

## 4.12 POPULATION AND HOUSING

### 4.12.1 Introduction

This section provides existing population, housing, and employment estimates and analyzes the Project's potential effects concerning population, housing, and employment. To provide regional context, this section analyzes the estimated population, housing, and employment effects relative to the County of Orange (County) and the City of Newport Beach and its Sphere of Influence (City). Additionally, this section evaluates the potential for future development facilitated by the Project to induce substantial unplanned population growth in the area and its potential to displace people or housing.

Population growth, in and of itself, does not constitute a physical impact on the environment. However, population growth is relevant in that it may generate secondary environmental impacts as defined under CEQA, such as criteria air pollutant emissions (see **Section 4.2: Air Quality**), greenhouse gas (GHG) emissions (see **Section 4.7: Greenhouse Gas Emissions**), increased demands for public services (see **Section 4.13: Public Services**), and infrastructure capacity (see **Section 4.17: Utilities and Service Systems**). These potential indirect population growth-related environmental effects are addressed in the applicable sections of this Program EIR. Further, housing growth relates to sustainable community development issues that may be of concern, such as providing affordable and workforce housing and integrating housing near employment to minimize vehicle miles traveled (VMT).

### 4.12.2 Regulatory Setting

#### State

##### *General Plan Housing Elements*

California Government Code [CGC] Article 10.6 (§§65580 through 65589.11) establishes the requirements for the Housing Element of the General Plan, one of the mandatory General Plan Elements. The *City of Newport Beach General Plan 2006 Update* (General Plan) is the City's General Plan. The City's 2021–2029 Housing Element (2021-2029 Housing Element) was adopted by the City Council on September 13, 2022, as part of the 6<sup>th</sup> Cycle Housing Element process and was subsequently found in compliance with State housing law (certified) by HCD on October 5, 2022.

State law requires that Housing Elements identify and analyze existing and projected housing needs and provide goals, policies, objectives, financial resources, and programs for the preservation, improvement, and development of housing (CGC §65580). The City's 2021–2029 Housing Element identifies strategies and programs that focus on: 1) preserving and improving housing and neighborhood; 2) providing adequate housing sites; 3) assisting in the provision of affordable housing; 4) removing governmental and other constraints to housing investment; 5) promoting fair and equal housing opportunities; and 6) promoting sustainable housing. The California Legislature has determined that one of the State's primary housing goals is to ensure every resident has a decent home and suitable living environment. Government Code Sections 65583 and 65583.2 require Housing Elements to implement programs to facilitate and encourage the development of a variety of housing types including multi-unit rental housing, factory-built housing, mobile homes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.

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. For each review cycle,

the California Department of Housing and Community Development (HCD) conducts a regional housing needs assessment (RHNA).

The Housing Element must identify and analyze sites with appropriate zoning that will encourage and facilitate a variety of housing types. California Government Code Section 65583 sets forth the specific housing element content requirements. Included in these requirements are a jurisdiction's obligations to provide their "fair share" of regional housing needs; see **SCAG Regional Housing Needs Assessment Section** below.

### *Housing Accountability Act*

The Housing Accountability Act (HAA) (CGC §65589.5; Senate Bill [SB] 167), is a State law that restricts a local government's ability to deny, reduce the density of, or make infeasible any housing development project, emergency shelter, or farmworker housing that complies with objective general plan, zoning, and subdivision standards and criteria (collectively referred to as "Objective Standards"), in effect at the time that the housing development's application is determined to be complete. The HAA has been in effect since 1982 and has undergone several amendments to further reinforce the State legislature's intent to increase the supply of residential housing stock. The HAA precludes a jurisdiction from denying or imposing any conditions upon any housing project unless specific written findings are made based upon a preponderance of the evidence that a specific, adverse health or safety impact exists. If a jurisdiction desires to either disapprove or impose a condition that a housing development be developed at a lower density or with any other conditions that would adversely impact feasibility of the proposed project, the jurisdiction must make the following findings:

- A. The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density."
- B. There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified, other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

### *Sustainable Communities and Climate Protection Act: Senate Bill 375*

Senate Bill 375 aligns land use and transportation planning to drive development towards transit-accessible places and reduce car dependency. SB 375 is the land use component of California's wider strategy to reduce greenhouse gas (GHG) emissions, codified by the 2006 Global Warming Solutions Act (AB 32). Assembly Bill 32 enabled the State to regulate emissions sources and set the aggressive goal of reducing emissions to 1990 levels by 2020. Senate Bill 375 requires California Metropolitan Planning Organizations (MPO) to create a Sustainable Communities Strategy (SCS) as part of the federally mandated Regional Transportation Plan (RTP). SCSs lay out the locations and types of development needed to lower vehicle miles traveled and meet GHG emission reduction targets.

SB 375 affects California's housing planning and policy in three main ways. First, SB 375 requires the MPOs to develop a SCS, as part of their federally mandated RTP. The SCS must lay out plans for development patterns that would accommodate projected growth while reducing vehicle miles traveled (VMT) and thus GHG emissions. Second, SB 375 aligns the RHNA planning process with the SCS, in an effort to encourage local jurisdictions to plan for housing development consistent with the SCS. Third, SB 375 allows for streamlining of the CEQA review process for SCS-consistent development projects. SB 375 extended the

time for a local government to review and revise Housing Elements (i.e., the RHNA planning process) from five years to eight years in certain areas within the State, including nonattainment regions covered by an MPO. If the local agency fails to submit a valid Housing Element, it is subject to a four-year review cycle.

If a community does not have enough sites to accommodate its housing need, it must adopt a program to make adequate sites available, including a program for rezoning sites to provide lower-income housing. Pre-SB 375, cities asserted they were only required to identify actions that would be undertaken to make sites available to accommodate various housing needs - they were not mandated to actually adopt the rezonings included in the Housing Element programs. However, SB 375 requires communities preparing an eight-year housing element to complete all required rezonings if the available housing sites inventory does not identify adequate sites to accommodate the RHNA allocation. All future housing development facilitated by the 2021-2029 Housing Element would be subject to the City's development review process, which may include review pursuant to CEQA, and required to comply with all applicable requirements concerning by-right development, for which the approval process establishes a rule-based development approval process that improves the ability of the housing market to create new housing in response to increased demand.

### *Senate Bill 35 (Streamlined Approval Process)*

Signed into law by former California State Governor Edmund Gerry "Jerry" Brown on September 29, 2017, SB 35 requires approval of qualified housing projects based on objective, regulatory standards. If a housing project meets certain requirements, then, depending on the size of the project, the local government must identify any objective planning standards the project is not compliant with within 60 or 90 days. In addition, the local government must identify the basis for which the project is not compliant with the objective planning standards. If the local government fails to identify any non-compliant standard within the requisite 60 or 90 days, then the project is automatically determined to qualify with the local, objective planning standards. Any design review or public oversight must be objective and focused only on reasonable design standards previously adopted and broadly applied by the local agency. The design review or public oversight must be completed within 90 or 180 days, depending on the size of the housing project.

