

August 15, 2024

## CHAIR AND PLANNING COMMISSIONERS

City of Long Beach  
California

## RECOMMENDATION:

Recommendation to receive and file a study session on the implementation of and potential updates to the Inclusionary Housing Ordinance (Chapter 21.67) that currently require market rate housing developments to include a proportion of affordable units in the development project. Potential changes include expanding the requirement citywide and changing the affordability level requirements, amongst other changes. (Citywide)

## DISCUSSION

### **Background**

On [February 20, 2020](#), the Planning Commission recommended that City Council adopt an Inclusionary Housing Policy (Policy) after an extensive, multi-year process that included working with a consultant to complete an economic analysis, a series of community outreach events, stakeholder focus groups with tenant advocates and market-rate developers, and a Planning Commission study session. The City Council adopted [Ordinance No. ORD-21-0006](#) on February 2, 2021, amending the Planning Commission's Policy recommendation, establishing Chapter 21.67 and repealing Chapter 21.60 of the Zoning Regulations. As part of that action, City staff were also directed to monitor the program annually and, at the completion of 3 years, re-evaluate the Policy to consider expansion and/or improvements. On February 15, 2022, the City Council adopted [Ordinance No. ORD-22-0004](#), amending Chapter 21.67 of the Zoning Regulations with several modifications to refine the Policy, such as extending the affordability covenants of inclusionary units for 55 years or as long as the project is developed for residential use, whichever is longer.

On [May 7, 2024](#), the Mayor and City Council directed City staff to initiate, rather than simply report on, a citywide expansion of the Policy. Part of the motion and discussion on May 7, 2024, was to consider workforce housing at the low and moderate affordability levels in the future expansion of the Policy. On [May 8, 2024](#), City staff issued a memo to the Mayor and the City Council outlining next steps to update the Policy (Attachment A). A few days later, on [May 14, 2024](#), City staff presented to the City Council an update on implementation progress of the Policy since its inception in 2021 and recommended improvements (Attachment B). On [June 11, 2024](#), City staff presented to the Housing and Public Health Committee several options for updating



the Policy requirements for rental housing developments to include a mix of affordability levels (Attachment C).

### **Current Inclusionary Housing Policy**

Inclusionary Housing is designed to facilitate the production of mixed-income housing by requiring developers to include affordable housing units in new market-rate residential developments. The Policy currently applies to new residential developments with ten or more units in the Downtown and Midtown areas of Long Beach. The Policy was implemented over a three-year phase-in period and currently requires 11 percent of rental units in new housing development projects to be affordable to very low-income households and ten percent of ownership units to be affordable to moderate-income households.

Since the Policy went into effect, more than 2,365 housing units have been entitled in Downtown and Midtown areas overall, including 970 affordable housing units, of which there have been 168 affordable rental units entitled as a direct result of the Policy. Inclusionary Housing was always designed as one tool within a larger toolbox designed to address the City's housing needs. Inclusionary has worked alongside zoning reform, density bonus, micro units, adaptive reuse, and City funding of 100 percent affordable project to, overall, result in very positive housing outcomes in recent years.

### **Policy Expansion and Modifications**

In February 2022, the City Council adopted the City's 2021-2029 Housing Element (6<sup>th</sup> cycle update). Expanding the Policy citywide is one of the many commitments the City made to the California Housing and Community Development Department as part of the Housing Element update to help address longstanding, well-documented fair housing issues in Long Beach and facilitate the production of mixed-income housing throughout the City. Additionally, the housing landscape and crisis in Long Beach have evolved significantly since the initial development and adoption of the Inclusionary Housing Policy. With recent updates to the zoning and land use regulations and increases in housing development activity outside of Downtown and Midtown, this is a critical time to expand Inclusionary requirements citywide so that future housing developments include at least some proportion of affordable units. The City is obligated to facilitate the development of over 26,000 new housing units by 2029, though it is currently on track to only permit 4,112 affordable units. Pursuant to the Housing Element Program 6.7.1, the City committed to monitoring the progress of the Inclusionary Housing Ordinance and pursuant to Program 6.7.2, City staff committed to amending the zoning code to apply Inclusionary Housing requirements citywide based on analysis in 6.7.1.

Additionally, City staff recommend updating the affordability requirements for rental housing developments subject to the policy to include a mix of very low-income, low-income, and moderate-income affordability levels. Mixed-income Inclusionary requirements for rental housing was initially proposed, however, the City Council at that time decided to focus on requiring rental housing units be made available exclusively for very low-income households. Now, the City

Council would like to explore broader affordability requirements. City staff propose a citywide policy that adjusts affordability across different geographic areas based on social, economic, and environmental factors aggregated by the State to define areas of high, moderate and lower resource based on the aforementioned factors. This data-driven approach is aligned with the City's Housing Element and its Appendix F (Fair Housing Assessment). These policies and programs are designed to affirmatively further fair housing by addressing patterns of racial and economic segregation, help ensure lower-income households have equitable access to high-resource neighborhoods, and increase new housing production at all affordability levels to help reverse longstanding exclusionary patterns common throughout the region, state, and country.

Lastly, City staff recommend several technical changes to refine the Policy, such as clarifying how Inclusionary housing units are calculated.

Additional information on City staff's recommended Policy changes will be included in the staff presentation.

### **Next Steps**

City staff has and continues to host series of outreach forums to inform and gather input from community members and stakeholders regarding expansion and modification of the Inclusionary Housing Ordinance. City staff hosted a virtual focus group with housing developers on August 8, 2024. Ten people participated, representing five different agencies, and shared meaningful feedback, including concerns about inclusionary requirements potentially negatively impacting the development of ownership units in particular.

Community members, housing advocates, and other stakeholders are invited to participate in upcoming open house "Housing Policy Forums" that will focus on several implementation measures of the Housing Element. The event will include information and ways for the public to provide feedback on potential changes to the Inclusionary Housing Ordinance, along with several other housing policy and zoning initiatives designed to encourage the growth of housing production, increase housing affordability, reduce tenant displacement and attract innovative developments in high-resource areas.

All three events will be open house style and will cover the same content; they will take place:

- **Saturday, August 24, 10:00 – 11:30am**
  - Houghton Park Community Center, 6301 Myrtle Ave, Long Beach, 90805
- **Wednesday, August 28, 6:00 – 7:30pm**
  - Long Beach Energy Resources Auditorium, 2400 Spring St. 90806
- **Thursday, September 12, 6:00 – 7:30pm**
  - McBride Park Community Center, 1550 Martin Luther King Jr Ave, 90813

For more information and to RSVP to attend the forums, community members are encouraged to visit: [longbeach.gov/InclusionaryHousing](https://longbeach.gov/InclusionaryHousing).

CHAIR AND PLANNING COMMISSIONERS

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Following the Planning Commission study session and community and stakeholder input, City staff plan to return to the Planning Commission with proposed zoning code amendments to Chapter 21.67 and local coastal program amendment at a public hearing in September 2024 for recommendation to the City Council. City staff anticipate bringing forward the Planning Commission's recommendation to City Council for a vote at a public hearing in Fall 2024.

ENVIRONMENTAL REVIEW

In accordance with Section 15061(b)(3) of the Guidelines for Implementation of the California Environmental Quality Act, this action is not subject to environmental review as there is no potential for causing a significant impact to the physical environment. The action before the Planning Commission is to conduct a study session on the zoning code amendment proposing amendments to Chapter 21.67 of the Zoning Regulations as it applies to the applicability of the Inclusionary Housing Policy, not the design, approval or construction of any of any potential future projects. The potential environmental impacts associated with the zoning code amendment will be assessed in separate environmental documents at the time of approval or implementation, as appropriate.

Respectfully submitted,



STEPHANIE HARPER  
DEVELOPMENT PROJECT MANAGER III



ELIJIO SANDOVAL  
PLANNER III



ALEJANDRO SANCHEZ-LOPEZ  
ADVANCE PLANNING OFFICER



ALISON SPINDLER-RUIZ, AICP  
PLANNING BUREAU MANAGER



for CHRISTOPHER KOONTZ, AICP  
DIRECTOR OF COMMUNITY DEVELOPMENT

Attachments: Attachment A – May 8, 2024 Memo to Mayor and City Council  
Attachment B – May 14, 2024 City Council Staff Report  
Attachment C – June 11, 2024 Housing and Public Health Committee Presentation





# Inclusionary Housing Policy Update

**Planning Commission Study Session – August 15, 2024**

# Background: 2017 - 2020

- In May 2017, the City Council adopted 29 policy recommendations to encourage the production of affordable and workforce housing. Policy 3.2 directed staff to develop an Inclusionary Housing Policy.
- Inclusionary Housing is designed to facilitate the production of mixed-income housing by requiring developers to include a certain proportion of affordable housing units in new market-rate residential developments.

# Background: 2017 – 2020 (cont.)

- City staff conducted a multi-year process to develop the current Inclusionary Housing Policy, including extensive outreach with community members and stakeholders and a Planning Commission study session.
- As part of that process, an Economic Feasibility Study determined the maximum supportable Inclusionary requirements, including single-income and mixed-income options.
- In 2020, City staff presented Inclusionary requirement options to the Planning Commission:
  - Rental Projects: Mix of Very-Low Income, Low-Income, Moderate Income affordability levels.
  - Ownership Projects: Only supportable at 10% of total project units for Moderate Income households.

# Current Inclusionary Housing Policy

## 2020 Planning Commission Recommendation to City Council

<b>Rental Housing</b>	12% of Total Project Units 25% Very-Low, 25% Low, and 50% Moderate
<b>Ownership Housing</b>	10% of Total Project Units 100% Moderate Income

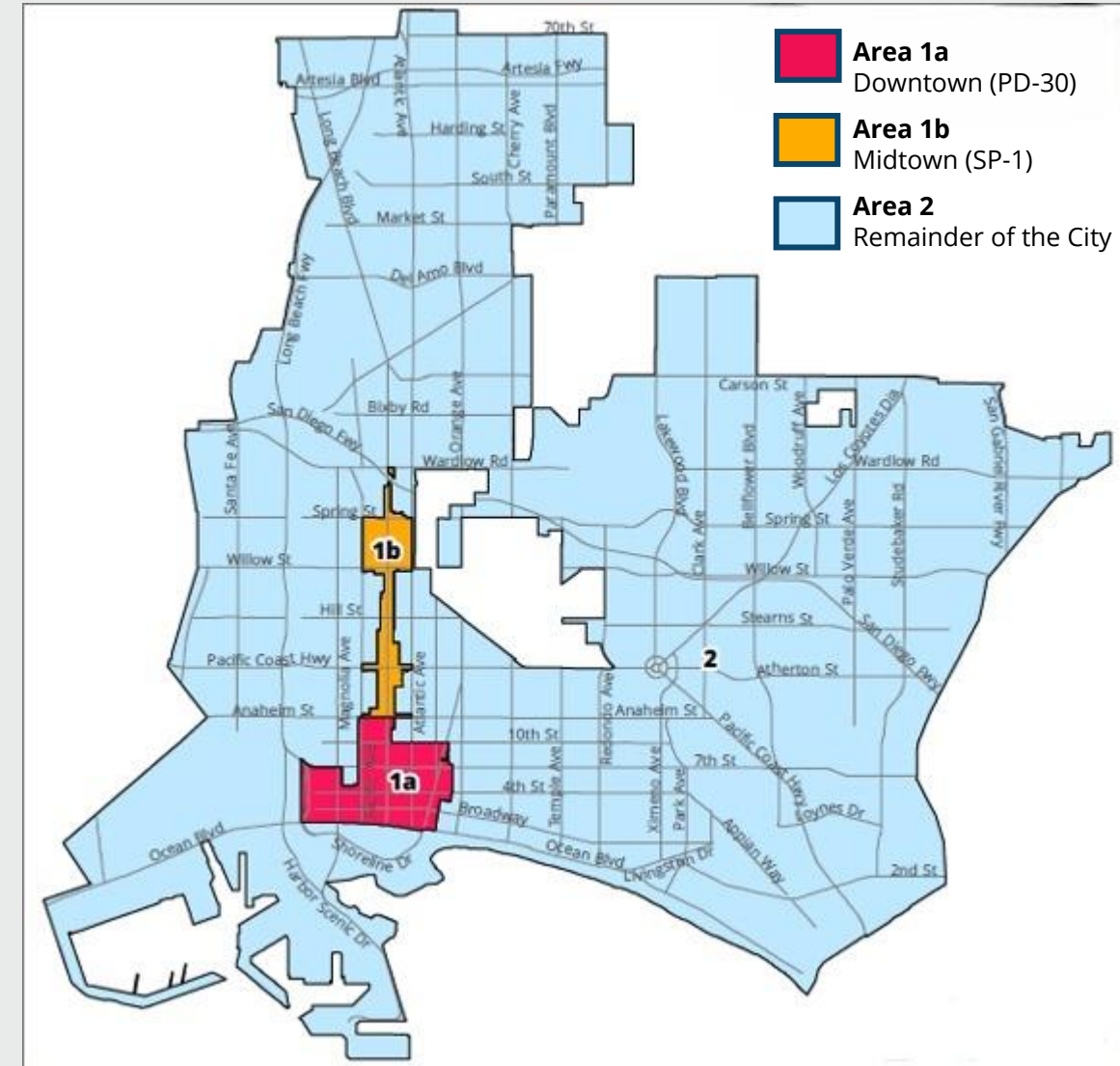
## 2021 City Council Adopted Policy

<b>Rental Housing</b>	11% of Total Project Units 100% Very Low-Income
<b>Ownership Housing</b>	10% of Total Project Units 100% Moderate Income



# Current Inclusionary Housing Policy (cont.)

- Applies to new housing development with 10+ units in Downtown and Midtown.
- This limited area was established for the first phase of the Policy based on a 2019 analysis of the residential development market.
- City staff committed to monitoring and updating the Policy as development conditions evolve.



# Housing Development since the Policy Went into Effect

## Housing units entitled in Downtown and Midtown (2021 – 2023):

- 2,365 total units
- 970 affordable units (rental/ownership)
- 168 Inclusionary Housing affordable units (rental only)

Housing Entitlements in Downtown and Midtown	
Before Inclusionary Requirements 2019-2020 Average Increase	After Inclusionary Requirements 2022-2023 Average Increase
847 units entitled	1,067 units entitled

# City Council Direction to Update the Inclusionary Housing Policy

- In February 2022, the City Council adopted the Housing Element Update, which establishes action items like expanding the Inclusionary Housing requirement citywide to meet its fair housing goals. This was based on additional extensive outreach with developers, housing advocates and the broader community.
- On May 7, 2024, the Mayor and City Council requested City staff explore and report back on the expansion of the Inclusionary Housing Policy citywide.
- Several Councilmembers also requested that City staff present options for Inclusionary affordability requirements for rental units that encompass a mix of income levels.
- City staff presented proposed Policy changes and next steps at City Council on May 14, 2024, and at the City Council Housing and Public Health Committee on June 11, 2024.

# Proposed Change: Expand Inclusionary Housing Citywide

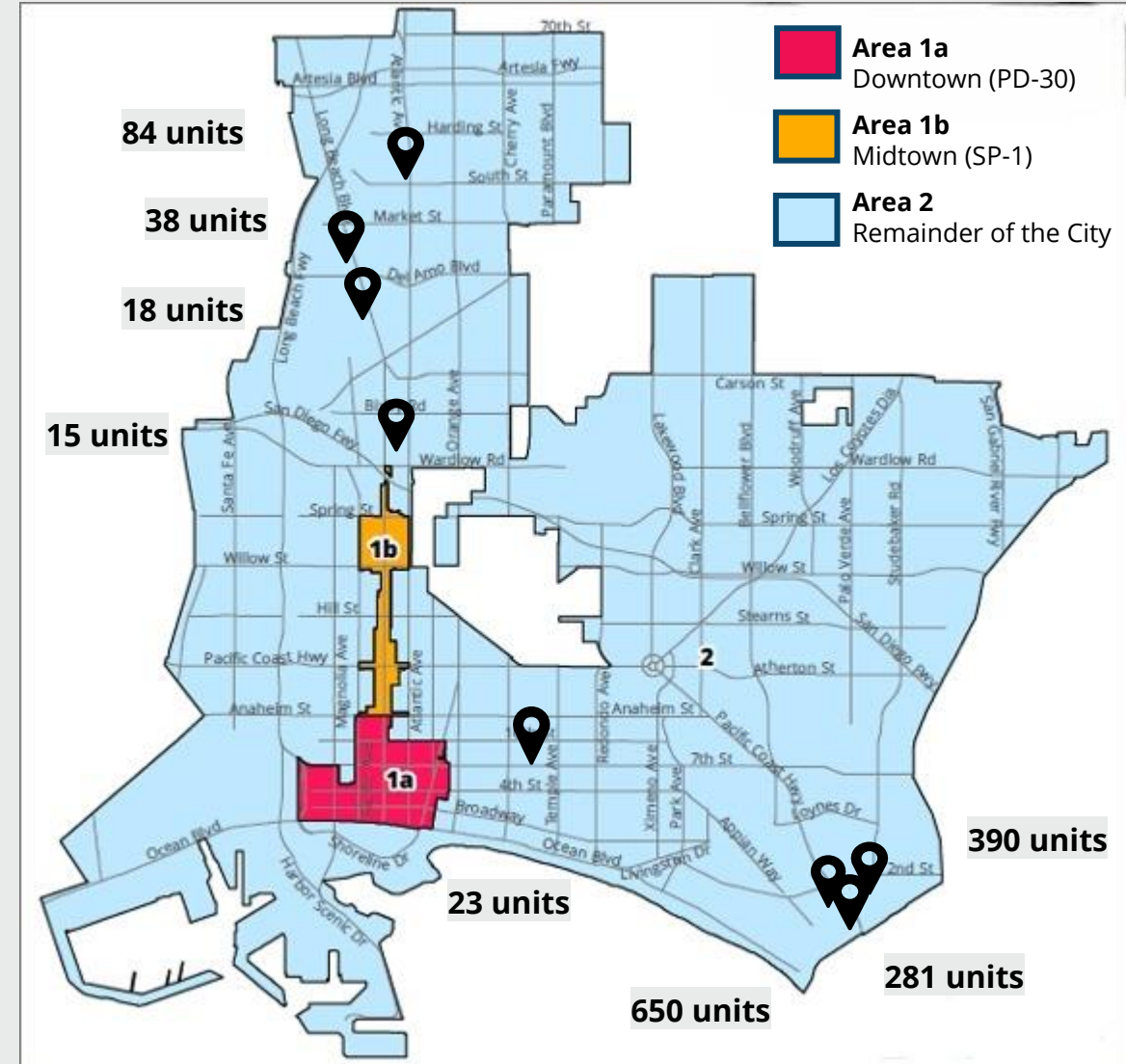
## The City's commitment to advancing fair housing

- There is a shortage of housing in Long Beach, especially affordable housing, throughout the city.
- As a result, many residents experience a high housing cost burden and overcrowded housing.
- Lower-income and disadvantaged residents and households are disproportionately impacted by the City's housing shortage and costs, which exacerbates historic patterns and practices of segregation and discrimination.
- Expanding inclusionary requirements citywide would ensure that future market rate projects throughout the City will include some proportion of affordable housing needed for lower income residents and households.

# Proposed Change: Expand Inclusionary Housing Citywide (cont.)

## Recent increase in housing development outside of Downtown and Midtown

- 2023 record year with nearly 3,000 units entitled
- Updated zoning policies expand the opportunity for housing development citywide.
- This marks an opportune time to expand Inclusionary Housing citywide to help produce affordable housing and mitigate displacement.



# Proposed Change: Update Rental Affordability Requirements

- Based on City Council direction in May 2024, City staff reviewed possible Inclusionary affordability options for rental housing developments.
- City staff recommends a phase-in approach over three years, except for the Downtown and Midtown submarkets that already completed a phase-in schedule under the current Policy.



# 2024 Income and Rent Limits for Affordable Units

## 2024 Income Limits for a Family of Four

Income Level	Income Limit
Very Low-Income	\$69,350
Low-Income	\$110,950
Moderate Income	\$117,850

Source: CA Housing & Community Development Dept.

## 2024 Max Rent (Before Utility Allowance)

	1 Bed	2 Beds	3 Beds
Very Low-Income	\$982	\$1,105	\$1,228
Low-Income	\$1,178	\$1,326	\$1,473
Moderate Income	\$2,160	\$2,431	\$2,701

Calculated pursuant to CA Health & Safety Code 50053.

## Expand the current requirements citywide

Income Level	Inclusionary Requirement
Very Low-Income	11%

## Apply mixed-income requirements citywide

2020 Planning Commission Approach

Income Level	Inclusionary Requirement
Very Low-Income	3%
Low-Income	3%
Moderate Income	6%
<b>Total:</b>	<b>12%</b>

# Rental Projects: Option C

## Apply affordability requirements based on Long Beach Opportunity Areas

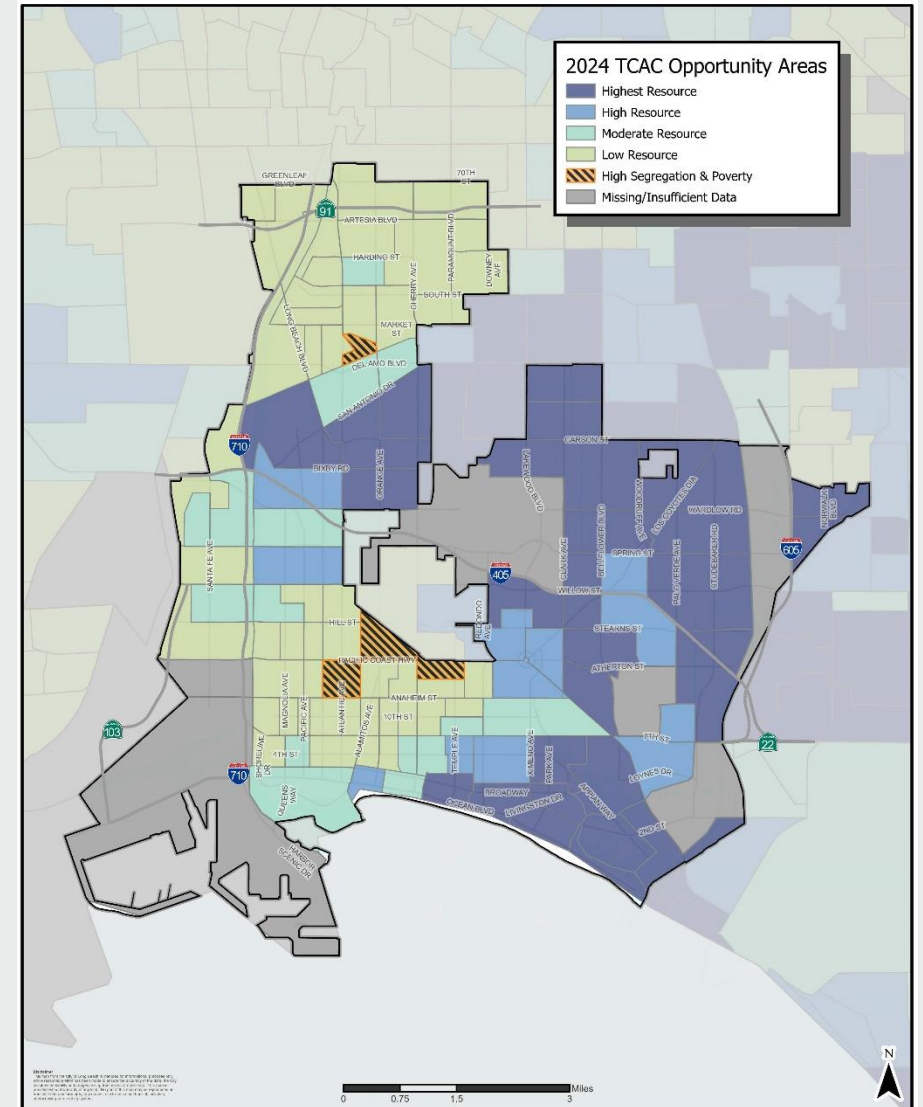
City staff recommend this option as a data-driven, equity approach

Opportunity Areas	Income Level	Inclusionary Requirement
High & Highest Resource	Very Low-Income	11%
Moderate Resource	Very Low-Income	6%
	Low-Income	3%
	Moderate Income	3%
Low Resource & High Segregation/Poverty	Moderate Income	19%

# Long Beach Opportunity Areas

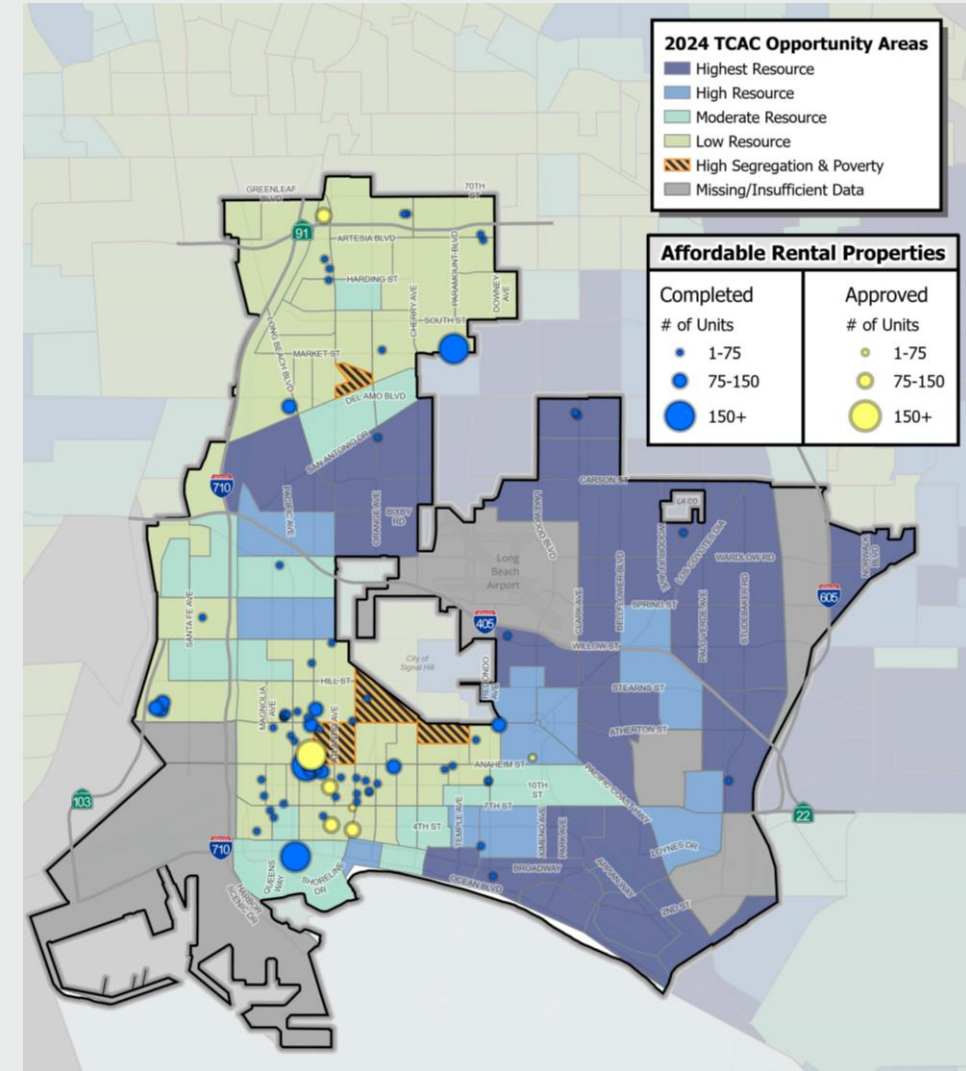
- The State identifies Opportunity Areas based on characteristics associated with economic, educational and health outcomes for low-income families.
- The framework supports the State mandate to affirmatively further fair housing:
  - Combat discrimination
  - Overcome patterns of segregation
  - Foster inclusive communities
  - Increase access to opportunity

Source: CA State Treasurer, CA Tax Credit Allocation Committee (TCAC)



# Applying Inclusionary Requirements Based on Opportunity Areas

- Historically, little to no affordable housing has been built in higher-resource areas of Long Beach.
- This has maintained historical racial and economic segregation across Long Beach.
- Tying Inclusionary affordability levels to Opportunity Areas is a data-driven approach to help address segregation and increase equitable access to opportunity.





