

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH AMENDING CHAPTER 21.67 OF
THE ZONING REGULATIONS TO EXPAND INCLUSIONARY
HOUSING

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

Section 1. The Long Beach Municipal Code is hereby amended by
amending Section 21.67.010 to read as follows:

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 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 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
incomes.

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

1 and Housing element.

2 C. To provide and maintain affordable housing opportunities in
3 the community through an inclusionary housing program for both ownership
4 and rental housing, and in furtherance of that goal, include rental
5 inclusionary housing requirements in this Chapter consistent with California
6 Government Code Section 65850(g).

7 D. To provide the residential development community with
8 alternatives to construction of the inclusionary units within a market-rate
9 residential development.
10

11 Section 2. The Long Beach Municipal Code is hereby amended by
12 amending Section 21.67.020 to read as follows:

13 21.67.020 – Definitions

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

17 A. "Adjusted for Household Size Appropriate for the Unit" means
18 the household sizes defined in California Health and Safety Code Section
19 50052.5. This adjustment is used solely for the purposes of calculating the
20 affordable rent and affordable sales price. For this purpose only, the
21 household size is set at the number of bedrooms in the unit plus one.

22 B. "Affordable Rent" means the maximum monthly rent, including
23 an allowance for tenant paid utilities, for (i) very low-income households as
24 defined in California Health and Safety Code Section 50053, or (ii) low-
25 income households, as defined in California Health and Safety Code
26 Section 50053. The calculation is as follows: (i) one-twelfth of thirty percent
27 (30%) of the applicable percent (50% or 60%) of area median income
28 adjusted for household size appropriate for the unit or (ii) market rent,

1 whichever is less.

2 C. "Affordable Sales Price" means the maximum purchase price
3 for moderate-income households as defined in California Health and Safety
4 Code Section 50052.5. The calculation is as follows: not be less than
5 twenty-eight percent (28%) of the gross income of the household, nor
6 exceed thirty-five percent (35%) times the applicable percentage of area
7 median income as shown in Table 21.67-2, adjusted for household size
8 appropriate for the unit. The affordable sales price shall include a
9 reasonable down payment, and monthly housing cost payments as defined
10 in California Code of Regulations, Title 25, Section 6920. These payments
11 include principal and interest on a mortgage loan, private mortgage
12 insurance, property taxes and assessments, a utility allowance established
13 by the Housing Authority of the City of Long Beach, homeowner's
14 insurance, homeowner's association dues, and a reasonable allowance for
15 property maintenance and repairs, all as determined by the City.

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

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

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

28 G. "Building Permit" includes full structural building permits as

1 well as partial permits such as foundation-only permits.

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

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

8 1. Touching another parcel at any point;
9 2. Separated from another parcel at any point only by a
10 public right-of-way, private street or way, or public or private utility, service,
11 or access easement; or

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

15 J. "Density Bonus Units" means dwelling units approved in a
16 residential development pursuant to California Government Code Section
17 65915 et seq., Chapter 21.63, or Chapter 21.68 of the Long Beach
18 Municipal Code that are in excess of the maximum allowable residential
19 density otherwise permitted by the City.

20 K. "Downtown Submarket" means those areas of the City located
21 within the Downtown Plan Area (PD-30) as delineated on the City's Zoning
22 Use District Map.

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

26 M. "First Time Home Buyer" means an individual who meets any
27 of the following criteria:

28 1. An individual who has had no ownership in a principal

1 residence during the 3-year period ending on the date of purchase of the
2 property. This includes a spouse (if either meets the above test, they are
3 considered first-time homebuyers).

4 2. A single parent who has only owned with a former
5 spouse while married.

6 3. An individual who is a displaced homemaker and has
7 only owned with a spouse.

8 4. An individual who has only owned a principal residence
9 not permanently affixed to a permanent foundation in accordance with
10 applicable regulations.

11 5. An individual who has only owned a property that was
12 not in compliance with state, local or model building codes and which
13 cannot be brought into compliance for less than the cost of constructing a
14 permanent structure.

15 N. "HCD" means the California Department of Housing and
16 Community Development.

17 O. "High Resource Area" means those areas designated as high
18 resource areas on the Submarket Areas Map.

19 P. "Housing Element" means the then-current Housing Element
20 of the City's General Plan prepared in accordance with state housing law.

