



CITY COUNCIL AGENDA REPORT

PUBLIC HEARINGS AGENDA ITEM NO. J.2

DATE: October 5, 2021

TO: City Council

FROM: Vyto Adomaitis, Community Development Director, (805) 385-7882, vyto.adomaitis@oxnard.org

SUBJECT: Adoption of 2021-2029 Housing Element, text and map changes to the General Plan Land Use Element, Zoning Map Amendment, and five Oxnard City Code/Zoning Text Amendments related to the 2021-2029 Housing Element. (0/15/10)

RECOMMENDATION

That the City Council:

1. Conduct a public hearing; and
2. Approve Initial Study and Mitigated Negative Declaration (IS/MND - No. 2021-01); and
3. Approve a resolution adopting the 2021-2029 Final Housing Element ("Housing Element") update to replace in its entirety the current 2013-2021 Housing Element as Chapter 8 within the 2030 General Plan (PZ No. 20-620-03) with revisions listed under City of Oxnard Final Housing Element Errata No. 1, and text and map changes to the General Plan Land Use Element (PZ Nos. 21-620-02 & 21-620-03) related to the Amendment and Adoption of the 2021-2029 Housing Element; and
4. Approve a resolution approving Zoning Map Amendments (PZ No. 21-580-04) to change zoning designations on 106 parcels to be consistent with Supplement 1 of the Final Housing Element and facilitate construction of housing units as stipulated in the Final Housing Element; and
5. Introduce the following five ordinances for first reading (by title only, waiving further reading)(PZ 21-580-03):
 - a. An Ordinance of the City Council of the City of Oxnard to Repeal the All-affordable Housing Opportunity Program (AAHOP) and replace these regulations with newly created Affordable Housing, Permitted (-AHP) And Affordable Housing, Discretionary (-AHD) Additive Zone Definitions, Designations and Regulations in OCC Sections 16-420a through 16-420k; and
 - b. An Ordinance of the City Council of the City of Oxnard amending the General Commercial zone permitted and related uses in OCC Section 16-135 & 16-136; and
 - c. An Ordinance of the City Council of the City of Oxnard amending the Business And Research Park (BRP) zone permitted uses in OCC Section 16-162 & 16-163; and
 - d. An Ordinance of the City Council of the City of Oxnard amending the Density Bonus ordinance approval authority and appeal provision in OCC Section 16-410; and
 - e. An Ordinance of the City Council of the City of Oxnard Creating a Ministerial Site Plan Review process OCC Sections 16-523 through 16-523.12.; and
6. Direct City Staff to finalize with noted revisions in Errata No. 1, incorporate the 2021-2029 Housing Element into the 2030 General Plan as Chapter 8 of Goals and Policies document, incorporate zone code text amendments into the OCC, and forward the 2021-2029 Housing Element to the State of California Department of Housing and Community Development (HCD) for certification.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/zQhgMShiyt4>

BACKGROUND

EXECUTIVE SUMMARY

The City Council is being asked to approve the Final Housing Element, which is inclusive of the entitlements, environmental review, and Errata No. 1 outlined in the recommendation section of this report. The five ordinances implement policy approaches in the Final Housing Element.

In order to allow for the City to be on an eight-year planning cycle and be able to utilize ongoing and projected new housing related funding Council approval of the Final Housing Element and submission of this document to HCD is required by October 15th. Council approval of the aforementioned ordinances and resolutions must also occur by October 15, 2021, in order for the City to be able to retain discretionary review authority over projects on the new housing element sites (-AHD) identified in Supplement 1 of the Final Housing Element. Lastly, in order to count the sites within Supplement 1 of the Housing Element, all General Plan land use amendments, zone changes and ordinances must also be adopted (1st reading) before October 15th so that the sites are available for development.

Since Committee and Council review of the Draft Housing Element, the following changes have been made to the Housing Element. These changes are in response to conversations with property owners and HCD:

- Added and removed housing sites identified in Supplement 1 of the Housing Element;
- Reduction in the number of Accessory Dwelling Units (ADUs) utilized for lower income housing from up to 1,000 ADUs to 490 ADUs
- Refinement of program language in response to HCD input and Housing Element Program additions due to City and Committee Council direction.

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 (see Attachment 1 - Final Housing Element). The Housing Element provides policies, programs, and actions that accommodate growth, produce opportunities for the development of new housing units, preserve existing housing stock, and assists the existing population. To comply with State law, the City's Housing Element must be updated every eight years to ensure the City's policies and programs can accommodate estimated housing growth needs identified in the Southern California Association of Government's (SCAGs) Regional Housing Needs Assessment (RHNA) allocation for the 2021-2029 planning period. Updating the City's Housing Element will result in changes to the City's Land Use Element of the General Plan, including changes to the Land Use map, along with changes to ordinances within the Oxnard City Code (OCC), and zoning map changes all to implement the 2021-2029 General Plan Housing Element. For the City to retain regulatory oversight, these actions must be completed and the ordinances and Housing Element adopted submitted to HCD.

