**EXAMPLE NO NET LOSS FINDINGS**

**IMPLEMENTATION OF NO NET LOSS LAW**

Pursuant to Government Code section 65863 (No Net Loss Law), a local jurisdiction must ensure that development opportunities remain available throughout the Housing Element planning period to accommodate the jurisdiction’s Regional Housing Need Allocation (RHNA). Since the capacity to accommodate the RHNA could change if developments do not align with the capacity anticipated in the Housing Element, a local jurisdiction must constantly monitor entitlement and permitting activities to ensure that there are adequate sites to accommodate the remaining unmet RHNA by each income category at all times.

If a local jurisdiction approves a development on a parcel identified in the Housing Element Sites Inventory with fewer units than shown in the Housing Element at any income category, the jurisdiction must either make findings that the Housing Element’s remaining sites have sufficient capacity to accommodate the remaining unmet RHNA by each income category or identify and make available sufficient sites to accommodate the remaining unmet RHNA for each income category.

This document is meant to provide an example of the state-mandated findings that must be made as part of the project approval process.

**Explanation of Findings for No Net Loss**

Pursuant to California Government Code Section 65863, the [*Review Authority – Planning Director, Board of Supervisors, City Council, Planning Commission, etc.*] finds the following:

The project site or a portion thereof was identified in the Housing Element to accommodate a portion of the regional housing need. The estimated capacity on the project site was as follows: [*list out the number of units by income level]*. The proposed project does not reduce the density of the site below what was projected in the Housing Element; the Housing Element shows a site capacity of XX low-/moderate-/above-moderate income units, whereas XX low-/moderate-/above-moderate income units are proposed. [*List out the difference between the approved number of units and the estimated capacity in the Housing Element Sites Inventory by income level*].

The proposed development's residential density is consistent with the Housing Element, and the remaining sites identified in the Housing Element are adequate to meet the requirements of Government Code Section 65583.2 and to accommodate the City's share of the regional housing need pursuant to Section 65584.

Nonetheless, the remaining sites in the Housing Element inventory are adequate to meet the requirements of Section 65583.2 and to accommodate the RHNA pursuant to Section 65584, based on the following: The Housing Element, adopted on [DATE], requires that the City accommodate XXX low-/moderate-/above-moderate income units as its share of the regional housing need, with XXX low-/moderate-/above-moderate income units either constructed, approved, or projected to be provided through accessory dwelling units, leaving a remaining need for XXX units. If the project is approved, the remaining need will be reduced to XXX units. The Housing Element Sites Inventory would still have a capacity for XXXX housing units.

This finding demonstrates the remaining sites in the inventory are adequate to meet the requirements of Government Code Section 65583.2 and to accommodate the remaining share of the regional housing need pursuant to Section 65584. This finding includes a quantification of the remaining unmet need for the City’s share of the regional housing need at each income level and the remaining capacity of sites identified in the housing element to accommodate that need by income level.

**Findings if there is a Net Loss**

Pursuant to California Government Code Section 65863, the [*Review Authority – Planning Director, Board of Supervisors, City Council, Planning Commission, etc.*] finds the following:

The project site or a portion thereof was identified in the Housing Element to accommodate a portion of the regional housing need. The estimated capacity on the project site was as follows: [*list out the number of units by income level]*. The proposed project reduces the density of the site below what was projected in the Housing Element; the Housing Element shows a site capacity of XX low-/moderate-/above-moderate income units, whereas XX low-/moderate-/above-moderate income units are proposed. [*List out the difference between the approved number of units and the estimated capacity in the Housing Element Sites Inventory by income level*].

The Housing Element, adopted on [DATE], requires that the City accommodate XXX low-/moderate-/above-moderate income units as its share of the regional housing need, with XXX low-/moderate-/above-moderate income units either constructed, approved, or projected to be provided through accessory dwelling units, leaving a remaining need for XXX units. If the proposed project is approved, the remaining need will be reduced to XXX units. The Housing Element Sites Inventory would still have a capacity for XXXX housing units.

With the residential capacity of the proposed development, the City/County may no longer have an adequate inventory of sites available to accommodate remaining RHNA obligations during the current Housing Element planning period. If the proposed project(s) are approved, the City/County would need to take additional action to meet the requirements of Government Code Section 65583.2 and to accommodate the City's/County’s share of the regional housing need pursuant to Section 65584.

* Option 1: Add sites not identified in Housing Element to meet unmet need: The City has identified sites outside of the housing element that are adequate to meet the requirements of California Government Code Section 65583.2 and to accommodate the City’s share of the regional housing need pursuant to California Government Code section 65584. This finding includes a quantification of the remaining unmet need for the City’s share of the regional housing need at each income level and the remaining capacity of sites identified in the Housing Element to accommodate that need by income level.

* Option 2: Rezone sites to provide more capacity (180-day timeframe) - To comply with Government Code Section 65863 (No Net Loss Law), the City/County has identified alternative sites to replace the loss of units described above. Within 180 days of this decision, the City/County will add the following sites to increase capacity and be able to accommodate the RHNA: