



Legislation Text

File #: 22-1289, **Version:** 1

Adopt resolution in compliance with Mitigation Fee Act, California Government Code Sections 66000 through 66025 establishing the Sensitive Coastal Resource Impact Fee to \$0.25 fee per gross square foot for residential development and \$0.25 per gross square foot for nonresidential development for certain parcels in the Mixed-Use Commercial Core and Mixed-Use Marina designations of the SEASP area. The fee would be applied to any development that results in a net increase in development in the area subject to the SEASP. (District 3)

On September 19, 2017, the City Council certified Environmental Impact Review 02-16, selecting the reduced intensity alternative, denied an appeal, amended the City's Local Coastal Program (LCP), amended the Long Beach Municipal Code (LBMC) to establish the Southeast Area Specific Plan (SEASP) (SP-2) and repealed the Southeast Area Development and Improvement Plan (SEADIP) (PD-1), and amended the Land Use District Map, in the southeastern portion of Council District 3. On October 8, 2020, the California Coastal Commission (CCC) held a hearing for the Local Coastal Program Amendment (LCPA) (LCPA No. 1-19 [LCP-5-LOB-19-0008-1]). The CCC recommended certification of the LCPA with 16 modifications necessary to protect coastal resources including sensitive habitat, biological resources, cultural resources, lower-cost overnight accommodations, recreational opportunities, and public coastal views. The required CCC modifications were presented and adopted by the City Council on July 13, 2021. On September 8, 2021, the CCC certified the SEASP.

The SEASP represents tradeoffs and compromises that are inherent in a planning process with lengthy and complex efforts to fully engage residents, businesses, and property owners. The SEASP planned for the establishment of an impact fee on new development for certain parcels with the purpose of funding the monitoring and maintenance of sensitive coastal resources, along with improved public access. A study was prepared to estimate the cost to monitor and maintain sensitive coastal resources in the area subject to the SEASP, establish the nexus between new development and resource monitoring costs, and recommend a development impact fee (Sensitive Coastal Resource Impact Fee) to pay for costs (the study) (Attachment A). The study is intended to satisfy the requirements of the Mitigation Fee Act (Government Code sections 66000 through 66008) to establish a nexus between the purpose of the fee, the types of development subject to the fee, and the amount of the fee. The Sensitive Coastal Resource Impact Fee shall cover a baseline study, monitoring, and maintenance of four (4) acres of buffer and four (4) acres of adjacent wetlands in the SEASP area. The proposed Sensitive Coastal Resource Impact Fee requires City Council approval to amend the LBMC by adding Chapter 18.19 to establish and implement the proposed fee.

The proposed Ordinance indicates all residential development and nonresidential square

footage in the Mixed-Use Commercial Core and Mixed-Use Marina of SEASP shall be required to pay the impact fees prior to the issuance of a Certificate of Occupancy. The specific parcels to which the fee would apply are specified in the study. The Ordinance specifies that the fee is to be calculated based on an individual development project's net increase in development. The fee shall be applied to the total amount of new construction. Table 1 shows the maximum allowed fees under the nexus study.

Table 1. Wetlands/Habitat Restoration Impact Fee

| Land Use | Metric | Amount |
|----------------|-----------------|--------|
| Residential | Per square foot | \$0.25 |
| Nonresidential | Per square foot | \$0.25 |

This Resolution proposes to establish the Sensitive Coastal Resource Impact Fee of \$0.25 fee per gross square foot for residential development and \$0.25 per gross square foot for nonresidential development for the identified parcels in the Mixed-Use Commercial Core and Mixed-Use Marina designations of the SEASP area. The impact fee includes an administrative fee of three percent. Adjustments to the fee will be done by Resolution of the City Council.

The Ordinance provides for the exemption of development projects that include affordable housing units.

The SEASP and 2022 Housing Element encourage the provision of very low-, low-, or moderate-income and workforce housing units in accordance with State density bonus (California Government Code 65915) and the citywide approach to housing policy. As an incentive for the provision of constructing affordable housing in the SEASP, which is largely in the Coastal Zone, the Ordinance exempts residential units that qualify as low- and very-low income housing as defined under State law from the impact fee. Furthermore, projects utilizing a density bonus for affordable housing, consistent with State law, shall receive an impact fee credit.

In the SEASP, the City of Long Beach (City) commits to establish a Wetlands Conservation and Monitoring Fund, which will receive revenue from the Sensitive Coastal Resource Impact Fee on new development. The proposed Ordinance sets forth that the impact fees collected for projects will be deposited in the Fund for use on the above-identified restoration work.

The proposed fee will take effect 60 days after approval. Balances and uses of the collected fees shall be reported to the City Council annually in March in accordance with State law requiring this information be made available to the public within 180 days after the last day of the fiscal year. This annual report to the City Council also includes the Park and Recreation Facilities Fees, Transportation Improvement Fee, the Fire Facilities Impact Fee, and the Police Facilities Impact Fee.

In compliance with State law (*Mitigation Fee Act, California Government Code Sections 66000 through 66025*), the proposed Ordinance includes the requirement to make findings every five years to examine the relationship of the Sensitive Coastal Resource Impact Fee to the impact it is supposed to mitigate and to evaluate the validity of the calculations on which the fee is based.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley on October 17, 2022 and by Revenue Management Officer Geraldine Alejo on October 12, 2022.

Public Hearing Notice

Government Code § 66018 contains the public hearing requirements for the adoption or increase of impact fees. Under Government Code § 66018, the local agency must conduct at least one regularly scheduled meeting with notice given pursuant to Government Code § 6062a, which requires publication of notice pursuant to this section shall be for 10 days in a newspaper regularly published once a week or more often. Notices of public hearing were published in the Long Beach Press-Telegram for 10 days from October 7 through October 16, 2022. Notices were mailed to all property owners and occupants in the SEASP Areas of Change subject to the proposed fee, Coastal Commission, Los Cerritos Wetlands Trust, and Los Cerritos Wetlands Authority.

City Council action is requested on November 1, 2022, to ensure compliance with adoption of the CCC required modifications to SEASP.

This recommendation will establish a Sensitive Coastal Resource Impact Fee. Following implementation, the impact fee is estimated to generate a total maximum revenue amount of \$670,000. Actual revenue is anticipated starting in FY 24 and will depend on square footage constructed within the SEASP mixed use areas. Impact fee revenue is intended for projects and uses that address the impacts of increased population and economic activity arising from new development in the SEASP area. Any work related to the proposed uses for impact fee revenue will only proceed at such time that the detailed scope of work has been reviewed to ensure the uses are eligible for impact fee support and appropriations have been approved by the City Council. This recommendation will have no staffing impacts beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. This includes City Council's adopted plans and policies, such as the SEASP. There is no local job impact associated with this recommendation.

Approve recommendation.

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CHRISTOPHER KOONTZ, AICP

ACTING DIRECTOR
DEVELOPMENT SERVICES

APPROVED:

THOMAS B. MODICA
CITY MANAGER