

## **H-50**

November 17, 2020

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

### RECOMMENDATION:

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

Declare an Ordinance amending Title 21, Zoning Regulations (Zoning Code), of the Long Beach Municipal Code to amend section 21.15 (Definitions) and add a new section 21.45.600 related to the following: establishing related definitions and creating a pilot program to allow up to a maximum of 500 micro-unit housing units, subject to provisions outlined in the proposed Ordinance, in the Midtown (SP-1) and Downtown (PD-30) areas of the City, read the first time and laid over to the next regular meeting of the City Council for final reading. (Citywide)

### DISCUSSION

In May 2017, the City Council adopted 29 policy recommendations to support the production of affordable and workforce housing. Policy 3.11 directs staff to develop a plan to include micro-units as a method for encouraging housing production.

Micro-unit housing is a newer housing typology that is affordable to moderate-income households. These dwelling units are typically small studio apartments, usually less than 350 square feet, with a fully functioning and Americans with Disabilities Act (ADA) accessible kitchen and bathroom. While micro-units are not subsidized affordable units, they can be an affordable rental housing solution for single-person households and young professionals—offering cost savings to renters. When compared to a conventional studio in the same market, the gross rents for micro-units tend to be 20 to 30 percent lower than the rent for a conventional studio unit. Because micro-units are generally developed without public subsidies, this type of housing offers a market-based solution for tackling issues of housing affordability.

As such, establishing a pilot program to allow micro-units in Long Beach, in accordance with Recommendation 3.11 of the 2017 Report, could diversify the City's housing stock and provide more affordable housing options for students and young professionals.

In response to housing shortages and concerns about housing affordability nationwide, many United States cities have developed micro-unit regulations to facilitate a greater number of smaller units as one strategy to foster housing production and increase housing supply. Staff's research found that micro-unit projects tend to be in highly desirable locations, close to public transit, with a variety of quality amenities to attract prospective occupants. As such, micro-units offer the added benefit of a reduction of vehicle miles traveled (VMT) by bringing housing closer to jobs and other daily destinations.

Micro-units also address a niche in the housing market that is currently underserved by offering a previously unavailable housing choice to single-person households, which helps reduce the demand pressure on multi-family and single-family housing, and can, ultimately, help stabilize rents. The demographic this type of housing tends to attract is mainly young professional singles, mostly under 27 years old. Most respondents in a survey conducted as part of an Urban Land Institute (ULI) market report on micro-units indicated that they are amenable to micro-units as a housing choice in exchange for the opportunity to live alone, pay a lower rent, and to live in a highly desirable location (walkable, trendy, urban).

### Case Studies

Common regulations instituted by other cities to encourage this housing typology include relaxation of minimum unit size requirements, density limitations, and requirements that micro-unit projects include a mix of unit sizes that include traditional multi-family units. They also waive or reduce parking when building near transit and require the provision of rich, shared amenities. In New York City, for example, minimum unit size and maximum density limits were waived to allow the first micro-unit project, Carmel Place, to be built as part of an initiative to aid the city's small household population. Carmel Place was completed in Spring 2016 and consists of 55 rental apartments, 40 percent of which are affordable housing units—14 for applicants through the city, and 8 for supportive housing through Veteran's Affairs. The project incorporates five different micro-unit configurations that range between 260 to 360 square feet in size.

Completed in 2013, the Panoramic building in the SoMa neighborhood of downtown San Francisco is a 160-unit building with micro-units for students and interns that average 354 square feet. The building includes amenities such as a rooftop garden, a bike storage room, ground floor café, and lounges on each floor. While onsite parking is not provided, the building provides City CarShare vehicles for residents, and the building is two blocks away from the Civic Center BART station.

Lastly, in Southern California, in March, the City of Pasadena updated existing regulations to increase the maximum allowable unit size from 220 square feet to 375 square feet and remove the Conditional Use Permit (CUP) requirement for these types of units proposed in Pasadena's Central District Specific Plan. The City of Culver City also adopted an ordinance to allow micro-units in January of this year. Specifically, Culver City's micro-unit regulations allow a minimum size of 350 square feet; limit the number of micro-units in a development to 25 percent; exempt micro-units from providing private open space, but are required to provide a minimum of 100

square feet of communal open space per unit; and, allow for a lower parking rate of 0.5 spaces per dwelling unit, except for units in the Transit Oriented District, which do not have to provide any parking spaces. Finally, the City of Santa Monica allows this housing typology, with unit sizes ranging from between 150 to 375 square feet, with the caveat that these units be 100 percent affordable (non-market-rate).

### Regulatory Framework

As a means to implement the micro-unit policy recommendation adopted by the City Council and using research on best practices and micro-units feasibility, staff has crafted an ordinance that would establish a 500-micro-unit (5 to 10 projects) pilot program with a focus on geographic areas that, based on existing development standards, can better facilitate micro-unit projects and enable the City to test out regulations prior to developing permanent regulations. The proposed ordinance establishes a 500-micro-unit pilot program in the Downtown (PD-30) and Midtown (SP-1) areas. It generally maintains existing zoning regulations and development standards with two main exceptions. The proposed regulations: (1) exempt micro-unit projects from otherwise applicable minimum unit size and unit mix requirements; and, (2) adjusts open space requirements to be calculated as a percentage of the lot rather than as a minimum square footage requirement per unit and requires common open space rather than private open space. All other zoning regulations and development standards of the SP-1 and PD-30 zoning districts would continue to apply to these projects.

Following is a more detailed discussion of the provisions of the proposed ordinance:

- **Establish a Micro-unit Definition.** The proposed ordinance establishes a “micro-unit” definition, which does not currently exist in the Zoning Code. The proposed definition does not include a minimum unit size, but rather defers to the Building Code to regulate unit size to avoid any potential conflicts between Zoning and Building Code regulations. Per the Building Code, minimum unit size differs based on the building typology and construction type; however, the minimum unit size for a typical micro-unit project is anticipated to be 220 square feet<sup>1</sup> and, in practice, the units are likely to be larger based on evidence from various case studies. The proposed definition also describes other required features of micro-units.
- **Grant Relief from Unit Size and Unit Mix Requirements.** The proposed micro-unit definition also exempts micro-unit projects from existing unit size and unit mix requirements. Currently, the SP-1 and PD-30 zoning districts have a minimum unit size requirement of 600 square feet (with the potential for up to 15 percent of the units to be a minimum of 450 square feet). Similarly, these zoning districts have requirements for a unit mix (mix of unit sizes and number of bedrooms). The proposed ordinance would exempt micro-unit projects from those requirements and would allow 100 percent micro-unit projects, creating greater flexibility to facilitate such projects.

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<sup>1</sup> However, the Building Code requires at least 320 square feet if there are more than two occupants in such a unit.

