

January 14, 2020, City Council Item 20 Comments

The following comments on an item on the Newport Beach City Council [agenda](#) are submitted by:

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Item 20. Housing Action Plan to Address State Mandate for Additional Housing and Resolution No. 2020-6: Dissolving the General Plan Update Steering Committee and Establishing the Housing Element Update Advisory Committee

Regarding the staff report

I do not believe the staff report provides an entirely accurate picture of the recommendations made to the Council by its General Plan Update Steering Committee at their December 4, 2019, meeting (an audio-only recording of which has been [posted](#)).

In particular, while the GPUSC *did* recommend *not* jumping into immediately forming a GPAC for an overall GPU, and *did* seek review and *possible* redirection of its purpose from the Council, it *did not* recommend dissolving itself or suspending the broader GPU process.

And of the comments from the GPUSC listed on staff report page 20-4, comments 5 through 7, cautioning against rushing the process, apply not just to the broader process, but to not rushing a Housing Element Update in response to a state deadline as staff continues to recommend. The Chair's specific recommendation at 2:07:35 in the recording was "Screw the deadline."

And the recommendation for a ballot measure to amend City Charter Section 423 is, of course, new and was not discussed by the GPUSC.

As to the proposed Housing Action Plan on page 20-15, it would be good to correct the spelling of our state assembly member's name ("Petrie-Norris" *not* "Petri-Norris").

Regarding the issues

The 4,832 housing units that are at the core of this agenda item are Newport's currently-assigned share of the 1,341,827 units assigned to the Southern California Association of Governments region by the California Department of Housing & Community Development in a letter dated [October 15, 2019](#) (down, after a [SCAG objection](#), from 1,344,740 assigned by HCD on [August 22, 2019](#)).

Newport's proposed share of the 1,341,827 units was transmitted by SCAG to HCD on November 14, 2019, and a response from HCD, if any, is expected by today, January 13.

Where did SCAG's 1.34 million units come from?

Some seem to believe 1.34 million is SCAG's share of a statewide housing goal that was inadvertently and erroneously based on a 25-year housing projection rather than the intended 8-year one. I don't believe that is correct.

HCD last released a comprehensive overview of state housing needs in February 2018, when it released its [Final Statewide Housing Assessment 2025](#). Per Figure 1.1, that document foresaw a projected statewide housing need for 2015-2025 of 180,000 units per year, of which, per Figure 1.4, 38%, or about 68,000 units per year were expected to be needed in the SCAG region.¹

The 1.34 million is based not on a statewide goal, but as explained in the attachment at the end of the HCD Determination letters on a population projection for the SCAG region of 20,455,355 people at the end of the 6th RHNA Cycle on October 15, 2029. The fraction of those not housed in institutions are expected to need 6,801,760 housing units, which is an increase of **551,499** over the 6,250,261 units expected to exist in the region at the start of the projection period on July 1, 2021.

The 551,499 morphs into the 1.34 million by adding a number of “adjustments” that are allowed by [Gov. Code Sec. 65584.01](#) and said to be needed to eliminate certain perceived inequities in the current housing market, such as over-cost and over-crowding.

However, since the HCD made their assignment to SCAG, the Department of Finance has [revised](#) the population expected in 2029. 20,455,355 people has become just 19,903,800, so the required number of new SCAG housing units in 2029 (before adjustments) is more like **368,000**.

Is SCAG’s apportionment fair?

Setting aside the question of whether it is wise to build vastly more units than we presently expect people to fill them, one has to ask if SCAG’s method of apportioning the **1.34 million** units among the constituent jurisdictions is fair.

In that regard, although we are talking about the 6th RHNA Cycle, and are currently in the 5th Cycle, the only one for which we have decisive data is the 4th Cycle (see Exhibit B2 starting of [page 144](#) of the 209 page PDF of HCD’s *Final Statewide Housing Assessment 2025*. Although none of the SCAG counties met their RHNA goals, Orange County was the *best* performer of the six at 55.7% (and Newport Beach was especially solid at 82.3% - and far outperforming its tiny quota in the 5th Cycle, for which it, apparently gets no credit). I believe that could be used to argue *against* Orange County being punished in the 6th Cycle by having an *increased* share pushed on it.

Regarding the proposed Resolution No. 2020-6

1. On page 20-7, the first “Whereas” stating the existing GPUSC was created to “*consider amendments to the City’s General Plan and Local Coastal Program*” does not seem

¹ The 180,000 units per year was a decrease from the 220,000 per year deemed desirable in the previous statewide assessment, “[Raising the Roof](#)” released in 2000. That one was based on the assumption California’s population would grow from 32,549,955 in 1997 to 45,448,627 in 2020, an increase of 13 million. The actual growth during that period looks like it will be closer to 8 million.

accurate. Although [Resolution No. 2019-7](#) initiated the possibility of amending the GP and LCP, that was not the stated purpose of the Steering Committee. The Committee was, instead, as explained in the third “Whereas,” convened to guide the Listen & Learn portion of the process.

2. On page 20-8, in the last line of the last “Whereas,” “**goal**” was probably meant to read “**goals.**”
3. In Section 3, the anticipated repeal of [Resolution No. 2019-20](#), which itself repealed Resolution No. 2019-07, likely means the initiation of the GPU process has been repealed (although staff still lists a Planning Activity of similar title dating from 2017: [PA2017-141](#)). **It would seem wise for the Council to actually initiate the process the Housing Element Update Advisory Committee is expected to oversee, which would likely include not just the Housing, Circulation and Land Use Elements of the General Plan, but also, for areas within the Coastal Zone, corresponding changes to the City’s Local Coastal Program.**
4. On page 20-10, the intent of the first sentence under “Membership Term” is unclear. It reiterates that the Council member appointee is a member of the HEUAC, but says nothing as to what their term is.
5. Under “Qualifications of Appointed Members,” it is common to be more specific about what qualities the Council would like to see in the appointees. It is also not clear why the HEUAC would not be given the latitude to select its own Chair and Vice Chair.
6. On page 20-11, it is good to see staff is recommending an open application process for filling the seats, rather than simply announcing a committee as was done with the Library Lecture Hall Design Committee (see [Item 8](#) from July 9, 2019). The City Attorney has advised in the past, I believe erroneously, that California’s “[Maddy Act](#)” applies only to replacing existing appointments, not to newly-created positions.
 - a. That said, the deadline of 1 week from posting to submit applications seems very short, and seems likely to result predominantly in “the usual suspects” who were already aware of the process.
 - b. On page 20-12, to ensure involvement by the full Council, I believe there should be a process for Council members to offer nominations as alternatives to those presented by the Mayor.
7. On pages 20-12 through 20-13:
 - a. It is unclear if staff sees the process involving more than one consultant (the word is sometimes plural and sometimes singular).
 - b. It is unclear if the HEUAC will be involved in preparation of the EIR.
 - c. It would be good to see a vision in which the consultant assists the committee rather than the committee assists the consultant. The “board of directors”/“sounding board” concept of the GPUSC, with staff and consultant working independently of them, has not worked particularly well.