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June 10, 2021

Councilmember Rex Richardson Long Beach City Hall Office 411 West Ocean Blvd. 11th Floor Long Beach, CA 90802

Re: The Long Beach Building Upgrades Incentivizing Long Term Economic Development Initiative (LB BUILD Initiative) – BIA-LAV Support & Comment Letter

Dear Councilman Richardson,

The Los Angeles/Ventura Chapter of the Building Industry Association of Southern California, Inc. (BIA), is a non-profit trade association of nearly 1,200 companies employing over 100,000 people all affiliated with building housing for all. On behalf of our membership, we would like to express our comments related to the Long Beach Building Upgrades Incentivizing Long Term Economic Development Initiative (LB BUILD Initiative). The policy initiatives to make permitting "modern, transparent, and efficient" along with enforced processing timeframes, are in alignment with the many housing solutions that BIA-LAV has championed to increase the production of all housing types. We would like to share our thoughts and comments on the proposed initiative to help support the direction of these policies.

The reason that the LB BUILD Initiative is being introduced is due to the staffing and administrative challenges faced by the City. According to <a href="staff">staff</a>, the Building and Safety Bureau has faced furloughs, layoffs and remote work adjustments. Since the start of 2021, the Bureau has reported a nearly 50% vacancy rate since, and in 2020 an overall 27% vacancy rate. This has created delays and backlogs for homebuilders and residents. These administrative hurdles should not stop desperately needed housing from coming online. Through the LB BUILD Initiative, the City has the opportunity to adopt and implement policies to meet the housing needs of all Long Beach constituents. We believe that the suggestions provided by BIA and in the Initiative can get us closer to that goal. Below we have shared our comments on the LB BUILD Initiative components.

#### **Comments**



Increasing In-Person and Electronic Processes – First, its commendable that the City sought out third party or contracted work to mitigate for their loss of staff in attempting to move the building process forward, as reflected in the Bureau's memo. In addition to moving to an optimized on-line permitting process and formalized turn-around times, the City should also consider how to allocate budget funds and existing revenues to fully staff and invest in their Planning Department and the Building and Safety Bureau. This is critical as the City and State begin to open back up to in-person processes; investing in an electronic permitting system and continuing to increase funding for in-person functions should not be mutually exclusive goals.

Ensure All Housing is Prioritized — We are fully in support of streamlining permitting through an electronic system, and providing a "Development Shot Clock", described in the Initiative — which we hope will increase production and reduce costs. BIA-LAV would suggest that the City's LB BUILD Initiative apply to all housing types and income levels, from affordable to market-rate development, which are both afflicted with supply and cost barriers. Notably, according to the Southern California Association of Governments' (SCAG) Regional Housing Needs Assessment (RHNA), during the next RHNA cycle the City of Long Beach is responsible for the creation of over 26,500 new, mixed-income units. By ensuring that the LB BUILD Initiative policies prioritize all housing types this would assist in meeting the overall housing shortfall.

Missing Middle – Further, the lack of housing has contributed to the disappearing "middle-class" (also known as "middle-income earners", the "missing middle" or "workforce housing"). The reduced entry into the middle-income category is due in part because of a loss of homeownership opportunities. Homeownership is a secure way to acquire wealth, upward mobility and financial security for families, individuals and those from all different walks of life. Even more disproportionally affected in this category are minority populations and women. Too often, California and its localities adopt and maintain community development policies that deprive the State's workforce of appropriate housing opportunities. Hundreds of thousands of hard-working families and individuals cannot afford to live where they work and are facing a housing cost burden, defined as paying more than 30% or more of their income on housing. The middle-income earners group is continually squeezed out as housing costs become more expensive. Bringing the LB BUILD Initiative proposed solutions to fruition, could help all residential development and income levels and could reduce the costs and barriers to produce more naturally-occurring middle-income housing.

**Potentially Supportable Policies & Additions** – Many of the suggestions in the LB BUILD Initiative are mirrored in BIA-LAV's policy recommendations for increased housing, found <u>here</u>. Depending on final language and implementation details, BIA-LAV is supportive of the goals and intentions found in the Initiative. Additionally, we hope that some of our suggested policies be reviewed and added to the plan where appropriate. The following actions would assist in reducing housing costs and shorten the development process within the existing strategies being suggested by the LB BUILD Initiative:



### Ways to Reduce Costs/Fees:

- Implement a moratorium on all proposed municipal fees or policies that would increase housing costs or decrease housing production.
- Implement a cap on total fees that is scaled and based upon the location and type of development.
- Prohibit the imposition of new exactions on projects that have already submitted a complete development application.
- Defer the payment of impact fees until the close of escrow for homes sold, and until Certificate of Occupancy for homes rented, since there is no impact until the unit is occupied.