In order to qualify for this streamlined approval, the project must be:

- A multi-unit housing development (at least two residential units) in an urbanized area;
- Located where 75 percent of the perimeter of the site is developed;
- Zoned or designated by the general plan for residential or mixed use residential;
- In a location where the locality's share of regional housing needs have not been satisfied by building permits previously issued;
- One that includes affordable housing in accordance with SB 35 requirements;
- Consistent with the local government's objective zoning and design review standards; and
- Willing to pay construction workers the state-determined "prevailing wage."<sup>1</sup>

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<sup>1</sup> JDSUPRA. (2020). *How California's SB 35 Can Be Used to Streamline Real Estate Development Projects*. <https://www.idsupra.com/legalnews/how-california-s-sb-35-can-be-used-to-75984/>. Accessed December 2023.

### *Housing Crisis Act of 2019 (SB 330)*

Senate Bill 330 signed into law on October 9, 2019, and effective January 1, 2020, inserts and amends several different sections of the California Government Code to streamline housing development for projects that meet specified criteria; see CGC Sections 65589.5, 65905.5, 65913.10, 65940, 65941.1, 65943, 65950, 66300, 66301. These new and amended statutes limit a local agency's ability to disapprove housing projects or otherwise condition housing projects in a manner that reduces density or makes housing infeasible. Different restrictions apply to projects proposing affordable units than market rate units; but in both cases, agencies must make very narrow written findings in order to disapprove a project that is consistent with General Plan and zoning standards. SB 330 also limits the number of hearings and meetings that a local agency can hold in connection with certain housing development projects, and it shortens permissible timelines within which an agency must take action on a housing development application. SB 330 has numerous provisions, which include prohibitions against removing or downzoning residentially zoned land such that there would be a "net loss" in residential zoning capacity. With the passage of SB 8, SB 330 would expire on January 1, 2030 instead of January 1, 2025. SB 8 also clarifies that the protections under SB 330 apply to ministerial projects, projects proposing a single dwelling unit, and density bonus projects.

### *Senate Bill 9; Newport Beach Municipal Code Ordinance No. 2022-17*

Senate Bill 9 (SB 9) was signed into law by Governor Newsom in September 2021 and is designed to incrementally increase the housing stock in single-unit residential zones by providing ministerial approval of duplexes and lot splits up to a maximum of two parcels and four units. To qualify, projects must be meet several criteria, including but not limited to, being located in a city or urbanized area of unincorporated county and being located outside a coastal zone, prime farmland or farmland of statewide importance, wetlands, and very high fire severity zone. Additionally, projects cannot require demolition or alteration of housing that is restricted to affordable housing, subject to rent control, or contains tenant occupied housing. If the qualifying criteria are satisfied, local agencies must approve the project ministerially (i.e., without discretionary review or hearings) and projects would not be subject to CEQA.

### *Senate Bill 166*

Senate Bill 166 (2017) requires a city or county to ensure that its Housing Element inventory can accommodate its share of the regional housing need throughout the planning period. SB 166 prohibits a city, county, or city and county from permitting or causing its inventory of sites identified in the housing element to be insufficient to meet its remaining unmet share of the regional housing need for lower and moderate-income households. The bill also would expand the definition of "lower residential density" if the local jurisdiction has not adopted a housing element for the current planning period or the adopted housing element is not in substantial compliance, as specified. The bill also requires a city, county, or city and county to make specified written findings if the city, county, or city and county allows development of any parcel with fewer units by income category than identified in the housing element for that parcel. Where the approval of a development project results in fewer units by income category than identified in the housing element for that parcel and the remaining sites in the housing element are not adequate to accommodate the jurisdiction's share of the regional housing need by income level, the bill would require the jurisdiction within 180 days to identify and make available additional adequate sites. The bill would provide that an action that creates an obligation to identify or make available additional adequate sites and the action to identify or make available those sites would not create an obligation under the CEQA to identify, analyze, or mitigate the environmental impacts of that subsequent action, as specified.

### *Senate Bill 6 (Middle Class Housing Act of 2022)*

Senate Bill 6, also known as the Middle Class Housing Act of 2022, deems a housing development project allowable in commercial zones without the need for rezoning. SB 6 went into effect on July 1, 2023, and sunsets on January 1, 2033 unless extended. The bill adds Section 65852.24 to the Government Code that deems a housing development project allowable in commercial zones without the need for rezoning. Housing development projects include 100 percent residential projects as well as mixed-use projects with at least 50 percent of the square footage dedicated to residential use. SB 6 does not provide a ministerial approval pathway, but does allow residential use on commercially zoned property without requiring a rezone.

To invoke SB 6, a project must meet or exceed the applicable density deemed appropriate to accommodate lower-income housing (as identified in the RHNA Housing Element site provisions in CGC 65583.2(c)(3)(B), and must satisfy all permitting and procedural requirements of the zone that allows for that higher residential density (determined either by the existing or closest parcel that meets the standard). Applicants must also commit both to prevailing wages for workers and to "skilled and trained workforce" requirements.

### *Senate Bill 4*

Senate Bill 4 (SB 4) requires ministerial approval (approval without discretionary permits or review under CEQA) of certain development applications for 100 percent affordable housing on land owned by an independent institution of higher education or a religious institution. In effect, SB 4 streamlines the building process for faith-based institutions and certain colleges by providing a process that allows them to build qualifying housing projects regardless of zoning restrictions if certain requirements are satisfied. The bill also guarantees "by-right" approval of new homes, as long as they are consistent with all objective building standards and comply with existing environmental protections.

### *Assembly Bill 2011*

Assembly Bill (AB 2011) allows for ministerial, by-right approval for affordable housing on commercially-zoned lands, and also allows such approvals for mixed-income housing along commercial corridors, as long as the projects meet specified affordability, labor, and environmental criteria. AB 2011 also requires that all projects seeking approval under its provisions ensure that all construction workers earn prevailing wages and receive health benefits. The legislation provides two distinct options for eligibility: one for 100 percent Below Market Rate projects located on commercial zoned land, and a second for mixed-income (typically 15% Below Market Rate) projects located on "commercial corridors." Eligibility is further limited by numerous site and project criteria requiring careful review.

### *California Relocation Assistance Act*

The California Relocation Law, California Public Resources Code Section 7260 (b), requires the fair and equitable treatment of persons displaced as a direct result of programs or projects undertaken by a public entity. The law requires agencies to prepare a relocation plan, provide relocation payments, and identify substitute housing opportunities for any resident that is to be displaced by a public project.

## Regional and Local

### *Regional Housing Needs Allocation*

The Southern California Association of Governments (SCAG) is the regional council of governments (COG) representing Orange, Los Angeles, Riverside, San Bernardino, and Ventura counties. SCAG is responsible for issuing the RHNA for the six counties and 191 cities within the region, including the City of Newport Beach. Newport Beach is a member agency of SCAG. SCAG is designated as a COG, a Regional Transportation Planning Agency and a MPO for the aforementioned counties. As the designated MPO, SCAG is responsible for preparing the RHNA for all jurisdictions within the SCAG region

The purpose of the RHNA is to plan for population growth, such that the region and subregion will collectively produce sufficient housing to meet population needs and address social equity, with each jurisdiction providing its fair share of housing needs. The RHNA identifies the housing needs for very low income, low income, moderate income, and above moderate income groups. The RHNA does not necessarily encourage or promote growth but rather allows communities to anticipate projected growth and address existing need, so that they can grow in ways that enhance quality of life, improve access to jobs, transportation and housing, and not adversely impact the environment.

The RHNA allocation is based on a jurisdiction's access to transit, including rail stations, rapid bus stations, and major stops; and the total number of jobs in the jurisdiction. The RHNA allocation for the 6<sup>th</sup> Cycle also included an equity adjustment to promote equity and fair housing and address patterns of segregation. As a result, the City was allocated a higher percentage of low and very low household income units than was allocated for past Housing Element cycles because, by comparison, the City of Newport Beach has a lower percentage of low-income units than the regional average. For the 2021-2029 planning period (6<sup>th</sup> Cycle), the City was allocated 4,845 units: 1,456 units for very low-income households; 930 units for low-income households; 1,050 units for moderate-income households; and 1,409 units for above moderate-income households.

### *Connect SoCal: SCAG Regional Transportation Plan/Sustainable Communities Strategy*

As the regional planning agency for the Southern California region, SCAG is responsible for maintaining a continuing, cooperative, and comprehensive transportation planning process, which involves the preparation and updating of a RTP every four years. SCAG is also responsible for preparing, adopting, and updating every four years the SCS pursuant to CGC Section 65080. The SCS is a component of the RTP document that demonstrates how the region will meet its GHG reduction targets as determined by the California Air Resources Board (CARB).

On September 3, 2020, SCAG's Regional Council adopted the 2020-2045 RTP/SCS (Connect SoCal).<sup>2</sup> SCAG's Connect SoCal is a long-range visioning plan that builds upon and expands land use and transportation strategies established over several planning cycles to increase mobility options and achieve a more sustainable growth pattern. Further, the 2020-2045 RTP/SCS includes a strong commitment to reduce emissions from transportation sources to comply with SB 375, improve public health, and meet the National Ambient Air Quality Standards. Connect SoCal includes a regional growth forecast that was developed by working with local jurisdictions using the most recent land use plans, policies, and assumptions. Connect SoCal's growth forecasts are used by SCAG for regional modeling purposes and were not adopted as part of Connect SoCal. The growth forecasts do not affect a local jurisdiction's

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<sup>2</sup> The Draft Connect SoCal 2024 is out for public review through January 12, 2024; an adoption date has not been identified by SCAG.

authority or decision on future development projects or plans. When adopting Connect SoCal, SCAG recognized that cities and counties will foreseeably update their housing elements as part of General Plans and amend zoning designations to accommodate the 6<sup>th</sup> Cycle RHNA. For many cities and counties, SCAG acknowledged that the required RHNA and Housing Element may need to accommodate more housing units than reflected in the Connect SoCal's household and population growth projections for the jurisdictions.

### *City of Newport Beach General Plan*

The *City of Newport Beach General Plan 2006 Update (General Plan) 2021-2029 Housing Element* and the Land Use Element address matters relevant to population and housing.

### **2021-2029 Housing Element**

The 2021-2029 Housing Element includes specific goals, policies, and programs to assist City decision makers to achieve the long-term housing objectives set forth in the 2021-2029 Housing Element. This Housing Element identifies goals, policies, and programs aimed at providing additional housing opportunities, removing governmental constraints to affordable housing, improving the condition of existing housing, and providing equal housing opportunities for all residents. These goals, policies, and programs further the City's overall housing policy goal to encourage a more diverse, sustainable, and balanced community through implementation of strategies and programs that will result in economically and socially diversified housing choices that preserve and enhance the special character of Newport Beach.

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|-------------------|---|
| <b>Goal 1</b>     | <b>Provision of adequate sites to accommodate projected housing unit growth needs.</b>  |
| <b>Policy 1.1</b> | Identify a variety of sites to accommodate housing growth need by income categories to serve the needs of the entire community.   |
| <b>Goal 2</b>     | <b>Quality residential development and preservation, conservation, and appropriate redevelopment of housing stock.</b>  |
| <b>Policy 2.1</b> | Support all reasonable efforts to preserve, maintain, and improve availability and quality of existing housing and residential neighborhoods, and ensure full utilization of existing City housing resources for as long into the future as physically and economically feasible. |
| <b>Goal 3</b>     | <b>A variety of housing types, designs, and opportunities for all social and economic segments.</b>   |
| <b>Policy 3.1</b> | Encourage preservation of existing and provision of new housing affordable to extremely low-, very low-, low-, and moderate-income households.  |
| <b>Policy 3.2</b> | Encourage housing developments to offer a wide spectrum of housing choices, designs, and configurations.  |
| <b>Goal 4</b>     | <b>Housing opportunities for as many renter- and owner-occupied households and possible in response to the market demand and RHNA obligations for housing in the City.</b>  |

- Policy 4.1** Mitigate potential governmental constraints to housing production and affordability by increasing the City’s role in facilitating construction of market-rate housing and affordable housing for all income groups.
- Policy 4.2** Enable construction of new housing units sufficient to meet City quantified goals by identifying adequate sites for their construction.
- Goal 5** **Preservation of the City’s housing stock for extremely low-, very low-, low-, and moderate-income households.**
- Policy 5.1** Continue or undertake the following programs to mitigate potential loss of “at risk” units due to conversion to market-rate units. These efforts utilize existing City and local resources. They include efforts to secure additional resources from public and private sectors should they become available.
- Policy 5.2** Improve energy efficiency of all housing unit types (including mobile homes).
- Goal 6** **Housing opportunities for special needs populations.**
- Policy 6.1** Encourage approval of housing opportunities for senior citizens and other special needs populations.
- Goal 7** **Equal housing opportunities in the City for all people.**
- Policy 7.1** Support fair and equal housing opportunities, and environmental justice considerations for all housing opportunities in the City.
- Goal 8** **Effective and responsive housing programs and policies.**
- Policy 8.1** Review the Housing Element on a regular basis to determine appropriateness of goals, policies, programs, and progress of Housing Element implementation.