Although SCAG only adopted our RHNA numbers on March 22, 2021 staff has been working on this project since November 2019. Our consultant was under contract in March 2020 and we kicked off public outreach in Summer 2020, including zoom meetings, online site selection surveys, and community workshops. Since July of 2020 staff has been before the Council Committee four (4) times and the full Council two (2) times on items related to the Housing Element. This subject has also been before the Planning Commission three times, most recently on September 16th with a 6:0 vote (Commissioner Lopez was absent) in support of the Council approval of the related Housing Element efforts. A summary of the 2021-2029 Final Housing Element update history is provided in Attachment 2.

The following sections summarize changes from the Draft to the Final Housing Element.

ADUs

Based on HCD's 60-day review of the May 2021 Draft Housing Element, HCD indicated verbally that they would be more comfortable with a reduction in the ADU projection to below 500 units in meeting the City's eight-year RHNA. Table F-3 in the Housing Element was revised to reflect 490 ADUs towards the City's lower income RHNA. The City is

also updating the ADU building permit process to include self certification checklists that are intended to streamline the issuance of ADU building permits.

HCD also strongly suggested that the City create a program to require deed restrictions on some types of ADUs that are accommodated above the provisions already allowed outright under State law, such as when the City provides construction funding assistance. At their meeting in July 2021, the Committee directed Staff to add the ADU construction cost assistance and accelerator program (New Program - Program 44) to the Housing Element; the term of affordability will be determined as part of the development of the program. Additionally, the City is proposing four ADU programs in the Housing Element - Programs 36, 37, 38 and 44. These programs will support construction of ADUs as well as facilitate these units for lower income units.

Changes in Housing Inventory Sites

The reduction in the number of ADU’s to satisfy the City’s eight-year RHNA represents one of the largest changes between the Draft and Final Housing Element. ADUs represented a significant way the City was meeting its lower income RHNA requirements. By reducing the allocation, the City needed to identify additional lower income housing sites; a few of these sites were presented during the July 27th Committee meeting. Post July 27th Committee input, additional owner interest resulted in the identification of additional lower income housing sites (see below). The dwelling unit count that City Staff is now projecting to comply with the 2021-2029 RHNA is as follows:

Table F-3. Comparison of Site Capacity to 2021-2029 Regional Housing Needs Assessment

Income Group	Remaining RHNA Table D-3	Projected Accessory Dwelling Units	Vacant Sites Capacity [Suppl. 1]	Non-Vacant Sites Capacity [Suppl. 1]	Specific Plans [Suppl. 1]	Subtotal Remaining RHNA	Pending Annexations (Rio Urbana and Teal Club) ¹	Total Units Addressed	Surplus RHNA
Extremely Low	1,835	490	1,010	1,456	224	0	165	3,350	+439
Very Low	1,071	0	141	504	706	187	285	1,636	+98
Low	4,098	0	610	2,273	625	590	707	4,169	+117
Moderate	8,542	490	1,761	4,233	1,555	777	1,157	9,427	
Above Moderate									
TOTAL	8,542	490	1,761	4,233	1,555	777	1,157	9,427	

1. Information about annexations that support these numbers in Sections F.8 and F.9.

The City's total RHNA is 8,549 units. Since the beginning of the reporting period on June 1st, the City has received credit for the construction of five (5) lower income units and two (2) above moderate income units. As the table indicates, the City has a surplus of units in all of the income categories. This is consistent with HCD guidance to create a “buffer” in the event a site is lost.

Since July 2021, some property owners have requested that their property be removed from identification as a lower income housing site within the Housing Element; additionally, some sites were added to the Housing Element inventory in response to owner interest, and to include a few sites that are entitled and have not been developed yet and therefore will be developed during the 6th Housing Element Cycle. Sites removed and added to the Housing Element inventory are included in the Supplement 1 of the Final Housing Element.

Removed Sites/Parcels

The following parcels were removed from the inventory due to responses from owners that they either did not want their parcel included within the inventory, or that they were not interested in residential development.

- 600 N. Harrison / 245 E. Colonia Road (known as “Ventura Pacific” property)(Site 6, removed as a result of discussions with Committee)
- 2121 N. Oxnard Boulevard
- 624 W. Wooley Road
- 1325 S. Oxnard Boulevard

Added Sites/Parcels

The following parcels were added to the Housing Element inventory in response to owner interest, to include a few sites that had been missed in earlier count, and to include entitled sites that had not been developed yet. The below referenced sites are described in Supplement 1 of the Final Housing Element:

- 1505 W. Ninth Street (Site 19) - owner interest
- 1225 S. Oxnard Boulevard and 1260 Saviers Road (parcels added to Site 25) - owner interest
- 5777 S. Saviers Road (parcel added to Site 40) - owner interest
- 416 W. Sixth Street (Site 41) - owner interest
- 619 & 625 South C Street (Site 42) - typographical error (included in one location of document; missing in another)
- 2161 Etting Road (CEDC Farmworker Apartments - entitled project) (Site 43)
- 34 Johnson Road (Johnson Road Apartments- entitled project) (Site 44)

Revisions to Housing Element Programs from Draft to Final

In response to community, Committee/Council, and HCD input on the Draft Housing Element, program language was refined and modified. Some of the edits were in response to Committee direction provided on July 27, 2021 (see Attachment 3). Other program language edits were made to address input from the community, through the review process and in coordination with the City’s Affordable Housing Advocates. Edits were also made to program language to respond to HCD input. Finally, edits were made to refine sources and types of funding, programs to correlate with departmental fiscal year work plans, and to align program language timing with collaborative programs the City is undertaking with the County of Ventura in regards to farmworker study.

