



CHAPTER 5 Housing Element



HOUSING

A Balanced Residential for All Social and

Executive Summary

The 2000–2008 Housing Element is an update and revision of the 1992 Element, and consists of new technical data, revised goals, updated policies, and a series of programs and implementing measures. The Element is designed to facilitate attainment of the City’s Regional Housing Needs Allocation, and to foster the availability of housing affordable to all income levels to the extent possible given Newport Beach’s constraints.

Newport Beach is committed to achieving its housing goals and continues to encourage the development of additional housing units, wherever and whenever feasible. Since the Housing Element was adopted in 2003, the Bayview Landing project, a senior affordable housing development which received \$1,754,119 in funds from the City’s “in-lieu” housing fund reserves and \$4,500,000 in tax credit financing, has been approved and constructed.

This Element is part of a comprehensive General Plan update which included substantial community outreach. Through the update process, several key areas in the City were identified as ideal locations for future housing opportunities. Key sites for future development include the Airport Area, Newport Center, Banning Ranch, and the Balboa Peninsula area.

The City will enforce the requirements of its inclusionary housing program that requires a proportion of affordable housing in new residential developments or payment of an in-lieu fee. The City’s goal is that an average of 15 percent of all new residential development will be affordable to very low–, low–,

and moderate-income households. The City Council has also established an Affordable Housing Task Force that works with developers and landowners to facilitate the development of affordable units and identifies the most appropriate use of in-lieu fee funds. The Task Force and staff continually investigate and research potential affordable housing opportunities.

RHNA AND CITY RESPONSIBILITY

The City has accepted, and is committed to meeting, its 1998–2008 RHNA allocation (extended from June 30, 2005 by the State Department of Housing and Community Development) of providing 476 housing units. As of December 2005, the City has already fulfilled its requirement for above moderate income units, and with completion of the Bayview Landing project, will have a remaining RHNA allocation of 145 units (83 moderate units and 62 very low units). Achieving the remaining RHNA

ELEMENT

Community Providing Opportunities Economic Segments

units is expected through the future redevelopment of several key housing opportunity areas identified through the General Plan update process and the affordable housing requirements of the Inclusionary Housing Program.

With the annexation of Newport Coast in 2001, the City agreed to transfer 945 units from the Orange County Regional Housing Needs allocation to the Newport Coast area. This agreement was made since the Irvine Company committed to the County to fulfill its allocation. However, since the County is still responsible for issuing building permits for the area, the analysis on meeting the RHNA allocation does not include the 945 Newport Coast units. The City will fulfill its obligation by implementing plans for Newport Coast approved by Orange County, and monitoring newly constructed affordable units that were permitted by the County prior to the annexation.

CONSTRAINTS AND OPPORTUNITIES

The City is constrained in its effort to provide new housing opportunities due to many factors beyond its control. The City does not have a Redevelopment Agency, which in turn means that Newport Beach does not have the resource of housing set-aside funds, nor the power to assemble property through eminent domain. However, this General Plan update provides several opportunities to create new residential uses through infill development and reuse of existing land uses.

FOCUS OF HOUSING PROGRAMS

Following are the housing programs that Newport Beach believes will be the most effective in meeting the City's housing goals. These programs will be the focus of the City's housing efforts during the period of this Housing Element.

1. Actively encourage the development of affordable housing on the above-mentioned sites and assist developers with the removal of site constraints.
2. Research sites and developments that could include affordable housing, such as infill, mixed-use and redevelopment opportunities.
3. Discuss the extension of affordability covenants with owners of existing affordable apartments.
4. Offer incentives to developers of affordable housing, including density bonuses, fee waivers, expedited permit processing, and the use of in-lieu fee fund.

Introduction

The City has completed a comprehensive General Plan update. This Housing Element has been updated to ensure consistency with the updated Land Use Element and includes more recent demographic and housing data. The Housing Element covers the RHNA allocation period of January, 1998 through June 30, 2008 (extended from June 30, 2005, by the State Department of Housing and Community Development). The Housing Element will be comprehensively updated in 2008 in response to the next RHNA allocation cycle of 2008–2013.

The California State Legislature has identified that the major housing goal of the state is the attainment of a decent home and suitable living environment for every California resident. In 1980, the Legislature added Article 10.6 to the Government Code and incorporated into law specific Housing Element Guidelines promulgated by the California Department of Housing and Community Development. This was the second revision to the original (June 17, 1971) Housing Element Guidelines. The 1980 revision was made in recognition of the significant role local planning play in pursuit of the state goal and to assure local planning effectively implements state housing policy.

The California Government Code specifies the Legislature's intent to ensure that counties and cities are active participants in attaining the state housing goal and establishes specific components to be contained in a housing element. These components include the following: identification and analysis of existing and projected housing needs, resources and constraints; a statement of goals, policies, quantified objectives, and scheduled programs for preservation, improvement and development of housing; identification of adequate sites for housing; and adequate provision for existing and projected needs of all economic segments of the community.

The Newport Beach Housing Element has been written in a consistent and mutually dependent relationship with other Elements of its General Plan. Furthermore, the Element is in conformance with Government Code Sections 65580–65589.

The year 2000 updated Housing Element is a comprehensive statement of the City's housing policies and serves as a specific guide for implementation of these policies. The Element examines current housing needs, estimates future housing needs, and establishes goals, policies, and programs pertaining to those needs. Housing programs are responsive to current and future needs. They are

also established within the context of available community, state, and federal economic and social resources, and realistic quantified housing objectives. State housing goals are as follows:

- Availability of housing is of vital statewide importance. Early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.
- Early attainment of this goal requires cooperative participation of government with the private sector to expand housing opportunities and accommodate housing needs of Californians of all economic levels.
- Provision of housing affordable to low- and moderate-income households requires cooperation among all levels of government.
- Local and state governments have a responsibility to use powers vested in them to facilitate improvement and development of housing to make adequate provision for housing needs of all economic segments of the community.
- The Legislature recognizes in carrying out this responsibility, each local government also has a responsibility to consider economic, environmental, and fiscal factors, and community goals set forth in its general plan. Cities must cooperate with other local governments and the state in addressing regional housing needs.

California state law requires that Housing Elements be updated at least every five years. The City of Newport Beach has prepared the following updated Housing Element in compliance with the established (extended) 2008 deadline for jurisdictions within the Southern California Association of Governments region.

NEWPORT COAST ANNEXATION

On January 1 2002, the City incorporated over 7,700 acres of the land between its southern boundary and the Crystal Cove State Park. The updated year 2000 Housing Element was drafted prior to the annexation of Newport Coast and therefore does not include a detailed analysis of the area's demographics or an inventory of vacant lands suitable for new affordable housing. Census data is not available for Newport Coast since it was developed after the 2000 Census. However, wherever possible, data pertaining to Newport Coast has been included in this Element. A more comprehensive update will be initiated at the time of the next Housing Element Update. In addition, the Regional Housing Needs Assessment figures for Newport Coast have been included as well as a discussion of the proposed programs intended to achieve affordable housing goals for the area.

DATA SOURCES

Various sources of information have been consulted in preparing this Housing Element. The 1990 and 2000 U.S. Census provides the basis for population and household characteristics. Where applicable, the following sources of information have been used to supplement and update information contained in the 1990 and 2000 U.S. Census:

- Population and demographic data from the State Department of Finance.
- School enrollment information from the State Department of Education and the Newport-Mesa Unified School District.
- Housing market information, such as home sales, rents, and vacancies, as updated by City surveys and property tax assessor files.

- Local and County public and nonprofit agency information on special needs populations, available services, and systemic failures.
- Housing condition information provided by the City of Newport Beach.
- Orange County Progress Report (2000 and 2005) demographic information.

ORGANIZATION OF THE HOUSING ELEMENT

This Housing Element has been divided into two sections as follows:

■ **Community Housing Market Analyses**

This section presents the most current available information pertaining to the following seven subsections: housing stock conditions, household characteristics including over-paying, over-crowding, and; analysis and projection of population and employment; analysis of special population groups; analysis of housing need; inventory of land suitable for residential development; analysis of opportunities for energy conservation; non-governmental constraints to housing production; and governmental constraints to housing production.

■ **Housing Goals and Policies, Quantified Objectives, and Programs**

This section has three primary functions: (1) to establish City housing goals and policies; (2) to quantify the maximum number of housing units that can be constructed, rehabilitated, and conserved over the eight year period between June 2000 and June 2008; and (3) to present City housing programs, which represent a five-year schedule of actions to be implemented by the City to achieve goals, policies, and quantified objectives of the Housing Element. Government Code Section §65588 requires the review of the Housing Element as frequently as appropriate and to evaluate effectiveness of housing goals, objectives, and policies in contributing to attainment of the state housing goal. Additionally, the City is required to evaluate effectiveness of the Housing Element in attainment of community goals and objectives and its progress in implementation of its housing goals. This section provides the required review and evaluation of the 1989–1994 Housing Element.

PUBLIC PARTICIPATION

Opportunities for residents to recommend strategies for, and review and comment on the Newport Beach Housing Element were an important component of the General Plan update, including the Housing Element. The state requirements for housing elements were reviewed with the General Plan Advisory Committee (GPAC), a group of 38 citizens appointed by the City Council to review policies in the updated General Plan. GPAC considered the need for housing in developing their recommendations for the Land Use Element, and reviewed the draft Housing Element at a public meeting on January 28, 2006. The Planning Commission and City Council conducted study sessions on January 31, 2006 to review the draft element. Notification of the study session was posted at various locations throughout the community and a ¼-page ad was placed in the local newspaper inviting the public to attend. In addition, copies of the Element were made available for review at various locations such as City Hall, the numerous libraries and the Newport Mesa Unified School District offices.

