



# Section 1:

## INTRODUCTION



## A. Role of the Housing Element

The Housing Element of the Newport Beach General Plan identifies and analyzes the City's existing and projected housing needs and contains a detailed outline and work program of the City's goals, policies, quantified objectives, and programs for the preservation, improvement, and development of housing for a sustainable future. ~~The Housing Element~~ is one of the seven mandatory elements to be included in a city's General Plan. The ~~Housing Element~~policy program identifies ways in which housing needs of current and future residents can be met. ~~The Housing Element~~also ensures that the City establishes policies, procedures and incentives in its land use planning and development activities to ~~ensure~~address the maintenance and expansion of the housing supply to adequately accommodate households currently living and expected to live in Newport Beach. The ~~Housing Element institutes policies~~policies identified ~~that~~ will help guide future City decision-making and establishes an implementation program to achieve the City's housing goals for the 2021-2029 period.

## B. State Policy and Authorization

### 1. Background

The Housing Element identifies and analyzes the City's existing and projected housing needs. The Housing Element contains a detailed outline and work program of the City's goals, policies, and quantified objectives for the preservation, improvement, and development of housing for a sustainable future. This includes timelines for the City to accomplish each identified action within the Housing Plan.

### 2. State Requirements

California State Housing Element Law (California Government Code Article 10.6) establishes the requirements for the Housing Element. California Government Code Section 65588 requires that local governments review and revise the Housing Element of their comprehensive General Plans not less than once every eight years.

The California Legislature has determined that a primary housing goal for the State is ensuring every resident has a decent home and suitable living environment. Section 65588.0 of the California Government Code states:

- a. The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- b. The early attainment of this goal requires cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians in all economic levels.
- c. The provisions of housing affordable to low- and moderate-income households requires the cooperation of all levels of the government.



- d. Local and State governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for housing needs of all economic segments of the community. The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.

**Table 1-1** summarizes State requirements for Housing Element and identifies the applicable sections in the 2021-2029 Housing Element where these requirements are addressed.

<b>Table 1-1: Housing Element Requirements</b>		
<b>Issues Requiring Analysis</b>	<b>Gov. Code Section</b>	<b>Reference in Housing Element</b>
Analysis of employment trends.	Section 65583.a	Section 2.B.1
Projection and quantification of existing and projected housing needs for all income groups.	Section 65583.a	Section 3.D.1
Analysis and documentation of the City’s housing characteristics, including cost for housing compared to ability to pay, overcrowding, and housing condition.	Section 65583.a	Section 2.D, F
An inventory of land suitable for residential development including vacant sites and sites having redevelopment potential.	Section 65583.a	Section 3.D
Analysis of existing and potential governmental constraints upon the maintenance, improvement or development of housing for all income levels.	Section 65583.a	Section 3.B
Analysis of existing and potential nongovernmental (private sector) constraints upon maintenance, improvement or development of housing for all income levels.	Section 65583.a	Section 3.A
Analysis concerning the needs of the homeless.	Section 65583.a	Section 2.E.7
Analysis of special housing needs: handicapped, elderly, large families, farm workers, and female-headed households.	Section 65583.a	Section 2.E
Analysis of opportunities for energy conservation with respect to residential development.	Section 65583.a	Section 3.7
Identification of Publicly Assisted Housing Developments.	Section 65583.a	Section 3.C.3
Identification of Units at Risk of Conversion to Market Rate Housing.	Section 65583.a	Section 3.C.3
Identification of the City’s goal relative to the maintenance, improvement, and development of housing.	Section 65583.a	Section 4



**Table 1-1: Housing Element Requirements**

Issues Requiring Analysis	Gov. Code Section	Reference in Housing Element
Analysis of quantified objectives and policies relative to the maintenance, improvement, and development of housing.	Section 65583.b	Section 4.B
Identification of adequate sites that will be made available through appropriate action with required public services and facilities for a variety of housing types for all income levels.	Section 65583.c(1)	Appendix B
Identification of strategies to assist in the development of adequate housing to meet the needs of low and moderate-income households.	Section 65583.c(2)	Section 4
Description of the Public Participation Program in the formulation of Housing Element Goals, Policies, and Programs.	Section 65583.d	Appendix C
Description of the Regional Housing Needs Assessment (RHNA) prepared by the Southern California Association of Governments.	Section 65583.e	Section 1.C
Analysis of Fair Housing, including Affirmatively Furthering Fair Housing.	Section 8899.50	Section 3.C
Review of the effectiveness of the past Element, including the City’s accomplishments during the previous planning period.	Section 65583.f	Appendix A
<i>Source: State of California, Department of Housing and Community Development.</i>		

The City’s Housing Element was last updated in September 2013 for the 5<sup>th</sup> cycle from years 2014 to 2021, as part of the new update cycle for jurisdictions within the SCAG (Southern California Association of Governments) region to allow for synchronization with the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The Element sets forth an 8-year strategy to address the City’s identified housing needs, including specific implementing programs and activities.

Amendments have been made to Housing Element law since the adoption of the City’s 5<sup>th</sup> Cycle Housing Element; such amendments and subsequent housing laws change the required analysis, reporting and policies contained in the Housing Element. The contents of this updated Housing Element comply with these amendments to state housing law and all other federal, state and local requirements.

### 3. Regional Housing Needs Assessment

Section 65583 of the Government Code sets forth the specific content requirements of a jurisdiction’s housing element. Included in these requirements are obligations on the part of local jurisdictions to provide their “fair share” of regional housing needs. Local governments and Councils of Governments (COGs) are required to determine existing and future housing need and the allocation of this need must



be approved by the California Department of Housing and Community Development (HCD). Newport Beach is a member agency of the Southern California Association of Governments (SCAG). SCAG is responsible for preparing the Regional Housing Needs Assessment (RHNA) for all jurisdictions within the SCAG region.

HCD established the planning period for the current Regional Housing Needs Assessment (RHNA) from October 15, 2021 to October 15, 2029. For the 2021-2029 planning period the City was allocated a total of 4,845 units, including 1,456 for very low-income, 930 for low-income, 1,050 for moderate-income, and 1,409 for above-moderate income households.

#### **4. Relationship to Other Community Plan Elements**

The Housing Element is one element of the City of Newport Beach General Plan. The goals, policies, actions, and programs within the Housing Element relate directly to, and are consistent with, all other elements in the Newport Beach General Plan. The City's Housing Element identifies programs and resources required for the preservation, improvement, and development of housing to meet the existing and projected needs of its population.

The Housing Element works in tandem with development policies contained in the Land Use Element, most recently amended in 2013. The Land Use Element establishes the location, type, intensity and distribution of land uses throughout the City, and defines the land use build-out potential. By designating residential development, the Land Use Element places an upper limit on the densities and types of housing units constructed in the City. The Land Use Element also identifies lands designated for a range of other uses, including employment creating uses, open space, and public uses. The presence and potential for jobs affects the current and future demand for housing at the various income levels in the City.

The Circulation Element of the General Plan also affects the implementation of the Housing Element. The Circulation Element establishes policies for a balanced circulation system in the City. Consequently, the Housing Element must include policies and incentives that consider the types of infrastructure essential for residential housing units in addition to mitigating the effects of growth in the City.

The Housing Element has been reviewed for consistency with the City's other General Plan components, and the policies and programs in this Element are consistent with the policy direction contained in other parts of the General Plan. As portions of the General Plan are amended in the future, the Housing Element will be reviewed to ensure that internal consistency is maintained.

#### **5. Public Participation ~~(UPDATED AS WE PROCEED)~~**

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 discussion of citizen participation is provided below.

As part of the 6<sup>th</sup> Cycle Housing Element Update process, the City of Newport Beach conducted extensive public outreach activities beginning in 2019.



Outreach for the 6th Cycle Housing Element to the community, includes the following actions:

- **Community Workshop #1** (October 20, 2020) – Provided an overview of the Housing Element Update process, community and housing characteristics, and engagement activities.
- **Community Workshops #2 and #3** (November 16 and 17, 2020) – Engaged participants in a suitability analysis for housing types and densities for focus areas in Newport Beach.
- **Community Workshop #4** (February 24, 2021) – Discussion of opportunity sites and policy strategies.
- **Community Workshop #5** (March 22, 2021) – Presented the initial draft of the Housing Element.
- **Community Workshop #6** (June 21, 2021) – Presented a revised draft of ~~the~~ of the Housing Element's sites analysis and discussed inclusionary housing, housing overlays, and accessory dwelling units.
- **Online Community Survey** – Participants considered potential policies and programs to include in the Housing Element, as well as potential housing types and opportunities for housing. The survey also solicited feedback regarding potential barriers to housing access and constraints to the development of housing.
- **Planning Commission Study Session** - 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.
- **City Council Study Sessions** - Provided an overview of the Public Review Draft Housing Element and Housing Element update process to date. Follow up study sessions explored a variety of site identification options and policy modifications. Community members had the opportunity to give public comments.
- **Housing Element Update Advisory Committee (HEUAC) Meetings** – Tracked and provided feedback on outreach efforts, made recommendations and provided guidance on policies and programs, provided general comments and feedback.
- **Housing Element Update Website** ([www.NewportTogether.com](http://www.NewportTogether.com)) - 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.
- **Listen & Learn** – Series of community workshops in each Council District to guide and inform the General Plan Update in 2019.

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

Appendix C will contain a summary of all public comments regarding the Housing Element received by the City during the update process.



## 6. Data Sources (To be updated in final draft)

The data used for the completion of this Housing Element comes from a variety of sources. These include, but are not limited to:

- 2010 Census
- American Community Survey
- Regional Analysis of Impediments to Fair Housing (AI)
- Point-in-Time Homeless Census by the Regional Task Force on the Homeless, 2019
- Home Mortgage Disclosure Act (HMDA) lending data
- California Department of Economic Development
- California Employment Development Division Occupational Wage data, 2002
- Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS), 2013-2017
- California Department of Finance
- Southern California Association of Governments (SCAG) Local Housing Report

The data sources represent the best data available at the time this Housing Element Update was prepared. The original source documents contain the assumptions and methods used to compile the data.

## 7. Housing Element Organization

This Housing Element represents the City's policy program for the 2021-2029 6<sup>th</sup> Cycle Planning Period. The Housing Element is comprised of the following Chapters:

**SectionChapter 1: Introduction** contains a summary of the content, organization and statutory considerations of the Housing Element;

**SectionChapter 2: Community Profile** contains an analysis of the City's population, household and employment base, and the characteristics of the housing stock;

**SectionChapter 3: Housing Constraints and Resources** examines esing governmental and non-governmental constraints on production, maintenance, and affordability of housing and provides a summary of housing resources, including sites identification and funding and financial considerations; and

**SectionChapter 4: HousingPolicy Plan** addresses the City's identified housing needs, including housing goals, policies and programs.

**Appendices** provides various appendices with supplementary background resources including:

- **Appendix A** – Review of Past Performance of 5<sup>th</sup> Cycle Programs
- **Appendix B** – Summary of Adequate Sites Analysis
- **Appendix C** – Summary of Outreach
- **Appendix D** – Accessory Dwelling Unit Analysis