

H-25

November 1, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record and conclude the public hearing;

Declare an Ordinance amending the Long Beach Municipal Code to establish Chapter 18.19, establishing the Sensitive Coastal Resource Impact Fee to \$0.25 fee per gross square foot for residential development and \$0.25 per gross square foot for nonresidential development for certain parcels in the Mixed-Use Commercial Core and Mixed-Use Marina designations of the Southeast Area Specific Plan (SEASP) area, read the first time and laid over to the next regular meeting of the City Council for final reading; and,

Adopt a Resolution in compliance with Mitigation Fee Act, California Government Code Sections 66000 through 66025 establishing the Sensitive Coastal Resource Impact Fee to \$0.25 fee per gross square foot for residential development and \$0.25 per gross square foot for nonresidential development for certain parcels in the Mixed-Use Commercial Core and Mixed-Use Marina designations of the SEASP area. The fee would be applied to any development that results in a net increase in development in the area subject to the SEASP. (District 3)

DISCUSSION

On September 19, 2017, the City Council certified Environmental Impact Review 02-16, selecting the reduced intensity alternative, denied an appeal, amended the City's Local Coastal Program (LCP), amended the Long Beach Municipal Code (LBMC) to establish the Southeast Area Specific Plan (SEASP) (SP-2) and repealed the Southeast Area Development and Improvement Plan (SEADIP) (PD-1), and amended the Land Use District Map, in the southeastern portion of Council District 3. On October 8, 2020, the California Coastal Commission (CCC) held a hearing for the Local Coastal Program Amendment (LCPA) (LCPA No. 1-19 [LCP-5-LOB-19-0008-1]). The CCC recommended certification of the LCPA with 16 modifications necessary to protect coastal resources including sensitive habitat, biological resources, cultural resources, lower-cost overnight accommodations, recreational opportunities, and public coastal views. The required CCC modifications were presented and

adopted by the City Council on July 13, 2021. On September 8, 2021, the CCC certified the SEASP.

The SEASP represents tradeoffs and compromises that are inherent in a planning process with lengthy and complex efforts to fully engage residents, businesses, and property owners. The SEASP planned for the establishment of an impact fee on new development for certain parcels with the purpose of funding the monitoring and maintenance of sensitive coastal resources, along with improved public access. A study was prepared to estimate the cost to monitor and maintain sensitive coastal resources in the area subject to the SEASP, establish the nexus between new development and resource monitoring costs, and recommend a development impact fee (Sensitive Coastal Resource Impact Fee) to pay for costs (the study) (Attachment A). The study is intended to satisfy the requirements of the Mitigation Fee Act (Government Code sections 66000 through 66008) to establish a nexus between the purpose of the fee, the types of development subject to the fee, and the amount of the fee. The Sensitive Coastal Resource Impact Fee shall cover a baseline study, monitoring, and maintenance of four (4) acres of buffer and four (4) acres of adjacent wetlands in the SEASP area. The proposed Sensitive Coastal Resource Impact Fee requires City Council approval to amend the LBMC by adding Chapter 18.19 to establish and implement the proposed fee.

The proposed Ordinance indicates all residential development and nonresidential square footage in the Mixed-Use Commercial Core and Mixed-Use Marina of SEASP shall be required to pay the impact fees prior to the issuance of a Certificate of Occupancy. The specific parcels to which the fee would apply are specified in the study. The Ordinance specifies that the fee is to be calculated based on an individual development project's net increase in development. The fee shall be applied to the total amount of new construction. Table 1 shows the maximum allowed fees under the nexus study.

Table 1. Wetlands/Habitat Restoration Impact Fee

Land Use	Metric	Amount
Residential	Per square foot	\$0.25
Nonresidential	Per square foot	\$0.25

This Resolution proposes to establish the Sensitive Coastal Resource Impact Fee of \$0.25 fee per gross square foot for residential development and \$0.25 per gross square foot for nonresidential development for the identified parcels in the Mixed-Use Commercial Core and Mixed-Use Marina designations of the SEASP area. The impact fee includes an administrative fee of three percent. Adjustments to the fee will be done by Resolution of the City Council.

The Ordinance provides for the exemption of development projects that include affordable housing units.

The SEASP and 2022 Housing Element encourage the provision of very low-, low-, or moderate-income and workforce housing units in accordance with State density bonus (California Government Code 65915) and the citywide approach to housing policy. As an incentive for the provision of constructing affordable housing in the SEASP, which is largely in

the Coastal Zone, the Ordinance exempts residential units that qualify as low- and very-low income housing as defined under State law from the impact fee. Furthermore, projects utilizing a density bonus for affordable housing, consistent with State law, shall receive an impact fee credit.

In the SEASP, the City of Long Beach (City) commits to establish a Wetlands Conservation and Monitoring Fund, which will receive revenue from the Sensitive Coastal Resource Impact Fee on new development. The proposed Ordinance sets forth that the impact fees collected for projects will be deposited in the Fund for use on the above-identified restoration work.

The proposed fee will take effect 60 days after approval. Balances and uses of the collected fees shall be reported to the City Council annually in March in accordance with State law requiring this information be made available to the public within 180 days after the last day of the fiscal year. This annual report to the City Council also includes the Park and Recreation Facilities Fees, Transportation Improvement Fee, the Fire Facilities Impact Fee, and the Police Facilities Impact Fee.

In compliance with State law (*Mitigation Fee Act, California Government Code Sections 66000 through 66025*), the proposed Ordinance includes the requirement to make findings every five years to examine the relationship of the Sensitive Coastal Resource Impact Fee to the impact it is supposed to mitigate and to evaluate the validity of the calculations on which the fee is based.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley on October 17, 2022 and by Revenue Management Officer Geraldine Alejo on October 12, 2022.

Public Hearing Notice

Government Code § 66018 contains the public hearing requirements for the adoption or increase of impact fees. Under Government Code § 66018, the local agency must conduct at least one regularly scheduled meeting with notice given pursuant to Government Code § 6062a, which requires publication of notice pursuant to this section shall be for 10 days in a newspaper regularly published once a week or more often. Notices of public hearing were published in the Long Beach Press-Telegram for 10 days from October 7 through October 16, 2022. Notices were mailed to all property owners and occupants in the SEASP Areas of Change subject to the proposed fee, Coastal Commission, Los Cerritos Wetlands Trust, and Los Cerritos Wetlands Authority.

TIMING CONSIDERATIONS

City Council action is requested on November 1, 2022, to ensure compliance with adoption of the CCC required modifications to SEASP.

FISCAL IMPACT

This recommendation will establish a Sensitive Coastal Resource Impact Fee. Following implementation, the impact fee is estimated to generate a total maximum revenue amount of \$670,000. Actual revenue is anticipated starting in FY 24 and will depend on square footage constructed within the SEASP mixed use areas. Impact fee revenue is intended for projects and uses that address the impacts of increased population and economic activity arising from new development in the SEASP area. Any work related to the proposed uses for impact fee revenue will only proceed at such time that the detailed scope of work has been reviewed to ensure the uses are eligible for impact fee support and appropriations have been approved by the City Council. This recommendation will have no staffing impacts beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. This includes City Council's adopted plans and policies, such as the SEASP. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER KOONTZ, ACP
ACTING DIRECTOR
DEVELOPMENT SERVICES

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS: ORDINANCE
RESOLUTION
A – NEXUS STUDY FOR SENSITIVE COASTAL RESOURCE IMPACT FEE

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH AMENDING THE LONG BEACH
MUNICIPAL CODE BY ADDING 18.19 TO ESTABLISH A
SENSITIVE COASTAL RESOURCE IMPACT FEE

The City Council of the City of Long Beach ordains as follows:

Section 1. The Long Beach Municipal Code is amended by adding Chapter
18.19 to read as follows:

Chapter 18.19

SENSITIVE COASTAL RESOURCE IMPACT FEE

18.19.010 Legislative findings.

A. The state of California, through the enactment of Government Code
Sections 66001 through 66009 has authorized the City to impose development impact
fees on new development for the purposes of funding the public infrastructure and
services necessary to serve that new development.

B. The imposition of development impact fees is one of the preferred
methods of ensuring that development bears a proportionate share of the cost of capital
facilities, infrastructure, services and related costs necessary to accommodate such
development. This must be done in order to promote and protect the public health, safety
and welfare.

C. That the continuing increase in the development of residential and
nonresidential construction in the Southeast Area Specific Plan (SEASP) (SP-2) plan
area has created an urgency in that funds are needed for the increased demand for
additional infrastructure and services required to protect and sustain sensitive coastal

resources which are required to serve the increasing residential and workforce population of the SEASP plan area.