A copy of the draft was sent to the State Department of Housing and Community Development after comments from the Study Session were incorporated into the draft. After review and preliminary approval of the draft by HCD, public hearings will be held before the Planning Commission and City Council prior to adoption. Prior to all public hearings, notification was published in the local newspaper, and provided by mail to individuals and interest groups listed in the appendix and to Homeowner Associations and major known developers. Copies of the Draft were available for public review at Newport Beach City Hall, all public libraries in the City and the Newport-Mesa Unified School District administrative office. The document was also posted on the City's website.

TIME PERIOD COVERED BY THE HOUSING ELEMENT

The Housing Element covers the RHNA allocation period of January 1, 1998, through June 30, 2008 (extended from June 30, 2005, by the State Department of Housing and Community Development).

REVIEW AND UPDATE OF THE HOUSING ELEMENT

The City of Newport Beach will review this Housing Element annually as part of its General Plan review to evaluate appropriateness of objectives, effectiveness of programs, and progress in implementation. The Housing Element will be revised again in 2008 in accordance with state law.

Community Housing Market Analyses

HOUSING STOCK CHARACTERISTICS

Residential Growth and Dwelling Unit Types

Between 1980 and 2005, 11,127 housing units were added to the housing inventory in the City of Newport Beach (refer to Table H1). This indicates an average yearly increase in the housing stock of approximately 328 housing units. Since 1990, this rate of increase has slowed. Between 2001 and 2005, an average of 200 to 300 housing units per year was added to the housing stock with exception of 2003, which included the annexation of Newport Coast.

Total number of housing units as of January 1, 2005, was estimated to be 42,143. Mix and number of housing of the City according to the State Department of Finance are shown on Table H2.

Residential Densities

Residential densities in many older neighborhoods in the City of Newport Beach are very high, according to City figures that were estimated by dividing residential acreage by current dwelling unit counts.

In addition, many attached housing projects in the City were developed to maximize land usage. Existing attached projects in the City and their densities are listed in Table H4.

Table H1 Net Additional and Total Housing Units, 1980–2005					
<i>Year</i>	<i>Total Housing Units at Beginning of Year</i>	<i>Net Change in Housing Units</i>	<i>Year</i>	<i>Total Housing Units at Beginning of Year</i>	<i>Net Change in Housing Units</i>
1980	31,016	1,233	1993	35,527	88
1981	32,249	152	1994	35,565	38
1982	32,401	109	1995	35,598	33
1983	32,510	225	1996	35,631	33
1984	32,735	108	1997	35,978	347
1985	32,843	216	1998	36,807	829
1986	33,059	306	1999	37,044	237
1987	33,365	971	2000	37,567	523
1988	34,336	312	2001	37,779	212
1989	N/A		2002	38,009	230
1990	34,861	525**	2003	41,590	3581
1991	35,275	414	2004	41,851	261
1992	35,439	164	2005	42,143	292

SOURCES: City of Newport Beach
 State Department of Finance 2005, Population Research Unit
 **Two year growth change

Table H2 Housing Unit Mix (2005)		
<i>Housing Unit Type</i>	<i>Number of Units</i>	<i>Percent of Total</i>
Single-Family Detached	18,918	44.9%
Single-Family Attached	7,166	17%
Duplex to Fourplex	5,475	13%
Multi-Family	9,721	23.1%
Mobile Home	863	2%
City Total	42,143	100.0%

SOURCE: State Department of Finance 2005, Estimate

Table H3 Residential Density by Area	
<i>Area</i>	<i>Estimated Density (D.U./ Net Acre)</i>
Balboa Peninsula	22.6
West Newport	18.8
Balboa Island	26.7
Old Corona del Mar	17.9
Lido Island	12.0

SOURCE: City of Newport Beach Planning Department.

Table H4 Densities of Attached Housing			
<i>Project</i>	<i>Gross Acreage</i>	<i>Number of Dwelling Units</i>	<i>Dwelling Units per Gross Acre</i>
Newport Crest	38.0	460	12.1
Bayview Landing	4.5	120	26.7
Versailles (Phase I)	6.8	255	37.5
Lido Condominiums	1.1	54	49.1
621 Lido Park Drive	1.7	36	21.2
Caribe	1.3	48	36.9
The Towers	0.5	28	54.3
Rendezvous	0.75	24	32.0
Coronado	32.3	1,446	44.8
Mariners' Square	6.2	114	18.4
Park Newport	53.2	1,306	24.5
Promontory Point	32.8	520	15.8
Bayview Apartments	5.4	64	11.8
Bayport Apartments	5.3	104	19.6
Baywood Apartments	27.4	320	11.7
Newport Terrace	40.0	281	7
Granville	10.2	68	6.7
Baypoint Apartments	20.36	300	14.7
Bonita Canyon Apartments	57.70	1,052	18.2
The Colony	6.0	245	40.9

SOURCE: City of Newport Beach Planning Department.

Housing Tenure

Tenure of housing in Newport Beach has varied as follows since 1980:

Table H5 Housing Tenure			
<i>Year</i>	<i>Total Occupied Units</i>	<i>Owner Occupied</i>	<i>Renter Occupied</i>
1980	27,820	14,888 (53.5%)	12,932 (46.5%)
1990	30,860	17,207 (55.8%)	13,653 (44.2%)
2000	33,071	18,408 (55.7%)	14,663 (44.3%)

SOURCES: 1980, 1990, 2000 U.S. Census.

The percentage of rental housing in Newport Beach is higher than the corresponding figure for Orange County. The latest data comparing rentals from the 2000 Census is as follows:

Table H6 Percent of Renter Occupied Units	
<i>Area</i>	<i>Percent of Rental Housing</i>
Newport Beach	44.3%
Costa Mesa	59.5%
Huntington Beach	39.4%
Laguna Beach	39.9%
Orange County	38.6%
SOURCE: 2000 U.S. Census	

Since 1960, (when only 36 percent of all occupied units were rented) the percentage of rental housing increased due to a sizeable amount of new rental construction. New construction subsided substantially in the 1980s. Table H7 lists the major rental projects in Newport Beach.

Table H7 Major Rental Projects	
<i>Area</i>	<i>No. of Units</i>
Anchorage Apartments	39
The Balboa Bay Club	144
Baypoint Apartments	300
Bayport Apartments	104
Bayview Apartments	64
Bayview Landing Apartments	120
Baywood Apartments	320
The Beach House	226
Fairway Apartments	74
Newport Bluffs	1,052
Las Brisas	54
Mariners' Square	114
Newport Marina	64
Newport North	570
Newport Seaside Apartments	25
Newport Seacrest Apartments	65
Newport Villa	60
Coronado Apartments	1,446
Park Newport	1,306
Promontory Point	520
Seaview Lutheran Plaza	100
Sequoia Apartments	54
The Colony	245
The Terraces	56
850 Domingo Drive	34
TOTAL: 25 projects	6,985
SOURCE: The City of Newport Beach Planning Department	

In addition, the City contains many rented duplex, triplex, and fourplex units in older neighborhoods. Areas where this type of rental housing is predominant include West Newport, Balboa Peninsula, Balboa Island, and Corona del Mar. One of the most recent new multi-family rental projects in the City is the Bayview Landing project. Currently under construction, the affordable housing development provides 120 units for very low and low income seniors.

Condominium Conversion Ordinance

In the mid-1990s, the City of Newport Beach adopted a new ordinance to ease restrictions on condominium conversions. Easing restrictions on condominium conversions was intended to promote the availability of first-time home buyer opportunities and to promote the rehabilitation and preservation of smaller, more affordable housing units. Many rental units in certain areas of the community were overcrowded and deteriorating due to absentee owners and the renting of units on a weekly basis. Health and safety issues were also a concern given quality of life impacts resulting from excessive noise, pollution and traffic in areas where weekly vacation rentals were prevalent. In 2005, the City became concerned that severe parking inadequacies of older apartment buildings were being perpetuated through condominium conversions, and adopted ordinances restricting condominium conversions to structures that provide the code required parking at the time of the conversion. Under these ordinances, duplexes, and multi-family properties that are non-conforming by way of parking cannot be converted to condominiums. It is likely that these regulations will slow the rate of condominium conversions in the City.

The total number of condominium conversions approved since 1995 is 346 units. The following table identifies the number of conversions each year between 1995 and 2005.

<i>Year</i>	<i>No. of Residential Units Converted</i>
1995	37
1996	28
1997	20
1998	30
1999	30
2000	22
2001	43
2002	19
2003	23
2004	43
2005	51
Total	346

SOURCE: City of Newport Beach Planning Department

Vacancy Rates

The overall housing unit vacancy rate of the City of Newport Beach varied between 1980 and 2000 as shown in Table H9.

Table H9 Overall Housing Unit Vacancy Rate Newport Beach, 1980–2000			
<i>Year</i>	<i>Vacancies as a % of all housing stock</i>	<i>Vacancies for sale as a % of all housing stock</i>	<i>Vacancies for rent as a % of all housing stock</i>
1980	10.1%	3.8%	6.1%
1990	11.5%	0.8%	4.3%
2000	11.3%	0.9%	3.4%

SOURCES: U.S. Census 1980, 1990, 2000
Orange County Progress Report, 2000

The discrepancy between overall vacancy rates and vacancy rates among available units may be due to the large number of seasonal units and second homes in Newport Beach. According to the 2000 U.S. Census, 1,994 of 4,217 vacant units were identified as “seasonal use.”

To assist in administration of its condominium conversion ordinance, the City has conducted rental vacancy surveys since 1979. From 1991 to 1996, this survey included only apartment vacancies. Results of the most recent surveys and the 2000 Census are provided on Table H10.