# Proposed Changes: Mixed-Income Requirements

To align the Policy with mixed income affordability requirements, City staff propose the following additional modifications:

- Add a provision that allows City staff flexibility to round fractional units across income levels when applying the Inclusionary percentages. For example, 0.2 Very Low-Income, 0.4 Low Income and 0.2 Moderate Income fractional units could be delivered as 1.0 Moderate Income unit.
- Remove the requirement that in-lieu fees for rental projects must be used to develop rental housing specifically for very low-income households, to allow for a mix of affordability levels.

# Proposed Changes: Technical Modifications

1. **Inclusionary unit calculation:** Round up fractional units, rather than allowing the option to pay an in-lieu fee.
2. **Alternative compliance options:** Designate the approval body as the Planning Commission, rather than the City Council.
3. **Land dedication option:** Remove the requirement that the land must be located within one mile of the housing development. Location will still be appropriate and reviewed and approved by staff or the decision-making body.

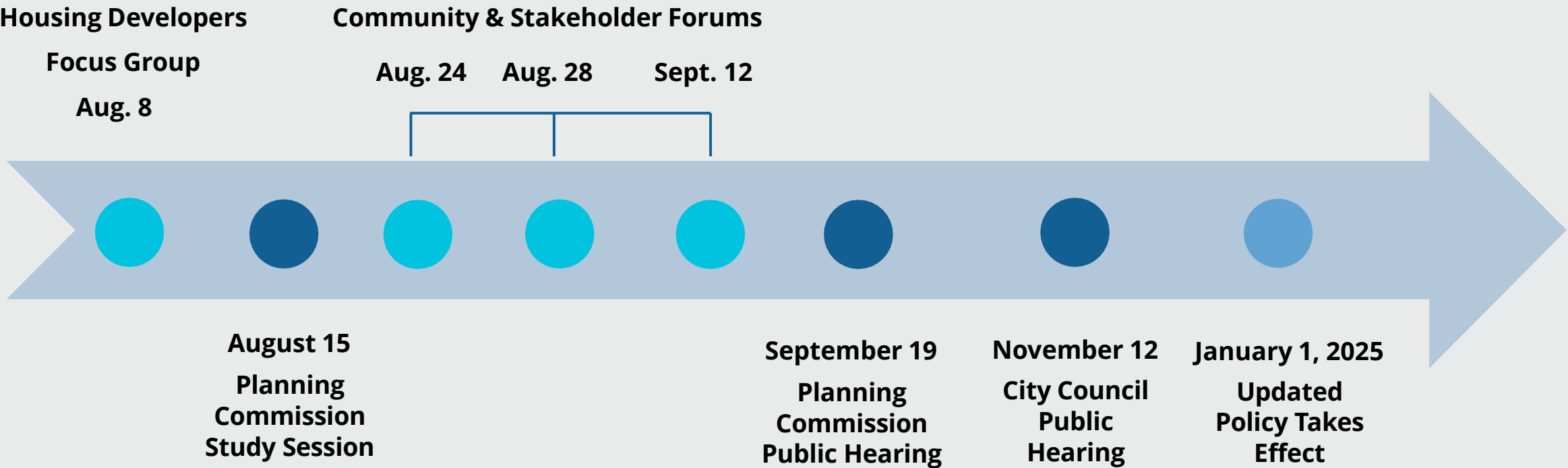


# Proposed Policy Modifications (cont.)

4. **Ownership units:** Add requirement that units must be sold to first-time homebuyers.
5. **Exempt developments that exceed the Inclusionary affordability requirements:** Provide an exemption from the Inclusionary requirements for developments that will restrict at least half of the total project units as affordable to very low- or low-income households.



# Policy Update Timeline



# Housing Policy Forums

- Saturday, August 24. 10-11:30 AM
  - Houghton Park, 6305 Myrtle Ave.
- Wednesday, August 28. 6 –7:30 PM
  - Long Beach Energy Resources 2400 Spring St.
- Thursday, September 12. 6-7:30 PM
  - McBride Park 1550 MLK Jr. Ave.

More info and RSVP at:  
[Longbeach.gov/HousingPolicies](https://Longbeach.gov/HousingPolicies)

JOIN US AND  
SHARE YOUR  
INPUT

HOUSING POLICY  
FORUMS

The City of Long Beach Community Development Department is excited to announce a series of Housing Policy Forums about several policy efforts underway to help the city meet the community's housing needs. We hope you can join us!

FORUM OBJECTIVES

- **Boost Housing Production:** Increase the overall number of housing units available in Long Beach.
- **Enhance Affordability:** Make housing more accessible for residents across income levels.
- **Reduce Displacement:** Protect existing residents from unfair evictions.
- **Attract Innovative Developments:** Encourage modern and sustainable housing projects, especially in high-resource areas.

Learn more by visiting our project webpage: [Longbeach.gov/HousingPolicies](https://Longbeach.gov/HousingPolicies)

WE HAVE THREE FORUMS TO CHOOSE FROM:

SAT., AUG. 24  
10 - 11:30 a.m.

HOUGHTON PARK  
6301 MYRTLE AVE.

WED., AUG. 28  
6 - 7:30 p.m.

ENERGY RESOURCES  
2400 SPRING ST.

THURS., SEPT. 12  
6 - 7:30 P.M.

MCBRIDE PARK  
1550 MLK JR. AVE.

    
@LongBeachBuilds

 LONG BEACH  
COMMUNITY  
DEVELOPMENT

  
[longbeach.gov/lbcd](https://longbeach.gov/lbcd)

To request this information in an alternative format or to request a reasonable accommodation, please contact the Community Development Department at [longbeach.gov/lbcd](https://longbeach.gov/lbcd) and 562.570.3807. A minimum of three business days is requested to ensure availability; attempts will be made to accommodate requests with shorter notice.

# Discussion

- Questions/clarifications?
- Feedback on the proposed Policy updates?
  - Citywide expansion.
  - Updating the affordability requirements for rental Inclusionary units to include a mix of very low-, low-, and moderate-income affordability levels, based on the city's Opportunity Areas.
  - Technical updates to streamline and refine the Policy.



# RECOMMENDATION

Receive and file a study session on the implementation of and potential updates to the Inclusionary Housing Ordinance (Chapter 21.67) that currently requires market rate housing developments to include a proportion of affordable units in the development project. Potential changes include expanding the requirement citywide and changing the affordability level requirements, amongst other changes.



**Thank you**


**Stephanie Harper**


Development Project Manager  
Community Development Department  
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**Elijio Sandoval**

Planner III  
Community Development Department  
[Elijio.Sandoval@longbeach.gov](mailto:Elijio.Sandoval@longbeach.gov)

Date: May 8, 2024

To: Thomas B. Modica, City Manager 

From: Christopher Koontz, Director of Community Development 

For: Mayor and Members of the City Council

Subject: **Update on Inclusionary Housing Policy**

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On [February 2, 2021](#), the City Council adopted an Inclusionary Housing Policy (Policy) after an extensive, multi-year process that included working with a consultant to complete an economic analysis, a series of community outreach events, stakeholder focus groups with tenant advocates and market-rate developers, and a Planning Commission study session (Attachment A). As part of that action Community Development staff were directed to monitor the program annually and at the completion of year three evaluate expansion or changes to the program. On [February 15, 2022](#), the City Council adopted several modifications to refine the Policy, such as extending the affordability covenants (Attachment B). On [May 7, 2024](#), the Mayor and City Council directed City staff to initiate rather than simply report on a citywide expansion of the program. Part of the motion and discussion on May 7, 2024, was to consider workforce housing at the low and moderate level in the future inclusionary expansion. This work is underway and the City Council will be verbally updated on May 14, 2024. The purpose of this memo is to more broadly outline the current Policy as well as the next phase of the Policy as established in the Housing Element.

### **The Inclusionary Housing Policy Today**

Inclusionary Housing is designed to facilitate the production of mixed-income housing by requiring developers to include affordable housing units in new market-rate residential developments. The Policy was implemented over a three-year phase-in period and currently requires eleven percent of rental units in new housing development projects to be affordable to very low-income households and ten percent of ownership units to be affordable to moderate-income households. The Policy applies to new residential developments with ten or more units in the Downtown and Midtown areas in the City of Long Beach (City). This limited geographic boundary was established for the first phase of the Policy based on the economic analysis conducted in 2019 as part of the initial policy development. The economic analysis found that, at that time, very few residential units had been built in the areas of Long Beach outside of Downtown and Midtown. Therefore, the economic analysis was not able to support applying Inclusionary Housing citywide for the initial phase of the Policy.

Since the Policy went into effect, more than 2,112 housing units have been entitled in Downtown and Midtown overall, including 851 affordable housing units, of which there have been 168 affordable rental units entitled as a direct result of the Policy. To date, all developers have complied with the Inclusionary Housing requirements by building the units onsite within the otherwise market rate development; the alternative compliance options, such as in-lieu fees, have not yet been used. Additional housing development projects subject to Inclusionary

Housing requirements are in the early stages of the development pipeline. This preliminary data represents much-needed affordable housing units that otherwise would not have been built.

### **The City's Commitment to Expand Inclusionary Housing Citywide**

Inclusionary housing policies help to break down patterns of segregation and promote equal housing opportunity for all residents. Studying an expansion of the Policy citywide is one of the primary commitments the City made to the California Housing and Community Development Department (HCD) as part of the City's Housing Element to help address documented fair housing issues in Long Beach and facilitate the production of mixed-income housing throughout the city. Furthermore, as described during the May 7, 2024, City Council meeting, Citywide Inclusion is an important facet of moving forward the City's 2030 Strategic Vision related to Housing and Homelessness as well as Economic Opportunity, Equity and Resilience. The expansion of the Inclusionary Housing program is consistent with the adopted City Council priority around Housing and Homelessness from the 2023 Prioritization Process.

Facilitating mixed-income housing is important in both low-resource areas where most affordable housing has been built historically, and in higher resource areas, including areas of Long Beach with the highest quality schools, parks, jobs, and the best environmental conditions, where historically little to no affordable housing has been built. Expanding the Policy citywide is an important tool to help the City meet its goal to affirmatively further fair housing and was pivotal in HCD's consideration as to whether to certify the City's Housing Element.

### **Policy Expansion and Modifications**

Since the initial development and adoption of the Policy, the housing landscape in Long Beach has evolved significantly. Housing development has increased in areas of Long Beach outside of the current Inclusionary Housing Downtown and Midtown submarkets. The City's Housing Element, updates to the zoning and land use regulations, increases in housing development activity outside of Downtown and Midtown, and the continued need for affordable and mixed-income housing have laid the groundwork for the expansion of the Policy.

Pursuant to the Housing Element Program 6.7.2, City staff recommend amending the zoning code to apply Inclusionary Housing requirements citywide. City staff propose using the same phase-in approach that was used for the original rollout of the Policy in Downtown and Midtown. Under this proposal, the expanded Policy would follow the same affordability levels and phase-in approach over three years. The required inclusionary percentages would take effect on January 1, 2025, with the full requirements to be imposed January 1, 2027, and beyond, bringing the rest of the City in line with the current requirements in Downtown and Midtown. The proposed phasing is recommended to evaluate impacts to market-rate development over an initial three-year review period of the Policy. Staff now understands that City Council would like to explore a different broader affordability target as part of this expansion effort. That data was not available at the time of this memo but will be presented to City Council on May 14, 2024, as well as to stakeholders throughout the forthcoming update process.

City staff will continue to monitor data as additional Inclusionary Housing units are developed to evaluate the effectiveness of the current Policy and determine whether modifications would be

necessary. Within the Coastal Zone this zoning change will require certification by the California Coastal Commission (Coastal Commission), which may delay implementation in the Coastal Zone only, for one to three years depending on the actions by the Coastal Commission that are beyond the City's control.

## Next Steps

At the May 14, 2024, City Council meeting, City staff will present more information on the current Policy, the recommendation to expand the Policy's requirements citywide, and several proposed amendments to further refine the Policy.

City staff plan to conduct community outreach to inform community members and stakeholders of the proposed expansion and modifications of the Policy and seek their input. This outreach will consist of a minimum of one in-person open house for residents and tenant advocates and one virtual focus group for housing developers.

In addition, City staff will provide online opportunities for public comment on the proposed changes to the Policy. For more information and to RSVP for the community events, residents and stakeholders can visit <https://longbeach.gov/lbcd/hn/inclusionaryhousing/>.

Following the City Council presentation and community and stakeholder input, City staff plan to present the proposed zoning code amendment to Planning Commission at a public hearing in Summer 2024 for recommendation to the City Council. City staff anticipate bringing forward the Planning Commission's recommendation to City Council for a vote at a public hearing in Fall 2024.

For more information, please contact Alison Spindler-Ruiz, Planning Bureau Manager, at [Alison.Spindler-Ruiz@longbeach.gov](mailto:Alison.Spindler-Ruiz@longbeach.gov) or (562) 570-6946.

ATTACHMENTS: A - 2021 INCLUSIONARY HOUSING ORDINANCE  
B - 2022 INCLUSIONARY HOUSING ORDINANCE AMENDMENTS

CC: DAWN MCINTOSH, CITY ATTORNEY  
DOUGLAS P. HAUBERT, CITY PROSECUTOR  
LAURA L. DOUD, CITY AUDITOR  
APRIL WALKER, ASSISTANT CITY MANAGER  
TERESA CHANDLER, DEPUTY CITY MANAGER  
MEREDITH REYNOLDS, DEPUTY CITY MANAGER  
GRACE YOON, DEPUTY CITY MANAGER  
TYLER BONANNO-CURLEY, DEPUTY CITY MANAGER  
KEVIN LEE, CHIEF PUBLIC AFFAIRS OFFICER  
MONIQUE DE LA GARZA, CITY CLERK  
DEPARTMENT HEADS



OFFICE OF THE CITY ATTORNEY  
Long Beach, California

**ORD-26**

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Chelsea N. Trotter  
Todd Vigus  
Amy R. Webber  
Erin Weesner-McKinley  
Theodore B. Zinger

January 19, 2021

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

RECOMMENDATION:

Declare ordinance amending the Long Beach Municipal Code by adding Chapter 21.67; and by repealing Chapter 21.60, both relating to Inclusionary Housing, read the first time and laid over to the next regular meeting of the City Council for final reading;

Declare ordinance amending the Long Beach Municipal Code by adding Chapter 21.11, for the purpose of implementing California Senate Bill 330, "The Housing Crisis Act Of 2019" and establishing regulations to prevent any reduction of the zoned capacity of housing development in the City below what was allowable as of January 1, 2018; and to ensure that the construction of any housing development project, as defined, does not result in a net loss of affordable residential housing units in the City, read the first time and laid over to the next regular meeting of the City Council for final reading; and

Adopt a resolution establishing an inclusionary housing in-lieu fee. (Citywide)

DISCUSSION

Pursuant to your request on July 14, 2020, the referenced ordinances and resolution have been prepared and are submitted for your consideration.

SUGGESTED ACTION:

Approve recommendation.

Very truly yours,  
CHARLES PARKIN, City Attorney

By

RICHARD F. ANTHONY  
Deputy City Attorney



ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH AMENDING THE LONG BEACH  
MUNICIPAL CODE BY ADDING CHAPTER 21.67; AND BY  
REPEALING CHAPTER 21.60, BOTH RELATING TO  
INCLUSIONARY HOUSING

The City Council of the City of Long Beach ordains as follows:

Section 1. Chapter 21.67 is hereby added to the Long Beach Municipal  
Code to read as follows:

Chapter 21.67  
INCLUSIONARY HOUSING

21.67.010 Purpose.

The City Council finds that the City of Long Beach faces a serious  
shortage of affordable housing units that is anticipated to increase over  
time. New residential development frequently does not provide housing  
opportunities for low- and moderate-income households due to the high  
cost of newly-constructed housing in the City. As a result, such households  
are effectively excluded from many neighborhoods, creating economic  
stratification detrimental to the public health, safety, and welfare. The  
purpose of this Chapter is:

A. To impose affordable housing requirements on residential  
development to avoid the remaining opportunities for affordable housing to  
be lost by the use of the scarce remaining land for residential development

1 without providing housing affordable to persons and households of all  
2 incomes.

3 B. To enhance the public welfare by establishing policies which  
4 require the development of housing affordable to households of very low-  
5 and moderate-incomes, help meet the City's regional share of housing  
6 needs, and implement the goals and objectives of the City's General Plan  
7 and Housing Element

8 C. To provide and maintain affordable housing opportunities in  
9 the community through an inclusionary housing program for both ownership  
10 and rental housing, and, in furtherance of that goal, include rental  
11 inclusionary housing requirements in this Chapter consistent with California  
12 Government Code Section 65850(g).

13 D. To provide the residential development community with  
14 alternatives to construction of the inclusionary units within a market-rate  
15 residential development.

16  
17 21.67.020 Definitions.

18 The definitions set forth in this Section shall govern the application  
19 and interpretation of this Chapter. Words and phrases not defined in this  
20 Section shall be interpreted so as to give this Chapter its most reasonable  
21 application.

22 A. "Adjusted for Household Size Appropriate for the Unit" means  
23 the household sizes defined in California Health and Safety Code Section  
24 50052.5. This adjustment is used solely for the purposes of calculating the  
25 affordable rent and affordable sales price. For this purpose only, the  
26 household size is set at the number of bedrooms in the unit plus one.

27 B. "Affordable Rent" means the maximum monthly rent for very  
28 low-income households, including an allowance for tenant paid utilities, as

1 defined in California Health and Safety Code Section 50053. The  
2 calculation is as follows: (i) one-twelfth of thirty percent (30%) of fifty  
3 percent (50%) of area median income adjusted for household size  
4 appropriate for the unit or (ii) market rent, whichever is less.

5 C. "Affordable Sales Price" means the maximum purchase price  
6 for moderate-income households as defined in California Health and Safety  
7 Code Section 50052.5. The calculation is as follows: not be less than  
8 twenty-eight percent (28%) of the gross income of the household, nor  
9 exceed one-twelfth of thirty-five percent (35%) times one hundred ten  
10 percent (110%) of area median income adjusted for household size  
11 appropriate for the unit. The affordable sales price shall include a  
12 reasonable down payment, and monthly housing cost payments as defined  
13 in California Code of Regulations, Title 25, Section 6920. These payments  
14 include principal and interest on a mortgage loan, private mortgage  
15 insurance, property taxes and assessments, a utility allowance established  
16 by the Housing Authority of the City of Long Beach, homeowner's  
17 insurance, homeowner's association dues, and a reasonable allowance for  
18 property maintenance and repairs, all as determined by the City.

19 D. "Applicant" or "Developer" means a person, persons, or entity  
20 that applies for a residential development and also includes the owner or  
21 owners of the property if the applicant does not own the property on which  
22 residential development is proposed.

23 E. "Approval Body" means a body with the authority to approve  
24 the proposed residential development or any component thereof.

25 F. "Area Median Income" means the annual median income for  
26 Los Angeles County, adjusted for household size, as published periodically  
27 in the California Code of Regulations, Title 25, Section 6932, or its  
28 successor provision, or as established by the City in the event that such

1 median income figures are no longer published periodically in the California  
2 Code of Regulations.

3 G. "Building Permit" includes full structural building permits as  
4 well as partial permits such as foundation-only permits.

5 H. "Common Ownership or Control" refers to property owned or  
6 controlled by the same person, persons, or entity, or by separate entities in  
7 which any shareholder, partner, member (or family member of such  
8 shareholder, partner or member) of the entity owns ten percent (10%) or  
9 more of the interest in the property.

10 I. "Contiguous Property" means any parcel of land that is:

- 11 1. Touching another parcel at any point;  
12 2. Separated from another parcel at any point only by a  
13 public right-of-way, private street or way, or public or private utility, service,  
14 or access easement; or  
15 3. Separated from another parcel only by other real  
16 property of the applicant which is not subject to the requirements of this  
17 Chapter at the time of the planning entitlement application by the applicant.

18 J. "Density Bonus Units" means dwelling units approved in a  
19 residential development pursuant to California Government Code Section  
20 65915 et seq., and Chapter 21.63 of the Long Beach Municipal Code that  
21 are in excess of the maximum allowable residential density otherwise  
22 permitted by the City.

23 K. "Downtown and Midtown Submarket" means those areas of  
24 the City located within the Downtown Plan Area (PD-30) and/or the Midtown  
25 Plan Area (SP-1), each as delineated on the City's Zoning Use District Map.

26 L. "First Approval" means the first of the following approvals to  
27 occur with respect to a residential development after the effective date of  
28 this Chapter: planning entitlement or building permit.

1 M. "Housing Element" means the then-current Housing Element  
2 of the City's General Plan prepared in accordance with state housing law.

3 N. "Housing Trust Fund" means the fund or account established  
4 by Section 3.92 of the Long Beach Municipal Code.

5 O. "Inclusionary Housing Regulatory Agreement" means an  
6 agreement in conformance with Section 21.67.090.B between the City and  
7 an applicant, governing how the applicant shall comply with this Chapter.

8 P. "Inclusionary Housing Guidelines" means any requirements  
9 for implementation and administration of this Chapter adopted by the City in  
10 accordance with Section 21.67.090.D.

11 Q. "Inclusionary Housing Plan" means a plan containing all of the  
12 information specified in and submitted in conformance with Section  
13 21.67.090.A, specifying the manner in which inclusionary units will be  
14 provided in conformance with this Chapter and any adopted inclusionary  
15 housing guidelines.

16 R. "Inclusionary Unit" means a dwelling unit required by this  
17 Chapter to be affordable to very low or moderate-income households, as  
18 applicable, and subject to an inclusionary housing regulatory agreement.

19 S. "Market-Rate Unit" means a new dwelling unit in a residential  
20 development that is not an inclusionary unit subject to recorded affordability  
21 restrictions that meet the requirements of this Chapter.

22 T. "Moderate-Income Households" are those households whose  
23 income does not exceed one hundred twenty percent (120%) of the area  
24 median income, adjusted for the actual number of persons in the household  
25 as published annually by the California Department of Housing and  
26 Community Development.

27 U. "Ownership Residential Development" means (i) any  
28 residential development that includes the creation of one or more dwelling

1 units that may be sold individually, and (ii) any community apartment project  
2 or residential development owned by a residential stock cooperative  
3 wherein owners own an undivided interest in the development together with  
4 the right to occupy a dwelling unit, commonly known as "own-your-owns".  
5 A residential ownership development also includes the conversion of a  
6 residential rental development to a residential ownership development  
7 pursuant to Chapter 20.32 of the Long Beach Municipal Code. If dwelling  
8 units are approved with a condominium map but are not yet sold individually  
9 on the open market or otherwise to persons unaffiliated with the original  
10 developer of the dwelling units, such development shall be considered a  
11 rental residential development subject to the requirements of Section  
12 21.67.050.A.2 until such time as it converts to an ownership residential  
13 development, at which time the development shall be subject to the  
14 requirements of Section 21.67.050.A.1.

15 V. "Planning Entitlement" means any discretionary approval of a  
16 residential development including, but not limited to, a general or specific  
17 plan adoption or amendment, rezoning, tentative map, parcel map,  
18 conditional use permit, variances, design review, or coastal development  
19 permit.

20 W. "Rental Residential Development" means any residential  
21 development that creates one or more dwelling units that cannot be lawfully  
22 sold individually in conformance with the Subdivision Map Act.

23 X. "Residential Development" means any development for which  
24 a planning entitlement or building permit is required that includes:

- 25 1. The creation of one or more additional dwelling units;
- 26 2. Conversion of nonresidential uses to dwelling units; or
- 27 3. The conversion of a use from a residential rental
- 28 development to a residential ownership development.



1           Y.     “Very Low-Income Household” are those households whose  
2 income does not exceed 50 percent (50%) of the area median income,  
3 adjusted for the actual number of persons in the household as determined  
4 by the United States Department of Housing and Urban Development and  
5 as published annually by the California Department of Housing and  
6 Community Development.

7  
8     21.67.030    Applicability.

9           The provisions of this Chapter shall apply to:

10          A.     All residential development located in the Downtown and  
11 Midtown Submarket except for any residential development exempt under  
12 Section 21.67.040; and

13          B.     All residential development and contiguous properties located  
14 in the Downtown and Midtown Submarket or immediately adjacent thereto  
15 that are under common ownership or control.

16  
17     21.67.040    Exemptions.

18          A.     The following residential developments shall be exempt from  
19 the provisions of this Chapter:

- 20                  1.     Residential developments with nine (9) or fewer units.
- 21                  2.     Residential developments which are developed in  
22 accordance with the terms of a development agreement adopted by  
23 ordinance pursuant to the authority and provisions of California Government  
24 Code Section 65864 et seq. and/or Chapter 21.29 of the Long Beach  
25 Municipal Code, and that is executed prior to the effective date of this  
26 Chapter, provided that such residential developments shall comply with any  
27 inclusionary housing requirements included in the development agreement  
28 or any predecessor ordinance in effect on the date the development

1 agreement was executed.

2 3. Residential developments exempted by California  
3 Government Code Section 66474.2 or 66498.1, provided that such  
4 residential developments shall comply with any predecessor ordinance,  
5 resolution, or policy in effect on the date the application for the development  
6 was deemed substantially complete.

7 4. Residential developments for which a building permit  
8 has been issued no later than the effective date of this Chapter, provided  
9 that such residential developments shall comply with any predecessor  
10 ordinance, resolution, or policy in effect on the date the application for the  
11 development was approved.

12 B. Planning entitlement expiration. Upon the expiration of any  
13 planning entitlement, and unless otherwise exempted, the residential  
14 development shall be subject to the inclusionary housing requirements of  
15 this Chapter, and shall not proceed until such time as an inclusionary  
16 housing plan is approved in conjunction with any other required planning  
17 entitlement or amendment thereto. The provisions of this Chapter shall also  
18 apply to any residential development which is granted a discretionary  
19 extension of a planning entitlement after the effective date of this Chapter,  
20 to the extent consistent with state law.

21  
22 21.67.050 Inclusionary Housing Requirement.

23 All residential developments proposing ten (10) or more dwelling  
24 units (unless exempt under Section 21.67.040), and contiguous property  
25 under common ownership and control, shall include inclusionary units.

26 A. On-site inclusionary requirement. Unless an alternative is  
27 approved as described in Section 21.67.080, residential developments  
28 subject to this Chapter shall provide certain dwelling units in the residential

1 development as inclusionary units upon the same site as the residential  
2 development as follows:

3 1. Ownership residential development. If the application  
4 for first approval is submitted during calendar year 2021, then the applicant  
5 shall provide four percent (4%) of the units in the residential development  
6 available at an affordable sales price to moderate-income households. If the  
7 application for first approval is submitted during calendar year 2022, then  
8 the applicant shall provide five percent (5%) of the units in the residential  
9 development available at an affordable sales price to moderate-income  
10 households. If the application for first approval is submitted during calendar  
11 year 2023 or anytime thereafter, then the applicant shall provide ten percent  
12 (10%) of the units in the residential development available at an affordable  
13 sales price to moderate-income households.

14 2. Rental residential development. If the application for  
15 first approval is submitted during calendar year 2021, then the applicant  
16 shall provide five percent (5%) of the units in the residential development  
17 available at an affordable rent to very low-income households. If the  
18 application for first approval is submitted during calendar year 2022, then  
19 the applicant shall provide six percent (6%) of the units in the residential  
20 development available at an affordable rent to very low-income households.  
21 If the application for first approval is submitted during calendar year 2023 or  
22 anytime thereafter, then the applicant shall provide eleven percent (11%)  
23 percent of the units in the residential development available at an affordable  
24 rent to very low-income households.

25 B. Calculating the number of inclusionary units.

26 1. Calculations of the number of inclusionary units  
27 required by this Section shall be based on the number of dwelling units in  
28 the residential development, excluding any density bonus units.

1                   2.       In computing the total number of inclusionary units  
2 required in a residential development, fractions of an inclusionary unit shall  
3 either be (i) rounded up, or (ii) provided by the payment of an in-lieu fee as  
4 established in Section 21.67.080.A.

5                   3.       When a residential development includes both  
6 ownership and rental dwelling units, the provisions of this Chapter that  
7 apply to ownership residential development shall apply to that portion of the  
8 development that consists of ownership dwelling units, while the provisions  
9 of this Chapter that apply to rental residential development shall apply to  
10 that portion of the development that consists of rental dwelling units.

11               C.       Common ownership and control. An applicant for a planning  
12 entitlement shall not avoid the requirements of this Chapter by submitting  
13 piecemeal planning entitlement applications. At the time of the application  
14 for first approval for the residential development, the applicant shall identify  
15 all contiguous property under common ownership and control. The  
16 applicant shall not be required to construct dwelling units upon the  
17 contiguous property at the time of the application for first approval;  
18 however, the applicant shall be required to include the contiguous property  
19 under common ownership or control in its inclusionary housing plan. The  
20 inclusionary housing regulatory agreement shall be recorded against the  
21 residential development and all contiguous property under common  
22 ownership or control and shall require compliance with this Chapter upon  
23 development of each contiguous property at such time as there are  
24 planning entitlement applications that would authorize a total of ten (10) or  
25 more residential units for the residential development and the contiguous  
26 property under common ownership or control.

27 ///

28 ///

21.67.060 Inclusionary Housing Standards and Incentives.

A. Inclusionary housing units included in a residential development resulting from the conversion of a use from a residential rental development to a residential ownership development shall be offered for sale to current and qualified tenants of the inclusionary units, and shall otherwise comply with the inclusionary housing guidelines.

B. Construction appearance and quality. Inclusionary units shall be comparable in exterior appearance and overall quality of construction to market-rate units in the same housing development. Interior finishes and features may differ from those provided in the market-rate units, so as long as the finishes and features are durable, of good quality, and consistent with contemporary standards for new housing.

C. Bedroom Mix and Unit Size. The number of bedrooms and the size of the inclusionary units shall be proportional to or greater than the number of bedrooms and size of the market-rate units, consistent with any adopted inclusionary housing guidelines.

D. Location. The inclusionary units shall be located so as not to create a geographic concentration of inclusionary units within the residential development.

E. Amenities. The inclusionary units shall have the same amenities as the market-rate units included within the affordable rent or affordable sales price for the inclusionary unit. For example, residents of the inclusionary units shall have the same access to and enjoyment of common open space, parking, storage, and other facilities in the residential development, and residents of the inclusionary units shall not be charged more than affordable rents or affordable sales prices as for the use of such facilities and amenities.

F. Density bonus. The developer of a residential development

1 providing all required inclusionary units upon the same site as the market-  
2 rate units may, at the developer's sole option and concurrently with the  
3 submittal of the inclusionary housing plan, submit a written request for a  
4 density bonus, waivers, modification of parking standards, or other  
5 regulatory incentives pursuant to Government Code Section 65915 et seq.,  
6 and the provisions of Chapter 21.63 of the Long Beach Municipal Code, if  
7 the residential development meets all of the applicable requirements to  
8 qualify for a density bonus.

9  
10 21.67.070 Timing of Construction of Inclusionary Units.

11 All required inclusionary units shall be made available for occupancy  
12 prior to, or concurrently with, the market-rate units. For the purposes of this  
13 subsection, "concurrently" means one of the following:

14 A. The inclusionary units may be constructed in phases if the  
15 market-rate units are constructed in phases, provided that the percentage  
16 of inclusionary units developed in each phase shall be equivalent to or  
17 greater than the total percentage of inclusionary units to be developed as  
18 part of the residential development until such time that all the inclusionary  
19 units have been built.

20 B. In-lieu fees, if applicable, have been paid.

21 C. The applicant has met, or made arrangements satisfactory to  
22 the City to meet, an alternative requirement as permitted by Section  
23 21.67.080.

24  
25 21.67.080 Developers' Alternative Compliance Options.

26 A. In-Lieu Fee. All (i) ownership residential developments, (ii)  
27 rental residential developments proposing twenty (20) or less dwelling units,  
28 and (iii) residential developments specifically authorized by an action of the



1 City Council after a finding of hardship has been made, may satisfy the  
2 inclusionary housing requirement in Section 21.67.050.A by the payment of  
3 a fee to the City in-lieu of constructing the inclusionary units within the  
4 residential development. In-lieu fees may be established from time-to-time  
5 by resolution of the City Council. No building permit shall be issued by the  
6 City for any market-rate unit in the residential development until all in-lieu  
7 fees for the residential development have been paid to the City. The  
8 developer shall provide specific written notice to any purchaser of any  
9 dwelling unit prior to the acceptance of any offer to purchase, and shall  
10 obtain executed acknowledgment of the receipt of such notice, that  
11 purchaser shall not have any right to occupy the dwelling unit until such  
12 time as all in-lieu fees owing for the residential development are paid to the  
13 City. All in-lieu fees shall be deposited in the inclusionary housing fund as  
14 described in Section 21.67.110.

15 B. Land Dedication. An applicant may dedicate land to the City  
16 or a local nonprofit housing developer, at no cost to the City or such  
17 housing developer, in place of actual construction of inclusionary units upon  
18 approval of the City Council. The applicant must comply with the following  
19 provisions and provide evidence of such compliance when the proposed  
20 land dedication is submitted to the City:

21 1. The applicant must exclusively control the land to be  
22 dedicated.

23 2. The land to be dedicated must be free of any liens,  
24 easements or other encumbrances adversely impacting value, and must be  
25 fully served by necessary utility infrastructure.

26 3. The land to be dedicated cannot contain any  
27 hazardous materials, and the applicant must disclose any previous  
28 hazardous materials located thereon and provide evidence that remediation

1 was performed in compliance with applicable law.

2 4. The land to be dedicated cannot have been improved  
3 with residential structures for a period of at least five (5) years prior to  
4 application submission.

5 5. All property taxes and other assessments must be fully  
6 paid at the time of application submission and at the time of actual  
7 dedication and/or conveyance.

8 6. The land to be dedicated must be located within one  
9 (1) mile of the residential development that is subject to the requirements of  
10 this Chapter.

11 7. The existing General Plan and zoning standards  
12 applicable to the land to be dedicated must allow for the requisite number of  
13 inclusionary units to be developed, and such land must otherwise be  
14 suitable in terms of size, configuration and physical characteristics to allow  
15 for such inclusionary unit development.

16 8. The development of the requisite number of  
17 inclusionary units must be feasible without the need for City, Housing  
18 Authority, or Long Beach Community Investment Company assistance  
19 funds.

20 9. Any other requirements of the inclusionary housing  
21 guidelines.

22 C. Other alternative compliance methods. A developer may  
23 propose an alternative compliance method to provide inclusionary units  
24 through other means consistent with any adopted inclusionary housing  
25 guidelines. The City Council may approve or conditionally approve such an  
26 alternative only if the City Council determines, based on substantial  
27 evidence, that such alternative compliance will provide as many or more  
28 inclusionary units at the same or lower income levels or will otherwise

1 provide greater public benefit than would provision of the inclusionary units  
2 on-site.

3 The compliance options in Paragraphs A and B of this Section do not  
4 qualify the residential development for a density bonus or other regulatory  
5 incentives unless the dedication of land conforms to the provisions of  
6 Government Code Section 65915(g).

7  
8 21.67.090 Application and Review Procedures.

9 A. Inclusionary housing plan.

10 1. An application for the first approval of a residential  
11 development shall include an inclusionary housing plan describing how the  
12 development will comply with the provisions of this Chapter. As an  
13 alternative to compliance with the basic provisions included in Section  
14 21.67.050, an applicant may propose one of the alternatives listed in  
15 Section 21.67.080 as part of the inclusionary housing plan.

16 2. Any proposed density bonus, waivers, modification of  
17 parking standards, or other regulatory incentives shall be included in the  
18 inclusionary housing plan.

19 3. Any adopted inclusionary housing guidelines may  
20 specify the contents of the inclusionary housing plan. No application for a  
21 first approval for a residential development may be deemed complete  
22 unless an inclusionary housing plan is submitted in conformance with this  
23 Chapter.

24 4. The inclusionary housing plan shall be processed  
25 concurrently with all other permits required for the residential development.  
26 Before the approval body may approve the inclusionary housing plan, the  
27 approval body must affirmatively find that the inclusionary housing plan  
28 conforms to the requirements set forth in this Chapter. A condition shall be

1 attached to the first approval of any residential development to require  
2 recordation of the inclusionary housing regulatory agreement described in  
3 Paragraph B of this Section prior to the approval of any final or parcel map  
4 or building permit for the residential development.

5 5. The approved inclusionary housing plan for a  
6 residential development, or for a building phase in a residential  
7 development, where phasing has been approved as part of planning  
8 entitlement approvals, may be amended prior to issuance of any building  
9 permit for the residential development or building phase, if applicable. A  
10 request for a minor modification of an approved inclusionary housing plan  
11 may be granted by the City Manager or their designee if the modification is  
12 substantially in compliance with the original inclusionary housing plan and  
13 conditions of approval. Other modifications to the inclusionary housing plan  
14 shall be processed in the same manner as the original plan.

15 6. Fair Housing and Marketing Plan. The inclusionary  
16 housing plan shall describe the applicant's marketing plan, which shall  
17 comply with all applicable fair housing laws and shall not discriminate in the  
18 sale or rental of inclusionary units on the basis of race, national origin,  
19 color, religion, gender, disability, familial status, age, income source, or  
20 marital status.

21 B. Inclusionary housing regulatory agreement. The applicant  
22 shall enter into an inclusionary housing regulatory agreement with the City,  
23 in a form approved by the City Attorney, to be executed by the City  
24 Manager or their designee, to ensure that all the requirements of this  
25 Chapter are satisfied. The inclusionary housing regulatory agreement shall  
26 be recorded against the residential development (and contiguous property  
27 under common ownership and control in accordance with Section  
28 21.67.050.C) prior to approval of any final or parcel map, or issuance of any

1 building permit, whichever occurs first.

2 C. The City Council, by resolution, may establish fees for the  
3 ongoing administration and monitoring of the inclusionary units, which fees  
4 may be updated periodically, as required.

5 D. The City Council hereby authorizes the Planning Commission  
6 to adopt inclusionary housing guidelines to implement this Chapter.

7  
8 21.67.100 Continued Affordability.

9 A. All inclusionary units shall remain affordable to the targeted  
10 income group for a period of fifty-five (55) years from the date of issuance  
11 of a tentative or final Certificate of Occupancy for such inclusionary units.

12 B. Any adopted inclusionary housing guidelines may include  
13 standard documents such as a resale restriction or regulatory agreement,  
14 for execution by the City Manager or their designee, in a form approved by  
15 the City Attorney, to secure the continued affordability of the inclusionary  
16 units approved for each residential development, provide ongoing  
17 maintenance obligations, define rent and sale price increase procedures,  
18 and provide formulas for how resale prices for ownership inclusionary units  
19 are calculated. Such document(s) shall be recorded against the residential  
20 development or the inclusionary units, as applicable.

21 C. Any eligible household that occupies an inclusionary unit must  
22 occupy that unit as its principal residence, unless otherwise approved in  
23 writing for rental to a third-party eligible household for a limited period of  
24 time due to household hardship, as may be specified in any adopted  
25 inclusionary housing guidelines.

26 D. No household may begin occupancy of an inclusionary unit  
27 until the household has been determined to be eligible to occupy that unit  
28 by the City Manager or their designee. Any adopted inclusionary housing

1 guidelines may establish standards for determining household income,  
2 affordable housing cost, provisions for continued monitoring of tenant  
3 eligibility, and other eligibility criteria.

4 E. Officials, employees, or consultants of the City, members of  
5 City boards and commissions, and the applicant and the applicant's officials  
6 shall comply with all applicable laws, regulations, and policies relating to  
7 conflicts of interest as to their eligibility to develop, construct, sell, rent,  
8 lease, occupy, or purchase an inclusionary unit. Any adopted inclusionary  
9 housing guidelines shall include conflict of interest provisions relating to the  
10 administration of this Chapter and the eligibility of persons to occupy  
11 inclusionary units.

12  
13 21.67.110 Housing Trust Fund.

14 A. All in-lieu fees or other funds collected under this Chapter  
15 shall be deposited into the City's Housing Trust Fund and shall be  
16 maintained and accounted for separately in an inclusionary housing  
17 program subaccount.

18 B. Moneys deposited in the Housing Trust Fund pursuant to this  
19 Chapter may be used by City to pay for direct costs associated with the  
20 administration and enforcement of the program established by this Chapter.

21 C. After payment of expenses, if any, described in Paragraph B  
22 of this Section, at least seventy percent (70%) of the remaining moneys  
23 deposited in the Housing Trust Fund pursuant to this Chapter shall be  
24 expended to provide housing affordable to low-income households (or  
25 below), and the remaining moneys may be expended to provide housing  
26 affordable to moderate-income households.

27 ///

28 ///



21.67.120 Waiver.

A. Notwithstanding any other provision of this Chapter, the requirements of this Chapter may be waived, adjusted, or reduced by the City Council based upon a showing that applying the requirements of this Chapter would result in an unconstitutional taking of property or would result in any other unconstitutional result.

B. Any request for a waiver, adjustment, or reduction under this Section shall be submitted to the City concurrently with the inclusionary housing plan. The request for a waiver, adjustment, or reduction shall set forth in detail the factual and legal basis for the claim.

C. The request for a waiver, adjustment, or reduction shall be reviewed and considered in the same manner and at the same time as the inclusionary housing plan.

D. In making a determination on an application for waiver, adjustment, or reduction, the applicant shall bear the burden of presenting substantial evidence to support the claim. The City may assume each of the following when applicable:

1. That the applicant will provide the most economical inclusionary units feasible, while still meeting the requirements of this Chapter and any adopted inclusionary housing guidelines; and

2. That the applicant will benefit from the incentives for the residential development as described in this Chapter and elsewhere in the Long Beach Municipal Code.

E. The waiver, adjustment or reduction may be approved only to the extent necessary to avoid an unconstitutional result, after adoption of written findings, based on substantial evidence, supporting the determinations required by this Section. If a reduction, adjustment, or waiver is granted, any change in the residential development shall

1 invalidate the reduction, adjustment, or waiver, and a new application shall  
2 be required for a reduction, adjustment, or waiver pursuant to this Section.

3 21.67.130 Enforcement.

4 A. The City Manager and City Attorney shall be authorized to  
5 enforce the provisions of this Chapter and all inclusionary housing  
6 regulatory agreements and other covenants or restrictions placed on  
7 inclusionary units, by (i) suspension or revocation of any building permit or  
8 approval upon finding of a violation of any provision of this Chapter or such  
9 agreements or restrictions, and/or (ii) by civil action and any other  
10 proceeding or method permitted by law.

11 B. Failure of any official or agency to fulfill the requirements of  
12 this Chapter shall not excuse any applicant or owner from the requirements  
13 of this Chapter. No permit, license, map, or other approval or entitlement for  
14 a residential development shall be issued, including without limitation a final  
15 inspection or certificate of occupancy, until all applicable requirements of  
16 this Chapter have been satisfied.

17 C. The remedies provided for herein shall be cumulative and not  
18 exclusive and shall not preclude the City from any other remedy or relief to  
19 which it otherwise would be entitled under law or equity.

20  
21 Section 2. Chapter 21.60 of the Long Beach Municipal Code is hereby  
22 repealed.

23  
24 Section 3. The City Clerk shall certify to the passage of this ordinance by  
25 the City Council and cause it to be posted in three (3) conspicuous places in the City of  
26 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the  
27 Mayor.

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I hereby certify that the foregoing ordinance was adopted by the City  
Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2021,  
by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Recusal(s): Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
City Clerk

Approved: \_\_\_\_\_  
(Date)

\_\_\_\_\_  
Mayor

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH AMENDING THE LONG BEACH  
MUNICIPAL CODE BY ADDING CHAPTER 21.11, FOR THE  
PURPOSE OF IMPLEMENTING CALIFORNIA SENATE BILL  
330, "THE HOUSING CRISIS ACT OF 2019;" AND  
ESTABLISHING REGULATIONS TO PREVENT ANY  
REDUCTION OF THE ZONED CAPACITY OF HOUSING  
DEVELOPMENT IN THE CITY BELOW WHAT WAS  
ALLOWABLE AS OF JANUARY 1, 2018; AND TO ENSURE  
THAT THE CONSTRUCTION OF ANY HOUSING  
DEVELOPMENT PROJECT, AS DEFINED, DOES NOT  
RESULT IN A NET LOSS OF AFFORDABLE RESIDENTIAL  
HOUSING UNITS IN THE CITY

WHEREAS, the State of California is experiencing a severe housing crisis  
that is driving the cost of living beyond the reach of an increasing share of the population;  
and

WHEREAS, on October 9, 2019, the California Legislature adopted Senate  
Bill 330 (SB 330), the "Housing Crisis Act of 2019," which, among other things,  
established California Government Code Section 66300, designed to streamline the  
construction of new housing and prevent the loss of existing housing and land available  
for future residential use unless such housing replaced in other areas of the affected  
jurisdiction to ensure "no net loss" in residential capacity; and

WHEREAS, SB-330 became effective January 1, 2020, and establishes a  
statewide housing emergency to be in effect until January 1, 2025; and

WHEREAS, the purpose of this Ordinance is to ensure the City's

1 compliance with SB 330 and to require the concurrent replacement of housing capacity  
2 which may be decreased by the construction of new Housing Development Projects or  
3 the demolition of existing Housing Development Projects; and

4 WHEREAS, the adoption of this Ordinance will provide the public with  
5 clarity regarding the newly enacted State mandates as set forth in SB-330 and  
6 Government Code section 66300; and

7 WHEREAS, this Ordinance is exempt from the California Environmental  
8 Quality Act ("CEQA") pursuant to the commonsense exemption set forth in Section  
9 15061(b)(3) of the CEQA Guidelines. The common sense exemption provides that  
10 CEQA applies to projects that have the potential for causing a significant effect on the  
11 environment, and thus, where it can be seen with certainty that there is no possibility that  
12 the activity in question may have a significant effect on the environment, the activity is not  
13 subject to CEQA. Here, the City's action simply confirms that the City will review and  
14 process Housing Development Projects in the manner prescribed by California  
15 Government Code Section 66300, and the City's action does not approve any particular  
16 project or action that would have physical effects on the environment. Housing  
17 Development Projects will continue to be analyzed in compliance with CEQA as  
18 individual projects are proposed. The City's adoption of this Ordinance has no direct or  
19 indirect physical impacts on the environment and simply conforms the City's procedures  
20 to requirements as defined by State law; therefore, it can be seen with certainty that the  
21 City's action herein will have no significant effect on the environment, and adoption of the  
22 Ordinance is exempt from CEQA.

23 WHEREAS, alternatively, the adoption of this Ordinance is a ministerial  
24 action that is not subject to CEQA in accordance with Public Resources Code Section  
25 21080(b)(1). Under CEQA Guidelines Section 15002(f), CEQA only applies in situations  
26 where the City can use its judgment in deciding whether and how to carry out or approve  
27 a project; when the law requires the City to act in a set way without allowing the City to  
28 use its own independent judgment, the project is ministerial and CEQA does not apply.

1 Government Code Section 66300 requires the City to act on Housing Development  
2 Projects in accordance with its provisions. Because the City has no discretion to refuse  
3 to comply with Government Code Section 66300, and the law precludes the City from  
4 applying its own independent judgment, compliance with Government Code Section  
5 66300 is ministerial. Therefore, this Ordinance, which is being enacted to comply with  
6 Government Code Section 66300, is not subject to CEQA.

7 NOW, THEREFORE, the City Council of the City of Long Beach ordains as  
8 follows:

9 Section 1. The Long Beach Municipal Code is amended by adding  
10 Chapter 21.11 to read as follows:

11 Chapter 21.11

12 No Net Loss

13  
14 21.11.010 Purpose and Intent.

15 The purpose of this Chapter is to implement California Senate Bill  
16 330 (SB 330), the "Housing Crisis Act of 2019," as codified in Government  
17 Code Section 66300 to insure that for the duration of the housing crisis (in  
18 effect until January 1, 2025), the City does not approve a Housing  
19 Development Project, as defined herein, that would have the effect of  
20 reducing the zoned capacity for housing of the City as it existed on January  
21 1, 2018; or which would result in the demolition of existing housing units  
22 unless those units are replaced on at least a one (1) to one (1) ratio; and in  
23 the case of exiting low income units, that such units are only demolished if  
24 they are replaced, and that certain conditions related to affordability and  
25 tenant protections are met.

26  
27 22.11.020 Definitions.

28 The following words or phrases shall have the following meanings



when used in this Chapter:

- A. "Department" means the Department of Development Services.
- B. "Development Policy, standard or condition" means any of the following:
  - 1. A provision of, or amendment to, the City's General Plan.
  - 2. A provision of, or amendment to, a specific plan.
  - 3. A provision of, or amendment to, a zoning ordinance.
  - 4. A subdivision standard or criterion.
- C. "Housing Development Project" means a use consisting of residential units only; mixed use developments consisting of residential and non-residential uses with at least two-thirds of the square footage designated for residential use; or transitional or supportive housing projects (see California Government Code Section 65589.5).