- **Establish Geographic Areas.** The proposed ordinance establishes the geographic boundaries of the micro-unit pilot program area. Based on the City's research on micro-units, PD-30 and SP-1 are likely the best candidates for a micro-unit pilot program due to allowable height and Floor Area Ratio (FAR) permitted in those areas, in addition to the locational amenities (Attachment A – Pilot Program Location Map). Micro-unit projects would still be subject to applicable setback, landscaping, FAR, height, and other development standards as required by PD-30 or SP-1.
- **Establish a Unit Cap.** The proposed ordinance establishes a temporary micro-unit program with a cap on the total number of micro-units that can be constructed under the interim regulations. The proposed unit cap is 500. This number of units permits the City to gain experience with a number of projects (5 to 10 projects, depending on the size of the projects) as a means to test and finetune the regulations, prior to establishing more permanent regulations. As proposed, the ordinance will sunset once 500 units are entitled through the planning process.
- **Permit Adaptive Reuse to Micro-Unit Projects.** The proposed ordinance clarifies that adaptive reuse of existing buildings to micro-unit projects is permitted. As proposed, micro-unit projects would be permitted both as new construction and adaptive reuse of existing buildings. The proposed ordinance would facilitate reuse of existing buildings to micro-units as long as the proposal otherwise meets the requirements of the applicable adaptive reuse regulations and those of the proposed micro-unit ordinance and does not already contain dwelling units.
- **Prohibit Conversion of Existing Dwelling Units.** The proposed ordinance includes a provision that prohibits the conversion of existing dwelling units to micro-units to prevent any potential displacement of existing tenants while facilitating an increase in housing units.
- **Adjust Open Space Requirements.** The proposed ordinance tailors open space requirements to the unique conditions of micro-unit projects. Open space requirements are typically assessed as a square footage amount per dwelling unit. As it pertains to micro-unit projects, these regulations could result in a significant open space requirement that could render such projects infeasible. The proposed micro-unit pilot ordinance has been drafted to swap conventional per-unit open space requirements with an alternative open space requirement that emphasizes common areas to ensure the livability of this housing typology for future residents. The proposed ordinance delineates the amount of open space that is required—10 percent of the lot area—and a requirement that two or more types of common open space be provided from among a menu of choices. Those choices include communal lounges or kitchens, rooftop open space and/or more conventional ground-level outdoor common areas. The common open space provision of the pilot program has been crafted to allow for minimum common open space requirements to be met while allowing for creativity in how common open space amenities may be provided.

Following is a discussion of the relationship between the proposed ordinance and other applicable zoning regulations and development standards:

- **Parking Relief Through Existing TDM Provisions and Density Bonus.** Micro-unit projects may be eligible for parking reductions using existing regulations that are intended to encourage multimodal transportation use and affordable housing, as a means to improve the feasibility of this housing typology. In PD-30, projects within the Alternative Mobility Overlay are eligible for a parking reduction from the baseline parking required in PD-30 by incorporating Transportation Demand Strategies (TDM) strategies such as: car-sharing, carpool, unbundled parking, shared parking, etc., subject to Site Plan Review Committee approval. Similar TDM strategies for parking reduction are also allowed in SP-1 with Site Plan Review Committee (SPRC) approval. Outside of incorporation of TDM strategies for a reduction in parking, micro-unit projects incorporating covenanted, income-restricted affordable units can also take advantage of parking reductions permitted by the State Density Bonus Law (Government Code §65915). Conventional per-unit parking requirements can present a regulatory hurdle for micro-unit projects by virtue of the high density typically associated with these projects. These measures will improve the feasibility of micro-unit projects and have the added goal of reducing vehicle miles traveled in the pilot project area.

If the ordinance is adopted by the City Council, the subject provisions allowing and regulating micro-units shall remain in effect until a total of 500 micro-units have gone through the planning development review process and are entitled. After 500 micro-units are entitled, the micro-unit pilot program will automatically sunset and become null and void unless extended by action of the City Council, after review and recommendation by the Planning Commission. Staff will use pilot projects as a means to evaluate the effectiveness of the proposed regulations in facilitating micro-unit projects and propose recommended modifications that the City should consider if and when permanent regulations are considered. In addition to tracking the number of micro-units for compliance with the 500-unit limit through the Site Plan Review process, staff will also evaluate whether proposed regulations are resulting in the desired increase in housing production.

On September 3, 2020, the Planning Commission reviewed and recommended approval of the proposed micro-unit ordinance to the City Council, consistent with adopted policies and plans (Attachment B – Findings). The draft Zoning Code Amendment is attached (Attachment C – Draft Zoning Code Amendment). The Planning Commission staff report is also attached as Attachment D – Planning Commission Report.

#### Public Notice and Environmental Compliance

Notice of this public hearing was published in the Long Beach Press-Telegram on November 3, 2020, in accordance with provisions of the Zoning Ordinance. 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 (ZCA) was distributed through the City's LinkLB e-mail blast system and to

individual stakeholders who have requested notification on this item. No responses were received regarding this matter as of the date of preparation of this report. Any comments received prior to the City Council hearing will be provided at the hearing.

In accordance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines, the ZCA 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 percent, 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 percent.

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 ZCA does not result in any physical changes in the environment because it is limited to amendment of the Zoning Code to allow micro-units in the PD-30 and SP-1 areas, 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. Furthermore, the micro-unit pilot project area represents the most transit accessible areas of Long Beach and largely coincides with areas mapped as having low vehicle miles traveled (VMT), in which infill residential and mixed-use projects would be exempt from further transportation analysis, in accordance with CEQA and the City's recent implementation of SB 743. Finally, projects seeking approval subsequent to this ZCA will be subject to individual CEQA review, as appropriate.

This matter was reviewed by Assistant City Attorney Michael J. Mais on October 26, 2020 and by Budget Analysis Officer Julissa José-Murray on October 14, 2020.

### TIMING CONSIDERATIONS

City Council action is requested on November 17, 2020. Pursuant to Section 21.25.103 of the Zoning Code, this request must be presented to the City Council within 60 days of the Planning Commission hearing, which took place on September 3, 2020. The November 17, 2020 public hearing date was the first available opportunity for the item to be reviewed by the City Council.

### FISCAL IMPACT

There is no fiscal or local job impact associated with this recommendation. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities.

HONORABLE MAYOR AND CITY COUNCIL  
November 17, 2020  
Page 7 of 7

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



OSCAR W. ORCA  
DIRECTOR OF DEVELOPMENT SERVICES

ATTACHMENTS: CITY COUNCIL ORDINANCE  
ATTACHMENT A – PILOT PROGRAM LOCATION MAP  
ATTACHMENT B – FINDINGS  
ATTACHMENT C – DRAFT ZONING CODE AMENDMENT  
ATTACHMENT D – PLANNING COMMISSION REPORT

APPROVED:



THOMAS B. MODICA  
CITY MANAGER

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
411 W. Ocean Boulevard, 9th Floor  
Long Beach, CA 90802

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ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH AMENDING THE LONG BEACH  
MUNICIPAL CODE BY ADDING SECTION 21.15.1756 AND  
SECTION 21.45.600, RELATING TO MICRO-UNITS

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

Section 1. The Long Beach Municipal Code is amended by adding  
Section 21.15.1756 to read as follows:

21.15.1756 Micro-Unit.

“Micro-Unit” is a dwelling unit that is not subject to the density  
limitations or minimum unit size and unit mix requirements of the underlying  
zoning and which contains a full bathroom, kitchen facilities, and built-in  
storage within the Micro-Unit.

Section 2. The Long Beach Municipal Code is amended by adding  
Section 21.45.600 to read as follows:

21.45.600 Micro-Unit Projects.

The following development standards shall apply to Micro-Unit  
projects:

A. Purpose. To develop a pilot program for Micro-Unit projects in  
areas of the City that are amenity-rich and located near quality public transit  
systems in accordance with recommendation 3.11 of the City’s adopted 29  
policy recommendations to address the affordable housing crisis in the City,  
by developing innovative housing uses and encouraging housing  
production. This Ordinance establishes a “pilot program” to allow Micro-Unit

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projects in the Downtown (PD-30) and Midtown (SP-1) areas.

B. Definition of terms.

“Micro-Unit project” is a development comprised either wholly or partially of Micro-Units.

C. Land use. Micro-Units proposed in accordance with this Section shall be allowed where residential uses are allowed in PD-30 and SP-1.

D. Applicability of underlying Planned Development or Specific Plan Regulations. The development standards associated with Micro-Units in this Section shall supersede the development standards as set forth in PD-30 and SP-1.

E. Micro-Unit size. The minimum Micro-Unit size shall be no smaller in square footage, or contain fewer amenities, than is permitted by the City’s current Building Code Regulations.

F. Open space requirement. Ten percent (10%) of the total lot area shall be provided as minimum common usable open space. A Micro-Unit project’s open space must incorporate at least two (2) or more of the following types of common open space amenities:

1. Communal lounge room on every floor;
2. Communal kitchen(s);
3. Rooftop outdoor space with minimum dimensions of twelve foot (12’) length by twelve foot (12’) width, and a minimum area of one hundred fifty (150) square feet that includes seating areas, landscaping, water features, programmatic features, or other equivalent high-quality rooftop amenities to the satisfaction of the Site Plan Review Committee; or
4. Usable open space described in Section 21.15.3160.

G. Required parking. Parking requirements per the parking regulations specified in PD-30 and SP-1 shall apply; however, Micro-Unit

1 projects are eligible for a vehicular parking reduction by incorporating  
2 Transportation Demand Management (TDM) strategies that aim to reduce  
3 reliance on automobiles and associated congestion and emissions. Subject  
4 to the discretion of the Site Plan Review Committee, TDM strategies may  
5 include following:

- 6 1. Carpool/vanpool;
- 7 2. Garage lifts (stacked parking);
- 8 3. Unbundled parking (parking spaces are rented or sold  
9 separately, rather than automatically included with the rent or purchase  
10 price of a residential or commercial unit);
- 11 4. Off-site parking within one thousand (1,000) linear feet  
12 walking distance of the property line (a shared parking agreement may be  
13 required to the satisfaction of the Site Plan Review Committee);
- 14 5. Joint use (shared parking);
- 15 6. Transit/bicycle/pedestrian system improvements;
- 16 7. Adequately monitored on-street parking rates and time  
17 restrictions;
- 18 8. Transit passes (provide free or reduced-price transit  
19 passes to Micro-Unit residents or employees). An incentive program could  
20 be developed for developers, property managers, and employers to  
21 substitute a percentage of required parking spaces. A maximum limit will be  
22 determined by the Site Plan Review Committee;
- 23 9. Other proposals.

24 All parking reduction requirements shall be approved at the discretion  
25 of the Site Plan Review Committee, which will determine the appropriate  
26 level of parking demand reduction generated by proposed strategies on a  
27 project-specific basis; however, a TDM program shall not reduce parking to  
28 zero.

1           Bicycle parking shall be provided at a rate of one (1.0) space for  
2 every five (5) Micro-Units. Fractions shall be rounded up to whole numbers.

3           H.     Other provisions. Floor Area Ratio (FAR), Landscaping, Lot  
4 Coverage, Setbacks, Height, and any other applicable development  
5 standards of the underlying Specific Plan or Planned Development District  
6 shall be complied with, unless waived by the Site Plan Review Committee,  
7 or relief is granted in the form of bonuses, waivers or incentives, through the  
8 applicable density bonus regulations in exchange for required percentages  
9 of covenanted, restricted affordable units.

10          I.     Adaptive Reuse. Adaptive Reuse projects that comply with  
11 this Section shall not be subject to any density limitations, unit size, or unit  
12 mix requirements of applicable Adaptive Reuse provisions.

13          J.     Existing Dwelling Units. Projects that propose to convert  
14 existing dwelling units into Micro-Units shall be prohibited.

15          K.     Review process. Site Plan Review shall be required pursuant  
16 to Chapter 21.25 of this Title for all Micro-Unit projects. If Micro-Units  
17 proposed as part of a Micro-Unit project meet the criteria for a Special  
18 Group Residence, as defined by Section 21.15.2810, it shall require a  
19 Conditional Use Permit, consistent with applicable PD-30 and SP-1  
20 provisions.

21          L.     Findings. Findings shall be made in accordance with Section  
22 21.25.506 for approval of a Micro-Unit project.

23          M.     Sunset. The subject provisions allowing and regulating Micro-  
24 Units shall remain in effect until a total of five hundred (500) Micro-Units are  
25 entitled. At the point at which projects comprising five hundred (500) Micro-  
26 Units are entitled, this Section shall automatically sunset and become null  
27 and void unless extended by action of the City Council, after review and  
28 recommendation by the Planning Commission.

