

NO NET LOSS WORKSHOP

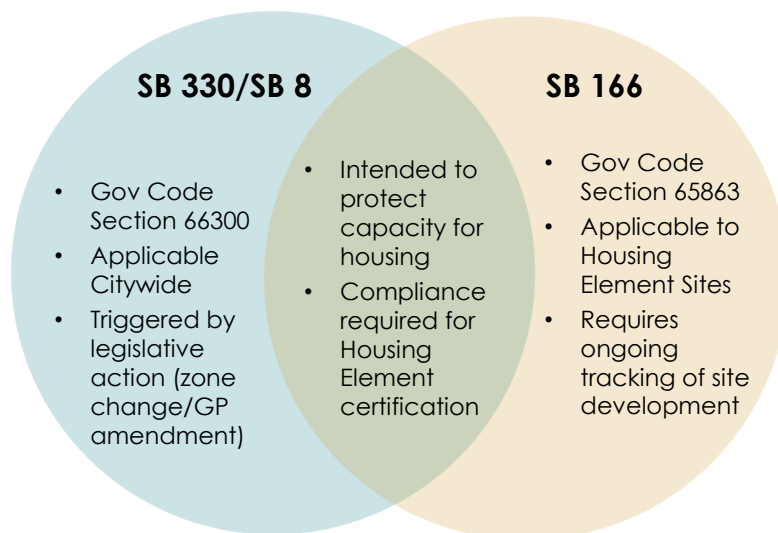
Community & Economic Development Department

City Council
August 6, 2024

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1

TWO TYPES OF NO NET LOSS



2

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2

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



3

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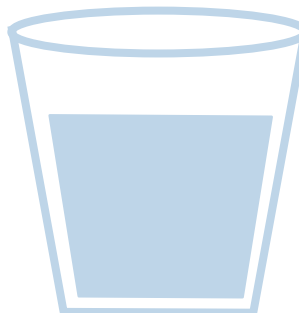
SB 330/SB 8 - CAPACITY

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**



4

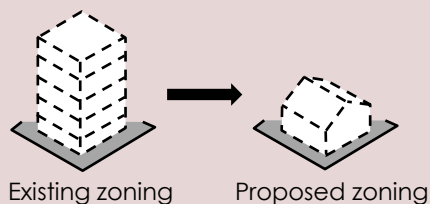
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4

