

CALIFORNIA COASTAL COMMISSION

SOUTH COAST DISTRICT OFFICE
301 E. OCEAN BLVD., SUITE 300
LONG BEACH, CA 90802
(562) 590-5071



Th18b

Date: February 24, 2023

TO: Commissioners and Interested Persons

FROM: Steve Hudson, Deputy Director, South Coast District
Dani Ziff, District Supervisor
Vince Lee, Staff Analyst

RE: Amendment Request No. LCP-5-LOB-21-0089-3-Part B to the City of Long Beach Local Coastal Program, for Commission Action at its March 8-9, 2023 meeting.

SUMMARY OF LCP AMENDMENT REQUEST

The Coastal Commission certified the City of Long Beach Local Coastal Program (LCP) on July 22, 1980. Local Coastal Program Amendment Request No. LCP-5-LOB-21-0089-3-Part B affects only the City's zoning code, which is part of the City's certified Implementation Plan of the LCP. Part B includes the addition of two chapters to the certified zoning code, one of which establishes an unpermitted dwelling unit amnesty program, and the other a program to facilitate voluntary and non-permanent conversion of existing motels or hotels to temporary supportive or transitional housing, summarized in the following two paragraphs. The Long Beach Planning Commission held public hearings for these zoning code changes on September 3, 2020 and May 21, 2020, respectively. The Long Beach City Council held public hearings for the zoning code changes and the LCP amendment on January 5, 2021 and September 15, 2020, and passed City Council Resolution Nos. RES-21-0004 and RES-20-0121 authorizing City staff to submit the LCP amendments to the Coastal Commission. After laying over each zoning code ordinance to its next regular meeting of the City Council for final reading, as is the City procedure, the City Council adopted Ordinance Nos. ORD-21-0002 and ORD-20-0041 on January 12, 2021 and October 6, 2020, respectively. As authorized by City Council Resolution No. RES-21-0140, the City submitted LCP Amendment Request No. LCP-5-LOB-21-0089-3, including the subject ordinances, on December 28, 2021, and Commission staff deemed the LCP amendment request complete on January 11, 2022. On March 10, 2022, the Coastal Commission extended the deadline for Commission action on LCP Amendment Request No. LCP-5-LOB-21-0089-3, which was determined to be a major amendment, for one year to April 7, 2023.

Ordinance No. ORD-20-0041: The City is requesting to add a chapter to the certified zoning code that would create a ministerial approval process for conversion of existing transient residential structures, such as hotels and motels, to supportive housing and/or transitional housing. The City explained the purpose is to address the need for a diversity of housing solutions to combat the City’s housing crisis and the varying needs of people experiencing homelessness. Business owners who seek to convert their motels or hotels to temporary housing would be required to enter into a contract with City-approved public and/or private providers (“Local Agency partners”) that fund and/or operate transitional and/or supportive housing and/or provide associated supportive services on-site. These temporary housing uses would be permitted for the duration of valid contracts (typically between 5 and 15 years) with approved Local Agency partners, and, upon expiration of such contracts, the property would be required to either revert to its previous legal use or any other use allowed by the current zoning regulations.

Ordinance No. ORD-21-0002: The City is also requesting the certified zoning code be amended to add a new chapter that would create an unpermitted dwelling unit (UDU) amnesty program to legalize housing units within the City that were developed without the required building permits. The City explained that these units are generally one or two units carved out of ancillary spaces such as laundry rooms or storage areas or units resulting from modest additions in existing otherwise legally permitted multifamily buildings, and are often affordable. The UDU program would provide a process that could be pursued to legalize a dwelling unit after exhaustion of all other legalization pathways in the certified LCP or state ADU law. Legalization of an UDU would require a Local Coastal Development Permit (LCDP), and, as proposed, a condition of approval of such an application would require permittee(s) to record an affordability covenant on the property reserving the unit as an income restricted housing unit for a period of at least 10 years.

SUMMARY OF STAFF RECOMMENDATION

The standard of review for the proposed amendment to the LCP Implementing Ordinances (IP), pursuant to Section 30513 of the Coastal Act, is that the proposed IP amendment conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan (LUP). The changes to the IP are proposed to establish programs to facilitate voluntary and non-permanent conversion of existing motels/hotels to temporary supportive or transitional housing and create a streamlined process for legalization of unpermitted dwelling units. The amendment request has been determined to be major because the ordinances could change the location, intensity, and density of residential and hotel/motel uses.