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

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:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

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Absent: Councilmembers: \_\_\_\_\_

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Recusal(s): Councilmembers: \_\_\_\_\_

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City Clerk

Approved: \_\_\_\_\_  
(Date)

\_\_\_\_\_  
Mayor

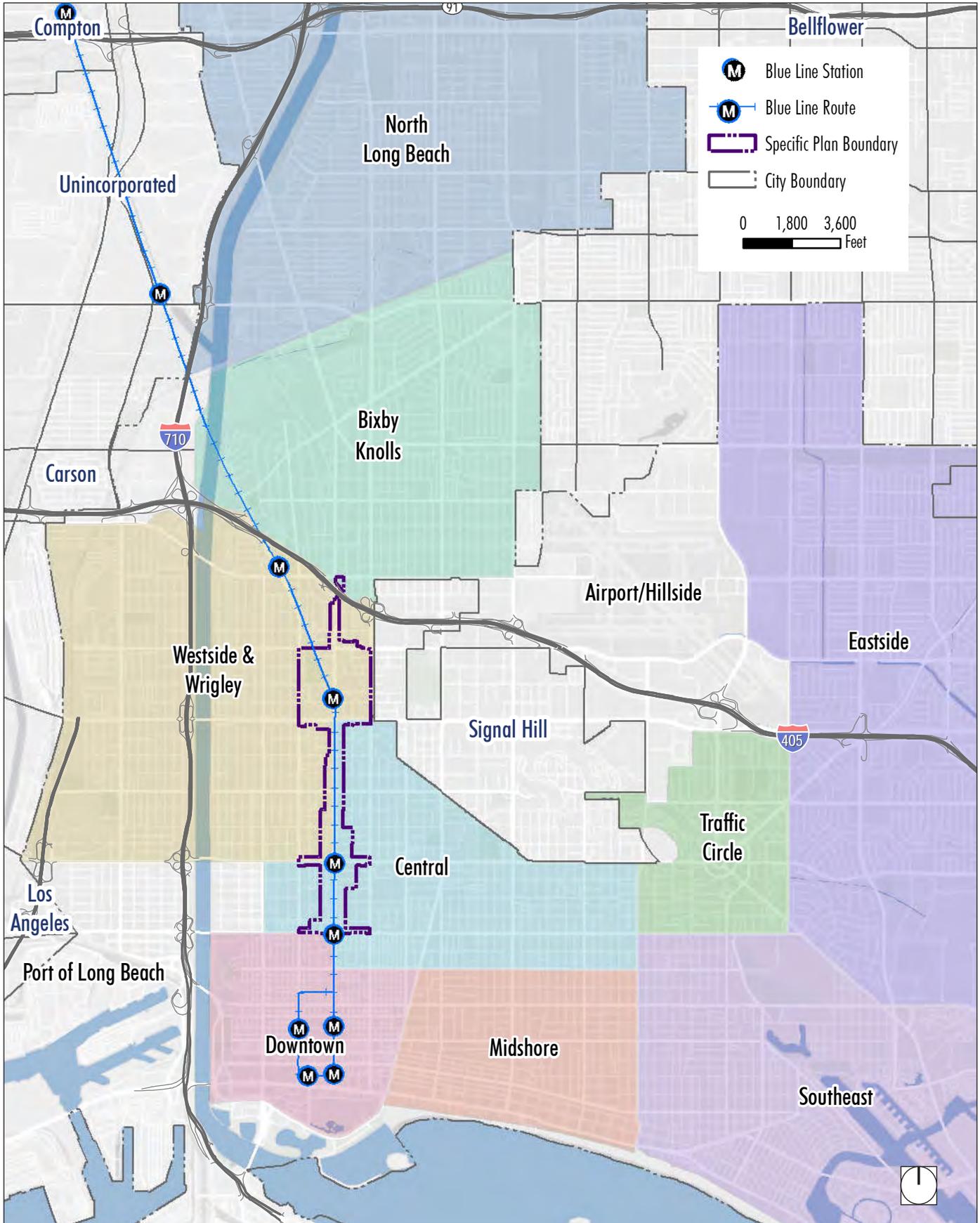
SECTION I VISION + INTRODUCTION

FIGURE 1-1

Regional Context



FIGURE 2-1 REGIONAL CONTEXT



## FINDINGS

### Micro-Unit Pilot Program Zoning Code Amendment (ZCA) Application No. 2003-11 (ZCA20-005) September 3, 2020

The Long Beach Municipal Code (LBMC) does not require specific findings for the adoption of a Zoning Code Amendment. The proposed Zoning Code Amendment, however, is consistent with state law and guidelines and applicable elements of the City's General Plan; will not adversely affect the character, livability or appropriate development of the City; and is in conformity with public necessity, convenience, general welfare, and good planning practice. The City of Long Beach makes these findings in support of its adoption of the proposed Micro-Unit Pilot Program - Zoning Code Amendment.

**The Zoning Code Amendment is consistent with objectives, principles, and standards of the General Plan.** The Zoning Code Amendment (ZCA) would not conflict with the City's General Plan, the 2010 Strategic Plan, local coastal program, or any other applicable land use plans and policies. The ZCA involves establishing a pilot program to allow up to 500 smaller dwelling units – known as “micro-units”- in areas of the City that allow higher density, multifamily residential uses (Downtown (PD-30) and Midtown (SP-1)), subject to development standards and the review process outlined in the pilot program. The ZCA is consistent with goals, policies and strategies in the existing Land Use Element (LUE), Housing Element (HE), and Mobility Element (ME) of the General Plan. The ZCA does not change physical development standards that govern the overall building envelope allowed, such as setbacks, Floor Area Ratio (FAR), and max allowable height of buildings but rather allows smaller unit sizes than typically allowed by applicable zones and exempts “micro-unit projects” from the minimum unit size and unit mix requirements of the underlying zoning. The proposed micro-unit pilot project areas are the Downtown and Midtown areas governed by the PD-30 and SP-1 zoning, respectively.

The General Plan Land Use Element (LUE) includes implementation measure LU-M-25 to amend the Zoning Regulations to include flexible standards targeted for infill development. LUE Measure LU-M-26 also supports amendment of Title 21 of the Municipal Code to allow higher density development and new infill opportunities. The proposed ZCA is intended to help make progress toward Goal #4 in the Housing Element (HE), which is to provide increased opportunities for the construction of high quality housing. Specifically, the ZCA will implement Policy 4.2, which encourages a balance of rental and homeownership opportunities, including high quality apartments, townhomes, condominiums, and single-family homes to accommodate the housing needs of all socioeconomic segments of the community...; Policy 4.5, which encourages residential development along transit corridors, in the downtown and close to employment, transportation and activity centers; and encourage infill and mixed-use developments in designated districts. Lastly, the ZCA is consistent with principles contained in the Mobility Element that support “complete neighborhoods” in which daily destinations are within walkable or bikeable distance (ME, p. 7).

This proposed ZCA supports planning and zoning best practices, builds upon existing studies, and provides another strategy to facilitate housing production to address the

housing crisis. On February 3, 2020, the City Council received a specific memo regarding micro-units, building upon policy recommendations adopted by City Council on May 2, 2017 that were prepared by the Affordable and Workforce Housing Study Group, appointed by the Mayor, to address the affordable housing crisis in the City. These zoning code changes respond to this identified need and do so with zoning tools that provide incentives while upholding community standards and limiting impacts.