21 Q. "Housing Trust Fund" means the fund or account established
22 by Section 3.92 of the Long Beach Municipal Code.

23 R. "Inclusionary Housing Regulatory Agreement" means an
24 agreement in conformance with Section 21.67.090.B between the City and
25 an applicant, governing how the applicant shall comply with this Chapter.

26 S. "Inclusionary Housing Guidelines" means any requirements
27 for implementation and administration of this Chapter adopted by the City in
28 accordance with Section 21.67.090.D.

1 T. "Inclusionary Housing Plan" means a plan containing all of the
2 information specified in and submitted in conformance with Section
3 21.67.090.A, specifying the manner in which inclusionary units will be
4 provided in conformance with this Chapter and any adopted inclusionary
5 housing guidelines.

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

9 V. "Low-Income Households" are those households whose
10 income does not exceed eighty percent (80%) of the area median income
11 as published annually by HCD, adjusted for the actual number of persons in
12 the household.

13 W. "Low Resource Area" means those areas designated as low
14 resource areas on the Submarket Areas Map.

15 X. "Market-Rate Unit" means a new dwelling unit in a residential
16 development that is not an inclusionary unit subject to recorded affordability
17 restrictions that meet the requirements of this Chapter.

18 Y. "Midtown Submarket" means those areas of the City within the
19 Midtown Plan Area (SP-1) as delineated on the City's Zoning Use District
20 Map.

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

25 AA. "Moderate Resource Area" means those areas designated as
26 moderate resource areas on the Submarket Areas Map.

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

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

CC. "Planning Entitlement" means any discretionary approval of a residential development including, but not limited to, a general or specific plan adoption or amendment, rezoning, tentative map, parcel map, conditional use permit, variances, site plan review, or local coastal development permit.

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

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

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

1 FF. "Submarket(s)" means the Downtown Submarket, the
2 Midtown Submarket, the High Resource Area, the Low Resource Area and
3 the Moderate Resource Area, or any applicable combination thereof.

4 GG. "Submarket Areas Map" means that certain map prepared and
5 published by the City Community Development Department assigning all
6 parcels of real property within the City of Long Beach to a Submarket.

7 HH. "Very Low-Income Household" are those households whose
8 income does not exceed 50 percent (50%) of the area median income as
9 published annually by HCD, adjusted for the actual number of persons in
10 the household.

11
12 Section 3. The Long Beach Municipal Code is hereby amended by
13 amending Section 21.67.030 to read as follows:

14 21.67.030 – Applicability.

15 The provisions of this Chapter shall apply as follows:

16 A. All residential development located in the City of Long Beach
17 except for any residential development exempt under Section 21.67.040.

18
19 Section 4. The Long Beach Municipal Code is hereby amended by
20 amending Section 21.67.040 to read as follows:

21 21.67.040 – Exemptions.

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

- 24 1. Residential developments with nine (9) or fewer units.
25 2. Residential developments which are developed in
26 accordance with the terms of a development agreement adopted by
27 ordinance pursuant to the authority and provisions of California Government
28 Code Section 65864 et seq. and/or Chapter 21.29 of the Long Beach

1 Municipal Code, and that is executed prior to the effective date of this
2 Chapter, provided that such residential developments shall comply with any
3 inclusionary housing requirements included in the development agreement
4 or any predecessor ordinance in effect on the date the development
5 agreement was executed.

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

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

16 5. Residential developments in which at least forty-nine percent (49%) of
17 the total units will be restricted by a recorded regulatory agreement to very-low or low-
18 income households.

19 B. Planning entitlement expiration. Upon the expiration of any
20 planning entitlement, and unless otherwise exempted, the residential
21 development shall be subject to the inclusionary housing requirements of
22 this Chapter in effect as of the date of such expiration, and shall not
23 proceed until such time as an inclusionary housing plan is approved in
24 conjunction with any other required planning entitlement or amendment
25 thereto. The provisions of this Chapter shall also apply to any residential
26 development which is granted a discretionary extension of a planning
27 entitlement after the effective date of this Chapter, to the extent consistent
28 with state law.

Section 5. The Long Beach Municipal Code is hereby amended by amending Section 21.67.050 to read as follows:

21.67.050 – Inclusionary Housing Requirement.

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

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

1. Ownership residential development in the Downtown Submarket and the Midtown Submarket prior to 2025. For all applications for first approval of an ownership residential development in the Downtown Submarket or Midtown Submarket submitted prior to calendar year 2025, the applicant shall provide the applicable percentage of the units in the residential development available at an affordable sales price to moderate-income households, in accordance with Table 21.67-1.

Table 21.67-1

Inclusionary Housing Requirements for Ownership Developments 2021-2024

<u>Calendar Year</u>	<u>Moderate Income Affordability Level (Percentage of Area Median Income)</u>	<u>Inclusionary Requirement Percentage of units in the development</u>
<u>2021</u>	<u>120%</u>	<u>4%</u>
<u>2022</u>	<u>120%</u>	<u>5%</u>
<u>2023 & 2024</u>	<u>120%</u>	<u>10%</u>

2. Ownership residential development in the City of Long Beach during 2025 and thereafter. For all applications for first approval of an ownership residential development in the City of Long Beach submitted beginning on the effective date during calendar year 2025 and thereafter, the applicant shall provide the applicable percentage of the units in the residential development available at an affordable sales price to households at the specific income levels provided, each in accordance with Table 21.67-2, and the inclusionary units required hereunder must be sold to First Time Home Buyers.

Table 21.67-2

Inclusionary Housing Requirements for Ownership Developments Beginning 2025

Milestone Threshold	Affordability Level (Percentage of Area Median for Household Eligibility Determination)	Affordability Level (Percentage of Area Median Income for Affordable Sales Price Determination)	Inclusionary Requirement <i>Percentage of units in the development</i>
Beginning on the effective date in 2025 and continuing through the later of (i) December 31, 2026 or (ii) the date on which at least 200 new units within Ownership Residential Developments are entitled City-wide ("First Inclusionary Milestone").	200%	200%	10%
Beginning on the date immediately after the First Inclusionary Milestone and continuing through the later of (i) the first anniversary of the First Inclusionary Milestone or (ii) the date on which at least 200 new units within Ownership Residential Developments are entitled City-wide (in addition to those entitled prior to the First Inclusionary Milestone) ("Second Inclusionary Milestone").	150%	150%	10%

Beginning on the date immediately after the Second Inclusionary Milestone and continuing through the later of (i) the first anniversary of the Second Inclusionary Milestone or (ii) the date on which at least 200 new units within Ownership Residential Developments are entitled City-wide (in addition to those entitled prior to the Second Inclusionary Milestone) ("Third Inclusionary Milestone").	135%	135%	10%
Beginning on the Third Inclusionary Milestone and continuing thereafter.	120%	110%	10%

3. Rental residential development in the Downtown

Submarket and Midtown Submarket prior to 2025. For all applications for first approval of a rental residential development in the Downtown Submarket or Midtown Submarket submitted prior to the effective date in calendar year 2025, the applicant shall provide the applicable percentage of the units in the residential development available at an affordable rent to very low-income households in accordance with Table 21.67-3.

Table 21.67-3

Inclusionary Housing Requirements for Rental Developments 2021-2024

Calendar Year	Inclusionary Requirement <i>Percentage of units in the development</i>
2021	5%
2022	6%
2023 & 2024	11%

4. Rental residential development in the City of Long

Beach during 2025 and thereafter. For all applications for first approval of

rental residential development in the City of Long Beach submitted beginning on the effective date in calendar year 2025 and thereafter, the applicant shall provide the applicable percentage of the units in the residential development available at the applicable affordable rent levels, each in accordance with Table 21.67-4 and consistent with the Submarket Areas Map. The Submarket Areas Map depicting the Submarkets referenced in Table 21.67-4 shall be updated periodically or as necessary by the City Community Development Department, and said map and all notations, references and other information shown on it are incorporated by reference and shall be deemed as much a part of this Title as if the matters and information set forth by said map were fully described in this Chapter.