Table H10 City Rental Apartment Vacancy Comparison							
	<i>Percent of Rental Units Vacant</i>						
	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>2000</i>
TOTAL	4.8%	4.6%	2.7%	4.3%	8%	4.4%	8.0%

SOURCES: City of Newport Beach Planning Department, 2000 U.S. Census

Housing Condition

There has not been a comprehensive survey of housing conditions in Newport Beach since the 1976 Special Census for Newport Beach. That survey indicated only 1.3 percent of all housing units were deficient. Three neighborhoods in the city contained concentrations of substandard housing. Of all housing units on Balboa Peninsula, 5.1 percent were in substandard condition, while 2.5 percent and 2.6 percent of all units on Balboa Island and in Newport Heights, respectively, were in substandard condition. Deficient units in this regard are defined as deteriorated, dilapidated units, as well as those units inadequate in original construction, or which were under extensive repair.

The lack of complete plumbing, kitchen, or heating facilities serves as a narrow indicator of substandard housing conditions. Only a small number of homes in Newport lacked these basic utilities in 2000. The 2000 Census reported that 125 units had incomplete plumbing, 235 units were without a complete kitchen, and 135 units had no heating facilities. However, it is the consensus of City staff that the condition of housing in Newport Beach is considered to be very good. During 2000, through its ongoing code enforcement program, the City Building Department identified only four properties in need of repair. Extremely high property values and the lack of code enforcement

cases indicate that property owners within Newport Beach are, for the most part, conscientious about maintaining their properties. Substandard housing does not appear to be a problem for the community at this point in time.

Illegal Dwelling Units

Illegal or “bootleg” dwelling units have historically been a problem in Newport Beach, experienced most often in the older, beach-oriented areas of West Newport, Balboa Peninsula, Balboa Island, and Corona del Mar. These units are found in two typical forms: the “splitting” of a single dwelling unit into two separate occupancies, and the conversion of garages to living space. These units usually have a higher number of health and safety code violations than legal units, due to conversion without proper building permits and inspections.

Illegal units continue to be a problem today, but are less prevalent than in the past, due to increased year round owner occupancy in these areas, and inspections which occur when properties are sold. While it is difficult to estimate the number of illegal units, code enforcement personnel estimate that as much as five percent of the City’s housing stock may be in the form of illegal units. While not considered to be safe and adequate housing, these units do provide living arrangements that tend to be considered more affordable than legal units.

Accessory Dwelling Units

The City’s Zoning Code includes provisions for “granny units” (accessory, age-restricted units) which may be approved by the Planning Director in single and multi-family areas. Since adoption of the City’s “accessory dwelling unit” provisions, 18 age-restricted units have been authorized and twelve constructed.

Mobile Homes

There are presently 972 mobile home spaces in ten mobile home parks in Newport Beach. Nine of these parks contain 774 spaces occupied by permanent residents. The remaining homes are occupied by persons who use the units for vacations and weekend visits to the area. In total, the ten parks house 1,211 permanent residents. Space rents range from \$500 to \$3,000 (see Table H11).

The character of the City’s ten mobile home parks varies. Three of the parks are located on or close to Newport Harbor. These three parks appeal to retirees and a substantial number of spaces in these parks are occupied by permanent residents. Space rents depend on location of the space in relationship to the Bay and the size of the mobile home. One of these parks, Bayside Village, is occupied primarily by retired persons, a large portion of whom have occupied their mobile homes for 20 years or more. It should be noted that recently, many mobile homes in Cannery Village and some in West Newport have been replaced with manufactured housing that is not affordable to low-income and moderate-income individuals and families.

The state HCD is responsible for issuing permits for mobile home parks. The City of Newport Beach has notified the state that mobile home units affordable to low- and/or moderate-income households have been converted, or are in the process of converting to, market rate status and thereby may lose their affordable status. To date, the state has taken no action regarding this continuing loss of affordable housing.

Table H11 Mobile Home Parks

<i>Mobile Home Park (Site Address)</i>	<i>Total # of Spaces</i>	<i># of Acres</i>	<i># of Spaces/Acre</i>	<i># of Spaces Occupied by Permanent Residents</i>	<i># of Permanent Residents</i>	<i>Rent/Month (\$)</i>
Bayside Village 300 East Coast Highway	343	24.66	13.91	264	448	\$1,100–3,000
Beach and Bay 7204 W. Coast Highway	47	1.41	33.33	45	77	Current information unavailable
Cannery Village 700 Lido Park Drive (replaced with manufactured homes)	34	1.40	24.29	33	61	\$1,500–3,000
Ebb Tide 1560 Placentia Avenue	77	4.16	18.51	76	109	\$500–630
Flamingo 7000 W. Coast Highway	20	0.31	64.52	20	30	Current information unavailable
Harbor 1535 Superior Avenue	40	1.92	20.83	38	48	Current information unavailable
Lido 710 Lido Park Drive	214	12.40	17.26	214	323	\$900–1,300
Marina Park 1770 W. Balboa Blvd.	58	4.94	11.74	22	44	\$865–1,550
Newport Terrace 824 W. 15th St.	56	4.27	13.11	53	71	\$625
Seacliffe Mobile Park 890 West 15 th Street	117	N/A	N/A	N/A	N/A	\$755–1,250
TOTAL(S): 10 Parks	972			774	1,211	\$500–3,000

SOURCE: The City of Newport Beach Planning Department.

Four mobile home parks are located either in West Newport on the north side of Pacific Coast Highway or in the West Newport Mesa. Space rents in these parks range upward from \$500 per month. Many of these mobile homes are older, having been in parks since their development in the 1950s or 1960s.

It should be noted that one mobile home park, the Beach and Bay Mobile Home Park at 7204 W. Coast Highway, appears to be in substantial physical decline and could be subject to redevelopment or replacement within this planning period.

Group Homes

The term “group home” as used by HCD is interchangeable with the City’s definition of a “residential care facility.” Residential care facilities for six or fewer persons are permitted by right in all residentially-zoned properties, in accordance with state law, and are treated as single family residences.

Residential care facilities for seven or more persons are permitted in the following zoning districts with the approval of a use permit:

- **Commercial Districts**—RSC and APF zoning districts
- **Industrial Districts**—M-1 and M-1-A zoning districts
- **Planned Community Districts**—Property development regulations applicable to commercial and industrial districts, related to residential care facilities and SRO residential hotel uses, shall also apply to the corresponding portions of the PC Districts

Residential care facilities for seven or more persons are permitted in the following zoning districts, with the approval of a Federal Exception Permit:

- **Residential Districts**—R-1.5, R-2, and MFR zoning districts
- **Planned Community Districts**—Property development regulations applicable to residential districts, related to residential care facilities and Single Room Occupancy (SRO) residential hotel uses, shall also apply to the corresponding portions of the PC Districts

The establishment of residential care facilities is not restricted beyond the provisions of the zoning districts, nor is there a geographical spacing requirement or limitation on the number of residential care facilities that may be located within an area. However, a required finding of approval for a Federal Exemption Permit is that a “campus” would not be established in a residential zone if the permit were granted. A “campus” is defined as three or more buildings in a residential zone within a 300 yard radius of one another that are used together for a common purpose where one or more of the buildings provides a service for the occupants of all the buildings such as when one building serves as a kitchen/food service area for the occupants of the other buildings. The required finding was established to reduce the potential impact of the increase in traffic and number of commercial vehicles entering and leaving the area to neighboring residents.

The use permit requirement for residential care facilities of seven or more persons within commercial and industrial zones is justified because the impact of a semi-residential use on the surrounding commercial or industrial area should be carefully reviewed to avoid any possible adverse impacts and ensure compatibility between uses. The Federal Exception Permit for residential care facilities for seven or more persons within residential zones is justifiable because the typical occupancy load of such a use would be larger than the typical occupancy load of conventional residential units permitted in residential zones and could impact the stability of the neighborhood. These provisions should not result in an increase in the cost of housing. Rather, increases in the cost of housing are more directly related to the cost of land which is determined by the real estate market.

Assisted Housing Stock

Table H12 identifies developments by project name and address, type of governmental assistance received, earliest potential date of change from low income uses to non-low-income uses and total number of elderly and non-elderly units that could be lost from City housing stock during 2000–2005. In 1997, the Newport North Apartments converted from affordable status to market rate status, which caused the loss of affordability of 50 units.

The 28 affordable units within the Domingo Drive Apartment project are the result of a 1980 Settlement Agreement between a developer and an affordable housing advocacy group. The agreement required the units to be leased only to Section 8 certificate holders, at HUD fair market

rents, for a period of 25 years. Realizing the agreement was soon to expire, the City contacted the current owner of the apartment complex to negotiate the extension of the affordability period for the project with subsidies from another housing developer needing to meet its inclusionary housing requirements. Unfortunately, the current property owner was unwilling to extend the affordability period and the City is expected to lose the 28 affordable units during the tenure of this Housing Element.

No other inclusionary housing units have expiring long-term use restrictions during the tenure of this Housing Element.

The City has had policies in effect since the mid-1980s requiring the provision of affordable housing in association with all new residential developments where more than 4 units are proposed. Most were provided within new or existing apartment projects. In some cases, an in-lieu fee was assessed when the provision of housing was not feasible due to the small size of the development. The City also facilitated the teaming of market rate and affordable housing developers to produce required affordable housing. Over the last twenty years, this program has resulted in the provision of 620 affordable units.

