



NO NET LOSS WORKSHOP

Community & Economic Development Department

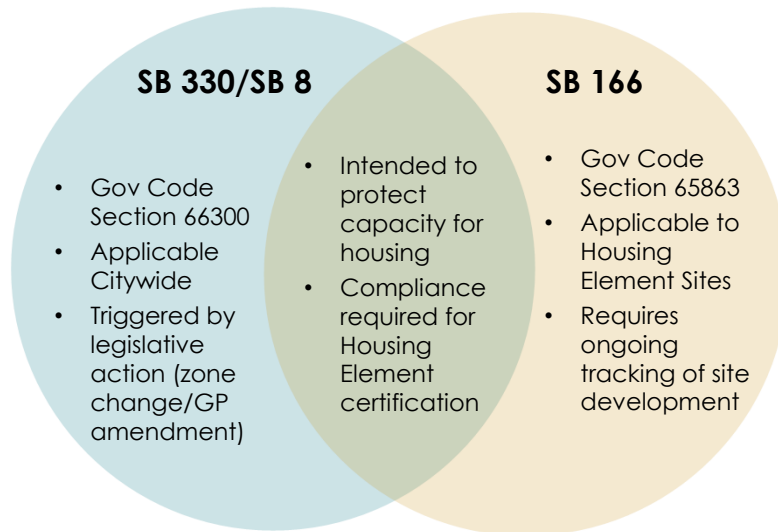
City Council

August 6, 2024

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TWO TYPES OF NO NET LOSS



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SB 330/SB 8 - TEXT

LEGISLATIVE TEXT

"This section does not prohibit an [a city] from changing a land use designation or zoning ordinance to a less intensive use, or reducing the intensity of land use, if the city or county concurrently changes the development standards, policies, and conditions applicable to other parcels within the jurisdiction to ensure that there is no net loss in residential capacity."

Government Code Section 66300(h)(1)

SUMMARY

- Not a blanket prohibition on downzoning
- Requires upzoning of parcels to offset any loss in capacity from downzoning



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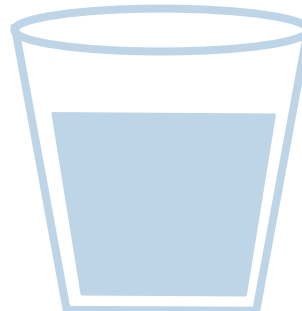
SB 330/SB 8 - CAPACITY

RESIDENTIAL DEVELOPMENT CAPACITY

- Maximum number of units residentially zoned land can accommodate
- Determined by densities set in General Plan and Zoning Code

Example: Mixed Use Zones

- Maximum allowable density of MU-U Zone is 40 dwelling units per acre
 - The capacity of a **one-acre** site in the MU-U Zone = **40 dwelling units**
- Maximum allowable density of MU-N Zone is 10 dwelling units per acre
 - The capacity of a **one-acre** site in the MU-N Zone = **10 dwelling units**



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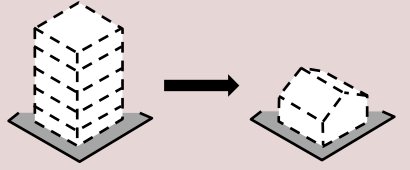
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SB 330/SB 8 - CAPACITY

DOWNZONING

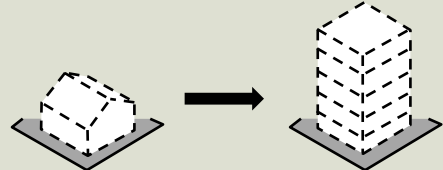
- ↓ Reduces a site's residential development capacity
- ↓ Change zoning of property to a designation with **less** density than what is currently allowed



Existing zoning Proposed zoning


UPZONING

- ↑ Increases a site's residential development capacity
- ↑ Change zoning of property to a designation with **more** density than what is currently allowed



Existing zoning Proposed zoning

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SB 330/SB8 - CONCEPT

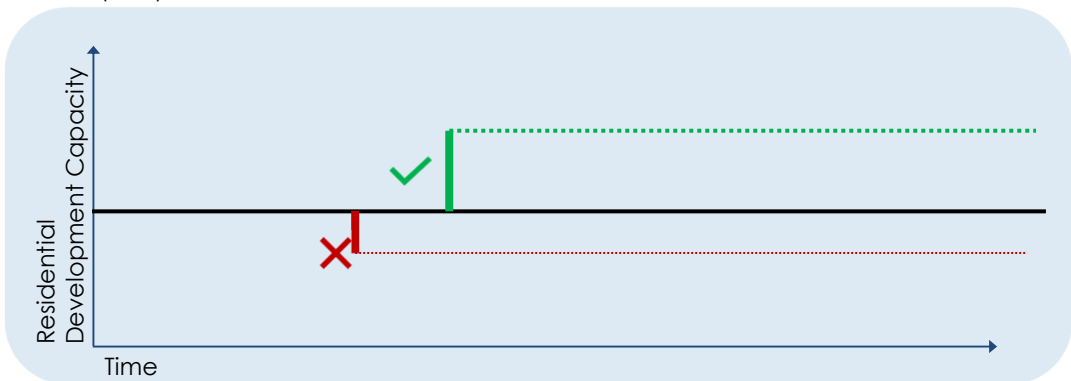
— Baseline Residential Development Capacity (2018)

— Upzoning

⋯ Increased Capacity

— Downzoning


⋯ Decreased Capacity



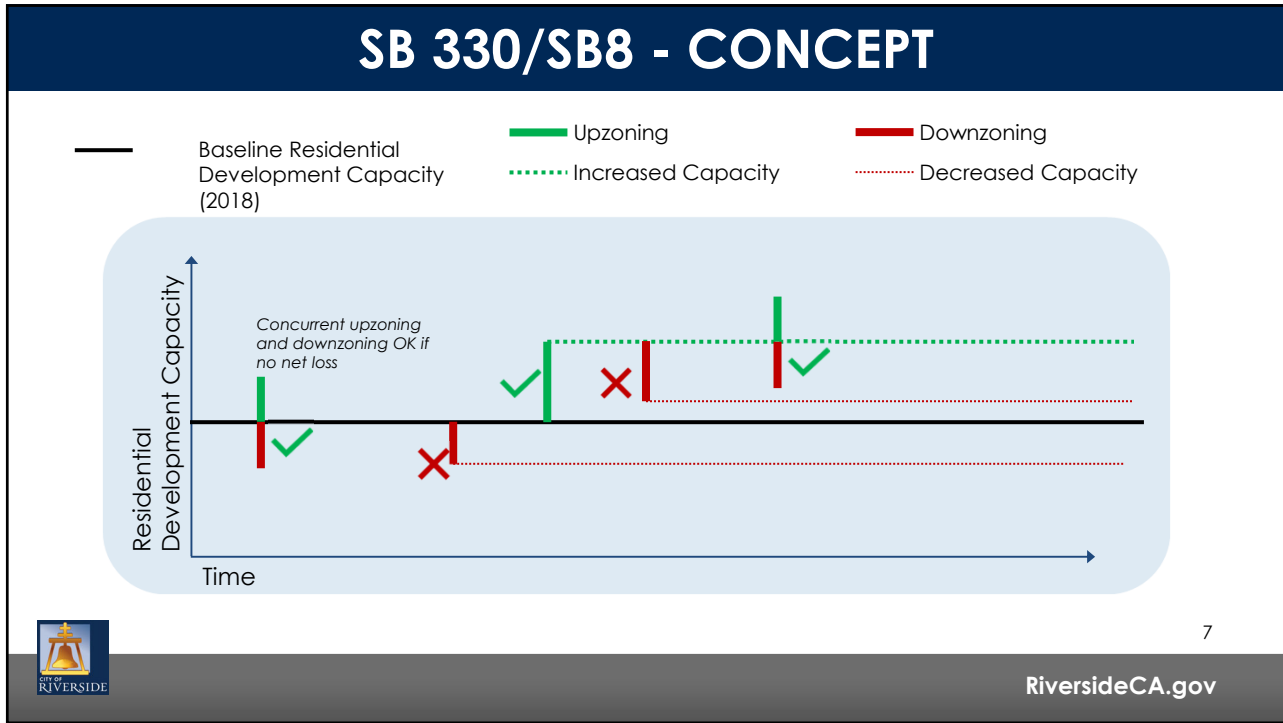
Residential Development Capacity

Time

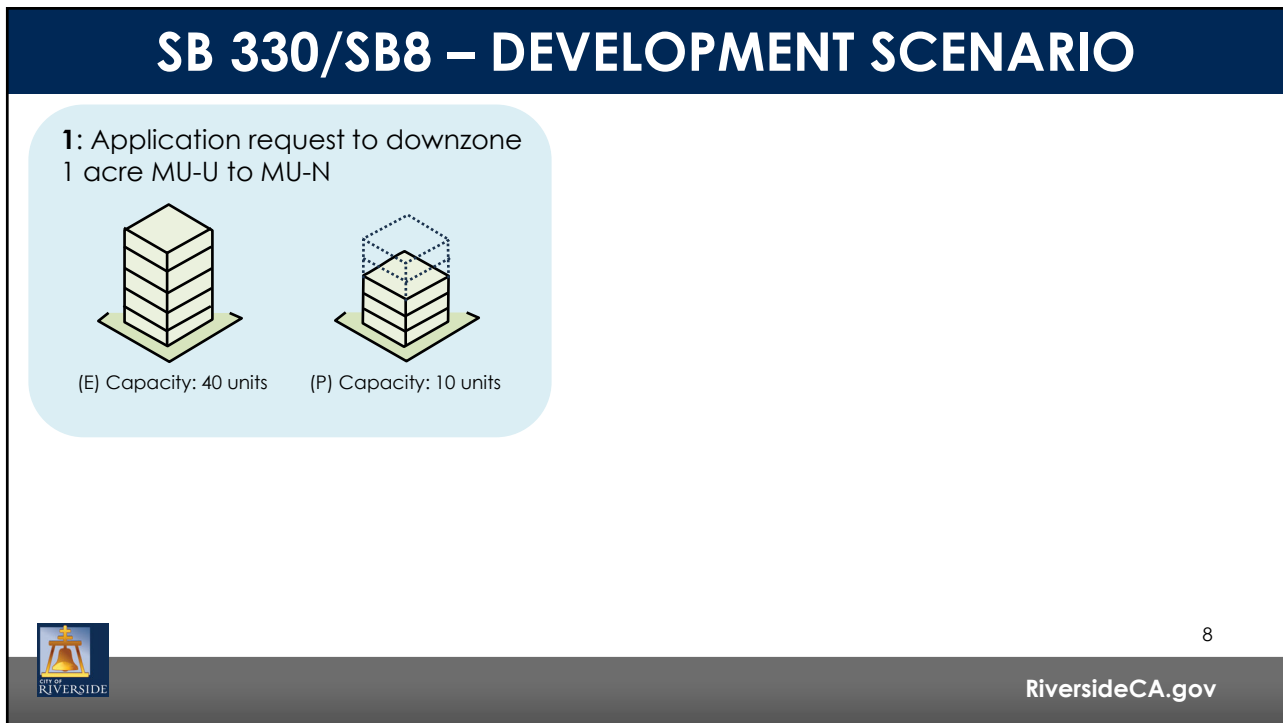
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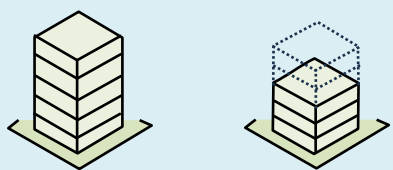
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SB 330/SB8 – DEVELOPMENT SCENARIO


1: Application request to downzone 1 acre MU-U to MU-N



(E) Capacity: 40 units (P) Capacity: 10 units

2: Determine “lost capacity” to be offset

EXISTING CAPACITY – PROPOSED CAPACITY = *LOST CAPACITY*
40 – 10 = **30**



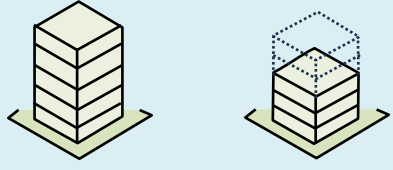
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SB 330/SB8 – DEVELOPMENT SCENARIO

1: Application request to downzone 1 acre MU-U to MU-N

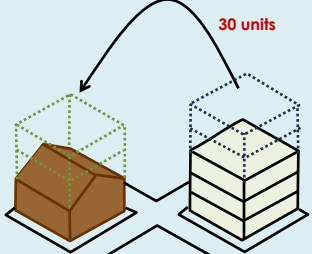


(E) Capacity: 40 units (P) Capacity: 10 units


2: Determine “lost capacity” to be offset

EXISTING CAPACITY – PROPOSED CAPACITY = *LOST CAPACITY*
40 – 10 = **30**

3: Applicant responsible for identifying another parcel that can be upzoned to increase capacity by 30 units

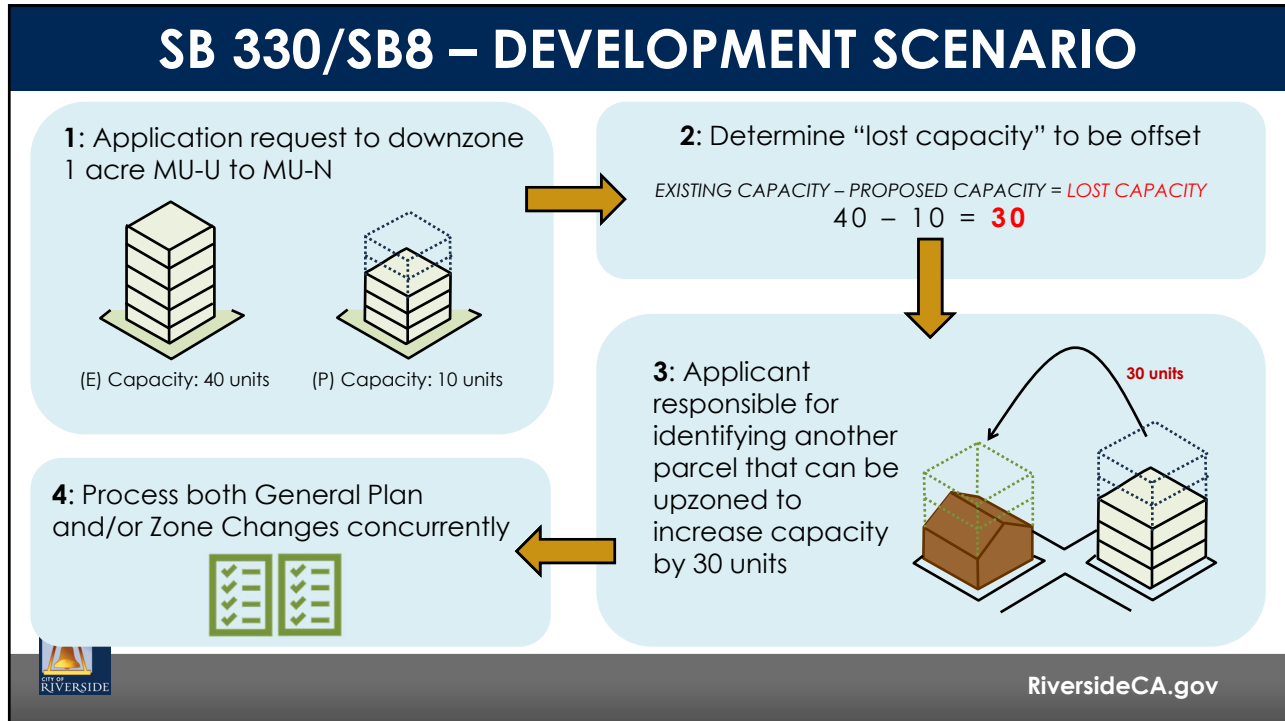


30 units



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SB 166 - TEXT

LEGISLATIVE TEXT

"At no time...shall a [city] by administrative, quasi-judicial, legislative, or other action permit or cause its inventory of sites identified in the housing element to be insufficient to meet its remaining unmet share of the regional housing need for lower and moderate-income households."

Government Code Section 65863(a)

SUMMARY

- Cities required to maintain adequate Housing Element Opportunity Sites Inventory to accommodate RHNA by income category
- Should remaining inventory be inadequate to accommodate RHNA, new sites shall be identified in 180 days.

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SB 166 - RHNA

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA)

City's fair share of regional housing need every 8 years, by household income level

Income level	Total Allocation	Remaining Obligation (2024)
Very Low	4,861	4,861
Low	3,064	2,510
Moderate	3,139	2,601
Above-Moderate	7,394	697
Total	18,458	10,699



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SB 166 - CAPACITY

OPPORTUNITY SITES INVENTORY

The Housing element must demonstrate there is enough suitable land available, appropriately zoned, and feasibly developable to accommodate the development of the RHNA obligation

Income Level	RHNA Allocation	Remaining Obligation (2021)	Sites Inventory Capacity (2021)	Surplus Capacity (2021)
Lower	7,925	7,371	8,408	1,037
Moderate & Above Moderate	10,533	6,308	12,587	6,279
Total	18,458	13,697	20,995	7,298