Table 21.67-4

Inclusionary Housing Requirements for Rental Developments Beginning 2025

Inclusionary Housing Affordability Requirements: Rental Residential Developments				
Submarket	Affordability Level	Inclusionary Requirement Percentage of Units in the Development		
		2025	2026	2027 and thereafter
Downtown Submarket	Very Low-Income	6%		
	Low-Income	6%		
	<i>Total:</i>	12%		
Midtown Submarket	Low-Income	12%		
High Resource Area	Very Low-Income	4%	5%	8%
	Low-Income	2%	3%	4%

	<i>Total:</i>	6%	8%	12%
Moderate Resource Area	Very Low-Income	3%	4%	6%
	Low-Income	3%	4%	6%
	<i>Total:</i>	6%	8%	12%
Low Resource Area	Low-Income	6%	7%	12%

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

required in a rental residential development with over 20 total units, fractions of an inclusionary unit shall be rounded up. In computing the total number of inclusionary units required in an ownership residential development or rental residential development of 20 units or less, fractions of an inclusionary unit shall either be: (i) rounded up, or (ii) provided by the payment of an in-lieu fee as established in Section 21.67.080.A. Fractional units applicable to households of different income levels in the same residential development may be added together and applied toward unit(s) at the lowest required income level. If a residential development is included in more than one Submarket, then the total number of inclusionary units shall be calculated as though the entirety of the residential development is located in a single Submarket as designated in accordance with the inclusionary housing guidelines.

3. When a residential development includes both

ownership and rental dwelling units, the provisions of this Chapter that

1 apply to ownership residential development shall apply to that portion of the
2 development that consists of ownership dwelling units, while the provisions
3 of this Chapter that apply to rental residential development shall apply to
4 that portion of the development that consists of rental dwelling units.

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

21
22 Section 6. The Long Beach Municipal Code is hereby amended by
23 amending Section 21.67.080 to read as follows:

24 21.67.080 – Developers’ Alternative Compliance Options.

25 A. In-Lieu Fee. All: (i) ownership residential
26 developments, (ii) rental residential developments proposing twenty (20) or
27 less dwelling units, and (iii) residential developments specifically authorized
28 by an action of the City Council after a finding of hardship has been made,

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

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

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

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

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

7 6. The land to be dedicated must be located within one
8 (1) mile of the residential development that is subject to the requirements of
9 this Chapter, unless the land to be dedicated is in a High Resource Area.

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

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

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

21 C. Other alternative compliance methods. A developer may
22 propose an alternative compliance method to provide inclusionary units
23 through other means consistent with any adopted inclusionary housing
24 guidelines and Housing Element policies and goals to affirmatively further
25 fair housing in the City. City staff shall evaluate a developer's proposal and
26 issue recommendations to the City Council regarding the proposal's
27 compliance with the City's Housing Element policies, fair housing goals,
28 and Regional Housing Needs Assessment. The City Council will consider

1 such recommendations and may approve or conditionally approve such an
2 alternative only if the City Council determines, based on substantial
3 evidence, that such alternative compliance will provide as many or more
4 inclusionary units at the same or lower income levels or will otherwise
5 provide greater public benefit than would provision of the inclusionary units
6 on-site.

7
8 The compliance options in Paragraphs A and B of this Section do not
9 qualify the residential development for a density bonus or other regulatory incentives
10 unless the dedication of land conforms to the provisions of Government Code Section
11 65915(g).

12
13 Section 7. The Long Beach Municipal Code is hereby amended by
14 amending Subsection 21.67.090 (B) as follows:

15 B. Inclusionary housing regulatory agreement. The applicant
16 shall enter into an inclusionary housing regulatory agreement with the City,
17 in a form approved by the City Attorney, to be executed by the City
18 Manager or their designee, to ensure that all the requirements of this
19 Chapter are satisfied. The inclusionary housing regulatory agreement shall
20 be recorded against the residential development (and contiguous property
21 under common ownership and control in accordance with Section
22 21.67.050.C) no later than thirty (30) days after such residential
23 development has submitted for plan check.

24
25 Section 8. The Long Beach Municipal Code is hereby amended by
26 amending subsection 21.67.110(C) as follows:

27 C. After payment of expenses, if any, described in Paragraph B
28 of this Section, all of the remaining moneys deposited in the Housing Trust

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Fund pursuant to this Chapter shall be expended to provide affordable housing assistance.

Section 9. The City Clerk shall certify to the passage of this ordinance by the City Council and cause it to be posted in three (3) conspicuous places in the City of Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the Mayor.

I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Long Beach at its meeting of _____, 2025, by the following vote:

Ayes:	Councilmembers:	_____

Noes:	Councilmembers:	_____

Absent:	Councilmembers:	_____

Recusal(s):	Councilmembers:	_____

		City Clerk

Approved:	_____	_____
	(Date)	Mayor