

RESOLUTION NO. 2025-4360

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, APPROVING THE AFFORDABLE HOUSING IN-LIEU FEE NEXUS STUDY FOR NEW RESIDENTIAL DEVELOPMENT AND ENABLING THE IMPLEMENTATION OF THE AFFORDABLE HOUSING IN-LIEU FEES

WHEREAS, the City of Moorpark is committed to addressing the affordable housing needs of its residents and ensuring that housing is available for households of all income levels; and

WHEREAS, the City desires to introduce Affordable Housing In-Lieu Fees for new residential development that provides developers with the opportunity to meet the affordable housing requirements pursuant to the City's Inclusionary Housing Ordinance (Ordinance No. 515). The establishment of the in-lieu fees offers developers the option to pay an in-lieu fee rather than providing deed-restricted affordable units as part of their development projects; and

WHEREAS, the City retained Harris & Associates, Inc. to prepare an Affordable Housing In-Lieu Fee Nexus Study (the "Nexus Study", Exhibit A) dated April 2024 to analyze the relationship between new residential development and the need for additional affordable housing and to determine the maximum justifiable in-lieu fees; and

WHEREAS, the Nexus Study identifies the purpose of the in-lieu fees, the use to which the fees will be put, demonstrates a reasonable relationship between the development of new residential units and the impact on affordable housing demand. The Study also describes the relationship between new residential development and the fee amounts under assumptions that are consistent with the City's Inclusionary Housing Ordinance; and

WHEREAS, the Nexus Study provides the documentation, detail, and other information required by AB 1505 as the basis for the adoption and imposition of the in-lieu fees; and

WHEREAS, the proposed in-lieu fees are consistent with the goals and policies outlined in the City's 2021-2029 Housing Element, which was adopted in February 2023, to provide opportunities for the development of adequate housing for all income levels; and

WHEREAS, the City Council has reviewed and considered the in-lieu fees established herein, and finds that the fees will mitigate the impact of an increase in affordable housing needed from the development of market-rate residential units.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. RECITALS. The findings and recitals set forth in this Resolution are true and correct, and are incorporated herein.

SECTION 2. CEQA. The approval of the Nexus Study and the adoption of the in-lieu fees specified in this Resolution, was reviewed in accordance with the criteria contained in the California Environmental Quality Act (“CEQA”) and the State CEQA Guidelines. The City Council finds that approval of the Nexus Study and the adoption of the in-lieu fees specified in this Resolution will not have a significant impact on the environment and are exempt from CEQA pursuant to Section 15061(b)(3) of State CEQA Guidelines because these actions involve the adoption of in-lieu fees and no specific development is authorized by the adoption of the Nexus Study or the adoption of new fees. No physical activity will occur until all required environmental review is conducted at the time the physical improvements are undertaken at a future unspecified date. Therefore, the approval of the Nexus Study and adoption of the in-lieu fees does not have the potential for causing a significant effect on the environment.

SECTION 3. Approval of the Nexus Study. The City Council hereby approves the *City of Moorpark Affordable Housing In-Lieu Fee Nexus Study* prepared by Harris & Associates, Inc. and dated April 2024, and the findings contained therein, attached hereto as Exhibit A. A copy of the Nexus Study shall be on-file with the City Clerk and available during regular City business hours for public inspection.

SECTION 4. Establishing the amount of the Inclusionary Housing In-Lieu Fees for new residential development projects subject to the City’s Inclusionary Housing Ordinance. The City Council hereby adopts the in-lieu fees for (1) Single Family For-Sale Units, (2) Multifamily For-Sale Units, and (3) Multifamily For-Rent Units, in accordance with the Schedule of Inclusionary Housing In-Lieu Fees identified in Table A below and incorporated by this reference.

Table A: Schedule of Inclusionary Housing In-Lieu Fees

Land Use	Fee Per Unit*
Single-Family Detached For-Sale	\$111,000
Multifamily For-Sale	\$65,000
Multifamily For-Rent	\$55,000

*Fee is to be paid on a per unit basis multiplied by the total number of all market-rate residential units proposed within a given project.

SECTION 5. Adoption of Methodology for Calculation, Adjustment, and Collection of Inclusionary Housing In-Lieu Fees. The City Council adopts the methodology set forth in the Nexus Study, for calculating the in-lieu fees adopted herein. The in-lieu fees established in Table A (Schedule of Inclusionary Housing In-Lieu Fees) shall be collected in accordance Chapter 3.36 of the Moorpark Municipal Code and automatically adjusted annually on July 1 each year, beginning in 2027, using the annual percentage change in the Engineering News-Record Construction Cost Index (CCI) for Los Angeles region for the 12-month period ending in February each year.

SECTION 6. Effective Date of Inclusionary Housing In-Lieu Fees. The in-lieu fees shall be effective immediately following the adoption of this Resolution.

SECTION 7. No Changes to Other City Fees. Nothing in this Resolution shall repeal, amend or supersede any other City-imposed fees except for the amount of specific type and category of fees addressed in the Nexus Study and expressly established by this Resolution.

SECTION 8. Certification. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 5th day of November, 2025.


Chris R. Enegren, Mayor

ATTEST:


Ky Spangler, City Clerk



Exhibit A: Affordable Housing In-Lieu Fee Nexus Study dated April 2024

EXHIBIT A



FINAL

Affordable Housing In-Lieu Fee Nexus Study

City of Moorpark

April 2024

Prepared for:



Prepared by:



Harris & Associates

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EXECUTIVE SUMMARY

INTRODUCTION

The City of Moorpark (City) retained Harris & Associates (Harris) to prepare an Affordable Housing In-Lieu Fee Nexus Study (Study) in order to develop a citywide Affordable Housing In-Lieu Fee (Fee) Program. The Fees will provide additional flexibility to the City and development community in meeting affordable housing needs generated by new market-rate units in the City.