22.11.030 Applicability.

Except as otherwise specified in this Chapter, the provisions of this Chapter, apply to any of the following Housing Development Projects that submit development applications to the City after January 1, 2021:

- A. New construction of any principal residential building;
- B. A change of a principal residential use to another principal use;
- C. A change in the number of dwelling units;
- D. A land division subject to Title 20 (Subdivisions) of the Long Beach Municipal Code ; or
- E. Legalization of an existing unpermitted dwelling unit;
- F. Demolition of an unpermitted or otherwise illegal dwelling unit

1 that could otherwise be converted into a legal dwelling unit in accordance  
2 with applicable provisions of the City's zoning or building regulations.

3  
4 22.11.040 Exemptions.

5 The following are exempt from the requirements of this Chapter:

6 A. New construction of a single-family residence on a lot with no  
7 other principal uses or structures;

8 B. New construction or legalization of accessory dwelling units or  
9 junior accessory dwelling units;

10 C. Conversion to resident ownership of all rented spaces in a  
11 mobilehome park;

12 D. Addition of mobilehome spaces or mobilehomes in a  
13 mobilehome park;

14 E. A lease project wherein two or more residential or commercial  
15 buildings are constructed and maintained on a parcel of land, and  
16 apartments, offices, stores or similar space are leased within one or more of  
17 the buildings, overall control of the land and buildings comprising the project  
18 being retained by the lessor.

19  
20 21.11.050 Requirements.

21 A. Dwelling units that are proposed to be or have been  
22 demolished, vacated, or converted from rental to "for-sale," shall be  
23 replaced if they are permitted in the zone and are or were any of the  
24 following:

25 1. Subject to a recorded covenant that restricts rents to  
26 levels affordable to persons and families of moderate, lower, very low or  
27 extremely low income within the five years prior to application submittal;

28 2. Occupied by lower, very low or extremely low income

1 tenants within the five years prior to application submittal;

2 3 Withdrawn from rent or lease in accordance with  
3 Chapter 12.75 (commencing with Section 7060) of the California  
4 Government Code within the ten (10) years prior to application submittal.

5 B. The number and type of affordable replacement units shall be  
6 determined as follows:

7 1. The number of affordable replacement units for lower or  
8 very low income households shall be determined in accordance with Section  
9 65915 of the California Government Code, or any successor statute;

10 2. Affordable replacement units for lower or very low  
11 income households shall be provided at the level of affordability determined  
12 in accordance with Section 65915 of the California Government Code, or  
13 any successor statute;

14 3. Affordable replacement units for extremely low income  
15 households shall be provided in at least the same number as existed on the  
16 site within the five years prior to application submittal, or in the same  
17 proportion of extremely low income renter households to all renter  
18 households within the City, as determined by the most recently available  
19 data from the United States Department of Housing and Urban  
20 Development's Comprehensive Housing Affordability Strategy database, if  
21 the income category is unknown for any of the following:

22 a. The current household in occupancy at the time  
23 of application submittal;

24 b. The last household in occupancy if a unit is  
25 unoccupied at the time of application submittal; or

26 c. The households at the highpoint of such units  
27 that existed in the five-year period preceding application, if the units have  
28 been vacated or demolished.

1                   4.     At least the same total number of dwelling units and at  
2     least the same total number of bedrooms shall be replaced at the same or  
3     deeper level of affordability;

4                   5.     The required number of affordable replacement units  
5     shall not be reduced as the result of the deeper level of affordability of the  
6     affordable replacement units;

7                   6.     Affordable replacement units affordable to lower, very  
8     low or extremely low income households shall be rental dwelling units; and

9                   7.     Moderate income units. Units subject to a covenant  
10    that restricts rents to levels affordable to moderate income households shall  
11    be replaced with units that are affordable to households of moderate income  
12    or below moderate income. If they are replaced with units affordable to  
13    households of moderate income, the affordable replacement units may be  
14    rental or for-sale.

15                  C.     Inclusionary Housing or Density Bonus. Affordable  
16    replacement units required by this Chapter may count toward any affordable  
17    housing set-aside units required in connection with the granting of a density  
18    bonus, or the requirements of the City's inclusionary housing zoning  
19    regulations, if applicable;

20                  D.     Affordable replacement units shall be provided on-site, or off-  
21    site, if both of the following are met:

22                   1.     The affordable replacement units count toward the  
23    affordable housing set-aside units required for a project subject to the City's  
24    inclusionary housing zoning regulations and are located within two (2) miles  
25    of the principal Housing Development Project, and in an area with known  
26    displacement risk based on evidence satisfactory to the Department; and

27                   2.     The construction of such units does not result in units  
28    requiring replacement pursuant to this Chapter.

1 E. Tenure. Affordable replacement units in a common interest  
2 development or a single-family residential subdivision shall be for-sale only.

3 F. Timing. All permits and entitlements, including the building  
4 permits, for the affordable replacement units shall be obtained prior to, or  
5 concurrently with, the permits and entitlements, including the building  
6 permits, for the non-replacement units.

7 G. Duration of Affordability.

8 1. Rental. The affordability term for rental replacement  
9 units shall be fifty-five (55) years from the issuance of the final certificate of  
10 occupancy by the City.

11 2. For-sale. The initial sale of the affordable replacement  
12 units shall be restricted to eligible buyers and shall require an equity-sharing  
13 agreement with the City, as prepared by the City Attorney or designee and  
14 approved by the City Council.

15 H. Covenant and Agreement Required. A covenant and  
16 agreement ensuring the continued availability of affordable replacement  
17 units shall be executed and recorded to the satisfaction of the City Attorney,

18  
19 21.11.060 Approvals.

20 Notwithstanding any other provision of this Code, and in compliance  
21 with Government Code Section 66300, where housing is an allowable use,  
22 the City shall not approve any application, project, policy or condition that  
23 would result in any of the following effects:

24 A. Changing the general plan land use designation, specific plan  
25 land use designation, or zoning of a parcel or parcels of property to a less  
26 intensive use or reducing the intensity of land use within an existing general  
27 plan land use designation, specific plan land use designation, or zoning  
28 district below what was allowed for the parcel or parcels and in effect as of

1 January 1, 2018. For the purpose of this Section, "less intensive use"  
2 includes, but is not limited to, reductions to height, density, or floor area  
3 ratio, new or increased open space or lot size requirements, or new or  
4 increased setback requirements, minimum frontage requirements, or  
5 maximum lot coverage limitations, or anything that would lessen the  
6 intensity of housing.

7 B. Imposing a moratorium or other limitation on housing  
8 development, including mixed use developments, unless a finding is  
9 specifically made that said restriction is necessary to protect against an  
10 imminent threat to the health and safety of persons residing in, or within the  
11 immediate vicinity of, the area subject to the moratorium; or for projects  
12 specifically identified as existing restricted affordable housing.

13 C. Notwithstanding the above, nothing in this Chapter shall  
14 prohibit the City from changing a land use designation or zoning ordinance  
15 to a less intensive use if the City concurrently changes the development  
16 standards, policies, and conditions applicable to other parcels within the City  
17 to ensure that there is no net loss in residential capacity.

18 D. This Chapter does not prohibit an the City from changing a  
19 land use designation or zoning ordinance to a less intensive use on a site  
20 that is a mobile-home park, as defined in Section 18214 of the Health and  
21 Safety Code, as of the effective date of this Chapter, and the no net loss  
22 requirement shall not apply.

23 E. This Chapter does not prohibit the City from enacting a  
24 development policy, standard, or condition that is intended to preserve or  
25 facilitate the production of housing for lower income households, as defined  
26 in Section 50079.5 of the Health and Safety Code, or housing types that  
27 traditionally serve lower income households, including mobile-home parks,  
28 single-room occupancy units, or units subject to any form of rent or price

1 control through the City's valid exercise of its police power.

2  
3 Section 2. The City Clerk shall certify to the passage of this ordinance by  
4 the City Council and cause it to be posted in three (3) conspicuous places in the City of  
5 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the  
6 Mayor.

7 I hereby certify that the foregoing ordinance was adopted by the City  
8 Council of the City of Long Beach at its meeting of \_\_\_\_\_, 20\_\_\_\_, by  
9 the following vote:

10 Ayes: Councilmembers: \_\_\_\_\_

11 \_\_\_\_\_  
12 \_\_\_\_\_  
13 \_\_\_\_\_  
14 Noes: Councilmembers: \_\_\_\_\_

15 \_\_\_\_\_  
16 Absent: Councilmembers: \_\_\_\_\_

17 \_\_\_\_\_  
18 Recusal(s): Councilmembers: \_\_\_\_\_

19 \_\_\_\_\_  
20 \_\_\_\_\_  
21 \_\_\_\_\_  
22 City Clerk

23  
24 Approved: \_\_\_\_\_  
25 (Date)

26 \_\_\_\_\_  
27 Mayor  
28

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH ESTABLISHING AN  
INCLUSIONARY HOUSING IN-LIEU FEE

WHEREAS, it is a public purpose of the City to achieve a diverse and balanced community with housing available for households of all income levels. Economic diversity fosters social and environmental conditions that protect and enhance the social fabric of the City and are beneficial to the health, safety, and welfare of its residents; and

WHEREAS, the City is experiencing an increasing shortage of affordable housing. New residential development frequently does not provide housing opportunities for very low-, low-, and moderate-income households due to the high cost of newly constructed housing in the City. As a result, such households are de facto excluded from many neighborhoods, creating economic stratification detrimental to the public health, safety, and welfare; and

WHEREAS, the amount of land in the City available for residential development is limited by City's General Plan policies and principles embodied in state law pertaining to general plans and annexation. Scarce remaining opportunities for affordable housing would be lost by the consumption of this remaining land for residential development without providing housing affordable to persons of all incomes; and

WHEREAS, the State Legislature, through California Government Code Section 65580, has declared that the availability of housing is of vital statewide importance and that local governments have a responsibility to use powers vested in them to facilitate the adequate provision for the housing needs of all economic segments of the community; and

WHEREAS, therefore, to implement the City's General Plan (Housing



1 Element), to carry out the policies of state law, and to ensure the benefits of economic  
2 diversity to the residents of the City, it is essential that new residential development in  
3 certain areas of the City contain housing opportunities for very low and moderate income  
4 households, and that the City provide a regulatory and incentive framework which  
5 ensures development of an adequate supply and mix of new housing to meet the future  
6 housing needs of all income segments of the community; and

7 WHEREAS, the City has adopted a citywide housing strategy to implement  
8 various methods to increase and improve the production of affordable housing supply in  
9 Glendale, including the adoption of an inclusionary housing ordinance codified as Section  
10 21.67 of the Long Beach Municipal Code; and

11 WHEREAS, at the direction of the City, Keyser Marston Associates, Inc.  
12 prepared an Inclusionary Housing Study dated July 21, 2019, attached to the Report to  
13 Council dated July 14, 2020 and incorporated herein by reference (as updated from time-  
14 to-time, the "Study"), that, among other things, estimates the fee amounts that can be  
15 supported for projects that are permitted to pay a fee in-lieu of producing affordable  
16 housing; and

17 WHEREAS, Section 21.67.080 of the Long Beach Municipal Code (the  
18 "Code") allows a developer of qualified residential development to pay a fee in-lieu of  
19 providing the required inclusionary units, with such fee to be calculated in compliance  
20 with a fee resolution adopted by the City Council; and

21 WHEREAS, the Study concluded that the the in-lieu fees established by this  
22 Resolution are not confiscatory and do not deprive an owner of a fair and reasonable rate  
23 of return; and

24 WHEREAS, the City Council finds that this Resolution and the inclusionary  
25 housing in-lieu fees it establishes is a valid local land use regulation and does not affect a  
26 taking in accordance with California law; and

27 WHEREAS, the in-lieu fees collected pursuant to this Resolution will be  
28 placed in the City's Housing Trust Fund and used for the development of affordable

1 housing within the City and as otherwise provided in Section 21.67.110 of the Code; and

2 WHEREAS, the City Council finds and determines the passage of this  
3 Resolution: (1) is exempt from further environmental review under the California  
4 Environmental Quality Act ("CEQA") pursuant to Title 14 of the California Code of  
5 Regulations ("CEQA Guidelines") Section 15061(b)(3) because the Resolution will set the  
6 amount of the inclusionary housing in-lieu fee but will not allow for or encourage any  
7 more development than is already anticipated under the City's existing General Plan and  
8 as regulated by existing zoning, or otherwise allow for or promote physical changes in the  
9 environment, and therefore, it can be seen with certainty that there is no possibility that  
10 the Resolution will have a significant effect on the environment; (2) is not a project under  
11 CEQA Guidelines Section 15060(c)(3) and 15378(b)(4) because it constitutes a  
12 governmental fiscal activity that does not involve any commitment to any specific project  
13 which may result in a potentially significant physical impact on the environment; and (3) is  
14 not intended to apply to specifically identified affordable housing projects and as such it is  
15 speculative to evaluate any such future project now. Moreover, the Resolution is not  
16 intended to, nor does it, provide CEQA clearance for future development-related projects  
17 by mere establishment of the amount of the commercial development impact fee; any  
18 such projects required to pay the fee set by this Resolution will be subject to appropriate  
19 environmental review at such time as approvals for those projects are considered. Each  
20 of the foregoing provides a separate and independent basis for CEQA compliance and,  
21 when viewed collectively, provides an overall basis for CEQA compliance;

22 NOW, THEREFORE, the City Council of the City of Long Beach resolves as  
23 follows:

24 Section 1. The above recitals are hereby declared to be true and correct  
25 and are incorporated into this Resolution as findings of the City Council of the City of  
26 Long Beach.

27 Section 2. The in-lieu fee for rental residential developments (as defined  
28 in Section 21.67.020 of the Code) which are subject to Chapter 21.67 of the Code shall

1 be calculated as follows:

2 (i) If the application for first approval (as defined in Section 21.67.020 of  
3 the Code) is submitted during calendar year 2021, then (A) the in-lieu fee for the entire  
4 residential development shall be the product of \$20.80 multiplied by the leasable area of  
5 the residential development, or (B) the in-lieu fee for a fractional inclusionary unit shall be  
6 the product of such fraction multiplied by \$375,400.

7 (ii) If the application for first approval (as defined in Section 21.67.020 of  
8 the Code) is submitted during calendar year 2022, then (A) the in-lieu fee for the entire  
9 residential development shall be the product of \$25.40 multiplied by the leasable area of  
10 the residential development, or (B) the in-lieu fee for a fractional inclusionary unit shall be  
11 the product of such fraction multiplied by \$382,400.

12 (iii) If the application for first approval (as defined in Section 21.67.020 of  
13 the Code) is submitted during calendar year 2023 or thereafter, then (A) the in-lieu fee for  
14 the entire residential development shall be the product of \$47.50 multiplied by the  
15 leasable area of the residential development, or (B) the in-lieu fee for a fractional  
16 inclusionary unit shall be the product of such fraction multiplied by \$390,400.

17 Section 3. The in-lieu fee for ownership residential developments (as  
18 defined in Section 21.67.020 of the Code) which are subject to Chapter 21.67 of the  
19 Code shall be calculated as follows:

20 (i) If the application for first approval (as defined in Section 21.67.020 of  
21 the Code) is submitted during calendar year 2021, then (A) the in-lieu fee for the entire  
22 residential development shall be the product of \$14.00 multiplied by the saleable area of  
23 the residential development, or (B) the in-lieu fee for a fractional inclusionary unit shall be  
24 the product of such fraction multiplied by \$413,300.

25 (ii) If the application for first approval (as defined in Section 21.67.020 of  
26 the Code) is submitted during calendar year 2022, then (A) the in-lieu fee for the entire  
27 residential development shall be the product of \$17.80 multiplied by the saleable area of  
28 the residential development, or (B) the in-lieu fee for a fractional inclusionary unit shall be

1 the product of such fraction multiplied by \$421,500.

2 (iii) If the application for first approval (as defined in Section 21.67.020 of  
3 the Code) is submitted during calendar year 2023 or thereafter, then (A) the in-lieu fee for  
4 the entire residential development shall be the product of \$36.40 multiplied by the  
5 saleable area of the residential development, or (B) the in-lieu fee for a fractional  
6 inclusionary unit shall be the product of such fraction multiplied by \$430,000.

7 Section 4. The fee established in this Resolution will be reviewed by the  
8 City Council at least every three (3) years. If the fee is not reviewed or changed at such  
9 a time, the existing fee shall remain in effect.

10 Section 5. The fees established in this Resolution shall take effect on the  
11 same day that Chapter 21.67 of the Code becomes effective.

12 Section 6. Any in-lieu inclusionary housing fees established pursuant to  
13 any other previously-enacted resolution(s) are hereby repealed and shall no longer be of  
14 any effect on the date this resolution takes effect.

15 Section 7. The City Clerk shall certify to the passage of this resolution by  
16 the City Council and cause it to be posted in three conspicuous places within the City and  
17 it shall take effect as hereinabove set forth.

18 ///

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2021 by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Recusal(s): Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
City Clerk



OFFICE OF THE CITY ATTORNEY  
Long Beach, California

**ORD-24**

CHARLES PARKIN  
City Attorney

MICHAEL J. MAIS  
Assistant City Attorney

February 8, 2022

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Declare ordinance amending the Long Beach Municipal Code by amending and restating Chapter 21.67; relating to Inclusionary Housing, read the first time and laid over to the next regular meeting of the City Council for final reading;

Declare ordinance amending the Long Beach Municipal Code by amending and restating Chapter 21.11, relating to no net loss of affordable residential housing units in the City, read the first time and laid over to the next regular meeting of the City Council for final reading; and

Adopt a resolution amending Resolution No. RES-21-0006 establishing automatic adjustments to the existing inclusionary housing in-lieu fee. (Citywide)

**DISCUSSION**

Pursuant to your request on November 9, 2021, the referenced ordinances and resolution have been prepared and are submitted for your consideration.

**SUGGESTED ACTION:**

Approve recommendation.

Very truly yours,  
CHARLES PARKIN, City Attorney

By

RICHARD F. ANTHONY  
Deputy City Attorney

RFA:bg A22-00134  
01349260.DOCX

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH AMENDING THE LONG BEACH  
MUNICIPAL CODE BY AMENDING AND RESTATING  
CHAPTER 21.67 RELATING TO INCLUSIONARY HOUSING

The City Council of the City of Long Beach ordains as follows:

Section 1. Chapter 21.67 of the Long Beach Municipal Code is hereby  
amended and restated to read as follows:

Chapter 21.67  
INCLUSIONARY HOUSING

21.67.010 Purpose.

The City Council finds that the City of Long Beach faces a serious shortage of affordable housing units that is anticipated to increase over time. New residential development frequently does not provide housing opportunities for low- and moderate-income households due to the high cost of newly-constructed housing in the City. As a result, such households are effectively excluded from many neighborhoods, creating economic stratification detrimental to the public health, safety, and welfare. The purpose of this Chapter is:

A. To impose affordable housing requirements on residential development to avoid the remaining opportunities for affordable housing to be lost by the use of the scarce remaining land for residential development without providing housing affordable to persons and households of all

1 incomes.

2 B. To enhance the public welfare by establishing policies which  
3 require the development of housing affordable to households of very low-  
4 and moderate-incomes, help meet the City's regional share of housing  
5 needs, and implement the goals and objectives of the City's General Plan  
6 and Housing Element

7 C. To provide and maintain affordable housing opportunities in  
8 the community through an inclusionary housing program for both ownership  
9 and rental housing, and, in furtherance of that goal, include rental  
10 inclusionary housing requirements in this Chapter consistent with California  
11 Government Code Section 65850(g).

12 D. To provide the residential development community with  
13 alternatives to construction of the inclusionary units within a market-rate  
14 residential development.

15  
16 21.67.020 Definitions.

17 The definitions set forth in this Section shall govern the application  
18 and interpretation of this Chapter. Words and phrases not defined in this  
19 Section shall be interpreted so as to give this Chapter its most reasonable  
20 application.

21 A. "Adjusted for Household Size Appropriate for the Unit" means  
22 the household sizes defined in California Health and Safety Code Section  
23 50052.5. This adjustment is used solely for the purposes of calculating the  
24 affordable rent and affordable sales price. For this purpose only, the  
25 household size is set at the number of bedrooms in the unit plus one.

26 B. "Affordable Rent" means the maximum monthly rent for very  
27 low-income households, including an allowance for tenant paid utilities, as  
28 defined in California Health and Safety Code Section 50053. The



1 calculation is as follows: (i) one-twelfth of thirty percent (30%) of fifty  
2 percent (50%) of area median income adjusted for household size  
3 appropriate for the unit or (ii) market rent, whichever is less.

4 C. "Affordable Sales Price" means the maximum purchase price  
5 for moderate-income households as defined in California Health and Safety  
6 Code Section 50052.5. The calculation is as follows: not be less than  
7 twenty-eight percent (28%) of the gross income of the household, nor  
8 exceed one-twelfth of thirty-five percent (35%) times one hundred ten  
9 percent (110%) of area median income adjusted for household size  
10 appropriate for the unit. The affordable sales price shall include a  
11 reasonable down payment, and monthly housing cost payments as defined  
12 in California Code of Regulations, Title 25, Section 6920. These payments  
13 include principal and interest on a mortgage loan, private mortgage  
14 insurance, property taxes and assessments, a utility allowance established  
15 by the Housing Authority of the City of Long Beach, homeowner's  
16 insurance, homeowner's association dues, and a reasonable allowance for  
17 property maintenance and repairs, all as determined by the City.

18 D. "Applicant" or "Developer" means a person, persons, or entity  
19 that applies for a residential development and also includes the owner or  
20 owners of the property if the applicant does not own the property on which  
21 residential development is proposed.

22 E. "Approval Body" means a body with the authority to approve  
23 the proposed residential development or any component thereof.

24 F. "Area Median Income" means the annual median income for  
25 Los Angeles County, adjusted for household size, as published periodically  
26 in the California Code of Regulations, Title 25, Section 6932, or its  
27 successor provision, or as established by the City in the event that such  
28 median income figures are no longer published periodically in the California

1 Code of Regulations.

2 G. "Building Permit" includes full structural building permits as  
3 well as partial permits such as foundation-only permits.

4 H. "Common Ownership or Control" refers to property owned or  
5 controlled by the same person, persons, or entity, or by separate entities in  
6 which any shareholder, partner, member (or family member of such  
7 shareholder, partner or member) of the entity owns ten percent (10%) or  
8 more of the interest in the property.

9 I. "Contiguous Property" means any parcel of land that is:

10 1. Touching another parcel at any point;

11 2. Separated from another parcel at any point only by a  
12 public right-of-way, private street or way, or public or private utility, service,  
13 or access easement; or

14 3. Separated from another parcel only by other real  
15 property of the applicant which is not subject to the requirements of this  
16 Chapter at the time of the planning entitlement application by the applicant.

17 J. "Density Bonus Units" means dwelling units approved in a  
18 residential development pursuant to California Government Code Section  
19 65915 et seq., and Chapter 21.63 of the Long Beach Municipal Code that  
20 are in excess of the maximum allowable residential density otherwise  
21 permitted by the City.

22 K. "Downtown and Midtown Submarket" means those areas of  
23 the City located within the Downtown Plan Area (PD-30) and/or the Midtown  
24 Plan Area (SP-1), each as delineated on the City's Zoning Use District Map.

25 L. "First Approval" means the first of the following approvals to  
26 occur with respect to a residential development after the effective date of  
27 this Chapter: planning entitlement or building permit.

28 M. "Housing Element" means the then-current Housing Element

1 of the City's General Plan prepared in accordance with state housing law.

2 N. "Housing Trust Fund" means the fund or account established  
3 by Section 3.92 of the Long Beach Municipal Code.

4 O. "Inclusionary Housing Regulatory Agreement" means an  
5 agreement in conformance with Section 21.67.090.B between the City and  
6 an applicant, governing how the applicant shall comply with this Chapter.

7 P. "Inclusionary Housing Guidelines" means any requirements  
8 for implementation and administration of this Chapter adopted by the City in  
9 accordance with Section 21.67.090.D.

10 Q. "Inclusionary Housing Plan" means a plan containing all of the  
11 information specified in and submitted in conformance with Section  
12 21.67.090.A, specifying the manner in which inclusionary units will be  
13 provided in conformance with this Chapter and any adopted inclusionary  
14 housing guidelines.

15 R. "Inclusionary Unit" means a dwelling unit required by this  
16 Chapter to be affordable to very low or moderate-income households, as  
17 applicable, and subject to an inclusionary housing regulatory agreement.

18 S. "Market-Rate Unit" means a new dwelling unit in a residential  
19 development that is not an inclusionary unit subject to recorded affordability  
20 restrictions that meet the requirements of this Chapter.

21 T. "Moderate-Income Households" are those households whose  
22 income does not exceed one hundred twenty percent (120%) of the area  
23 median income, adjusted for the actual number of persons in the household  
24 as published annually by the California Department of Housing and  
25 Community Development.

26 U. "Ownership Residential Development" means (i) any  
27 residential development that includes the creation of one or more dwelling  
28 units that may be sold individually, and (ii) any community apartment project

1 or residential development owned by a residential stock cooperative  
2 wherein owners own an undivided interest in the development together with  
3 the right to occupy a dwelling unit, commonly known as “own-your-owns”.  
4 A residential ownership development also includes the conversion of a  
5 residential rental development to a residential ownership development  
6 pursuant to Chapter 20.32 of the Long Beach Municipal Code. If dwelling  
7 units are approved with a condominium map but are not yet sold individually  
8 on the open market or otherwise to persons unaffiliated with the original  
9 developer of the dwelling units, such development shall be considered a  
10 rental residential development subject to the requirements of Section  
11 21.67.050.A.2 until such time as it converts to an ownership residential  
12 development, at which time the development shall be subject to the  
13 requirements of Section 21.67.050.A.1.

