

**FARM WORKER HOUSING  
AND  
DEVELOPMENT IMPACT FEES  
IN  
VENTURA COUNTY**

**RESEARCH PROJECT OF**



***HOUSE FARM WORKERS!***

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# FARM WORKER HOUSING AND DEVELOPMENT IMPACT FEES IN VENTURA COUNTY

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# I. INTRODUCTION

## Origin of Project

Beginning in 2019, *House Farm Workers!* focused its attention on the sixth cycle (2021-2029) update of Housing Elements in Ventura County. During the preparation of the Housing Elements, the issue of high development impact fees came up in the discussion of constraints to housing development, especially as they applied to affordable units. In 2020, *HFW!* explored conducting research that would expand its understanding of local development impact fees and the extent to which they affect the cost of developing new farm worker housing. *HFW!* also believed such research might be useful to policymakers as they make decisions about the development impact fees charged to farm worker housing as well as other affordable housing projects.

## Project Tasks

At the outset, the study consisted of three primary tasks. First, the study aimed to identify and quantify all of the development impact fees assessed by the County and the ten cities. Second, using that fee information, the study intended to estimate and compare the fees on two example/template developments in each of the jurisdictions. Finally, the study sought to identify the policies and programs within each jurisdiction's Housing Element that addressed the effects of development impact fees on affordable housing within their communities.

Early in the study effort, it became clear that the first project task, and consequently the second as well, could not be completed. After reviewing their on-line information and contacting all of the ten cities and the County, it was clear that obtaining the data needed to document the fees and then calculate them for sample projects was not feasible. Simply put, neither the cities nor the County maintain a single fee schedule for development impact fees. Each of the cities and the County treat the matter in their own way, and in most cases the fees are collected by disparate departments and/or agencies. And some, like school fees, are often collected not by the cities/County but the appropriate school district.

Finally, the calculation of example fees is further complicated by the fact that development impact fees are often site-specific, that is to say, dependent on the specific location of the project. For example, the same project in the same city might pay different impact fees depending on which side of town it is located.

For these reasons, the initial tasks were set aside and replaced with the task of identifying the *actual* development impact fees paid by constructed farm worker housing projects. Section II of this study presents the results of that effort. The final task related to assessing the cities and County Housing Elements is presented in Section III.

One important note should be highlighted with respect to the “farm worker housing projects” discussed in this report. The projects do not represent the total number of units constructed and made available to farm workers. Additional units have been constructed on private farm/ranch properties, more general “affordable housing” developments have been made available to farm workers, and private H2A housing units have been provided. Identifying the number of units provided in these manners and determining the impact fees paid by each would require a significant effort and was simply beyond the scope of this exercise.

## **What are Development Impact Fees**

There is often confusion between development impact fees and permit processing fees. Development impact fees are assessed by cities and counties to pay for services and facilities (e.g., sewer service, water, parks and schools) necessary to support the on-going operation of the project. These fees are assessed through a pro rata share system based on the magnitude of the project’s impact or the extent of benefit that will be derived. Permit processing fees are those fees charged by local governments to cover the costs (largely staff costs) of processing the permit necessary for a development to be approved and constructed. State law limits fees charged for development permit processing to the reasonable cost of providing the service for which the fee is charged.

While both development impact fees and permit processing fees can be significant and have a substantial impact upon the cost and affordability of much-needed housing, this study addresses only the former.

## Methodology

The first step in the effort to determine the actual development impact fees paid by farm worker housing projects is to identify the projects themselves. A review of the HFW! files identified seventeen farm worker **rental** housing projects constructed within the County of Ventura since 2004, coincidentally the same year that the organization was founded. These seventeen housing projects, plus two additional projects currently under construction, became the focus of this task and they are identified in Table 1 below.