This Study provides a nexus analysis of the linkages between the new development of residential units and the need/demand for additional affordable housing for informational purposes. This Study also analyzes the reasonable relationship between new residential development and the Fee amounts under assumptions that are consistent with the City’s recently adopted Inclusionary Housing Ordinance. The Fees in this Study represent the maximum fees supported but do not represent specific Fee recommendations. The City has the latitude to adopt the Fees deemed appropriate.

FINDINGS AND METHODOLOGY

Table ES. 1 compares the maximum supportable fees calculated using the inclusionary equivalent methodology and the averages of in-lieu fees in other local cities for comparison purposes.

Table ES. 1: Maximum Supported Fee Comparison

	Inclusionary Equivalent Supportable Fee¹	Local City Survey²
Single-Family For-Sale	\$111,670	\$153,427
Multifamily For-Sale	\$65,497	\$86,442
Multifamily For-Rent	\$55,203	\$73,849

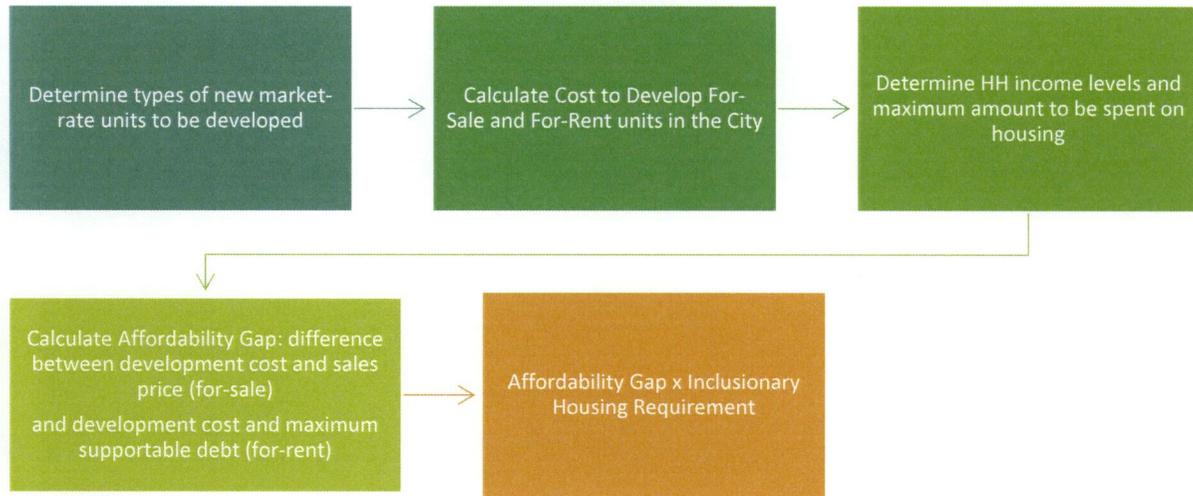
1) Tables 10 and 11.

2) Table 13.

The Inclusionary Equivalent Supportable Fee is the gap in affordability under the affordable unit production requirement in the existing Inclusionary Housing Ordinance. These amounts approximate the actual costs to build the affordable units required by the City’s Inclusionary Ordinance and represent the maximum supportable in-lieu fees. The Local City Survey numbers represent the average in-lieu fees required by surrounding cities. Harris staff completed the analysis using the Inclusionary Equivalent Supportable methodology to determine the maximum supportable Fee for the City.

The Inclusionary Equivalent Fee Methodology involves applying the affordability gap calculations per unit to the established affordable unit requirements from the existing Inclusionary Housing Ordinance. This methodology has the advantage of using existing inclusionary requirements, which may reflect additional considerations beyond demand created by new development, such as the City’s Regional Housing Needs Allocation. The Study uses this methodology, illustrated by the figure below.

Inclusionary Equivalent Fee Methodology



The in-lieu fee estimates were based on three general development types, which were identified in the City’s General Plan 2050:

- Single-family detached (SFR for-sale)
- Multifamily condominiums (MFR for-sale)
- Multifamily apartments (MFR for-rent)

In order to estimate future market-rate housing development in the City, Harris staff researched and reviewed Zillow and LoopNet data showing recently constructed units for-sale, and information from City staff to identify recent market trends related to home prices. The Fees calculated in this Study reflect the estimated cost of future residential development.

The household income limits as a percentage of Area Median Income (AMI) for Ventura County are shown in **Table ES. 2**. These threshold incomes are a key input to the economic impact analysis described in Section 1. Prior to determining the affordability gap, the total amount that households can afford to allocate to their housing must be determined.

Table ES. 2: Threshold Incomes and percent of Area Median Income (AMI)

	Percent of AMI	Family Size					
		1	2	3	4	5	6
Extremely Low Income	30%	\$ 27,900	\$31,900	\$35,900	\$39,850	\$43,050	\$46,250
Very Low Income	50%	\$ 46,500	\$53,150	\$59,800	\$66,400	\$71,750	\$77,050
Low Income	80%	\$ 74,400	\$85,000	\$95,650	\$106,250	\$114,750	\$123,250
Moderate Income	120%	\$ 111,600	\$127,600	\$143,600	\$159,400	\$172,200	\$185,000

Source: Area Housing Authority of County of Ventura Income Limits effective May 15, 2023.

POLICY CONSIDERATIONS

The City should evaluate several policy considerations and implications related to the in-lieu fees. Harris reviewed the maximum supportable Fees for consistency with the Housing Policy outlined in the City’s Housing Element and has prepared a comparison of fees with other jurisdictions.

Housing Policy Consistency

The 2021-2029 Housing Element, adopted in 2023, discusses the current affordable housing issues that exist within the City and details the City’s existing Inclusionary Housing Program. The proposed Fees are consistent with the Housing Element’s goal of providing opportunities for the development of adequate housing for households of all income levels and are directly based on the Inclusionary Housing Program requirements.

The City’s current Housing Program is managed by the Community Development Department. The Housing Program implements goals and policies of the City’s General Plan and Housing Element. The Housing Program manages market rate and affordable housing projects and initiatives. A primary goal of the Housing Program is to expand the variety of housing availability in the community to meet the current and future needs of the City’s community members. Housing Program staff coordinates with local housing developers, non-profit housing organizations, and the Area Housing Authority of County of Ventura to monitor and help develop new and preserve existing housing in the City. The proposed Fees are consistent with the goals of the Housing Element and the City’s Housing Program.

Comparison to Other Jurisdictions

An analysis of comparable cities that require affordable housing in-lieu fees is provided below as a comparison to the maximum supported Fees as determined by this Study. **Table ES. 3** shows the average amount of affordable housing in-lieu fees collected per residential type in comparable communities in the region. See **Table 13** for an in-depth review of surrounding cities.

Table ES. 3: Average Fee of Comparable Municipalities

Land Use	Fee
Single Family (Detached)	\$153,427
Multifamily - For-Sale (Attached)	\$86,442
Multifamily - For-Rent (Attached)	\$73,849

Source: See Table 13 for detailed local city survey.

Policymakers may choose to adopt a fee less than the maximum supported amount in order to lessen the burden on new development while still mitigating a portion of the affordable housing needs created from new development.

Proposed Fees

City staff reviewed the options provided in this analysis and recommend the following fees be adopted. These fees equal the maximum supportable fees calculated in this report and are less than the averages of other local agencies- This methodology supports the City's goal of using the in-lieu fee funds to help finance affordable housing development. See **Table ES. 4** for a summary of the recommended fees.

Table ES. 4: Proposed Fees

Land Use	Inclusionary Requirement ¹	Affordability Level	Affordability Gap per Unit ²	Fee per Unit	Total Fee per Unit	Average of Other Cities ³	Proposed Fee ⁴
Single Family Detached For-Sale	7%	80% AMI or below	\$862,569	\$60,380	111,670	\$153,427	\$111,000
	8%	120% AMI or below	\$641,120	\$51,290			
Multifamily For-Sale	7%	80% AMI or below	\$554,659	\$38,826	65,497	\$86,442	\$65,000
	8%	120% AMI or below	\$333,392	\$26,671			
Multifamily For-Rent	7%	30% AMI or below	\$410,054	\$28,704	55,203	\$73,849	\$55,000
	8%	50% AMI or below	\$331,224	\$26,498			

1) City of Moorpark Inclusionary Housing Requirements, Municipal Code 17.24.065.

2) Table 10 and Table 11.

3) Table 13.

4) Proposed fees are rounded to the nearest 1,000.

Section 1 INTRODUCTION AND METHODOLOGY

INTRODUCTION

The City desires to introduce an Affordable Housing In-Lieu Fee for new residential development to offer developers the option to pay an in-lieu fee rather than producing deed-restricted, affordable units pursuant to the City's Inclusionary Housing Ordinance (Ordinance No. 515) as part of any new residential development project of 10 units or more. The Fee is designed to mitigate the impact of an increase in affordable housing needed from the development of new market-rate residential units.

This Study establishes the maximum supported Fee levels related to residential development. The methodology establishes a reasonable relationship between the associated impact of new development and the amount of the Fee and details the data sources and associated findings. The first portion of the analysis determines the demand created by the development of market-rate residential units for affordable housing units. The demand for affordable housing units at various income levels is then used to calculate the "affordability gap". For ownership housing units, the sales price needed for units to be affordable to low-income households is compared to the cost to develop these units to calculate the "affordability gap." For rental units, the development cost is compared with income sources available for housing to determine the "affordability gap".

The second portion of the analysis involves applying the affordability gap calculations per unit to both the estimated affordable housing demand determined in the first portion of the analysis and the affordable unit requirements from the existing Inclusionary Housing Ordinance.

Background

This section discusses the City's historical Inclusionary Housing Policy and the results of recent legislation and judicial rulings.

City's Inclusionary Housing Ordinance

The City uses an Inclusionary Housing Policy originally established by Ordinance No. 515 (adopted in October 2023) to generate affordable housing in proportion with the overall increase in market-rate residential units and is described in the Housing Element of the City's General Plan. The Policy requires the following for housing projects with 10 or more units:

- For-Sale: For-sale residential development projects of fifteen (15) or more dwelling units shall provide fifteen percent (15%) of the total units of a residential development and satisfied by designating seven percent (7%) for low-income household and eight percent (8%) for moderate income household. For residential developments of between ten (10)

and fifteen (15) units, a single inclusionary unit shall be required and can be either very low or low income.

- For-Rent: Rental residential development projects of fifteen (15) or more dwelling units shall provide fifteen percent (15%) of the total units available at affordable rent and satisfied by designated seven percent (7%) for extremely low-income households and eight percent (8%) for very low-income households.

However, the Ordinance (and therefore the in-lieu fees) do not apply to the following:

- Projects that are not residential development.
- Residential developments of nine (9) or less residential units. Adjacent projects that are on separate parcels but collectively equal ten (10) or more dwellings and are held by the same owner are not exempt, unless permitted more than one (1) year apart.
- A one hundred percent (100%) affordable housing project.
- Units approved as accessory dwelling units or junior accessory dwelling units.
- Residential development projects using density bonus which meet or exceed the affordability of fifteen percent (15%) of units.

The current Policy (as described in Ordinance 515) allows developers to pay an in-lieu Affordable Housing Payment instead of developing affordable units as part of a project or as part of an offsite project. The purpose of this Nexus Study is to determine the maximum justifiable fee for different types of residential development. The City Council may choose to establish the fees at the maximum justifiable amounts or at lower amounts to reduce the potential impact on new residential development.

