

**No Net Loss Law Implementation  
Step-by-Step Guide for Current Planners  
Updated on February 16, 2023**

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 County's capacity to accommodate its RHNA will change if developments approved by the County do not align with the capacity anticipated in the Housing Element, the County must constantly monitor entitlement and permitting activities to ensure that the County maintains, at all times, adequate sites to accommodate its remaining unmet RHNA by each income category.

Moreover, if the County approves a development on a parcel identified in the Housing Element Sites Inventory or Rezoning Program with fewer units than shown in the Housing Element at any income category, the County 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.

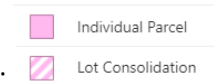
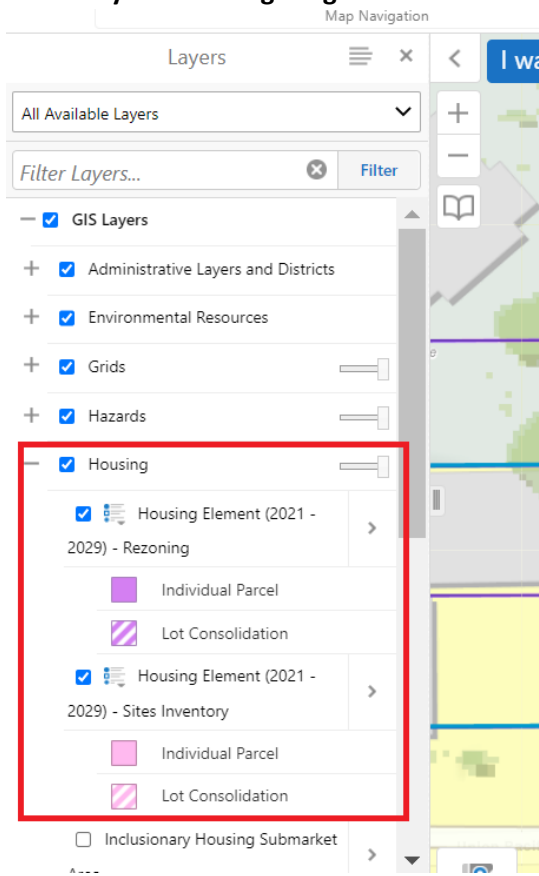
This document is meant to guide case processing planners through the steps needed in determining whether the state-mandated findings must be made as part of the approval process for both ministerial and discretionary entitlements.

**Follow the steps in this guide if the project is one of the following:**

- 1) Non-residential development that adds new floor area (i.e. new building or expansion of an existing building).**
  
- 2) Residential or mixed-use development proposing new primary units (excluding projects such as room addition, accessory structures and ADUs that do not create new primary units).**

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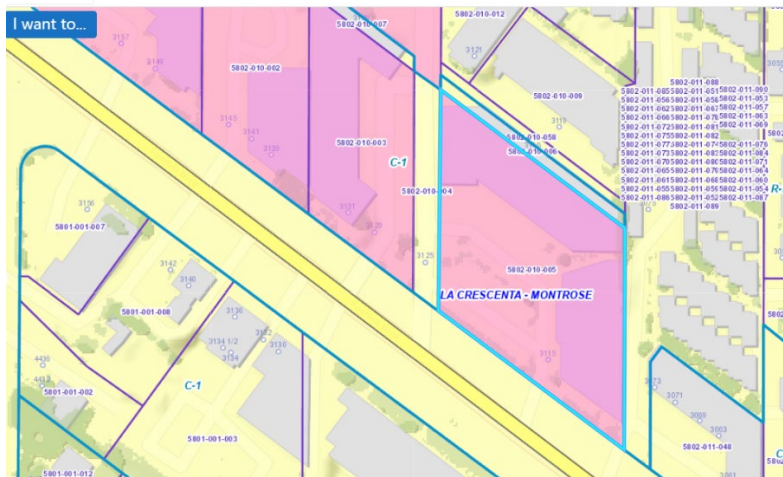
**Step 1: Check GIS-NET to see whether the project site was identified in the Housing Element Sites Inventory or Rezoning Program.**



Parcels identified in the Housing Element Sites Inventory are shown in pink:

