

Newport, Together.



Section 4: HOUSING PLAN

The Housing Plan describes the City of Newport Beach 2021-2029 policy program. The Housing Plan describes the specific goals, policies, and programs to assist City decision makers to achieve the long-term housing objectives set forth in the Newport Beach Housing Element. This Plan identifies goals, policies, and programs aimed at providing additional housing opportunities, removing governmental constraints to affordable housing, improving the condition of existing housing, and providing equal housing opportunities for all residents. These goals, policies, and programs further the City's overall housing policy goal to encourage a more diverse, sustainable, and balanced community through implementation of strategies and programs that will result in economically and socially diversified housing choices that preserve and enhance the special character of Newport Beach. The City will make every effort to budget, plan for and comply with the timelines for implementation set forth in this Section, but may be contingent upon funding and staffing resources.

A. Regional Housing Needs Assessment

The Southern California Association of Governments (SCAG) has conducted a Regional Housing Needs Assessment (RHNA) to determine the City's share of the affordable housing needs for the Orange County region. The RHNA quantifies Newport Beach's local share housing needs for the region by income category. Income categories are based on the most current Median Family Income (MFI) for Orange County. The current 2021 MFI (for an assumed family of 4 persons) for Orange County is \$106,700. The MFI may change periodically, as it is updated on an annual basis. The City's 2021-2029 RHNA growth need of 4,845 housing units is allocated into the following income categories:

- 1,456 units - Very low-income (0-50% County MFI)
- 930 units - Low-income (51-80% of County MFI)
- 1,050 units - Moderate-income (81-120% of County MFI)
- 1,409 units - Above moderate-income (120% or more of County MFI)

A. Housing Goals

The City of Newport Beach has identified the following housing goals as part of this Housing Element Update:

Housing Goal #1: Provision of adequate sites to accommodate projected housing unit growth needs identified by the 2021-2029 RHNA.

Housing Goal #2: Quality residential development and the preservation, conservation, and appropriate redevelopment of housing stock.

Housing Goal #3: A variety of housing types, designs, and opportunities for all social and economic segments.

Housing Goal #4: Housing opportunities for as many renter- and owner-occupied households as possible in response to the market demand and RHNA obligations for housing in the City.



Housing Goal #5: Preservation of the City’s housing stock for extremely low-, very low-, low-, and moderate-income households.

Housing Goal #6: Housing opportunities for special needs populations.

Housing Goal #7: Equal housing opportunities in the City for all people.

Housing Goal #8: Effective and responsive housing programs and policies.

The goals listed above are described below and on the following pages with accompanying policies and programs to achieve them.

B. Housing Policies and Program Actions

This Housing Element expresses the Newport Beach community’s overall housing goals and supporting policies and program actions to achieve them. The stated Housing Program Actions are based on a review of past performance of the 5th Cycle Housing Element, analysis of current constraints and resources, and input from Newport Beach residents and stakeholders.

Housing Goal #1

Provision of adequate sites to accommodate projected housing unit growth needs.

Housing Policy 1.1: identify a variety of sites to accommodate housing growth need by income categories to serve the needs of the entire community.

Implementation Actions

Adequate Sites to Accommodate 2021-2029 RHNA

The City of Newport Beach has a total Regional Housing Needs Assessment (RHNA) allocation of 4,845 units. State law requires the City of Newport Beach to identify adequate sites to accommodate its fair share allocation for the 6th Cycle Housing Element. This City has identified a variety of candidate sites through extensive analysis in collaboration with the community and stakeholder through Newport Together’s “Listen and Learn” process, multiple meetings of the City’s Housing Element Update Advisory Committee (Committee), participation by interested residents at a variety of public meetings, workshops, and consultation with property owners. The City of Newport Beach has identified an adequate amount of land that was determined by the Committee as “Feasible” or “Potentially Feasible” for future development. Only a portion of these candidate sites will be necessary to accommodate the City’s RHNA planning obligation. These sites have undergone a rigorous process to evaluate site features, development potential, developer/owner interest and other factors to deem them appropriate for housing during the 2021-2029 Planning Period.

As part of the analysis of adequate sites, the City has comprehensively reviewed opportunity sites citywide and have identify eight primary areas of opportunity:

- Airport Area Environs
- West Newport Mesa
- Dover/Westcliff
- Newport Center

- Banning Ranch
- Coyote Canyon
- 5th Cycle Housing Element Sites
- Accessory Dwelling Units

Since the City has identified several opportunity sites in the 5th Cycle that will be utilized in the 6th Cycle Housing Element, additional policy considerations are stated in this Policy Program.

These opportunities sites are described in map and tabular format in Appendix B of this Housing Element. Each of the opportunity areas described in this Housing Element have been assigned a targeted acreage, and a targeted number of new housing units (see following implementing Policy Action statements). Collectively, these targets must meet the unmet RHNA need as required by State law. It is expected there may be deviations from the targets with future implementing zoning actions. New opportunity sites may be identified, and other sites may be deemed unsuitable or densities may be modified, all based on new information received over time. The City may adopt future zoning strategies that are more or less than the identified targets in this Housing Element provided the total unmet RHNA need by income category is accommodated within state-defined deadlines. If future zoning strategies deviate from the targets expressed in this Housing Element but still meet the requirement to identify adequate sites to accommodate unmet RHNA need, no amendment to the Housing Element would be required and deviations of any magnitude may be considered subject to the City Council's review and approval in consultation with the Community.

All sites proposed for rezoning through implementation of Policy Actions 1A through 1F provided in Section 4 of this Housing Element will require a companion Land Use Element amendment that will be subject to a vote of the electorate pursuant to Charter Section 423. The City will initiate an election and conduct community outreach to educate the public on the benefits of higher density housing and pay for all costs associated with the ballot measure(s). The table below presents a timeline for the process including the vote. If the vote fails, the City will propose alternative Policy Actions and call for a second election. If the second vote fails to pass, the City Council will seek a legal opinion from the State Attorney General's Office as to how to proceed.

Milestones for Housing Element Adoption, Implementation and Charter Section 423 Election

Anticipated Date	Action	Requirements
February 2022	Housing Element Adoption	Public Hearing
February 2022- September 2023	Preparation of Land Use Element amendment(s), Zoning to implement Policy Actions 1A – 1F, and completion of Environmental Impact Report	Community meetings and Public Hearings
September 2023	Initiate ballot measure for Charter Section 423 vote	133 days prior to election date
March 2024	Charter Section 423 election date for voter approval on proposed Land Use Element Amendment	
If Charter 423 vote fails:		
	Amend Housing Element for HCD review and amend Land Use Element and adopt corresponding zoning strategies after conducting environmental review	Community meetings and Public Hearings



	Conduct second Charter Section 423 election on revised amendments	
If second Charter 423 fails:		
	Request opinion from State Attorney General's Office as to City's options	

For all Rezone Policy Actions 1A to 1F, Pursuant to Government Code 65583.2, subdivisions (h) & (i), which rezone sites to accommodate the City's shortfall in satisfying the RHNA, the City commits to the following:

- permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means local government review must not require a CUP, planned unit development permit, or other discretionary review or approval.
- accommodate a minimum of 16 units per site;
- require a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites:
 - allow 100 percent residential use, and
 - require residential use occupy 50 percent of the total floor area of a mixed-use project.

Policy Action 1A: Airport Environs Sub Area

The City will establish a housing opportunity overlay district, or similar rezoning strategy, in the Airport Environs area for 1632 acres of land to provide for the accommodation of at least 1,866,440 housing units in the Very Low, Low, Moderate and Above Moderate-income categories. A Map and Table Summary of these sites are provided in Appendix B of this Housing Element. The overlay, or similar rezone strategy, will allow development of a variety of residential product types at a permitted average density of 50 dwelling units per acre.

Implementation of this program will also include but not limited to development standards, overlay text and entitlement procedures to, among other things, encourage the development of housing for persons of Very Low and Low-incomes. In developing the overlay, or similar rezone strategy, the City will evaluate the potential to include a variety of incentive tools as appropriate, including but not limited to floor area bonus, density bonus, entitlement streamlining, fee waivers or reductions and other considerations.