Staff recommends that the Commission certify LCP Amendment Request No. LCP-5-LOB-21-0089-3-Part B with suggested modifications necessary to assure protection of lower cost overnight visitor-serving accommodations and sensitive habitats, address coastal hazards, and clarify the permitting requirements in the coastal zone. The motions and resolutions to carry out the staff recommendation are on **pages six and seven**. The suggested modifications to the LCP amendment request are included under Section III of this staff report. The proposed LCP amendment, if modified as suggested, will be

City of Long Beach LCP Amendment
LCP-5-LOB-21-0089-3-Part B (Motel/Hotel Conversions & Unpermitted Dwelling Units)

consistent with the requirements of the City's certified LUP, which is the standard of review. Therefore, staff recommends that the Commission, after public hearing:

- 1. Deny the IP amendment request as submitted; and,**
- 2. Certify, only if modified, the IP amendment request.**

TABLE OF CONTENTS

I. PROCEDURAL ISSUES.....	5
A. STANDARD OF REVIEW	5
B. PUBLIC PARTICIPATION	5
C. PROCEDURAL REQUIREMENTS	5
II. MOTIONS AND RESOLUTIONS.....	6
A. DENY LCP AMENDMENT LCP-5-LOB-21-0089-3-PART B AS SUBMITTED	6
B. CERTIFY LCP AMENDMENT LCP-5-LOB-21-0089-3-PART B WITH SUGGESTED MODIFICATIONS.....	7
III. SUGGESTED MODIFICATIONS.....	7
IV. FINDINGS AND DECLARATIONS	12
A. LCP AMENDMENTS DESCRIPTION.....	12
B. CONSISTENCY ANALYSIS	13
C. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA).....	19

EXHIBITS

[Exhibit 1: Resolution No. RES-20-0121 and Ordinance No. ORD-20-0041](#)

[Exhibit 2: Resolution No. RES-21-0004 and Ordinance No. ORD-21-0002](#)

I. PROCEDURAL ISSUES

A. STANDARD OF REVIEW

The standard of review for the proposed amendment to the LCP Implementing Ordinances (IP), pursuant to Sections 30513 and 30514(b) of the Coastal Act, is that the proposed IP amendment conforms with, and is adequate to carry out, the provisions of Long Beach's certified Land Use Plan (LUP).

B. Local Review and PUBLIC PARTICIPATION

Section 30503 of the Coastal Act requires local governments to provide the public with the maximum number of opportunities to participate in the development of an LCP amendment prior to submittal to the Commission for review. It states: "During the preparation, approval, certification, and amendment of any LCP, the public, as well as all affected governmental agencies, including special districts, shall be provided maximum opportunities to participate. Prior to submission of an LCP for approval, local governments shall hold a public hearing or hearings on that portion of the program which has not been subjected to public hearings within four years of such submission."

The Long Beach Planning Commission held public hearings for these zoning code changes on September 3, 2020 and May 21, 2020, respectively. Approximately 2 individuals provided verbal testimony at the hearing and 3 submitted written comments. The Long Beach City Council held public hearings for the zoning code changes and the LCP amendment on January 5, 2021 and September 15, 2020, and passed City Council Resolution Nos. RES-21-0004 and RES-20-0121 authorizing City staff to submit the LCP amendments to the Coastal Commission. After laying over each zoning code ordinance to its next regular meeting of the City Council for final reading, as is the City procedure, the City Council adopted Ordinance Nos. ORD-21-0002 and ORD-20-0041 on January 12, 2021 and October 6, 2020, respectively. Authorized by City Council Resolution No. RES-21-0140, the City submitted LCP Amendment Request No. LCP-5-LOB-21-0089-3, including the subject ordinances, on December 28, 2021.

All of the local hearings for the LCP amendment were duly noticed to the public. Notice of the subject amendment has been distributed to all known interested parties.

On December 28, 2021 the City submitted LCP Amendment Request No. LCP-5-LOB-21-0089-3, and Commission staff deemed the LCP amendment request complete on January 11, 2022. On March 10, 2022, the Coastal Commission extended the deadline for Commission action on the LCP amendment, which was determined to be a major amendment, for one year to April 7, 2023.

C. PROCEDURAL REQUIREMENTS

Pursuant to Section 13551 of Title 14 of the California Code of Regulations, the City resolution for submittal may specify that an LCP Amendment will either require formal local government adoption after the Commission approval, or that it is an amendment that will take effect automatically upon the Commission's approval pursuant to Public Resources

Code Sections 30512, 30513, and 30517. Here, if the Commission certifies the LCP amendment as submitted, no further City Council action will be necessary. The City's submittal resolution indicates that the ordinance will only become final after certification by the Commission, but no formal action is required. Should the Commission deny the LCP amendment, as submitted, without suggested modifications, no further action is required by either the Commission or the City, and the LCP amendment is not effective. Should the Commission deny the LCP amendment, as submitted, but then approve it with suggested modifications, then the City Council may consider accepting the suggested modifications and submitting them by resolution to the Executive Director for a determination that the City's acceptance is consistent with the Commission's action. The modified LCP amendment will become final at a subsequent Commission meeting if the Commission concurs with the Executive Director's Determination that the City's action in accepting the suggested modifications approved by the Commission for LCP Amendment LCP-5-LOB-21-0089-3-Part B is legally adequate. If the City does not accept the suggested modifications within six months of the Commission's action, then the LCP amendment remains uncertified and not effective within the coastal zone.

ADDITIONAL INFORMATION

Further information on the City of Long Beach LCP Amendment LCP-5-LOB-21-0089-3-Part B may be obtained from Vince Lee, Coastal Program Analyst, at (562) 590-5071 or vince.lee@coastal.ca.gov. If you wish to comment on the proposed amendment, please do so via regular mail (directed to the South Coast District Office) or email (by emailing southcoast@coastal.ca.gov) by 5pm on Friday, March 3, 2023.

