



PLANNING COMMISSION STAFF REPORT

TO: Planning Commission

FROM: Heather Davis, Contract Planner
Kathleen Mallory, AICP, Planning & Sustainability Manager

DATE: April 1, 2020

SUBJECT: General Plan Amendment for Housing Element Update (Planning and Zoning Permit No. 20-620-03) - Review of the City of Oxnard 2021-2029 Draft Housing Element (6th Cycle of the Housing Element)

- 1) Recommendation:** That the Planning Commission:
 - a) Receive a presentation of the 2021-2029 Draft Housing Element (6th Cycle Housing Element); and
 - b) Recommend that the City Council submit the Draft Housing Element to the State of California Housing and Community Development Department (HCD).
- 2) Background:** The Housing Element is a State-mandated policy document within the Oxnard General Plan that provides direction for the implementation of various programs to meet existing and projected future housing needs for all income levels. The Housing Element provides policies, programs, and actions that accommodate growth, produce opportunities for the development of new housing units, preserves existing housing stock, and assists the existing population. Unlike other elements of the General Plan, the City must update the Housing Element on a mandated schedule, or “cycle.”

The 2013-2021 Housing Element was conditionally approved by HCD on September 20, 2015, and adopted by the City Council on December 13, 2016. Because the City did not adopt the 2013-2021 Housing Element by the HCD due date of October 15, 2013, HCD required the City provide a four-year “mid-cycle review” by October 15, 2017. The City’s Mid-cycle 2013-2021 Housing Element was adopted by the City Council on October 10, 2017, and conditionally certified by HCD on January 11, 2018, making the City compliant with State Housing Element requirements. To comply with State law, the City’s Housing Element must be updated to ensure the City’s policies and programs can accommodate estimated housing growth needs identified in the Southern California Association of Government’s (SCAG) Regional Housing Needs Assessment (RHNA) allocation for the 2021-2029 planning period. The City’s 6th Housing Element is required to be adopted by the City Council no later than October 15, 2021. Staff, in coordination with the City’s consultant, PlaceWorks, Inc, has been working on this update since mid-2020.

Regional Housing Needs Assessment (RHNA) Allocation

State law requires all regional councils of government to determine the existing and projected housing need for its region.

The following is a summary of units constructed in Oxnard during the 5th Cycle Housing Element period of 2013 to 2021.

City of Oxnard Housing Construction - 2013-2021

	<u>Units Constructed</u>	<u>Percentage of Total Units Constructed</u>
Very Low Income	184	8.4%
Low Income	742	33.7%
<i>Subtotal Lower Income (Very Low/Low)</i>	926	42.1%
Moderate	418	19.0%
Above Moderate	855	38.9%
Total 5th Cycle Housing Construction	2,200 Units	

On March 4, 2021, the SCAG approved the 6th cycle RHNA allocation for the region. The below allocation was listed for the City of Oxnard to meet its fair share of the State's housing needs, including 2,911 lower income units (very low- and low-income units). State housing law does not require the City to construct the allocated units within the planning period, but does require the City to maintain an inventory to accommodate the RHNA allocation.

City of Oxnard RHNA Allocation - 2021-2029

	<u>Final RHNA</u>
Lower Income (Very Low/Low)	2,911
Moderate	1,538
Above Moderate	4,100
Total 6th Cycle RHNA	8,549 units

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)*:

Ventura County Household Income - 2020

Household Income	% AMI	Income for Family of 4
Lower Income	up to 80%	To \$90,350
Moderate	80% to 120%	To \$117,350

Above Moderate	>120%	Above \$117,350
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**Based on 2020 Ventura County AMI for a four-person household of \$97,800, AMI is updated in May each year.*

In September and October 2020, the Housing and Economic Development Committee (HEDC) and City Council, respectively provided input on key policy questions; this direction established key policy approaches which have assisted in directing the Housing Element update. To summarize, HEDC and Council direction/input was as follows:

- Discontinue the All-Affordable Housing Opportunity Program (AAHOP), and instead rezone select housing element sites to the State default density of 30 units per acre to reach the total 2021-2029 Regional Housing Needs Assessment (RHNA) lower income allocation;
- Utilize up to 1,000 Accessory Dwelling Units (ADUs) & Jr. ADUs during the 2021-2029 Housing Element cycle to achieve compliance with 2,911 lower income RHNA;
- Where feasible, study local preference in the City Inclusionary Housing Ordinance;
- Study revision to the Inclusionary Housing percentage requirement;
- Develop a program to look at housing in the Business and Research Park (BRP) zones, and targeted commercial centers pending input from property owners; and
- Develop a program to look at housing in the one High Quality Transit Corridor (HQTC) in the City which extends from Hwy 101, down Oxnard Blvd. to roughly Channel Islands Blvd.

