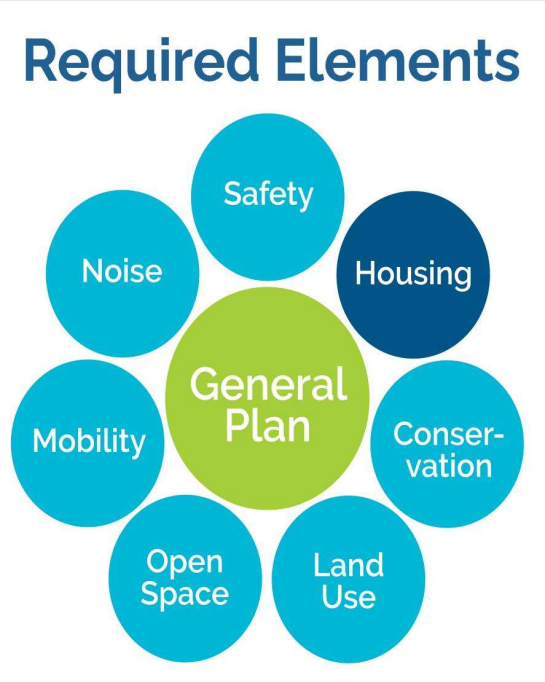
Housing Element Update

Planning Commission Hearing

October 7, 2021

CITY OF LONG BEACH

What is the Housing Element?



- 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.
- Must be **updated every 8 years** and submitted to the State by a specific date they prescribe (6th Cycle submitted to HCD by fall 2021).

Housing Element 6th Cycle Update Timeline

Project Timeline

2020

Winter		Spring	Summer	Fall
Project Kickoff	Initiate Sites Inventory	Housing Needs Assessment	Housing Element Recommendations	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	Summer	Fall
Drafting Housing Element and Public Review	Public Review and Prepare Final Housing Element	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 limited during COVID-19.
- Broad and focused digital and virtual outreach (ongoing).
  - ✓ Summer 2020 & Spring 2021 virtual workshops, community meetings and forums (English and Spanish)
  - ✓ Focus groups
  - ✓ Community meetings
  - ✓ Virtual open house
  - ✓ 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, Blueprint for Economic Development

"Housing is important to have a safe place from which to live, plan, play, dream, and be protected."

Long Beach Resident

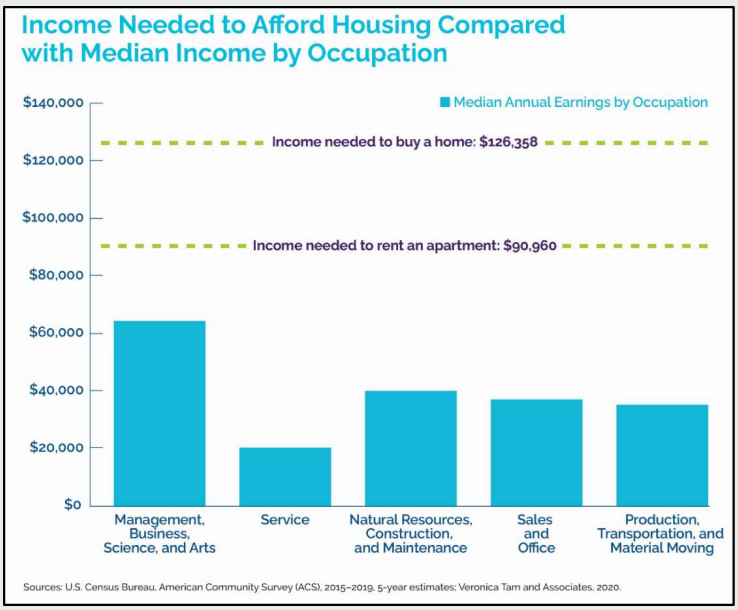
Learn more in Appendix A: Public Participation Report

Housing Element Components

- Executive Summary
- Introduction
- Housing Needs Summary
- Projected Housing Need
- Housing Resources
- Housing Constraints
- Housing Plan
- Appendices

Household Characteristics

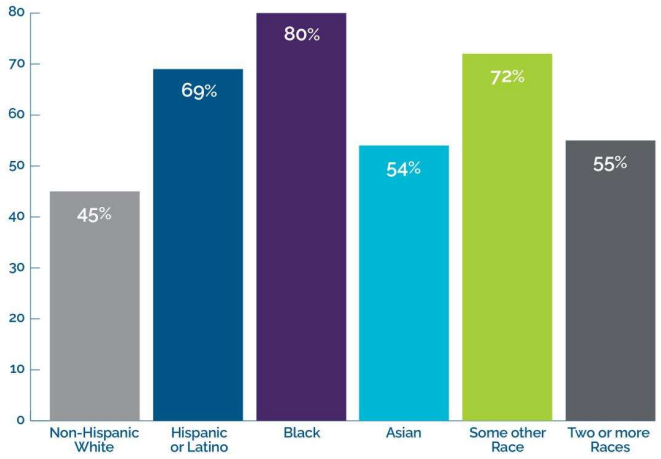
- **43%** of all LB households are **housing cost burdened**, meaning they pay too much for rent or their mortgage
  - The median sales price of a home was **$640,284**.
  - The median rent across all rental properties was **$1,895** per month.
- 61% of LB households are **renters** and are more economically vulnerable than homeowners.
  - Rent is increasing at a faster rate than income
  - 80% of very low-income renters are cost-burned



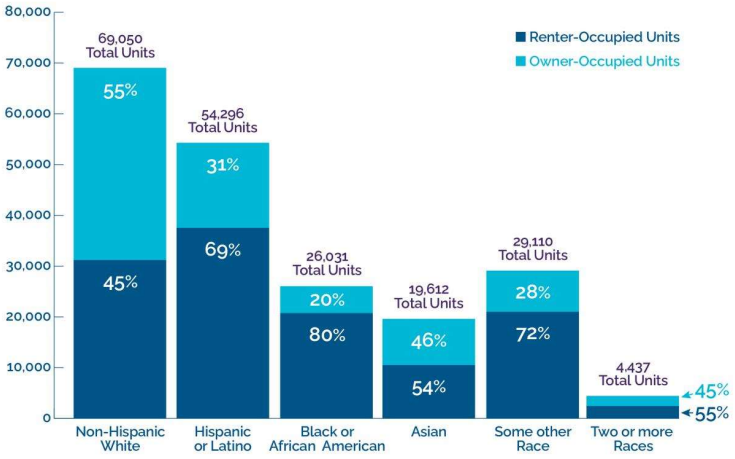
Housing in Long Beach: Population Characteristics

Today, Long Beach is a city of renters. Citywide, 61% of households rent their homes and people of color are statistically more likely to be renters in Long Beach.

