



Date: June 2, 2017

To: Patrick H. West, City Manager *T.H.W.*

From: Amy J. Bodek, Director of Development Services *AJB*

For: Mayor and Members of the City Council

Subject: **Update of the General Plan Land Use and Urban Design Elements**

In November 2015 and August 2016, the City Council was provided with memos updating the status of key policy documents addressing Climate Change, including the update of the General Plan Land Use Element and a new Urban Design Element. These efforts have continued, and the updated Land Use and Urban Design Elements are now pending consideration by the Planning Commission. This memo outlines the policy issues addressed in these Elements and outlines the steps necessary to bring them both to City Council for approval before the end of calendar year 2017. In addition to this memo, a City Council study session regarding the General Plan is scheduled for June 13, 2017.

The City's General Plan is often described as its constitution of land use. This legally required document anticipates future growth and establishes the City's vision for that future horizon year. This vision is achieved through a set of goals and policies necessary to realize that vision. The General Plan is broken up by topic areas, known as Elements. Since 2006, the City has undertaken a major effort to update and modernize the General Plan, which included completing the Historic Preservation Element in 2010, the Mobility Element in 2013, and the Housing Element in 2014. The Land Use Element was last updated in 1989 and the Scenic Routes Element, which will be replaced by the Urban Design Element, was adopted in 1975 and never updated.

The current update of the Land Use and Urban Design Elements is necessary to meet legal mandates for a current General Plan consistent across all of its Elements. More broadly, this update is an important opportunity for the City to meet its housing, economic, and sustainability goals. The General Plan Land Use Element includes nine primary goals that drive all of its land use and policy recommendations:

1. Implement Sustainable Planning and Development Practices
2. Stimulate Continuous Economic Development and Job Growth
3. Accommodate Strategic Growth and Change
4. Support Neighborhood Preservation and Enhancement
5. Diversify Housing Opportunities
6. Ensure Fair and Equitable Land Use
7. Provide Reliable Public Facilities and Infrastructure
8. Increase Access to Green and Open Space
9. Preserve, Restore and Reconnect with Natural Resources

The Land Use and Urban Design Elements are Citywide policy documents. They divide the City into broad categories, known as PlaceTypes, and establish a set of rules such as height, density, design, and character for each PlaceType. Once adopted, the Land Use and Urban Design Elements will guide site-specific regulations, such as zoning ordinances, and ultimately the review of entitlements for individual development proposals. The Land Use and Urban Design Elements both include implementation chapters describing how broad policies and goals will be turned into regulations and action over time.

Figure 1: The General Plan's Role



The Need for Housing Production

An important policy component within the Land Use and Urban Design Elements is expanding the City's housing supply. The City Council recently received a report from the Affordable and Workforce Housing Study Group (Study Group) emphasizing the need for increased housing production. As the report and presentation noted, cost burden in Long Beach is greater than that of Oakland, San Francisco, and San Jose. Over 47.2 percent of households are cost burdened, meaning they spend over 30 percent of their income on housing; over 24.3 percent are severely cost burdened, meaning they spend over 50 percent of their income on housing. This lack of affordability and lack of supply does not just result in economic consequences for families, it results in overcrowding and quality of life impacts. Within Long Beach, 59 percent of households are renters, and of those renters, 16.2 percent are subject to overcrowding in their home. This situation cannot be remedied without additional housing production.

Strategy #3 of the Study Group's recommendations is to "Produce and Promote," which the report goes on to include "[a]ddress zoning and regulatory impediments that serve as

barriers to the creation of affordable housing.” The update of the General Plan Land Use and Urban Design Elements is an important step in the direction of implementing Strategy #3 and increasing housing production in Long Beach.

The outreach process that led to the Study Group’s report included listening sessions where stakeholders expressed general support for the need and development of more affordable housing, a need to balance affordable housing with new commercial and market rate housing development, a desire for mixed-income housing, and housing for people with moderate incomes, as well as allowing and encouraging innovative housing types to address population needs, including micro-units, intergenerational housing, and transit-oriented development. These housing needs are addressed through Goal #5 of the Land Use Element, as well as through modest increases in height and density throughout the City, with a particular emphasis on downtown and transit-oriented development.

The Land Use Element is required to accommodate the growth forecasted by the Southern California Association of Governments (SCAG) through 2040, as well as the shorter-term housing goals expressed in the City’s Housing Element. The total amount of growth accommodated is not decided by the City, but how and where to accommodate it is all within the City’s local land-use control.