On March 9, 2021, HEDC provided input regarding a proposed new Housing Element program, conceptually titled “Institutional Land Use Housing Opportunity Program.” The program would enable the City to evaluate a potential future program to allow institutional organizations such as schools, churches, hospitals, clubs or lodges to build housing affordable to lower income households, supportive housing and/or homeless shelters on their property in conjunction with their existing assembly/institution use. The Committee recommended that this program be included in the Draft Housing Element. The program is conceptually identified in Addendum No. 1 to the 2021-2029 Draft Housing Element (see Attachment A and summarized further below in this report under Summary of Proposed New Housing Programs). This conceptual program was developed after printing the Draft Housing Element which was released on March 10, 2021. With Council's support, this program would be added to the Draft Housing Element prior to distribution to the State of California, Department of Housing and Community Development (HCD).

Inclusionary Housing

HCD guidelines do not allow the residential buildout projections resulting from the implementation of the City’s inclusionary housing program to be included within the City’s Housing Element site inventory for meeting RHNA, as HCD does not consider the inclusionary requirement to be a substitute for zoning densities to accommodate RHNA. However, the affordable units produced under this program are counted towards meeting the City’s lower income RHNA obligation in the annual reports to HCD. The City’s Inclusionary

Housing Ordinance (No. 2721) presently requires projects with 10 or more units to restrict 10% of units as affordable to lower income households, while projects in Urban Villages are required to include 15% affordable housing. The Draft Housing Element continues Policy H-3.4 and Program 10 to support Inclusionary Housing. The City’s Inclusionary Housing Ordinance presently also includes a “local preference” requirement that developers offer affordable units to qualified Oxnard resident buyers and renters on the waiting list first. In January 2020, the HEDC asked staff to evaluate strategies within the City’s Housing Element update for encouraging local preference in all new residential development (including market rate) into all new residential Development Agreements or by Conditions of Approval. The Draft Housing Element continues Policy H-2.8 (Page G-3) “Local Preference for Affordable Housing” requires, when legally possible, by Development Agreement or condition of approval, a local resident/worker preference for projects that include affordable housing units, density bonus units, and/or units utilizing federal, state, or local funding. Over the next few months, staff will evaluate the feasibility of local preference requirements, as well as evaluate the potential for updates to the inclusionary ordinance. Staff will continue working with the upcoming regional inclusionary housing ordinance study to evaluate feasibility for implementation in Oxnard.

3) Analysis:

Housing Element Sites Inventory

State Housing Element law requires that each jurisdiction provide sufficient land inventory and capacity to accommodate the RHNA allocation over the eight-year cycle for housing in all income categories - i.e., lower, moderate, or above moderate-income housing; in other words, sites to accommodate 8,549 new dwelling units in Oxnard between 2021-2029. All jurisdictions are required to prepare an Annual Progress Report and submit them to HCD by April 1st regarding how the jurisdiction is complying with housing construction targets over the Housing Element cycle.

HCD recommends that the City identify sites which can accommodate 15% more than the projected lower income housing unit allocation in the event sites do not develop as affordable housing sites over the 8-year window. With that in mind, the City has designated capacity for at least 3,348 lower income units (2,911 lower income RHNA units plus 437 buffer lower income units). As shown in the following table, Oxnard has identified adequate sites to meet its 8,549-unit requirement over the 2021-2029 planning period.

Sites Available to Meet City of Oxnard RHNA

	Total Units	Affordability Levels/Units		
		Lower	Mod	Abv. Mod
RHNA	8,549	2,911	1,538	4,100
ADUs anticipated	1,000	1,000	0	0
<i>Remaining RHNA Subtotal</i>	<i>7,549</i>	<i>1,911</i>	<i>1,538</i>	<i>4,100</i>

Vacant Sites	1,370	469	331	570
Non-vacant Sites ¹	6,007	2,095	1,020	2,892
Annexation Sites ²	1,157	165	285	707
Total Sites and ADUs	9,534	3,729	1,636	4,169
Surplus RHNA	+985	+818	+98	+69

Source: City of Oxnard, SCAG and Oxnard 2021-2029 Draft Housing Element Table F-3

Consulting staff verified vacant lands via state data, aerial photographs, in person site analysis, and consultation with City staff.

Default Density

Recent Housing Element law changes how jurisdictions demonstrate feasibility for each housing element site being counted for lower income units, including what is referred to as “default density.” The default density is zoning that allows ‘at least’ a density that the State has determined is appropriate to accommodate lower-income housing. For jurisdictions in metropolitan counties, such as Oxnard, that density is at least 30 units per acre³. HCD allows jurisdictions to count sites zoned at the default density towards the RHNA lower income allocation (2,911 units). In October 2020, City Council supported implementing the 30 dwelling units per acre (du/acre) to achieve the City’s lower income housing inventory through site selection and density / development assumptions.

ADUs

Part of the RHNA allocation is accommodated with projected ADUs. ADUs as a category represent a type of housing affordable to lower income households. In 2020, the City conducted a survey of ADUs for rent in Oxnard. All of the ADUs available for rent were affordable to lower-income one- and two-person households. The average market rate for an ADU surveyed in Oxnard ranged from about \$975 per month to up to \$1,575 per month. Additionally, ADU research conducted by the University of California, Berkeley⁴ indicates that 40% of ADUs in California are typically rented to family members or friends at either no cost or below-market rental rates. Based on the combination of the online survey analysis and the Berkeley research, the ADUs projected to be built in Oxnard are anticipated to be affordable to lower-income households. In 2019, a new state law (AB 671) was adopted that requires jurisdictions to include a program in the Housing Element to incentivize and promote the creation of ADUs. Consistent with the new law, the City updated its ADU program in 2019, which became effective in 2020. Consistent with State law, the 2020

¹ Non-vacant sites include underutilized sites with minimal development, parking lots, agricultural land and other parcels with high potential for redevelopment.