### Land Use Element

- Policy LU 1.4** **Growth Management.** Implement a conservative growth strategy that enhances the quality of life of residents and balances the needs of all constituencies with the preservation of open space and natural resources.
- Goal LU 3** **A development pattern that retains and complements the City’s residential neighborhoods, commercial and industrial districts, open spaces, and natural environment.**
- Policy LU 3.2** Enhance existing neighborhoods, districts, and corridors, allowing for re-use and infill with uses that are complementary in type, form, scale, and character. Changes in use and/or density/intensity should be considered only in those areas that are economically underperforming, are necessary to accommodate Newport Beach’s share of projected regional population growth, improve the relationship and reduce commuting distance between home and jobs, or enhance the values that distinguish Newport Beach as a special place to live for its residents. The scale of growth and new development shall be coordinated with the provision of adequate infrastructure and public services, including standards for acceptable traffic level of service.

**Goal LU 6.2** Residential neighborhoods that contain a diversity of housing types and supporting uses to meet the needs of Newport Beach’s residents and are designed to sustain livability and a high quality of life.

**Policy LU 6.2.3** Encourage the development of residential units that are affordable for those employed in the City.

*City of Newport Beach Local Coastal Program*

The Coastal Act requires each local jurisdiction wholly or partly within the coastal zone to prepare a Local Coastal Program (LCP), which is used to carry out California Coastal Act polices and requirements. The City lies partly within the coastal zone. The City received certification of its LCP with an effective date of January 30, 2012. The City’s LCP addresses matters relevant to population and housing. The relevant existing LCP policies are provided below. It is also noted that the proposed Project includes new LCP policies and modifications to existing policies. Proposed changes are identified on **Table 3-15** in **Section 3.0: Project Description** and the Project’s consistency with the new and modified policies is provided on **Table 4.10-2** in **Section 4.10: Land Use and Planning**.

**Policy 2.1.1-1** The land use categories in LCP Table 2.1.1-1 establish the type, density and intensity of land uses within the coastal zone. If there is a conflict between the development limits of the Land Use Element and the Coastal Land Use Plan, the provision that is most protective of coastal resources shall take precedence. However, in no case, shall the policies of the Coastal Land Use Plan be interpreted to allow a development to exceed a development limit established by the General Plan or its implementing ordinances.

**Policy 2.1.10-1** Land uses and new development in the coastal zone shall be consistent with the Coastal Land Use Plan Map and all applicable LCP policies and regulations.

**Policy 2.2.1-2** Require new development be located in areas with adequate public services or in areas that are capable of having public services extended or expanded without significant adverse effects on coastal resources.

**Policy 2.2.1-3** Provide commercial facilities within or adjoining residential development or in other areas that will minimize the use of coastal access roads.

**Policy 2.2.2-1** After certification of the LCP, require a coastal development permit for all development within the coastal zone, subject to exceptions provided for under the Coastal Act as specified in the LCP.

**Policy 2.7-1** Continue to maintain appropriate setbacks and density, floor area, and height limits for residential development to protect the character of established neighborhoods and to protect coastal access and coastal resources.

**Policy 2.7-2** Continue the administration of provisions of State law relative to the demolition, conversion and construction of low and moderate-income dwelling units within the coastal zone.

**Policy 2.7-5** Administer the provisions of Government Code Section 65852. 2 relative to the development of accessory dwelling units to increase the supply of lower-cost housing in the coastal zone and meet the needs of existing and future residents, while

respecting the architectural character of existing neighborhoods and in a manner consistent with the LCP and any applicable policies from Chapter 3 of the Coastal Act.

*City of Newport Beach Municipal Code*

**Chapter 20.18, Residential Zoning Districts (R-A, R-1, R-BI, R-2, RM, RMD).** Newport Beach Municipal Code (Municipal Code) Chapter 20.18, *Residential Zoning Districts (R-A, R-1, R-BI, R-2, RM, RMD)*, establishes the zoning districts intended for residential development and specifies the allowable land uses and permit requirements for each. Newport Beach Municipal Code Section 20.18.030, *Residential Zoning Districts General Development Standards*, specifies the development standards for new land uses and structures within these residential zoning districts. The existing zoning designation for each of the housing sites is provided in **Section 3.0: Project Description**.

**Chapter 20.22, Mixed-Use Zoning Districts (MU-V, MU-MM, MU-DW, MU-CV/15<sup>th</sup> ST., MU-W1, MU-W2).** Residential development is permitted in some the City's mixed-use zoning districts; see Municipal Code Chapter 20.22.

**Chapter 20.32, Density Bonus.** The City's Density Bonus Regulations (Municipal Code Chapter 20.32) provides density bonuses and incentives for the development of housing that is affordable to lower-, low- and moderate-income households and senior citizens. In order to be eligible for a density bonus and other incentives as provided by this chapter of the Municipal Code, a proposed housing development must comply with the following requirements and satisfy all other applicable provisions of the Zoning Code, except as otherwise provided in Chapter 20.32.

A housing development proposed to qualify for a density bonus shall contain five or more dwelling units and shall include at least one of the following:

1. A minimum of five percent of the total number of proposed units are for very low-income households;
2. A minimum of ten percent of the total number of proposed units are for low-income households;
3. A senior citizen housing development or a mobile home park that limits residency based on age requirements for housing older persons in compliance with Civil Code Sections 798.76 or 799.5; or
4. A minimum of ten percent of the total dwelling units in a common interest development as defined in Civil Code Section 1351 are for persons and families of moderate income provided that all units in the development are offered to the public for purchase.

**Municipal Code Ordinance No. 2022-17.** In 2022, the City Council amended Title 19 (Subdivisions) and Title 20 (Planning and Zoning) of the Municipal Code implementing SB 9. SB 9 enacted changes to State law that generally allow ministerial subdivisions and the construction of up to two units for lots that are designated for single-unit use. In Newport Beach, all R-1 Zoning Districts and within planned communities and specific Plan areas where single-unit residences are allowed are subject to SB 9. SB 9 requires the use of Objective Development Standards; see **Section 3.0: Project Description** and **Section 4.1: Aesthetics**. SB 9 does not supersede the provisions of the Coastal Act.

### 4.12.3 Existing Conditions

Key regional and City population, housing, and economic conditions are summarized below to set the context for environmental analyses. Please refer to the 2021-2029 Housing Element - Section 2, Community Profile, for information regarding population, employment, economics, and household characteristics considered during the preparation of the Housing Element. For the purpose of this analysis, relevant population and housing data has been updated to reflect the most recent information available at the time of NOP publishing for this Draft EIR.

#### Population

##### *County of Orange*

**Table 4.12-1: County of Orange Population** presents population estimates and forecasts for Orange County based on California Department of Finance and SCAG data. As identified in the table, the County’s 2023 population was 3,137,164 persons. The County’s population is forecast to increase to 3,535,000 persons by 2045, resulting in approximately 13 percent population growth between 2023 and 2045. SCAG’s population, household, and employment growth forecasts are for 2030, 2035, and 2045. **Table 4.12-1** does not reflect forecast population increases associated with the County’s 6<sup>th</sup> Cycle RHNA allocation.

