



# NEWPORT BEACH

## City Council Staff Report

March 26, 2024  
Agenda Item No. 8

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** Seimone Jurjis, Community Development Director - 949-644-3232, sjurjis@newportbeachca.gov

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**TITLE:** 2023 Annual General Plan and Housing Element Progress Report (PA2007-195)

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### **ABSTRACT:**

State Government Code Section 65400 mandates that the City of Newport Beach prepare and submit an annual report on the status of the City's General Plan and progress in its implementation. The Planning Commission reviewed the 2023 Annual Progress Report at its meeting on March 7, 2024. For the City Council's consideration is the review and authorization to submit the report to the State of California.

### **RECOMMENDATIONS:**

- a) Find the preparation, review and submission of the 2023 General Plan Progress Report not subject to the California Environmental Quality Act (CEQA) as the actions are not a project as defined by Section 15378(b)(2) of the Public Resources Code;
- b) Review the 2023 General Plan Progress Report, including the Housing Element Annual Progress Report; and
- c) Authorize the submittal of the 2023 General Plan Progress Report to the California Office of Planning and Research and the submittal of the Housing Element Annual Progress Report to the State Department of Housing and Community Development.

### **DISCUSSION:**

#### ***2023 General Plan Annual Progress Report***

Government Code Section 65400 and the City's General Plan Implementation Program Imp 1.3 require the preparation of an annual report on the status and progress of the General Plan implementation. Following City Council review, the report will be sent to the Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD), as required by State law. There is no standardized form or format for the preparation of the General Plan Annual Progress Report (Report); however, the Report was prepared pursuant to guidance provided by the [2022 Annual Progress Report Memorandum](#) OPR on October 6, 2022.

The Report (Attachment No. PC 1) reflects the status of the implementation measures between January 1, 2023, and December 31, 2023 (Reporting Period), and does not reflect changes or updates that may have been directed since. The Newport Beach General Plan was adopted in November 2006 pursuant to available guidelines provided by the State at that time pursuant to Government Code Section 65040.2 and consistent with Section 65400(a)(2). In 2022, the City updated the Housing and Circulation Elements. The Report includes a discussion of the status of each General Plan Implementation Program (Appendix A of PC 1), a comprehensive status on each Housing Element Implementation Program (Appendix B of PC 1), and an analysis on the degree to which the City's existing General Plan complies with criteria identified in OPR's General Plan Guidelines (Appendix C of PC 1). Staff believes the City has achieved substantial progress in the implementation of the General Plan. Some of the progress is evident in completed tasks such as the comprehensive Zoning Code Update in 2010; however, most progress is illustrated through ongoing tasks and long-term coordination efforts, with updates highlighted for 2023. The Report also summarizes identified priorities for land use decision making for the reporting period.

### **General Plan Update**

The City embarked on a comprehensive update of the General Plan in 2019, but pivoted in 2020 to focus on preparing the 6<sup>th</sup> Cycle Housing Element update, as well as an update to the Circulation Element.

The City continued to focus its efforts, which ultimately led to City Council's initial adoption of the 6<sup>th</sup> Cycle Housing Element update on February 8, 2022. After several reviews and revisions with HCD, the City Council re-adopted a refreshed 6<sup>th</sup> Cycle Housing Element on September 13, 2022. The update is a comprehensive statement of the City's housing policies and serves as a guide for the implementation of these policies. As required by State law, the update examines current housing needs, estimates future housing needs, and establishes goals policies, and programs pertaining to those needs while demonstrating capacity to accommodate the Regional Housing Needs Assessment (RHNA) allocation of 4,845 new housing units. Housing programs are responsive to current and future needs and established within the context of available community, state, and federal economic and social resources, realistic quantified housing objectives, and affirmatively furthering fair housing (AFFH). On October 5, 2022, HCD determined the City's 6<sup>th</sup> Cycle Housing Element is in full statutory compliance.

On October 25, 2022, the City Council adopted an updated Circulation Element that included several refreshed policies that are compliant with State law. For example, the updated Circulation Element contains policies related to complete streets and vehicle miles traveled. The policies were reviewed by the community through extensive outreach and remain consistent with the community's vision.

Simultaneous with the efforts to update the Housing Element and Circulation Element, the General Plan Update Steering Committee (GPUUSC) began meeting in July 2022 to restart the comprehensive update efforts. In November 2022, the City Council appointed a 30-member General Plan Advisory Committee (GPAC) to help represent the community and guide potential policy changes.

During the 2023 reporting period, the GPUSC and the GPAC each met nine times with nearly all GPAC subcommittees covering most of the General Plan Elements meeting at least once. These subcommittee meetings included a review of the draft Land Use Element updates to implement the Housing Element, as well as topics for the broader comprehensive update. In July 2023, the City entered into agreement with Dudek to provide consulting services on the comprehensive General Plan Update.

This effort is on a parallel track alongside the City's Housing Element implementation. The Housing Element implementation's draft program-level environmental impact report (EIR) was being prepared during the reporting period and released in February 2024. The implementation effort is expected to be effective by the end of 2024, with the comprehensive General Plan Update expected to be completed by the end of 2025.

Information regarding the General Plan update efforts to date, including the initiation, evaluation, and process can be found on the City's webpage at [www.newportbeachca.gov/gpupdate](http://www.newportbeachca.gov/gpupdate).

### ***2023 Housing Element Annual Progress Report***

Government Code Section 65400 requires that each city, including charter cities, provide an annual progress report on the status of the Housing Element of its General Plan. HCD has provided mandatory forms (Excel spreadsheets) and definitions for the housing portion of the Report. The forms include six large tables (Tables A through F), but due to the large size and format, only a summary of the contents of each table is provided in the attached Report. The complete forms will be made available online at the following link: [www.newportbeachca.gov/APR](http://www.newportbeachca.gov/APR) and they will be submitted to HCD in electronic format.

The annual report requires the City to report all housing applications submitted in 2023 including building permits (Table A in Report) and all housing applications with a net increase in units approved and finalized in 2023 (Table A2 in Report). The permits approved and reported in Table A2 are automatically populated in Table B. Table B includes the number of units for which permits were issued to demonstrate progress in meeting the City's Regional Housing Needs Allocation goal. The Southern California Association of Governments (SCAG) prepared the Regional Housing Needs Allocation for each jurisdiction within the SCAG region. SCAG, through the RHNA process, assigned Newport Beach a share of the region's new housing units needs for the 2021 - 2029 planning period totaling 4,845 new dwelling units further broken down by income category.

Housing production toward the 6<sup>th</sup> Cycle RHNA allocation is best summarized by Table B, which is included in the Report and excerpted below.

**Table B Summary - Regional Housing Needs Allocation Progress**

| <b>Table B Summary: Regional Housing Needs Allocation Progress</b> |              |  |             |             |             |             |             |             |             |             |                      |
|--|--------------|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------|
|  |              | <b>Permitted Units Issued by Affordability</b> |             |             |             |             |             |             |             |             |                      |
| <b>Income Level</b>  | <b>RHNA</b>  | <b>2021</b>                                    | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028</b> | <b>2029</b> | <b>Total to Date</b> |
| Very Low   | 1,456        | 13   | 8           | 11          |             |             |             |             |             |             | 32                   |
| Low  | 930          | 21   | 14          | 18          |             |             |             |             |             |             | 53                   |
| Moderate   | 1,050        | 1  | 11          | 13          |             |             |             |             |             |             | 25                   |
| Above Moderate   | 1,409        | 31   | 7           | 1           |             |             |             |             |             |             | 39                   |
| <b>Total RHNA</b>  | <b>4,845</b> | 66   | 40          | 43          | -           | -           | -           | -           | -           |             | 149                  |
| <b>Total Units Produced</b>  |              | 66   | 40          | 43          |             |             |             |             |             |             | 149                  |

The Housing Element portion of the Report also includes status and/or progress of implementing each Housing Element Program for the Reporting Period (Appendix B of Report). Appendix B includes a detailed status report of each Housing Element Program.

