

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



January 10, 2022

Alexander Nguyen, City Manager
City of Oxnard
300 West Third Street
Oxnard, CA, 93030

Dear Alexander Nguyen:

RE: Oxnard's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Oxnard's (City) housing element adopted October 5, 2021 and received for review on October 12, 2021. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Barbara Macri-Ortiz, pursuant to Government Code section 65585, subdivision (c).

The adopted housing element addresses most statutory requirements described in HCD's July 13, 2021 letter; however, additional revisions are necessary to fully comply with State Housing Element Law (Article 10.6 of the Gov. Code). Please see the enclosed Appendix.

The element will meet the statutory requirements of State Housing Element Law once it has been revised and re-adopted to comply with the requirements described below.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (October 15, 2021), then any rezoning to accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's

Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City meets housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and http://opr.ca.gov/docs/Final_6.26.15.pdf.

HCD appreciates the cooperation and dedicated efforts Kathleen Mallory, Planning and Sustainability Manager; and consultants Amy Sinsheimer, Jennifer Gastelum, and Heather Davis provided throughout the course of the housing element review. HCD would be happy to arrange a meeting to review these findings or provide any assistance needed to facilitate your efforts to address all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Shawn Danino, of our staff, at shawn.danino@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosures

APPENDIX CITY OF OXNARD

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <http://www.hcd.ca.gov/community-development/building-blocks/index.shtml> and includes the Government Code addressing State Housing Element Law and other resources.

A. Housing Needs, Resources and Constraints

1. *Affirmatively furthering fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

The element was revised to address many of the statutory requirements. However, the element, among other things, still must include goals and actions sufficient to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity. For more information, please contact HCD and visit <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. In addition:

Disparities in Access to Opportunity: The revised element includes discussion on expanding access to educational opportunity and describes some issues related to transportation access to opportunity such as bus routes. However, the element could consider additional factors to better formulate policies and programs related to access to opportunity for transportation. For example, the analysis could address other relevant factors such as land use controls including parking minimums or as discussed on the July 8, 2021 call, address protected bike lanes, carshare programs, walkability and pedestrian infrastructure to expand programs that improve access to public transportation.

Goals, Priorities, Metrics, and Milestones: The revised element listed Programs 4, 10, 11, 12, 18, 19, 26, 29, 35 and 36 to affirmatively further fair housing (AFFH) and made minor revisions to some programs, including Program 35. However, these programs do not make sufficiently specific, quantifiable commitments to promote and AFFH opportunities. Goals and actions must significantly seek to overcome contributing factors to fair housing issues. The element must be revised to add or modify goals and actions based on the outcomes of analysis described above. Goals and actions must specifically respond to the analysis and identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have metrics and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity

areas, place-based strategies for community preservation and revitalization and displacement protection. Additionally, these strategies should address displacement risk and promote place-based strategies to expand housing opportunity for historically marginalized communities and overcome historic discrimination patterns identified in the analysis on integration and segregation. The element may also revise Program 6 to create development standards for allowing naturally affordable housing types such as Single Room Occupancies (SROs) ministerially in certain zones within one year of adoption. The element, may, for example, revise Program 19 to waive parking standards for units that are deed restricted for lower-income households. To promote new affordable housing opportunities in higher opportunity areas, the element may also, for example, as discussed on the June 30, 2021 call, expand the Accessory Dwelling Unit (ADU) program discussed so that two ADUs may be allowed on single-unit parcels in these areas instead of one.

For further guidance, please visit HCD's Affirmatively Furthering Fair Housing in California Webpage at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

- 2. Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)*

While the element was revised to include some discussion on the condition of the housing stock, it must still estimate the total number of units in need of rehabilitation or replacement.

- 3. An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

The City has a regional housing need allocation (RHNA) of 8,549 housing units, of which 2,911 are for lower-income households. To address this need, the element relies on vacant sites, including sites in Specific Plan Areas and within the Mixed-Use Overlay area. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Pending Projects: The element added some additional information in the inventory of sites on the permitting process for Parcel Number 213009028 and clarified that there is an existing formal application to develop 342 units for lower-income households, including 174 senior apartments. The element must describe the City's methodology for assigning these units to the various income groups based on actual or proposed sales price or rent level of the units.

Realistic Capacity: The element provided some additional analysis and representative projects to support its realistic capacity calculations (Table F-2). Additionally, the element added some statements that allowing 100 percent nonresidential development has not prevented projects from being developed (p. F-12). However, this statement does not

address the required analysis to demonstrate the likelihood of residential uses on non-residentially zoned sites. Please see prior review.

ADU Projections: The element revised the methodology based on building permits, not City planning permits and projections were revised to 490 total units to be constructed over the planning period, an average of approximately 61 units per year, all of which will be affordable to lower-income households. However, given the ADU annual permit figures of 3, 13, and 28 for 2018, 2019, and 2020, respectively, the element does not support a 119 percent increase from 2020. In addition, relying on a rent survey of three listings does not support the assumption that 100 percent of the ADUs will be affordable to lower-income households. As a result, the element should be revised to reduce the number and affordability of ADUs to accommodate the City's RHNA or provide additional support for affordability assumptions. Additionally, the revised element includes six ADUs permitted as progress towards the RHNA (Table D-3). However, 2021 projections are already included in the above ADU projections and the units must be removed from these calculations.