	2013 <sup>1</sup>	2018 <sup>1</sup>	2023 <sup>2</sup>	2045 Forecast <sup>3</sup>
<b>Total (persons)</b>	3,112,757	3,193,464	3,137,164	3,535,000

Sources:

1. State of California, Department of Finance. (2021). E-2. California County Population Estimates and Components of Change by Year — July 1, 2010–2021. <https://dof.ca.gov/forecasting/demographics/e-2-california-county-population-estimates-and-components-of-change-by-year/>. Accessed December 2023.
2. State of California, Department of Finance. (2023). E-4 Population Estimates for Cities, Counties, and the State, 2021-2023, with 2020 Census Benchmark. Accessed December 2023.
3. SCAG. (2020). SCAG RTP/SCS: Connect SoCal Plan – Demographics and Growth Forecast. <https://scag.ca.gov/read-plan-adopted-final-plan>. Accessed December 2023.

##### *City of Newport Beach*

**Table 4.12-2: City of Newport Beach Population** identifies the City’s population estimates and forecasts based on available Department of Finance and SCAG data. As indicated in **Table 4.12-2**, the City’s existing 2023 population is 83,411 persons. The City’s population is forecast to increase to approximately 92,000 persons, or 10.3 percent, by 2045. The City’s 2023 population represents approximately 2.7 percent of the County’s 2023 population of 3,137,164 persons. Over the past 10 years, the City experienced a low growth rate between 2013 to 2018, and a decrease in population since 2018. Overall, the City’s population has decreased by 3,521 persons, or approximately 4 percent, between 2013 and 2023. Therefore, the City experienced a 4 percent population decrease while the County’s population grew by 5.9 percent for the same period.

	2013 <sup>1</sup>	2018 <sup>1</sup>	2023 <sup>2</sup>	2045 Forecast <sup>3</sup>
<b>City (persons)</b>	86,932	87,039	83,411	92,000
<b>Housing Sites currently developed with housing (persons)<sup>3</sup></b>	n/a	n/a	975d	—

Sources:  
 1. State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2010-2020, with 2010 Census Benchmark. Sacramento, California, May 2022.  
 2. State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2021-2023, with 2020 Census Benchmark. Sacramento, California, May 2023.  
 3. SCAG. 2020. SCAG RTP/SCS: Connect SoCal Plan – Demographics and Growth Forecast. <https://scag.ca.gov/read-plan-adopted-final-plan>. Based on 443 dwelling units and 2.2 persons per household (State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2021-2023. Sacramento, California, May 2023.)

### *Housing Sites*

Of the 247 housing sites, 12 of the sites are developed with housing with a total of 468 dwelling units (see **Table 4.12-5**). Based on 2.2 persons per household, there are 1,030 persons associated with these existing housing sites. Existing population associated with the 12 housing sites represents approximately one percent of the City’s population.

### Housing

#### *County of Orange*

**Table 4.12-3: County of Orange Housing Characteristics** presents data on the County’s past and present housing supply. As indicated in the table, the County’s existing 2023 housing supply totals 1,149,943 units, with an average of 2.83 persons per household. Single-family dwelling units represent a majority of the County’s housing stock, comprising approximately 62 percent of existing housing units. The County’s 2023 overall vacancy rate was 5.1 percent (approximately 58,537 unoccupied housing units).

SCAG uses existing census, historical trends and expert-derived demographic and economic assumptions to determine its growth forecasts through the RTP/SCS horizon year of 2045. Based on SCAG’s most recent growth forecast,<sup>3</sup> the County’s households are forecast to increase to 1,154,000 by 2045, representing an approximately 6.4 percent increase over the existing 1,084,168 occupied housing units.<sup>4</sup>

<sup>3</sup> SCAG. 2020. SCAG RTP/SCS: Connect SoCal Plan – Demographics and Growth Forecast. Retrieved from <https://scag.ca.gov/read-plan-adopted-final-plan>. Accessed September 2, 2023.

<sup>4</sup> SCAG’s definition of ‘households’ is equivalent to the California Department of Finance’s definition of “occupied housing units”.

	<b>2013<sup>1</sup></b>	<b>2018<sup>1</sup></b>	<b>2023<sup>2</sup></b>
<b>Single Detached Dwellings</b>	536,478	550,648	570,763
<b>Single Attached</b>	127,952	130,803	143,166
<b>Multi-Family, Two to Four Units</b>	92,192	94,015	94,541
<b>Multi-Family, Five or More Units</b>	266,070	285,285	309,290
<b>Mobile Homes</b>	33,530	33,505	32,183
<b>Total Housing Units</b>	<b>1,056,222</b>	<b>1,094,256</b>	<b>1,149,943</b>
<b>Vacancy Rate</b>	5.4%	5.4%	5.1%
<b>Occupied Housing Units<sup>1</sup></b>	<b>999,053</b>	<b>1,034,724</b>	<b>1,091,406</b>
<b>Persons per Household (average)</b>	3.06	3.03	2.83

Sources:  
 1. State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2011-2020. Sacramento, California, May 2023.  
 2. State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2021-2023. Sacramento, California, May 2023.

*City of Newport Beach*

**Table 4.12-4: City of Newport Beach Housing Characteristics** presents data on the City’s past and present housing supply. As noted in the table, the City’s 2023 housing supply totals 45,072 units, with an average of 2.17 persons per households. The City’s 2023 housing supply represents approximately four percent of the County’s housing supply. Similar to the County, single-unit residences represent a majority of the City’s housing, comprising approximately 61 percent of existing housing units. Comparatively, the City’s existing vacancy rate of 15.1 percent is nearly three times the County’s vacancy rate of 5.1 percent. However, the City’s average household size of 2.17 persons per household is only slightly lower than the County’s average of 2.83 persons per household. The City’s vacancy rate is higher in part due to the number of secondary/vacation units.

	<b>2013<sup>1</sup></b>	<b>2018<sup>1</sup></b>	<b>2023<sup>2</sup></b>
<b>Single Detached Dwellings</b>	20,149	20,220	20,211
<b>Single Attached</b>	7,010	7,010	7,190
<b>Multi-Family, Two to Four Units</b>	5,122	5,063	4,989
<b>Multi-Family, Five or More Units</b>	10,777	11,336	11,624
<b>Mobile Homes</b>	1,174	1,120	1,058
<b>Total Housing Units</b>	<b>44,224</b>	<b>44,749</b>	<b>45,072</b>
<b>Vacancy Rate</b>	12.4%	12.8%	15.1%
<b>Total Occupied Housing Units</b>	<b>38,670</b>	<b>39,032</b>	<b>38,265</b>
<b>Persons per Household (average)</b>	2.24	2.22	2.17

Sources:  
 1. State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2011-2020. Sacramento, California, May 2021.  
 2. State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2021-2023. Sacramento, California, May 2023.

Based on SCAG’s Growth Forecast, the total number of households in the City is anticipated to increase to 41,800 by 2045; however, based on the most recent population and housing estimates for the City, there are 45,072 existing households. Therefore, the existing households are approximately 7.8 percent greater than SCAG projections. It is noted, there is no direct comparison between the SCAG’s forecast households and the California Department of Finance household estimates. This is because SCAG forecasts factor group housing and vacancy rates in their methodology.

### *Housing Sites*

As identified on **Table 4.12-5: Existing Housing on Housing Sites**, of the 247 housing sites, 12 sites are currently developed with a total of 468 housing units.

Focus Area	Housing Site ID	APN	Existing Housing Units
<b>Dover-Westcliff</b>	361	049 191 30	39
<b>Airport Area</b>	17	439-241-20	148
	363	439-352-21	1
	364	439 341 01	1
	365	439-352-17	4
	366	439-352-20	1
	367	439-352-22	1
<b>West Newport Mesa</b>	218	892-080-02	61
	219	424-151-01	56
	220	892-090-55	56
	221	892-109-03	36
<b>Newport Center</b>	B	050-442-05	64
<b>Total</b>			<b>468</b>
Notes: APN = Assessor Parcel Number			

## Employment

### *County of Orange*

The State Employment Development Department reports the County had 1,707,400 jobs in August 2023.<sup>5</sup> Of the County’s 2023 population of 3,137,164 persons, 1,592,500 persons within the labor force were employed representing an unemployment rate of 3.9 percent. SCAG forecasts the County’s employment will increase to 1,928,000 jobs by 2035 and 1,980,000 jobs by 2045.<sup>6</sup> This represents a 16 percent increase in employment between 2023 and 2045.

Typically, a jobs-to-housing ratio of 1.5 represents a healthy balance; ratios higher than 1.5 indicate that there may be more workers commuting into the area because of a jobs surplus. Based on 1,707,400 existing jobs and 1,149,943 housing units, the County’s existing jobs-to-housing ratio is approximately 1.5. This suggests an availability of 1.5 jobs for every housing unit in the County. Accordingly, the County’s

<sup>5</sup> State of California, Employment Development Department. (September 2023). *Anaheim-Santa Ana-Irvine Metropolitan Division (Orange County)*. Retrieved from <https://labormarketinfo.edd.ca.gov/file/lfmonth/oranSpds.pdf>. Accessed October 10, 2023.

<sup>6</sup> Southern California Association of Governments. (2020). *SCAG RTP/SCS: Connect SoCal Plan – Demographics and Growth Forecast*. Retrieved from <https://scag.ca.gov/read-plan-adopted-final-plan>. Accessed March 13, 2023.

jobs-to-housing ratio suggests there is suitable housing available in the area to accommodate the work force.

### *City of Newport Beach*

The State Employment Development Department reports that of the City's 2023 population of 83,411 persons, 43,700 persons were employed and 1,700 persons in the labor force were unemployed, representing an unemployment rate of approximately 3.7 percent. The City's existing unemployment rate is comparable to the County's unemployment rate of 3.9 percent. SCAG forecasts the City's employment will increase to 84,900 jobs by 2045, representing an 86 percent increase over existing conditions. SCAG uses the BULA (Balance, Uncertainty, Latest, Adaptive) approach toward developing the regional growth forecast for its long-range regional planning efforts in addition to a collaborative approach with a strong emphasis on local input. Therefore, SCAG's employment forecasts were developed with consideration for business cycles and projected shifts in the nature of the economy (e.g., which industries are expected to grow and which are expected to contract), in addition to feedback from local jurisdictions.

Based on the existing jobs and 45,072 housing units, the City's existing job-to-housing ratio is approximately 0.97. A ratio below 1.0 suggests the existing housing supply is not sufficient to meet existing workforce needs.

#### 4.12.4 Thresholds of Significance

The City uses the thresholds of significance specified in the *State CEQA Guidelines Appendix G Environmental Checklist Form*. Impacts to population and housing would be significant if the Project would:

- Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure).
- Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere or displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

#### 4.12.5 Methodology

This analysis considers the *State CEQA Guidelines Appendix G Environmental Checklist Form* thresholds, as described above, in determining whether the proposed Project, including future development facilitated by the 2021-2029 Housing Element, would result in a substantial temporary or permanent impact to the City's population and housing. The evaluation was based on a review of regulations and determining their applicability to the Project. Population and housing data was obtained through consultation with City staff and available data sources (e.g., Department of Finance and SCAG).

As addressed in this Program EIR, the impact analysis is conservative because it accounts for additional housing units as a buffer to address future "no net loss" to preclude the need to identify replacement sites during 6th Cycle implementation. Therefore, this Program EIR conservatively analyzes a total development capacity of 9,914 units including future development capacity of up to 9,649 units on 247 housing sites, 25 units associated with pipeline projects, and 240 accessory dwelling units (ADUs). Additionally, this EIR analysis does not consider any loss of existing on the ground development which may be displaced to accommodate 9,914 housing units.

As previously noted, population growth in and of itself does not constitute a physical impact on the environment. Rather, it is how that growth may generate secondary environmental impacts, such as increased demands for public services, exceedance of infrastructure capacities, or increased air pollutant emissions. The environmental impacts of anticipated population, housing, and employment growth on other issues such as public services, transportation, utilities, and other issues are addressed in the respective sections of this EIR.

#### 4.12.6 Project Impacts and Mitigation

**Threshold 4.12-1: Would the Project induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?**

Although the proposed Project does not directly propose new residential development, it would enact new plans, policies, and programs to enable and facilitate the construction of housing, particularly affordable housing. As described in **Section 3.0: Project Description**, the proposed Project would implement amendments to the General Plan and would adopt Municipal Code Housing Overlay Zones to facilitate future development of housing on identified housing sites.

While this Program EIR considers potential housing development on all of the 247 housing sites, which have an assumed development capacity 9,914 dwelling units (RHNA plus buffer), only 4,845 dwelling units are required to meet the City's 6<sup>th</sup> Cycle RHNA. The proposed buffer is intended to serve only as a sites contingency to prevent no net loss throughout the 2021-2029 Housing Element planning period. Further, future housing development would occur incrementally based on market conditions and other factors, such that potential effects concerning population growth (i.e., utilities, fire, police, and other services and infrastructure) would not occur at any single point in time. Therefore, this Program EIR's analysis of the Project's potential to induce substantial unplanned population growth is highly conservative because it includes the buffer and excludes net change from redevelopment of existing uses.

#### Existing Plus Project Conditions

**Table 4.12-6: Existing Plus Project Growth Projections** compares the Project's anticipated housing and population growth to existing 2023 conditions. As indicated in this table, future residential development facilitated by the Project could to increase the City's existing 2023 housing stock by approximately 18 percent (9,914 additional dwelling units). This estimated housing growth could increase the City's existing 2023 population by approximately 26.1 percent (21,811 additional persons).