II. MOTIONS AND RESOLUTIONS

A. Deny LCP Amendment LCP-5-LOB-21-0089-3-Part B as Submitted

Motion I: I move that the Commission **reject** Amendment No. LCP-5-LOB-21-0089-3-Part B to the City of Long Beach certified Implementing Ordinances as submitted by the City.

Staff recommends a **YES** vote. Passage of this motion will result in rejection of Implementation Plan Amendment and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Resolution to Deny as Submitted:

The Commission hereby denies certification of Amendment Request No. LCP-5-LOB-21-0089-3-Part B to the Implementation Plan submitted for the City of Long Beach certified LCP and adopts the findings set forth below on grounds that the Amendment to the Implementation Plan as submitted does not conform with and is not adequate to carry out the provisions of the certified Land Use Plan. Certification of the Amendment to the Implementation Program would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts

on the environment that will result from certification of the Amendment to the Implementation Program as submitted.

B. Certify LCP Amendment LCP-5-LOB-21-0089-3-Part B with Suggested Modifications

Motion II: I move that the Commission **certify** Amendment No. LCP-5-LOB-21-0089-3-Part B to the City of Long Beach Implementing Ordinances if it is modified as suggested in this staff report.

Staff recommends a **YES** vote. Passage of this motion will result in certification of the Amendment to the Implementation Plan with suggested modifications and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Resolution to Certify if Modified:

The Commission hereby certifies Amendment Request No. LCP-5-LOB-21-0089-3-Part B to the LCP Implementing Ordinances for the City of Long Beach if modified as suggested and adopts the findings set forth below on grounds that the Amendment to the Implementing Ordinances with the suggested modifications conform with, and are adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementing Ordinances if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Program on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

III. SUGGESTED MODIFICATIONS

For the following suggested modifications:

Language of the currently certified IP is shown in plain text.
The City's proposed additions are shown in underlined text.
The Commission's suggested additions are shown in **bold, underlined text**.
The Commission's suggested deletions are shown in **bold, underlined, strike out text**.

The following suggested modifications are necessary to carry out the provisions of the certified LUP:

Suggested Modification #1: Clarify that motel/hotel conversions within the coastal zone require a coastal development permit and ensure appropriate findings are made.

21.25.903 Permit required

...

B. Coastal Permits Issued by the City. The following categories of projects require coastal permits in accordance with the procedures set forth in this Division:

...

8. Any application for the conversion of an existing transient residential structure into an interim supportive or transitional housing use pursuant to the provisions and procedures outlined in Chapter 21.65 (Interim Motel/Hotel Conversions) in the certified Local Coastal Program.

21.25.904 Procedures – Coastal Permit

...

C. Findings required. Prior to approving a local coastal development permit, the responsible hearing body must find:

...

7. For an application to convert an existing transient residential structure (i.e., Motel/Hotel) into an interim supportive or transitional housing use in accordance with the provisions and procedures outlined in Chapter 21.65 (Interim Motel/Hotel Conversions) of the certified Zoning Code, the project shall conform with the certified Local Coastal Program, including policies related to the protection of existing lower cost overnight visitor-serving accommodations. Potential impact(s) to visitor-serving accommodations resulting from the temporary conversion shall be avoided or minimized through strategies that include, but are not limited to:

i.Reserving a portion of the rooms in the hotel/motel for hotel use at the defined “low cost” rate,

ii.Limiting the use of the hotel/motel for interim supportive or transitional housing to the winter months, and/or

iii.Limiting the term of the coastal development permit.

The required findings must include an analysis of historic occupancy rates and the current room rates of the rooms proposed to be converted as compared to the annual statewide average room rate. “Low cost” visitor-serving accommodation rates shall be defined as rates equal to or less than the annual statewide average room rate minus 25%. “Moderate cost” visitor-serving accommodation rates shall be defined as rates between 75% to 125% of the annual statewide average room rate. Findings shall consider the need to maintain and protect existing levels of visitor-serving overnight accommodations, maintaining adequate public coastal access for visitors to the area, and environmental justice. If there will be a loss of existing low or moderate-cost visitor-serving overnight accommodations for a period of one year

or more (excluding temporary conversion of low or moderate cost rooms for interim supportive or transitional housing during winter months only) then appropriate mitigation shall include, but not be limited to the following measures:

i. Construction of equivalent replacement motel/hotel rooms or other low or moderate cost visitor-serving accommodations at a 1 to 1 ratio; and/or

ii. If it is determined to be infeasible to provide replacement rooms on or near the project site within the coastal zone as described in the previous subsection, payment of in-lieu fees adequate to provide full replacement of low or moderate cost overnight visitor-serving accommodations.

...

21.65.030 Qualification.

All or, within the coastal zone, portions of Dwelling Units and Guest Rooms in the structure must be used for Supportive Housing or Transitional Housing or a combination of both. The Interim Motel/Hotel Housing Project shall not result in the expansion of more than ten (10) percent of the existing building floor area; nor shall the combined number of Dwelling Units or Guest Rooms increase from the number existing on site prior to the date of the Interim Motel/Hotel Housing Project application. Any Floor Area used for onsite Supportive Services shall be considered accessory to the residential use.

