

**HOUSING LB**

9-18-06 PROPOSED AMENDMENTS TO CONDOMINIUM CONVERSION FEE ORDINANCE, LBMC Article 4, Chapter 20.32

- 1. **Increase Fee Level to 5%**  
Amend Sec. 20.32.430. B. by replacing 1.5% with 5% (Page 4, line 14)
- 2. **Targeting of the Fee in the HTF**  
Amend Sec. 20.32.430. E. to read as follows: "All of the sums collected pursuant to this Article shall be placed in the Housing Trust Fund of the City and shall be used solely for *housing assistance and home ownership opportunities to extremely low income households.*" (Page 5, lines 14-16) (New language italicized)
- 3. **Exemption for Affordable Units**  
Amend Sec. 20.32.440. E. to read as follows: "*Converted buildings where 10% or more of the units* will remain affordable to low or very low income households by deed restrictions, satisfactory to the Housing Services Bureau for at least thirty (30) years." (Page 6, lines 4-6) (New language italicized)

---

Explanation of Amendments

- 1. A 1.5% fee level is insufficient to address the negative impacts that conversions have on our rental stock. A 5% fee will allow for balanced development in Long Beach, taking into account the needs of both owners and renters.
- 2. To withstand a legal challenge, the fee must be targeted to the half of the Housing Trust Fund that is dedicated to the extremely low income. There is no legal support, in the Ordinance or Nexus Study, for using the fee for rental or ownership units for those earning 150% of area median income.
- 3. The exemption for affordable units is too strict and unrealistic because it does not provide developers with sufficient incentives to set aside affordable units in converted buildings. The exemption should be amended so that ALL units in a converted building are exempt from the fee if 10% of the units are set aside as affordable to very low or low income households for 30 years.