Table H12 City of Newport Beach Assisted (and Affordable) Housing Summary

<i>Project Name/ Location</i>	<i>Type of Assistance Received</i>	<i>Earliest Possible Date of Change</i>	<i>Potential Units to Be Lost</i>
Domingo Drive Apartments 851 Domingo Drive	Section 8	2006/7	25 Very Low Income
Newport Harbor Apartments 538 Placentia	Section 8 Density Bonus CDBG	2020	26 Low Income
Newport Harbor II Apartments	Section 8	2023	14 Low-Income
Baywood	City Inclusionary Housing Requirement	2010–2011	46 Low-Income
Newport Seacrest Apartments 843 15 th Street	Section 8 CDBG Fee Waivers Tax Exempt Financing	2016	65 Low Income
Newport Seashore Apartments 849 West 15 th Street	Section 8 Fee Waivers	2018	15 Low Income
Newport Seaside Apartment 1544 Placentia	Section 8 CDBG Fee Waivers	2019	25 Very Low Income
Seaview Lutheran Plaza (Seniors only) 2800 Pacific View Drive	Section 202 Section 8	(loan expiration in 2002)*	100 Very Low–Income elderly
Villa del Este 401 Seaward Road	Section 8 Ownership	2021	2 Moderate Income
Villa Siena 2101 15 th Street	Section 8 Ownership Density Bonus	2021	3 Low Income

SOURCE: City of Newport Beach Planning Department

* The Section 202 loan for this project expired in 2002; however, these units are not at risk of converting to market rates due to City imposed conditional use restrictions.

Summary

The housing stock within the City of Newport Beach is comprised of a mix of housing types that cater to a wide spectrum of owners and renters. The City has housing densities and rental opportunities that are greater than that which can be found in the County as a whole. In addition, the housing stock is well maintained with very few housing units being classified as deficient. Vacancy rates in the city are adequate to accommodate changes in demand for housing within the city.

HOUSING UNIT PROJECTIONS

According to the US Census, the population of Newport Beach in 2000 was 70,032 residents, excluding the Newport Coast area. Updated information from the State Department of Finance estimates the population in 2005 to be 83,120. Pursuant to the updated General Plan, ultimate residential capacity within the City of Newport Beach will be 49,968 dwelling units, including the Newport Coast area. Future residential growth will largely occur through infill development and reuse of existing and obsolete land uses. As discussed in greater detail later in the document, the key sites for future growth include the Airport Area, Newport Center, Banning Ranch, West Newport Mesa, and the Balboa Peninsula area

According to 2004 Southern California Association of Government (SCAG) projections, the population of Newport Beach is anticipated to grow steadily over the next several years, increasing to 89,527 residents (39,443 households) by 2010.

The following tables were created to demonstrate housing and population trends based on past State Department of Finance estimates. These estimates are supplemented with housing unit and population projections based on estimates of actual construction. Estimates are for the period covered by this Housing Element, 2000–2005.

<i>Year</i>	<i>Total Population</i>	<i>Household Population</i>	<i>Group Quarters</i>
1980*	65,283	64,972	311
1985*	66,817	66,284	533
1990	66,643	65,941	702
1995	68,920	68,199	721
2000	75,627	74,906	721
2005	83,120	82,180	940

SOURCES: State Department of Finance 2005, Population Research Unit
*1992 Housing Element, City of Newport Beach.

Table H14 Housing Trends, 1980–2005

Year	Total # of Units	Dwelling Unit Type			Occupied Units	Percent Vacant	Pop/ Household	
		Single Family	2-4	5+				Mobile Homes
1980*	31,016	17,490	7,149	5,762	615	28,282	8.81%	2.297
1985*	32,843	19,078	5,836	7,052	877	29,605	9.86%	2.239
1990	34,861	20,767	5,355	7,792	947	30,860	11.48%	2.252
1995	35,598	20,776	5,637	8,238	947	31,512	11.48%	2.164
2000	37,567	21,747	5,743	9,130	947	33,255	11.48%	2.252
2005	42,143	26,804	5,475	9,721	863	37,545	10.91%	2.19

SOURCES: State Department of Finance 2005, Population Research Unit
 *1992 Housing Element, City of Newport Beach

POPULATION TRENDS

The City rate of population growth exceeded the County rate of population growth through 1950. However, since 1950 the City’s proportionate gain in population has been substantially less than that of the County. Annexations of the West Newport Triangle in 1980, a portion of Santa Ana Heights in 1987, and construction of large housing developments helped to increase City population 6.5 percent between 1980 and 1990. Construction of housing developments contributed to an increase of City population of 15.2 percent between 1990 and 2000. The City growth rate was projected to decline by 2000 and beyond as vacant land becomes increasingly scarce. Population increases after 2000 generally were anticipated to be accommodated through intensification of land uses and annexation of the Newport Coast and Santa Ana Heights areas. Past and future populations of both Orange County and Newport Beach are presented below. Newport Beach population will continue to constitute a decreasing percentage of the County population.

Table H15 Population Growth, Orange County and Newport Beach, 1910–2010

	Orange County		Newport Beach		City Population as a % of County Population
	Population	Growth Rate	Population	Growth Rate	
1910	34,436		445		1.3%
1920	61,375	78.2%	894	101%	1.5%
1930	118,674	93.4%	2,203	146.4%	1.8%
1940	130,760	10.2%	4,438	101.4%	3.4%
1950	216,224	65.4%	12,120	173.1%	5.6%
1960	703,925	225.6%	26,565	119.2%	3.8%
1970	1,420,386	101.8%	49,442	86.1%	3.5%
1980	1,932,709	36.1%	62,556	26.5%	3.2%
1990	2,410,556	24.7%	66,643	6.5%	2.8%
2000*	2,828,400	17.3%	76,772	15.2%	2.7%
2010*	3,168,942	12.0%	83,737	9.1%	2.6%
2020	3,673,046	13.8%	88,676	5.6%	2.4%

SOURCES: U.S. Census of Population and Housing and California Department of Finance
 * Projected 2000–2010 Data—Orange County Progress Report (2000)

Supply of vacant land to support new residential development in the City of Newport Beach has diminished rapidly. Immigration, still a strong factor in population growth in Orange County, is a small contributor to population growth in Newport Beach. Projected data for Orange County provides additional evidence that vacant land throughout the County is diminishing. County population is projected to increase by 13.8 percent between 2010 and 2020. The City of Newport Beach population is projected to increase only 5.6 percent during that time period, representing a slowing of growth by almost 40 percent.

The 2000 Census estimates the vacancy rate to be 3.5 percent for Orange County in 2000. Of these vacant units, approximately 1 percent is used for seasonal, recreational, or occasional use.

Use of units as second homes between 1970 and 1990 did not explain the reduction in population growth relative to increase in number of households. This trend instead was attributable to a sizeable reduction in average size of City households. Average household size in 1970 was 2.6; the 1980 Census reported an average household size of 2.2. Between 1980 and 1990, this rate increased to 2.3 persons per unit. Decreases in household sizes are occurring in most communities in California. The decrease in average persons per household between 1970 and 1980 and the increase in average persons per household between 1980 and 2000 are shown below. This trend is consistent with the trend in Orange County.

<i>Area</i>	<i>1970</i>	<i>1980</i>	<i>1990</i>	<i>2000</i>
Newport Beach	2.6	2.2	2.3	2.25
Orange County	3.2	2.7	3.1	3.06

SOURCES: 1990 U.S. Census
Orange County Progress Report 2000

Reduction in household size in Newport Beach between 1970 and 2000 had been the result of increased numbers of persons 65 years of age and older and reduced numbers of child-rearing households and child population in the City. This trend is documented by Table H17 (Population by Age, City of Newport Beach 1970–2000). Table H18 further indicates a general aging of the population of the City between 1990 and 2000. However, it also shows an increase in “under 5” and “5 to 13” age categories, which in part may explain the slight increase in numbers of persons per household.

Table H17 Population by Age, City of Newport Beach, 1970–2000

Year	Age					
	<5	5–13	14–17	18–34	35–64	65+
1970	2,343	6,434	3,799	13,389	18,602	4,859
% of Total	4.7%	13%	7.7%	27.1%	37.6%	9.8%
1976	1,835	6,460	4,270	19,169	24,934	6,240
% of Total	2.9%	10.3%	6.8%	30.5%	39.6%	9.9%
1980	1,663	5,135	3,843	19,342	25,285	7,288
% of Total	2.7%	8.2%	6.1%	30.9%	40.4%	11.7%
1990	2,578	4,115	2,197	19,573	27,862	10,318
% of Total	3.9%	6.2%	3.3%	29.4%	41.8%	15.5%
2000	2,941	5,890	2,291	16,245	30,457	12,198
% of Total	4.2%	8.4%	3.3%	23.1%	43.5%	17.4%

SOURCES: 1970, 1980, 1990, and 2000 U.S. Census and 1976 Special Census for Newport Beach
 Percentages may not add to 100% due to independent rounding.

* These figures correspond to the age group 15–34.

In addition, public school enrollment in the Newport-Mesa Unified School District increased at a rate significantly greater than population growth after 1990, as indicated on Table H18.

Table H18 School Enrollment, 1970–2000

	1970	1980 (% change)	1990 (% change)	2000 (% change)
Public*				
K to 8	5,681	4,495 (-20.9%)	4,157 (-7.5%)	5,878 (+41.4%)
9 to 12	3,299	3,699 (+5.4%)	2,371 (-35.9%)	3,376 (+42.4%)
<i>Subtotal</i>	<i>8,980</i>	<i>8,194 (-11.7%)</i>	<i>6,528 (-20%)</i>	<i>9,254 (+41.8)</i>
Private**				
K to 8	882	902 (+2.3%)	Information not available	
9 to 12	157	200 (+27.4%)		
<i>Subtotal</i>	<i>1,039</i>	<i>1,102 (+6.1%)</i>		
TOTAL	10,019	9,296		

SOURCES: * Newport-Mesa Unified School District
 ** City of Newport Beach Planning Department.