Legal Framework

In 2009, the Court of Appeals struck down a City of Los Angeles ordinance imposing inclusionary housing requirements on rental housing projects with a density of more than 10 dwelling units per lot. The Courts' decision that regulating the rent levels to ensure the units were affordable in nature directly violated the provisions of the Costa-Hawkins Act. Jurisdictions were unable to require affordable housing units at affordable rental rates as a condition of project approval because of this decision.

In 2015, the California Supreme Court ruled in favor of the City of San Jose in a court case involving the California Building Industry Association (Association). The Association challenged the legality of San Jose's inclusionary program on the basis that it constituted an "exaction" that

required a nexus study. The court deemed that San Jose’s inclusionary program was not an exaction and it constituted a valid exercise of the City’s power to regulate land use.

Finally, in 2017, Governor Jerry Brown signed a package of housing related bills, which included AB 1505, commonly referred to as the “Palmer Fix”. AB 1505 allows jurisdictions to adopt ordinances that require a percentage of residential rental units to be affordable to individuals whose income falls below the moderate-income limit, based on AMI, for the county. Additionally, AB 1505 requires jurisdictions to provide alternative methods for developers to satisfy their affordable housing requirements, which may include in-lieu fees, off-site construction, land dedication, or acquisition and rehabilitation of existing units.

METHODOLOGY

Nexus Analysis

Residential development projects contribute to population growth. As the population grows, additional services and facilities are needed to accommodate the residential population influx. In order to meet the increased demands of population growth, new non-residential development will occur, correlating to an increase in the worker population. A portion of the new worker population will earn a wage that is not sufficient to rent or purchase market-rate housing. The Study analyzes the maximum supported Fee to address the affordable housing need created by new residential development. The Fee will be used to build affordable housing to address the demand generated.

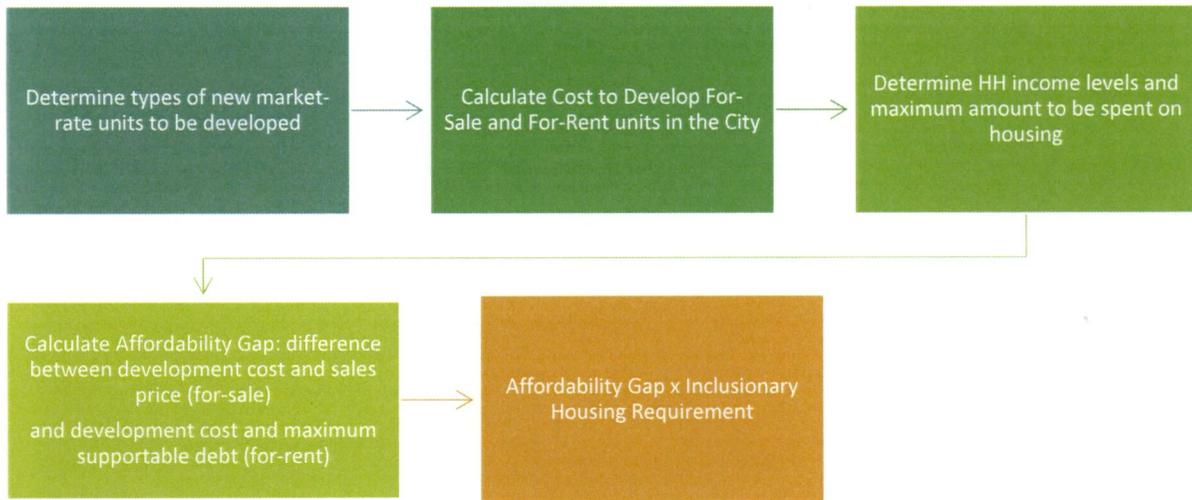
One approach to calculating a supportable in-lieu fee uses the demand created by the development of market-rate residential units for affordable housing units. The demand for affordable housing units at various income levels is then used to calculate the “affordability gap”. For ownership housing units, the sales price needed for units to be affordable to low-income households is compared to the cost to develop these units to calculate the “affordability gap.” For rental units, the development cost is compared with supportable debt to determine the “affordability gap”. The figure on the following page illustrates this methodology.

Demand-Based Fee Methodology



An alternative approach is the Inclusionary Equivalent Fee Methodology, which involves applying the affordability gap calculations per unit to the established affordable unit requirements from the existing Inclusionary Housing Ordinance. This methodology has the advantage of using existing inclusionary requirements, which may reflect additional considerations beyond demand created by new development, such as the City’s Regional Housing Needs Allocation. The Study uses this methodology, illustrated by the figure on the following page.

Inclusionary Equivalent Fee Methodology



Harris staff determined that the best methodology for calculating the City’s Affordable Housing In-Lieu fee is the Inclusionary Equivalent Fee methodology. The Demand-Based Fee methodology is not used in this nexus analysis.

The methodology utilized in this nexus analysis for the Inclusionary Equivalent maximum supportable Fees complies with general best practices related to nexus studies and follows the following order, specific data points are explained in the following sections of this study:

This nexus analysis begins with an analysis of the types of market rate residential units to be developed. Harris coordinated with City staff, local real estate professionals, and a sampling of planned and current recently developed housing types to determine the likely characteristics of new residential units developed in the City and categorized the development into three land use types based on the City’s General Plan 2050:

- Single-family detached (SFR for-sale)
- Multifamily condominiums (MFR for-sale)
- Multifamily apartments (MFR for-rent)

Using separate housing types ensures the presentation of an accurate representation of similar market-rate units.

Harris staff estimated the income levels of buyers and tenants of market-rate units to serve as a reference; this information is not directly used in the Inclusionary Equivalent Fee methodology.