D. The fees established pursuant to this Chapter are derived from, are based upon, and do not exceed the costs of providing additional infrastructure and services required to protect and sustain sensitive coastal resources attributable to new residential or nonresidential construction, in areas designated for mixed-use, community core and mixed-use marina in the SEASP plan area. The additional infrastructure and services include a baseline study, conducted prior to new development, to document the state and function of the buffer area and adjacent wetlands; monitoring that is related to impacts of nearby development (new residents and increased business patrons) such as damage from pedestrians/hikers in the buffer and wetlands area, exposure to non-native seeds from landscaping, lighting, and increased trash and debris; periodic trash and debris removal of the buffer area and adjacent wetlands and administrative costs associated with the Sensitive Coastal Resource Impact Fee program. The activities covered by the Sensitive Coastal Resource Impact Fee are specifically targeted to address the issues of increased public use and increased litter, trash, and debris arising from new development and increased population and economic activity.

E. The fees collected pursuant to this Chapter shall be used to finance the infrastructure and services identified in Subsection D.

F. A detailed study of the nexus between anticipated new development to be located in areas designated for mixed-use, community core and mixed-use marina uses in the SEASP plan area and the additional infrastructure and services required to protect and sustain sensitive coastal resources (inclusive of wetlands, buffers, and habitat) as a result of the anticipated increase in development has been prepared. This study is entitled the "Nexus Study for Sensitive Coastal Resources Impact Fee" for the City of Long Beach dated August 31, 2022 ("the Study") which is incorporated herein by reference as though set forth in full, word for word.

G. The fees collected shall apply to the areas designated for mixed-use,

community core and mixed-use marina uses as shown in Figure A-1 in the Appendix to the Study and as further described in Section 6 of the Study.

H. There is a reasonable relationship between the need for the additional infrastructure and services required to protect and sustain sensitive coastal resources set forth in Subsection D and the impacts of the types of development for which the corresponding fee is charged.

I. There is a reasonable relationship between the fee's use and the type of development for which the fee is charged.

J. There is a reasonable relationship between the amount of the fee and the cost of the additional infrastructure and services or portion thereof attributable to the development on which the fee is imposed.

18.19.020 Purpose.

A Sensitive Coastal Resource Impact Fee is hereby imposed on new residential and nonresidential development for the purpose of assuring that the impacts created by said new development pay its fair share of the costs required to support needed additional infrastructure and services and related costs necessary to accommodate such development.

18.19.030 Definitions.

A. "Accessory use" is as defined in Section 21 .15.060 of this Code.

B. "Applicant" means the property owner, or duly designated agent of the property owner, for which a request for building permit is received by the City.

C. "Building permit" means the City permit required for new building construction and/or additions which add square footage pursuant to Title 18 of this Code. Neither a grading permit nor a foundation permit shall be considered a building permit for purposes of this Chapter.

D. "Calculation" means the point in time at which the City calculates the

1 Sensitive Coastal Resource Impact Fee to be paid by the applicant. Calculation will
2 generally occur at the time of issuance of the applicable building permit but may occur
3 earlier in the development approval process.

4 E. "City Manager" means the City Manager of the City of Long Beach or
5 other municipal officials he/she may designate to carry out the administration of this
6 Chapter.

7 F. "Collect", or "collection" means the point in time at which the
8 Sensitive Coastal Resource Impact Fees are paid by the applicant. Collection will occur
9 on the date of final inspection or the date a certificate of occupancy or temporary
10 certificate of occupancy, whichever occurs first.

11 G. "Development" means the addition of new residential square footage
12 and/or new nonresidential square footage to an undeveloped, partially developed or
13 redeveloped site and involving the issuance of a building permit and certificate of
14 occupancy for such construction, reconstruction or use. Development does not include
15 the following so long as no additional gross floor area is added:

- 16 1. a permit to operate;
- 17 2. a permit for the internal alteration, remodeling,
18 rehabilitation, or other improvements or modifications to an existing
19 structure;
- 20 3. the rebuilding of a structure destroyed by an act of God
21 or the rehabilitation or replacement of a building in order to comply with the
22 City's seismic safety requirements;
- 23 4. parking facilities; or
- 24 5. the rehabilitation or replacement of a building
25 destroyed by imminent public hazard, acts of terrorism, sabotage,
26 vandalism, warfare or civil disturbance except where said destruction was
27 caused or in any manner accomplished, instigated, motivated, prompted,
28 incited, induced, influenced, or participated in by any persons or their

agents having any interest in the real or personal property at the location.

H. "Dwelling unit" or "DU" is as defined in Section 21.15.910 of this Code.

I. "Fee" means a Sensitive Coastal Resource Impact Fee imposed by the City of Long Beach in accordance with this Chapter.

J. "Fee setting resolution" means and refers to the City resolution specifying the Sensitive Coastal Resource Impact Fee per net increase in gross building square footage for residential and nonresidential development, by type and by location. The Sensitive Coastal Resource Impact Fee set forth in the fee-setting resolution may be revised pursuant to Section 18.19.140 and applicable state law.

K. "Development Services Department" means the Development Services Department of the City of Long Beach.

L. "Gross building square footage" means the total area of a residential and/or nonresidential development measured from the exterior building lines of each floor with respect to enclosed spaces but excluding parking spaces whether or not enclosed. For purposes of this ordinance, the term "enclosed spaces" specifically includes, but is not limited to, an area available to and customarily used by the residential occupants and/or general public and all areas of business establishments generally accessible to the public such as fenced or partially fenced in areas of garden centers attached to and serving the primary structure.

M. "Mixed use" is as defined in Section 21.15.1760 of this Code

N. "Nonresidential development" means a development undertaken for the purpose of creating gross floor area, excluding dwelling units, but which includes, and is not limited to, commercial, industrial, retail, office, hotel/motel, and warehouse uses involving the issuance of a building permit for such construction, reconstruction or use.

O. "Principal use" is as defined in Section 21.15.2170 of this Code.

P. "Residential development" means a development undertaken for the

1 purpose of creating a new dwelling unit or units and involving the issuance of a building
2 permit and certificate of occupancy for such construction, reconstruction or use.

3
4 18.19.040 Fund established.

5 A Sensitive Coastal Resource Impact Fee fund is established. The
6 Sensitive Coastal Resource Impact Fee fund is a fund to be utilized for payment of the
7 actual or estimated costs of additional infrastructure and services required to protect and
8 sustain sensitive coastal resources related to new residential and nonresidential
9 construction as described in this Chapter and shall be administered in compliance with
10 Government Code Section 66006.

11
12 18.19.050 Sensitive Coastal Resource Impact Fee.

13 There is imposed a Sensitive Coastal Resource Impact Fee on all new
14 residential and nonresidential development in the areas designated for specific parcels
15 mixed-use community core and mixed-use marina uses shown in Figure A-1 in the
16 Appendix to the Study as those terms are defined in this Chapter.

17
18 18.19.060 Fee imposed.

19 A. Any person who, after the effective date of this ordinance, seeks to
20 engage in residential or nonresidential development as defined in this Chapter on one or
21 more of the parcels identified in Figure A-1 in the Appendix to the Study by obtaining a
22 building permit is required to pay a Sensitive Coastal Resource Impact Fee in the manner
23 and amount as set forth in the then current fee-setting resolution. The Sensitive Coastal
24 Resource Impact fee imposed pursuant to this Chapter shall not apply to those projects
25 that have been granted a final entitlement or building permit approval by the Department
26 of Development Services before the effective date of this Chapter..

27 B. No certificate of occupancy, temporary certificate of occupancy, final
28 inspection approval, as applicable, for the activities listed in Subsection A of this Section

1 shall be issued unless and until the Sensitive Coastal Resource Impact Fee required by
2 this Chapter has been paid to the City.

3
4 18.19.070 Calculation of Sensitive Coastal Resource Impact Fee.

5 A. The Director of the Department of Development Services shall
6 calculate the amount of the applicable Sensitive Coastal Resource Impact Fee due as
7 specified in the then current fee-setting resolution.

8 B. The Sensitive Coastal Resources Impact Fee applies to
9 development that results in a net increase in gross residential or nonresidential building
10 square footage.

11 C. The Director of the Department of Development Services shall
12 calculate the amount of the applicable Sensitive Coastal Resource Impact Fee due by:

13 1. Determining the gross building square footage for the
14 development project and multiplying the same by the Sensitive Coastal
15 Resource Impact Fee amount as established by the then current fee-setting
16 resolution;

17 2. For a development project that would result in the
18 demolition or elimination of then-existing residential or nonresidential
19 building space, the fee would be determined by calculating the gross
20 building square footage for the new construction and multiplying the same
21 by the Sensitive Coastal Resource Impact Fee amount as established by
22 the then current-fee setting resolution less a credit for the reduction or
23 eliminated residential or nonresidential gross building square footage which
24 is calculated by multiplying the eliminated building square footage by the
25 Sensitive Coastal Resource Impact Fee amount as established by the then
26 current-fee setting resolution;

27 3. The credit for reducing or eliminating residential or
28 nonresidential building square footage shall not exceed the amount of the

1 fee required for the new construction.