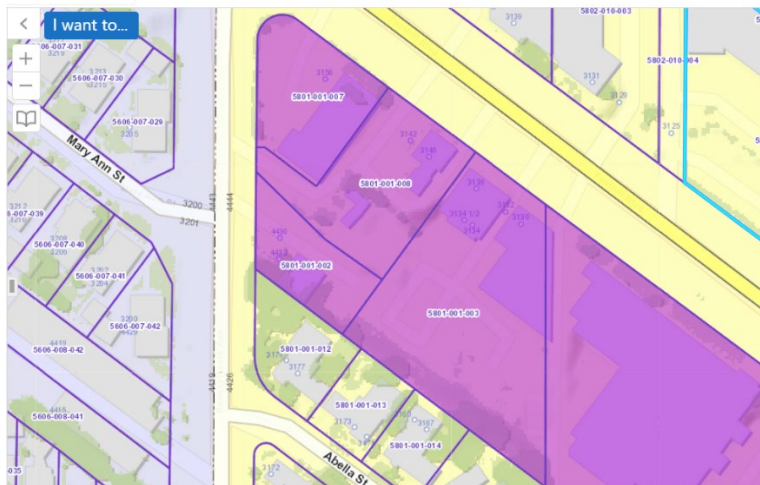
Note that for contiguous APNs under same ownership, the Housing Element assumed potential lot consolidation. But the anticipated development capacity (i.e., number of dwelling units by income category) was estimated on each individual APN, and the proposed project may or may not consolidate the contiguous APNs. See Step #2 below for more information about the anticipated development capacity.

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Parcels identified in the Housing Element Rezoning Program are shown in purple:

Again, the Housing Element assumed potential lot consolidation for contiguous APNs under same ownership. But the anticipated development capacity was estimated on each individual APN, and the proposed project may or may not consolidate the contiguous APNs.



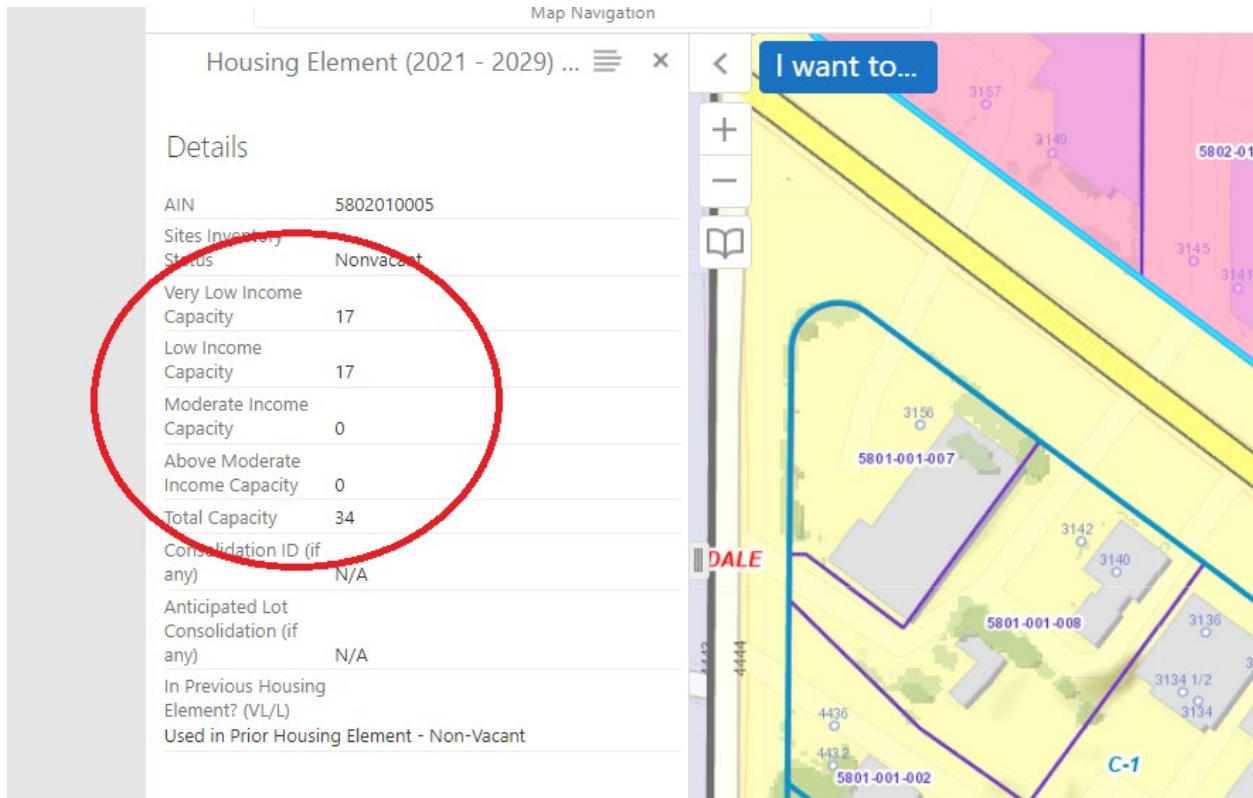
If the project site is on either layer, follow the following steps.

**Step 2: Compare the anticipated development capacity identified in the Housing Element and the proposed development.**

If the parcel is on either the Sites Inventory layer or the Rezoning layer, you can view the “Details” on the parcel to see the anticipated development capacity, which is broken down by income category.

Below is an example of the details on a site identified in the Sites Inventory.

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In the example above, the Housing Element Sites Inventory estimated that 17 very low income units and 17 low income units (total 34 units) could be built on this parcel.