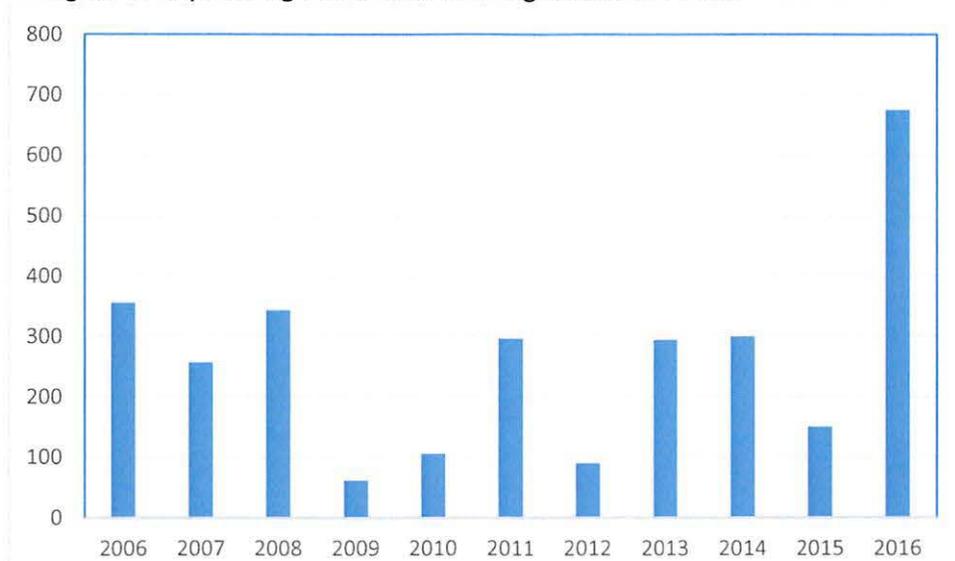
Table 1: Population, Household and Employment Growth

Year	Population	Households	Employment
2012	466,255	163,794	153,154
2020	478,346	170,838	165,800
2035	481,463	173,188	175,546
2040	484,485	175,538	181,665
Percent Change: 2012- 2040	3.9%	7.2%	18.6%

Source: SCAG 2016 RTP/SCS

Looking into the short- and medium-term outlook through the Housing Element process, the City is assigned its “share” of regional housing needs (RHNA). The City’s RHNA for the 2014-2022 planning period is 7,048 units (approximately 783 units per year). The City has put into place zoning policies that allow construction of those units to occur and is in compliance with the Housing Element law. The Study Group, the public, and the City Council have instructed staff to aim high for actual housing production, not just capacity, to expand housing options and affordability. Recent housing production has improved, but still has not met the goal of sufficient new supply to significantly expand choice and affordability.

