

October 1, 2020

CHAIR AND PLANNING COMMISSIONERS

City of Long Beach
California

RECOMMENDATION:

Recommend that the City Council determine that the project is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15305 (Class 5 – Minor Alterations to Land Use Limitations) of the CEQA Guidelines and none of the exceptions in 15300.2 apply, and that it is further exempt pursuant to Section 15308 (Actions by Regulatory Agencies for Protection of the Environment) and Section 15061(b)(3) (Common Sense Exemption), as it will not result directly or indirectly in significant environmental impacts. (CE20-090); and

Recommend that the City Council adopt Zoning Code Amendment ZCA20-014, consisting of changes to Title 21 of the Long Beach Municipal Code (LBMC) that would amend section 21.61 (Maintenance of Low Income Housing in the Coastal Zone) to limit exceptions to the requirements to replace affordable units and to modify the in-lieu fees for Coastal Zone areas of the City. (CD 1,2 and 3)

APPLICANT: City of Long Beach, Development Services Department
411 West Ocean Boulevard, 3rd Floor
Long Beach, CA 90802
(Application No. 2009-04)

BACKGROUND

In 2014, the City adopted the current 2014-2021 General Plan Housing Element. That document identifies several actions to be completed during the 2014-2021 period including Program 4.4 related to Affordable Housing Funding Opportunities. One of those actions involves an update to the Coastal In-Lieu Fees that developers are required to pay if a lower-income unit is demolished within the Coastal Zone. Along with the updating of the fees to reflect current market costs, this action will remove a one to two unit exemption from the fee requirements that is no longer consistent with state law and best practices.

DISCUSSION

In 1981, the California legislature enacted Government Code Section 65590, the Mello Act, which prohibits the demolition of lower-income housing units within the Coastal Zone unless provision is made for those units to be rebuilt on-site, within a certain distance, or through the payment of in-lieu fees. Between 1981 and 2014 the City of Long Beach received over two million dollars in in-lieu fees related to demolitions and condo conversions within the Coastal Zone. These fees supported the construction of 393 affordable units to offset the loss of 111 affordable units.

Around 2008, City and Coastal Commission policy began to evolve alongside changes in market and regulatory conditions in Long Beach. The payment of in-lieu fees is no longer desirable when considering the rapidly increasing cost of developing affordable housing units. Preservation of existing housing or replacement on-site are superior options under current conditions. No Mello fees have been collected since 2014. It remains however a legal requirement to offer in-lieu fees as an alternative means of compliance with the Mello Act.

Staff proposes to increase in-lieu fees to match the full financial gap associated with the construction of affordable units, as demonstrated in a technical study from Keyser Marston Associates (Exhibit A). Unlike other development impact fees, Mello fees exist within the Zoning Code and must be modified by ordinance. As part of the proposed ordinance, staff also recommends deleting an exemption to the Mello Act that is no longer appropriate for Long Beach. As the number of individuals renting single-family homes, duplexes and accessory dwelling units has increased, it is no longer appropriate to exempt those properties from the requirements of the Mello Act.

PUBLIC HEARING NOTICE

In accordance with public hearing notification requirements for a Zoning Code Amendment in Long Beach Municipal Code (LBMC) Section 21.21.302.C, notice of this public hearing was published in the Long Beach Press-Telegram on September 17, 2020. Due to the declared state of emergency, notices were not provided to City libraries (they are closed), notice posting was provided at City Hall but not at multiple locations. A notice of the proposed zoning code amendment was distributed through the City's LinkLB e-mail blast system and to individual stakeholders who have requested notification on this item. Copies of the public notice were also forwarded to the California Coastal Commission.

ENVIRONMENTAL REVIEW

In accordance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines, the Zoning Code Amendment is exempt from CEQA under Section 15305 (Minor Alterations to Land Use Limitations) and Section 15308 (Actions by Regulatory Agencies for Protection of the Environment) and none of the exceptions in Section 15300.2 apply. Section 15305 exempts projects that consist of minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density. The properties affected by this ZCA have an average slope of less than 20%.

The ZCA is further exempt pursuant to Section 15308 (Actions by Regulatory Agencies for Protection of the Environment) and Section 15061(b)(3) (Common Sense Exemption), as it will not result directly or indirectly in significant environmental impacts. The Zoning Code Amendment does not change any physical conditions in the environment because it is limited to amendment of the Zoning Code to specify fees for otherwise permitted development, where residential uses are currently permitted. The proposed ordinance does not change the height, intensity of land use, or allowable land uses currently permitted by the underlying planned development district zoning or specific plan. Finally, projects seeking approval subsequent to this Zoning Code Amendment will be subject to individual CEQA review, as appropriate. Individual projects in the Coastal Zone, including demolitions, require a local coastal development permit (LCDP), which is a discretionary action subject to CEQA.



Christopher Koontz

R. L.

Attachments: Exhibit A – KMA Nexus Study
Exhibit B – Findings
Exhibit C – Draft Code Amendment