Sites Inventory
Helpful Hints and Potential Pitfalls

SCAG Virtual Housing Element Conference
August 27, 2020
Top Housing Element Land Inventory Concerns

1) Calculating capacity for the sites inventory
2) Using nonvacant/mixed-use sites
3) Relying on less than the default density
4) Parcel size – small/large
5) Rezoning
When starting your sites inventory: Helpful Hints

• Review the 5th cycle land inventory
• Remove sites that have been built or not available
• Add any new rezoned or available sites such as from annexation, etc.,
• Review a list of pending and approved projects that will likely be available during the planning
• Identify gaps and strategies to addressing RHNA based on a surplus or shortfall and location of sites to ensure sites selected meet requirements to affirmatively further fair housing
When calculating capacity: Helpful Hints

- Separate analysis of capacity calculations for residential and non-residential sites
- Project past trends but also consider future trends based on proposed projects, new strategies/programs, and past trends
- Consider assumptions and buffers including typical built densities for affordable housing developments vs market rate developments
- Consider Incentives or requirements for residential to be developed on non-residential sites
  - Be conservative with your assumptions when considering counting residential to be developed on non-residential sites
- Review and consider past capacity calculations from the 5th cycle inventory
When calculating capacity: Common Pitfalls

- Too aggressive on capacity calculations – example: 100% capacity
- Not factoring in physical site constraints
- Not providing analysis when assuming residential on non-residential sites
- Not explaining how you determined your capacity calculations
## Example Sites Inventory

<table>
<thead>
<tr>
<th></th>
<th>Extremely/Very Low</th>
<th>Low</th>
<th>Mod</th>
<th>Mkt Rate</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>RHNA</td>
<td>356</td>
<td>224</td>
<td>259</td>
<td>607</td>
<td>1,446</td>
</tr>
<tr>
<td>Approved Projects</td>
<td>--</td>
<td>28</td>
<td>252</td>
<td>1,125</td>
<td>1,405</td>
</tr>
<tr>
<td>Remaining RHNA (after credits)</td>
<td>356</td>
<td>196</td>
<td>7</td>
<td>-518</td>
<td>41</td>
</tr>
<tr>
<td>Specific Plan A</td>
<td>--</td>
<td>--</td>
<td>100</td>
<td>811</td>
<td>911</td>
</tr>
<tr>
<td>ADUs</td>
<td>--</td>
<td>203</td>
<td>202</td>
<td>--</td>
<td>405</td>
</tr>
<tr>
<td>Vacant Sites</td>
<td>366</td>
<td>203</td>
<td>326</td>
<td>811</td>
<td>1,706</td>
</tr>
<tr>
<td>Total Land Availability</td>
<td>366</td>
<td>203</td>
<td>326</td>
<td>811</td>
<td>1,706</td>
</tr>
<tr>
<td>Remaining RHNA Balance</td>
<td>-17</td>
<td>-319</td>
<td>-1,847</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Non-vacant or underutilized sites

• Timing – is a site a good candidate to redevelop in the next 8 years?

• To answer this, we need details (as many as you can):

<table>
<thead>
<tr>
<th>PROPERTY FEATURES</th>
<th>DEVELOPMENT INTEREST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low FAR</td>
<td>Date property last sold</td>
</tr>
<tr>
<td>Low I/L ratio</td>
<td>Vacancy rates</td>
</tr>
<tr>
<td>Building age/condition</td>
<td>Lease terms/timing</td>
</tr>
<tr>
<td></td>
<td>Property owner interest in selling</td>
</tr>
<tr>
<td></td>
<td>Developer interest in buying</td>
</tr>
<tr>
<td></td>
<td>Examples and rates of turnover of nearby or similar properties</td>
</tr>
</tbody>
</table>

• Is the density enough to facilitate redevelopment? Are there other incentives?

