

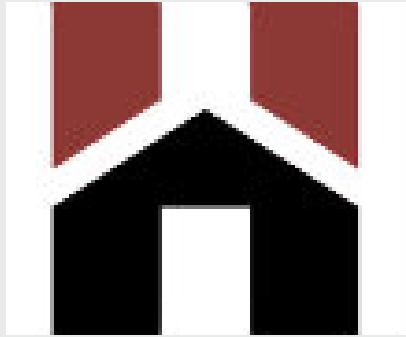


General Plan Housing Element Update

City Council Study Session

April 6, 2020

The City Housing Team



Veronica Tam and Associates
Lisa Wise Consulting
RRM Design Group
The Robert Group

What is the Housing Element?

Legally Required and State Reviewed (HCD) General Plan Element

1. Builds on the Land Use Element (LUE) and is required to be consistent.
2. Establishes a pathway to achieving Regional Housing Needs Allocation (RHNA)
3. Establishes goals, plans and policies related to “the availability of housing is a matter of vital statewide importance and the attainment of decent housing and a suitable living environment for all Californians is a priority of the highest order.”
4. Is legally required to be more precise than other elements of the general.
5. Is built upon research and public input to create:
 1. Housing Needs Assessment
 2. Identification and Analysis of Special Housing Needs
 3. Inventory of At-Risk Units
 4. Analysis of Government Constraints
 5. Analysis of Non-Governmental Constraints
 6. Available Sites Inventory
 7. Housing Objectives and Programs
 8. Implementation Program

What is the Housing Element?

Required Elements



- Required “element” or chapter of the City’s General Plan .
- Assesses the condition of the City’s housing and the housing needs of its residents.
- Establishes a roadmap for accommodating projected housing unit demand for existing and future residents over the next eight years.
- Sets citywide goals, objectives and policies for housing.
- Shows how the City will meet demand for housing at all income levels, per State Law.

Why Update the Housing Element?

- Housing availability and affordability affects the people's health, quality of life and the economy.
- Housing Elements are a mandatory part of the General Plan.
- Must be updated every 8 years and submitted to the State by a specific date they prescribe (6th Cycle submitted to HCD by October 2021).
- Detailed roadmap of how the City will meet its Regional Housing Needs Assessment (RHNA) allocation by income level.
 - Lays out the City's plan for removing barriers to housing production to counter well-documented housing shortages.
 - Ensure that the City is planning for its “fair share” of affordable and market rate housing.

Housing Element 6th Cycle Update

Project Timeline

2020

| Winter

Project Kickoff

Initiate
Sites Inventory

| Spring

Housing Needs
Assessment

| Summer

Housing Element
Recommendations

| Fall

Drafting
Housing Element

▶▶▶ Ongoing Community Outreach and Engagement ▶▶▶

▶▶▶ Virtual Engagement, Working Groups, Community and Capacity-Building Workshops, Focus Groups, Survey, and Community Listening Sessions ▶▶▶

2021

| Spring

Drafting Housing Element
and Public Review

| Summer

Public Review and
Prepare Final Housing Element

| Fall

Anticipated Final Housing Element
Update and Adoption

▶▶▶ Ongoing Community Outreach and Engagement ▶▶▶

▶▶▶ Virtual Engagement, Working Groups, Community and Capacity-Building Workshops, Focus Groups, Survey, and Community Listening Sessions ▶▶▶

▶▶▶ Public Hearings, Planning Commission and Council Presentations ▶▶▶

Community Engagement for Housing Element Update

- In person outreach precluded by COVID-19.
- Broad and focused digital and virtual outreach (ongoing).
 - Summer 2020 virtual workshops and community forums (English and Spanish)
 - Focus Groups
 - Presentations at community meetings
 - Virtual open house available anytime on website
 - Multi-lingual capacity building workshops
 - Utility bill insert
 - Share your housing story- videos, photos and e-comment
- Incorporating community feedback on other recent housing related plans and processes as input for Housing Element Update.
 - i.e. Everyone Home, Mayor's Affordable/Workforce Housing Taskforce, Framework for Reconciliation

Housing Element Goals

The Housing Element Update aims to achieve these overarching goals:

- Accommodate projected housing demand, as mandated by the State; and,
- Increase housing production to meet this demand; and,
- Improve housing affordability; and,
- Preserve existing affordable housing; and,
- Improve the safety, quality and condition of existing housing; and,
- Facilitate the development of housing for all income levels and household types, including special needs populations; and,
- Improve the livability and economic prosperity of all City residents; and,
- Promote fair housing choice for all.

The Big Picture Goal

To evaluate and update the Long Beach roadmap
to accommodate the more than

26,000 new units

needed over the next

8 years

2022-29 Long Beach RHNA by Income Category

58% of assigned
RHNA units are in the
affordable categories



Compare to 2013-21 Long Beach RHNA

5th Cycle RHNA Target: 7,048 Units

Income Level	Total Annual RHNA Target (2014-2021)	Total units permitted through 2020	Total units remaining to meet RHNA Target	Average Annual RHNA Target	% of RHNA met by # of permitted units (2014-2020)
Very Low	1,773	410	1,363	222	23%
Low	1,066	216	850	134	20%
Moderate	1,170	39	1,131	147	3%
Sub-total Affordable	4,009	665	3,383	502	16%
Above-Moderate	3,039	3,504	-465	380	115%
TOTAL	7,048	4,169	3,830	881	59%

Through 2020, Long Beach has only issued building permits for **17%** of its affordable housing unit RHNA target.

On average, **only 16%** of housing units granted building permits annually are affordable.

Housing supply and affordability crisis – what actually is that?

Three inter-related policy issues

1. A crisis of persons experiencing homelessness and at risk of homelessness.
2. High rent cost burden among lower-income residents resulting in housing insecurity, overcrowding, poor economic and health outcomes.
3. High housing costs and barriers to homeownership among all residents, even moderate and upper-income residents, resulting in high rents, stagnant homeownership, shrinking K-12 school enrollment, abnormal demographic changes and poor economic outcomes.

Why housing cost, quality and availability matter

- Basic human health and dignity
- Economic prosperity and competitiveness
- Disparate impact on disadvantaged communities



What the City controls and influences

City Control

- Regulation of Land Use
 - Allowable uses, densities, heights and other development standards
 - Development review process, time value of money, predictability and risk
 - Exactions, impact and permit fees
- Limited financial intervention
- City owned real property

Out of City Control

- Actual construction of housing
- Economic conditions and financial markets
- Construction liability and safety standards
- Federal and State environmental regulations, planning and zoning laws
- Entitlement litigation process
- Wage and labor standards
- Many other factors

Key Terms - Density and Overcrowding

Density

- Defined as the number of dwelling units in a building, lot or area.
 - Some amount of density allows for economies of scale and reduces per unit housing construction costs.
 - Different densities are appropriate for different settings.

