



Inclusionary and No-Net Loss Ordinance Updates

City Council Meeting - November 9, 2021

Background

- On January 19, 2021 and February 2, 2021, the City Council adopted Ordinances related to Inclusionary Housing and No-Net-Loss requirements. The City Council also adopted an Inclusionary Housing In-Lieu Fee Ordinance
- As part of those actions, the City Council requested five policy refinements as presented on the following slides
- Staff are recommending five policy changes to address the City Council's request

Item One

CITY COUNCIL REQUEST

- Modify the Inclusionary Housing Affordability covenants from a 55-year term to perpetuity or the life of the project

CITY STAFF RECOMMENDATION

- Modify the covenant period from a 55-year term to perpetuity for both rental and ownership inclusionary units

Item Two

CITY COUNCIL REQUEST

- Ensure In-Lieu Fees are dedicated to the production of new very low-income housing units (no rehabilitation or subsidization of existing units)

CITY STAFF RECOMMENDATION

- Modify the Inclusionary Ordinance to require all In-Lieu Fees deposited into the Housing Trust Fund be used solely for the production of new very low-income housing units

Item Three

CITY COUNCIL REQUEST

- Request to tie the In-Lieu Fees to an annual index based on changes in construction costs measured by the Engineering News Records Construction Cost Index and land costs measured by proxy of change in median condominium sales price

CITY STAFF RECOMMENDATION

- Revise the Resolution to require an annual update tied to the change in new home values as published by the Real Estate Research Council

Item Four

CITY COUNCIL REQUEST

- Modify the No-Net-Loss Affordability covenants from a 55-year term to perpetuity and remove the expiration date of 2025

CITY STAFF RECOMMENDATION

- Modify the covenant period from a 55-year term to perpetuity for both rental and ownership no-net-loss replacements and remove the expiration date of 2025

Item Five

REQUEST

- Require that all no-net-loss units be replaced onsite rather than offsite

RECOMMENDATION

- Modify the No-Net-Loss Ordinance to remove the by-right offsite option for residential projects and require the City Council adoption of offsite residential compliance plans; and continue to allow the by-right offsite option for new non-residential projects

Recommendation

- Request the City Attorney to prepare an Ordinance amending Long Beach Municipal Code (LBMC), Chapter 21.67, regarding Inclusionary Housing, to include recommendations proposed herein;
- Request the City Attorney to prepare an Ordinance amending LBMC, Chapter 21.11, regarding No-Net-Loss, to include recommendations proposed herein; and,
- Request the City Attorney prepare a Resolution amending the method of establishing an Inclusionary Housing In-Lieu Fee, to include recommendations proposed herein.



Thank you

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