

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



AGENDA
OXNARD CITY COUNCIL
HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
Council Chambers, 305 West Third Street
September 8, 2020
Regular Meeting - 4:30 to 5:45 PM

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, Spectrum channel 10, Frontier channel 35, or YouTube at 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 no later than 2:00 p.m. on the day of the meeting. Please identify the committee name, meeting date, and 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, or call the City Clerk's Office at (805) 385-7803, or email your request to cityclerk@oxnard.org.

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 requests shall be submitted as set forth on the first page of this agenda. Based on the number of speaker requests 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. 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 July 28, 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: Preparation of the 2021-2029 Housing Element and Policy Direction. (10/10/10)

RECOMMENDATION: That the Housing and Economic Development Committee (HEDC):

1. Receive a report on the preparation of the 2021-2029 Housing Element (6th Cycle Housing Element); and
2. Provide feedback to staff on several key policy questions.

Contact: Jeff Pengilley, (805) 385-8208

2. Community Development Department

SUBJECT: Cannabis Equity Program and Cannabis Cultivation. (15/15/15)

RECOMMENDATION: That the Housing and Economic Development Committee:

1. Provide input and comments on the Oxnard Cannabis Equity Program, with consideration on how to allocate the 1% local equity donation, including programs and recommended percentages; and
2. Provide input on advancing a cannabis cultivation ordinance.

Contact: Jeff Pengilley, (805) 385-8208

3. Housing Department

SUBJECT: First Amendment of the 2020 Annual Action Plan for CARES Act Coronavirus Response Grants and Adoption of an addendum to the Citizen Participation Plan (10/10/10)

RECOMMENDATION: That the Housing Economic Development Committee recommend that the:

1. City Council conduct a public hearing on October 6, 2020 to receive comments from the public relating to the First Amendment of the 2020 Annual Action Plan for CARES Act Coronavirus Response Grants to be submitted to the United States Department of Housing and Urban Development, Office of Community Planning and Development; and
2. City Council authorize the City Manager to submit the 2020 CARES Act Addendum to the City's Citizen Participation Plan.

Contact: Emilio Ramirez, (805) 385-8094

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

MINUTES
OXNARD CITY COUNCIL
HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
Regular Meeting
July 28, 2020

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 4:32 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 videoconference.

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

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

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Housing and Economic Development Committee approve the minutes of the July 14, 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

Housing Department

1. SUBJECT: License Agreement for Development Visioning and Temporary Use for OHA Property Located at 610 Cuesta del Mar.

RECOMMENDATION: That the Housing and Economic Development Committee recommend approval of the proposed License Agreement A-8233 with LUCHA, for an initial term of three years, to the Oxnard Housing Authority Board of Commissioners.

The Housing Director gave a report. Public comments were received from Sofia Vega and Lucy Cartagena. Discussion ensued among the Committee and staff.

It was moved by Member Basua, seconded by Member Flynn, 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 4:52 p.m.

MICHELLE ASCENCION, CMC
City Clerk

OSCAR MADRIGAL
Chair

DRAFT



**HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
AGENDA REPORT**

**REPORTS
AGENDA ITEM NO. D.1**

DATE: September 8, 2020

TO: Housing and Economic Development Committee

FROM: Jeff Pengilley, Interim Community Development Director, (805) 385-8208, jeff.pengilley@oxnard.org

SUBJECT: Preparation of the 2021-2029 Housing Element and Policy Direction. (10/10/10)

RECOMMENDATION

That the Housing and Economic Development Committee (HEDC):

1. Receive a report on the preparation of the 2021-2029 Housing Element (6th Cycle Housing Element); and
2. Provide feedback to staff on several key policy questions.

BACKGROUND

The RHNA process began in 2019 and the final RHNA allocation is scheduled to be adopted by the Southern California Association of Governments (SCAG) Regional Council in January 2021. The City’s RHNA allocation for the “6th Cycle” projection period between June 30, 2021 and October 15, 2029, is shown in the following table along with a comparison to the 5th Housing Element cycle:

Regional Housing Needs Assessment	6th Cycle 2021 to 2029		5th Cycle 2013 to 2021		Comparing 6th to 5th Cycle RHNA's	
	Units	Percent of Total	Units	Percent of Total	Change in Units	Percent Change
Income Level						
Extremely Low	917	10.8%	844	11.6%	73	8.0%
Very Low	917	10.8%	844	11.6%	73	8.0%
Low	1,068	12.5%	1,160	15.9%	(92)	-8.6%
<i>Subtotal Lower Income</i>	<u>2,902</u>	<u>34.0%</u>	<u>2,848</u>	<u>39.0%</u>	<u>54</u>	<u>1.9%</u>
Moderate	1,535	18.0%	1,351	18.5%	184	12.0%
Above Moderate	4,092	48.0%	3,102	42.5%	990	24.2%
Total all Income Levels	8,529		7,301		1,228	14.4%

EXECUTIVE SUMMARY

The City’s 6th Housing Element is required to be adopted by the City Council no later than October 15, 2021. Staff has initiated this work effort and is working with the City’s consultant, PlaceWorks, Inc, to complete this update. Staff will continue to solicit feedback and engage working with community members and stakeholders interested in the Housing Element. This is the first of several check-ins with the HEDC and City Council.

Key policy questions for which staff is seeking HEDC feedback are as follows:

1. Does the HEDC support utilizing 1,000 ADUs and Jr. ADUs during the next 2021-2029 Housing Element to achieve compliance with the 2,902 lower income RHNA?
2. Should the City discontinue AAHOP and, instead, rely on the State's default density of 30 units per acre on selected lower income sites for the 2021-2029 Housing Element?
3. Are there recommendations from HEDC regarding the City's inclusionary housing ordinance in lieu percentage? Are there there local preference strategies that HEDC would like explored?
4. Should the City adopt a plan or program to encourage housing in the BRP zone, as well as targeted commercial centers through streamlined approaches)?

RHNA Allocation and Schedule

Staff does not expect the City's draft RHNA allocation of 8,529 units to change significantly when SCAG adopts the final RHNA in early 2021. It is important to note that the 6th Cycle RHNA methodology includes 5,311 'Existing Need' units intended to provide housing units to offset the very low production of housing during the 2008 to 2012 Great Recession. Theoretically, these "Existing Need" units would be occupied by existing City residents to reduce overcrowding and lower housing costs and increase the local rental vacancy rate to five percent. The remainder of the RHNA allocation of 3,218 units is intended for forecasted growth and represents an annual growth rate of about 0.75 percent, which is consistent with household and population projections in the 2030 General Plan. In this context, the relatively large allocation of 8,529 units is not intended to induce unplanned overall population growth.

After SCAG adopts the final RHNA allocation, staff will finalize a draft 2021-2029 Housing Element and complete an environmental review in compliance with the California Environmental Quality Act (CEQA). The 2021-2029 Housing Element and its CEQA documentation will be presented to the Planning Commission and then the City Council for adoption and transmittal to Housing and Community Development (HCD) by October 15, 2021. Public outreach has already started and will continue throughout this process.

Housing Site Inventory and Identification

As part of the 6th Cycle Housing Element update, staff has already begun looking at density and inventory of sites aimed at producing additional housing in compliance with the City's identified RHNA allocation. A number of new requirements for site selection were identified by HCD in the past few months. For example, sites which are greater than ½-acre but less than 10 acres in size are now determined as "ideal" affordable housing sites. Additionally, if lower income housing element sites haven't been developed for affordable housing over the past two Housing Element cycles, the standard for including these same sites in the 6th Housing Element cycle is more stringent.

Additionally, AB 686 passed in 2019, required Housing Elements to develop programs and activities to "affirmatively further fair housing." This means Oxnard's 2021-2029 Housing Element will contain an Assessment of Fair Housing (AFH) consistent with core fair housing elements required by the Federal Affirmatively Furthering Fair Housing (AFFH) final rule of July 16, 2015. The Housing Element land inventory and identification of sites must be consistent with a jurisdiction's duty to address AFFH and the findings of its AFH. At a later date, staff will brief the Committee on which AB 686 programs and strategies might be suitable to Oxnard. It does seem that a concentration of sites in low resource areas may not be consistent with AFH guidelines, which will inform the site inventory and identification process.

In June 2020, as part of this site inventory and identification process, the City Council approved submission of a \$500,000 Local Early Action Planning (LEAP - \$500,000 - pending but expected to be awarded in the next three months) grant application to study land use and housing density along this “High Quality Transit Corridor” (HQTC), specifically increasing density along Oxnard Boulevard from US 101 to Pleasant Valley Road, Fifth Street from Oxnard Boulevard to Rice Avenue, and Vineyard Avenue from Oxnard Boulevard to the US 101 freeway. Increasing density along these corridors is consistent with Gold Coast Transit District’s planned future route expansion and frequency of service, and SCAG’s RHNA allocation of additional housing units to HQTC areas. City staff are also evaluating All Affordable Housing Opportunity Program (AAHOP) sites and density that were identified as part of the City’s 4th Housing Element cycle, 2006-2014 Housing Element and was continued in the 5th Housing Element cycle, 2013-2021 Housing Element. AAHOP sites allow a site density between 20 and 39 units per acre, with most sites allowing 24 units per acre (25% above the underlying C-2/R-3 zoning). The AAHOP program also allows for additional concessions above the allowance under the State’s density bonus provisions and allows for an adjustment to numerical zoning ordinance development standards by plus or minus 10% (see Attachment 1 - AAHOP program).

ANALYSIS AND DISCUSSION

Generally, affordable housing and housing policies are aimed at addressing housing disparities for the following income categories based on the annual Ventura County Area Median Income (AMI)*:

Extremely Low	<30%	Under \$33,850
Very Low	30% to 50%	To \$56,450
Low	50% to 80%	To \$90,350
Moderate	80% to 120%	To \$117,350
Above Moderate	>120%	To \$117,350

**Based on 2020 Ventura County AMI for a four-person household of \$97,800*

There is sometimes confusion on what units may be “counted” to achieve the Housing Element’s RHNA allocation target and during the subsequent annual HCD Annual Progress Reports. Based upon HCD guidance, PlaceWorks advises clients that they should identify sites which contain housing unit capacity/numbers which yield a capacity of approximately 110 percent of the RHNA target number to allow for losing mixed use zoned sites to non-housing development. Below is a list of housing production categories that “count”, in total, and are utilized to meet the RHNA target number:

1. Any planning permit for housing units approved after June 30, 2021.
2. Expected housing sites not yet filed, likely to be approved and built by 2029.
3. Remaining 2013-2021 lower income Housing Element sites and additional affordable housing sites.
4. Accessory Dwelling Units (ADU) and Junior ADUs.

The above categories are generally quantifiable by the Community Development and Housing Departments. It is important to note that plans and programs will be needed to support the RHNA targets. Units that are replaced due to damage (flood, fire, etc.) may not be counted as new units. Any project that demolishes existing housing units may only count the net units gained (i.e.; the first 250 units of Las Cortes housing will not be counted towards the RHNA allocation as the project’s 250 new units are replacing the previous public housing units). As previously mentioned, the City will need to identify sites and Housing Element programs that provide feasible opportunities to develop housing units for all income categories.

Key Policy Questions for Which Committee Input is Being Sought

Question 1. Does the HEDC support utilizing 1,000 ADUs and Jr. ADUs during the next 2021-2029 Housing Element to achieve compliance with the 2,902 lower income RHNA?

The 5th cycle Housing Element did not rely on ADUs to fulfill affordable housing requirements. Based on the City’s historical ADU and Jr. ADU development activity through May 2020, and based upon recent conversations with HCD, the number of projected ADUs will represent a significant portion of lower income units. Most ADUs are likely to be developed on parcels with one existing housing unit.

The City is receiving a significant number of ADU and Jr. ADU development applications. Staff is in the process of forecasting where ADUs are likely to be developed, based on recent ADU permits. The City is also evaluating its water and wastewater capacity for the many single-family neighborhoods that are likely to add ADUs (SB2 work - City has received a \$625,000 for these and other housing-related work efforts). State law allows jurisdictions to prohibit ADUs in areas with inadequate utilities until the capacity is upgraded.

A summary of ADU development activity indicates:

Annual ADU Statistics (as of June 5, 2020)

Year	Applications Received	Entitlements Granted	Building Permits Issued	Final Inspection/CO
2013	0	0	0	0
2014	1	0	0	0
2015	0	1	0	0
2016	0	0	0	0
2017	17	2	0	0
2018	44	25	4	1
2019	50	55	13	9
2020	53	41	6	3
Total	165	124	23	13

There are currently approximately 31,000 parcels with single family detached housing units in the City’s total 2020 housing inventory of 56,000 units, or approximately 55.4 percent of the City’s housing stock (Department of Finance (DOF), Report E-5, May, 2020). If all lower income housing units (2,902 units) were developed by the year 2029, it would represent about 9.4 percent of the single-family parcels, or about one in thirteen parcels (roughly two ADUs per block).

HCD encourages jurisdictions to include Housing Element programs that encourage the construction of ADUs and Jr. ADUs. Staff provided a summary of ADUs and Jr. ADUs at the City Council meeting on July 21, 2020 (see Attachment No. 2), and ordinance amendments to be compliant with State law were adopted by Council on September 1, 2020. As part of the July presentation, staff informed Council that these permits are processed administratively and cannot be denied provided they meet City and HCD planning requirements.

HCD issued guidance as to how the City can approach counting ADUs towards meeting the City’s lower income housing allocation. The City’s housing consultant and staff have begun developing a rationale and justification based upon historical ADU construction and current and potentially proposed City efforts to support ADU development, including affordability reporting and streamlined ADU template documents. This

rationale would allow the City to propose counting 1,000 ADUs towards meeting its lower income housing requirement in the draft submitted to HCD for review. This represents approximately 35% of the City's lower income housing allocation (2,902 units). Staff will present this methodology to HCD in the near future, and will continue evaluating overall housing sites (not just ADU sites) through the site selection process with special attention paid to infrastructure and utility capacity. As part of the community outreach required for the Housing Element update, staff will solicit input regarding staff's recommended ADU numbers.

Does the HEDC have comments regarding staff's intent to comply with the City's lower income housing requirement by identifying 35% of lower income units (1,000 units) as ADU's?

Question 2. Should the City discontinue AAHOP and, instead, rely on the State's default density of 30 units per acre on selected lower income sites for the 2021-2029 Housing Element?

In 2012, the City developed the AAHOP program to meet the lower income RHNA allocation for the 2006-2014 Housing Element. AAHOP was continued in the 2013-2021 Housing Element. This program applies an "AH" additive to the zoning designation (i.e C2-AH) and generally increases the allowed density by 25 percent provided the AAHOP housing project is 100 percent affordable.

HCD considers the City's AAHOP density a local program and the resulting higher density the "base" density. The City's AAHOP was adopted before the State Density Bonus (35% density increase) was created. The State Density Bonus can be applied on top of the AAHOP density. With the recent adoption of Assembly Bill (AB) 1763 (2019), the State raised their automatic density bonus from 35 percent to 80 percent for projects that are 100 percent affordable. AB 1763 also grants four development standards concessions, three extra stories, and all but waives parking requirements. Since the State Density Bonus is additive to the AAHOP density, this increase from 35% to 80% is significantly more density than originally envisioned by AAHOP.

For example, AAHOP Site D-06 is a vehicle dealership property zoned C-2, which allows housing at 18 units per acre. With the AAHOP allowable density, the 18 units per acre would be raised to 24 units per acre for a 100 percent affordable project. HCD then considers the City's base density as 24 units per acre. The same project would then automatically qualify for the AB 1763 state density bonus of 80 percent, further raising the allowed density from 24 units to 43 units per acre ($24 \times 1.8 = 43.2$). AAHOP and AB 1763 on this site increase the density 2.4 times from the C-2 density of 18 units per acre that is the basis of traffic and utility planning.

An HCD recommended alternative to demonstrating feasibility for each housing element site being counted for lower income units is to utilize HCD's "default density" zoning of 30 units per acre for urbanized areas such as Oxnard. HCD allows sites zoned at the default density (30 units per acre) to count all realistic potential units towards the RHNA lower income allocation (2,902 units) without demonstrating feasibility. Staff is now looking at focusing density in specific targeted areas to take advantage of transit opportunities and services and is recommending that the City consider using the State default density on selected sites as an option to reach the remaining lower income RHNA allocation after accounting for ADUs and projects already committed to providing lower income units. The default density approach is widely used by other jurisdictions and increases the likelihood of HCD certification.

In summary, AAHOP was created prior to the State Density Bonus program. Because of the recent changes with AB 1763, the unintended combination of AB 1763 with the City's AAHOP, and HCD's requirements for a feasibility analysis for housing element sites designated for lower income units, staff strongly suggests the City: 1) discontinue AAHOP and, instead, 2) rezone selected housing element sites to 30 units per acre, if and as needed, to reach the total 2021-2029 RHNA lower income unit allocation. If Council supports including up

to 1,000 ADU/Jr ADUs for our lower income units, the State's Default Density may be needed for less than 2,000 units.

Does HEDC support staff's suggestion to discontinue AAHOP and, instead, rely on the State's default density of 30 units per acre on selected lower income sites for the 2021-2029 Housing Element? If so, what elements are important to consider in identifying sites that accommodate 30 units per acre?

Question 3. Are there recommendations from HEDC regarding the City's inclusionary housing ordinance in lieu percentage? Are there there local preference strategies that HEDC would like explored?

The City's inclusionary housing ordinance requires housing projects of ten units or more to include ten percent of the units at a very low or lower income affordability level, or pay an in lieu fee; 'urban villages', as designated by the 2030 General Plan, are required to provide fifteen percent of units at a lower income affordability level, or pay an in lieu fee.

As part of the update to the City's Inclusionary Housing Fee (July 2020), staff committed to updating the ordinance. Through this process, staff will be evaluating the ordinance and exploring concepts and options to produce and maintain affordable housing. As part of the impact fee discussion, some Council members expressed support for raising the inclusionary requirement above ten percent, as suggested in the April 26, 2020, letter from Barbara Macri-Ortiz to the HEDC prior to the Committee's April 28, 2020, meeting regarding the inclusionary in-lieu fee (Attachment 2). In subsequent discussions with Ms. Macri-Ortiz, she promoted establishing an in-lieu percentage commensurate with the percentages of affordability in the City. For example, using the 2021-2029 RHNA allocations and distribution by income category, the inclusionary requirement would be thirty-four percent (34% for lower income units), or the developer would pay an equivalent in-lieu fee.

Prior discussions pertaining to updating the inclusionary ordinance have focused on the inclusionary percentage and the ability to impose local preference. As communicated in staff's January 12, 2020, memo to HEDC, the ability to impose local preference is difficult to require unless City funding is allocated. As part of the ordinance update, Staff will explore other inclusionary ordinance update options.