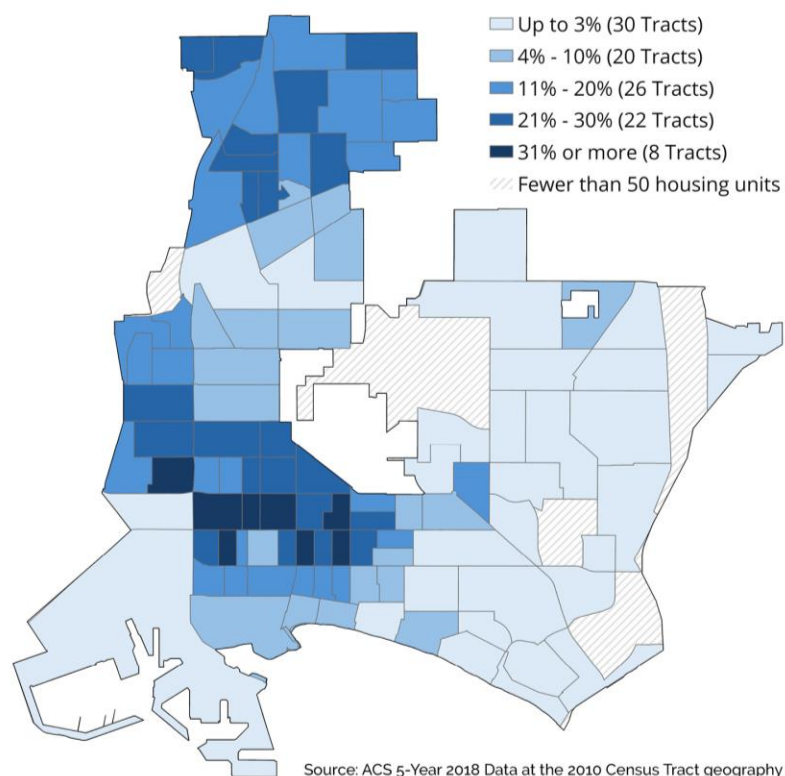
Overcrowding

- Defined as an excessive number of persons per dwelling room.
 - HUD/Census defines overcrowding as more than one person per room (excluding bathrooms and kitchens); severe overcrowding is 1.50.
 - Overcrowding has specific impacts to physical and emotional health.
 - Overcrowding has specific impacts that are exacerbated by COVID-19.
 - Overcrowding is a key indicator of an inadequate housing supply.

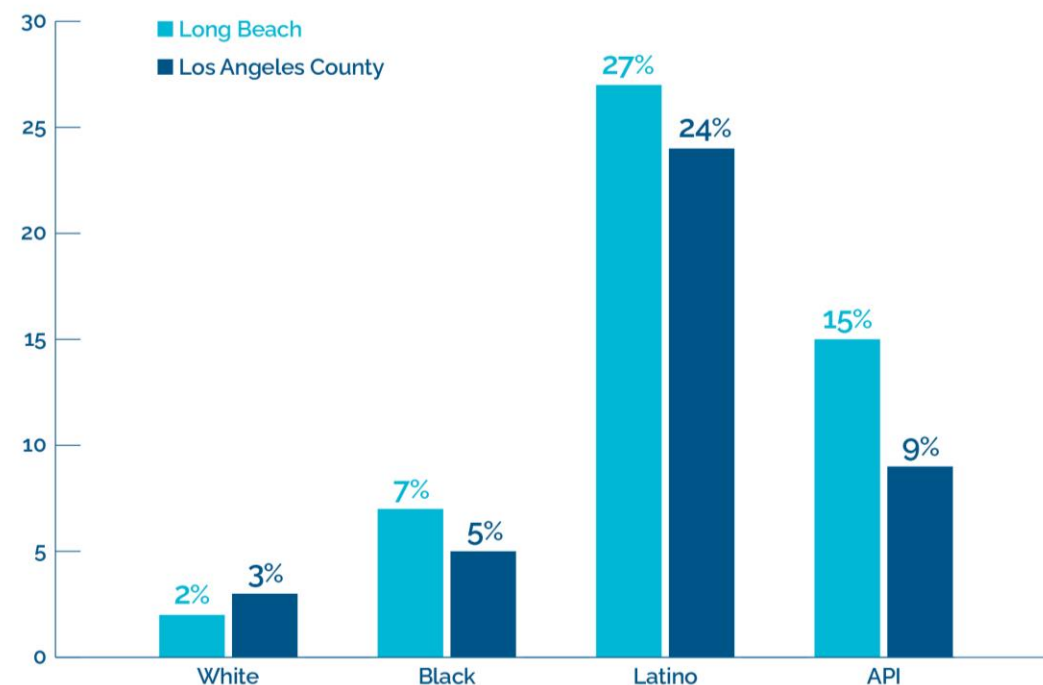
Overcrowding in Long Beach

Limited housing supply and increased costs leads to overcrowding. In Long Beach, this **affects people of color disproportionately** and is concentrated primarily in West, Central and North Long Beach.

Percentage of Housing Units with any Overcrowding



Overcrowding Rates by Race/Ethnicity, 2017



Source: ACS 5-Year Files

Housing and Population Growth: 1990 to date

Housing production has not kept up with need since 1990:

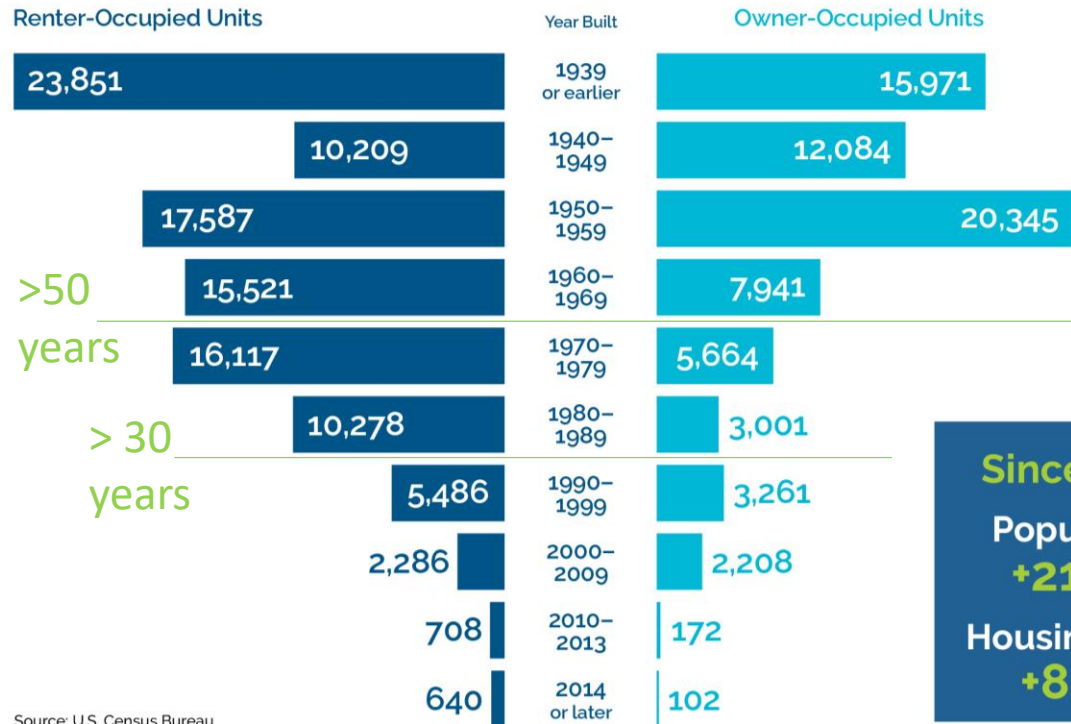
- Estimated net 5,801 housing units created
 - 37,343 residents added during the same time period
 - 7,838 households added during the same time period
 - Household size grew (as opposed to national trend down) indicating overcrowding
- Production levels in Long Beach are consistent with regional and statewide underproduction, exacerbating the impact of underproduction



An Aging and Insufficient Housing Stock

Long Beach has old housing stock. 82% of the City's units were built before 1980—so they are more than 40 years old and 71% are more than 50 years old.

Housing Units by Year Built



Source: U.S. Census Bureau

The City has an aging housing supply, indicating housing production has not kept pace with population growth and housing demand.

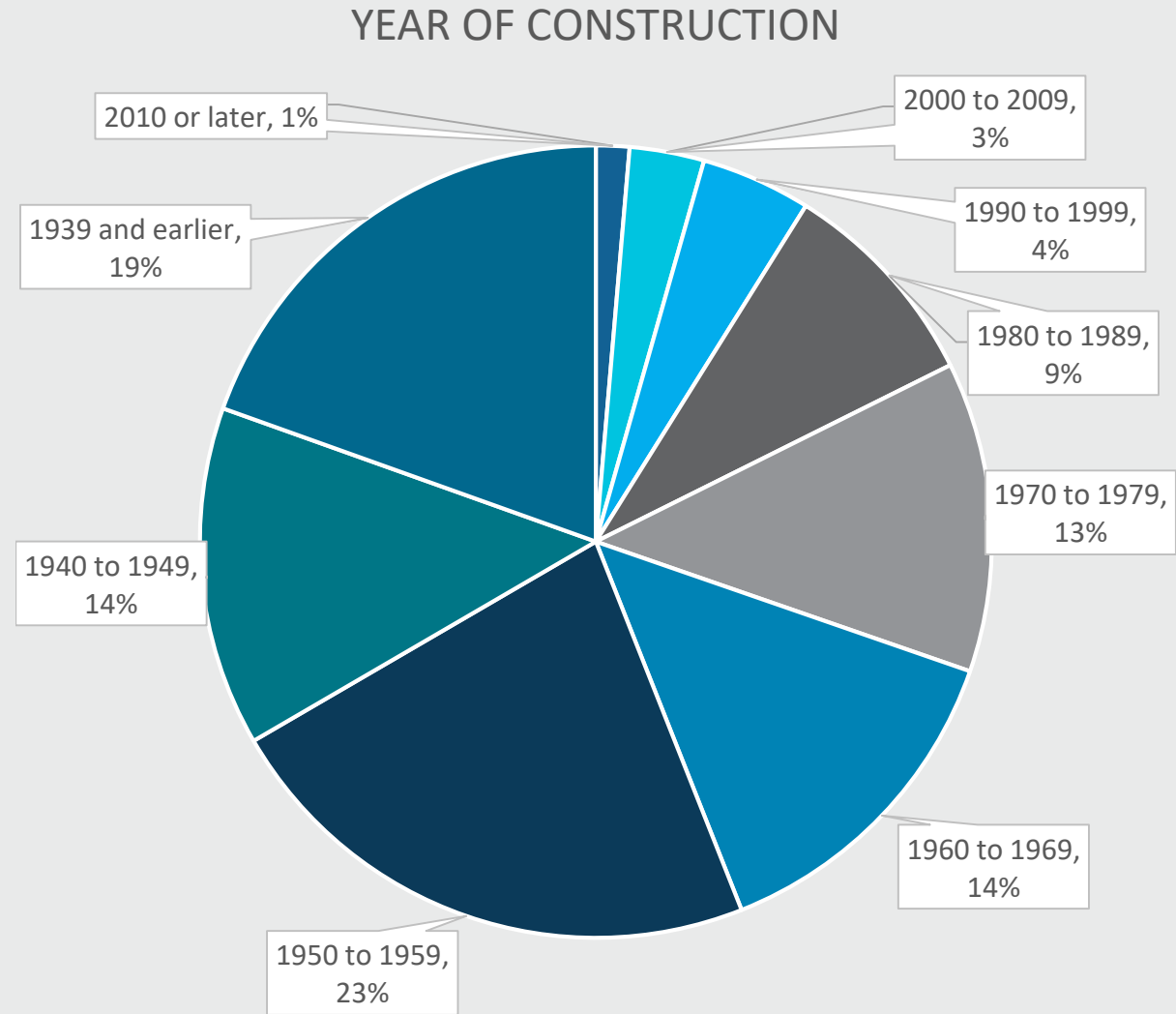
Population Increase vs. Housing Units Built



The City's housing stock is aging

Aged and aging housing supply indicates housing market distress

- Beginning at year 30 and accelerating at year 50 structures require major maintenance and upgrades.
- Only 8% of the City's housing supply is under 30 years in age, compared to 33% nationally, 26% in California and 14% in Los Angeles County.
- Nearly 20% of the City's housing supply was built in 1939 or earlier, compared to 13% nationally, 9% in California and 15% in Los Angeles County.



Rent burden in Long Beach is elevated

Nearly half of Long Beach residents are cost burdened (pre-pandemic data)

- 47.2% of households spend more than 30% of their gross income on housing, while 24.3% spend more than 50%.
- Adjusted for income, housing costs in LA-Long Beach-Anaheim exceed the Bay Area and Silicon Valley.
- Impacts exist to renters and owners but among renters 53.2% are cost burdened compared to 38.4% among owners.



Overcrowding

Overcrowding in Long Beach exceeds State and National levels

- An estimated 11% of households live in overcrowded conditions.
 - Compared to 8.2% in California and 3.4% nationally.
- Among renters 16.2% experience overcrowding and 6.9% experience extreme overcrowding.
 - Compared to 6.1% and 1.6% among owners.



Equity Impacts

Long Beach home ownership rates reflect long-standing disparities and contribute to the racial wealth gap

- 54% of White households own
- 41% of Asian households own
- 29% of Latino households own
- 24% of Black households own
- Housing Discrimination/ Redlining as top theme in community responses as to how they experience racism in Long Beach (Reconciliation Plan).



Homeownership

Long Beach has been and remains a largely renter City.

- 60% of residents rent their home.
- Single family homes are occupied by owners and renters. More than 20% are renter occupied.
- Multifamily units are occupied by owners and renters. More than 17% are occupied by owners.



How did we get here, how have we responded?

A long series of policy interventions:

- 1989 General Plan Update
- 2012 End of Redevelopment
- 2012 Adoption of the Downtown Plan
- 2016 Midtown Specific Plan
- 2016 HUD Affirmative Furthering Fair Housing Plan (AFH)
- 2017 Mayor's Roundtable – Revenue Tools and Incentives for Affordable and Workforce Housing
- 2017 City ADU Ordinance/Subsequent State ADU legislation
- 2019 LUE/UDE Adopted, Best Housing Starts in 30+ Years
- 2020 Atlantic Farms Bridge Housing, Project Roomkey/Homekey
- 2021 Housing Element Update

Housing Element Required Contents

1. Housing Needs Assessment
2. Identification and Analysis of Special Housing Needs
3. Inventory of At-Risk Units
4. Analysis of Government Constraints
5. Analysis of Non-Governmental Constraints
6. Available Sites Inventory
7. Housing Objectives and Programs
8. Implementation Program

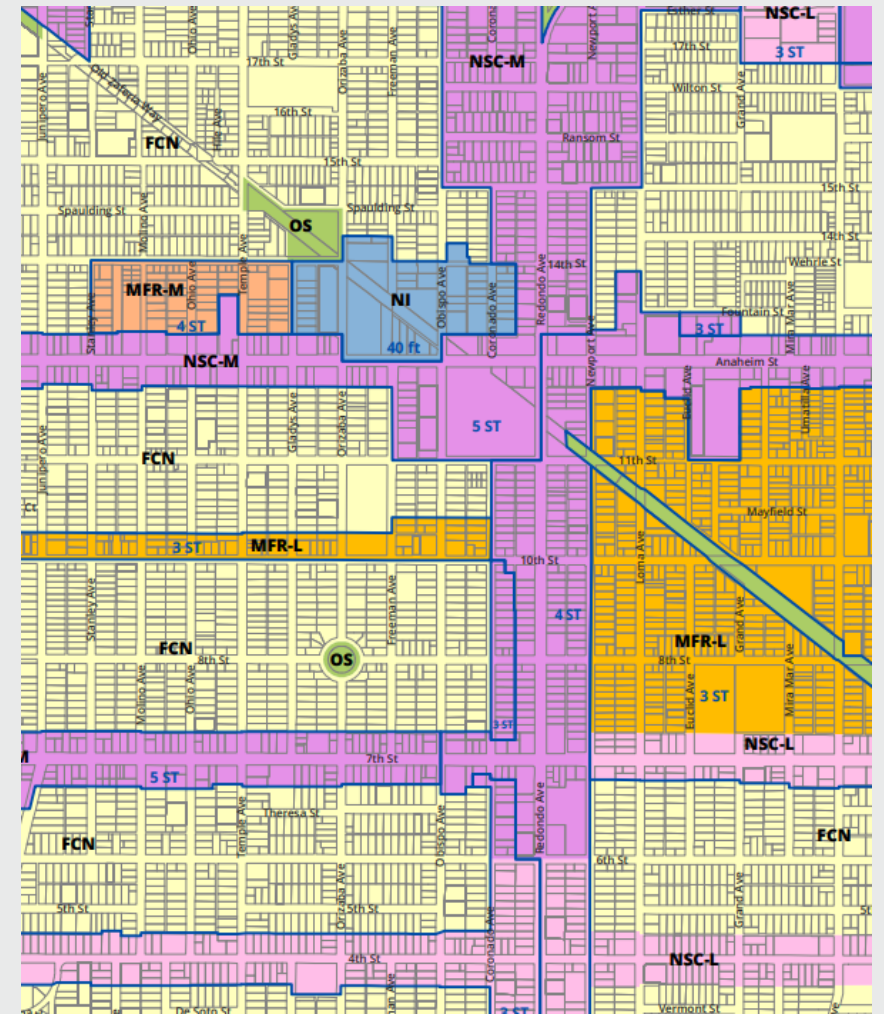
Site Inventory

- Required component of Housing Element submission to HCD.
- Must provide a specific inventory of sites to demonstrate there is sufficient zoning capacity to meet the RHNA.
- Sites are eligible for inclusion in the site inventory if they:
 - are of a certain size
 - are zoned appropriately and available for residential use during the planning period.
- If the inventory demonstrates that there are insufficient sites to accommodate the RHNA for each income category, the inventory must identify sites that will be rezoned to accommodate housing unit allocation within 3 years of State certification.



Site Inventory: Methodology

- Relies on the 2019 General Plan Land Use Element for key limitations.
- Criteria applied to all parcels citywide.
- Uses "development potential" criteria to identify parcels which are relatively likely to develop.
- Uses several technologies including Geographic Information Systems (GIS).
- Uses data on existing development characteristics to determine appropriate criteria related to intensity of land use and lot coverage.
- Uses recent past development project data to ensure quality of data & realistic estimations.



Site Inventory Criteria: Data Sources

- LA County Assessor
 - Existing development conditions
 - Valuation
 - Parcel attributes (lot line, lot size)
- City of Long Beach
 - Land Use (Plan) and Zoning data, historic resources
 - Development standards, including density, floor area and height
 - Location of key facilities/context information (like waterways or schools) base map data)

For a parcel to be included in the site inventory, it must meet **all** the following criteria:

- Eliminated:
 - If known non-developable use or limited growth opportunity
- Included if it met criteria that indicate the following characteristics:
 - Has high development potential
 - If site (combined parcels) is HCD-defined size minimum
 - And has three (3) or fewer owners
 - Exclude if it fails visual red flag review



Site Inventory Criteria: Exclude known non-developable sites

- Parcel containing or intersecting a:
 - Park, School or Waterway
- A property listed in the previous housing element site inventory
- Single-family, commercial-only, industrial, waterfront and open space PlaceTypes
- Designated historic resources
- Existing units with limited development potential



Site Inventory Criteria: Include if room to grow

Variable definitions (part 1)

- Lot Size
 - Size of assessor parcel, measured in square feet (5,000 square feet or more).
 - In general, larger properties have more development potential, though in practice several smaller parcels can be combined to form a larger development “site”.
- Vacant parcel
 - The City’s geographic information system database tracks addresses on vacant parcels, referencing land management records (permits) and other city data.
 - Vacant properties are of a high interest in the site inventory, though they are a rarity in the City.

Site Inventory Criteria: Include if room to grow

Variable definitions (part 2)

- Improvement to Land Value Ratio
 - Improvement Value = tax assessed value of all assessable buildings and structures on a property
 - Land Value = tax assessed value of land
 - Ratio of improvement to land value = value of the structures on the land in comparison to the value of the land
 - Gives a sense of the worth of the property improvements and thus the likelihood of redevelopment

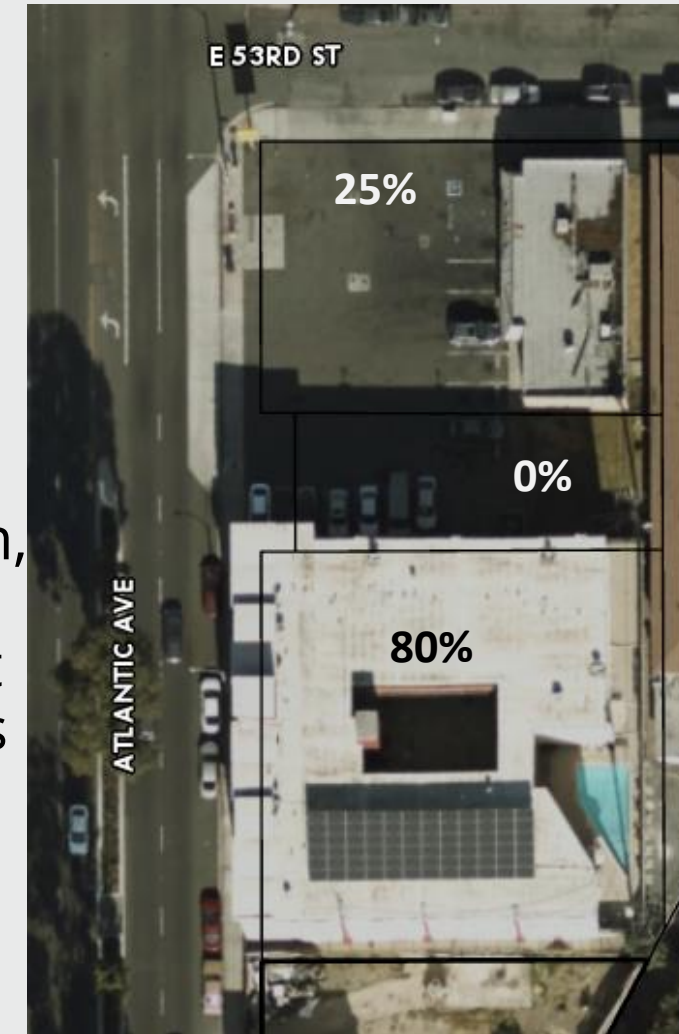
Improvement to Land Value Ratio	Indicator
Ratio < 1	<ul style="list-style-type: none">• Structures on the property are less valuable than the land• Higher potential for new development
Ratio \geq 2	<ul style="list-style-type: none">• Structures on property twice as valuable as the land• Less likely to develop

Site Inventory Criteria: Include if room to grow

Variable definitions (part 2, continued)

- Lot Coverage (percent of lot built)
- Allowed height
- Lot coverage and height combined used to inform intensity of current development

