



Legislation Details (With Text)

File #: 21-1205 **Version:** 1 **Name:** DS - Housing Element
Type: Public Hearing **Status:** Concluded
File created: 10/26/2021 **In control:** City Council
On agenda: 11/16/2021 **Final action:** 11/16/2021

Title: Recommendation to receive supporting documentation into record, conclude the public hearing, and confirm the Proposed 2021-2029 General Plan Housing Element (Proposed Plan), and provide direction to the Department of Development Services to finalize the Proposed Plan, and submit to the California Department of Housing and Community Development for further comment and processing. (Citywide)

Sponsors: Development Services

Indexes:

Code sections:

Attachments: 1. 111621-H-12 Revised.pdf, 2. 111621-H-12 PowerPoint.pdf, 3. 111621-H-12 Correspondence.pdf

Date	Ver.	Action By	Action	Result
11/16/2021	1	City Council	approve recommendation	Pass

Recommendation to receive supporting documentation into record, conclude the public hearing, and confirm the Proposed 2021-2029 General Plan Housing Element (Proposed Plan), and provide direction to the Department of Development Services to finalize the Proposed Plan, and submit to the California Department of Housing and Community Development for further comment and processing. (Citywide)

For nearly two years, the Department of Development Services Planning Bureau (Bureau) has worked to update the General Plan Housing Element (Housing Element) for the 2021-2029 planning period. State law requires each city and county in California to have a state-approved Housing Element that must be updated and adopted on a prescribed schedule every eight years. Since Summer 2020, staff have engaged the community through a variety of virtual events and opportunities to provide feedback and input that has shaped the Housing Element, as will be described in this report. On April 6, 2021, the City Council conducted a study session with a focus on the Available Sites Inventory methodology and results, because the Housing Element Site Inventory is central to the City of Long Beach’s (City) ability to demonstrate it can meet its required housing allocation under State law. Based on the Housing Element Site Inventory, combined with an in-depth analysis of community housing needs, community input, and research on best practices, a draft Housing Element update was developed and released for public review on July 9, 2021.

On August 5, 2021, the Planning Commission held a study session on the Housing Element. On September 17, 2021, the California Department of Housing and Community Development (HCD) provided a formal comment letter on the Housing Element, which outlined required changes to the document prior to certification by the State. Subsequent changes have been made to the Housing Element to address this feedback. On October 7, 2021, the Planning

Commission held a public hearing and recommended that the City Council adopt the Proposed 2021-2029 General Plan Housing Element and approve its Environmental Impact Report (EIR) addendum. The action before the City Council is to confirm direction on the Housing Element update so that City staff can prepare a final plan to be brought back for formal adoption in early 2022 to meet the statutory deadline and ensure compliance with State law. City staff requires feedback regarding the City's approach to resolve issues raised by HCD on the availability of housing sites in high opportunity areas as well as maximizing the use of housing sites for lower-income housing. These HCD concerns and City staff's proposed approach are detailed in this report.

Overview

State law requires each city and county in California to have a state-approved Housing Element that must be updated and adopted on a prescribed schedule every eight years. The City is currently undergoing its 6th Cycle Housing Element Update. The Housing Element must demonstrate the City's ability to accommodate the projected number of housing units, including affordable housing units, needed to house existing and future Long Beach residents. The City's housing unit allocation, known as the Regional Housing Needs Assessment (RHNA), is 26,502 units for the 6th cycle, which plans for and anticipates housing needs for the period between 2021 and 2029.

The Housing Element provides the City with a roadmap for accommodating the projected housing unit demand and guides future decisions that impact housing. The Housing Element aims to achieve several overarching goals, including:

- Accommodating projected housing demand, as mandated by the State;
- Increasing housing production to meet this demand;
- Improving housing affordability;
- Preserving existing affordable housing;
- Improving the safety, quality and condition of existing housing;
- Facilitating the development of housing for all income levels and household types, including special needs populations;
- Improving the livability and economic prosperity of all Long Beach residents; and,
- Promoting fair housing choice for all.

