



Housing Ordinances

July 16, 2020 – Study Session

Proposed Ordinances

Housing Ordinances

- Informal Dwelling Units Amnesty Program (i.e. Legalization of Unpermitted Units)
- Enhanced Density Bonus (i.e. Super Density Program)
- Micro-Units Pilot Program

Informal Dwelling Unit Amnesty Program

Goals

- Implement Everyone Home recommendation 2e to expand the number of rent-stabilized units
- Implement Policy 1.1 of the Mayor's Study Group to encourage the preservation of existing housing stock
- Increase the number of housing units "produced" in order to meet RHNA obligations



Informal Dwelling Unit Amnesty Program

Process for Legalization of “Unpermitted” Housing Units

Current

- Requires approval by the Zoning Administrator at a public hearing
- Limited to units created prior to 1964



Proposed

- Allow for approval through a ministerial Site Plan Review
- Building Bureau Special Inspection
- Applicant (only) appeals to Planning Commission

Informal Dwelling Unit Amnesty Program

Program Details

Target Units	Units that do not qualify for legalization as ADUs
Eligible Zones	All excluding heavy industrial zones
Date of Occupancy	Occupied, as a residence, for more than 30 continuous days prior to December 31, 2016
Affordability Covenant	<ul style="list-style-type: none">• The lower of: 1) the existing tenant's income level or 2) moderate income rent restriction for a period of 10-years• Shall be subject to annual covenant monitoring fee
Density Restrictions, Parking and All Other Development (Planning) Standards	Waived
Fire, Life, and Safety	Building permit and inspection required, may be subject to adaptive reuse/historic building code relief

Informal Dwelling Unit Amnesty Program

Why Adopt This Ordinance

- Retain and legalize existing units
 - Creates a pathway to legalizing existing units, beyond what is allowed by existing regulations
 - Expand the number of naturally occurring affordable units and rent stabilized units
 - Provide the tenant the benefit of a formal unit and associated landlord/tenant protections
- Allow for approval through a ministerial Site Plan Review
 - Streamline the review process
 - Minimize uncertainty in the approval process
- Ensure units are brought up to current fire, life and safety standards through the legalization process

Enhanced Density Bonus

Goals

- Increase housing production outside of downtown
- Provide an incentive structure adequate to support inclusionary housing
- Implement recommendations to expand the number of rent-stabilized units
 - Mayor's Study Group recommendation 1.4
 - Everyone Home recommendations 2a and 2e



Enhanced Density Bonus

Current Regulations



- State Density Bonus
 - 35% maximum density bonus
 - Other incentives and concessions
 - Bonuses and incentives have not been sufficient to attract projects

Why Adopt this Ordinance?

- Allows density bonuses and incentives in excess of State Density Bonus
- Stimulate housing production
 - Increase both market-rate and affordable units
 - Increased bonuses and incentives needed to help off-set the cost of providing affordable units

Enhanced Density Bonus

Tiers

- Base Density Bonus – most areas of the City
- High Quality Transit Areas (HQTA)
 - HQTA bus corridors (as defined in State law) - primarily Anaheim St. corridor
 - HQTA rail areas (as defined in State law) - primarily Downtown and A-train stations

No Double Dipping

- Applicant may request use of enhanced density bonus ordinance provision or Government Code 65915 state density bonus but may **not** utilize both programs



Enhanced Density Bonus

Program Details

Approval Process	Site Plan Review Committee
Maximum Density Bonus/ Affordability Requirement	<ul style="list-style-type: none">• Max Bonuses Range from 70-100%, depending on tier• Percentage of affordable units range from 3-17% for VLI, 3-20% for LI and 6-24% for Moderate Income, based on tier
Total Bonus Maximum	<ul style="list-style-type: none">• Total bonus shall not exceed 100%• Concessions shall not exceed nine (9)
Related Code Amendments	<p>No-net-loss, apply Government Code 65193(c)(3) to Density Bonus Ordinance</p> <p>Add (2) findings to 21.25.506 to address:</p> <ul style="list-style-type: none">a) Housing Element no-net-loss; andb) Physical no-net-loss per 65913 (c)(3)