Renter Rate by Race/Ethnicity in Long Beach



Units Occupied by Renters or Owners



Source: U.S. Census Bureau, 2018 American Community Survey

An Aging and Insufficient Housing Stock

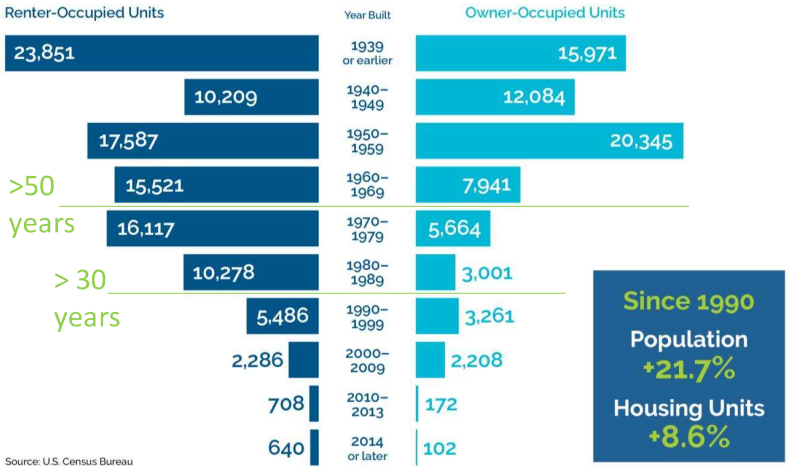
2 Housing Needs Summary

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

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



Since 1990

Population **+21.7%**

Housing Units **+8.6%**

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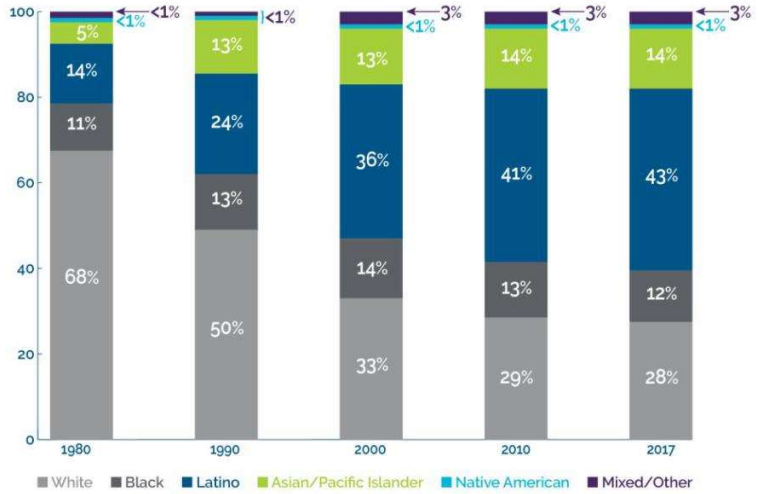
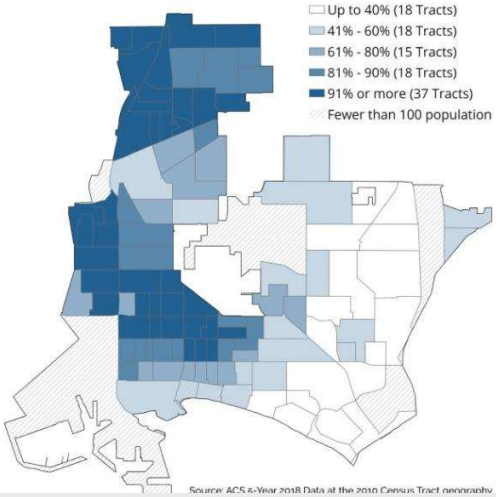
Population Growth Since 1980

Long Beach is a diverse community of residents with people of color representing approximately 72% of the population, the majority of whom live in West and North Long Beach.

Races/Ethnicities of Long Beach 1980–2017



Non-White Population Percentage

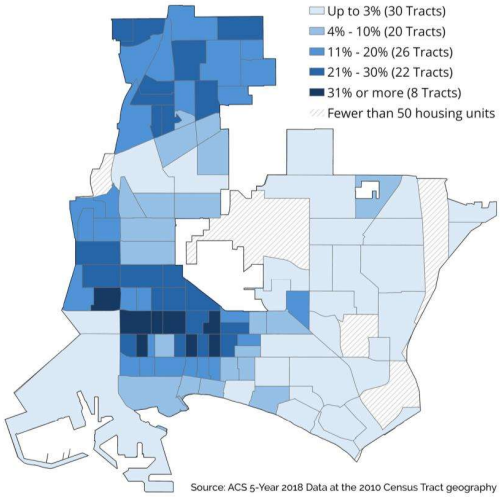


Housing Affordability in Long Beach

2 Housing Needs Summary

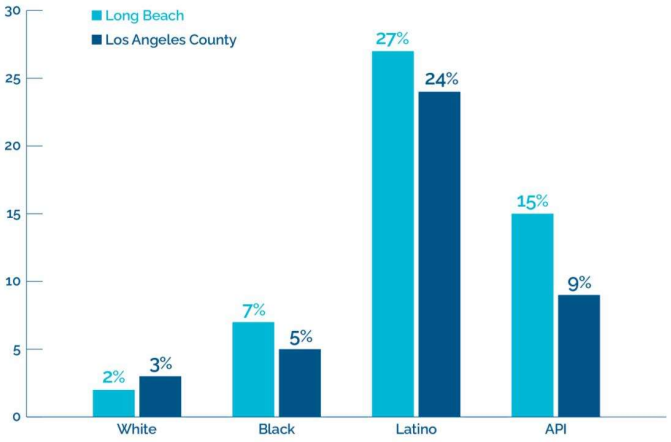
Limited housing supply and increased costs leads to overcrowding. In Long Beach, this affects people of color disproportionately and is concentrated primarily in West, Central and North Long Beach.