21.65.060 Compliance with applicable standards and zoning code requirements.

A. Outside the coastal zone, Interim Motel/Hotel Housing Projects shall not be subject to any otherwise applicable zoning ordinance, specific plan, or other overlay district regulations, including, but not limited to, the following:

...

B. Within the coastal zone, Interim Motel/Hotel Housing Projects, as defined in Section 21.65.020.A of this Chapter, shall not be subject to any otherwise applicable zoning ordinance, specific plan, or other overlay district regulations except for the City's certified Local Coastal Program (LCP) Land Use Plan and any regulations in the certified LCP Implementation Plan that are required for the protection of public access and coastal resources, including lower cost overnight visitor-serving accommodations. Interim Motel/Hotel Housing Projects require a coastal development permit consistent with Section 21.25.904.C of the certified Zoning Code.

BC. Minor Interior Alterations for Cooking Facilities...

CD. Preservation of Nonconforming Rights...

Unpermitted Dwelling Unit (UDU) Amnesty Program Ordinance

Suggested Modification #2: Clarify that unpermitted dwelling unit legalization within the coastal zone requires a coastal development permit and ensure appropriate findings are made.

21.25.903 Permit required

...

B. Coastal Permits Issued by the City. The following categories of projects require coastal permits in accordance with the procedures set forth in this Division:

...

7. Any application for the legalization of unpermitted dwelling units pursuant to the provisions and procedures outlined in Chapter 21.66 (Unpermitted Dwelling Unit Amnesty Program).

21.25.904 Procedures – Coastal Permit

...

C. Findings required. Prior to approving a local coastal development permit, the responsible hearing body must find:

...

6. For an application to legalize an unpermitted dwelling unit in accordance with the provisions and procedures outlined in Chapter 21.66 (Unpermitted Dwelling Unit Amnesty Program) of the certified Zoning Code, the project shall conform with the certified local coastal program, including habitat protection policies and coastal hazards policies. For dwelling units subject to coastal hazards, the Applicant shall be required to assume the risk of development in a hazardous area.

...

21.66.020 Compliance with applicable development standards and Zoning Code requirements.

A. Existing dwelling units that do not have a certificate of occupancy at the time of application that are located in otherwise legally permitted structures, **which** shall be referred to in this section as "unpermitted dwelling units." **Outside the coastal zone, existing unpermitted dwelling units** shall not be subject to any otherwise applicable zoning ordinance, specific plan, or other overlay district regulations, including, but not limited to, the following:

...

B. Within the coastal zone, existing unpermitted dwelling units as defined in Section 21.66.020.A of this Chapter, shall not be subject to any otherwise applicable zoning ordinance, specific plan, or other overlay district regulations except for the City’s certified Local Coastal Program (LCP) Land Use Plan and any regulations in the certified LCP Implementation Plan that are required for the protection of coastal resources and public access to the coast. Unpermitted dwelling units are subject to the required findings in the certified Zoning Code Section 21.25.904.C. New parking spaces shall not be required in association with the legalization of an unpermitted dwelling unit if the unpermitted dwelling unit(s) meets one of the following criteria and/or there would be no impacts to public access to the coast as a result of the development:

(1) The unpermitted dwelling unit is located within one-half mile walking distance of public transit.

(2) The unpermitted dwelling unit is located within an architecturally and historically significant historic district and the provision of new parking would impact the historic character.

(3) When there is a car share vehicle located within one block of the unpermitted dwelling unit.

Suggested Modification #3: Clarify appealability of UDU legalization projects and correct minor nomenclature errors.

21.25.904 – Procedures – Coastal permit.

...

B. Hearing Required. A public hearing shall be required prior to the approval of a local coastal development permit **except for local coastal development permits for the legalization of unpermitted dwelling unit(s) in conformance with the requirements of certified Zoning Code Chapter 21.66 (Unpermitted Dwelling Unit Amnesty Program).**

...

21.66.040 Eligibility.

Existing dwelling units eligible for the ~~informal~~unpermitted dwelling unit amnesty program;

...

21.66.060 Review Process.

Site Plan Review shall be required pursuant to Chapter 21.25 of the ~~Municipal~~certified Zoning Code. Existing dwelling units that are eligible for the ~~informal~~unpermitted

dwelling unit amnesty program and are located in the Coastal Zone shall be required to obtain a Local Coastal Development Permit pursuant to **LBMG certified Zoning Code Section 21.25.903**; however, a public hearing for the Local Coastal Development Permit shall not be required, **pursuant to certified Zoning Code Section 21.25.904.B.**

21.66.070 Appeals.

Outside the coastal zone, Only applicants may appeal Site Plan Review determinations to the Planning Commission. Within the coastal zone, Local Coastal Development Permit determinations may be appealed by any aggrieved person pursuant to the procedures in Chapter 21.21 and Section 21.25.904 of the certified Zoning Code.

