doors Cabinets (MW)	Doors Cut For Glass Cabinets (DGW)
-----------------------------	------------------------------------

**42" HIGH**

W0942 L or R		DGW1242 L or R
W1242 L or R		DGW1542 L or R
W1542 L or R	MW1542 L or R	DGW1842 L or R
W1842 L or R	MW1842 L or R	DGW2142 L or R
W2142 L or R	MW2142 L or R	
W2442 L or R		

Choose: W1842 2 Right, 2 Left



**DOUBLE DOOR WALL CABINETS**

- 42" and 39" high cabinets have three 5/8" thick shelves in Premier and AllWood construction and two 5/8" thick shelves in Extreme construction
- 36", 30" and 27" high cabinets have two 5/8" thick shelves
- 24", and 21" high cabinets have one 5/8" thick shelf
- **Shelves are fixed in Extreme construction and adjustable in Premier and AllWood construction**
- 42" and 39" high cabinets have three hinges per door
- 36", 30", 27", 24", 21" and 18" high cabinets have two hinges per door
- **Calibra II and Coronet have four butt doors on 48" wide cabinets**
- **W4542, W4842, W4536, W4836, W4530 and W4830 are not available in Altered Depth**
- **27" and 21" high cabinets are not available in Arch Door Styles**
- **MW and DGW Cabinets come standard with plywood construction and matching finished interior in Premier and AllWood construction. See page 10.1 for MW and DGW availability by door style. Glass ordered separately**

■ CFO
■ AD
⊕ DGW
⊕ MW
■ FI
■ AW
■ MPE

	Mullion Doors Cabinets (MW)	Doors Cut For Glass Cabinets (DGW)		Mullion Doors Cabinets (MW)	Doors Cut For Glass Cabinets (DGW)
<b>42" HIGH</b>			<b>30" HIGH</b>		
W2742			W2730		
W3042	MW3042	DGW3042	W3030	MW3030	DGW3030
W3342			W3330		
W3642	MW3642	DGW3642	W3630	MW3630	DGW3630
W3942			W3930		
W4242	MW4242	DGW4242	W4230	MW4230	DGW4230
W4542			W4530		
W4842			W4830		
<b>39" HIGH</b>			<b>27" HIGH</b>		
W2739			W3027		
W3039	MW3039	DGW3039	W3327		
W3339			W3627		
W3639	MW3639	DGW3639	<b>NEW</b> W3927		
W3939			<b>24" HIGH</b>		
W4239	MW4239	DGW4239	W2724		
W4539			W3024	MW3024	DGW3024
W4839			W3324		
<b>36" HIGH</b>			W3624	MW3624	DGW3624
W2736			W3924		
W3036	MW3036	DGW3036	W4224		
W3336			W4524		
W3636	MW3636	DGW3636	W4824		
W3936			<b>21" HIGH</b>		
W4236	MW4236	DGW4236	W3021		
W4536			W3321		
W4836			W3621		
			<b>NEW</b> W3921		

**elements**  
Organized Solutions

See pages 3.28-3.31 for available **in-cabinet accessories** (shipped loose with order for field installation).

Choose 1 W2724

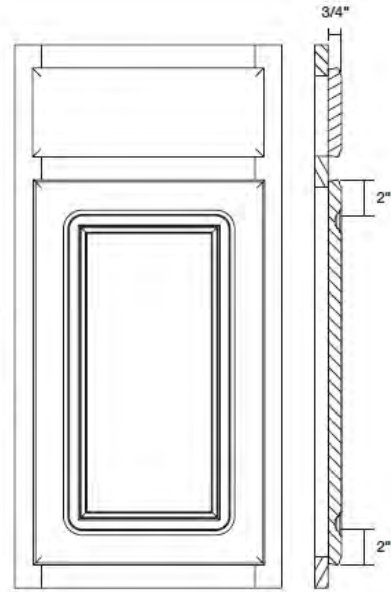
# CORONET™

## ORDER NOMENCLATURE:

PH  
059COR

## DOOR STYLE DETAILS:




- DOOR DESCRIPTION** 3/4" thick solid routed door frames and drawer fronts
- WALL DOOR STYLE** Square
- DOOR PROFILE** Double-step rolled edge on outer and inner door profile
- DRAWER FRONT OPTION** Slab
- OVERLAY** Standard Reveal
- CENTER PANEL MATERIAL** PH Solid
- AVAILABLE CONSTRUCTION** Premier, AllWood, and Extreme
- DECORATIVE HARDWARE** Optional (available separately)