The City's inclusionary housing ordinance is one policy (Policy 10) within the Housing Element. HCD has made it clear that inclusionary programs are not appropriate ways to plan for the identification and creation of lower income housing units. An inclusionary program is one way to preserve affordable units over the long term since they require affordable housing agreements. HCD does encourage an inclusionary ordinance that has options to achieve and preserve housing. Increasing the inclusionary percentage will impact the cost to develop housing. However, increasing the percentage and a developer paying the commensurate in lieu fee could result in additional in lieu housing revenue.

Given there are various options to meet the lower income allocation, and the potential impact to developing housing, staff will need to analyze the impacts of increasing the inclusionary requirement of 10% (or 15%). Staff intends to continue reviewing inclusionary housing ordinances in surrounding jurisdictions, discussing the ordinance with housing advocates and the development community, to develop concepts to support local preference and an appropriate in-lieu percentage.

Are there recommendations from HEDC regarding the City's inclusionary housing ordinance in lieu percentage? Are there there local preference strategies that HEDC would like explored?

Question 4. Should the City adopt a plan or program to encourage housing in the BRP zone, as well as targeted commercial centers through streamlined approaches?

Whenever a jurisdiction cannot identify qualifying sites that meet the RHNA lower income allocation, HCD allows and requires programs that effectively promise to find additional sites and take necessary actions such as a rezoning within three years. If the City does not have adequate sites, a possible program is to ‘replan’ the Business Research Park (BRP) zoned commercial areas generally between Rose Avenue and Rice Avenue along Lockwood Street to incorporate multifamily housing and residential amenities and/or mixed use. Oxnard does not currently allow housing in the BRP zone, nor does the City have a mixed-use zone (except the downtown), and only allows residential in the C-2 zone as a conditional use at the R-3 density (18 units/acre).

With changing retail trends, enhanced transit corridors (HQTC) and rethinking of land use patterns and opportunities, potential mixed use may provide opportunities for revitalization of key areas while providing housing. Development regulations can be restructured to encourage and streamline housing in targeted commercial zones and units could be identified to accommodate lower or moderate/above moderate income housing. Further, pending legislation (AB 3107 and SB 1385), if passed, would require cities to allow housing in most commercial zones.

Several property owners of big-box retail centers have approached the Community Development Department regarding future redevelopment to multifamily housing and/or mixed use. These commercial areas were not intended for housing and lack many residential amenities such as neighborhood parks, close schools, and utilities.

Developing a program to allow residential in BRP and commercial zones, coupled with documented owner/developer interest, could allow the City to meet all income categories identified by RHNA by adding a program to facilitate mixed use and streamlining (expedited review, objective standards, etc.) of commercial/residential permits, with particular attention to lower income housing units - HCD’s targeted interest area. Creating and adding a program is not a commitment to that program if additional housing sites are added to the Housing Element in the intervening years that make up the shortfall. Through the Housing Element work, staff will investigate this opportunity; which may result in a need for a future General Plan Amendment and Zone Change if this change is ultimately implemented.

Based on the interest of land owners, changing trends in retail, transit patterns and approaches, the local SOAR ordinance that promotes infill development, and housing demand staff is supportive of developing a program to encourage residential and or mixed use on targeted commercial areas/sites as well as BRP sites.

Is HEDC supportive of policies and programs to encourage housing, rather it be medium density (18 du-30 dus/acre) housing or mixed use, in the BRP zone as well as targeted commercial sites/areas by allowing administrative approvals and/or streamlining (expedited review, objective standards, etc.)? If so, besides considering residential amenities such as neighborhood parks, proximity to transit, services, and schools, and utilities, what other factors should staff consider when developing policies, programs, and identifying sites?

ENVIRONMENTAL IMPACT

There are no environmental impacts associated with this report.

STRATEGIC PRIORITIES

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

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

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

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

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

FINANCIAL IMPACT

Staff and consultants started working on the 2021-2029 Housing Element in July 2020. Unlike past housing element cycles, the State has provided “SB2” and “Local Early Action Planning” grants totaling over \$1 Million in formula funds. Some of this money is being used to assist in 6th Cycle Housing Element work, including consultants and studies such as identifying potential housing development sites, evaluating utility capacity and HCD qualifying criteria, and completing the CEQA review. The General Plan Maintenance Fund was utilized to cover the associated consultant contract of \$95,000 because grants had not yet been secured when the Housing Element contract was signed with PlaceWorks.

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

ATTACHMENTS

1. AAHOP Ordinance (Ord. No. 2870)
2. July 21, 2020 City Council Presentation Pertaining to ADU’s
3. Letter from Barbara Macri-Ortiz, April 26, 2020.
4. 09.08.20 HEDC - Housing Element Policy Questions PPT

CITY COUNCIL OF THE CITY OF OXNARD

UNCODIFIED ORDINANCE NO. 2870

ORDINANCE OF THE CITY OF OXNARD, CALIFORNIA,
IMPLEMENTING PROGRAM 3 OF THE 2006-2014 HOUSING ELEMENT BY ESTABLISHING
THE "ALL AFFORDABLE HOUSING OPPORTUNITY PROGRAM (AAHOP),"
ESTABLISHING THE AAHOP ZONE ADDITIVE "-AH", DESIGNATING 36 AAHOP SITES TO
WHICH THE "-AH" ADDITIVE SHALL BE APPLIED TO THEIR RESPECTIVE ZONE
DESIGNATIONS, AND ADOPTING IMPLEMENTING REGULATIONS

WHEREAS, Government Code Section 65300 requires each legislative body and planning agency to prepare and adopt a comprehensive, long-term general plan for the physical development of the city and any land outside its boundaries which in the planning agency's judgment bears relation to its planning; and

WHEREAS, the California State Legislature identified the State's major housing goal as the attainment of a decent home and suitable living environment for every Californian and due to the critical role that local planning programs play in achieving this goal, the California State Legislature requires that all jurisdictions prepare and periodically review and update a housing element as they direct; and

WHEREAS, Government Code Section 65583 lists requirements of the housing element wherein each housing element must contain "an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing;" and

WHEREAS, the Housing Element requires review and certification by the State of California, Department of Housing and Community Development (HCD); and

WHEREAS, the City of Oxnard (City) falls within the region covered by the Southern California Association of Governments (SCAG) and for each housing element planning cycle, SCAG is required to determine the share of the regional housing need to be allocated to each city and unincorporated county areas within the SCAG region called the Regional Housing Needs Assessment (RHNA); and

WHEREAS, the total RHNA allocation for the City's 2006-2014 Housing Element was 7,093 housing units for Oxnard intended to accommodate current and projected growth housing need based on population and economic analyses and projections; and

WHEREAS, the 2006-2014 Housing Element is required to be part of the 2030 General Plan and consistent therewith, and the City of Oxnard 2030 General Plan was adopted on October 11, 2011 with Chapter 8 reserved for the 2006-2014 Housing Element; and

WHEREAS, the 2030 General Plan Final Program Environmental Impact Report (PEIR) was presented to the City Council at a public hearing on February 2, 2010, following which the City Council adopted Resolution No.13,770 certifying in accordance with Section 15090 of the State CEQA Guidelines that the Final PEIR was completed in accordance with CEQA, and reflects the independent judgment and analysis of the City; and

WHEREAS, an addendum to the Final PEIR was prepared according to State CEQA Guidelines Section 15164 to document environmental impacts of changes to the 2030 General Plan that occurred after February 2, 2010; and

WHEREAS, the 2006-2014 Housing Element was adopted as Chapter 8 of the 2030 General Plan on June 12, 2012 and subsequently reviewed by and certified by HCD on July 18, 2012; and

WHEREAS, the 2006-2014 Housing Element includes Program 3 which calls for the establishment of the All Affordable Housing Opportunity Program (AAHOP) as the principal means for meeting the City's extremely low, very low, and low income portion of the remaining RHNA allocation; and

WHEREAS, Supplement Part II of the 2006-2014 Housing Element lists specific sites with their respective component parcels for the AAHOP designation and the AAHOP designation does not change the underlying zone designation or allowed uses and development standards thereto associated; and

WHEREAS, implementation of AAHOP for any AAHOP site is governed by the directives listed within Section F.2 (pages 8F-4 to 8F-6) of the 2006-2014 Housing Element that are intended to become the implementing regulations; and

WHEREAS, the Development Services Director recommends the AAHOP site D-01 be removed from the AAHOP site list, site B-13 be modified, and sites A-06 and A-07 be added; and

WHEREAS, the Development Services Director certifies that the potential total development of extremely low, very low, and low income housing units on sites designated with the –AH additive is adequate to meet the remaining 2006-2014 RHNA allocation.

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

Part 1. The All Affordable Housing Opportunity Program is hereby established.

Part 2. The “-AH” additive zone designation is hereby established in accordance with Program 3 of the 2006-2014 Housing Element.

Part 3. The regulations shown in Exhibit “A,” on file with the City Clerk, are hereby adopted to implement the development of qualifying affordable housing projects on properties within the “-AH” additive zone.

Part 5. This ordinance implements a program previously reviewed for potential environmental impacts by the certified 2030 General Plan Final Program Environmental Impact Report. State CEQA Guidelines Section 15145 allows a jurisdiction to find that potential project-level impacts are too speculative for detailed evaluation. Individual site-specific AAHOP development projects are subject to project-level CEQA review under State CEQA Guidelines Section 15183 for those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in a prior EIR on the general plan or community plan with which the project is consistent; c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR; and d) are previously identified in the EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR.

Part 6. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

Part 7. Pursuant to Government Code Section 36933(c)(1), the City Attorney was designated to prepare, and the City Clerk published, a summary of this ordinance, and a certified copy of the ordinance was posted in the Office of the City Clerk a minimum of five days before the City Council’s adoption of the ordinance.

Part 8. The City Clerk shall certify as to the adoption of this ordinance and shall cause the summary thereof to be published within fifteen calendar (15) days of the adoption and shall post a certified copy of this ordinance, including the vote for and against the same, in the office of the City Clerk, in accordance with Government Code Section 36933. Ordinance No. 2870 was first read on July 9, 2013, and finally adopted on July 16, 2013, to become effective thirty days thereafter.

PASSED AND ADOPTED this 16 th day of July, 2013, by the following vote:

AYES: Councilmembers Flynn, Ramirez, MacDonald, Padilla, Perello.

NOES: None.

ABSENT: None.

ABSTAIN: Mayor Flynn as to Site A-06 (per list)



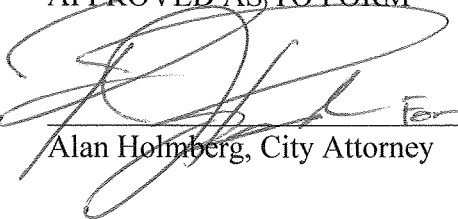
Tim Flynn, Mayor

ATTEST:



Daniel Martinez, City Clerk

APPROVED AS TO FORM



Alan Holmberg, City Attorney

EXHIBIT A

**REGULATIONS IMPLEMENTING ALL AFFORDABLE HOUSING
OPPORTUNITY PROGRAM (AAHOP)
and
“-AH” Additive Zone**

Part 1. All recitals set forth within the uncodified implementing ordinance hereto attached are found and determined to be true and correct and are incorporated herein by this reference.

Part 2. The 2006-2014 Housing Element, adopted as Chapter 8 of the 2030 General Plan, is incorporated herein by reference in support of the AAHOP and -AH additive zone requirements and procedures set forth in these regulations.

Part 3. The intent of these AAHOP and -AH additive zone requirements and procedures herein are to implement Program 3, “All Affordable Housing Opportunity Program” as set forth on pages 8F-4 to 8F-7 and within Table G-1 on page 8G-10 of the 2006-2014 Housing Element, adopted as Chapter 8 of the 2030 General Plan. Beginning with Part 4 *infra*, the AAHOP text and directives on pages 8F-4 to 8F-7 and Program 3 descriptive text on page 8G-10, as amended in accordance with a General Plan Amendment being processed concurrently herewith, are replicated as the AAHOP and -AH additive zone requirements and procedures. Footnotes are incorporated within the text.

Part 4. The All-Affordable Housing Opportunity Program (AAHOP) and Additive Zone (AH)

(A) To provide realistic and certain opportunity for developers and the non-profit sector to develop the remaining RHNA allocation of about 2,070 affordable units by mid-2014, the Housing Element establishes the All-Affordable Housing Opportunity Program (AAHOP) and as its main implementation tool, the Affordable Housing (AH) additive zone designation, similar to the Planned Development additive zone (PD, Section 16-270 of the City Code).

(B) Additive zone designations act as a suffix to the underlying zone designation. Under the AAHOP, the R-3 “Garden Apartment” zone would become the R-3-AH, “Garden Apartment - Affordable Housing.” zone. The additive designation would be parcel specific to those sites designated in Part II of the Housing Element Supplement, as periodically updated (the Supplement). An ordinance is required to create the additive zone and identified parcels would receive the designation in a process similar to a Zone Change initiated by the City. The AH additive designation may be removed from a property is developed for another use and placed on one or more other

properties through the rezoning process so that a ‘rolling inventory’ of AH-designated sites provides enough development opportunities for all-affordable housing to meet whatever is the then remaining RHNA need, as determined by the Development Services Director whenever Part II of the Supplement is updated.

(C) The following describes how the AAHOP and AH additive is implemented:

1. An AAHOP eligible project shall be a housing or mixed-use development wherein all housing units are affordable to extremely low-, very low-, or low-income (at any ratio). One manager’s unit is exempt from the affordability requirement. The affordable units must be deed restricted for 30 years (consistent with Density Bonus Law unless additional affordability is required or requested). The allowable density for the AH additive zone is 18 – 39 units per acre, with most sites at 20 – 24 units per acre, as shown for each AAHOP site in Part II of the Supplement. Each AAHOP site will have a minimum of 20 units per acre except those designated for 18 units per acre which shall be at 18 units per acre minimum. Because the project is 100 percent affordable, it would automatically qualify for the 35 percent State density bonus at the developer’s request by filing a Density Bonus permit request under applicable procedures and subject to applicable Density Bonus permit requirements.

2. Parcels and aggregations of parcels that will be designated with the AH additive zoning are shown in the Housing Element Supplement, Part II. AH-designated sites do not necessarily have to be available for sale or require owner permission, although both conditions are preferred. Supplement II may be amended to add, remove, or modify the AH additive sites by the City Council as a component of an AAHOP zone change ordinance.

3. As the AH additive designation does not replace the 2030 General Plan or underlying zone designations any proposed use or development other than an all-affordable AAHOP project shall be governed by the 2030 General Plan and zone designations and applicable standards and guidelines.

4. The City commits to utilizing established attached dwelling unit development standards and modifying numerical standards by plus or minus 10 percent, as necessary, to ensure requested densities (up to the maximum allowed for the subject AAHOP site) and quality development are achieved for AAHOP projects.

5. If an AH-designated site is approved for another use with a building permit or planning permit, the City and/or the applicant shall designate an AAHOP alternative site (or combination of sites) so as to maintain a rolling AAHOP inventory that meets or exceeds the then-remaining RHNA allocation for the current RHNA planning period. AH-designation of alternative site or sites shall be required as part of a General Plan or zoning amendment, use permit, or other action that effectively removes the original AH-designated site from the AAHOP inventory. In the event the designation of replacement AAHOP site(s) is an added application to a project applicant who is otherwise seeking

general plan and zone code consistent entitlements that do not require City Council approval, the City shall be responsible for the designation of replacement AAHOP site(s) within one year from the date of the approved entitlements.

6. A Development Design Review (DDR) process (City Code §16-525) is required for all AH-designated projects and Attached Dwelling Unit Development Standards apply (City Code §16-360 to 16-363). Other than a Density Bonus permit and/or subdivision map, no other discretionary review, such as a special use permit, planned unit development permit, shall be required.

7. Nothing in AAHOP prevents all or partially affordable housing projects on non-AH-designated sites pursuant to the applicable 2030 General Plan and zoning designations, density bonus permit process, development standards, CEQA review, and applicable permitting procedures.

8. AAHOP projects shall be consistent with an adopted specific plan, Urban Village strategy or concept plan, and the Downtown Strategic Plan wherever possible except for density and/or waiver of development standards necessary for the AH project's feasibility granted through the density bonus permit process or as provided in these regulations.

9. An AAHOP project shall be identified by the applicant at the time of the DDR application. The DDR application fee and applicable supplemental development and environmental analysis and impact fees are required. An AAHOP project applicant may identify and request one development standard concession as part of the DDR project application. Building heights have been set at six-stories by the 2030 General Plan and an increase in allowed stories up to six will not be counted as a concession. Additional concessions may be requested with the State-density bonus if applicable and requested as part of a separate companion Density Bonus permit application.

10. Although the City has many all affordable housing projects, the City recognizes it can be difficult to develop an AAHOP project and will consider assistance if appropriate funds are available. Assistance: the City may consider includes: contributing inclusionary in-lieu funds, soft costs for project development, gap financing, funding for public improvements (sidewalks, streets, etc.) and, parking reductions.

11. Nothing in the AH-additive zone requirements shall be interpreted to require the City to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact, as defined by paragraph (2) of subdivision (d) of Section 65589.5, upon health, safety, the physical environment, or any real property listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.

12. AAHOP projects require an appropriate level of CEQA documentation and are required to pay applicable impact fees, provide appropriate design and engineering studies, and otherwise follow

the applicable entitlement process for a project of comparable size and use. An AAHOP project may be exempt from CEQA under certain conditions. The City would continue to consider alternative sources for and/or deferment of development impact and project reviews fees to enhance the financial feasibility of affordable projects, including the use of Affordable Housing Agreements.

13. AAHOP projects may incorporate commercial, office, civic, educational, and/or other compatible uses that contribute to neighborhood and community compatibility, establishment of a sense of place, and/or further the goals and objectives of a draft or adopted Sustainable Community Strategy (SB-375) and related traffic reduction policies and programs.

14. AAHOP projects may be subdivided in a manner that portions of the project may exceed the designated housing density or have a different compatible use, so long as the overall applicable default density is achieved.

15. AAHOP project density is based on the site size less land dedications for roadway widening required by the 2030 General Plan Circulation Diagram (Figure 4-1).

16. AAHOP projects shall incorporate good design principles and include on-site amenities appropriate for the resident population to be served.

17. AAHOP project applicants shall participate in at least one Planning Division community workshop, provide information and a presentation to the Inter-Neighborhood Council Forum, and provide information and a presentation to the neighborhood in which the proposed project is located, as defined by the Planning Manager. The presentation shall include project site design, circulation, and architectural elevations and solicit and consider public suggestions regarding design compatibility with surrounding uses and possible environmental impacts.