² Teal Club on Teal Club Road and Rio Urbana on Vineyard Ave.

³ HCD Site Inventory Guidebook, June 2020, provides as an example that a zoning of 24-35 units per acre is appropriate, as the 30 units per acre is within that range; therefore the R-4 zoning that allows 30 units per acre and the Downtown zones that do not restrict density both fall within HCD’s parameters. Examples of projects which have been built at roughly 30 du/acre include: Village Family Apartments @ Wagon Wheel (29.3 du/acre), Serenade at RiverPark Apartments (28 du/ac), and Tempo at RiverPark Apartments (38 du/ac).

⁴ University of California at Berkeley Center for Community Innovation (Chapple et al. 2017)

program simplified the ADU permitting process, revised development standards and waived ADU parking requirements under many circumstances. As shown in the following table, the updated program has proven to be very popular; in 2020 123 ADUs were entitled, compared to an annual average of 27 ADUs in the prior 3 years.

Annual ADU Statistics 2013-2020

Year	Planning Applications Received	Entitlements Granted	Building Permit Applications Received	Building Permits Issued	Final Inspection/ CofO
2013	0	0	0	0	0
2014	1	0	0	0	0
2015	0	1	0	0	0
2016	0	0	1	0	0
2017	17	2	3	0	0
2018	44	25	20	4	1
2019	50	55	30	13	3
2020	129	123	111	27	9
Total	241	206	165	44	13

The City is proposing three ADU programs in the Housing Element (Programs 36, 37 & 38) that support the updated 2020 ADU program. As the information regarding the City's intentionally reduced development standards and streamlined approval process for ADUs reaches more households through word of mouth and through City outreach programs as identified in the Draft Housing Element, staff anticipates that the number of ADUs coming online will increase significantly in the coming years. HCD guidelines allow the City to count ADUs towards meeting RHNA allocation based on changes in policy and permit trends. In discussion with the City's Housing Element consultant, the City is able to justify projected construction of 1,000 ADUs over the 2021 to 2029 planning period. Additionally, the City Council recommended inclusion of the projected number of units in their meeting in October 2020.

Housing Element Law

The Draft Housing Element includes an inventory of sites (Tables A, B & C, Housing Element Inventory) that identifies specific parcels by assessor's parcel number and acreage, describes existing uses on the parcels, and indicates how many dwelling units can be accommodated on each parcel to accommodate the City's RHNA allocation. The inventory must also identify whether the site is suitable for housing at densities that would accommodate affordable housing for lower income households. As affordable housing is historically tougher to meet for most jurisdictions, the State focuses predominantly on the inventory of parcels for housing affordable to lower income households. In addition, the State has adopted several new requirements that affect site inventory, including Assembly

Bill (AB) 879, AB 1397, SB 166, and SB 6 (these new laws are summarized in Attachment B).

General Plan Amendment and Zone Change

To meet the City's RHNA obligation, and to comply with new State laws regarding default density of 30 units per acre, the City must rezone properties to accommodate higher density dwellings. In October 2020, the City Council was informed of the new law at their public meetings on the draft Housing Element policies. During this meeting, City Council directed staff to discontinue the AAHOP program and instead rezone select housing element sites to the State default density of 30 du/acre to reach the total 2021-2029 RHNA lower income allocation. Program 3 in the 2021-2029 Draft Housing Element addresses this direction, with a program to amend the General Plan and Zoning Code, as needed, to allow 30 du/acre or greater on certain sites to meet the City's lower-income RHNA allocation. Information on the upcoming rezoning actions to implement Program 3 of the Final Housing Element will be presented to the Planning Commission during a public hearing mid-summer and City Council in late-summer.

Lower income sites identified in the Downtown already accommodate the default density; therefore, no zone changes are necessary for those sites. Many of the identified properties outside of the Downtown do not presently accommodate the default density; therefore, the City will need to process zone changes for those sites, and in some cases General Plan Land Use map amendments to allow the default density of 30 du/acre. The State requires that the City rezone vacant properties that were in two prior Housing Elements and non-vacant properties that were in one prior Housing Element to allow 'by right'⁵ development, provided that a minimum of 20% of units are restricted as affordable to lower income households⁶. A similar 'by right' provision is required for lower income Housing Element inventory sites that are not rezoned prior to October 15, 2021.