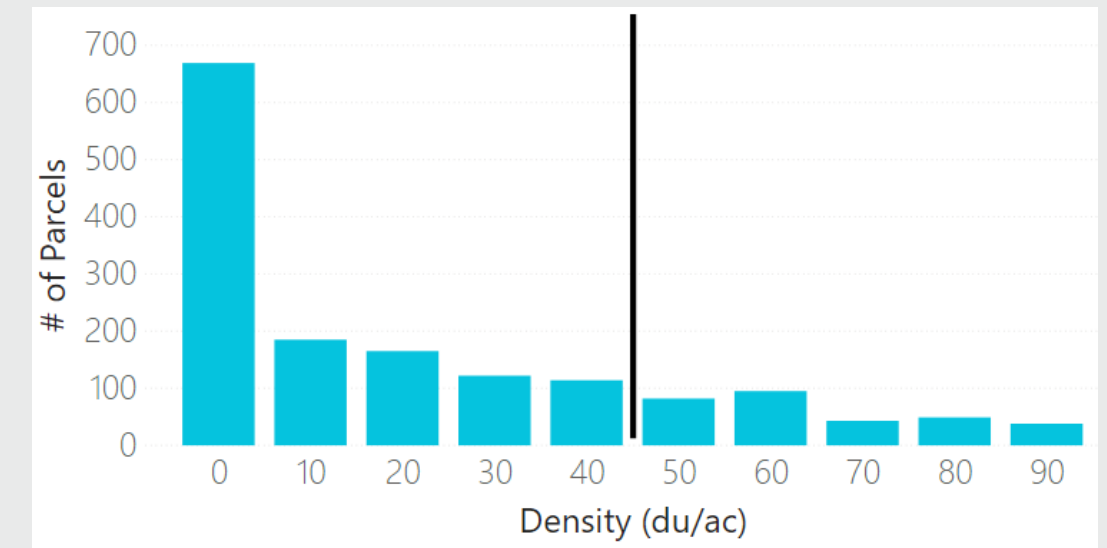
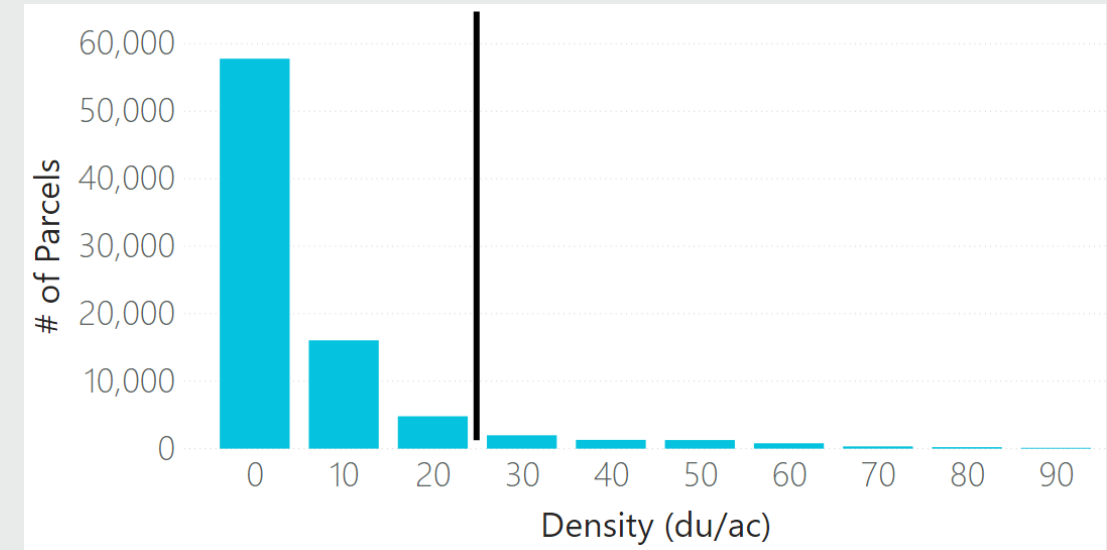
Explanation: This query is targeting properties with either low lot coverage (higher if allowed height is higher) or low valuation (again, higher if allowed height is higher). This multi-pronged query creates several “nets” to catch properties with higher development potential. The thresholds, as always, were chosen based on breaks in the dataset.



Site Inventory Criteria: Include if room to grow

Query Breakdown pt. 3

- Existing residential density
 - As is common with planning, this is measured in dwelling units per acre (du/ac).
 - The land use element provides guidelines for average allowable du/ac in different PlaceTypes.
 - A high du/ac value means that there is already a high density of residential development on a property, implying that it is unlikely that further residential development will occur in the next 8 years.
- Dwelling units/acre is **less than** 30 outside of Downtown PlaceType; or,
- Dwelling units/acre is **less than** 50 in Downtown PlaceType



Site Inventory Criteria: Combine adjacent parcels

- Remaining spatially adjacent parcels that meet all the criteria are combined to form one “site”.
 - “Sites” = adjacent parcels that have high development potential
- Per HCD requirements, eligible sites must meet size requirements.
 - Minimum .25 acre for market rate housing
 - Minimum .5 acre site for affordable housing
 - Sites where combined parcels are smaller than the .25 acre threshold are filtered out
- Sites with 4 or more owners are also excluded.
 - Sometimes adjacent parcels will be owned by the same entity, sometimes they are not.
 - Multiple owners make acquiring properties (assembling lots) to form a “site” complicated and potentially less feasible.

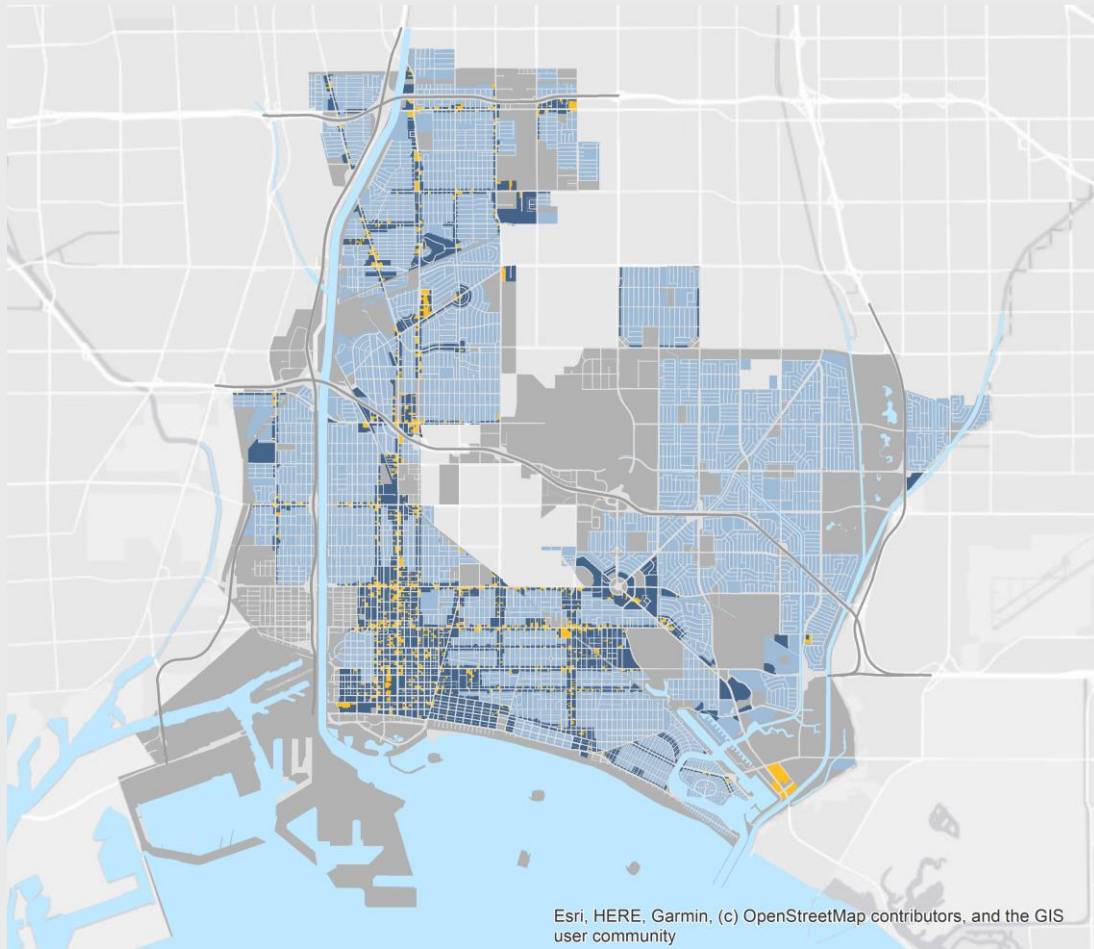
Site Inventory Criteria: Results summary