HOUSEHOLD CHARACTERISTICS

Ethnicity

The following information is based on the most recent information (2000 Census of Population and Housing) available for the City of Newport Beach, as supplemented with information from *Orange County Progress Report, 2000*. The City of Newport Beach was more diverse racially and ethnically in

2000 than in 1990. Persons who classified themselves as white in 1990 comprised 92.5 percent of the City population. Those classifying themselves as Hispanic in 1990 comprised 4 percent of the City population; in 2000 that increased to 6.2 percent. The percentage of the City population who identified themselves as black in 1990 was .2 percent; in 2000 this increased to 0.5 percent. Table H19 shows the 1990 and 2000 racial and ethnic composition of Newport Beach. Comparative figures for Orange County are also provided.

Table H19 Racial and Ethnic Composition

<i>Race and Ethnicity</i>	<i>Year</i>	<i>City of Newport Beach</i>		<i>County of Orange</i>	
		<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
White	1990	61,693	92.5%	1,557,956	64.6%
	2000	64,583	92.2%	1,844,652	64.8%
Black	1990	152	0.2%	38,825	.6%
	2000	371	.5%	47,649	1.7%
Asian/Pacific Islander	1990	1912	2.9%	244,407	10.1%
	2000	2,804	4.0%	386,785	13.6%
Hispanic	1990	2,671	4.0%	556,957	23.1%
	2000	3,301	4.7%	875,579	30.8%
Other	1990	215	0.3%	12,411	0.5%
	2000	792	1.1%	421,208	14.8%
Total	1990	66,643	100%	2,410,556	100%
	2000	70,032	100%	2,846,289	100%

SOURCES: Orange County Progress Report 2000, Center for Demographic Research; U.S. Census 2000. Numbers are rounded to nearest decimal place and may not add up to 100%

Table H20 Racial and Ethnic Composition, Newport Coast

<i>Race and Ethnicity</i>	<i>Year</i>	<i>Newport Coast</i>		<i>County of Orange</i>	
		<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
White	2000	2,085	78.1%	1,844,652	64.8%
Black	2000	7	0.3%	47,649	1.7%
Asian/Pacific Islander	2000	483	18.1%	386,785	13.6%
Hispanic	2000	112	4.2%	875,579	30.8%
Other	2000	8	0.3%	421,208	14.8%
Total	2000	2,671	100%	2,846,289	100%

SOURCES: Orange County Progress Report 2000, Center for Demographic Research. U.S. Census—2000. Numbers are rounded to nearest decimal place and may not add up to 100%

Table H21 shows 2000 Census ethnic data for the City of Newport Beach and the County of Orange by head of household.

Table H21 Head of Household by Ethnicity, Newport Beach and Orange County, 2000

Race and Ethnicity	Newport Beach		Orange County	
	Heads of Household	Percentage	Heads of Household	Percentage
Non-Minority White	30,175	90.97%	605,493	58.65%
Black*	145	0.43%	16,493	1.59%
American Indian, Eskimo, Aleut	74	0.02%	5,548	0.53%
Asian & Pacific Islander	1,130	3.4%	111,365	10.78%
Other	430	1.29%	111,111	10.76%
Spanish Origin	1,215	3.66%	182,312	17.66%
Total	33,169		1,032,322	

SOURCE: U.S. Census Bureau 2000

Household Incomes

An important component of housing affordability is household income. Upper income households have substantial discretionary income to spend on housing; low- and moderate-income households are more limited in terms of housing they can afford. Median household income in Newport Beach traditionally has been greater than that of Orange County. In 1990, City median household income was 31.5 percent higher than County household median income. In 2000, City median household income had become 41.8 percent higher than County household median income.

Table H22 Median Household Incomes (1980–2000), Orange County and Newport Beach

Year	Orange County	Newport Beach	(% of County)
1980	\$22,806	\$27,516	(+20.7%)
1990	\$45,922	\$60,374	(+31.5%)
2000	\$58,820	\$83,455	(+41.8%)

SOURCE: U.S. Census, 1980, 1990, 2000

Housing Affordability

Housing affordability is best assessed by analyzing level of payment in comparison to ability to pay. In 2000, the majority of housing in the City of Newport Beach was priced over \$500,000. Median value of housing in the City was \$708,200, according to the 2000 Census of Population and Housing. The most recent survey data of amount of income spent on housing in Newport Beach comes from the 2000 U.S. Census. For renters, 35 percent of renter households spent 30 percent or more of their income on rent. For homeowners, 35 percent of households with mortgages spent 30 percent or more of their monthly income on mortgage payments. Currently, lenders are allowing households to pay between 29 percent and 35 percent of their gross income for housing. Table H23 shows income spent on housing by income group, expressed according to rent/mortgage as a percentage of income for households in the City of Newport Beach.

Table H23 Income Group Housing Expenditure, 2000					
	<i>Rent/Mortgage as a % of Income</i>				
	<i><20%</i>	<i>21-24%</i>	<i>25-29%</i>	<i>30-34%</i>	<i>35%+</i>
\$0-\$9,999 (Very Low)					
Renters	25	11	21	24	586
Owners	12	0	0	0	0
\$10,000-\$19,999(Very Low)					
Renters	32	11	20	18	841
Owners	53	7	26	27	513
\$20,000-\$34,999(Very Low)					
Renters	27	48	95	175	1,352
Owners	250	60	60	66	499
\$35,000-\$49,999 (Low)					
Renters	153	189	375	306	897
Owners	339	74	58	39	526
\$50,000+ (Moderate and Above Moderate)					
Renters	6,140	1,822	752	400	499
Owners	6,432	1,490	1,262	900	2,707
TOTALS					
Renters	6,377	2,081	1,263	923	4,175
Owners	7,086	1,631	1,406	1,032	4,245
SOURCES: U.S. Census 2000; Southern California Association of Governments (SCAG)					

Cost of contract rental housing in the City of Newport Beach is higher than the cost of rental housing in the County of Orange. Contract rent is monthly rent agreed to or contracted for, regardless of furnishings, utilities, fees, meals, or other included services. Median contract rent in Orange County was \$923 in 2000. Median monthly rent in the City was \$1,257 in 2000.

In its 1988 Regional Housing Needs Assessment, the Southern California Association of Governments calculated that of 4,431 lower-income households, paid more than 30 percent of their income for housing. According to SCAG estimates, 2,625 very low-income households and 1,806 low-income households paid more than 30 percent of their income for housing. In 1990, 2,583 very low-income and 4,071 low-income households paid more than 30 percent of their income for housing. "Low Income" households are those households with annual incomes between 50 and 80 percent of the County median household income. "Very Low Income" households are those households with annual incomes of 50 percent or less of the County median household income.

State and federal standards for housing overpayment are based on an income-to-housing cost ratio of 30 percent and higher. Households paying more than 30 percent of their incomes for housing have less income remaining for other living necessities. Upper income households generally are capable of paying a larger share of their incomes for housing; therefore, estimates of housing overpayment generally focus on lower income groups. To distinguish between renter and owner housing overpayment is important because, while homeowners may over extend themselves financially to

purchase a home, the owner always maintains the option of selling the home. Renters are limited to the rental market and generally are required to pay the rent established in that market.

The number of higher-income households paying more than 30 percent of their income for housing is an indication of unique standards of housing affordability in Newport Beach. In addition, a higher allocation of income toward housing was perceived as justified because of investment qualities of housing in the City. Also, higher expenditures on housing may be justified when tax advantages are considered and incomes are expected to increase while housing expenses remain fixed.

Overcrowding

Overcrowded households are those in which the ratio of persons/room exceeds one. The substantial reduction in the average household size in the City of Newport Beach in the last third of the twentieth century indicates the majority of City households are not overcrowded in terms of persons per dwelling unit. The 2000 U.S. Census figure is 1.9 persons per dwelling unit. This figure is well below state and regional averages.

The 1990 U.S. Census indicated that in Newport Beach 66 (0.4 percent) owner-occupied units and 406 (2.8 percent) renter-occupied units included more than 1.01 persons per room. In 2000, these figures were 102 (0.55 percent) for owner-occupied units and 513 (3.4 percent) of renter-occupied units. County of Orange figures for 2000 show 7.8 percent overcrowding among owner-occupied units, and 28.3 percent overcrowding among renter-occupied units.

EMPLOYMENT TRENDS AND PROJECTIONS

The California State Employment Development Department estimated the total labor force among the Newport Beach population in June 2000 was 45,780, of whom 44,990 were employed. Labor force is defined as the number of people 16 years of age and older (who reside within the City of Newport Beach) that are employed or are seeking employment. The Center for Demographic Research estimated that in 1997 the labor market in the City of Newport Beach was as follows: agriculture (133); mining (39); construction (2,046); manufacturing (2,533); transportation and public utilities (1,822); trade (13,206); finance, insurance and real estate (9,980); services (26,657); government (1,902); and, self-employed (5,661). This indicated a total of 63,979 jobs in the City of Newport Beach. Projected employment opportunities in Newport Beach in year 2005 will be 73,241, according to the Center for Demographic Research.

Table H24 compares Southern California Association of Governments City projected employment growth (as presented in the *Orange County Progress Report 2000*) with projected employment growth for Orange County. This reflects the number of jobs available within the City. Data related to employment differ substantially between Center for Demographic Research and California State Employment Division Development Department estimates. The 1997 number below is a California State Employment Development Department calculation; the 2000–2020 projections are Center for Demographic Research estimates.

The Center for Demographic Research has indicated employment in the City is expected to increase by 9,262 jobs (14.5 percent) between 1997 and 2005. The projected countywide employment increase is 292,455 (21.7 percent) during that same period. The City will have about 4.4 percent of the jobs in Orange County by year 2005.

Table H24 Employment—Newport Beach and Orange County

<i>Year</i>	<i>Newport Beach</i>	<i>Orange County</i>	<i>City Employment/ County Employment</i>
1997	63,979	1,370,323	4.7%
2010*	75,110	1,796,726	4.2%
2015*	76,980	1,897,350	4.1%
2020*	78,325	1,975,074	4.0%

SOURCES: Orange County Progress Report 2000
*California State Employment Development Department

Summary

Although employment opportunities within Newport Beach will continue to increase, those increases will also continue to comprise a smaller percentage of the overall job creation within the County. Consequently, additional demand for housing within Newport Beach will be as much a result of overall employment growth within the County, as it would be because of employment growth within the city.

SPECIAL NEEDS POPULATION GROUPS

Certain segments of the population may have a more difficult time finding decent affordable housing due to special circumstances. The state of California defines “special needs” households as the elderly, disabled persons, large families, female-headed households, farm workers, and the homeless. This Housing Element has included students and people living with HIV/AIDS in the “special needs” population. The Census Data from 2000 is not consistent in its identification of special needs households versus individuals with special needs. In some cases, individuals may qualify under several categories at the same time (e.g. a woman may be the female head of household and be over 65 years of age). The best indicators for quantifying the special needs population from the data indicate that in the City of Newport Beach in 2000:

- 12,649 people were 65 or older
- 1,046 households were headed by females with children
- 8,386 people were disabled
- 41 people were farm workers
- There existed an undetermined number of homeless

Data from the 2000 Census of Population and Housing indicate the “special needs” population in Newport Beach most in need of affordable housing is senior citizens (those at least 65 years of age). A large percentage of Newport Beach senior citizens in 2000 had a work disability with a mobility or self-care limitation. Demonstrated need for affordable senior housing has further been supported by social service providers in Newport Beach, who maintain in interviews that such housing and transportation are the primary needs for senior citizens receiving social services.

Students attending the University of California, Irvine (UCI) or Orange Coast College (OCC) in Costa Mesa also reside in Newport Beach. The UCI Student Housing Office has estimated that approximately 800 UCI students reside in the City of Newport Beach. A comparable number of OCC

students are also assumed to reside in Newport Beach. However, any numbers obtained for students should be considered with caution because both campuses stress they neither have exact data on students living in Newport Beach, nor can they guarantee those students who claim to live in the City actually do. The Student Housing Offices provide information to students on locating housing but students do not necessarily obtain housing through the offices. Also, Student Housing Offices have no way of tracking residences of students. Contact was made with the UCI Transportation Office to attempt to ascertain the number of students traveling between UCI and Newport Beach. However, that shuttle service was discontinued in 1999 due to lack of riders. This may be due to most students having automobiles.

The most recent study on housing costs completed by the University of California, Irvine Housing Office was in 1988. That study was based on number of rooms and made no distinction between apartments and homes. Rents then ranged from \$596 per month for a one bedroom, one bath apartment, to \$1,543 per month for a four bedroom, two-bath unit. Average cost of housing in Newport Beach typically occupied by students has risen dramatically since completion of that study. Those costs for year 2000, based on students helped, are as follows:

Studio-1 bedroom, 1 bath	\$900-\$1,600/mo
2 bedroom, 1 bath	\$1,000-\$1,600/mo
3 bedroom, 2 bath	\$1,500-\$2,400/mo
4 bedroom, 2 bath	\$2,000+/mo
SOURCE: UCI Student Services, Housing Information	

Most students who reside off campus live in West Newport, Balboa Peninsula, or Balboa Island. Rent prices on Balboa Island are higher than many other areas in the City of Newport Beach. Students afford these prices by living with other students and sharing costs, a practice that may lead to overcrowded conditions. No subsequent study of student housing has been conducted.

Persons with Disabilities

According to the 2000 Census, 8,386 persons in Newport Beach had a disability, comprising approximately 12.5 percent of the population five years and older. Disabilities are defined as mental, physical, or health conditions that last over six months. The proportion of individuals with disabilities increases with age. Approximately 6 percent of children and adolescents aged 5 to 20 had a disability, compared to 10 percent of adults aged 21 to 64 and 26 percent of seniors.

The most prevalent public need for persons with disabilities is access to public places, housing and facilities. Those with handicaps include persons who are blind, deaf, mute, confined to bed or wheelchair, or who require crutches. A survey conducted by the Dayle McIntosh Center for the Disabled in 1987 questioned 14,000 disabled residents in Orange County. The study concluded the two most prevalent housing needs for persons with disabilities are accessibility and affordability.

Mobility impaired individuals require special housing or structural needs. These include, but are not limited to, wheelchair ramps, widened doorways, grab bars, and access ramps. Certain individuals may require housing that has access to health care facilities. From available Census data it is not possible to

determine how many of these handicapped persons need housing assistance. The City has produced two units designed for handicapped occupancy in one of its rent restricted, financially assisted housing developments. Rental on these two units was restricted to allow use of Section 8 rental assistance Certificates or Vouchers. These units also are located in close proximity to the largest concentration of health care facilities within Newport Beach.

Female Head of Household

Single-parent households often require special consideration and assistance as a result of their greater need for affordable housing, accessible and affordable day care, health care, and other supportive services. Female-headed households with children in particular, tend to have significantly lower incomes, lower rate of homeownership, and higher poverty levels than other types of households.

Data from the 2000 U.S. Census indicates that there were 1,046 female-headed households with children under 18 years in Newport Beach. The data also revealed that 8.1 percent (99) of these female-headed households with children were living below the poverty level. However, the extent of poverty experienced by female-headed families in Newport Beach was significantly lower than the countywide rate of 21.1 percent.

Elderly

In 2000, the fastest growing segment of the County population was older adults (ages 65 and older). Federal regulations stipulate senior citizens are presumed to have “presumptive benefit” for *Americans with Disabilities Act* mandated provisions. Additionally, special housing needs of many elderly persons result from lower, fixed incomes, physical disabilities, and dependence needs. The County of Orange estimated that 8 percent of senior citizens in Orange County were homebound or shut-ins, and approximately 46 percent of the elderly residing in the County required some assistance to remain independent.

Since 1960, the elderly population in Newport Beach has grown steadily, and there is no indication of this trend reversing. According to the 2000 Census, 12,295 persons in Newport Beach were aged 65 years and older representing 17.6 percent of the City’s population. The percentage of older persons in the City is large compared to the region. In 2000, only 9.9 percent of Orange County residents were 65 years of age or older. Due to aging “baby boomers,” the 65 years and older age group has been, proportionately, the fastest growing segment of the total population in the previous two decades. The number of elderly can be expected to increase as persons between the ages of 35 and 64 continue to mature.

Many elderly persons residing in Newport Beach are long-time residents. However, many others have arrived more recently to pursue a retirement lifestyle suited to the area’s attractive locale. Those persons in the latter category generally are well housed because their housing arrangement was chosen to match their retirement lifestyle and financial situation. Persons in the former category are more often living in houses purchased before real estate prices increased dramatically. Many of these individuals today would be unable to afford the house in which they are currently living. Furthermore, these homes may no longer match their housing needs regarding space, maintenance, and proximity to community facilities. Thus, persons living on low, fixed incomes may be “house rich” in terms of accumulated equity in their homes, but poorly served by the housing unit itself. In such cases, elderly residents may retain their houses only because they wish to remain in the community. Alternative living arrangements in the community, such as smaller units close to commercial and transportation

facilities with some congregate services, would better serve the housing needs of this population segment.

According to the Housing and Urban Development (HUD) Data Book, 7,484 owner and rental households in the City of Newport Beach were elderly and two-member households in 1990. These households represented 21.5 percent of the total households in the City. Of the 7,484 elderly owner and renter occupied households, 2,437 such households had problems as defined by HUD. Of the 2,437 households with problems, 1,170 had cost burdens greater than 30 percent of household income(s) and 1,267 had severe cost burdens of greater than 50 percent of household income. Of 1,880 elderly occupied rental households, 1,223 had housing problems. Of these 1,223 renter households with housing problems, 1,205 had cost burdens greater than 30 percent and 695 had severe cost burdens of greater than 50 percent. Of 5,604 elderly owner occupied households, 1,222 had housing problems. Of 1,222 households having problems, 572 households had severe cost burdens greater than 50 percent.

2000 Census data indicated that 412 elderly persons in the City were living below the federally established poverty line. Escalating housing costs, particularly in the rental housing market, severely impact housing affordability for the elderly because many of the elderly live on fixed incomes.

Many residents in the City reside in mobile home parks. A number of long-time elderly residents live in older parks developed in the 1950s and 1960s. Others live in mobile home parks close to the Bay that cater to the retirement lifestyle.

Assistance for low-income elderly is a high priority for the City of Newport Beach. Additionally, there are many social service programs whose clients include the elderly in Orange County. Including the Section 8 “Certificate” and “Housing Voucher” programs administered by the Orange County Housing Authority, Meals on Wheels, and various social service programs provided by and through the City’s OASIS Senior Center. A more detailed description of these programs is contained in the Appendix to this Housing Element.

Large Households

Families are defined as groups of persons related by blood, marriage, or adoption. Households represent all persons living together as groups, whether related or not. The City has identified total households and families with five or more persons.

Table H26 shows distribution of number of persons per household as indicated in the 2000 U.S. Census and demonstrates the number of large households in the City of Newport Beach comprises only 4.5 percent of all Newport Beach households.

<i>Number of Persons per Household</i>	<i>Number of Households</i>
1	11,698
2	12,996
3	4,200
4	2,769
5	1,134
6	304
7+	47
<i>Total Households</i>	<i>33,148</i>
SOURCE:	2000 US Census

Homelessness

Homelessness continues to remain a growing issue in the United States. Factors that contributed to the increase in homelessness included a lack of housing affordable to low and moderate-income persons and families, increases in number of persons whose incomes fell below the poverty level, reductions in public subsidies to the poor, and de-institutionalization of the mentally ill.

Homelessness is a regional problem throughout Southern California. Homeless persons and families exist in every city and populated unincorporated area of Orange County. Various organizations, institutions, and agencies often generate strikingly different calculations of homeless individuals/families. This Element relies on information contained in the Orange County 2005–2010 Consolidated Plan (OCCP) which indicates in year 2004 there were 34,999 homeless persons in Orange County, of which, seven percent are families with children.

The County has developed and assists in funding a housing and service delivery system—the Continuum of Care—that responds to the needs of the region’s homeless. The Continuum of Care was established through a community-based process to ensure the region’s residents and homeless are empowered to affect changes in the existing social services system. The Orange County Community Forum, Orange County Leadership Cabinet, and Orange County Department of Housing and Community Development have shared responsibility for planning and implementing the regional Continuum of Care. Orange County’s thirty-four cities and various County agencies have committed more than \$22,800,000 in “mainstream” funds to meet the needs of the region’s homeless. Although programs are available to shelter and serve the homeless, service gaps remain in the County Continuum of Care service delivery system.

According to the 2005 Continuum of Care Housing Gaps Analysis, Orange County has a total homeless shelter bed inventory of 4,747, comprised of emergency shelter beds, transitional shelter beds, and permanent supportive housing facilities for individuals and families with children. Currently, 601 beds are under development. According to the 2005–2010 Orange County Consolidated Plan, there is an unmet homeless housing need gap of 19,575 beds for homeless individuals and 118,537 beds for families with children. The largest housing gap is for permanent supportive housing. Additionally, there are current unmet needs (gaps) for individuals in the following categories (expressed as estimated need/current inventory/unmet need [gap]): chronic substance abusers

(6,328/1,018/5,310); seriously mentally ill (2,218/51/2,167); veterans (471/0/471); persons with HIV/AIDS (2,029/33/1,996); victims of domestic violence (6,988/375/6,613); and youth (492/79/413).

Please note that homeless sub-populations do not total 34,999 because there are homeless who fall into more than one sub-population category and/or not all homeless fall within the federal Department of Housing and Urban Development designated sub-populations listed (e.g., homeless families who are under-employed and unable to afford housing would not be captured under the sub-population categories listed, but would be captured in the total homeless count of 34,999).

Local Strategy

The 2000 U.S. Census did not identify any homeless persons in the City of Newport Beach. However, according to the Newport Beach Police Department, a few homeless and transients are occasionally observed traveling through the City, and several have been observed staying in the area overnight in drainage channels overgrown with vegetation. Although homeless and transient persons only are occasionally found in Newport Beach, state law requires each jurisdiction to provide adequate sites to facilitate development of emergency and transitional shelters.

Research of local agencies consisted of contacting those groups that provided assistance to persons in need of emergency shelter and assistance. The City has been requiring Social Service agencies receiving CDBG funds to provide information regarding the most recent permanent residence(s) of persons helped. This requirement was established as part of a Housing Element program implementation action. In many cases better information has been provided; improved counting is still required, agencies without expanded reporting requirements could not provide better information than in 1986. These agencies that provide housing and other services for the homeless in the region include the Orange County Housing Authority, the Orange Coast Interfaith Shelter, Saddleback Community Outreach, the YMCA/YWCA, Friends in Service to Humanity, and the American Red Cross. Detailed descriptions of services offered by these agencies are contained in the Appendix to this element.

Newport Beach allows emergency shelters and transitional housing subject to a Use Permit in all multi-family residential and commercial zones. In terms of discretionary review, these uses are considered “group homes” by the City’s Zoning Code. Housing Program 5.1.4 promotes the City’s practice of continuing to allow emergency shelters and transitional housing subject to the provisions in the Zoning Code. It should be noted that the Use Permit requirement is not considered a constraint since it is no more restrictive than Use Permit requirements for other potentially conflicting land uses in those zones. It should be noted that if the shelter has fewer than 7 individuals, then the shelter is a permitted use in single-family zones.

The City’s strategy to address homelessness in the City is to adopt the regional homeless priorities and strategies, listed herein, as its own. The City will continue to work with the area’s Continuum of Care (CoC) providers to address the CoC priorities and goals. In addition, the City continues to utilize CDBG funds to support local and regional homeless and at-risk homeless providers (Appendix 1). The following section provides the regional strategies that have been adopted by the County.

Regional Strategy

The County of Orange has in place a comprehensive, coordinated, and regional Continuum of Care strategy which includes the participation of all 34 cities in the County, County agencies, homeless housing and service providers, and other community groups (including non-profits, local governmental agencies, faith-based organizations, the homeless and formerly homeless, as well as interested business leaders) to identify the gaps and unmet needs of the County's homeless.

Leadership and coordination of Orange County's CoC planning process is the shared responsibility of the Orange County HCS Department, Info Link Orange County, and the OC Partnership. Known as the Community Forum Collaborative (Collaborative), this public-private-nonprofit partnership helps ensure comprehensive, regional coordination of efforts and resources to reduce the number of homeless and persons at risk of homelessness throughout Orange County. The cumulative role of the Collaborative is to act as a regional convener of the year-round CoC planning process and as a catalyst for the involvement of the public and private agencies that make-up the regional system of care.

To facilitate their mission, the Orange County Continuum of Care Steering Committee and the Leadership Cabinet were formed. This grassroots, community-based effort, in conjunction with a comprehensive needs assessment, resulted in the development of funding priorities aimed to serve the most pressing, unmet needs of the homeless in Orange County. Orange County's regional CoC provides emergency, transitional, and permanent supportive housing, plus services, to address the needs of homeless persons and enable transition to independent living. The CoC system serves the needs of the homeless through a range of nonprofit organizations (faith-based and community-based), federal, state, and local governmental agencies, public housing authorities, local businesses, schools and universities, law enforcement, private donors, and homeless/formerly homeless persons.

The CoC aims at ending chronic homelessness by 2012 through the following goals:

- Expand chronic homeless population served
- Expand services and shelter for chronic homeless veterans
- Community education and outreach
- Implement regional discharge plan

Farm Workers

The special housing needs of farm workers result from low wages and the seasonal nature of their employment. The 2000 Census of Population and Housing estimated farm workers comprised less than 0.2 percent of the population in Newport Beach and approximately 1 percent of the County population. Therefore, demand for housing generated by farm workers in the City was nominal and could be addressed adequately by overall housing affordability programs in the City and the County. This remains the case in the City of Newport Beach.

People Living with HIV/AIDS

This Housing Element includes a brief narrative pertaining to an additional special needs population not yet identified in state or federal legislation—people living with HIV/AIDS. Information

contained herein has been taken from the *Orange County HIV/AIDS Housing Plan, 1999*² prepared by AIDS Housing of Washington for the City of Santa Ana, and adopted by the Orange County Planning Council on December 8, 1999, and more updated information from the 2005-2010 Orange County Consolidated Plan

According to the County of Orange Health Care Agency, 6,429 Orange County residents with AIDS were reported during the period of 1981 to 2003, and an estimated 3,099 persons were living with AIDS. The population of persons with HIV/AIDS within Orange County tends to be regional in nature rather than concentrated in a particular city. In addition, minorities and women account for increasing proportions of Orange County cases.

For persons living with HIV/AIDS, access to safe, affordable housing is as important to their general health and well-being as access to quality health care. For many, the persistent shortage of stable housing is the primary barrier to consistent medical care and treatment. Persons with HIV/AIDS also require a broad range of services, including counseling, medical care, in-home care, transportation, food, and stable housing. Today, persons with HIV/AIDS live longer and require longer provision of services and housing.

A variety of supportive programs and housing assistance for persons with HIV/AIDS are provided in Orange County. The Housing Opportunities for Persons with AIDS (HOPWA) Program is a federally funded housing program to address the specific needs of persons living with HIV/AIDS and their families. Since 1993, the City of Santa Ana has administered the HOPWA formula grant for communities in Orange County including Newport Beach. The Orange County HIV Planning Council, established in 1987, provides advice and makes recommendations to the County Health Officer regarding HIV policy issues, and serves as the Ryan White Title I Planning Council, the Ryan White Title II CARE Consortium, and the advisory body to the City of Santa Ana for the expenditure of HOPWA funds.

In Orange County, the problem of homelessness among those living with HIV/AIDS is exacerbated by the limited supply of affordable housing. The Orange County HIV/AIDS Housing Plan provides a framework for assessing and planning for the housing and housing-related support service needs of persons with HIV/AIDS and their families. The HIV/AIDS Housing Plan surveyed persons with HIV/AIDS. Despite the fact that most of the respondents were housed, 81 percent of all respondents indicated they had a housing cost burden and half indicated they had a severe housing cost burden, a sign of a precarious housing situation. The Housing Plan indicated that an acute need exists for affordable permanent housing units and subsidized housing programs that are accessible to persons with HIV/AIDS. As of 2002, approximately 524 emergency, transitional, and permanent housing and vouchers were available to persons living with HIV/AIDS.