### Ways to Shorten the Development Process:

- Require local municipalities and utilities to publicize actual review times of steps in the permitting process on an annual basis.
- Require local municipalities and utilities to develop and follow enforceable turnaround times for critical milestones in the development process.
- Increase and streamline interagency communication within City departments on project applications and processing.

## **Conclusion**

Housing is more expensive to produce today, than ever before. The costs of construction, materials, land acquisition, labor, and design have all increased. Adding to these costs include State, federal and local regulations; including developer impact fees, permits, and utility costs. All of these expenses and review processes target home construction. For these reasons, we are encouraged to see many of the solutions in the LB BUILD Initiative plan moving through the City's legislative process.

BIA-LAV believes that the comments found in this letter will provide helpful input towards the production of housing. We hope to be a partner in this effort and look forward to working with you on increasing housing. Should you have any questions, please contact BIA-LAV Vice President, Diana Coronado, at <a href="mailto:documents-declaration-declaratio

Sincerely,

Diana Victoria Coronado

Vice President

BIA - Los Angeles/Ventura

Sent via e-mail



June 9, 2021

Honorable Mayor and City Council City of Long Beach 411 W. Ocean Blvd. 11th Floor Long Beach, Ca 90802

RE: The Long Beach Basic Upgrades Incentivizing Long Term **Economic Development Initiative (LB BUILD Initiative) - File Item 23** (25-0551) - Support

Dear Mayor and City Council:

On behalf of the Los Angeles County Business Federation (BizFed), we write in support of File Item 32 (25-0551) relating to the Long Beach Basic Upgrades Incentivizing Long Term Economic Development Initiative (LB Build Initiative) introduced by Vice Mayor Rex Richardson.

As you are aware, BizFed is a grassroots alliance of more than 215 diverse business groups representing 450,000 employers with over four million employees in Los Angeles County. One of our priorities within our membership is to streamline the permitting process to achieve and provide attainable homeownership for working families. BizFed also supports reasonable and acceptable local building and housing regulations that fasttrack production of a wide range of housing stock needed to reach the area's Regional Housing Needs Assessment.

Lastly, we thank Vice Mayor Richardson and his leadership for exploring the creation of a "Development Shot Clock" that will equal cost savings, save time, and further streamline development projects.

Once again, thank you for your consideration of this letter. If you have any questions, please don't hesitate to contact our Policy Manager Chris Wilson at (562) 201-6034 or <a href="mailto:chris.wilson@bizfed.org">chris.wilson@bizfed.org</a>.

Sincerely,

Donna Dupperon BizFed Chair

Torrance Area Chamber

David Fleming BizFed Founding Chair

David W Flenny

Tracy Hernandez BizFed Founding CEO IMPOWER, Inc.



# **BizFed Association Members**

7-Eleven Franchise Owners Association of Southern California

**Action Apartment Association** Alhambra Chamber of Commerce **American Beverage Association American Institute of Architects - Los Angeles** Angeles Emerald **Apartment Association of Greater Los Angeles** 

Apartment Association, CA Southern Cities,

**Arcadia Association of Realtors AREAA North Los Angeles SFV SCV Armenian Trade and Labor Association** Associated Builders & Contractors, Inc. Southern California Chapter **Association of Club Executives** Association of Independent Commercial Producers

**Azusa Chamber of Commerce Bell Gardens Chamber of Commerce Beverly Hills Bar Association Beverly Hills Chamber of Commerce Black Business Association** 

**BNI4SUCCESS Bowling Centers of Southern California** 

**Boyle Heights Chamber of Commerce Building Industry Association - Baldyview Building Industry Association - LA/Ventura** 

**Building Industry Association - Southern California** 

Building Owners & Managers Association of Greater Los Angeles

**Burbank Association of REALTORS Burbank Chamber of Commerce** 

**Business and Industry Council for Emergency Planning and Preparedness** 

**Business Resource Group** 

**CA Natural Resources Producers Assoc CalAsian Chamber** 

California Apartment Association-Los **California Asphalt Pavement Association** 

**California Bankers Association** 

**California Business Properties Association** 

**California Business Roundtable** 

**California Cannabis Industry Association** 

**California Cleaners Association** 

California Construction Industry and Materials Association

California Contract Cities Association

**California Fashion Association** 

**California Gaming Association** 

**California Grocers Association** 

**California Hispanic Chamber** 

California Hotel & Lodging Association

California Independent Oil Marketers Association (CIOMA)

California Independent Petroleum Association California Life Sciences Association

California Manufacturers & Technology Association

**California Metals Coalition California Restaurant Association** 

**California Retailers Association** California Small Business Alliance

**California Self Storage Association** 

California Society of CPAs - Los Angeles California Trucking Association

Californians for Balanced Energy Solutions

**Carson Chamber of Commerce** 

**Carson Dominguez Employers Alliance** 

**CDC Small Business Finance** 

**Central City Association Century City Chamber of Commerce** 

Cerritos Regional Chamber of Commerce **Chatsworth/Porter Ranch Chamber of Commerce** 

**Citrus Valley Association of Realtors** Coalition for Renewable Natural Gas

**Coalition for Small Rental Property Owners** Commercial Industrial Council/Chamber of Commerce

**Construction Industry Air Quality Coalition Construction Industry Coalition on Water** 

Quality Council on Trade and Investment for Filipino

Covina Chamber

**Crescenta Valley Chamber of Commerce** 

**Culver City Chamber of Commerce** Downey Association of REALTORS
Downey Chamber of Commerce

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F.A.S.T.- Fixing Angelenos Stuck in Traffic **FilmLA** 

**Friends of Hollywood Central Park** 

**FuturePorts** 

**Gardena Valley Chamber** 

Gateway to LA

Glendale Association of Realtors

**Glendale Chamber Glendora Chamber** 

**Greater Antelope Valley AOR** 

**Greater Bakersfield Chamber of Commerce Greater Lakewood Chamber of Commerce Greater Los Angeles African American** 

Chamber

**Greater Los Angeles Association of REALTORS** 

Greater Los Angeles New Car Dealers Association

**Greater San Fernando Valley Regional** 

**Harbor Association of Industry and** 

**Harbor Trucking Association** 

**Historic Core BID of Downtown Los Angeles Hollywood Chamber** 

**Hong Kong Trade Development Council Hospital Association of Southern California** 

Hotel Association of Los Angeles **Huntington Park Area Chamber of Commerce** 

**Independent Cities Association** 

Industrial Environmental Association

**Industry Business Council** 

Inland Empire Economic Partnership

**International Cannabis Business Women** Association

**Irwindale Chamber of Commerce** La Cañada Flintridge Chamber

LA Fashion District BID

LA South Chamber of Commerce **Lancaster Chamber of Commerce Larchmont Boulevard Association** 

**Latin Business Association** 

**Latino Food Industry Association** Latino Restaurant Association

**LAX Coastal Area Chamber** League of California Cities **Long Beach Area Chamber** 

Long Beach Economic Partnership

Los Angeles Area Chamber

**Los Angeles County Board of Real Estate** Los Angeles County Waste Management Association

**Los Angeles Gateway Chamber of Commerce** Los Angeles Gay & Lesbian Chamber of Commerce

Los Angeles Latino Chamber Los Angeles Parking Association **Malibu Chamber of Commerce** 

**Marketplace Industry Association** Motion Picture Association of America, Inc.

MoveLA **Multicultural Business Alliance** 

**NAIOP Southern California Chapter** National Association of Tobacco Outlets National Association of Women Business Owners - CA

National Association of Women Business Owners - LA

National Hispanic Medical Association

**National Hookah Community Association** National Latina Business Women's Association

**Orange County Business Council Pacific Merchant Shipping Association** 

Panorama City Chamber of Commerce Paramount Chamber of Commerce

Pasadena Chamber

**Pacific Palisades Chamber** 

Pasadena Foothills Association of Realtors PhRMA

Planned Parenthood Affiliates of California **Pomona Chamber** 

**Propel LA** 

Rancho Southeast Association of Realtors ReadyNation California

**Recording Industry Association of America** 

Regional Black Chamber-San Fernando Valley **Regional Hispanic Chamber of Commerce** 

**Regional San Gabriel Valley Chamber** 

**Rosemead Chamber** 

**San Dimas Chamber of Commerce San Gabriel Chamber of Commerce** 

San Gabriel Valley Economic Partnership

San Pedro Peninsula Chamber

Santa Clarita Valley Chamber

Santa Clarita Valley Economic Development Corp.

**Santa Monica Chamber of Commerce Sherman Oaks Chamber** 

**South Bay Association of Chambers** 

South Bay Association of Realtors

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**Southern California Leadership Council** Southern California Minority Suppliers Development Council Inc.

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**Southland Regional Association of Realtors** 

Sunland/Tujunga Chamber **Torrance Area Chamber** 

**Town Hall Los Angeles** 

**Tri-Counties Association of Realtors United Cannabis Business Association** United Chambers - San Fernando Valley & Region

**United States-Mexico Chamber** 

**Unmanned Autonomous Vehicle Systems Association US Green Building Council** 

**US Resiliency Council** 

Valley Economic Alliance, The **Valley Industry & Commerce Association Vermont Slauson Economic Development Corporation** 

Vernon Chamber **Veterans in Business Network Vietnamese American Chamber** 

**Warner Center Association** 

**West Hollywood Chamber West Los Angeles Chamber** 

West San Gabriel Valley Association of Realtors West Valley/Warner Center Chamber

**Western Electrical Contractors Association Western Manufactured Housing Association** 

**Western States Petroleum Association Westside Council of Chambers** 

**Whittier Chamber of Commerce** Wilmington Chamber **World Trade Center** 

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June 15, 2021

Long Beach City Council 411 W Ocean Blvd Long Beach, CA 90802

Re: Support - Agenda Item No. 23, the LB BUILD Initiative

Dear Honorable Mayor Robert Garcia and Members of the City Council:

The Southern California Association of Nonprofit Housing (SCANPH) is writing in "Support" of Council agenda item No. 23, the LB BUILD Initiative. SCANPH is a nonprofit membership association representing affordable housing developers across the five counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura. Our mission is to facilitate the development of affordable homes across Southern California by advancing effective public policies, sustainable financial resources, strong member organizations, and beneficial partnerships.

The LB BUILD Initiative requests that city manager prioritize fully staffing City offices that deal with the review and approval of building permits, provide a report on the status of the city's permitting software and options to speed up the permit review process, and explore the creation of a development "shot clock" that ensures new projects are acted on in a timely and transparent manner.

On May 11th, Director of Development Services Oscar Orci submitted a TFF highlighting lengthy permit turnaround times, lack of communication with applicants, and a slow development review process among other issues. During the COVID-19 pandemic the city's Permit Center saw its full-time staff drop from 11 to 6, with replacement hours coming in the form of private contractors and overtime work. Since the start of 2021, the Center has suffered from a 50% vacancy rate. This has resulted in substantial delays in the review process which have had significant impacts on both workers and prospective tenants. Without prioritization, these key positions may not be fully staffed until 2022, which could cripple our recovery plans and leave the city unprepared to take advantage of important future opportunities.

Although staffing is the root of Long Beach's current delays, expediting the hiring process alone won't be enough to spur local economic recovery or help solve the housing crisis currently hurting Long Beach families. 2019, Long Beach was named the third worst city in the nation at lowering cost of living over the period from 2015-2018 in a study done by Smartasset, as rents as a percentage of median income rose from 37.4% to 41.5%. A common theme among the list of cities which had lowered their average rent burden was recent updates to their permit processing software, something Long Beach hasn't done since 2008. The referenced May 11th TFF mentions that our Building and Safety Bureau is already planning to upgrade the software utilized to process permit requests. Given the critical relationship this system has to our economic recovery, it is important that the City ensure its new systems be as efficient as possible.

Finally, it is critical that the City review the development application process as a whole while considering improvements to staffing and software. In 2019 Governor Newsom signed SB 330, mandating that housing developments be either approved or rejected within 90 days of receipt of an application, with a special 60-day carveout for affordable housing. According to a recent UC Berkley study, the average turnaround on approval for discretionary development projects in Long Beach is a whopping 321 days. This cannot be allowed to continue if Long Beach is to reach compliance with state law. In order hold itself accountable in delivering projects that addresses our local housing crisis, the city of Long Beach should explore a policy around a timeframe or "Shot Clock" on the development of certain projects.

Because Long Beach is recovering from a pandemic, facing a housing crisis, and continuing to tackle issues of economic equity, we should do all we can to remove barriers that prevent us from building a healthy, safe, and vibrant city for all residents. As the nation prioritizes our economic recovery, Long Beach must prioritize investing in systems that help drive a speedy and comprehensive recovery, allowing us to produce the housing and jobs our communities need. For these reasons, SCANPH supports Council agenda item No. 23 and request an "Aye" recommendation on this important item.

If you have any questions, please do not hesitate to contact me, at <a href="mailto:fmartinez@scanph.org">fmartinez@scanph.org</a>.

Sincerely,

Francisco Martinez

Francisco Martinez

Policy Director

Southern California Association of NonProfit Housing (SCANPH)