The City is committed to improving access to safe and high-quality housing for residents across all income levels. Promoting a diversity of housing types, increasing the feasibility of development of underused sites throughout the City, and focusing the greatest amount of new housing near transit and jobs are some of the strategies needed for the City to meet its housing commitment and continue to affirm that housing is a basic human right for all residents. The Housing Element lays out the City's plan for removing barriers to housing production to counter well-documented housing shortages and helps ensure that the City is

planning for its fair share of affordable and market rate housing.

The Bureau prepared the Proposed 2021-2029 Housing Element and its supporting technical appendices (Attachment A - Proposed 2021-2029 Housing Element November 2021 and Attachment B - Proposed Housing Element Technical Appendices November 2021), which would replace the adopted 2013-2021 Housing Element. The Housing Element is comprised of six chapters that outline current and future community housing needs, housing resources, constraints to building housing, and a housing plan. The housing plan within the Housing Element builds upon and revises the goals, policies and programs of the existing Housing Element to ensure the City can meet the housing needs of all Long Beach residents through 2029. The Housing Element is supported by six technical appendices, which provide much greater detailed data and information on the topics in the plan.

Housing Supply and Affordability Crisis

Supply and access to adequate and affordable housing continue to be one of the biggest challenges both in Long Beach and communities across the state of California. Cities across the state are currently experiencing record-high rents and home sale prices. Housing unaffordability has been exacerbated by decades-long underproduction of housing units that has not kept pace with population growth and the need to replace or upgrade existing housing. Increased housing costs combined with stagnant wages have made it increasingly difficult for many to find housing they can afford. High housing costs have made it difficult for many Californians to be able to save or invest enough to take advantage of the long-term financial benefits of homeownership or to receive the social, health, and economic benefits that can come to individuals and families as a result of having access to high-quality, stable, and affordable housing. Additionally, this housing crisis does not impact everyone equally - lower-income households and residents of color are disproportionately affected due to lack of financial ability and institutionalized racial discrimination. The City is one of many cities in the state that is severely impacted by the housing crisis, experiencing high rates of cost-burden, homelessness, overcrowding, and the threat of displacement of existing residents.

Housing production in Long Beach has not kept pace with demand. According to the California Department of Finance, since 1990, population has increased by 10 percent, while the number of housing units has increased by only 4 percent. In 2018, vacancy rates for rental and ownership housing were both below the industry-standard rates considered “healthy” in a housing market (4.6 percent, which is below the 5 percent healthy rate floor for rental housing and 0.4 percent, which is below the 1.5 percent healthy rate floor for ownership). In addition, more than 80 percent of housing units in Long Beach are more than 50 years old. This aging housing stock indicates that a large portion of the housing stock in Long Beach is likely in need of rehabilitation and repair.

The Housing Element is the guiding document that sets City policy and program direction related to housing and will help the City address the housing supply and affordability crisis. These and other data on the housing needs of the Long Beach community are provided in Chapter 2 of the plan and further detailed in Attachment B - Appendix B. As also detailed in Attachment B - Appendix A, throughout the community engagement process for developing

the Housing Element, community members verified how these housing issues are impacting their ability to find housing, stay housed, and afford both the cost of housing and other basic needs. This community feedback and data on housing needs of the Long Beach community guided development of the goals, policies and programs contained in the Proposed Housing Element.

Regional Housing Needs Assessment (RHNA)

Beginning in 1969, every five to eight years, HCD, in collaboration with the Southern California Association of Governments, develops a RHNA. The RHNA is mandated by State Housing Law as part of the periodic process of updating local housing elements of the General Plan. The RHNA provides numerical housing production goals for individual cities to act as the basis for preparing their General Plan Housing Elements. The purpose of the RHNA process is to plan to meet the housing needs of everyone in a given community. The City's RHNA, or housing unit allocation, is 26,502 units for the current Housing Element update cycle, which plans for and anticipates housing needs for the period between 2021 and 2029. This allocation is within the 28,524 units contemplated in the City's Land Use Element (LUE). Almost 60 percent of the RHNA allocation must be affordable.

Sixth cycle RHNA allocations increased significantly from the previous cycle. This is because the 6th cycle RHNA methodology includes considerations to help make up for housing production shortfalls of the last decade. The City's 5th cycle RHNA for 2013-2021 was 7,048 units. Through 2020, Long Beach has only met 59 percent of its 2013-2021 RHNA target through development of 4,169 units. Although the City was able to achieve its above-moderate RHNA target for the 5th Cycle, in total, the City has only issued building permits for 17 percent of the 5th Cycle Housing Element restricted-affordable housing unit RHNA target. On average, only 16 percent of housing units granted building permits annually are affordable. This average is expected to improve significantly over time with the implementation of the City's Inclusionary Housing Ordinance and the recent City Council adopted Enhanced Density Bonus Ordinance.

Meeting the RHNA Requirement

To obtain a State-certified Housing Element, the City must demonstrate that its plans, policies, and zoning facilitate the production of the 26,502 units per the RHNA allocation. The City may meet its RHNA obligation through a combination of approved and proposed residential development projects in the pipeline, the projected number of Accessory Dwelling Units (ADUs) anticipated to be permitted based on recent trends, and through evidence that there is sufficient future zoning capacity to accommodate the RHNA allocation. To fulfill the latter element and to demonstrate that the City has adequate zoning capacity to accommodate its RHNA, State law requires each jurisdiction to develop a Site Inventory and accompanying methodology as part of its Housing Element update. The Site Inventory is comprised of a list of sites and an associated map that identifies the sites that are zoned at the appropriate densities and that in total can accommodate the RHNA allocation and that also meet a number of specific, State-mandated criteria.

Site Inventory Methodology

Cities must provide an in-depth methodology that demonstrates how sites on their inventories were identified. If sufficient zoning capacity cannot be demonstrated based on existing zoning, the City is required to rezone sites by October 15, 2024 to demonstrate the ability to meet sufficient capacity. Consistent with this requirement, Bureau staff developed a methodology to identify sites that are feasible for housing development over the next eight years, and therefore, are eligible to be included in the mandatory Site Inventory. Sites identified in the Housing Element's Site Inventory are generally located where the LUE PlaceTypes already planned for development to occur, largely on major corridors, in community centers, and near public transit stops. The sites on the inventory are generally located in those areas where the opportunity for denser residential and mixed-use development has been focused by the LUE in alignment with State law and planning best practices for focusing new housing near jobs, shopping and transit, to expand mobility options, reduce air pollution, alleviate traffic congestion and improve community health, all while allowing the City to reduce its carbon footprint.

On April 6, 2021, the City Council study session focused on Site Inventory. The Site Inventory methodology and analysis framework has remained largely the same, with relatively minor modifications to the inventory based on additional research and feedback from HCD and the Long Beach community, as well as to reflect changes to conditions on the ground for individual sites.

Based on guidance from HCD, sites must meet minimum size criteria, have room to grow, and have high potential for development. To identify sites consistent with State guidance, Bureau staff developed a methodology that applied a uniform set of objective criteria to all parcels in Long Beach. As required by State law, the methodology has to result in sites that have a high potential to be developed with housing and reflect a reasonable estimate of the dwelling unit capacity of eligible sites that is informed by past trends and substantial evidence. In its methodology, City staff focused on identifying the sites most likely to develop in the near future rather than estimating the development likelihood of all potentially eligible sites. Development likelihood and feasibility was determined by a number of different variables, including consistency with LUE PlaceType, improvement-to-land value ratio, existing lot coverage in relation to allowable development levels, lot size, future development potential, and existing use and unit count where applicable. City staff analyzed the most current parcel-level data across such variables to determine which sites were most appropriate for inclusion into the Site Inventory and to estimate the number of additional units that are likely to be developed. In summary, City staff took a conservative approach using a front-end method of filtering out sites, in order to include only sites that are the most likely to develop.

