

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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August 24, 2022

Seimone Jurjis, Director
Community Development Department
City of Newport Beach
100 Civic Center Drive
Newport Beach, CA 92660

Dear Seimone Jurjis:

RE: City of Newport Beach's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Newport Beach's (City) draft housing element update received for review on June 28, 2022, along with revisions received on August 16, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by conversations on July 28 and August 3, 2022 with Jim Campbell, Deputy Community Development Director, and Ben Zdeba, Senior Planner. In addition, HCD considered comments from the Kennedy Commission pursuant to Government Code section 65585, subdivision (c).

The revised draft element meets the statutory requirements described in HCD's April 11, 2022, review. This finding was based on, among other reasons, a robust suite of programs that will affirmatively further fair housing (AFFH) and the removal of governmental constraints. The housing element will comply with State Housing Element Law (Article 10.6 of the Gov. Code) when it is adopted, submitted to and approved by HCD, in accordance with Government Code section 65585.

The element now identifies adequate sites to accommodate the City's regional housing need for lower-income households demonstrated by Policy Actions 1A through 1G. This program commits to rezone at least 436 acres by October 2024, permit multifamily uses without discretionary action and require a minimum density of 20 units per acre to address the identified shortfall of 2,707 units.

For your information, pursuant to Senate Bill 197 (Chapter 70, Statutes of 2022), as the City did not adopt a compliant housing element within 120 days of the statutory deadline (October 15, 2021), the City's adopted element must be found in compliance by October 15, 2022 to maintain its scheduled rezone deadline of October 2024 (Policy

Actions 1A–1G). If the element is not found in compliance by October 15, 2022, HCD cannot find the element in compliance until the rezoning is complete.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the City's hard work and dedication in preparation of the housing element and looks forward to receiving the City's adopted housing element. If you have any questions or need additional technical assistance, please contact Colin Cross, of our staff, at colin.cross@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager