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MEMORANDUM

To: Catherine Otis

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Date: 07/11/23

File: Maverick Fuel Station -
Lancaster (TAG# C1904)

RE: Analysis regarding the proposed Maverick Fuel Station Project – city of Lancaster – impacts to California’s No Net Loss Law

Based on background review of the city of Lancaster 3032-3039 General Plans Housing Element, 2023, as well as the CA Department of Housing and Community Development *Final Regional Housing Needs Assessment*, 2019, The Altum Group has reviewed the proposed Maverick Fuel Station’s impacts on California’s No Net Loss Law.

INTRODUCTION

The State of California’s (State) accelerating housing crisis may be linked to the State’s diminishing availability, affordability, and accessibility of sufficient number and variety of housing stock. Exclusionary policies and under production of affordable housing stock have resulted in an affordable housing crisis across the State.

Since the late 1960s, the State of California has required all cities and counties to meet the housing needs of their communities. A jurisdiction meets this requirement by adopting a Housing Element (HE) to its General Plan (GP). State law requires a jurisdiction to update its HE every eight (8) years, subject to review and approval by the CA Department of Housing and Community Development (CA HCD). In addition, the State has developed a Statewide Housing Plan in order to ensure that the State can pledge to:

- *Keep Californians in their homes;*
- *Produce more affordable and climate-smart housing; and,*
- *Continue to act with urgency to address homelessness and housing need.*

LEGAL REQUIREMENTS FOR HOUSING IN CALIFORNIA

The State’s Housing Plan is updated every four (4) years and presents the State’s housing challenges and strategies to address housing needs, particularly for lower income households. The Housing Plan ensures that cities and counties remove barriers to development and promote land use policies in order to preserve existing affordable housing and to encourage equitable housing opportunities for all income levels within the State, as required under *Senate Bill 166* (Statewide Housing Plan; 2022). There are approximately 5.89 million renter households with average wage rates ranging between \$22 and \$39 (at a minimum wage rate of \$15 an hour) in the County of Los Angeles (County) alone, there are approximately 1.8 million renters (or 54% of the Country’s population) with average wage rates ranging between \$23 and \$40 an hour (at a while minimum wage rate of \$15 an hour). (US Bureau of the Census; 2020).

Senate Bill 166 (SB 166) was enacted in 2017 to ensure that cities or counties in California had adequate housing inventory to accommodate their share of the regional housing needs, as calculated by the CA HCD. SB 166 prohibits a jurisdiction from reducing residential density, particularly for low- and moderate-income households, under future development, unless the jurisdiction can make “written findings supported by substantial evidence” that the potential reduction in housing is consistent with that jurisdiction’s adopted General Plan and Housing Element. A jurisdiction’s HE is therefore required to provide an inventory of potential housing sites that have adequate capacity by income level to accommodate the jurisdiction’s share of housing under the Regional Housing Needs Assessment (RHNA) by income level (CA Code of Regulations, §65583, subd. [a][3]). SB 166 also requires a jurisdiction to make a determination that any sites identified in its HE are sufficient to accommodate. A jurisdiction may, however, reduce the residential density at a site if it can identify alternative sites, within its jurisdictional limits, so that there is no net loss in the total number of residential units. The purpose of *CA Code of Regulations §65583*, also known as the *No Net Loss Law*, is to ensure that:

- a jurisdiction maintains adequate number of sites to provide for its unmet RHNA by each income category, under each of its HE updates;
- a jurisdiction does not reduce residential densities on a particular parcel unless: a) it makes findings that sites identified under its HE sites inventory can meet the jurisdiction’s unmet RHNA per each income category; and, b) it identifies additional sites so that there is no net loss of residential units;
- a jurisdiction does not disapprove a potential housing project based on the proposed project’s need to identify or rezone additional sites adequate to meet its RHNA; and,
- should a jurisdiction approve a development project with less housing units than determined in its HE, the jurisdiction needs to: a) make findings that all remaining sites in its HE have sufficient capacity to accommodate the unmet RHNA per each income category; and b) identify and make available sufficient sites to accommodate the remaining unmet RHNA for each income category.

Typically, most jurisdictions have the physical capacity to include additional sites in their HE site inventory, in excess of their RHNA allocations, including sites that may not be suitable for low income housing. RHNA typically designates income groups into four categories:

- *Extremely-/Very Low-Income (0-50% AMI)**
- *Low-Income (51-80% AMI)*
- *Moderate-Income (80-120% AMI)*
- *Above Moderate-Income (121+% AMI)*

*Notes: AMI: Area Median Income * Pursuant to AB 2634, local jurisdictions are also required to project the housing needs of extremely low-income households (0-30% AMI). In estimating the number of extremely low-income households, a jurisdiction can use 50% of the very low-income allocation or apportion the very low-income figure based on Census data.*

NO NET LOSS

California’s *No Net Loss Law* guarantees that a city (including a charter city), or county, maintains an adequate allocation of affordable housing units so as to meet its unmet housing needs under each income category. The No Net Loss law also guarantees that a jurisdiction is able to maintain its adequate supply of housing under its HE sites inventory, without reducing the potential capacity for new development. As development occurs, a jurisdiction is required to either assess its ability to provide new housing on “adequate sites” within its HE sites inventory, or to add housing sites in order to accommodate its housing needs. Such “adequate sites” are mandated to have:

- the appropriate zoning;
- existing or proposed infrastructure to support a housing development;
- availability for residential;
- be appropriately sized to accommodate low income housing; and,
- identify the capacity, in terms of total number of units, that may be accommodated on the site.

Jurisdictions may not include inadequate or unsuitable sites to accommodate RNHA allocation for the purposes of the No Net Loss law.

The State's No Net Loss law therefore ensures that a jurisdiction has the:

- capacity at all times to accommodate its RHNA requirements;
- responsibility to maintain acceptable sites for low- to -moderate income housing;
- jurisdictional actions related to zoning or changes in zoning and land use; and,
- approval from its governing body, of low-density development projects.

Should a jurisdiction modify its development standards in a way that would result in a lower residential density, limit or stop development on sites identified in its HE inventory, exchange sites in the inventory, or downzone sites that would trigger the No Net Loss law, the jurisdiction is required to either identify alternative sites or make required findings to be adopted by its authoritative governing body, such as its Board of Supervisors or City Council. If a city or county has a shortfall of sites to accommodate its RHNA requirements under all income levels, that jurisdiction is required to amend its HE sites inventory to include either previously unidentified sites with the capacity to accommodate the shortfall, or to include sites that may be rezoned to correct for the shortfall. Failure to do any of the above constitutes a violation of the No Net Loss law.

CITY OF LANCASTER GENERAL PLAN – HOUSING ELEMENT POPULATION ESTIMATES

The City of Lancaster (City) updated its Housing Element in 2021 under its General Plan (Lancaster General Plan Housing Element 2021-2029; accessed 2023). The City utilized population and housing data from the US Bureau of the Census, the Southern California Association of Governments, the US Department of Housing and Urban Development (USHUD), among others.

According to the City's 2021-2029 Housing Element, the city of Lancaster's population saw an estimated 3.2% growth, or approximately 5,066 people, between 2010 and 2020 (Lancaster General Plan Housing Element, 2021-2029; accessed 2023). The majority of this growth was between the ages of 25-64 years, with some growth of school age (ages 0-14 years) children. According to the US Bureau of the Census estimates for 2010 and 2020, the City saw an approximate 4% increase in Hispanic population, an approximate 1% increase in Asian population, an approximate 5% decline in White population, but no negligible changes in African-American, Asian/Pacific Islander, or Other races.

The City's total number of households increased between 2010 and 2020 while median income was approximately \$52,500 during the same period.

According to the US Bureau of the Census American Community Survey (ACS) data, the City accounted for approximately 25% of Extremely Low Income Households, approximately 16% Very Low Income Households, approximately 20% Low Income Households, and approximately 11/5% Moderate Income Households, and approximately 27% Above Moderate Income Households¹ between 2014 and 2018 (Lancaster General Plan Housing Element 2021-2029; accessed 2023). Of these, more renter households were in the lower income categories (at about 80%), than owner households. Although the City's occupied housing stock increased by approximately 1,824 units between 2010 and 2020, most of this housing stock, or approximately 72% of the City's housing stock is in single-family homes, while only about 21% of the City's housing stock is in multi-family housing (Lancaster General Plan Housing Element 2021-2029; accessed 2023).

HOUSING NEEDS ASSESSMENT

Since the City of Lancaster falls under the Southern California Association of Governments (SCAG) six (6) county (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura) jurisdiction, its RHNA allocation amounts to 9,023 new housing units out of SCAG's total of 1,341,827 new housing units for the 2021-2029 planning period. Of this total of 9,023 new housing units that the City has to accommodate over eight (8)

¹ Using the 50% calculation, the City's very low-income RHNA of 2,224 units can be split into 1,112 extremely low-income and 1,112 very low-income

years, 2,224 units have been allocated for Extremely Low/Very Low Income Households (with 1,112 units for Extremely Low Income Households [ELIH] and 1,112 units for Very Low Income Households [VLIH]), 1,194 units have been allocated for Low Income Households, (LIH), 1,328 units have been allocated for Moderate Income Households (MIH), and 4,277 units have been allocated for Above Moderate Income Households (AMIH) (Lancaster General Plan Housing Element 2021-2029; accessed 2023).

With its availability of vacant, residentially zoned land, the City of Lancaster can meet its RHNA allocation of approximately 25% of ELIH/VLIH, 13% of LIH, 13% of MIH, and 47% of AMIH (Lancaster General Plan Housing Element 2021-2029; accessed 2023). As of 2021, 1,902 housing units have been constructed or approved in the City; of these, 176 units are ELIH/VLIH, 493 units are LIH, 3 units are MIH, and 1,230 units are AMIH. By 2029, the City will be required to accommodate its remaining RHNA allocation of 2,048 ELIH/VLIH units, 701 LIH units, 1,325 MIH units, and 3,047 AMIH units (Lancaster General Plan Housing Element 2021-2029; accessed 2023). Table H-5-20 of the City’s General Plan Housing Element indicates that the City has the land capacity to accommodate 2,620 ELIH/VLIH units, 1,373 LIH units, 1,761 MIH units, and 7,663 AMIH units under its HE buildout (Lancaster General Plan Housing Element 2021-2029; accessed 2023). This would result in the City exceeding its RHNA allocations by 396 ELIH/VLIH units, 179 LIH units, 433 MIH units, and 3,386 AMIH units. Therefore, in accordance with State law, the City’s Housing Element has demonstrated that the City has the capacity to meet and exceed its allocated housing needs based on vacant, medium and high density residential, as well as mixed use sites.

PROPOSED PROJECT

The proposed Maverick Fuel Station in Lancaster would be located on approximately 2.34 acres, at the southwest corner of 15th Street West and West Avenue L in the southern portion of the City of Lancaster. The Assessor Parcel Number (APN) for the property is (APN 3109-019-041). The proposed Project would develop the currently vacant site with a 14 fuel-pump gas station, underground fuel storage tanks, an air/tire pressure station, a 5,637 square-foot convenience store with outdoor patio area, 33 parking spaces (with two (2) handicapped parking spaces), trash enclosures, lighting, and signage. The site would be accessed along West Avenue L to the northwest and 15th Street West to the southeast. The site is designated NU or Non-Urban Residential according to the City’s General Plan and has a zoning designation of RR-2.5 or Rural Residential with 1 unit per 2.5 acres to 2 dwelling units per acre (Lancaster Data Hub; accessed June 2023).

The proposed Project would convert a site that is zoned for residential uses into that for commercial (gas station and convenience store) uses. With development of the proposed Project and required change in zoning, this has the potential to minimally diminish the city’s potential housing capacity on a property that is zoned for residential development. With the site’s change in zoning, the (up to) two (2) potential residential units would have to be located elsewhere in the city. However, the City’s GP HE determined that the city has the capacity to provide for medium and high density residential as well as mixed use housing under its eight (8) year RHNA allocation on other “adequate sites” within the City limits, while maintaining its required RHNA allocation. In addition, the city can provide for additional housing elsewhere in the city at both the Extremely Low to Very Low Income and Low-Income levels. Therefore, the two (2) potential residential units that may have been constructed at the proposed Project site can be accommodated elsewhere in the city. The City of Lancaster would not violate the No Net Loss Law under the proposed Project development.

Please let me know if you have any questions or need any additional information or clarification regarding the No Net Loss justification for the proposed Maverick Fuel Station Project in the city of Lancaster, CA.

A handwritten signature in blue ink, appearing to read 'Anna Choudhuri'.

Anna Choudhuri,

Environmental Lead

The Altum Group