Percentage of Housing Units with any Overcrowding



Source: ACS 5-Year 2018 Data at the 2010 Census Tract geography

Overcrowding Rates by Race/Ethnicity, 2017



Source: ACS 5-Year Files

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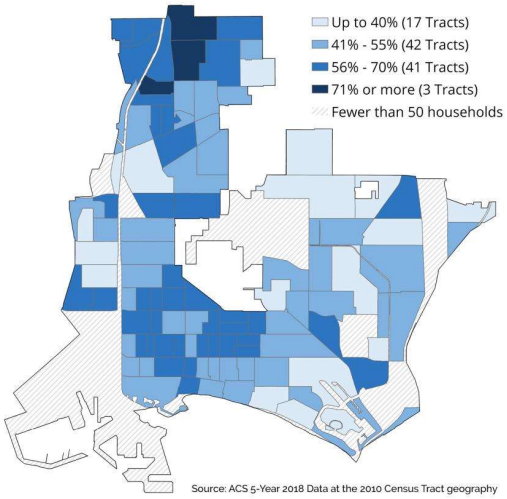
Housing Affordability in Long Beach

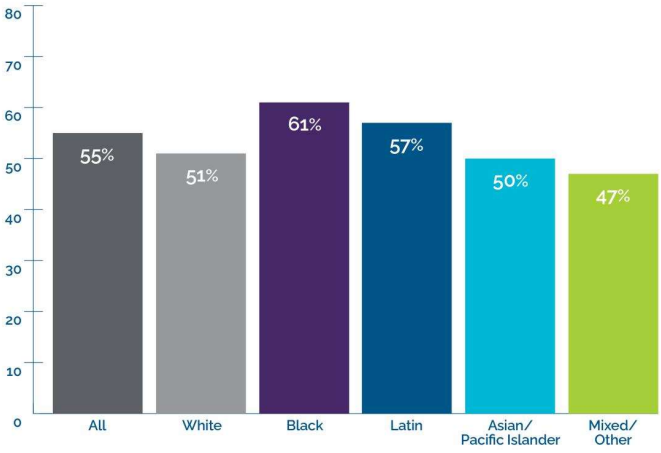
Most renters in Long Beach are people of color and Black and Latinx renters are more likely to be rent-burdened.

Percentage of Rent-Burdened Renter Households



Source: ACS 5-Year 2018 Data at the 2010 Census Tract geography

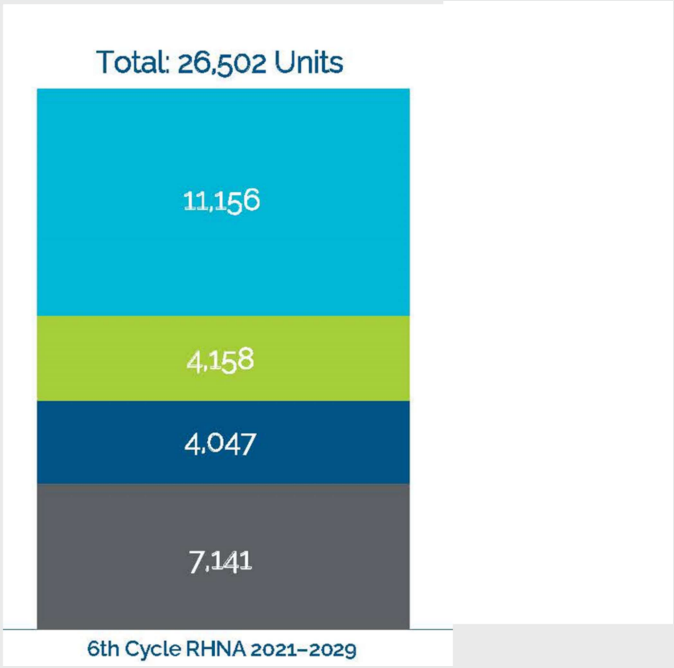
Percentage of Rent-Burdened Renters in Long Beach, 2017



Source: IPUMS USA | National Equity Atlas

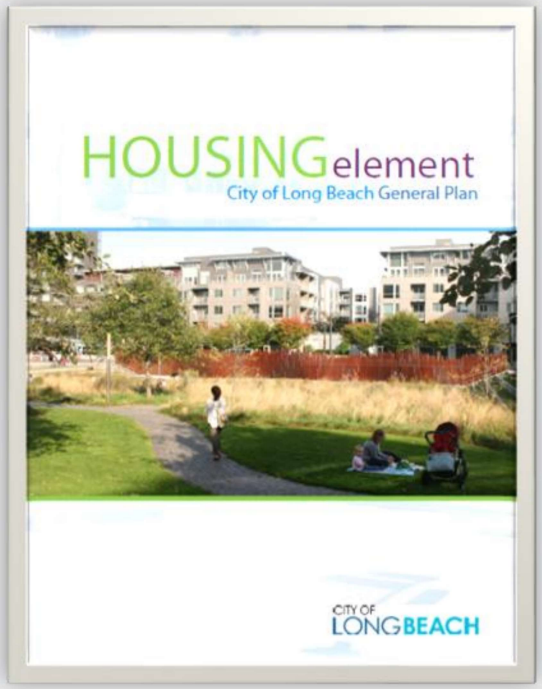
Regional Housing Needs Allocation (RHNA) for Long Beach

58% of assigned RHNA units are in the affordable categories



Site Inventory- State Requirements

- 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.

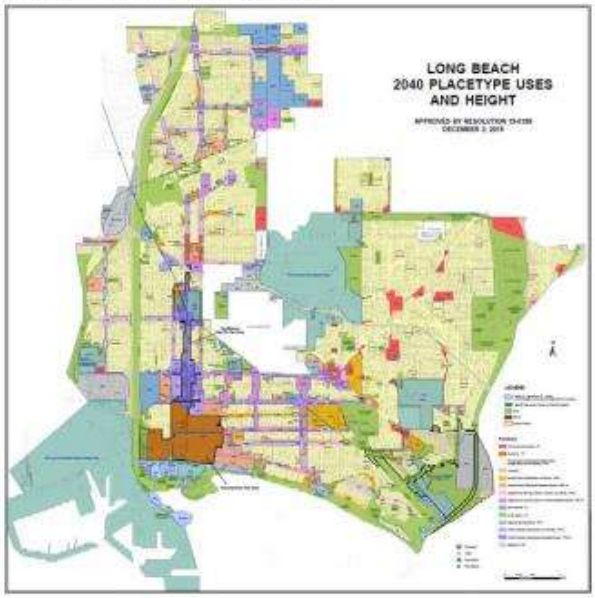


Site Inventory- City Approach

- "Front-end" methodology to identify parcels most likely to develop, rather than estimate development likelihood of all eligible parcels
- Uniform criteria applied to all parcels citywide:
  1. Can housing be built there? (land use & zoning)
  2. Is the site big enough to build on?
  3. Is there "room to grow"?
  4. Does the site have common ownership?