Description	Housing (Dwelling Units) <sup>1</sup>	Population
2023 Estimate/Existing <sup>1</sup>	45,072	83,411
2029 Estimated Project	9,914	21,811 <sup>2</sup>
<b>2023 Existing Plus Project</b>	<b>54,986</b>	<b>105,222</b>
<b>% Change 2023:2029</b>	<b>18.0%</b>	<b>26.1%</b>

Notes:

1. State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State – January 1, 2021-2023. Sacramento, California, May 2023. <https://www.dof.ca.gov/Forecasting/Demographics/Estimates/e-5/>.
2. Based on 9,914 dwelling units and 2.2 persons per household (State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State - January 1, 2011-2021. Sacramento, California, January 2023

### SCAG Forecasts Plus Project Conditions

SCAG’s Connect SoCal includes regional growth forecasts that were developed by working with local jurisdictions, such as Newport Beach, using the most recent land use plans, policies, and assumptions. Therefore, SCAG’s population forecasts for the City were based on the City’s adopted General Plan. SCAG forecasts the City’s population will grow to 92,000 persons through the RTP/SCS horizon of 2045. **Table 4.12-7: SCAG Plus Project Growth Projections** provides SCAG’s 2045 population forecasts for the City and the 2029 population estimates which were extrapolated from the SCAG’s 2045 forecast. SCAG forecasts extrapolated to 2029 are provided because they correlate with the 6<sup>th</sup> Cycle 2021-2029 planning period.

Definition	
2023 Existing Population <sup>1</sup>	83,411
2045 SCAG Forecast Population <sup>2</sup>	92,000
Change 2023 to 2045	+8,589
Change per Year 2023 to 2045	+390
Extrapolated SCAG 2029 Population <sup>3</sup>	85,751
<b>Extrapolated SCAG 2029 Population With Project (persons)</b>	<b>107,562</b>
<b>Extrapolated SCAG 2029 Population With Project (percent increase)</b>	<b>+25.4%</b>

1. State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State – January 1, 2021-2023. Sacramento, California, May 2023. <https://www.dof.ca.gov/Forecasting/Demographics/Estimates/e-5/>.

2. SCAG. 2020. SCAG RTP/SCS: Connect SoCal Plan – Demographics and Growth Forecast. <https://scag.ca.gov/read-plan-adopted-final-plan>.

3. Based on constant growth rates between 2023 and 2029.

Using the annual growth rates based on SCAG’s Connect SoCal and the City’s existing year 2023 population, the City’s population is forecast to be 86,370 persons in 2029. As indicated in **Table 4.12-7**, the City’s population in 2029 would total approximately 108,181 persons with Project implementation. Comparatively, future housing facilitated by the Project would result in population and household growth of approximately 25 percent over the extrapolated SCAG 2029 forecasts. Project implementation would facilitate future housing development, thereby inducing indirect population growth in the City beyond the extrapolated SCAG 2029 forecast population of 86,370 persons.

The proposed Project would not directly construct new housing but would facilitate the development of residential units by adopting implementing actions associated with the certified and adopted City of Newport Beach 2021-2029 Housing Element. As discussed above, the Project’s implementing actions

would facilitate future housing development, which could induce population growth in the City beyond 2023 existing conditions and extrapolated 2029 SCAG forecast conditions. However, State law requires that the City accommodate their RHNA “fair share” of the region’s housing needs, which cannot be achieved without the Project’s proposed rezoning/land use amendments. While the Project would facilitate the development of additional housing throughout the City, resulting in a forecast population growth of approximately 21,811 persons, this forecast population growth would be attributed to accommodating the City’s remaining RHNA allocation of 4,845 dwelling units plus the RHNA buffer. Therefore, although the Project would indirectly induce population growth in the City, it is not considered unplanned given State law requirements. It is also important to note the following factors concerning the Project’s forecast population growth:

- Future housing development would occur incrementally based on market conditions and other factors, such that potential effects concerning population growth (i.e., utilities, fire, police, and other services and infrastructure) would not occur at any single point in time.
- All future housing developments facilitated by the Project and within overlay zones would be subject to compliance with all federal, State, and local requirements for minimizing growth-related impacts through the City’s development review process, which would occur on a project-by-project basis.

Further, when adopting Connect SoCal, SCAG recognized that its growth projections do not constitute a prescriptive pattern of future development for General Plan or zoning code amendments. The distribution and types of RHNA housing units allocated within each local jurisdiction continues to be fully and completely subject to local control and subject to other applicable laws, and not be constrained or affected by Connect SoCal’s growth projections. SCAG’s Resolution No. 20-624-1 further notes that for many cities and counties, the required RHNA General Plan and zoning changes may need to accommodate more housing units than reflected in the Connect SoCal’s household and population growth projections.

Given SCAG’s use of growth projections for regional planning and modeling purposes, and the local jurisdictions’ obligations to comply with State Housing laws including RHNA, SCAG agrees that potential exceedances may not be used to impede a local jurisdiction’s compliance with the 6<sup>th</sup> Cycle RHNA requirements or to assess impacts of a plan or project under CEQA. Further, it is anticipated that the next RTP/SCS update will incorporate the latest population and housing growth projections from the 6<sup>th</sup> Cycle RHNA and the Housing Elements of cities and counties within the SCAG region. Accordingly, the forecast population growth generated by the future housing development facilitated through Housing Element implementation would not be classified as unplanned growth, but rather would accommodate growth.

In addition, as the City is predominately built out, it is anticipated that future housing development facilitated by the Project would be adequately served by existing services and located near established infrastructure (e.g., roads and utilities), with only minor modifications required; see **Section 4.13: Public Services, and Section 4.17: Utilities and Service Systems**. Therefore, the Project would not induce unplanned population growth in the City by proposing new businesses or through extension of roads or other infrastructure.

As stated above, future housing development would be subject to the City’s development review process and be assessed on a project-specific basis for potential indirect effects concerning population growth. Additionally, future housing development would be subject to compliance with all federal, State, and local requirements for minimizing growth-related impacts. Upon approval of the proposed Project’s

discretionary actions (e.g., the proposed zoning and overlays), future housing development facilitated by the Project would be considered planned development and help the City meet its RHNA allocation. Therefore, impacts would be less than significant.

**Impact Summary:** **Less Than Significant.** The proposed Project would provide the goals, policies, and programs through changes to the General Plan and Municipal Code to guide new residential development. Planning for the increase in housing is necessary to comply with the State-mandated 6<sup>th</sup> Cycle RHNA. The Project would not induce substantial growth, but rather would accommodate projected growth in the region. Therefore, this impact would be less than significant.

<b>Threshold 4.12-2</b>	<b>Would the Project displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere or displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?</b>
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A majority of housing sites identified in this EIR are developed with various non-residential uses including commercial, office, industrial uses. As shown in **Table 4.12-8: Existing Housing on Housing Sites: Development Potential**, of the 247 housing sites, 12 sites contain existing residential development totaling 468 housing units.<sup>7</sup> Therefore, future housing development facilitated by the proposed Project could displace up to 468 dwelling units. However, no housing is proposed as a part of this Project and it is speculative to know whether any of the housing sites that have existing residential units would be redeveloped to allow for increased development on the sites.