Enhanced Density Bonus

Additional Eligible Bonuses



Large/Family Units

- Additional 20% bonuses



On-Site Childcare Facilities

- Exempt from FAR and parking calculations
- Project is eligible for one additional on-menu incentive



Parking

- No parking required for 100% affordable projects

Enhanced Density Bonus

On-Menu Incentives

- FAR increase of 40%
- Reductions in:
 - Non-residential parking
 - Open-space
 - Transitional height requirements
 - Setback (each yard reduction counts as one concession)
- Allowance for all shared/public (in lieu of private) open space
- Averaging of FAR, density, parking open spaces or access across zones (one incentive per regulation averaged)

Enhanced Density Bonus

Height Incentives

On-Menu Incentives

- 1-story per incentive (story shall not exceed 12-feet)
- Max 2-story increase in base area
- 3-stories in HQTAs bus/rail areas

Off-Menu Height Incentives

- Applicant must request an off-menu incentive
- Each off-menu incentive shall:
 - Count as two incentives
 - Be reviewed by Planning Commission
- No concessions related to signage shall be granted

Enhanced Density Bonus

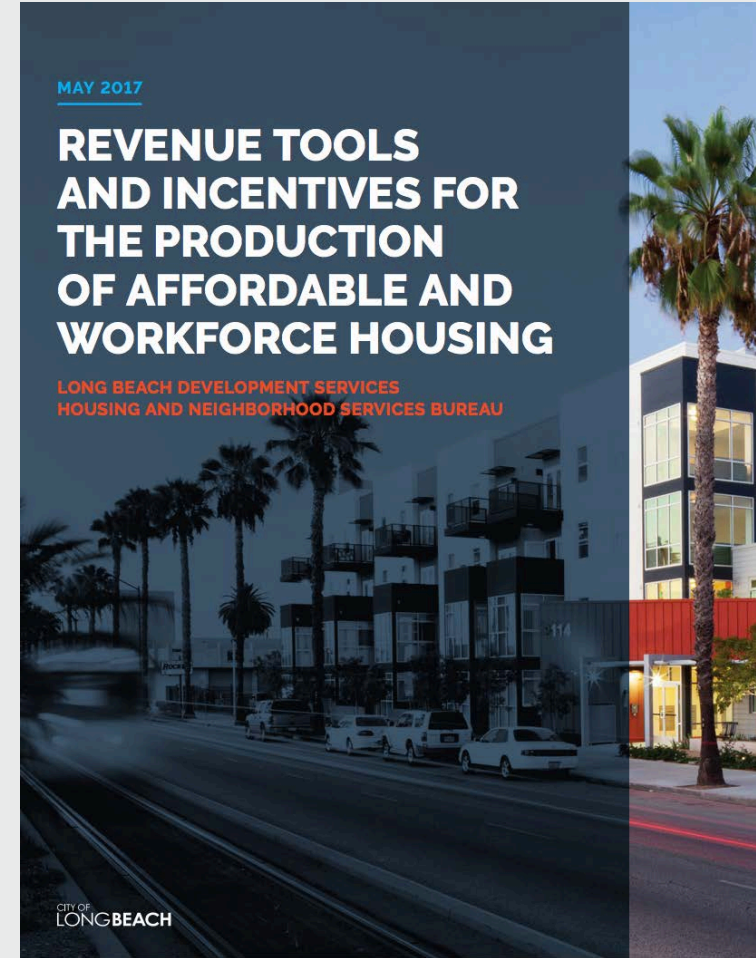
Additional Details

- Related Impact Fee Adjustments:
 - Waive impact fees on Very Low, Low, and Moderate-income units (not just VL/L and not just 100% project as applied today)
- Ordinance shall sunset if any of these conditions are met:
 - On October 1, 2030 unless extended by City Council
 - The City fulfills its 6th Cycle RHNA requirements for Very Low, Low, and Moderate-Income Units

Micro-Units Pilot Program

Goals

- Implement Policy 3.11 of the Mayor's Study Group to include micro-units as a way to encourage housing production
- Increase the number of housing units produced to meet RHNA obligations and diversify housing stock
- Offer an “affordable” housing solution for students and young professionals



Micro-Units Pilot Program

Micro-Units

- Typical Unit Size < 350 SF
- Rents are 20 – 30% lower than the rent of a studio unit
 - Market-based solution for tackling housing affordability
- Successful in walkable, amenity-rich areas
- Examples in NYC, SF, Pasadena, Boston, and other cities
- Could serve as an unusual but effective pathway into homeownership



ULI Report

Micro-Units Pilot Program

Existing Regulations

- Micro-units are not defined in the Code
- Prohibited by minimum unit size requirements
 - 600 SF, 450 SF for up to 15% of units, with SPRC approval
- Open space and parking assessed on a per-unit basis, per Code

Why Adopt this Ordinance?

- Allow 100% micro-unit projects in the City
- Diversify housing stock
- Remove barriers to allowing this less expensive rental housing typology



Micro-Units Pilot Program

Program Details

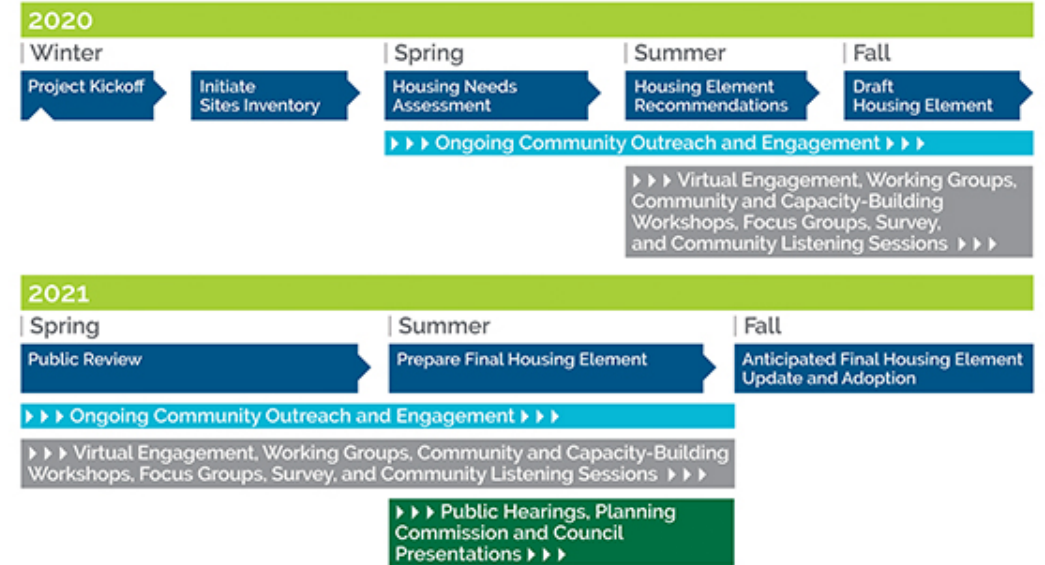
- **Approval Process:** Site Plan Review
- **Eligible Areas:** Midtown and Downtown
- **Regulatory Framework:**
 - Define micro-units and codify a process to allow micro-unit projects
 - Create a pilot program allowing up to 500 units in Downtown and Midtown
 - Revise open space to be a percentage of the lot, rather than a per unit standard
 - Allow parking reductions for incorporation of Transportation Demand Management (TDM) strategies and/or restricted affordable units
 - Pilot program will allow for testing of the regulations and for adjustments to be made, as needed

Concurrent Housing Efforts

Housing Element Update

- The proposed ordinances will implement the Housing Element
- Help the City meet its 26,000-unit RHNA requirement through 2029
- Major focus of Update will be on:
 - Removing barriers to housing production
 - Addressing homelessness and displacement
 - Ensuring the availability and fair distribution of affordable housing throughout the City

Project Timeline



Next Steps

- Continue outreach efforts and opportunities for input on housing ordinances
- Finalize proposed changes to the Code
- September 3, 2020: Tentative Planning Commission hearing date
- Fall 2020: Tentative City Council hearing
- Ordinance effective 31 days following City Council adoption



Thank you

Patricia Diefenderfer

Advance Planning Officer

Patricia.Diefenderfer@longbeach.gov



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