HCD Guidelines allow for the the default density requirement to be accommodated through an Affordable Housing Overlay Zone that allows property owners flexibility to build multi-family housing on their property, without modifying the standards of the underlying zoning district or restricting the property owner's existing development rights. Since the majority of the sites that are identified for affordable housing outside of the Downtown are presently zoned for commercial use, an Affordable Housing Overlay Zone that allows the default density of 30 du/acre (with a minimum 20% affordable units per State requirements) would be the most attractive zoning option for existing commercial property owners, as they could continue their existing use while developing a portion or all of their property with housing, or sell the property for potential gains associated with more flexible zoning. Additionally, many owners have expressed that they are not interested in outright residential zoning on their property, but would be interested in an Affordable Housing Overlay Zone that can accommodate a mix of uses. Loss of these sites would create difficulty for the City

⁵ By right means allowed administratively, without a CUP, PD or other discretionary approval. [Government Code Section 65583.2(i)]

⁶ Per HCD guidelines, development that does not contain the requisite 20% affordable would still be allowed to be developed according to the underlying (base) zoning but would not be eligible for 'by right' processing.

to accommodate RHNA allocations.

A list of sites that will need zone changes is included in Supplement 1 of the Draft Housing Element (Attachment C). As mentioned earlier, most of the sites identified outside of the downtown are presently zoned for nonresidential use (General Commercial, Business Research Park or Limited Manufacturing), as most vacant residentially zoned parcels identified in prior housing elements have already been developed. An example new housing element site is a 2.91 acre property on Ives Avenue that is zoned Business Research Park (BRP). The Affordable Housing Overlay Zone would allow 30 du/ac on this site, or 87 dwelling units, while retaining the underlying BRP zone. Similarly, the 2.92 acre former Gold Coast Transit site, which is zoned Limited Manufacturing and is bordered by multi-family residential on two sides, could accommodate 87 dwelling units with an Affordable Housing Overlay Zone. This site would also be rezoned to General Commercial as more compatible with future residential use. The Affordable Housing Overlay Zone would not be necessary for downtown sites, as the Downtown already accommodates the default density. For example, the 0.42 acre Central Terrace project that is proposed on Sixth street in the downtown includes 86 affordable dwelling units, resulting in a density of 207 du/ac.

At this time the City is considering two potential Affordable Housing Overlay Zones, one zone that would overlay prior Housing Element sites to accommodate the default density by right (Example: Affordable Housing Permitted; AHP), and another zone that would accommodate the default density on new affordable sites with discretionary review (Example: Affordable Housing Discretionary; AHD). Both Affordable Housing Overlay Zones could require affordable housing, though a minimum of 20% would be required on the 'by right' sites. No Commission actions or recommendations on this item are required at this time.

Summary of Proposed New & Substantially Updated Housing Programs

The 2021-2029 Draft Housing Element Section G, which lists goals, policies and programs, is the heart of the Draft Housing Element. The Draft Housing Element provides a total of 40 Housing Element Implementation Programs, which includes eleven new programs (Program 3 and Programs 30 to 40) and six substantially updated programs (Programs 2, 6, 10, 11, 16 & 19) to address recent changes in Housing Element law, including rezoning sites to default density, allowing 'by right' development on specific sites, encouraging ADUs, and other programs. Most of the new programs and program updates are required by the State, and the City does not have the option to leave them out of the 2021-2029 Draft Housing Element. A summary of the recent Housing Element laws is provided in Appendix B.

- **Program 2 (Updated): Citywide Homeowner Repair Program**

The Citywide Homeowner Repair program is an existing City Housing Element program that offers loans to low-income owner-occupied homeowners to repair single family homes, condominiums, and mobile homes. The program has been revised to reduce the repayment term for amortized loans from 15 years to 10 years, \$5,000 grants for exterior

repairs are no longer offered, and the number of recipients has been reduced from 25 very low and 25 low income homeowners down to 3 very low and 3 low income homeowners annually, as funding allows, for a total of 24 very low and low-income homes assisted during the next 8-year Housing Element Cycle.

- **Program 3 (New/Replacement Program): Rezone to State Default Zoning of 30 Units per Acre to Meet the Lower Income RHNA Allocation**

To address the 2021–2029 RHNA, the City will amend the General Plan and the Zoning Code, as needed, and as detailed in Section F, Achieving the RHNA Allocation, to provide adequate site(s) for at least 2,911 lower-income units and allow 30 du/acre or greater on certain sites or in certain zones. The City intends to amend the General Plan Land Use map and text, as well as Chapter 16 of the Oxnard City Code (Zoning Code) and zoning map as part of this program, for the Assessor’s Parcel Numbers (APNs) listed in Supplement 2 of this Housing Element. Rezoning will be completed prior to the start of the planning period, which is October 15, 2021. This program replaces Programs 3 and 26 in the 2013-2021 Housing Element.

- **Program 6 (Updated): Zoning Code Amendment**

Program 6 addresses zoning code amendments that are required to comply with recently adopted state law. Accordingly, the program will be updated to include necessary code updates such as allowing supportive housing and low barrier navigation centers in compliance with AB 2162 and AB 101, and evaluating zoning code amendments to remove barriers to construction of affordable housing and accommodate the City’s lower-income RHNA allocation.

- **Program 10 (Updated): Inclusionary Housing Program**

The Inclusionary Housing Program establishes an objective for the City to codify the inclusionary housing ordinance into Chapter 16 of the City Code by December 2022. The City will consider inclusionary options as part of the City’s Local Coastal Program (LCP) update. The program estimates have been updated to show that on average 18 inclusionary units will be developed on site annually within residential developments required to adhere to inclusionary housing requirements, and an average of 2 units will be built per year with inclusionary in-lieu funds.