2
3 18.19.080 Payment of fee.

4 A. The City shall collect from the applicant the Sensitive Coastal
5 Resource Impact Fee prior to the issuance of a certificate of occupancy, temporary
6 certificate of occupancy, final inspection, whichever occurs first.

7 B. Except for an administrative charge that shall be allocated to the
8 Department of Development Services, all funds collected shall be properly identified and
9 promptly transferred for deposit in the Sensitive Coastal Resource Impact Fee fund and
10 used solely for the purposes specified in this Chapter.

11
12 18.19.090 Use of funds.

13 A. Funds collected from the Sensitive Coastal Resource Impact Fee
14 shall be used to cover a limited set of activities as associated with an increase in
15 population near sensitive coastal resources attributable to new residential and
16 nonresidential construction and shall include:

17 1. The cost to conduct a baseline study to document the
18 state and function of the buffer area and adjacent wetlands;

19 2. Monitoring that is related to impacts of nearby
20 development (new residents and increased business patrons) such as
21 damage from pedestrians/hikers in the buffer and wetland areas, exposure
22 to non-native seeds from landscaping, lighting, and increased trash and
23 debris;

24 3. Periodic trash and debris removal from the buffer area
25 and adjacent wetlands; and

26 4. Administrative costs associated with the Sensitive
27 Coastal Resource Impact Fee program.

28 B. In the event that bonds or similar debt instruments are issued for

1 advanced provision of the activities for which Sensitive Coastal Resource Impact Fees
2 may be expended, impact fees may be used to pay debt service on such bonds or similar
3 debt instruments to the extent that the activities provided are of the type described in
4 Subsection A of this Section

5 C. Funds may be used to provide refunds as described in Section
6 18.19.100.

7
8 18.19.100 Refund.

9 A. Any applicant who has paid a Sensitive Coastal Resource Impact
10 Fee pursuant to this Chapter may apply for a full or partial refund of same, if, within one
11 (1) year after collection of the Sensitive Coastal Resource Impact Fee the development
12 project has been modified, pursuant to appropriate City ordinances and regulations,
13 resulting in a reduction in the gross building square footage or the applicability of an
14 exemption pursuant to Section 18.19.110 of this Chapter. The City shall retain a sum
15 equaling twenty percent (20%) of the impact fee paid by the applicant to offset the
16 administrative costs of refund. The applicant must submit an application for such a refund
17 in accordance with Chapter 3.48 of this Code. In no event shall a refund exceed the
18 amount of the Sensitive Coastal Resource Impact Fee actually paid.

19 B. Any funds collected pursuant to this chapter which remain
20 unexpended or uncommitted five or more years after their deposit may be refundable
21 pursuant to Government Code Section 66001(e) with interest accrued.

22
23 18.19.110 Exemptions and credits.

24 A. Exemptions. Any claim of exemption must be made no later than the
25 time of application for a building permit. The following shall be exempted from payment of
26 the Sensitive Coastal Resource Impact Fee:

27 1. Alterations or expansion of an existing residential
28 building where no additional gross residential square footage is added and

1 where the use is not changed;

2 2. The replacement of a building or structure destroyed by
3 fire, flood, earthquake or other act of God, with a new building or structure
4 of the same size and use;

5 3. Nonresidential Development: Construction or
6 occupancy of a new nonresidential building or structure or an addition to or
7 expansion of an existing nonresidential building or structure of three
8 thousand (3,000) gross square feet or less;

9 4. Affordable Housing for Lower Income Households.
10 Property rented, leased, sold, conveyed or otherwise transferred, at a rental
11 price or purchase price which does not exceed the "affordable housing
12 cost" as defined in Section 50052.5 of the California Health and Safety
13 Code when provided to a "lower income household" as defined in Section
14 50079.5 of the California Health and Safety Code or "very low income
15 household" as defined in Section 50105 of the California Health and Safety
16 Code. This exemption shall require the applicant to execute an agreement
17 to guarantee that the units shall be maintained for lower and very low
18 income households whether as units for rent or for sale or transfer, for the
19 lesser of a period of thirty years or the actual life or existence of the
20 structure, including any addition, renovation or remodeling thereto. The
21 agreement shall be in the form of a deed restriction or other legally binding
22 and enforceable document acceptable to the City Attorney and shall bind
23 the owner and any successor-in interest to the real property being
24 developed. The agreement shall subordinate, if required, to any state or
25 federal program providing affordable housing to lower and very low-income
26 households. The agreement shall be recorded with the Los Angeles County
27 Recorder prior to the issuance of a certificate of occupancy. The City's
28 Housing Services Bureau shall be notified of pending transfers or

purchases and give its approval of the purchaser's qualifying income status and purchase price, prior to the close of escrow. The City's Housing Services Bureau shall be notified of pending rentals and give its approval of proposed tenant's qualifying income status and rental rate, prior to the tenant's occupancy. Applicant or any successor-in-interest shall be required to provide annually, or as requested, the names of all tenants or purchasers, current rents, and income certification to ensure compliance. Voluntary removal of the housing restriction or violation of the restriction shall be enforced by the City's Housing Services Bureau and shall require the applicant or any successor-in-interest to pay the then applicable Sensitive Coastal Resource Impact Fee at the time of voluntary conversion or as imposed at the time of violation on the unit in violation, plus any attorneys' fees and costs of enforcement, if applicable.

5. Hospitals as that term is defined in Section 21 .15.1370 of this Code.

B. Credits. Any applicant whose development is located within a Community Facilities District (CFD), and is subject to the assessments thereof, shall receive an offset credit towards the fees established by this Chapter to the extent that the assessments fund improvements within the CFD which would otherwise be funded by the development impact fees established by this Chapter.

18.19.120 Appeals.

A. An applicant may appeal, by protest, any imposition of the Sensitive Coastal Resource Impact Fee by filing a notice of appeal with the City Clerk within ninety (90) days after the applicant pays the required fee.

B. A valid appeal by protest of the imposition of the Sensitive Coastal Resource Impact Fee shall meet all of the following requirements:

1. Tendering in advance of the appeal any required

1 payment in full or providing assurance of payment satisfactory to the City
2 Attorney;

3 2. Serving written notice on the City including:

4 a. A statement that the required payment has been
5 tendered under protest or that required conditions have been satisfied;

6 b. A statement informing the City of the factual
7 elements of the dispute and the legal theory forming the basis of the
8 protest;

9 c. The name and address of the applicant;

10 d. The name and address of the property owner;

11 e. A description and location of the property;

12 f. The gross building square footage, by land use
13 or dwelling unit type, as appropriate; and

14 g. The date of issuance of the building permit.

15 C. The City Council shall schedule a hearing and render a final decision
16 on the applicant's appeal within sixty (60) days after the date the applicant files a valid
17 appeal.

18 D. The City Council hearing shall be administrative. Evidence shall be
19 submitted by the City and by the applicant and testimony shall be taken under oath.

20 E. The burden of proof shall be on the applicant to establish that the
21 applicant is not subject to the imposition of the Sensitive Coastal Resource Impact Fee
22 pursuant to the express terms of this Chapter and applicable state law.

23 F. If the Sensitive Coastal Resource Impact Fee has been paid in full or
24 if the notice of appeal is accompanied by a cash deposit, letter of credit, bond or other
25 surety acceptable to the City Attorney in an amount equal to the Sensitive Coastal
26 Resource Impact Fee calculated to be due, the application for the building permit shall be
27 processed. The filing of a notice of appeal shall not stay the imposition or the collection of
28 the Sensitive Coastal Resource Impact Fee calculated by the City to be due unless

1 sufficient and acceptable surety has been provided.

2 G. Any petition for judicial review of the City Council's final decision
3 shall be made in accordance with applicable state law and pursuant to Section
4 18.19.130.

5
6 18.19.130 Judicial review.

7 A. Any judicial action or proceeding to attack, review, set aside, void or
8 annul the ordinance codified in this Chapter, or any provision thereof, or resolution, or
9 amendment thereto, shall be commenced within ninety (90) days of the effective date of
10 the ordinance codified in this Chapter, resolution, or any amendment thereto.

11 B. Any judicial action or proceeding to attack, review, set aside or annul
12 the imposition or collection of a Sensitive Coastal Resource Impact Fee on a
13 development shall be preceded by a valid appeal by protest pursuant to Section
14 18.19.120 hereof and a final decision of the City Council pursuant thereto and shall be
15 filed and service of process effected within ninety (90) days after the hearing on appeal
16 regarding the imposition of a Sensitive Coastal Resource Impact Fee upon the
17 development.

18
19 18.19.140 Reporting, Findings and amendment procedures.

20 A. Within 180 days after the last day of each fiscal year, the Director of
21 the Department of Development Services shall evaluate progress in implementation of
22 the Sensitive Coastal Resource Impact Fee Program and shall prepare a report thereon
23 to the City Council in accordance with Government Code Section 66006 incorporating
24 among other things:

25 1. The infrastructure, services, including any baseline
26 study, commenced, purchased or completed utilizing monies from the
27 Sensitive Coastal Resource Impact Fee fund;

28 2. The amount of the fees collected, and the interest

1 earned;

2 3. The amount of Sensitive Coastal Resource Impact
3 Fees in the fund; and

4 4. Recommended changes to the Sensitive Coastal
5 Resource Impact Fee, including but not necessarily limited to, changes in
6 the Sensitive Coastal Resource Impact Fee Chapter or fee-setting
7 resolution.

8 B. Based upon the reports and such other factors as the City Council
9 deems relevant and applicable, the City Council may amend the ordinance codified in this
10 Chapter or the fee-setting resolution implementing this Chapter. Changes to the Sensitive
11 Coastal Resource Impact Fee rates or schedules may be made by amending the fee-
12 setting resolution. Any change which increases the amount of the Sensitive Coastal
13 Resource Impact Fee shall be adopted by the City Council only after a noticed public
14 hearing. Nothing herein precludes the City Council or limits its discretion to amend the
15 ordinance codified in this Chapter or the fee-setting resolution establishing Sensitive
16 Coastal Resource Impact Fee rates or schedules at such other times as may be deemed
17 necessary.

18 C Every five years, the City Council shall evaluate the Sensitive
19 Coastal Resource Impact Fee program. The five-year report shall include findings with
20 respect to that portion of Sensitive Coastal Resource Impact Fee fund remaining
21 unexpended, whether committed or uncommitted pursuant to Government Code Section
22 66001, subdivision (d)(1) including, but not limited to:

- 23 1. The purpose to which the Fee is to be put;
24 2. Demonstration of a reasonable relationship between
25 the fee and the purpose for which it is charged;
26 3. Identification of all sources and amounts of funding
27 anticipated to complete incomplete improvements; and
28 4. Designation of the approximate dates on which the

1 additional funds sufficient for completing the improvements are expected to
2 be deposited in the Fund.

3
4 18.19.150 Effect of Sensitive Coastal Resource Impact Fee on zoning
5 and subdivision regulations.

6 This Chapter shall not affect, in any manner, the permissible use of
7 property, density/intensity of development, design and improvement standards and public
8 improvement requirements or any other aspect of the development of land or
9 construction of buildings, which may be imposed by the City pursuant to the City's zoning
10 regulations, subdivision regulations or other ordinances or regulations of the City, which
11 shall be operative and remain in full force and effect without limitation with respect to all
12 residential and nonresidential development.

13
14 18.19.160 Violation--Penalty.

15 A violation of this Chapter shall be prosecuted in the same manner as
16 misdemeanors are prosecuted; and upon conviction, the violator shall be punishable
17 according to law. However, in addition to or in lieu of any criminal prosecution, the City
18 shall have the power to sue in civil court to enforce the provisions of this Chapter.

19
20 18.19.170 Severability.

21 If any section, phrase, sentence, or portion of this Chapter is for any reason
22 held invalid or unconstitutional by any court of competent jurisdiction, such portions shall
23 be deemed a separate, distinct, and independent provision; and such holding shall not
24 affect the validity of the remaining portions thereof.

25
26 Section 3. The City Clerk shall certify to the passage of this ordinance by
27 the City Council and cause it to be posted in three (3) conspicuous places in the City of
28 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the

I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Long Beach at its meeting of _____, 20____, by the following vote:

Recusal(s): Councilmembers:

Mayor

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH ESTABLISHING A SENSITIVE
COASTAL RESOURCE IMPACT FEE AND ADOPTING A
COMPREHENSIVE IMPACT FEE (NEXUS) STUDY FOR
CERTAIN PARCELS WITHIN THE SOUTHEAST AREA
SPECIFIC PLAN AREA WITHIN THE CITY OF LONG
BEACH

WHEREAS, many cities and counties, including the City of Long Beach,
have adopted and imposed development impact fees on new development to pay for new
development's fair share of the increased demand on infrastructure and services; and

WHEREAS, on November 1, 2022, the City Council of the City of Long
Beach adopted Ordinance No. _____, establishing a Sensitive Coastal
Resource Impact Fee for specific parcels in the Southeast Area Specific Plan area ("the
Area") within the City of Long Beach; and

WHEREAS, the City retained the consulting firm of PlaceWorks to prepare
a nexus study entitled "Nexus Study for Sensitive Coastal Resource Impact Fee" dated
August 31, 2022 for the City of Long Beach (the "Study") in accordance with Government
Code §§66000 et seq. The Study is attached as Exhibit "A", and is incorporated herein by
reference as though set forth in full, word for word; and

WHEREAS, the Sensitive Coastal Resource Impact Fee shall apply to the
areas designated for mixed-use, community core and mixed-use marina uses as shown
in Figure A-1 in the Appendix to the Study and as further described in Section 6 of the
Study; and

WHEREAS, the Study provided the City with information and data regarding
the nexus between anticipated new development to be located in the Area and the

1 additional infrastructure and services required to protect and sustain sensitive coastal
2 resources (inclusive of wetlands, buffers, and habitat) as a result of the anticipated
3 increase in development in the Area; and

4 WHEREAS, the Study provided data outlining the various necessary
5 infrastructure and services to sustain and protect sensitive coastal resources in the Area,
6 including but not limited to, the preparation of a Baseline Study, subsequent monitoring
7 activities, and ongoing maintenance, including but not limited to, periodic trash and debris
8 removal; and

9 WHEREAS, it is the City's policy that future new development should
10 contribute its fair share of the increased demand to existing infrastructure and public
11 services though the imposition of impact fees which will be used to finance, defray or
12 reimburse the City for the appropriate portion of the cost of additional public infrastructure
13 and services which will be necessary to serve such development in the Area; and

14 WHEREAS, Chapter 18.19 of the Long Beach Municipal Code (Sensitive
15 Coastal Resource Impact Fee) recognizes that residential and non-residential
16 development on publicly and privately owned land within the Area will result in additional
17 growth and that such growth will place additional burdens on various public infrastructure
18 and services. Chapter 18.19 further recognizes the types of land development (both
19 residential and non-residential) that will generate impacts necessitating the additional
20 infrastructure and services required to protect and sustain sensitive coastal resources
21 (inclusive of wetlands, buffers, and habitat) to meet and accommodate them; and

22 WHEREAS, the City Council has held at least one duly noticed public
23 hearing on the proposed development impact fees with an opportunity for the public to be
24 heard, pursuant to the provisions of Government Code §§66016 — 66018; and

25 WHEREAS, the Study prepared has been available for public review and comment
26 pursuant to the provisions of Government Code §66016; and

27 WHEREAS, pursuant to the provisions of Ordinance No. _____, the
28 City Council of the City of Long Beach desires to impose and adopt the Development

1 Impact Fees (Sensitive Coastal Resource Impact Fee) in accordance with the nexus
2 calculations and recommendations in the Study; and

3 WHEREAS, imposition of fees to finance additional public infrastructure and
4 service improvements is necessary in order to protect and sustain sensitive coastal
5 resources (inclusive of wetlands, buffers, and habitat) in the Area.

6 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
7 follows:

8 Section 1. The City Council of the City of Long Beach finds that the purpose
9 of the impact fees hereby established is to prevent new development from reducing the
10 quality and availability of public infrastructure and services in the Area by requiring new
11 development to contribute its fair share to the additional cost to protect and sustain
12 sensitive coastal resources (inclusive of wetlands, buffers, and habitat) from the
13 increased number of residents and increased economic activity from the new
14 development to which the impact fee applies.

15 Section 2. That the City Council of the City of Long Beach finds and
16 determines that the "Sensitive Coastal Resource Impact Fee Study" dated August 31,
17 2022 prepared by PlaceWorks (the "Study") complies with California Government Code §
18 66001 by establishing the basis for the imposition of the fees on new development. This
19 finding is based on the fact that the Study:

- 20 A. Identifies the purpose of the fees;
- 21 B. Identifies the use to which the fees will be put;
- 22 C. Shows a reasonable relationship between the use of the fees and
23 the type of development project on which the fees are imposed;
- 24 D. Demonstrates a reasonable relationship between the need for the
25 public infrastructure and services and the type of development projects on which the fees
26 are imposed; and
- 27 E. Demonstrates a reasonable relationship between the amount of the
28 fees and the cost of the public infrastructure and services or portions thereof attributable

1 to the residential and non-residential development on which the fees are imposed.