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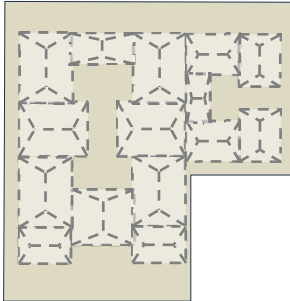
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SB 166 –DEVELOPMENT SCENARIO

SCENARIO 1: CAPACITY/OBLIGATION BALANCE

When a site is developed at the same income level and density as projected in the Housing Element



Housing Element Site A projected to accommodate 50 low-income units



Lower Income Capacity



Lower Income Obligation



Moderate and AM Capacity



Moderate and AM Obligation

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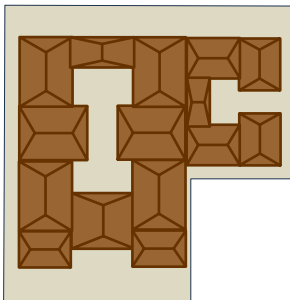
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SB 166 –DEVELOPMENT SCENARIO

SCENARIO 1: CAPACITY/OBLIGATION BALANCE

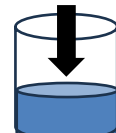
When a site is developed at the same income level and density as projected in the Housing Element



Housing Element Site A projected to accommodate 50 low-income units

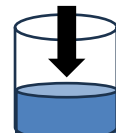
Housing Element Site A is developed with 50 low-income units

Reduced by 50 units



Lower Income Capacity

Reduced by 50 units



Lower Income Obligation



No Change



Moderate and AM Capacity

No Change



Moderate and AM Obligation

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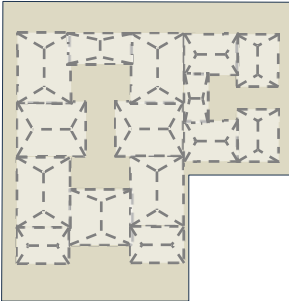


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SB 166 –DEVELOPMENT SCENARIO

SCENARIO 2: CAPACITY/OBLIGATION IMBALANCE
When a site is developed at a different income level and density as projected in the Housing Element



Housing Element Site A projected to accommodate 50 low-income units

 Lower Income Capacity	 Lower Income Obligation
 Moderate and AM Capacity	 Moderate and AM Obligation

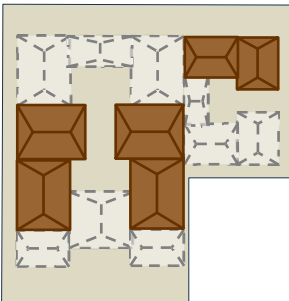


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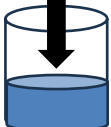


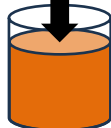
SB 166 –DEVELOPMENT SCENARIO


SCENARIO 2: CAPACITY/OBLIGATION IMBALANCE
When a site is developed at a different income level and density as projected in the Housing Element



Housing Element Site A projected to accommodate 50 low-income units

Housing Element Site A is developed with 10 Above Moderate units

Reduced by 50 units  Lower Income Capacity	No Change  Lower Income Obligation
No Change  Moderate and AM Capacity	Reduced by 10 units  Moderate and AM Obligation



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SB 166 - BUFFER

- Intended to ensure RHNA obligations can be met, regardless of resulting development
- Capacity/Obligation Imbalance may reduce buffer and create incompliance with SB 166

Income Level	Sites Inventory Capacity	Remaining Capacity	Remaining Obligation	Remaining Buffer (2024)
Lower	8,408	7,967	7,371	596
Moderate & Above Moderate	12,587	12,189	3,298	8,891
Total	20,995	20,156	10,669	9,487



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STRATEGIC PLAN ALIGNMENT



Strategic Priority No. 5– High Performing Government

Goal No. 5.2 – Utilize process improvement strategies to increase efficiencies, guide decision making, and ensure services are accessible and distributed equitable throughout all geographic areas of the City



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RECOMMENDATIONS

That the City Council:

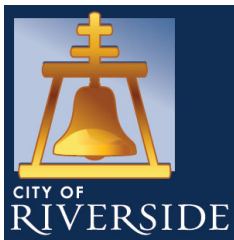
1. **RECEIVE AND FILE** report on applicable State Law and existing City practice/policy pertaining to No Net Loss; and
2. **DIRECT** staff to continue existing practice/policies **or** return to a City Council Committee with options to update City practice/policy



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