



# **Appendix C:**

SUMMARY OF OUTREACH

## Summary of Community Outreach

Section 65583 of the Government Code states that, “the local government shall make diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.” Meaningful community participation is also required in connection with the City’s Assessment of Fair Housing (AFH). A summary of citizen participation is provided below.

As part of the 6<sup>th</sup> Cycle Housing Element Update process, Newport Beach has conducted extensive public outreach activities beginning in 2019. In October 2019, the City launched Newport Together, a Listen & Learn process to guide and inform a future General Plan Update. The goal of the Listen & Learn was to hear from a broad spectrum of community members on community values, assess the current General Plan Vision, and provide recommendations for a future General Plan Update. Newport Together was guided by the General Plan Update Steering Committee, a body appointed by City Council to oversee the Listen and Learn process. The following series of Community Workshops occurred in each of the Newport Beach Council Districts:

- November 12, 2019 from 6 – 8 p.m. at 16<sup>th</sup> Street Recreation Center – *District 2*
- November 14, 2019 from 6 – 8 p.m. Back Bay Science Center – *District 3*
- November 20, 2019 from 6 – 8 p.m. Newport Coast Community Center – *District 7*
- November 21, 2019 from 6 – 8 p.m. OASIS Senior Center – *District 6*
- December 3, 2019 from 6 – 8 p.m. Central Library's Friend Meeting Room – *District 5*
- December 11, 2019 from 6 – 8 p.m. Bonita Creek Community Center - *District 4*
- December 12, 2019 from 6 – 8 p.m. Marina Park Community Center – *District 1*

Beginning in 2020 the City began additional focused discussion for the 6<sup>th</sup> Cycle Housing Element Update. These recent outreach efforts included Community Workshops, Digital Engagement, Planning Commission Study Sessions, Housing Element Advisory Committee Meetings, digital media, and noticed Public Hearings. Project materials, including summaries from community workshops and public meetings, notices, and draft public review documents are available on the City’s website: <https://www.newporttogether.com/housing>.

Outreach for the 6<sup>th</sup> Cycle Housing Element to the Newport Beach community, includes the following actions:

- **Community Workshop #1** – The City conducted a virtual community workshop on October 20, 2020. Advertising for the workshop included emailing the City’s list serve, posting on social media, creating an item on the City’s calendar, newspaper ads, water bill notices, and announcing the event on the project website. The recorded workshop is available for viewing on the workshop’s webpage at [https://www.newporttogether.com/virtual\\_workshop](https://www.newporttogether.com/virtual_workshop). The 82 workshop participants were provided with an overview of the Housing Element Update process, community and housing characteristics, and also participated in engagement activities. Takeaways from the workshop include the following:

- Many believe Newport Beach has opportunities to overcome housing challenges in communities where density may be increased and through a mixture of housing types that meets the needs of many different family types and income levels;
  - Traffic impacts and parking are important issues to be addressed along with housing;
  - Different densities are suitable in different areas of the City;
  - And, some people are opposed to the development of more housing.
- **Community Workshop #2 and #3** – The City conducted a second community workshop on November 16<sup>th</sup> and 17<sup>th</sup>, 2020. Advertising for the workshop included emails out to the City’s distribution list, social media posts, creating an item on the City’s calendar, newspaper ads, water bill notices, and announcing the event on the project website. The recorded workshop is available for viewing on the workshop’s webpage at <https://www.newporttogether.com/housing-suitability>. The workshop included an ice breaker that asked participants to guess the density of various housing types. The activity’s goal was to have participants think about density and to associate density numbers with housing projects in Newport Beach. Participants could submit comments and questions via the Zoom chat box in the first half of the workshop. In the second half, during the public comment section, participants could use the “raise hand” function to indicate that they would like to speak verbally, and project staff would then unmute their microphone. Each participant was allotted three minutes to ask questions or provide comments. Participants were also able to submit comments via the chat box. A primary objective of the workshop was allowing participants opportunities to comment on the housing suitability analysis for focus areas in the City. Participants were asked to consider if focus areas were suitable for housing development and if there were challenges and opportunities associated with these specific areas. Attendance for the part 1 and part 2 of the workshop was as follows:
  - **Part 1:** 61 participants (4 called in and 57 participated on the web)
  - **Part 2:** 55 participants (1 called in and 54 participated on the web)
- **Community Workshop #4** – The City conducted a third community workshop on February 24<sup>th</sup>, 2021. Advertising for the workshop included emails out to the City’s distribution list, social media posts, creating an item on the City’s calendar, newspaper ads, water bill notices, and announcing the event on the project website. The recorded workshop is available for viewing on the workshop’s webpage at <https://www.newporttogether.com/circulation-element-themes2>. The workshop discussed opportunity sites and policy strategies for the Housing Element and provide opportunities for the public to discuss options and provided feedback.
- **Online Community Survey** – [UPDATE AS WE PROCEED] Newport Beach launched an online community survey to gather additional feedback regarding the Housing Element Update. Participants were asked to consider potential policies and programs to include in the Housing Element, as well as potential housing types and opportunities for housing in the City. The survey also solicited feedback regarding potential barriers to housing access and constraints to the development of housing.

- **Planning Commission Study Session** – [UPDATE AS WE PROCEED] The City held a Planning Commission Study Session on March 22<sup>nd</sup>, 2021. During the study session, the project team provided a presentation with an overview of the Public Review Draft Housing Element and Housing Element update process to date. Community members had the opportunity to give public comments.
- **Housing Element Update Advisory Committee (HEUAC) Meetings** – The City established a Housing Element Update Advisory Committee to:
  - Ensure there is sufficient public outreach and stakeholder input regarding the update to the Housing, Land Use, and Circulation Elements of the Newport Beach General Plan and any other Elements deemed necessary.
  - Review responses to the Request for Proposal for services to update the Housing, Land Use, Circulation, and other Elements deemed necessary.
  - Make recommendations to the City Council regarding the selection of consultants to assist in the update of the Housing, Land Use, Circulation, and other Elements deemed necessary.
  - Provide guidance to City staff and the consultant through the outreach process.
  - Provide guidance to City staff, and the consultant, on goals and policies related to the update of the Housing, Land Use, Circulation Elements, and any other Elements deemed necessary by the Committee or City Council.
  - Make other recommendations to the City Council regarding the update of the General Plan, as necessary.

The HEUAC meeting agendas, minutes, and videos are available on the City's webpage at: <https://ecms.newportbeachca.gov/Web/Browse.aspx?startid=2503780&cnb=BoardsCommissio> ns. Nine Newport Beach residents were appointed by the Mayor and Confirmed by the City Council to be part of the committee.

- **Housing Element Update Website** – A website was developed for public consumption, and can be accessed at <https://www.newporttogether.com/housing>. The website provided relevant information about the update process, key features of the housing element, project timeline and a calendar of events for outreach activities. The website also provided a link to the community survey tool, past recorded meetings and summaries, as well as the contact information of the City for residents and community members to send additional comments or request additional information.

As required by Government Code Section 65585(b)(2), all written comments regarding the Housing Element made by the public have previously been provided to each member of the City Council.

This Appendix contains a summary of all public comments regarding the Housing Element received by the City at scheduled public meetings, and the Appendix has been provided to the City Council.



## **C.1 Community Workshop 1 Materials**

This section contains all the related materials from the virtual Community Workshop 1. This includes the outreach flyer, materials provided to participants, and the workshop summary. Comments were received in the chat box, polling questions, and open-ended questions with types responses. Video recording of the workshop and verbal comments are available at <https://www.newporttogether.com/>.



**ENVISIONING THE FUTURE OF HOUSING:**  
**Housing Element Virtual Workshop Summary**

October 20, 2020

Prepared by Kearns & West  
November 4, 2020

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## Introduction

The City of Newport Beach (City) has initiated a focused update to the General Plan Housing Element. In October 2020, the project team hosted the first public workshop to review community input from previous Listen & Learn outreach, identify the process and framework for the Housing Element, explore housing challenges and solutions, and envision a range of housing alternatives.

## Takeaways from the Workshop

The virtual workshop produced many different data points, which will be used to inform the Existing Conditions and Visioning part of the General Plan Update process. While this document summarizes the information collected, four key takeaways are important to note.

- Many believe Newport Beach has opportunities to overcome housing challenges including:
  - Communities where density may be increased
  - A mixture of housing types that meets the needs of many different family types and income levels
- Traffic impacts and parking are important issues to be addressed along with housing
- Different densities are suitable in different areas of the City
- Some people are opposed to the development of more housing

Additional public engagement opportunities will help the City learn more, including from people who chose not to respond during this first workshop

## Project Overview

The effort to update the City's General Plan Housing Element will enable the City to comply with State housing law. Compliance is mandatory, although details of how the City complies is left to the City, subject to approval by the State. This amendment will focus on housing mandates, but will also necessarily result in amendments to the Land Use and Circulation Elements, and the incorporation of environmental justice policies.

The Housing Element will provide for policies, programs and actions addressing existing and projected future housing needs in the community for the 2021-2029 planning period. The Land Use Element will need to be updated for consistency with required changes to the Housing Element to accommodate future housing growth needs as determined by the State.

The Circulation Element will describe policies, programs, and actions that consider the implications of future growth on the City's transportation and circulation system. The update will be evaluated and the impacts to Level of Service (LOS) and Vehicle Miles Travelled (VMT) will be examined within an Environmental Impact Report. This will include the incorporation of Complete Streets policies.

The Environmental Justice Element, as required by SB 1000, describes related goals, policies, and objectives that identify "disadvantaged communities" within the area covered by the General Plan. The environmental justice goals, policies, and objectives will identify objectives and policies (1) to reduce the unique or compounded health risks in disadvantaged communities by means that include, but are not limited to, the reduction of pollution exposure, including the improvement of air quality, and the promotion of public facilities, food access, safe and sanitary homes, and physical activity, (2) to promote civil engagement in the public decision-making process, and (3) prioritize improvements and programs that address the needs of disadvantaged communities.

## Public Outreach Overview

Public outreach is integral to each step of the process. Phase 1 Existing Conditions, Education, and Visioning; Phase 2 Policy Development; and Phase 3 Draft Plan Development. Members of the public may participate in workshops, activities on the project website, and in Community Advisory Committee meetings. Phase 4 Draft & Final Plan Development/EIR/CEQA, the draft plan will be circulated for comments, which will also be received at Planning Commission and City Council meetings.

## Virtual Workshop 1: Envisioning the Future of Housing Activities

### Objectives

During the first workshop, the goals were to review input from the Listen & Learn outreach that took place during Winter 2020, identify the process and framework for the Housing Element, and engage and educate participants in the discussion of housing alternatives compliant with state law and challenges presented by the State's requirements.

### Date, Time, Platform, and Attendance

The meeting took place during the evening of October 20, 2020. The City chose the Zoom platform to involve 82 unique participants.

On average, 65% percent of participants engaged in workshop activities. Those who responded provide a preliminary understanding of the range of opinions among community members. About 35% of participants did not engage in the activities. It is difficult to infer meaning from this data point. However, the comments typed during the workshop may explain some of the reasons for not responding. Through additional engagement the City will deepen its understanding of participant opinions.

### Getting the Word Out

Information about the workshop was shared through the City's distribution email, on social media platforms, as an item on the City's calendar, announced on the project website (NewportTogether.com).

### Outreach Event Activities and Input

The first workshop was comprised of seven activities, which included entries into the chat box, polling questions, and open-ended questions with typed responses. Each activity is described below along with a summary of results.

## Activity 1: Ice Breaker

Using the chat box, participants were invited to introduce themselves by sharing their neighborhood and the view from their windows. Out of 82 participants, 12 people responded.

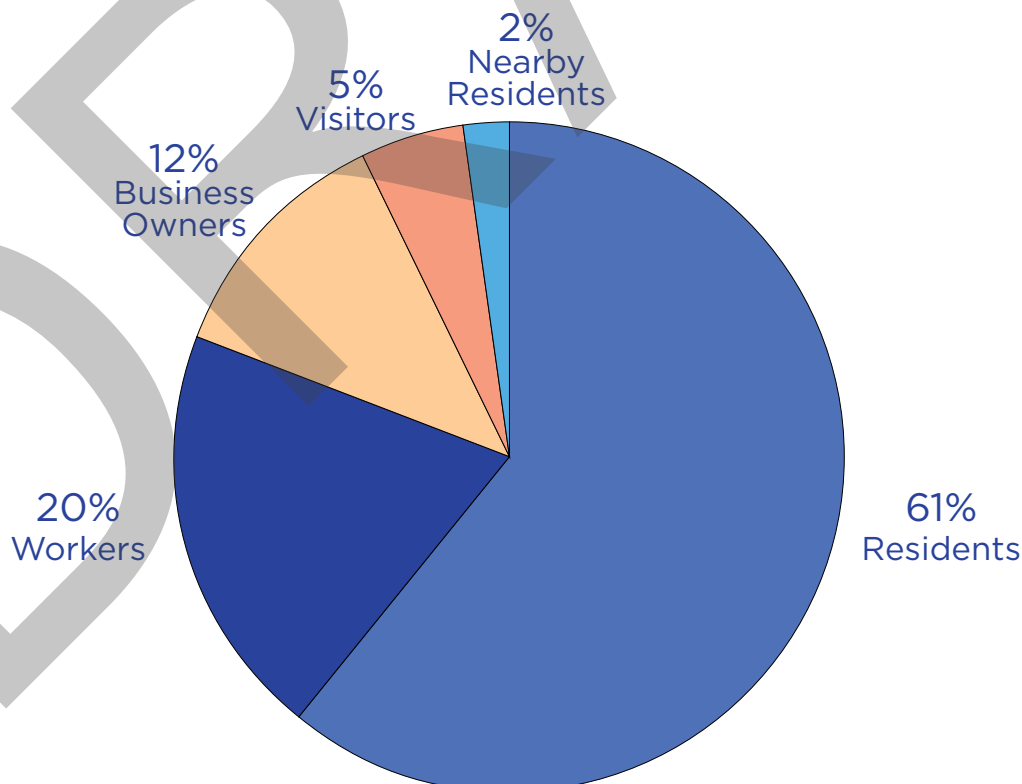
Participants Live In	Participants Have Views Of
Corona Del Mar	Newport Back Bay
Newport Crest	
Newport Crest	
Newport Crest	
The Bluffs	Newport Back Bay
West Newport Beach	
West Newport Beach	Banning Ranch
Newport Island	
Trovare Community of Newport Coast	Newport Bay

Two additional participants are connected to the Airport Area. One is a business owner and the other is a commercial property owner.

## Activity 2: What is your connection to Newport Beach?

The second activity provided more information about participants. Chart 1 illustrates the breakdown with residents being the majority.

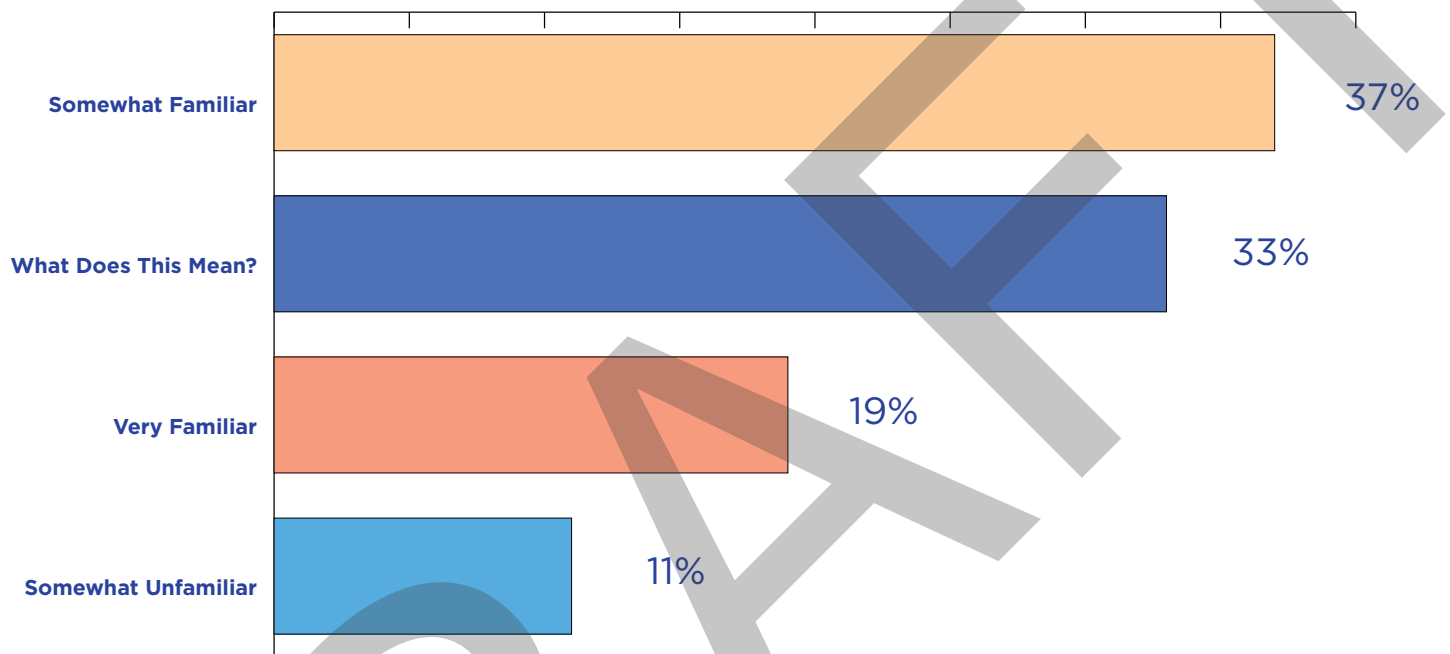
Chart 1: Participant Connection to Newport Beach



### Activity 3: How familiar are you with the term “environmental justice”?

The State requires that local jurisdictions incorporate environmental justice policies into their General Plans. According to the California Environmental Justice Agency<sup>1</sup>, environmental justice policies “call for fairness, regardless of race, color, national origin or income, in the development of laws and regulations that affect every community’s natural surroundings, and the places people live, work, play and learn.” Out of 27 respondents, most (37%) are somewhat familiar and a large percentage (33%) are unfamiliar with the term. Chart 2 shows the distribution of responses.

Chart 2: Familiarity With The Term “Environmental Justice”



### Activity 4: What surprised you about the community profile?

The presentation included a community profile to provide participants with resident and housing characteristics. Participants were asked what surprised them about the community profile and they were able to type their responses. This question received 31 responses, which are included in Appendix A: Data Summary. The following topics received comments from multiple people.

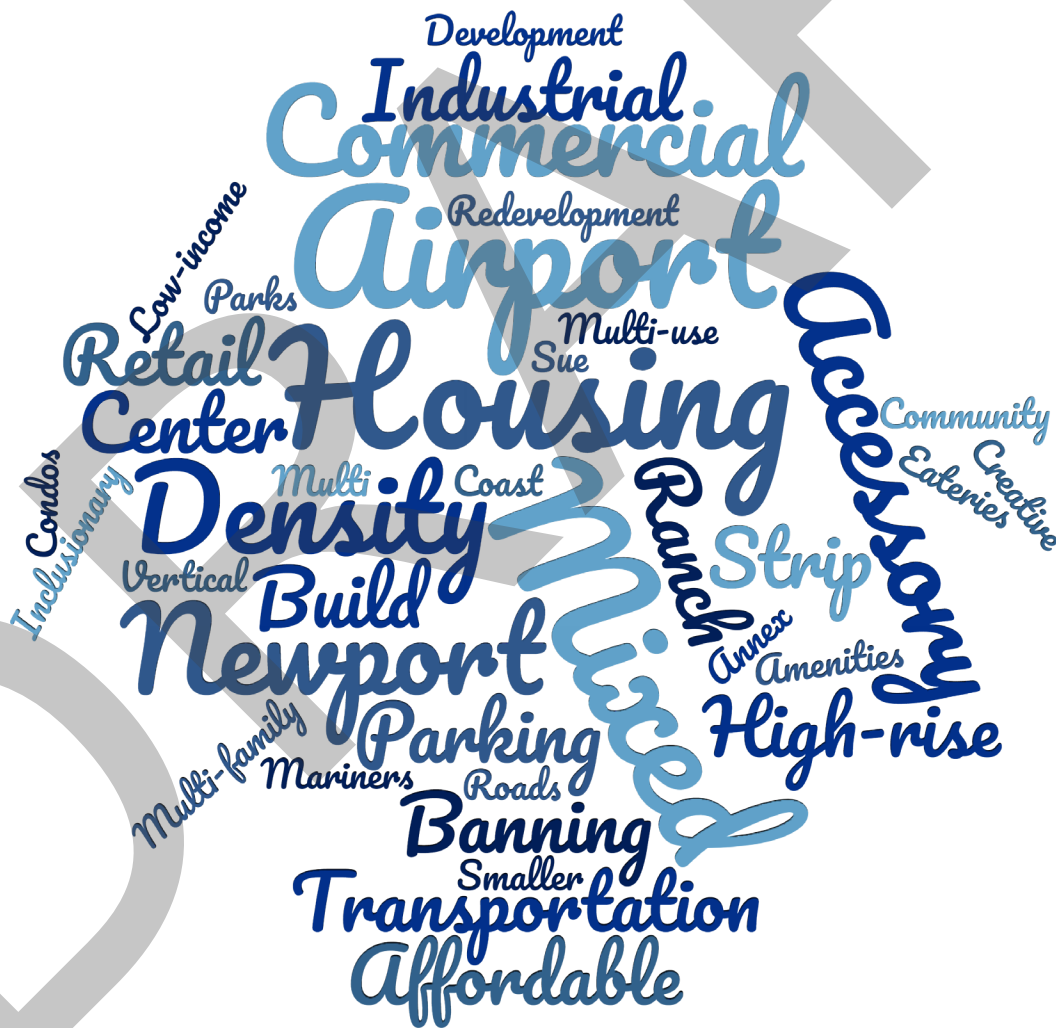
- **Not a surprise:** Of all participants 11 participants were not surprised by the data.
- **Age:** A few participants commented on age demographics, noting that more than half of the population is 45 years or older.
- **Multi-family housing:** Two participants noted the proportion of multi-family housing, which makes up more than 30% of the housing stock.

<sup>1</sup> <https://calepa.ca.gov/envjustice/>

## Activity 5: What are creative solutions to meet our housing needs?

Participants were asked about solutions to meet Newport Beach's housing needs. They were encouraged to make two to three comments in the chat. This question garnered a total of 47 responses. The full list of comments is available in Appendix A: Data Summary. The word cloud in Figure 1 illustrates the text responses. The size of the word represents the number of times it was typed by participants. Increasing density, development in the airport area, and the use of strip commercial/excess retail for residential development were all noted in five comments. Three comments made note of transportation solutions, construction of accessory housing units, and additional multi-family units. The following solutions were noted in two comments each: parking lots, mixed uses, fewer industrial properties, Newport Center, and development in Banning Ranch.

Figure 1: Participant Responses Word Cloud



## Activity 6: Envisioning a Range of Housing Alternatives

In addition to solutions, participants were asked about the appropriateness of six different housing types in five areas of the City. The map in Figure 2 shows the five areas and the questions referred to the housing types illustrated below.

Figure 2: Housing Activity Responses



**Single Family**



**Duplex**



**Townhome**



**Small Lots**



**Mid-Rise Housing**



**High-Rise Housing**



The responses presented below are a summary of responses in **Chart 3**.

**Area 1:** Duplexes are perceived as the most appropriate. Single family, small lots, townhomes, and mid-rise also received relatively high response rates.

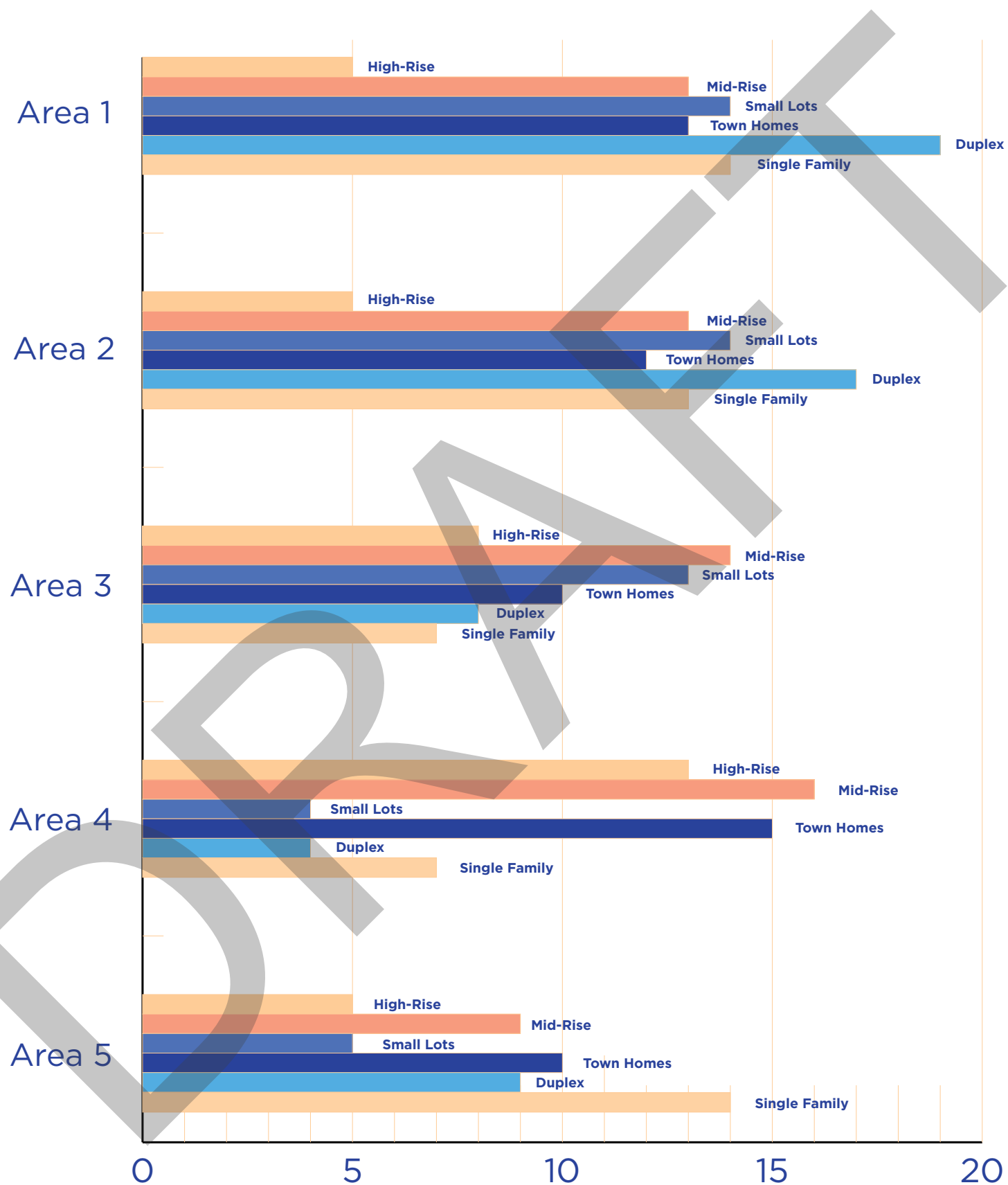
**Area 2:** Like Area 1, duplexes received a high number of responses and small lots, mid-rise, and single family received a high response rate.