**TABLE 1**

**Farm Worker Housing Projects (2004 to Present)**

<b><u>Project</u></b>	<b><u>Location</u></b>	<b><u>Year</u></b>
Meta Street Apartments	City of Oxnard	2004
Villa Madera	City of Oxnard	2005
Villa Cesar Chavez	City of Oxnard	2006/7
Casa Bella	City of Santa Paula	2007
Villa Hermana	City of Santa Paula	2007
Villa Victoria	City of Oxnard	2007
Fillmore Central Station	City of Fillmore	2010
Rodney Fernandez Gardens	City of Santa Paula	2011
Camino Gonzalez	City of Oxnard	2012
Valle Naranjal	County of Ventura	2012
Azahar Place (Citrus Place)	City of Ventura	2012
Limoneira	County of Ventura	2015
Snapdragon Place	City of Ventura	2015
Etting Road	County of Ventura	2016
Rancho Verde	City of Ventura	2018
Villa Las Brisas	City of Oxnard	2020
Garden City Camp	City of Oxnard	2020
Somis Ranch	County of Ventura	Under Construction
People's Place	City of Santa Paula	Under Construction

The second step in the review process is to determine the development impact fees paid by the projects in Table 1. The projects were constructed within five different jurisdictions. Each of those local agencies was contacted and data regarding the collection of development impact fees was solicited from the Community Development/Planning departments. It proved difficult to obtain fee information from all of the jurisdictions for all of the projects. The table indicated “N/A” for projects where fee information was not obtained. The total fees collected and the number of housing units for each project are summarized in Table 2 below.

**TABLE 2**  
**Farm Worker Housing Project Fees**

<u>Project</u>	Number of Units	Fees Paid
Meta Street Apartments	23	\$249,500
Villa Madera	7	\$440,992
Villa Cesar Chavez	51	\$180,300
Casa Bella	40	\$358,412
Villa Hermana	23	\$0
Villa Victoria	27	\$334,300
Fillmore Central Station	21	N/A
Rodney Fernandez Gardens	51	\$1,632,271
Camino Gonzalez	18	\$335,800
Valle Naranjal	65	N/A
Azahar Place (Citrus Place)	30	\$1,390,916
Limoneira	238	N/A
Snapdragon Place (Phase 1)	27	\$431,703
Etting Road	42	N/A
Rancho Verde	24	\$324,358
Villa Las Brisas	441	N/A
Garden City Camp	77	N/A
Somis Ranch	360	N/A
People’s Place	21	\$1,539,953
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<b>TOTAL</b>	<b>1,586</b>	<b>\$7,218,505</b>

## Findings

Since 2004 in Ventura County, there have been almost 1,600 farm worker housing units approved and constructed as part of dedicated farm worker housing projects. This represents an average of almost 80 units per year. While a meaningful amount, this is well below what is needed to support the county's farm worker population. The true need is not well-defined, but the current effort to update the county farm worker housing study should help provide information to better determine the housing need.

As noted in Table 2, development impact fee information was available for only eleven of the seventeen identified farm worker housing projects. In addition, the Villa Herman project in the City of Fillmore was a rehabilitation of an existing development and therefore was not required to pay any development impact fees. Thus, only ten of the projects could be fully evaluated. Those ten projects provided 319 housing units and paid a total of \$7,218,505 in development impact fees, for an average of \$22,626 in fees per unit. Given the variety of factors associated with each project site, and the complexities and variability of development impact fees within each jurisdiction, any further analysis would be difficult and of limited value.

In addition to the development impact fee data, information regarding total cost was collected for two of the farm worker housing projects. For those projects, the total cost per housing unit illustrates the significant differences that may exist between development projects. One project yielded a per unit cost of \$991,964 while the other yielded a per unit cost of \$363,372. However, as a total percentage of project costs, development impact fees represented similar amounts: 4.7% and 4.4% of the project costs.

While local jurisdictions were specifically asked about the amount of development impact fees levied on the identified farm worker housing projects, they were not asked about the timing or deferral of such fees. However, in collecting the data it was found that the City of Oxnard did in fact defer the collection of some of the development impact fees on the Villa Madera project. This is a significant action and can provide valuable financing assistance to affordable housing developers. More specifically, a 15-year deferral can be classified as a local match that can help secure financing/grants for affordable housing developments.