For Policy 1A, pursuant to Government Code 65583.2, subdivisions (h) & (i), which rezone sites to accommodate the City's shortfall in satisfying the RHNA, the City commits to the following:

- permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means local government review must not require a CUP, planned unit development

permit, or other discretionary review or approval.

- accommodate a minimum of 16 units per site;
- require a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites:
 - allow 100 percent residential use, and
 - require residential use occupy 50 percent of the total floor area of a mixed-useproject.

Timeframe: Complete Code Amendments within 36 months of Housing Element Adoption

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 1B: West Newport Mesa

The City will establish a housing opportunity overlay, or similar rezoning strategy, in the West Newport Mesa area for ~~4749~~ acres of land to provide for the accommodation of at least ~~1,095~~1,107 housing units in the Very Low, Low, Moderate and Above Moderate-income categories. A Map and Table Summary of these sites are provided in Appendix B of this Housing Element. The overlay, or similar rezone strategy, will allow development of a variety of residential product types at a permitted average density of 50 dwelling units per acre.

Implementation of this program will also include but not limited to development standards, overlay text and entitlement procedures to, among other things, encourage the development of housing for persons of Very Low and ~~Low incomes~~Low incomes. In developing the overlay, or similar rezone strategy, the City will evaluate the potential to include a variety of incentive tools as appropriate, including but not limited to floor area bonus, density bonus, entitlement streamlining, fee waivers or reductions and other considerations.

For Policy 1B, ~~pursuant~~pursuant to Government Code 65583.2, subdivisions (h) & (i), which rezone sites to accommodate the City's shortfall in satisfying the RHNA, the City commits to the following:

- permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households.By-right means local government review must not require a CUP, planned unit development permit, or other discretionary review or approval.
- accommodate a minimum of 16 units per site;
- require a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites:
 - allow 100 percent residential use, and
 - require residential use occupy 50 percent of the total floor area of a mixed-useproject.

Timeframe: Complete Code Amendments within 36 months of Housing Element Adoption

Responsible Agency: City of Newport Beach Community Development
Funding Source: General Fund

Policy Action 1C: Newport Center

The City will establish a housing opportunity overlay, or similar rezoning strategy, in the Newport Center area for 15~~83~~ acres of land to provide for the accommodation of at least ~~1,754~~^{2,374} housing units in the Very Low, Low, Moderate and Above Moderate-income categories. A Map and Table Summary of these sites are provided in Appendix B of this Housing Element. The overlay, or similar rezone strategy, will allow development of a variety of residential product types at a permitted average density of 50 dwelling units per acre.

Implementation of this program will also include but not be limited to development standards, overlay text and entitlement procedures to, among other things, encourage the development of housing for persons of Very Low and ~~Low incomes~~^{Low incomes}. In developing the Overlay, or similar rezone strategy, the City will evaluate the potential to include a variety of incentive tools as appropriate, including but not limited to floor area bonus, density bonus, entitlement streamlining, fee waivers or reductions and other considerations.

For Policy 1C, ~~pursuant~~^{pursuant} to Government Code 65583.2, subdivisions (h) & (i), which rezone sites to accommodate the City's shortfall in satisfying the RHNA, the City commits to the following:

- permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means local government review must not require a CUP, planned unit development permit, or other discretionary review or approval.
- accommodate a minimum of 16 units per site;
- require a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites:
 - allow 100 percent residential use, and
 - require residential use occupy 50 percent of the total floor area of a mixed-use project.

Timeframe: Complete Code Amendments within 36 months of Housing Element Adoption
Responsible Agency: City of Newport Beach Community Development
Funding Source: General Fund

Policy Action 1D: Dover / Westcliff

The City will establish an overlay, or similar rezoning strategy, in the Dover / Westcliff area for 19 acres of land to provide for the accommodation of at least ~~458~~³⁹⁶ housing units in the Very Low, Low, Moderate and Above Moderate-income categories. A Map and Table Summary of these sites are provided in Appendix B of this Housing Element. The overlay, or similar rezone strategy, will permit development of a variety of residential product types at a permitted average density of 50 dwelling units per acre.

Implementation of this program will also include but not limited to development standards, overlay text and entitlement procedures to, among other things, encourage the development of housing for persons of Very Low and ~~Low incomes~~Low incomes. In developing the overlay, or similar rezone strategy, the City will evaluate the potential to include a variety of incentive tools as appropriate, including but not limited to floor area bonus, density bonus, entitlement streamlining, fee waivers or reductions and other considerations.

For Policy 1D, ~~pursuant~~pursuant to Government Code 65583.2, subdivisions (h) & (i), which rezone sites to accommodate the City's shortfall in satisfying the RHNA, the City commits to the following:

- permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means local government review must not require a CUP, planned unit development permit, or other discretionary review or approval.
- accommodate a minimum of 16 units per site;
- require a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites:
 - allow 100 percent residential use, and
 - require residential use occupy 50 percent of the total floor area of a mixed-use project.

Timeframe: Complete Code Amendments within 36 months of Housing Element Adoption

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 1E: Banning Ranch

The City has identified the Banning Ranch area as a potential site to accommodate future housing needs. The City has previously approved housing development on this site, but the approved project was subsequently denied by the California Coastal Commission. Additionally, there is a potential the site will be purchased by an entity to preserve the area as open space. The State Department of Housing and Community Development and California Coastal Commission have expressed they do not support the City utilizing the site to the accommodate future RHNA needs based on this potential. Despite these statements, the City believes this site is still a viable opportunity to provide housing for a variety of income levels on a small portion of the 400+ acre site while protecting environmental resources. The City and will continue to support development potential in the Banning Ranch Area, but Area, but will not assume the potential buildout of the area to demonstrate adequate sites for the 2021-2029 RHNA planning period.

The site is currently within the City's Sphere of Influence. The City will continue to work collaboratively with the County of Orange for annexation and with other agencies/entities regarding future use of the property. The City will continue to pursue residential opportunities on a portion of the Banning Ranch site, consistent with existing General Plan policies to provide opportunities for up to 1,475 residential units at an average density of 50 dwelling units per acre.



Implementation of this program will also include development standards and entitlement procedures to encourage the development housing for persons of Very Low and ~~Low incomes~~Low incomes.

For Policy 1E, ~~pursuant~~^{pursuant} to Government Code 65583.2, subdivisions (h) & (i), which rezone sites to accommodate the City's shortfall in satisfying the RHNA, the City commits to the following:

- permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means local government review must not require a CUP, planned unit development permit, or other discretionary review or approval.
- accommodate a minimum of 16 units per site;
- require a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites:
 - allow 100 percent residential use, and
 - require residential use occupy 50 percent of the total floor area of a mixed-useproject.

Timeframe: Complete necessary Code, General Plan and LCP Amendments within 36 months of Housing Element Adoption

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 1F: Coyote Canyon

The Coyote Canyon property is a closed landfill that is owned and managed by the County or Orange but leased to a private developer. The area is of substantial acreage but has limited development potential due to various environmental considerations. The developer has evaluated the entire landfill area and has concluded that 344 acres of the property is not subject to environmental constraints. Additionally, the City has been advised that the County has expressed interest in participating in a transfer of a portion of the property to accommodate residential opportunity.

The City will rezone at least 44-34 acres of land on the Coyote Canyon site, as shown in Appendix B, to accommodate up to 1,320-530 housing units at an average density of 60 dwelling units per acre.

Implementation of this program will also include development standards and entitlement procedures to encourage the development of housing for persons of Very Low and ~~Low incomes~~Low incomes.

Timeframe: Complete Code Amendments within 36 months of Housing Element Adoption

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 1G: 5th Cycle Housing Element Sites

The City has identified a number of sites in the sites inventory contained in Appendix B contain infill sites that were identified in the 5th Cycle Housing Element to accommodate the Very Low and Low-income



categories. To comply with State law, the City will amend Title 20 of the Newport Beach Municipal Code (NBMC) to permit residential uses by-right for housing development projects in which at least 20-percent of the units are affordable to lower-income households. For the purpose of implementation of this program, by-right shall mean the City will not require a discretionary permit application, such as a Conditional Use Permit or Planned Unit Development Permit, that would constitute a “project” as described in Section 21100 of the Public Resources Code. For sites in the coastal zone, the City will continue to require coastal development permits to determine compliance with the City’s certified Local Coastal Program. ~~These sites will be permitted to allow Newport Beach’s statutorily required default density of 30 du/ac~~

The City commits to zoning these 5th Cycle sites to allow Newport Beach’s default density of 30 du/ac, pursuant to Government Code 65583.2, subdivision(c) or at densities demonstrated to be appropriate for the development of housing for lower-income households. Additionally, if any vacant sites in the inventory are being used to accommodate the lower RHNA and have been identified in two prior planning periods, the program must ensure that those sites meet the same requirements.

Timeframe: Complete Code Amendments within 36 months of Housing Element Adoption

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 1H: Accessory Dwelling Unit Construction

Accessory Dwelling Units (ADUs) are an accepted method of providing affordable housing in the City. Due to recent legislation, the ability to entitle and construct ADUs has increased significantly. The City recognizes the significance of this legislation as evidenced by a marked increase in ADU permit applications. Due to this legislation, the City believes aggressive support for ADU construction will result in increased opportunities for housing including affordable units.

The City will aggressively support and accommodate the construction of at least 240 ADUs by a variety of methods, including but not limited to:

- Developing and implementing a public awareness campaign for construction of ADUs with a systematic approach utilizing all forms of media and outreach distribution
- Preparing and maintaining a user-friendly website committed to information related to codes, processes, and incentives pertaining to the development of ADUs and JADUs in the City.
- Evaluating and assessing the appropriateness of additional incentives to encourage ADU development.
- Approve permit-ready standard plans to permit new ADU construction to minimize design costs, expedite permit processing, and provide development certainty for property owners.

Timeframe: Analyze methods within 12 months of Housing Element adoption; Establish programs within 24 months of Housing Element adoption.

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 1I: Accessory Dwelling Units Monitoring Program

The City will annually monitor its progress in permitting an average of 30 ADUs annually, for a total of 240 ADUs during the planning period, in conjunction with Annual Housing Element Progress Report. The analysis will track applications for ADUs, location, affordability, and other important features. If ADU permitting falls below 20 ADUs for more than two consecutive years, the City re-evaluate the City's ADU standards and procedures and modify accordingly within 6 months. If actual production of ADUs is far from anticipated trends, then the City will commit to ~~consider increasing~~increasing the capacity or inventory of sites within six months. This increase in capacity would apply to the- proposed rezoning focus areas to demonstrate the City has remaining capacity to accommodate RHNA need previously assumed through ADU construction. If actual production is near anticipated trends, then the City will consider additional outreach and marketing-

Timeframe: Ongoing, Annual, Developing Monitoring Program within 6 months of adoptions of Housing Element. Increase capacity in rezone areas withing 6 months if monitoring program is far from anticipated trends.

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 1J: Accessory Dwelling Units Amnesty Program

The City will establish a program to allow owners with existing unpermitted ADUs to obtain permits to legalize the ADUs during the 2021-2029 planning period. The Amnesty Program should consist of two parts: 1) education; and 2) incentives. The intent of Part 1 (education) of the program is to create an information guide to help educate and inform the importance and benefits of legalizing and bringing their unpermitted units into compliance. The information guide will include an overview of the necessary life safety code requirements and improvements that will need to be provided for permit issuance and advice on how to discuss and ask questions of permitting staff without the risk of Code Enforcement action. The information guide will also explain how the City's ADU regulations have created an easier path towards compliance whereas previously not feasible. Part 2 (Incentives) of the program will provide property owners incentives, such as fee waivers, courtesy inspections, or grants, to encourage property owners to seek permits to legalize units and make them safe for habitation.

Timeframe: Develop Amnesty Program within 24 months of Housing Element adoption, Target 10 Households annually to participate in the program.

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 1K: Inclusionary Housing Policy

The City has a substantial RHNA obligation of affordable housing that will be a challenge to accommodate due to prevailing project development costs include high land values. Therefore, the City must evaluate a variety of policy prescriptions that will encourage and facilitate the construction of below market-rate housing. The City will investigate inclusionary housing policy options as an additional means to provide a variety of housing types and opportunities for very low, low- and moderate-income households in Newport Beach. The City will assess and analyze a variety of inclusionary housing policy options, standards, requirements and regulations to determine the best course of action. Based upon this initial assessment, the City will determine the appropriateness and application of inclusionary policies, and



adopt policies, programs or regulations that will produce housing opportunities affordable to very low, low and moderate-income households.

The City has determined that a base inclusionary requirement of 15 percent for new residential development to be affordable to very low-, low-, and moderate-income households is appropriate as an interim measure prior to the adoption of a final inclusionary ordinance or policy. The final inclusionary policy shall address development of rental and for-sale housing affordable to very low, low- and moderate-income households, as well as the applicability of this requirement and its alternatives.

Timeframe: Adopt interim inclusionary policy within 6 months of Housing Element adoption. Evaluate Inclusionary options and adopt an Ordinance within 36 months of Housing Element adoption.

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Housing Goal #2

Quality residential development and preservation, conservation, and appropriate redevelopment of housing stock.

Housing Policy 2.1: Support all reasonable efforts to preserve, maintain, and improve availability and quality of existing housing and residential neighborhoods, and ensure full utilization of existing City housing resources for as long into the future as physically and economically feasible.

Implementation Actions

Policy Action 2A: Neighborhood Preservation

The City will continue to improve housing quality and prevent deterioration of existing neighborhoods by strictly enforcing applicable Building Code, Fire Code, and Zoning Code regulations and abating Code violations and nuisances. The City of Newport Beach will continue to prepare a quarterly report on code enforcement activities in the 6th Cycle.

Timeframe: Ongoing, Semi-Annual

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 2B: Residential Building Record Program

The City will maintain and continue to implement the Residential Building Records (RBR) program to reduce and prevent violations of building and zoning ordinances by providing a report to all parties involved in a transaction of sale of residential properties, and providing an opportunity to inspect properties to identify potentially hazardous conditions, resources permitting. The report provides information as to permitted and illegal uses/construction, and verification that buildings meet applicable zoning and building requirements.

The City will continue to implement this program as RBR applications are submitted to the City. The City will continue to promote the availability of program to the public and local real estate professionals by maintaining information on its website and developing brochures and other promotional materials.

Timeframe: Ongoing
Responsible Agency: City of Newport Beach Community Development
Funding Source: General Fund

Policy Action 2C: Preservation of At-Risk Units

There are a number of assisted housing developments or individual housing units within development that may be at-risk of converting to market rate during the 10-year period from the beginning of the 2021-2029 Housing Element planning period. "Assisted housing developments" shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Government Code Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local housing program or used to qualify for a density bonus pursuant to Government Code Section 65916. During the planning period, preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs including those listed above, except where a City demonstrates it has other urgent needs for which alternative funding sources are not available. The city will include strategies that involve local regulation and technical assistance, including The City shall maintaining registration as a Qualified Preservation Entity with HCD to ensure that the City will receive notices from all owners intending to opt out of their Section 8 contracts and/or prepay their HUD-insured mortgages. The City will proactively consult with the property owners identified in Table 3-31 of the Housing Element and potential preservation organizations regarding the potential use of Community Development Block Grant (CDBG) funds and/or Affordable Housing Fund monies all federal, state and local resources to be used for to maintaining affordable housing opportunities in those developments listed in Table 3-31 of Chapter 3 of this Housing Element. The City will provide technical may assistance in the to non-profit entities for acquisition of the units to ensure long-term affordability, upon receiving notice that a property owner of an existing affordable housing development intends to convert the units to a market-rate development. The City will provide specific assistance to owners of these units by making initial contact within 9 months of Housing Element adoption to identify and coordinate assistance. The City will provide in-kind assistance, through information dissemination, to assist in partnering local assisted unit owners with agencies or entities that can provide financial or other assistance to preserve the affordability of these units.

The City will maintain registration as a Qualified Preservation entity with HCD and continuously implement the above such policy as notices are received from property owners in the 6th Cycle.

