

City of Oxnard Inclusionary Housing Ordinance Update

Public Meeting March 23, 2022

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Workshop will be recorded; summary of comments, questions, and this presentation will be posted on the project website:

<https://www.oxnard.org/city-department/housing/inclusionary-housing-update/>

Computer Participants

- Everyone should mute to avoid interference from background noise. Only you can unmute yourself.
- To unmute, at the bottom of the video window click the microphone icon.
- If you would like to make a verbal comment, type question in the chat page. Make sure to unmute yourself when speaking.
- In making a comment, please identify YOURSELF.

Dial-in Participants

- Press *6 on your phone to unmute.

Agenda

- Welcome and Introduction
- Purpose of Inclusionary Housing Ordinance
- Description of Oxnard's Current Inclusionary Housing Ordinance
- In-Lieu Fees
- New and Potential Opportunities to Amend the Inclusionary Housing Ordinance
- Question and Answers
- Next Steps and Schedule

- Inclusionary Housing = Requirement that private developers reserve percentage of housing units for Very Low, Low or Moderate-income households in new market rate developments.
 - One of City's Housing Element Programs to address affordable housing needs and equitable development
 - Integration of affordable units into market-rate development creates opportunities for households with diverse socioeconomic backgrounds to live in the same developments and have access to the same services and amenities.

Oxnard's Current Inclusionary Housing Ordinance

- Originally established in 1999
- Requires all new residential development with 10+ units provide 10% units affordable to Lower Income households
- For Rental, 5% for Very Low and 5% Lower Income
- Restricted for 20 years
- Resale Restriction for For-sale units
- Distributed proportionately throughout development by bedroom size.
- Council approval required for developer to pay In-lieu fee rather than build units

- Current fee adopted in May 2020 (Resolution 15,330)
- Determined through a lengthy fee study process and evaluation of fee sufficiency
- Fees (as of July 19, 2021):
 - Multi-family rental \$22,934 for each market rate unit
 - Multi-family for-sale \$27,625 for each market rate unit
 - Single-family for-sale \$28,750 for each market rate unit

- New and Potential Opportunities to Amend the Inclusionary Housing Ordinance
 - Percentage Lower Income Units
 - Threshold for Requiring Inclusionary Housing
 - Consistency with State Law
 - Approval for Paying In-lieu Fee
 - Incentives/Credits for Affordable Housing
 - Requirement on Size of Unit
 - Resale Restriction vs. Equity Share
 - Commercial Linkage Fee
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- Percentage Lower Income Units
 - Current requirement:
 - For-sale: 10% units affordable to Lower Income households
 - Rental, 5% for Very Low and 5% Lower Income
 - Other Jurisdictions:
 - Ventura County (unincorporated): 10.5% Low Income
 - Santa Paula: 15% Low Income or 10% Very Low
 - City of Ventura: 15% Moderate, Low and Very Low on rotational basis of 1 moderate, 1 low, then 1 very low (60+ unit project)
 - Camarillo: Voluntary
 - Thousand Oaks: 10% Moderate or 10% Lower
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- **Threshold for Requiring Inclusionary Housing**
 - Current requirement: Development with 10 or more dwellings
 - Other Jurisdictions:
 - Ventura County (unincorporated): 10
 - Santa Paula: 10
 - City of Ventura: 15
 - Camarillo: Voluntary
 - Thousand Oaks: 6
 - City of Santa Barbara: 10
 - Goleta: 5

- Consistency with State Laws
 - Affordability Restriction for 45 years for-sale/ 55-years rental
 - Incentives for Deeper Affordability
 - Household Income Restrictions - 70% vs 80%
 - Affordable unit must be of similar size and quality as the market-rate units & spread throughout the project

- Approval for Paying In-lieu Fee
 - Current requirement:
 - Council approval required for developer to pay In-lieu fee rather than build units
 - Alternatives:
 - Housing Director approval required
 - No approval required

- Incentives/Credits for Affordable Housing
 - Deeper Affordability
 - Supportive Housing
 - Credit for Creating jobs for Low-Income persons

- Requirement on Size of Unit
 - Current requirement:
 - Rental: Proportionately distributed throughout the project by bedroom size
 - For-Sale: Have at least 3-bedroom units (2-bedroom units proportionally allowed in project with 10+ 2-bedroom units)
 - Alternatives:
 - Proportionately distributed throughout the project by bedroom size for rental and for-sale

- Resale Restriction vs. Equity Share
 - **Resale Restriction** = Preserving the long-term affordability of for-sale unit. Buyers minimally benefits from home price appreciation, thereby preserving ongoing affordability for next buyer.
 - **Equity Share** = Buyer and City share home appreciation when affordable for-sale unit is sold.

Equity Share models/options:

- Owner receives higher share the longer they live in the home
- Down Payment Partnerships
- Community Land Trust (CLT) - Buyer owns home and leases land from City
- Can also include a resale restriction - subsidy retention

- **Commercial Linkage Fee**
 - Shares the public benefit cost of affordable housing across all development types, including commercial and industrial development.
 - Link jobs that businesses create and the need for workforce housing.
 - Fee benefits City's Affordable Housing Funds used for the production of affordable housing

Questions and Answers

- Workshops and Meetings
 - April 25, 2022 - Public Workshop
 - May 30, 2022 - Public Workshop
 - Summer 2022 - Community Services, Public Safety, and Housing & Development Committee Study Session
 - Late Summer 2022 - Release Draft Inclusionary Housing Ordinance Update
 - December 2022 - Planning Commission Hearing
 - January 2023 - City Council Hearing
 - Oxnard Inclusionary Housing Update Webpage:
<https://www.oxnard.org/city-department/housing/inclusionary-housing-update/>
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End of Presentation