**The proposed Zoning Code Amendment will not adversely affect the character, livability or appropriate development of the City, and is in conformity with public necessity convenience, general welfare, and good planning practice.** As the City's current zoning code has not been substantively updated since 1989, there are many sections of the current code that maintain outdated standards, regulations, and references that affect quality of life in the City and inhibit good planning. The proposed amendments would allow flexibility with regard to certain standards that currently present a barrier to allowing smaller dwelling units that can fulfill an important housing market need. The proposed regulations tailor the underlying zoning to remove regulatory barriers to micro-units, while still requiring adherence to setback, FAR, and height requirements of the underlying zoning in order to maintain current building form regulations. Micro-unit projects would be subject to the Site Plan Review process to ensure compatibility with the surrounding neighborhood. This change will respond to a community need for affordable housing and a diverse housing stock. The change is consistent with good planning practice and furthers the public interest to promote development and investment that is consistent with the General Plan.

**The proposed Zoning Code Amendment is consistent and compliant with the California Environmental Quality Act.** No adverse environmental impacts are expected as a result of the proposed action. The proposed action modifies certain development standards to allow micro-units in limited areas of the City where the underlying zoning already permits higher density, multifamily residential uses. 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 and therefore does not result in an increase in overall development nor impact the scale or character of affected areas. 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 result in any physical changes in the environment because it is limited to amendment of the Zoning Code to allow a maximum of 500 micro-units in PD-30 and SP-1, where residential uses are currently permitted, as part of a micro-unit pilot program. Micro-unit projects will still be subject to pertinent height, setback, and Floor Area Ratio (FAR) requirements of the underlying zoning, and future projects seeking

approval subsequent to this Zoning Code Amendment will be subject to individual environmental review, as required by CEQA.

- **Amend Chapter 21.15 Definitions to add a micro-unit definition**

#### 21.15.1756 – Micro-Unit

Micro-unit: a dwelling unit that is not subject to the density limitations and minimum unit size and unit mix requirements of the underlying zoning and contains a full bathroom, kitchen facilities, and built-in storage inside the unit.

- **Create new chapter in Title 21 (in Ch. 21.45 – Special Development Standards):**

#### Chapter 21.45.600 Micro-Unit Housing Production

**Micro-Unit Projects.** The following special development standards shall apply to micro-unit projects:

**A. Purpose.** To develop a pilot program for micro-unit projects in areas of the City that are amenity-rich and near quality public transit in accordance with recommendation 3.11 of the City's adopted 29 policy recommendations to address the affordable housing crisis in the City by developing innovative housing and encouraging housing production. This ordinance establishes a pilot program to allow micro-unit projects in the Downtown (PD-30) and Midtown (SP-1) areas.

**B. Definition of terms.**

Micro-unit project: a development comprised either wholly or partially of micro-units.

**C. Land Use.** Micro-units proposed in accordance with this section shall be allowed where residential uses are allowed in PD-30 and SP-1.

**D. Applicability of Underlying Planned Development or Specific Plan Regulations.** The development standards associated with micro-units in this section shall supersede the development standards set forth in PD-30 and SP-1.

**E. Micro-unit Size.** The minimum micro-unit size shall be as provided for in the Building Code.

**F. Open Space Requirement.** 10% of the total lot area shall be provided as minimum common usable open space. A micro-unit project's open space must incorporate two or more of the following types of common open space amenities:

- Communal lounge room on every floor;
- Communal kitchen(s);
- Rooftop outdoor space with minimum dimensions of 12' length by 12' width and a minimum area of 150 square feet that includes seating areas, landscaping, water features, programmatic features, or other equivalent high-quality rooftop amenities; and
- Usable open space described in LBMC 21.15.3160.

**G. Required Parking.** Parking requirements per the parking regulations specified in PD-30 and SP-1 shall apply; however, micro-unit projects are eligible for a vehicular parking reduction by incorporating Transportation Demand Management (TDM)

strategies that aim to reduce reliance on automobiles and associated congestion and emissions. Subject to the discretion of the Site Plan Review Committee, TDM strategies may include the following:

- Carpool/vanpool;
- Garage lifts (stacked parking);
- Unbundled parking (parking spaces are rented or sold separately, rather than automatically included with the rent or purchase price of a residential or commercial unit);
- Off-site parking within 1,000 linear feet walking distance of the property line (a shared parking agreement may be required);
- Joint use (shared parking);
- Transit/bicycle/pedestrian system improvements;
- On-street parking rates and time restrictions (adequately monitored);
- Transit passes (provide free or reduced-price transit passes to residents or employees). An incentive program could be developed for developers, property managers, and employers to substitute a percentage of required parking spaces. A maximum limit will be determined;
- Other proposals.

All parking reduction requirements shall be approved at the discretion of the Site Plan Review Committee, which will determine the appropriate level of parking demand reduction generated by these strategies on a project-specific basis; however, a TDM program shall not reduce parking to zero.

Bicycle parking shall be provided at a rate of 1.0 space for every five micro-units. Fractions shall be rounded up to whole numbers.

**H. Other Provisions.** Floor Area Ratio (FAR), Landscaping, Lot Coverage, Setbacks, Height, and any other applicable development standards of the underlying Specific Plan or Planned Development District shall be complied with, unless waived by the Site Plan Review Committee, or relief is granted in the form bonuses, waivers, or incentives through the applicable density bonus regulations in exchange for required percentages of covenanted, restricted affordable units.

**I. Adaptive Reuse.** Adaptive Reuse projects that comply with this Section shall not be subject to any density limitations, unit size, or unit mix requirements of applicable Adaptive Reuse provisions.

**J. Existing Dwelling Units.** Projects that propose to convert existing dwelling units into micro-units shall be prohibited.

**K. Review Process.** Site Plan Review shall be required pursuant to Chapter 21.25 of this Title for all micro-unit projects. If micro-units proposed as part of a micro-unit project meet the criteria for a Special Group Residence, as defined by LBMC 21.15.2810, it shall require a Conditional Use Permit, consistent with applicable PD-30 and SP-1 provisions.

**L. Findings.** Findings shall be made in accordance with 21.25.506 for approval of a micro-unit project.

M. **Sunset.** The subject provisions allowing and regulating micro-units shall remain in effect until a total of 500 of micro-units are entitled. At the point at which projects comprising 500 micro-units are entitled, this section shall automatically sunset and become null and void unless extended by action of the City Council, after review and recommendation by the Planning Commission.

