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August 12, 2022

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Subject: The City of Oxnard Comments on RHNA Reform per AB 101

Dear Ms. Johnson,

This letter is in response to SCAG's request for comments about reform to the Regional Housing Needs Assessment (RHNA) process by August 12, 2022. AB 101 (2019) requires the California Department of Housing and Community Development (HCD) "develop a recommended improved RHNA allocation process and methodology that promotes and streamlines housing development and substantially addresses California's housing shortage." According to a SCAG Housing Working Group presentation on July 19, 2022, SCAG has committed to review these issues and facilitate conversation with HCD to reform RHNA.

The City of Oxnard is in support of RHNA reform, specifically with regards to the following topics:

• Affirmatively Furthering Fair Housing (AFFH). Consistent with AFFH principles, the RHNA process should allocate the majority of the lower income RHNA unit to cities with high and highest resource areas. As highlighted in HCD's AFFH Guidance document (April 2021), "Housing policy, program guidelines, and regulations were essential in creating current inequities, and they are equally important in both preventing further segregation and concentration of poverty, as well as increasing access to opportunity. In order to ameliorate past actions that led to inequity, decision-makers must create land-use and funding policies to increase affordable housing in high resource neighborhoods that have often been exclusionary (explicitly or in effect of costs and zoning policies) and bring additional resources to traditionally under-resourced neighborhoods."

The first place to start in ameliorating past actions that led to inequality is reform to the RHNA process. Oxnard does not include any areas that are designated by the California Tax Credit Allocation Committee (TCAC) and HCD as high resource areas, but is located in a county where most of the communities are made up of predominantly high and highest resource areas (See TCAC/HCD map for Ventura County CTCAC/HCD Opportunity Area Maps). More than half of the City of Oxnard is considered low resource areas and there are two census tracts that are considered areas of high segregation and poverty. However, Oxnard was assigned the highest RHNA allocation and the highest number of very-low and low income RHNA units in Ventura County. The comparison of RHNA allocations within Ventura County provides a glaring example of how the RHNA process presently violates AFFH by allocating large numbers of units to low resource communities that can least accommodate the allocations and awards high resource communities with a fraction of the responsibility.

- Aging Infrastructure & Capacity Constraints. The Distribution methodology factors should include aging infrastructure and capacity limitations. Oxnard has aging infrastructure, yet received a significantly higher RHNA allocation than cities with much newer infrastructure and greater capacity that are more quickly able to absorb a substantial increase in housing and density.
- Trade and transfer of market-rate units. The City of Oxnard is not in support of transfer of lower or moderate income RHNA credits between jurisdictions unless tight parameters are placed on such transfers. For example, transfer of lower income units should only be permitted if the recipient cities have high and highest resource areas (as defined by TCAC), consistent with AFFH requirements of increasing housing mobility opportunities for lower income households to move to high resource areas. Transfer of RHNA credits should not become an opportunity for high-resource wealthier communities to transfer away their responsibility to provide lower and moderate income housing. Transfers should also be limited to between jurisdictions within a specified commuting proximity. Jobs-rich cities should not be able to transfer their RHNA credits to distant communities, resulting in greater VMT.
- Jobs-housing and greenhouse gas reduction strategies. More weight and emphasis should be placed on jobs access and greenhouse gas reduction strategies. HCD presently looks at jobs access when reviewing the housing element site inventory for each community, after RHNA numbers have already been assigned. Jobs figures should be taken into greater consideration as part of the RHNA allocation process so that jobs-rich communities receive a greater number of allocations to accommodate their workforce and to off-set impacts to the environment due to commuting and corresponding environmental externalities. Failure to provide a robust methodology to address these concepts results in the perpetual imbalance in jobs and housing.
- Existing Density and Remaining Available Land. The RHNA process should take into consideration existing density and available remaining land, rather than focusing

on population. HCD presently looks at available land when reviewing the housing element site inventory for each community, after RHNA numbers have already been assigned. As stated earlier, the RHNA process assigned Oxnard the highest RHNA allocation and the highest number of lower income units in Ventura County, even though Oxnard is a built-out, predominantly low-resource community that already supports a dense population. In comparison, Thousand Oaks (a predominately high-resource city) encompasses a much larger area with a significantly smaller population and was given a RHNA allocation that is only 30% the size of Oxnard's RHNA allocation. A similar pattern was seen for much of Ventura County. Due to the high RHNA allocation, Oxnard needed to convert historically commercial and industrial land (jobs) to residential to accommodate the amount of high density housing needed to meet RHNA. This significantly impacts the City's VMT, as many residents need to leave the City to work in other communities.

- Addressing decades of existing need within a single eight-year RHNA cycle. The HCD RHNA allocation of 1.3 million housing units unrealistically required that existing needs, accumulated over at least 20 years and almost 60% of the total regional RHNA allocation, be remedied in the 6th Cycle eight-year planning horizon. It is unrealistic to collapse existing and projected housing needs into an eight year cycle. Existing needs should be spread over more than one RHNA cycle and/or significantly reallocated based on jobs. Further, the City of Oxnard requests that a factor be added that reassigns existing needs to jurisdictions that have not added lower income housing based upon an established percentage.
- Local Input. Local Input factors are critical to land use planning in Oxnard, and Ventura County. Our County has long standing policies, and ordinances which restrict development and urban sprawl directing development to urban areas in order to protect and preserve open space and agricultural resources and to comply with equally important State policies and programs such as greenhouse gas reductions. Assignment of housing numbers without consideration to our unique land planning mission unfairly places housing in unrealistic locations that contradict other State mandates.

There are components of the existing RHNA methodology that the City of Oxnard would strongly support HCD retaining in the next RHNA process:

• We support inclusion of Social Equity. We support the inclusion of a significant social equity adjustment in the RHNA allocation process as a way to acknowledge the affordable housing which has been constructed. This effort avoids assigning additional need in income categories where there is already a high concentration. During the 5th RHNA cycle, the City of Oxnard received a housing allocation of 7,301 dwelling units, of which 2,848 units were allocated to very low and low income groups; this represented approximately 38% of the County's total allocation. Although the City represented approximately 25% of the County of Ventura population in the 5th cycle, this allocation represented approximately 38% of the entire Ventura County 5th cycle RHNA allocation. In no instance should any RHNA

allocation for the City of Oxnard exceed 25% of the Ventura County allocation based on our current share of the County population. The social equity adjustment acknowledges high concentrations of affordable housing in communities. Additionally, the City should be acknowledged for being a leader in constructing affordable housing and there should be an adjustment to the methodology to take this into consideration. The affordability distribution should account for social equity factors and the City's history of constructing affordable housing.

The City also concurs with the four comments listed in the letter from the Ventura Council of Governments to the Southern California Association of Governments, dated August 5, 2022.

Thank you for the opportunity to comment on necessary reform to the RHNA process and for including our comments in your conversation with HCD on RHNA reform. Should you have any additional questions regarding this correspondence, please contact Kathleen Mallory, Long Range Planning & Sustainability Manager, at 805-385-8370.

Sincerely,

Vytautas "Vyto" Adomaitis

Community Development Director

C: Ashley Golden, Assistant City Manager
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