The sales price and rent costs for market-rate units, as well as the income levels of potential buyers and tenants were determined using several data sources. For rental units, the income level required

to occupy market-rate units is determined by taking the average annual rent for a variety of rental housing apartment sizes (studio to three bedroom) and adding the annual utility amounts, as recommended by the US Department of Housing and Urban Development (HUD), to determine the total annual cost. The annual housing cost is divided by 30%, the recommended maximum percentage of gross income to be spent on housing costs, to determine the amount of household income that would be required in order to rent a unit of that size. **Table 1** details the calculations for the income levels necessary to occupy market-rate rental units. The average household income needed to rent a two- or three-bedroom MFR unit is currently estimated at \$122,710.

Table 1: Housing Income Requirements – For-Rent Market-rate Units

	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Average Monthly Rent ¹	\$1,665	\$2,384	\$2,840	\$3,296
Annual Rent	\$19,980	\$28,612	\$34,076	\$39,550
Percent of Income Spent on Rent	30%	30%	30%	30%
Annual Household Income Required	\$66,600	\$95,373	\$113,586	\$131,833

1) Area Housing Authority of County of Ventura Income Limits effective May 15, 2023.

With for-sale units, the calculation for the income level requirement to purchase a market-rate unit accounts for a five percent (5%) down payment to determine the mortgage amount and then applying the current mortgage insurance rates, homeowner’s insurance, estimated property tax payments, and homeowner’s association (HOA) fees to determine the total monthly housing costs. Finally, dividing the total monthly obligation by the maximum 35 percent (35%) of gross income, as recommended by HUD.

Table 2 details the calculations of the income levels required to purchase for-sale market-rate units.

Table 2: Housing Income Requirements – For-Sale Market-rate Units

	For-Sale SFR	For-Sale MFR
Market Sales Price ¹	\$1,161,300	\$779,800
Down Payment (5.0%)	\$232,260	\$155,960
Amount Borrowed	\$929,040	\$623,840
Estimated Mortgage Payment ²	\$5,101	\$3,426
Mortgage Insurance (0.55%) ³	\$426	\$286
Homeowners Insurance (1.0%) ¹	\$968	\$650
Property Tax (1.20%) ⁴	\$1,161	\$780
HOA	\$76	\$315
Total Monthly Housing Cost	\$7,732	\$5,457
Share of Income Spent on Mortgage ³	35%	35%
Annual Household Income Required	\$265,097	\$187,097

1) City of Moorpark General Plan Housing Element 2021-2029.

2) Assumes 5.2% interest rate and a 30-year amortization.

3) U.S. Department of Housing and Urban Development, 2023.

4) Keyser Marston Associates, Fuschia & Verbena Financial Analyses, April 2023.

Section 2 AFFORDABILITY GAP ANALYSIS

A key input required in the calculation of the maximum supported in-lieu Fees is the affordability gap. The affordability gap provides information on the difference between what lower-income buyers and renters can afford to pay versus the total cost of developing the units. This section summarizes the methodology used to calculate the affordability gap and presents the results of this analysis for the respective unit type.

METHODOLOGY

The following section details total development costs of units in the City, the findings for affordable housing rates, and a summary of the affordability gap by unit type.

DEVELOPMENT COSTS

The estimated cost of developing affordable housing units was determined by examining current development trends related to unit type and size. As the development, sale, and operations associated with for-rent and for-sale units vary, an analysis of each housing type was required.

For the purposes of this Study, the development costs for rental housing were based on recently completed market-rate and affordable multifamily projects in the City and neighboring cities as well as surveys performed by Keyser Marston Associates in their Fuchsia & Verbena Financial Analyses (April 2023).

The costs associated with the cost for acquisition of land are based on research conducted by Harris & Associates on recently sold land in the City and neighboring jurisdictions and are representative of multifamily units recently completed within the City.

Table 3 shows the total development cost of multifamily for-rent two and three-bedroom units, pursuant to the requirements in the City's Inclusionary Housing Ordinance. Two-bedroom multifamily units are assumed to be 922 square feet and three-bedroom units are assumed to be 1,214 square feet.

Table 3: Development Costs – Affordable Multifamily For-Rent

	Assumption	Amount
Assumed Density	A	32 Units/Acre
Land Acquisition Cost (\$/Acre) ¹	B	\$ 883,962
Land Price per Unit	$B \div A = C$	27,624
Land Price per Unit SF	$C \div \text{Average Unit Size}^2$	25.86
Development Costs		
Direct Development Costs		
Land Cost (\$/Rentable SF)		25.86
Building Hard Costs (\$/SF)	D	215.00
Prevailing Wage Cost Increase (25%)	$D \times 0.25 = E$	53.75
Market Sales Price (Rented MFR) ³	F	197,237.50
Indirect Development Costs		
Soft Costs (15%) ⁴	$(D + E) \times 0.15$	40.31
Developer Fees (12%) ⁵	$(F \times 0.12) / \text{Average Unit Size}^2$	22.16
Financing Costs (10%)	$(D + E) \times 0.10$	26.88
Total Development Costs per SF		\$383.96
Rental Unit Development Cost		
	<i>Average Unit Sizes</i> ⁶	
2 Bedroom Unit	922	\$354,010
3 Bedroom Unit	1,214	\$466,126
Average Development Cost of 2 and 3 Bedroom Unit		\$410,068

1) Harris & Associates City of Moorpark Development Impact Fee Nexus Study, 2023.

2) Average square footage is 1,068 square feet.

3) Market sales price based on Harris & Associates review of currently available for-rent developments in neighboring cities.

4) Includes design, engineering, city permits and fees, and contingencies.

5) Percentage of Gross Sales Revenue for 1,068 SF apartment unit.

6) Average of projected market rate unit sizes from Keyser Marston Associates Beltramo Ranch Appendix D (May 2022) and Fuchsia & Verbena Financial Analyses Appendix E (April 2023), and Harris & Associates review of currently available for-rent units in the City of Moorpark.