Broadly speaking since release of the Draft, edits to Programs 3 (Rezoning to meet RHNA), 5 (Parcel Assemblage/Lot Merger), 6 (Zoning Code Amendments), 9 (Farmworker Housing Program), 10 (Inclusionary Housing Ord.), 19 (Affirmatively Furthering Fair Housing), 37 (ADU monitoring), 41 (Farmworker Housing Study), and 42 (Collaboration with VC Housing Trust Fund) have been made. Additionally, Program 44 (ADU Accelerator program) was added to address HCD feedback, and as directed by the Committee on July 27, 2021. The modified programs and the new program are more thoroughly discussed below, under the analysis section of this staff report. After release of the Final Housing Element in August 2021, Staff also identified additional edits; these are identified in Errata No. 1 and are described below.

Summary of September 2 and September 16, 2021 Planning Commission Hearings

On September 2, 2021, the Planning Commission conducted the first of two steps on the Housing Element and associated Housing Element adoption actions. The staff report discussed the changes between the Draft and Final Housing Element, and reviewed the proposed General Plan Land Use Element amendments, Land Use map changes, and OCC modifications to accommodate the Housing Element. The report also summarized input received by email in late August 2021 following release of the September 2, 2021 Planning Commission staff report. An abbreviated discussion of the General Plan Land Use Element map and text amendments, and OCC modifications and zoning map changes is provided in the Analysis section below; a more detailed discussion is provided in the Planning Commission staff report (see Attachment 4).

On September 16, 2021, the Planning Commission took formal action to recommend City Council approval of the Final Housing Element and associated approvals, including the Final Initial Study/Mitigated Negative Declaration, General

Plan Land Use Element amendments and five ordinances. The staff report (see Attachment 5) provided responses to public comments and detailed ordinance comments received from housing advocates and affordable housing developers. As a result of discussions with housing advocates regarding the September 2nd draft ordinances, staff recommended specific changes to the ordinances; these changes are detailed in the September 16th Planning Commission staff report. The staff report also summarizes changes recommended to the Final Housing Element within Errata No. 1 (see below). The Planning Commission also received a memo before the meeting outlining three additional recommended changes to the ordinance. These included recommended edits to the Additive Zone Ordinance (Chapter 16-420, et. seq.). Specifically: 1.) adding reference to the City's Parcel Assemblage/Fee Waiver program for sites in Supplement 1 as authorized by City Ord. 2945, and identified in Program 5 to ensure affordable housing developers are aware of the program; 2.) clarifying how much floor area can be dedicated to commercial and/or office uses by right; and 3.) clarifying how the Planned Development (PD) will be addressed on sites designated with both the PD zone and the AHP and AHD Additive Zones (see memo after September 16, 2021 Planning Commission staff report).

As this hearing was the second Planning Commission hearing on the Housing Element and associated approvals, public and Commission comment at the hearing focused on: updates to design standards in the proposed Affordable Housing Additive Zone ordinance (OCC Section 16-420); if additional parcels could be added to the Final Housing Element; the rationale for allowing projects entitled via a Site Plan Review (SPR) to expire after 36-months, rather than the City's typical 24-month expiration for entitlements; and the affordability specified in the City's new Additive OCC regulations. Staff provided the following responses:

- Staff provided justification for the design standards for development in an urban environment, including parking location, refuse, unit orientation to street, and compliance with existing City Guidelines. Many of the design standards are derived from the City's Downtown Development Code.
- The City has completed selection of the parcels that will be rezoned to accommodate the City's RHNA for lower income housing. These parcels were taken into consideration in the environmental document and analysis within the Housing Element. The City cannot just add parcels now. The City will keep track of housing sites inventory and add in new parcels if they meet the state's site inventory protocol, and are needed.
- Staff recommended revising the expiration date for SPR from the City's typical 24-month expiration for entitlements to 36-months to allow developers additional time needed to secure funding for construction of affordable housing.
- The public asked how much of the required 20% affordable lower income units would be restricted for very low and extremely low income households. The draft Affordable Housing Additive Zone ordinance includes a requirement under Section 16-420E(B) that "all residential developments built pursuant to this Division 7C are subject to the City of Oxnard Inclusionary Housing Ordinance." The inclusionary housing ordinance requires that new rental projects include 5% very low income units. The Council may consider changes to this percentage when updating the Inclusionary Housing Ordinance (Program 10; recommended to be completed in early 2023).

The Planning Commission concurred with the revisions to the draft ordinances and voted unanimously (6:0) to recommend City Council approval of the Housing Element as revised by Errata No. 1 and associated approvals.

ANALYSIS & DISCUSSION

Final Housing Element Programs, and Housing Element Errata

As described above, since release of the Draft Housing Element, edits have been made to various programs.

- Programs 3 (Rezoning to meet RHNA) – Changes to reflect General Plan Land Use Element map and text changes and zoning map and text changes to implement the Housing Element to allow for a density of 30 dwelling units per acre; similar changes to Programs 30 and 31 to implement the Housing Element. The City will need to amend the General Plan Land Use Element map and text, as well as Chapter 16 of the Oxnard City Code (Zoning Code) and zoning map as part of this program. The first reading of rezoning and Land Use Element map and text changes will be completed prior to October 15, 2021 (the required General Plan Land use Element text and map and OCC text/map changes are further described below). See additional edit to the Final Housing Element within Errata No.1, below.

- Program 5 (Parcel Assemblage/Lot Merger) – Changes to reflect City Council adoption of fee waiver program (pursuant to Ord. 2927) for targeted parcels (less than 0.5 acres) in sites noted in Supplement 1 of Final Housing Element.
- Program 6 (Zoning Code Amendment) – Committed to specific zoning ordinance modifications to comply with State law, including accommodating Single Room Occupancy and creation of a Site Plan Review process for ministerial review for by-right projects.
- Program 9 (Farmworker Housing Program) – Committed to creating brochures and continued engagement with stakeholders.
- Program 19 (Affirmatively Furthering Fair Housing) – Added language presented to and supported by Committee to promote the Program. Affirmatively Furthering Fair Housing (AFFH) - HCD’s AFFH Guidance was published in late May 2021, after the City’s submittal of the Draft Housing Element to HCD. Revisions for consistency with the AFFH Guidance will result in augmentation and modifications to Programs 2 (Citywide Homeowner Repair Program) as well as Program 19 (AFFH), respectively. New program language was added in response to HCD guidelines. See additional edit to the Final Housing Element within Errata No.1, below.
 - The added AFFH language included:
 - Prioritize green infrastructure investment in areas of concentrated poverty.
 - Ensure non-English-speaking applicants have access to programs through advertising and outreach, including accommodation for translation services.
 - Each time a housing project is proposed that may influence a particular group or neighborhood, in particular in areas of linguistic isolation, the City will make efforts to distribute information on the project to ensure that the group or neighborhood is made aware of the project and the process and has the opportunity to respond.
 - Expand access to utilities in Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs).
 - Promote Density Bonus opportunities in R/ECAPs. Review the City’s Density Bonus regulations and expand them to allow above state Density Bonus provisions (higher density and/or concessions) in R/ECAP areas if it is determined that this would provide more opportunities in these areas.
 - The City of Oxnard Sustainable Transportation Plan (scheduled to be complete in 2022) will focus on inclusive community engagement to ensure that the needs of each community, age group, and socioeconomic status are represented. The document will incorporate complete streets design, safe routes to school, vision zero, sidewalk or bike lane improvements and first/last mile planning in tandem with land use opportunities in lower resourced areas including R/ECAPs and areas of linguistic isolation.
 - Conduct an assessment of tree canopy in R/ECAP areas and areas of linguistic isolation. If tree canopy is less than in other areas of the City, in conjunction with the City’s Climate Action Plan, the City can recommend increasing tree coverage in the identified areas.
- Program 41 (Farmworker Housing Study) – Modified to clarify that the City will seek grant funding, or other City secured sources of funding/staff time; timing to implement the program was also moved back to align with budget cycles and County work efforts/timing. See additional edit to the Final Housing Element within Errata No.1, below.
- Program 42 (Collaboration with VC Housing Trust Fund) – City will continue partnership; City will secure staff support or other forms of funding; timing to implement the program was also moved back.
- Program 44 (New Program – ADU Accelerator Program) – HCD expressed concerns on the number of ADUs utilized to meet the City’s lower income RHNA. In response, staff added a new incentive program to encourage ADU construction and address long term ADU affordability as part of AFFH requirements. The number of ADUs utilized to comply with the City’s lower income RHNA allocation was also reduced from 1,000 to 490 units. Deed restrictions to ensure affordability cannot be imposed on new ADUs unless the City provides financial assistance for the construction of the unit or other benefit(s) above and beyond the provisions of state ADU law. The term of affordability will be determined as part of the development of the program.

Staff identified additional edits needed to the Final Housing Element. These are reflected within an Errata to the Final

Housing Element. Errata items will be corrected prior to submission to HCD for certification. Edits can be characterized as follows:

- Minor Typographical changes and edits resulting in non-substantive edits; this is reflected in Errata No. 1;
- Final Housing Element Program changes (smaller edits are discussed within the Errata - Program 14 and 35):
 - Program 3 - Rezoning to meet RHNA. Added no net loss provisions as required under Government Code Section 65861. Specifically, that the City will maintain an inventory of potential sites to accommodate housing at all income categories.
 - Program 10 - Inclusionary Housing Ordinance. In collaboration with Ms. Barbara Macri-Oritz, Staff is recommending moving up the timing to complete a comprehensive update to the City's Inclusionary Housing Ordinance (from Fiscal Year (FY) 2022-2023 to early 2023).
 - Program 19 - AFFH. Suggested new item (or bullet) to address input received from Ms. Veronica Ortiz, People's Self Help Housing. Language reinforces the City's continued collaboration with affordable housing programs and opportunities in consultation with the Housing Dept.; outreach through the City's Annual Housing Element workshop.
 - Program 37 - ADU Monitoring. With the City's significant reduction in number of ADU's used to fulfill the City's lower income RHNA, program language is being revised to significantly scale back the intensive outreach and evaluation of program sufficiency every two years. Monitoring will occur as part of the City's Annual Report and as part of the Annual Housing Element workshop.
 - Program 41 - Farmworker Housing Study. Align timing to complete study with the County of Ventura's recently adopted Final Housing Element; now complete study by December 2024.

2030 General Plan Amendment and Zoning Amendments

Amendments to the General Plan Land Use Element and Zoning text and map changes are being processed concurrently with the 6th Cycle Housing Element so that at the time of 6th Cycle Housing Element adoption, the appropriate zones are in place to accommodate and implement the sites identified in Supplement 1 of the Housing Element. The lower income RHNA sites must accommodate at least 30 dwelling units per acre, which is the default density defined by HCD. To accommodate this, the following actions will need to be taken:

1. The General Plan Land Use Element Section 3.5 and Table 3.2 will be amended to allow residential development at a density of 30 dwelling units per acre on General Commercial and Business Research Park designated parcels that are identified with an overlay of Affordable Housing Permitted (AHP) or Affordable Housing Discretionary (AHD) on the zoning map (See Attachment 6).
2. The General Plan Land Use Map designation will be amended on approximately 13 parcels.
3. The following Zoning text amendments must be adopted concurrently with the Housing Element:
 - a. Create the Affordable Housing additive zones and regulations (AHP and AHD) that allows 30 dwelling units per acre (OCC Section 16-420);
 - b. Update permitted uses in the General Commercial (C-2; OCC Sections 16-135 & 16-136) and Business and Research Park (BRP; OCC Section 16-162 & 16-163) zones to allow 30 dwelling units per acre on -AHD and -AHP sites;
 - c. Update the Density Bonus ordinance to allow density applications to be approved by the Community Development Director for by right development, and
 - d. Create a new ministerial SPR processes and objective development standards for by-right projects (OCC Section 16-523).
4. The Zoning Map will be amended to change the zoning on approximately 63 parcels, predominately by adding an affordable housing additive zone (-AHP or -AHD) on top of the existing zoning that will allow the development of 30 dwelling units per acre. The City will also remove the -AH suffix associated with the retiring AAHOP program from approximately 36 parcels. Eight parcels that have been entitled/developed under AAHOP will also be rezoned with the AHP additive zone to retain development options for the parcel under an affordable zone designation. (See Attachment 7).

A detailed discussion on the proposed General Plan text and map amendment, and each zoning text and map amendment is provided in the September 2, 2021 Planning Commission staff report in Attachment 4, and summarized below.

1. General Plan Land Use Element, Amendments

The General Plan Land Use Element will be amended to allow residential development at a density of 30 dwelling units per acre on General Commercial and Business Research Park designated parcels that are identified with AHP or AHD on the zoning map. Many of the affordable housing sites have either a General Commercial or Business and Research Park designation. Consistent with Council direction, the following changes are recommended to allow multifamily housing on specific sites in these zones.

Table 1 - 2030 General Plan Land Use Element Text Amendments

General Plan Land Use Designation	Current Allowable Density & General Plan Land Use Element Text	Proposed Density & General Plan Land Use Element Text, Section 3.5 and Table 3.2
Business Research Park	0 du/acre; Housing not currently permitted. "Business and Research Park. Professional, administrative, research, and limited manufacturing uses along with limited commercial activities intended to support such uses, integrated into campus-like environments that are oriented towards arterials, freeways, airports, and harbors, and developed to high property and development standards."	30 du/acre add text "and residential uses up to 30 units per acre shall be permitted on parcels identified as AHP or AHD".
General Commercial	18 du/acre; "General. Retail centers and free-standing commercial uses along arterials, may also include office, residential uses up to 18 dwelling units per acre, live/work, work/live, and mixed uses."	30 du/acre add text "and residential uses up to 30 units per acre shall be permitted on parcels identified as AHP or AHD".

2. General Plan Land Use Map, Amendments

The land use designation on 13 parcels on four Housing Element sites (sites can contain multiple parcels) will be amended from Limited Manufacturing or Public/Semi Public to General Commercial or Business Research Park to be more compatible with multifamily residential land use. Specific parcels are listed in the Attachment 6c (Resolution for General Plan Amendment).

3. OCC, Chapter 16 - Zoning Text Amendments

a. Zoning Text Amendment to Repeal AAHOP and Create Affordable Housing Additive Zones

In October 2020, as a result of new State Housing Element law the Council provided Staff with direction to rezone properties to the State/Ventura County region default density of up to 30 dwelling units per acre (du/acre) to accommodate affordable housing. 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 achieve the total 2021-2029 RHNA lower income allocation.

HCD Guidelines allow for the default density requirement to be accommodated through an Affordable Housing Additive Zone (overlay) 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 are presently zoned C-2 and BRP, an Affordable Housing Additive Zone that allows the default density of 30 du/acre (with a minimum 20% affordable units per State requirements) is recommended, as it would allow existing C-2 and BRP property owners to continue their existing use while developing a portion or all of their property with housing. 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 Additive

Zone that can accommodate a mix of uses. Loss of these sites would create difficulty for the City to accommodate its RHNA.

The State requires the City to rezone specific Housing Element sites that were in prior Housing Elements to allow ‘by-right’ development, provided that a minimum of 20% of units are restricted as affordable to lower income households. The State does not require the same ‘by-right’ provisions for new Housing Element sites. Additionally, many of the new Housing Element sites are presently in industrial areas where discretionary oversight would be necessary to ensure compatibility with surrounding uses. Therefore, two Affordable Housing additive zones are proposed. One zone that would overlay prior Housing Element sites to accommodate the default density by-right (Affordable Housing Permitted; AHP), and another zone that would accommodate the default density on new affordable sites with discretionary review (Affordable Housing Discretionary; AHD). Both Affordable Housing Additive Zones would require 20% affordable housing by deed restriction or affordability agreement. The Additive Zone text will replace the AAHOP program text in its entirety in OCC Section 16-420. As an incentive to the 100% affordable housing developments, Staff has retained the AAHOP derived 10% adjustment to development standards numerical reduction provision; this would only apply to 100% affordable housing development projects and could be layered with Density Bonus applications for deeper concessions for affordable housing. A provision to waive lot merge fees for small parcels (less than 0.5 acres) on -AHP or -AHD sites has also been included to codify Program 5.

Table 2 - Oxnard City Code Text Amendments
Repeal AAHOP and Create Affordable Housing -AHP & -AHD Additive Zones, see Attachment 8

Zoning	Current OCC Allowable Density & Text	Proposed OCC Density & Text
<p>AAHOP - Remove overlay zone (OCC Section 16-420)</p>	<p>16-420E "(B) Maximum density - The allowable density of units per acre for the -AH additive zone is the amount shown on the zoning map. All sites allow <u>between 20 and 39 units per acre</u>. 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)."</p>	<p>N/A (AAHOP text and overlay removed)</p>
<p>Affordable Housing Permitted (AHP) - New additive zone (on C2 sites that were in 1 or 2 prior housing elements). (OCC Section 16-420)</p>	<p>N/A</p>	<p>30 du/acre, Permitted "By Right". Text clarifies that residential development with a density of up to 30 units/acre that includes at least 20% lower income is permitted with a SPR (Non-Discretionary). A PD on the site is applicable to non-residential development on the site and residential development with less than 20% lower income. The developer can access State Density Bonus Law in addition to using the densities allowed in the additive zone. Text references R4 standards, attached dwelling unit standards and includes objective design standards.</p>
<p>Affordable Housing Discretionary (AHD) - New additive zone (on C2 & BRP sites that were not in prior housing element) (OCC Section 16-420)</p>	<p>N/A</p>	<p>30 du/acre, Discretionary. Text clarifies that residential development with a density of up to 30 units/acre that includes at least 20% lower income is permitted with</p>

		an SUP (Discretionary). The developer can access State Density Bonus Law in addition to using the densities allowed in the additive zone. Text will reference R4 & attached dwelling standards and includes objective design standards.
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b. Zoning Text Amendment to Update Permitted Uses in General Commercial and Business Research Park Zones

Similar to the amendment to the General Plan Land Use Element, the following sections of the OCC, Chapter 16 would be amended to allow residential development at a density of 30 dwelling units per acre on C-2 (General Commercial) and BRP (Business Research Park) zoned parcels that are identified with the AHP or AHD additive zones on the OCC zoning map.

Table 3 - Oxnard City Code Text Amendments

C-2 and BRP Permitted Uses, see Attachments 9 and 10

Zoning	Current OCC Allowable Density & Text	Proposed OCC Density & Text
BRP (OCC Section 16-162 Non-Industrial Uses, and 16-163 Industrial Land Uses by Zone: Industrial Land Use Matrix)	0 du/acre; Housing not currently permitted.	30 du/acre add text “Residential uses up to 30 units per acre are permitted in the BRP on parcels identified as AHP or AHD” as provided in section 16-420.
C2 (OCC Sections 16-135 Permitted Uses, 16-136 Related Uses, and 16-138 Lot Area Per Dwelling)	18 du/ac; "The permitted and related uses in the R-3 zone" (OCC 16-136) AND 72 du/acre; "Every main residential building shall have a lot area of <u>not less than 600 square feet per dwelling unit</u> , except for hotels or apartment hotels that have no cooking facilities in any individual room, suite or apartment." (OCC 16-138)	30 du/acre add text to 16-135 "The permitted and related uses in the R-4 zone on parcels identified as AHP as provided in section 16-420.” add text to 16-136 "The permitted and related uses in the R-4 zone on parcels identified as AHP or AHD as provided in section 16-420” (No change to 16-138)

c. Zoning Text Amendment to allow Density Bonus Applications to be Approved by the same Approval Authority authorized to approve the associated Discretionary or Ministerial permit for the housing development

The Density Bonus section of the OCC (Section 16-410) presently requires Planning Commission or City Council approval on ministerial Density Bonus applications. To accommodate ‘by-right’ development that is required to be approved ministerially, remove a code inconsistency, and improve project processing efficiencies, an amendment to OCC, Section 16-410 is recommended. Under the proposed amendment, the Density Bonus permits for ministerial applications would be approved by the Community Development Director, while Density Bonus applications that accompany discretionary projects would continue to be approved by the Planning Commission or City Council. Legislative text revisions to OCC, Section 16-410 is provided in Attachment 11.