SB 330/SB 8 - CAPACITY

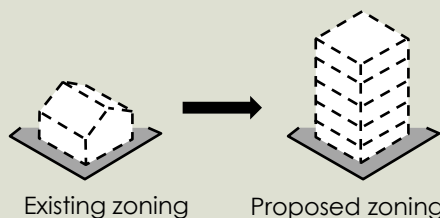
DOWNZONING

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



UPZONING

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

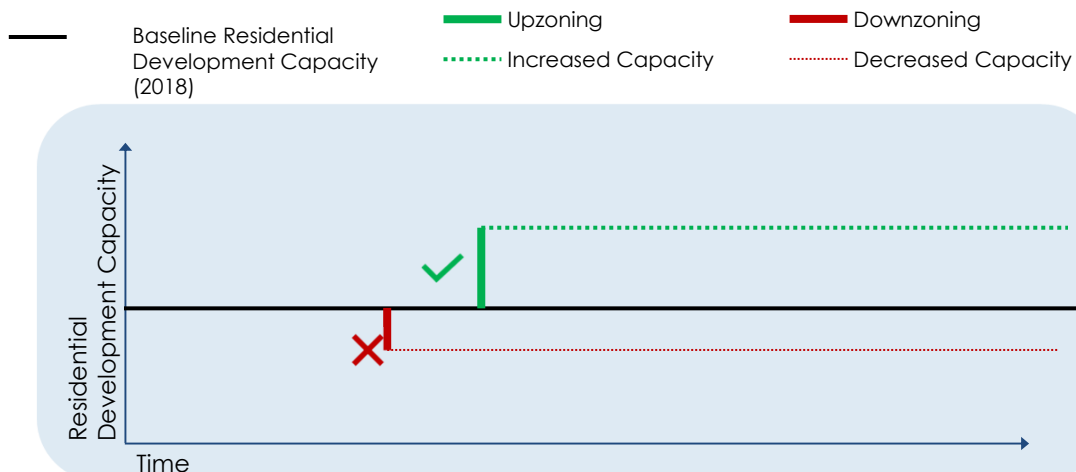


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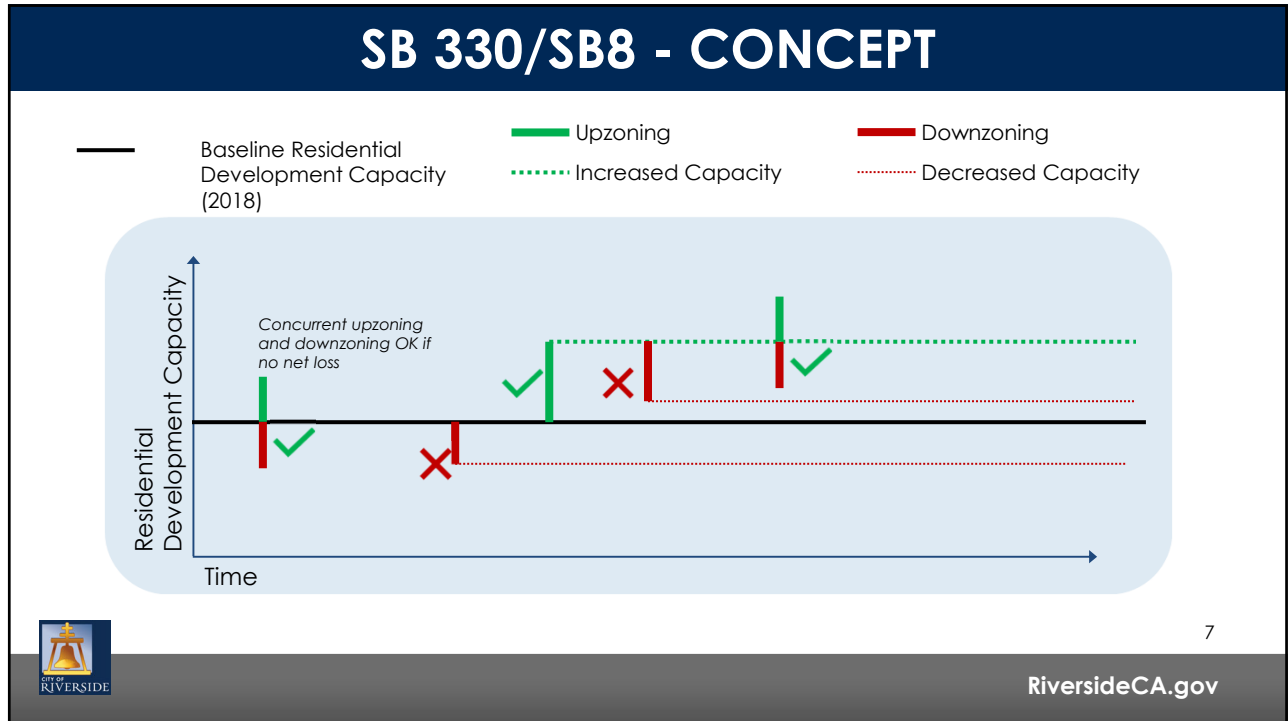
SB 330/SB8 - CONCEPT



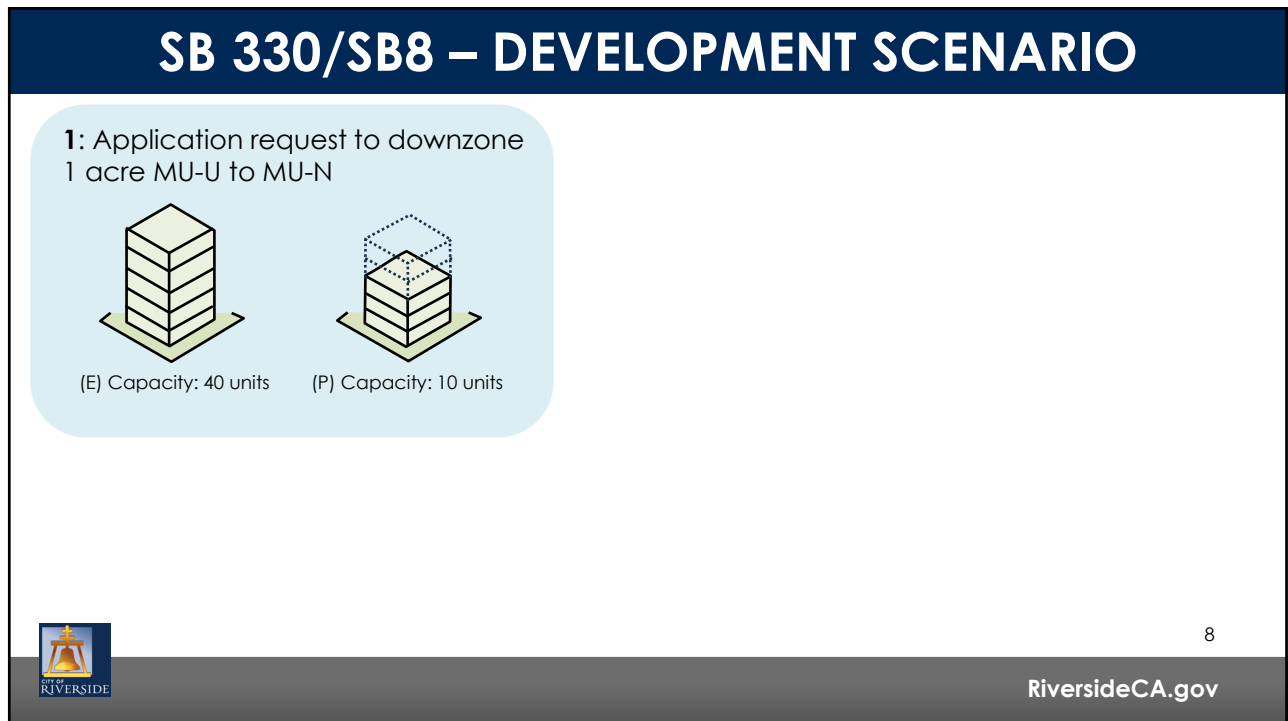
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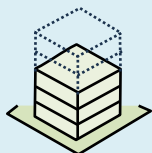
8

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

$$\text{EXISTING CAPACITY} - \text{PROPOSED CAPACITY} = \text{LOST CAPACITY}$$

$$40 - 10 = 30$$



9

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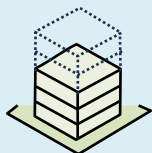
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SB 330/SB8 – DEVELOPMENT SCENARIO

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



(E) Capacity: 40 units



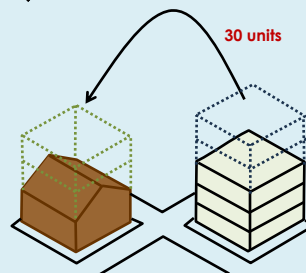
(P) Capacity: 10 units

2: Determine "lost capacity" to be offset

$$\text{EXISTING CAPACITY} - \text{PROPOSED CAPACITY} = \text{LOST CAPACITY}$$

$$40 - 10 = 30$$

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

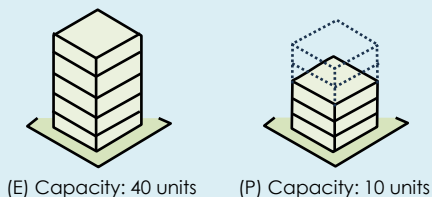


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10

SB 330/SB8 – DEVELOPMENT SCENARIO

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

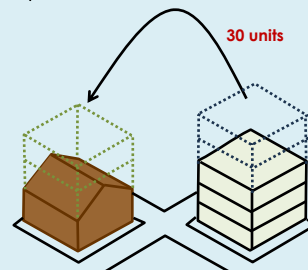


2: Determine "lost capacity" to be offset

$$\text{EXISTING CAPACITY} - \text{PROPOSED CAPACITY} = \text{LOST CAPACITY}$$

$$40 - 10 = 30$$

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



4: Process both General Plan and/or Zone Changes concurrently



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11

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.



12

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12

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



13

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13

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



14

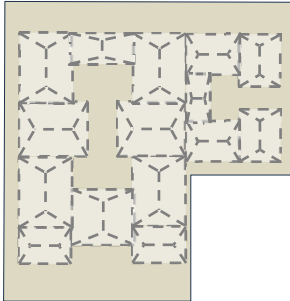
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14

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

15



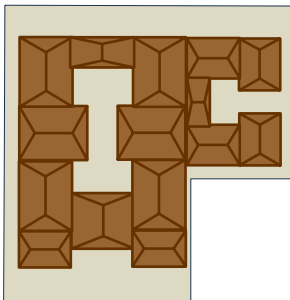
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15

SB 166 –DEVELOPMENT SCENARIO

SCENARIO 1: CAPACITY/OBLIGATION BALANCE

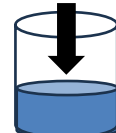
When a site is developed at the same income level and density as projected in the Housing Element



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

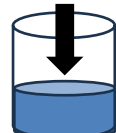
Housing Element Site A is developed with 50 low-income units

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

16



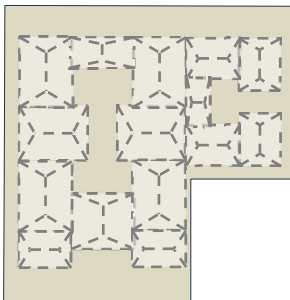
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16

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

17



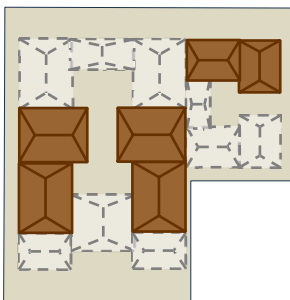
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17

SB 166 –DEVELOPMENT SCENARIO

SCENARIO 2: CAPACITY/OBLIGATION IMBALANCE

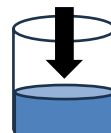
When a site is developed at a different income level and density as projected in the Housing Element



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

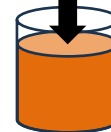


No Change



Moderate and AM Capacity

Reduced by 10 units



Moderate and AM Obligation

18



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18

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



19

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19

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



20

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20

RECOMMENDATIONS

That the City Council:

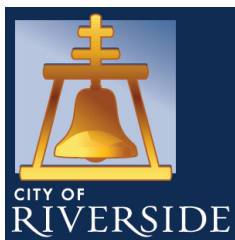
1. **RECEIVE AND FILE** report on applicable State Law and existing City practice/policy pertaining to No Net Loss; and
2. **DIRECT** staff to continue existing practice/policies **or** return to a City Council Committee with options to update City practice/policy



21

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21



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Community & Economic Development Department

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22