City staff projected residential development capacity for the Site Inventory under two different scenarios - a scenario based on Current Zoning of sites and a PlaceType scenario that reflects capacity based on the recently updated LUE. The PlaceType scenario varies from

the Current Zoning scenario due to the fact that not all sites have been rezoned in Long Beach to implement the LUE. For the Site Inventory of vacant or underutilized sites with capacity for future residential development, the Current Zoning scenario fell approximately 10,000 units short of meeting the RHNA. As described above, if a city cannot demonstrate sufficient capacity to meet the RHNA under its current zoning, it must commit to rezoning properties to create sufficient capacity to meet the RHNA by October 15, 2024. The PlaceType scenario is based on capacity created by the 2019 LUE that is not yet reflected in the City's zoning program. The PlaceType scenario resulted in close to 30,000 units, demonstrating sufficient capacity to meet the RHNA. Given that the RHNA cannot be met under the Current Zoning scenario, the City must rezone all sites on the PlaceType scenario Site Inventory by October 15, 2024 to be compliant with State law. Pursuant to AB 1398, which was adopted in September 2021, if the City is unable to adopt a Housing Element Update and have it certified by HCD before the grace period expires on February 11, 2022, all rezoning for parcels on the Site Inventory may need to be completed by October 15, 2022. This new requirement is still being interpreted by City staff and HCD to clarify the terms of the new requirement.

Tables HE-3, HE-4, and HE-5 in the Proposed Housing Element provide a summary of the number of units, parcels, acreage, and affordability breakdown for each scenario. Figure C-1 in Appendix C provides a map of the sites on the Site Inventory. It should be noted that site selection or identified sites does not mean housing will actually be built on any given site. It simply identifies locations that have the highest potential and where regulations allow housing to be built, in compliance with state law for housing elements, and in a manner that is consistent with the City's LUE. There are new requirements under State law regulating sites on the Site Inventory, such as "housing element no-net-loss requirements" that will require the City to identify new sites whenever a site on the inventory is either developed with less density than anticipated, or if it is developed with a non-residential use.

The Housing Plan

The Housing Plan, which is based on community input and analysis of existing and projected housing needs as described above, is contained within Chapter 6 of the Housing Element and is the guiding document that sets the City's policy and program direction related to housing. It will be used when reviewing all future development projects and will guide future Ordinances that the City develops. The Housing Plan comprises 7 goals, 74 policies, 38 programs, and 86 actions. These seven goals include:

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; and,

7. Ensure effective and efficient delivery of housing programs and services.

Each goal is supported by multiple policies and implementation programs. For example, for goal one, to provide increased opportunities for the construction of high-quality housing (both market rate and affordable), implementation programs include developing new zones to implement the LUE through a systematic geographic rezoning program such as through the Uptown Planning Land Use and Neighborhood Strategy (UPLAN) and the Anaheim Corridor Zoning Implementation Plan (ACZIP), developing an Enhanced Density Bonus Ordinance, future update of the Inclusionary Housing Ordinance, and establishing the micro-unit pilot program.

Similarly, for goal six, to ensure fair and equal housing opportunity, special attention has been paid to analyzing issues of fair housing and developing programs and strategies to address impediments to fair housing. In response to a new State requirement, the City developed a Fair Housing Assessment (Assessment) appendix (Attachment B, Appendix F).

The Assessment demonstrated that there is inequitable access and outcomes related to housing in Long Beach that can be predicted by race, class, ability, status, and more. The Assessment finds that fair housing issues in Long Beach include racial segregation of housing, overcrowding, substandard housing, displacement risk, and pollution burden, among others. The Assessment also found that the Site Inventory reflects longstanding and prevailing inequitable zoning and land use patterns according to data the State requires to be analyzed. For example, one of the key indicators that the State requires cities to review is how much of the City's inventory of sites is available to build housing within areas of "high opportunity." The State defines high opportunity as areas where low-income children can gain access to the greatest opportunities, including high quality schools, green space, access to transit while free from pollution burden. The Assessment found that not only do disproportionately few children in Long Beach live in high-opportunity areas, but a relevant figure in Attachment B (Figure F-9 in Appendix F) shows that disproportionately few of the Site Inventory sites are in the designated high-opportunity areas.

Policies and programs are included in the Housing Element to begin addressing these issues, but this is a multi-generational, complex challenge that will take a multitude of governmental and non-government strategies to address. Goal six is supported by the largest number of implementation programs of any goal and includes strategies for greater housing voucher mobility in high opportunity areas; measures to protect against displacement, such as requirements for the replacement of existing housing, including affordable housing, enhanced resources for tenants right to counsel and eviction protection services, and pathways to legalize unpermitted dwelling units; housing mobility enhancement to accommodate special needs populations; new housing choices and affordability in high opportunity areas; and, place-based strategies for community preservation and revitalization.

Implementation Underway

Given the severity of the housing crisis, the City has developed and began implementing a

multitude of new housing policies and programs over the last two years while simultaneously developing the Housing Element update. In response to the COVID-19 pandemic, numerous housing support efforts such as rental assistance, legal counsel for tenants, conversion of motels to temporary and permanent supportive housing, and funds to support research and investment in community land trusts have been developed and implemented.

Throughout 2020 and 2021, the City also adopted a number of Ordinances that are intended to facilitate the preservation and production of both market-rate and affordable housing. In January 2021, the City adopted the Unpermitted Dwelling Unit Amnesty Ordinance (Amnesty Ordinance), which permits the legalization of eligible existing, unpermitted dwelling units by exempting them from some zoning regulations that would otherwise preclude a unit from being legalized in exchange for requiring the unit to be retained as an income-restricted unit for a period of ten years. The Amnesty Ordinance is one of a number of tools developed to address the housing crisis by creating a pathway to preserve existing housing units like these, which tend to be naturally occurring affordable units. In December 2020, the City Council approved a pilot program to allow 500 micro-units in the Downtown (PD-30) and Midtown (SP-1) areas to help address the housing shortage. In July 2020, the City Council adopted an Interim Housing Ordinance to expand opportunities for uses related to interim housing, permanent supportive housing, and supportive services to be located in Long Beach. The Interim Housing Ordinance streamlined regulations, and created flexibility in definitions to allow for emerging solutions such as safe parking, shower, and storage facilities. In July 2021, the City Council adopted an Ordinance that updated the requirements for replacing affordable units in the Coastal Zone, consistent with State Mello Act requirements. Finally, as a complement to the recently adopted Inclusionary Housing Policy requirements, in September 2021, the City Council adopted an Enhanced Density Bonus Ordinance to establish regulations to allow increased density bonuses and greater development standard concessions and incentives in exchange for increased levels of affordable housing and other desired amenities such as onsite childcare, to facilitate the development of mixed-income, multifamily housing citywide.

Efforts to rezone the City to implement the LUE are well underway. The Development Services Department is undertaking two neighborhood-based Zoning Code updates to implement the LUE, which are designed to result in more housing and other place-based improvements. UPLAN is a collaborative effort between the City and the North Long Beach community to come up with new land use, housing, and transportation strategies to improve quality of life and access to jobs, services, and community resources in North Long Beach. The ACZIP, funded by HCD's Senate Bill 2 grant to facilitate affordable housing production, will update the Zoning Code to facilitate the production of 3,000 housing units within the Anaheim Corridor project area.

Public Outreach and Engagement

A key component of the Housing Element update process is robust public engagement to inform the City's housing plan, strategies, and priorities. Although the COVID-19 pandemic precluded in-person events, the City hosted a variety of virtual community meetings, focus

groups, stakeholder interviews, community presentations, and capacity building activities.

Opportunities to provide virtual feedback on the Housing Element update began in summer 2020, including citywide virtual workshops and telephone town halls that were open to the public and available in both English and Spanish. Most recently, a multi-lingual webinar took place on July 28, 2021, which was recorded and made available for viewing on the project website. Major outreach events have included:

- English Digital Workshop: Saturday, August 8, 2020
- Community Forum: Wednesday, August 12, 2020
- Spanish Digital Workshop: Saturday, August 15, 2020
- Community Forum: Wednesday, August 19, 2020
- Local Businesses and Institutions Focus Group Meeting: Tuesday, October 13, 2020
- Affordable Housing Developer Focus Group Meeting: Thursday, October 15, 2020
- Housing Advocates Focus Group Meeting: Thursday, October 15, 2020
- Homeless Services Advisory Committee Meeting: Wednesday, January 6, 2021
- Continuum of Care Meeting: Tuesday, January 12, 2021
- Affordable and Workforce Housing Working Group Meeting: Thursday, February 11, 2021
- Century Villages at Cabrillo Youth Focus Group: Tuesday, March 23, 2021
- Long Beach Aging Services Collaborative Meeting: Wednesday, April 7, 2021
- Community Meeting: Wednesday, April 28, 2021
- Community Meeting: Saturday, May 1, 2021
- Draft Housing Element Webinar: Wednesday, July 28, 2021
- Community Based Organizations Training: Friday, August 6, 2021
- Presentation to the Community Advisory Commission on Citizens with Disabilities: Thursday, September 9, 2021

Strategies for reaching communities most impacted by the housing crisis included targeted mailers in multiple languages, and collaborative community capacity building activities in partnership with community-based organizations, including a youth event hosted in partnership with Century Villages at Cabrillo, and a training with community-based organizations. Other strategies have included a multi-lingual virtual open house that participants can visit anytime at their convenience, and a call for residents to share their housing story in English, Spanish, Khmer, or Tagalog through videos, photos and written submissions. Given the lack of equitable digital access, the City also conducted outreach through direct mailers and utility bill inserts.

Throughout this engagement process, staff gathered feedback about housing needs, opportunities, constraints, and priorities from community members and key stakeholders. Top concerns and priorities addressed during these meetings included: concerns around availability and affordability of housing; the need for housing for different populations, including senior and mixed-income housing; mobility, transportation and parking concerns; calls for increasing strategic investment opportunities for housing that prioritizes extremely low-income residents and vulnerable populations that include onsite services; the need to create dedicated revenue sources to build affordable and supportive housing, as well as community owned units; the need to provide affordable for-sale units to increase homeownership opportunities; the need to solidify improved renters' protections, such as a local rent control Ordinance to protect tenants and keep vital housing affordable, expand the Inclusionary Housing Ordinance to apply citywide, and increase eviction protection initiatives like the Right to Counsel program; put anti-gentrification and anti-displacement measures in place to prevent displacement, as well as an expressed need for dedicated City staff and resources to support the needs of renters in Long Beach. The Housing Element has been informed by significant public outreach and engagement, and community housing needs and priorities are reflected in the Housing Plan. More detailed information on outreach events, strategies, and community feedback can be found in Attachment B (Appendix A).

Additionally, City staff considered and incorporated community feedback and policy recommendations from other recent local planning processes related to housing and homelessness, including from the Everyone Home and Everyone In plans, the Mayor's Affordable and Workforce Housing Taskforce recommendations, the Long Beach Framework for Racial Equity and Reconciliation, and the Blueprint for Economic Development. This reflects a best practice of building upon and incorporating community voices and feedback from related, recent planning processes for which community members gave their time and insights related to how housing issues impact them and what policies and solutions should be prioritized.

HCD Feedback and the City's Response

Pursuant to State law, the City's Housing Element must be adopted by the City Council and submitted to HCD for certification. As part of this process, HCD reviews the Proposed Housing Element and provides feedback to be addressed in the revised housing element. HCD concluded its first 60-day review of the Proposed Housing Element and provided a written letter containing feedback on September 17, 2021 (Attachment C - HCD Letter Dated September 17, 2021). The revised plan, which will be released in early November 2021, will incorporate changes that address HCD feedback.

HCD feedback was detailed in a 12-page letter related to a range of statutory requirements related to the Site Inventory data, analyses and policies, programs and reporting and necessary revisions to the City's July 9, 2021 draft plan. The greatest amount of feedback from HCD related to the Site Inventory. HCD asked the City to provide additional parcel-level information on existing conditions and development potential for all parcels in the Site Inventory and requested additional parcel-level data to demonstrate the parcels' eligibility to

be included in the Site Inventory. The additional analysis was compiled into a large table format (Attachment B, Appendix C). Other feedback related to identifying additional constraints to housing, which have been further described and addressed through programs in the revised plan, and the need to more proactively address fair housing issues, particularly in relation to increasing access to housing in State-defined, high-opportunity areas.

Lack of sufficient access to housing in high-opportunity areas is the most significant concern expressed by HCD and has been a common concern of the public throughout not only the Housing Element community engagement process but in other recent processes such as the Framework for Racial Equity and Reconciliation. This feedback was also supported by the newly required Assessment of Fair Housing for the Housing Element, which demonstrated that there are disproportionately few opportunities for housing in high resource areas in the Site Inventory. Based on that finding, HCD has determined this to be a fair housing issue for the City. City staff have taken a multi-pronged approach to augmenting the proposed Housing Element to better address this issue, although it should be noted that lack of access to housing in high-opportunity areas is a structural, systemic, and multi-generational issue that will not be solved through a single plan. To help address this issue, City staff conducted additional analysis and was able to identify approximately 27 sites to add to the Site Inventory in State-defined high- and highest-opportunity areas of Long Beach that permit minimum allowable densities per the LUE that also comply with the State's size and minimum density requirements.

There are two other important strategies for creating new housing in high-opportunity areas that are better articulated in the revised inventory and plan. First, rezoning through the Southeast Areas Specific Plan (SEASP) went into effect in July 2021. SEASP creates opportunity for approximately 2,500 new housing units in a high-opportunity area of Long Beach. Next, the increase in development of ADUs within low-density residential neighborhoods is another important strategy for creating new housing in high-opportunity areas, which are predominantly low-density residential areas. Although ADUs are not reflected on the Site Inventory itself, projected ADU development is included as part of the City's strategy for demonstrating residential dwelling unit potential to meet the RHNA (see table HE-5 in the Proposed Housing Element).

In addition to these changes, the Proposed Housing Element includes stronger commitments and shorter timeframes for fair housing programs and policies related to increasing access to housing in high-opportunity areas, such as a strengthened housing voucher mobility program, expanded tenant right to counsel program, stronger anti-displacement actions, a revised religious facility overlay program, and an added action to provide monetary incentives for property owners to develop new housing units in high-resource areas, such as ADUs, in exchange for a ten-year affordability covenant to ensure the unit will be rented to a low-income household.

Facilitating mixed-income housing development citywide is also important for increasing housing access in high resource areas and reducing patterns of segregation. Two early implementing actions of the Housing Element are the recently adopted inclusionary housing requirements and enhanced density bonus incentives. The inclusionary housing policy

requires a base amount of affordable housing in all market-rate projects built in Downtown and Midtown Long Beach, and the Housing Element calls for monitoring the effectiveness of the Ordinance to make changes, if needed, including to reconsider adoption of a requirement for other sub-areas of the city. The recently adopted Enhanced Density Ordinance is complementary to the inclusionary requirement because it creates locally tailored incentives for including affordable housing in otherwise market-rate projects citywide. Together, these two Ordinances greatly increase the likelihood of mixed-income development both in high and lower opportunity areas to reduce concentration of poverty and opportunity, and the Site Inventory has been revised to reflect this.

City staff have updated the Housing Element in response to HCD's feedback. The revised plan will be released for public review in early November 2021 and will be submitted to HCD for a second 60-day review period. It is likely that additional changes may be needed in response to HCD's second round of review. After staff makes any additional changes necessary, the Housing Element will be brought forward to the City Council to be considered for adoption. Subsequently, it will be resubmitted to HCD for another review. If at that time the Housing Element is found to be in substantial conformance with State housing law, it will be certified by HCD.