IV. FINDINGS AND DECLARATIONS

A. LCP AMENDMENT DESCRIPTION

Long Beach LCP Amendment Request No. LCP-5-LOB-21-0089-3 was submitted with four separate ordinances amending the City's certified implementing ordinances (IP). Part A—modifications to the IP to modify drive-through regulations and update miscellaneous zoning codes—was approved as submitted by the Commission on May 13, 2022. Part B is the subject of this staff report and Commission action. Part B would amend the IP to add two new chapters to the certified zoning code for regulations relating to unpermitted dwelling units and motel/hotel conversions for transitional housing uses.

Interim Hotel/Motel Conversions Ordinance ([Exhibit 1](#)): As proposed, Chapter 21.65 would be added to the IP to create a ministerial approval process allowing existing transient residential structures citywide, such as hotels and motels, to conduct minor interior alterations and establish a temporary change of use to supportive housing and/or transitional housing. The City explained the purpose of this amendment is to address the need for a diversity of housing solutions to combat the City's housing crisis and the varying needs of people experiencing homelessness and to equitably distribute these projects throughout the City.

As adopted by the City, business owners who seek to convert their hotel or motel to temporary transitional and/or supportive housing will be required to enter into a contract with City-approved public and/or private providers ("Local Agency partners") that fund and/or operate transitional and/or supportive housing and/or provide associated supportive services on-site. These temporary housing uses would be permitted for the duration of valid contracts (typically between 5 and 15 years) with approved Local Agency partners, and, upon expiration of such contracts, the property would be required to revert to their previous legal use or any use allowed under the City's zoning regulations.

Unpermitted Dwelling Unit (UDU) Amnesty Program Ordinance ([Exhibit 2](#)): As proposed, Chapter 21.66 would be added to the certified zoning code (part of the certified IP) to create an amnesty program to legalize housing units within the City that were developed without the required building permits. Only UDUs existing prior to December 31, 2016 would be eligible for this program (Section 21.66.030). Thus, the program would

not authorize or encourage the creation of UDUs in the future. The City explained that UDUs in the City are generally either one or two units carved out of ancillary spaces such as laundry rooms or storage areas or units resulting from modest additions in existing otherwise legally permitted multifamily buildings that may, in turn, exceed the number of allowed dwelling units permitted pursuant to the zoning designation or otherwise be out of compliance with underlying zoning regulations and development standards. The City also stated that UDUs tend to be naturally occurring affordable units and fulfill an important niche in the housing market.

The City anticipates that many unpermitted residential units will be legalized through other legal pathways, including processes outlined in the certified LCP and through the State's current ADU law. The proposed UDU program would provide another legalization process after the other alternatives are exhausted. The City proposes to allow legalization of these unpermitted dwelling units through a ministerial site plan review process, and as a condition of any approval, permittee(s) would be required to record an affordability covenant on the property reserving the unit as an income restricted housing unit for a period of at least 10 years.

B. CONSISTENCY ANALYSIS

The standard of review for the proposed amendment to the LCP Implementing Plan (IP), pursuant to Section 30513 of the Coastal Act, is that the proposed IP amendment conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan (LUP). The certified LUP contains policies that aim to maximize shoreline access, protect recreation and visitor serving facilities, preserve extant neighborhoods, and balance human use of coastal resources with ecological concerns.

Interim Hotel/Motel Conversions

The proposed ordinance would amend the Long Beach certified Zoning Code by adding Chapter 21.65 to establish new regulations to allow existing hotels, motels, and other transient occupancy residential structures located citywide to be used for an interim period as supportive or transitional housing.

The Downtown Shoreline segment of the certified LUP states "It shall be the goal of the City to develop a program/policy for the Downtown Shoreline area that protects and encourages lower cost overnight visitor accommodations. The purpose of the program/policy shall be to provide lower cost overnight visitor accommodations within or in close proximity to the coastal zone, including but not limited to hostel accommodations, campground accommodations, or low cost hotel or motel accommodations." Southeast Area Specific Plan Chapter 6, Lower Cost Overnight Accommodation Policy 1 states "Lower cost visitor and recreational facilities, including overnight accommodations and public recreational opportunities, shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred." Chapter 6, Lower Cost Overnight Accommodation Policy 5 states "Existing lower cost accommodations, including the 173 existing lower cost rooms at the Golden Sails Hotel, must be protected and maintained onsite. If they cannot

feasibly be maintained or replaced onsite, the 173 lower cost rooms must be replaced at a one to one ratio, preferably at a non-hazardous site within the coastal zone portion of the SEASP planning area, and protected in perpetuity. These 173 lower cost rooms are not eligible to be mitigated with in-lieu mitigation fees.” And Chapter 6, Recreation Policy 3 states that “The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential development.”

Findings for Rejection of the Hotel/Motel Conversion Program Amendment as Submitted:

There are currently seven locations within the Long Beach coastal zone offering overnight accommodations for visitors: (from west to east) two higher cost hotels within the Port District, one RV resort (low cost) in the Downtown Shoreline Area, two higher cost hotels in the Downtown Shoreline Area, one low cost inn near the Belmont Pier, and one moderate cost hotel (historically, low cost) near the Los Cerritos Wetlands in the Southeast Area of Long Beach.¹ The proposed ordinance would allow temporary conversion of these overnight accommodations to transitional or supportive housing. “Temporary” could range from five to fifteen years or more after which the structure may return to its previous use or could be converted to any use consistent with the underlying zoning. As adopted by the City, it is not clear when the reversion would happen or what permitting procedures would be implicated. In addition, it is not clear whether a coastal development permit would be required for the hotel/motel conversion projects within the coastal zone or how impacts would be identified, avoided, or minimized and mitigated for. Therefore, the proposed amendment could potentially result in the loss of lower-cost² overnight visitor-serving accommodations within the coastal zone of Long Beach without any mitigation, which is inconsistent with the LUP policies listed above. The Commission acknowledges the City’s desire to address the need for a diversity of housing solutions to combat the City’s housing crisis and the varying needs of people experiencing homelessness and to equitably distribute these projects throughout the City, and that those housing options within the coastal zone would provide a form of facilitated access to the coast. However, the certified LUP policies and the Coastal Act preserve and encourage visitor-serving uses (over residential uses) and lower cost overnight accommodations. Furthermore, the potential reduction in low- and moderate-cost overnight visitor accommodations in the coastal zone is also an environmental justice issue.

In light of current trends in the marketplace and along the coast, the Commission is increasingly concerned with the challenge of preserving and providing lower-cost overnight accommodations consistent with the Coastal Act. Recent research in

¹ The Commission defines low-cost accommodations as those charging approximately 25% less than the statewide average daily room rate and higher-cost are those charging approximately 25% more than the statewide average. Values in between are moderate-cost. The 2021 annual statewide average daily room rate is \$141.78; thus, lower-cost accommodations would be less than approximately \$106.34 and higher-cost would be over \$177.23. The City will be using a peak season average daily rate (i.e. Current Month-ADR for July and/or August of each year) to determine what constitutes lower-cost.

² The Commission has interpreted “lower cost” accommodations to include both low-cost and moderate-cost options. (5-18-0872)

City of Long Beach LCP Amendment
LCP-5-LOB-21-0089-3-Part B (Motel/Hotel Conversions & Unpermitted Dwelling Units)

support of a Commission workshop³ concerning hotel condominiums showed that only 7.9% of the overnight accommodations in nine popular coastal counties were considered lower-cost. Although statewide demand for lower-cost accommodations in the coastal zone is difficult to quantify, there is no question that camping and hostel opportunities are in high demand, and that there is an on-going need to provide more lower-cost opportunities along California's coast. If even a couple of the lower cost hotels/motels in the City's coastal zone were converted to temporary housing, then visitors would be limited to the higher cost hotels, the limited remaining lower cost hotels/motel rooms, and short-term rentals. With far fewer low-cost lodging facilities, a large segment of the population will be effectively excluded from overnight stays at the coast. "Financial reasons" was listed as the number one barrier to staying overnight at the coast, as identified by respondents to a State Coastal Conservancy-commissioned survey in 2017. By forcing this economic group to lodge elsewhere (or to stay at home), there is an adverse impact on the public's ability to access the beach and coastal recreational areas.

Therefore, as proposed by the City, Ordinance No. ORD-20-0041 (the subject part of LCP Amendment No. LCP-5-LOB-21-0089-3-Part B) is not adequate to carry out the policies of the certified LUP and must be rejected.

Findings for Approval of the Hotel/Motel Conversion Program, If Modified as Suggested:

Suggested Modification #1 adds language to clarify that hotel/motel conversions within the coastal zone require a local coastal development permit. Pursuant to this modification, all motel/hotel conversions within the coastal zone must conform to the certified LCP, including policies related to the protection of existing lower cost visitor-serving accommodations. It also defines the lower cost accommodation classifications (low and moderate cost) using the statewide average room rate. Therefore, confusion about what development requires a CDP and what resources must be protected is minimized.

Suggested Modification #1 also clarifies how these types of projects can be analyzed, how impacts can be avoided or minimized and mitigated for, and what findings are required as part of the LCDP determination. The modification requires the City to analyze the project's impacts on lower cost overnight accommodations including through the review of project to minimize potential impacts. For example, if an applicant were to apply for a local CDP to convert a moderate cost hotel, the applicant and City would be required to consider the cost and occupancy rates of the rooms that would be converted and if access impacts are anticipated, contemplate project alternatives such as only converting the use during low occupancy periods (e.g. during the winter months), only converting a portion of the hotel, or limiting the term of the conversion to less than one year. If such alternatives are implemented, impacts might be avoided or at least reduced.

³ Public Workshop on Lower Cost Visitor Serving Accommodations held December 10, 2014.

If an impact on low-cost and moderate-cost visitor-serving overnight accommodations is determined to exist after consideration and proposal of project alternatives, appropriate mitigation for the loss of those accommodations must be required. As stated in **Suggested Modification #1** mitigation should be in the form of construction of replacement motel/hotel rooms or other low-cost/moderate-cost visitor serving accommodations at a 1 to 1 ratio, if feasible. If it is determined to be infeasible to provide replacement rooms at that ratio on or near the project site, payment of in-lieu fees adequate to provide full replacement of low or moderate cost overnight visitor-serving accommodations should be required. By protecting and providing lower-cost lodging for the price-sensitive visitor, a broader segment of the population will have the opportunity to visit the coast and the IP amendment as modified can be found to conform with and is adequate to carry out the public access protection policies of the LUP.

