

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

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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 Long Beach, including the adoption of an inclusionary housing ordinance codified as
10 Section 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. The fees established by this Resolution
10 shall only be used by the City for the creation of new affordable units and shall not be
11 used to rehabilitate or otherwise subsidize existing market rate units.

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

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15 any other previously-enacted resolution(s) are hereby repealed and shall no longer be of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

17 Section 7. The City Clerk shall certify to the passage of this resolution by
18 the City Council and cause it to be posted in three conspicuous places within the City and
19 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 January 19, 2021 by the following vote:

Ayes: Councilmembers: Zendejas, Allen, Price, Supernaw, Mungo, Saro, Uranga, Austin, Richardson.

Noes: Councilmembers: None.

Absent: Councilmembers: None.

Recusal(s): Councilmembers: None.


City Clerk

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