**Area 3:** Higher density was viewed as appropriate in Area 3, with mid-rise being the most popular closely followed by small lots. Town-homes received several responses followed by high-rise and duplexes.

**Area 4:** Mid-rise, townhomes, and high-rise are viewed as most appropriate in Area 4.

**Area 5:** Single family homes, with 14 responses, are seen as most appropriate in Area 5. Duplexes, townhomes, and mid-rise also received a notable number of responses.

Chart 3: Appropriateness of Housing Type by Area



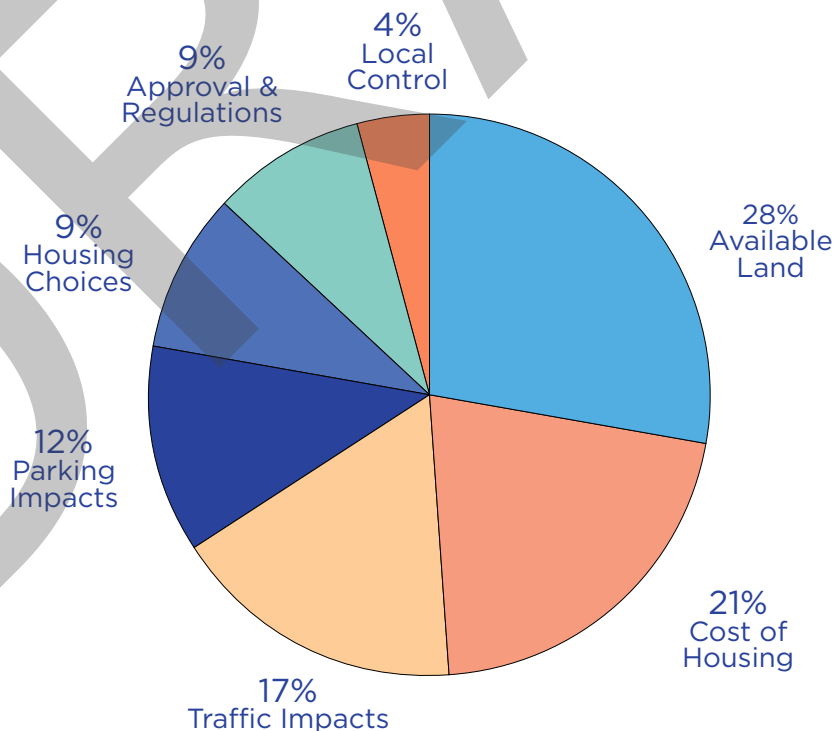
Several comments were submitted in the chat during this activity. The complete chat record may be found in Appendix B. Multiple comments addressed the following:

- **Airport Area:** The airport area generated three comments. One reinforced the responses to the polling question. The other two are paraphrased below:
  - Existing business invested in a business environment. There are not sufficient pedestrian and residential amenities.
  - The airport area should be thoughtfully planned with an integrated approach, weaving together a mixed-use landscape in a manner sensitive to existing issues.
- **Area 1:** Three people said that Area 1 has been developed enough, and should be an open area, and needs remediation.
- **Banning Ranch:** Four people noted that do not want housing developed in Banning Ranch.
- **Do not want development:** Several different comments indicate that people would have chosen “none” if it were an option.

## Activity 7: What are the challenges to meeting our housing needs?

The ability to overcome challenges is important for the development of housing units. Participants were asked to identify one or more challenges from a list. Chart 4 illustrates responses. Of all the choices, available land, cost of housing, and traffic impacts received the most responses.

Chart 4: Challenges to Meeting Housing Needs



# Community Involvement Every Step of the Way

The City has initiated a focused amendment of the Newport Beach General Plan in 2020. The purpose of this amendment is to enable the City to comply with State laws, including the State Housing Law and others relating to transportation and environmental justice.

## How do you get involved?

The process chart below offers you a glimpse into the many engagement opportunities you will have to participate in the General Plan Update from Virtual Workshops to Planning Commission Meetings.



Dates and times for items below will be available through [NewportTogether.com](https://NewportTogether.com)



### Fall 2020 Existing Conditions, Education and Visioning

### Winter 2020 Policy Development

### Spring 2021 Draft Plan Development

### Summer/ Fall 2021 Draft & Final Plan Development/EIR/CEQA

#### Housing Element



#### Combined Public Meetings



#### Circulation Element





# Virtual Workshop 1 - Envisioning Housing Alternatives

You're invited to the first in a series of virtual workshops

## Help Shape the Future of Housing in Newport Beach!

The City of Newport Beach has initiated a focused amendment of the Newport Beach General Plan, including updates to the Housing and Circulation Elements to comply with State laws.

This workshop will introduce the Housing Element process and include opportunities for you to provide input future housing alternatives in Newport Beach.

**OCTOBER 20, 2020**

**6:00-7:30 PM**

**VIA ZOOM**

**Scan Me**



**REGISTRATION & MORE INFO AT  
WWW.NEWPORTTOGETHER.COM**

**EXISTING CONDITIONS,  
EDUCATION AND  
VISIONING  
Fall 2020**

**POLICY  
DEVELOPMENT  
Winter 2021**

**DRAFT PLAN  
DEVELOPMENT  
Spring 2021**

**FINAL PLAN  
ADOPTION/CEQA  
Summer/Fall 2021**



To learn more about Housing and RHNA head to the website  
[www.NewportTogether.com](http://www.NewportTogether.com)





## **C.2 Community Workshop 2 and 3 Materials**

This section contains the summary and chat responses from the virtual Community Workshop 2. Comments were received in the chat box and verbally during the meeting. Video recording of the workshop and verbal comments are available at <https://www.newporttogether.com/>.

DRAFT



**Housing Suitability - Virtual Workshop**  
**Held On: November 16 & 17, 2020**  
**Workshop Summary**

**Prepared by Kearns & West**  
**December 29, 2020**

## Introduction

On November 16 and 17, 2020, the City of Newport Beach (City) hosted a Housing Suitability Virtual Workshop to gather community input on potential housing sites and their suitability. The City chose to host the virtual workshop in two parts to provide enough time for public input and question and answer sessions for different areas in the City.

Part 1 (November 16) focused on the Airport Area, West Newport, and Newport Mesa. Part 2 (November 17) focused on Newport Center and Coyote Canyon. The workshop built on the community input and exploration of housing alternatives from previous workshops. The workshop summarized in this report focused on presenting the site feasibility analysis and the process used by the Housing Element Update Advisory Committee to identify candidate sites for review.

## Workshop Objectives

The workshop had two objectives. The first was to present the site feasibility analysis and potential areas for candidate sites. The second objective was to allow the public to comment on this analysis and the potential sites. A primary driver for this workshop was providing a workshop format to allow members of the public to provide input and engage with staff in a question and answer style meeting.

## Getting the Word Out

Information about the workshop was shared through the City's email distribution list, on social media platforms, as an item on the City's calendar, and as an announcement on the project website (NewportTogether.com).

## Newport, Together (Online Input Opportunities)

The workshop page on the Newport, Together project website includes recordings from both workshop dates and virtual tools to gather input. The platform allows the project team to expand input opportunities beyond the workshop dates and for participants to engage with the project on-demand. Participants are currently able to submit geo-located comments on identified housing sites.

## Workshop Format: Date, Time, Platform, and Attendance Summary

The workshop took place during the evening of November 16 & 17, 2020. Both workshop parts were hosted using Zoom to continue to build participant familiarity with the virtual platform and its tools. Over the two nights, the workshop had a total of 133 registered participants and combined attendance of 116 participants. Attendance details are below.

### Part 1:

- Total attendance of 61 participants.
- Four participants called in
- 57 web-based participants

### Part 2:

- Total attendance of 55 participants.
- One participant called in
- 54 web-based participants

## Activities

The workshop included an ice breaker that asked participants to guess the density of various housing types. The activity's goal was to have participants think about density and to associate density numbers with housing projects in Newport Beach. Response rates for the ice breaker were:

**Part 1:** 90 responses were submitted

**Part 2:** 60 responses were submitted

## Input Opportunities

Participants could submit comments and questions via the Zoom chat box in the first half of the workshop. In the second half, during the public comment section, participants could use the raise-hand function to indicate that they would like to speak verbally and project staff would then unmute their microphone. Each participant was allotted three minutes to ask questions or provide comments. Participants were also able to submit comments via the chat box.

## Major Themes from Public Questions and Comments

A primary objective of the workshop was allowing participants opportunities to comment on the housing suitability analysis for focus areas in the City. Participants were asked to consider if focus areas were suitable for housing development and if there were challenges and opportunities associated with these specific areas.

The following section outlines the key themes and comments highlighted by participants. Themes consider overall responses and ideas shared during the public input section for each area. Chat responses can be found in Appendix A.

### Airport Area:

- Participants expressed concern over the impact of noise levels on new housing development. It was noted flight paths could impact development.
- It was suggested that the area could become a higher density area, but the City should have an overall plan that incorporates services, recreation space, and other necessary amenities for a community.
- Participants stated concerns with housing developments sitting close to or within industrial areas that have contamination issues.
- The question was asked how the City makes sure that developments create affordability.

### West Newport:

- Participants noted that housing development in the area is limited.
- Concern was expressed over the displacement of mobile homeowners.
- A potential partnership with Hoag Hospital for mixed-use development was mentioned.
- A concern was raised over the number of available sites for development and if property owners would be open to development.
- Concern over limited parking availability for new residents with new development was expressed.
- It was suggested Newport-Mesa Unified School District could be a partner in workforce development.

## **Newport Mesa: Dover/Westcliff/Mariners Mile**

- Some participants noted a preference for lower density housing typologies.
- Comments included concern over developer affordability with development near the coast.
- Another concern involved property ownership interest in the development of low-income units.
- The question was asked if there is any surplus property to be considered for development.

## **Newport Center**

- Some participants identified the possibility of high-rise development as well as mixed-use development.
- Concern was expressed over Irvine Company property ownership development restrictions.
- Residents who live close to Newport Center noted a request to keep existing height restriction agreements in place at Newport Center.
- Property owners expressed interest in market-rate development.
- It was stated that amenities are essential for residents; the City needs to consider community benefits.
- A commenter noted that placing affordable housing near Newport Center would be ideal because of the availability of jobs.
- Questions were posed about the conversion of retail to housing with shifting trends.

## **Coyote Canyon**

- Several participants noted there could be an opportunity for higher density units.
- Participants commented that area development would require further incorporation of services to the area.
- Concern was expressed over environmental impacts because of the potential location of affordable housing units near the landfill.
- Participants noted that development of the non-landfill area on the north section could be most feasible.
- Participants noted future development needs to consider the expansion of infrastructure.
- A commenter noted that access to development might be a concern for development north of the landfill.

## Appendix A: Chat Responses

### Nov 16 Housing Suitability Virtual Workshop Chat

From Susan Eaton : Park Newport

From Susan De Santis : Susan De Santis, Trovare in Newport Coast

From Bruce Bartram : Bruce Bartram Newport Crest

From Sam Shams : East Bluff

From Jenna Tourje, Facilitator : Thanks everyone for sharing!

From P. Matheis : The Airport Area is, by my observations, a eclectic series of developed properties. Some of these properties are significant class A properties, while others are old and dilapidated. Given the figures of about 4,800 new dwelling units I read in the print news that NB planning officials suggest that this is not possible given self described restrictions. Because of my experience in Newport Beach and understanding of the situation on the ground I dispute this view. If I were to suggest that this housing could be meet entirely within the Airport Area can the community development people explain why this is not possible.

From Jenna Tourje, Facilitator : Thanks, P. We will incorporate your comments

From David Tanner : Hi Seimone & Jim, Please provide an overview of the existing setting for the Housing Element Update project. Include the physical and regulatory setting and the impact housing regulations have had on the buildout of the existing General Plan. After you provide the existing setting upon buildout of the General Plan, please summarize how staff proposes to address General Plan buildout in the Housing Element Update Project.

From P. Matheis : As I recall, on or about the 1980s/90s the permitted housing development in Area2 was downzoned in a way that impacted about 320 dwelling units. Is this something that is being reconsidered?

From David Tanner : Please confirm (yes or no) if the existing General Plan is in compliance with state law. If no, what does Staff propose to remedy the deficiencies and will it be a part of the Housing Element Update Project?

From David Tanner : Please provide the legislative steps the City has and is proposing to take relative to the Housing Element Update Project, and the location(s) where Housing Element Update information can be found (GP diagnostic memo, communications between the City and HCD, Congresswoman Norris, SCAG, other cities and legislators, etc.).

From David Tanner : The scope of the Housing Element Project (the other Elements to be amended as part of the Project and how staff hopes to achieve internal consistency among the Elements (example: General Plan Vision Statement)).

From David Tanner : What is Staff's strategy for meeting the HCD deadline for submittal of an adopted Housing Element (if you feel a vote of the public to make the Housing Element Update effective is not required, please provide a detailed explanation. If staff believes other governmental approvals are not required, (example: Coastal Commission review/approval) please explain why.

From Nancy Scarbrough : This area seems like an area that could become a higher density, but I believe the City should have an overall plan for the area that incorporates services, recreation space and other uses that are necessary to a community. We don't want to create an environmentally disabled area.

From David Tanner : This information will provide the public with a clear picture of the situation facing the City, the challenges that lay ahead and the City's plan to address these challenges. this information should be provided to the public prior to asking the public for recommendations.

From Susan De Santis : What is the capacity in the Airport Area for housing if developed on the available sites at 60 units per acre?

From P. Matheis : In the 1990s the entitlements in Newport Center (Area 3) were reduced following a vote of the people. Is this area being considered for future additional development?

From Allyson Presta : what is the response from property owners in the area?

From Adriana Fourcher : I am a property owner and not in favor of this.

From David Tanner : Will existing housing laws allowing ADUs impact the City Jobs Housing Balance?

From David Tanner : Will existing housing laws allowing ADUs impact the city circulation system?

From David Tanner : Will existing housing laws allowing ADUs impact emergency services and public safety?

From Susan De Santis : What is the potential for finding 100 percent affordable housing locations for a workforce housing?

From Nancy Scarbrough : Can we focus on projects that are 100% low income or very low income with a subsidy whether in this area or another area of the city? We can't possibly comply with the state mandates if only 5% of a project is low or very low income housing. If we allow projects with only 5% low and very low income we will have to approve 40,000 (plus or minus) residential units in our city of approximately 45,000 existing residential units

From David Tanner : How many ADUs can be constructed within the City?

From Susan De Santis : How many stories is the Uptown Newport project? How is the noise added?

From Susan De Santis : How is the noise issues addressed in Uptown Newport?

From P. Matheis : I suspect that there a number of properties in the City that could help to meet this State mandate. By focusing on the Airport Area an opportunity seems to exist to answer a good deal of this challenge.

From Adriana Fourcher : Susan - noise was not addressed. Uptown is 5 stories. It is not fully occupied so there is not a lot of information on noise complaints. Plus with Covid all air traffic is unusually low. This will change when things return to "normal".

From David Tanner : Is there a penalty if the RHNA allocation is not met within the timeframe?

From Jonathan Langford : Do we anticipate the 65 dB CNEL line changing?

From Alexis Mondares : If there is a focus of affordable density housing within the airport area, is there a concern that clustering affordable housing within such a noisy area that others find unsuitable would be discriminatory?

From Adriana Fourcher : Jonathan - we have monitored noise levels at 4340 and the decibels range from 65 to 70.

From Adriana Fourcher : Alexis - Environmental Justice is not a term that fits in this discussion.

From P. Matheis : Should legal questions be answered by the people best suited to answer those questions?

From Susan De Santis : Can you discuss how the affordable units in the new Picerne project were created?

From Cesar Covarrubias : How will affordable housing will be incorporated into these focus areas. Density alone will not be create affordable housing in the focus areas. What policies are we putting in place to address AH in the focus areas?

From Nancy Scarbrough : The City just approved a project in the 65 CNEL without regard for noise. They ignored the Airport Commision recommendation.

From Adriana Fourcher : Susan - Only small # of affordable units in Picerne project. Doesn't make a dent.

From David Tanner : Housing in West Newport - What impact will the conversion of housing in west Newport and the Airport area have on Jobs?

From Nancy Scarbrough : If you displace the mobile homes, which are already low income housing, will those individuals who lose their mobile homes new housing that they can afford?

From Adriana Fourcher : Nancy - Thank you. Taxpayers don't want to bear the financial consequences if the City gets sued. The developer fees are driving this.

From David Tanner : If we convert employment areas to housing. What steps will the City take to replace lost jobs and create new jobs for the increase in population?

From Adriana Fourcher : David - Great question!

From P. Matheis : This area seems to have a limited payoff versus the Airport Area.

From Adriana Fourcher : Business owners don't want to be disregarded in the conversation.

From Adriana Fourcher : P. Matheis - there is no payoff, hopefully.

From David Tanner : What will the cumulative impact from RHNA (1.3 million units) have on jobs within Newport Beach?

From Charles Klobe : The pie charts shown in each slide do not reflect a no build answer. Participants were not offered the choice of no units. That translates to the false belief that residents agreed to some additional residential units in each area. This does not reflect actual responses. Why is the total focus of this meeting on affordable housing to our housing element?

From P. Matheis : This area is a significant industrial area, and I wonder if this is something that needs to be maintained for business needs in the City.

From Adriana Fourcher : Charles - Very good point.

From Charles Klobe : We have to TRY to plan. We do not have to succeed.

From David Tanner : What will the cumulative impact from ADUs in Southern California have on jobs within the City?

From Adriana Fourcher : 4,800 units now but what is going to be later and after that. The City of Newport Beach should combine efforts with other Cities and fight back on RHNA allocations.

From Susan De Santis : How many units have already been approved that will be counted towards the RHNA allocation?

From Sam Shams : Is the plan able to assume the conversions of existing properties, or does it require open space? So can the plan basically be that one large development becomes even bigger?

From P. Matheis : I believe it is important that the City plan for this mandate. I suspect that the idea that the City simply work to fail is something that will not succeed in 2020 and beyond.

From Alexis Mondares : Adriana - the City has already appealed its RHNA allocation. However, it is unlikely that the City's share will be reduced in a meaningful way.

From Debbie Stevens : I have concerns with siting housing closer or within industrial areas that have contamination issues, as there are such properties in this area.

From David Tanner : Staff's statement - The City has no choice but to increase density. This is not a foregone conclusion. This is Staff's conclusion. Fact - The City Council is proceeding on a 3 pronged approach. Compliance is one. There is no evidence to date that Compliance is feasible.

From Adriana Fourcher : Alexis - An appeal is the first step. The City has too much to loose to simply accept central planning from Sacramento.

From Sam Shams : Thank you for the response!

From Adriana Fourcher : It seems like we are going thru an exercise but there will not be any meaningful consensus from both residents and businesses.

From Charles Klobe : There is no stated penalty for not finding willing property owners.

From Alexis Mondares : If density housing is created in this area, I would think parking would be an extreme issue for new residents.

From Allyson Presta : in this area isn't the road & track site zoned for residential?

From Sylvia Walker : Doing away with the mobile homes, which are likely affordable housing, to put in other housing seems like a less than opportune way to meet RNHA goals, if that is what was suggested.

From Sam Shams : I am curious if dorm rooms for coastline college would be worth thinking of, I am not familiar with that college though.

From Angelica Astorga : If density housing is built they should provide a parking structure and not street parking so that residents can park.

From P. Matheis : Is senior housing something that is considered "affordable" housing?

From P. Matheis : Due to the proximity to Hoag Hospital it seems like senior housing might be something to consider if it meets the definition of affordable.

From Susan De Santis : Senior and workforce housing are both considered affordable housing.

From Adriana Fourcher : I understand the committee's role in identifying opportunity zones. That same process was used a few years ago which resulted in the business park that our business is located as being marked as an "opportunity zone for residential". Most of the building owners were not part of that discussion. We invested in a business park. We do not believe that residential should be approved in a commercial zone, simply because it gets colored "pink" on a City map.

From David Tanner : Everyone review the State Housing and Community Development ADU handbook published in September 2020 to learn the facts on the potential for ADUs: <https://www.hcd.ca.gov/policy-research/docs/adu-ta-handbook-final.pdf>

From Adriana Fourcher : Senior housing is important.

From Charles Klobe : Anyone notice that they have not answered one of Dave Tanner's questions? Why the total focus on finding sites for affordable housing only? Our housing element includes housing needs for the entire city.

From Adriana Fourcher : Housing needs for young professionals.

From P. Matheis : Staff is doing a great job here.

From Angelica Astorga : Many people are commenting on affordable housing, then that is obviously an issue especially in California.

From Cesar Covarrubias : The Hoag area creates a lot of service sector jobs. It will be appropriate to prioritize affordable housing for the workforce and families.

From Angelica Astorga : I am a college student and we need more affordable housing, discussions around that are extremely important, in all of my circles it is a huge problem.

From Adriana Fourcher : People commute and make their own choices based upon what things are important to them. Irvine has lots of apartments and housing choices that is definitely more affordable than Newport Beach.

From David Tanner : Everyone, ask Staff to share the findings of the General Plan Diagnostic Memo prepared as part of the Housing Element Update. The Memo identifies the existing deficiencies in the General Plan that must be remedied. Ask

Staff to discuss how these deficiencies will be remedied.

From Angelica Astorga : You want to push people out of Newport because they cannot find affordable housing? That is classist. What about students and young people who work in Newport?

From Sylvia Walker : Irvine has an affordable housing issue.

From Angelica Astorga : Sylvia - exactly. both cities need more options.

From P. Matheis : At Dover and West Coast Hwy is an empty lot that is not painted blue. Why?

From Adriana Fourcher : Angelica - College Students can rent rooms in people's homes, share apartments, work 2 jobs, etc. Affordable housing in Newport Beach is a different level of rent than in other Cities.

From Allyson Presta : I am an apartment complex at bayshores and pch

From Allyson Presta : would I be part of this area

From Adriana Fourcher : Angelica - I moved here from the Midwest right out of college and had to adjust to CA. It is expensive here.

From Sylvia Walker : Rents in Newport Beach are not necessarily higher than rents for apartments in Irvine.

From David Tanner : Staff updated the City Council last week on the Housing Element Update. staff warned the City Council that they might have to break the Housing Element Update into 2 stages. If Staff does this only a portion of the General Plan would be updated. Staff said the cost of the total General Plan Update would increase from \$1.5 to \$3.5 million dollars (2 EIRs and 2 General Plan amendment processes). Ask Staff to explain what they are thinking.

From Allyson Presta : not currently

From Angelica Astorga : Well I was born in California, I have lived a life of knowing how important it is to have access to affordable housing. As a student, we do all of those things and the way wages have remained stagnant in this state and housing costs only go up is challenging for new graduates.

From Allyson Presta : that site is rented long term

From David Tanner : Will the Housing Element Update go to a vote of the public per the City Charter? Staff does not want to answer this question. Why? Ask Staff to explain.

From P. Matheis : The properties on West Coast Hwy appear to be under used retail properties.

From Adriana Fourcher : Jenna, thanks for reminding us of those slides. My recollection is someone could earn somewhere above \$50 to \$60K a year and qualify for affordable housing. However, there are very few units. The Picerne project stacks the affordable units to Studio units. That might be fine for a single person but won't work for a young family.

From Allyson Presta : he rented the entire site

From Allyson Presta : russ flutters

From P. Matheis : The proximity to the water is a silent point. This speaks to the value of maximizing the development in the Airport Area for this challenge.

From P. Matheis : Should read "Salient."

From Adriana Fourcher : Mariners Mile is very expensive property. P. Matheis there is a cost to purchasing existing buildings in airport area and scraping the property and then building residential.