Availability of Infrastructure: While the element was revised to describe a ballot measure to expand water access throughout the City (p. F-15), it still must demonstrate sufficient total water and sewer capacity to accommodate the RHNA or add programs if necessary.

Zoning for a Variety of Housing Types (Emergency Shelters): The element was revised to describe the zones and approval findings needed to permit emergency shelters (pp. E-26 to E-27). However, standards appear to be beyond the development standards allowed pursuant to Government Code section 65583, subdivision (a)(4)(A). The housing element must demonstrate the permit processing, development, and management standards for emergency shelters are objective and encourage and facilitate the development of, or conversion to, emergency shelters. The element must also demonstrate that emergency shelters are subject to the same development and management standards applicable to residential or commercial development within the same zone except for those standards prescribed by Government Code section 65583, subdivision (a)(4)(A).

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Parking Requirements: The element did not address this requirement. While the element made small revisions to Program 27 to conduct a parking study, it does include any discussion or programs related to covered / enclosed parking as an additional constraint on affordability. Additionally, the development standards outlined still include a minimum of six parking spaces for one large single-family home with an ADU and two parking spots per mobilehome, one of which must be covered (Table E-4). Additionally, the

element should analyze the cumulative effect of residential and guest parking requirements. The element may, for example, assess the impact of requiring two parking spaces (inclusive of guest parking) for each studio apartment, on affordability.

Design Review and Guidelines: While the element provides some additional information on the design review process and describes requirements for public noticing and community workshops (p. E-39), it makes no analysis of this process as a constraint on housing development. Please see the prior review for additional information.

Processing and Permit Procedures: While the element provided some additional information on approval findings for Special Use Permits (SUP), it does not adequately describe what approvals are necessary, who approves the application, whether and how many public hearings are required. In addition, while page E-35 lists some required findings for the SUP, according to third party comments an additional requirement for granting a SUP is that conditions and limitations may be imposed to “preserve the integrity and character of the zoning district, the utility and value of adjacent property and the general welfare of the neighborhood and the public.” Such considerations are subjective in nature and may pose a constraint on development. The element should analyze the process for impacts on approval certainty, cost, timing, and housing supply. In particular, the element must analyze typical processing times for multifamily housing development, including approval procedures, for their impact as a potential constraint on housing supply and affordability. Additionally, pursuant to third party comments, the element should analyze the requirement of a Special Use Permit and Planning Commission hearing for affordable projects proposed on an Affordable Housing Designated site and ensure consistency with Housing Accountability Act requirements. This is particularly important because many of the sites to accommodate the lower-income need are subject to SUP processing standards.

Persons with Disabilities: The element only partially addressed this finding. While the element does provide approval findings for Reasonable Accommodation (RA), it must also provide and analyze any family definition and analyze its conditional use permit (CUP) process for residential care facilities for seven or more persons as a potential barrier to housing for persons with disabilities and include programs as necessary to address this constraint. In addition, the RAs must find “whether the accommodation would result in a substantial increase in traffic or insufficient parking”. It is unclear how this provision would be applied to a request for RA. The element should further describe and analyze this finding for potential constraints to the provision of RAs and include a program to remove as appropriate.

- 5. An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, the cost of construction, the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584. The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create a gap*

between the locality's planning for the development of housing for all income levels and the construction of that housing. (Gov. Code, § 65583, subd. (a)(6).)

Developed Densities and Permit Times: The element did not address this requirement. The element must be revised to include analysis of requests to develop housing at densities below those anticipated, and the length of time between receiving approval for a housing development and submittal of an application for building permits that potentially hinder the construction of a locality's share of the regional housing need.

B. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)*

To address the program requirements of Government Code section 65583, subdivision (c)(1-6), and to facilitate implementation, programs should include: (1) a description of the City's specific role in implementation; (2) definitive implementation timelines; (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials. Programs to be revised include the following:

Programs 6, 9, and 14: These Programs were amended to describe their schedules as "once the City updates its Local Coastal Plan (LCP)." Each of these programs must be revised to specify when amendments are expected to be complete.

Single Room Occupancies: While the element was revised to describe Single Room Occupancies (SROs), the City clarified that SROs are 'not explicitly a permitted use in the Development code' and will "study the allowance of SRO units in at least one zoning district" by the end of FY 2022-2023. However, particularly as the element has identified the importance of SROs as part of its housing strategy for very low-income households and farmworkers throughout (Programs 2 and 9), the City must remove the "study" language and commit to explicitly permitting SRO's by a specific date.

2. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the City's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including*

multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)

As noted in Finding A3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

- 3. Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

As noted in Findings A4 and A5, the element requires a complete analysis of potential governmental and non-governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

- 4. Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, 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. (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A1, the element must include a complete analysis of AFFH. Based on the outcomes of that analysis, the element must add or modify programs as appropriate.

C. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort. (Gov. Code, § 65583, subd. (c)(8).)

The revised element includes some additional information from the July 27, 2021 public meeting where support was evaluated for some housing programs (p. F-24) as well as hearings on the final housing element, the City did not adequately address comments or make revisions to the document where appropriate. For example, HCD also observes that past comments included meaningful policy and program suggestions that could be incorporated into the housing elements. Yet, the adopted element does not reflect this input. Moving forward, the City should consider additional methods to gather input from all segments of the community and must proactively make future revisions available to the public, including any commenters, with sufficient time to comment and prior to submitting

any revisions to HCD and diligently consider and address comments, including revising the document where appropriate. The City's consideration of public comments must not be limited by HCD's findings in this review letter.