The case processing planner needs to determine whether, as the result of the proposed development, there will be a decrease in unit count at ANY income category.

*Example #1: The proposed development is an office building.*

Since the proposed development does not include any residential units, the approval of the office building would result in 17 fewer units affordable to very low income households and 17 fewer units affordable to low income households compared to what was anticipated in the Housing Element.

*Example #2: The proposed development is a 40-unit apartment building with no income-restricted (affordable) units.*

Since all units in the proposed development will be market-rate, even though the total number of units proposed (40) is more than the number of units anticipated by the Housing Element Sites Inventory (34), and there is an increase in the housing capacity at the above moderate income category, the approval of the proposed apartment building would result in 17 fewer units affordable to very low income households and 17 fewer units affordable to low income households compared to what was anticipated in the Housing Element.

Similar to the Sites Inventory layer, the Rezoning layer also includes details on the parcel regarding the anticipated development capacity once the site is rezoned. The case processing planner should compare

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the anticipated development capacity identified on the Rezoning layer and the proposed development as described above.

The screenshot shows a GIS interface with a map navigation toolbar at the top. The main map area displays a purple-colored parcel with a 'C-3' zoning label and parcel ID '5240-006-014'. A details panel on the left is titled 'Housing Element (2021 - 20...)' and contains the following information:

AIN	5240007010
Proposed Land Use	MU
Proposed Land Use (desc)	MU - Mixed Use (50 - 150 du/net ac)
Proposed Zoning	MXD
Proposed Zoning (desc)	MXD - Mixed Use Development
Acres	0.21
Very Low Income Capacity	13
Low Income Capacity	0
Moderate Income Capacity	0
Above Moderate Income Capacity	12
Total Capacity	25
Consolidation ID (if any)	AZ
Anticipated Lot Consolidation (if any)	5240007010, 5240007011

A red circle highlights the 'Very Low Income Capacity', 'Low Income Capacity', and 'Moderate Income Capacity' rows in the details panel.

Pursuant to state law, additional findings must be made for both ministerial and discretionary permits as part of the approval process for any project that would result in a decrease in unit count at ANY income category. These additional findings must include a quantification of the County’s remaining capacity to accommodate its remaining RHNA. The Housing Policy Section will monitor the County’s capacity on a quarterly basis and will release a set of “surplus” numbers, in the Planner’s Zone, for the case processing planners to include in the findings (see Finding #4 below).

**Step 3: Include additional No Net Loss findings in letter (for ministerial permits) or in Findings (for discretionary permits).**

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Once it is determined that the proposed development would result in a decrease in unit count at one or more income category<sup>1</sup> compared to the anticipated capacity in the Housing Element Sites Inventory or the Rezoning Program, the case processing planner must include the following findings in the approval letter (for ministerial permits, e.g. Site Plan Review) or in the Findings (for discretionary permits, e.g. CUP and Tentative Map). A template for the No Net Loss approval letter can be found on The Knowledge Base.

**Compliance with the No Net Loss Law**

*Pursuant to California Government Code section 65863(b)(2), the [Review authority - Director of LA County Planning/Hearing Officer/Regional Planning Commission/Board of Supervisors] finds the following:*

*1) The project site or a portion thereof was identified in the Revised County of Los Angeles Housing Element (2021-2029) (“Housing Element”) as [an adequate site (if parcel is on the Sites Inventory layer)/a candidate site for rezoning (if parcel is on the Rezoning layer)] to accommodate a portion of the County’s share of the regional housing need;*

*2) The estimated capacity on the project site was as follows: (list out the number of units by income category according to the “Details” shown on GIS-NET for the applicable layer.)*

- *Very Low Income: 17 units*
- *Low Income: 17 units*
- *Moderate Income: 0 units*
- *Above Moderate Income: 0 units*

*3) This approval results in 17 fewer units affordable to very low income households and 17 fewer units affordable to low income households than estimated in the Housing Element. (Only list out the DIFFERENCE between the approved number of units and the estimated capacity in the Housing Element Sites Inventory or the Rezoning Program for income level at which there is a DECREASE.)*

*4) Based on the County’s monitoring of the remaining unmet need for its 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, as of the date of this approval, the County’s surplus capacity to accommodate its share of the regional housing need is as follows (list out the quarterly “surplus” numbers released by the Housing Policy Section):*

- *Very Low Income: X units*
- *Low Income: X units*
- *Moderate Income: X units*
- *Above Moderate Income: X units*

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<sup>1</sup> For the purposes of RHNA No Net Loss tracking, any extremely low income unit proposed shall count toward the very low income category.

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*Therefore, supported by the aforementioned substantial evidence, the remaining sites identified in the Housing Element are adequate to meet the requirements of California Government Code section 65583.2 and to accommodate the County's share of the regional housing need pursuant to California Government Code section 65584.*