Timeframe: Ongoing, as necessary to preserve affordability. Initial contact with owners within 9 months of Housing Element adoption. -Annual
Responsible Agency: City of Newport Beach Community Development
Funding Sources: General Fund, State, Federal funding

Housing Goal #3

A variety of housing types, designs, and opportunities for all social and economic segments.

Housing Policy 3.1: Encourage preservation of existing and provision of new housing affordable to extremely low-, very low-, low-, and moderate-income households.

Housing Policy 3.2: Encourage housing developments to offer a wide spectrum of housing choices, designs, and configurations.

Implementation Actions

Policy Action 3A: Objective Design Standards

State Housing law includes various exemptions for projects with an affordable housing component, which limits the City's ability to apply discretionary design review requirements to certain residential projects. State Housing law specifies having objective design standards available to apply to housing projects where the City's discretion over design review is otherwise preempted per State law. The City of Newport Beach will review existing entitlement processes for housing development and will eliminate discretionary review for all housing development proposals that include a minimum affordable housing component. The City will also review the appropriateness of its current development standards to ensure that it reasonably accommodates the type and density of housing it is intended to support. The City will also amend existing development standards to replace or remove all subjective standards for projects with a minimum affordable housing component with objective standards that do not impede the type and density of housing it is intended to allow.

Timeframe: Adopt standards within 24 months of Housing Element adoption

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 3B: SB 35 Streamlining

The City will establish written procedures to comply with California Government Code Section 65913.4 and publish those procedures for the public, as appropriate, to comply with the requirements of SB 35, Chapter 366 Statutes 2017. These requirements apply at any point in time when the City does not meet the State mandated requirements, based upon the SB 35 Statewide Determination Summary Report for Housing Element progress and reporting on Regional Housing Needs Assessment (RHNA)., the City will process development projects with at least 50 percent affordable units through a streamlined permit process (i.e., 90 days for projects with up to 150 units). All projects covered by SB 35 are still subject to the objective development standards of the Newport Beach Municipal Code that includes the Building and Fire Codes. However, qualifying projects cannot be subject to discretionary review or public hearings; and in many cases the City cannot require parking. Reduced parking requirements would be established consistent with the requirements of SB 35 for qualified streamlining projects.

The City currently has consistently exceeded RHNA performance goals during the 5th Cycle. The City's status regarding SB 35 could change during the 6th Cycle dependent upon RHNA progress throughout the 2021-2029 Planning Period.

Timeframe: Adopt procedures within ~~12 months of Housing Element adoption~~ first year of the planning period

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund



Policy Action 3C: Preservation of Rental Opportunities

The City will continue to maintain rental housing opportunities by restricting conversions of rental units to condominiums in a development containing 15 or more units unless the rental housing vacancy rate in Newport Beach is 5 percent or higher, and unless the property owner complies with condominium conversion regulations contained in Newport Beach Municipal Code Chapter 19.64. The City's intent is to ensure no net loss in rental opportunities in existing sites that contain 15 or more units and that the conversion of rentals do not create an imbalance of opportunity in the community. The City will conduct an annual vacancy rate survey to support the implementation of this policy.

To protect lower and moderate-income rental housing, the City shall amend the Municipal Code to restrict the demolition of lower and moderate-income rental housing on sites that provide more than 15 units unless the units maintain the same income categories after demolition.

Timeframe: Ongoing. Update Municipal Code within 24 months of Housing Element adoption.

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 3D: Priority of Affordable Housing

The City will continue to take all feasible actions, through use of development agreements, expedited development review, and expedited processing of grading, building and other development permits, to ensure expedient construction and occupancy for projects approved with lower- and moderate-income housing requirements. The City will continue to implement this program as affordable housing projects are submitted to the City.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 3E: Mortgage Revenue Bonds

The City will continue to participate with the County of Orange in the issuance of tax-exempt mortgage revenue bonds to facilitate and assist in financing, development, and construction of housing affordable to low and moderate-income households. The City will continue to implement program per project submittal as the developer applies for these bonds. The City will adjust this policy to include the promotion of available bonds to the public and developers in the 6th Cycle.

Timeframe: Ongoing, Annual

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 3F: Annual Reporting Program

The City will conduct an annual compliance-monitoring program for units required to be occupied by very low-, low-, and moderate-income households. The City of Newport will complete review by the last quarter of each year and report within the annual General Plan Status Report including the Housing Element Report provided to OPR and HCD by April 1st each year.

Timeframe: Ongoing. Annual

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 3G: Entitlement Assistance

The City will provide entitlement assistance, expedited entitlement processing, and waive application processing fees for developments in which 5 percent of units are affordable to extremely low-income households. To be eligible for a fee waiver, the units shall be subject to an affordability covenant for a minimum duration of 55 years. The affordable units provided shall be granted a waiver of park in-lieu fees (if applicable) and City traffic fair share fees.

The City will continue to implement this program as affordable housing projects are submitted to the City in the 6th Cycle.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 3H: Prioritization of Affordable Housing Funds

The City will give highest priority for use of Affordable Housing Fund monies to affordable housing developments providing units affordable to extremely-low-income households and senior households. The City will continue to implement this program as affordable housing projects are submitted to the City.

The City shall establish objective priorities to allow for the ranking/scoring of future affordable housing projects so that expenditures that most meet the City's objectives are prioritized for funding.

Timeframe: Ongoing. Establish objective priorities with project ranking/scoring within 16 months of Housing Element adoption.

Responsible Agency: City of Newport Beach Community Development

Funding Sources: Affordable Housing Fund, based upon available funds

Policy Action 3I: Public Information About Affordable Housing

The City will continue to maintain a brochure of incentives offered by the City for the development of affordable housing including fee waivers, expedited processing, density bonuses, and other incentives. A copy of this brochure shall be located at the Planning Counter, on the City's website and shall also be provided to potential developers.

The City will update the brochure as needed to provide updated information regarding incentives including updated fees and a reference to the most up to date Site Analysis and Inventory.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 3J: Priority in Kind Assistance for Affordability

The City shall provide more assistance for projects that provide a higher number of affordable units or a greater level of affordability. At least 15 percent of units shall be affordable when assistance is provided

from Community Development Block Grant (CDBG) funds or the City's Affordable Housing Fund. The City will continue to implement the program as housing projects are submitted to the City in the 6th Cycle.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 3K: Coastal Zone Development Affordability

The City shall follow Government Code Section 65590 and implement Municipal Code Titles 20.34 and 2134 "Conversion or Demolition of Affordable Housing" for new developments proposed in the Coastal Zone areas of the City. All required affordable units shall have restrictions to maintain their affordability for a minimum of 55 years.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 3L: Proactive Education and Outreach to Prospective Developers

The City will continue to advise and educate existing landowners and prospective developers of affordable housing development opportunities available within Banning Ranch, the Airport Area, West Newport Mesa, Dover-Westcliff, Newport Center, Mariners' Mile, and Balboa Peninsula areas. The City of Newport Beach will continue to implement its program as prospective developers contact the City seeking development information. The City will maintain designated staff persons that can be contacted to provide housing opportunity information and incentives for development of affordable housing during the 6th Cycle.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 3M: Regional Coordination of Housing Issues

The City will continue to participate in other programs that assist production of housing. The City will attend quarterly OCHA (Cities Advisory Committee) meetings to keep up to date on rehabilitation programs offered by the County in order to continuously inform homeowners and rental property owners within the City of opportunities and to encourage preservation of existing housing stock in the 6th Cycle.

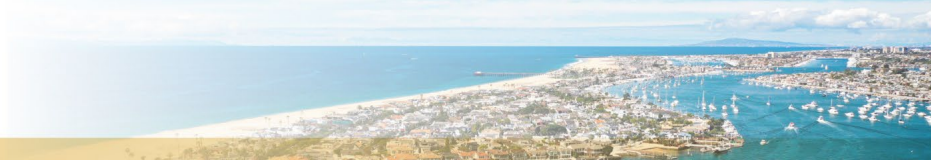
Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 3N: Housing Impact Studies

The City will continue to study housing impacts of proposed larger-scale, significant commercial/industrial projects during the development review process. Prior to project approval, a housing impact assessment shall be developed by the City with the active involvement of the developer. Such assessment shall indicate the magnitude of jobs to be created by the project, where housing opportunities are expected to be available, and what measures (public and private) are requisite, if any, to ensure an adequate supply



of housing for the projected labor force of the project and any restrictions on development due to the City “Charter Section 423”. The City will continue to implement such program as major commercial/industrial projects are submitted to the City in the 6th Cycle.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 3O: Single Resident Occupancies (SROs)

The City will continue to study housing impacts of proposed larger-scale, significant commercial/industrial Use State and federal funding to continue to provide assistance and make provisions for development of single-room occupancy (SRO) housing and other forms of housing for people experiencing homelessness in the City. The City will ensure that such housing options include reasonable accommodations and supportive services for people with disabilities. The City will seek to encourage the development of at least one SRO development within the Planning Period.

Timeframe: Ongoing, with targeted outreach on an annual basis.

Responsible Agency: City of Newport Beach Community Development

Funding Sources: : To be determined as State and federal funding sources become available.

Policy Action 3P: Residential Care Facilities

The City will review, and amend if necessary, the permitting procedures, application requirements, and development standards applicable to residential care facilities for persons of 7 or more to ensure consistency with state and federal laws and amend, if necessary.

Timeframe: By October 2022 and amend the Zoning Code by April 2023 if needed.

Responsible Agency: City of Newport Beach Community Development

Funding Sources: : General Fund.



Housing Goal #4

Housing opportunities for as many renter- and owner-occupied households as possible in response to the market demand and RHNA obligations for housing in the City.

Housing Policy 4.1: Mitigate potential governmental constraints to housing production and affordability by increasing the City's role in facilitating construction of market-rate housing and affordable housing for all income groups.

Housing Policy 4.2: Enable construction of new housing units sufficient to meet City quantified goals by identifying adequate sites for their construction.

Implementation Actions

Policy Action 4A: Affirmatively Furthering Fair Housing

Pursuant to AB 686, Chapter 958, Statutes 2018, the City will affirmatively further fair housing by taking meaningful actions in addition to resisting discrimination, that overcomes patterns of segregation and fosters inclusive communities free from barriers that restrict access to opportunity based on protected classes, as defined by State law.

To accomplish this, the City or designated contracted organization will collaborate with local and regional organizations to review any housing discrimination complaints, assist in dispute resolution, and, where necessary, refer complainants to appropriate state or federal agencies for further investigation, action, and resolution.

Section 3 of this Housing Element contains an analysis of fair housing activities in Newport Beach and the Orange County region.

The analysis found that:

- The City does not have any racial or ethnic groups that score higher than 60 on the dissimilarity index, indicating that while the City of Newport Beach has no racial or ethnic populations with a [dissimilarity index above 60, all populations \(with the exception of the Hispanic/Latino population\) have a score above 30, meaning all groups experience moderate segregation from the White population.](#)
- The City does not have any racially or ethnically concentrated census tracts (R/ECAPs) as identified by HUD. This indicates that there are no census tracts within Newport Beach with a non-white population of 50 percent or more or any census tracts that have a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area. However, one R/ECAP was identified in the neighboring City of Irvine, near the University of California Irvine. This will be considered in the housing plan as students within the R/ECAP may look for housing in Newport Beach.

- The UC Davis Regional Opportunity Index shows that most residents within Newport Beach have a high level of access to opportunity throughout the majority of the City, with only two census tracts showing low access to opportunity.
- The analysis of the TCAC/HCD opportunity Area Maps shows that most census tracts in Newport Beach are classified with the “Moderate Resource” “High Resource” or “Highest Resource” designation. This indicates that these census tracts are within the top 40 percent in the region in terms of areas that lower-income residents may thrive if given the opportunity to live there. All but two census tracts within Newport Beach register within the top 20 percent in the index. One census tract registered as a “Low Resource” area, citing high economic opportunity and low educational opportunity.
- The Opportunity Indices identify overall high access to quality resources including economic and job proximity, educational access, and transportation access. However, there is a low health index, indicating increased pollution and low environmental quality across all racial/ethnic groups in the City. The opportunity indices identify low affordable transportation options to both the Asian or Pacific Islander (Non-Hispanic) and Native American (Non-Hispanic). Additionally the index identified that households who earn below the poverty rate in Newport Beach have lower levels of opportunity access across all indicators as well as race and ethnicities.
- Racially Concentrated Areas of Affluence (RCAA) are characterized by census tract areas in which 80 percent or more of the population is White and that have a median income of at least \$125,000. There are 12 census tracts within the City that are identified as RCAAs.
- Newport Beach and the State have the same rate of home ownership, but residents of Newport Beach experience higher rates of cost burden. Housing adequacy and affordability are similar in both the City and State, where California has a slightly higher rate of affordability.
- Newport Beach scored a 3.9 AllTransit performance score, illustrating a low combination of trips per week and number of jobs accessible that enable a moderate number of people to take transit to work. In total, 138,164 jobs are accessible within a 30-minute trip from Newport Beach, however just 0.55 percent of commuters use transit. By comparison, Newport Beach scored lower than neighboring jurisdictions of Costa Mesa (5.4), Huntington Beach (4.4), and Irvine (3.6), however slightly higher than Laguna Beach (3.8). Overall, the City of Newport Beach has a lower AllTransit score than the County of Orange (3.9) in Newport Beach and 4.2 in the County).

During the planning period, the City will take the following explicit actions to address and implement Fair Housing issues and to affirmatively further fair housing in the community:

- Action 1: Address Fair Housing via R/ECAP and Environmental Justice by adopting an amendment addressing environmental justice to the General Plan—(Plan (Timeline: Complete by December 2024)
- Action 2: Update, analyze and identify regulations that may have historically contributed to the disparities in access to housing and propose innovative solutions such lot configuration, affordability covenants and lot splits to encourage diversified development and support

opportunities for wealth building through home ownership. (Timeline: Complete by December 2024, Annual review and update as necessary)

- Action 3: Examine the effect of existing development policies and regulations on areas with higher concentrations of low-income residents and communities of color. Explore and implement where feasible modified policies or procedures that combat the displacement of low-income residents and communities of color. (Timeline: Complete by December 2024. Annual review and update as necessary)
- Action 4: Conduct ground level site visits and meetings within R/ECAP census tracts to better understand resident and business barriers, resources, and needs. (Timeline: Complete by December 2024, Annual review and update as necessary)
- Action 5: Address Disposition of Loans among Racial/Ethnic groups by proactive outreach to financial institutional partners, including banks, credit unions and other applicable organizations/entities to identify ways to discourage discrimination in underwriting and lending to Hemet households. (Timeline: Outreach conducted by December 2023)
- Action 6: Address Access to Opportunity through facilitation of entrepreneurship opportunities the create economic opportunity with little personal investment, such as ~~home-based~~home-based businesses. The City will collaboration with the Chamber of Commerce to establish policies and programs supportive local employment opportunity. (Timeline: Complete by December 2023)
- Action 7: Address Access to Opportunity in regard to education by increasing outreach to local school districts, vocational schools and other public and private education and job training entities. The City will outreach to and conduct annual meetings with these entities to discuss the housing needs and improving opportunity access, especially to lower income households located in low resource areas. (Timeline: Outreach conducted annually).
- Action 8: To address the lower AllTransit Score experienced in the City, proactive outreach to local and regional transportation providers such as OCTA and local providers of transportation. In addition, the City would collaborate with local businesses and employers to define local needs for the population to maximize the use of transportation in Newport Beach. To accomplish this the City would conduct initial local outreach with the appropriate agencies and/or employers to identify specific areas of improvement. Subsequent to this initial meeting the City will establish policies, programs, and/or improvements as appropriate that demonstrate improvements to transportation access in Newport Beach. (Timeline: Conduct initial outreach within twelve months, establish policies and programs within three years)

The City will continue to collaborate with the community, stakeholders, and appropriate organizations to address potential constraints to fair housing. This may include, but not limited to:

- Analysis and identification of barriers to entry into homeownership or rental opportunities,
- Review of historic policies or restrictions that may have prevented and/or may still prevent disadvantaged groups from locating in Newport Beach,
- Specific actions that contribute to Newport Beach's ability to foster a more inclusive community to all racial, social, and economic groups.



- Target outreach for lower income residents to provide information about affordable housing opportunities and access to funding and finances. The City will partner with County Fair Housing or similar governmental and non-governmental organizations to host up to two (2) workshops.
- Coordination and outreach with stakeholder groups, representatives, non-governmental organizations and non-0profits to further understand existing or potential fair housing issues in the City. The City will host up to two (2) meetings.

The City will maintain compliance with Fair Housing Laws and Regulations. The City will annually review and, if necessary, amend its Municipal Code to comply with State Housing Laws and Fair Housing Laws and Regulations.

Timeframe: Review annually, amend actions and modify Municipal Code as necessary to continue to affirmatively further fair housing and comply with State Housing Laws and Fair Housing Laws and Regulations.

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 4B: Streamlined Project Review

The City will provide a streamlined “fast-track” development review process for proposed affordable housing developments. The City of Newport will continue to implement this program as affordable housing projects are submitted to the City in the 6th Cycle.

Timeframe: Evaluate program features within 24 months, Adopt updated procedures within 36 months of Housing Element adoption

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 4C: Density Bonus and Incentives for Affordable Housing

The City will update its Density Bonus Ordinance (Newport Beach Municipal Code Chapter 20.32) to be consistent with State Law, as amended. Additionally, the City shall either grant a density bonus as required by state law if requested, or provide other incentives of equivalent financial value when a residential developer agrees to construct housing for persons and families of very low, low, and moderate-income above mandated requirements. The City will continue to implement provisions of Chapter 20.32, as amended (Density Bonus) of the Zoning Code as housing projects are submitted to the City during the 6th Cycle. The City will further encourage affordable housing and the potential use of density bonus statutes to accommodate additional affordable units.

Timeframe: Update to Newport Beach Municipal Code Chapter 20.32 within 12 months of the adoption of this Housing Element and implement future updates to maintain consistency with applicable State law on an ongoing basis.

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund



Policy Action 4D: List of Pre-Approved Development Incentives

The City will develop a pre-approved list of incentives and qualifications for such incentives to promote the development of affordable housing. Such incentives could include the waiver of application and development fees or modification to development standards (e.g., setbacks, lot coverage, etc.). The City will continue to work with the Affordable Housing Task Force to develop the list within the 6th Cycle.

Timeframe: Evaluate program features within 24 months, Adopt procedures within 36 months of Housing Element adoption

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 4E: Airport Area Policy Exceptions for Affordable Housing

The City recognizes that General Plan Policy LU6.15.6 may result in a potential constraint to the development of affordable housing in the Airport Area, and as a result, the City shall maintain an exception to the minimum 10-acre village requirement for projects that include a minimum of 30 percent of the units affordable to lower-income households. It is recognized that allowing a smaller scale development within an established commercial and industrial area may result in land use compatibility problems and result in a residential development that does not provide sufficient amenities (i.e., parks) and/or necessary improvements (i.e., pedestrian walkways). Therefore, it is imperative that the exception includes provisions for adequate amenities, design considerations for the future integration into a larger residential village, and a requirement to ensure collaboration with future developers in the area. The City of Newport Beach will maintain the exception and continue to implement this program as projects are submitted to the City in the 6th Cycle.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 4F: Encourage Development of Opportunity Sites

The City will continue to encourage and facilitate residential and/or mixed-use development on sites listed in Appendix B by providing technical assistance to interested developers with site identification and entitlement processing. The City will continue to support developers funding applications from other agencies and programs.

The City shall post the Sites Inventory, as showing in Appendix B on the City's webpage and produce marketing materials for residential and mixed-use opportunity sites, and it will equally encourage and market the sites for both for-sale development and rental development. The City shall educate developers of the benefits of density bonuses and related incentives, identify potential funding opportunities, offer expedited entitlement processing, and offer fee waivers and/or deferrals to encourage the development of affordable housing within residential and mixed-use developments. The City will continuously implement this program as housing projects are submitted to the City. Review and update as necessary the Site Inventory and provide information to interested developers.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 4G: Annual RHNA Sites Inventory Monitoring

The City will monitor and evaluate the development of vacant and underdeveloped parcels on an annual basis and report the success of strategies to encourage residential development in its Annual Progress Reports required pursuant to Government Code 65400. The City of Newport will respond to market conditions and will revise or add additional sites where appropriate or add additional incentives, if identified strategies are not successful in generating development interest. The City will include the report in its annual General Plan Status Report including Housing Element Report to OPR and HCD by April 1st each year.

Timeframe: Ongoing, Annual

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 4H: Review Mixed-Use Zones

As part of the 2006 Comprehensive General Plan Update and 2010 Zoning Code Update, new mixed-use housing opportunity zones were created throughout the City as a strategy to enhance and revitalize underperforming and underutilized properties. These areas included the Airport Area, Dover/Westcliff, Newport Center, Mariners Mile, and portions of the Balboa Peninsula. The Airport Area and Newport Center have proven the most successful with several approved and constructed mixed-use developments, such as Uptown Newport and Villas Fashion Island. The Balboa Peninsula has had some limited success while Dover/Westcliff and Mariners' Mile have not proven successful to-date.

Despite the housing opportunity that was created in these areas, a majority of these sites remain underutilized with a single, non-residential use, such as retail or office. It is evident the City's existing development standards (e.g., setbacks, height, density, parking, dedications, etc.) related to mixed-use development may create constraints to the redevelopment of these properties.

Therefore, to ensure that mixed-use opportunities are maximized, the City will review established mixed-use land use categories and corresponding zoning regulations in the City and recommend policy or code changes to the City Council that reduce regulatory barriers and incentivize mixed-use residential development.

Timeframe: Complete the review and provide recommendations to the City Council within 12 months of Housing Element Adoption, and then complete a review annually thereafter.

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Policy Action 4I: Establish Mixed-Use Resort Opportunities

Mixed-use resorts are an established trend in the hospitality industry that incorporate hotel-branded residential units as an accessory use located within a resort hotel complex where residents enjoy access to the full range of services, facilities, and amenities provided by the hotel operator or brand. The residential use cannot exist without the hotel's services, facilities, and amenities.



The hotel industry has been one of the hardest hit industries due to the COVID-19 pandemic and a full recovery of the industry is not anticipated for many years. Mixed-use resorts provide an opportunity to revitalize older or underperforming hotels and maintain their competitive standing by creating multiple revenue streams.

Economies of scale created by shared facilities, amenities, and services add additional benefit to mixed-use resort developments. This cross pollination of business benefits both the hotel and the resident. It may also increase occupancy rates at the resort by creating increased synergy between uses and social gathering opportunities, boosting transient occupancy taxes while providing in-fill housing opportunities to partially assist the City in meeting its RHNA obligation in highly desirable and built-out areas. Incorporating residences also helps to off-set cyclical variations in hotel occupancy rates that can, for instance, result in seasonal decreases in revenue for the hotel’s food and beverage offerings.

Therefore, to further encourage and incentivize the development of mixed-use hotels, the City will consider policies, regulations and/or interpretations to: 1) clarify ambiguities in General Plan, Zoning Code, and/or Local Coastal Plan Program provisions to allow hotels and motels, located outside of the Coastal Commission Appeal Areas, to convert up to thirty percent (30%) of their permitted hotel and motel rooms into residential units on a one-for-one basis; 2) establish parking programs (e.g., shared parking) and/or reduced residential parking requirements that mitigate the need for any additional parking due to the conversion to residential use; 3) require a fiscal impact analysis to disclose and mitigate any reduction in transient occupancy tax due to a potential conversion; 4) increase the flexibility in use of transfer of development rights to allow for transfer of unbuilt residential units to hotel sites; 5) require property owners converting permitted hotel and motel rooms into residential units to mitigate impacts to on affordable housing production by either constructing affordable housing units within the development or through a contribution of in-lieu fees; 6) require mitigation of impacts to public access for potential conversions located within the Coastal Zone; and 7) require property owners converting permitted hotel and motel rooms into residential units to enter into a development agreement to ensure implementation of this policy at the project level.