HCD certification is critical to demonstrating the City's compliance with State housing laws. Pursuant to the recently adopted AB 1398 (adopted September 2021), the City is likely required to have the Housing Element both adopted by the City Council and certified by HCD prior to the February 11, 2022 statutory deadline or be subject to new requirements. Those new requirements would mandate that the City complete the rezoning of all properties on the Site Inventory by October 15, 2022, instead of the three years otherwise allotted. This more stringent requirement and deadline would pose significant challenges to staffing resources and would hamper the City's ability to conduct community outreach related to the required follow-up property rezoning. This new requirement is still being interpreted both by City staff and HCD. While all rezoning required to implement the Housing Element Site Inventory PlaceType scenario and accommodate the City's RHNA are consistent with the adopted 2019 LUE, community engagement on how the zoning is tailored to the respective communities takes significant time and staff resources and is an important part of the rezoning program. In addition to the challenges described above, several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria, and recent State laws create new penalties for non-compliance, including suspension of local land use control and financial penalties.

Environmental Review and Public Hearing Notice

Pursuant to the California Environmental Quality Act (CEQA) and the State CEQA Guidelines, the City, as Lead Agency, prepared an addendum (EIRA-02-21) to a previously certified Program Environmental Impact Report (PEIR) EIR 03-16, State Clearinghouse No. 2015051054 for the LUE Update and Urban Design Element (UDE). The Housing Element builds off the LUE goals, policies, and strategies and provides a more detailed roadmap for creating sufficient capacity for needed housing in Long Beach, including through rezoning of

properties on the Housing Element Site Inventory to be rezoned in alignment with and to implement the LUE. While the LUE contemplated an anticipated buildout of 28,524 housing units, the Housing Element RHNA goal is 26,502 housing units to be focused in areas identified by the LUE.

The update to the Housing Element and rezoning of specific properties do not result in any physical improvements but rather are planning actions, consistent with the adopted LUE, and 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. Therefore, the addendum is also programmatic and does not analyze project-level development that may be facilitated by the update, as the specifics of future potential projects are unknown and any assessment of impacts at this time would be speculative. Future discretionary development facilitated by implementation of the Housing Element would be subject to project-level CEQA review as appropriate at the time such projects are proposed. The Proposed Housing Element implements the LUE/UDE through policies and programs, including a rezoning program, that are aligned with and help implement the approved LUE/UDE, and consequently is not anticipated to result in any new significant environmental effects or an increase in severity of the impacts analyzed in the 2019 Certified EIR and Addendum No. 1. Therefore, no major revisions to the 2019 Certified EIR and Addendum No. 1 are required and no subsequent or supplemental EIR, or negative declaration, is required for approval of the Proposed Housing Element and the preparation of an Addendum is the appropriate CEQA documentation. The Addendum will be included in the City Council package when it is scheduled for the adoption hearing, for the City Council to adopt the required environmental findings in compliance with CEQA.

As this is not a required public hearing and a public notice for this item is not required, a public meeting notice was published in the Long Beach Press-Telegram on November 2, 2021, posted in City Hall, and electronically distributed through the City's LinkLB e-mail blast system and to individual stakeholders who have requested notification on this item. All noticing requirements will be met when the Housing Element is scheduled for formal adoption by the City Council.

This matter was reviewed by Assistant City Attorney Michael J. Mais on October 27, 2021 and by Budget Operations and Development Officer Rhutu Amin Gharib on October 19, 2021.

Pursuant to State Law, the City Council must adopt a Housing Element that must be certified by HCD within 120 days of the statutory deadline of October 15, 2021, or no later than February 11, 2022.

The fiscal impact of adopting this Proposed Housing Element is not known at this time. Although adoption of the Housing Element itself has no direct fiscal impact beyond the budgeted scope of staff duties, the Housing Element proposes several new policies and programs to be considered during the next planning cycle. Implementing certain policies and programs would require additional staff and resources. Future City Council action will be required prior to spending on any new programs. It should be noted that the City is obligated

to demonstrate progress and formally report back each year to the State HCD on implementing programs of the Housing Element. Each implementation program in the Housing Element includes a list of responsible departments and the anticipated funding source(s) for the action. This recommendation has a potential future staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

[Enter Body Here]

OSCAR W. ORCI
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

THOMAS B. MODICA
CITY MANAGER