- Relies on the adopted 2019 General Plan Land Use Element and Downtown/Midtown plans as a blueprint, focusing the greatest amount of housing in areas served by the highest quality transit

Land Use Element PlaceType Map



Site Inventory Criteria

Criteria

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

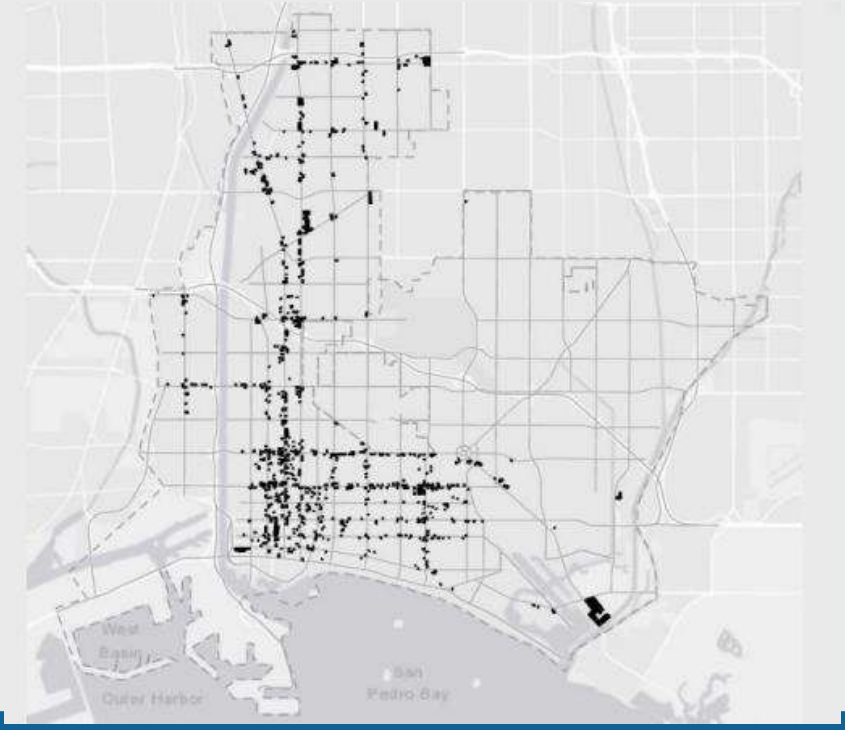
Eliminated:

- If known non-developable use
- If limited growth opportunity
- If it fails visual red flag review

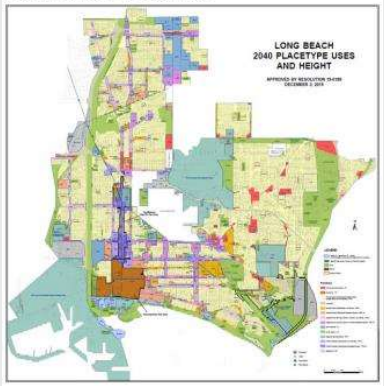
- Included if it met criteria that indicate the following characteristics:
  - Has high development potential (at least 3x existing units and meets HCD density requirements)
  - Has "room to grow" in terms of lot coverage and existing improvements
  - If site (combined parcels) is HCD-defined size minimum
    - And has three (3) or fewer owners

Site Inventory Results

Projected Housing Need 3



Land Use Element PlaceType Map



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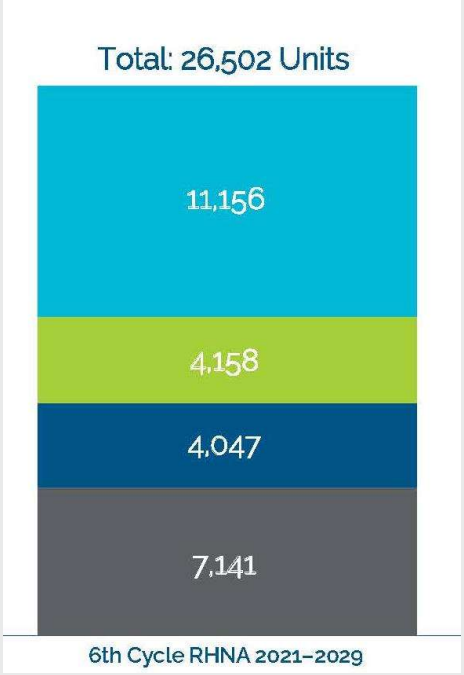
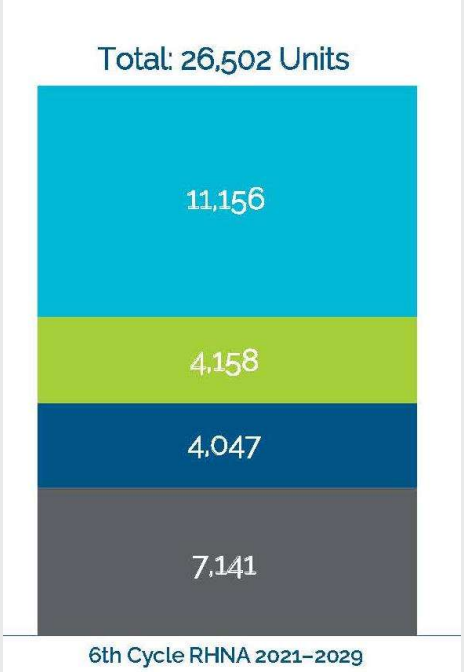
Current Zoning Scenario

- 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 **14,667 units**
- Pipeline projects+ ADUs = **1,682 units**
- **Shortfall of 10,776 units**
  - 6,873 lower income units
  - 3,903 moderate-income 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 **30,115 units**
  - 15,194 lower income units
  - 14,921 moderate and above moderate-income units
- Plus pipeline projects+ ADUs = **1,682 units**
- **Buffer of 5,433 units**
- **20% buffer, mostly in the low income categories**



What Does it Mean if a Property is in the Site Inventory?

- Does not mean housing will actually be built on any given site;
- Identifies locations that have the potential and where regulations allow housing to be built;
- Affordable housing replacement policies now required for all identified sites (no-net loss requirements by the State);
- Reused lower-income sites are eligible for a "by-right" process if 20% of the units are affordable.

July 2021 Draft-- Results Summary

Table 1: Residential Dwelling Unit Potential and RHNA					
	Very Low Income	Low Income	Moderate-Income	Above Moderate-Income	Total
RHNA	7,141	4,047	4,158	11,156	26,502
Approved Projects	53	34	1	0	88
Proposed/Pipeline Projects	293	161	6	0	460
Accessory Dwelling Units	658	1,249	59	834	2,800
Remaining RHNA	6,137	2,603	4,092	10,322	23,154
Zoning Capacity	7,731		457	6,230	14,418
Zoning (Shortfall)/Buffer	-1,009		-3,635	-4,092	-8,736
PlaceType Capacity	13,701		14,511		28,212
PlaceType (Shortfall)/Buffer	4,961		97		5,058

Changes to the Site Inventory

- ADU projections adjusted to reflect building permit approvals and not submissions
- Remove sites with existing entitlement applications or recently completed projects
- Add select sites to reflect changes in zoning (e.g. SEASP adoption)
- For zoning scenario: adjusted distribution of affordable vs market-rate sites

PC Review Draft (Current) Results Summary

Table 1: Residential Dwelling Unit Potential and RHNA					
	Very Low Income	Low Income	Moderate-Income	Above Moderate-Income	Total
RHNA	7,141	4,047	4,158	11,156	26,502
Approved Projects	53	34	1	0	88
Proposed/Pipeline Projects	293	161	6	0	460
Accessory Dwelling Units	299	567	27	379	1,272
Remaining RHNA	6,496	3,285	4,124	10,777	24,682
Zoning Capacity	2,908		221	11,538	14,667
Zoning (Shortfall)/Buffer	-6,873		-3,903	761	-10,776
PlaceType Capacity	15,194		14,921		30,115
PlaceType (Shortfall)/Buffer	5,413		20		5,433

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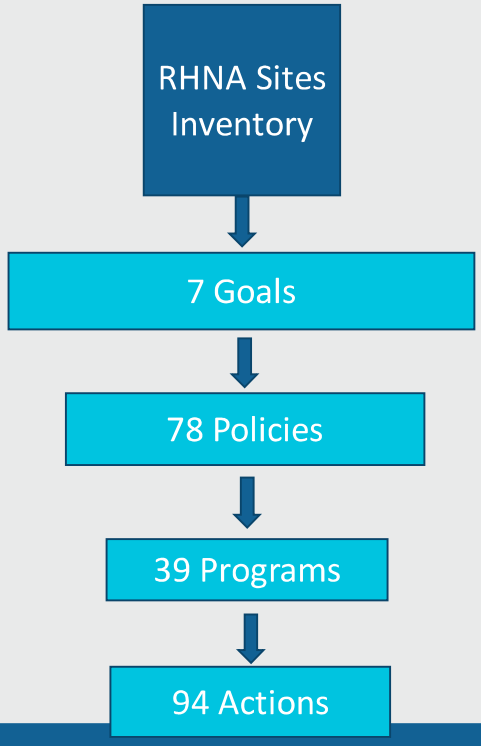
Draft Housing Plan

Housing Plan Structure

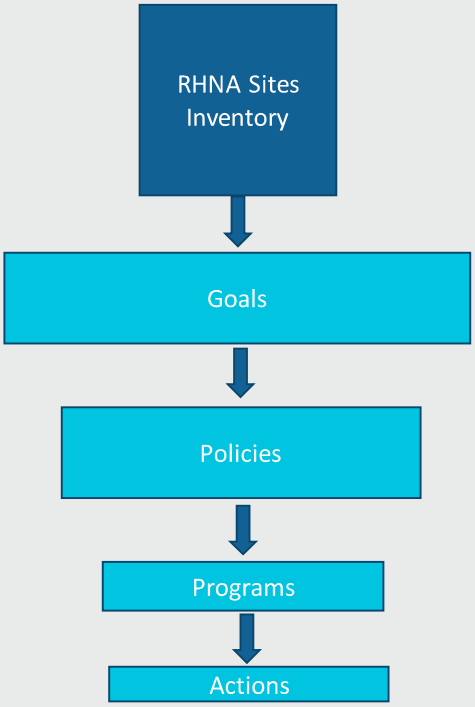


Housing Element Goals

1. Provide Increased Opportunities for the Construction of High-Quality Housing
2. Mitigate Government Constraints to Housing Investment and Affordability
3. Provide Housing Assistance and Preserve Publicly Assisted Units
4. Address the Unique Housing Needs of Special Needs Residents
5. Retain and Improve the Quality of Existing Housing and Neighborhoods
6. Ensure Fair and Equal Housing Opportunity
7. Ensure Effective and Efficient Delivery of Housing Programs and Services

How is the Housing Element Used?

- The Housing Element is the guiding document that sets the City's **policy and program direction** related to housing.
- **Used when reviewing development projects** (both housing and non-housing projects)
- **Guides all future city ordinances** that the City develops as they must be consistent with the General Plan.



More Housing Needed

- Rezoning to implement the LUE and allow more housing
- Focus new housing near jobs & transit
- Zoning code updates tailored to disadvantage communities (UPLAN, ACZIP)
- A variety of housing types (ADUs, missing middle, micro-units)

ACZIP study area; rezoning process begins late 2021

"Social services, workforce training centers, and grocery stores are needed near new housing developments."

Long Beach Resident - Housing Element Community Forum

"I want to see the city collaborate with forward thinking design studios and architecture schools to develop innovative and low-cost construction solutions."

Long Beach Resident - Housing Element Community Forum

"Having more homes built near public transit stations, jobs, local businesses so people can commute less by car and use other ways to get around the city will help promote and build a sense of community."

Long Beach Resident - Local Businesses and Institutions Focus Group Meeting

Affordable Housing Needed

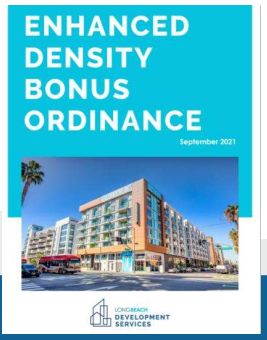
- Funding for affordable housing
- Mixed-income development strategies:
  - Enhanced Density Bonus incentives for affordable housing
  - Expand inclusionary housing program
- Streamlined approvals for affordable housing
- Preserve existing affordable units

"We need a dedicated local source of revenue to build affordable and supportive housing…"

Long Beach Resident - Housing Element Community Forum

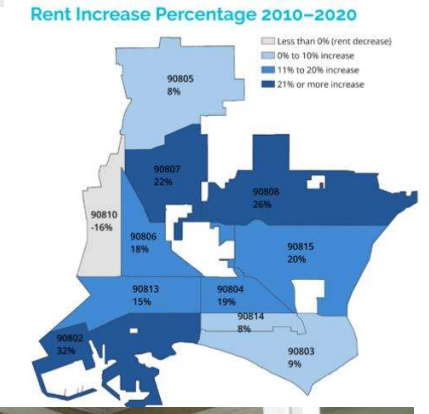
"Finding affordable housing, especially on a fixed income, is one of the biggest challenges Long Beach residents are facing due to the highly competitive rental market and lack of affordable housing. You have to be first in line to put in an application."

