



CITY OF

NEWPORT BEACH

City Council Staff Report

November 18, 2025
Agenda Item No. 17

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Lena Shumway, City Clerk - 949-644-3005,
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PREPARED BY: Lena Shumway, City Clerk

TITLE: Certification of Responsible Housing Initiative Petition and
Consideration of Council Action Options

ABSTRACT:

The Newport Beach Stewardship Association ("NBSA") submitted a referendum petition, titled the *Responsible Housing Initiative*, proposing an amendment to the City's General Plan Land Use Element to facilitate the development of 2,900 affordable housing units, reserved exclusively for extremely low-, very-low, low-, and moderate-income households. The Orange County Registrar of Voters has certified that the petition contains the required number of valid signatures qualifying it for City Council consideration. Pursuant to the City of Newport Beach Charter Section 1003 and California Elections Code 9215, the City Council must now either: (1) order a report assessing the initiative's potential impacts; (2) adopt the proposed initiative as submitted by the NBSA, without alteration; or (3) submit the measure to the voters at a future election, either through a stand-alone Special Election or by consolidating it with the November 3, 2026 General Municipal Election.

RECOMMENDATIONS:

- a) Determine that the action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(1), (2) and (3) of the CEQA Guidelines because it will not result in a physical change to the environment, directly or indirectly;
- b) Authorize City staff to prepare and execute a budget amendment, as needed, to implement the City Council's selected course of action and to appropriate sufficient funds to cover associated costs based on the option approved by the City Council;
- c) Accept the certification of the Orange County Registrar of Voters as to the verification of signatures of the Responsible Housing Initiative; and
- d) Take one of the following actions:
 - (i) Order a Report Pursuant to California Elections Code Section 9212. Determine the desired scope of a report under California Elections Code Section 9212 and adopt A *Resolution of the City Council of the City of Newport Beach, California, Ordering a*

Report Pursuant to California Elections Code Section 9212 Regarding an Initiative Measure to Amend the Land Use Element of the City's General Plan;

- (ii) Adopt the Initiative Without Alteration. Adopt the initiative as submitted by the proponents, without amendment, by adopting *A Resolution of the City Council of the City of Newport Beach, California, Adopting the Responsible Housing Initiative Pursuant to California Elections Code Section 9215, as Submitted by the Newport Beach Stewardship Association, Without Amendments;*
- (iii) Call a Special Municipal Election. By motion, decide whether to submit an argument against the proposed initiative (pursuant to Elections Code Section 9282) and, if submitting such an argument, designate the authors; and then adopt the following resolutions: (1) *A Resolution of the City Council of the City of Newport Beach, California, Calling for and Giving Notice of a Special Municipal Election to be held on _____, 2026, to Submit to the Voters an Initiative Measure Proposing to Amend the Land Use Element of the City's General Plan, and Requesting the Orange County Board of Supervisors Authorize the County Elections Official to Render Services Relating to the Conduct of a Special Municipal Election;* (2) *A Resolution of the City Council of the City of Newport Beach, California, Directing the City Attorney to Prepare an Impartial Analysis of an Initiative Measure to Be Submitted to the Voters at the Special Municipal Election to be Held on _____, 2026, and Providing for the Deadlines for Filing of the Impartial Analysis and Written Arguments For and Against the Initiative Measure;* and (3) *A Resolution of the City Council of the City of Newport Beach, California, Setting the Deadlines for Filing of Rebuttal Arguments in Response to Direct Arguments Filed For and Against the Initiative Measure to be Submitted to the Voters at the Special Municipal Election to be held on _____ 2026; or*
- (iv) Call a General Municipal Election. By motion, decide whether to submit an argument against the proposed initiative (pursuant to Elections Code Section 9282) and, if submitting such an argument, designate the authors; and then adopt the following resolutions: (1) *A Resolution of the City Council of the City of Newport Beach, California, Calling for and Giving Notice of a General Municipal Election to be Held on November 3, 2026, to Submit to the Voters an Initiative Measure Proposing to Amend the Land Use Element of the City's General Plan, and Requesting the Orange County Board of Supervisors Consolidate the General Municipal Election with the Statewide General Election to be Held on the Same Date;* (2) *A Resolution of the City Council of the City of Newport Beach, California, Directing the City Attorney to Prepare an Impartial Analysis of an Initiative Measure to Be Submitted to the Voters at the General Municipal Election to be Held on November 3, 2026, and Providing for the Deadlines for Filing the Impartial Analysis and Written Arguments For and Against the Initiative Measure;* and (3) *A Resolution of the City Council of the City of Newport Beach, California, Setting the Deadlines for Filing of Rebuttal Arguments in Response to Direct Arguments Filed For and Against the Initiative Measure to be Submitted to the Voters at the General Municipal Election to be Held on November 3, 2026.*

