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## MEMORANDUM

**DATE:** November 22, 2024

**To:** Stephanie Harper  
Development Project Manager, City of Long Beach

**FROM:** Ryan Bensley, AICP, Principal Environmental Planner

**SUBJECT:** California Environmental Quality Act (CEQA) Section 21166 of the Public Resources Code, Sections 15162, 15163, and 15061(b)(3) Exemption Justification for Proposed Amendments to the City of Long Beach's Inclusionary Housing Regulations

The City of Long Beach (City) proposes amendments to Chapter 21.67, *Inclusionary Housing*, of the Long Beach Municipal Code (LBMC) (Inclusionary Housing Regulations). The Inclusionary Housing Regulations currently apply to certain residential development in the Downtown and Midtown Submarket (see LBMC Ch. 21.67.030). The proposed project would amend LBMC Chapter 21.67 to extend the Inclusionary Housing Regulations to the entire City, introduce new and modify existing definitions relating to affordability requirements, implement a schedule for phasing in the Inclusionary Housing Requirements, modify the affordability requirements for rental and ownership housing units, and add or revise several technical provisions applicable to the Inclusionary Housing Regulations, including increased flexibility in working with fractional units and alternative compliance options. The proposed Zoning Code Amendment (ZCA24-003) would affect the implementing plan of the City's Local Coastal Program and would require a Local Coastal Program Amendment (LCPA24-003). The proposed project is subject to approval by the California Coastal Commission (CCC) for those areas within the Coastal Zone. Because the proposed project requires discretionary approval, it is subject to the California Environmental Quality Act (CEQA). The City would serve as the lead agency for the purposes of CEQA.

In accordance with CEQA and the *State CEQA Guidelines*, this project is within the scope of what was analyzed in the previously certified Program Environmental Impact Report (PEIR) EIRA 03-16 (SCH NO. 2015051054) prepared for the General Plan Land Use Element update. The proposed amendment to the City's Inclusionary Housing Regulations will not result in any new significant impacts or any impacts greater than those analyzed in the PEIR. None of the conditions requiring a new subsequent or supplemental environmental impact report, as stated in Section 21166 of the Public Resources Code or in Sections 15162 or 15163 of the CEQA Guidelines, are present.

Furthermore, Section 15061(a) of the *State CEQA Guidelines* states that once a lead agency has determined that an activity is a project subject to CEQA, a lead agency shall determine whether the project is exempt from CEQA. Section 15061(b)(3) states:

*A project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.*

The proposed project would refine and improve the effectiveness of the City's Inclusionary Housing Regulations, which serve as an important tool for implementing the City's Housing Element by facilitating the production of affordable housing consistent with the various development policies provided for in the City's General Plan and Zoning Ordinance; however, the proposed project would not require new housing construction nor result in any development impacts.

The regulatory amendments would expand the scope of the Inclusionary Housing Regulations to apply Citywide; however, all residential developments in the City would still be required to adhere to relevant land use policies and zoning and building regulations. The proposed amendments would be consistent with the policies of the Land Use Element of the City's General Plan and would help further policy goals such as Land Use Element Goal No. 5: Diversify Housing Opportunities. Accordingly, the regulatory amendments would not result in changes to the City's General Plan land use policies, requiring an addendum or supplement to the PEIR for the Land Use Element.

The amendments to the Inclusionary Housing Regulations would add and refine definitions applicable to the policy, including adding very-low income to the currently identified low and moderate income households. The inclusionary housing requirements would be modified for both rental and ownership units in both Downtown and Midtown, as well as Citywide, by adding income level inclusion percentage requirements and a phasing schedule for implementation. In addition, the regulatory amendments provide revised guidance for computing the total number of inclusionary units per development and provide increased flexibility in moving or combining fractional units to create additional units applicable to the lowest income level, as well as provide provision of sale of certain inclusionary units to First Time Home Buyers. The regulatory amendments also revise developers' alternative compliance options by reassigning approval authority from the City Council to the Planning Commission and by revoking the one mile requirement for dedication of land for use as an alternate development site for inclusionary housing. Finally, the regulatory amendments revise the use of in lieu fees in place of inclusionary housing development. As the amendments are focused on regulatory compliance, procedural refinements, and policy enforcement—without inducing changes in land use, physical development, or environmental conditions—there is no reasonable expectation that these changes would result in impacts that would have significant effects on the environment.

*State CEQA Guidelines* Section 15061(b)(3) applies to this project because the proposed amendments strictly focus on refining the regulatory framework of the Inclusionary Housing Regulations without promoting or requiring any new or additional development, nor altering the scope, density, or location of existing or future residential projects. The amendments primarily focus on adjusting regulations for affordable housing, such as expanding definitions for "very low-income households," "affordable rent," and "first-time home buyers;" clarifying compliance criteria for income levels and resource areas; and introducing administrative changes such as shifting approval authority for alternative

compliance methods—like paying in-lieu fees or dedicating land—from the City Council to the Planning Commission. Therefore, the “Common Sense Exemption” (*State CEQA Guidelines* Section 15061(b)(3)) is the appropriate exemption for this project.

Based on the findings above, the amendments to the City of Long Beach’s Inclusionary Housing Regulations qualify for a “Common Sense Exemption” pursuant to the California Code of Regulations, Title 14, Division 6, Chapter 3, Article 5, Section 15061(b)(3).