Long Beach Resident – Housing Advocates Focus Group Meeting



Housing Assistance Needed

- Ensuring housing vouchers available to those in greatest need
- Flexible funding pool
- Emergency rental assistance
- Need for rent stabilization



"Housing trends and rent control should correlate with the current job market."

Long Beach Resident - Local Businesses and Institutions Focus Group Meeting

Anti-Displacement Strategies & Tenant Protections

- Enhanced no-net loss strategies
- Renovation administration program designed to minimize risk of displacement
- Expanded tenant right to counsel

"The most important housing issue for me is to maintain my housing by all means. To maintain my housing, we need supportive services."

Century Villages at Cabrillo Resident

"The most important issue is the fairness of housing."

Century Villages at Cabrillo Youth Resident

Community Ownership & Agency

- Community land trusts and other shared equity models
- First time homebuyer assistance
- Neighborhood leadership and community capacity building
- Neighborhood resources

Housing for Special Groups

- Continuum of Care
- Century Villages at Cabrillo
- Atlantic Farms and other "mini hubs"
- Motel conversion
- Visitability Ordinance
- Access to housing in high opportunity areas
- Senior housing needed across the City

"Housing the most vulnerable is clearly the priority."

Long Beach Resident – Housing Advocates Focus Group Meeting

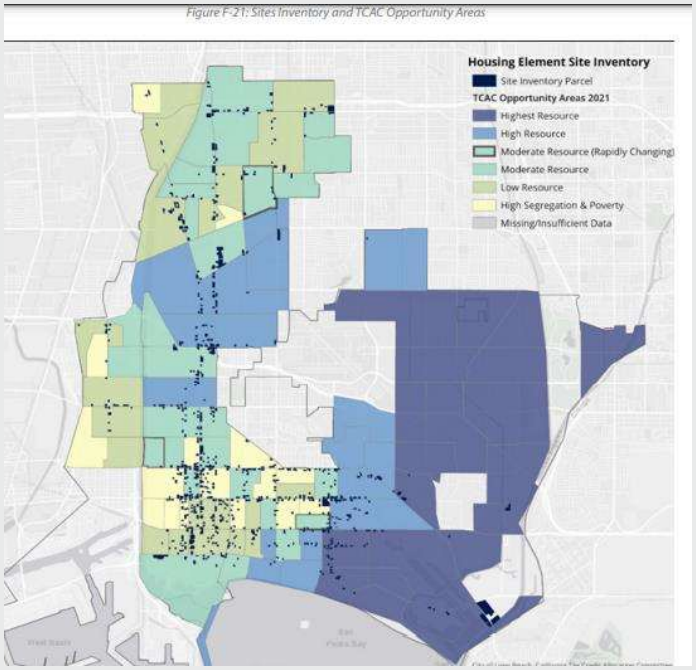
"Low-income students, seniors, and single mothers need more housing assistance."

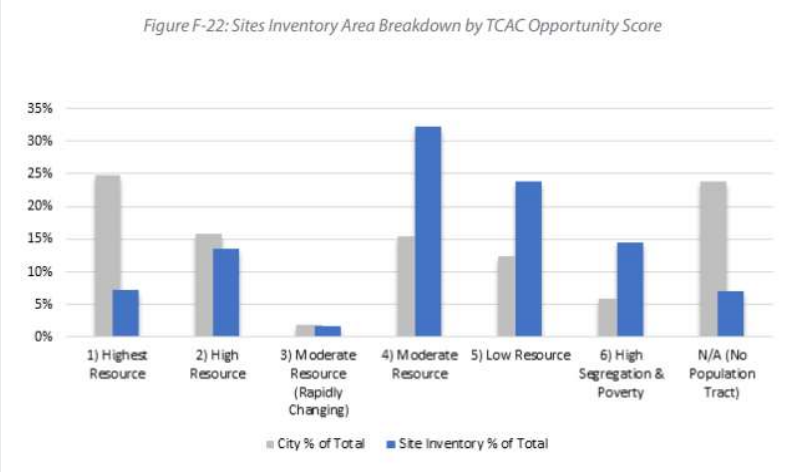
Long Beach Resident - Housing Element Community Forum

"This plan needs to address homelessness, walkability, public transit, job opportunities near new developments, and neighborhood protections from the effects of gentrification."

Long Beach Resident – Housing Element Community Meeting

Demand for Housing in High Opportunity Areas

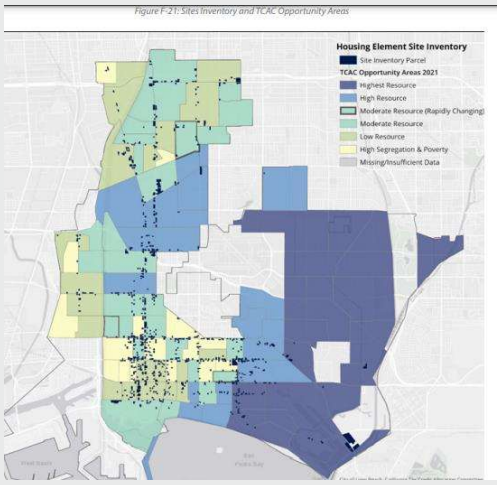




Map can be found in Appendix F (page F-41)

Housing in High Opportunity Areas

- Variety of housing types in low density zones
- ADUs
- SEASP
- Monitoring of housing production
- Recognition of LUE as a constraint to housing in high-opportunity areas
- Voucher mobility
- Future consolidated plan funding focused on increasing production and access to housing in high resource areas



Summary of Plan Strategies

- ✓ Increase housing production to meet community need
- ✓ Prioritize affordable housing
- ✓ Facilitate a variety of housing types
- ✓ Provide housing assistance
- ✓ Protect tenants
- ✓ Minimize risk of displacement
- ✓ Serve groups with special needs including people experiencing homelessness and those with different ability statuses
- ✓ Begin to address fair housing including access to high opportunity areas

"Housing is important to have a safe place from which to live, plan, play, dream, and be protected."