• Underutilized sites can accommodate more than 50% lower income RHNA
  ...just need more details and substantiation
Mixed-use sites

• To calculate capacity, we need to know:

<table>
<thead>
<tr>
<th>ZONING STANDARDS / INCENTIVES</th>
<th>DEVELOPMENT INTEREST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allow 100% residential projects</td>
<td>Developer interest in building residential</td>
</tr>
<tr>
<td>Minimum residential requirement</td>
<td>Examples of mixed-use projects built or approved</td>
</tr>
<tr>
<td>Minimum non-residential requirement</td>
<td>in the last planning period</td>
</tr>
<tr>
<td>Incentives for housing (streamlining, reduced fees, etc.)</td>
<td></td>
</tr>
</tbody>
</table>

• Avoid overestimating capacity, either by using a maximum density (unsupported by the market), or by assuming 100% residential on all mixed-use sites

• You can use sites that do not allow 100% residential projects or do not require a minimum amount of residential, but you need to show strong programs or other strategies to incentivize residential
Less than default density

• Default densities for SCAG counties to demonstrate zoning for lower income housing

<table>
<thead>
<tr>
<th>LA, OC, RIV, SB: 30 du/ac</th>
<th>IMP, VEN: 20 du/ac</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ 30-45 du/ac</td>
<td>✓ 20-30 du/ac</td>
</tr>
<tr>
<td>✓ 25-35 du/ac</td>
<td>✓ 15-25 du/ac</td>
</tr>
<tr>
<td>✓ 20-40 du/ac</td>
<td>✓ 10-30 du/ac</td>
</tr>
</tbody>
</table>

≠ 20-25 du/ac
≠ 20-30 du/ac
≠ 0-40 du/ac
≠ 10-15 du/ac
≠ 10-20 du/ac
≠ 0-30 du/ac

- Do not factor in density bonus increases or inclusionary provisions
- Do not allow single family housing in multifamily zoning

• If you want to rely on lower densities, we need to know:
  • Examples of projects (from past 5 years) with affordable housing at identified density
  • Affordability gap analysis showing viability of lower density due to lower land costs or other factors
  • Other information from developers on ideal densities for lower income housing
Previously identified sites (AB 1397)

Helpful Hints

• Denote parcels in land inventory list

• Rezone to allow developments by right when 20 percent or more of the units are affordable to lower income households

• Options to implement the 20% by-right requirement:
  - Create an overlay on those sites
  - Amend existing zoning

• Consider making multi-family housing by-right in multi-family zones
Small/large sites (AB 1397)

Helpful hints

• Include example of sites of equivalent size that were successfully developed
• Include developer interest, possibly survey developers
• Include a program to facilitate the development of the site
• Consider lot consolidation or lot split potential
Rezoning Program

Helpful Hints

• Rezone a minimum # of vacant acres to high density that allow by-right development for projects with a 20% affordable component

• Rezone must be completed within 3 years – by October 15, 2024

• The Sites identified must allow:
  • 50% of the shortfall – met on exclusively residential sites
  • A minimum of 20 units per acre and allow for 30 units per acre
  • Allow for 16 units per site
  • Permit owner and renter uses by right

• Sites will be available for development in the planning period – infrastructure

Common Pitfalls

• Potentially out of compliance in year 3 if rezone doesn’t occur
Most Frequently Misunderstood

• Strategy mixing and matching
  • Vacant, Non-vacant, Mixed-Use, ADUs, Specific Plans

• AB 1397
  • Can still count small, large and previously identified sites

• Housing Element Deadlines
  - HE Planning Period October 15, 2021 – October 15, 2029
  - Housing Element Due Date: October 15, 2021
    - October 16th out of compliance
  • 120 days February 11th adoption to stay on 8-year cycle
Most Frequently Misunderstood

• Default densities
  • Not a requirement but a guide
  • Additional analysis required if not relying on default density

• HCD review process
  • HCD can potentially offer an informal pre-review of specific sections (land inventory) before the formal 60-day submittal
  • 60-day review process
    • Conference call with jurisdictions prior to 60 days to provide initial comments
    • Work with jurisdiction to try to address comments to receive a condition compliance letter by day 60
  • 90-days after adoption

• Housing Element Update and RHNA Timelines
  • Jurisdictions CAN start on update prior to final RHNA adoption