14 V. “Planning Entitlement” means any discretionary approval of a  
15 residential development including, but not limited to, a general or specific  
16 plan adoption or amendment, rezoning, tentative map, parcel map,  
17 conditional use permit, variances, design review, or coastal development  
18 permit.

19 W. “Rental Residential Development” means any residential  
20 development that creates one or more dwelling units that cannot be lawfully  
21 sold individually in conformance with the Subdivision Map Act.

22 X. “Residential Development” means any development for which  
23 a planning entitlement or building permit is required that includes:

- 24 1. The creation of one or more additional dwelling units;
- 25 2. Conversion of nonresidential uses to dwelling units; or
- 26 3. The conversion of a use from a residential rental  
27 development to a residential ownership development.

28 Y. “Very Low-Income Household” are those households whose

1 income does not exceed 50 percent (50%) of the area median income,  
2 adjusted for the actual number of persons in the household as determined  
3 by the United States Department of Housing and Urban Development and  
4 as published annually by the California Department of Housing and  
5 Community Development.

6  
7 21.67.030 Applicability.

8 The provisions of this Chapter shall apply to:

9 A. All residential development located in the Downtown and  
10 Midtown Submarket except for any residential development exempt under  
11 Section 21.67.040; and

12 B. All residential development and contiguous properties located  
13 in the Downtown and Midtown Submarket or immediately adjacent thereto  
14 that are under common ownership or control.

15  
16 21.67.040 Exemptions.

17 A. The following residential developments shall be exempt from  
18 the provisions of this Chapter:

- 19 1. Residential developments with nine (9) or fewer units.  
20 2. Residential developments which are developed in  
21 accordance with the terms of a development agreement adopted by  
22 ordinance pursuant to the authority and provisions of California Government  
23 Code Section 65864 et seq. and/or Chapter 21.29 of the Long Beach  
24 Municipal Code, and that is executed prior to the effective date of this  
25 Chapter, provided that such residential developments shall comply with any  
26 inclusionary housing requirements included in the development agreement  
27 or any predecessor ordinance in effect on the date the development  
28 agreement was executed.

1                               3.       Residential developments exempted by California  
2       Government Code Section 66474.2 or 66498.1, provided that such  
3       residential developments shall comply with any predecessor ordinance,  
4       resolution, or policy in effect on the date the application for the development  
5       was deemed substantially complete.

6                               4.       Residential developments for which a building permit  
7       has been issued no later than the effective date of this Chapter, provided  
8       that such residential developments shall comply with any predecessor  
9       ordinance, resolution, or policy in effect on the date the application for the  
10      development was approved.

11                            B.       Planning entitlement expiration. Upon the expiration of any  
12      planning entitlement, and unless otherwise exempted, the residential  
13      development shall be subject to the inclusionary housing requirements of  
14      this Chapter, and shall not proceed until such time as an inclusionary  
15      housing plan is approved in conjunction with any other required planning  
16      entitlement or amendment thereto. The provisions of this Chapter shall also  
17      apply to any residential development which is granted a discretionary  
18      extension of a planning entitlement after the effective date of this Chapter,  
19      to the extent consistent with state law.

20  
21       21.67.050      Inclusionary Housing Requirement.

22                           All residential developments proposing ten (10) or more dwelling  
23      units (unless exempt under Section 21.67.040), and contiguous property  
24      under common ownership and control, shall include inclusionary units.

25                           A.       On-site inclusionary requirement. Unless an alternative is  
26      approved as described in Section 21.67.080, residential developments  
27      subject to this Chapter shall provide certain dwelling units in the residential  
28      development as inclusionary units upon the same site as the residential

development as follows:

1. Ownership residential development. If the application for first approval is submitted during calendar year 2021, then the applicant shall provide four percent (4%) of the units in the residential development available at an affordable sales price to moderate-income households. If the application for first approval is submitted during calendar year 2022, then the applicant shall provide five percent (5%) of the units in the residential development available at an affordable sales price to moderate-income households. If the application for first approval is submitted during calendar year 2023 or anytime thereafter, then the applicant shall provide ten percent (10%) of the units in the residential development available at an affordable sales price to moderate-income households.

2. Rental residential development. If the application for first approval is submitted during calendar year 2021, then the applicant shall provide five percent (5%) of the units in the residential development available at an affordable rent to very low-income households. If the application for first approval is submitted during calendar year 2022, then the applicant shall provide six percent (6%) of the units in the residential development available at an affordable rent to very low-income households. If the application for first approval is submitted during calendar year 2023 or anytime thereafter, then the applicant shall provide eleven percent (11%) percent of the units in the residential development available at an affordable rent to very low-income households.

B. Calculating the number of inclusionary units.

1. Calculations of the number of inclusionary units required by this Section shall be based on the number of dwelling units in the residential development, excluding any density bonus units.

2. In computing the total number of inclusionary units

1 required in a residential development, fractions of an inclusionary unit shall  
2 either be (i) rounded up, or (ii) provided by the payment of an in-lieu fee as  
3 established in Section 21.67.080.A.

4 3. When a residential development includes both  
5 ownership and rental dwelling units, the provisions of this Chapter that  
6 apply to ownership residential development shall apply to that portion of the  
7 development that consists of ownership dwelling units, while the provisions  
8 of this Chapter that apply to rental residential development shall apply to  
9 that portion of the development that consists of rental dwelling units.

10 C. Common ownership and control. An applicant for a planning  
11 entitlement shall not avoid the requirements of this Chapter by submitting  
12 piecemeal planning entitlement applications. At the time of the application  
13 for first approval for the residential development, the applicant shall identify  
14 all contiguous property under common ownership and control. The  
15 applicant shall not be required to construct dwelling units upon the  
16 contiguous property at the time of the application for first approval;  
17 however, the applicant shall be required to include the contiguous property  
18 under common ownership or control in its inclusionary housing plan. The  
19 inclusionary housing regulatory agreement shall be recorded against the  
20 residential development and all contiguous property under common  
21 ownership or control and shall require compliance with this Chapter upon  
22 development of each contiguous property at such time as there are  
23 planning entitlement applications that would authorize a total of ten (10) or  
24 more residential units for the residential development and the contiguous  
25 property under common ownership or control.

26 ///

27 ///

28 ///



21.67.060 Inclusionary Housing Standards and Incentives.

A. Inclusionary housing units included in a residential development resulting from the conversion of a use from a residential rental development to a residential ownership development shall be offered for sale to current and qualified tenants of the inclusionary units, and shall otherwise comply with the inclusionary housing guidelines.

B. Construction appearance and quality. Inclusionary units shall be comparable in exterior appearance and overall quality of construction to market-rate units in the same housing development. Interior finishes and features may differ from those provided in the market-rate units, so as long as the finishes and features are durable, of good quality, and consistent with contemporary standards for new housing.

C. Bedroom Mix and Unit Size. The number of bedrooms and the size of the inclusionary units shall be proportional to or greater than the number of bedrooms and size of the market-rate units, consistent with any adopted inclusionary housing guidelines.

D. Location. The inclusionary units shall be located so as not to create a geographic concentration of inclusionary units within the residential development.

E. Amenities. The inclusionary units shall have the same amenities as the market-rate units included within the affordable rent or affordable sales price for the inclusionary unit. For example, residents of the inclusionary units shall have the same access to and enjoyment of common open space, parking, storage, and other facilities in the residential development, and residents of the inclusionary units shall not be charged more than affordable rents or affordable sales prices as for the use of such facilities and amenities.

F. Density bonus. The developer of a residential development

1 providing all required inclusionary units upon the same site as the market-  
2 rate units may, at the developer's sole option and concurrently with the  
3 submittal of the inclusionary housing plan, submit a written request for a  
4 density bonus, waivers, modification of parking standards, or other  
5 regulatory incentives pursuant to Government Code Section 65915 et seq.,  
6 and the provisions of Chapter 21.63 of the Long Beach Municipal Code, if  
7 the residential development meets all of the applicable requirements to  
8 qualify for a density bonus.

9  
10 21.67.070 Timing of Construction of Inclusionary Units.

11 All required inclusionary units shall be made available for occupancy  
12 prior to, or concurrently with, the market-rate units. For the purposes of this  
13 subsection, "concurrently" means one of the following:

14 A. The inclusionary units may be constructed in phases if the  
15 market-rate units are constructed in phases, provided that the percentage  
16 of inclusionary units developed in each phase shall be equivalent to or  
17 greater than the total percentage of inclusionary units to be developed as  
18 part of the residential development until such time that all the inclusionary  
19 units have been built.

20 B. In-lieu fees, if applicable, have been paid.

21 C. The applicant has met, or made arrangements satisfactory to  
22 the City to meet, an alternative requirement as permitted by Section  
23 21.67.080.

24  
25 21.67.080 Developers' Alternative Compliance Options.

26 A. In-Lieu Fee. All (i) ownership residential developments, (ii)  
27 rental residential developments proposing twenty (20) or less dwelling units,  
28 and (iii) residential developments specifically authorized by an action of the

1 City Council after a finding of hardship has been made, may satisfy the  
2 inclusionary housing requirement in Section 21.67.050.A by the payment of  
3 a fee to the City in-lieu of constructing the inclusionary units within the  
4 residential development. In-lieu fees may be established from time-to-time  
5 by resolution of the City Council. No building permit shall be issued by the  
6 City for any market-rate unit in the residential development until all in-lieu  
7 fees for the residential development have been paid to the City. The  
8 developer shall provide specific written notice to any purchaser of any  
9 dwelling unit prior to the acceptance of any offer to purchase, and shall  
10 obtain executed acknowledgment of the receipt of such notice, that  
11 purchaser shall not have any right to occupy the dwelling unit until such  
12 time as all in-lieu fees owing for the residential development are paid to the  
13 City. All in-lieu fees shall be deposited in the inclusionary housing fund as  
14 described in Section 21.67.110.

15 B. Land Dedication. An applicant may dedicate land to the City  
16 or a local nonprofit housing developer, at no cost to the City or such  
17 housing developer, in place of actual construction of inclusionary units upon  
18 approval of the City Council. The applicant must comply with the following  
19 provisions and provide evidence of such compliance when the proposed  
20 land dedication is submitted to the City:

- 21 1. The applicant must exclusively control the land to be  
22 dedicated.
- 23 2. The land to be dedicated must be free of any liens,  
24 easements or other encumbrances adversely impacting value, and must be  
25 fully served by necessary utility infrastructure.
- 26 3. The land to be dedicated cannot contain any  
27 hazardous materials, and the applicant must disclose any previous  
28 hazardous materials located thereon and provide evidence that remediation

1 was performed in compliance with applicable law.

2 4. The land to be dedicated cannot have been improved  
3 with residential structures for a period of at least five (5) years prior to  
4 application submission.

5 5. All property taxes and other assessments must be fully  
6 paid at the time of application submission and at the time of actual  
7 dedication and/or conveyance.

8 6. The land to be dedicated must be located within one  
9 (1) mile of the residential development that is subject to the requirements of  
10 this Chapter.

11 7. The existing General Plan and zoning standards  
12 applicable to the land to be dedicated must allow for the requisite number of  
13 inclusionary units to be developed, and such land must otherwise be  
14 suitable in terms of size, configuration and physical characteristics to allow  
15 for such inclusionary unit development.

16 8. The development of the requisite number of  
17 inclusionary units must be feasible without the need for City, Housing  
18 Authority, or Long Beach Community Investment Company assistance  
19 funds.

20 9. Any other requirements of the inclusionary housing  
21 guidelines.

22 C. Other alternative compliance methods. A developer may  
23 propose an alternative compliance method to provide inclusionary units  
24 through other means consistent with any adopted inclusionary housing  
25 guidelines. The City Council may approve or conditionally approve such an  
26 alternative only if the City Council determines, based on substantial  
27 evidence, that such alternative compliance will provide as many or more  
28 inclusionary units at the same or lower income levels or will otherwise

1 provide greater public benefit than would provision of the inclusionary units  
2 on-site.

3 The compliance options in Paragraphs A and B of this Section do not  
4 qualify the residential development for a density bonus or other regulatory  
5 incentives unless the dedication of land conforms to the provisions of  
6 Government Code Section 65915(g).

7  
8 21.67.090 Application and Review Procedures.

9 A. Inclusionary housing plan.

10 1. An application for the first approval of a residential  
11 development shall include an inclusionary housing plan describing how the  
12 development will comply with the provisions of this Chapter. As an  
13 alternative to compliance with the basic provisions included in Section  
14 21.67.050, an applicant may propose one of the alternatives listed in  
15 Section 21.67.080 as part of the inclusionary housing plan.

16 2. Any proposed density bonus, waivers, modification of  
17 parking standards, or other regulatory incentives shall be included in the  
18 inclusionary housing plan.

19 3. Any adopted inclusionary housing guidelines may  
20 specify the contents of the inclusionary housing plan. No application for a  
21 first approval for a residential development may be deemed complete  
22 unless an inclusionary housing plan is submitted in conformance with this  
23 Chapter.

24 4. The inclusionary housing plan shall be processed  
25 concurrently with all other permits required for the residential development.  
26 Before the approval body may approve the inclusionary housing plan, the  
27 approval body must affirmatively find that the inclusionary housing plan  
28 conforms to the requirements set forth in this Chapter. A condition shall be

1 attached to the first approval of any residential development to require  
2 recordation of the inclusionary housing regulatory agreement described in  
3 Paragraph B of this Section prior to the approval of any final or parcel map  
4 or building permit for the residential development.

5 5. The approved inclusionary housing plan for a  
6 residential development, or for a building phase in a residential  
7 development, where phasing has been approved as part of planning  
8 entitlement approvals, may be amended prior to issuance of any building  
9 permit for the residential development or building phase, if applicable. A  
10 request for a minor modification of an approved inclusionary housing plan  
11 may be granted by the City Manager or their designee if the modification is  
12 substantially in compliance with the original inclusionary housing plan and  
13 conditions of approval. Other modifications to the inclusionary housing plan  
14 shall be processed in the same manner as the original plan.

15 6. Fair Housing and Marketing Plan. The inclusionary  
16 housing plan shall describe the applicant's marketing plan, which shall  
17 comply with all applicable fair housing laws and shall not discriminate in the  
18 sale or rental of inclusionary units on the basis of race, national origin,  
19 color, religion, gender, disability, familial status, age, income source, or  
20 marital status.

21 B. Inclusionary housing regulatory agreement. The applicant  
22 shall enter into an inclusionary housing regulatory agreement with the City,  
23 in a form approved by the City Attorney, to be executed by the City  
24 Manager or their designee, to ensure that all the requirements of this  
25 Chapter are satisfied. The inclusionary housing regulatory agreement shall  
26 be recorded against the residential development (and contiguous property  
27 under common ownership and control in accordance with Section  
28 21.67.050.C) prior to approval of any final or parcel map, or issuance of any

1 building permit, whichever occurs first.

2 C. The City Council, by resolution, may establish fees for the  
3 ongoing administration and monitoring of the inclusionary units, which fees  
4 may be updated periodically, as required.

5 D. The City Council hereby authorizes the Planning Commission  
6 to adopt inclusionary housing guidelines to implement this Chapter.

7  
8 21.67.100 Continued Affordability.

9 A. All inclusionary units shall remain affordable to the targeted  
10 income group for the longer of (i) a period of fifty-five (55) years from the  
11 date of issuance of a tentative or final Certificate of Occupancy for such  
12 inclusionary units, or (ii) for so long as the subject property which includes  
13 such inclusionary units is developed for a residential use.

14 B. Any adopted inclusionary housing guidelines may include  
15 standard documents such as a resale restriction or regulatory agreement,  
16 for execution by the City Manager or their designee, in a form approved by  
17 the City Attorney, to secure the continued affordability of the inclusionary  
18 units approved for each residential development, provide ongoing  
19 maintenance obligations, define rent and sale price increase procedures,  
20 and provide formulas for how resale prices for ownership inclusionary units  
21 are calculated. Such document(s) shall be recorded against the residential  
22 development or the inclusionary units, as applicable.

23 C. Any eligible household that occupies an inclusionary unit must  
24 occupy that unit as its principal residence, unless otherwise approved in  
25 writing for rental to a third-party eligible household for a limited period of  
26 time due to household hardship, as may be specified in any adopted  
27 inclusionary housing guidelines.

28 D. No household may begin occupancy of an inclusionary unit

1 until the household has been determined to be eligible to occupy that unit  
2 by the City Manager or their designee. Any adopted inclusionary housing  
3 guidelines may establish standards for determining household income,  
4 affordable housing cost, provisions for continued monitoring of tenant  
5 eligibility, and other eligibility criteria.

6 E. Officials, employees, or consultants of the City, members of  
7 City boards and commissions, and the applicant and the applicant's officials  
8 shall comply with all applicable laws, regulations, and policies relating to  
9 conflicts of interest as to their eligibility to develop, construct, sell, rent,  
10 lease, occupy, or purchase an inclusionary unit. Any adopted inclusionary  
11 housing guidelines shall include conflict of interest provisions relating to the  
12 administration of this Chapter and the eligibility of persons to occupy  
13 inclusionary units.  
14

15 21.67.110 Housing Trust Fund.

16 A. All in-lieu fees or other funds collected under this Chapter  
17 shall be deposited into the City's Housing Trust Fund and shall be  
18 maintained and accounted for separately in an inclusionary housing  
19 program subaccount.

20 B. Moneys deposited in the Housing Trust Fund pursuant to this  
21 Chapter may be used by City to pay for direct costs associated with the  
22 administration and enforcement of the program established by this Chapter.

23 C. After payment of expenses, if any, described in Paragraph B  
24 of this Section, all of the remaining moneys deposited in the Housing Trust  
25 Fund pursuant to this Chapter shall be expended to provide newly  
26 constructed housing affordable to very low-income households (or below).

27 ///

28 ///



21.67.120 Waiver.

A. Notwithstanding any other provision of this Chapter, the requirements of this Chapter may be waived, adjusted, or reduced by the City Council based upon a showing that applying the requirements of this Chapter would result in an unconstitutional taking of property or would result in any other unconstitutional result.

B. Any request for a waiver, adjustment, or reduction under this Section shall be submitted to the City concurrently with the inclusionary housing plan. The request for a waiver, adjustment, or reduction shall set forth in detail the factual and legal basis for the claim.

C. The request for a waiver, adjustment, or reduction shall be reviewed and considered in the same manner and at the same time as the inclusionary housing plan.

D. In making a determination on an application for waiver, adjustment, or reduction, the applicant shall bear the burden of presenting substantial evidence to support the claim. The City may assume each of the following when applicable:

1. That the applicant will provide the most economical inclusionary units feasible, while still meeting the requirements of this Chapter and any adopted inclusionary housing guidelines; and

2. That the applicant will benefit from the incentives for the residential development as described in this Chapter and elsewhere in the Long Beach Municipal Code.

E. The waiver, adjustment or reduction may be approved only to the extent necessary to avoid an unconstitutional result, after adoption of written findings, based on substantial evidence, supporting the determinations required by this Section. If a reduction, adjustment, or waiver is granted, any change in the residential development shall

1 invalidate the reduction, adjustment, or waiver, and a new application shall  
2 be required for a reduction, adjustment, or waiver pursuant to this Section.

3  
4 21.67.130 Enforcement.

5 A. The City Manager and City Attorney shall be authorized to  
6 enforce the provisions of this Chapter and all inclusionary housing  
7 regulatory agreements and other covenants or restrictions placed on  
8 inclusionary units, by (i) suspension or revocation of any building permit or  
9 approval upon finding of a violation of any provision of this Chapter or such  
10 agreements or restrictions, and/or (ii) by civil action and any other  
11 proceeding or method permitted by law.

12 B. Failure of any official or agency to fulfill the requirements of  
13 this Chapter shall not excuse any applicant or owner from the requirements  
14 of this Chapter. No permit, license, map, or other approval or entitlement for  
15 a residential development shall be issued, including without limitation a final  
16 inspection or certificate of occupancy, until all applicable requirements of  
17 this Chapter have been satisfied.

18 C. The remedies provided for herein shall be cumulative and not  
19 exclusive and shall not preclude the City from any other remedy or relief to  
20 which it otherwise would be entitled under law or equity.

21  
22 Section 2. The City Clerk shall certify to the passage of this ordinance by  
23 the City Council and cause it to be posted in three (3) conspicuous places in the City of  
24 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the  
25 Mayor.

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I hereby certify that the foregoing ordinance was adopted by the City  
Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2022,  
by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Recusal(s): Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
City Clerk

Approved: \_\_\_\_\_  
(Date)

\_\_\_\_\_  
Mayor

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH AMENDING THE LONG BEACH  
MUNICIPAL CODE BY AMENDING AND RESTATING  
CHAPTER 21.11, RELATING TO NO NET LOSS OF  
AFFORDABLE RESIDENTIAL HOUSING UNITS IN THE CITY

The City Council of the City of Long Beach ordains as follows:

Section 1. Chapter 21.11 of the Long Beach Municipal Code is hereby  
amended and restated to read as follows:

Chapter 21.11

NO NET LOSS

21.11.010 Purpose and Intent.

The purpose of this Chapter is to implement California Senate Bill  
330 (SB 330), the "Housing Crisis Act of 2019," as codified in Government  
Code Section 66300 to insure that the City does not approve a Housing  
Development Project, as defined herein, that would have the effect of  
reducing the zoned capacity for housing of the City as it existed on January  
1, 2018; or which would result in the demolition of existing housing units  
unless those units are replaced on at least a one (1) to one (1) ratio; and in  
the case of exiting low income units, that such units are only demolished if  
they are replaced, and that certain conditions related to affordability and  
tenant protections are met. It is the express intent of the City Council that  
this Chapter remain effective despite the possible expiration of Government

Code Section 66300.

21.11.020 Definitions.

The following words or phrases shall have the following meanings when used in this Chapter:

- A. "Department" means the Department of Development Services.
- B. "Development Policy, standard or condition" means any of the following:
  - 1. A provision of, or amendment to, the City's General Plan.
  - 2. A provision of, or amendment to, a specific plan.
  - 3. A provision of, or amendment to, a zoning ordinance.
  - 4. A subdivision standard or criterion.
- C. "Housing Development Project" means a use consisting of residential units only; mixed use developments consisting of residential and non-residential uses with at least two-thirds of the square footage designated for residential use; or transitional or supportive housing projects, or the demolition of any of the foregoing (see California Government Code Section 65589.5).

21.11.030 Applicability.

Except as otherwise specified in this Chapter, the provisions of this Chapter, apply to any of the following Housing Development Projects that submit development applications to the City after January 1, 2021:

- A. New construction of any principal residential building;
- B. A change of a principal residential use to another principal use;

- C. A change in the number of dwelling units;
- D. A land division subject to Title 20 (Subdivisions) of the Long Beach Municipal Code; or
- E. Legalization of an existing unpermitted dwelling unit;
- F. Demolition of an unpermitted or otherwise illegal dwelling unit that could otherwise be converted into a legal dwelling unit in accordance with applicable provisions of the City's zoning or building regulations.

21.11.040 Exemptions.

The following are exempt from the requirements of this Chapter:

- A. New construction of a single-family residence on a lot with no other principal uses or structures;
- B. New construction or legalization of accessory dwelling units or junior accessory dwelling units;
- C. Conversion to resident ownership of all rented spaces in a mobilehome park;
- D. Addition of mobilehome spaces or mobilehomes in a mobilehome park;
- E. A lease project wherein two or more residential or commercial buildings are constructed and maintained on a parcel of land, and apartments, offices, stores or similar space are leased within one or more of the buildings, overall control of the land and buildings comprising the project being retained by the lessor.

21.11.050 Requirements.

- A. Dwelling units that are proposed to be or have been demolished, vacated, or converted from rental to "for-sale," shall be replaced if they are permitted in the zone and are or were any of the

1 following:

2 1. Subject to a recorded covenant that restricts rents to  
3 levels affordable to persons and families of moderate, lower, very low or  
4 extremely low income within the five years prior to application submittal;

5 2. Occupied by lower, very low or extremely low income  
6 tenants within the five years prior to application submittal;

7 3 Withdrawn from rent or lease in accordance with  
8 Chapter 12.75 (commencing with Section 7060) of the California  
9 Government Code within the ten (10) years prior to application submittal.

10 B. The number and type of affordable replacement units shall be  
11 determined as follows:

12 1. The number of affordable replacement units for lower or  
13 very low income households shall be determined in accordance with Section  
14 65915 of the California Government Code, or any successor statute;

15 2. Affordable replacement units for lower or very low  
16 income households shall be provided at the level of affordability determined  
17 in accordance with Section 65915 of the California Government Code, or  
18 any successor statute;

19 3. Affordable replacement units for extremely low income  
20 households shall be provided in at least the same number as existed on the  
21 site within the five years prior to application submittal, or in the same  
22 proportion of extremely low income renter households to all renter  
23 households within the City, as determined by the most recently available  
24 data from the United States Department of Housing and Urban  
25 Development's Comprehensive Housing Affordability Strategy database, if  
26 the income category is unknown for any of the following:

27 a. The current household in occupancy at the time  
28 of application submittal;

1                               b.       The last household in occupancy if a unit is  
2                               unoccupied at the time of application submittal; or

3                               c.       The households at the highpoint of such units  
4                               that existed in the five-year period preceding application, if the units have  
5                               been vacated or demolished.