From David Tanner : The City's Local Coastal Plan prohibits impacts to coastal bluffs and blockage of ocean/harbor views How can the City possibly make a finding that high density residential is consistent with the Local Coastal Plan?

From Susan De Santis : Should the City provide housing for its seniors and its essential workers?

From Cesar Covarrubias : Have surplus land sites from the City and the Special Districts been identified at opportunity sites?

From Adriana Fourcher : Angelica, that explains why so many residents and businesses have moved out of state. It is not because those states provide them with subsidized housing it is because the cost of development is lower, the cost of land is lower and the government doesn't tax, tax, tax.

From David Tanner : Why is Staff been un-willing to discussing these obvious General Plan inconsistencies? These questions have been asked since day 1.

From Adriana Fourcher : If we give CA a few more months this problem might resolve by the law of natural consequences. The State if Broke. Businesses and residents might move which will make property values decrease and increase supply.

From P. Matheis : I submit that if we take this time to properly plan for this mandate we could design something that is the best it can be under the circumstances. I do not see a change in the political environment in Sacramento in the near term, and it is likely this mandate will stand.

From P. Matheis : How is an area outside the City included in this plan, i.e., item 1?

From David Tanner : Seimone - provide a date certain when these questions will be answered. Quit putting this off!

From Adriana Fourcher : Seimone - the committee has been given an impossible task. The policy recommendations unfortunately impact property owners. Again, we are in a Business Park that was colored "Pink" a few years ago based upon some committee discussion and few community input. Now the business owners are all fighting residential infill proposals.

From Technical Support : [www.newporttogether.com](http://www.newporttogether.com).

From Sam Shams : This might sound crazy, but what are the chances of changing the city borders to get some of Costa Mesa?

From Adriana Fourcher : Seimone - the in-fill residential project that is being proposed in our parking lot will take around 3 years to build. That is a real negative impact to the employees and businesses. A parking lot that is common area. Think about that.

From Charles Klobe : The NMUSD property is prime for workforce housing. Susan DeSantis has previously offered this to the committee. Likely nothing will come of this until the new trustees are seated. We should work toward this as it is good for the city, good for the district and good for the NMUSD employees. I hope we pursue this in 2021.

From Adriana Fourcher : Charles - Absolutely no subsidized housing units for Public Sector employees. Do not use our tax dollars to pay for housing for government employees. Sorry.

From David Tanner : All ADUs are assumed by the State to be Affordable Housing.

From Sam Shams : Does rent-control qualify as affordable housing?

From Adriana Fourcher : Sam - good question.

From Sam Shams : I ask because affordable housing options usually don't appreciate much in value relative to market prices, and when you consider mortgage etc, it may be a better alternative for low income people to rent

From Charles Klobe : Not suggesting subsidized by the city. The idea is to take the NMUSD property and have the district build rental housing for their new employees, The offer of this could factor into their labor negotiations

From Adriana Fourcher : Who owns the NMUSD property?

From Charles Klobe : spell check. Fred: I will send you the outline via email.

From Susan De Santis : How will the city and consultants use the input that you received this evening?

From Adriana Fourcher : Charles - this is Adriana.

From Allyson Presta : are we going to cover Newport center tonight?

From David Tanner : ADUs are considered affordable by the State - period. The state requires documentation to demonstrate they are in fact affordable. ADUs can be a few hundred square feet to 1,200 sq. feet How will this not be affordable?

From Charles Klobe : NMUSD owns the property. Banning Ranch Conservancy would not oppose the project of workforce housing for NMUSD employees.

From Debbie Stevens : FYI - Newport Center will be covered tomorrow night.

From Allyson Presta : thank you

From Adriana Fourcher : Charles - no workforce housing for public service employees. That is pure socialism. The next step will be eminent domain to take private property for public sector employee housing.

From Mary Ann Soden : How long will you be looking at input through the website. I have folks not able to attend the workshops. Is there a deadline?

From Susan De Santis : Will the city be pursuing partnerships with Hoag and the school district as part of this process?

From Adriana Fourcher : Thank you Jenna.

From P. Matheis : Can a large developer build in one area and site the affordable units in another area of the City?

From Sam Shams : Thank you!

From Bruce Bartram : My thanks to Staff and everyone for an interesting and informative presentation.

From Sylvia Walker : Good job by Newport Beach staff.

From Debbie Stevens : Nice job and thanks!

From Charles Klobe : Thank You.

From Susan De Santis : Thank you!

From Adriana Fourcher : Thank you.

From Kevin Martin : Good job Newport team. Talk to you tomorrow!

From Mary Ann Soden : See you tomorrow. Thank you.

From Jonathan Langford : Appreciate the work.

From Allyson Presta : see you tomorrow. thank you

## Nov 17 Housing Suitability Virtual Workshop Chat

Susan Eaton: Park Newport formerly Eastbluff

Allyson Presta: Big Canyon Resident, property owner thru newport

Charles Klobe: Anyone who participated did not have the option for no housing. So the charts are skewed to give the impression that residents wanted more housing throughout the city.

David Tanner: Hi Seimone & Jim, As a preface to public input at tonight's Housing Suitability meeting please provide the following information in Staff's introductory remarks: 1. As professional planners, please provide an overview of the long-term regional effects of State housing laws. Please assume for this discussion the literal interpretation of the laws which create the potential for development of millions of Accessory Dwelling Units (ADUs) and 1.3 million additional RHNA units (by 2029) within southern California (SCAG boundary). For example, what impacts will likely occur to the following sectors: (beneficial impact, negative impact or no impact) a. The ability of the existing transportation systems and urban infrastructure to accommodate the increased population. b. Jobs and employment opportunities (will people in inland areas continue to commute long distances to Job centers or will urban in-fill take those jobs?). c. Will there be a need for additional Jobs to meet the population increase?

e. Social and economic impacts: i. Will there be higher or lower costs to consumers? ii. Will business be attracted to or leave southern California? f. Public safety and quality of life. i. What will be the regional impact?

Based on the answers to the regional concerns in question #1, what are the potential long-term impacts to the City of Newport Beach from housing laws and RHNA? a. Will the impacts mirror the regional impacts or will Newport Beach be disproportionately impacted? (better or worse) b. What impact will this regional growth have on tourism within Newport Beach? c. What impact will this regional growth have on the city's circulation system and transportation infrastructure? d. Would you expect the increased regional population would put pressure on John Wayne Airport to expand the number of flights beyond current limitations? e. Will there be more competition for jobs in Newport Beach as a result of regional growth? f. If you believe increased population will increase the competition for jobs, can the City expect to get a higher quality workforce?

i. What impact will this have on the City of Newport Beach demographics?

ii. What sectors might benefit and what sectors might decline?

iii. What impact will this have on wages?

g. What will be the regional impact on Newport Beach's fresh water supplies?

David Tanner: Question 3 3. What are the constraints the City faces in formalizing the Housing Element Update? For Example: a. As professional planners would you recommend the City locate housing in: (yes, no, maybe) i. Disadvantaged communities ii. Areas subject flooding iii. Areas subject to wildfire iv. Areas subject to liquefaction v. Areas subject to sea level rise vi. Under the flight path of John Wayne Airport vii. Areas subject to health hazards viii. Areas subject to potentially significant earthquake hazards ix. Within or adjacent to protected biological areas x. Areas subject to high noise levels (65 CNEL or greater) xi. Hazardous waste sites xii. Areas that do not have job opportunities for new residents (areas with a significant jobs/housing imbalance)

xiii. Areas that would result in an unavoidable decline in emergency services/public health and safety.

David Tanner: Question 4 4. What are the consequences to the City if the RHNA housing allocations identified in the Housing Element Update are not met? Is there a difference in the consequences between un-met affordable and market rate units?

Answers to these 4 questions will provide the public with a clearer picture of the regional impacts facing the City. It will provide insight if the City does nothing and the rationale behind the City's plan to address these challenges.

Charles Klobe: There is no stated penalty by the state for trying and failing to find willing landowners who want to rezone

their land for high density lower income housing. The city is trying through the Housing committee but they will almost certainly fail to find landowners to rezone their property without state or federal subsidy.

Alejandra Reyes: Is Jenna breaking for anyone else or only me?

Allyson Presta: I can't hear her either

Andrew Campbell: breaking up for all

Kevin Martin: breaking up for me as well

Taylor York (Technical Support) : Apologies for the technical delays!

Allyson Presta: my site can be high rise

Mary Ann Soden: what site is that?

P. Matheis: is Fashion Island designed for additional building stock?

Sam Shams: I think we need to consider public access to the sand beaches at the dunes, I would imagine there might be some restrictions to development to allow public access.

Charles Klobe: What percentage would you propose as affordable Allyson?

Allyson Presta: i don't know i'm not a developer

Cesar Covarrubias: Is Newport Center a mixed use zone or do you need an overlay for new development

P. Matheis: I foresee significant high-rise potential in Newport Center with the correlating ADUs in the Airport Area.

P. Matheis: Is the Fashion Island property seen as something that might see a change in zoning due to changes in how people shop?

Mary Ann Soden: Another important element is the impact on traffic circulation, so these two general plan updates need to be considered at some point together.

Susan Eaton: Thank you Cesar.

Charles Klobe: No property owner has expressed any interest in developing lower income housing without City, State, or Federal subsidy. NONE! Many owners would like to rezone their property for high density market rate apartments. The City does not need to offer density bonuses beyond what the state requires for any area of Newport Beach. Residents will suffer the increased traffic and drain on resources.

David Tanner: Has the HEUC determined this site is feasible for residential development?

Alejandra Reyes: Echoing a few comments (and responding to others) and as a housing researcher and UCI faculty member, I want to highlight that there are many new state and assembly bills that do emphasize the importance of this Housing Element update: In 2017, SB-35 created consequences for failing to meet local housing targets and AB-1397 now requires cities and counties to ensure that proposed development sites have a demonstrated potential for development. Since 2019, AB-686 also pushes cities to site low-income housing in high opportunity neighborhoods and grants the California Department of Housing and Community Development increased oversight capacity. Also since 2019, SB 330 limits some jurisdictions' abilities to restrict development due to their failure to meet their RHNA goals.

David Tanner: The cost of development on this site makes this site economically infeasible.

David Tanner: Would you want your family members to live on a landfill given its environmental constraints. I see the potential for litigation.

Sam Shams: Development of the non-landfill area here on the north section seems like the most feasible development

I have seen so far in the city.

Allyson Presta: i think the garbage site would be bad for health

P. Matheis: If housing can be developed on the 30 acres then why would the City not use this opportunity given the external pressure.

Lin He: Non-landfill area makes sense as it's close to freeway etc.

David Tanner: It would make a nice site for habitat restoration/mitigation.

Nancy Scarbrough: I think the 30 available acres seems like a great place to build low and very low income homes. It is close the freeway.

P. Matheis: My sense is that the bulk of the opportunity for development of ADUs will be in the Airport Area above SR-73 given the cost limitations.

Charles Klobe: Nearly every single family home in Newport Beach is eligible to have an ADU and junior ADU.

David Tanner: High density development on the 30 acre portion of the landfill would provide a great visual window from the toll road to the high quality homes in the area.

Mary Ann Soden: To Mr. Smith's question and Mr. Barquist's comments now, the City might need to use its own land to meet the planning goals

Sam Shams: What are those two zones on the south if the landfill zone?

P. Matheis: I do not believe that the City should reduce parkland for development.

Allyson Presta: i agree

Allyson Presta: my kids use the sports park for activities

Sam Shams: sure

David Tanner: Are they fule mod zones?

Susan Eaton: Elephant in the room - what are issues to convince owners to consider any level of "Affordable" Housing -

David Tanner: Why doesn't the city satisfy the RHNA requirement with ADUs?

Debbie Stevens: The Newport Tennis Club should be considered as potentially feasible.

P. Matheis: I suspect that area 29 (fire & police station location) are potentially feas

Mary Ann Soden: Please update the maps per Larry Tucker's comments so that the folks who participate through the website will have the corrected maps. Thank you.

Jenna Tourje, Facilitator: Thanks Mary Ann - we will update the maps on the website as well

P. Matheis: I believe that the preservation of the natural resources are critical to this process. While this may result in intensification of development in other areas the City is special because of the natural resources.

Charles Klobe: Every developer may be willing to redevelop their property to market rate apartments. NO developer is willing to redevelop without Federal, State or City subsidy any more than 5% affordable. To get to 2,400 or so affordable they need to build 48,000 market rate apartments @ 5% which pencils according to the developers I have spoken to. Never going to happen although the developers are drooling to build them.

David Tanner: Staff updated the City Council a week ago and said Staff was concentrating on the Housing Element. Please clarify

P. Matheis: As I recall the City was considering moving the police facility to the city yard site at one point, and there is a Newport Beach fire station relocation study that moves the Newport Center Fire Station adjacent to the OCTA bus station.

Mary Ann Soden: How will the housing and circulation elements be harmonized given their separate committees

Brad Avery: Great resident input and effort from the CD team, many thanks! Brad

David Tanner: How can the City possibly meet the Housing Element Update by October 2020.

David Tanner: Is this not piecemealing?

David Tanner: Why does the schedule not include a vote of the public per the City charter?

Sam Shams: Thank you everyone!

Debbie Stevens: Great job Jenna, Jim, Dave and Ben!

Alejandra Reyes: Thank you!

Mary Ann Soden: Thank you for this learning opportunity and input opportunity. This is very important.

Allyson Presta: Thank you so much

Susan De Santis: Thank you all. Well-done!



## **C.3 Community Workshop 4 Materials**

This section contains the summary and chat responses from the virtual Community Workshop 3. Comments were received in the chat box and verbally during the meeting. Video recording of the workshop and verbal comments are available at <https://www.newporttogether.com/>.

DRAFT



## **C.4 Online Community Survey**

This section contains the summary of survey results.

[UPDATE AS WE PROCEED]

DRAFT



## **C.5 Planning Commission Study Session**

This section contains the meeting minutes and materials provided at the study session. All recordings, agendas, and minutes can be found on the City's website at <https://www.newportbeachca.gov/government/departments/community-development/planning-division/planning-commission>.

[UPDATE AS WE PROCEED]



## C.6 HEUAC Meetings

This section contains the meeting minutes and public comments for each meeting held up to February 3<sup>rd</sup>, 2021. All recordings, agendas, and minutes can be found on the City's website at <https://www.newportbeachca.gov/government/data-hub/agendas-minutes/housing-element-update-advisory-committee>.

[UPDATE AS WE PROCEED]

**CITY OF NEWPORT BEACH  
HOUSING ELEMENT UPDATE ADVISORY COMMITTEE MINUTES  
CITY COUNCIL CHAMBERS – 100 CIVIC CENTER DRIVE**

**WEDNESDAY, JULY 1, 2020  
REGULAR MEETING – 6 P.M.**

**I. CALL MEETING TO ORDER – 6 p.m.**

**II. WELCOME, INTRODUCTIONS AND ROLL CALL**

MEMBERS PRESENT: Chair Larry Tucker, Jeffrey Bloom, Susan DeSantis, Paul Fruchbom, Elizabeth Kiley, Geoffrey LePlastrier, Stephen Sandland, Ed Selich, Debbie Stevens, (Ex Officio Member) Mayor Will O'Neill

MEMBERS ABSENT: None

Staff Present: City Manager Grace Leung, Community Development Director Seimone Jurjis, Deputy Community Development Director Jim Campbell, Principal Planner Jaime Murillo, Senior Planner Ben Zdeba, City Traffic Engineer Tony Brine, Administrative Support Technician Amanda Lee

Chair Tucker welcomed everyone to the inaugural meeting of the Housing Element Update Advisory Committee (HEUAC). The Housing Element Update process begins with the State determining the number of housing units that agencies must plan for over the ensuing planning period.

Mayor O'Neill thanked committee members for their service to the City. The Council spent quite a bit of time in December 2019 and January 2020 thinking about how to address the Housing Element Update. Committee members were selected for specific reasons, including their background and expertise. In 2019, the Council talked to residents to ensure it understood what residents were looking for. Given the size and scope of the Housing Element, the Council will need to engage stakeholders. Finding the number of housing units will be incredibly difficult and will likely be divisive. At the beginning of the year, the Council adopted an approach to object to the State's mandate legally and politically/legislatively and to comply with the mandate. The goal for the HEUAC is to find a way for the City to comply or to explain why the City cannot comply with the mandate. Technically, the Southern California Association of Governments (SCAG) has not provided a certified number of housing units required for this planning cycle. SCAG has requested the California Department of Housing and Community Development (HCD) grant extensions for all municipalities. HCD has not responded. Indications are HCD will deny the request; however, enforcement will be extremely difficult. The City has been working with Senator John Moorlach and Assembly Member Cottie Petrie-Norris. In reference to his role on the HEUAC, Mayor O'Neill explained that he represents the Council, but he cannot speak for the Council without a majority vote on a topic. He may offer his personal opinion and present a topic or question to the Council.

**III. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Jim Mosher hoped any conflicts of interest would be handled transparently given committee members' expertise in real property development and HEUAC's recommendations to the Council regarding the use of real property. If people are paid to attempt to influence committee members' opinions, they are regarded as lobbyists and should register with the City.

#### IV. CURRENT BUSINESS

a. **Three-Pronged Strategy of City Council and Focus of the Committee**

*Recommended Action: No action taken*

Chair Tucker reported the City is working legislatively and with other agencies to better define the Regional Housing Needs Assessment (RHNA) number and credits that can be applied to the number.

Community Development Director Seimone Jurjis advised that the City has engaged with multiple State agencies. SCAG has issued a draft RHNA number of 4,832 housing units for the City. The Mayor has written letters to SCAG opposing the methodology and to HCD requesting clarification. State law requires the City to permit accessory dwelling units (ADUs), but HCD's guidelines do not provide sufficient credits for ADUs to meet RHNA numbers. Staff has drafted legislative changes, and Assembly Member Petrie-Norris has introduced legislation that defines RHNA credits and provides guidelines for substantial evidence. The City needs to build a coalition to support the bill and will appeal its RHNA numbers.

Chair Tucker indicated the City has to identify sites where residential development could occur and prepare an Inventory of Sites. The Tax Assessor's parcel number for each property must be listed on the Inventory. The certified number of RHNA units and credits will not be known for some period of time. Any political efforts to reduce housing units will likely occur late in the process.

Chair Tucker invited the public to comment.

Jim Mosher noted HEUAC's purpose and responsibilities do not include a complete focus on RHNA numbers. HEUAC is more of a forum for public input. The General Plan Update Steering Committee (GPUSC) attempted to conduct outreach and research, which could inform HEUAC's discussions. HEUAC should obtain input from the people who will be impacted by the need for housing as well as developers.

David Tanner suggested HEUAC direct the public as to how it can help HEUAC achieve its goals. He requested an update regarding staff's efforts to expedite the processing of the Housing Element amendment, specifically an exemption from the California Environmental Quality Act (CEQA), to affect the Greenlight provision or Measure S.

Mayor O'Neill noted that Still Protecting Our Newport (SPON) submitted the same request as Mr. Tanner. The City has requested State Representatives sponsor legislation to exempt or at least expedite the CEQA process for a Housing Element Update. The sole purpose of the City's request was to try to meet the timing aspects of the Housing Element Update. The representatives declined the request.

Chair Tucker advised that he raised the issue of a CEQA exemption with the GPUSC in order to emphasize that HCD's schedule would be difficult to meet and if an EIR had to be prepared then additional time would be needed to complete a Housing Element Update. With respect to Mr. Mosher's comments, the resolution directs HEUAC to make any recommendations it believes necessary. To begin the compliance process, HEUAC will need to identify sites. Greenlight will not change the Committee's work, but rather will merely add one more layer of approval, a public

vote, after the Committee, Planning Commission and City Council complete their work. Therefore, Greenlight is outside HEUAC's purview.

In response to a committee member's question, Deputy Community Development Director Jim Campbell understood a housing project that is approved but not completed before June 30, 2021 may be counted towards the City's RHNA numbers. Currently, there is no information regarding counting live-aboards towards RHNA numbers. Staff will provide HEUAC with a tally of housing units.

Committee Member DeSantis noted SCAG has joined the San Diego Association of Governments and the Sacramento Area Association of Governments to sign a letter to the Governor and HCD to push back on the schedule. The Governor or the Legislature can change the timeline for the Housing Element Update, but HCD cannot. HCD recently extended the timeline for the local assistance program by six to eight months.

**b. Discuss Methods to Identify Possible Housing Opportunity Sites**

*Recommended Action: Discuss procedures for (i) identifying and contacting owners of potential housing opportunity sites; (ii) discuss approach to encouraging sites that could enable affordable housing in whole or in part; and (iii) prioritizing sites in case the RHNA requirements are lower than currently anticipated*

Chair Tucker related that there may be underutilized or vacant parcels in the City that can be opportunity sites. Newport Center, the west Newport area, and the Airport Area will be opportunity sites. He noted that in GPUSC community workshops, participants favored placing housing in Newport Center, the Airport Area, the area near Hoag Hospital, Banning Ranch, and the former landfill in Newport Coast. HEUAC will have to review each parcel in areas that might provide opportunity sites. The standard for opportunity sites is land that is suitable and available (feasible). Determining whether a parcel is available will require some technical analysis. Determining whether a parcel is suitable will be decided by the full Committee and will require public input. HEUAC will form a subcommittee to analyze sites to see how the process will play out. Anyone with ideas for potential opportunity sites should contact staff or committee members.

Committee Member Fruchbom added that feasibility means economically feasible.

Chair Tucker noted the City is required to plan for development, not to ensure sites are developed. State law states a municipality that plans to use non-vacant land for more than 50 percent of lower-income RHNA requirements has to provide substantial evidence that there are no impediments to the use of the property in order to claim credit for the property.

In reply to Committee Member Kiley's query, Chair Tucker advised that HEUAC will review recent housing applications that were not developed. The first step is to identify sites where development is feasible. If sites are feasible, HEUAC will consider their suitability. The hot topic for the community will be which sites are suitable for housing.

In answer to Committee Member Sandland's inquiry, Chair Tucker agreed that his memorandum proposed HEUAC rank opportunity sites. He did not believe the State would reduce the RHNA numbers materially. However, if the City cannot comply with the RHNA numbers and the State does reduce the numbers, the Council can use the ranking of sites by the Committee and supporting information rather than having to start the process again.

Committee Member DeSantis believed community input on a range of scenarios will be important when HEUAC prioritizes sites. The Orange County Business Council's in-fill capacity study focused on capacity within Orange County for additional housing development. Perhaps HEUAC can invite the study author to present information about changing market trends and the study's results.

Chair Tucker invited the public to comment.

Jim Mosher remarked that the public may not be familiar with committee members, which could be a problem if committee members want to engage with the public. He hoped committee members would have open minds. The infeasibility of the former landfill site is not obvious.

Chair Tucker indicated if development of the former landfill site was feasible, someone would have developed it by now.

An unnamed resident provided an unrelated comment about the COVID-19 pandemic.

**c. Formation of Affordable Housing Subcommittee and Opportunity Sites Subcommittee**

*Recommended Action: Form an affordable housing subcommittee and a housing opportunity sites subcommittee to divide up workload*

Chair Tucker reviewed the City's RHNA numbers by income level and stated he thought that three committee members had expertise in development of affordable housing. It was his hope that an affordable housing subcommittee would be able to educate HEUAC regarding choices.

Mayor O'Neill advised that Committee Members Bloom and Fruchbom have experience with affordable housing.

Chair Tucker proposed Committee Members Selich and Sandland form a housing opportunity sites subcommittee, which will analyze sites for feasibility. HEUAC will form a subcommittee for outreach in the future.

Jim Mosher asked if the affordable housing subcommittee will propose revisions to the goals and policies of the Housing Element and engage people living in or seeking affordable housing. Chair Tucker reported the purpose of the subcommittee is to assist HEUAC in understanding the financing and tax aspects of affordable housing and how the City can seek as many new affordable units as possible while still complying with RHNA. The subcommittee will not review the existing Housing Element regarding affordable housing from the vantage point of people living in or seeking affordable housing.

Mayor O'Neill suggested the City not only needs to zone for affordable housing, but has to think it will actually happen. The question of whether the required number of affordable housing units can be constructed given the cost of land is legitimate. The Council needs to know if it is possible. If it is not possible, the Council needs to know the amounts of a subsidy and incentives that could achieve more affordable housing. The Council will need a primer on affordable housing and an explanation of what is needed to achieve affordable housing.

In response to Committee Member DeSantis' question, Chair Tucker stated programs that involve larger employers in the City to incentivize affordable housing is outside HEUAC's purview, although

he noted that is something that Committee Member DeSantis might want to discuss directly with the City Council.

Chair Tucker invited the public to comment. Seeing no one wishing to comment, he moved, seconded by Committee Member Selich, to appoint Committee Members Bloom and Fruchbom and Chair Tucker to the affordable housing subcommittee and Committee Members Selich and Sandland and Chair Tucker to the housing opportunity sites subcommittee.

AYE: Tucker, Bloom, DeSantis, Fruchbom, Kiley, LePlastrier, Sandland, Selich, Stevens

NO: None

ABSTAIN: None

ABSENT: None

**d. Discuss Agenda Items for Next Meeting**

*Recommended Action: No action taken*

Chair Tucker requested agenda items for a CEQA project description, a definition of substantial evidence, and an outreach process.

In reply to Committee Member Selich's query, Principal Planner Jaime Murillo advised that the proposed recommendations for substantial evidence were taken from the initial legislative amendments.

Chair Tucker invited the public to comment.

Charles Klobe suggested committee members may be confronted by folks who need a planning incentive to make affordable housing work. Residents may be resigned to the RHNA number, but they may not accept the City granting a subsidy or incentive that the resident has to pay for. HEUAC may not find enough sites to comply with the requirements, but the State will be hard pressed to impose fines for not trying.

**V. COMMITTEE ANNOUNCEMENTS OR MATTERS WHICH MEMBERS WOULD LIKE PLACED ON A FUTURE AGENDA FOR DISCUSSION, ACTION OR REPORT (NON-DISCUSSION ITEM)**

Committee Member DeSantis requested the author of the in-fill capacity study address HEUAC regarding development trends and data from the study relevant to Newport Beach.

Committee Member Sandland requested staff advise HEUAC regarding the consultant's work and how the consultant's work will affect HEUAC's work.

In answer to Committee Member Bloom's question, Chair Tucker indicated HEUAC will receive information about housing units entitled or permitted before June 30, 2021.

Community Development Director Jurjis recommended a presentation from the consultant regarding HCD's guidelines and information HCD is seeking.

**VI. ADJOURNMENT – 7:36 p.m.**

*Next Meeting: July 15, 2020, 6 p.m. in the City Council Chambers.*

**CITY OF NEWPORT BEACH  
HOUSING ELEMENT UPDATE ADVISORY COMMITTEE MINUTES  
CITY COUNCIL CHAMBERS – 100 CIVIC CENTER DRIVE**

**WEDNESDAY, JULY 15, 2020  
REGULAR MEETING – 6 P.M.**

**I. CALL MEETING TO ORDER – 6 p.m.**

**II. WELCOME AND ROLL CALL**

MEMBERS PRESENT: Chair Larry Tucker, Jeffrey Bloom, Susan DeSantis, Paul Fruchbom, Elizabeth Kiley, Geoffrey LePlastrier, Stephen Sandland, Ed Selich, Debbie Stevens

MEMBERS ABSENT: (Ex Officio Member) Will O'Neill – arrived at 6:31 p.m.

Staff Present: Community Development Director Seimone Jurjis, Deputy Community Development Director Jim Campbell, Principal Planner Jaime Murillo, Senior Planner Ben Zdeba, City Traffic Engineer Tony Brine, Administrative Support Specialist Clarivel Rodriguez

**III. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Deborah Allen, Harbor View Hills Community Association President, questioned the rationale of holding a public meeting on such an important topic in light of the coronavirus and suggested the City fight the State regarding the timing of the Housing Element Update.

Jim Mosher asked if the City would defend voters' disapproval of the Housing Element Update in a court because a provision of AB 1063 authorizes a court to order the Housing Element Update approved if the City submits it timely but final approval is delayed due to a local requirement for voter approval.

Philip Bettencourt believed consultants Kimley-Horn and LSA would serve the City well and appreciated the substantial materials provided to the public.

Dorothy Kraus hoped members of the Housing Element Update Advisory Committee (Committee) would introduce themselves and noted the foremost objective of the Committee is to serve as a public forum as stated in the Council resolution forming the Committee.

David Tanner inquired about the City's strategy to successfully update the Housing Element and public involvement in the process.

Chair Tucker advised that Committee members would introduce themselves later in the meeting. The Committee will serve as a forum for public comments. The Council needs a draft Housing Element Update to consider and possibly adopt if it chooses to comply with the California Department of Housing and Community Development's (HCD) requirements. With respect to AB 1063, if thresholds are met and a Measure S vote is required, there will be a further approval process for Council actions. Measure S means the electorate can decide whether to proceed.

#### IV. CONSENT CALENDAR

##### a. **Minutes of July 1, 2020**

*Recommended Action: Approve and file*

Chair Tucker noted his and Mr. Mosher's revisions.

Chair Tucker moved, seconded by Committee Member Selich, to approve the minutes of the July 1, 2020 meeting as amended by himself and Mr. Mosher.

AYE: Tucker, Bloom, DeSantis, Fruchbom, Kiley, LePlastrier, Sandland, Selich, Stevens  
NO: None  
ABSTAIN: None  
ABSENT: None

#### V. CURRENT BUSINESS

##### a. **Overview of Project Schedule**

*Recommended Action: No action; receive presentation from Kimley-Horn on the tentative project schedule and discuss as necessary.*

David Barquist, Kimley-Horn & Associates, reported the State of California has imposed deadlines on all Metropolitan Planning Organizations (MPO), and the Southern California Association of Governments (SCAG), the MPO for Newport Beach, has imposed deadlines on all jurisdictions within its region. The Housing Element planning period extends from October 15, 2021 to October 15, 2029, and the Housing Element due date is October 15, 2021. The October 15, 2021 due date may be delayed for up to six months. Legislative action is required to extend the due date. The State provides the Regional Housing Needs Assessment (RHNA) allocations. The RHNA process includes development of allocations, an appeal period, and final adoption of the allocations at SCAG. Because of a number of issues, the State postponed the appeal period for up to 120 days, and the final allocations may not be approved until the end of 2020. In order to update the Housing Element, the City is assuming the draft allocation will be its final allocation. The baseline analysis, which will extend through October 2020, includes a demographic housing profile, a constraints and resources analysis, analysis of fair housing issues, and a review of the performance of the prior Housing Element. Drafting of the Housing Element will extend through February 2021. The public review period will extend from March through July 2021. A draft Housing Element will be submitted to HCD for compliance review in June 2021. HCD has 60 days to review the draft Housing Element. During that review, HCD staff and City staff can and will communicate regarding issues. Staff anticipates public hearings will be held in September or early October 2021 in order to comply with the adoption deadline.

Committee Member Sandland requested the fiscal analysis, Task 7.3, begin prior to February 2021.

In response to Chair Tucker's questions, Mr. Barquist advised that the market analysis will be conducted by Keyser Marston Associates. The analysis will look at the implications of growth as it relates to the fiscal model prepared by a prior City consultant. It will determine the cost dynamic for such things as future opportunities for growth, affordability levels, and the rental market versus the owner market. Task 2.2, development of housing plan, is the policy component of the Housing Element, and work on it will occur along with Task 2.4, draft Housing Element. A draft Housing Element could be ready for presentation by November 2020, but work and analyses may be

presented to the Committee prior to November. The project description is scheduled for an extended time period because there could be some issues with sites and decisions may affect the project description. Before the Environmental Impact Report (EIR) process begins in earnest, the project description should be accurate. The scoping meeting is typically held just after the notice of preparation is issued, but it can be held earlier or later in the process. The scoping meeting will define the bounds of the project for the public. The Initial Study, notice of preparation, and public process to begin the EIR is meant to focus on specific environmental issues.

In reply to Committee Member Selich's inquiries, Mr. Barquist indicated the EIR public review period is generally the final two months of the process. The public review period will be determined by the hearing dates before the Planning Commission and City Council. The public review period could occur between June and September 2021.

In answer to Committee Member DeSantis' query, Mr. Barquist related that the length of a Housing Element Update process depends on the jurisdiction and outreach and collaboration opportunities. The average process extends for 12-16 months. The COVID situation, the nature of outreach, and potential legislative changes will influence the length of the process. The proposed schedule is feasible.

In response to Committee Member Sandland's question, Mr. Barquist stated funding and financing opportunities for affordable housing are part of the requisite analysis for the Housing Element. The analysis will consider existing local programs and regional, state, federal and private programs for affordable housing. A summary of the programs will be provided to the Committee.

In reply to Committee Member DeSantis' inquiries, Mr. Barquist noted the area subject to the VMT analysis will be determined in the next few weeks and will be shared with the Committee. October or November may be too early to have information from VMT analyses.

In answer to Committee Member Stevens' query, Mr. Barquist advised that a baseline assessment is part of the Housing Element policy. Committee Member Stevens suggested including the baseline environmental study as a separate task. The scoping meeting should be held during the public comment period for the Initial Study and notice of preparation.

Jim Mosher agreed that the scoping meeting seems to be scheduled late in the process. He inquired about the City's position regarding the SoCal Connect Plan. He wanted to know what the public review draft, Item 2.6, would be and how long the review period would be.

David Tanner stated under normal times, the Housing Element Update process would extend over two years. The schedule is unrealistic. If it is realistic, there will not be any public participation. The schedule shows very little public involvement. He requested inclusion of Measure S in the schedule because Measure S will be required. He asked why the City is pursuing legislation that will exempt Measure S from a vote.

Chair Tucker assumed the consultant prepared the schedule based on the due date. The process will include public input. The Committee's task is to complete a draft Housing Element. Measure S is not within the Committee's purview.

**b. Lessons Learned from Prior Outreach and Discussion of Future Outreach**

*Recommended Action: No action; receive presentation from staff on previous outreach efforts under the now dissolved General Plan Update Steering Committee and discuss future outreach efforts.*

Senior Planner Ben Zdeba reported a major product of the General Plan Update Steering Committee was branding for the overall General Plan Update effort. Public engagement disclosed that the Land Use and Housing Elements were two of the most important elements for the community. A public workshop was held in each Council district on different days. More than 600 people were engaged in person and online during those workshops. One lesson learned from the prior outreach is engaging the public on such a complicated matter is not easy. The prior process developed a list of shared community values. Early in the process, outreach focused on community values and a vision statement. Approximately 400 people attended a kickoff event. The first workshop garnered the highest attendance with 68 people, and a workshop in December garnered the lowest attendance with 8 people. Workshops included an exercise for participants to map locations for housing. A large amount of housing was placed in the Airport Area, Banning Ranch, the Hoag area, Newport Coast, and Fashion Island/Newport Center. Some housing was scattered around the City and placed in boats off the coast.

Chair Tucker advised that he attended five of the seven workshops and found the usual community members at the workshops. An Outreach Subcommittee will be appointed, but engaging the community is difficult.

Mildred Perez, Kennedy Commission, suggested the City engage community organizations early in the process to discuss meeting the housing needs of low-income people and to engage low-income communities. The Kennedy Commission would like to assist with public outreach.

David Tanner remarked that the questions asked at the workshops reflected the consultant's view and not the public's view. He requested a discussion of the numerous impacts to the General Plan from housing laws.

Dorothy Kraus suggested advertising begin now for the Housing Element Update, perhaps through a banner on the City's homepage and announcements on social media platforms.

Committee Member Stevens noted the pandemic, the closure of City Hall, and misconceptions are impediments to outreach.

Committee Member DeSantis believed outreach would probably not be in person; therefore, different strategies and technologies will be needed.

**c. Overview of Current Housing Opportunity Sites, HCD Guidebook for Site Selection Criteria and Substantial Evidence**

*Recommended Action: No action; receive presentation from Kimley-Horn and staff regarding current housing opportunity sites inventory of the Housing Element as well as the current site selection criteria pertaining to the update. The discussion should also touch on what "substantial evidence" means.*

Nick Chen, Kimley-Horn, reported sites are suitable for residential development if zoned appropriately and available for residential use during the planning period. Approximately half of the City's RHNA allocation is designated for very-low-income and low-income housing. HCD's

memorandum is generally oriented toward meeting the lower-income need. The analysis of sites begins with units entitled after the start of the projection period, June 30, 2021, which can be counted towards the RHNA allocation. Next are the most available or the easiest to develop sites, also known as vacant sites, but vacant sites are not a readily available resource in Newport Beach. Next in the analysis are non-vacant or underutilized sites, which are sites currently zoned for residential or other uses that are deemed, based on substantial evidence, re-developable for affordable housing within the planning period. New guidance states if 50 percent or more of the allocation is fulfilled with non-vacant or underutilized sites, there is an impediment to housing development and further evidence must be provided, evidence such as past performance in developing these types of sites or market analysis. The City is not responsible for development of sites, but for providing an environment for development of sites. Creative measures or alternative methods, such as accessory dwelling units, can be used to fulfill the allocation. HCD's memorandum provides methods for anticipating the number of accessory dwelling units that can be counted toward the allocation. Boats as housing units may be an alternative method. Development has to result in no net housing loss, and any loss of units has to be accounted for in the Housing Element and sites analyses. Fair housing and the equitable distribution of housing has to be addressed and analyzed. The HCD memorandum defines substantial evidence as facts, reasonable assumptions or expert opinion that can be supported by facts.

In reply to Committee Member Fruchbom's query, Mr. Chen advised that if the analysis shows that fulfilling a requirement is infeasible, staff would have to discuss with HCD next steps and an approach for addressing the situation.

Chair Tucker commented that locating affordable units on the coast will result in fewer units than locating them near Hoag or the airport. Equitable distribution will be a challenge. Mr. Chen explained that equitable distribution ensures units are not concentrated in lower resource areas. All census tracts in Newport Beach are likely high resource areas. Chair Tucker noted the Airport Area is zoned for a different school district. HCD suggests a jurisdiction vary its development standards if it cannot generate sufficient affordable units. At some point, increased density becomes counterproductive. Landowners' decisions to redevelop their properties will be driven by economics.

In response to Committee Member LePlastrier's inquiry, Principal Planner Jaime Murillo explained staff's development of the sites inventory prepared for the 2006 General Plan Update. Staff included justification for the sites being legitimate opportunity sites. The Airport Area provided the greatest opportunity for housing, followed by Newport Center, Mariners Mile, and a few smaller sites. More analysis is needed to determine sites that can accommodate lower-income units. State law provides that if a site can accommodate at least 30 dwelling units per acre, it is presumed the site can accommodate lower-income housing. The Airport Area is the only area in the City with that minimum density. The Airport Area requires a minimum 10-acre site, and the City implemented a housing overlay exempting a development with at least 30 percent affordable units from the site requirement. Lower-income housing sites are concentrated in the Airport Area, but it is a high resource area. Unfortunately, development projects have reduced the number of lower-income units that can be developed in the Airport Area.

Committee Member Kiley remarked that because of the proximity to employment and transportation, the Airport Area is the logical location for affordable housing. In answer to her query, Principal Planner Murillo related that staff is looking at the possibility of accessory dwelling units (ADU) qualifying as affordable units. The potential for development of ADUs in the City is great. SCAG is developing pre-approved methodologies to count ADUs regionally. At the time of

permitting, property owners complete a questionnaire indicating the rent for an ADU, and in some cases the ADUs can be counted as low-income housing units.

In answer to Committee Member Fruchbom's question, Principal Planner Murillo explained that in the Airport Area the minimum density is 30 units per acre and the maximum is 50 units per acre. Staff used 30 units per acre and parcel size to develop the realistic capacity for the Airport Area. The actual capacity of the Airport Area is closer to 4,000 units. Staff did not consider 60 or 80 units per acre because the General Plan does not allow such high densities.

Chair Tucker recalled the Mayor's letters to legislators regarding credit for ADUs. Public opinion seems to be split as to whether ADUs will be developed.

In response to Committee Member DeSantis' inquiries, Principal Planner Murillo believed the Committee will explore the potential for redeveloping existing land uses as housing. Changes in retail business models and the pandemic may provide justification for redevelopment of sites as housing.

Chair Tucker indicated surface parking lots are being redeveloped for other uses. The Sites Subcommittee is exploring all possibilities and hopes to find sites on the perimeter of town.

In reply to Committee Member Sandland's inquiry, Principal Planner Murillo reported the Newport Crossings project with 350 units and Uptown Newport project with approximately 600 units have been entitled, but they have not been submitted for plan check. As such, it is likely they will be counted towards the City's RHNA allocation for the upcoming cycle. Unfortunately, the units that can be counted will be moderate or above-moderate-income units because the lower-income components have been completed. Staff will prepare a list of projects and units for the next meeting.

Jim Mosher commented that the vast majority of opportunity sites identified in 2013 have not been redeveloped during the current planning period, but some of the areas that have been redeveloped with housing were not identified as housing opportunity sites. The Committee may want to know the number of ADUs to which the safe harbor provisions of the HCD memo refer. Locating housing on the County's portion of Banning Ranch may not be a good idea because of the requirements to annex the property and to assume the County's RHNA allocation for the site.

Deborah Allen indicated the community strongly supports locating 4,800 units on the periphery of the City.

David Tanner requested clarification of the viability under the new regulations of opportunity areas previously shown on the General Plan and not developed. Current laws allow each residential property owner within the City to construct an ADU on his property. More than 40,000 ADUs could be built within the City.

Dorothy Kraus inquired about preparation of a baseline number of units that have been built and the remaining capacity and about the Coastal Commission's review of opportunity sites in the Coastal Zone and the impact of the Coastal Commission's review on the October 2021 deadline.

Chair Tucker advised that opportunity sites within the Coastal Zone are not under consideration presently.

Deputy Community Development Director Jim Campbell explained that the City has a robust GIS database of density. Much of the under-built density is located on R-2 properties. Staff has not created any summaries but has created maps, which have been provided to the consultant for evaluation of the current baseline. Staff will work with HCD to develop projections for ADUs and work with the community to increase development of ADUs. Redeveloping single-family homes on R-2 lots as duplexes may be an untapped resource for housing units, but it could be difficult to justify to HCD because staff would have to assess the amount of redevelopment over the next eight years based on a nonexistent program.

In response to Committee Member Kiley's inquiry, Deputy Community Development Director Campbell related that staff would like to count existing, unpermitted ADUs. However, HCD might take the position that existing ADUs are not a net increase in housing. The City may need to develop policies and programs to promote permitting of existing unpermitted ADUs and redevelopment on R-2 parcels so that HCD will accept the housing units.

**d. CEQA Project Description**

*Recommended Action: No action; receive presentation from staff on the project description as it pertains to compliance with the California Environmental Quality Act (CEQA) and discuss as necessary.*

Deputy Community Development Director Campbell reported the environmental review will be programmatic. The CEQA analysis will be based on discrete geographies and specific densities, which are the fundamental components of a project description. This approach to a programmatic environmental review will likely result in an EIR that reflects more impacts than what will be approved. There will not be an opportunity to change the project description to match the final inventory.

In reply to Chair Tucker's questions, Deputy Community Development Director Campbell explained sites may be removed from the inventory if they are not feasible or do not meet legal definitions, but sites cannot be added to the inventory. The project scope may be larger than the final sites inventory. Amendments to the Circulation Element may require environmental review and analysis. Policies added to the Housing Element and Land Use Element may need to be evaluated. The project description has to be broader than potential sites. Many components will need to be analyzed before preparation of the EIR begins. The sites inventory will be specific while areas of interest can be fairly broad. Sites will be considered in parallel to preparation of the EIR. Staff and the consultants will prepare a project description and present it to the Committee for review and action. Meanwhile, the Committee will be reviewing potential sites. A Statement of Overriding Considerations is a possibility even if the RHNA allocation is fulfilled. While Level of Service has been replaced with Vehicle Miles Traveled, a Level of Service analysis will be needed to properly plan for intersections and to ensure housing fits as best it can within projections.

In answer to Committee Member DeSantis' inquiry, Deputy Community Development Director Campbell indicated staff will attend SCAG's workshop regarding a new tool for the site inventory.

In response to Committee Member Fruchbom's query, Deputy Community Development Director Campbell related that there has been talk about exempting the Housing Element Update from CEQA requirements so that jurisdictions can complete it on time. Staff will proceed under the assumption that the Housing Element Update is not exempt from CEQA requirements.

David Tanner stated the project description should not be developed by staff or consultants. The City's Traffic Phasing Ordinance will require a Level of Service analysis. There will be massive gridlock if ADUs are developed and RHNA numbers are met.

**e. Subcommittee Progress Reports**

*Recommended Action: Receive verbal progress reports from both subcommittees and discuss as necessary.*

Chair Tucker advised that the Affordable Housing Subcommittee discussed funding, financing, tax credits, subsidies, and rent restrictions for affordable housing. The challenge will be creating incentives that allow the construction of as much affordable housing as possible. At this time, achieving the RHNA allocations for affordable housing does not appear realistic.

Committee Member Fruchbom introduced himself as an affordable housing developer. The cost of providing an affordable unit in Newport Beach is higher than in many other cities, but state and federal regulations for affordable housing rents do not consider that fact. Tax credits generally do not provide sufficient income to construct the required number of affordable units. Because rents are high in Newport Beach, increasing the density to some economic limit creates more value for projects in Newport Beach than in an area with lower rents. Hopefully, the developer's profit from high-rent units will be sufficient to subsidize the affordable rents.

Committee Member Jeffrey Bloom introduced himself as the head of commercial lending for a regional bank. In addition, he oversees the bank's investment in low-income housing tax credits. Finding tax credit investments in higher-income areas is extremely difficult. Incentives are needed for developers to construct projects in high-income areas and allocate funds saved from that project to projects in less-costly areas.

Chair Tucker indicated the Sites Subcommittee began analyzing parcels in a portion of the Airport Area for potential opportunities. There are many large parking lots in the area; however, office buildings have the rights to park in those lots. The subcommittee will probably draft letters to the property owners. The Airport Area is limited to 550 infill units, but that number will probably change.

Committee Member Selich introduced himself as a housing developer and a former member of the Newport Beach City Council, Planning Commission, Affordable Housing Task Force, and Local Coastal Program Implementation Committee.

Committee Member Sandland introduced himself as a licensed architect and retired real estate developer, primarily in infill and reuse projects. He has served on the City Hall Design Committee and the Building and Fire Board of Appeals. The Sites Subcommittee also discussed buildings that could be repurposed or demolished for a higher and better use and wrap and podium projects. For all of these projects, the property owner has to be willing to redevelop his property.

Committee Member LePlastrier introduced himself as a business adviser and a member of the Board for Olson Urban Housing.

Committee Member Kiley introduced herself as a commercial real estate appraiser.

Committee Member DeSantis introduced herself as a consultant for stakeholder engagement and advised that she has worked with the California Association of Realtors, as the Director of the State Department of Housing, and with an urban planning firm.

Committee Member Stevens introduced herself as an environmental consultant primarily for CEQA documents and as President of the Corona del Mar Residents Association.

Chair Tucker introduced himself as a former attorney for residential, retail and industrial real estate developers, an investor in commercial properties, and a former licensed real estate broker. He has also served on the Planning Commission, City Hall Design Committee, and Finance Committee.

Jim Mosher appreciated the introductions and the detailed subcommittee reports and hoped future agendas would include subcommittee reports.

**f. New Subcommittee Appointments**

*Recommended Action: Appoint an additional opportunity sites subcommittee and appointment an outreach subcommittee.*

Chair Tucker appointed Committee Members LePlastrier, Selich and Kiley to the Opportunity Sites Subcommittee for West Newport/Mesa and Committee Members DeSantis and Stevens to the Outreach Subcommittee.

Chair Tucker moved, seconded by Committee Member Selich, to confirm the appointments to the Opportunity Sites Subcommittee and the Outreach Subcommittee.

AYE:	Tucker, Bloom, DeSantis, Fruchbom, Kiley, LePlastrier, Sandland, Selich, Stevens
NO:	None
ABSTAIN:	None
ABSENT:	None

**VI. COMMITTEE ANNOUNCEMENTS OR MATTERS WHICH MEMBERS WOULD LIKE PLACED ON A FUTURE AGENDA FOR DISCUSSION, ACTION OR REPORT (NON-DISCUSSION ITEM)**

Chair Tucker did not believe a presentation of the 2018 Orange County Business Council study would be useful even though it is an interesting study. The study could be good support for a draft Housing Element Update.

**VII. ADJOURNMENT – 8:41 p.m.**

*Next Meeting: August 19, 2020, 6 p.m. in the City Council Chambers.*

**CITY OF NEWPORT BEACH  
HOUSING ELEMENT UPDATE ADVISORY COMMITTEE MINUTES  
CITY COUNCIL CHAMBERS – 100 CIVIC CENTER DRIVE**

**WEDNESDAY, SEPTEMBER 2, 2020  
REGULAR MEETING – 6 P.M.**

**I. CALL MEETING TO ORDER – 6 p.m.**

**II. WELCOME AND ROLL CALL**

MEMBERS PRESENT: Chair Larry Tucker, Jeffrey Bloom, Susan DeSantis, Elizabeth Kiley, Geoffrey LePlastrier (remote), Stephen Sandland, Ed Selich, Debbie Stevens, (Ex Officio Member) Will O'Neill (arrived at 6:10)

MEMBERS ABSENT: Paul Fruchbom

Staff Present: Community Development Director Seimone Jurjis, Deputy Community Development Director Jim Campbell, Principal Planner Jaime Murillo, Senior Planner Ben Zdeba, City Traffic Engineer Tony Brine, Administrative Technician Amanda Lee

**III. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

David Tanner inquired regarding the City's strategy for updating the Housing Element; the rationale for spending more than \$2 million to update the Housing Element; a Greenlight election; and the City's involvement in AB 1063. He offered to explain an alternative strategy that would save the City time and money.

Jim Mosher noted there have not been agenda items to discuss the frequency of the Housing Element Update Advisory Committee (HEUAC) meetings or the consultant's work on the Environmental Impact Report (EIR). The Circulation Element Update has been delegated to the Planning Commission when the City Council charged the HEUAC with updating the Circulation Element.

Nancy Scarbrough asked if the City has applied for any planning grants offered by the California Department of Housing and Community Development (HCD).

Senior Planner Ben Zdeba reported the City has been awarded grants under the SB 2 planning grant program and the Local Early Assistance Planning (LEAP) grant program. The grant funds have been used to update the City's land management software.

Chair Tucker suggested the City Council is the appropriate body to consider Mr. Tanner's alternative strategy. The City Council has indicated a Greenlight vote will be held if the Housing Element Update triggers one. Chair Tucker believed a vote would be necessary. AB 1063 failed to receive the support necessary for advancing through the Legislature. The HEUAC will meet as needed and when necessary information is available. The HEUAC will receive updates regarding the environmental document. The decision has been made to delegate the Circulation Element Update to the Planning Commission.

Mayor O'Neill advised that the need for a Greenlight vote will not be known until the end of the update process.

#### IV. **CONSENT CALENDAR**

##### a. **Review Minutes of the July 15, 2020 Meeting**

*Recommended Action: Approve and file the minutes of July 15, 2020*

At Committee Member Sandland's request, Principal Planner Jaime Murillo clarified that the Newport Crossings project has been entitled, but it has not been submitted for plan check. Staff anticipates the project's housing units can be counted towards the City's Regional Housing Needs Assessment (RHNA) allocation for the upcoming cycle.

Committee Member Sandland requested the minutes reflect Mr. Murillo's clarification of comments in the fifth paragraph on page 6 and reflect Building and Fire Board of Appeals rather than Building and Life Safety Board of Appeals on page 8.

David Tanner asked the City to create a folder to store all public comments rather than including public comments in each agenda item.

Chair Tucker requested the incorporation of Mr. Mosher's correction of typographical errors and proper names.

Committee Member Sandland moved, seconded by Committee Member Selich, to approve the minutes of the July 15, 2020 meeting as amended.

AYE: Tucker, Bloom, DeSantis, Kiley, LePlastrier, Sandland, Selich, Stevens  
NO: None  
ABSTAIN: None  
ABSENT: Fruchbom

#### V. **CURRENT BUSINESS**

##### a. **Community Outreach Plan**

*Recommended Action: Review and discuss the draft outreach plan. Provide direction to staff on how to proceed.*

David Barquist, Kimley-Horn & Associates, reported the purpose of the plan is to ensure community engagement is sustained throughout the planning process. The overall goal is to provide a transparent process that provides sufficient and varied opportunities for public participation. The plan can be adapted to respond to the COVID situation. The process chart depicts the planning phases and outreach activities for each phase. He summarized the use of Bang the Table, the online platform, and workshops; the HEUAC's and City Council's involvement; and opportunities for feedback regarding the EIR.

Committee Member DeSantis appreciated staff and the consultant incorporating the outreach subcommittee's comments in the plan. In response to her questions, Mr. Barquist recommended a four-week lead time to promote the initial workshop in October. Staff and consultants are working on the details of the workshop. A specific date in October has not been announced. Consultants will suggest technologies they feel are best for tasks. Bang the Table can be used for polling,

analysis, mapping, and many other activities and will be the base technology. Workshops will be recorded and available for the public to review and provide feedback.

In reply to Committee Member Stevens' inquiry, Senior Planner Zdeba advised that the website has been updated and is live. A member of the public has commented on the removal of the prior planning effort, and staff is working on returning it to the website. The website will be updated throughout the process.

In answer to Committee Member Sandland's queries, Mr. Barquist indicated the overall schedule and associated action items are being updated and will be provided to the HEUAC at or before its next meeting.

Chair Tucker remarked that the HEUAC needs to review and understand information about housing sites before it can provide direction regarding outreach. The HEUAC needs the information in order to obtain specific input from the public.

Deborah Allen, Harbor View Hills Community Association President, agreed with Chair Tucker's comments. The sites will be the issue for public comment. Notices of meetings and workshops should be provided to community associations and homeowners associations for distribution to the members.

Jim Mosher inquired regarding the anticipated deliverables from the workshops and the purpose of outreach. For outreach to be effective, the topic for public comment should be specific, and the input should have a meaningful effect on the outcome of the process. The HEUAC should consider better branding for the update effort. The number of community members who have used the outreach tools is probably small, and community familiarity with the tools is not sufficient reason to continue using the tools. Stakeholders should include potential future residents with low incomes.

David Tanner suggested the workshops be dialogs with the community such that the community helps draft the document. The schedule should be revised to accommodate a Greenlight election and Coastal Commission approval. None of the documentation refers to updating the Safety Element. Voters want to know the assumptions being used in modeling.

Nancy Scarbrough expressed concern about the timing of the outreach program. The content of workshops should be reviewed in advance to ensure the workshops will be productive and effective. Community input needs to be more than responses to questions.

Chair Tucker believed sites would drive discussions and community input. Hopefully, the outreach program will be designed to elicit input about sites. Stakeholders are residents, businesses, and owners of commercial properties where housing sites may be located.

Committee Member Stevens suggested a review of the housing sites subcommittee's work would help the public understand the complexities of selecting sites.

Committee Member DeSantis understood the community wants to know the location of housing sites and the effect of development at those sites on the look of the community. This will add another layer to the complexity of identifying sites.

Chair Tucker expected the look of potential developments to be a factor in decisions. In all likelihood, only a small number of sites could accommodate an all affordable housing project. The

majority of affordable units would likely be components of large, above-moderate-income development projects.

**b. Subcommittee Progress Reports**

*Recommended Action: Receive verbal progress reports from all subcommittees and discuss as necessary.*

Chair Tucker reported the sites subcommittee has reviewed sites in the Airport Area to determine possible sites for housing. He reviewed each of the sites and pros and cons for redeveloping the sites.

Committee Member Selich advised that limited housing opportunities are available in West Newport areas zoned for residential, medical office, and public facility uses. Housing may be possible in areas zoned for industrial/commercial uses and in areas containing mobile home lots.

Chair Tucker explained that a zoning overlay retains the current use and adds a new use. An overlay may be important for the east side of MacArthur Boulevard. Tenants of affordable housing pay rent, but the rent amount is based upon income. Incentives will be needed for the development of affordable housing.

Committee Member Kiley related that rezoning a one or two-story commercial building to residential could increase the utilization of the site, which may be preferable to the property owner. The cost of demolishing a commercial building from the 1970s and replacing it with housing could be less than remodeling the commercial building.

Jim Mosher believed the State allows housing with adequate sound attenuation in 65 dB areas. However, Noise Element Policy N 3.2 prohibits new residential development in 65 dB areas. A General Plan amendment has been noticed for the September 8 City Council meeting. The amendment would extend the existing overlay for housing into an area where housing is not allowed. He requested clarification of Committee Member Bloom's concept of incentives for development of projects in high-income areas.

Chair Tucker indicated developers could pay a fee for projects in high-income areas, and the fees would be used for affordable housing projects in areas with lower land costs.

In answer to Committee Member DeSantis' questions, Chair Tucker stated the HEUAC does not advise the Council regarding planning applications. If the Council approves the General Plan amendment, the HEUAC will have less to consider. The units have been incorporated into the roadmap.

**c. Housing Element Sites Strategy**

*Recommended Action: Receive an overview of current projects in the development pipeline that can count towards the RHNA allocation and discuss strategies to identify housing opportunities.*

Senior Planner Zdeba reported the City's draft RHNA allocation will be increased to 4,834 units. The roadmap is simplistic and does not include income designations. Entitled and unbuilt projects may be under construction but have not received a certificate of occupancy and will provide 1,136 units. Projects under review have not been entitled and could provide 878 units.

In reply to Chair Tucker's questions, Senior Planner Zdeba indicated the unit count for the Uptown Newport project pertains to Phase 2. Phase 2 will begin when TowerJazz's lease expires. Principal Planner Murillo explained that the Newport Crossings project was approved under the Newport Place affordable housing overlay. The overlay allows housing development up to 50 dwelling units per acre subject to design review only. To qualify for housing under the overlay, the developer has to commit to providing a minimum of 30 percent of units at the low-income level. The developer has received a density bonus in exchange for low-income housing. This is the first application to utilize the overlay. Plans have not been submitted for plan check. The Airport Area has a maximum development limit of 2,200 units, but most of those units have to be developed through the conversion of commercial floor area. Five hundred fifty infill units are also allowed. The Residences at 4400 Von Karman project is utilizing 260 of those infill units. The developer received a density bonus for providing very-low-income units. The Newport Village project complies with minimum commercial standards and maximum residential standards and is currently under review. The project does not seek more intensity than is allowed.

Committee Member Kiley suggested the RHNA allocation and business closures caused by COVID may provide an opportunity to amend the General Plan to support more residential and less commercial space in mixed-use projects.

In answer to Mayor O'Neill's queries, Principal Planner Murillo explained that if a project is permitted and built prior to June 30, 2021, the units in the project will be credited to the current cycle. The guidelines state the cutoff date is the date of entitlement, permitting, or issuance of a certificate of occupancy. Staff relies on the date a certificate of occupancy is issued. The Newport Crossings project has been entitled but has not obtained permits. The Uptown Newport project is subject to a Development Agreement.

Senior Planner Zdeba advised that 781 units from the 2014-2021 Housing Element inventory could count if they comply with the guidelines for the current cycle. The number of units does not include any units at Banning Ranch because annexation probably could not occur prior to the deadline.

In response to Committee Member Sandland's inquiry, Senior Planner Zdeba indicated the 781 units are based on the realistic development capacity of the existing inventory and do not include sites slated for redevelopment. He agreed to provide a tabulation of the units.

Senior Planner Zdeba described alternatives to new construction as preservation of existing affordable units and conversion of market-rate units to affordable units. The guidelines limit the number of alternative units to 25 percent of the City's very low and low-income requirements. Mobile home units can be identified as committed and preserved for affordable housing, but the 55-year minimum affordability term may be a deterrent to property owners taking that action.

In reply to Chair Tucker's queries, Senior Planner Zdeba stated realistically 12 units could be preserved within the timeframe for the current cycle. Chair Tucker believed there are few opportunities to achieve the 594 units.

Senior Planner Zdeba related that 1,000 units is an aggressive target for the production of accessory dwelling units (ADUs). With the changes in State law, the production of ADUs is much easier. To achieve this number, the City would have to commit to promoting ADUs, monitoring ADU production, and being held accountable should 1,000 units not be achieved. The ADU target number is open for discussion.

In response to Chair Tucker's inquiries, Senior Planner Zdeba indicated there would be consequences for failing to achieve 1,000 ADUs. State law does not allow the imposition of new or existing private restrictions on ADUs.

Senior Planner Zdeba explained that the City could commit to a rezoning program that would account for shortfalls in achieving goals.

In answer to Committee Member Sandland's questions, Senior Planner Zdeba advised that the beginning of the planning period is June 30, 2021. None of the goals include potential units at Banning Ranch. Principal Planner Murillo reported live-aboards with permanent utility hookups can count towards the allocation. Moorings in Newport Harbor do not provide permanent utility hookups and cannot count.

In reply to Committee Member Selich's queries, Senior Planner Zdeba reported the number of units obtained through rezoning could be 445 if the other goals are achieved. Staff has not analyzed the number of units from the existing inventory to suggest a realistic number of units that could be achieved. The assumptions for existing inventory sites, alternatives to new construction, and ADUs will affect the target for rezoning.

Committee Member Bloom remarked that the net number of needed units is 2,009 absent income restrictions. With income restrictions, the target for low-income units is about 3,300 units. Approximately 6,200 units will be needed to satisfy the income restrictions. Principal Planner Murillo related that only 88 of the 1,136 units entitled and unbuilt are lower-income units. Staff needs to present the number of units per income category for each target.

In answer to David Tanner's question, Chair Tucker stated the HEUAC will attempt to find sufficient sites to accommodate housing. If the HEUAC cannot accomplish that, it will report it to the Council. Mr. Tanner suggested the HEUAC ask staff and consultants about the strategy if the allocation cannot be fulfilled. He inquired about opportunities for public input in the roadmap.

Jim Mosher remarked that the HEUAC is not envisioning all affordable housing projects. The goal for low and very-low-income units is more than 2,000. To achieve 2,000 units, the number of overall units will have to be more than 4,834. The City Council has asked the Harbor Commission to review live-aboards, perhaps with the idea of counting them towards the RHNA allocation. The Harbor Code prohibits houseboats.

Chair Tucker reported approximately 2,400 units in the lower affordability range are required. If market-rate housing projects can include no more than 20 percent affordable housing, 12,000 housing units will be needed to provide 2,400 affordable units.

Mayor O'Neill recalled the Council's direction for three paths: providing a compliant Housing Element, pushing back legislatively, and pushing back legally. The Council will consider an appeal and legal options when it receives the formal RHNA allocation. The Council's legislative efforts ended when the bill it supported died. Completing the Housing Element Update in 14-15 months is not possible. The expectation for the HEUAC is to find as much compliance as possible and make recommendations to the Council. The Council will then review its options.

In reply to Committee Member Selich's question, Principal Planner Murillo advised that a rezoning program, if needed, would be contained in the Housing Element that the City Council adopts. The City will have three years to complete rezoning, which could include General Plan amendments. A

Greenlight vote would not occur until rezoning and associated General Plan amendments are proposed. A Greenlight vote and Coastal Commission approval are not needed to submit the Housing Element to HCD.

Committee Member DeSantis remarked that affordable housing does not have to be achieved through inclusionary requirements only. The HEUAC can explore other methods to achieve affordable housing that will not increase the number of overall units. A housing trust fund and mortgage programs are examples of such methods. Newport Beach employers could be interested in contributing to a housing trust fund for workforce housing.

Chair Tucker commented that the HEUAC will need to document and describe the reasons it cannot meet the RHNA allocation, if that occurs.

Mayor O'Neill referred to the City's efforts to subsidize permanent supportive housing, which could aid compliance with the RHNA allocation.

Mary Ann Soden encouraged the HEUAC to consider nonprofit and affordable housing partners to build affordable housing.

In answer to Committee Member Sandland's question, Chair Tucker indicated he is working with staff to draft a letter to property owners regarding redevelopment of their properties.

**d. Appointment of an Additional Sites Subcommittee**

*Recommended Action: Appoint an additional sites subcommittee.*

Chair Tucker moved, seconded by Committee Member Selich, to establish an Additional Sites Subcommittee composed of Chair Tucker and Committee Members Selich and Stevens.

AYE: Tucker, Bloom, DeSantis, Kiley, LePlastrier, Sandland, Selich, Stevens  
NO: None  
ABSTAIN: None  
ABSENT: Fruchbom

**VI. COMMITTEE ANNOUNCEMENTS OR MATTERS WHICH MEMBERS WOULD LIKE PLACED ON A FUTURE AGENDA FOR DISCUSSION, ACTION OR REPORT (NON-DISCUSSION ITEM)**

Chair Tucker requested details of affordable housing.

**VII. ADJOURNMENT – 8:39 p.m.**

*Next Meeting: October 7, 2020, 6 p.m. in the City Council Chambers.*

**CITY OF NEWPORT BEACH  
HOUSING ELEMENT UPDATE ADVISORY COMMITTEE MINUTES  
CITY COUNCIL CHAMBERS – 100 CIVIC CENTER DRIVE**

**WEDNESDAY, OCTOBER 7, 2020  
REGULAR MEETING – 6 P.M.**

**I. CALL MEETING TO ORDER – 6 p.m.**

**II. WELCOME AND ROLL CALL**

MEMBERS PRESENT: Chair Larry Tucker, Jeffrey Bloom, Susan DeSantis, Paul Fruchbom (remote), Geoffrey LePlastrier, Stephen Sandland, Ed Selich, Debbie Stevens

MEMBERS ABSENT: Elizabeth Kiley (excused), (Ex Officio Member) Will O'Neill

Staff Present: Community Development Director Seimone Jurjis, Deputy Community Development Director Jim Campbell, Principal Planner Jaime Murillo, Senior Planner Ben Zdeba, Administrative Support Specialist Clarivel Rodriguez

**III. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Jim Mosher noted the City Council has amended the General Plan and approved a development agreement for a developer to build housing that does not require low-income or very-low income units on property adjacent to the Airport. Allowing all developers to do this would result in the need to find locations for up to 49,000 units to achieve quotas for affordable housing.

Nancy Scarbrough commented that the Circulation Element had been delegated to the Planning Commission without a Council vote or public awareness. She wanted to know when and where that decision was made and whether staff or consultants have begun work on updating the Circulation Element.

**IV. CONSENT CALENDAR**

**a. Minutes of the September 2, 2020**

*Recommended Action: Approve and file the minutes of September 2, 2020*

Chair Tucker indicated Mr. Mosher has provided a minor correction.

Chair Tucker moved, seconded by Committee Member Selich, to approve the minutes of the September 2, 2020 meeting as presented.

AYE: Tucker, Bloom, DeSantis, LePlastrier, Sandland, Selich, Stevens  
NO: None  
ABSTAIN: Fruchbom  
ABSENT: Kiley

**V. CURRENT BUSINESS**

**a. Subcommittee Progress Reports**

*Recommended Action: Receive verbal progress reports from all subcommittees and discuss as necessary.*

Chair Tucker reported the sites subcommittees for the Airport Area and West Newport Mesa have completed their reviews, and staff has posted the subcommittees' notes to the website. The site subcommittee for the remainder of the City is awaiting information from staff. The goal is to have the subcommittee's review complete and its notes posted prior to the next HEUAC meeting and the workshop.

Senior Planner Ben Zdeba advised that the information should be available for the subcommittee the following week.

Chair Tucker explained that the sites subcommittees graded each site as feasible, potentially feasible, or infeasible. Feasible sites have physical characteristics that may allow housing development. Infeasible sites appear not to have the ability to accommodate housing. Potentially feasible sites may accommodate housing, but the subcommittee could not make a determination based upon current information. After public input, the HEUAC will decide if a parcel is suitable for housing.

Committee Member Sandland requested staff maintain a tabulation of the number of acres and potential units the sites could generate in each category. Deputy Community Development Director Jim Campbell advised that staff will maintain a tabulation of the acreage of the sites and could provide a range of densities or unit yields at different densities.

In response to Deputy Community Development Director Campbell's query, Chair Tucker explained that the HEUAC should determine sites are suitable for housing prior to staff contacting the property owners. The subcommittees have no decision-making authority. Deputy Community Development Director Campbell expressed concern because the HEUAC would receive public input prior to making a decision, and public input would occur over a number of months. Staff should contact property owners sooner rather than later to learn of their interest in building housing on their properties. In addition, staff should probably contact more property owners than the HEUAC identifies in order to gather additional information about sites. Chair Tucker expected the workshops to provide public input regarding the sites that could accommodate housing. The October 20, 2020 workshop could provide input for the HEUAC to consider in its October 21 meeting. The HEUAC will review sites in the Airport Area and West Newport Mesa on October 21 and the rest of the City on November 4. By November 4, the HEUAC should have enough input for staff to begin contacting property owners. Deputy Community Development Director Campbell did not believe the October 20 workshop would consider specific sites; therefore, the HEUAC would not have public input regarding specific sites for its October 21 meeting.

Jim Mosher requested a more logical numbering system for the parcels and suggested the HEUAC webpage contain a list of subcommittees, subcommittee members, and the task of each subcommittee.

Chair Tucker related that the numbering system was provided to the subcommittee, and the subcommittee did not change it.

Deputy Community Development Director Campbell indicated the webpage could be updated to include a list of subcommittees.

Dorothy Kraus remarked that the lack of a response to Ms. Scarbrough's comments about the Circulation Element leaves an unsettling feeling. She inquired about the rationale for deeming the Road and Track building as infeasible when the underlying zoning for the parcel is residential.

Chair Tucker explained that he made a recommendation to staff and the Mayor that the Planning Commission update the Circulation Element as it has experience with traffic matters and HEUAC members do not. He was not privy to how the decision occurred.

Committee Member Selich advised that the subcommittee was informed that the Road and Track building is undergoing remodeling for a private school's educational offices. With the school's investment in the building, the subcommittee felt it was infeasible for housing. In addition, a major portion of the parking lot for the building is in the public right-of-way for the extension of 15<sup>th</sup> Street.

Deputy Community Development Director Campbell reported several years ago the Hearing Officer granted an extension of the nonconforming office use for Kobe's project at the Road and Track site. Pacifica Christian School is making similar investments and extending that nonconforming privilege. Changing zoning on the site from residential to commercial would require a General Plan Amendment. Also, the shape and size of the parcel makes a residential development on the site challenging. In order to include the site in the Housing Element Update, the City needs reasonable evidence that the site could change land uses during the planning period.

Chair Tucker appreciated Ms. Kraus' input as the type of input the HEUAC wants to receive.

**b. Strategy for Public Input on Sites**

*Recommended Action: Discuss and provide direction on how to best seek public input on the housing opportunity sites inventory.*

Chair Tucker wanted to receive quality input regarding the suitability of sites listed in the subcommittees' notes. Following the October 20 workshop, the HEUAC will review feasible and potentially feasible sites, hear public input provided at the workshop, and determine sites suitable for housing. HEUAC review of sites in the Airport Area and West Newport Mesa will be scheduled for October 21, and sites in the remainder of the City will be scheduled for November 4.

In response to Chair Tucker's question, David Barquist, Kimley-Horn and Associates, advised that the City has the right to adopt a Housing Element as it sees fit, but the City has to abide by State law. If the City adopts a Housing Element that does not comply with statutory requirements, the State will not certify the Housing Element. There are some challenges to self-certifying a Housing Element. In his opinion, the community's desires and statutory requirements should be considered equally. Chair Tucker understood penalty provisions contained in recent legislation apply pressure on cities to achieve their RHNA allocations. Mr. Barquist could provide the HEUAC with relevant legislation.

Chair Tucker did not want the public to participate in the engagement process and then feel as though the HEUAC ignored its input. He read the Code section regarding public participation.

**c. Outreach Plan Update**

*Recommended Action: Receive an overview of the outreach plan efforts, including information on the schedule moving forward and the upcoming October 20 virtual workshop and the November 16 virtual workshop for the Circulation Element Update.*

Mr. Barquist reviewed opportunities for community engagement, which include digital engagement, committee/advisory meetings, in-person or virtual workshops, online video presentations, and webinars. The first community workshop is scheduled for October 20, 2020, will be held online, and will be interactive without a presentation. Engagement opportunities will be available through the website and HEUAC meetings

Senior Planner Zdeba related that 36 people have registered via Zoom for the October 20 workshop. The community was notified of the workshop through email blasts and Nextdoor posts. The community may register for the workshop on the website. A Circulation Element kickoff workshop is scheduled for November 16, 2020.

In response to Committee Member DeSantis' inquiries, Mr. Barquist emphasized the interactive nature of the October 20 workshop. The workshop will include lessons learned from prior outreach efforts, the context for RHNA, a series of activities, and next steps. Scenario building or modeling with different densities will occur after the October workshop. Vehicle miles traveled (VMT) and circulation will be part of the analysis. Mitigation measures for VMT impacts and many other topics will be part of community education.

In answer to Committee Member Stevens' question, Mr. Barquist stated the Lego exercise will not be repeated as staff has clearly directed the consultant team not to repeat activities. The workshop will focus on locations within areas of the City.

Chair Tucker remarked that if the HEUAC cannot achieve the RHNA allocation during the update process, sites will be selected based on their ability to provide housing units, which is not a good planning method.

Committee Member DeSantis referred to a letter from Olen Properties. Visioning is not reviewing individual sites but preparing a realistic model for an area based on available sites and the development community's input regarding feasibility.

In reply to Committee Member Selich's query, Mr. Barquist explained that during the workshop, participants can respond to polls and share their ideas.

Jim Mosher hoped the workshop will have some form. He expressed concern about having to provide information to Zoom in order to register for the workshop. He inquired whether workshops would be recorded and posted on the website. He requested clarification of the Circulation Element workshop and the center column of the chart for outreach opportunities.

Charles Klobe commented that without State and Federal subsidies, the City will not find enough sites to accommodate 49,000 housing units, which will include the required number of affordable housing units. The HEUAC should decide it will submit an incomplete Housing Element. He suggested staff reach out to coastal cities in the same position as Newport Beach and develop a regional coalition to approach the State.

Dorothy Kraus expressed confusion regarding the role of the outreach subcommittee in obtaining public input on sites. The HEUAC seems to be glossing over Committee Member DeSantis' comments regarding visioning. The Outreach Plan and the websites are confusing and do not relate to each other.

Chair Tucker advised that Committee Members DeSantis and Stevens form the outreach subcommittee. They coordinate the outreach program with staff and consultants in order to obtain meaningful public input. The City can fight its RHNA allocation or update the Housing Element to achieve the allocation. If individuals feel the City should fight the allocation, they should address the City Council.

Deputy Community Development Director Campbell indicated the workshops will be recorded and posted on the website. A detailed script or agenda of the workshop is not ready for publication. Zoom registration requires a name and email address. Staff will update the City Council on October 13, 2020, but currently no other meetings with the Planning Commission or City Council have been scheduled.

Chair Tucker requested the workshop script be provided to the outreach subcommittee for comment. The affordable housing subcommittee is awaiting information from Principal Planner Jaime Murillo.

Committee Member DeSantis noted Orange County has a housing trust fund, and cities may create a local fund to subsidize housing units.

Senior Planner Zdeba explained that the Circulation Element webinar is listed at the top of the chart.

In response to Committee Member Sandland's question, Deputy Community Development Director Campbell clarified that workshops and webinars will allow the community to participate through chat and polling features.

Chair Tucker recommended the workshop include an announcement of the HEUAC's schedule for reviewing sites in the Airport Area, West Newport Mesa, and the remainder of the City.

**d. Affordable Housing Compliance**

*Recommended Action: Receive an overview of what "affordable housing" means in the context of Orange County, as well as the new affordable housing requirements related to the housing opportunity sites inventory. Discuss strategies for compliance.*

Mr. Barquist defined affordability as the ability to pay based on income and housing cost. Affordability is based on median family income (MFI), which is calculated by the Department of Housing and Urban Development (HUD) for each county. Orange County's MFI of \$103,000 is high in comparison to many counties in the state. RHNA assumes a family of four individuals. The Housing Element is required to identify sites by income category. Affordability for a site is generally based upon the density allowed for the site. According to the State, 30 dwelling units per acre is the default density for affordable units. Sites can accommodate more than one income category. The Department of Housing and Community Development (HCD) recommends a 15-30 percent buffer for additional dwellings to cover no net loss.