Long Beach Resident

Environmental Review - Addendum

- Addendum to a previously certified Program EIR for the LUE/UDE
  - Builds off LUE goals, policies, and strategies
  - Provides a more detailed roadmap for creating sufficient capacity for needed housing in the City
- Housing Element update and rezoning are planning actions, consistent with the adopted LUE intended to comply with State law, identify a plan to meet the housing needs of the City, and implement the Zone Change Program and intent of the adopted LUE through policies and programs
- Future discretionary development would be subject to project-level CEQA review as appropriate

Recommendation and Next Steps

- Planning Commission to recommend that the City Council approve EIR addendum EIRA-02-21 and adopt the 2021-2029 General Plan Housing Element.
- City Council review: November 16
- Submittal to HCD for second round of review
- Final adoption by CC prior to final certification by the State
- Implementation already Underway:
  - Zoning Code Updates [i.e. UPLAN Phase 2, Anaheim Corridor Zoning Update (ACZIP)]
  - Beginning implementation of Inclusionary Housing Policy; Enhanced Density Bonus; Interim Motel Conversion Ordinance; Micro-Units; Amnesty program for informal dwelling units

Thank you

Housing Element Team
housingelementupdate@longbeach.gov

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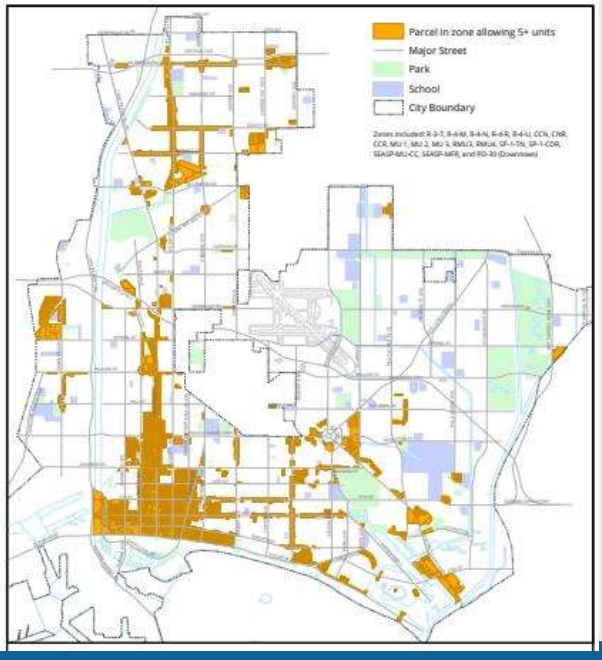
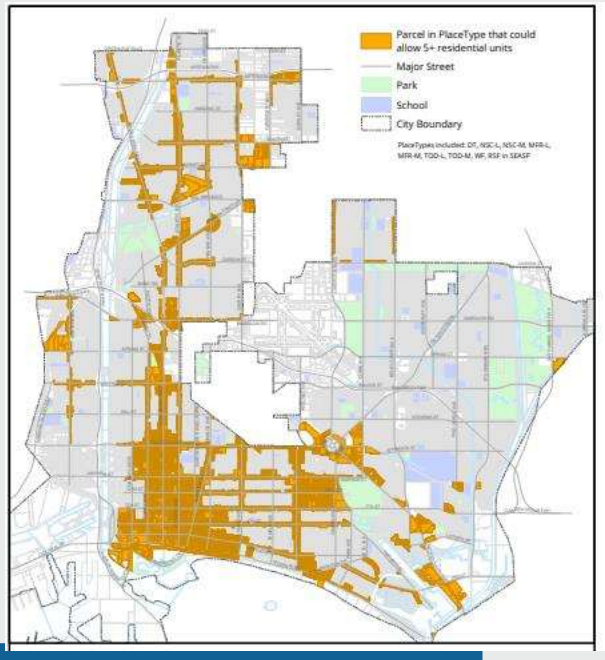
Penalties and Consequences of Housing Element Noncompliance

- General Plan Inadequacy – local governments with an invalid General Plan can no longer make permitting decisions
- Legal Suits and Attorney Fees – litigation from housing rights' organizations, developers, and HCD; substantial attorney fees
    - Mandatory compliance within 120 days; suspension of local control; court approval of housing developments
- Loss of Permitting Authority – suspension of local authority to issue building permits or grant zoning changes, variances, or subdivision map approvals
- Financial penalties - courts can multiply financial penalties by a factor of six
- Court receivership – appointed agent with powers to remedy housing element deficiencies

Parcels That Allow 5+ Units based on Zoning and PlaceType





CITY OF LONG BEACH

HCD Feedback and City's Revisions

- **Review and Revision:** Evaluate effectiveness and progress in implementation since previous element and reflect in the updated Housing Element in regards to special needs housing and coastal zone housing
  - **City elaborated on effectiveness of Special Needs housing efforts and affordable housing in the Coastal Zone in its revisions**
- **Housing Needs, Resources, and Constraints:** Provide additional data to show compliance with Affirmatively Further Fair Housing (AFFH) requirements as they relate to the site inventory
  - **City confirmed site inventory improves fair housing conditions and is conducting additional analysis to provide further detail;**
  - **City is articulating other important strategies for creating new housing in high opportunity areas (rezoning in SEASP and increasing the development of ADUs), in addition to programs that encourage a variety of housing types in low-density zones;**
  - **City is addressing other relevant factors such as historical land use, supplemented by recent and relevant planning efforts;**
  - **Considering how to best estimate the number of units in need of rehabilitation and replacement; considering parking requirements for congregate and residential care facilities as a local constraint; review of certain local processes, regulations, timeline, and fees as potential constraints; and considering additional programs, further elaborating and clarifying within the draft plan, and other plan revisions**

HCD Feedback and City's Revisions

- **Housing Programs:** 1) Provide schedule of actions and timeline for implementation 2) Detail how sites will become available including zoning and development standards and services and facilities 3) Detail programs which assist in the development of adequate housing to meet the needs of very-low to moderate-income households 4) Address how constraints will be removed
  - **City is detailing specifics related to commitment, objectives, and timelines; reflecting compliance with by-right provisions to demonstrate how sites will become available; detailing existing housing services provided, particularly for housing for ELI households; strengthening program language that goes above and beyond state law in regards to anti-displacement strategies; and is considering additional actions to support new housing in high opportunity areas**
- **Quantified Objectives:** Establish number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year timeframe
  - **City is conducting this analysis and will ensure compliance with this requirement**
- **Public Participation:** Make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element
  - **City detailed public participation process and is better articulating how community input was incorporated into the plan**

What is "Affordable Housing"?

Area Median Income (AMI) in Long Beach is $77,300.

$24,000<	<	<	$77,300
< 0% to 30% AMI Extremely Low Income	31% to 50% AMI Very Low Income	51% to 80% AMI Low Income	81% to 120% AMI Moderate Income

These income categories are defined by the state and are based on varying percentages of the Area Median Income (AMI), in this case the **average incomes** for LA County

Housing is considered "affordable" if occupants pay **no more than 30%** of their income on housing costs.