- **Program 11 (Updated): Homeownership Assistance Citywide**

The Homeownership Assistance Citywide is an existing Housing Element program that provides down payment assistance loans to moderate and lower-income households to buy single-family units, condominiums, and mobile homes. The program has been revised as follows: The maximum down payment assistance is up to \$57,000, based on income level and need. A forgivable loan will be up to \$30,000, with a 10-year term, zero interest, no monthly payments, forgiven at the end of the term, or due and payable if property is sold, transferred, or defaults before the end of the term. A deferred loan of up to \$27,000 with a 30-year term, 3% interest, no monthly payments, due and payable at the end of the term or earlier if the property is sold, transferred, or defaults before the end of the term. The program will assist 3 households annually based on funding availability.

- **Program 16 (Updated): At-Risk Household Assistance**

This existing program will be updated per AB 1521 Affordable Housing Preservation Law. The City will monitor the list of all at-risk dwelling in Oxnard that are subsidized by government funding or other low-income housing regulations or incentives, and will work to reduce the potential conversion of units to market rate. Currently 431 dwellings in three apartment buildings in Oxnard are at risk of conversion to market rate within the 2021-2029 Housing Element period.

- **Program 19 (Updated): Affirmatively Furthering Fair Housing**

New State law AB 686 requires jurisdictions to develop a plan for Affirmatively Furthering Fair Housing (AFFH) to address significant disparities in housing needs and opportunities. Program 19 'Fair Housing Services' in the City's 2013-2021 housing element included a program for fair housing services contracted through the Housing Rights Center (HRC), a professional fair housing service organization, to ensure fair and equal housing opportunity. Under updated Program 19, the City will continue the existing program and will develop an AFFH plan in compliance with Assembly Bill 686. The AFFH Plan will take actions to address significant disparities in housing needs and in access to opportunity for all persons regardless of race, color, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8, commencing with Section 12900, of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law.

- **Program 30 (New Program): Vacant Repeat Sites for Lower-Income RHNA**

Many of the vacant parcels listed in the sites exhibits in Supplement 1 of the Draft 6th Cycle Housing Element have been included in the land inventories of the Mid-Cycle 5th Round (2017) and 5th Round (2016) Oxnard Housing Elements as suitable for lower income units to address the City's RHNA allocation. Per Government Code 65583.2(c), in order to continue to include these parcels in that portion of the land inventory for this 6th Round Housing Element, the City will commit to update the zoning to allow projects that have at least 20 percent affordable units (extremely-low, very-low, or low) without discretionary review or "by right." The rezoning of the vacant parcels will be completed concurrently with the approval of the Final Housing Element, or by October 15, 2021.

- **Program 31 (New Program): Non-Vacant Repeat Sites for Lower-Income RHNA (rezoning action to accompany Housing Element Adoption)**

Many of the non-vacant parcels listed in the sites exhibits in Supplement 1 have been included in the land inventories of the Mid-Cycle 5th Round (2017) Oxnard Housing Element as suitable for lower-income units to address the City's RHNA allocation. Per Government Code 65583.2(c), in order to continue to include these parcels in that portion of the land inventory for this 6th Round Housing Element, the City will commit to update the zoning to allow projects that have at least 20 percent affordable units (extremely-low, very-low, or low) without discretionary review or "by right." The rezoning of the non-vacant parcels will be completed concurrently with the approval of the Final Housing Element, or by October 15, 2021.

- **Program 32 (New Program): Downtown Infrastructure and Financing Study**
Conduct a utility capacity study to analyze the capacity and infrastructure upgrade needs for water/wastewater, stormwater, recycled water, refuse, and as needed a parking analysis/inventory to support new housing units Downtown resulting from adoption of the Downtown Development code in 2019. The Council's recent approval of the Downtown Development Code may result in approximately 2,300 more housing units and 3,025,370 square feet of non-residential development (or the equivalent thereof) in Downtown. This study will help ensure that the City's facilities are adequate to serve future development. The study will look at potable water, wastewater, and recycled water developing a data gap analysis, and conducting field surveys/investigations. The study will also identify financing strategies and provide a conceptual implementation schedule.
- **Program 33 (New Program): Oxnard Corridor HQTC Sites Selection and Analysis**
In 2016, the City completed a \$250,000 Caltrans-funded Oxnard Corridor Community Transportation Improvement Plan (OCCTIP) planning study focused on transforming 7.2 miles of former State highways that run through the city (designated in the 2045 Regional Transportation Plan [RTP] as a High-Quality Transportation Corridor [HQTC]) into complete streets suitable for transit that would serve new medium- and high-density transit-oriented mixed-use and affordable housing development. The OCCTIP study recommended realignments within existing rights-of-way, roundabouts, upgraded and/or new sidewalks and bike lanes, upgraded intersection signalization, and significant landscaping. Work under Program 33 will add Saviers Road, which was not part of the OCCTIP study but is in the HQTC, to the study area and identify needed complete street transit-enabling improvements. Additionally, Program 33 involves identifying individual and groups of parcels suitable and feasible for housing development opportunities and developing an implementation and financing approach that would both fund the street improvements and identify multifamily housing opportunity sites. This work will result in an adopted corridor specific plan or inclusionary zoning overlay that incorporates the initial OCCTIP study, adds incentive zoning at suitable strategic areas and is consistent with Gold Coast Transit planning and the Southern California Association of Governments (SCAG) 2045 RTP.
- **Program 34 (New Program): Senate Bill 35 Program**
Senate Bill 35 requires that the City establish a written policy or procedure for streamlined and ministerial review of eligible residential development. SB 35 requires streamlined approval for housing development that meets certain parameters, such as compliance with the General Plan and Zoning standards, provision of 10-50% lower income housing, and commitment to paying prevailing wages. The City has written a preliminary program in the Draft Housing Element to meet the State requirements
- **Program 35 (New Program): Business Research Park (BRP) Overlay Zone**
The intent of the BRP Overlay Zone is to establish an overlay zone that gives property owners an additional option to develop residential units as an alternative to, or in