### **III. DEVELOPMENT IMPACT FEES IN HOUSING ELEMENTS**

#### **Methodology**

Beginning in 2019, *House Farm Workers!* focused its attention on the sixth cycle (2021-2029) update of Housing Elements in Ventura County. Among the issues researched and tracked by HFW! was each jurisdiction's consideration of development impact fees and their impact upon farm worker and other affordable housing projects. Accordingly, HFW! looked at: (1) How DIFs are discussed in Housing Elements as a potential constraint to development; and (2) The programs within Housing Element Action Plans that deal with development impact fees.

#### **Links to Housing Elements of Ventura County and Cities**

The research work done to complete this study was conducted in mid-2022. Because the work of the County and cities on their Housing Elements is an on-going effort, it is important to note the specific documents that were reviewed as part of this study. Provided below are links to those documents.

- Housing Element of Ventura County 2021-2029, <https://vcrma.org/housing-element-update>
- Housing Element of Camarillo <https://camarillohousingelement.com/>
- Housing Element of Fillmore <https://www.fillmoreca.com/departments/planning-department/housing-element>
- Housing Element of Moorpark <https://www.moorparkca.gov/1055/2021--2029-City-of-Moorpark-Draft-Housin>
- Housing Element of Ojai <https://ojai.ca.gov/ojais-general-plan/>
- Housing Element of Oxnard <https://www.oxnard.org/housing-element-update/>
- Housing Element of Port Hueneme <https://www.ci.port-hueneme.ca.us/1272/2045-General-Plan>
- Housing Element of Santa Paula <https://www.mysantapaula.com/>
- Housing Element of Simi Valley <http://www.simivalley.org/HEupdate>
- Housing Element of Thousand Oaks <https://www.toaks2045.org/housing>
- Housing Element of City of Ventura (San Buenaventura) <https://www.cityofventura.ca.gov/492/Housing-Element>



## Findings

The Housing Element review looked at two issues. First, it looked at the degree to which the jurisdiction discussed and addressed the potential effect of development impact fees within its goals, policies and programs. Second, it looked to see if the Housing Elements included specific information regarding the fees assessed by the jurisdiction upon housing units. Table 4 on the following page summarizes the information.

In only three cases (the Cities of Camarillo, Fillmore and Thousand Oaks) did the Housing Element include no substantive goals, policies or programs aimed at addressing the potential effect of the city's Development Impact Fees upon the ultimate cost of affordable housing. Similarly, most of the jurisdictions included copies of their processing and development impact fees within their Housing Elements. Only the City of Port Hueneme did not include a fee schedule, while the Cities of Fillmore and Thousand Oaks provided the schedules solely related to permit processing fees.

The most common program outlined within the Housing Elements (included in four cities) is a commitment to review impact fees. The language within the City of Ojai Draft Housing Element is representative of this program; it reads "The City will periodically evaluate and adjust its regulations, ordinances and development fees to ensure that they do not unduly constrain housing production." Two of the cities included references to looking at possible "financial incentives" for affordable housing, while the County has a program to "...analyze the effectiveness of implementing a..Housing Impact Mitigation Fee Program."

The City of Oxnard has included perhaps the most specific programs directed at addressing the effect of development impact fees upon affordable housing. The two programs read:

Program 29.1

By the adoption of the FY 2022-23 budget, establish a fee deferral program for affordable housing projects.

Program 29.2

By the adoption of the FY 2022-23 budget, establish a partial fee waiver program for all affordable housing projects that can be granted by the Community Development Director.

These efforts by the City of Oxnard, should they prove successful, should serve as a blueprint for other Ventura County cities and the County as they review and analyze their development impact fees and their effect upon farm worker and other affordable housing projects.