18. Although the City does not see AAHOP acting as a constraint to meeting the City's RHNA, the City has included 2006-2014 Housing Element Program 27 to monitor the effectiveness of the AH additive zone and revise requirements as necessary.

(D) To determine additional parcels or groups of parcels that may be suitable for the AH additive zoning, potential sites shall be evaluated for their potential compatibility with adjacent land uses and availability of public services and found to either be suitable or have the potential to be suitable with careful design that provides buffers and transitions to adjoining neighborhoods.

(E) AAHOP sites are divided and denoted in Part II of the Supplement in one of four categories as follows:

- A. **Vacant** - Land that is undeveloped (no structures) or is in agricultural use (but within the land area assumed develop by the 2030 General Plan and certified environmental impact report). These sites are largely ready to develop with minimal site preparation.

- B. **Largely Vacant or Underdeveloped** - Minor structures and/or paving to be demolished, and homes and small business to be relocated.
- C. **Large Vacant Structure or Older Strip Centers** - Possibility of commercial and/or market-rate housing mixed use due to location opportunity and/or need to create financial feasibility to remove a large or relatively old vacant commercial structure.
- D. **Constrained Sites** - Sites with unique environmental or urban infill situations. These sites have challenges associated with their development, and their potential development was reduced accordingly, but none were considered significant enough to eliminate these sites as potential areas to provide affordable housing.

Zone Text Amendment

Updates to Chapter 11 and 16

Accessory Dwelling Units, Cannabis, and Industrial Code PZ Nos. 20-580-01, 20-580-03, and 20-580-04

Jeffrey Lambert, Community Development Director
Community Development Department
Kathleen Mallory, Planning & Sustainability Manager
Scott Kolwitz, Planning & Environmental Services Manager
Isidro Figueroa, Principal Planner

City Council
July 21, 2020



Project Request

Accessory Dwelling Unit (ADU) Update (PZ 20-580-03)

- A. Amend Oxnard City Code (OCC) Chapter 16 to reflect recent State ADU legislation:
- i. Article II- 'Definitions'
 - ii. Article III, Division 10- 'Downtown Zones'
 - iii. Article V, Division 13- 'Accessory Dwelling Units'

Industrial Code & Cannabis Uses "Clean-up" (PZ 20-580-01 & PZ 20-580-04)

- B. Amend OCC Chapter 16 and Chapter 11 to reflect recent adoption of commercial cannabis activities & typographical edits:
- i. Chapter 16, Article III, Division 10- 'Downtown Zones'
 - ii. Chapter 16, Article III, Division 11- 'Industrial Zones'
 - iii. Chapter 11, Article XVII- Commercial Cannabis Activity

Actions are Exempt from CEQA.

Background

- Over the past three years, the City Council has:
 - Replaced Chapter 16, Division 13, ‘Second Unit’ use with the Accessory Dwelling Unit (ADU) section in response to 2017 State Legislation (May, 2019).
 - Created Chapter 11, Article XVII for regulation of cannabis manufacturing, testing, distribution, and retail uses (June, 2018, December, 2019).
 - Replaced Chapter 16, Division 10, ‘Central Business District’ zone code with the form-based “Downtown Code” (July, 2019).
 - Comprehensively replaced Chapter 16, Division 11, ‘Industrial Zones’ (April, 2019).

3

Objectives

- Major changes to the OCC were developed and/or adopted in overlapping time frames in past two years:
 - Unintentional and incorrect internal cross-referencing;
 - Inconsistencies with more recent Ordinances; and
 - Recently adopted State laws.
- OCC “Clean up” Amendments will:
 - Create consistency with 2019 State legislation;
 - Incorporate recently adopted land uses and regulations pertaining to Commercial Cannabis Activities into Downtown Code and Industrial Code use tables; and
 - Correct cross-referencing and typographical errors.

23

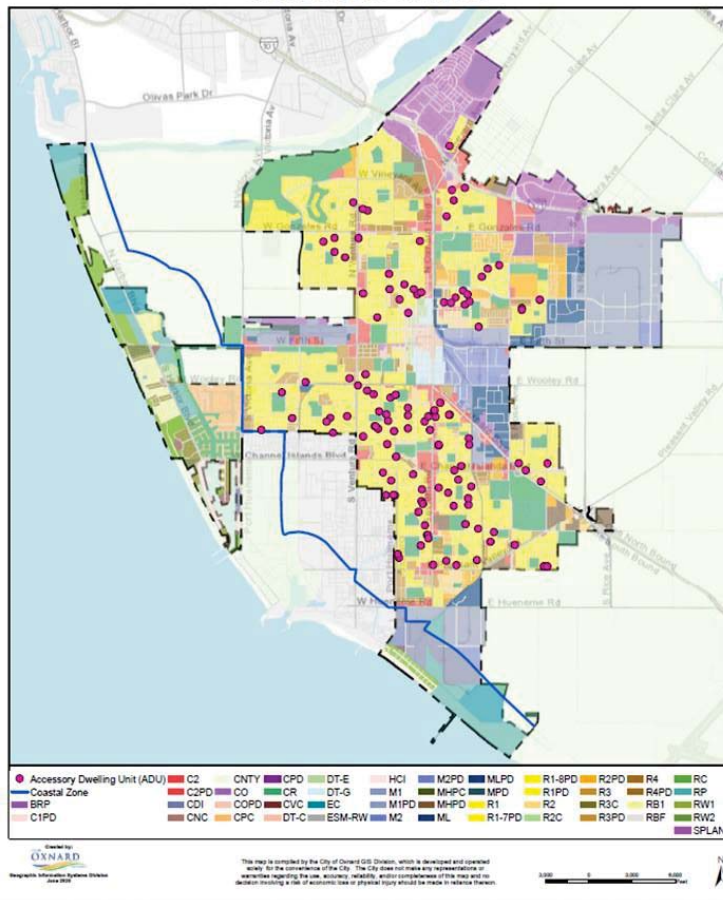
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Accessory Dwelling Units “Alignment”

Background - ADUs

- “Second Units” allowed by Special Use Permit prior to 2017.
- State creates “Accessory Dwelling Units” as a by-right use for properties with a single “Primary Dwelling Unit” in late 2017.
- City amends OCC and adopts ‘new’ ADU Section 16-465.
- State adopts additional ADU legislation in 2019 and creates Junior ADU, reduces parking, includes multifamily structures, sets 60-day permitting clock, and removes ownership requirement.
- Working with ADU community and permitting experience, staff proposes expanded ADU Section 16-465 to streamline permitting and be consistent with State legislation.

ACCESSORY DWELLING UNIT PERMIT APPLICATIONS IN THE CITY OF OXNARD



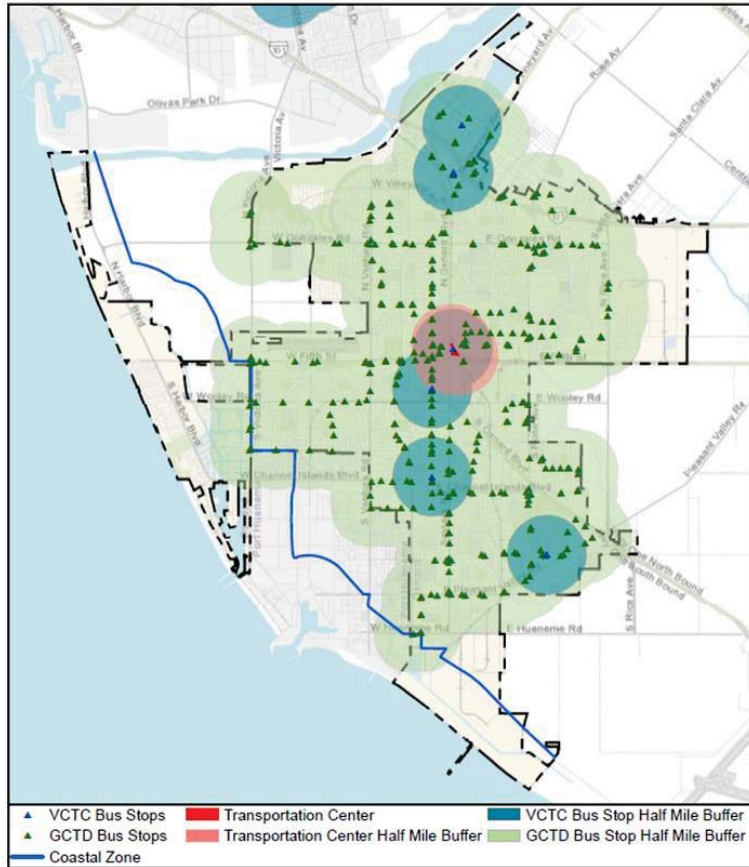
ADU Permit Activity: 2018-2020

Background - ADUs

2019 State legislative package (SB13, AB68, and AB881) included:

1. Creating “Junior ADU” as a ministerial use,
2. Allowing ADUs and Jr ADUs to be built concurrently with a new single-family dwelling,
3. Allowing ADU’s in all zoning districts that allow single-family housing and within non-habitable areas of multifamily structures,
4. Further reduced parking requirements,
5. Removing owner-occupancy requirement for the next five years,
6. Reducing side and rear yard setbacks from five to four feet unless a larger setback is needed for safety access,
7. Prohibiting application of open space and yard requirements,
8. Modifying fees for municipal utilities and special districts, limited exemptions or reductions in impact fees.
9. Prohibiting ADUs being used as Short Term Vacation Rentals

BUS STOPS & TRANSPORT CENTER WITH HALF MILE BUFFERS



Transit-Service Areas Exempt from ADU Parking

½ mile around:

- Gold Coast Transit stops
- VCTC commuter bus stops
- Oxnard Transit Center
- Metrolink Station

ADUs

Basically, three ways to create an ADU:

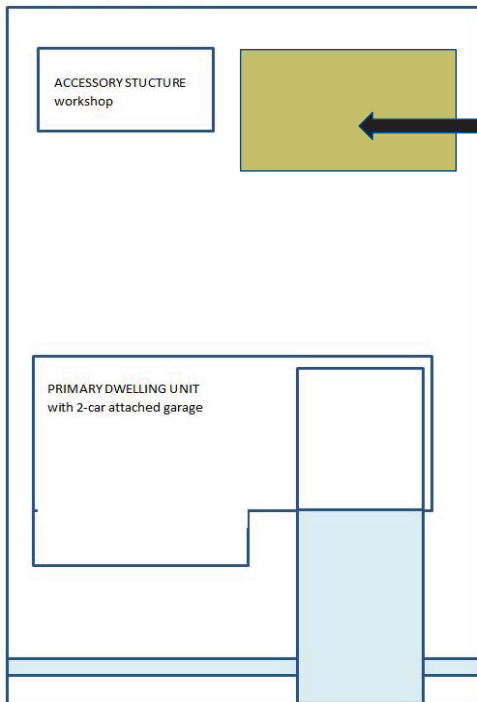
1. **Converted** garage and/or rooms within the Primary Dwelling Unit or an accessory structure (workshop, detached garage).
2. **Attached** ADU to an existing structure.
3. **Detached** ADU, usually in rear of parcel.

In reviewing over 160 ADU applications, staff finds many ADU's are a combination of methods, leading to defining nine 'ADU Types' included as Attachment A to the staff report.

Each ADU Type is described on following slides.

ADUs

Typical 6,000 sf single family parcel



TYPE 1

New detached ADU-only structure with or without garage

- requires full kitchen & bath
- 1,200 sf maximum size
- allows 4 ft rear/side setbacks
- full impact fees if > 740 sf.
- sprinklers only if in Primary
- may add a porch
- parking probably not required

Zones: R-1, R-2, R-3, R-4, C1, C2, DT-E (not in Coastal Zone)

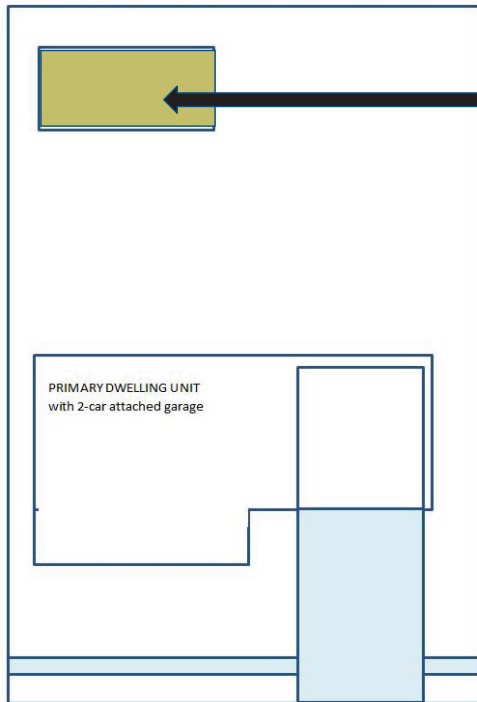
11

New Detached ADU in Rear Yard



ADUs

Typical 6,000 sf single family parcel



TYPE 2A

Conversion of Detached Accessory Structure

- requires full kitchen & bath
- 1,200 sf maximum size
- allows 4 ft rear/side setbacks
- no/reduced utility fees if structure already connected
- sprinklers only if in Primary
- may add a porch
- parking probably not required

Zones: R-1, R-2, R-3, R-4, C1, C2, DT-E (not in Coastal Zone)

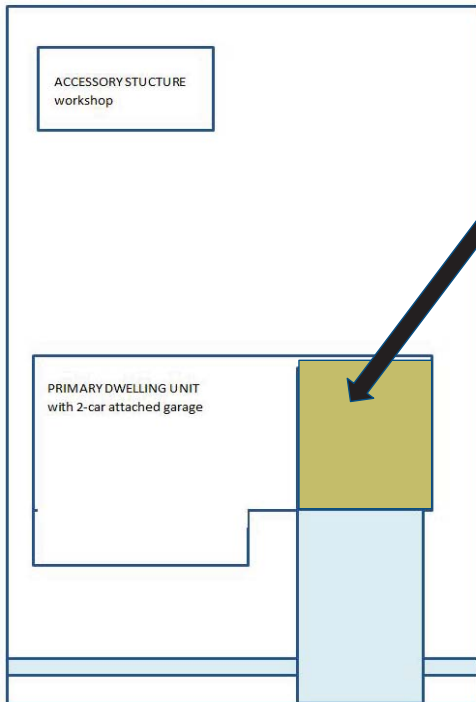
13

Detached Accessory Structure Conversion to ADU



ADUs

Typical 6,000 sf single family parcel



TYPE 2B

Conversion of Primary Unit's Garage to ADU

- requires full kitchen & bath
- @ 400 sf maximum size
- no utility fees
- sprinklers only if in Primary
- may add a porch
- parking probably not required for the ADU.
- replacement garage not required.

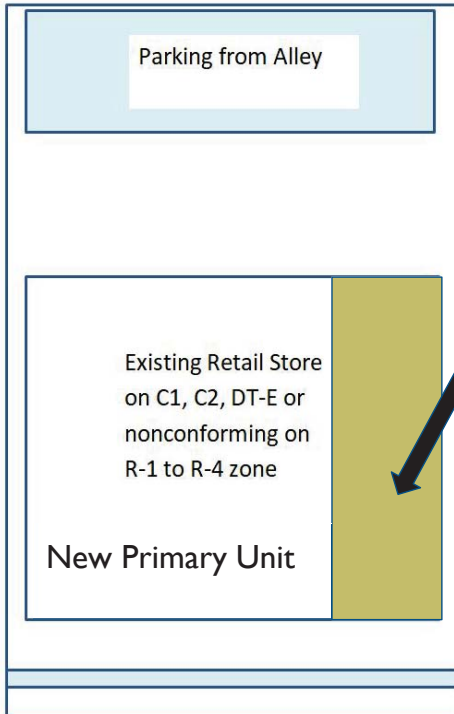
Zones: R-1, R-2, R-3, R-4, C1, C2, DT-E (not in Coastal Zone)

15

Attached Garage Conversion to ADU



ADUs



TYPE 2C

Conversion of Existing Non-Residential Structure to Primary Dwelling Unit with ADU

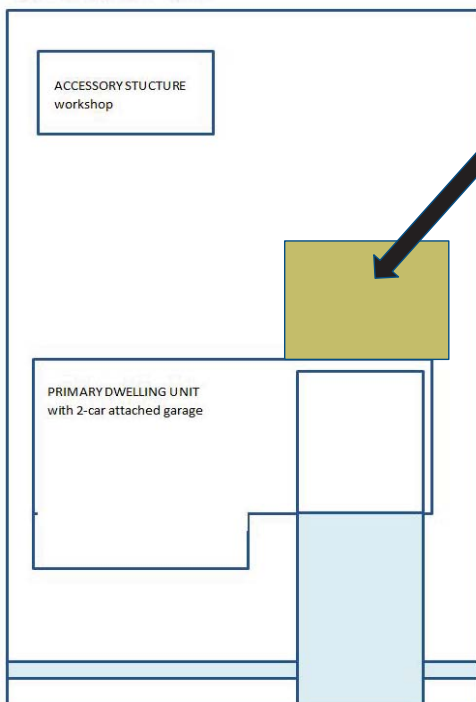
- Primary Unit subject to usual regulations and planning permit
- If Primary Unit permit approved, must also allow ADU by right
- ADU not to exceed 50% of Primary Unit size
- Full parking may be required
- Building codes apply related to changing use

Zones: R-1, R-2, R-3, R-4, C1, C2, DT-E (not in Coastal Zone)

17

ADUs

Typical 6,000 sq ft single family parcel



TYPE 3

ADU Attached to Primary Unit

- requires full kitchen & bath
- sprinklers only if in Primary
- may add a porch
- parking probably not required for the ADU
- Architectural compatibility required
- ADU not to exceed 50% of Primary Unit size
- Setback may be at 4 feet

Zones: R-1, R-2, R-3, R-4, C1, C2, DT-E (not in Coastal Zone)