<p>Timeframe: Establish policies, regulations and/or interpretations within 24 months of Housing Element Adoption.</p> <p>Responsible Agency: City of Newport Beach Community Development</p> <p>Funding Source: General Fund</p>
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<p>Housing Goal #5</p> <p>Preservation of the City’s housing stock for extremely low-, very low-, low-, and moderate-income households.</p>

Housing Policy 5.1: Continue or undertake the following programs to mitigate potential loss of “at risk” units due to conversion to market-rate units. These efforts utilize existing City and local resources. They include efforts to secure additional resources from public and private sectors should they become available.

Housing Policy 5.2: Improve energy efficiency of all housing unit types (including mobile homes).



Implementation Actions

Policy Action 5A: Preservation of Affordability Covenants

The City will contact owners of 19 affordable units approaching the expiration of affordability covenants to obtain information regarding their plans for continuing affordability on their properties, inform them of financial resources available, and to encourage the extension of the affordability agreements for the developments listed beyond the years noted.

The City will conduct an annual compliance monitoring program and a contact list shall be maintained on City website and updated annually during the 6th Cycle.

Timeframe: Ongoing, as necessary

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 5B: Section 8 Participation

The City shall maintain information on the City's website and prepare written communication for tenants and other interested parties about Orange County Housing Authority Section 8 opportunities and to assist tenants and prospective tenants acquire additional understanding of housing law and related policy issues.

The City will attend quarterly OCHA (Cities Advisory Committee) that provide updates on OCHA Section 8 waiting list and housing opportunities to ensure information provided on City website is up to date. If Section 8 waiting list is opened, promote the availability of the program through marketing materials made available to the public.

Timeframe: Ongoing, Annual

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 5C: Incentivize for Preserving of Affordability Covenants

The City will investigate the potential for providing additional incentives or modify its current policy to incentivize property owners to maintain the affordability of units on their property during the 6th Cycle.

Timeframe: Investigate and adopt incentives, as appropriate, within 24 months of Housing Element Adoption

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 5D: Mobile Home Park Conversions

The City will continue to employ the provisions of NBMC Title 20 provision of the Mobile Home Park Overlay to maintain and protect mobile home parks in a stable environment with a desirable residential character. The City will review the existing provisions of the Mobile Home Park Overlay for consistency with State law in accordance with Government Code Section 65863.7. The City will continue to implement program as projects are submitted to the City.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 5E: Orange County Housing Authority Advisory Committee

The City of Newport Beach will continue to participate as a member of the Orange County Housing Authority (OCHA) Advisory Committee and work in cooperation with the OCHA to provide Section 8 Rental Housing Assistance to residents of the community. The City will continue to attend quarterly OCHA (Cities Advisory Committee). Continue to maintain information on City's website informing landlords of the program benefits of accepting Section 8 Certificate holders.

The City will, in cooperation with the Housing Authority, recommend and request use of modified fair-market rent limits to increase the number of housing units within the City that will be eligible to participate in the Section 8 program. The Newport Beach Planning Division will prepare and implement a publicity program to educate and encourage landlords within the City to rent their units to Section 8 Certificate holders, and to make very low-income households aware of availability of the Section 8 Rental Housing Assistance Program.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 5F: Water Efficiency for Residential Projects

The City will continue to implement and enforce the Water Efficient Landscape Ordinance and Landscape and Irrigation Design Standards in compliance with AB 1881 (Chapter 559 Statutes 2006). The ordinance establishes standards for planning, designing, installing, and maintaining and managing water-efficient landscapes in new construction and rehabilitated projects. The City will continue to implement such program as housing projects are submitted to the City. The City will also encourage the retrofit of existing residential developments to install water efficient appliances and fixtures.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 5G: Energy Efficiency in Residential Projects

The City of Newport Beach will continue to require that any affordable housing developments that receive City assistance from Community Development Block Grant (CDBG) funds or from the City's Affordable Housing Fund shall be required, to the extent feasible, to include installation of energy efficient appliances and devices that will contribute to reduced housing costs for future occupants of the units. The City will continue to implement program as housing projects are awarded funds from the City in the 6th Cycle.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund & Community Development Block Grant (CDBG) funds



Housing Goal #6

Housing opportunities for special needs populations.

Housing Policy 6.1: Encourage approval of housing opportunities for senior citizens and other special needs populations.

Implementation Actions

Policy Action 6A: Homeless Program Assistance

In the 5th Cycle, the City was successful in providing funding to local organizations for providing shelter and services to the individuals experiencing homelessness.

The City will continue to apply annually for United States Department of Urban Development Community Development Block Grant (CDBG) funds and allocate a portion of such funds to sub-recipients who provide shelter and other services for the homeless as well as submit Annual Action Plan to HUD in May of each year.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 6B: Repair Loans and Grant Programs for Seniors, Persons with Physical and Developmental Disabilities and Lower-Income Households

The City, in partnership with OASIS Senior Center and Habitat for Humanity Orange County, has developed a Senior Home Repair Assistance Program (SHARP) that is aimed at assisting low-income seniors in need of critical home repair or modifications due to accessibility needs, safety concerns, health and well-being. The program is available to homeowners aged 60 and older who fall within the 50th percentile of the Orange County median-income.

Additionally, the City will continue to cooperate with the Orange County Housing Authority to pursue establishment of a Senior/Disabled or Limited Income Repair Loan and Grant Program to underwrite all or part of the cost of necessary housing modifications and repairs. Cooperation with the Orange County Housing Authority will include continuing City of Newport Beach participation in the Orange County Continuum of Care and continuing to provide CDBG funding.

The City will continue to attend quarterly OCHA (Cities Advisory Committee) meetings to keep up to date on rehabilitation programs offered by the County in order to continuously inform homeowners and rental property owners within the City of opportunities and to encourage preservation of existing housing stock.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 6C: Leverage CDGB and other Federal Formula Grant Funding

The City receives annual allocation of CDBG and other Federal formula grant funds for use in a variety of housing-related activities. The City shall make every effort to leverage these annual funds from various



agencies to further the City’s housing goals. These may include, but are not limited to, the following State, Regional and private resources:

State Resources

- State Low-Income Housing Tax Credit Program
- Building Equity and Growth in Neighborhoods Program (BEGIN)
- CalHome Program
- Multifamily Housing Program (MHP)
- Housing Related Parks Grant
- CalHFA Single and Multi-Family Program
- Mental Health Service Act (MHSA) Funding

Regional Resources

- Orange County Housing & Finance Agency (OCHFA) Funding
- Southern California Home Financing Authority (SCHFA) Funding
- Orange County Continuum of Care Program
- Orange County Housing Authority (OCHA) Programs

Private Resources

- Federal Home Loan Bank Affordable Housing Program (AHP)
- Community Reinvestment Act Programs
- United Way Funding
- Private Contributions
- Public-Private Partnerships

In addition, the City of Newport Beach will continue to maintain a list of “Public and Private Resources Available for Housing and Community Development Activities” and maintain a list of resources on City website and update as necessary in the 6th Cycle.

Timeframe: Ongoing

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 6D: Child Daycare Facilities

The City will continue to encourage the development of daycare centers as a component of new affordable housing developments and grant additional incentives in conjunction with the review and approval of density bonus projects pursuant to NBMC Chapter 20.32 (Density Bonus).

Timeframe: Modify

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 6E: Housing Assistance for Seniors

The City of Newport Beach was successful in assisting the funding of senior housing services through the 5th Cycle. The City shall continue to encourage senior citizen independence through the promotion of



housing and services related to in-home care, meal programs, and counseling, and maintain a senior center that affords seniors opportunities to live healthy, active, and productive lives in the City.

The City will encourage and approve senior housing developments if there is a market demand provided the projects include appropriate support services including transportation. Projects that provide housing and services for low- and moderate-income seniors shall take precedence over market-rate senior housing.

The City will continue to provide social services, support groups, health screenings, fitness classes, and educational services at the City’s OASIS Senior Center or other facilities and offer affordable ride-share transportation and meal services to seniors who are unable to drive and/or prepare their own meals or dine out and have little assistance in obtaining adequate meals during the 6th Cycle.