September 3, 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 ZCA20-005, consisting of changes to Title 21 of the Long Beach Municipal Code (LBMC) that would amend section 21.15 (Definitions) and add a new section 21.45.600 related to the following: establishing related definitions and creating a pilot program to allow up to a maximum of 500 micro-unit housing units, subject to provisions outlined in the proposed ordinance, in the Midtown (SP-1) and Downtown (PD-30) areas of the City. (Citywide)

APPLICANT: City of Long Beach, Development Services Department  
411 West Ocean Boulevard, 3rd Floor  
Long Beach, CA 90802  
(Application No. 2003-11)

**BACKGROUND**

In May 2017, the City Council adopted 29 policy recommendations to support the production of affordable and workforce housing. Policy 3.11<sup>1</sup> directs staff to develop a plan to include micro-units as a method for encouraging housing production.

Micro-unit housing is a newer housing typology that is affordable to moderate-income households<sup>2</sup>. These dwelling units are typically small studio apartments, usually less than 350 square feet, with a fully functioning

<sup>1</sup> From "Revenue Tools and Incentives for the Production of Affordable and Workforce Housing" by Long Beach Development Services and Housing and Neighborhood Services Bureau, 2017, p. 3, <http://www.longbeach.gov/globalassets/lbds/media-library/documents/news/2017/17-0509-final-v5-report-revenue-tools-and-incentives-for-affordable-housing>.

<sup>2</sup> CCA White Paper *Micro-Units in DTLA*

[https://www.ccala.org/clientuploads/directory/whitepapers/CCA\\_Micro\\_Unit\\_White\\_Paper\\_-\\_March\\_2018.pdf](https://www.ccala.org/clientuploads/directory/whitepapers/CCA_Micro_Unit_White_Paper_-_March_2018.pdf) (p. 5)

and Americans with Disabilities Act (ADA) accessible kitchen and bathroom<sup>3</sup>. While micro-units are not subsidized affordable units, they can be an affordable rental housing solution for single workers since, based on their size (these types of units are generally smaller than studios), can offer cost savings to a renter. When compared to a conventional studio in the same market, the gross rents for micro-units tend to be 20% to 30% lower than the rent for a conventional studio unit<sup>4</sup>. Because micro-units are generally developed without public subsidies, this type of housing offers a market-based solution for tackling issues of housing affordability<sup>5</sup>.

As such, establishing a pilot program to allow micro-units in the City of Long Beach, in accordance with Recommendation 3.11 of the 2017 Report, could diversify the City's housing stock and provide more affordable housing options for students and young professionals.

## **DISCUSSION**

In response to housing shortages and concerns about housing affordability nationwide, many U.S. cities have developed micro-unit regulations to facilitate a greater number of smaller units as one strategy to foster housing production and increase housing supply. Staff's research found that micro-unit projects tend to be in highly desirable locations, close to public transit, with a variety of quality amenities to attract prospective occupants. As such, micro-units offer the added benefit of a reduction of vehicle miles traveled (VMT) by bringing housing closer to jobs and other daily destinations.<sup>6</sup>

Micro-units also address a niche in the housing market that is currently underserved by offering a previously unavailable housing choice to single-person households, which helps reduce the demand pressure on multi-family and single-family housing, and can, ultimately, help stabilize rents.<sup>7</sup> The demographic this type of housing tends to attract is mainly young professional singles, mostly under 27 years old<sup>8</sup>. Most respondents in a micro-unit survey conducted as part of an Urban Land Institute (ULI) market report on micro-units indicated that they are amenable to micro-units as a housing choice in exchange for the opportunity to live alone, pay a lower rent, and to live in a highly desirable location (walkable, trendy, urban).<sup>9</sup>

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<sup>3</sup> From "Revenue Tools and Incentives for the Production of Affordable and Workforce Housing" by Long Beach Development Services and Housing and Neighborhood Services Bureau, 2017, p. 51, <http://www.longbeach.gov/globalassets/lbds/media-library/documents/news/2017/17-0509-final-v5-report-revenue-tools-and-incentives-for-affordable-housing>.

<sup>4</sup> From "Study of Various Approaches for Promoting Housing Affordability" by bae urban economics, 2018, p. 23, <https://www.weho.org/home/showdocument?id=36458>

<sup>5</sup> From "Study of Various Approaches for Promoting Housing Affordability" by bae urban economics, 2018, p. 25, <https://www.weho.org/home/showdocument?id=36458> <https://www.weho.org/home/showdocument?id=36458>

<sup>6</sup> CCA White Paper *Micro-Units in DTLA*

[https://www.ccala.org/clientuploads/directory/whitepapers/CCA\\_Micro\\_Unit\\_White\\_Paper\\_-\\_March\\_2018.pdf](https://www.ccala.org/clientuploads/directory/whitepapers/CCA_Micro_Unit_White_Paper_-_March_2018.pdf) (p. 5)

<sup>7</sup> CCA White Paper *Micro-Units in DTLA*

[https://www.ccala.org/clientuploads/directory/whitepapers/CCA\\_Micro\\_Unit\\_White\\_Paper\\_-\\_March\\_2018.pdf](https://www.ccala.org/clientuploads/directory/whitepapers/CCA_Micro_Unit_White_Paper_-_March_2018.pdf) (p. 5)

<sup>8</sup> From "The Macro View on Micro Units" by the Urban Land Institute (ULI), 2014, p. 5, [https://uli.org/wp-content/uploads/ULI-Documents/MicroUnit\\_full\\_rev\\_2015.pdf](https://uli.org/wp-content/uploads/ULI-Documents/MicroUnit_full_rev_2015.pdf)

<sup>9</sup> From "The Macro View on Micro Units" by the Urban Land Institute (ULI), 2014, p. 5, [https://uli.org/wp-content/uploads/ULI-Documents/MicroUnit\\_full\\_rev\\_2015.pdf](https://uli.org/wp-content/uploads/ULI-Documents/MicroUnit_full_rev_2015.pdf)

### CASE STUDIES

Common regulations instituted by other cities to encourage this housing typology include relaxation of minimum unit size requirements, density limitations, and requirements that micro-unit projects include a mix of unit sizes that include traditional multi-family units. They also waive or reduce parking when building near transit and require the provision of rich, shared amenities. In New York City, for example, minimum unit size and maximum density limits were waived to allow the first micro-unit project, Carmel Place, to be built as part of an initiative to aid the city's small household population<sup>10</sup>. Carmel Place was completed in Spring 2016 and consists of 55 rental apartments, 40% of which are affordable housing units—14 for applicants through the city, and eight for supportive housing through Veteran's Affairs. The project incorporates five different micro-unit configurations that range between 260 to 360 square feet in size.

Completed in 2013, the Panoramic building in the SoMa neighborhood of downtown San Francisco is a 160-unit building with micro-units for students and interns that average 354 square feet<sup>11</sup>. The building includes amenities such as a rooftop garden, a bike storage room, ground floor café, and lounges on each floor. While onsite parking is not provided; the building provides City CarShare vehicles for residents, and the building is two blocks away from the Civic Center BART station<sup>12</sup>.

