DATE: January 15, 2019

TO: City Council

FROM: Ashley Golden
Development Services Director

SUBJECT: Authorization to Appropriate General Plan Maintenance Fee Revenue.

CONTACT: Ashley Golden, Development Services Director
Ashley.Golden@oxnard.org, (805) 385-7882

RECOMMENDATION:

That City Council approve an appropriation of $937,000 from General Fund Reserve for General Plan Maintenance fee (GPMF) received in prior years to fund various long-range planning projects including $500,000 to 2040 General Plan Update, $75,000 to Housing Element Update, $350,000 to Climate Action Plan, and $12,000 to Land Use Policy & Design Guidelines.

BACKGROUND

In 2002, AB 2936 amended Section 66014(b) of the Government Code to allow local governments to charge permit fees for “…costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations.” The fee is currently $24.00 per $1,000.00 building permit valuation (0.24%), collected when a building permit is issued, and was set at that rate to raise approximately $250,000 per year to fund Planning Division staff and/or to retain expert consultant services working on the preparation, maintenance, and/or revision of the 2030 General Plan, Local Coastal Plan Update, Housing Element Update, and other related projects.

In prior years, City Council approved budget appropriations totaling $703,993 to the Local Coastal Plan Update ($435,624), Housing Element Update ($182,500), General Plan & Zoning Map Update ($62,500), and the CEQA Thresholds Update ($23,369) projects. The CEQA Thresholds project is complete but the others are active and ongoing.
Total to date available revenue, collected since FY 2014, as of November 2018 is $1,712,929. Of this total, $703,993 has been appropriated to date. The remaining GPMF collected in prior years not yet appropriated is approximately $1.008 million. The revenues earned in prior year, not yet appropriated, is now part of General Fund Reserve Fund Balance. This request will appropriate $937,000 of the $1.008 million received:

1. $500,000 to the 2040 General Plan Update, which is expected to kick-off in 2022 and cost over $1 Million. The City’s 2030 General Plan is in need of update to reflect new housing and transportation data and estimates identified by Southern California Association of Governments (SCAG), the State of California/Regional Housing Needs Assessment, and legislative mandates. Additionally, new information will be available as a result of the 2020 Census which will need to be incorporated into the City’s General Plan. This update process is anticipated to take 3-5 years to complete and will involve a significant staff effort and the need for specialized consultants.

2. $75,000 to the 6th cycle of the Housing Element. Work has already begun on the baseline data necessary for the 6th cycle update to the Housing Element (2021-2029). In early 2018 the Planning Division began working with SGAC by providing information on regional transportation planning (RTP) growth and collaborated with Ventura Transportation Commission (VCTC) on overall City growth. Utilizing these growth estimates, work will continue through 2020 to develop the City’s Regional Housing Needs Assessment (RHNA) numbers which will then be utilized to update the City’s Housing Element. The update to the Housing Element will represent an entirely new Housing Element. There are substantial sanctions if the City does not have their Housing Element certified by California Department of Housing and Community Development (HCD) by 2021.

3. $350,000 creation of a Climate Action Plan (CAP). With legislative mandates for addressing climate change in a cities General Plan Safety Element (SB 79) and mandates for reducing Green House Gas GHG) emissions, a CAP will assist the City in advancing economic development, public health, climate resiliency, equity, and job creation goals. The primary objectives of the CAP would include: reducing community GHG emissions; improving public health and equity; improving local economies, creation of jobs, positioning for a low-carbon economy; increased resilience to climate change and positioning for funding and implementation. Further, a CAP can provide a programmatic approach to environmental review.

4. $12,000 to complete an amendment to the 2030 General Plan Program Environmental Impact Report (EIR) in support of the upcoming Downtown Zoning and Design Guidelines, as well as environmental review associated with this project pursuant to the California Environmental Quality Act (CEQA).

STRATEGIC PRIORITIES
Although this agenda item is a routine operational item the appropriations allow the Planning Division to address projects within two of the four strategic plans adopted by City Council on May 17, 2016.

This agenda item supports the Economic Development strategy. The purpose of the Economic Development strategy is to develop and enhance Oxnard’s business climate, promote the City’s fiscal health, and support economic growth in a manner consistent with the City’s unique character. This item supports the following goals and objectives:

Goal 1. Create vibrant and economically sustainable commercial, industrial and retail industries throughout the City.

Goal 5. Revitalize Oxnard’s downtown and pursue economic development opportunities.  
Objective 5a. Develop a vision and plan (with timelines) for downtown revitalization to create a vibrant center for our community, emphasizing cultural arts, diversity and historic assets.

This agenda item also supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to establish, preserve and improve our infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding. This item supports the following goals and objectives:

Goal 5. Ensure orderly development and long-range conservation and management of our natural resources and coastal assets.  
Objective 5a. Develop and implement a sustainability program.  
Objective 5b. Protect ocean and waterways.

FINANCIAL IMPACT

The remaining General Plan Maintenance Fees collected in prior year not yet appropriated is approximately $1.008 million which is now part of General Fund Unreserved / Unassigned Fund Balance. With this appropriation, the estimated FY19 Unreserved / Unassigned Fund Balance for General Fund will be $15.56 million or 11% operating reserve. Of this total, $937,000 will be appropriated to the following projects:

1. $500,000 will be appropriated to Project 2040 General Plan Update (Project 19IN02);
2. $75,000 will be appropriated to Project 14IN03 Housing Element Update;
3. $350,000 will be appropriated to Climate Action Plan (Project 19IN03); and
4. $12,000 will be appropriated to Land Use Policy & Design Guidelines (Project 17IN03).

Additional GPMF is anticipated to be received and tracked throughout this fiscal year, which will increase the amount available for appropriation.
Prepared by Kathleen Mallory, Planning & Environmental Services Manager.

ATTACHMENTS:

Budget Appropriation GPMF
REQUEST FOR SPECIAL BUDGET APPROPRIATION

Department: Development Services          Date: January 15, 2019
Project/Program
Manager: Kathleen Mallory          Phone: 385-8370

Reason for Appropriation:
Appropriate General Fund Reserve for General Plan Maintenance Fees collected to date to the 2040 General Plan Update, Housing Element Update, Climate Action Plan, and Land Use Policy & Design Guidelines projects.

Accounts and Descriptions

<table>
<thead>
<tr>
<th>Fund: GENERAL FUND (101)</th>
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<tbody>
<tr>
<td>Expenditures/Transfers Out</td>
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<tr>
<td>2040 GENERAL PLAN UPDATE (19IN02)</td>
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<td>HOUSING ELEMENT UPDATE (14IN03)</td>
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<td>LAND USE POLICY &amp; DESIGN GUIDELINES (17IN03)</td>
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<td>101-4101-804.8209 SERVICES - OTHER PROF/CONTRACT 12,000</td>
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</tbody>
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Sub-total Expenditures 937,000

Net Change to Fund Balance (937,000)
Net Appropriation Change 937,000

Approvals

Department Director
Chief Financial Officer
City Manager

REQUIRES CITY COUNCIL AUTHORIZATION
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