In reply to Committee Member Selich's questions, Mr. Barquist indicated the City would have to find sites to accommodate affordable housing that a developer does not build on a site designated for affordable housing. Staff will track affordable housing sites and construction of affordable housing. A subsidy could be a policy solution for construction of affordable housing.

Chair Tucker advised that most sites in Newport Beach are non-vacant, which is required for housing in the lower-income range. Therefore, the substantial evidence rule will come into effect.

In answer to Chair Tucker's query, Mr. Barquist explained that different strategies and methods can encourage property owners to redevelop their land.

Committee Member Selich remarked that the City cannot provide enough incentives, fee reductions, or bonus programs to make up the deficit of constructing affordable housing.

Committee Member Fruchbom related that coastal cities have the most difficulty providing affordable housing because their rents are higher than countywide rents, on which RHNA requirements are based. He calculated a developer's loss in constructing a hypothetical one-bedroom apartment unit at 50-60 percent AMI in Huntington Beach and in Newport Beach. According to his very rough estimation, a bond measure levying \$6,000 on every man, woman, and child in Newport Beach could provide funding for affordable housing. Theoretically, it is possible for tax credits and cheap land to fill a developer's deficit, but the demand for tax credits is immense. The City could offer increased density in exchange for affordable units. In the past, he surveyed the City for sites that could accommodate a development with affordable housing and found only one site, City-owned land near the maintenance yard.

Chair Tucker questioned whether the State would accept a Housing Element that utilizes strategies to achieve affordable housing allocations, regardless of the success of the strategies.

Committee Member Selich expressed concern regarding the no net loss requirement.

Chair Tucker suggested the no net loss requirement will have to be covered through an overlay that requires affordable housing as part of a residential development.

In response to Committee Member DeSantis' inquiry, Mr. Barquist stated the City could use in-lieu fees to construct affordable housing in other cities. Committee Member DeSantis noted UCI has a fund for silent second mortgages on affordable housing. The City of Livermore and the County of Marin are subsidizing mortgages to attract residents. Chair Tucker added that UCI is subsidizing affordable housing located on UCI's property. He questioned whether the State would accept affordable housing built in another city.

Mr. Barquist clarified that the Housing Element contains courses of actions that should achieve the RHNA allocation. The specific details of those actions do not have to be included in the Housing Element. To obtain affordable housing, the City could provide incentives or streamline permitting for accessory dwelling units (ADU), increase densities, create affordable overlay zones, promote the preservation of existing affordable units, or promote the conversion of market-rate units to affordable units.

In reply to Committee Member Sandland's questions, Mr. Barquist explained the City's ability to count affordable units when their affordable covenants, which are set to expire, are renewed. Deputy Community Development Director Campbell reported the current Housing Element

contains a list of project sites subject to affordable covenants. Staff has registered with the State to receive notice prior to the expiration of covenants. Theoretically, the City could negotiate with property owners to pay for an extension of the covenants. Staff has contacted property owners where the covenants were about to expire, and all property owners have rejected offers to extend the covenants. Senior Planner Zdeba indicated covenants on 12 properties will expire during the 2021-2029 planning cycle.

In answer to Committee Member Selich's query, Mr. Barquist related that the no net loss requirement applies to the entire RHNA allocation.

Chair Tucker commented that staff and consultants will provide the HEUAC with alternatives for affordable units. The HEUAC will likely consider an inclusionary fee.

Mr. Barquist indicated HCD considers whether the Housing Element meets the spirit and intent of the law and substantially complies with the law. Staff can discuss potential programs and strategies with HCD prior to completing the Housing Element.

Committee Member DeSantis suggested salaries for Newport Beach jobs should be prominent in the workshop discussion so that the community can relate to residents of affordable housing

Jim Mosher suggested staff clarify the statement that HCD considers a density of 30 units per acre as suitable for affordable housing and the application of that density to the Newport Airport Village project.

Deputy Community Development Director Campbell reported a site identified for affordable housing must have a density of 30 units per acre. He recommended the Housing Element reflect the number of affordable units proposed for the Newport Airport Village project rather than the maximum number of units that could be built on the site. His recommendation would apply to the Newport Crossings project and any remaining development in the Uptown Newport project.

**e. RHNA Appeal Filing-Council Item for October 13**

*Recommended Action: Receive and file.*

Chair Tucker remarked that the appeal lists retail commercial and industrial properties without describing economic constraints on converting those properties to residential uses. He has submitted language addressing that issue to staff. In determining the number of housing units needed, the State did not consider the availability of land for housing.

Jim Mosher stated other cities will appeal their allocations and make arguments similar to Newport Beach's arguments.

Deputy Community Development Director Campbell advised that a draft letter has been included in the meeting packet and will be presented to the City Council on Tuesday along with a request to authorize an appeal. The Southern California Association of Governments (SCAG) will convene its litigation committee, which could mean SCAG is considering litigation regarding RHNA.

In answer to Committee Member DeSantis' query, Principal Planner Murillo reported the deadline to submit an appeal is October 26, 2020. A 45-day comment period will follow the deadline. Once the comment period expires, SCAG will hold hearings, which are estimated to last four to six weeks.

The appeal process is expected to conclude in late January or early February 2021. At that time, cities will have their final RHNA allocations.

**VI. COMMITTEE ANNOUNCEMENTS OR MATTERS WHICH MEMBERS WOULD LIKE PLACED ON A FUTURE AGENDA FOR DISCUSSION, ACTION OR REPORT (NON-DISCUSSION ITEM)**

Chair Tucker requested a presentation by the Kennedy Commission and a discussion of the appropriate time for staff to contact property owners about building housing on their properties.

Committee Member DeSantis' requested a presentation by Renaissance Housing, an affordable housing developer. Chair Tucker suggested that occur when the Affordable Housing Subcommittee has information to share.

Committee Member Sandland requested Mr. Barquist provide an updated outreach schedule by October 21, 2020.

**VII. ADJOURNMENT – 8:23 p.m.**

*Next Meeting: October 21, 2020, 6 p.m. in the City Council Chambers.*

**CITY OF NEWPORT BEACH  
HOUSING ELEMENT UPDATE ADVISORY COMMITTEE MINUTES  
CITY COUNCIL CHAMBERS – 100 CIVIC CENTER DRIVE**

**WEDNESDAY, OCTOBER 21, 2020  
REGULAR MEETING – 6 P.M.**

**I. CALL MEETING TO ORDER – 6 p.m.**

**II. WELCOME AND ROLL CALL**

MEMBERS PRESENT: Chair Larry Tucker, Jeffrey Bloom, Susan DeSantis, Elizabeth Kiley, Geoffrey LePlastrier, Stephen Sandland, Ed Selich, Debbie Stevens

MEMBERS ABSENT: Paul Fruchbom, (Ex Officio Member) Will O'Neill (excused)

Staff Present: Community Development Director Seimone Jurjis, Deputy Community Development Director Jim Campbell, Principal Planner Jaime Murillo, Senior Planner Ben Zdeba, City Traffic Engineer Tony Brine, Administrative Support Specialist Clarivel Rodriguez

**III. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Jim Mosher remarked that a loophole in the Housing Crisis Act allows people to merge lots and demolish multifamily housing if the new development is limited to a single unit, which seems contrary to the intent of the Housing Crisis Act.

**IV. CONSENT CALENDAR**

**a. Minutes of the October 7, 2020 Meeting**

*Recommended Action: Approve and file the minutes of October 7, 2020*

Chair Tucker advised that Mr. Mosher has suggested some minor corrections to the October minutes.

Chair Tucker moved, seconded by Committee Member Selich, to approve the minutes of the October 7, 2020, meeting with Mr. Mosher's revisions.

AYE: Tucker, Bloom, DeSantis, Kiley, LePlastrier, Sandland, Selich, Stevens

NO: None

ABSTAIN: None

ABSENT: Fruchbom

**V. CURRENT BUSINESS**

**a. Presentation by The Kennedy Commission**

*Recommended Action: Receive a presentation from Cesar Covarrubias of The Kennedy Commission followed by brief questions and answers.*

Chair Tucker indicated The Kennedy Commission is an affordable housing advocacy group that was founded in 2001. The Housing Element Update Advisory Committee (HEUAC) is interested

in hearing about strategies, policies, and incentives that will result in affordable housing development.

Cesar Covarrubias shared information regarding median home price, household income, affordability, and Regional Housing Needs Assessment (RHNA) allocations for Orange County. Two cities in Orange County have specific policies for affordable housing and have met their RHNA allocations in the very-low-income and low-income categories. Overlays and specific plans can encourage housing as part of mixed-use developments. Institutional and church campuses are potential sites for mixed-use concepts. The Surplus Land Act, a mixed-income housing ordinance, an affordable housing strategic plan, housing opportunities zoning or an overlay, and an affordable housing land trust support affordable housing. The Veterans and Affordable Housing Bond Act, the No Place Like Home program, the Orange County Housing Finance Trust/JPA, the Orange County Housing Trust, the Orange County Housing Bond 2020, and the Mental Health Services Act can be used to fund affordable housing.

Chair Tucker commented that there are areas in the City where property owners may be enticed to build housing on their properties. Policies that relax development standards and increase allowed density can encourage housing development, but at some point increased density makes construction costs infeasible.

Mr. Covarrubias suggested incorporating the City's housing objectives into an overlay or zoning change. Changes to the State Density Bonus Law may result in more affordable housing. Office buildings can be redeveloped with a more intense and intentional use. Adopting policies and programs for affordable housing is essential to the development of affordable housing.

In answer to Committee Member Sandland's question, Mr. Covarrubias advised that The Kennedy Commission is reviewing the potential for housing located in areas such as Banning Ranch and portions of the Airport Area located within the 65 dB CNEL contour. Planning growth around existing uses is challenging but doable.

In reply to Committee Member DeSantis' query, Mr. Covarrubias indicated he is aware of cities discussing agreements to use funding from one city to build affordable housing in the other city. However, he did not anticipate such agreements would work well because of each city's need to fulfill its allocation for low and very-low-income housing.

In response to Committee Member Stevens' comment, Mr. Covarrubias remarked that if amenities are located close to housing, residents will probably make fewer vehicle trips.

**b. Orange County Mayors' Letter to the Southern California Council of Governments (SCAG)**

*Recommended Action: Receive and file.*

Chair Tucker felt the Mayors' letter could be more fruitful in reducing RHNA allocations than other approaches. The public should be aware of the letter.

Jim Mosher inquired regarding the reasons for the Mayors of Dana Point and San Clemente not signing the letter.

**c. Subcommittee Progress Reports**

*Recommended Action: Receive verbal updates from each subcommittee, as appropriate.*

Chair Tucker reported that the subcommittee for opportunity sites in the remainder of Newport Beach met the prior day, and a report will be scheduled for the next HEUAC meeting. The affordable housing subcommittee will review different approaches to obtain affordable housing at different income levels and may craft an inclusionary plan.

**d. October 20, 2020 Virtual Housing Workshop Recap**

*Recommended Action: Receive an overview of the first virtual housing workshop and discuss any takeaways. Provide feedback or direction to staff and the consultants on any changes or considerations for future workshops.*

David Barquist, Kimley-Horn and Associates, reported 72 people participated in the workshop. Analysis of feedback provided during the workshop is underway, and a report will be available via the Newport Together website. Engagement occurred during the workshop and will continue online. During the workshop, members of the public inquired about a no housing response to questions. In light of the draft RHNA allocation for Newport Beach, the consultant team does not believe a no housing response is practical. In subsequent stages of outreach, the team can explore the most appropriate locations for growth and development and different types of housing. The public can view the workshop and provide feedback on the Newport Together website.

In reply to Committee Member Stevens' question, Mr. Barquist advised that the team will explore methods to obtain public input for individual opportunity sites during both in-person and virtual meetings. Committee Member Stevens remarked that the interactive portion of the workshop was easy and a good start to obtaining public feedback.

Committee Member DeSantis suggested future virtual workshops include more opportunities for two-way communication. The presentations and polling were well done. The workshop could have been longer to allow more dialog with the community. She emphasized the importance of creating visions for opportunity areas while reviewing parcels in the areas. Mr. Barquist noted the difficulty of sustaining the public's attention for an extended period of time. Engagement will build and improve as the schedule progresses. The team is working with the City's Public Information Officer to distribute information to the community through different avenues. The public and committee members can assist by sharing links and posts to meetings and information.

Deborah Allen, Harbor View Hills Community Association President, advised that she discussed the workshop with seniors at OASIS, a number of whom attended the workshop, and neither the seniors nor she felt the technology was easy to use or the workshop encouraged community input. The input may have been too structured for a community that is accustomed to voicing their opinions. Questions have to have a no project response. If the goal is to obtain community input, the public has to be allowed to express opinions.

Nancy Scarbrough noted 18 of those present for the workshop were staff and committee members. The inability to converse was extremely frustrating. Future workshops need to be more interactive with the public.

Jim Mosher concurred with comments regarding the lack of two-way communication. The workshop did not mention HEUAC meetings, and the website does not list all HEUAC meetings.

Adriana Fourcher felt the workshop was not collaborative. In-person meetings with small group discussions should be possible. She had some difficulty participating in the polling and did not believe her responses were counted. Input from the business community is needed.

Melanie Schlotterbeck, representing Olen Properties, expressed disappointment with the repetition of information during the workshop. She supported the use of breakout rooms during virtual meetings to allow individuals to comment. There has been no mention of new and innovative housing types and mixed-use development. Housing options need to include a range of sizes, prices, and affordability. The City needs a vision for the Airport Area.

Hoiyin Ip suggested community groups will help distribute information about meetings and workshops. One city in Orange County has been assessing in-lieu housing fees for many years.

David Tanner hoped the City would work with The Kennedy Commission to learn about the effects of affordable housing on public services. Staff is intentionally misinforming the public regarding the scope of the Housing Element Update by discussing only RHNA information.

Dorothy Kraus remarked that workshop participants were the usual group who attend or participate in public meetings. Staff and the consultants need to use more traditional means to notify the public about meetings.

Chair Tucker advised that the State has disrupted the City's planning process and shortened the time for a planning process. Staff has not intentionally misled anyone. Public comments have included some valid criticisms of the outreach process. The HEUAC is charged with preparing a plan to comply with State requirements. Consequently, no development is not an option.

Committee Member Stevens related that the City's Public Information Manager asked the outreach subcommittee to distribute information about the workshop, and the subcommittee sent emails to almost 1,000 people. The community may not be interested in planning efforts.

**e. Sites Rundown: Airport Area**

*Recommended Action: Review the list of potential sites and discuss feasibility. Solicit input from the public on the list and the Committee's discussion.*

Chair Tucker directed staff to begin contacting the owners of properties identified as feasible or potentially feasible for housing. He assumed members of the public would agree with the subcommittee's designations for sites as the public has expressed interest in locating housing in the Airport Area. He reviewed the subcommittee's consideration of parcels 43, 113, 37, 69, 95, 87, 23, 70, 80, 81, 111, 9, 24, 131, 135, 38, and 79 and the Saunders site.

Committee Member Sandland suggested the parcel numbers for the Saunders site should be provided. If the prohibition of housing in the 65 dB CNEL is relaxed, parcels 87 and 23 may be potentially feasible rather than infeasible. Chair Tucker indicated the subcommittee may reconsider designations for parcels located within the 65 dB CNEL if the prohibition is relaxed.

Committee Member Bloom commented that abandoning streets so that parcels may be combined would theoretically create more land and larger parcels. Parcels could be even more feasible for housing. Chair Tucker clarified the comment as abandoning private circulation rather than streets.

Jim Mosher did not recall the HEUAC agreeing with the subcommittee's approach of not considering parcels within the 65 dB CNEL. Based on the statement that the subcommittee is not considering parcels within the 65 dB CNEL at this time, he inquired when the subcommittee would consider those parcels. Chair Tucker suspected the subcommittee would consider those sites if all other sites do not provide sufficient housing to comply with the RHNA allocation or if someone proposes a project on a parcel within the 65 dB CNEL.

In reply to Chair Tucker's inquiry, Deputy Community Development Director Jim Campbell related that a policy in the Noise Element of the General Plan states parcels within the 65 dB CNEL are not appropriate for housing development. The Airport Land Use Commission would find housing development incompatible with the 65 dB CNEL.

Chair Tucker reviewed the subcommittee's consideration of parcels 51, 72, 88, 71, 91, 122, 52, 138, 77, 68, 106, 121, 19, 33, 117, 116, 119, and 120.

Adriana Fourcher remarked that the dB rating pertains to jet traffic. Noise studies are needed for small plane traffic because the departure pattern for small planes is over the parcels being considered for housing. Deputy Community Development Director Campbell advised that the noise contours are based on a composite of both runways and represent a 24-hour average of all aircraft traffic.

Chair Tucker reviewed the subcommittee's consideration of parcels 66, 67, 83, 61, 62, 63, 76, 16, 105, 47, 31, 13, 99, and 104. The subcommittee omitted parcels 39 and 89, which are located partially within the 65 dB CNEL. Parcel 39 is small, and the building on parcel 89 has been refurbished. Therefore, parcel 39 is infeasible and parcel 89 is feasible.

Committee Member Stevens expressed concern that airplane noise was last studied and the CNEL contours determined in 1985. Deputy Community Development Director Campbell indicated an update of CNEL maps is not on the horizon. Staff could discuss the topic with Airport Land Use Commission staff and provide a report to the HEUAC.

Chair Tucker reviewed the subcommittee's consideration of parcels 4, 1, 5, 6, 2, 3, 8, 9, 10, 11, 13-16, 17, 12, 37-42, 43-69, 70, and 71-76.

Adriana Fourcher advised that helicopters from a helicopter school and the Orange County Sheriff's Office fly over the area and beneath the departure pattern for small planes. A noise study is needed.

Chair Tucker reviewed the subcommittee's consideration of parcels 77, 78, 79, 80, 81, 82, 19, 20, 25-27, 31, 21-24, 28-30, 34-36, and 83.

Adriana Fourcher noted many property owners oppose the residential project proposed for the parking lot of Koll Center Newport.

Melanie Schlotterbeck, representing Olen Properties, indicated parcel 19 is an Olen Properties building and is not part of a residential project. The review of parcels focuses on site selection rather than the integration of sites with their surroundings. She questioned whether sites would be excluded if a property owner did not respond to a request for information. This is an opportunity for the City to partner with landowners and developers to enact a vision for the area. The focus on housing and not mixed uses is a lost opportunity to create a community. The Airport Area could

become a vibrant, walkable, bikeable, mixed-use, urban core that attracts a range of residents, incomes, and opportunities. She encouraged the HEUAC to create a vision for the Airport Area.

**f. Sites Rundown: West Newport-Mesa**

*Recommended Action: Review the list of potential sites and discuss feasibility. Solicit input from the public on the list and the Committee's discussion.*

Committee Member Selich noted the West Newport Mesa area contains medical office uses, mobile home parks, various densities of residential uses, older single-story industrial/commercial buildings, and a series of institutional uses. The subcommittee has discussed the need to preserve opportunities for smaller-scale industrial and service businesses and recommends a zoning overlay concept as some but not all parcels may convert to residential uses. It is important not to convert everything to residential in order to have a well-balanced land use plan. He reviewed the subcommittee's consideration of parcel 56 (Newport Health Care); parcel 27 (Ebb Tide); parcels 62 and 64 (Road & Track Building); parcel 63 (Coastline College); the private school site north of parcel 50; the City Utilities Yard; the City General Services Yard; parcels 36, 116, 123, and 182 (four mobile home parks); the area bordered by Superior, 15<sup>th</sup>, and Monrovia; the area bordered by Hospital Road, Placentia, and Superior; and parcels 12, 41, 42, and 49.

Commissioner Member Sandland suggested combining parcels 13 and 11 could result in a designation of potentially feasible. Perhaps staff could send a letter to the property owners inquiring about interest in building housing on the parcels. Committee Member Selich noted the demand for medical office buildings is high at the current time. Committee Member Kiley concurred with sending a letter as the owners can indicate no interest.

Chair Tucker advised that parcels 14 and 44 will be designated infeasible and parcels 13 and 11 will be designated potentially feasible.

Committee Member Selich reviewed the subcommittee's consideration of the small residential parcels between Dana and Flagship; parcels 3, 39, 48, 117, 124, and 228; parcels 74 and 122; parcels 24 and 40; parcels 17 and 51; parcels 2, 10, and 23; parcels 5-7, 9, 18-22, 26, 28, 29, 31-34, 36, 37, 46, 47, 53, 55, 60, 61, and 227; parcels 4 and 16; and parcels 50 and 59. The HEUAC may wish to consider contacting Hoag Hospital regarding construction of workforce housing in the area.

Deputy Community Development Director Campbell advised that the business located on parcel 47 has some air quality issues and has installed equipment to hopefully resolve the issues. Committee Member Stevens indicated the business has been reviewed for both ground and soil contamination. The cleanup requirements for industrial uses are different from the requirements for residential uses. The time and expense to clean up the site for residential uses may be prohibitive.

An unidentified speaker appreciated the suggestion to contact Hoag Hospital. The small amount of land available for construction is dismaying. The Mayors' letter may be the best approach to seek a reduction in the RHNA allocation.

**VI. COMMITTEE ANNOUNCEMENTS OR MATTERS WHICH MEMBERS WOULD LIKE PLACED ON A FUTURE AGENDA FOR DISCUSSION, ACTION OR REPORT (NON-DISCUSSION ITEM)**

Chair Tucker noted the subcommittee for housing sites in the remainder of Newport Beach will report at the next meeting. He requested a discussion of inclusionary zoning and fees.

Committee Member Sandland requested a discussion of large employers that could support housing.

**VII. ADJOURNMENT – 8:53 p.m.**

*Next Meeting: November 4, 2020, 6 p.m. in the City Council Chambers.*

**CITY OF NEWPORT BEACH  
HOUSING ELEMENT UPDATE ADVISORY COMMITTEE MINUTES  
CITY COUNCIL CHAMBERS – 100 CIVIC CENTER DRIVE**

**WEDNESDAY, NOVEMBER 4, 2020  
REGULAR MEETING – 6 P.M.**

**I. CALL MEETING TO ORDER – 6 p.m.**

**II. WELCOME AND ROLL CALL**

MEMBERS PRESENT: Chair Larry Tucker, Susan DeSantis, Paul Fruchbom, Elizabeth Kiley, Geoffrey LePlastrier, Stephen Sandland, Ed Selich, Debbie Stevens, (Ex Officio Member) Will O'Neill

MEMBERS ABSENT: Jeffrey Bloom (excused)

Staff Present: Community Development Director Seimone Jurjis, Deputy Community Development Director Jim Campbell, Senior Planner Ben Zdeba, Administrative Support Specialist Clarivel Rodriguez

**III. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Deputy Community Development Director Jim Campbell reported 47 of 197 jurisdictions located within the Southern California Association of Governments (SCAG) region have filed appeals of their Regional Housing Needs Assessment (RHNA) allocations. Eighteen agencies in Orange County filed appeals. Four agencies, including the City of Newport Beach, filed appeals against the City of Santa Ana. The City has sent a letter to SCAG trying to get sponsorship of legislation that will protect local jurisdictions subject to another agency's oversight.

**IV. CONSENT CALENDAR**

**a. Minutes of the October 21, 2020 Meeting**

*Recommended Action: Approve and file the minutes of October 21, 2020*

Chair Tucker noted Mr. Mosher has submitted corrections to the October 21, 2020 minutes.

Chair Tucker moved, seconded by Committee Member Selich, to approve the minutes of the October 21, 2020 meeting with Mr. Mosher's revisions.

AYE: Tucker, DeSantis, Fruchbom, Kiley, LePlastrier, Sandland, Selich, Stevens  
NO: None  
ABSTAIN: None  
ABSENT: Bloom

**V. CURRENT BUSINESS**

**a. Subcommittee Progress Reports**

*Recommended Action: Receive verbal updates from each subcommittee, as appropriate.*

Chair Tucker advised that the affordable housing subcommittee met to discuss methods for financing and developing affordable housing projects. The subcommittee will prepare a report of potential incentives to generate affordable housing. The Housing Element Update Advisory Committee (HEUAC) may discuss the subcommittee's report during its December 2, 2020 meeting, and the Council will determine which, if any, approach to pursue.

**b. Sites Rundown: Remainder of Town**

*Recommended Action: Review the list of potential sites and discuss feasibility. Solicit input from the public on the list and the Committee's discussion.*

Chair Tucker noted the report is in draft form and will be revised and attached to the agenda for the next HEUAC meeting. Before any parcel is approved for inclusion on the sites inventory list, the HEUAC will have to find that housing is a suitable use for the parcel. The intent of the review is to narrow the number of sites that staff will investigate and the HEUAC will consider after receiving public input. Sites that the subcommittee determines are infeasible or does not review may later be determined to be feasible or potentially feasible and may be evaluated for suitability. Sites may be brought to the subcommittee's attention and may be ultimately included in the sites inventory after public input.

In reply to Committee Member DeSantis' questions, Chair Tucker related that defining feasible, potentially feasible, and infeasible is more art than science. Crafting definitions other than those previously stated is not possible. The feasibility determination for any site could change if the site is viewed in the context of a vision for the area. However, the State form requires a listing of sites by parcel number. Committee Member DeSantis believed a site inventory is a critical piece of the Housing Element Update, but neither the HEUAC nor the community can provide adequate input without a vision for the major opportunity areas. Seeking community input without providing a vision is meaningless.

In response to Committee Member Fruchbom's query, Chair Tucker clarified Committee Member DeSantis's position as the HEUAC should be doing more than reviewing sites. In order to begin the planning process, the HEUAC needs to understand the source of traffic trips and where housing can be placed.

Committee Member Stevens noted combining some sites could result in a designation of feasible. Listing more than one parcel number per site on the State's form is probably acceptable.

Chair Tucker stated undeveloped sites listed in the sites inventory for the fifth cycle are considered feasible for the sixth cycle. He reviewed the designations for Parcels 1, 2, 3, 4, 6-9, 10, 12, 11, 13, 14-17, 18, 19, 20, and 21.1.

Jim Mosher reiterated his request for staff to list the subcommittees and their members on the website. He questioned whether the feasibility of sites pertains to technical or economic feasibility; whether income level affects feasibility; the term "remainder of town" when the maps do not show all of Newport Beach outside the Airport Area and West Newport Mesa; and the numbering system for parcels.

Chair Tucker explained that the term "remainder of town" resulted from the subcommittee's request for staff to prepare information for certain sites. The subcommittee may have inadvertently overlooked some sites. He reviewed the designations for the Dunes west of the lagoon and Parcels 22, 23, 24, 25, 36, 39, 40, 42, 43, 44, 35, 34, and 33.

Mayor O'Neill related that he as Mayor will send a formal invitation for the Irvine Company to participate in the Housing Element Update process unless there are strong objections to doing so. Chair Tucker and Committee Members Kiley, Stevens, Sandland, and DeSantis encouraged Mayor O'Neill to send an invitation. Committee Member DeSantis proposed Mayor O'Neill send invitations to Hoag Hospital, major employers within Newport Center, and churches that own large parcels.

Jim Mosher noted there is no analysis or conclusion for Parcel 37.

Committee Member Kiley clarified that feasibility for the sites pertains to the ability to physically construct housing on a site. The property owners will determine whether housing is financially feasible.

Chair Tucker reviewed the designations for Fashion Island and Parcels 30, 29, 27, 28, 31, 32, 114-120, 122, 121, 105-109, 104, 110-113, 107 (the County bus depot), 98-102, 103, 91-97, 87-89, 77, 78, 80-86, 57-61, 63-76, 45, 47-56, and 52.

Committee Member Sandland proposed revising the designation for Parcels 98-102 and 103 to feasible. The Irvine Company may be willing to discuss Parcels 46-54.

Debra Allen, Harbor View Hills Community Association President, reported the sight plane ordinance applies to certain areas and limits building heights in those areas.

Jim Mosher remarked that buildings on Parcels 45 and 47-56 should not obstruct views from Fashion Island Circle.

Chair Tucker reviewed the designations for Parcels 123, 124, 125, 126, 127, and 128.

Committee Member Sandland suggested the subcommittee explore the parcels across Pacific Coast Highway from Parcel 22, the City's Avon parking lot, and the parking lot for Mariner's Square.

Committee Member Selich advised that Lower Castaways Park is deed restricted to parkland.

Chair Tucker noted the parking lot for Mariner's Square is subject to a height limit and located in the Coastal Zone. In addition, the parking would have to be replaced.

Committee Member Kiley indicated a number of lots along the Peninsula and Bay are included in the Housing Element for the fifth cycle and covered by paragraph 1 of the subcommittee's report.

Jim Mosher requested the maps reflect the sites listed in the fifth cycle. One or two housing units could be built on a small lot; therefore, small lots should not be deemed infeasible based on size alone.

Charles Klobe proposed contacting a developer that is constructing a residential project on a closed landfill to determine if housing can be built on Parcel 128.

Johnny advised that night lighting around the Library and the Orange County Transportation Authority bus depot needs to be brighter.

Mary Ann Soden encouraged the HEUAC to consider projects that provide housing for very-low, low, and moderate-income households.

Chair Tucker reported Parcels 46-54, Avon parking lot, and the Mariners Square Parking Lot will be added to the list as potentially feasible, and he will inquire regarding construction of residential units on a closed landfill.

In answer to Committee Member DeSantis' query, Chair Tucker indicated the subcommittee will explore an exchange of zoning for land on which 100-percent affordable housing may be built. Committee Member DeSantis encouraged the affordable housing subcommittee to explore those possibilities so that the bulk of affordable units is not provided through inclusionary zoning.

Chair Tucker requested staff add the sites from the fifth cycle Housing Element to the map.

In reply to Committee Member Sandland's inquiries, Chair Tucker related that staff may prepare a tabulation of acreage from sites designated feasible and potentially feasible after learning of property owners' interest in developing housing. Deputy Community Development Director Campbell advised that staff plans to send letters to property owners in the next few weeks and follow up with property owners in an effort to obtain their responses by the end of the year.

**c. Site Suitability Input and Community Engagement**

*Recommended Action: Receive an overview of the outreach plan moving forward, including how the community will be engaged on the suitability of the sites that are identified as feasible or potentially feasible. Provide feedback and direction to staff and the consultant on the outreach plan.*

Senior Planner Ben Zdeba reviewed public engagement opportunities in October through HEUAC, City Council, and Planning Commission meetings and a virtual community workshop and in November through HEUAC, City Council, and Planning Commission meetings, two virtual housing suitability workshops, and a virtual Circulation Element workshop. The housing suitability workshops will begin to consider density, which has policy implications. The public will be able to comment verbally and through the chat box and to respond to polls during the housing and Circulation Element workshops.

In answer to Committee Member DeSantis' questions, Senior Planner Zdeba advised that the public may provide feedback regarding parcels identified by the subcommittee and other parcels during the workshops. On the Newport Together website, community members may place pins on a GIS map to indicate their preferences for locations of housing types. If the HEUAC agrees with the plans for November workshops, staff will begin an extensive promotion of the workshops through social media and email blasts. Committee Member DeSantis suggested posts and emails contain a link to Newport Together and information about providing feedback through the website. Senior Planner Zdeba noted a potential social media campaign to drive more traffic to the website. The City's appeal of the RHNA allocation should be resolved in February 2021. If the City's appeal is successful, the City's allocation could theoretically be reduced by half. Committee Member DeSantis commented that focusing messaging on the needs of the community rather than a State mandate could generate more community interest and feedback.

In response to committee Member Stevens' inquiries, Senior Planner Zdeba indicated the potential housing sites will be divided between the two housing workshops. Activities utilized during the workshops will be available on the website for the public to provide feedback after the workshops. Staff has prepared a flyer promoting the workshops to distribute in the community.

Chair Tucker remarked that "none of the above" will not be a response to questions about locations for housing because the City has to find enough sites to comply with the RHNA allocation.

Jim Mosher inquired whether the workshops will extend for the full two hours. He suggested staff publish questions from the workshops ahead of the workshops so that community members have time to consider their responses. Community members are less likely to provide feedback if they feel it will not have a practical effect on HEUAC discussions and decisions.

Debra Allen suggested information for the workshops include a list of sites to be discussed in each workshop and instructions for participating in polling and verbal and chat box comments.

Senior Planner Zdeba clarified that flyers will include a list of areas to be discussed in each workshop. Discussion topics for the workshops will be published on the website prior to the workshops. The workshops will extend for two hours unless the public completes their questions and comments in less than two hours.

Mary Ann Soden concurred with requests for publication of workshop information and suggested staff promote the workshop in print media and allow the community to participate in workshops from the Community Room.

Chair Tucker advised that the HEUAC will not meet on November 18, 2020.

**VI. ADJOURNMENT – 8:04 p.m.**

*Next Meeting: November 18, 2020, 6 p.m. in the City Council Chambers.*

**CITY OF NEWPORT BEACH  
HOUSING ELEMENT UPDATE ADVISORY COMMITTEE MINUTES  
ZOOM**

**WEDNESDAY, DECEMBER 2, 2020  
REGULAR MEETING – 6 P.M.**

**I. CALL MEETING TO ORDER – 6 p.m.**

**II. WELCOME AND ROLL CALL**

MEMBERS PRESENT (remote): Chair Larry Tucker, Jeffrey Bloom, Susan DeSantis, Paul Fruchbom, Elizabeth Kiley, Geoffrey LePlastrier, Stephen Sandland, Ed Selich, Debbie Stevens

MEMBERS ABSENT: (Ex Officio Member) Will O'Neill (excused)

Staff Present (remote): Community Development Director Seimone Jurjis, Principal Planner Jaime Murillo, Senior Planner Ben Zdeba, Administrative Support Technician Amanda Lee

**III. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

David Tanner indicated the public has been told that they will get answers to their questions at this meeting, but there is not an agenda item for this topic. He inquired as to when the public will have an opportunity to ask questions and receive answers.

Hoiyin Ip remarked that virtual meetings are missing the energy of in-person meetings and suggested more interaction with the public during workshops and activities before and after workshops to get participants thinking about housing topics.

**IV. CONSENT CALENDAR**

**a. Minutes of the November 4, 2020 Meeting**

*Recommended Action: Approve and file the minutes of November 4, 2020*

Committee Member Sandland corrected the third paragraph of page 4 to read "Chair Tucker reported Parcels 46-54, the Avon parking lot, and the Mariners Square parking lot will be added to the list as potentially feasible, and he will inquire regarding construction of residential units on a closed landfill."

Chair Tucker moved, seconded by Committee Member Sandland, to approve the minutes of the November 4, 2020 meeting as amended.

AYE: Tucker, Bloom, DeSantis, Fruchbom, Kiley, LePlastrier, Sandland, Selich, Stevens  
NO: None  
ABSTAIN: None  
ABSENT: None

**V. CURRENT BUSINESS**

**a. Subcommittee Progress Reports**

*Recommended Action: Receive verbal updates from each subcommittee, as appropriate.*

Chair Tucker reported the sites subcommittees have completed their work temporarily. The notes for sites in the remainder of town have been revised. The affordable housing subcommittee met on October 27, 2020 to discuss the Regional Housing Needs Assessment (RHNA) numbers and preparation of a full report to the Housing Element Update Advisory Committee (HEUAC). The purpose of the report is to educate the HEUAC regarding the various methods for financing and developing affordable housing projects. Understanding the affordable housing business will help the HEUAC reach a recommendation for the Council. Chair Tucker indicated he has prepared a first draft of the report and sent it to staff for review. He will modify the report after staff's review, if necessary, and circulate it to subcommittee members for revision. The report should be complete in December.

In response to Chair Tucker's question, Senior Planner Ben Zdeba advised that staff is preparing maps containing all sites and a list of properties from the fifth cycle that have not been developed. Staff hopes to provide both at the next meeting as a "receive and file" agenda item.

Committee Member Fruchbom related that he read information indicating Shopoff sold an acre in Uptown Newport for 66 luxury condominiums at an average price of almost \$400,000 per unit or more than \$24 million for the real property. If the information is true and the City can create land through increased densities, the land value of the units will be extraordinarily high and should allow the City to extract some reasonable fees for added density.

Charles Klobe added that the Uptown Newport project is entitled for 66 luxury condominiums with no requirement for anything less than above moderate, which should increase the price of land. The entitlements that Picerne is seeking for the 4400 Von Karman project only allows 5% of the total units to be low-income units while the apartments will be market rate.

Chair Tucker recalled Shopoff building a fair number of affordable units in the first phase of the project and Picerne seeking a density bonus of 20 percent in exchange for either 10 percent low-income units or 5 percent very-low-income units. Picerne chose 5 percent very-low-income units.

David Tanner asked about the validity of statements that staff is considering placing housing within the 65 decibel (dB) CNEL contour and, if true, the rationale for doing that. It would seem to open the City to litigation.

**b. Virtual Workshops Recap**

*Recommended Action: Discuss the virtual workshops so far and takeaways from them. Receive an overview of the outreach plan timeline moving forward and provide feedback to staff and the consultant.*

Senior Planner Zdeba reported the November 16 and 17, 2020, site suitability workshops obtained community input regarding potential density, scale, and attributes that could be applied to sites and the suitability of housing on the sites. Forty to 50 people attended each night, and dialog with the public was greater during the second workshop. The November 23 Circulation Element workshop included a good discussion with the community and solicited good feedback.

Jenna Tourje, Kearns & West, advised that the public provided good information through the chat feature, and she shared that information with all participants during the workshop.

Chair Tucker noted participants could offer multiple comments and were not limited to one 3-minute time period. Staff and the consultants have addressed the shortcomings of the first workshop.

In reply to Committee Member Sandland's inquiries, Ms. Tourje indicated recordings of workshops are available on [newporttogether.com](http://newporttogether.com). The team is preparing an after-action report that will include key comments from the workshops and printouts of comments from the chat feature. The report should be ready in the next week. The team can capture comments regarding specific sites.

In answer to Committee Member DeSantis' queries, Ms. Tourje related that the team has been promoting the Newport Together website through ads, emails, and campaigns. Seventeen people have provided input on the map. Many people have visited the website without providing feedback on parcels. One thousand thirty-six unique IP addresses have visited the website over the past month. Currently, there is nothing tangible to which the public can respond. Senior Planner Zdeba added that the next utility bill will include a postcard regarding the January Circulation Element workshop. Hopefully, the postcard will drive a little more traffic to Newport Together and generate input. Staff is exploring contacting homeowners' associations (HOA) in the vicinity of the affected areas to generate interest.

Deborah Allen, Harbor View Hills Community Association President, commented that staff has attempted to make the process as transparent as possible and that she has heard good feedback from participants in the second workshop. Contacting HOAs with a list of sites should generate interest and input.

Nancy Scarbrough believed the format of the two workshops was much more interactive than previous workshops. Twelve to 13 of the participants were staff and committee members, and another ten were people who regularly attend public meetings. Some participants told her they left the workshops early because they did not feel their opinions would affect the outcome.

Chair Tucker advised that he sent an email about the workshops to 75 people who were likely to attend, and one email recipient attended the first night.

Adriana Fourcher encouraged the HEUAC to engage business owners in discussions of Airport Area sites.

Committee Member DeSantis suggested presenting information about specific sites to HOAs interested in those sites. Chair Tucker indicated the HEUAC needs to narrow the list of sites before talking to HOAs.

**c. Housing Element Update Progress Documents**

*Recommended Action: Discuss, receive, and file.*

David Barquist, Kimley-Horn and Associates, reviewed the five basic components of the Housing Element Update. Drafts of the Community Profile and Review of Past Performance components have been prepared.

Chair Tucker advised that this item will come back at the next meeting for additional thoughts and comments because of the substantial amount information contained in the documents.

Mr. Barquist indicated there will be a number of opportunities to comment on the draft documents as the process progresses. For the Community Profile, the Government Code requires an assessment of housing needs and an inventory of resources and constraints, specifically an analysis of the population, employment trends, and household characteristics. The analysis tells stories about the community and assists with the development of policies and programs that address needs. The Review of Past Performance document evaluates the 2014-2021 Housing Element goals, objectives, policies, and programs to determine whether they contributed to attaining the State's housing goals and were effective in attaining the community's goals and objectives, and to determine the progress of the City in implementing the Housing Element. Past performance is a good basis for including policies from the fifth cycle in the sixth cycle. Many policy changes will relate to new and emerging needs.

In response to Committee Member Stevens' question, Mr. Barquist related that census data will not be available for this analysis. Much of the information is based on projections.

In reply to Committee Member DeSantis' inquiries, Mr. Barquist stated the HEUAC can discuss specific policies and explore options at any time. The subcommittees and staff have already begun the discussions. Chair Tucker added that the HEUAC and the public need to understand affordable housing in order to stimulate ideas about meeting the RHNA allocation. The HEUAC may not need to meet with affordable housing developers because one is a committee member. Talking with a developer may not be appropriate as developers will compete for any sites the update process generates. Committee Member DeSantis anticipated the HEUAC needing to explore the parameters of an inclusionary zoning policy. Chair Tucker indicated committee members and the public can ask questions about inclusionary zoning when the affordable housing subcommittee presents its report.

Adriana Fourcher noted the population growth forecast for the City of Newport Beach is 8.4 percent over the next 20 years. Meeting the RHNA numbers may result in more housing units than are actually needed. Building housing in the Airport Area may displace jobs.

Chair Tucker noted the HEUAC is tasked with complying with the RHNA allocation.

Jim Mosher commented that if the HEUAC oversees the writing of the Housing Element with public guidance, having an outline of the new Housing Element would be valuable. Misstatements of facts in the two documents detract from the credibility of the documents.

Hoiyin Ip appreciated the interesting presentation.

**d. RHNA Sites Identification Strategy**

*Recommended Action: Receive an overview of a strategy to comply with the RHNA allocation through the sites inventory and alternative housing opportunities.*

Mr. Barquist advised that Table B in the November 24, 2020 memo contains incorrect information. In the very low column, projects in the pipeline should be 135, the total should be 146, and the net remaining need should be 1,307. The text below the table will be revised accordingly. The City of Newport Beach has been allocated 4,834 housing units and has to identify sites that can accommodate that allocation through the planning period. After subtracting existing capacity, projects in the pipeline, and accessory dwelling units (ADU), the City's net remaining RHNA allocation is 1,307 very-low-income units, 831 low-income units, 1,022 moderate-income units, and

0 above-moderate-income units. The next step is to determine candidate sites that will subsequently undergo evaluation of their suitability for housing. The HEUAC has identified a number of candidate sites, and letters have been sent to the property owners to determine their interest in redeveloping their properties. A number of property owners have responded to the letters. Next, the net remaining need will be refined based on each property owner's interest in redevelopment, site conditions and constraints, statutory limitations and constraints, and prioritization of sites. Finally, the HEUAC, staff, and the community will begin to create policy and programmatic solutions to meet the unaccommodated need.

In reply to Chair Tucker's questions, Mr. Barquist reported the number of housing units generated by projects in the pipeline is correct, but the numbers are fluid due to assumptions. The law states that cities must identify RHNA obligations by income category, but it does not require a developer to identify affordability categories when developing a project. The City is obligated to ensure there is no net loss when projects are developed. If there is a net loss, the City has 120 days to provide rezoning that accommodates the net loss. Essentially, the City needs to accommodate more units than its RHNA obligation to avoid the net loss scenario. The California Department of Housing and Community Development's (HCD) general recommendation is to plan for 10 to 30 percent more units than allocated. If the HEUAC determines sites will not accommodate the full amount of growth, the Housing Element may contain a program of actions to address the deficiency. At the time of adoption, the Housing Element may identify all sites to accommodate the RHNA allocation or include a policy mechanism to identify all sites within three years.

Committee Member Stevens noted the City will need to create policies that encourage developers to include more units in the very-low and low-income categories in their projects.

In answer to Committee Member Sandland's queries, Mr. Barquist related that sites will be divided into the four categories. The sites inventory will list the seven descriptors for each site, and the required HCD form will provide the information.

Committee Member Sandland stated some sites will have to be identified for 100 percent affordable housing in order to meet the RHNA allocation.

Committee Member Kiley understood the HEUAC would identify sites, and the Council would develop policies, including a policy to fund 100 percent affordable housing. The City previously had a program that required developers to pay a fee for luxury residential developments, and the City used the funds for affordable housing. The City of Irvine has a similar program.

Chair Tucker noted affordable housing projects typically provide 50 or so units rather than 400 units. Financing for 100 percent affordable housing projects is more complicated than financing for any other type of affordable housing project. In-lieu fees are not sufficient to construct the number of affordable units for which the fees are paid.

Committee Member Fruchbom advised that more than \$0.5 billion would be needed to fund the required number of affordable housing units. The shortfall for each affordable housing unit is about \$250,000. The problem is exacerbated by higher costs and rents in Newport Beach.

Chair Tucker highlighted the difficulties of meeting the allocation for affordable units.

Committee Member Selich viewed the excess number of above-moderate units as increasing the total number of units needed. As developers build mainly above-moderate units and few very low,

low and moderate units, the City will be in a never-ending cycle of zoning for the no net loss scenario.

Committee Member Sandland remarked that the City will have to look to property owners with other economic interests. Perhaps employers and churches will be willing to give up a portion of their properties for housing in exchange for a concession.

In response to Committee Member DeSantis' inquiry, Mr. Barquist reported the total number of ADUs was based on the number of ADUs constructed in the City. HCD provides criteria for affordability of ADUs located in the Southern California Association of Governments (SCAG) region. The intent is to expand the opportunities for construction of ADUs through policies and programmatic enhancements.

Committee Member DeSantis noted Vancouver has imposed a tax on vacant units to fund affordable housing and has increased the tax three times in the past 12 months.

In answer to Committee Member Bloom's query, Mr. Barquist advised that the sites inventory does not have to include the feasibility of developing a site. Whether or not a site is developed as planned comes into play with the no net loss scenario.

Adriana Fourcher believed a tax or fee imposed to fund affordable housing would be passed to consumers. Imposing a tax on vacant homes conflicts with the City's concerns about VRBO and Airbnb. Property owners pay property taxes and should not have to pay a fee or rent their home if they choose to take an extended vacation.

David Tanner suggested the HEUAC develop estimates of in-lieu fees for units in the different affordability levels. He inquired about the penalty for the Housing Element not attaining its goals. Chair Tucker indicated the answer to Mr. Tanner's question is probably unknown at this point.

Nancy Scarbrough asked if Mayor O'Neill has contacted the City of Irvine about sharing information with the City. Chair Tucker indicated he has not received any information about it.

Jim Mosher remarked that Table B seems to reinforce the historical anomaly that Newport Beach has great difficulty producing moderate housing units. He inquired whether the production of moderate-income housing in Newport Beach is a real problem, whether the barriers are known, and whether it can be corrected. Chair Tucker suggested increasing density to 50 to 60 units per acre may generate moderate housing.

**e. Formation of an Additional Sites Subcommittee**

*Recommended Action: Form an additional sites subcommittee to review the potential for housing sites within the 65 dB CNEL contour in the Airport Area.*

Chair Tucker reported a property owner has expressed interest in developing housing on his property located within the 65 dB CNEL area. Building housing within the 65 dB CNEL is not unlawful, but the interior noise level must be mitigated to below the noise threshold. The Mayor has suggested a subcommittee explore the feasibility of developing properties within the 65 dB CNEL contour.

Chair Tucker appointed Committee Members Sandland and DeSantis to the Additional Sites Subcommittee.

David Tanner advised that the noise standard for the exterior living environment is 65 dB and for the interior living environment is 45 dB. He suggested the Additional Sites Subcommittee consult with a noise consultant or the City's CEQA consultant to learn the law on this topic. This will result in nothing more than litigation for the City.

Committee Member Sandland was aware of apartment buildings being constructed within the 65 dB CNEL and adjacent to freeways in other cities.

Fred Fourcher indicated his office is located beneath the flight path of the left runway at John Wayne Airport and outside the 65 dB CNEL area. He cannot have his windows open and conduct phone calls because aircraft noise is too loud. The area is not hospitable for people attempting to enjoy the outdoors.

**VI. ADJOURNMENT – 8:25 p.m.**

*Next Meeting: January 6, 2021, 6 p.m. in the City Council Chambers.*

**CITY OF NEWPORT BEACH  
HOUSING ELEMENT UPDATE ADVISORY COMMITTEE MINUTES  
ZOOM MEETING, NEWPORT BEACH, CA**

**WEDNESDAY, JANUARY 20, 2021  
REGULAR MEETING – 6 P.M.**

**I. CALL MEETING TO ORDER – 6 p.m.**

**II. WELCOME AND ROLL CALL**

MEMBERS PRESENT: Chair Larry Tucker, Jeffrey Bloom, Susan DeSantis, Elizabeth Kiley, Geoffrey LePlastrier, Stephen Sandland, Debbie Stevens, (Ex Officio Member) Will O'Neill

MEMBERS ABSENT: Paul Fruchbom

Staff Present: Community Development Director Seimone Jurjis, Deputy Community Development Director Jim Campbell, Principal Planner Jaime Murillo, Senior Planner Ben Zdeba, Administrative Support Specialist Clarivel Rodriguez

**III. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

None

**IV. CONSENT CALENDAR**

**a. Minutes of the December 2, 2020 Meeting**

*Recommended Action: Approve and file the minutes of December 2, 2020.*

Committee Member Sandland moved, seconded by Committee Member DeSantis to approve the minutes of the December 2, 2020 meeting as presented.

AYE: Tucker, Bloom, DeSantis, Kiley, LePlastrier, Sandland, Selich, Stevens

NO: None

ABSTAIN: None

ABSENT: Fruchbom

**V. CURRENT BUSINESS**

**a. Subcommittee Progress Reports**

*Recommended Action: Receive verbal updates from each subcommittee, as appropriate.*

In answer to Chair Tucker's inquiry, Senior Planner Ben Zdeba advised that the update of parcel numbers for the map of the remainder of town and information for the 65 decibel (dB) Community Noise Equivalent Level (CNEL) subcommittee hopefully will be ready on January 21, 2021.

Chair Tucker indicated that he will finalize reports for the Airport Area, the Hoag industrial area, and the remainder of town and ask staff to attach them to an agenda. Committee Member Sandland

will report regarding the safety zones and the noise contour of the 65 dB CNEL area later in the meeting, and the Housing Element Update Advisory Committee (HEUAC) will review sites in the 65 dB CNEL at the next meeting.

In response to Committee Member Stevens' inquiry, Committee Member Sandland stated there are approximately 200 properties in the 65 dB CNEL area.

**b. Housing Element Update Progress Documents**

*Recommended Action: Discuss, receive, and file.*

Chair Tucker recalled that committee members did not have sufficient time to review the voluminous Community Profile and Review of Past Performance documents provided for the December 2, 2020 meeting. Consequently, he had requested this agenda item for committee members to provide comments and ask questions.

**c. Update on Property Owner Responses**

*Recommended Action: Receive an update from staff on the progress being made with receiving responses from property owners of properties identified as either "potentially feasible" or "feasible."*

Chair Tucker recalled the HEUAC's desire to learn of property owners' interest in redeveloping their properties prior to discussing the suitability of properties for redevelopment.

Deputy Community Development Director Jim Campbell reported that the letter attached to the staff report was sent to several hundred property owners and some owners of mobile homes. Staff has received many calls and some emails from owners.

Senior Planner Zdeba advised that he informs mobile homeowners who respond to the letter about the Newport Together website to be involved in the process. Staff sent the letter to about 500 people, including mobile homeowners. Of note, Tait has expressed interest in redeveloping the Coyote Canyon landfill site. Some property owners have indicated no interest in redeveloping their properties. Staff does not attempt to change the property owners' minds but ensures they understand the process and the opportunities. Staff has received mixed interest from property owners in the Airport Area, Newport Center, Corporate Plaza, and the Dover Westcliff area. Staff is compiling the responses in a spreadsheet.

In reply to Chair Tucker's inquiry, Senior Planner Zdeba estimated 50-75 property owners and mobile homeowners have responded to the letter.

Deputy Community Development Director Campbell indicated that he has scheduled a meeting with Tait Engineering to discuss preliminary concept plans and densities for the Coyote Canyon site. The County of Orange (County), the landfill property owner, submitted a letter expressing support for the effort. Russ Fluter, who owns the Palisades Tennis Club site and several properties in Mariners' Mile, has expressed interest in redevelopment and offered to contact the Hyatt Regency about the adjacent golf course. Owners of some of the mobile home parks on 15<sup>th</sup> Street are interested in increased density. The owners of Banning Ranch continue to discuss the possibility of public acquisition of Banning Ranch for open space. If that does not occur, the owners will probably be interested in a project. Property owners in Cannery Village have responded to the letter. While the lots in Cannery Village are small, they can accommodate at least one or two

residential units. The consultant will use the spreadsheet of property owners' responses in their analysis of all sites to produce a draft list for the HEUAC in February.

In answer to Chair Tucker's questions, Deputy Community Development Director Campbell related that staff can send follow-up letters to property owners who have not responded and whose properties can accommodate a significant number of units. For the February 17, 2021 meeting, staff can provide a list of acreages based on parcel sizes and propose some densities for discussion purposes. Based on Tait's representations, the 32-acre site at Coyote Canyon is technically neither a landfill nor habitat area. Staff is attempting to confirm that it is not included in a Natural Community Conservation Plan (NCCP) / Habitat Conservation Plan.

In reply to Committee Member Sandland's and Chair Tucker's questions, Deputy Community Development Director Campbell stated he will contact Newport-Mesa Unified School District (NMUSD) about its property adjacent to Banning Ranch. Most of the NMUSD property is located within the city limits. A letter was not sent to Hoag Hospital, but staff will contact Hoag immediately. Senior Planner Zdeba clarified that letters were sent to NMUSD and Hoag Hospital.

Council Member O'Neill requested staff notify him of the date of the HEUAC's discussion of the Coyote Canyon site as he needs to ensure community members are aware of the discussion.

In response to Chair Tucker's inquiry, Deputy Community Development Director Campbell explained that staff intends to submit a draft sites inventory with a progress draft of the Housing Element to the California Department of Housing and Community Development (HCD) in mid-May. David Barquist, Kimley-Horn and Associates, reported the submission needs to contain all requisite documents and analyses and should contain the majority of the City's policy direction.

In reply to Committee Member DeSantis' query, Deputy Community Development Director Campbell indicated a letter was sent to the owners of the Newport Beach Golf Course, and they have expressed interest in redeveloping the golf course for housing, particularly the portion located south of Irvine Avenue. If the site is deemed suitable, its priority may be lower because of its proximity to John Wayne Airport (JWA).

Dorothy Kraus requested the name of the entity that has expressed interest in developing Banning Ranch and notification of discussions with Newport Banning Ranch (NBR) regarding a possible project.

Community Development Director Seimone Jurjis clarified that staff is actively discussing some level of development on the property with its owner, Newport Banning Ranch, LLC, as a backup plan if public acquisition of the property does not occur.

Nancy Scarbrough noted the Banning Ranch and Coyote Canyon sites are located in the county and inquired regarding the City or the County counting any housing units developed on the sites toward the Regional Housing Needs Assessment (RHNA) numbers.

Chair Tucker believed the County owns the Coyote Canyon site, but it is in the city. The Banning Ranch site is located almost entirely in the county. Deputy Community Development Director Campbell clarified that housing on the portion of the Banning Ranch site located in the city can be counted toward the City's RHNA. If the City annexes the remainder of the site, the City and the County will negotiate RHNA issues.

In answer to Chair Tucker's queries, Deputy Community Development Director Campbell explained that in order to count housing approved for the Banning Ranch site, the City has to show substantial evidence that the housing will be built during the planning cycle. Given the Coastal Commission's oversight of the site and annexation issues, convincing HCD that housing will be built may be difficult. If the number of sites for housing is limited, development of the Banning Ranch site may have to be considered. The City, Newport Banning Ranch, and the Coastal Commission are discussing possible development of the least environmentally constrained portion of the site. He indicated he has not received a response from the Irvine Company, but the Irvine Company may have responded to Community Development Director Jurjis or the Mayor.

Council Member O'Neill advised that the Irvine Company contacted the City Manager, who requested the Irvine Company respond in writing.

**d. Affordable Housing Subcommittee Memorandum**

*Recommended Action: Discuss the draft memorandum and receive comments from the Committee and the public.*

Chair Tucker reported affordable housing is a very complicated issue. Virtually all affordable housing projects are tied to 9% tax credits, which are allocated to each state on a per capita basis. Each state allocates the tax credits to projects. Affordable housing projects compete for a limited number of tax credits and typically seek multiple funding sources. Generally, a subsidy or incentive offsets the reduced rent charged for an affordable unit. There are currently two federal programs and one State program. Inclusionary housing ordinances are cities' efforts to encourage affordable housing projects through granting entitlements, waiving fees, and/or altering development standards. For an affordable housing project to be financially viable, the land cost has to be very low. The no net loss law requires a jurisdiction to account for affordable units that are listed on an approved sites inventory but not built as listed. The report contains policies and potential strategy alternatives for the Council's and public's consideration. HCD has determined that 68% of the accessory dwelling units (ADU) projected for the planning cycle may be credited toward the City's lower-income RHNA number. The City will have to achieve a performance metric for construction of ADUs or face repercussions.

Principal Planner Jaime Murillo advised that since 2018, 78 ADU applications have been approved or are under review, which is approximately 25 ADUs per year. Over the next eight-year cycle, the projection is about 200 ADUs. The projection will have to be supported by a policy that aggressively promotes and incentivizes ADUs. Ultimately, HCD will want the City to commit to a monitoring program and provide a backup plan if it fails to meet estimates for ADUs. HCD will accept some assumed affordability rates for ADUs.

Chair Tucker remarked that if the City seeks a higher number of ADUs, it will need to implement a program to promote ADUs. Some residents may be unhappy with the program if a neighbor constructs an ADU such that it obstructs the light and air on their property.

Committee Member Kiley noted the projection of 25 ADUs per year does not consider the State law that eliminates most restrictions on ADU construction. Principal Planner Murillo explained that staff is debating the impact of the law on the number of ADUs with HCD. The number of ADU applications was small in 2018, increased in 2019, and was quite large in 2020. Staff has considered using the trend to exponentially increase the projection for ADUs. If the projection is aggressively large, HCD will probably require monitoring and support for the projection.

Committee Member Stevens appreciated the affordable housing report because it simplifies a complex issue. In response to her inquiry, Chair Tucker related that the total amount of 9% tax credits is negotiated through Congress. Federal and state governments place regulations on the use of the tax credits.

Committee Member Bloom related that Amazon recently announced a \$560 million investment in the preservation and protection of 2,300 units in the Seattle area. That is a subsidy of approximately \$243,000 per unit and demonstrates the magnitude of subsidies required for affordable housing.

Council Member O'Neill stated the City's RHNA for very-low-income units is 1,451. Using a loss of value of \$494,000 per unit, constructing the RHNA requirement will require almost \$717 million in subsidies. Chair Tucker clarified that the loss of value analysis in the report does not include the value enhancement of the City granting entitlements for projects. A loss of value analysis is nuanced and needs to be conducted for each project. The relevant point is that there is a limit to the number of affordable units a project can provide and remain financially viable.

Hoiyin Ip remarked that some residents may not appreciate having a 100% affordable housing project in their neighborhood. The California Energy Commission is hosting a conference about sustainable affordable housing, and one of the topics is funding.

Chair Tucker clarified that 100% affordable housing projects and projects with a mix of housing individually do not provide a large number of affordable units. In order to achieve the number of affordable units in the RHNA, the City will need many market-rate units to subsidize the affordable units.

In answer to Committee Member DeSantis' inquiry, Principal Planner Murillo indicated a property owner related to him a cost of around \$80,000 to convert a garage to an ADU. New construction could cost as much as \$200,000-\$300,000. Mr. Barquist advised that an estimate of \$10,000 for an ADU conversion is extremely low.

**e. Update Schedule Moving Forward**

*Recommended Action: Receive an overview of the schedule moving forward and discuss, as necessary.*

Deputy Community Development Director Campbell reported on February 17, 2021, the HEUAC will begin the policy discussion. A virtual public workshop is scheduled for February 24. Staff will present a draft Housing Element Update to the HEUAC on March 17, the public on March 22, the Planning Commission on April 7, and the Council on April 27. Once HCD provides its comments on the progress draft, staff can schedule additional meetings.

In response to Chair Tucker's questions, Deputy Community Development Director Campbell advised that the February 17 sites analysis discussion will begin with entitled projects that are eligible for the Housing Element Update and a placeholder for ADUs and move to sites that can provide units to fill the gap between the RHNA requirement and the number of units provided by entitled projects and ADUs. The discussion will include property owner interest, densities, and constraints. The progress draft needs to correlate policies and the availability of sites. HCD may have difficulty understanding the breadth of housing policies if the sites inventory is not part of the progress draft. The sites inventory will be refined over the summer. Also on February 17, staff will present an initial narrative and outline of the project description for the Environmental Impact Report (EIR).

Chair Tucker recommended scheduling an HEUAC meeting on March 3, 2021 to continue discussion of the sites inventory and obtain additional public feedback.

Committee Member Sandland suggested moving discussion of the 65 dB CNEL area, including safety zones and the contour, to February 3 to provide more time for the sites analysis discussion on February 17.

In reply to Committee Member Stevens' question, Principal Planner Murillo reported the City's appeal of Santa Ana's RHNA allocation was heard and denied on Friday. The City's appeal of its RHNA allocation was heard and denied on January 19. Of the many appeals filed, the County of Riverside's appeal is the only one to be granted thus far, and it may result in a small increase in the City's allocation. The Southern California Association of Governments (SCAG) has not yet determined if it will litigate the State's regional allocations.

Committee Member Kiley suggested discussions with the Irvine Company about further development of Newport Center should be a priority. Deputy Community Development Director Campbell indicated receipt of the Irvine Company's letter, depending on its content, will open discussions between the Mayor, Community Development Director Jurjis, or Deputy Community Development Director Campbell and the Irvine Company's executive management. Council Member O'Neill clarified that the Irvine Company's communication with the City Manager appears to indicate the Irvine Company does not intend to engage significantly in a discussion of the City's RHNA allocation. Consequently, the City Manager requested a written response.

Committee Member DeSantis requested an update regarding housing legislation that takes effect in 2021 and requested staff update and provide the memorandum of housing legislation prepared for the General Plan Update Steering Committee.

Deputy Community Development Director Campbell advised that staff will explore updating the housing legislation memorandum. An update regarding recent legislation can be scheduled for a future meeting.

Chair Tucker preferred a legislative update focus on legislation that affects site selection and the sites inventory.

**VI. ADJOURNMENT – 7:49 p.m.**

*Next Meeting: February 3, 2021, 6:00 p.m. via Zoom.*

**CITY OF NEWPORT BEACH  
HOUSING ELEMENT UPDATE ADVISORY COMMITTEE MINUTES  
ZOOM MEETING, NEWPORT BEACH, CA**

**WEDNESDAY, FEBRUARY 3, 2021  
REGULAR MEETING – 6 P.M.**

**I. CALL MEETING TO ORDER – 6 p.m.**

**II. WELCOME AND ROLL CALL**

MEMBERS PRESENT: Chair Larry Tucker, Jeffrey Bloom, Susan DeSantis, Paul Fruchbom, Elizabeth Kiley, Geoffrey LePlastrier, Stephen Sandland, Debbie Stevens (joined at 6:06 p.m.), Will O'Neill (Ex Officio) (joined at 6:03 p.m.)

MEMBERS ABSENT: None

Staff Present: Community Development Director Seimone Jurjis, Deputy Community Development Director Jim Campbell, Principal Planner Jaime Murillo, Senior Planner Ben Zdeba, Administrative Support Specialist Clarivel Rodriguez

**III. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Jim Mosher expressed surprise to learn of an unscheduled vacancy on the Housing Element Update Advisory Committee (Committee) and the qualifications for the position. The enabling resolution does not contain a position with the qualifications listed for the vacant position. Also, the enabling resolution designates the current Mayor as the Council's representative to the Committee, and Council Member O'Neill is no longer Mayor.

**IV. CONSENT CALENDAR**

**a. Minutes of January 20, 2021 Meeting**

*Recommended Action: Approve and file the minutes of January 20, 2021.*

Chair Tucker moved, seconded by Committee Member Bloom to approve the minutes of the January 20, 2021 meeting with revisions proposed by Jim Mosher, Hoiyin Ip, and Chair Tucker.

AYE: Tucker, Bloom, DeSantis, Fruchbom, Kiley, LePlastrier, Sandland  
NO: None  
ABSTAIN: None  
ABSENT: Stevens

**V. CURRENT BUSINESS**

**a. Subcommittee Progress Reports**

*Recommended Action: Receive verbal updates from each subcommittee, as appropriate.*

Chair Tucker reported he provides the affordable housing memorandum to parties who contact him about affordable housing. Based on comments submitted to him, he will revise the memorandum and circulate it to the Affordable Housing Subcommittee for approval. In addition, he received requested information for the memorandum pertaining to sites in the remainder of town after the agenda deadline for the current meeting. Updated memoranda will be placed on the agenda for the next Committee meeting.

**b. Feasibility of Housing in the 65 dB CNEL and Subcommittee Action Report**

*Recommended Action: Receive an update from Committee Members Sandland and DeSantis on their exploration of properties as being "potentially feasible," "feasible," or "infeasible" within the 65 dB CNEL areas near the John Wayne Airport. Discuss the analysis prepared and receive and file.*

Committee Member Sandland advised that the subcommittee only considered parcels that were physically able to accommodate housing in place of or in addition to the current use of the parcels. Parcels were designated as feasible, potentially feasible, and infeasible. He provided the subcommittee's criteria for designating sites as feasible, potentially feasible, and infeasible. Parcels that are overlaid with a CNEL contour greater than 70 dB were deemed infeasible. The Airport Land Use Commission (ALUC) has established Site Safety Compatibility policies. Zones 1 and 2, Runway Protection Zones, prohibit residential uses within the zones. Zone 3 is the Inner Turning Zone. Zone 4 is the Outer Approach/Departure Zone, and the basic compatibility indicates residential uses should be limited to low density. Zone 5 contains properties immediately adjacent to the runway and prohibits residential uses. Zone 6 is called the Traffic Pattern Zone. The compatibility policies state that residential land uses shall be allowed in this area. The subcommittee considered these basic compatibility qualities and determined that Zones 1-5 would be infeasible, and Zone 6 could be considered feasible or potentially feasible. John Wayne Airport (JWA) and the City both utilize CNEL contours of 65 and 70 dB, and the subcommittee did not explore alternatives. The subcommittee does not have all the facts regarding the various parcels; therefore, the designations are subjective. Some of the parcels could be reclassified as feasible, potentially feasible, or infeasible. Staff will contact the owners of properties identified as feasible or potentially feasible. Before the Committee approves any parcel for the site inventory list and after public input, the Committee would have to find that housing is a suitable use. Additional deliberations regarding suitability will involve density and could involve development standards. The subcommittee does not endorse housing on any particular site but has narrowed the list of sites that staff will review and that the Committee will consider adding to the site inventory after receiving public input.

Jim Mosher remarked that the 65 dB contour is very old. The actual contour changes with the flight patterns of aircraft departing JWA. The 65 dB contour has contracted such that almost all of Campus Drive is located outside the contour.

Chair Tucker noted the Committee did not consider the 65 dB area initially but may have to if sites are needed.

Deputy Community Development Director Jim Campbell agreed with Mr. Mosher in that noise contours change with traffic at JWA. For planning purposes, the adopted Airport Environs Land Use Plan is the determining factor. Staff anticipates a change over time but not a remarkable change. Some of these sites may be needed to fill a gap between required and identified sites. Sites within the 65 dB noise contour may be the last sites included on the list because of noise.

Chair Tucker added that there may be more opportunities for more affordable units at these sites.

Brett Feuerstein, owner of a portion of the Newport Beach Golf Course, indicated the property is located within the 65 dB CNEL and split between Zones 6 and 4. If the City needs to utilize sites within the 65 dB contour, the property would be perfect for some type of residential use. Based on his interpretation of the Airport Safety Zones, a residential use located in Zone 4 should have a density equal to the average density of all surrounding uses. If needed, the property could provide up to 100 units

Chair Tucker requested staff review the details of Zone 4 because the summary language for Zone 4 is confusing.

In response to Committee Member Kiley's inquiry, Mr. Feuerstein felt a density that provided more than 100 units might be aggressive for Zone 4. The portion of his property located in Zone 6 could provide up to 50 units per acre.

Committee Member Sandland reviewed the subcommittee's designations for Parcels 1, 1.5, 2, 3, 4, 6, 7, 8, 11, 48, 50, and 9. At the Committee's request, Committee Member Sandland only went over Parcels 17, 19, 21, 22, 29, 24, 41, 41.1, 114, 115, 119, 122, 123, 124, 125, 126, 128, 129, 142, 141, 146, 147-155, 158, 163, 165-169, 156, 157, 159, 160, 161, 189, 190, and 191, which the subcommittee designated as feasible or potentially feasible.

Committee Member Bloom noted that constructing a parking structure on the portion of the Newport Beach Golf Course property located in Zone 4 and constructing residential uses on the portion in Zone 6 may be feasible.

Committee Member Stevens concurred with Mr. Mosher's concern about relying on old data, equipment, and aircraft and with Deputy Community Development Director Campbell's comment that this is the data we are stuck with. The subcommittee handled the analyses well and found some potentially decent-sized parcels.

Chair Tucker related that the Council will have to deal with the safety issue if units within the 65 dB CNEL contour are needed to meet the Regional Housing Needs Assessment (RHNA) number.

Committee Member Sandland added that the subcommittee attempted to follow policies from the Basic Compatibility Qualities.

Charles Klobe remarked that Mr. Feuerstein proposed low-income housing in the form of condominiums and questioned whether Mr. Feuerstein understands that the Committee is looking for low- to very-low-income units.

Chair Tucker clarified that some of the property may be condominiums, but they would not be affordable housing. Nothing will be built if the burdens of affordability render projects infeasible. The State will have to confront the low-income issues when it reviews Housing Elements submitted by 197 jurisdictions.

Deborah Allen felt a residential project at the Newport Beach Golf Course would be wildly popular with the Newport Beach community regardless of density and affordability because development would constrain John Wayne Airport's (JWA) expansion.

**c. Approach for Accessory Dwelling Units (ADU)**

*Recommended Action: Receive an overview of the possible approaches for using ADUs to count towards the RHNA requirement.*

Chair Tucker commented that ADUs as potential units are different from other housing types. Assumptions have to be made in estimating the number of units that will be built. The City will receive credit for ADUs at certain affordability levels that are quite attractive. The disadvantage to ADUs is they may be built next to neighbors who are not expecting them. The Council will have to set the policies.

David Barquist, Kimley Horn and Associates, reported the memorandum describes the process and considerations for ADUs. Attached to the memo are the Southern California Association of Governments' (SCAG) methodology and excerpts from the Site Inventory Guidebook developed by the California Department of Housing and Community Development (HCD). ADUs are one strategy to accommodate growth needs, and single-family residences and multifamily developments will be needed to accommodate growth. HCD's approach to counting ADUs is called the Safe Harbor Approach and utilizes historical trends to project a yearly average of production over the course of the planning period. This approach eliminates the need to calculate affordability levels. Supplemental policies and programs may be needed to encourage development of ADUs.

In response to Committee Member Fruchbom's query, Mr. Barquist indicated ADU production has been approximately 25 units per year, and projecting that over the planning period provides the City's Safe Harbor.

Mr. Barquist continued the presentation, stating the ADU unit yield is 200 for the planning period. The City may take a more aggressive approach and adopt policies and programs that support a more aggressive approach. HCD will review these aggressive approaches on a case-by-case basis. The City is obligated to perform to the aggressive approach through the planning period and should balance its vision with a realistic projection to avoid no net loss implications.

In answer to Chair Tucker's inquiries, Mr. Barquist explained that theoretically the City could accommodate 4,834 ADUs. The question is the realistic number of ADUs that can be built during the planning period because the City is obligated to produce that number of ADUs. The Council will have to balance the tensions among the policies it creates for each type of housing. In his experience, jurisdictions are utilizing the Safe Harbor Approach.

Principal Planner Jaime Murillo advised that housing laws require the City to plan and zone for a variety of housing types and different densities. ADUs are viewed as an alternative to the sites inventory. HCD staff has stated clearly that the Safe Harbor Approach is acceptable, but they are open to an aggressive approach. Because the majority of ADU applications are pending in plan check, staff has to ensure the ADU projections for the Safe Harbor Approach are appropriate. A projection of 1,000 ADUs may be aggressive. While ADUs are allowed in any residential zone, there has to be a demand for ADUs. HCD will likely request a monitoring program for an aggressive approach. If the City does not meet its production targets, HCD will require the City to find alternative sites.

In reply to Committee Member Stevens' queries, Principal Planner Murillo stated HCD will probably not require monitoring for a Safe Harbor Approach. However, recent conversations with HCD staff seem to indicate monitoring may be required for a Safe Harbor Approach. Mr. Barquist indicated

the City may adjust its zoning for other housing types if ADU production exceeds projections. Basically, the City has to show it can accommodate its unaccommodated need.

In answer to Committee Member Sandland's question, Chair Tucker reiterated that the City would have to justify its ADU projections regardless of the method for calculating the projections.

Committee Member LePlastrier indicated he is working with family members to plan an ADU. The cost for a freestanding ADU is approximately \$300 per square foot.

Committee Member Kiley believed a projection of 400 ADUs is realistic with the recent changes in housing laws. An amnesty program for existing illegal ADUs could capture additional units. Projecting the number of ADUs based on a percentage of single-family lots is reasonable.

Committee Member DeSantis concurred with the feasibility of a projection for more than 200 ADUs. San Diego is exploring ways to provide financing and preapproved architectural drawings and site plans for ADUs. Using best practices from other Southern California cities, the City should be able to craft a program that will support an increase in the projections. Developing a program that makes sense for Newport Beach, is supported by the community, and facilitates this is reasonable.

In response to Committee Member Kiley's inquiry, Committee Member DeSantis advised that staff has access to the Turner report and the website for best practices.

Nancy Scarbrough supported an aggressive approach because there is no history for ADUs. With education, Newport Beach residents would probably strongly prefer 2,000 ADUs over tens of thousands of high-density units concentrated in the City. Once the City zones for high-density projects, it will be impossible to reduce that zoning.

Charles Klobe supported an aggressive approach. The report indicates Newport Beach's historical rent for an ADU is approximately half that reported in other jurisdictions. That history of low rent should support an aggressive approach for low- and very-low-income ADUs. Achieving 2,000 ADUs over the next nine years is highly likely.

Chair Tucker commented that affordable units have to happen on private property, and private developers are not going to lose money to build affordable housing. The construction of affordable units just is not going to happen as designed.

## **VI. ADJOURNMENT – 7:42 p.m.**

Chair Tucker noted on March 17, 2021 the Committee is scheduled to make a recommendation for the Planning Commission and City Council to consider in April. The Committee will likely continue working on the sites inventory after it makes a recommendation.

Deputy Community Development Director Campbell reported a first housing opportunities list will be presented at the next meeting. A public workshop regarding the policy framework and the first sites analysis is scheduled for February 24<sup>th</sup>. The process will repeat in March. The Council study session on February 9, 2021 will include the RHNA appeal, the Committee's progress, and ADUs.

In answer to Committee Member DeSantis's question, Deputy Community Development Director Campbell related that a workshop for the Circulation Element will be held on February 10.

*Next Meeting: February 17, 2021, 6 p.m. via Zoom.*

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## **C.7 Public Comments**

This section contains all the public comments received regarding the Housing Element Update. Personal addresses and contact details have been redacted for privacy.

[UPDATE AS WE PROCEED]

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