d. Zoning Text Amendment to create Ministerial Site Plan Review process for ‘By-Right’ projects

As discussed earlier, ‘by-right’ development allowed on sites with an AHP additive zone must be reviewed ministerially, which means the public agency is required to act on a development using fixed standards and the agency cannot use discretionary judgement. Chapter 16 of the OCC does not presently have a ministerial process for reviewing multifamily development projects. Although the City’s Development Design Review (DDR) permit (OCC Section 16-525) allows such projects to be approved by the Community Development Director (rather than Planning Commission or City Council), the DDR process requires public workshops, public noticing, and allows discretionary review on aspects of the

project, such as, but not limited to, design. To comply with the State's requirement, the City is creating a ministerial Site Plan Review (SPR) process for conducting a ministerial (non-discretionary) review of by-right development applications. The Community Development Director will be the approval body for SPR to ensure compliance with objective development and design standards. The SPR will also be reviewed by the Development Advisory Committee (DAC) for consistency with Federal, State and Local codes, ordinances, resolutions and standards. The intent of DAC review is to provide an interdepartmental perspective and coordination prior to project approval with the goal of streamlining the development process. No public notifications or public meetings or hearings would be required for SPR Permits. However, for transparency, the SPR permits will be identified on the City's Development Project List that is posted on the City's website and updated quarterly.

HCD guidelines clarify that ministerial review does not preclude jurisdictions from imposing objective design review standards. Multifamily projects reviewed as by-right under the AHP provisions will be subject to multifamily development standards in the OCC, objective design standards and special development requirements in Section 16-420 (see Attachment 8).

4. Zoning Map Amendment

Many of the affordable housing sites identified in Supplement 1 of the Housing Element do not presently accommodate the default density of at least 30 du/acre; therefore, the City will need to process zone changes for those sites to add the -AHP or -AHD additive zone on top of the existing zoning. 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' development, provided that a minimum of 20% of units are restricted as affordable to lower income households. These sites will receive an AHP additive zone designation on the City's zoning map.

A list of sites that will need zone changes is included in Supplement 1 of the Final Housing Element. Additionally, the AH- additive zone associated with the retiring AAHOP program will be removed from the prior Housing Element sites, including those sites that were not selected to be included within the 6th Cycle Housing Element, or for a property owner that did not want their property included in the current Housing Element. Approximately 41 parcels within 19 sites will be rezoned from -AH (AAHOP) overlay to the AHP additive zone, and 25 new parcels will be zoned with the AHD additive zone. Eight parcels that have been entitled/developed under AAHOP will also be rezoned with the AHP additive zone to retain development options for the parcel under an affordable zone designation. The AH zone will be removed from all remaining AAHOP sites. The proposed zone map changes and list of affected parcels are included in Attachment 7 and may be viewed on the following City website: <https://arcg.is/HmSS1>

COMMUNITY INPUT AND LEGAL NOTICE

A notice of public hearing was posted in the Ventura County Vida newspaper, and mailed to all property owners of parcels subject to General Plan land use and zoning map changes. The City also set up a website for owners to verify the General Plan map and zone map changes to their property at <https://arcg.is/HmSS1>. Staff received public inquiries from two property owners requesting clarification on the zone changes for their specific properties.

2030 GENERAL PLAN CONSISTENCY

All General Plan Elements are required to be internally consistent. Consistency follows the procedure outlined in Chapter 9 of the 2030 General Plan reviewing the 2030 General Plan Goals and Policies and classifying them as: I) Direct Applicability to a Proposed Policy, Project or Program; II) Related or Indirect Applicability to the Proposed Policy, Project or Program; or III) No or Distant Applicability to the Proposed Policy, Project or Program. Attachment 13 is a consistency evaluation that documents that the proposed 2021-2029 Housing Element Update with proposed changes in Errata No. 1 is consistent with the 2030 General Plan.

As part of the circulation analysis and determination of General Plan conformity, a level of service (LOS) analysis was conducted for the Housing Element Update. This analysis evaluated 20 intersections. The LOS analysis evaluated peak hour roadway operations associated with the full buildout of the Housing Element in 2029. The City's General Plan established LOS C as the desired LOS throughout the City unless specifically permitted by the City Council. In evaluating compliance with the LOS traffic volumes were prepared using counts collected from traffic studies conducted in the City of Oxnard between 2015 and 2019. The counts were adjusted to a baseline year of 2021 using growth factors

derived from the Ventura County Transportation Model (VCTM), which has a base year of 2016 and future year of 2040. The baseline counts do not reflect conditions under the COVID-19 pandemic and the disruptive transportation trends. This has been acknowledged across transportation professionals. In the near future the City will be updating its traffic model in early 2022. This will also be useful as the City embarks on the comprehensive update to the City's General Plan and plan for land use.