Unpermitted Dwelling Unit (UDU) Amnesty Program

The proposed amendment would add a new section to Title 21 of the City's certified Zoning Code that would streamline the legalization of unpermitted accessory dwelling units located citywide (including the coastal zone) by exempting them from zoning regulations and other regulatory requirements, such as density restrictions and parking and setback requirements, and waiving the requirement of a public hearing. The City explained that compliance with zoning regulations can pose a barrier to the legalization of these units and exempting them from such provisions of the Zoning Code would serve to preserve this important component of the City's housing stock.

The City's certified LUP includes policies that call for a "balance between human use and ecological concerns" (Introduction, Coastal Resources), require development to "maximize view corridors" along Ocean Boulevard (Downtown Shoreline, Shoreline Access), and encourage "efforts to alleviate flood hazard conditions" (Area E, Hazard Areas). Furthermore, the certified LUP states: "this Plan also recognizes that inadequate parking can frustrate visitor access and recreational use of coastal resources" (Downtown Shoreline policies). The City's certified Southeast Area Specific Plan (SEASP) also incorporates Section 30253 of the Coastal Act that requires new development to "minimize risks to life and property in areas of high geologic, flood, and fire hazard" and includes LUP policies that require new development to plan for coastal hazards over the expected life of the proposed development. While the City is beginning to work on a LCP amendment specific to climate change adaptation, the LCP has not yet been comprehensively updated to address sea level rise.

Findings for Rejection of the UDU Program Amendment as Submitted:

The City of Long Beach coastal zone includes several single-family and multi-family residential zoned neighborhoods that would be affected by the proposed IP amendment. Some of the residences in these zones, which might be eligible for the proposed UDU amnesty program, are immediately adjacent to sensitive habitat, located on sandy beach, and/or in hazardous areas subject to flooding, geologic processes, and fire. As currently proposed, the amendment would uniformly apply the

City of Long Beach LCP Amendment
LCP-5-LOB-21-0089-3-Part B (Motel/Hotel Conversions & Unpermitted Dwelling Units)

UDU Amnesty program throughout the City, including within the coastal zone. Thus, UDUs could be legalized in these areas with the potential to impact habitat, if located on a site or in a structure that is non-conforming with allowable uses or required setbacks in/near such areas, impact views, or be sited in an unsafe location inconsistent with the aforementioned LUP policies. For example, there are a few existing residences located on the sandy beach that are non-conforming with the public beach/park/open space land use designation; if a UDU were proposed to in that location, the increase in intensity of use could impact coastal resources. In addition, if located in an area where the public parks their vehicles to access the coast, legalization of UDUs could impact coastal access if it intensifies use of coastal areas without providing for additional parking facilities. If this is the case, private residents of UDUs may use street parking and parking structures that also are used by the general public to visit the coast, thereby reducing available parking and creating a barrier to public access. Exactly how this would play out in Long Beach as a result of the UDU amendments is difficult to predict or quantify. However, the Commission has in the past required the provision of adequate parking for new development in the coastal zone because it has recognized that the availability of adequate parking in congested coastal areas such as Long Beach has a direct impact on public access to the coast.

Legalization of a UDU within the coastal zone constitutes development and requires a coastal development permit (CDP) that contemplates and addresses the project's potential impact(s) on coastal resources including coastal access and habitat and vulnerability to coastal hazards. The subject ordinance, as adopted by the City, is not clear that a CDP is required; thus, the analysis of project consistency with the LCP is not explicitly required. This could result in overlooking potential adverse impacts to coastal resources in the coastal zone.

Therefore, as proposed by the City, Ordinance No. ORD-21-0002 (the subject part of LCP Amendment No. LCP-5-LOB-21-0089-3-Part B) is not adequate to carry out the policies of the certified LUP and must be rejected.

Findings for Approval of the UDU Amnesty Program, If Modified as Suggested:

The suggested modifications described herein were drafted in coordination with City staff. To clarify the permitting requirements for UDUs in the coastal zone and the findings that must be made to protect coastal resources, **Modification #2** is suggested. As suggested to be modified, if a UDU is subject to coastal hazards, a CDP permittee would be required to assume the risk of development in a hazardous area.

The City's adopted ordinance allows for UDU legalization projects to be exempt from numerous requirements, including parking, given the potentially long-term existence of these units and other benefits, such as providing more affordable housing options. For this reason, and due to the language in **Suggested Modification #2** that requires new development to be consistent with the LCP, which contains parking requirements, the City wanted to include a regulation in the IP that allows for reduced

parking requirements for UDUs in certain circumstances. The City's certified LUP states, "This program [the LCP] has as a fundamental imperative the preservation of extant viable neighborhoods and low/moderate cost housing opportunities." In addition, the Transportation and Access policies of the certified LUP state: "Succinctly, the Long Beach LCP transportation and access policies are: (1) Increase reliance on public transit. (2) Decrease reliance on automobiles. (3) Provide slightly more parking. [and] (4) Increase pedestrian and bicycle access opportunities" (Page II-3). The City also stated that the entire coastal zone, with very few exceptions, is within a half mile of public transit and, thus, legalization of UDUs in the coastal zone, which, as proposed, are required to be restricted affordable units would not require the creation of additional parking in parking impacted areas or adversely impact public access to the beaches of Long Beach.