30

18

Attached ADU in Rear Yard

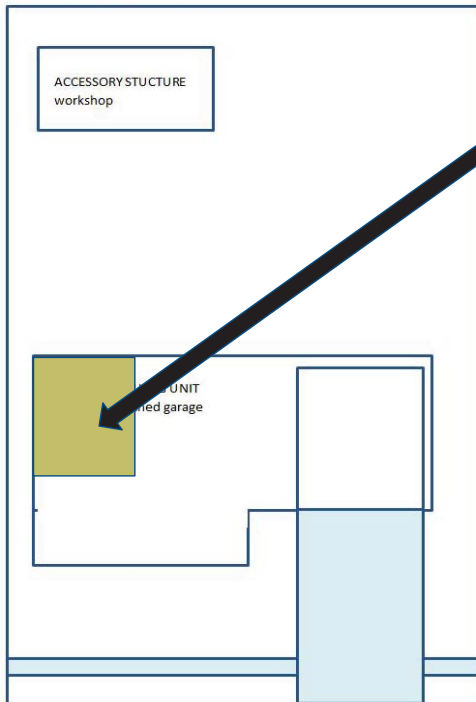


Attached ADU to front of Single Family Dwelling



ADUs

Typical 6,000 sf single family parcel



TYPE 4

ADU Fully Within Existing Primary Unit

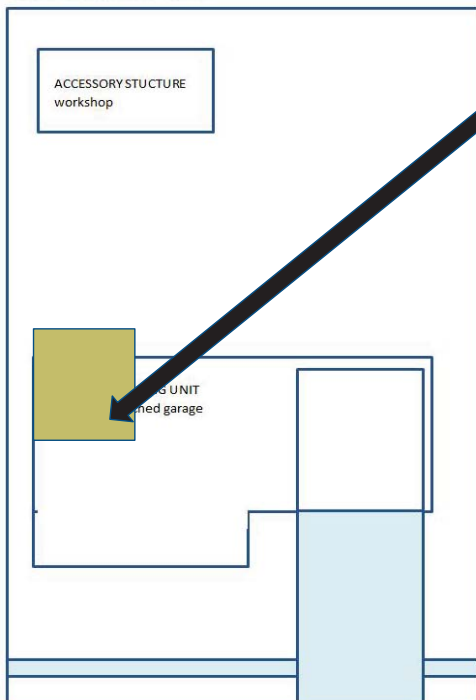
- requires full kitchen & bath
- sprinklers only if in Primary
- may add a porch
- parking probably not required for the ADU
- Architectural compatibility required
- ADU not to exceed 50% of Primary Unit size

Zones: R-1, R-2, R-3, R-4, C1, C2, DT-E (not in Coastal Zone)

21

ADUs

Typical 6,000 sf single family parcel



TYPE 5

Junior ADU Within Existing Primary Unit

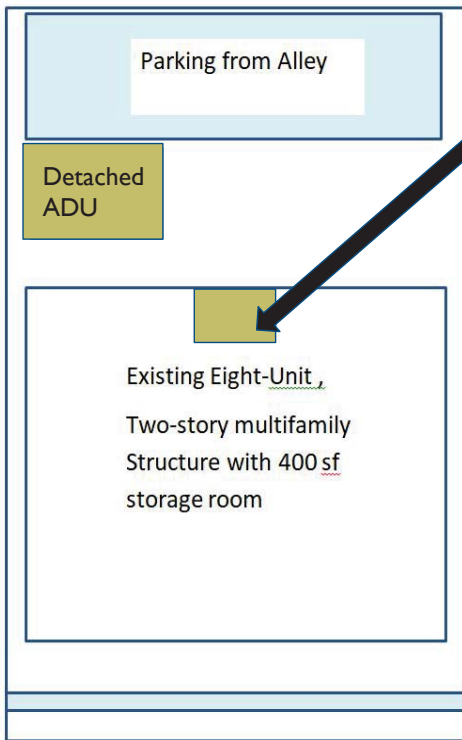
- requires only kitchenette
- usually a converted bedroom
- may share bathroom with Primary
- small addition allowed to create separate entrance, architectural compatibility required
- parking not required
- not to exceed 500 sf.
- Separate permit from ADU
- Allowed in addition to ADU

Zones: R-1, R-2, R-3, R-4, C1, C2, DT-E (not in Coastal Zone at this time)

32

22

ADUs



TYPE 6

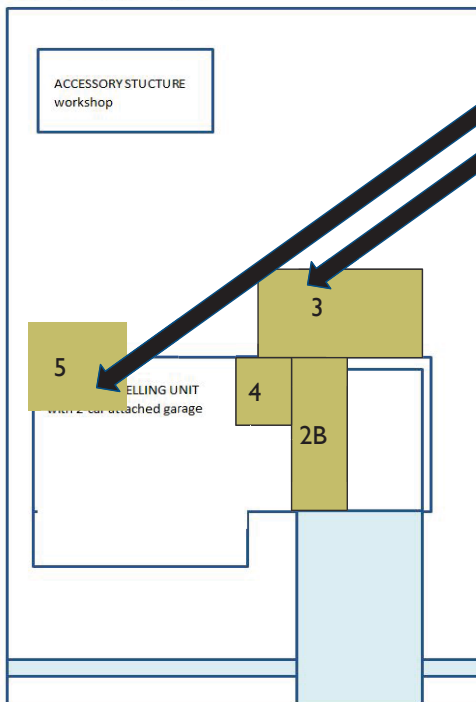
Conversion of Multifamily Structure Areas Not Use as Livable Space

- If parking space is used, tenant parking must be replaced on site
- One or two detached ADU's allowed
- Total of all ADU's not to exceed 25% of existing units
- Includes DT-G and DT-C zones
- ADU parking probably not required
- Multifamily open space and yard requirement standards may not be applied for detached ADU

Zones: R-1, R-2, R-3, R-4, C1, C2, DT-E, DT-C, DT-G (not in Coastal Zone)

ADUs

Typical 6,000 sf single family parcel



TYPE 7

Multi-Type ADU Project Combining ADU Types

- ADU and Jr. ADU (2 permits)
- Example combines conversion of Primary Unit garage (Type 2B), conversion of room within Primary Unit (Type 4), Attachment (Type 3), and Jr.ADU (Type 5)
- For ADU permit, process under Type that is the largest proportion of total square feet of the ADU
- Jr. ADU is separate permit
- May be processed concurrently

ADUs

Proposed format developed with assistance of ADU architects.

ADU Worksheets (Attachment A) are submitted with building permit for review by Planning staff as part of Zoning Clearance.

If an ADU project does not fully comply, applicant may request a DDR permit, not subject to 60-day permitting clock.

25

ADUs

- Nearly all ADU's are likely to be in affordable price range.
- ADU's and Jr. ADU's expected to provide about 25% of the Regional Housing Needs Assessment (RHNA) allocation in the upcoming 2021-2029 Housing Element, or about 2,000 units.
- State requirements in effect since January 1, 2020.

34

26

ADUs

Annual ADU Statistics				
Year	Applications Received	Entitlements Granted	Building Permits Issued	Final Inspection/CO
2013	0	0	0	0
2014	1	0	0	0
2015	0	1	0	0
2016	0	0	0	0
2017	17	2	0	0
2018	44	25	4	1
2019	50	55	13	9
2020*	63	41	6	3
Total	175	124	23	13

*Data as of July 7, 2020

27

ADUs

2020 ADU Applications Received:

- Type 1 (detached): **12**
- Type 2A (detached garage conv.): **12**
- Type 2B (attached garage conv.): **16**
- Type 2C (conv exist non-res.): **1**
- Type 3 (ADU attached): **18**
- Type 4 (Existing living conv.): **2**
- Type 5 (JR ADU): **1**
- Type 6 (Multi-Family ADU): **1**
- Type 7 (Mixed ADU): **0**

ADU's

- **ATTACHMENT A ORDINANCE**
 - Section 16-10 Definitions
 - Updates ADU
 - Adds Jr. ADU
 - Adds Primary Dwelling Unit
 - Complete replacement of ADU Sections 16-465 to 16-469.6.
 - Adds “ADU Multifamily only” as Permitted in DT-G/C zones.
 - Adds the 9 Types with “Purpose and Intent”
 - Modifies standards and zoning consistent with State legislation.
 - Incorporates 60-day permit ‘clock’ into permitting process.

29

Cannabis and “Clean up”

Cannabis “Clean up”

Amendment to OCC Chapter 11 (all cannabis related regulations):

- Section 11-454(GGG) - The sentence “Retail sales of cannabis and cannabis products are not allowed within the City of Oxnard.” removed from the “Retailer” definition
- Section 11-468(D)(1)(b) - An unnecessary reference was removed to simplify code
- Section 11-473(B) - Insert “Downtown-Core” and “Downtown-General” into list of zones allowing retail cannabis use.

31

Cannabis “Clean up”

Amendment to OCC Chapter 11 (all cannabis related regulations), contin:

- Section 16-148 “Downtown Code” - Adds “Cannabis Retail” to use table within DT-C and DT-G zones with approval of SUP and Chapter 11 special cannabis regulations (modifications reflected in updated Downtown Code use table)

37

32

Cannabis “Clean Up” in Industrial Zones

- “Commercial Cannabis Activities” allowed under Ordinance Nos. 2960, 2965 and 2972 (except C-M Zone) are the following:
 - Testing, Manufacturing, Distribution
 - All via Development Design Permit (DDR)
 - Retail (BRP Zone Only)
 - Special Use Permit

Section 16-XXXX
Industrial USES BY ZONE

Sec. 16-XXXX Industrial Land Use Matrix
The uses of land allowed by this zoning ordinance in the industrial zoning districts are identified in the following table as being:

	= Not Allowed
P	= Permitted Use (Requires a zone clearance)
SUP	= Special Use Permit
DDR	= Development Design Review Permit

Land Use	ZONE DISTRICT					Refer to Standards in Section
	CM	BRP	M-L	M-1	M-2	
Administrative, executive, and/or corporate offices which are a part of a predominantly industrial operation, including governmental offices and facilities	P	P	P	P	P	Sec.
Administrative, financial, professional, medical, and general office services	P	P	SUP			
Adult businesses, except adult motels		P	P	SUP	SUP	See Section 16-336
Adult day care facilities	P	P				
Adult motels	P					
Advertising structures other than those permitted in Article IX of this chapter					SUP	
Agricultural and construction vehicle sales with incidental repair and service	P SUP		P	P		

3

Misc. Code Corrections

“Clean up” corrections to various sections consist of minor typographical corrections within the Industrial Code portion of Chapter 16.

Section 16-XXXX INDUSTRIAL ZONES- DEVELOPMENT STANDARDS

The following table sets forth Development Standards for all of the industrial zone districts in the City of Oxnard. All permitted, and conditionally permitted uses shall be consistent with the purpose and intent of the respective zone.

STANDARD	ZONE DISTRICT				
	CM	BRP	ML	M-1	M-2
Min Lot Size	10000 SF	20000 SF	15000 SF	15000 SF	None
Min Lot Width					
Interior Lots	50 feet	100 feet	100 feet	100 feet	None
Corner Lots	75 feet	150 feet	150 feet	150 feet	None
Max Building Height	35 feet*	35 feet*	35 feet*	55 feet*	Shall not exceed a height at the street line of eight stories or 100 feet
Front yard Setback	None	30 Feet; 40 feet when adjacent to designated thoroughfare	20 feet; 30 feet when adjacent to designated thoroughfare	10 feet; 30 feet when adjacent to designated thoroughfare	10 feet; 30 feet when adjacent to designated thoroughfare
Side yard Setback	None if adjacent to Residential zone; 10 feet	Equal to height of building or approved by SUP	Equal to height of building or approved by SUP	None	None
Rear yard Setback	20% of depth of lot need not exceed 20 feet	20 feet	Equal to height of building	Equal to height of building	None
Street Side yard Setback	10 feet	Half of height of building	Same as require for front yard	Same as front yard	Same as front yard
Setback from Residential Zoned Property	10 feet	100 feet	50 feet	20 feet	None
Max Lot Coverage	40%	40%	50%	70%	None
Max Floor Area Ratio	0.35 to 0.45	0.60	0.45	0.45 0.60 (warehousing)	0.45

13

Industrial Zones Code Corrections

- Land Use Matrix
 - Incorporate previously allowed cannabis activities pursuant to Ordinance Nos. 2960, 2965 and 2972.
- Correct typographical errors:
 - Terminology to maintain internal consistency
 - Citations to guide reader to appropriate sections
 - Format and sequential order to maintain internal consistency
- Cannabis Permits
 - Amend title to reflect multiple permits required
 - Clarify required permits
 - Correct typographical errors

35

Recommendation

That the City Council:

1. Conduct a public hearing;
2. Determine the zoning text amendments are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) and exempt under Public Resources Code Section 21080.17; and
3. Introduce Ordinances (by title only, waiving further reading) approving the following Ordinance Amendments to Oxnard City Code (OCC) Chapter 11 (Permits) and Chapter 16 (Zoning Code): (a) Chapter 16 to create consistency with State Accessory Dwelling Unit (ADU) legislation (Planning and Zoning Permit No. 20-580-03: Accessory Dwelling Units); and (b) Chapter 11 related to Cannabis uses and Chapter 16 use tables and various typographical corrections (Planning and Zoning Permit Nos. 20-580-01: Industrial Code; 20-580-04: Cannabis).

39

36



Discussion

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April 26, 2020

Housing & Economic Development Committee
Oxnard City Council
300 West Third Street, 4th Floor
Oxnard, CA 93030

RE: Item D.1. Affordable Housing In-Lieu Fee & Inclusionary Housing Ordinance Amendments

Dear Chairman Madrigal, and members Basua and Flynn:

There is no question that the current In-Lieu Fee is woefully inadequate. That is a given. However, more important is the fact that the existing Inclusionary Housing Ordinance is not only woefully inadequate to address Oxnard's housing crisis, but it is obsolete in every respect. This did not happen overnight. Over the past decade, City leaders have failed and refused to heed the pleas of House Farm Workers! and local housing advocates to update the inclusionary ordinance in an effort to improve one of the City's tools to respond to the diminishing supply of land within Oxnard and to address the shortage of affordable housing available to meet the very real housing needs of our residents.

Dating back to the time of Housing Director William Wilkins, and then Arturo Casillas and now Emilio Ramirez, local housing advocates, including House Farm Workers!, have been asking City officials and staff to revise the ordinance. Our pleas fell on deaf ears.

As a result of the City's inaction, and in spite of the fact that Oxnard's housing stock increased by 18.7%, to the tune of 8,471 new housing units between 2000 and 2014, significantly more of our residents, particularly in South Oxnard and other working class neighborhoods find themselves living in severely overcrowded households.

Ventura County's Regional Analysis of impediments to Fair Housing choice, prepared in

Letter to Housing & Economic Development Committee

RE: Item D.1. Affordable Housing In-Lieu Fee

April 26, 2020

Page 2

2015, painted a bleak picture for the lower income community throughout Ventura County and in particular for Oxnard residents. My critique of the facts contained in that document are enclosed for your information [Public Comment letter addressed to Karl Lawson, dated April 22, 2015]. That situation as presented in that document was indeed sobering and it has not gotten any better.

The housing challenges faced by our residents continue to mount, as described in the City's Mid-Cycle Housing Element Update, adopted by the Council on October 10, 2017.¹ The lack of a sufficient supply of decent, safe and sanitary housing that is affordable to our very low and low income households is a growing problem, even as the City meets or exceeds its RHNA goals for market rate housing. Oxnard has been quite successful over the years in meeting its goals for market rate housing units while our low income community continues to stay behind the eight ball when it comes to affordable housing.

For example, as of March 2017, only 53 above moderate units were needed in order to achieve the total RHNA for this income category for the period 2013 -2021. In other words, at that point in time the City had an additional 4+ years left in the current RHNA cycle to entitle a mere 53 more market rate units (no doubt this has already been achieved). In contrast, at that same point in time the RHNA deficit was 1,525 very low income units, 806 low income units and 166 moderate income units. [See adopted Housing Element, Table D-4. - Remaining RHNA through March 2017, pg. D-5]. The City's production of low and very low income units during the previous Housing Element cycles was equally dismal, in comparison to the production of above moderate Income units. For example, the production of above moderate income units within the City was 295% of the RHNA above moderate income need for the 1998 - 2005 RHNA Cycle [See Oxnard Housing Element, Draft No. 4, February 2012, Table A-1, page A-2]. A total of

¹. According to the Oxnard's 2017 Mid-Cycle - 2013-2021 Housing Element Update, adopted October 10, 2017, [a]s of 2009, Oxnard had 49,550 households, with an average household size of 3.65 persons, in 2016, DOF reports 51,298 households with average size of 4.01] higher than the Ventura County average size of 3.04 persons as well as the California average of 2.89 persons ... In comparison to Ventura County and the state, the City has a larger proportion of households considered large with 5 or more persons. Nearly one-third of all households in the city are large, 27 percent (13,517 households), in comparison to 15 percent of households in Ventura County and 14 percent of households in the state. Many of these households, particularly farm workers live in housing designed for much smaller households.

Letter to Housing & Economic Development Committee

RE: Item D.1. Affordable Housing In-Lieu Fee

April 26, 2020

Page 3

3,645 housing units -- 1,855 single family and 1,790 multi-family, were produced during the period 2006- 2013 [See Mid-Cycle Housing Element Update, Table B-30, page B-22. No affordability breakdown was provided].

The policy question for the City Council is simple. How can the City neglect to update its Inclusionary Housing Ordinance as expeditiously as possible in light of the fact that the City has produced more than 13,000 units during the period 2000 - March 2017, while our residents continue to scramble for a dearth of affordable housing units? As acknowledged in the nexus study, Oxnard's Median Annual Household Income is \$68,303 [Slide 3 of Slide show presentation]. Contrast that with the Ventura County Median Annual Household Income of \$97,800 [2019 Income Limits, published by HCD, May 6, 2019].

With respect to the matter before you today, after reviewing the April 24, 2020 Memo, as well as the letters received from the Los Angeles/Ventura Chapter of the BIA and the Chamber of Commerce I have a much better understanding of the process and what in my view went wrong.

The process was flawed from the beginning because we were not given any opportunity at the beginning of the process to provide any meaningful input for the consultants to take into consideration as they initiated their assignment. Furthermore, by the time we were brought into the process the consultants had already completed their work. Thus, there was no opportunity (or interest) for the consultants to consider or follow up on any of our comments as reported in the April 24, 2020, memo regarding what transpired in the April 8th community meeting.

To put the process in perspective, I offer the following chronology:

We were advised at a House Farm Workers! meeting several months ago that the City intended to update its in lieu fee schedule for the Inclusionary Housing Program. As I recall we had a spirited discussion at that time with respect to the issue of whether such an update more appropriately should be part of an update of the entire Inclusionary Housing Program, including the inclusionary requirements themselves. Our suggestion was rebuffed at that time, but we were assured that our input would be sought before the study was finalized and brought to the Council.

Thereafter, apparently the City hired Harris & Associates, to simply prepare a nexus study

Letter to Housing & Economic Development Committee
RE: Item D.1. Affordable Housing In-Lieu Fee
April 26, 2020
Page 4

to justify an increase in lieu fees, without any consideration of the substance of the underlying ordinance or the efficacy of the City's Inclusionary Housing Program.²

I understand from the content of the April 16, 2020, letter submitted by Christine Rangel, Senior Director, Government Affairs for the BIA/LAV, that she attended what was described as "an initial outreach workshop" on March 12, 2020, and learned about the "development impact fees proposal." Apparently Nancy Lindholm, President/CEO of the Oxnard Chamber of Commerce, also attended the same meeting as in her letter she references a "presentation from Harris & Associates." It is unclear whether any materials were provided at that meeting.