6                               4.       At least the same total number of dwelling units and at  
7                               least the same total number of bedrooms shall be replaced at the same or  
8                               deeper level of affordability;

9                               5.       The required number of affordable replacement units  
10                              shall not be reduced as the result of the deeper level of affordability of the  
11                              affordable replacement units;

12                             6.       Affordable replacement units affordable to lower, very  
13                             low or extremely low income households shall be rental dwelling units; and

14                             7.       Moderate income units. Units subject to a covenant  
15                             that restricts rents to levels affordable to moderate income households shall  
16                             be replaced with units that are affordable to households of moderate income  
17                             or below moderate income. If they are replaced with units affordable to  
18                             households of moderate income, the affordable replacement units may be  
19                             rental or for-sale.

20                            C.       Inclusionary Housing or Density Bonus. Affordable  
21                            replacement units required by this Chapter may count toward any affordable  
22                            housing set-aside units required in connection with the granting of a density  
23                            bonus, or the requirements of the City's inclusionary housing zoning  
24                            regulations, if applicable;

25                            D.       Affordable replacement units shall be provided on-site.  
26                            Replacement units may be provided off-site if (i) the proposed development  
27                            requiring replacement units does not have a residential component, or (ii) if  
28                            the City Council determines, based on substantial evidence, that such off-



1 site compliance will provide greater public benefit than would provision of  
2 the replacement units on-site.

3 E. Tenure. Affordable replacement units in a common interest  
4 development or a single-family residential subdivision shall be for-sale only.

5 F. Timing. All permits and entitlements, including the building  
6 permits, for the affordable replacement units shall be obtained prior to, or  
7 concurrently with, the permits and entitlements, including the building  
8 permits, for the non-replacement units.

9 G. Duration of Affordability. The affordability term for  
10 replacement units shall be the longer of (i) fifty-five (55) years from the  
11 issuance of a tentative or final certificate of occupancy for such replacement  
12 units, or (ii) for so long as the subject property which includes such  
13 replacement units is developed for a residential use.

14 H. Covenant and Agreement Required. A covenant and  
15 agreement ensuring the continued availability of affordable replacement  
16 units shall be executed and recorded to the satisfaction of the City Attorney,

17  
18 21.11.060 Approvals.

19 Notwithstanding any other provision of this Code, and in compliance  
20 with Government Code Section 66300 (regardless of whether such Section  
21 remains effective), where housing is an allowable use, the City shall not  
22 approve any application, project, policy or condition that would result in any  
23 of the following effects:

24 A. Changing the general plan land use designation, specific plan  
25 land use designation, or zoning of a parcel or parcels of property to a less  
26 intensive use or reducing the intensity of land use within an existing general  
27 plan land use designation, specific plan land use designation, or zoning  
28 district below what was allowed for the parcel or parcels and in effect as of

1 January 1, 2018. For the purpose of this Section, “less intensive use”  
2 includes, but is not limited to, reductions to height, density, or floor area  
3 ratio, new or increased open space or lot size requirements, or new or  
4 increased setback requirements, minimum frontage requirements, or  
5 maximum lot coverage limitations, or anything that would lessen the  
6 intensity of housing.

7 B. Imposing a moratorium or other limitation on housing  
8 development, including mixed use developments, unless a finding is  
9 specifically made that said restriction is necessary to protect against an  
10 imminent threat to the health and safety of persons residing in, or within the  
11 immediate vicinity of, the area subject to the moratorium; or for projects  
12 specifically identified as existing restricted affordable housing.

13 C. Notwithstanding the above, nothing in this Chapter shall  
14 prohibit the City from changing a land use designation or zoning ordinance  
15 to a less intensive use if the City concurrently changes the development  
16 standards, policies, and conditions applicable to other parcels within the City  
17 to ensure that there is no net loss in residential capacity.

18 D. This Chapter does not prohibit an the City from changing a  
19 land use designation or zoning ordinance to a less intensive use on a site  
20 that is a mobile-home park, as defined in Section 18214 of the Health and  
21 Safety Code, as of the effective date of this Chapter, and the no net loss  
22 requirement shall not apply.

23 E. This Chapter does not prohibit the City from enacting a  
24 development policy, standard, or condition that is intended to preserve or  
25 facilitate the production of housing for lower income households, as defined  
26 in Section 50079.5 of the Health and Safety Code, or housing types that  
27 traditionally serve lower income households, including mobile-home parks,  
28 single-room occupancy units, or units subject to any form of rent or price

1 control through the City's valid exercise of its police power.

2

3 Section 2. The City Clerk shall certify to the passage of this ordinance by  
4 the City Council and cause it to be posted in three (3) conspicuous places in the City of  
5 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the  
6 Mayor.

7 I hereby certify that the foregoing ordinance was adopted by the City  
8 Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2022,  
9 by the following vote:

10 Ayes: Councilmembers: \_\_\_\_\_

11 \_\_\_\_\_

12 \_\_\_\_\_

13 \_\_\_\_\_

14 Noes: Councilmembers: \_\_\_\_\_

15 \_\_\_\_\_

16 Absent: Councilmembers: \_\_\_\_\_

17 \_\_\_\_\_

18 Recusal(s): Councilmembers: \_\_\_\_\_

19 \_\_\_\_\_

20 \_\_\_\_\_

21 \_\_\_\_\_

22 City Clerk

23 \_\_\_\_\_

24 Approved: \_\_\_\_\_  
25 (Date) Mayor

26

27

28

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH AMENDING THE LONG BEACH  
MUNICIPAL CODE BY AMENDING AND RESTATING  
CHAPTER 21.67 RELATING TO INCLUSIONARY HOUSING

The City Council of the City of Long Beach ordains as follows:

Section 1. Chapter 21.67 of the Long Beach Municipal Code is hereby  
amended and restated to read as follows:

Chapter 21.67  
INCLUSIONARY HOUSING

21.67.010 Purpose.

The City Council finds that the City of Long Beach faces a serious shortage of affordable housing units that is anticipated to increase over time. New residential development frequently does not provide housing opportunities for low- and moderate-income households due to the high cost of newly-constructed housing in the City. As a result, such households are effectively excluded from many neighborhoods, creating economic stratification detrimental to the public health, safety, and welfare. The purpose of this Chapter is:

A. To impose affordable housing requirements on residential development to avoid the remaining opportunities for affordable housing to be lost by the use of the scarce remaining land for residential development without providing housing affordable to persons and households of all

1 incomes.

2 B. To enhance the public welfare by establishing policies which  
3 require the development of housing affordable to households of very low-  
4 and moderate-incomes, help meet the City's regional share of housing  
5 needs, and implement the goals and objectives of the City's General Plan  
6 and Housing Element

7 C. To provide and maintain affordable housing opportunities in  
8 the community through an inclusionary housing program for both ownership  
9 and rental housing, and, in furtherance of that goal, include rental  
10 inclusionary housing requirements in this Chapter consistent with California  
11 Government Code Section 65850(g).

12 D. To provide the residential development community with  
13 alternatives to construction of the inclusionary units within a market-rate  
14 residential development.

15  
16 21.67.020 Definitions.

17 The definitions set forth in this Section shall govern the application  
18 and interpretation of this Chapter. Words and phrases not defined in this  
19 Section shall be interpreted so as to give this Chapter its most reasonable  
20 application.

21 A. "Adjusted for Household Size Appropriate for the Unit" means  
22 the household sizes defined in California Health and Safety Code Section  
23 50052.5. This adjustment is used solely for the purposes of calculating the  
24 affordable rent and affordable sales price. For this purpose only, the  
25 household size is set at the number of bedrooms in the unit plus one.

26 B. "Affordable Rent" means the maximum monthly rent for very  
27 low-income households, including an allowance for tenant paid utilities, as  
28 defined in California Health and Safety Code Section 50053. The

1 calculation is as follows: (i) one-twelfth of thirty percent (30%) of fifty  
2 percent (50%) of area median income adjusted for household size  
3 appropriate for the unit or (ii) market rent, whichever is less.

4 C. "Affordable Sales Price" means the maximum purchase price  
5 for moderate-income households as defined in California Health and Safety  
6 Code Section 50052.5. The calculation is as follows: not be less than  
7 twenty-eight percent (28%) of the gross income of the household, nor  
8 exceed one-twelfth of thirty-five percent (35%) times one hundred ten  
9 percent (110%) of area median income adjusted for household size  
10 appropriate for the unit. The affordable sales price shall include a  
11 reasonable down payment, and monthly housing cost payments as defined  
12 in California Code of Regulations, Title 25, Section 6920. These payments  
13 include principal and interest on a mortgage loan, private mortgage  
14 insurance, property taxes and assessments, a utility allowance established  
15 by the Housing Authority of the City of Long Beach, homeowner's  
16 insurance, homeowner's association dues, and a reasonable allowance for  
17 property maintenance and repairs, all as determined by the City.

18 D. "Applicant" or "Developer" means a person, persons, or entity  
19 that applies for a residential development and also includes the owner or  
20 owners of the property if the applicant does not own the property on which  
21 residential development is proposed.

22 E. "Approval Body" means a body with the authority to approve  
23 the proposed residential development or any component thereof.

24 F. "Area Median Income" means the annual median income for  
25 Los Angeles County, adjusted for household size, as published periodically  
26 in the California Code of Regulations, Title 25, Section 6932, or its  
27 successor provision, or as established by the City in the event that such  
28 median income figures are no longer published periodically in the California

1 Code of Regulations.

2 G. "Building Permit" includes full structural building permits as  
3 well as partial permits such as foundation-only permits.

4 H. "Common Ownership or Control" refers to property owned or  
5 controlled by the same person, persons, or entity, or by separate entities in  
6 which any shareholder, partner, member (or family member of such  
7 shareholder, partner or member) of the entity owns ten percent (10%) or  
8 more of the interest in the property.

9 I. "Contiguous Property" means any parcel of land that is:

- 10 1. Touching another parcel at any point;  
11 2. Separated from another parcel at any point only by a  
12 public right-of-way, private street or way, or public or private utility, service,  
13 or access easement; or  
14 3. Separated from another parcel only by other real  
15 property of the applicant which is not subject to the requirements of this  
16 Chapter at the time of the planning entitlement application by the applicant.

17 J. "Density Bonus Units" means dwelling units approved in a  
18 residential development pursuant to California Government Code Section  
19 65915 et seq., and Chapter 21.63 of the Long Beach Municipal Code that  
20 are in excess of the maximum allowable residential density otherwise  
21 permitted by the City.

22 K. "Downtown and Midtown Submarket" means those areas of  
23 the City located within the Downtown Plan Area (PD-30) and/or the Midtown  
24 Plan Area (SP-1), each as delineated on the City's Zoning Use District Map.

25 L. "First Approval" means the first of the following approvals to  
26 occur with respect to a residential development after the effective date of  
27 this Chapter: planning entitlement or building permit.

28 M. "Housing Element" means the then-current Housing Element

1 of the City's General Plan prepared in accordance with state housing law.

2 N. "Housing Trust Fund" means the fund or account established  
3 by Section 3.92 of the Long Beach Municipal Code.

4 O. "Inclusionary Housing Regulatory Agreement" means an  
5 agreement in conformance with Section 21.67.090.B between the City and  
6 an applicant, governing how the applicant shall comply with this Chapter.

7 P. "Inclusionary Housing Guidelines" means any requirements  
8 for implementation and administration of this Chapter adopted by the City in  
9 accordance with Section 21.67.090.D.

10 Q. "Inclusionary Housing Plan" means a plan containing all of the  
11 information specified in and submitted in conformance with Section  
12 21.67.090.A, specifying the manner in which inclusionary units will be  
13 provided in conformance with this Chapter and any adopted inclusionary  
14 housing guidelines.

15 R. "Inclusionary Unit" means a dwelling unit required by this  
16 Chapter to be affordable to very low or moderate-income households, as  
17 applicable, and subject to an inclusionary housing regulatory agreement.

18 S. "Market-Rate Unit" means a new dwelling unit in a residential  
19 development that is not an inclusionary unit subject to recorded affordability  
20 restrictions that meet the requirements of this Chapter.

21 T. "Moderate-Income Households" are those households whose  
22 income does not exceed one hundred twenty percent (120%) of the area  
23 median income, adjusted for the actual number of persons in the household  
24 as published annually by the California Department of Housing and  
25 Community Development.

26 U. "Ownership Residential Development" means (i) any  
27 residential development that includes the creation of one or more dwelling  
28 units that may be sold individually, and (ii) any community apartment project



1 or residential development owned by a residential stock cooperative  
2 wherein owners own an undivided interest in the development together with  
3 the right to occupy a dwelling unit, commonly known as "own-your-owns".  
4 A residential ownership development also includes the conversion of a  
5 residential rental development to a residential ownership development  
6 pursuant to Chapter 20.32 of the Long Beach Municipal Code. If dwelling  
7 units are approved with a condominium map but are not yet sold individually  
8 on the open market or otherwise to persons unaffiliated with the original  
9 developer of the dwelling units, such development shall be considered a  
10 rental residential development subject to the requirements of Section  
11 21.67.050.A.2 until such time as it converts to an ownership residential  
12 development, at which time the development shall be subject to the  
13 requirements of Section 21.67.050.A.1.

14 V. "Planning Entitlement" means any discretionary approval of a  
15 residential development including, but not limited to, a general or specific  
16 plan adoption or amendment, rezoning, tentative map, parcel map,  
17 conditional use permit, variances, design review, or coastal development  
18 permit.

19 W. "Rental Residential Development" means any residential  
20 development that creates one or more dwelling units that cannot be lawfully  
21 sold individually in conformance with the Subdivision Map Act.

22 X. "Residential Development" means any development for which  
23 a planning entitlement or building permit is required that includes:

- 24 1. The creation of one or more additional dwelling units;
- 25 2. Conversion of nonresidential uses to dwelling units; or
- 26 3. The conversion of a use from a residential rental  
27 development to a residential ownership development.

28 Y. "Very Low-Income Household" are those households whose

1 income does not exceed 50 percent (50%) of the area median income,  
2 adjusted for the actual number of persons in the household as determined  
3 by the United States Department of Housing and Urban Development and  
4 as published annually by the California Department of Housing and  
5 Community Development.

6  
7 21.67.030 Applicability.

8 The provisions of this Chapter shall apply to:

9 A. All residential development located in the Downtown and  
10 Midtown Submarket except for any residential development exempt under  
11 Section 21.67.040; and

12 B. All residential development and contiguous properties located  
13 in the Downtown and Midtown Submarket or immediately adjacent thereto  
14 that are under common ownership or control.

15  
16 21.67.040 Exemptions.

17 A. The following residential developments shall be exempt from  
18 the provisions of this Chapter:

- 19 1. Residential developments with nine (9) or fewer units.  
20 2. Residential developments which are developed in  
21 accordance with the terms of a development agreement adopted by  
22 ordinance pursuant to the authority and provisions of California Government  
23 Code Section 65864 et seq. and/or Chapter 21.29 of the Long Beach  
24 Municipal Code, and that is executed prior to the effective date of this  
25 Chapter, provided that such residential developments shall comply with any  
26 inclusionary housing requirements included in the development agreement  
27 or any predecessor ordinance in effect on the date the development  
28 agreement was executed.

1                   3.       Residential developments exempted by California  
2       Government Code Section 66474.2 or 66498.1, provided that such  
3       residential developments shall comply with any predecessor ordinance,  
4       resolution, or policy in effect on the date the application for the development  
5       was deemed substantially complete.

6                   4.       Residential developments for which a building permit  
7       has been issued no later than the effective date of this Chapter, provided  
8       that such residential developments shall comply with any predecessor  
9       ordinance, resolution, or policy in effect on the date the application for the  
10      development was approved.

11                  B.       Planning entitlement expiration. Upon the expiration of any  
12      planning entitlement, and unless otherwise exempted, the residential  
13      development shall be subject to the inclusionary housing requirements of  
14      this Chapter, and shall not proceed until such time as an inclusionary  
15      housing plan is approved in conjunction with any other required planning  
16      entitlement or amendment thereto. The provisions of this Chapter shall also  
17      apply to any residential development which is granted a discretionary  
18      extension of a planning entitlement after the effective date of this Chapter,  
19      to the extent consistent with state law.

20  
21      21.67.050    Inclusionary Housing Requirement.

22                  All residential developments proposing ten (10) or more dwelling  
23      units (unless exempt under Section 21.67.040), and contiguous property  
24      under common ownership and control, shall include inclusionary units.

25                  A.       On-site inclusionary requirement. Unless an alternative is  
26      approved as described in Section 21.67.080, residential developments  
27      subject to this Chapter shall provide certain dwelling units in the residential  
28      development as inclusionary units upon the same site as the residential

development as follows:

1. Ownership residential development. If the application for first approval is submitted during calendar year 2021, then the applicant shall provide four percent (4%) of the units in the residential development available at an affordable sales price to moderate-income households. If the application for first approval is submitted during calendar year 2022, then the applicant shall provide five percent (5%) of the units in the residential development available at an affordable sales price to moderate-income households. If the application for first approval is submitted during calendar year 2023 or anytime thereafter, then the applicant shall provide ten percent (10%) of the units in the residential development available at an affordable sales price to moderate-income households.

2. Rental residential development. If the application for first approval is submitted during calendar year 2021, then the applicant shall provide five percent (5%) of the units in the residential development available at an affordable rent to very low-income households. If the application for first approval is submitted during calendar year 2022, then the applicant shall provide six percent (6%) of the units in the residential development available at an affordable rent to very low-income households. If the application for first approval is submitted during calendar year 2023 or anytime thereafter, then the applicant shall provide eleven percent (11%) percent of the units in the residential development available at an affordable rent to very low-income households.

B. Calculating the number of inclusionary units.

1. Calculations of the number of inclusionary units required by this Section shall be based on the number of dwelling units in the residential development, excluding any density bonus units.

2. In computing the total number of inclusionary units

1 required in a residential development, fractions of an inclusionary unit shall  
2 either be (i) rounded up, or (ii) provided by the payment of an in-lieu fee as  
3 established in Section 21.67.080.A.

4 3. When a residential development includes both  
5 ownership and rental dwelling units, the provisions of this Chapter that  
6 apply to ownership residential development shall apply to that portion of the  
7 development that consists of ownership dwelling units, while the provisions  
8 of this Chapter that apply to rental residential development shall apply to  
9 that portion of the development that consists of rental dwelling units.

10 C. Common ownership and control. An applicant for a planning  
11 entitlement shall not avoid the requirements of this Chapter by submitting  
12 piecemeal planning entitlement applications. At the time of the application  
13 for first approval for the residential development, the applicant shall identify  
14 all contiguous property under common ownership and control. The  
15 applicant shall not be required to construct dwelling units upon the  
16 contiguous property at the time of the application for first approval;  
17 however, the applicant shall be required to include the contiguous property  
18 under common ownership or control in its inclusionary housing plan. The  
19 inclusionary housing regulatory agreement shall be recorded against the  
20 residential development and all contiguous property under common  
21 ownership or control and shall require compliance with this Chapter upon  
22 development of each contiguous property at such time as there are  
23 planning entitlement applications that would authorize a total of ten (10) or  
24 more residential units for the residential development and the contiguous  
25 property under common ownership or control.

26 ///

27 ///

28 ///

21.67.060 Inclusionary Housing Standards and Incentives.

A. Inclusionary housing units included in a residential development resulting from the conversion of a use from a residential rental development to a residential ownership development shall be offered for sale to current and qualified tenants of the inclusionary units, and shall otherwise comply with the inclusionary housing guidelines.

B. Construction appearance and quality. Inclusionary units shall be comparable in exterior appearance and overall quality of construction to market-rate units in the same housing development. Interior finishes and features may differ from those provided in the market-rate units, so as long as the finishes and features are durable, of good quality, and consistent with contemporary standards for new housing.

C. Bedroom Mix and Unit Size. The number of bedrooms and the size of the inclusionary units shall be proportional to or greater than the number of bedrooms and size of the market-rate units, consistent with any adopted inclusionary housing guidelines.

D. Location. The inclusionary units shall be located so as not to create a geographic concentration of inclusionary units within the residential development.

E. Amenities. The inclusionary units shall have the same amenities as the market-rate units included within the affordable rent or affordable sales price for the inclusionary unit. For example, residents of the inclusionary units shall have the same access to and enjoyment of common open space, parking, storage, and other facilities in the residential development, and residents of the inclusionary units shall not be charged more than affordable rents or affordable sales prices as for the use of such facilities and amenities.

F. Density bonus. The developer of a residential development

1 providing all required inclusionary units upon the same site as the market-  
2 rate units may, at the developer's sole option and concurrently with the  
3 submittal of the inclusionary housing plan, submit a written request for a  
4 density bonus, waivers, modification of parking standards, or other  
5 regulatory incentives pursuant to Government Code Section 65915 et seq.,  
6 and the provisions of Chapter 21.63 of the Long Beach Municipal Code, if  
7 the residential development meets all of the applicable requirements to  
8 qualify for a density bonus.

9  
10 21.67.070 Timing of Construction of Inclusionary Units.

11 All required inclusionary units shall be made available for occupancy  
12 prior to, or concurrently with, the market-rate units. For the purposes of this  
13 subsection, "concurrently" means one of the following:

14 A. The inclusionary units may be constructed in phases if the  
15 market-rate units are constructed in phases, provided that the percentage  
16 of inclusionary units developed in each phase shall be equivalent to or  
17 greater than the total percentage of inclusionary units to be developed as  
18 part of the residential development until such time that all the inclusionary  
19 units have been built.

20 B. In-lieu fees, if applicable, have been paid.

21 C. The applicant has met, or made arrangements satisfactory to  
22 the City to meet, an alternative requirement as permitted by Section  
23 21.67.080.

24  
25 21.67.080 Developers' Alternative Compliance Options.

26 A. In-Lieu Fee. All (i) ownership residential developments, (ii)  
27 rental residential developments proposing twenty (20) or less dwelling units,  
28 and (iii) residential developments specifically authorized by an action of the

1 City Council after a finding of hardship has been made, may satisfy the  
2 inclusionary housing requirement in Section 21.67.050.A by the payment of  
3 a fee to the City in-lieu of constructing the inclusionary units within the  
4 residential development. In-lieu fees may be established from time-to-time  
5 by resolution of the City Council. No building permit shall be issued by the  
6 City for any market-rate unit in the residential development until all in-lieu  
7 fees for the residential development have been paid to the City. The  
8 developer shall provide specific written notice to any purchaser of any  
9 dwelling unit prior to the acceptance of any offer to purchase, and shall  
10 obtain executed acknowledgment of the receipt of such notice, that  
11 purchaser shall not have any right to occupy the dwelling unit until such  
12 time as all in-lieu fees owing for the residential development are paid to the  
13 City. All in-lieu fees shall be deposited in the inclusionary housing fund as  
14 described in Section 21.67.110.

15 B. Land Dedication. An applicant may dedicate land to the City  
16 or a local nonprofit housing developer, at no cost to the City or such  
17 housing developer, in place of actual construction of inclusionary units upon  
18 approval of the City Council. The applicant must comply with the following  
19 provisions and provide evidence of such compliance when the proposed  
20 land dedication is submitted to the City:

- 21 1. The applicant must exclusively control the land to be  
22 dedicated.
- 23 2. The land to be dedicated must be free of any liens,  
24 easements or other encumbrances adversely impacting value, and must be  
25 fully served by necessary utility infrastructure.
- 26 3. The land to be dedicated cannot contain any  
27 hazardous materials, and the applicant must disclose any previous  
28 hazardous materials located thereon and provide evidence that remediation



1 was performed in compliance with applicable law.

2 4. The land to be dedicated cannot have been improved  
3 with residential structures for a period of at least five (5) years prior to  
4 application submission.

5 5. All property taxes and other assessments must be fully  
6 paid at the time of application submission and at the time of actual  
7 dedication and/or conveyance.

8 6. The land to be dedicated must be located within one  
9 (1) mile of the residential development that is subject to the requirements of  
10 this Chapter.

11 7. The existing General Plan and zoning standards  
12 applicable to the land to be dedicated must allow for the requisite number of  
13 inclusionary units to be developed, and such land must otherwise be  
14 suitable in terms of size, configuration and physical characteristics to allow  
15 for such inclusionary unit development.

16 8. The development of the requisite number of  
17 inclusionary units must be feasible without the need for City, Housing  
18 Authority, or Long Beach Community Investment Company assistance  
19 funds.

20 9. Any other requirements of the inclusionary housing  
21 guidelines.

22 C. Other alternative compliance methods. A developer may  
23 propose an alternative compliance method to provide inclusionary units  
24 through other means consistent with any adopted inclusionary housing  
25 guidelines. The City Council may approve or conditionally approve such an  
26 alternative only if the City Council determines, based on substantial  
27 evidence, that such alternative compliance will provide as many or more  
28 inclusionary units at the same or lower income levels or will otherwise

1 provide greater public benefit than would provision of the inclusionary units  
2 on-site.

3 The compliance options in Paragraphs A and B of this Section do not  
4 qualify the residential development for a density bonus or other regulatory  
5 incentives unless the dedication of land conforms to the provisions of  
6 Government Code Section 65915(g).

7  
8 21.67.090 Application and Review Procedures.

9 A. Inclusionary housing plan.

10 1. An application for the first approval of a residential  
11 development shall include an inclusionary housing plan describing how the  
12 development will comply with the provisions of this Chapter. As an  
13 alternative to compliance with the basic provisions included in Section  
14 21.67.050, an applicant may propose one of the alternatives listed in  
15 Section 21.67.080 as part of the inclusionary housing plan.

16 2. Any proposed density bonus, waivers, modification of  
17 parking standards, or other regulatory incentives shall be included in the  
18 inclusionary housing plan.

19 3. Any adopted inclusionary housing guidelines may  
20 specify the contents of the inclusionary housing plan. No application for a  
21 first approval for a residential development may be deemed complete  
22 unless an inclusionary housing plan is submitted in conformance with this  
23 Chapter.