Figure 2: City of Long Beach New Housing Units 2006-2016

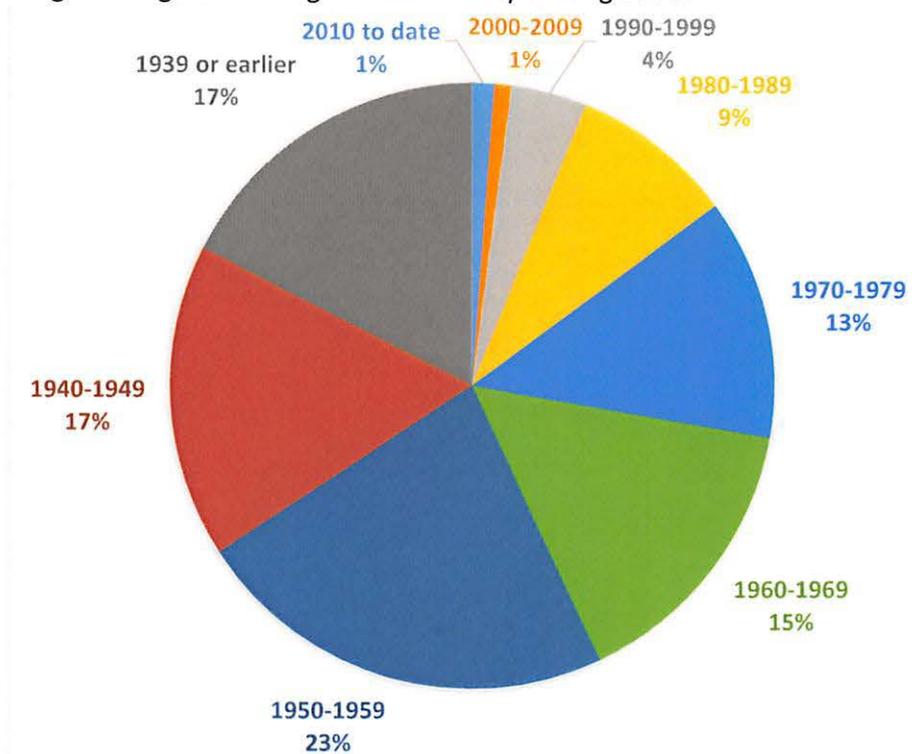


Source: Annual Housing Element Progress Reports 2006-2015

The Housing Element addresses not just the need for new housing for new residents, as well as those currently overcrowded or overpaying, but also the condition and quality of the existing housing stock. With limited exceptions, the existing structures in Long Beach were largely built between 1900 and 1942 (North, Central, and West Long Beach) and between 1943 and 1968 (East Long Beach). Some of these older properties are historic gems and will continue to be protected under the City's Cultural Heritage Ordinance. Many of these older structures, however, have regrettable designs, were built with inadequate or no parking, and have not been maintained to meet today's habitability standards for healthy and comfortable living.

The Housing Element notes that housing over 30 years in age is likely to need rehabilitation or upgrades, and housing over 50 years of age may require total replacement. More than 58 percent of the City's housing stock is over 50 years of age, and a full 87 percent is over 30 years of age. Among these units, 1,418 are estimated to be in substandard condition. Older structures also use significantly more energy, and energy efficiency per square foot improves by 1 percent or more in most years as construction methods, appliances, and lighting improves. Failure to upgrade, redevelop appropriately, and increase the existing housing stock results in residents paying higher utility bills, creating greater greenhouse gas emissions from energy consumption, and diminished habitability from the natural aging and obsolescence of the housing. High utility costs, combined with the fact that older housing lacks even basic accessibility features, often disproportionately impacts seniors.

Figure 3: Age of Housing Stock in the City of Long Beach



Source: Housing Element, Housing Element Annual Reports 2006-2015

The Importance of Height and Density

Housing is produced differently than it was prior to 1970, the year by which 72 percent of the City's housing stock was constructed. Changes in land costs, construction methods, ADA requirements, consumer demands, and other factors have moved multifamily development toward taller, denser structures. The City's General Plan and associated zoning regulations have not kept pace with this change. Height limits outside of downtown and the Long Beach Boulevard transit corridor are predominately two stories. Modest increases in height and density are necessary to facilitate housing construction and assure that while downtown and transit corridors will grow more, all areas of the City will grow and contribute to a diverse housing supply.

Increased height and density facilitate greater use of active transportation such as walking and cycling to nearby destinations. Locating housing at density and close to transit, services, and employment provides resident with mobility options other than driving. Reduced use of a vehicle can greatly improve a household budget and is an indirect way to improve housing affordability.

Height and density allow for the fixed costs of housing development, as design, permit fees, utilities, elevators, site preparation and grading, etc., are spread across a larger number of units, decreasing the per-unit and per-square-foot cost of production. The Housing Element

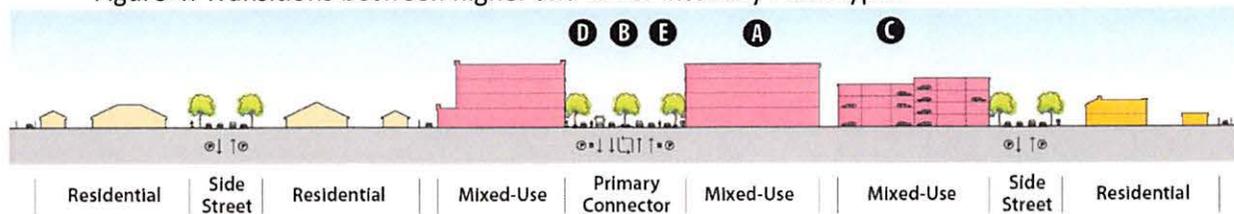
(p. 86) notes that a density of at least 30 units/acre is needed to accommodate lower income housing targets. A recent report from the California Department of Housing and Community Development: California's Housing Future: Challenges and Opportunities notes "[i]n urban and suburban areas, compact infill development at increased density is critical for addressing housing needs and using valuable, location-efficient land near transit and job centers."

Density is critical to attracting funding for market rate and particularly affordable housing. The vast majority of affordable housing projects include tax credits as one of their funding sources. The California Tax Credit Allocation Committee awards tax credits based on the proposed development site's proximity to transit, public parks, libraries, grocery stores, neighborhood markets, schools, and medical and senior facilities. Likewise, cap and trade (AHSC) funding for affordable housing requires that the site be near transit and built at such density that per capita driving and greenhouse gases will be reduced. The City's ability to access funding and facilitate new affordable housing is directly linked to increasing height and density, particularly near transit.