conjunction with, their existing development rights. It is recommended that a new BRP Overlay Zone reference existing City Code standards in Section 16-360 et seq. Attached Dwelling Unit Development Standards and Section 16-70 High-Rise Residential Zone (R-4) for residential development in the BRP Overlay Zone. Flexibility in application of development standards should be considered where demonstrated by the applicant to the Community Development Director to be appropriate and compatible with adjacent land uses, including, but not limited to, yard setbacks, shared parking, and building spacing requirements.

- **Programs 36, 37 & 38 (New Program): Accessory Dwelling Unit (ADU) Programs**

Although these ADU related programs are listed as new programs in the current housing element cycle, they reference an ADU program that the City updated recently in 2019, and became effective in 2020, which is proving to be very popular. As shown above in the “Annual ADU Statistics” table, in 2020, 123 ADUs received planning permit approval and 111 were submitted for construction plan review, compared to an annual average of 27 ADUs the prior 3 years. Consistent with State law, the 2020 program simplified the ADU permitting process, revised development standards and waived parking requirements for ADU located within ½ mile of public transit, within a historic district, within 1 block of a car share vehicle, or on a street where a parking permit is required by the City but not offered to the ADU occupant. The proposed new ADU programs support the updated 2020 ADU program by providing additional outreach to promote the ADU program, monitoring of the number and affordability of ADUs, and evaluating the adoption of pre-approved ADU plans to streamline the approval process and lower development costs for applicants.

- **Program 39 (New Program): Replacement of Residential Demolition**

To mitigate the loss of affordable housing units, the City will develop a housing replacement program that will require new housing developments to replace all affordable housing units lost due to new development. The City will continue to comply with Government Code Sections 65590 et seq. that set forth the requirements for conversions, demolitions, and replacement housing throughout the City.

- **Program 40 (New Program): Institutional Land Use Housing Program**

This program is not in the current 2021-2029 Draft Housing Element, but HEDC was supportive of developing this program at their public meeting on March 9, 2021. The program is conceptually identified in Addendum No. 1 to the 2021-2029 Draft Housing Element that will be forwarded to HCD for review (see Attachment A). The program would direct the City to evaluate the feasibility of a potential future program to allow institutional organizations that are located in residential zones and in specific commercial and industrial zones to build housing affordable to lower income households, supportive housing and/or homeless shelters on their property in conjunction with their existing assembly/institution use. Institutional properties are properties owned by organizations having a social, educational, or religious purpose such as a school, church, hospital, club or lodge, and are located within various zones throughout the City. It is recommended that a program would reference existing City Code standards for the underlying zone,

Attached Dwelling Unit Development Standards, and/or standards for shelters. Flexibility in application of development standards would be considered if demonstrated by the applicant to the Community Development Director to be appropriate and compatible with adjacent land uses, including, but not limited to, yard setbacks, parking, and building spacing requirements.

- 4) California Environmental Quality Act (CEQA) Review:** The action before the Planning Commission is Statutorily Exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15262, Feasibility and Planning Studies. The Planning Commission's direction is not a final action or an approval in regard to the Housing Element Update and does not have a legally binding effect on any possible future discretionary action.

The Final Housing Element will be subject to environmental review under CEQA. The City will prepare an Initial Study and determine if a Mitigated Negative Declaration (MND) or an Environmental Impact Report (EIR) is appropriate for the 2021-2029 Housing Element. A draft MND would be released in late spring/early summer, or an EIR would be made public in mid-summer. The MND or EIR will need to be completed before the City Council can adopt the updated Housing Element.

- 5) Community Outreach:** Beginning in early 2020, the City developed a stakeholder list of affordable housing advocates, realtors, and interested parties and met with these stakeholders throughout the update process; this represented approximately 90 subscribers.

This group received notification of Housing Element update meetings and opportunities for participation. Outreach and engagement through monthly meetings, survey and digital comment tools, as well as public workshops were used to involve the community and the stakeholder group. Due to public health stay-at-home directives during the COVID-19 pandemic, planned in-person public workshops and stakeholder engagements were converted to virtual online meetings. Throughout 2020 and 2021, staff have provided presentations and updates to interest groups regarding the update process (ex., House Farmworkers, and Ventura County Coastal Association of Realtors, for example).

The City compiled a preliminary list of sites that may be suitable for addressing the City's RHNA numbers in the Housing Element. The sites were included on an online mapping tool that was made available to the public for their input. The online mapping tool was available for comment from September 21 through October 30, 2020. Twenty-one comments were received and input was taken into consideration when preparing the list of sites in the draft Housing Element. Where appropriate, input and recommendations were taken into consideration in developing the housing site inventory.

On October 22, 2020, City Staff held the first public workshop. At the meeting, the staff provided an overview on Housing Elements and the process for the 2021-2029 Housing Element and reviewed the site selection process for proposed market-rate and affordable housing development sites. The public workshop was recorded and posted on the City's

Housing Element Update webpage for future viewing. The presentation was provided in both English and Spanish and interpretation was provided at the meeting.

In January 2021, in an effort to determine if the identified lower-income housing site inventory was feasible, an interest letter was mailed to 45 owners of the approximately 68 parcels located outside of the Downtown⁷. These letters were mailed to the owners of parcels which had been identified as potential lower-income housing sites (recommended in the Draft Housing Element, sites inventory). Interest letters were sent in Spanish and English, and owners were given options to respond online through the website, QR code, by email, by phone, or by mail.

On March 24, 2021, staff held a community meeting to discuss the 2021-2029 Draft Housing Element. The presentation was provided in both English and Spanish and interpretation was provided at the meeting.

The Draft Housing Element was posted for Public review on the City's Housing Element Update webpage on March 10, 2021, with a review period of March 10th - April 9th; public notice was sent to the Housing Element Stakeholder list and other interested parties. As of the date of report publication, approximately seventeen property owners responded to this notice, expressing interest in attending this virtual meeting and providing comments. Comments included general questions regarding the update process, timeframe, and requirements. Several of the owners of existing commercial properties were only interested in the inclusion of their property in the lower-income housing inventory if they were able to retain the underlying zone in an effort to retain flexibility.

- 6) Next Steps & Timeline:** Revisions to the Housing Element will be made based on comments received by interested parties, the City and HCD. A revised version will be considered by the Planning Commission and City Council prior to approval. Staff will continue to keep the Planning Commission and the public informed as the process moves forward. There will be additional opportunities to provide input and the public is encouraged to contact staff to be added to the mailing list. The following is the preliminary Housing Element schedule:

Steps	Timeline
Planning Commission Public Meeting to Review Draft	April 1, 2021
HEDC Meeting to Review Draft	April 13, 2021
City Council Public Meeting - to Review Draft and direct staff to submit the Housing Element to HCD	April 29, 2021

⁷ The downtown does not limit residential density; therefore a survey to determine interest in 30 du/ac was not necessary.

Submit Draft Housing Element to HCD (60-day review)	Early May, 2021
Prepare required CEQA environmental document	March - May 2021
Revise Draft Housing Element per HCD recommendations	July 2021
Final Housing Element & Environmental Document	Summer 2021
Planning Commission Public Hearing on Final Housing Element - Recommendation for City Council Adoption	August 2021
City Council Hearing & Adoption of Final Housing Element	September 2021
Submit Adopted Housing Element to HCD for Certification (90-day Review)	October 2021

Attachments:

- A. Addendum 1 to Draft Housing Element - Institutional Program
- B. Summary of the New Housing Element Laws
- C. 2021-2029 Draft Housing Element (hard copy of report forwarded earlier to Planning Commission)

https://www.oxnard.org/wp-content/uploads/2021/03/Oxnard-Public-Draft-Housing-Element_3-9-21.pdf

ATTACHMENT B

SUMMARY OF NEW HOUSING ELEMENT LAWS

The State adopted a number of new State laws which will impact the City's Housing Element preparation. Implementation of these laws is mandatory, with some guidance provided by HCD on how to implement the programs. Generally, HCD encourages cities to implement them taking into consideration the City's local conditions. The following is a summary of some of the more pertinent new laws:

- Site Inventory Density Requirements - (AB 879, AB 1397, SB 6) - New State laws require jurisdictions to rezone parcels to allow sufficient density that will accommodate the economies of scale needed to produce affordable housing. The state requires that properties that were in the prior planning period's Housing Element (2013-2021) be permitted 'by right' to be developed at a density of up to 30 du/acre, provided that a minimum of 20% of the units are restricted as affordable to lower income households. A similar 'by right' provision is required for new Housing Element inventory sites used to address the lower income RHNA that are not rezoned prior to the beginning of the 6th cycle planning period (October 15, 2021). The new laws also added requirements for jurisdictions to demonstrate that all inventory sites show realistic development potential to accommodate housing development over the 8-year Housing Element cycle. There are more requirements on non-vacant sites and the definition of a non-vacant site has expanded. For example, a parking lot is considered non-vacant.
 - The City has written preliminary programs in the Draft Housing Element to meet the State requirements (see Programs 3, 30 & 31 in Table G-2 of the Draft Housing Element).
 - The necessary General Plan land use and zoning map and text amendments will accompany the City Council's review of the Final Housing Element to preserve the City's review authority.
- Adequate Housing Inventory through Site Selection, No Net Loss - (SB 166) - Government Code 65863 requires that each jurisdiction maintain adequate site inventory capacity to accommodate RHNA targets during the entire 8-year housing element cycle. Jurisdictions must add sites if land use decisions or development results in a shortfall of sufficient sites to accommodate the remaining housing targets for each income category. HCD therefore recommends creating a 15% buffer to accommodate lower-income RHNA.
 - The City has identified lower income sites to meet the City's projected lower income RHNA. To account for changes in housing construction affordability, and to take into consideration that not all sites will develop with affordable units, the City designated 15% more than the projected lower income housing unit allocation in the event sites do not develop as affordable housing sites over the 8 year window. With that in mind, the City has designated capacity for 3,348 lower income (very low and low dwelling units) on approximately 97 parcels.