### **Efforts to Assist the Unhoused**

The City continues to provide robust assistance to those who are unhoused in the community. For this reporting period, the following was accomplished:

- In 2023, the Be Well OC Mobile Crisis Team (hereafter Be Well) operated seven days a week for 12 hours per shift. For most of the year, the team worked from 7 a.m. until 7 p.m. In July and August, the hours were shifted two hours later due to the high influx of daily visitors coming to the coastal area. Be Well responds to mental, behavioral and substance use crises throughout the city. The team proactively engages the unhoused population to provide resources, shelter placements, and program referrals. Be Well had 3,681 contacts with residents, visitors and unhoused people. Be Well transported 334 times to social service, medical, and other essential appointments, or intakes. Of the 334 transports, 52 were for shelter intake appointments, 65 to crisis stabilization units for treatment, and 58 to the Be Well campus sobering station for treatment. Be Well also reunified four people with their families.
- The homeless outreach and engagement team permanently housed 16 people from the street to housing with five of the 16 people entering assisted living and one reunified with family.
- The Costa Mesa Bridge Shelter permanently housed six people and reunified two people with their families. In July 2023, the City Council approved an additional five beds in the Costa Mesa Bridge Shelter, with the option to use up to six more beds if Costa Mesa has open beds. The daily cost for the additional six beds is \$155 per bed per day, including full wrap-around services. There were several weeks in 2023 when all 25 beds were filled, and the per-day option was not exercised, due to the lack of availability of the Costa Mesa beds.

- In 2023, CityNet, the City's social services contractor, placed 25 people into shelters. City Net representatives had 886 contacts with the unhoused population in Newport Beach.
- Trellis International is a Costa Mesa-based non-profit organization which provides volunteer opportunities for individuals experiencing homelessness or housing insecurity to learn and/or rebuild job skills and a path forward to stable employment and housing. The Public Works Department manages projects with Trellis' Community Impact Team (CIT). CIT participants develop and refine job skills needed to enter the job market and remain employed. The projects may include beach cleanup, trash and graffiti removal, vegetation trimming and removal, and more. The CIT completed 150 projects in 2023.
- The City hosted two Homeless Services Community Forums in 2023. PATH (People Assisting the Homeless) presented an overview of its operations at the County of Orange's shelter, the Yale Navigation Center, as well as other County initiatives for encampment removal and limited street outreach and engagement. The County's Office of Care Coordination presented an overview of County funding sources, shelter operations, and collaboration with state, city and contracted service providers. The programs are available in the NBTV archives for viewing.
- The outreach and engagement team had two notable permanent housing placements in 2023. One woman needed multiple stays at the Costa Mesa Bridge Shelter, the Yale Navigation Center, and the Buena Park Navigation center before becoming stabilized to move forward with housing. She utilized the Newport Beach Public Library's literacy program to bolster her reading and social skills, met regularly with the Be Well team to regulate her behavioral health, and collaborated with the City's homeless services manager to transition into housing. She was housed in January. The Newport Beach Police Department's homeless liaison officer placed a gravely ill man on an involuntary medical hold and took the lead to coordinate an assisted living placement at the end of December. This placement included City Net activating his insurance, Be Well advocating for a seamless transfer from the hospital to the facility, and the City's Finance department processing the payment from available Good Giving funds. Thanks to generous funding from the Good Giving program, the homeless liaison officer was able to facilitate the placement and payment for his permanent housing.

### **Significant Residential Development Projects with Affordable Units**

Another highlight is significant residential projects that include an affordable housing component on sites identified as underutilized. These projects, which are at different stages of review, include: Uptown Newport, Newport Crossings, Residences at 4400 Von Karman, Newport Airport Village, Residences at Newport Center, Newport Village Mixed-Use, 1300 Bristol Residences, Residences at 1600 Dove Street, 1401 Quail Street, Housing at 1400 Bristol, Placentia Avenue Apartments and three new housing projects submitted for preliminary reviews in 2023. Each of these projects are detailed in the attached Report.

## **Policy Actions 1A through 1G Related to Housing Implementation**

Immediately after the 6<sup>th</sup> Cycle Housing Element's adoption in September 2022, the City began efforts to implement the housing strategy. This predominantly included analyzing the General Plan Land Use Element for necessary amendments needed for consistency, drafting overlay zoning text for various focus areas, and creating objective design standards. The goal is to rezone the housing opportunity sites appropriately for housing development. The City has been working with the General Plan Update Steering Committee and the General Plan Advisory Committee on this effort, held study sessions with the Planning Commission and City Council, and made draft documents available for public review and input to ensure a transparent process that is representative of the community's values. Although the initial target was to be complete in this reporting period, the City is on schedule to have the Land Use Element updated and Zoning Overlays adopted by the end of 2024. The delay was largely due to the need to prepare a programmatic level EIR to contemplate the possible impacts of the increased residential development capacity in the various Focus Areas. During this reporting period, however, it is important to note that the City Council adopted changes to the General Plan and Municipal Code on November 28, 2023, to reflect the noise contours identified by the 2014 John Wayne Airport Settlement Agreement Amendment EIR No. 617, as well as updated General Plan Land Use and Noise Element policies and additional noise attenuation measures for future housing units proximate to John Wayne Airport. These Amendments were in furtherance of Policy Action 1A. The balance of the implementing actions will be contingent to a successful vote of the electorate pursuant to Charter Section 423 planned for November 5, 2024.