Height and density are not just important for cost and affordability. Height and density also create the opportunity for mixed-use with ground-floor retail or restaurant uses and apartments or condominiums above. This type of development typically requires four to five stories in height. Commercial corridors such as 7th Street, Atlantic Avenue, Artesia Boulevard, and Anaheim Street were originally built as mixed-use corridors. Some of the remaining buildings reflect this development pattern.

During the post-war period, planning practices moved away from this model. The City's current General Plan and zoning prohibit new mixed-use on most of the commercial corridors outside of downtown and Long Beach Boulevard. Allowing a return to a mixed-use style of development, with appropriate provisions for quality design and transitions between the corridors and adjacent neighborhoods, is an important component of increasing the opportunity for housing production, as well as creating more sustainable, walkable, and complete neighborhoods. Building at greater height also allows for improved design and the ability to provide ground level amenities.

Figure 4: Transitions between higher and lower intensity PlaceTypes



The Need for Economic Development

Housing is not the only reason to make changes along our commercial corridors. The retail landscape has also completely evolved since the adopted 1989 Land Use Element's drafting. In 1990, the first internet web browser was invented; today more than 8 percent of retail sales occur online. Nationwide, the demand for retail square footage on a per capita basis is declining and major retailers are announcing store closures on an almost daily basis.

The strip center, which is ubiquitous in Long Beach, is not a viable retail form as we look toward the future. Where retail has been successful in attracting and retaining customers has been experience centers where shopping is offered alongside entertainment, gathering space, and programming. Downtown Disney in Anaheim (2001), the Grove in Los Angeles (2002), and the Americana in Glendale (2008) are some of the better known examples of this new type of shopping. This type of destination shopping experience is what the City and developers are hoping to bring to the Long Beach Exchange at Douglas Park, Queen Mary Island, 2nd + PCH, and to Successor Agency sites in North Long Beach.

Despite this backdrop of declining physical store retail sales and the obsolescence of commercial strip centers, the City is in need of significant employment growth. The Land Use Element seeks to address this need for over 28,000 new jobs by building on what is already working. The Land Use Element encourages the full buildout of Douglas Park. The creation of industrial jobs, be they manufacturing, product design and development, technology parks or new investments in old fields such as oil and mineral extraction, provide good wages and a pathway into the middle class for residents. Douglas Park represents the largest source of new employment in the City looking forward from today out to 2040. The City has a double task of providing jobs for new residents but also rebuilding the employment base from the decline in aerospace jobs, including the most recent loss of Boeing's C-17 facility.

The Port of Long Beach (Port) and associated trade and logistics business will remain the foundation and key contributor to the Long Beach economy. As the Port continues to modernize and expand, becoming the greenest port in the world and exceeding its own standards for sustainability, there is an opportunity to build the green economy in some of the industrial areas beyond the Port. Sites in North Long Beach, as well as Zaferia and the Magnolia Industrial Group area, have the opportunity to transition over time to a new Neo-Industrial PlaceType.

Neo-Industrial blurs the lines between office and industrial in a fashion reflective of today and tomorrow's green, tech, and creative economy. The multi-faceted idea behind this PlaceType is to create interesting spaces for new technology jobs all while reducing environmental impacts, as these sites are located proximate to residents and recreational open space.

The Land Use and Urban Design Elements are focused on economic development and are consistent with the City's Economic Blueprint. The Development Environment is a focus area of the Blueprint, which specifically calls out "modernize land use regulations, entitlement, and permitting processes [to] reflect new economic opportunities." These reforms, starting with the Land Use and Urban Design Elements, are urgent and necessary. While employment within Long Beach has increased 3.7 percent since 2009, it has lagged behind the statewide growth rate of 12 percent (Bureau of Labor Statistics, 2016) and regional growth rate of 7.6 percent (CA EDD, 2016). Improvement in jobs and housing production is not possible without changes to the General Plan to improve the development process and provide additional height, intensity and flexibility to potential investors, businesses and developers.

Public Outreach and Process

This effort to update the Land Use and Urban Design Elements has been underway for 11 years and has included hundreds of meetings with residents and other stakeholders. The entire General Plan must serve the needs and vision of the City's residents; therefore, public outreach and input serve as the cornerstone of the Land Use and Urban Design Elements. Preparations began in 2006, and by 2007, the City had begun unprecedented outreach efforts to establish the vision for the Land Use Element. In 2007 alone, there were five large community festivals, over 1,000 questionnaires completed by community members, an online engagement site, hundreds of contacts with each of the City's community organizations, meetings of general planning advisory committees, phone banks, e-mail updates, and distribution of flyers and other written materials. This input was compiled in late 2007 into an "emerging themes" document that was shared with the public and posted online. The final document, now pending approval before the Planning Commission, is consistent with that 2007 emerging themes document.

Those emerging themes became the vision found in Chapter 1 of the Land Use Element and have remained consistent throughout the plan's decade-long development. Throughout 2008, staff conducted detailed analysis of existing physical and economic conditions throughout the City and continued the public engagement process. A map of community connectors (complete streets) and areas of opportunity and special planning was released to the public in October 2008. This map closely reflects the major areas of change and final PlaceTypes map in the final document.

By late 2008, over 100 community meetings and events had been held to promote and inform the General Plan. While progress slowed considerably during the great recession, the General Plan development process remained open and collaborative with the public. A full effort to finish the document resumed in 2014. The formal environmental process kicked-off with a Citywide scoping meeting held in May 2015. A complete draft of the Land Use and Urban Design Elements was posted online in May 2015, and iterative changes from that point forward were made based on public comment and interagency feedback. Six public study sessions were also held with the Planning Commission.

During 2016, staff held a Citywide open-house regarding the Land Use and Urban Design Elements, as well as ten community group meetings. Two City Council offices also held their own meetings where staff attended and presented the General Plan for discussion. Of particular relevance may be a focus group that was held with California State University Long Beach (CSULB) students where they expressed their desire to stay in Long Beach after graduation. However, they also expressed an expectation that their employment opportunities would more likely lie outside of the City (Los Angeles, San Francisco and Irvine were given as examples by the students of cities with attractive job markets and housing options). Expanding employment opportunities is a key goal and consideration in all aspects of the Land Use Element. The students also expressed a need for more multifamily housing in proximity to CSULB, a desire that is reflected in the proposed height increases around the traffic circle.

With divergent public views and constraints from State law and existing conditions, not every public comment could be accommodated with a change to the document, but every comment was read and carefully considered. Many comments directly led to changes within the document such as height changes, rules regarding residential uses in neo-industrial zones, refinements regarding future historic resource studies, policy language on environmental justice, and other integral features of the General Plan.

At the request of the Planning Commission and Council District 7, Development Services recently conducted additional outreach through surveys, informational flyers, and “pop-up” events throughout the greater Wrigley community. Additional discussions with business improvement districts (BIDs) and other groups also continued in 2017, including posting an on-line survey for businesses and residents. The comprehensive outreach process has included a cross section of all neighborhoods and stakeholders in the City and is now complete.

The next steps involve finalizing the details of the General Plan itself, making any necessary adjustments to the environmental (CEQA) document, holding a public hearing before the Planning Commission, and ultimately the City Council. Staff expects to conduct study sessions with the City Council (June 13) and Planning Commission (June 15). The Planning Commission will be presented with the Land Use and Urban Design Elements for approval this fall, and staff expects to present the item to the City Council before the end of 2017. Upon adoption of the Land Use Element and Urban Design Element, staff will then update the many applicable ordinances and other regulations necessary to implement these Elements. It is expected this implementation process will occur over five years, dependent on future funding and development activity.

Sustainability and Conclusion

The ability to meet the City’s sustainability goals and mandates are directly tied to the adoption and implementation of the Land Use and Urban Design Elements. State climate change legislation (AB 32 and SB 375) mandate that the City reduce its greenhouse gas emissions. Recent legislation (SB 743) requires that the City reduce its vehicle miles traveled (car miles traveled per capita) and promote active transportation and transit.

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Development of compact housing and expanded employment opportunities are the key tools the City has available to meet these mandates.

If you have any questions regarding this matter, please contact Christopher Koontz, Advance Planning Officer, at (562) 570-6288.

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[ATTACHMENTS: PROPOSED PLACETYPE MAPS BY COUNCIL DISTRICT](#)

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
TOM MODICA, ASSISTANT CITY MANAGER
ANITRA DEMPSEY, INTERIM DEPUTY CITY MANAGER
REBECCA JIMENEZ, ASSISTANT TO THE CITY MANAGER
OSCAR ORCI, DEPUTY DIRECTOR, DEVELOPMENT SERVICES
LINDA F. TATUM, PLANNING BUREAU MANAGER