As discussed in **Section 3.0: Project Description**, the proposed Project includes housing opportunity overlay zones to allow for the development of various residential product types at a permitted average density of 50 dwelling units per acre. Accordingly, the Project would accommodate development of up to 1,411 dwelling units on these 12 housing sites, resulting in a net yield of 939 dwelling units over existing conditions.

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<sup>7</sup> The full inventory of housing sites included in the Housing Element is provided in Appendix B of the 2021-2029 Housing Element and the 5 additional sites added following Housing Element adoption are described in Section 3.0: Project Description.

Focus Area	Housing Site ID	APN	Existing Housing Units (DU)	Proposed Development Capacity (DU)	With Project Net Yield (DU)
<b>Dover-Westcliff</b>	361	049-191-30	39	77	+38
<b>Airport Area</b>	17	439-241-20	148	294	+146
	363	439-352-21	1	21	+20
	365	439-352-17	4	18	+14
	366	439-352-20	1	21	+20
	367	439-352-22	1	10	+9
<b>West Newport Mesa</b>	218	892-080-02	61	217	+156
	219	424-151-01	56	238	+182
	220	892-090-55	56	213	+157
	221	892-109-03	36	95	+59
<b>Newport Center</b>	240	442-011-65	5	86	+51
	B	050-442-05	64	121	+57
<b>Total</b>			<b>468</b>	<b>1,411</b>	<b>+939</b>

APN = Assessor Parcel Number; DU = dwelling unit.

To further minimize the potential for future housing displacement, in addition to the 6<sup>th</sup> Cycle RHNA allocation, this Program EIR analysis accounts for additional housing units as a buffer to address future “no net loss” to preclude the need to identify replacement sites during 6<sup>th</sup> Cycle implementation.<sup>8</sup> Therefore, this Program EIR conservatively analyzes a total development capacity of 9,914 units including future development capacity of up to 9,649 units on 247 housing sites, 25 units of pipeline projects, and 240 ADUs. However, only a portion of the housing units identified on housing sites will be necessary to accommodate the City’s RHNA planning obligation of 4,845 housing units.

The City’s compliance with SB 166 would also minimize the potential for future housing displacement. SB 166 prohibits a city or county from reducing, requiring, or permitting the reduction of the residential density to a lower residential density below what was used by HCD in determining compliance with Housing Element law, unless the city or county makes written findings supported by substantial evidence that the reduction is consistent with the adopted General Plan, including the Housing Element. Some of the City’s existing housing stock would also be protected as a result of the SB 330, which requires that a new residential development project proposing the demolition of existing residential units must replace, at a minimum, the same number of residential units. The inventory of housing sites would be sufficient to accommodate the City’s RHNA allocation, and all Project actions would occur such that there is no net loss of residential unit capacity.

Accessory Dwelling Units (ADUs) could be developed on as-yet unidentified sites. However, since ADUs are by nature accessory and additional housing units, which do not displace existing housing units, no impact would occur.

<sup>8</sup> State Housing laws require cities and counties to identify RHNA obligations by income category. A future housing applicant is not required to meet affordability goals. The City is obligated to ensure there is no net loss when projects are developed such that there are adequate opportunities for the City to meet its RHNA obligations. If there is a net loss, the City has 120 days to provide rezoning that accommodates the net loss. Therefore, Newport Beach includes a buffer to avoid the net loss scenario.

Therefore, future housing development facilitated by the proposed Project would occur such that there is no net loss of residential unit capacity.

**Impact Summary:**      **Less Than Significant.** The proposed Project would be consistent with State and local land use plans, and would not displace a substantial number of housing units that would require replacement. Therefore, the Project would result in a less than significant impact.

#### 4.12.7 Cumulative Impacts

The City's 6th Cycle RHNA is 4,845 housing units, which is approximately 2.6 percent of the County's allocation of 183,060 dwelling units. As such, while residential development in Newport Beach would incrementally effect the regional distribution of housing as well as the accommodation of projected population growth, this contribution would be minor.

As concluded above, the Project would provide for a planned increase in housing capacity to implement the City's 2021-2029 Housing Element. Although the Project does not propose any housing development, it would facilitate future housing development on identified housing sites. Future housing development facilitated by the Project would result in 54,986 dwelling units in the City, with a resultant population of approximately 105,222 persons by 2029.

As previously addressed, the Project would provide for a planned increase in the City's housing capacity to meet the State-mandated 6th Cycle RHNA. The Project does not propose any residential development directly. Instead, it identifies a series of implementation actions to facilitate future residential development, as necessary to meet the City's housing obligations pursuant to State Housing Law. SCAG describes that RHNA does not necessarily encourage or promote growth, but rather allows communities to anticipate growth, so that collectively the region and subregion can grow in ways that enhance quality of life, improve access to jobs, promotes transportation mobility, and addresses social equity and fair share housing needs. The City cannot solve the inherent conflict between the goals and directives of the RHNA and the RTP as well as the RTP growth projections. Municipalities in the SCAG region will provide growth numbers to SCAG and those estimates should be incorporated into the next revisions to the RHNA and RTP.

Future development throughout the City and development on identified housing sites subject to rezoning and within overlay zones would be subject to review by the City on a project-by-project basis. Additionally, cumulative development would be subject to compliance with the established federal, State, and local regulatory framework concerning population growth. Therefore, projected population growth impacts associated with future development facilitated by the Project would not be cumulatively considerable.

#### 4.12.8 Mitigation Program

As noted, all future housing development facilitated by the Project would be subject to the City's development review process, which may include review pursuant to CEQA, and would be assessed on a case-by-case basis for potential effects concerning the secondary effects of population growth. Future housing development would be subject to compliance with relevant federal, State, and local requirements including requirements set forth in the Newport Beach General Plan and Newport Beach Municipal Code.

## General Plan Policies

See **Section 4.18.2: Regulatory Setting** for complete policy text.

- Policy LU 1.4
- Policy LU 3.2
- Policy LU 6.2.3

## Coastal Land Use Plan Policies

See **Section 4.18.2: Regulatory Setting** for complete policy text.

- Policy 2.1.1-1
- Policy 2.1.10-1
- Policy 2.2.1-1
- Policy 2.2.1-2
- Policy 2.2.1-3
- Policy 2.2.2-1
- Policy 2.7-1
- Policy 2.7-2
- Policy 2.7-5

## Mitigation Measures

No additional mitigation is required.

### 4.12.9 Level of Significance After Mitigation

Impacts related to population and housing would be less than significant.

### 4.12.10 References

City of Newport Beach. (2018). *City of Newport Beach Coastal Land Use Plan*. Retrieved from <https://www.newportbeachca.gov/government/departments/community-development/planning-division/general-plan-codes-and-regulations/local-coastal-program/coastal-land-use-plan>. Accessed September 2, 2023.

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