Income Categories for RHNA

Table HE-1: Los Angeles County 2020 Income Limits

Number of Persons in Household	1	2	3	4
Extremely Low	$23,700	$27,050	$30,450	$33,800
Very Low	$39,450	$45,050	$50,700	$56,300
Low	$63,100	$72,100	$81,100	$90,100
Median	$54,100	$61,850	$69,550	$77,300
Moderate	$64,900	$74,200	$83,500	$92,750

Pg 25 of the draft Housing Element

Regional Housing Needs Allocation (RHNA) for Long Beach

Projected Housing Need 3

Table HE-2: 6th Cycle RHNA

	Long Beach		Los Angeles County		SCAG	
Area/Income	Number of Units	Percent	Number of Units	Percent	Number of Units	Percent
Total	**26,502**	**100%**	**812,060**	**100%**	**1,341,827**	**100%**
Very Low	7,141	26.9%	217,273	26.8%	351,796	26.2%
Low	4,047	15.3%	123,022	15.1%	206,807	15.4%
Moderate	4,158	15.7%	131,381	16.2%	223,957	16.7%
Above Moderate	11,156	42.1%	340,384	41.9%	559,267	41.7%

Pg 26 of the draft Housing Element

Draft Site Inventory Criteria

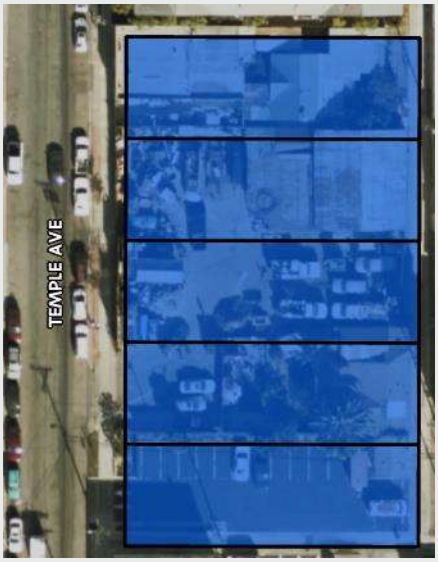
Criteria

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

Eliminated:

- If known non-developable use
- If limited growth opportunity

- Included if it met criteria that indicate the following characteristics:
  - Has high development potential
  - Has room to grow
  - If site (combined parcels) is HCD-defined size minimum
    - And has three (3) or fewer owners
  - Exclude if it fails visual red flag review



Draft Site Inventory Criteria

Criteria

- **<u>Not</u>** a parcel containing or intersecting a:
  - Park
  - School
  - Waterway

- **<u>Not</u>** a property listed in the previous housing element site inventory

Draft Site Inventory Criteria

Criteria

- High development Potential "Variable"
  - This metric compares the number of additional new units that could be built on each parcel with the number of existing units.
  - The higher the value, the greater potential there is for redevelopment.
- Exclude parcels where development potential factor is **<u>less than 3</u>**
  - Meaning, include properties where at a minimum, 3 times as many units could be built, based on allowed density in the land use element

  OR
  - Include properties with no existing housing units

Table LU-3: PlaceType Uses, and Density and Intensity Levels

PlaceType			Uses: Uses Allowed	Uses: Mix of Uses	Density/Intensity/Height: Residential Density	Density/Intensity/Height: Nonresidential Intensity (FAR)	Density/Intensity/Height: Maximum Height [A]
Open Space			Parks, beaches, golf courses, marinas, flood control channels and basins, rivers, utility rights-of-way, oil islands, inland bodies of water, nature preserves, marine habitats, estuaries, wetlands, lagoons; Limited commercial recreation uses that supplement recreation services and complement existing programming and facilities	No	N/A	See Open Space and Recreation Element	2 stories
Neighborhoods	Founding and Contemporary Neighborhood		Single-family and low-density housing; Neighborhood-serving low-intensity commercial uses	Yes	7-18 du/ac	0.25 to 0.50	2 stories; varies by area [B]
Neighborhoods	Multi-Family	Low	Duplex, triplex and garden apartment housing; Neighborhood-serving, low-intensity commercial uses	Yes	Up to 29 du/ac based on lot size	0.25 to 0.50	4 stories
Neighborhoods	Multi-Family	Moderate	Moderate-density apartment and condominium buildings on larger parcels of land; Neighborhood-serving, low-intensity commercial uses	Yes	Up to 62 du/ac based on lot size	0. 50 to 0.75	6 stories
Mixed-Use	Neighborhood-Serving Centers and Corridors	Low	Neighborhood-serving, low-intensity commercial uses; Low-density apartment and condominium buildings	Yes	Up to 44 du/ac based on lot size	0.50 to 1.00	4 stories
Mixed-Use	Neighborhood-Serving Centers and Corridors	Moderate	Neighborhood-serving, moderate-intensity commercial uses; Moderate-density apartment and condominium buildings on larger parcels of land	Yes	Up to 54 du/ac based on lot size	1.00 to 1.50	7 stories
Mixed-Use	Transit-Oriented Development	Low	Low urban density apartment and condominium buildings; Low-intensity commercial uses	Yes	N/A	1.50 to 3.00	5 stories
Mixed-Use	Transit-Oriented Development	Moderate	Moderate urban density apartment and condominium buildings; Moderate-intensity commercial uses	Yes	N/A	2.00 to 4.00	10 stories
Employment	Community Commercial		Commercial and office uses that serve community-based needs for goods and services	No	N/A	2.00 to 4.00	7 stories
Employment	Industrial		Research and development activities, storage, industrial and manufacturing endeavors, tank farms, oil drilling and the like; Limited commercial uses accessory to the industrial business	No	N/A	N/A	65 ft.
Employment	Neo-Industrial		Light industrial, clean manufacturing and offices; Commercial uses accessory to creative business endeavor(s); Repurposed buildings with live/work artist studios [C]	Yes	Up to 36 du/ac based on lot size	0.50 to 1.00	65 ft.
Unique	Regional-Serving Facility		Medical centers, higher education campuses, Port of Long Beach, Long Beach Airport and surrounding areas, public utility facilities (e.g., water, energy), destination retail centers and similar uses	Yes	See Map LU-8 (PlaceType Height Limits)		
Unique	Downtown		See Downtown Plan	Yes	See Downtown Plan		
Unique	Waterfront		Varies by area; see descriptions	Yes	Varies by area; see descriptions		

Draft Site Inventory Criteria

Criteria

- Lastly, staff completed a visual review of sites to identify any which, even after meeting all the criteria thus far, would be inappropriate for a site inventory.
- Total identified: < 30
- Examples are below: