

## COMMENTARY

# When enough is enough

**JANET BRIDGERS**

**GUEST COLUMNIST**

As reported in The Star on May 31, "In the seven years before its peak in July 2006, the home-price index surged 155 percent. Since then, it's fallen 33 percent." That's two more percentage points (so far) than during the Great Depression, when prices fell 31 percent. It took 19 years for the housing market to regain its losses after the depression ended.

So here we are not even three years past 2008, with a huge percentage of homeowners in America experiencing a decrease in home value, from tens to hundreds of thousands of dollars. While some homeowners may be able to renegotiate their mortgages with the banks, others are just walking away from the properties. This, in combination with inability of those who are unemployed to make mortgage payments, will keep the rate of foreclosure high.

Now we are faced with a microcosm of the same type of economics with Oxnard's planning decisions. If approved by Oxnard's City Council on Tuesday, a project called SouthShore on Hueneme Road will grant "entitlements" to build 1,545 homes to Hearthside Homes, an Orange County developer just out of bankruptcy. While the project's build out is over 30 years, it nonetheless has the potential to further flood Oxnard's housing market.

That's because SouthShore is not the only project that would contribute to a saturated housing market in Oxnard. According to the city Planning Department's website,

Oxnard has already issued entitlements to developers to build in excess of 11,000 new homes in Oxnard.

With the predicted continuing wave of foreclosures keeping home values low, and if more new homes are being built, and typically selling for 15 percent more than a comparable existing home, the prospects for Oxnard's existing homes to increase in value anytime in the near future are remote. It's the simple law of supply and demand. When supply exceeds demand, prices fall.

Granted, the housing development business is not what it was, so there's no guarantee even if the project is approved that it will be profitable for Hearthside. The company could get out the bulldozers and start paving over irreplaceable farmland, find that no one can afford to buy them or qualify for the necessary loan, and find itself back in bankruptcy, leaving that great farmland in a legal quagmire. This has already happened more than once in Oxnard and Port Hueneme, notably with the Northshore project at Fifth Street and Harbor Boulevard in Oxnard.

Hearthside could also proceed to simply sell the land to another developer as it will have acquired much higher value as a result of the approval of the plan. That might ease some of their immediate financial problems. But why do them that kind of favor?

Oxnard's farmland is some of the most productive in the world. It won't lay fallow, and contributes mightily to the local economy and our dinner plates.

In approving the project and passing it along to the council, the Planning Commission has, in effect, said that Hearthside is a more important priority than the existing homeowners in Oxnard. Well, as my grandmother would say, "consider the source."

Who besides the Planning Commission is in favor of this project? The area's real-estate agents, though reluctant to say so, are reportedly unhappy about the deal because Hearthside will use its own agents to sell the homes. They'll have to work that much harder to sell existing homes in Oxnard.

Really, does this make any sense for anybody besides Hearthside? Even in the best of times many economists claim that residential development is a net loss to local governments because of the need to pay for new infrastructure, schools, police, fire, etc. The result is that current homeowners subsidize new development through their property taxes. But today is not the best of times.

A massive environmental impact report for SouthShore shows its effect on biology, zoology, air quality, water quality and a whole lot more. But there was nary a word on the effects of the project on local property values.

But there is one man who can stop this thing with his vote when the issue is heard by the City

## DECISION TIME

**What:** SouthShore, a proposed development of Hearthside Homes of Orange County, would convert — over the next two to three decades — about 322 acres of farmland north of Hueneme Road into as many as 1,548 homes, a 10-acre elementary school campus, a 28-acre park, and 34 acres of lakes and open space. It also would have a four-acre commercial marketplace and 37 acres of light industrial space.

**Con:** Environmental groups and others believe that the vast swath of agricultural land is best kept in its current state — as a buffer to the Ormond Beach wetlands and nearby Naval Base Ventura County.

**Pro:** The development's mix of affordable, rental and for-sale housing, parks and potential new revenue has drawn support from some area residents and businesses who see it as a high-end gateway to their often overlooked South Oxnard neighborhoods.

**What's next:** The Oxnard City Council is expected to decide the development's fate at its Tuesday night meeting.

Council on Tuesday night. It's Mayor Tom Holden. Pick up the phone — 385-7450 — or send an email to [drtomholden@aol.com](mailto:drtomholden@aol.com) saying: The city's housing market is saturated. Don't approve any more housing developments at this time.

Better yet, show up at the hearing Tuesday night and tell him in person.

Janet Bridgers of Oxnard is founder and president of Earth Alert, an Oxnard-based environmental group.