On March 16, 2020, Ms. Mallory advised me by email that the City would "very shortly" be issuing a document "with the updated number including the methodology for how this number [the Inclusionary housing fee] was calculated." The following day Ms. Mallory sent me six slides "which have been extracted from the presentation that the City will be giving at the Housing & Economic Development Committee on April 28th regarding the City's Development Impact Fees." She provided the figures being recommended and stated that the "methodology analysis will be attached to the April 28th HEDC staff report which would be available on or around April 21st." Ms. Mallory informed me that she planned to attend the April 8th Farm worker Housing meeting to discuss the attached documents and any questions we may have. She also offered to meet with me, if I would like to discuss the study further.

Two days later the Governor imposed the COVID-19 shelter-in-place order, and most of us were forced to reorder our priorities and make contingency plans for getting our work done. After getting a chance to review the slides and the proposed fees, I sent Ms. Mallory an email on March 27, advising that the information provided did not make sense . . . in particular questioning how the gap for a very low income unit could be less than

². The process should have included three steps: 1) an initial public comment period, including a meeting with the community/stakeholders and the consultants to allow relevant input to be provided before the initiation of the consultant's work plan; 2) circulation of the draft study allowing an opportunity for public comment by the community and stake holders; and 3) a second meeting with the community to review the draft and consider changes before the document and recommendations were finalized and presented to the HEDC and the Council.

Letter to Housing & Economic Development Committee
RE: Item D.1. Affordable Housing In-Lieu Fee
April 26, 2020
Page 5

the gap for a low income unit? ³

I requested a copy of the consultant's written report with the methodology. No report was forthcoming. Instead, the day before the April 8th virtual meeting we were provided essentially the same 16 page power point presentation that will be presented to the HEDC [pages 88 - 95 in your packet]. After the April 8th meeting, we were provided a copy of virtually the same "Final Draft of the Affordable Housing In-Lieu Fee Nexus," which is before this Committee [pages 10 - 41 in your packet].

Based on the above chronology, whether intended or not, it is clear that the public was not given any real opportunity to be heard, both with respect to substantive amendments to the Inclusionary Housing Program or the methodology and amount of the proposed In Lieu Fees. The City must do better!

The City must finally begin to effectively use its police powers to respond to our housing crisis. One important step forward would be to significantly increase the percentage of affordable units required to be built in accordance with the City's Inclusionary Housing Ordinance.

It is my understanding that Staff is now recommending that the time frame within which the City will *actually adopt an ordinance* containing substantive revisions to the Inclusionary Housing Ordinance be condensed. Thus, I will expect that such revisions will be completed and adopted by the Council on or before the adoption of 2021 - 2029 Housing Element. This task cannot be treated as a program tucked away in the new Housing Element because our housing crisis is real and desperate – we simply do not have the luxury to keep pushing such a major affordable housing tool into the background.

Among categories of changes that need to be addressed are the following:

³. I have since been informed that the difference is the result of a formula that is based on 30 units to the acre for the Multifamily For-Sale product and 39 units to the acre for the Multifamily rental units. That makes absolutely no sense to me in light of the City's land use and zoning standards. Furthermore, in light of the well known fact that very low income rental units generate less income to cover the mortgage debt and expenses, I cannot figure out how it is possible to have less of a gap for this product, notwithstanding the explanation I received from Ms. Brown and Ms. Mallory.

Letter to Housing & Economic Development Committee

RE: Item D.1. Affordable Housing In-Lieu Fee

April 26, 2020

Page 6

1. Significant increases in the amount/percentage of low and very low income housing that must be included in each development project. It should be noted that with the removal of reference to the redevelopment areas of the City, the ordinance before you actually LOWERS the amount of affordable housing because under the ordinance housing developed within the redevelopment project areas were subject to the 15% inclusionary requirements as set forth in state law. Note that while the Redevelopment Agencies have been dissolved, the applicable law requiring the 15% inclusionary requirement is still on the books. Thus, I would assert that this inclusionary requirement is still operable in the City's Redevelopment project areas. Also, note that much of the land identified for development within the City is located within a redevelopment project area, most notably the HERO project area.
2. The term of affordability should be increased to no less than fifty-five years for both rental and For-Sale affordable units.
3. The ability of the developer to choose to pay In Lieu fees rather than construct the housing should continue to be strictly limited.
4. Part 15 of the ordinance before you today should be deleted in its entirety as it conflicts with State Density Bonus Law, as determined by the Court in *Latinos Unidos Del Valle de Napa y Solano v. County of Napa* (2013) 217 Cal.App.4th 1160.
5. Since the methodology in the current nexus study is grounded in the current inclusionary requirements, the study will have to be redone to comport with the updated inclusionary requirements. This is a major objection I had to conducting the in lieu fee study before necessary revisions to the ordinance are completed. The City's chosen path will necessarily result in extra expense and extra work.

In closing I would just point out that Part 9 of the Ordinance that is before you today provides for preference to Oxnard residents qualified to purchase or rent the affordable units produced in accordance with the inclusionary ordinance. Thus, the City already has a basis to impose the local preference on developers of housing in the City. I hereby specifically request that the City start enforcing this section of the ordinance without

Letter to Housing & Economic Development Committee
RE: Item D.1. Affordable Housing In-Lieu Fee
April 26, 2020
Page 7

further delay.

I plan to speak at the hearing by telephone and look forward to answering any questions you may have.

Sincerely,



Barbara Macri-Ortiz

Enclosure

cc: Michelle Ascencion, City Clerk
Alexander Nguyen, City Manager
Ashley Golden, Assistant City Manager
Jeffrey Lambert, Community Development Director
Emilio Ramirez, Housing Director
Kathleen Mallory, Planning & Sustainability Manager
Elsa Brown, Affordable Housing Manager

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April 22, 2015

Karl Lawson
Fair Housing Officer
City of Oxnard Housing Department
435 South "D" Street
Oxnard, CA 93030

***RE: PUBLIC COMMENT
2015 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING***

Dear Mr. Lawson:

Thank you for the opportunity to comment on the Ventura County Regional Analysis of Impediments to Fair Housing Choice, prepared by the County of Ventura as the Lead Agency with the assistance and input of the incorporated jurisdictions, including the City of Oxnard. The report paints a very bleak picture for the lower income community throughout the County who must compete for scarce housing opportunities in this high housing cost area of the State and Country. The information contained in this report should serve as an eye opener not just for the citizens of Oxnard but for every jurisdiction in our County. The statistics in this report provide a picture of the changes in our communities that have occurred during the period 2000 - 2014. Taken as a whole, these statistics crystalize the major fair housing issues that we face within Oxnard and Ventura County, even as this report is silent as to the true fair housing implications presented.

Oxnard's demographics, as reported in the Analysis reveal the following: The number of Oxnard households (50,613) has grown by 15.9% over the last 14 years, second only to Moorpark, although Moorpark has less than half as many households as Oxnard (24,776). [Table 12, p. 24]. Oxnard has the largest average household size (3.95) overall in the County; 80.3% of these households are families, with an average family size of 4.20, and 42.8% of these families include minor children [Table 13, p. 25]. Oxnard's Median

Letter to Karl Lawson
RE: 2015 Analysis of Impediments to Fair Housing
April 22, 2015
Page 2

Household Income is \$60,736 while its Median Family Income is a little higher at \$62,345 [Table 20, p. 39]. Of 51,360 Oxnard households as of 2011, 56.0% were lower income households, earning 80% or less than the Area Median Income [Table 21, p. 40¹]. Oxnard's workforce includes many of the low wage workers who serve the needs of the entire County in its retail, restaurant, manufacturing, landscape, healthcare, education, childcare and tourist industries.² Oxnard is also home to 61.7% of the farm workers who toil in Ventura County's rich agricultural fields [Table 19, p. 38].

Oxnard residents are paying a higher percentage of their income for housing than the residents of any other City in Ventura County. Yet, even though over fifty percent of Oxnard's households (50.1%) are overpaying for their housing, including 44.6% of homeowners and 56.9% of renters [Table 35, p. 57], Oxnard households are second only to the City of Santa Paula as being the most overcrowded for both owners and renters in the County, and Oxnard has the highest percentage of renter households in the County that are severely overcrowded [Table 36, p. 59]. Yet, during the same time period (2008-2012), the vacancy rate in Oxnard was 6.6%, which was actually above the 5% rate considered to be indicative of a *healthy* housing market. [Table 29, p. 51].

How can this be? The answer is simple. Rents have continued to skyrocket across the County and particularly in Oxnard. As of January 2015, average rents in Oxnard for studios (\$1,237) and three bedroom apartments (\$2,375) are *the highest of any city in Ventura County* [Table 32, p. 53]. What that means is that in order for an adult child or young couple to move out of the family home, they must earn \$4,123 per month (\$49,480 annual earnings) to be able to afford to rent a studio. How many of our adult children who still live at home are earning that kind of money? Also, for families with two to four

¹. It should be noted that the Income Distribution section contains a serious error, as it incorrectly defines *Low-Income* as 31-50% of AMI, when in fact 31-50% AMI is the definition of *Very Low Income*. It also defines *Moderate-Income* as 51-80% of AMI, when in fact 51-80% AMI is the definition of *Low Income*. Finally, under the definition *Middle/Upper-Income* (above 80% of AMI), it includes both *Moderate Income* (81-120% of AMI) and *Above Moderate Income* (121% or more of AMI). See bullets on p. 40 and Table 21. Table 33, p. 54, suffers from the same mistake.

². As shown in Table B-12 on page B-9 in the *City of Oxnard 2013-2021 Housing Element, Public Review Draft March 2015*, the vast majority of residents in Oxnard work in or near the City. The commute time for 70 percent of our residents is less than 30 minutes, while just over 30 percent of residents commute 30 minutes or more to work.

Letter to Karl Lawson
RE: 2015 Analysis of Impediments to Fair Housing
April 22, 2015
Page 3

children who would like to move out of overcrowded or substandard living arrangements, they must earn \$7,917 per month (\$95,004 annual earnings) in order to be able to afford to rent a three bedroom apartment. Is there any doubt why our residents are living in overcrowded or substandard housing? It is no mystery why some families must opt to be sheltered in garages, rather than apartments.

Even as the situation becomes more dire for Oxnard residents, one would think that we should be doing much better in light of the fact that Oxnard's housing stock has increased by 8,471 units between 2000 and 2014, an increase of 18.4%. Oxnard's housing production represents 25.8% of the increase in housing stock *for the entire County*. Only Moorpark's increase of 19.0% is greater than Oxnard's, but by comparison Moorpark only produced 1,741 units during the same time frame. Yet, despite the significant number of units actually produced in Oxnard during the last fourteen years, this new housing stock is simply not available to the majority of Oxnard residents in need of housing. So while we permit more apartments and homes, the vast majority of these new residences are filled with folks from other parts of Ventura County as well as commuters from Santa Barbara and Los Angeles Counties. This does nothing to solve the housing crisis in our own back yard while it exacerbates the congestion on the 101 freeway.

There is an evident disconnect between the residential development that has occurred in Oxnard as compared with the housing needs of our community and the pressing housing problems that we face. Unfortunately, the growth of housing stock in the community has resulted in a mismatch between the available housing offered on the market and those in our community in need of decent, safe and sanitary housing that is affordable. This housing crisis is further exacerbated by the fact that Oxnard is also home to one of the highest concentrations in Ventura County of persons living below the poverty line [p. 43, and Figure 4, p. 44], including farm workers, female headed households, seniors, and the disabled.

The disparity in incomes between residents of east and west Ventura County also seriously impacts housing prices, including rents at tax credit affordable housing complexes where rents are tied to the Area Median Income (AMI). This disparity creates a serious fair housing issue as it has a disparate impact on lower income families and households in Oxnard (as well as Santa Paula and Fillmore) that are predominately minorities.

For example, while Oxnard's median family income in 2012 was \$62,345, it was eclipsed

Letter to Karl Lawson

RE: 2015 Analysis of Impediments to Fair Housing

April 22, 2015

Page 4

by the median family incomes in the cities of Thousand Oaks (\$115,782), Moorpark (\$109,321), Camarillo (\$100,765) and Simi Valley (\$97,722). The incomes of these predominately east county jurisdictions had the effect of raising the area median family income for Ventura County to \$86,579. Median household incomes are generally lower than median family incomes. However, while Ventura County's Area Median Household Income in 2012, was \$76,483, the household median income in Oxnard was \$60,736, a difference of \$15,747 [Table 20, p. 39]. While this might not seem like a lot of money, it can have a significant impact on the maximum rent that may be charged in tax credit properties for units rented to households at 30% to 60% of Ventura County's Area Median Household Income. What this means is that for some of our extremely low income residents (whose incomes are well below 30% of Ventura County's AMI, i.e. below \$26,790 for a family of four in 2015), they are not able to afford to pay the lowest tax credit rent unless the property has additional federal or state rental operating subsidies, such as USDA (farm worker), HUD (disabled or senior) or MHP (family).³

Furthermore, after the County crawled out the recent recession, the Ventura County Median Household Income for 2014, rose to \$89,300 for a family of four, an increase of \$12,817, in just two years. Oxnard's work force has not received wage increases anywhere close to that magnitude, and thus, our residents continue to fall behind as the income limits for *Extremely Low Income* (\$27,200), *Very Low Income* (\$45,300) and *Low Income* (\$72,500) households rise, resulting in higher rents in tax credit properties, and making it more difficult to compete for public subsidies for first time home buyer assistance programs.⁴

Public Housing and Section 8 tenants are not directly impacted by the rise in median income since rents are tied to the tenants' actual incomes. However, Section 8 tenants are

³. It is a little known fact that the Area Median Income in Ventura County has consistently been higher than the AMI in both Santa Barbara and Los Angeles Counties. Furthermore, based on the 2015 State of California Income Limits released by HCD on April 15, 2015, the AMI for a family of four in Ventura County is still \$89,300. Yet, that figure puts our County ahead of the Tri Counties and the Southern California counties of Santa Barbara (\$75,400), Los Angeles (\$64,800), Orange (\$87,200), San Diego (\$75,900) and San Luis Obispo (\$77,100).

⁴. The Analysis should also contain a Table listing all the affordable tax credit properties in the County, including the locations, number of units, and identification of the number of units in each property that are dedicated for special needs populations, i.e. farm workers, disabled, and seniors.

Letter to Karl Lawson
RE: 2015 Analysis of Impediments to Fair Housing
April 22, 2015
Page 5

most definitely affected when market rents eclipse Fair Market Rents as fewer landlords are willing to offer their properties to Section 8 recipients. We always experience this reduction in housing choice for Section 8 recipients in times when demand for rental housing far exceeds the supply, such as today and during the aftermath of the recent foreclosure crisis, when thousands of homeowners flooded the rental housing market after losing their homes.

The lack of sufficient decent, safe and sanitary housing that is affordable to lower income families and households in and of itself should be viewed as a serious impediment to Fair Housing because it creates an environment that is ripe for discrimination and has a disparate impact on minority populations and families with children who are least able to compete for scarce housing resources.

We must face this crisis knowing that the movement has already begun to renew the SOAR initiatives and ordinances, which constrain the ability of cities to grow outside of their boundaries. It is also no secret that voter approval of these initiatives is likely. The stated goal or reason for SOAR as expressed in its name is to *Save Our Agricultural Resources*. That is an exemplary goal as Ventura County has probably the richest soil in the world and one of the best climates for the production of the fruits and vegetables we need as a people to survive. However, the cost for SOAR has to be a commitment by each jurisdiction accompanied by actions to ensure much better use of the vacant land and available parcels for redevelopment that remain within our cities' borders. Each city must commit to rezoning actions that will allow for mixed use and high density residential development and redevelopment in our cities. As a community Ventura County residents have to embrace high density residential development as a fact of life in *every* city in the County. Each community must commit not only to eliminate new low and medium density residential development, but also to maximize the use of what vacant land is left in the cities for the housing needs of our entire community, including all those who harvest our crops or otherwise serve the needs of the affluent and our aging populations. The cold hard fact is that if we cannot grow outward into our agricultural lands and open spaces, we must grow upward.

Table 53, p. 106, *Typical Land Use Categories & Permitted Density by Jurisdiction*, demonstrates our current wasteful land use policies as expressed by our zoning ordinances. If we truly want to preserve our agricultural resources (not to mention the need to reduce water consumption), we should no longer allow single family residential developments of less than 14 units to the acre, nor can we allow multifamily residential

Letter to Karl Lawson
RE: 2015 Analysis of Impediments to Fair Housing
April 22, 2015
Page 6

developments of less than 30 units to the acre. Furthermore, high density development is the only solution to allow sufficient development to meet the needs of our children and the workforce who serve every community in this County. Oxnard should not have to be the home for all the workers who service the needs of every affluent community. Every community must be able to house its own workers and in doing so it will help lower housing costs and improve the environment as well.

Inclusionary Housing Programs must not only be continued in those seven cities that have such programs in place, but Simi Valley, Fillmore and Ojai should also implement inclusionary housing programs. All jurisdictions need to improve and strengthen these programs in order to ensure that the market is actually building housing to address the needs of our total community.⁵ Based on the demographics of Ventura County it is necessary for each City to commit to Inclusionary Housing Programs that require that at least forty percent (40%) of new construction projects be dedicated to serve the needs of our *Extremely-Low, Very-Low* and *Low-Income* communities⁶ because the fact is that these residents are needed to do the low wage jobs that are required and will continue to be required in every community in the years ahead.

If our communities fail to seriously commit to rezoning programs that will allow us to make better use of our land and create incentives to produce more affordable housing, we will have a much more serious fair housing issue to deal with because exclusive or

⁵. It should be noted that the discussion on page 125 regarding Ventura's Interim Inclusionary Housing Policy is somewhat premature. The Supreme Court heard oral arguments on April 8, 2015, in the case of *California Building Industry Association v. City of San Jose*, the case referenced in that discussion. A decision is expected in July. Whatever happens in this case, the Legislature and the Governor will be hard pressed not to remedy whatever outstanding issues remain with respect to inclusionary housing, including the residual negative impacts of the *Palmer/Sixth Street Properties v. City of Los Angeles* case since its ripple effect has frustrated communities across our State. One errant Appellate Court decision cannot be allowed to undermine California Housing Element Law or stymie government's ability to protect its people from a housing crisis of tsunami proportions.

⁶. See Table 21, p. 40. Although the columns are incorrectly labeled, the totals for Ventura County reflect that based on their earnings our residents fall within the following categories in the following proportions which total 41.0% of the County's population: 12.3% - Extremely-Low Income (0-30% AMI); 11.7% - Very-Low Income (31-50% AMI); and 17.0% - Low-Income (51-80%).

Letter to Karl Lawson
RE: 2015 Analysis of Impediments to Fair Housing
April 22, 2015
Page 7

wasteful land use policies and programs have a discriminatory impact on minorities in violation of Government Code § 65008 and other Fair Housing laws. However, the impacts of such discrimination reach way beyond the victims of such discriminatory land use policies and programs. At the end of the day, if we price our workforce and our young people out of our communities, then our communities will eventually shrivel up and die from their own dead weight.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Macri-Ortiz', written in a cursive style.

Barbara Macri-Ortiz

xc: County Executive Office, Ventura County Community Development Division

Preparation of the 2021-2029 Housing Element and Policy Direction

Jeff Pengilley, Assistant Director
Kathleen Mallory, Planning & Sustainability Manager
Emilio Ramirez, Housing Director
Chris Williamson, Consulting Planner
Community Development Department

Housing and Economic Development Committee
September 8, 2020



Background and Purpose

- Southern California Association of Governments (SCAG) to adopt Final RHNA in January 2021. No change expected.
- Draft Housing Element to be released Feb. 2021.
- Adoption required by October 15, 2021.
- Inform HEDC regarding approaches for the 2021-2029 (6th Cycle) Housing Element.
- Receive feedback on four policy questions.

RHNA Allocation

Regional Housing Needs Assessment	6th Cycle 2021 to 2029		5th Cycle 2013 to 2021		Comparing 6th to 5th Cycle RHNA's	
	Units	Percent of Total	Units	Percent of Total	Change in Units	Percent Change
Income Level						
Extremely Low	917	10.8%	844	11.6%	73	8.0%
Very Low	917	10.8%	844	11.6%	73	8.0%
Low	1,068	12.5%	1,160	15.9%	(92)	-8.6%
<i>Subtotal Lower Income</i>	<u>2,902</u>	<u>34.0%</u>	<u>2,848</u>	<u>39.0%</u>	<u>54</u>	<u>1.9%</u>
Moderate	1,535	18.0%	1,351	18.5%	184	12.0%
Above Moderate	4,092	48.0%	3,102	42.5%	990	24.2%
Total all Income Levels	8,529		7,301		1,228	14.4%

6th vs. 5th cycle - increase of 1,228 units (14.4%, 62% for "Existing Need").

Lower Income allocation is about same at 2,902 units (54 unit increase).

Income Categories

HCD uses five household income categories.
Based on Ventura County Area Median Income (AMI)*.

<u>Category</u>	<u>AMI</u>	<u>2020</u>
Extremely Low	< 30%	under \$33,850
Very Low	30% to 50%	to \$56,450
Low	50% to 80%	to \$90,350
Moderate	80% to 120%	to \$117,350
Above Moderate	> 120%	over \$117,350

HCD focuses on Extremely Low, Very Low, and Low; Referred together as "Lower Income."

Housing Element needs sites for Lower Income RHNA.

**In 2020, AMI is \$97,800 for a four-person household.*

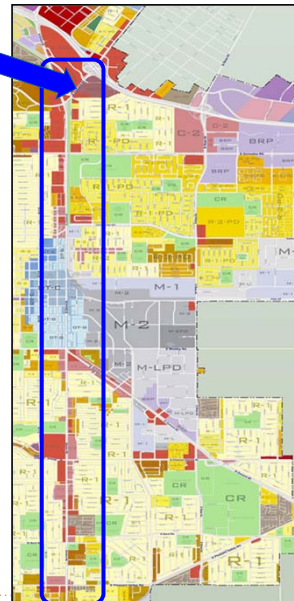
Sites for Housing Element

- Evaluating sites and density - Oxnard Blvd. from 101 to Pleasant Valley. SCAG designated “High Quality Transit Corridor.” Funded by LEAP grant.
- Evaluating density and transit oriented development in downtown and along Saviers Rd. from Five Points to Hueneme Rd. (Caltrans grant with Public Works).
- Re-evaluation of remaining All Affordable Housing Opportunity Program (AAHOP) sites based on new HCD site guidance criteria. Funded by SB2 grant.

Sites: Density & Infrastructure Study Areas

OXNARD BLVD./SAVIERS RD. CORRIDOR

**DOWNTOWN-GENERAL AND
DOWNTOWN-CORE**



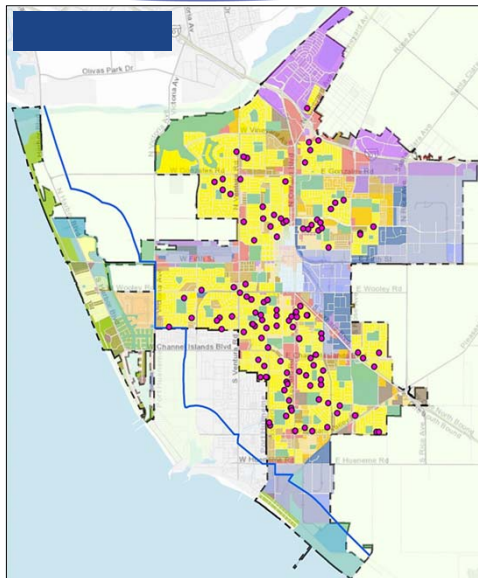
Policy Question #1

Does the HEDC support utilizing 1,000 ADUs and Jr. ADUs during the next 2021-2029 Housing Element to achieve compliance with the 2,902 lower income RHNA?

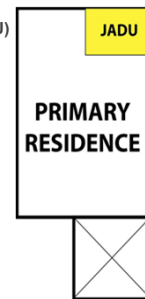
- Prior Housing Elements did not rely on ADU's to meet lower income requirement; permissible now via HCD.
- City can likely assume 1,000 ADU's during the 6th Cycle
 - This represents approximately 35% of the City's lower income housing allocation (2,902 units).
- Counting ADU's/Jr ADU's as Lower Income units reduces need to identify other sites.
- City forecasting ADU areas; considering infrastructure impacts via SB2 grant.

Policy Question #1

The Ultimate Guide to Pre-Approved ADU Plans in San Jose



Junior Accessory Dwelling Unit (JADU)



Policy Question #2

Should the City discontinue AAHOP and, instead, rely on the State’s default density of 30 units per acre on selected lower income sites for the 2021-2029 Housing Element?

- 2012 City created AAHOP program; before State density bonus law.
- City relied on AAHOP sites to meet lower income RHNA.
- Most AAHOP sites raise density from 18 to 24 dwelling unit/acre for all-affordable project.
- The State Density Bonus can be applied on top of the AAHOP density.
- AB1763 raised State’s 35% Base Zoning density bonus to 80% for the same all-affordable project.
- Combination of AAHOP and AB1763 density bonus increases overall density from 18 to 43 dwelling unit/acre.

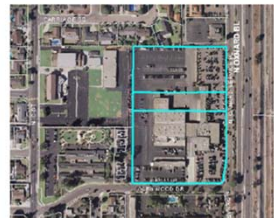
Policy Question #2

EXAMPLE

Example: AAHOP Site D-06

- C-2 Zoning allows 18 dwelling unit/ acre.
- AAHOP increases to 24 dwelling unit/ acre for all lower income project.
- AB1763 adds 80%, increasing allowed density to 43 dwelling unit/ acre.
- State density bonus is developers option
- City may only count 24 dwelling unit/ acre towards RHNA.
- 8 acres X 24 = 192 lower income units.

D-06 – 1345 N. Oxnard Blvd. (Todey Dealership)



Under Default Density at 30 dwelling unit/acre, City may count all possible units towards lower income RHNA.

- 8 acres X 30 = 240 lower income units.

Policy Question #2, continued:

Staff suggests the City:

- Discontinue AAHOP and, instead,
- Rezone selected housing element sites to 30 units per acre, if and as needed, to reach the total 2021-2029 RHNA lower income allocation.

Should the City discontinue AAHOP (100% affordable) and rely on the State's default density of 30 Units/Acre on lower income sites?

Policy Question #3

Are there recommendations from HEDC regarding the City's inclusionary housing ordinance in lieu percentage? Are there local preference strategies that HEDC would like explored?

- City's inclusionary housing ordinance is 10% at lower income; or, pay in lieu fee.
- Urban Villages require 15% lower income.
- HCD does not allow City to meet RHNA allocation through inclusionary ordinance; ordinance is one tool to preserve units not secure and achieve lower income RHNA compliance.

Policy Question #3, continued:

- During In-Lieu Fee update discussion request from community to increase in-lieu fee and a desire for local preference for housing units.
 - Changes to percentage will increase cost to develop housing in Oxnard; but will also increase revenue for affordable housing/programs/construction, etc.
 - January 12, 2020, local preference report, difficult to require/impose unless local funding provided.
- Are there recommendations from HEDC regarding the City's inclusionary housing ordinance in lieu percentage? Are there local preference strategies that HEDC would like explored?

Policy Question #4

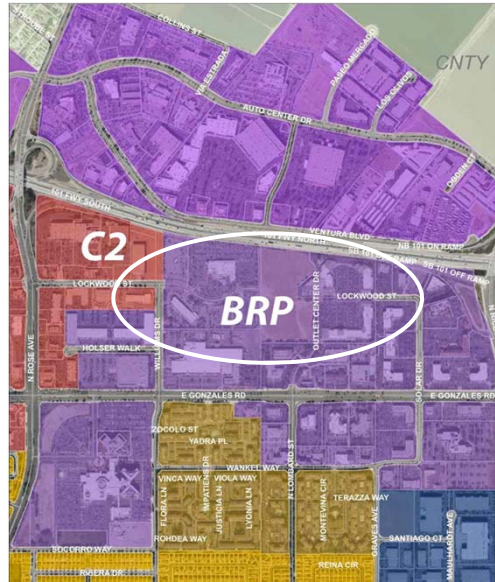
Should the City adopt a plan or program to encourage housing in the BRP zone, as well as targeted commercial centers through streamlined approaches?

- If City doesn't have enough lower income RHNA sites, one option is to 'replan' the Business Research Park (BRP) zoned commercial areas = allow lower income housing.
- Property owner inquiries - multifamily housing and mixed-use replacing big-box retail in various fwy oriented commercial areas.
- Changing retail trends, economics, and transit corridors support potential need for housing/commercial - mixed use
- Key commercial sites/areas may be appropriate for housing (all incomes); some may not have usual residential amenities such as neighborhood parks.
- Proposed law may require City to allow housing in BRP.

Study Areas

Area 1

Business Research Park
between Rose Avenue
and Rice Avenue along
Lockwood Street



Graphics of Areas

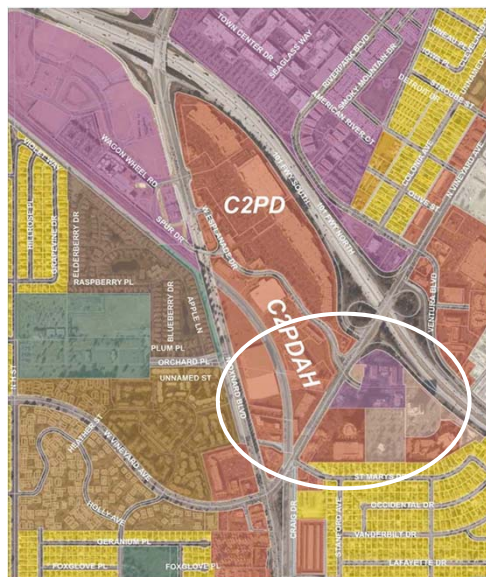
Area 3

Esplanade Area

C-2 zoning allows R-3
residential at 18 du/acre

Esplanade Tower III
becomes residential ?

Former Levitz property
is an AAHOP site.



Policy Question #4, continued:

HEDC Questions:

- Is HEDC supportive of policies and programs to encourage housing in BRP zones and mixed use/housing all incomes?
- Is there support for administrative approvals and/or streamlining (expedited review, objective standards)?
- What factors should be considered to allowing this? (neighborhood parks, proximity to transit, services, and schools, and utilities.)
- Should the density be limited to be medium density (18 dwelling unit (du)-30 dus/acre) for housing or mixed use?
- Should the City adopt a plan or program to encourage housing in the BRP zone, as well as targeted commercial centers through streamlined approaches?

Policy Questions

1. Does the HEDC support utilizing 1,000 ADUs and Jr. ADUs during the next 2021-2029 Housing Element to achieve compliance with the 2,902 lower income RHNA?
2. Should the City discontinue AAHOP and, instead, rely on the State's default density of 30 units per acre on selected lower income sites for the 2021-2029 Housing Element?
3. Are there recommendations from HEDC regarding the City's inclusionary housing ordinance in lieu percentage? Are there local preference strategies that HEDC would like explored?
4. Should the City adopt a plan or program to encourage housing in the BRP zone, as well as targeted commercial centers through streamlined approaches?

Recommendation

That the Housing and Economic Development Committee:

1. Receive a report on the preparation of the 2021-2029 Housing Element (6th Cycle Housing Element); and
2. Provide feedback to staff on several key policy questions.



Discussion



**HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
AGENDA REPORT
REPORTS
AGENDA ITEM NO. D.2**

DATE: September 8, 2020
TO: Housing and Economic Development Committee
FROM: Jeff Pengilley, Interim Community Development Director, (805) 385-8208,
jeff.pengilley@oxnard.org
SUBJECT: Cannabis Equity Program and Cannabis Cultivation. (15/15/15)

RECOMMENDATION

That the Housing and Economic Development Committee:

1. Provide input and comments on the Oxnard Cannabis Equity Program, with consideration on how to allocate the 1% local equity donation, including programs and recommended percentages; and
2. Provide input on advancing a cannabis cultivation ordinance.

BACKGROUND

On July 30, 2019, the City Council received a presentation regarding the City’s conceptual Cannabis Equity Program. During this meeting, Council provided comments regarding the conceptual program with direction to conduct a community meeting to discuss the conceptual program with members of the community and cannabis industry.

In October 2018, and then again in July 2019, Council expressed support for the following number of cannabis applications/timeframes:

Year 1

- Permit up to eight (8) Retail Dispensaries and Permit up to eight (8) Manufacturers.
- Allow six (6) retail dispensaries and five (5) manufacturers to be permitted regardless of residency or income status.
- Hold back two (2) of the eight (8) retail dispensaries for the application of the Oxnard Cannabis Equity Program.
- Hold back three (3) of the five (5) manufacturer permits for application of the Oxnard Cannabis Equity Program.
- Develop a Oxnard Cannabis Equity Program.
- For all permits, regardless of elements of an equity proposal, require a Community Benefits Agreement.

Year 2

- Permit two (2) cannabis retail dispensary permits and three (3) manufacturer permits as part of the Oxnard Cannabis Equity Program requirements.

Years 3-5

- Permit additional retail dispensaries, based upon conceptual market growth. Consider: six (6) retail dispensaries (Year 3); and four (4) retail dispensaries (Year 5). Consider allowing additional Cannabis Manufacturing uses based upon Cannabis Equity Program requirements and recommendations.

In July 2019, Staff recommended that Council wait to develop a cannabis cultivation ordinance pending permitting of other cannabis uses in the City.

Based upon the City Council approved cannabis business tax/Resolution (No. 15,134) and the number of approved business types for the next three years, the following anticipated revenues will be allocated to the City’s General Fund (see Attachment A - Summary of City Tax Rates):

Business Types	Number	Low Tax Rate	Anticipated Revenue	High Tax Rate	Anticipated Revenue
Retailer	8	4.0%	\$852,733	6.0%	\$1,279,100
Manufacturer	5	2.5%	\$250,000	4.0%	\$400,000
Distributor	3	2.0%	\$120,000	3.0%	\$180,000
Testing Lab	0	1.0%	\$0	2.5%	\$0
Cultivation	0	1.4%	\$0	2.0%	\$0
Total			\$1,222,733		\$1,859,100

Status - Cannabis Manufacturing, Testing, and Distribution Applications

The City opened the cannabis manufacturing, testing, and distribution window in November 2019. During the approximately 60 day application window, no testing applications were received. The City received five distribution applications and six manufacturing applications. On January 17, 2020, the City selected five manufacturing applicants and three distribution applicants (the max per type based on Council’s July 30, 2019 direction). Of those eight applications, five applicants have submitted for a development design review (DDR permit).

Status - Cannabis Retail Applications

The City opened the retail cannabis and re-opened the testing application window on February 18, 2020. No applications for testing were received.

The City’s cannabis consultant, HdL, reviewed approximately 50 retail cannabis applications and interviews of the retail cannabis applications will occur in late September. After the interview, applicants will be notified and provided with a deadline to submit their application for a Special Use Permit. Pursuant to Council authorization, only eight (8) retail cannabis permits / Special Use Permit, can be granted at this time, but additional permits may be considered in program years 3-5.

ANALYSIS

On October 2, 2019, staff conducted a community meeting with members of the cannabis industry and residents interested in the development of a Cannabis Equity Program. This in person meeting was well attended, with over 40 participating, followed by a cannabis survey. Over 30 surveys were completed;

however, not everyone completed the questions asked on the survey therefore a statistically valid survey and percentage query cannot be generated.

In general, common themes from the surveys and public input at the cannabis equity community meeting were as follows:

- Don't give "local permit" to residents based upon residency. Inexperienced applicants will fail. How you define "residency" is fraught with problems.
- Access to capital and lack of experience is a common problem and concern with those entering the cannabis market.
- Grow "local" cannabis retail operators by requiring a local hire percentage. This will create pathways to improved job opportunities to improve the local economy and provide for upward mobility.
- Partnerships (between experienced retail cannabis operators and inexperienced operators) don't work well. Furthermore, companies don't want to give up "trade secrets" or train their competitor.
- City should direct a business incubation program, and/or business accelerator revolving loan funded by cannabis taxes or fees.
- City should consider developing a Community Reinvestment Fund, to focus on funding to improve job creation and community revitalization. A program like this can provide funding for education, youth development, childcare, mental health, and other community needs.
- Community Benefits Agreements (CBAs) work. City should require CBAs to memorialize agreement on what an operator is paying and submittal of reporting to document their hiring practices.
- A one time donation of \$25,000 for all cannabis industries is too low.
- Trade training programs are a good idea for a community. Consider assistance programs through start up small business information regarding accounting, financial management insurance and legal services. This would be a good area for City assistance.

Recommended City of Oxnard Cannabis Social Equity Program

As a result of discussions with community members, the cannabis industry, HdL, and research from other cities, staff is recommending a Cannabis Equity Program that is different than initially discussed in July 2019, but will still provide the community and local benefits discussed by Council. There would be no change to the voter approved cannabis business tax program and funds directly allocated to the City's General Fund. In summary, the recommended Cannabis Equity Program includes: a one-time payment (\$25,000 - \$250,000), 50%-75% local hire requirement, and an ongoing donation of 1% of an operator's annual gross receipts. A comparison of the July 30, 2019, Cannabis Local Equity and staff's recommended 2020 Cannabis Equity program is as follows:

Equity Components	June 30, 2019	2020 Social Equity Proposal	Rationale
One-time cash payment.	\$25,000 for all cannabis business types.	<p>\$25,000 for manufacturing and distribution.</p> <p>\$250,000 for retail</p> <p>\$50,000 for testing and cultivation applicants (in future)</p> <p>Suggested priority areas for spending these one-time funds:</p> <p>-\$75,000 - \$100,000 for South Oxnard Property Based Improvement District (PBID) Formation & Implementation</p>	<p>Fee should stay at \$25,000 for manufacturing and distribution applicants since they are already in the DDR permit process.</p> <p>Retail applicants are well resourced. Fee for retail applicants was not problematic based upon community meetings.</p> <p>Allocation of funds to targeted areas addresses disadvantaged areas and raises funds to initiate community wide programs.</p>

Equity Components	June 30, 2019	2020 Social Equity Proposal	Rationale
		-1500 Camino del Sol Improvements (Multi-Service Center Bldg.)	
Local hiring preference.	50% of workers for retail dispensaries and manufacturing.	75% local hire for retail dispensaries and manufacturing. 50% local hire for cultivation. No local hire requirement for distribution and testing.	Applicants expressed support for local hire for staff/proximity benefit, community brand/loyalty, and convenience. Distribution is a specialized field and should not require a local hire percentage.
Training of residents on dispensary operations.	Yearly workshops and training for local residents on retail dispensary operations.	Each business will train their own employees which will be between 50%-75% local residents.	Rather than training a competitor, businesses would train their own employees. Goals of improving lives can be achieved with local hiring preference = trained employees.
Yearly donation of funds (1% of gross revenue above voter tax rate).	1% of gross revenue donated to local charities.	1% of gross revenue donated for Homeless Service programs (estimated at \$373,200 annually)	Combined with the City's voter approved tax structure, the one time donation amount of 1% is generally in alignment with other jurisdictions. The City's consultant, HdL recommended a finance structure (tax rate and yearly donation) which does not exceed 6% for all cannabis types. This donation amount is consistent with the City of Port Hueneme's approach for community contributions. <i>This is equivalent to a Community Reinvestment Fund as identified by the Cannabis Industry.</i>
Hold back permits for local residents (dispensaries and manufacturing).	Hold back 2 retail dispensary licenses for local residents. Hold back 3 manufacturing licenses for local residents.	Do not hold back any licenses for local residents.	Residency is hard to define and a moving target. Market and financial resources will dictate if applicants can apply for a permit. For the overall benefit of the City, the best applicants/operators should be selected regardless of residency. Upward mobility can be achieved through local hire, and training. Mandating a license to an applicant who is local but not financially resourced is problematic.
Require a Community Benefit Agreement.	Require a Community Benefit Agreement.	Require a Community Benefit Agreement.	This is consistent with what is required in other communities, for example the City of Thousand Oaks. There are a number of other examples where community benefits agreements are executed for cannabis operators, such as the cities of Long Beach and Oakland, for example. A Community Benefits Plan is required by the City's cannabis application guidelines.

One Time Funds

Based upon staff's recommended donation structure, one time funds would result in approximately \$2.2

million:

Business Type/Recommended Donation Amount Per Business	Number	One Time Revenue
Retailer - \$250,000	8	\$2,000,000
Manufacturer - \$25,000	5	\$125,000
Distributor - \$25,000	3	\$75,000
Testing Lab - \$50,000	0 - at this time	-
Cultivation - To be Determined	0 - at this time	-
Total		\$2,200,000

These one-time funds are recommended to go into the formation and implementation of the South Oxnard Property Based Improvement District and improvements to 1500 Camino Del Sol (Multi-Service Center Bldg.).

Property Based Improvement District (PBID)

The Oxnard City Council and community have expressed interest in revitalizing the commercial corridor in South Oxnard. City councilmembers and City Manager Nguyen have met with three of the largest property owners in the area to discuss the concept of establishing a Property Based Improvement District (PBID) on Saviers Road between Elm Street and Yucca Street. PBIDs are a tool to strengthen small business communities, attract new businesses, and revitalize commercial corridors. The cost of forming the PBID is approximately \$75,000.00 - \$100,000.00.

Multi-Service Building- 1550 Camino Del Sol

This building hosts a multitude of services, including the Colonia Library, two child care programs, community art classes, tutoring and afterschool programs, and Foodshare. Approximately 1,500 sq. ft. of the building remains un-utilized and there has been discussion of using this space for a future medical clinic. A non-comprehensive list of renovation ideas include: sidewalks, landscaping, security improvements, interior lighting, flooring, roofing improvements, and HVAC upgrades.

1% Annual Gross Receipt Revenue Donation, Recommended Program(s)

Based upon the number of City approved cannabis business types, and estimates from the City’s consultant (HdL), requiring a 1% of annual gross receipts as an annual donation from these businesses would yield the following yearly revenue which could be distributed for the specific benefit of Oxnard residents and businesses (these funds are in addition to one time donation funds as summarized earlier in this staff report (estimated at \$2.2M) and the voter approved tax:

Anticipated Annual 1% Gross Receipts Donation

Business Type	Number	Average Gross Receipts	Total Gross Receipts	Contribution Rate	Total Revenue
Retailer	8	\$2,665,000	\$21,320,000	1.0%	\$213,200
Manufacturer	5	\$2,000,000	\$10,000,000	1.0%	\$100,000
Distributor	3	\$2,000,000	\$6,000,000	1.0%	\$60,000
Testing Lab	0		\$0	1.0%	\$0
Cultivation	0		\$0	1.0%	\$0
Total			\$37,320,000		\$373,200

When having initial conversations with cannabis stakeholders, staff anticipated being able to direct 1% of gross receipts funding to various programs. For example programs considered were:

- South Oxnard Commercial Façade improvement grant.
- Business Grants & Loans targeted to low income areas.
- Grants Making for the benefit of Oxnard residents.
- Homeless Services and programs.

However, if we simply divided the \$373,200 money equally amongst four programs (approximately \$93,000/program, minus program administration costs) the positive impact would not be as great as selecting one program that is Citywide, such as Homeless Services. Therefore staff is recommending that the 1% of gross receipts funding be dedicated to Homeless Services for the next 10 years. Five years into the program, staff will report back to the City Council to get further direction on continuing the funding for Homeless Services or the development of other programs to be the recipient of the 1% monetary donation.

Community Benefit Agreement (CBA)

The Cannabis Equity components include: a one-time payment (\$25,000 - \$250,000), 50%-75% local hire requirement, and an ongoing donation of 1% of annual gross receipts. In addition to the Cannabis Equity Program, operators must propose a Community Benefit Agreement. A CBA allows the cannabis businesses to provide greater benefits to the community, is consistent with what is required in many other cities, and is part of the City's "Cannabis Application Procedures Guidelines" that will be considered in the City's cannabis evaluation process. As required by the City's Cannabis Application Procedures Guidelines, the applicant must outline the benefits they will provide to the local community. Benefits may be in the form of volunteer services, monetary donations to local non-profit organizations, financial support of City sponsored activities or organizations, in kind donations to the City or other charitable organizations and/or any other economic incentives to the City.

The CBA would be included as part of the permit process (SUP/DDR) and will also be a tool to memorialize the various Cannabis Equity Program components.

See Attachment B for summary of tax rates/benefit agreement details, as well as upcoming ballot measures, from other Ventura County jurisdictions. In general Oxnard's tax rate and staff's proposed Cannabis Equity Program and CBA requirement is in alignment with what is required in other jurisdictions.

Cultivation

Staff is also seeking HEDC input pertaining to advancing commercial cultivation. Cultivation is currently not permitted within the City. Due to Oxnard's climate and due to security concerns, it is recommended that cultivation occur within buildings and not within green houses or outdoor grow houses. Staff recommends that indoor cultivation be considered, with the creation of a cultivation ordinance. Crafting of a cultivation ordinance could occur in the year 2021. Cultivation will need to consider water and energy usage, environmental issues, and neighborhood compatibility. Based upon a market analysis performed by HdL in October 2018, it is envisioned that the City could accommodate up to two cultivators. Based upon data from 2018, anticipated revenue to the City is between \$224,000-\$320,000 annually. Staff recommends that cultivation be confined to indoors and be permitted within the industrial land use categories of the City. The City Council previously considered cultivation areas which were identified on the easterly portions of the City (see Attachment C). Staff recommends that future cultivation applicants be subject to the City's Cannabis

Equity program as identified above. Staff will continue to investigate the cannabis testing laboratory market to initiate a solicitation when the time is right.

STRATEGIC PRIORITIES

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

Goal 1. To help foster a healthy and accountable corporate foundation by strengthening the support functions of the organization, which include Finance, Information Technology and Human Resources.

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

FINANCIAL IMPACT

Staff projects that the current number of applications (50 retail) are the best indicator of the number of businesses the City may attract at this point. Based on these changes, it is projected that the City could see General Fund revenues in the range of \$1.2 million to \$1.9 million per year, depending upon the tax rates. Those base revenues are unaffected by the recommendations in this staff report.

Instead, the recommended Cannabis Equity Program would be funded by a projected \$2,200,000 of one-time, up-front, donations by retailers, manufacturers, and distributors, and by projected annual revenue (1% donation) of \$373,200 going forward and memorialized through a community benefits agreement.

The number of retailers may vary over time, as some businesses succeed and gain market share while others fail, but the overall amount of sales (and resulting revenue) should remain fairly constant.

Prepared by: Kathleen Mallory, Planning & Sustainability Manager

ATTACHMENTS

1. Attachment A - Summary of Voter Approved City Tax Rates
2. Attachment B - Summary of Tax Rates and Community Benefit Requirements Donations in Ventura County
3. Attachment C - Cultivation Map from July 30, 2019 City Council Staff Report
4. Cannabis Equity Presentation

Attachment A - Summary of Voter Approved City Tax Rates

In November 2018, the Oxnard voters approved a sliding scale tax on various cannabis business types. The voter approved tax rates (are based upon gross receipts) and are as follows:

Jan. 1, 2019 - Dec. 31, 2021:

Business Type	Amount of Gross Receipts
Testing Lab	1%
Retailer	4%
Distributor	2%
Manufacturer	2.5%

Through January 1, 2021 (and every year thereafter), the maximum rate for every person who is engaged in commercial cannabis cultivation in the City shall be:

- Ten dollars (\$10.00) annually per square foot of canopy space in a facility that uses exclusively artificial lighting.
- Seven dollars (\$7.00) annually per square foot of canopy space in a facility that uses a combination of natural and supplemental artificial lighting.
- Four dollars (\$4.00) annually per square foot of canopy space in a facility that uses no artificial lighting.
- Two dollars (\$2.00) annually per square foot of canopy space for any nursery.

On January 1, 2022 and on each January 1 thereafter, the maximum annual tax rate per square foot of each type of canopy space shall increase by the percentage change between January of the calendar year prior to such increase and January of the calendar year of the increase in the Consumer Price Index ("CPI").

Jan. 1, 2022 and each Jan. thereafter

Business Type	Amount of Gross Receipts
Testing Lab	2.5%
Retailer	6%
Distributor	3%
Manufacturer	4%

Attachment B

Summary of Tax Rates and Community Benefit Requirements/Donations in Ventura County

- City of Port Hueneme - The City of Port Hueneme requires a Development Agreement for each cannabis business (no matter which type), which allows the ability to impose greater flexibility in fund collection. It is staff's understanding that a 1% donation is required for cannabis operators in addition to the required business tax rates. Based upon information from September 16, 2019, the City of Port Hueneme adopted the following tax rates:
 - Cultivation: \$7 per square foot of cultivation area.
 - Manufacturing: 2% of gross revenues.
 - Distribution: 2% of gross revenues.
 - Retail sales (storefront and/or delivery): 5% of gross revenues.
 - Microbusiness, wholesale sales: 2% of gross revenues.
 - Microbusiness, retail sales: 5% of gross revenues.
- City of Thousand Oaks - Initially, the City required a financial operational community benefit agreement since they did not pass a ballot measure/cannabis tax in a prior general election. The operational agreement required a community benefit fee of 6% of gross receipts on retail cannabis. With adoption of recent cannabis tax, the community benefits agreement sunsetted. The voter approved ballot measure imposed a retail cannabis tax rate on gross revenue between 4% -6% depending upon the year of operation; the testing lab tax rate approved was 1% - 2.5% also depending upon the year of operation. Thousand Oaks requires each applicant to offer their own version of Community Benefit and, based on individual applications, they are rated and scored by our outside Consultant. There is no set percentage/payment that is required of them. However, the City does ask applicants to describe the benefits that the business would provide to the local community, such as employment for residents of the City, community contributions in both in-kind contributions and financial assistance, or economic incentives to the City of Thousand Oaks. The City granted approval for two cannabis retail dispensaries; and two testing labs. However, due to a variety of reasons, no cannabis businesses are currently operational in the City at this time.
- City of Moorpark - Delivery of cannabis into the City is permitted, as allowed by State law. Other than this, no other cannabis uses are permitted within the City.
- City of Simi Valley - Although cannabis is currently not permitted in the City, Measure Q (approved in 2018) taxes cannabis businesses at annual rates not to exceed \$10.00 per canopy square foot for cultivation (adjustable for inflation), 6% of gross receipts for retail cannabis businesses, and 4% or less for all other cannabis businesses. The funding generated from Measure Q was to fund, for unrestricted general revenue purposes such as public safety, infrastructure, and streets.
- City of Santa Paula - The City only allows testing labs, all other cannabis operations are prohibited. The City passed Measure N which was a voter initiative that sets a rate of \$25 per sq. ft/ and a 10%

Attachment B - Summary of Tax Rates and Community Benefit Requirements/Donations in Ventura County

Page 2 of 2

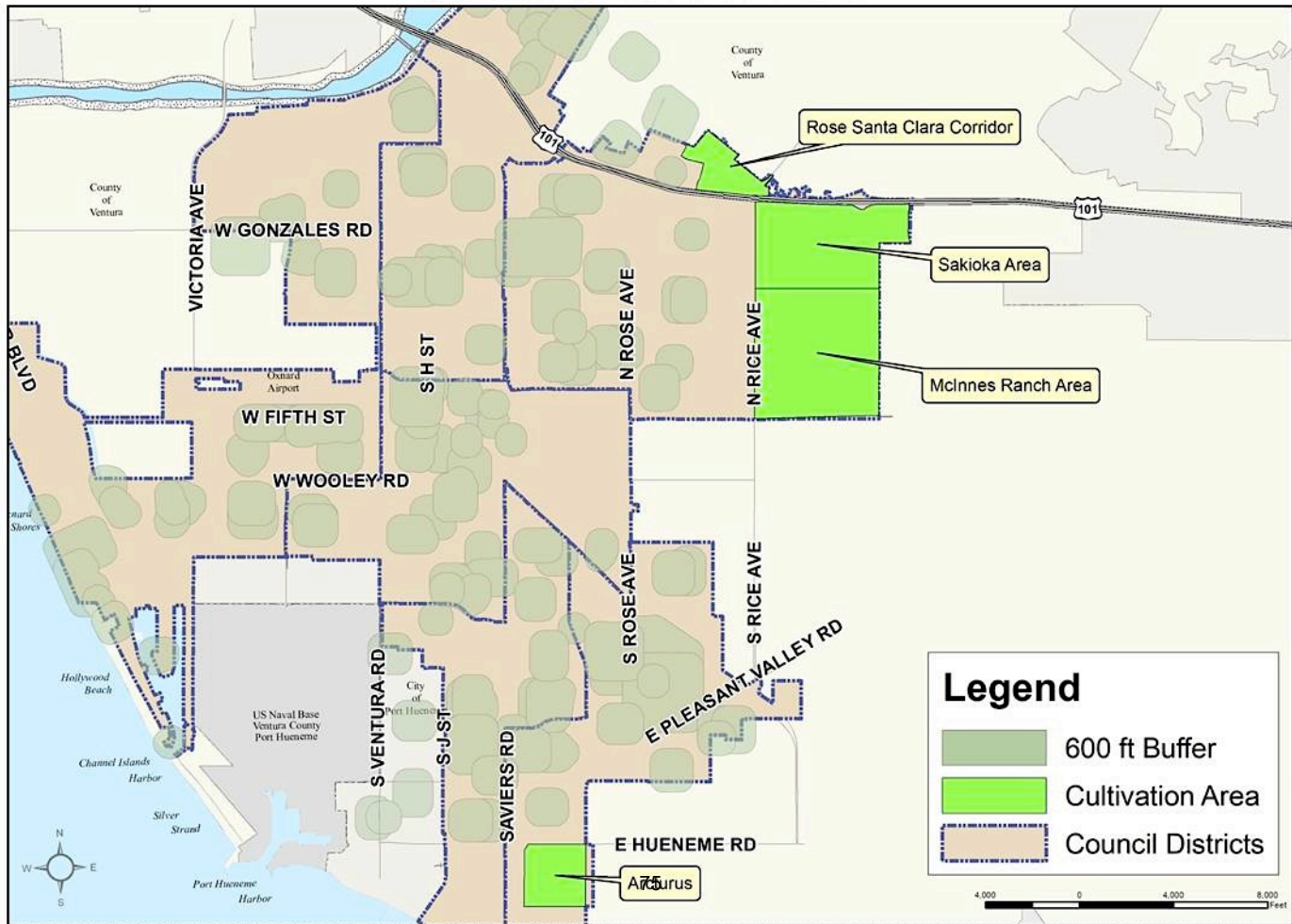
on gross receipts for lab testing operations. There is one testing lab in the City. In the future, the City will be evaluating other cannabis operations.

- City of Fillmore -The City passed a cultivation tax in 2016. The tax varies between \$30 and \$35 per sq. ft. and canopy space. No businesses operational at this time.

There are a variety of cannabis ballot measures on the November 2020 ballot. A summary of these ballot measures as of July 31, 2020 from the County Clerk Recorder is as follows:

- City of Ojai - Measure G - 3% of gross revenue on cannabis businesses to fund City services. The Measure allows for an increase of the tax on cannabis businesses up to 10% of gross receipts.
- City of Ventura - Measure I - City tax on cannabis and hemp businesses at annual rates not to exceed \$10.00 per canopy sq. ft. for cultivation (adjustable for inflation), 8% of gross receipts for retail cannabis businesses, and 4% for all other cannabis businesses. The money generated is intended for public safety, roads, parks, etc. The City currently only has a delivery regulatory ordinance (out of town). Should the City legalize cannabis uses in the future and Measure I passes, these rates would apply.
- County of Ventura - Measure O - Allow commercial cultivation, processing, distribution and sales of cannabis. No tax rate specified to date.

CULTIVATION MAP



This map is compiled by the City of Oxnard GIS Division, which is developed and operated solely for the convenience of the City. The City does not make any representations or warranties regarding the use, accuracy, reliability, and/or completeness of this map and no decision involving a risk of economic loss or physical injury should be made in reliance thereon.

Map by: Geographic Information Systems Department 2018

Cannabis Equity Program and Cannabis Cultivation

Kathleen Mallory, Planning & Sustainability Manager
Jeff Pengilley, Interim Community Development Director
Community Development Department

Housing and Economic Development Committee
September 8, 2020



Background

July 30, 2019 - Council supported :

- Year 1 -
 - 8 Retail dispensaries & 8 manufacturers.
 - Hold 2 of the 8 retail dispensary licenses for local applicants
 - Hold 3 of the 8 manufacturing licenses for local applicants
- Year 2 -
 - Issue 2 retail dispensary permits and 3 manufacturer permits to local residents/organizations based upon Oxnard Cannabis Equity Program requirements (to be developed during years⁷⁶ 1-2).

July 30, 2019 - Council supported, continued:

- Years 3-5 - Allow Additional Retail Dispensaries based upon conceptual market growth.
 - Consider 6 retail dispensaries (Year 3); 4 retail dispensaries (Year 5); and allowing additional Cannabis Manufacturing uses based upon Cannabis Equity Program requirements and recommendations.
- Direction to conduct community meeting with cannabis industry and interested parties to discuss local equity options.

3

Background, continued

Cannabis business tax/Resolution (No. 15,134); revenues will be allocated to the City's General Fund:

Projected Cannabis Business Tax

Business Types	Number	Low Tax Rate	Anticipated Revenue	High Tax Rate	Anticipated Revenue
Retailer	8	4.0%	\$852,733	6.0%	\$1,279,100
Manufacturer	5	2.5%	\$250,000	4.0%	\$400,000
Distributor	3	2.0%	\$120,000	3.0%	\$180,000
Testing Lab	0	1.0%	\$0	2.5%	\$0
Cultivation	0	1.4%	\$0	2.0%	\$0
Total			\$1,222,733		\$1,859,100

Cannabis Equity Program Community Outreach

- **October 2, 2019:** Cannabis Equity Program Community Meeting
 - Over 40 industry reps and community members
- **Common themes from the surveys and public input at the cannabis community form were as follows:**
 - Don't give "local permit" to residents based upon residency.
 - Grow local cannabis operators through a local hire requirement
 - Community Benefits Agreements (CBAs) work
 - \$25k one time donation very low
 - Directing cannabis business revenues to benefits that support community needs is supported by operators

5

2019 vs 2020 Cannabis Equity Program Concepts

2019	2020
<ul style="list-style-type: none">■ Reserve some permits for local residents	<ul style="list-style-type: none">■ No permits "reserved" for a local resident
<ul style="list-style-type: none">■ Require a \$25,000 one-time payment	<ul style="list-style-type: none">■ Increased one-time payment amount for retail, testing and cultivation
<ul style="list-style-type: none">■ 50% Local hire requirement	<ul style="list-style-type: none">■ Increased local hire requirement (up to 75%)
<ul style="list-style-type: none">■ 1% of gross revenue funds targeted to specific programs	<ul style="list-style-type: none">■ 1% of gross revenue funds targeted to specific program

78

6

2020 Cannabis Equity Program Summary

- A one-time payment (\$25,000 - \$250,000)
- A 50%-75% local hire
- Ongoing donation of 1% of an operators annual gross receipts

In addition to the Equity Program components a CBA is required and is a voter approved tax.

7

One Time Funds

Business Type/Recommended Donation Amount Per Business	Number	One Time Revenue
Retailer - \$250,000	8	\$2Million
Manufacturer - \$25,000	5	\$125,000
Distributor - \$25,000	3	\$75,000
Testing Lab - \$50,000	0 - at this time	-
Cultivation - To be Determined	0 - at this time	-
Total		\$2,200,000

79

8

Allocation of One Time Funds

- Total funds anticipated to be \$2.2 Million
- One time funds flexible for use
- Funds proposed to be allocated to:
 - Property based improvement district creation (\$75k-\$100k) and implementation (cost varies)
 - Renovation of 1550 Camino Del Sol, Multi-Service Building



9

Donation of 1% annual gross revenue

- Anticipated to be \$373,200

Business Type	Number	Average Gross Receipts	Total Gross Receipts	Contribution Rate	Total Revenue
Retailer	8	\$2,665,000	\$21,320,000	1.0%	\$213,200
Manufacturer	5	\$2,000,000	\$10,000,000	1.0%	\$100,000
Distributor	3	\$2,000,000	\$6,000,000	1.0%	\$60,000
Testing Lab	0	-	\$0	1.0%	\$0
Cultivation	0	-	\$0	1.0%	\$0
Total			\$37,320,000		\$373,200

- **Ideas initially suggested for the \$373,200:**
 - South Oxnard Commercial Façade improvement grant
 - Business Grants & Loans targeted to low income areas
 - Grants Making for the benefit of Oxnard residents
 - Homeless Services and programs
- **Dividing funds equally amongst four programs:**
 - \$93,000 to each program, minus program admin costs
 - Positive impact of funds for programs reduced
- **Recommendation:**
 - Allocate all funds to Homeless Services for next 10 years; re-evaluate allocation in 5 years

11

Community Benefit Agreement (CBA)

- Cannabis Application Procedures Guidelines requires CBA.
- Examples of elements may include:
 - Volunteer services, monetary donations to local non-profit organizations, financial support of City sponsored activities or organizations, in kind donations/ charitable organizations and/or any other economic incentives to the City.
- CBA required in the permit process (SUP/DDR).
- CBA requirement is common in other jurisdictions.

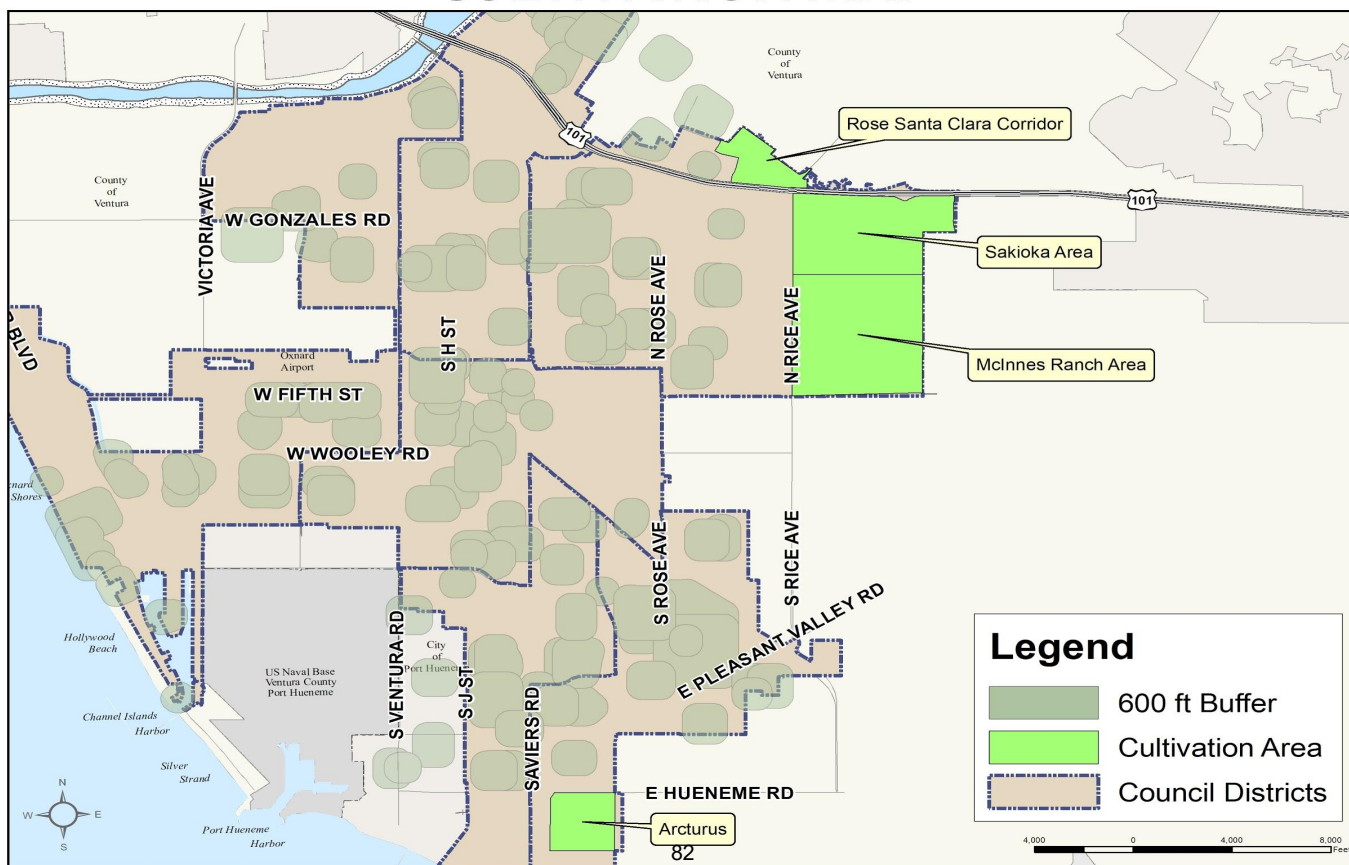
Consideration of Cannabis Cultivation

- October 2018: Council considered land use maps to consider cannabis locations throughout the City.
- Council reviewed cultivation map but did not direct the development of a cultivation ordinance.
- Staff recommends creation of indoor cultivation ordinance with consideration to odor, water, energy, sustainability, and safety needs and goals.
- Based HdL's 2018 market analysis it is envisioned that the City could accommodate up to two cultivators.
- Based upon data from 2018 voter tax rate anticipated revenue to the City is between \$224,000-\$320,000 annually.

13

Council Endorsed Cannabis Cultivation Areas, Oct. 2018

CULTIVATION MAP



14

Recommendation

That the Housing and Economic Development Committee:

1. Provide input and comments on the Oxnard Cannabis Equity Program, with consideration on how to allocate the 1% cannabis equity donation, including programs and recommended percentages; and
2. Provide input on advancing a cannabis cultivation ordinance.

15



QUESTIONS?



**HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
AGENDA REPORT**

**REPORTS
AGENDA ITEM NO. D.3**

DATE: September 8, 2020

TO: Housing and Economic Development Committee

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: First Amendment of the 2020 Annual Action Plan for CARES Act Coronavirus Response Grants and Adoption of an addendum to the Citizen Participation Plan (10/10/10)

RECOMMENDATION

That the Housing Economic Development Committee recommend that the:

1. City Council conduct a public hearing on October 6, 2020 to receive comments from the public relating to the First Amendment of the 2020 Annual Action Plan for CARES Act Coronavirus Response Grants to be submitted to the United States Department of Housing and Urban Development, Office of Community Planning and Development; and
2. City Council authorize the City Manager to submit the 2020 CARES Act Addendum to the City's Citizen Participation Plan.

BACKGROUND

Due to the global pandemic COVID-19, the federal government signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) bill assisting states, counties and cities with the economic impacts resulting from the Coronavirus. The Cares Act makes available CDBG Coronavirus response (CDBG-CV) funding and Emergency Solutions Grants (ESG-CV) funding to prevent, prepare, and respond to COVID-19.

The CARES Act requires United States Department of Housing and Urban Development (HUD) to allocate CDBG-CV funds and ESG-CV funds using the same formula that it used to allocate fiscal year 2020 CDBG and ESG grants.

The City of Oxnard received CARES Act funds from the United States Department of Housing and Urban Development, Community Planning and Development grants for Community Development Block Grant and Emergency Solutions Grant. Expected resources to the City Of Oxnard for the CARES Act funds include \$1,514,428 in Community Development Block Grants and \$5,255,005 in Emergency Solutions Grants. The CARES Act provides grantees program flexibility, waivers, and alternative requirements applicable to Coronavirus Response grants. To receive these CARES Act funds for the Entitlement Grants, the City of Oxnard must prepare, submit, and receive approval of an amendment to the annual action plan, before entitlement grant funds are disbursed in the Plan Year 2020.

1st Amendment of the 2020 Annual Action Plan for Coronavirus Response Grants

The 1st Amendment of the 2020 Annual Action Plan is the first year of the five-year 2020-2024 Ventura County Regional Consolidated Plan. On June 16, 2020, the City Council approved the 2020-24 Ventura County Regional Consolidated Plan and the 2020 Annual Action Plan. The plans were submitted to HUD on June 30, 2020. The City must submit an amendment to the 2020 Annual Action Plan which identifies specific activities and funding allocations for the additional CARES Act funds for CDBG Coronavirus response (CDBG-CV) and Emergency Solutions Grants (ESG-CV) funding. The U.S. Department of Housing & Urban Development requires that Grantees provide opportunities for the public to comment on the proposed amendment of the Annual Action Plan. The plan must provide a summary of citizen comments or views on the plan, and a written explanation of comments not accepted and the reasons why these comments were not accepted.

In accordance with the City's Citizen Participation Plan, a public hearing is scheduled for October 6, 2020. The public meeting will provide further opportunity for the City Council and the public to consider the funding recommendations for the First Amendment of the 2020 Annual Action Plan for Coronavirus Response Grants. Staff will finalizing the funding recommendations, taking into consideration community and Housing and Economic Development Committee feedback. The final funding recommendations will be provided prior to the Public Hearing. The funding recommendations must be considered for program eligibility, compatibility with consolidated plan goals and program selection to prevent, prepare, and respond to COVID-19 that will benefit low to moderate income residents of the City of Oxnard.

Expected resources for the CARES Act funds include Community Development Block Grant \$1,514,428 and Emergency Solutions Grant \$5,255,005. The total grants allocation for Fiscal Year 2020-2021 is \$6,769,433.

2020 Available Resources

HUD CARES Act Allocation		
CDBG-CV1		\$ 1,514,428
ESG-CV1		\$762,355
ESG-CV2		\$ 4,492,650
Grand Total		\$6,769,433

CDBG-CV funding is available to support eligible activities such as public facilities and improvements, public service activities to prevent, prepare, and respond to COVID-19, totaling \$1,514,428.

For example, possible programs eligible for the CDBG funds include:

1. Fire Paramedic Program (testing, education, treatment, supplies)
2. Personal Protective Equipment (PPE)
3. Support of Food Share
4. Homeless Encampment Response (also ESG eligible)
5. Homeless Outreach, Shelter, and Expansion of Shelter, motel vouchers (also ESG eligible)
6. Micro Enterprise Grants/Business Support
7. Vocational job development & training
8. Sanitation Team
9. Supporting Distance Learning

ESG-CV funding is available to support homeless programs such as shelter operations, street outreach, homeless prevention, rapid re-housing to prevent, prepare, and respond to COVID-19, totaling \$5,255,005. Some examples of programs eligible for ESG funds include:

1. Homeless Outreach, Shelter, and Expansion of Shelter to respond to COVID-19
2. Motel vouchers for homeless persons
3. Homeless Encampment Response (Ormond)

Citizen Participation Plan Amendment

In accordance with the CARES Act flexibility and waivers (regulatory guidance), the City must amend the Citizen Participation Plan, to expedite services and operations for the use of grant funds to prevent, prepare for, and respond to Coronavirus. A public hearing will occur on October 6, 2020, for the Amendment to the Citizen Participation Plan for approval by the City Council. Adopting the item will allow for expedited HUD approval for the use for the 2020 CARES Act funds and waivers. On July 10, 2018, the Citizen Participation Plan was amended and approved by the City Council. The 2020 Addendum to the Citizen Participation Plan will be located prior to the Public Hearing on October 6, 2020, on the Oxnard Housing Grants Management Division website: <https://www.oxnard.org/city-department/housing/grants-management/>.

STRATEGIC PRIORITIES

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

Goal 1. Improve community safety and quality of life through a combination of prevention, intervention, and suppression efforts that address crime and underlying issues.

Objective 1b. Explore alternatives for youth through recreation programs and intervention services.

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

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

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

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

Objective 3b. Empower and connect our Inter-Neighborhood Council Organizations (INCOs), Community Advisory Groups (CAGs) and Neighborhood Watch Program.

FINANCIAL IMPACT

The First Amendment of the 2020 Annual Action Plan will outline how the City plans to allocate Cares Act Coronavirus Response grant, CDBG-CV and ESG-CV. This includes CARES Act funds for HUD grant allocations of \$1,514,428 in CDBG-CV and \$5,255,005 for HESG-CV. The grand total of available resources is \$6,769,433.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. CARES Act CDBG and ESG COVID Grants Presentation

FIRST AMENDMENT OF THE 2020
ANNUAL ACTION PLAN for CARES ACT
CORONAVIRUS RESPONSE GRANTS

ADENDUM TO CITIZEN
PARTICIPATION PLAN

Housing and Economic
Development Committee
City of Oxnard
September 8, 2020




CARES ACT FUNDS



September 8, 2020
Page 2




FIRST AMENDEMENT OF THE ANNUAL ACTION PLAN



The image contains four logos arranged in a 2x2 grid. Top-left: CDBG logo with 'Community Development Block Grant' and 'Building Better Neighborhoods'. Top-right: Home Investment Partnerships Program logo with a house icon and 'HOME' text. Bottom-left: U.S. Department of Housing and Urban Development logo. Bottom-right: ESG logo with a house icon and 'Emergency Solutions Grant'.

September 8, 2020
Page 3




CARES ACT ALLOCATION

2020 Available Resources HUD CARES Act Allocation

CDBG-CV1	\$ 1,514,428
ESG-CV1	\$ 762,355
ESG-CV2	<u>\$ 4,492,650</u>
Total	\$ 6,769,433

September 8, 2020
Page 4



POTENTIAL ELIGIBLE PROGRAMS AND ACTIVITIES

CDBG Potential Eligible Programs:

1. Fire paramedic program (testing, education, treatment, supplies)
2. Personal Protective Equipment (PPE)
3. Support of Food Share
4. Homeless encampment response (also ESG eligible)
5. Homeless outreach, shelter, and expansion of shelter, motel vouchers (also ESG eligible)
6. Micro Enterprise grants/business support
7. Vocational job development & training
8. Sanitation Team
9. Supporting distance learning

ESG Potential Eligible Programs:

1. Homeless outreach, shelter, and expansion of shelter (temporary), motel vouchers
2. Homeless encampment response (Ormond)

September 8, 2020
Page 5



CITIZEN PARTICIPATION PLAN ADDENDUM

COMMUNITY PARTICIPATION



September 8, 2020
Page 6





QUESTIONS?

Written comments to:
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or
roel.briones@oxnard.org