24 4. The inclusionary housing plan shall be processed  
25 concurrently with all other permits required for the residential development.  
26 Before the approval body may approve the inclusionary housing plan, the  
27 approval body must affirmatively find that the inclusionary housing plan  
28 conforms to the requirements set forth in this Chapter. A condition shall be

1 attached to the first approval of any residential development to require  
2 recordation of the inclusionary housing regulatory agreement described in  
3 Paragraph B of this Section prior to the approval of any final or parcel map  
4 or building permit for the residential development.

5 5. The approved inclusionary housing plan for a  
6 residential development, or for a building phase in a residential  
7 development, where phasing has been approved as part of planning  
8 entitlement approvals, may be amended prior to issuance of any building  
9 permit for the residential development or building phase, if applicable. A  
10 request for a minor modification of an approved inclusionary housing plan  
11 may be granted by the City Manager or their designee if the modification is  
12 substantially in compliance with the original inclusionary housing plan and  
13 conditions of approval. Other modifications to the inclusionary housing plan  
14 shall be processed in the same manner as the original plan.

15 6. Fair Housing and Marketing Plan. The inclusionary  
16 housing plan shall describe the applicant's marketing plan, which shall  
17 comply with all applicable fair housing laws and shall not discriminate in the  
18 sale or rental of inclusionary units on the basis of race, national origin,  
19 color, religion, gender, disability, familial status, age, income source, or  
20 marital status.

21 B. Inclusionary housing regulatory agreement. The applicant  
22 shall enter into an inclusionary housing regulatory agreement with the City,  
23 in a form approved by the City Attorney, to be executed by the City  
24 Manager or their designee, to ensure that all the requirements of this  
25 Chapter are satisfied. The inclusionary housing regulatory agreement shall  
26 be recorded against the residential development (and contiguous property  
27 under common ownership and control in accordance with Section  
28 21.67.050.C) prior to approval of any final or parcel map, or issuance of any

1 building permit, whichever occurs first.

2 C. The City Council, by resolution, may establish fees for the  
3 ongoing administration and monitoring of the inclusionary units, which fees  
4 may be updated periodically, as required.

5 D. The City Council hereby authorizes the Planning Commission  
6 to adopt inclusionary housing guidelines to implement this Chapter.

7  
8 21.67.100 Continued Affordability.

9 A. All inclusionary units shall remain affordable to the targeted  
10 income group for the longer of (i) a period of fifty-five (55) years from the  
11 date of issuance of a tentative or final Certificate of Occupancy for such  
12 inclusionary units, or (ii) for so long as the subject property which includes  
13 such inclusionary units is developed for a residential use.

14 B. Any adopted inclusionary housing guidelines may include  
15 standard documents such as a resale restriction or regulatory agreement,  
16 for execution by the City Manager or their designee, in a form approved by  
17 the City Attorney, to secure the continued affordability of the inclusionary  
18 units approved for each residential development, provide ongoing  
19 maintenance obligations, define rent and sale price increase procedures,  
20 and provide formulas for how resale prices for ownership inclusionary units  
21 are calculated. Such document(s) shall be recorded against the residential  
22 development or the inclusionary units, as applicable.

23 C. Any eligible household that occupies an inclusionary unit must  
24 occupy that unit as its principal residence, unless otherwise approved in  
25 writing for rental to a third-party eligible household for a limited period of  
26 time due to household hardship, as may be specified in any adopted  
27 inclusionary housing guidelines.

28 D. No household may begin occupancy of an inclusionary unit

1 until the household has been determined to be eligible to occupy that unit  
2 by the City Manager or their designee. Any adopted inclusionary housing  
3 guidelines may establish standards for determining household income,  
4 affordable housing cost, provisions for continued monitoring of tenant  
5 eligibility, and other eligibility criteria.

6 E. Officials, employees, or consultants of the City, members of  
7 City boards and commissions, and the applicant and the applicant's officials  
8 shall comply with all applicable laws, regulations, and policies relating to  
9 conflicts of interest as to their eligibility to develop, construct, sell, rent,  
10 lease, occupy, or purchase an inclusionary unit. Any adopted inclusionary  
11 housing guidelines shall include conflict of interest provisions relating to the  
12 administration of this Chapter and the eligibility of persons to occupy  
13 inclusionary units.

14  
15 21.67.110 Housing Trust Fund.

16 A. All in-lieu fees or other funds collected under this Chapter  
17 shall be deposited into the City's Housing Trust Fund and shall be  
18 maintained and accounted for separately in an inclusionary housing  
19 program subaccount.

20 B. Moneys deposited in the Housing Trust Fund pursuant to this  
21 Chapter may be used by City to pay for direct costs associated with the  
22 administration and enforcement of the program established by this Chapter.

23 C. After payment of expenses, if any, described in Paragraph B  
24 of this Section, ~~at least seventy percent (70%)~~ all of the remaining moneys  
25 deposited in the Housing Trust Fund pursuant to this Chapter shall be  
26 expended to provide newly constructed housing affordable to very low-  
27 income households (or below), ~~and the remaining moneys may be~~  
28 ~~expended to provide housing affordable to moderate income households.~~

1           21.67.120    Waiver.

2           A.       Notwithstanding any other provision of this Chapter, the  
3 requirements of this Chapter may be waived, adjusted, or reduced by the  
4 City Council based upon a showing that applying the requirements of this  
5 Chapter would result in an unconstitutional taking of property or would  
6 result in any other unconstitutional result.

7           B.       Any request for a waiver, adjustment, or reduction under this  
8 Section shall be submitted to the City concurrently with the inclusionary  
9 housing plan. The request for a waiver, adjustment, or reduction shall set  
10 forth in detail the factual and legal basis for the claim.

11          C.       The request for a waiver, adjustment, or reduction shall be  
12 reviewed and considered in the same manner and at the same time as the  
13 inclusionary housing plan.

14          D.       In making a determination on an application for waiver,  
15 adjustment, or reduction, the applicant shall bear the burden of presenting  
16 substantial evidence to support the claim. The City may assume each of the  
17 following when applicable:

18               1.     That the applicant will provide the most economical  
19 inclusionary units feasible, while still meeting the requirements of this  
20 Chapter and any adopted inclusionary housing guidelines; and

21               2.     That the applicant will benefit from the incentives for  
22 the residential development as described in this Chapter and elsewhere in  
23 the Long Beach Municipal Code.

24          E.       The waiver, adjustment or reduction may be approved only to  
25 the extent necessary to avoid an unconstitutional result, after adoption of  
26 written findings, based on substantial evidence, supporting the  
27 determinations required by this Section. If a reduction, adjustment, or  
28 waiver is granted, any change in the residential development shall

1 invalidate the reduction, adjustment, or waiver, and a new application shall  
2 be required for a reduction, adjustment, or waiver pursuant to this Section.

3  
4 21.67.130 Enforcement.

5 A. The City Manager and City Attorney shall be authorized to  
6 enforce the provisions of this Chapter and all inclusionary housing  
7 regulatory agreements and other covenants or restrictions placed on  
8 inclusionary units, by (i) suspension or revocation of any building permit or  
9 approval upon finding of a violation of any provision of this Chapter or such  
10 agreements or restrictions, and/or (ii) by civil action and any other  
11 proceeding or method permitted by law.

12 B. Failure of any official or agency to fulfill the requirements of  
13 this Chapter shall not excuse any applicant or owner from the requirements  
14 of this Chapter. No permit, license, map, or other approval or entitlement for  
15 a residential development shall be issued, including without limitation a final  
16 inspection or certificate of occupancy, until all applicable requirements of  
17 this Chapter have been satisfied.

18 C. The remedies provided for herein shall be cumulative and not  
19 exclusive and shall not preclude the City from any other remedy or relief to  
20 which it otherwise would be entitled under law or equity.

21  
22 Section 2. The City Clerk shall certify to the passage of this ordinance by  
23 the City Council and cause it to be posted in three (3) conspicuous places in the City of  
24 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the  
25 Mayor.

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I hereby certify that the foregoing ordinance was adopted by the City  
Council of the City of Long Beach at its meeting of \_\_\_\_\_,  
20224, by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Recusal(s): Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
City Clerk

Approved: \_\_\_\_\_  
(Date)

\_\_\_\_\_  
Mayor



ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH AMENDING THE LONG BEACH  
MUNICIPAL CODE BY AMENDING AND RESTATING  
CHAPTER 21.11, RELATING TO NO NET LOSS OF  
AFFORDABLE RESIDENTIAL HOUSING UNITS IN THE CITY

The City Council of the City of Long Beach ordains as follows:

Section 1. Chapter 21.11 of the Long Beach Municipal Code is hereby  
amended and restated to read as follows:

Chapter 21.11

NO NET LOSS

21.11.010 Purpose and Intent.

——The purpose of this Chapter is to implement California Senate  
Bill 330 (SB 330), the "Housing Crisis Act of 2019," as codified in  
Government Code Section 66300 to insure that the City does not approve a  
Housing Development Project, as defined herein, that would have the effect  
of reducing the zoned capacity for housing of the City as it existed on  
January 1, 2018; or which would result in the demolition of existing housing  
units unless those units are replaced on at least a one (1) to one (1) ratio;  
and in the case of exiting low income units, that such units are only  
demolished if they are replaced, and that certain conditions related to  
affordability and tenant protections are met. It is the express intent of the  
City Council that this Chapter remain effective despite the possible

1 expiration of Government Code Section 66300.

2  
3 21.11.020 Definitions.

4 The following words or phrases shall have the following meanings  
5 when used in this Chapter:

6 A. "Department" means the Department of Development  
7 Services.

8 B. "Development Policy, standard or condition" means any of the  
9 following:

10 1. A provision of, or amendment to, the City's General  
11 Plan.

12 2. A provision of, or amendment to, a specific plan.

13 3. A provision of, or amendment to, a zoning ordinance.

14 4. A subdivision standard or criterion.

15 C. "Housing Development Project" means a use consisting of  
16 residential units only; mixed use developments consisting of residential and  
17 non-residential uses with at least two-thirds of the square footage  
18 designated for residential use; or transitional or supportive housing projects,  
19 or the demolition of any of the foregoing (see California Government Code  
20 Section 65589.5).

21  
22 21.11.030 Applicability.

23 Except as otherwise specified in this Chapter, the provisions of this  
24 Chapter, apply to any of the following Housing Development Projects that  
25 submit development applications to the City after January 1, 2021:

26 A. New construction of any principal residential building;

27 B. A change of a principal residential use to another principal  
28 use;

- 1 C. A change in the number of dwelling units;
- 2 D. A land division subject to Title 20 (Subdivisions) of the Long
- 3 Beach Municipal Code; or
- 4 E. Legalization of an existing unpermitted dwelling unit;
- 5 F. Demolition of an unpermitted or otherwise illegal dwelling unit
- 6 that could otherwise be converted into a legal dwelling unit in accordance
- 7 with applicable provisions of the City's zoning or building regulations.
- 8

9 21.11.040 Exemptions.

10 The following are exempt from the requirements of this Chapter:

- 11 A. New construction of a single-family residence on a lot with no
- 12 other principal uses or structures;
- 13 B. New construction or legalization of accessory dwelling units or
- 14 junior accessory dwelling units;
- 15 C. Conversion to resident ownership of all rented spaces in a
- 16 mobilehome park;
- 17 D. Addition of mobilehome spaces or mobilehomes in a
- 18 mobilehome park;
- 19 E. A lease project wherein two or more residential or commercial
- 20 buildings are constructed and maintained on a parcel of land, and
- 21 apartments, offices, stores or similar space are leased within one or more of
- 22 the buildings, overall control of the land and buildings comprising the project
- 23 being retained by the lessor.
- 24

25 21.11.050 Requirements.

- 26 A. Dwelling units that are proposed to be or have been
- 27 demolished, vacated, or converted from rental to "for-sale," shall be
- 28 replaced if they are permitted in the zone and are or were any of the

1 following:

2 1. Subject to a recorded covenant that restricts rents to  
3 levels affordable to persons and families of moderate, lower, very low or  
4 extremely low income within the five years prior to application submittal;

5 2. Occupied by lower, very low or extremely low income  
6 tenants within the five years prior to application submittal;

7 3 Withdrawn from rent or lease in accordance with  
8 Chapter 12.75 (commencing with Section 7060) of the California  
9 Government Code within the ten (10) years prior to application submittal.

10 B. The number and type of affordable replacement units shall be  
11 determined as follows:

12 1. The number of affordable replacement units for lower or  
13 very low income households shall be determined in accordance with Section  
14 65915 of the California Government Code, or any successor statute;

15 2. Affordable replacement units for lower or very low  
16 income households shall be provided at the level of affordability determined  
17 in accordance with Section 65915 of the California Government Code, or  
18 any successor statute;

19 3. Affordable replacement units for extremely low income  
20 households shall be provided in at least the same number as existed on the  
21 site within the five years prior to application submittal, or in the same  
22 proportion of extremely low income renter households to all renter  
23 households within the City, as determined by the most recently available  
24 data from the United States Department of Housing and Urban  
25 Development's Comprehensive Housing Affordability Strategy database, if  
26 the income category is unknown for any of the following:

27 a. The current household in occupancy at the time  
28 of application submittal;

1 b. The last household in occupancy if a unit is  
2 unoccupied at the time of application submittal; or

3 c. The households at the highpoint of such units  
4 that existed in the five-year period preceding application, if the units have  
5 been vacated or demolished.

6 4. At least the same total number of dwelling units and at  
7 least the same total number of bedrooms shall be replaced at the same or  
8 deeper level of affordability;

9 5. The required number of affordable replacement units  
10 shall not be reduced as the result of the deeper level of affordability of the  
11 affordable replacement units;

12 6. Affordable replacement units affordable to lower, very  
13 low or extremely low income households shall be rental dwelling units; and

14 7. Moderate income units. Units subject to a covenant  
15 that restricts rents to levels affordable to moderate income households shall  
16 be replaced with units that are affordable to households of moderate income  
17 or below moderate income. If they are replaced with units affordable to  
18 households of moderate income, the affordable replacement units may be  
19 rental or for-sale.

20 C. Inclusionary Housing or Density Bonus. Affordable  
21 replacement units required by this Chapter may count toward any affordable  
22 housing set-aside units required in connection with the granting of a density  
23 bonus, or the requirements of the City's inclusionary housing zoning  
24 regulations, if applicable;

25 D. Affordable replacement units shall be provided on-site.  
26 Replacement units may be provided off-site if (i) the proposed development  
27 requiring replacement units does not have a residential component, or (ii) if  
28 the City Council determines, based on substantial evidence, that such off-

1 site compliance will provide greater public benefit than would provision of  
2 the replacement units on-site, or off-site, if both of the following are met:

3 ~~1. The affordable replacement units count toward the~~  
4 ~~affordable housing set-aside units required for a project subject to the City's~~  
5 ~~inclusionary housing zoning regulations and are located within two (2) miles~~  
6 ~~of the principal Housing Development Project, and in an area with known~~  
7 ~~displacement risk based on evidence satisfactory to the Department; and~~  
8 ~~2. The construction of such units does not result in units~~  
9 ~~requiring replacement pursuant to this Chapter.~~

10 E. Tenure. Affordable replacement units in a common interest  
11 development or a single-family residential subdivision shall be for-sale only.

12 F. Timing. All permits and entitlements, including the building  
13 permits, for the affordable replacement units shall be obtained prior to, or  
14 concurrently with, the permits and entitlements, including the building  
15 permits, for the non-replacement units.

16 G. Duration of Affordability.

17 ~~1. Rental. The affordability term for rental replacement~~  
18 ~~units shall be the longer of (i) fifty-five (55) years from the issuance of the a~~  
19 ~~tentative or final certificate of occupancy by the City for such replacement~~  
20 ~~units, or (ii) for so long as the subject property which includes such~~  
21 ~~replacement units is developed for a residential use.~~

22 ~~2. For sale. The initial sale of the affordable replacement~~  
23 ~~units shall be restricted to eligible buyers and shall require an equity sharing~~  
24 ~~agreement with the City, as prepared by the City Attorney or designee and~~  
25 ~~approved by the City Council.~~

26 H. Covenant and Agreement Required. A covenant and  
27 agreement ensuring the continued availability of affordable replacement  
28 units shall be executed and recorded to the satisfaction of the City Attorney,

21.11.060 Approvals.

Notwithstanding any other provision of this Code, and in compliance with Government Code Section 66300 (regardless of whether such Section remains effective), where housing is an allowable use, the City shall not approve any application, project, policy or condition that would result in any of the following effects:

A. Changing the general plan land use designation, specific plan land use designation, or zoning of a parcel or parcels of property to a less intensive use or reducing the intensity of land use within an existing general plan land use designation, specific plan land use designation, or zoning district below what was allowed for the parcel or parcels and in effect as of January 1, 2018. For the purpose of this Section, "less intensive use" includes, but is not limited to, reductions to height, density, or floor area ratio, new or increased open space or lot size requirements, or new or increased setback requirements, minimum frontage requirements, or maximum lot coverage limitations, or anything that would lessen the intensity of housing.

B. Imposing a moratorium or other limitation on housing development, including mixed use developments, unless a finding is specifically made that said restriction is necessary to protect against an imminent threat to the health and safety of persons residing in, or within the immediate vicinity of, the area subject to the moratorium; or for projects specifically identified as existing restricted affordable housing.

C. Notwithstanding the above, nothing in this Chapter shall prohibit the City from changing a land use designation or zoning ordinance to a less intensive use if the City concurrently changes the development standards, policies, and conditions applicable to other parcels within the City

1 to ensure that there is no net loss in residential capacity.

2 D. This Chapter does not prohibit an the City from changing a  
3 land use designation or zoning ordinance to a less intensive use on a site  
4 that is a mobile-home park, as defined in Section 18214 of the Health and  
5 Safety Code, as of the effective date of this Chapter, and the no net loss  
6 requirement shall not apply.

7 E. This Chapter does not prohibit the City from enacting a  
8 development policy, standard, or condition that is intended to preserve or  
9 facilitate the production of housing for lower income households, as defined  
10 in Section 50079.5 of the Health and Safety Code, or housing types that  
11 traditionally serve lower income households, including mobile-home parks,  
12 single-room occupancy units, or units subject to any form of rent or price  
13 control through the City's valid exercise of its police power.

14 Section 2. The City Clerk shall certify to the passage of this ordinance by  
15 the City Council and cause it to be posted in three (3) conspicuous places in the City of  
16 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the  
17 Mayor.

18 I hereby certify that the foregoing ordinance was adopted by the City  
19 Council of the City of Long Beach at its meeting of \_\_\_\_\_, 20\_\_\_\_, by  
20 the following vote:

21 Ayes: Councilmembers: \_\_\_\_\_

22 \_\_\_\_\_

23 \_\_\_\_\_

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25 Noes: Councilmembers: \_\_\_\_\_

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27 Absent: Councilmembers: \_\_\_\_\_

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Recusal(s): Councilmembers:

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\_\_\_\_\_

\_\_\_\_\_  
City Clerk

Approved: \_\_\_\_\_  
(Date)

\_\_\_\_\_  
Mayor

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH AMENDING RESOLUTION NO.  
RES-21-0006 PROVIDING FOR AUTOMATIC  
ADJUSTMENTS TO THE EXISTING INCLUSIONARY  
HOUSING IN-LIEU FEES

WHEREAS, the City Council adopted Resolution No. RES-21-0006 on  
January 19, 2021 (the "Resolution"), establishing the amount of various inclusionary  
housing in-lieu fees to be paid pursuant to Section 21.67 of the Long Beach Municipal  
Code; and

WHEREAS, the City Council wishes to amend the Resolution so that the in-  
lieu fees established thereby automatically adjust in accordance with a published index;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as  
follows:

Section 1. The above recitals are hereby declared to be true and correct  
and are incorporated into this Resolution as findings of the City Council of the City of  
Long Beach.

Section 2. Section 4 of the Resolution is amended so that rather than  
review by the City Council every three (3) years, each of the in lieu fees established by  
the Resolution (collectively, the "In Lieu Fees") shall be automatically adjusted in  
accordance herewith. Beginning on January 1, 2024 and continuing on each January 1  
thereafter, the In Lieu Fees shall increase by the same percentage as the year-to-year  
increase in the new home value index as published by the Real Estate Research Council.

Section 3. The City Clerk shall certify to the passage of this resolution by  
the City Council and cause it to be posted in three conspicuous places within the City and  
it shall take effect as hereinabove set forth.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2022 by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Recusal(s): Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

City Clerk

May 14, 2024

Honorable Mayor and City Council  
City of Long Beach  
California

**RECOMMENDATION:**

Recommendation to receive and file a presentation on the Inclusionary Housing Policy including an update on implementation of the Policy since 2021 and potential future amendments to Title 21.67 of the Long Beach Municipal Code (Zoning Ordinance) in order to expand Inclusionary Housing citywide and implement other modifications to the Policy. (Citywide)

**DISCUSSION**

In May 2017, the City Council adopted 29 policy recommendations to support the production of affordable and workforce housing. Policy 3.2 directed City staff to develop an Inclusionary Housing Policy (Policy), which requires developers to include affordable housing units in new market-rate residential developments. City staff conducted an extensive, multi-year process to develop the Policy. This included working with a consultant to complete an Inclusionary Housing economic analysis, a series of community outreach events, stakeholder focus groups with tenant advocates and market-rate housing developers, and a Planning Commission study session. In February 2020, the Planning Commission recommended the City Council adopt an Ordinance enacting a Policy. City staff presented proposed Policy components to the City Council in July 2020, including options for affordability levels, Inclusionary Housing percentage requirements, and unit thresholds. The City Council adopted the Policy in February 2021 (Attachment A). As part of that action the City Council required City staff to monitor the program annually and evaluate potential expansion or modification of the program after year three of operations. In February 2022, the City Council adopted several modifications to refine the Policy, such as extending the affordability covenants (Attachment B). On May 7, 2024, the Mayor and City Council directed City staff to initiate rather than simply report on a citywide expansion of the program. Part of the motion and discussion on May 7, 2024, was to consider workforce housing at the low and moderate level in the future inclusionary expansion.

The Policy was implemented over a three-year phase-in period and currently requires 11 percent of rental units in new housing development projects to be affordable to very low-income households and 10 percent of ownership units to be affordable to moderate-income households. The Policy applies to new residential developments with 10 or more units in certain areas of Long Beach. The resulting Inclusionary Housing units are restricted as affordable for a minimum of 55 years or as long as the project is developed for residential use, whichever is longer. As required under State law, the Policy allows developers alternatives to constructing the affordable units onsite with the market-rate units, such as paying in-lieu fees or dedicating land to the City of Long Beach (City) or a nonprofit housing developer.

Currently, the Policy applies only to new housing development in the Downtown and Midtown areas of Long Beach. This limited geographic boundary was established for the first phase of the Policy based on the economic analysis prepared by a consultant in 2019 as part of the initial policy development. The economic analysis found that, at that time, very few residential units had been built in the areas of the city outside of Downtown and Midtown. Therefore, the economic analysis was not able to support applying Inclusionary Housing citywide for the initial phase of the Policy. When the City Council adopted the Policy in 2021, City staff committed to monitoring the effects of the Policy and overall housing development in Long Beach, with the goal of expanding Inclusionary Housing citywide in the future as the second phase of the Policy.

Since the Policy went into effect, more than 2,112 housing units have been entitled in Downtown and Midtown overall, including 851 affordable housing units, of which there have been 168 affordable rental units entitled as a direct result of the Policy. Inclusionary Housing was always designed as one tool within a larger toolbox designed to address the City's housing needs. Inclusionary has worked alongside zoning reform, density bonus, micro units, adaptive reuse, and City funding of 100 percent affordable project to, overall, result in very positive housing outcomes in recent years.

To date, all developers have complied with the Inclusionary Housing requirements by building the affordable units onsite within the otherwise market rate development; the alternative compliance options, such as in-lieu fees, have not yet been used. Additional housing development projects subject to Inclusionary Housing requirements are in the early stages of the development pipeline. While housing development takes years and it is still early in the implementation process of the Policy, this preliminary data represents much-needed affordable housing units that otherwise would not have been built.

During the initial development of the Policy, some stakeholders expressed concern that imposing Inclusionary Housing requirements would deter overall housing development in Long Beach. However, the City has not experienced a decrease in housing development activity or other negative impacts since the Policy went into effect. In fact, in 2023, the first year that the full Inclusionary requirements were in place, the City entitled 1,854 housing units citywide, a 50 percent increase from the average from the three years prior to the adoption of the Policy (2018 to 2020).

City staff will continue to monitor and evaluate the effects of the Policy, along with other related affordable housing policies, including the City's Enhanced Density Bonus and No Net Loss Ordinances and the State's Density Bonus law.

### **The City's Commitment to Expand Inclusionary Housing Citywide**

Exploring an expansion of Inclusionary Housing citywide is one of the primary commitments the City made to the California Housing and Community Development Department (HCD) as part of the City's Housing Element to help address documented fair housing issues in Long Beach. While the Policy currently only applies to Downtown and Midtown, as documented in the City's Housing Element, there is significant need for affordable housing throughout all neighborhoods in Long Beach. Across the State, communities, including Long Beach, are challenged with ensuring the supply and accessibility of adequate and affordable housing, particularly amidst record-high housing costs. Housing affordability has been exacerbated by long-term low levels

of production of new housing units and stagnant wages that have made it progressively harder for many to find housing they can afford. Additionally, past decades-long restrictive local land use regulations (across the state not just Long Beach) have contributed to lack of sufficient housing stock, leading to high housing costs and overcrowded housing, with disproportionate impacts on lower-income households. The shortage of affordable housing is particularly acute in high resource areas of Long Beach, where housing, land, and construction costs are high and vacancy rates are low. In turn, these barriers have maintained historic geographic and racial segregation across Long Beach.