Table 4 shows the total development cost of multifamily for-sale two and three-bedroom units. Two-bedroom units are assumed to be 1,772 square feet and three-bedroom units are assumed to be 2,289 square feet.

Table 4: Development Costs – Affordable Multifamily For-Sale

	Assumption	Amount
Assumed Density	A	24 Units/Acre
Land Acquisition Cost (\$/Acre) ¹	B	\$ 883,962
Land Price per Unit	$B \div A = C$	36,832
Land Price per Unit SF	$C \div \text{Average Unit Size}^2$	18.14
Development Costs		
Direct Development Costs		
Land Cost (\$/Rentable SF)		\$18.14
Building Hard Costs (\$/SF)	D	215.00
Prevailing Wage Cost Increase (25%)	$D \times 0.25 = E$	53.75
Market Sales Price (Owned MFR) ³	F	779,800.00
Indirect Development Costs		
Soft Costs (15%) ⁴	$(D + E) \times 0.15$	40.31
Developer Fees (12%) ⁵	$(F \times 0.12) / \text{Average Unit Size}^2$	46.09
Financing Costs (10%)	$(D + E) \times 0.10$	26.88
Total Development Costs per SF		\$400.16
For-Sale Unit Development Cost	<i>Average Unit Sizes</i> ⁶	
2 Bedroom Unit	1,772	\$709,088
3 Bedroom Unit	2,289	\$915,972
Average Development Cost of 2 and 3 Bedroom Unit		\$812,530

1) Harris & Associates City of Moorpark Development Impact Fee Nexus Study, 2023.

2) Average square footage is 2,031 square feet.

3) Keyser Marston Associates survey completed April 2023 of townhome sales in the Fuchsia & Verbena at Pacific Arroyo community.

4) Includes design, engineering, city permits and fees, and contingencies.

5) Percentage of Gross Sales Revenue for average 2,031 SF condominium unit.

6) Keyser Marston Associates survey in Fuchsia & Verbena Financial Analyses, April 2023, Appendix E.

Table 5 shows the total development cost per for-sale unit. For-sale units are assumed to be 2,572 square foot, single-family homes, consisting of three (3) bedrooms and two (2) bathrooms. The costs associated with the development of these units were obtained from surveys performed by Keyser Marston Associates in their Beltramo Ranch Analysis (May 2022).

Table 5: Development Costs – Affordable Single-Family For-Sale

	Estimated Cost per SF	Amount
Direct Development Costs		
Land Costs		
Land Acquisition Cost per Acre ¹		\$883,962
Land Cost per Unit (8 Units/Acre)		\$110,495
Site Improvement (15%)		\$16,574
Finished Lot Cost		\$127,070
Construction Costs		
		<i>Total Building Costs²</i>
Building Hard Costs	\$215.00	\$552,980
Prevailing Wage Cost Increase (35%)	\$53.75	\$138,245
Total Construction Hard Costs		\$691,225
Total Direct Development Costs		\$818,295
Indirect Development Costs		
Soft Costs (10%) ³	\$26.88	\$69,123
Developer Fees (12%) ⁴	\$54.18	\$139,356
Financing Costs (10%)	\$31.82	\$81,829
Total Indirect Development Costs	\$112.88	\$290,308
Total Building Cost for 2,572 Square Foot Affordable Unit		\$1,108,603

1) Harris & Associates City of Moorpark Development Impact Fee Nexus Study, 2023.

2) Construction assumed to be a single family 2,572 SF, 3 bedroom, 2 bathroom detached home per KMA Survey completed May 2022 for home sales occurring between May 2021 and May 2022 of homes constructed after 2010.

3) Includes design, engineering, city permits and fees, and contingencies.

4) Percentage of Gross Sales Revenue for a single family 2,572 SF, 3 bedroom, 2 bathroom detached home.

AFFORDABLE HOUSING RATES

Prior to determining the affordability gap, the total amount that households can afford to allocate to their housing must be determined. For the purposes of this report, the income levels included in the City’s Inclusionary Housing Ordinance have been included in the analysis and are defined as:

1. Extremely Low Income (Between 0 and 30% of AMI)
2. Very Low Income (Between 30% and 50% of AMI)
3. Moderate Income (Between 80-120% of AMI)

Housing affordability for rental units is defined by HUD as 30% of gross income. **Table 6** shows the maximum affordable rent attributed to each income level.

Table 6: Maximum Affordable Rent by Income Level

	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Moderate Income (80-120% AMI)
Maximum Annual Household Income ¹	\$35,900	\$59,800	\$143,600
Maximum Monthly Housing Cost ²	\$898	\$1,495	\$3,590

1) Household AMI is shown for a family of three. See Table ES.2.

2) 30% of gross monthly income per U.S. Department of Housing and Urban Development guidelines.

The recommended household gross income expenditure for ownership housing units pursuant to HUD is 35% of gross income minus a deduction for typical homeownership costs, such as insurances, taxes, utilities, and fees.

Table 7 shows the maximum affordable mortgage for a low-income household of four persons.

It is important to note that only low-income and moderate-income households are included in this portion of the analysis due to several factors including the affordability requirements in the City’s existing Inclusionary Housing Ordinance, the tightening of lending requirements and the elimination of redevelopment agencies in 2011. Under current programs and very limited funding sources, it is generally not financially feasible to develop for-sale housing units for very low-income households. Prior to 2011, redevelopment provided a significant funding source to cities to assist homebuyers with loan qualification and down payment assistant at lower income levels. Additionally, lending practices after the housing crash in 2008 have been reformed, making it more difficult for individuals to obtain loans. These events have affected lower-income households significantly, making ownership very challenging. The following analysis includes a deduction for utilities to follow HUD guidelines.