Timeframe: Ongoing
Responsible Agency: City of Newport Beach Community Development
Funding Sources: General Fund

Policy Action 6F: Emergency Shelters, Transitional and Supportive Housing

To comply with State law, the City of Newport Beach will amend certain sections of its Municipal Code to address the following requirements:

- Supportive Housing Streamlined Approvals (AB 2162) - To comply with AB 2162 (Chapter 753, Statutes 2018), the City of Newport Beach will amend its Municipal Code to permit supportive housing as a use permitted by right in all zones where multiple family and mixed-use development is permitted.
- Emergency and Transitional Housing Act of 2019 (AB 139) – The City will update its Municipal Code to comply with the requirements of Gov Code 65583 to address permit requirements, objective standards, analysis of annual and season needs, and parking and other applicable standards and provisions.
- Amend the City of Newport Beach Municipal Code to comply with the definitions for “Supportive Housing,” “Supportive Services,” “Target Population” consistent with applicable sections of the California Government Code.
- Amend the Newport Beach Municipal Code to ensure Emergency Shelters, Transitional and Supportive Housing are permitted in appropriate zones, consistent with State law.

Timeframe: Adopt Code Amendments within ~~12 months of Housing Element adoption~~the first year of the planning period.
Responsible Agency: City of Newport Beach Community Development
Funding Sources: General Fund

Policy Action 6G: Senior Housing Priority Program

The City has an aging population that will require affordable housing options for its existing and future retirement age population. The City seeks to develop explore the feasibility and appropriateness of proactive policies and programs to address and prioritize the needs of its senior population.

The City will strategically collaborate with the local senior community and organizations providing senior services to evaluate existing programs, policies, procedures and funding priorities. Upon completion of this initial assessment and determination if there are feasible and practical approaches, the City will develop a comprehensive prioritization program for Senior Housing. The prioritization program will establish the specific methodologies for priority ranking, criteria, scoring and related new policies, programs, regulations and incentives as appropriate.

Timeframe: Study and evaluate existing policies within 24 months of Housing Element adoption. Establish formal policies, programs and regulations within 36 months of Housing Element adoption If deemed practical and feasible during initial study.

Responsible Agency: City of Newport Beach Community Development

Funding Source: General Fund

Housing Goal #7

Equal housing opportunities in the City for all people.

Housing Policy 7.1: Support fair and equal housing opportunities, and environmental justice considerations for all housing opportunities in the City.

Implementation Actions

Policy Action 7A: Supportive Housing / Low Barrier Navigation Centers

State law has been updated to require approval 'by right' of supportive housing with up to 50 units and low barrier navigation centers that meet the requirements of State law. Low barrier navigation centers are generally defined as service-enriched shelters focused on the transition of persons into permanent housing.

Low barrier navigation centers provide temporary living facilities will persons experiencing homelessness to income, public benefits, health services, shelter, and housing. To comply with State law, the City of Newport Beach will adopt policies, procedures, and regulations for processing this type of use to establish a non-discretionary local permit approval process that must be provided to accommodate supportive housing and lower barrier navigation centers per State law. In the interim, any submitted application for this use type will be processed in accordance with State law.

The City will provide for annual monitoring of the effectiveness and appropriateness of existing adopted policies. Should any amendments be warranted to existing policies pursuant to State law, the City will modify its existing policies, as appropriate.

Timeframe: Adopt Code Amendments within ~~12 months of Housing Element adoption~~ first year of the planning period.

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 7B: Transitional and Supportive Housing

In compliance with Senate Bill 2 (Chapter 364, Statutes 2017) and SB 745 Chapter 185, Statutes 2013) the City will ensure the Zoning Code is amended to encourage and facilitates emergency shelters and limits the denial of emergency shelters and transitional and supportive housing under the Housing



Accountability Act. This Program would permit transitional and supportive housing by-right in all zones allowing residential uses, subject only to those regulations that apply to other residential uses of the same type in the same zone. In addition, the Zoning Code will be amended to define “supportive housing,” “target population” and “transitional housing” pursuant to state law. The City will continue to monitor the inventory of sites appropriate to accommodate transitional and supportive housing and will work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met. The City is committed to prioritizing funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.

Timeframe: Adopt Code Amendments within 12 months of Housing Element ~~adoption~~ adoption within the first year of the planning period.

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 7C: Housing for Persons with Developmental Disabilities

The housing needs of persons with developmental disabilities are typically not fully addressed by local zoning regulations. Persons with disabilities may require, in addition to basic affordability, slight modifications to existing units, and in some instances, a varying range of supportive housing facilities. To accommodate residents with developmental disabilities, the City will review and prioritize housing construction and rehabilitation including supportive services targeted for persons with developmental disabilities.

Newport Beach will also explore the granting of regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects targeted for persons with developmental disabilities. To further facilitate the development of units to accommodate persons with developmental disabilities, the City will encourage development of projects targeted for special needs groups. As housing is developed or identified, Newport Beach will collaborate with the Regional Center of Orange County (RCOC) to implement an outreach program informing families within the City of housing and services available for persons with developmental disabilities. The City will provide information at City Hall and on the City’s website.

Timeframe: Adopt Code Amendments within 24 months of Housing Element adoption

Responsible Agency: City of Newport Beach Community Development

Funding Sources: General Fund

Policy Action 7D: Fair Housing Services

The City was successful in reaching out to the community about fair housing services during the 5th Cycle. The City of Newport Beach will continue to contract with an appropriate fair housing service agency for the provision of fair housing services for Newport Beach residents. The City will also work with the fair housing service agency to assist with the periodic update of the Analysis of Impediments to Fair Housing document required by HUD. The City will continue to provide a minimum of two public outreach and educational workshops a year, and distribute pamphlets containing information related to fair housing in the 6th Cycle.

Timeframe: Ongoing
Responsible Agency: City of Newport Beach Community Development
Funding Sources: General Fund

Housing Goal #8

Effective and responsive housing programs and policies.

Housing Policy 8.1: Review the Housing Element on a regular basis to determine appropriateness of goals, policies, programs, and progress of Housing Element implementation.

Implementation Actions

Policy Action 8A: Annual Reporting Program

The City of Newport Beach shall report on the status of all housing programs as part of its annual General Plan Review and Annual Progress Report (APR). The Annual Progress Report discusses Housing Programs and is submitted to the California Department of Housing and Community Development in accordance with California state law. The City will continue to annually report its efforts within the annual General Plan Status Report including Housing Element Report provided to OPR and HCD by April 1st each year.

Timeframe: Ongoing, Annual
Responsible Agency: City of Newport Beach Community Development
Funding Sources: General Fund

Policy Action 8B: Water and Sewer Service Providers

Pursuant to SB 1087, Chapter 727, Statutes of 2005, the City of Newport Beach is required to deliver its adopted housing element and any amendments thereto to local water and sewer service providers. This legislation allows for coordination between the City and water and sewer providers when considering approval of new residential projects, to ensure that the providers have an opportunity to provide input on the Element. Additionally, review of the Housing Element ensures that priority for water and sewer services is granted to projects that include units affordable to lower-income households. The City will submit the adopted 6th Cycle Housing Element to local water and sewer providers for their review and input.

Timeframe: Transmit document immediately upon adoption of future amendment
Responsible Agency: City of Newport Beach Community Development
Funding Sources: General Fund

Summary of Quantified Objectives

The 2021-2029 Regional Housing Needs Assessment (RHNA) determined the City of Newport Beach had a construction need for 4,845 residential units between October 15, 2021 and October 15, 2029. The forecasted need by income group includes:

- Very Low-Income (0-50% County MFI);
- Low-Income (51-80% County MFI);
- Moderate-Income (81-120% County MFI); and,



- Above Moderate-Income (>120% County MFI)

Additionally, the City has goals to rehabilitate and preserve its existing inventory of housing units. As required by State housing law, quantified objectives by income group for the 2021-2029 planning period are summarized in this section. The quantified objectives represent the target number of housing units that the City anticipates will be constructed, rehabilitated, or preserved over the 2021-2029 planning period.

Table 4-1: Quantified Objective Summary

Quantified Objective	Extremely Low	Very Low	Low	Moderate	Above Moderate
Housing Production					
<i>Accessory Dwelling Units</i>	163			72	5
<i>RHNA Sites</i>	1,456		930	1,050	1,409
Rehabilitation	5	5	10	284	00
Preservation	95	77	86	10	00
<i>Source: City of Newport Beach</i>					