The Commission agrees that a parking requirement for all Accessory Dwelling Units (ADUs) in the coastal zone in Long Beach is not necessarily required to protect public access to the coast and to be consistent with the LUP. Therefore, **Suggested Modification #2** allows parking requirements to be waived if the unpermitted dwelling unit is located within one-half mile walking distance of public transit, the unpermitted dwelling unit is located within an architecturally and historically significant historic district and the provision of new parking would impact the historic character, or when there is a car share vehicle located within one block of the unpermitted dwelling unit. These criteria closely align with the State's ADU law, which encourages more dense and affordable residential development that, in turn, decreases reliance on automobiles, increases pedestrian and bicycle access opportunities, and facilitates use of public transit. The benefits of use of public transportation will help mitigate potential adverse impacts to public access and parking availability caused by use of these parking exceptions. In addition, the City appears to acknowledge that there are small portions of the coastal zone where UDUs might not qualify for a parking exception and, therefore, could be required to provide parking for legalization of the UDU. The LCP refers to providing "slightly more parking," while promoting alternative forms of transportation, including walking, bicycle access, and public transit. Therefore, the allowance of elimination of the parking requirement within a half mile of public transit or a block of a car share vehicle is consistent with the transportation and access policies of the certified LUP.

As adopted by the City, the proposed amendment would allow for ministerial approval of UDU legalization projects without a public hearing, as they are ADUs, and the State's ADU law exempts coastal development permits for ADUs from local public hearings (Government Code section 65852.2(l)). In addition, the proposed amendment would only allow the applicants to appeal the City's determination of UDU legalization projects. While there are no LUP policies about holding public hearings and facilitating public participation in coastal development processes, public participation is a tenant of the certified LCP and a requirement of the Coastal Act, and within the coastal zone, any aggrieved person may appeal the coastal development permit determination for projects within the appealable area pursuant to Section 30625 of the Coastal Act. **Suggested Modification #3** revises Section 21.25.904.B to

exempt the legalization of UDUs from the hearing requirement. Public noticing requirements for local CDPs still apply.

Suggested Modification #3 also revises Section 21.66.070 (Appeals) to clarify that appeals of local coastal development permit determinations by any aggrieved person pursuant to the procedures in Chapter 21.21 and Section 21.25.904 of the certified Zoning Code are allowed. Thus, the public is still able to participate in the permitting process. The ordinance is also made more specific through minor nomenclature corrections (**Suggested Modification#3**).

Therefore, as modified, Ordinance No. ORD-21-0002 (the subject part of LCP Amendment No. LCP-5-LOB-21-0089-3-Part B) conforms with and is adequate to carry out the policies of the certified LUP.

Overall, the proposed amendment can only be found to be consistent with the certified LCP policies and relevant Coastal Act Chapter 3 policies if approved with the Commission's suggested modifications detailed above.

C. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The City of Long Beach is the lead agency for the purposes of California Environmental Quality Act review of the proposed LCP amendment. The City found the proposed zoning code changes to be exempt from CEQA requirements pursuant to Public Resources Code Sections 21080.5 (Plan or Other Documentation Submitted in lieu of Environmental Impact Report), 15305 (Minor Alterations to Land Use Limitations), 15308 (Actions by Regulatory Agencies for Protection of the Environment), and 15061(b)(3)(Common Sense Exemption). Section 21080.9 of the California Public Resources Code—within the California Environmental Quality Act (CEQA)—exempts local government from the requirement of preparing an environmental impact report (EIR) in connection with its activities and approvals necessary for the preparation and adoption of LCPs and LCP amendments. The Commission's LCP review and approval program has been found by the Secretary of the Natural Resources Agency to be functionally equivalent to the EIR process. Thus, under CEQA Section 21080.5, the Commission is relieved of the responsibility to prepare an EIR for each LCP or LCP amendment action.

Nevertheless, the Commission is required, in approving an LCP or LCP amendment submittal, to find that the approval of the proposed LCP, as amended, does conform with CEQA provisions, including the requirement in CEQA section 21080.5(d)(2)(A) that the amended LCP will not be approved or adopted as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment (see California Code of Regulations Title 14 Sections 13540(f) and 13555(b)).

The Commission incorporates its findings on LUP conformity into this CEQA finding as if set forth in full herein. The Commission finds that, for the reasons discussed in this report, the proposed LCP amendment, if modified as suggested, will comply with the California Environmental Quality Act because there are no further feasible alternatives and mitigation

City of Long Beach LCP Amendment
LCP-5-LOB-21-0089-3-Part B (Motel/Hotel Conversions & Unpermitted Dwelling Units)

measures that would substantially lessen any significant adverse impacts which the LCP amendment may have on the environment. The Commission finds that the proposed LCP amendment is consistent with Section 21080.5(d)(2)(A) of the Public Resources Code.