2 Section 3. That the City Council hereby determines that the fees collected
3 pursuant to this Resolution shall be used to finance the public infrastructure and services
4 described or identified in the above referenced ordinance and Study.

5 Section 4. That the City Council finds that the projects and fee methodology
6 identified in the Study are consistent with the City's General Plan, Southeast Area
7 Specific Plan and Capital Improvement Plan.

8 Section 5. Based on analysis presented in the above referenced Sensitive
9 Coastal Resource Impact Fee Study, the City Council of the City of Long Beach finds that
10 there is a reasonable relationship between:

- 11 A. The use of the fee and the development type(s) on which it is
12 imposed;
13 B. The need for the public infrastructure and services and the type(s) of
14 development on which the fee is imposed; and
15 C. The amount of the fee and the cost attributable to the development
16 project.

17 Section 6. The adoption of the Study and the Sensitive Coastal Resource
18 Impact Fee are statutorily and categorically exempt from the requirements of the
19 California Environmental Quality Act ("CEQA"), because the setting of development
20 impact fees merely establishes a funding mechanism for the provision of future projects,
21 and as such, the Resolution is not an essential step culminating in action which may
22 affect the environment, and environmental review required under CEQA will be
23 performed when projects funded by the development impact fees are chosen and
24 defined. (Kaufman & Broad South Bay, Inc. v. Morgan Hill (1993) 9 CaLApp.4th 464).

25 Section 7. That the City Council adopts the Development Impact Fees as
26 set forth in Section 5 of the Study.

27 Section 8. That the fees specified in Section 5 of the Study shall become
28 effective sixty (60) days following the adoption of this Resolution by the City Council, and

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 20____, by the following vote:

City Clerk

**Nexus Study for
Sensitive Coastal Resource Impact Fee**

**City of Long Beach
Southeast Area Specific Plan**

August 31, 2022

Prepared For:



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Summary

The Southeast Area Specific Plan (SEASP) represents tradeoffs and compromises that are inherent in a planning process with lengthy and complex efforts to fully engage residents, businesses, and property owners. SEASP eliminated residential and commercial development that the former Southeast Area Development Plan (SEADIP) previously authorized in areas now understood to potentially be wetlands and/or habitat, and it authorized an increase in development density and intensity in a limited area of change, primarily along Pacific Coast Highway. SEASP also planned for the establishment of an impact fee on new development with the purpose of funding limited activities to ameliorate potential impacts on sensitive coast resources, which impacts result from residential development and increased economic activity in proximity to these resources. The covered activities are only eligible for funding in areas planned for Coastal Habitat/Wetlands/Recreation uses. The proposed fee is set at a level that would fund covered activities on approximately eight acres of sensitive coastal resources. However, the specific location and acreage will be determined by a subsequent restoration plan (not funded by the impact fee) and may occur anywhere in the area designated for Coastal Habitat/Wetlands/ Recreation uses.

This study presents the analysis for determining the amount of the impact fee, its applicability, and the types of activities that may be funded with revenue from the impact fee. The report recommends a financially feasible development impact fee of \$0.25 per net increase in gross residential building square footage and \$0.25 per net increase gross square foot for nonresidential development. The fee would apply only to new development in close proximity to sensitive coastal resources, namely the areas planned for Mixed-use Community Core and Mixed-use Marina uses.

1. Introduction

This study estimates the cost preserve sensitive coastal resources in the area subject to the Southeast Area Specific Plan, establishes the nexus between new development and sensitive coastal resources (inclusive of wetlands, buffers, and habitat), and recommends a development impact fee to pay for certain costs to sustain these resources. This study is intended to satisfy the requirements of the Mitigation Fee Act (Government Code sections 66000 through 66008) to establish a nexus between the purpose of the fee and the types of development subject to and the amount of the fee.

Specifically, Section 66001(a) requires that the City do the following in order to establish a development fee:

- (1) Identify the purpose of the fee.
- (2) Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged.
- (3) Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
- (4) Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

1(A) Southeast Area Specific Plan

The City of Long Beach adopted the Southeast Area Specific Plan (SEASP) in the fall of 2017, replacing the Southeast Area Development and Improvement Plan (SEADIP) adopted in 1977. Because part of the plan area lies within the coastal zone, the City has submitted to the California Coastal Commission an update to its Local Coastal Program for review and certification. The review and certification process was ongoing at the time this study was prepared.

Adoption of SEASP was the culmination of two years of intensive outreach, analysis, and planning. The lengthy and comprehensive outreach involved City staff and officials, residents, property owners, businesses, and environmental groups. By necessity, the resulting plan represents a set of interconnected compromises across these stakeholder groups.

Relevant to this study, SEASP eliminated future development that SEADIP would have allowed on parts of Los Cerritos Wetlands and adjacent buffers, and it increased the density and intensity of development allowed in areas adjacent to Pacific Coast Highway. SEASP increased the overall density/intensity of development in these areas so that infill development and intensification would be financially feasible under current market conditions. For residents of the plan area, SEASP preserves the existing and potential wetlands, buffers, and habitat areas, calling for a development impact fee to fund efforts to improve and maintain sensitive coastal resources.

The proposed impact fee would only apply to a portion of the SEASP plan area: the area designated for Mixed-use Community Core and the area designated Mixed-use Marina when the specific plan was adopted. This area is adjacent to or across the street from sensitive coastal resources, and increased activity and the potential addition of residential uses will have direct impact on the functionality and maintenance of the adjacent sensitive coastal resources.

Figure A-1 in the Appendix at the end of this report shows the plan area and planned land use and the areas in which the impact fee applies and areas in which the funds generated may be used. As noted below, funds generated by the impact fee would only be used for activities in areas designated in SEASP as Coastal Habitat/Wetlands/Recreation.

1(B) Sensitive Coastal Resources

The specific plan designates 293 acres for use as Coastal Habitat/Wetlands/Recreation. Some of the properties in this area are privately owned and some are owned by public agencies. Much of the area within this land use designation is included in the Los Cerritos Final Conceptual Restoration Plan (LCWC Restoration Plan), but not all. Some but not all of the area within this land use designation has delineated wetlands pursuant to the requirements of:

- (1) US Army Corps of Engineers (Corps) jurisdiction pursuant to Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act.
- (2) CDFW jurisdiction pursuant to Section 1602 of the Fish and Game Code.
- (3) RWQCB jurisdiction pursuant to Section 401 of the Clean Water Act and Section 13260 of the Porter-Cologne Act.
- (4) Wetlands as defined under the California Coastal Act.

A portion of the area designated for use as Coastal Habitat/Wetlands/Recreation is owned by Synergy Oil and Gas, LLC, which is moving forward with a plan to establish a wetlands restoration bank.

Because the LCWC Restoration Plan does not yet include full wetlands delineation and detailed restoration design plans and because the wetlands restoration bank on the Synergy Oil and Gas property have not been prepared and made public, the full extent of the individual components of sensitive coastal resources (i.e., wetlands, buffers, and habitat) cannot be identified at the time of adoption of the impact fee.

For brevity, this report refers to the entire portion of the area designated for use as Coastal Habitat/Wetlands/Recreation as sensitive coastal resources. The revenue generated by the sensitive coastal resources impact fee would be restricted to use for covered activities on publicly owned parcels and parcels with public easements, at the time of expenditure, within this area. The specific parcels included in this area are identified by Assessor Parcel Number (APN) in Table A-1 in the Appendix at the end of this report, and Figure A-1 shows the area included as sensitive coastal resources. Solely for the purpose of estimating costs and the amount of the proposed impact fee, the analysis assumes that covered activities would occur on 4.0 acres of buffer and 4.0 acres wetlands. Actual activities may occur on a larger or smaller area throughout the area shown in Figure A-1, but costs exceeding revenue generated by the impact fee would be fund through additional sources.

1(C) Los Cerritos Wetlands Final Conceptual Restoration Plan

The Los Cerritos Wetlands (LCW) complex historically covered approximately 2,400 acres. Much of this area has been developed, and currently the LCW complex covers about 565 acres, about 209 acres of which are owned by public agencies. About 175 acres of the LCW complex lies within the SEASP plan area.

The Los Cerritos Wetlands Authority prepared a Conceptual Restoration Plan (CRP) in 2015 and is currently evaluating the environmental impacts of the types of restoration in the CRP.

2. Land Use and Development Projections

This section summarizes the level of development SEASP authorizes. The level of development is important to the amount of revenue the wetlands/habitat restoration fee will generate, and the location of the development is important in establishing the nexus between development and wetlands/habitat restoration.

2(A) Existing Development

Table 1 provides measures of the level of existing development in the plan area when the specific plan was being prepared. There were 4,079 residential dwelling units—a mix of mobile homes and single-family and multifamily housing. The estimated plan-area population was 6,486 persons. There were 2.2 million square feet of nonresidential building space. The total plan-area employment at the time was estimated at 3,555.

Table 1: Existing Development, SEASP Plan Area

Total Number of Residential Units	4,079
Population	6,486
Nonresidential Building Square Footage	2,226,760

Source: City of Long Beach, SEASP Initial Study, Table 4, 2015.

2(B) Planned Development

SEASP focuses new development in concentrated infill areas, generally along Pacific Coast Highway. The development capacity the plan provides would result from infill development on vacant or underutilized parcels and redevelopment of existing developed

properties. Because redevelopment would account for a significant amount of the development capacity, SEASP manages growth with a cap on the net increase in development. Table 2 provides the net increase in development authorized by SEASP.

**Table 2: Net Increase in Development
(SEASP Development Cap)**

Residential Development (dwelling units)	2,547
Commercial/Employment (sq. ft.)	307,071
Hotels (number of rooms)	0

Source: City of Long Beach, Southeast Area Specific Plan, Table 9-1, 2017.

Accordingly, the wetlands/habitat restoration impact fee will apply to development that causes a net increase in gross residential or nonresidential building square footage.

2(C) Location of Planned Development

Generally, SEASP maintains the existing land use designations from the 1977 SEADIP for a majority of the land area. However, SEASP specifically eliminated commercial and residential land use designations in the Los Cerritos Wetlands and increased the commercial and residential development potential in areas adjacent to Pacific Coast Highway (PCH), areas designated as Mixed-use Community Core and Mixed-use Marina. Figure A-2 in the Appendix identifies the areas of land use change. The net increase in development identified in Table 2 is expected to occur in the areas of land use change.

The impact fee would be applied only to new development in the areas of land use change. The area to which the impact fee applies is shown with the areas in which the fee may be used on Figure A-1 in the Appendix.

3. Covered Activities

The City of Long Beach intends to use revenue from the sensitive coastal resources impact fee to cover a limited set of activities associated with an increase in population near sensitive coastal resources. Activities that may be funded through the impact fee include:

- + Baseline Study. This activity is a baseline study, conducted prior to new development, to document the state and function of the buffer area and adjacent wetlands.
- + Monitoring. Subsequent to restoration of the buffer and wetlands, the area will need to be monitored to ensure that the restoration is successful and functional. The impact fee will cover that portion of the monitoring that is related to impacts of nearby development (new residents and increased business patrons) such as damage from pedestrian/hikers in the buffer and wetlands areas, exposure to non-native seeds from landscaping, lighting, and increased trash and debris. It is assumed that this activity would cover monthly monitoring in the first year after restoration and quarterly monitoring in years two through five following restoration. For the purpose of this memo, it is assumed that the area to be monitored includes four acres of buffer and four acres of adjacent wetlands. A precise definition of the area included will be identified in conjunction with the preparation and/or adoption of a wetlands restoration plan for the area or part of the area covered by the impact fee.
- + Maintenance. This activity includes periodic trash and debris removal of the assumed four acres of buffer area and four acres of adjacent wetlands.

To estimate the cost for covered activities, this study is based on the eight acres that is in closest proximity to the specific plan's areas of change (see Figure A-2). It is estimated that this would include about four acres of sensitive coastal resources in buffer areas and about four acres of sensitive coastal resources in adjacent wetlands. Because these areas are in proximity to areas where new development will occur under the specific plan, they are the sensitive coastal resources that will be most impacted by new residents and increased business patrons. Finally, the City intends that the list of covered activities and areas may be refined in conjunction with the preparation and/or adoption of a wetlands restoration plan.

4. Estimated Cost of Covered Activities

Glen Lukos Associates Regulatory Services developed estimated costs for the covered activities. These costs are identified in Table 3.

The estimated cost for the baseline study is a rough order of magnitude cost. The cost estimate for monitoring assumes monthly monitoring in the first year after restoration and quarterly monitoring in years two through five following restoration. The estimate also assumes that the area to be monitored includes four acres of buffer and four acres of adjacent wetlands. The cost estimate for maintenance assumes twice monthly maintenance, four hours per visits, and a gross City cost of \$60 per hour; the present value of 25 years of expenditures would be about \$100,000 at the current prime interest rate.

Table 3: Estimated Costs for Activities Covered by the Proposed Sensitive Coastal Resources Impact Fee

Baseline Study	\$10,000
Monitoring	\$560,000
Maintenance	\$100,000
Total	\$670,000

Source: Glen Lukos Associates, 2022.

5. Amount of Fee

5(A) Cost Allocation by Land Use Type

The estimated cost for covered activities is allocated among land uses based on the amount of net new development authorized by the plan.

For nonresidential uses, the allocation of cost is straightforward because the plan allows a net increase in nonresidential building square footage—307,071 sq. ft. For residential, however, the increase in development capacity is based on number of units.

SEASP allows for a net increase of 2,547 residential dwelling units. Based on the weighted average of gross residential square footage per residential dwelling unit in city-approved residential development (excluding high-rise buildings and single-family detached housing) since 2019, new development in Long Beach averages

971.68 gross residential square footage per dwelling unit. Thus, the net increase of 2,547 dwelling units can be expected to result in a net increase of 2,474,874 gross square feet of new residential development.

Table 4 allocates the estimated cost for covered activities to residential and nonresidential development based on each use type's share of the net increase in gross building space. To pay for the covered activities would require \$596,000 to be generated in fees from residential development and \$74,000 in fees from nonresidential development.

Table 4: Cost Allocation by Type of Development

Estimated cost of covered activities (Table 3)	\$ 670,000
Residential Development Share (89.0%)	\$ 596,000
Nonresidential Development Share (11.0%)	\$ 74,000

Source: PlaceWorks, 2022.

5(B) Amount of Impact Fee by Land Use Type

For individual development projects, the impact fee will be based on the project site's increase in gross building square footage for residential and nonresidential development. In addition, the City will charge a reasonable administrative fee of 3 percent.

Table 5 provides the sensitive coastal resources impact fee. For residential development, the total allocated cost of covered activities, \$596,000, is divided by the estimated net increase in residential square footage authorized by SEASP to determine the per square foot cost of \$0.24. With an administrative fee of 3 percent, the sensitive coastal resources impact fee for residential development is \$0.25 per gross square foot.

For nonresidential development, the total allocated cost for covered activities, \$74,000, is divided by the net increase in nonresidential gross building space—307,071 square feet—to determine the per square foot cost of \$0.24. With an administrative fee of 3 percent, the sensitive coastal resources fee for nonresidential development is \$0.25 per gross building square foot.

Table 5: Impact Fee for Residential and Nonresidential Building Space per Gross Square Foot

Cost allocated to residential development	\$ 596,000
Net increase in gross residential square footage	2,474,874
Cost per gross square foot	\$ 0.24
Administrative fee (3%)	\$ 0.01
Impact fee per residential gross building sq. ft.	\$ 0.25
Cost allocated to nonresidential development	\$ 74,000
Net increase in gross nonresidential square footage	307,071
Cost per gross square foot	\$ 0.24
Administrative fee (3%)	\$ 0.01
Impact fee per nonresidential gross building sq. ft.	\$ 0.25

Source: PlaceWorks, 2022.

5(C) Financial Feasibility

During preparation of SEASP, a financial feasibility analysis was conducted, finding two development prototypes to be financially feasible to be developed under the proposed plan. Scenario 4, with 710 multifamily units, 109,000 square feet of ground-floor retail, and 90 hotel rooms, was the more financially challenging of the two prototypes. The proposed sensitive coastal resources impact fee required for Scenario 4 is provided in Table 6.

The financial feasibility analysis was based on the resulting residual land value. The analysis indicated that the market value of land was between \$3 and \$4 million, so any residual land value resulting from new development that was in this range or above would be deemed to be financially feasible.

Table 6 shows the residual land value for Scenario 4 as presented in the analysis for the specific plan, before the application of the proposed sensitive coastal resources impact fee. It also shows the residual land value after the application of the proposed fee. The fee results in a reduction in residual land value of 0.6 to 0.8 percent. The final residual land value is between 3 and 4 million dollars or higher. Thus, the proposed fee should not impact the financial feasibility of new development.

Table 6: Financial Feasibility Impact of Proposed Sensitive Coastal Resources Impact Fee

	Scenario 4
Total sensitive coastal resources fee	\$ 350,959
Total fee per acre	\$ 29,120
For-sale Condominiums	
Residual land value per acre before fee	\$ 4,927,748
Residual land value per acre w/fee	\$ 4,898,628
Percent reduction w/fee	0.6%
For-rent Apartments	
Residual land value per acre before fee	\$ 3,782,739
Residual land value per acre w/fee	\$ 3,753,619
Percent reduction w/fee	0.8%

Source: PlaceWorks, 2022, using data from the Strategic Economics' Memorandum on Financial Feasibility Analysis, June 2015, prepared for SEASP.

6. Applicability of the Fee

The wetlands/habitat restoration impact fee shall apply to all development in the areas of change in SEASP, specifically to the areas designated for Mixed-use Community Core and Mixed-use Marina uses at the time of SEASP adoption, as shown in Figure A-1 in the Appendix. Table A-1 in the Appendix identifies the specific parcels by APN.

For an individual development project, the sensitive coastal resources impact fee is intended to be applied to the net increase in development for that project. For a development project that would result in the demolition or elimination of then-existing residential or non-residential building space, the fee would be applied to the total new construction less a credit for the reduction or eliminated residential or nonresidential building square footage. For example, the fee for a project that would demolish a 10,000-square foot shopping center and replace it with 19,434 square feet of new residential development among 20 new residential units would be \$4,858 ($\$0.25 \times 19,434$ gross sq. ft.) minus \$2,500 ($\$0.25 \times 10,000$ square feet) for a total of \$2,358. The credit for reducing or eliminating residential or nonresidential building square footage shall not exceed the amount of the fee required for the new construction. In

other words, the sensitive coastal resources impact fee shall never be less than zero.

7. Nexus Findings

SEASP represents an intentional effort, based on extensive outreach and public engagement, to shift development away from property with sensitive coastal resources to properties most suited to more intense development, to allow densities and intensities of new development that would be financially feasible, and to preserve, protect, and enhance sensitive coastal resources that provide tangible benefits to residents and business patrons in close, walking proximity.

The future restoration of the Los Cerritos Wetlands Complex (which is separate from the activities covered by the proposed impact fee) is intended not only to restore the wetlands' natural hydrological function and to ameliorate sea level rise but also to facilitate passive use of the wetlands, habitat, and buffer as natural open space. As is well documented with park usage¹, the primary beneficiaries of this open space will be nearby residents and business patrons. However, increasing the number of residents and the amount of economic activity in proximity to the sensitive coastal resources may serve to overload these resources with public use. In addition, increased public passive use will result in increased litter, and the increase in population in the Mixed-use Community Core and the Mixed-use Marina areas will result in increased trash and debris being blown into the areas with sensitive coastal resources.

¹ See, for example:

- In a study of 12 neighborhood parks in Los Angeles, it was found that 81 percent of park users live within one mile of the park (Cohen, Deborah, et. al. 2006, *Park Use and Physical Activity in a Sample of Public Parks in the City of Los Angeles*. Santa Monica: the Rand Corporation).
- In a survey of residents in cities in Texas, it was found that respondents living within .25, .5, and .75 miles of a park were significantly more likely to use parks than those residing beyond those points (Walker, Jamie Rae and Crompton, John L. (2012) "The Relationship of Household Proximity to Park Use" in *The Journal of Park and Recreation Administration*, vol. 30, no. 3, Fall 2012, pp. 52–63. This article provides a summary of literature on park usage and proximity going back to the 1970s.

7(A) Purpose and Use of the Fee

The purpose of the sensitive coastal resources impact fee is to pay for covered activities (described in Section 3, Covered Activities) resulting from the increased number of residents and increased economic activity resulting from new development to which the impact fee applies.

The activities covered by the proposed impact fee are specifically targeted to address these issues of increased public use and increased litter, trash, and debris, arising from new development and increased population and economic activity. The baseline study will document existing conditions in the sensitive coastal resources areas nearest to the areas planned for more intense development. This study will provide a baseline for the City to use funds generated by the sensitive coastal resources impact fee for other covered activities. Similarly, the ongoing monitoring for five years following wetlands and habitat restoration will provide a basis for evaluating the effectiveness of the covered activities for maintenance and a factual basis for future decisions by the City regarding other needed facilities and programs (funded by sources other than the impact fee) to protect and preserve the sensitive coastal resources. Finally, the covered maintenance activities, primarily periodic trash and debris removal, will directly address the impacts resulting from increased population and economic activity.

7(B) Relationship Between the Fee and Types of Development

The fee applies to the increase in residential building square footage in the Mixed-use Community Core and the Mixed-use Marina areas. Neither of these areas currently have residential uses. Thus, new residential development represents new residents in proximity to the sensitive coastal resources.

The fee also applies to the net increase in nonresidential building space. The net increase in nonresidential building space represents an increase in economic activity and an increase in the number of customers who will patronize businesses in proximity to the sensitive coastal resources.

8. Appendix

Table A-1: Parcels Designated in SEASP for Mixed-use Community Core and Mixed-use Marina Use Upon Which Proposed Sensitive Coastal Resource Impact Applies

APN	SEASP Land Use Designation
7237-020-022	Mixed-Use Community Core
7237-020-024	Mixed-Use Community Core
7237-020-040	Mixed-Use Community Core
7237-020-041	Mixed-Use Community Core
7237-020-050	Mixed-Use Community Core
7237-020-051	Mixed-Use Community Core
7237-020-904	Mixed-Use Community Core
7237-022-003	Mixed-Use Marina
7237-022-006	Mixed-Use Marina
7237-022-014	Mixed-Use Marina
7237-022-016	Mixed-Use Marina
7237-022-017	Mixed-Use Marina
7242-011-013	Mixed-Use Community Core
7242-011-014	Mixed-Use Community Core
7242-012-006	Mixed-Use Community Core
7242-012-007	Mixed-Use Community Core
7242-012-999	Mixed-Use Community Core
7242-021-002	Mixed-Use Community Core
7242-021-003	Mixed-Use Community Core
7242-021-004	Mixed-Use Community Core
7242-021-006	Mixed-Use Community Core
7242-021-007	Mixed-Use Community Core
7242-021-900	Mixed-Use Community Core

Table A-2: Parcels Designated in SEASP for Coastal Habitat/Wetlands/Recreation Use Upon Which Impact Fee Revenues May Pay for Covered Activities

APN	Owner
7237020054	BRYANT DAKIN LLC
7237017019	LCW PARTNERS LLC
7237020053	BRYANT DAKIN LLC
7237017008	LOYNES AND STUDEBAKER LLC
7237017009	LOYNES AND STUDEBAKER LLC
7237017010	LCW PARTNERS LLC
7237017012	LCW PARTNERS LLC
7237017007	LOYNES AND STUDEBAKER LLC
7237017807	AES ALAMITOS LLC
7237017809	AES ALAMITOS LLC
7237017022	IN-N-OUT BURGERS INC
7237017020	IN-N-OUT BURGER
7237017018	LCW PARTNERS LLC
7237017014	LCW PARTNERS LLC
7237017011	LCW PARTNERS LLC
7237020044	LYON HOUSING PUMPKIN PATCH
7237017013	LCW PARTNERS LLC
7237018001	LOYNES AND STUDEBAKER LLC
7237020045	LYON HOUSING PUMPKIN PATCH
7237020900	LONG BEACH CITY
7237020275	L A CITY DEPT OF WATER AND POWER
7237017006	LOYNES LLC
7237022012	ALAMITOS BAY PTNSHP
7237020276	L A CITY DEPT OF WATER AND POWER
7242012008	ASN LONG BEACH LLC
7242012270	SEAL BEACH CITY
7242013004	SEAL BEACH SHORES INC
7242013002	SEAL BEACH SHORES INC
7237020021	
7237020055	
7237020901	LOS CERRITOS WETLANDS AUTHORITY
7237020901	LOS CERRITOS WETLANDS AUTHORITY
7237022900	LONG BEACH CITY
7237017901	L A CO FLOOD CONTROL DIST
7237022012	ALAMITOS BAY PTNSHP
7237017805	AES ALAMITOS LLC
7237017806	AES ALAMITOS LLC
7237017808	AES ALAMITOS LLC
7237017901	L A CO FLOOD CONTROL DIST

7237022011	ALAMITOS BAY PARTNERSHIP
7237020901	LOS CERRITOS WETLANDS AUTHORITY
7237020276	L A CITY DEPT OF WATER AND POWER
7237020275	L A CITY DEPT OF WATER AND POWER
7237020276	L A CITY DEPT OF WATER AND POWER
7237020281	
7237020280	
7237020902	
7237020282	
7237020280	BRYANT DAKIN LLC

Figure A-1: Sensitive Coastal Resources Impact Fee: Areas in Which the Fee Applies to New Development and Areas in Which Impact Fee Revenue May Be Used for Covered Activities