- The City has written preliminary programs in the Draft Housing Element to meet the State requirements (See Programs 3 & 6 in Table G-2 of the Draft Housing Element).
 - The necessary General Plan land use and zoning map and text amendments will accompany the City Council's review of the Final Housing Element to preserve the City's review authority.
- Housing Accountability (SB 330) - In 2019, Governor Gavin Newsom signed the Housing Crisis Act of 2019 to promote housing development throughout the State. One of the core components of this legislation is that jurisdictions may not change an existing land use designation to prohibit residential development or lower the intensity of residential development unless there is a concurrent increase in capacity elsewhere in the city, a concept known as "No Net Loss". This means that the City cannot lose affordable housing sites without having equivalent replacement affordable housing sites available to meet the projected need. The decision that must be made in the City's Housing Element is how to distribute the 8,549 housing units to produce the greatest benefit for the city. Additional requirements in SB 330 include permit streamlining to reduce the time for housing approvals, and prohibiting subjective decision-making for residential development.
 - The City has written a preliminary program in the Draft Housing Element to meet the State requirements (see Program 6 in Table G-2 of the Draft Housing Element).
- Affirmatively Furthering Fair Housing (AB 686) - New State law requiring jurisdictions to develop a plan for Affirmatively Furthering Fair Housing (AFFH) to address significant disparities in housing needs and opportunities.
 - The City has written a preliminary program in the Draft Housing Element to meet the State requirements (see Program 19 in Table G-2 of the Draft Housing Element).
- Accessory Dwelling Unit (ADU) Plan (AB 671) - Government Code Section 65583 was amended in 2019 to require a program in the Housing Element to incentivize and promote the creation of ADUs.
 - The City has written preliminary programs in the Draft Housing Element to meet the State requirements (see Programs 36, 37 & 38 in Table G-2 of the Draft Housing Element).
- Low Barrier Navigation Centers and supportive housing (AB 101) - A "Low Barrier Navigation Center" is a temporary living facility that connects individuals experiencing homelessness to income, public benefits, shelter, and other resources. Supportive housing combines affordable housing with coordinated services to help people struggling with physical and mental health issues. The new law requires that navigation centers be approved 'by right' in areas zoned for mixed uses and nonresidential zones permitting multifamily development. The new law also requires that supportive housing be permitted by right in all zones where multifamily and mixed uses are permitted.

- The City has written preliminary programs in the Draft Housing Element to meet the State requirements (see Program 6, 14, 17, 22 in Table G-2 of the Draft Housing Element).
- Streamline Affordable Housing (SB 35) requires streamlined approval for housing development that meets certain parameters, such as compliance with the General Plan and Zoning standards, provision of 10-50% lower income housing, and commitment to paying prevailing wages.
 - The City has written preliminary programs in the Draft Housing Element to meet the State requirements (see Programs 7 & 34 in Table G-2 of the Draft Housing Element).

**ATTACHMENT A
2021-2029 Draft Housing Element**

**ADDENDUM 1
INSTITUTIONAL LAND USE HOUSING OPPORTUNITY PROGRAM**

The following program will be added to Table G-2 in Section G of the 2021-2029 Draft Housing Element:

Table G-2. Housing Element Implementation Programs

Program	Objective (quantified/qualified)	Implements Policy	In progress	2021-2022	2023-2024	2025-2026	2027-2029	Annually or Ongoing
Program 40: Institutional Land Use Housing Opportunity Program Responsibility: Housing Department, Community Development Department Time Frame: By 2024	Evaluate opportunities for housing on Institutional properties and amend the zoning code to allow housing.	2.1 2.6			■			

Evaluate a program to allow institutional properties (properties owned by organizations having a social, educational, or religious purpose such as a school, church, hospital, club or lodge) to build housing affordable to lower income households and/or homeless shelters on their property as part of their mission/community outreach and in conjunction with their existing development use on their property. In concept, the program would reference existing Municipal Code standards in Section 16-360 et seq. Attached Dwelling Unit Development Standards, at densities allowable in the underlying zone. Flexibility in application of development standards should be considered where demonstrated by the applicant to the Community Development Director to be appropriate and compatible with adjacent land uses, including, but not limited to, yard setbacks, shared tandem parking, visitor parking, and building spacing requirements. Program elements would be explored over the next three years.