PLANTATION HARDWOOD STAIN FINISHES				
		MOCHA	HONEY	UNFINISHED
GLAZE OFFERINGS	NO GLAZE	PH	PH	PH

ADVANTA  
CABINETS

DOORS 1.13

	PRODUCT DESCRIPTION	FINISH OFFERINGS								LIST PRICE	
		BRUSHED GOLD	BRUSHED PEWTER	BRUSHED OIL RUBBED BRONZE	MATTE BLACK	POLISHED NICKEL	POLISHED CHROME	SATIN BRONZE	SATIN NICKEL		STAINLESS STEEL
ALVAR	 <p>4-7/16" Overall Length Cabinet Pull Holes are 96 mm center-to-center</p>		264-96 BNBDL	264-96 DBAC		264-96 NI	264-96 PC	264-96 SBZ	264-96 SN		\$13.00
	 <p>5-3/4" Overall Length Cabinet Pull Holes are 128 mm center-to-center</p>		264-128 BNBDL	264-128 DBAC		264-128 NI	264-128 PC	264-128 SBZ	264-128 SN		\$15.00
	 <p>7" Overall Length Cabinet Pull Holes are 160 mm center-to-center</p>		264-160 BNBDL	264-160 DBAC		264-160 NI	264-160 PC	264-160 SBZ	264-160 SN		\$18.00

## EXTREME series



### ADVANTAGE

- Specifically created to meet the rigor of public housing projects and other hard-use applications.
- Extremely durable
- 3/4" thick pressure treated toe board
- Same front frame as other series
- Exterior plywood resists water damage
- Fixed shelves
- 11/16" thick solid wood drawer

### AVAILABLE OPTIONS

- 3-sided pressure-treated toe box
- Matching plywood end panels
- High quality steel wrap-around hinge with self-closing feature
- Gentle-Touch Soft Close Hinge

## EXHIBIT B

### Schedule of Work and Prices

<b>89 Typical Kitchen in 89 Typical Units</b>	<b>Unit Price</b>	<b>Total Price</b>
Install new base & wall cabinets per approved layout/ Per scope and specs	4,790	426,310
Install new counter tops / Per scope and specs	613	54,557
Install new undercabinet kitchen light (wired ) Per scope and specs	155	13,795
Install new kitchen single sink / Per scope and specs	314	27,946
Install new kitchen faucet / Per scope and specs	170	15,130
Install new kitchen range hood / (Wired and installed) Per scope and specs	233	20,737
Install new kitchen sink water supply hoses (2/unit) Per scope and specs	37	3,293
Install new angle stops (2/unit) / Per scope and specs	45	4,005
Install Clean-outs / Per scope and specs	84	7,476
Install new P-traps/ Extension lines / Drain lines slopes /Per scope and specs	42	3,738
Install other components as needed	2	178
<b>Total Project</b>		<b>\$ 577,165</b>

**AWARD OF CONTRACT FOR THE KITCHEN  
REHABILITATION PROJECT  
PALM VISTA  
801 SOUTH C STREET**

City Council  
By: Emilio Ramirez, Housing Director



**KITCHEN REHABILITATION PROJECT AT PALM VISTA**



Rehabilitation of 89 kitchens

Replacement of:

- Kitchen cabinets
- Sinks
- Faucets
- Range Hoods

## KITCHEN REHABILITATION PROJECT AT PALM VISTA

EXTREME series



ADVANTAGE	AVAILABLE OPTIONS
<ul style="list-style-type: none"> <li>Specifically created to meet the rigor of public housing projects and other hard-use applications.</li> <li>Extremely durable</li> <li>3/4" thick pressure-treated toe board</li> <li>Some front frame as other series</li> <li>Exterior plywood resists water damage</li> <li>Fixed shelves</li> <li>1 1/2" thick solid wood drawer</li> </ul>	<ul style="list-style-type: none"> <li>3-sided pressure-treated toe box</li> <li>Matching plywood end panels</li> <li>High quality steel wrap-around hinge with self-closing feature</li> <li>Gentle-Touch Soft Close Hinge</li> </ul>



Page 3 - April 28, 2020

## BID PROCESS AND CONTRACT

- In January solicited bids for the rehabilitation of the kitchens
- Six bids were received and evaluated.
- Bentley Construction Group, Inc. was the lowest and responsive bidder
- The project schedule is 120 days
- \$577,165 total contract amount

Page 4 - April 28, 2020

## FINANCIAL IMPACT

- Housing Board of Commissioners approved the 2019 Capital Fund Grant budget on April 2, 2019
  - OHA was estimating the grant award to be \$1.5 million. However, the HUD appropriation was \$2.2 million.
  - In the 2019 approval \$250,000 was appropriated for the Palm Vista Kitchen Rehabilitation project.
- Due to the increased appropriation from HUD there is sufficient funding to fund the \$577,165 project.
- There is no impact to the general fund.

Page 5 - April 28, 2020



# QUESTIONS?

April 28, 2020

6