- Total Parcels: **1,315**
- Total Sites: **689**
 - Sites are comprised of spatially adjacent parcels
- Total Acres: **430**

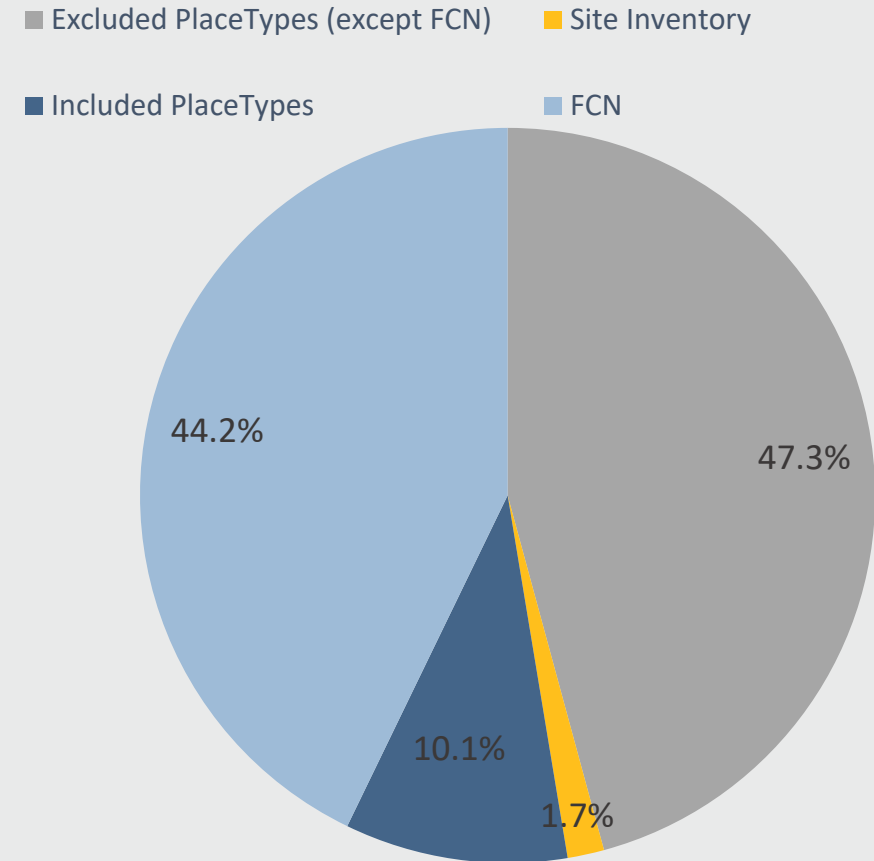


Site Inventory Criteria: Results summary

SELECT RESIDENTIAL PLACETYPES & SITE INVENTORY

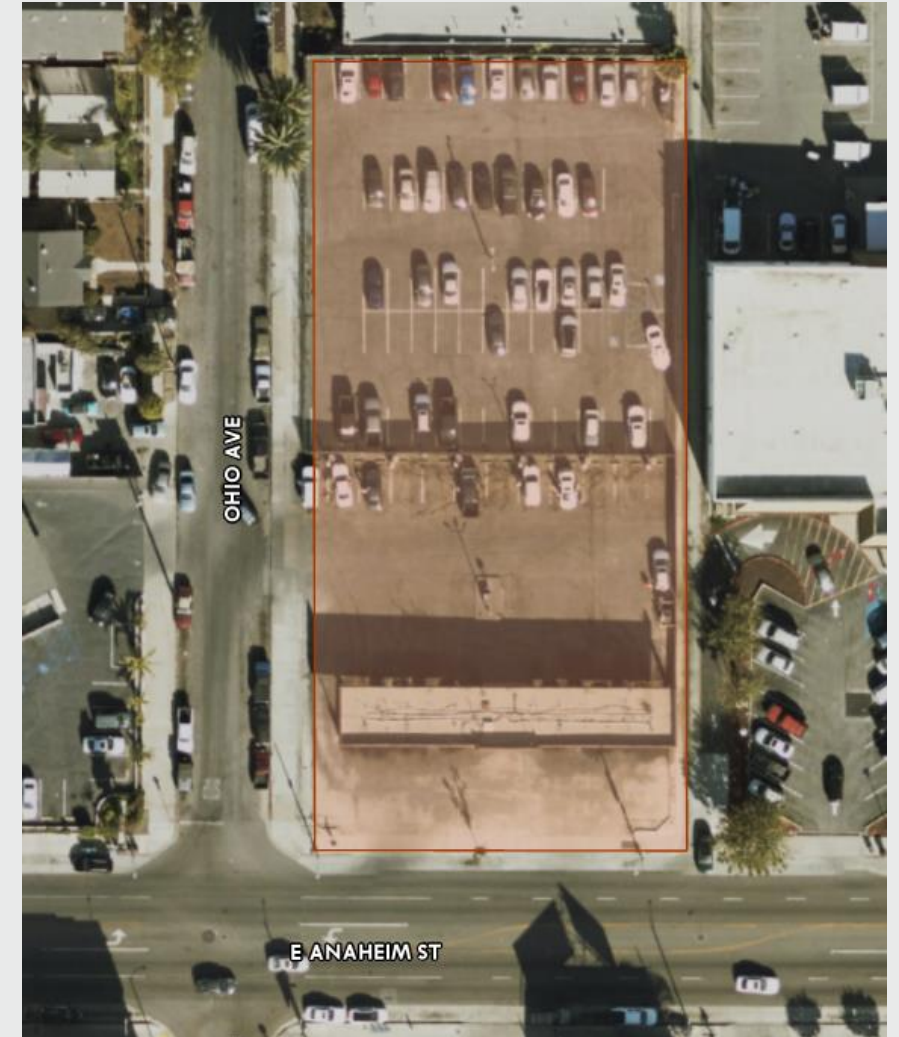


TOTAL CITYWIDE AREA



Site Inventory Example - Included

Variable	Threshold	APN: 7260-026-025
Lot Size	> 5,000 sq. ft.	41,379 sq.ft. (0.95 ac)
Building Lot Coverage	< 80%	6.9%
Improvement to Land Value Ratio	< 1	0.62
Zoning	N/A	CCP & R-2-N
PlaceType (Height)	N/A	MFR-M (4 Stories) & NSC-M (5 Stories)
Existing Housing Unit Density	< 30 du/ac	0 du/ac
Development Potential Factor	< 3 or 0 existing units	0 existing units



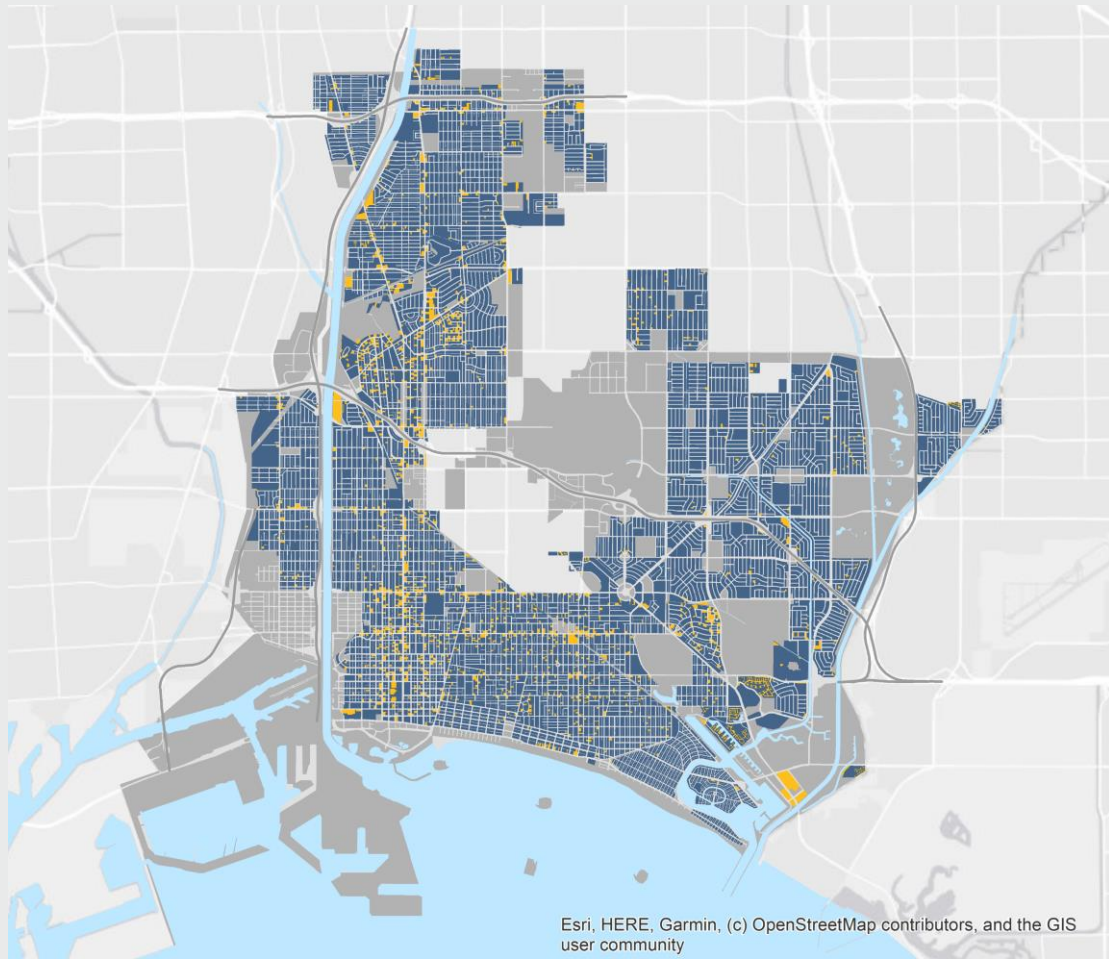
Site Inventory Example – Not Included

Variable	Threshold	APN: 7260-029-024
Lot Size	> 5,000 sq. ft.	15,569 sq. ft.
Building Lot Coverage	< 80%	71%
Improvement to Land Value Ratio	< 1	0.4
Zoning	N/A	CCP
PlaceType (Height)	N/A	NSC-M (5 Stories)
Existing Housing Unit Density	< 30 du/ac	28 du/ac
Development Potential Factor	< 3 or 0 existing units	1.9



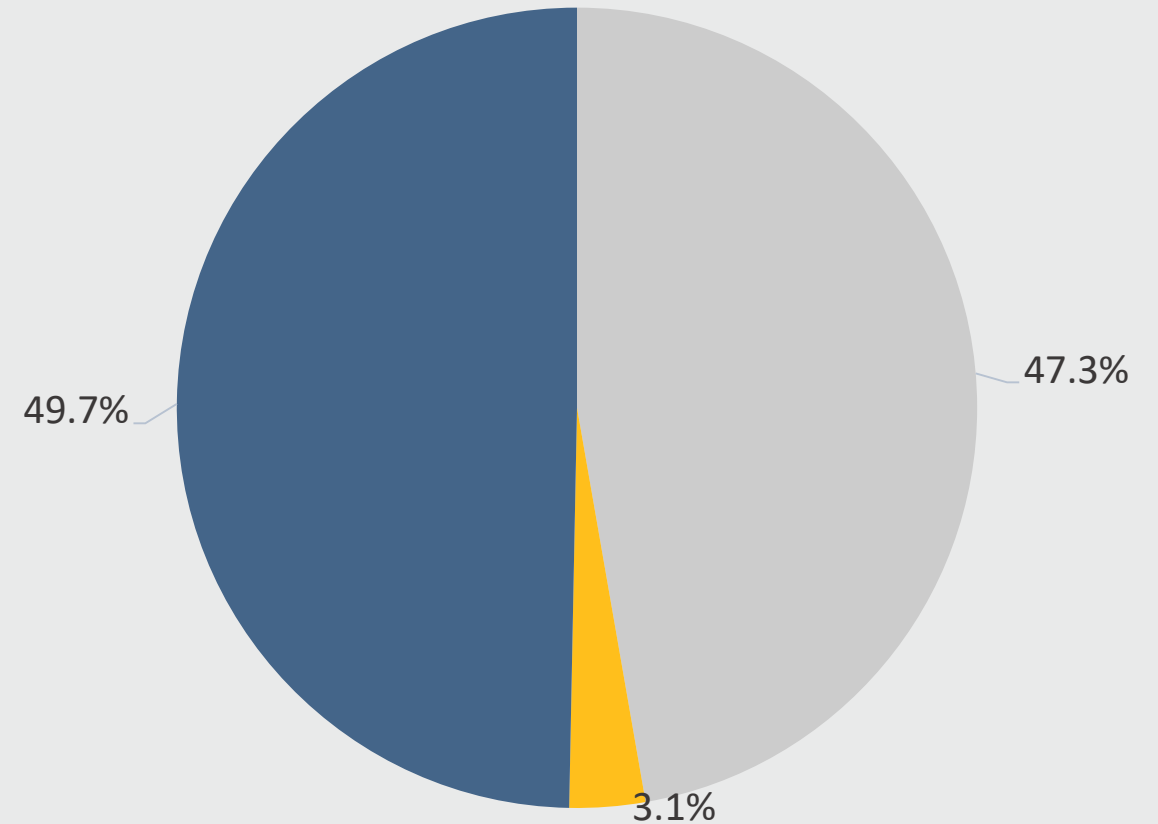
Summary Maps

ALL RESIDENTIAL PLACETYPES (FCN) & SITE INVENTORY



TOTAL CITYWIDE AREA

■ No Residential ■ All Residential Site Inventory ■ All Residential (FCN)



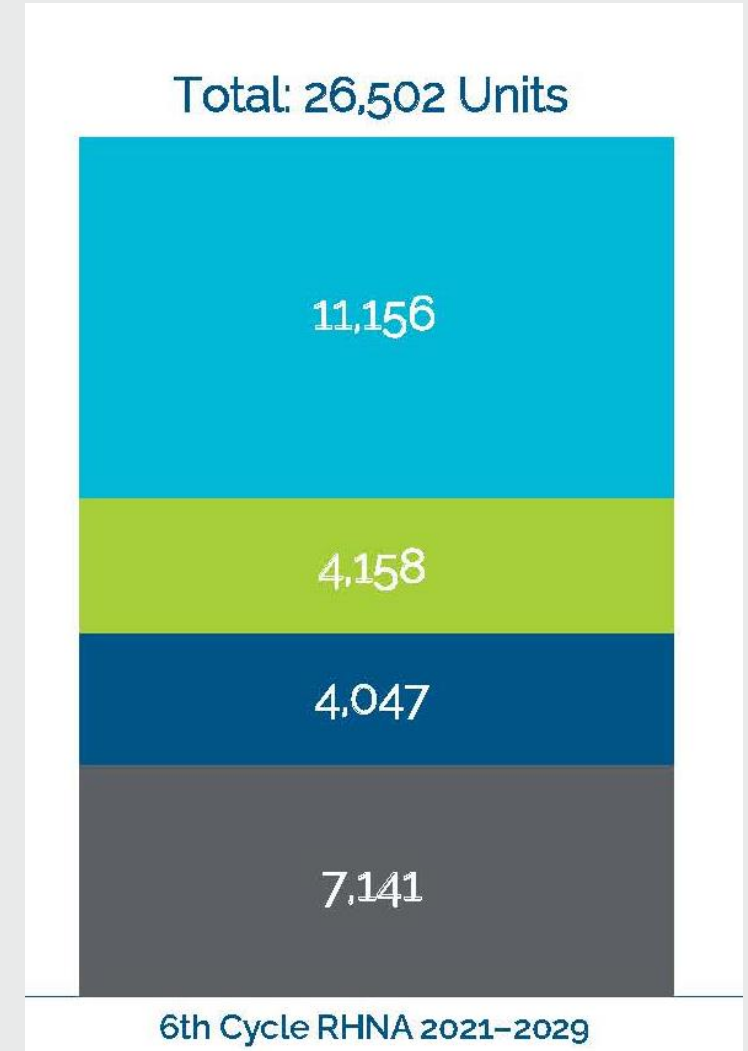
Current Zoning Scenario

- Insufficient Capacity
- Based on minimum lot area required per unit in Zoning Code
- For PD-30 and SP-1, density assumptions are derived from average DU/AC density of recent projects
 - Assumptions adjusted by plan sub-areas
- Results in **14,309 units**



PlaceType Scenario

- Based on recent project averages comparable to corresponding PlaceType.
 - Height, PlaceType, and location are primary factors in deriving averages.
- Averages adjusted based on additional factors:
 - Unique or “outlier” projects
 - LUE Average Densities
 - Variances and other entitlements
- Results in **28,138 units**



PlaceType + Affordable Scenario

- “Primary scenario”
- Based on PlaceType Scenario
- Density adjusted based on affordable vs market rate site designation:
 - Outside of downtown sites >0.5 acres are designated as affordable, all others are market-rate
 - Affordable sites are adjusted to have 120% density over base scenario
 - Market sites are adjusted to have 90% density over base scenario
- Downtown sites are designated as affordable or market-rate based on recent development trends; no density adjustment for either
- Results in **30,968 units**



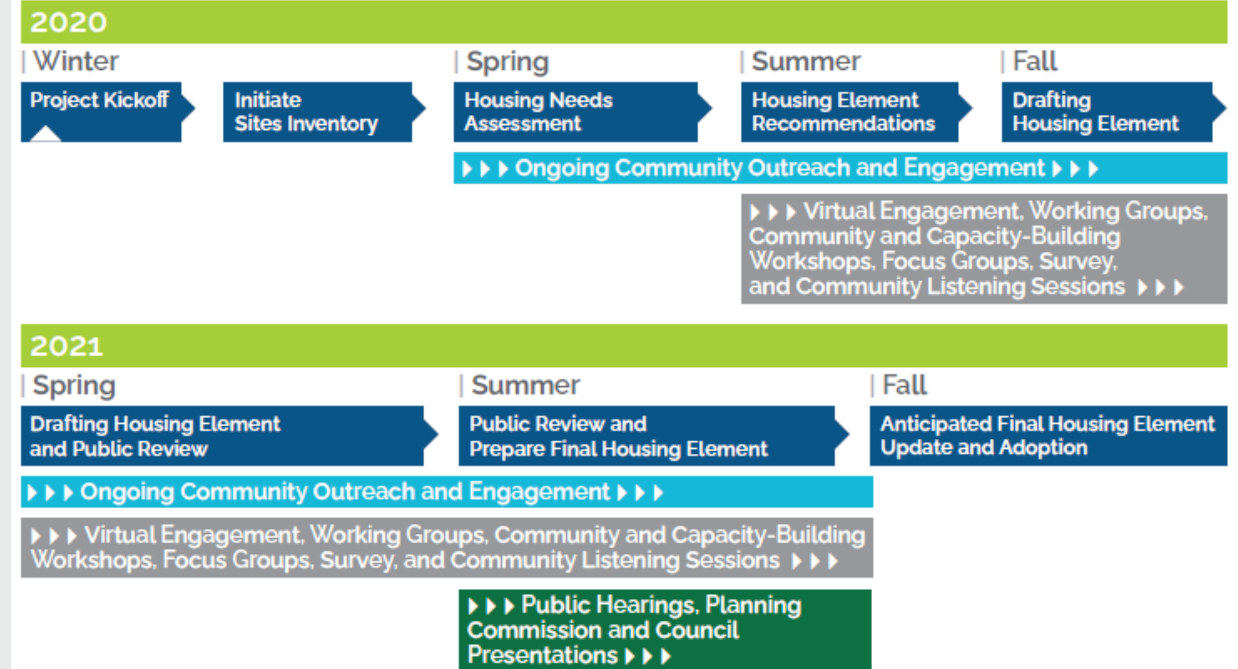
Results Summary – Three Scenarios

Current Zoning	PlaceType	PlaceType + Affordable/Market Rate
Zoning code minimum lot area per unit	Recent project averages, except PD-30	Start with PlaceType assumptions
For PD-30 and SP-1 reference recent projects and use average density	Adjusted based on LUE and other contextual factors	Apply multiplier based on site size ½ acre
Result: 14,309 units	Result: 28,138 units	Result: 30,968 units

Next Steps

- Continued data analysis and interpretation
- Drafting Housing Element Update
- Draft Plan June 2021
- CEQA process
- Housing Element Webpage for:
 - Virtual Open House
 - Share Your Housing Story
 - Upcoming (virtual) outreach meetings
- Adoption by City Council and submitted to State by October 2021
- Implementation already Underway:
 - Enhanced Density Bonus
 - Zoning Code Updates [i.e. UPLAN Phase 2, Anaheim Corridor Zoning Update (ACZIP)]

Project Timeline



<http://longbeach.gov/lbds/planning/advance/housing-element-update/>



Thank you

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Results Summary – Three Scenarios (with FCN PlaceType)

	Current Zoning	PlaceType	PlaceType + Affordable/Market Rate
All Residential PlaceTypes (FCN)	16,534 units	36,724 units	40,939 units
Select Residential PlaceTypes	14,309 units	28,138 units	30,968 units
Difference	2,225 units	8,586 units	9,971 units

Density Assumptions: Key points

- Taken as a whole, our density assumptions are realistic because they take a conservative estimate from recent development projects and establish lower average densities for PlaceTypes compared to what is likely to be possible.
- Compared with approved Housing Elements that have been approved in San Diego, The City's methodology is more robust and uses multiple data sources given the many unknown factors, most notably the pending new zoning districts for all corresponding PlaceTypes.
- Three scenarios prepared.