The City's Housing Element provides a roadmap for meeting the housing needs of all Long Beach residents through 2029, as required by State law. It lays out the City's plan for removing barriers to housing production to counter well-documented housing shortages and helps ensure that the City is planning for its "fair share" of affordable and market rate housing. The specific programs in the Housing Element are based on community input and best practices and incorporate findings from the City's Fair Housing Assessment and the 2020 Long Beach Framework for Reconciliation. In Program 6.7.2, the City committed to expanding Inclusionary Housing citywide in 2024 in order to facilitate the production of mixed-income housing, meaning developments that include both market-rate and affordable housing, throughout Long Beach.

Facilitating mixed-income housing is important in both low-resource areas where most affordable housing has been built historically, and in higher resource areas, including areas of Long Beach with the highest quality schools, parks, jobs, and the best environmental conditions, where historically little to no affordable housing has been built. This second phase of the Policy is an important tool to help the City meet its goal to affirmatively further fair housing and was pivotal in HCD's consideration as to whether to certify the City's Housing Element. Inclusionary housing policies help to break down patterns of segregation and promote equal housing opportunity for all residents. In summary, there has been extensive community input, technical analysis of local conditions and guidance from HCD all backing the need to expand the Policy citywide.

On May 7, 2024, the Mayor and City Council directed City staff to initiate rather than simply report on a citywide expansion of the program. As described during that City Council meeting, Citywide Inclusion is an important facet of moving forward the City's 2030 Strategic Vision related to Housing and Homelessness as well as Economic Opportunity, Equity and Resilience. The expansion of the Inclusionary Housing program is consistent with the adopted City Council priority around Housing and Homelessness from the 2023 Prioritization Process.

### **Recent Increase in Housing Development Citywide**

Since the initial development and adoption of the Policy in 2021, the housing landscape in Long Beach has evolved significantly. Housing development has increased in areas of the city outside of the current Inclusionary Housing Downtown and Midtown submarkets. Some of the recent developments include 1,271 new housing units in the Southeast area of Long Beach that were entitled in 2023, three townhome developments that will bring 140 units to North Long Beach, and 23 townhomes recently built in the Rose Park neighborhood of Long Beach that are currently for sale. Additionally, many more housing units have been entitled throughout Long Beach, outside of Downtown and Midtown.

The City's Housing Element lays a foundation for facilitating continued housing development

throughout Long Beach. Pursuant to the Housing Element and State law, the City committed to updating its zoning regulations to accommodate an additional 9,835 housing units throughout the city beyond what can be facilitated under existing zoning regulations in order to meet the housing needs of existing and future Long Beach residents. To date, the City has updated the zoning for areas of North and West Long Beach, the Southeast Area Specific Plan, and is in the process of updating the zoning for additional areas of North Long Beach, Central Long Beach, and Greater Bixby Knolls areas. These updated zoning policies will expand the opportunity for housing development in these areas by allowing for higher-density residential and mixed-use development. As a result, City staff expect housing development will continue to increase outside of Downtown and Midtown. This marks an opportune time to expand Inclusionary Housing citywide to help produce affordable housing throughout Long Beach and mitigate displacement for vulnerable populations.

**Proposed Policy Expansion and Modifications**

The City’s Housing Element, updates to the zoning and land use policies, increases in housing development activity outside of Downtown and Midtown, and the continued need for affordable and mixed-income housing have laid the groundwork for the expansion of the Inclusionary Housing Policy. Pursuant to the Housing Element Program 6.7.2, City staff recommend that the zoning code should be amended to apply Inclusionary Housing requirements citywide. City staff propose using the same phase-in approach that was used for the original rollout of the Policy in Downtown and Midtown.

Under this proposal, the expanded Policy would follow the same affordability levels and phase-in approach over three years, as presented in Table 1 below. The required Inclusionary percentages would take effect on January 1, 2025, with the full requirements to be imposed January 1, 2027, and beyond, bringing the rest of the city in line with the current requirements in Downtown and Midtown. The proposed phasing is recommended to evaluate impacts to market-rate development over an initial three-year review period of the Policy. Staff now understands that City Council would like to explore a different broader affordability target as part of this expansion effort.

City staff will continue to monitor the effectiveness of the Policy to determine if modifications may be necessary, such as changes to the affordability requirements or in-lieu options. Within the Coastal Zone, this zoning change will require certification by the California Coastal Commission (Coastal Commission) which may delay implementation, in the Coastal Zone only, for one to three years depending on the actions by the Coastal Commission that are beyond the City’s control.

**Table 1: Proposed Expanded Inclusionary Housing Requirement Phasing Schedule**

Year	Rental Units	Ownership Units
	Very Low-Income Households	Moderate Income Households
2025	5%	4%
2026	6%	5%
2027	11%	10%

City staff also recommend amending certain technical provisions of the current Policy to better

align with its intent. These amendments are based on City staff experiences applying the Policy to housing development projects to date. The proposed amendments include:

1. *Calculating the number of Inclusionary units (Long Beach Municipal Code [LBMC] 21.67.050.B.2)*: In computing the total number of inclusionary units required in a residential development, amend the provision to require fractions of an Inclusionary unit to be rounded up, rather than allowing developers the option to pay an in-lieu fee for the fractional unit. This amendment would align the Policy with the unit calculation procedures required under the City's Enhanced Density Bonus Ordinance and the State Density Bonus law.
2. *Developers' Alternative Compliance Options (LBMC 21.67.080)*: For the provision that allows developers alternatives to constructing the affordable units onsite with the market-rate units, designate the approval body as the Planning Commission, rather than the City Council. This amendment aligns with the Planning Commission's role as the approval body for development projects that require discretionary approval but do not require legislative action.
3. *Developers' Alternative Compliance Options, Land Dedication (LBMC 21.67.080.B)*: Remove the requirement that the land to be dedicated must be located within one mile of the housing development that is subject to Inclusionary Housing requirements. This amendment would provide greater flexibility for land in high-resource areas of Long Beach to be dedicated for affordable housing, in line with the City's fair housing goals.
4. *Ownership Units*: Add a requirement that Inclusionary Housing ownership units must be sold to first-time homebuyers. This amendment would close a loophole that could allow homebuyers that already own real estate to purchase affordable units.
5. *Flexibility for Developments that Exceed the Inclusionary Affordability Requirements*: Add a provision that gives City staff flexibility to amend or suspend Inclusionary affordability restrictions when (i) the percentage of affordable units within a project exceeds the Inclusionary requirement, and (ii) such amendment or suspension is required by a project lender. This amendment would allow housing developers to access financing needed to build additional affordable units beyond those required under the Policy. For example, a 100 percent affordable project at the low-income level should not be considered out of compliance with the 11 percent very-low inclusionary requirements.

## Next Steps

City staff plan to conduct community outreach to inform community members and stakeholders of the proposed expansion and modifications of the Policy and seek their input. This outreach will consist of a minimum of one in-person open house for residents and tenant advocates and one virtual focus group for housing developers.

In addition, City staff will provide online opportunities for public comment on the proposed changes to the Policy. For more information and to RSVP for the community events, residents and stakeholders can visit [longbeach.gov/lbcd/hn/inclusionaryhousing](https://longbeach.gov/lbcd/hn/inclusionaryhousing).

Following community and stakeholder input, City staff plan to present the proposed zoning code amendment to Planning Commission at a public hearing in Summer 2024 for recommendation



to City Council. City staff anticipate bringing forward the Planning Commission's recommendation to City Council for a vote at a public hearing late 2024 for an ordinance to be effective on January 1, 2025.

This matter was reviewed by Principal Deputy City Attorney Richard Anthony on February 24, 2024, and Acting Revenue Management Officer Valerie Valentine on February 26, 2024.

#### TIMING CONSIDERATIONS

City Council action is requested on May 14, 2024.

#### FISCAL IMPACT

There is no fiscal or local job impact associated with this recommendation. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities.

#### SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

  
Christopher Koontz  
Community Development Director

APPROVED:

  
\_\_\_\_\_  
THOMAS B. MODICA  
CITY MANAGER

ATTACHMENTS: A – 2021 INCLUSIONARY HOUSING ORDINANCE ADOPTION PACKET (011921-ORD-26)  
B – 2022 INCLUSIONARY HOUSING ORDINANCE AMENDMENTS (020822-ORD-24)

# Inclusionary Housing Policy Update

Housing and Public Health Committee Meeting – June 11, 2024

# 2024 Initiative to Advance Affordable Housing Production

- On May 7, 2024, the Mayor and City Council requested City staff explore and report back on the expansion of the Inclusionary Housing Policy citywide.
- On May 14, 2024, City staff presented an update on implementation progress and next steps to expand Inclusionary requirements citywide.
- Several Councilmembers requested that City staff present options for Inclusionary affordability requirements for rental units that encompass a mix of income levels.
- Several Councilmembers highlighted the importance of community and stakeholder outreach as part of the process to update the Policy.

# Background

- City staff conducted a multi-year process to develop the current Inclusionary Housing Policy.
- As part of that process, an Economic Analysis determined the maximum supportable Inclusionary requirements, including single-income and mixed-income options.
- In 2020, City staff presented Inclusionary requirement options to the Planning Commission:
  - Rental Projects: Mix of Very-Low Income, Low-Income, Moderate Income affordability levels.
  - Ownership Projects: Only supportable at 10% of total project units for Moderate Income households.

# Current Policy

## 2020 Planning Commission Recommendation to City Council

<b>Rental Housing</b>	12% of Total Project Units 25% Very-Low, 25% Low, and 50% Moderate
<b>Ownership Housing</b>	10% of Total Project Units 100% Moderate Income

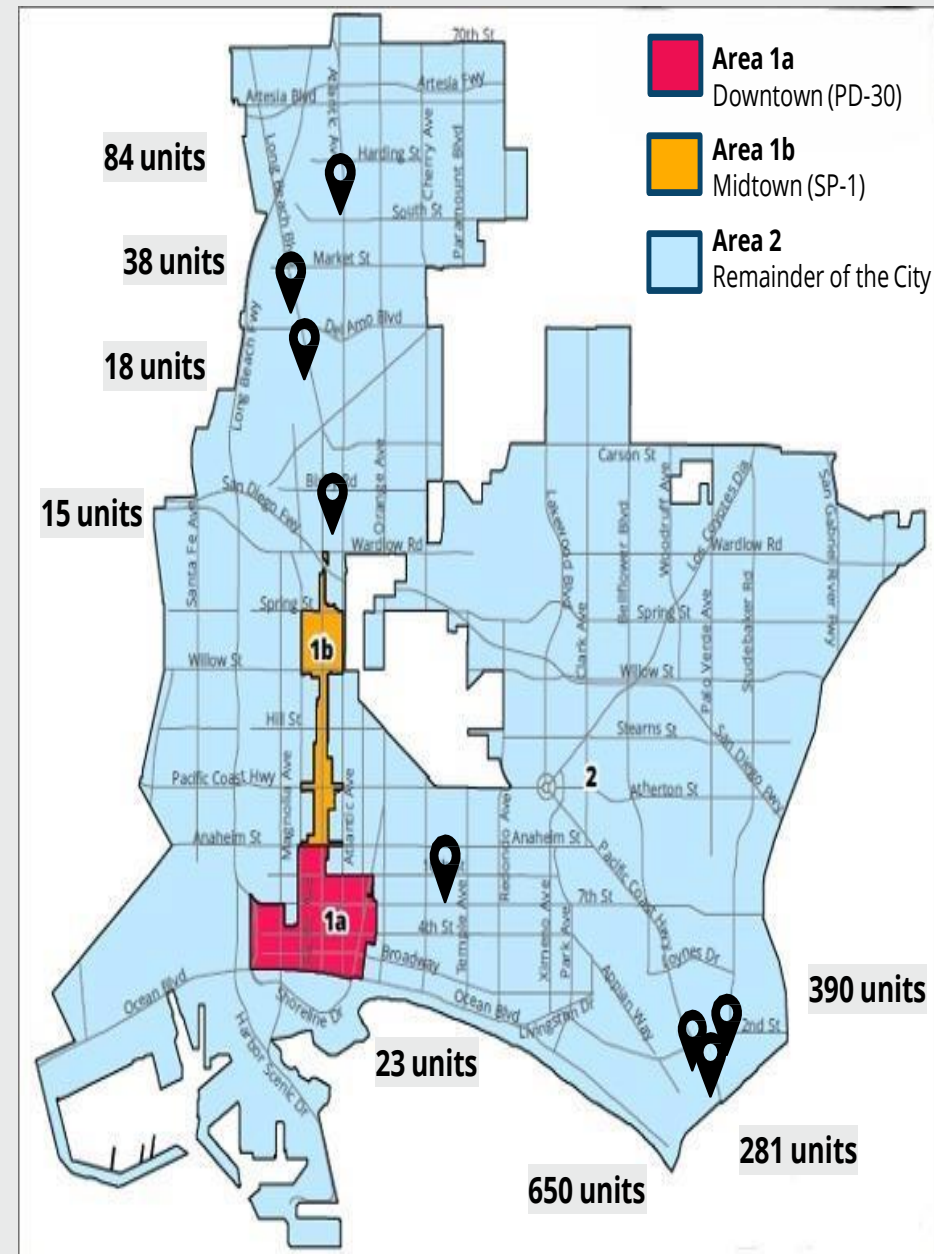
## 2021 City Council Adopted Policy

<b>Rental Housing</b>	11% of Total Project Units 100% Very Low-Income
<b>Ownership Housing</b>	10% of Total Project Units 100% Moderate Income



# The City's Commitment to Expand Inclusionary Housing Citywide

- The current Policy applies to new housing development with 10+ units only in Downtown and Midtown.
- As part of the 2022 Housing Element update, the City committed to expanding Inclusionary requirements citywide in 2024 to help address documented fair housing disparities.
- Housing development has also increased since the Policy was adopted. This marks an opportune time to expand the Policy citywide to facilitate mixed-income housing production and prevent displacement.



# Rental Projects: Possible Affordability Options

- City staff reviewed possible Inclusionary affordability options for rental housing developments.

2024 Income Limits for a Family of Four	
Income Level	Income Limit
Very Low-Income	\$69,350
Low-Income	\$110,950
Moderate Income	\$117,850

## Expand the current requirements citywide

Income Level	Inclusionary Requirement
Very Low-Income	11%



# Rental Projects: Option B

## Apply mixed-income requirements citywide

2020 Planning Commission Approach

Income Level	Inclusionary Requirement
Very Low-Income	3%
Low-Income	3%
Moderate Income	6%
<b>Total:</b>	<b>12%</b>

# Rental Projects: Option C

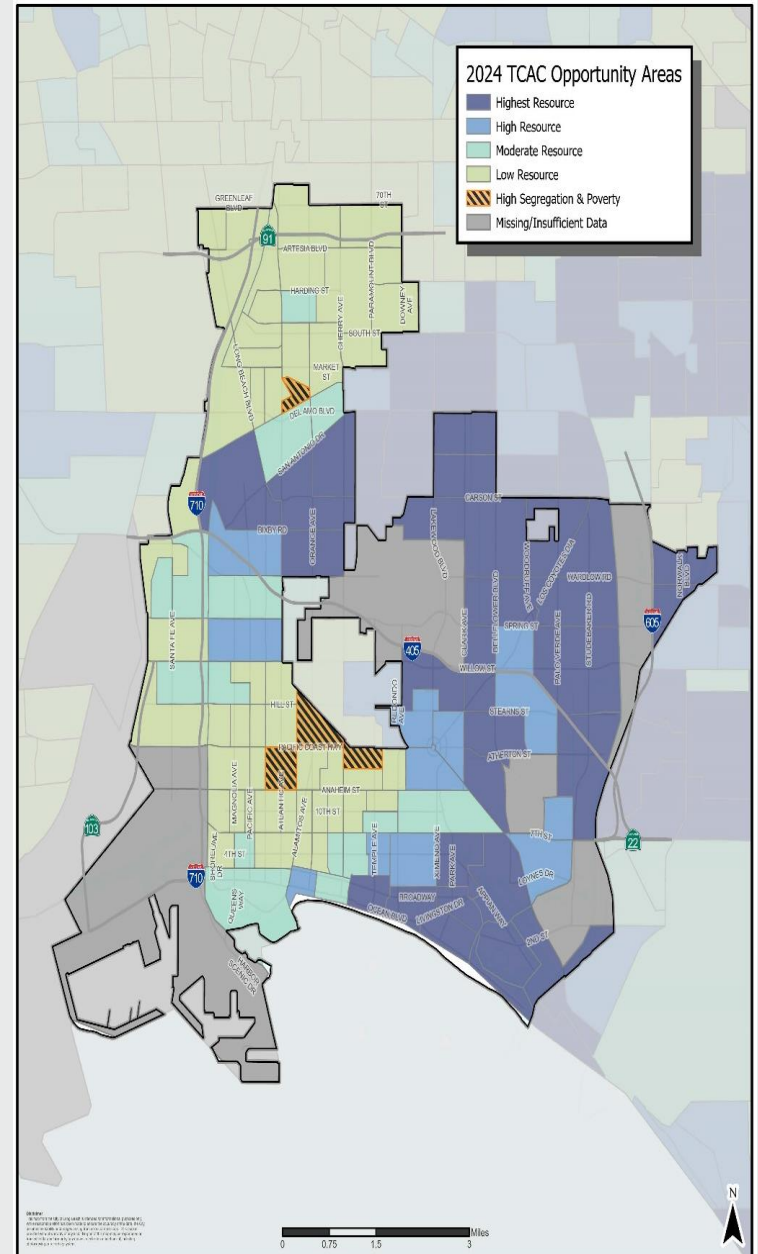
## Apply affordability requirements based on Long Beach Opportunity Areas

City staff recommend this option as a data-driven, equity approach

Opportunity Areas	Income Level	Inclusionary Requirement
High & Highest Resource	Very Low-Income	11%
Moderate Resource	Very Low-Income	6%
	Low-Income	3%
	Moderate Income	3%
Low Resource & High Segregation/Poverty	Moderate Income	19%

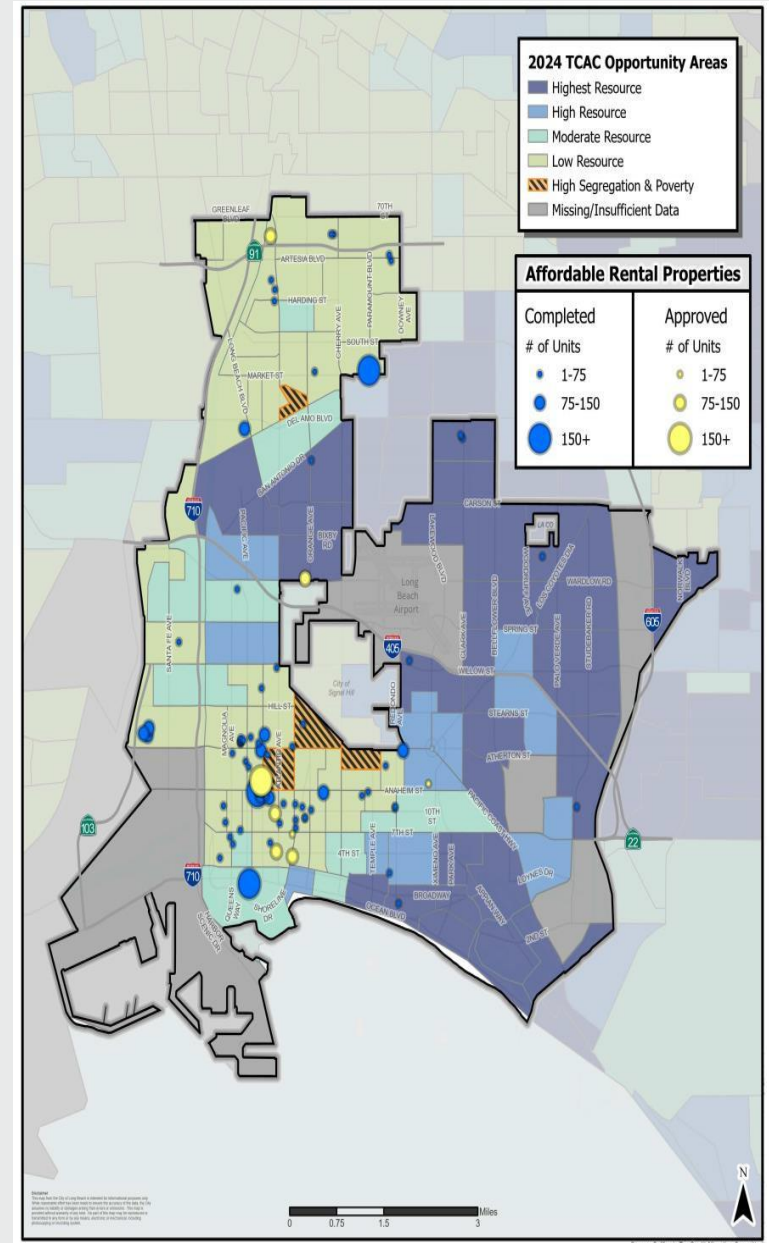
# Long Beach Opportunity Areas

- The State identifies Opportunity Areas based on characteristics associated with economic, educational and health outcomes for low-income families.
- The framework supports the State mandate to affirmatively further fair housing:
  - Combat discrimination
  - Overcome patterns of segregation
  - Foster inclusive communities
  - Increase access to opportunity



# Applying Inclusionary Requirements Based on Opportunity Areas

- Historically, little to no affordable housing has been built in higher-resource areas of Long Beach.
- This has maintained historical racial and economic segregation across Long Beach.
- Tying Inclusionary affordability levels to Opportunity Areas is a data-driven approach to help address segregation and increase equitable access to opportunity.



# Mixed-Income Requirements: Proposed Policy Modifications

If City Council approves Inclusionary requirements with a mix of affordability levels, City staff propose the following additional policy modifications:

- Add a provision that allows City staff flexibility to round fractional units across income levels when applying the Inclusionary percentages. For example, 0.2 Very Low-Income, 0.4 Low Income and 0.2 Moderate Income fractional units could be delivered as 1.0 Moderate Income unit.
- Remove the requirement that in-lieu fees for rental projects must be used to develop rental housing specifically for very low-income households, to allow for a mix of affordability levels.

# Proposed Policy Modifications

- 1. Inclusionary unit calculation:** Round up fractional units, rather than allowing the option to pay an in-lieu fee.
- 2. Alternative compliance options:** Designate the approval body as the Planning Commission, rather than the City Council.
- 3. Land dedication option:** Remove the requirement that the land must be located within one mile of the housing development. Location will still be appropriate and reviewed and approved by staff or the decisionmaking body.



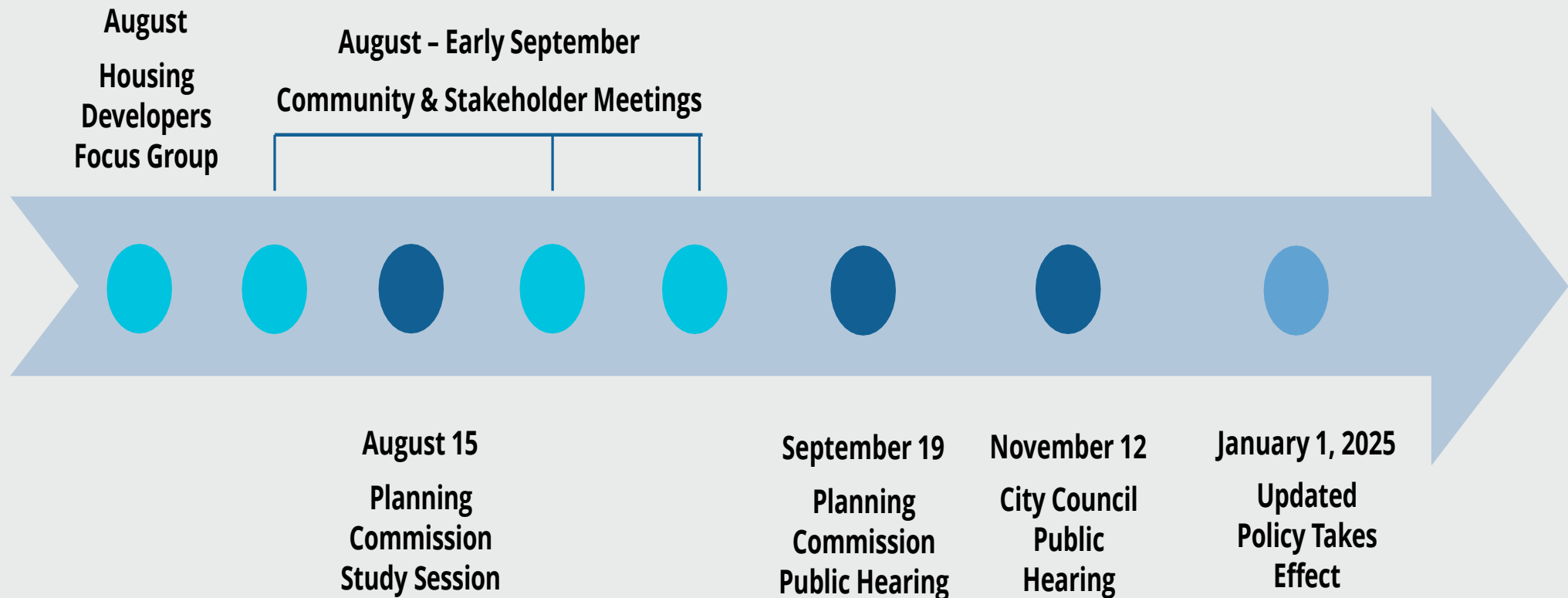


# Proposed Policy Modifications (cont.)

4. **Ownership units:** Add requirement that units must be sold to first-time homebuyers.
5. **Flexibility for developments that exceed the Inclusionary affordability requirements:** Allow staff flexibility to amend or suspend Inclusionary affordability restrictions when the percentage of affordable units exceed the Inclusionary requirement.



# Next Steps







Thank you

**Christopher Koontz**

Director

Community Development Department

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