DISCUSSION:

In accordance with the requirements of law, the City Clerk accepted for filing an initiative petition titled the Responsible Housing Initiative, proposing an amendment to the City's General Plan Land Use Element to facilitate the development of 2,900 affordable housing units, which would be reserved for the exclusive use of extremely low-, very low-, low-, and moderate-income households. A copy of the initiative measure is attached hereto as Attachment A(Initiative).

On October 2, 2025, the referendum petition was submitted to the City. In accordance with the City Charter and the California Elections Code, the City Clerk received and examined the petition. Following the prima facie examination required by law, the City Clerk determined that the petition contained the requisite number of signatures of registered City electors and subsequently forwarded it to the Orange County Registrar of Voters for verification on October 3, 2025.

On November 5, 2025, the Orange County Registrar of Voters confirmed that the petition contained the required number of valid signatures of City electors to qualify the referendum for an election and certified the results (Attachment B).

Pursuant to the California Elections Code, the City Council must now take one of the following actions:

1. Request a report on the effects of the proposed Initiative prior to taking further action, as permitted by law;
2. Adopt the proposed initiative as submitted by NBSA, without amendment; or
3. Submit the initiative to the voters at either:
 - a. The next General Municipal Election scheduled for November 3, 2026, (Charter Sections 1000, 1002 and 1003, and California Elections Code Sections 1405(a) and 9215), or
 - b. A Special Election ordered for that purpose, to be held not less than 88 days after the order or more than 103 days (Charter Sections 1002 and 1003, and California Elections Code Sections 1405(b) and 9215).

If the City Council orders a report, pursuant to California Elections Code Section 9212, the report shall be presented to the City Council within the time prescribed by the City Council, but no later than 30 days after the elections official certifies the petition's sufficiency to the City Council, (i.e., no later than December 18, 2025). As required, the report will be presented to the Council at the next regular City Council meeting scheduled for December 9, 2025. Following receipt of the report, the City Council will decide whether to adopt the ordinance or submit the initiative measure to a vote by the electorate of the City.

If the City Council adopts the proposed initiative, or if a majority of voters approve it at election, the adopted measure cannot be amended or repealed except by a vote of the people (Elections Code Section 9217).

If the City Council chooses to call an election, it may either be consolidated with the November 3, 2026, General Municipal Election (California Elections Code Section 1404(a), or conducted as a stand-alone Special Election to be held no less than 88 days nor more than 103 days after the order of the election, pursuant to California Elections Code Section 1405(b). The estimated cost of placing the initiative on the ballot is as follows:

- **November 3, 2026, General Election:** \$113,986 – \$143,606.
- **Special Election:** \$1,037,188 – \$1,201,138.

These costs include expenses associated with the voter information guide, ballot postage, printing, equipment and other related election processing costs.

FISCAL IMPACT:

Depending on whether the City Council chooses to adopt the initiative petition as submitted, call a Special Municipal Election or consolidate the measure with the General Municipal Election, a budget amendment will be required to cover associated election and administrative costs.

Option A. Limited Fiscal Impact

Should the City Council choose to adopt the proposed Initiative without augmentation, there would be no election costs, and the only costs would be associated with the verification of signatures by the Orange County Registrar of Voters.

Option B. Cost of a Special Election

\$1,037,188 – \$1,201,138 (budget amendment will be required).

Option C. Consolidated the General Municipal Election with the General Statewide Election of November 3, 2026

\$113,986 – \$143,606 (will be included in the upcoming FY 2026-2027 budget).

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(1) (the activity does not involve the exercise of discretionary powers; (2) the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Division Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Initiative Petition

Attachment B – Certificate as to Verification of Signatures on Petition

Attachment C – Resolutions for Special Election

Attachment D – Resolutions for General Municipal Election

Attachment E – Resolution Calling and Giving Notice of the February 24, 2026 Special
Municipal Election

Attachment F – Resolution Calling and Consolidating the November 3, 2026 General
Municipal Election

Attachment G – Resolution Directing City Attorney to Prepare Impartial Analysis for
2026 Election and Setting Deadlines for Arguments

Attachment H – Resolution Setting Rebuttal Argument Deadlines for the 2026 Election