## VENTURA COUNTY HOUSING ELEMENTS – DEVELOPMENT IMPACT FEES

<b>Jurisdiction</b>	<b>Status</b>	<b>Reference Pages</b>	<b>Fee Schedule</b>	<b>Goals/Policies/Programs Addressing Development Impact Fees</b>
<b>Camarillo</b>	<b>Final</b>	<b>7-98 to 7-101</b>	<b>Yes</b>	<b>None</b>
<b>Fillmore</b>	<b>Draft</b>	<b>3-20 to 3-24</b>	<b>Processing Fees Only</b>	<b>None</b>
<b>Moorpark</b>	<b>Draft</b>	<b>40, 140 and 151</b>	<b>Yes</b>	<b>Policy 4.1 &amp; Program 21. Development Fee Review</b>
<b>Ojai</b>	<b>Final</b>	<b>46 to 47 and 60</b>	<b>Yes</b>	<b>Goal 3, Policy H-8 “periodically evaluate and adjust fees to ensure they do not..constrain housing production.”</b>
<b>Oxnard</b>	<b>Final</b>	<b>27 and 4-105</b>	<b>Yes</b>	<b>HE-1.7 “..offer financial incentives as funding permits.”</b>
<b>Port Hueneme</b>	<b>Final</b>	<b>1-26</b>	<b>No</b>	<b>Program 17 “monitor fees to determine whether they are inhibiting housing production”</b>
<b>Santa Paula</b>	<b>Draft</b>	<b>51 to 53</b>	<b>Yes</b>	<b>Goal 4, Policy 4.2 “Periodically review ... residential fees to ensure that they do not unduly constrain housing development” (pp. 63)</b>
<b>Simi Valley</b>	<b>Draft</b>	<b>4-105</b>	<b>Yes</b>	<b>Policy 1.7 “...financial incentives as funding permits..”</b>
<b>Thousand Oaks</b>	<b>Final</b>	<b>64 to 66</b>	<b>Processing Fees Only</b>	<b>None</b>
<b>Ventura</b>	<b>Final</b>	<b>9, 24 to 25, and 27</b>	<b>Yes</b>	<b>Policy 4.3, Programs 24 and 29 “establish a fee deferrals program for affordable housing.”</b>
<b>County of Ventura</b>	<b>Final</b>	<b>5-122 to 5-124</b>	<b>Yes</b>	<b>Program K, Inclusionary Housing and Housing Impact Mitigation Fee Assessment (pp. 3-14)</b>

In the process of reviewing and commenting on draft Housing Element programs and policies, *HFW!* volunteers realized that the preparation of Housing Elements offered an opportunity for communities to develop a policy approach to support affordable housing projects through deferment of impact fees. Currently, the deferment of development impact fees appears to be done on an ad hoc and very limited basis. An effort should be made to “institutionalize” such programs through the development and adoption of broad deferment policies. In addition to the City of Oxnard program cited above, the City of Santa Paula has taken a first step in this direction with Program 20 in its Draft Housing Element, which reads “To the extent feasible, the City will defer the payment of development impact fees for 15 years, which would allow affordable housing projects to count that as a public funding source, which helps increase competitiveness when applying for low income housing tax credit allocations.” *HFW!* has requested the City of Fillmore to include similar wording in its Housing Element.

#### **IV. CONCLUSION & NEXT STEPS**

A review of development impact fees paid by farm worker housing projects over the last twenty years found that a significant amount of fees were assessed to those projects. Ten projects paid a total of \$7,218,505 in development impact fees. This amounted to \$22,626 in fees paid per housing unit. For two of the projects, these fee amounts were compared to the total project cost and it was found that the development impact fees represented between 4.4% and 4.7% of the project/per unit cost.

The County and a majority of the cities have included goals, policies and/or programs intended to address development impact fees and affordable housing. However, with the exception of the City of Oxnard, there is no timeline for completing the fee review and analysis. The City of Oxnard’s commitment to complete its program by the adoption of its 2022-23 budget demonstrates a high priority for the effort. *HFW!* should track the City’s work on this program in an effort to ensure it is relevant to the production of farm worker housing. Should the City of Oxnard develop and adopt a program to defer and/or waive impact fees for affordable housing, *HFW!* should work to share the program with the other cities and the County to encourage adoption of a similar program.

Finally, given the importance of development impact fee deferrals to securing funding for affordable housing projects, the ten cities and the County should be further encouraged to develop and adopt policies and programs to formalize the 15-year deferral of development impact fees for affordable housing projects regardless of whether the recently-adopted Housing Element contains such a program.