Table 7: Maximum Affordable Mortgage by Income Level

	Low Income SFR (80% AMI)	Low Income MFR (80% AMI)	Moderate Income SFR (120% AMI)	Moderate Income MFR (120% AMI)
Household Income ¹	\$106,250	\$106,250	\$159,400	\$159,400
Maximum Monthly Housing Cost ²	\$3,099	\$3,099	\$4,649	\$4,649
<i>Less:</i>				
Utility Deduction	\$376	\$302	\$376	\$302
Mortgage Insurance (0.55%) ³	\$113	\$118	\$214	\$220
Homeowner's Insurance (1.0%) ⁴	\$924	\$677	\$924	\$677
Property Tax (1.20%) ⁵	\$259	\$271	\$492	\$504
HOA ⁵	\$76	\$315	\$76	\$315
Maximum Monthly Mortgage	\$1,351	\$1,416	\$2,567	\$2,631
Maximum Mortgage Amount ⁶	\$246,034	\$257,871	\$467,483	\$479,138

1) Household AMI is shown for a family of four. See Table ES.2.

2) 35% of gross income per U.S. Department of Housing and Urban Development guidelines.

3) U.S. Department of Housing and Urban Development, 2023, applied to Loan Amount.

4) City of Moorpark General Plan Housing Element 2021-2029, based on total direct development costs for replacement.

5) Keyser Marston Associates, Fuschia & Verbena Financial Analyses (April 2023) and Beltramo Ranch CBA (May 2022).

6) Determined by iterative process, where the Purchase Price and Loan Amounts are used to estimate Mortgage Insurance, and Property Taxes. These in turn impact the maximum monthly mortgage amount available, which is used to establish revised Purchase Price (rounded to the nearest \$1,000) and Loan Amounts (95% Loan-to-Value). Iterations continue until the Maximum Mortgage amount is equal to or higher than the Loan Amount.

AFFORDABILITY GAP RESULTS

The differences between the total cost of developing new units (Table 3, Table 4, Table 5) and the total amount that each targeted income level can afford to allocate for housing (Table 6, Table 7) determines the Affordability Gap. This difference represents the fee amount that is necessary to cover the costs of developing housing at each of the respective income levels analyzed. While other funding sources may be available to assist in mitigating this difference between affordability and development costs, these sources are very difficult to predict with accuracy moving forward.

In the case of for-sale housing, there are very few funding sources for subsidy on this unit type in the wake of redevelopment dissolution in 2011 which eliminated approximately \$1 billion of low and moderate-income housing revenue Statewide. Lending practices have become stricter in the years following the 2008 recession and qualifying households below 80% AMI for a mortgage is extremely challenging, even with the City’s current down payment assistance program.

The City’s current Ordinance calls for 15% of all newly developed for-sale units to be affordable to very low and low-income households (i.e., below 80% of AMI). Therefore, the inclusionary equivalent gap analysis for ownership units has been limited to the low-income category for the

purposes of this analysis. **Table 8** shows the for-sale affordability gap calculation for low- and moderate-income households.

Table 8: Affordability Gap –For-Sale Units

	Development Costs ¹	Maximum Mortgage	Affordability Gap
		Amount ²	
Low Income Single Family (80% AMI)	\$1,108,603	\$246,034	\$862,569
Low Income Multifamily (80% AMI)	812,530	257,871	554,659
Moderate Income Single Family (120% AMI)	1,108,603	467,483	641,120
Moderate Income Multifamily (120% AMI)	812,530	479,138	333,392

1) Tables 4 and 5.

2) Table 7.

The affordability gap for rental units is the difference between the development and the maximum supported debt for each income level, shown in **Table 9**.

Table 9: Affordability Gap – For-Rent Units

	Extremely Low Income	Very Low Income	Moderate Income
	(30% AMI)	(50% AMI)	(80-120% AMI)
Maximum Potential Rent ¹	\$898	\$1,495	\$3,590
Utility Allowance ²	240	240	240
Annual Gross Rental Income ³	7,896	15,060	40,200
Vacancy Loss ⁴	395	753	2,010
Estimated Annual Expenses ⁵	7,500	7,500	7,500
Net Operating Income	1	6,807	30,690
Available for Debt Service ⁶	1	5,673	25,575
Supportable Debt ⁷	14	78,844	355,475
Development Costs ⁸	410,068	410,068	410,068
Affordability Gap	\$410,054	\$331,224	\$54,594

1) Table 6.

2) Area Housing Authority of County of Ventura Apartment Utility Allowance Schedule effective June 1, 2023.

3) Available rent multiplied by 12.

4) Assumes 5% for vacancy/collection loss.

5) Assumes \$7,500 annual maintenance/capital improvement costs.

6) Assumes 1.2 Debt Coverage Ratio

7) Assumes a 6% interest rate and 30-year loan term.

8) Table 3.

Section 3 FINDINGS AND NEXUS REQUIREMENTS

This section presents the maximum supported fee per market-rate unit, which is calculated by following the methodology outlined in Section 1 and using the results from the affordability gap analysis detailed in Section 2.

MAXIMUM FEE CALCULATION

Table 10 and **Table 11** provide estimated maximum supported Fees using the requirements on the total percentage of affordable units (both for-sale and rental) that must be developed as part of market rate housing projects as stated in the City’s Inclusionary Housing Ordinance.

Table 10: Maximum Supported Inclusionary Equivalent Fee, For-Sale Units

	Low Income	Moderate Income	Low Income	Moderate Income
	(80% AMI)	(120% AMI)	(80% AMI)	(120% AMI)
	Single Family For-Sale	Single Family For-Sale	Multifamily For-Sale	Multifamily For-Sale
Maximum Affordable Price ¹	\$246,034	\$467,483	\$257,871	\$479,138
Development Cost ²	1,108,603	1,108,603	812,530	812,530
Affordable Gap	\$862,569	\$641,120	\$554,659	\$333,392
Inclusionary Requirement³	\$60,380	\$51,290	\$38,826	\$26,671
Total For-Sale Fee	\$111,670		\$65,497	

1) Table 8, rounded.