An analysis of the 2021-2029 Final Housing Element evaluated traffic volumes utilizing information under future plus project conditions (year 2029), seven study intersections performed worse than the desired LOS established in the General Plan. However, should all the improvements described in the General Plan be implemented, then this would be reduced from seven to three locations. These are: Victoria Ave./Gonzales Road; Oxnard Blvd. & 5th Street; and Saviers Road/Channel Islands Blvd. It should also be noted that while these intersections do not meet the performance standard, they are not operating at LOS E or F. This analysis also underscores the need to reevaluate the City's Circulation Element considering changing traffic volumes, new housing requirements mandated by the State of California, the effect of the COVID-19 pandemic on travel, new disruptive transportation trends such as e-scooters and ride hailing services (Uber and Lyft), and the State's focus on reducing vehicle miles of travel. A comprehensive look at this is planned to begin in 2022 as part of the City's 2045 General Plan update process.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) REVIEW

The Housing Element is subject to review in accordance with CEQA. With the passage of Senate Bill (SB) 743, as of July 1, 2020 environmental analysis and environmental documents no longer use LOS but instead utilize VMT. The VMT analysis is intended to support the State's goals in reducing greenhouse gas (GHG) emissions, encouraging infill development, and improving public health via increased active transportation. The switch from LOS to VMT in environmental documents is intended to ensure that the multi-modal environmental impacts are addressed in a holistic fashion, considering the interrelationship of climate, transportation, and land use patterns in environmental documents and land use decisions.

The City prepared an Initial Study - Mitigated Negative Declaration (IS/MND - No. 2021-01) for the proposed 2021-2029 Housing Element and related actions in accordance with CEQA Guidelines, Section 15070; see <https://www.oxnard.org/housing-element-update/>. Mitigation measures were minor and pertained to standard mitigations to address biological and paleontological resources. The public comment period ended on September 3, 2021. Comments on the IS/MND were minor in nature, and did not raise any new significant impacts, or changes to any conclusions. Though not required by CEQA written response will be provided to these organizations ten days prior to City Council approval of the IS/MND. Comments were received from the following organizations (see Attachment 14):

- Ventura County, Air Pollution Control District - No revisions necessary; comment supports Site Plan Review provisions pertaining to Special Development Requirements
- Ventura County, Watershed Protection District - No revisions necessary; reply will clarify City process and Housing Element sites
- Ventura County, Agricultural Commissioner's office - No revisions necessary; reply will clarify City process and Housing Element sites
- CalTrans District 6 - No revisions necessary; reply will clarify the City's parking requirements and Housing Element Programs
- Santa Ynez Band of Chumash Indians, Tribal Elders - No revisions necessary; state required consultation due to General Plan Amendment acknowledged and City's legal compliance met
- State of California – Natural Resources Agency, Department of Fish and Wildlife – Minor changes to mitigation measure language regarding biological surveying and bird nesting protection; addition of a new mitigation measure regarding wildlife protection during construction. These have been incorporated into the Final IS/MND and will be made conditions of project approval, as warranted.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

Adoption of the 2021-2029 Housing Element Update commits the City to implement programs identified in Chapter G of the Final Housing Element. Implementation of these programs will either be executed as ongoing programs already included in various departmental work efforts and priorities; or as new programs which will require departmental prioritization. The Final Housing Element is pending review and certification by HCD so additional program edits and timing for implementation may change between now and January 2022, which may also require future funding requests. As part of the upcoming FY 2022/2023 budget requests, the Community Development and Housing Departments will be putting together a comprehensive budget request for Council review and approval.

COMMITTEE OUTCOME

This is a Public Hearing and was heard by the Planning Commission, therefore this item did not originate in Committee.

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ATTACHMENTS

1. Attachment 1 - 2021-2029 Final Housing Element (6th Cycle Housing Element) including Errata No. 1
2. Attachment 2 - 2021-2029 Final Housing Element Update History
3. Attachment 3 - July 27, 2021 Community Services, Public Safety, Housing and Development Committee Staff Report - Draft Housing Element
4. Attachment 4 - September 2, 2021 Planning Commission Staff Reports on the Draft Housing Element
5. Attachment 5 - September 16, 2021 Planning Commission Staff Report (including Memo Provided to Planning Commission on September 15, 2021).
6. Attachment 6 - Resolutions for General Plan Amendments
7. Attachment 7 - Resolution for Zoning Map Amendments (PZ No. 21-580-04)
8. Attachment 8 - Ordinance No. ____ - OCC Sections 16-420a through 16-420k (Affordable Housing -AHP and -AHD Additive Zone) Amendments - New Provision
9. Attachment 9 - Ordinance No. ____ - OCC Section 16-135 & 16-136 (C-2 General Commercial zone) Amendments
10. Attachment 10 - Ordinance No. ____ - OCC Section 16-162 & 16-163 (Business And Research Park zone) Amendments
11. Attachment 11 - Ordinance No. ____ - OCC Section 16-410 (Density Bonus) Amendments
12. Attachment 12 - Ordinance No. ____ - OCC Sections 16-523 to 16-523.12 (Site Plan Review) New Provision
13. Attachment 13 - 2030 General Plan Conformity Determination (Table and Fehr & Peers memo)
14. Attachment 14 - Final Initial Study and Mitigated Negative Declaration
15. 10.05.21 CC Presentation - Approval of Final Housing Element