## **Policy Actions 1H, 1I, and 1J Related to Accessory Dwelling Units (ADUs)**

In 2023, the City pursued several efforts related to revising the City's regulations pertaining to accessory dwelling units and incentivizing their development:

- Code Amendment Related to State Law Updates and Additional Incentives: In September of 2022, the Legislature approved, and the Governor signed, SB 897 (Chapter 6664, Statutes of 2021) and AB 2221 (Chapter 650, Statutes of 2021) into law that amended Government Code Sections 65852.2 and 65852.22 to impose new limits on the City's ability to regulate ADUs and JADUs. On January 5, 2023, the Planning Commission considered the proposed amendments incorporating ad hoc committee recommendations and State law updates and recommended their adoption to the City Council. On January 24, 2023, the City adopted the proposed code changes. On April 13, 2023, a Local Coastal Program (LCP) Amendment application was submitted to the California Coastal Commission to incorporate the changes into Title 21 (Local Coastal Program Implementation Plan) of the Municipal Code.

- Website Enhancements: In spring 2023, the Community Development Department launched a comprehensive update to the Newport Beach ADU webpage. The webpage is intended to supplement the City's outreach and foster interest in constructing ADUs. The website now includes a downloadable guidebook, interactive activities and exercises to help homeowners plan their ADU, an online calculator to estimate costs, and standard plans. The website also includes resources to help the homeowner understand the different types of ADUs by providing links to development standards and processes. External resources are available for potential finance and grant opportunities for homeowners. Users can look up their property attributes including zoning and approximate lot size. An interactive mapping application is also included for residents to see the ADUs that are being constructed in their neighborhoods. The Newport Beach ADU website can be reached at <https://www.newportbeachca.gov/adu>.
- ADU Standard Plans: In fall 2023, the City launched its ADU Standard Plans program designed to offer property owners permit ready ADU plans at no charge. Use of the standard plans provide a substantial cost savings (\$15k to \$30k) for property owners by eliminating the need to hire a design professional to prepare a custom set of architectural and structural plans. They also reduce the permit review process since the architectural and structural component of the plans have been pre-reviewed and approved for building code compliance. The City currently offers two separate types of studio designs, one one-bedroom design, and garage conversion plans.
- ADU Permit and Plan Check Fee Waiver: On November 29, 2022, the City Council extended a pilot program to temporarily waive City plan check review fees, building construction permit review fees, and other City permit fees directly related to a project creating an ADU or a JADU. The fee waiver extension will run through the end of 2024 and will complement other new City programs intended to promote and facilitate ADU development, including website enhancements and pre-approved plans.

In 2023, 72 ADUs were submitted for review. There were 71 ADUs that received building permits and final inspections, resulting in a net increase in new units. A significant contribution was the 30 ADUs that were finalized at the existing 880 Irvine Apartments. The project converted existing mail rooms, utility rooms, and offices into ADUs. All ADUs that received permits in 2023 will be counted toward the new 6<sup>th</sup> Cycle RHNA.

#### **Policy Action 4A: Affirmatively Furthering Fair Housing**

For Policy Action 4A (Affirmatively Furthering Fair Housing), the City intends on taking meaningful actions to overcome patterns of segregation and to foster inclusive communities free from barriers that restrict access to opportunity based on protective classes, as defined by State law. The City continues to maintain a contract for fair housing services with the Fair Housing Foundation. The City will participate in an update to the Orange County regional Analysis of Impediments to Fair Housing when next updated.

**FISCAL IMPACT:**

There is no fiscal impact related to this item.

**ENVIRONMENTAL REVIEW:**

The General Plan Progress Report, including the Housing Element Progress Report, is not subject to CEQA, as the actions are not a project as defined in Section 15378(b)(2) of the Public Resources Code.

**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).

**ATTACHMENT:**

Attachment A – General Plan Annual Progress Report 2023