2) Tables 4 and 5, rounded.

3) 7% requirement for Low Income housing and 8% requirement for Moderate Income housing.

Table 11: Maximum Supported Inclusionary Equivalent Fee, For-Rent Units

	Extremely Low Income	Very Low Income
	(30% AMI)	(50% AMI)
	Multifamily For-Rent	Multifamily For-Rent
Maximum Supportable Debt ¹	\$0	\$78,844
Development Costs ²	410,068	410,068
Affordable Gap	\$410,068	\$331,224
Inclusionary Requirement³	\$28,705	\$26,498
Total For-Rent Fee	\$55,203	

1) Table 9, rounded.

2) Table 3, rounded.

3) 7% requirement for Extremely Low Income housing and 8% requirement for Very Low Income housing.

Table 12 summarizes the maximum justifiable fee for each land use.

Table 12: Maximum Justifiable Fee

	Justifiable Fee
Single-Family For-Sale	\$111,670
Multifamily For-Sale	65,497
Multifamily For-Rent	55,203

Section 4 POLICY CONSIDERATIONS

Adopting a fee to be collected from new development should be consistent with other City policies and should not have measurable impacts on the development community. Harris and City staff evaluated multiple scenarios and present the following for consideration.

HOUSING POLICY CONSISTENCY

The City adopted its 2021-2029 Housing Element (housing element) in February 2023. The Housing Element identified that approximately one of every four households in the City is a lower-income household (These groups consist of minimum-wage workers, seniors on fixed incomes, disabled persons, and college students, all of whom have difficulty finding affordable housing). Adopting an affordable housing impact fee enables the City to mitigate these issues for future development by providing lower-income households the ability to afford adequate housing.

The City uses an Inclusionary Housing Policy originally established by Ordinance No. 515 (adopted in October 2023) to generate affordable housing in proportion with the overall increase in market-rate residential units and is described in the Housing Element of the City's General Plan. The Policy requires the following for housing projects with 10 or more units:

- **For-Sale:** For-sale residential development projects of fifteen (15) or more dwelling units shall provide fifteen percent (15%) of the total units of a residential development and satisfied by designating seven percent (7%) for low-income household and eight percent (8%) for moderate income household. For residential developments of between ten (10) and fifteen (15) units, a single inclusionary unit shall be required and can be either very low or low income.
- **For-Rent:** Rental residential development projects of fifteen (15) or more dwelling units shall provide fifteen percent (15%) of the total units available at affordable rent and satisfied by designated seven percent (7%) for extremely low-income households and eight percent (8%) for very low-income households.

However, the Ordinance (and therefore the in-lieu fees) does not apply to the following:

- Projects that are not residential development.
- Residential developments of nine (9) or less residential units. Adjacent projects that are on separate parcels but collectively equal ten (10) or more dwellings and are held by the same owner are not exempt, unless permitted more than one (1) year apart.
- A one hundred percent (100%) affordable housing project.

- Units approved as accessory dwelling units or junior accessory dwelling units.
- Residential development projects using density bonus which meet or exceed the affordability of fifteen percent (15%) of units.

The current Policy (as described in Ordinance 515) allows developers to pay an in-lieu Affordable Housing Payment instead of developing affordable units as part of a project or as part of an offsite project. The purpose of this Nexus Study is to determine the maximum justifiable fee for each land use. The City will then determine and establish by City Council resolution the amounts of the fee.

COMPARISON TO OTHER JURISDICTIONS

Jurisdictions throughout the State of California have adopted an affordable housing fee program as a method of bridging the housing affordability gap. Harris has compiled a list of fees from nearby cities that have adopted comparable affordable housing fees. **Table 13** summarizes the aggregated fees of the jurisdictions. An average excluding the City of Agoura Hills has also been included as the fees charged in that jurisdiction are significantly higher than the fees adopted in the other surrounding jurisdictions included in the comparison. The fee shown for Agoura Hills is for every low income unit not built.

Table 13: Affordable Housing Fee Market Survey

Municipality	Year Fees Adopted	Single Family For-Sale	Multifamily For-Sale	Multifamily For-Rent
Moorpark (Proposed)	-	\$111,000	\$65,000	\$55,000
Oxnard	2020	36,000	35,000	28,000
Agoura Hills	2018	487,953	262,541	260,196
Calabasas	2021	66,900	48,100	19,000
Ventura	2023	133,070	53,150	30,850
Thousand Oaks	2023	43,210	33,419	31,200
Comparable City Average		\$153,427	\$86,442	\$73,849
Comparable City Average (excl. Agoura Hills)		\$69,795	\$42,417	\$27,262

CONCLUSION

The City has the discretion to adopt fees that are lower than the maximum supported fees under the Inclusionary Equivalent level. High development costs have resulted in significantly higher costs to develop affordable housing. Due to the housing legislation and mandates from the State to cities to encourage the development of housing at all income levels, it is important to note residential development could potentially decrease and occur in other jurisdictions with lower fees. This would potentially result in decreased housing development in the City. One option available to the City is to adopt Fees that are consistent with the average of the fees collected in other jurisdictions in order to ensure that housing development continues at its current pace.

STATE OF CALIFORNIA)
COUNTY OF VENTURA) ss.
CITY OF MOORPARK)

CERTIFICATION

I, Ky Spangler, City Clerk of the City of Moorpark, California, do hereby certify under penalty of perjury that the foregoing Resolution No. 2025-4360 was adopted by the City Council of the City of Moorpark at a regular meeting held on the 5th day of November, 2025, and that the same was adopted by the following vote:

AYES: Councilmembers Barrett, Castro, Delgado, Means and Mayor Enegren
NOES: None
ABSENT: None
ABSTAIN: None

WITNESS my hand and the official seal of said City this 6th day of November, 2025.



Ky Spangler, City Clerk
(seal)