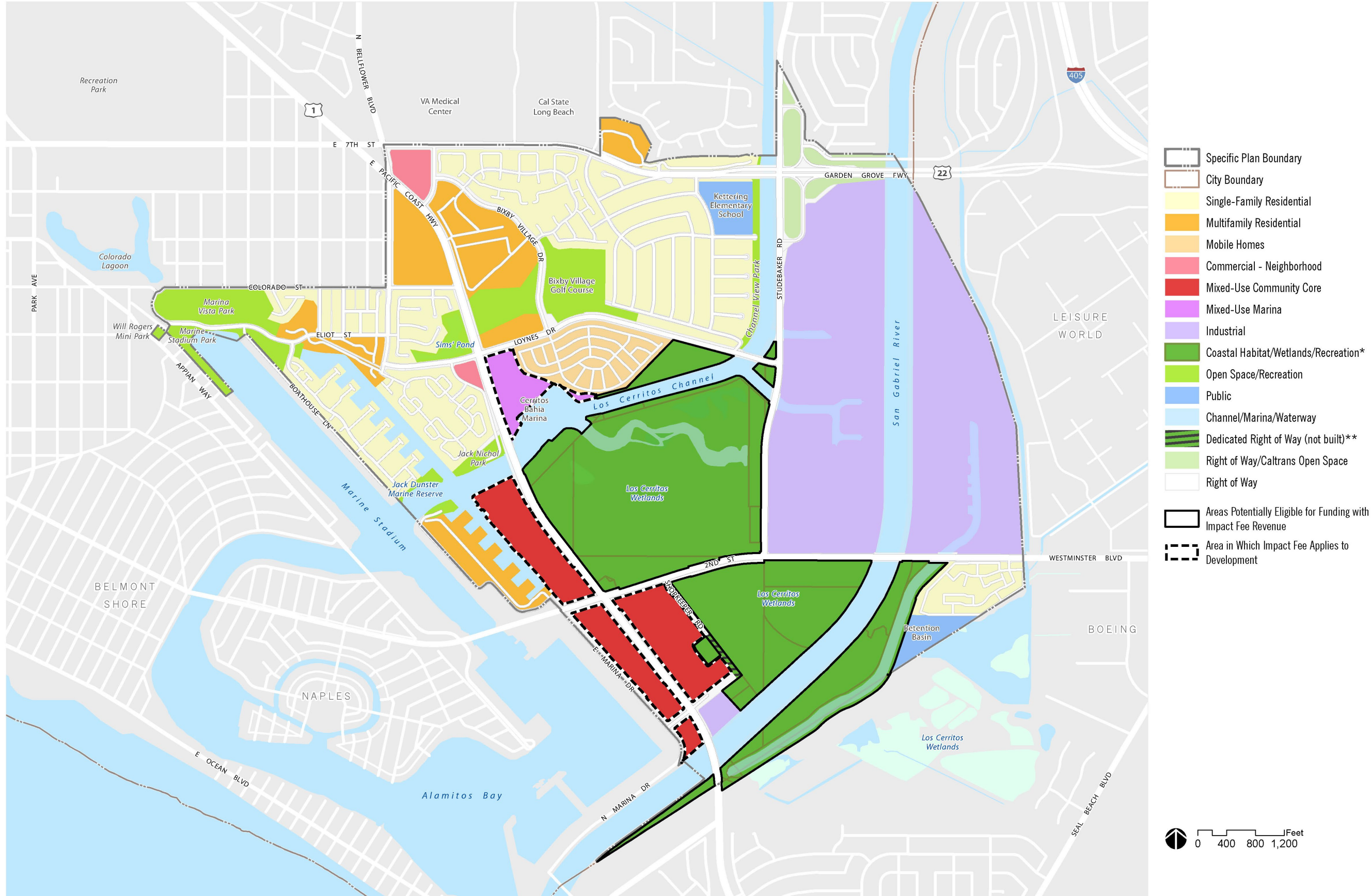


Figure A-2: SEASP Areas of Land Use Change

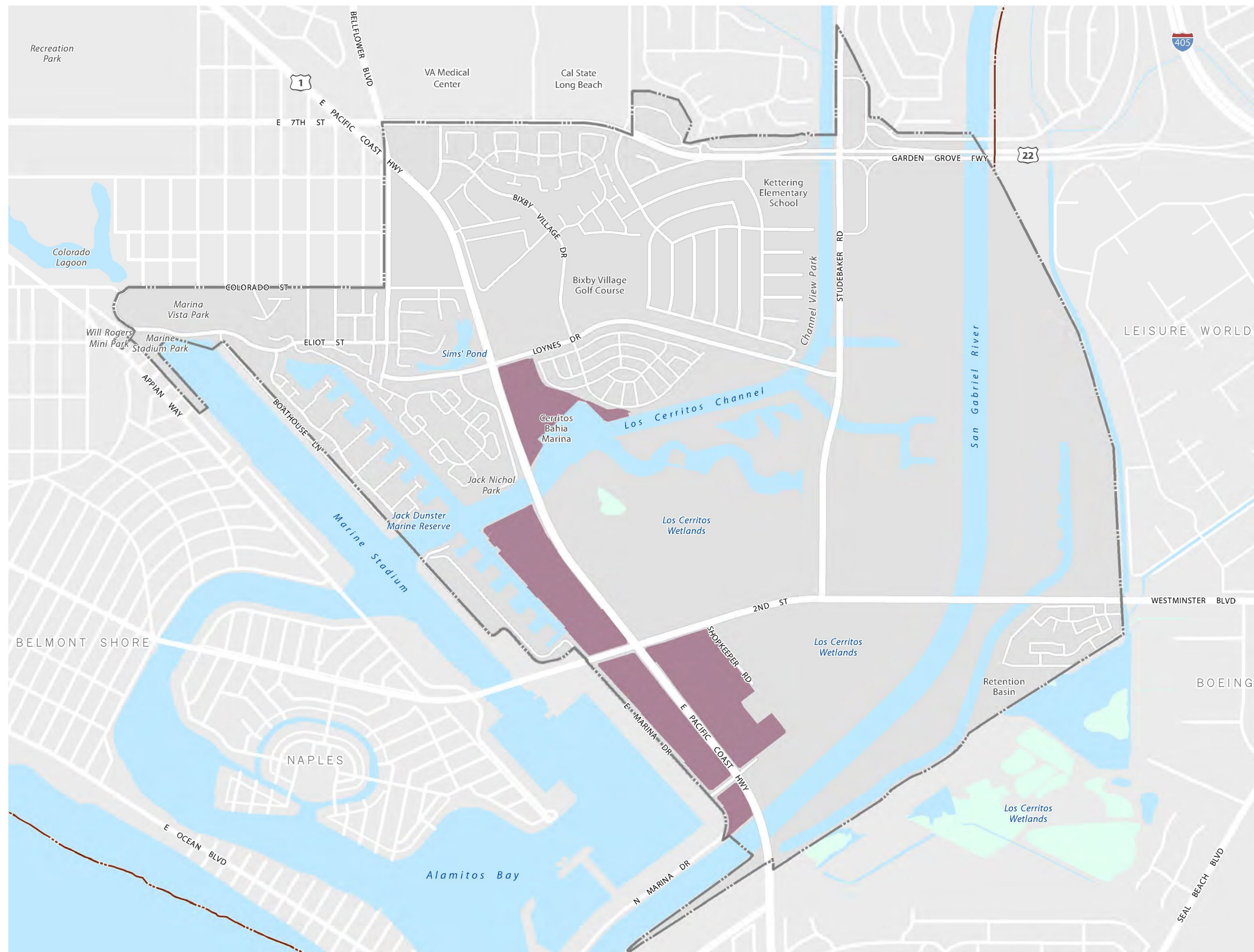
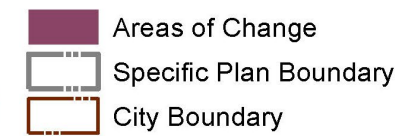


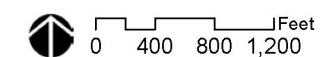
Figure 4-1 Areas of Change



NOTES: The majority of uses within the Southeast Area Specific Plan experienced no change other than clarifications to development standards for existing uses. The areas shown on this map indicate areas where the greatest change—from the 1977 Plan—are proposed. As shown on this map the changes are concentrated in a few areas, and the remainder of the original uses have been maintained in the Land Use Plan (Figure 4-4).

Land uses in the Los Cerritos Wetlands were also revised to eliminate commercial and residential uses that were previously permitted under the 1977 Plan. The revised Coastal Habitat, Wetlands, and Recreation designation preserves resources and provides access to coastal recreation opportunities.

Source: City of Long Beach and PlaceWorks



Source: City of Long Beach, Southeast Area Specific Plan, Figure 4.1.