Lastly, in Southern California, in March, the City of Pasadena updated existing regulations to increase the maximum allowable unit size from 220 square feet to 375 square feet and remove the Conditional Use Permit (CUP) requirement for these types of units proposed in Pasadena's Central District Specific Plan. The City of Culver City also adopted an ordinance to allow micro-units in January of this year. Specifically, Culver City's micro-unit regulations allow a minimum size of 350 square feet; limit the number of micro-units in a development to 25%; exempt micro-units from providing private open space but are required to provide a minimum of 100 square feet of communal open space per unit; and allow for a lower parking rate of 0.5 spaces per dwelling unit, except for units in the Transit Oriented District, which do not have to provide any parking spaces. Finally, the City of Santa Monica allows this housing typology, with unit sizes ranging from between 150 to 375 square feet, with the caveat that these units be 100% affordable (non-market-rate).

### REGULATORY FRAMEWORK

As a means to implement the micro-unit policy recommendation adopted by the City Council and using research on best practices and micro-units feasibility, staff has crafted an ordinance that would establish a 500-unit (5 to 10 projects) micro-unit pilot program with a focus on geographic areas that, based on existing development standards, can better facilitate micro-unit projects and enable the City to test out regulations prior to developing permanent regulations to allow this housing typology as another strategy for housing production in the City.

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<sup>10</sup> <http://narchitects.com/work/carmel-place/>

<sup>11</sup> <https://sf.curbed.com/2015/2/27/9986102/inside-the-partially-finished-micro-units-at-somas-panoramic>

<sup>12</sup> *Study of Various Approaches for Promoting Housing Affordability* by BAE Urban Economics, p. 8 (<https://www.weho.org/home/showdocument?id=36458>)

Specifically, the following has been considered as part of interim regulations for a micro-unit pilot project:

- **Establish a Micro-unit Definition.** The Zoning Code currently does not have a definition of a “micro-unit.” The Building Code ultimately determines the minimum unit size, which is 220 square feet per unit<sup>13</sup>. The definition in the proposed ordinance addresses the size requirement, allows for units smaller than currently allowed in Midtown and Downtown, and defines other features of micro-units and micro-unit projects.
- **Establish Geographic or Locational Criteria.** The City’s research found that micro-unit projects tend to be both most feasible and successful in areas that permit a density of approximately 100 dwelling units per acre (or approximately one unit for every 435 square feet of lot area), allowing for appropriate densities while ensuring adequate unit sizes and project amenities. Areas of the City that currently permit those densities include Downtown (PD-30) and Midtown and are likely the best candidates for a micro-unit pilot program (Exhibit A – Pilot Program Location Map). Proximity to transit, public parks, other public facilities, and institutional uses are also important criteria when considering the location of micro-unit projects to ensure the livability of these projects for their residents.
- **Establish a Unit Cap.** The micro-unit pilot program will establish a cap on the total number of micro-units that can be constructed under the interim regulations. Currently, 500 units is proposed for the unit cap. This number of units permits the City to gain experience with a number of projects (5 to 10 projects, depending on the size of the projects) as a means to test and finetune the regulations, prior to establishing more permanent regulations. The ordinance will also allow for 100% micro-unit projects or projects comprised partially of micro-units as part of the overall unit mix.
- **Reconcile Existing Minimum Unit Size Requirements that Would Preclude Micro-units.** The areas that are the best candidates for a micro-unit pilot program are regulated by planned development districts (PDs) that require a minimum unit size of 600 square feet. The pilot program exempts micro-units from the minimum unit size requirement and allows smaller unit sizes. The areas prime for micro-units do allow for a reduction of minimum unit size to 450 square feet, provided that the Site Plan Review Committee finds that the units are high quality with sufficient amenities and that private open space requirements not be waived or reduced. The PDs that govern these areas also limit to 15% the number of total units in a project that can be a minimum of 450 square feet. The micro-unit pilot program has been crafted to exempt micro-unit projects from the unit size and unit mix requirements, in addition to crafting more suitable open space requirements (see open space discussion below).
- **Utilize Density Bonuses to Address Density Limits.** In most of the Downtown and Midtown areas, where the pilot program is proposed, there are no density limits; development is limited instead by Floor Area Ratios (FARs) and height limits. Where density limitations do apply, such as in the Downtown Neighborhood Overlay area within PD-30 projects can seek a density bonus using the State Density Bonus Law or other applicable density bonus program to achieve necessary densities in exchange for restricted affordable units within proposed micro-unit projects. The State Density Bonus Law allows up to a 35% density bonus in exchange for providing a percentage of affordable

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<sup>13</sup> However, the Building Code requires at least 320 square feet if there are more than two occupants in such a unit.

units; that level of density bonus may or may not allow a project to achieve densities that make such projects viable. The micro unit program will allow the City to gain greater insight into such potential constraints, and future, permanent regulations can be adjusted accordingly.

- **Utilize Density Bonuses to Address Floor Area Ratio and Height Limits.** The areas in which the micro-unit pilot program is proposed generally have more permissive FARs and heights, and thus should not present barriers to micro-unit projects. As it relates to height, for example, in the PD-30 zone, height limits are generous and range from 80' to 240', except for in the Downtown Neighborhood Overlay, which is subject to a 38' height limit. In Midtown, the height limits are tiered based on parcel depth and development districts. The Medical District, for example, has no height limit. The other three development districts (Transit Node High, Transit Node Low, and Corridor) have height limits that generally range from three stories/36' to five stories/65', depending on whether the parcel depth is under 200' or 200' and over. Where height and FAR requirements may pose a challenge, limited height and FAR incentives may be granted through the State Density Bonus law to help micro-unit projects achieve necessary heights and FARs in exchange for restricted affordable units within proposed micro-unit projects.
- **Adjust Open Space Requirements.** Open space requirements are typically assessed as a square footage amount per dwelling unit. As it pertains to micro-unit projects, these regulations could result in a substantial amount of required open space that could render such projects infeasible. The micro-unit pilot program has been drafted to swap conventional per-unit open space requirements with an alternative open space requirement that emphasizes common areas to ensure the livability of this housing typology for future residents. The proposed ordinance delineates the amount of open space that is required—10% of the lot area—and a requirement that two or more of the types of common open space be provided from among a menu of choices. Those choices include communal lounges or kitchens, rooftop open space and/or more conventional ground-level outdoor common areas. The common open space provision of the pilot program has been crafted to allow for minimum common open space requirements to be met while allowing for creativity in how common open space amenities may be provided.
- **Allow Parking Reductions Through TDM and Density Bonus.** Conventional per-unit parking requirements can also present a regulatory hurdle for micro-unit projects by virtue of the high density typically associated with these projects. Residential units are generally parked at a rate of one to two spaces per unit, depending on the number of bedrooms plus one guest parking space per four units. The physical space required for this parking can exceed the living area of the micro-unit in some circumstances and is a contributing factor to high housing costs. Parking lifts, shared parking, alternative mobility solutions (bus, train, bike, scooter, walk) and parking reductions are all possible solutions. In the Downtown area, for example, projects within the Alternative Mobility Overlay are eligible for a parking reduction by incorporating Transportation Demand Strategies (TDM) strategies such as: car sharing, carpool, unbundled parking, shared parking, etc., subject to Site Plan Review Committee approval. Similar TDM strategies for parking reduction are also allowed in Midtown with Site Plan Review Committee (SPRC) approval. Similarly, the micro-unit pilot program would afford micro-unit projects a parking reduction with incorporation of TDM strategies, subject to SPRC approval. Outside of incorporation of TDM strategies for a reduction in parking, as mentioned previously, micro-unit projects incorporating covenanted, income-restricted affordable units can also take advantage of parking reductions permitted by the State Density Bonus Law

(Government Code §65915). These measures will improve the feasibility of micro-unit projects and have the added goal of reducing vehicle miles traveled in the pilot project area.

Because the proposed action involves an amendment to the City's Zoning Ordinance, the Planning Commission must review and act upon this matter. The Planning Commission's role is to make a recommendation to the City Council consistent with adopted policies and plans (Exhibit B - Findings). The draft Zoning Code Amendment is attached (Exhibit C - Draft Code Amendment).

#### RELATIONSHIP TO INCLUSIONARY HOUSING POLICY

The proposed project area, which encompasses the Downtown and Midtown areas, coincides with the area that is identified as "Subarea 1" in the Inclusionary Housing Policy (IHP) and will be subject to mandatory inclusionary housing requirements. Consequently, proposed micro-unit projects may be required to include affordable units at the percentages and affordability levels outlined in the policy. While the policy has been adopted by the City Council in concept, a final ordinance is still being drafted by the City Attorney and is anticipated to be formally adopted in October. Additionally, the implementation of the Inclusionary Housing Program will be phased in over a three-year period, with the first year starting with a 5% Very Low Income (VLI) requirement for rental projects, ramping up to the full 11% requirement by Jan 1, 2023. Whether micro-unit pilot projects will be subject to the mandatory inclusionary housing requirements and the percentage of required affordable units will depend on the timing of the applications in relation to the adoption and effective dates of the final IHP ordinance.

#### SUMMARY JULY 16, 2020 STUDY SESSION - PLANNING COMMISSION DISCUSSION

During a July 16, 2020 study session on the proposed ordinance, the Planning Commission asked several questions about the micro-unit ordinance, including how it relates to the IHP (see above discussion). Following is summary of other questions and comments fielded by staff and the responses provided:

- Whether micro-units would have to comply with ADA requirements

*Response:* Micro-units would be subject to ADA requirements, similar to all new development.

- The potential for use of prefabricated structures as a construction method for this housing type

*Response:* Modular and prefabricated structures may be an option for such projects; the Department's Building and Safety Bureau is equipped to provide building permits for and conduct inspections of these types of structures. A 100% senior affordable housing project in the Midtown area of the City that is using modular, prefabricated components was recently approved by the Planning Commission. Staff anticipates use of prefabricated structures to become a more standard construction method in the future.

- To what parking and open space requirements would micro-unit projects be subject

*Response:* Micro-unit projects will be subject to open space requirements as percentage of the lot size, rather than a per unit requirement, which is typical of zoning regulations and has been identified as a barrier to micro-unit projects. As it relates to parking, micro-unit projects will be

subject to the parking requirements of the underlying zoning but will be eligible to seek parking reductions in exchange for Transportation Demand Management (TDM) strategies, subject to approval by the Site Plan Review Committee. While there may be concerns about the adequacy of parking (a concern that is more acute in some parts of the City than others), the proposed ordinance limits the maximum number of total units that can be developed and confines micro-unit projects to the Downtown and Midtown areas that comprise the most transit accessible areas of the City. Parking reductions will be considered along with measures that encourage use of the multimodal transportation network or if affordable units are provided, in accordance with State density bonus regulations.

- Whether this housing type would prevail over other housing types, given their potentially lucrative nature.

*Response:* Based on case studies and staff research, several cities have had some form of micro-unit regulations in place for some time and there has generally not been a preponderance of micro-unit projects that would lead staff to be concerned about micro-units prevailing over other types of housing. Many cities are only recently seeing early micro-unit projects in development. Additionally, the proposed ordinance establishes a pilot project to allow a maximum of 500 units, and as such, there is a limit on the number of micro-unit projects that will be facilitated by the subject action.

- How Accessory Dwelling Unit (ADU) laws relate to micro-units.

*Response:* While ADUs are unlikely to be proposed on lots developed with higher density, multifamily residential uses, per State law, ADUs are permitted on any lot which allows residential uses. The minimum size of an ADU is 150 square feet in accordance with the Building Code.

#### SUMMARY OF COMMUNITY ENGAGEMENT AND PUBLIC COMMENT

The community outreach for the pilot program was conducted as part of the Housing Element Update outreach process. A community forum was held on August 12, 2020, during which the pilot program was presented to community members. The meeting was attended by a total of 40 community members. The inquiries and comments at that meeting spanned a wide range of housing-related topics. Many of the inquiries were related to specific components of the Inclusionary Housing policy, such as: the geographic location of Inclusionary Housing units and whether the policy would be mandatory. In response to questions about additional strategies that the City is pursuing or should pursue to increase production of housing, and affordable housing production in particular, participants offered ideas ranging from in-lieu fees; Community Land Trusts (CLT); a rental board to improve protections for renters; and context-sensitive infill housing typologies like the "cottage cluster" known in Long Beach and in the Southern California region as the Bungalow Court. Feedback on the micro-units came largely in the form of questions about what constitutes a micro-unit; minimum unit size; geographic areas in which these units would be allowed, as well as the percentage of the Regional Housing Needs Assessment (RHNA) that would be met by micro-units. There were also comments on the need for different housing typologies, including student housing, which are among the populations that would likely reside in micro-units, as noted earlier.

**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 August 19, 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.

**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 result in any physical changes in the environment because it is limited to amendment of the Zoning Code to allow micro-units in PD-30 and SP1 areas, 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. Furthermore, the micro-unit pilot project area represents the most transit accessible areas of the City and largely coincides with areas mapped as having low vehicle miles traveled (VMT), in which infill residential and mixed-use projects would be exempt from further transportation analysis, in accordance with CEQA and the City's recent implementation of SB 743. Finally, projects seeking approval subsequent to this Zoning Code Amendment will be subject to individual CEQA review, as appropriate.