Additional programs that serve people living with HIV/AIDS through the County of Orange include the Orange County Special Populations Action Team (SPAT) and the AIDS Drug Assistance Program (ADAP). SPAT provides training, technical assistance, advocacy and support to ensure that HIV prevention education and services are truly accessible to persons with various disabilities, including those with HIV/AIDS. ADAP provides drugs to individuals who otherwise could not afford them. The drugs provided by ADAP have been determined to prolong quality of life and to delay the deterioration of health among individuals infected with HIV/AIDS.

² *Orange County HIV/AIDS Housing Plan*. Prepared by AIDS Housing of Washington for the City of Santa Ana, Adopted by the Orange County Planning Council December 8, 1999

Summary

The housing needs of the Special Needs population will be addressed through Goal H5 of this element. The needs of the senior population are particularly recognized by the City and are addressed by each goal of the Housing Element.

HOUSING NEEDS

RHNA Allocation

In accordance with State Housing Element law, the Southern California Association of Governments (SCAG) has prepared a Regional Housing Needs Assessment (RHNA) to identify the housing need for each jurisdiction within the SCAG region. This model was prepared for the period 1998–2008 (extended from June 30, 2005, by the State Department of Housing and Community Development). The RHNA allocates Newport Beach's share of housing units required to satisfy housing needs resulting from projected growth in the region. To accommodate projected growth in the region, SCAG estimates the City needs to target its housing unit production to accommodate 476 new housing units. State law requires SCAG to distribute new units on the basis of income to avoid further impactation of localities with relatively high proportions of low-income households. It also is required that existing housing need be identified. SCAG identified this need by using the Department of Housing and Urban Development (HUD) standard of overpayment. Households overpaying are households with incomes below 80 percent of the county median household income and paying more than 30 percent of their income toward housing/ shelter. SCAG estimated existing need by applying percentage of overpaying households enumerated in the 1990 Census to current City population. Using this method of estimation, existing need in Newport Beach is 476 dwellings. The tables below indicate future need for housing in Newport Beach and its distribution by income group as calculated by the RHNA. The “special needs” population in Newport Beach most numerous and in need of affordable housing is senior citizens (age 65 and older). Twenty-six percent of this population has a disability and 3 percent lived near or below the federal poverty level.

Table H27 Projected Regional Demand in Newport Beach, 1998–2008

<i>Household Growth</i>	<i>Net Vacancy Adjustment</i>	<i>Demolition Adjustment</i>	<i>Total Construction Need</i>
971 units	- 669 units	174 units	476 units

SOURCE: Southern California Association of Governments

Table H28 Total Construction Need by Income, 1998–2008

<i>Very Low</i>	<i>Low</i>	<i>Moderate</i>	<i>Above Moderate</i>	<i>Total</i>
86	53	83	254	476
18%	11%	17%	53%	100%

SOURCE: Southern California Association of Governments

**Table H29 Total Construction Need by Income
Newport Coast, 1998–2008**

<i>Very Low</i>	<i>Low</i>	<i>Moderate</i>	<i>Above Moderate</i>	<i>Total</i>
	95		850	945
SOURCE: Newport Coast Annexation Agreement				

Newport Coast

The Newport Coast area, annexed to the City on January 1, 2002, is a planned community that was approved by the County of Orange. With the annexation of Newport Coast in 2001, the City agreed to transfer 945 units from the Orange County Regional Housing Needs allocation to the Newport Coast area. This agreement was made since the Irvine Company committed to the County to fulfill its allocation. However, since the County is still responsible for issuing building permits for the area, the analysis on meeting the RHNA allocation does not include the 945 Newport Coast units.

Inventory of Land Suitable for Residential Development

The City of Newport Beach is not a residential developer and therefore must rely on private developers or organizations that have the capacity to acquire and manage affordable housing or “at-risk” housing developments. The following section of the Housing Element provides an inventory of land determined suitable for development of affordable housing.

In 2006, the City completed a comprehensive update of its General Plan including an update of the Land Use Element. The General Plan recognizes that most of the City will be conserved with its existing pattern of uses and establishes policies for their protection and long-term maintenance. However, the General Plan identifies nine areas where substantive land use changes may be anticipated over the next 20 years. Several of these areas provide an attainable opportunity to create approximately 5,000 new housing units in the community. In addition, all of the new residential units will be subject to the provisions of the City’s inclusionary housing program. The City’s goal over the remaining two years of the planning period is for an average of 15 percent of all new housing units to be affordable to very low, low, and moderate income households.

Since a limited amount of vacant land remains in the community, future housing development in accordance with the update of the General Plan would be achieved through infill development and reuse of sites with existing, possibly obsolete land uses. The land use changes in each of these areas are presented in Table H30.

John Wayne Airport Area

The Airport Area encompasses the properties abutting and east of John Wayne Airport (JWA) and is in close proximity to the Irvine Business Complex and University of California, Irvine (Figure H1). Existing uses include research and development, office, high technology, industrial and commercial uses. Development in the Airport Area is restricted due to the noise impacts of JWA. Much of the southwestern portion of the area is located in the JWA Airport Environs Land Use Plan (AELUP) 65 dBA CNEL, which is unsuitable for residential and other “noise-sensitive” uses. Additionally, building heights are restricted for aviation safety.

Figure H1 Airport Area

Pg 1—8.5x11 color

Table H30 Potential Residential Sites

Site	General Plan Designation	Zoning Designation	Dwelling Unit Capacity*	Density (du/acre)
Vacant				
Banning Ranch**	RV and OS	PC	1,375	Land Use Element requires a mixture of unit types and densities in development plan.
Infill/Mixed Use				
Airport Area	MU-H2	PC and APF	2,200	2,200 as replacement of existing office, retail, and/or industrial uses at 30 to 50 units per acre of which 550 units may be infill on surface parking lots..
Newport Center	MU-H3	PC, MFR, APF	450	Subject to maximum of 450 units and zoning height limits
Mariners' Mile	MU-W1 and MU-H1	SP	300	MU-W-1: <ul style="list-style-type: none"> ■ Mixed-Use FAR: 1.25 , with maximum 0.75 for residential ■ Multi-Family Residential: 12 du/acre (50% of site) MU-H-1: <ul style="list-style-type: none"> ■ Mixed Use: FAR 1.5, with 1.0 for residential ■ Multi-Family Residential: 20.1–26.7 du/ net acre
Balboa Peninsula Area			500–700	
Cannery Village	MU-H4 MU-W2	SP/RSC-MM		MU-H4 <ul style="list-style-type: none"> ■ Mixed Use: FAR 1.5, with 1.0 for residential ■ Multi-Family: 20.1 to 26.7 du/ net acre MU-W2: <ul style="list-style-type: none"> ■ Mixed Use: FAR 1.25, with 0.75 for residential
Lido Village	MU-W2 and RM (20/ac)	RSC		MU-W2: FAR 1.5 , with 0.7 for residential RM (20 du/acre)
Balboa Village	MU-V2	SP		MU-V2: FAR 1.5, with 1.0 for residential
McFadden Square	MU-W2	SP		MU-W2: FAR: 1.25, with 0.75 for residential
Total			4,825–5,025	

SOURCE: City of Newport Beach Planning Department and General Plan

MU-H1 = Mixed Use Horizontal 1

MU-H2 = Mixed Use Horizontal 2

MU-H3 = Mixed Use Horizontal 3

MU-H4: = Mixed Use Horizontal 4

RV = Residential Village

PC = Planned Community

SP = Specific Plan

RSC-MM=Recreational Marine Commercial, Mariners' Mile Overlay

APF = Administrative, Professional, Financial

MU-W1 =Mixed Use Water 1

MU-W2= = Mixed Use Water 2

MU-W3= Mixed Use Water 3

RM = Multiple Family Residential

MU-V2 = Mixed Use-Vertical 2

MFR = Multi-Family Residential

APF = Administrative, Professional, Financial

OS=Open Space

* Above existing uses

**Due to the high proportion of sensitive habitat areas, the actual number of buildable acreage will be determined in subsequent studies to be conducted in accordance with state and federal regulations.

The General Plan provides for the maintenance and limited expansion of the currently developed mix of uses. Additionally, it identifies this Area as one of the greatest opportunities in the community to create new residential neighborhoods including workforce housing, through the replacement of existing uses and new construction on underutilized surface parking lots.

The Land Use Element establishes criteria for the development of mixed use residential villages, each containing a minimum of 10 acres oriented around neighborhood parks, local-serving commercial uses and interconnected by a network of pedestrian-oriented streets. The updated Land Use Element identifies the capacity for 2,200 multi-family housing units as replacement and infill of office, retail, and/or industrial uses, under the Mixed Use Horizontal 2 (MU-H2) land use designation. The MU-H2 land use category provides for a horizontal intermixing of uses that may include work force multi-family housing and mixed-use buildings that integrate residential with ground level office or retail uses, along with supporting retail and parklands

The General Plan requires a minimum density of 30 units and maximum of 50 units per net acre averaged over the total area of each residential village. Net acreage shall be exclusive of existing and new rights-of-way, public pedestrian ways, and neighborhood parks. Within these densities, potential housing units include a mix of building types ranging from townhomes to high-rises to accommodate a variety of household types and incomes.

Newport Center

Newport Center is a regional center of business and commerce that includes major retail, professional office, entertainment, recreation, and housing in a master planned mixed-use development. Fashion Island, a regional shopping center, forms the nucleus of Newport Center (Figure H2).

The General Plan identifies the goal of creating a successful mixed-use district that integrates economic and commercial centers serving the needs of Newport Beach residents and the sub-region, with expanded opportunities for residential development. The Land Use Element creates a new residential land use designation of Mixed Use Horizontal 3 (MU-H3) on the northern portion of the subarea. The MU-H designation provides for the horizontal intermixing of regional commercial office hotel, multi-family residential and ancillary commercial uses. Up to 450 new higher-density multi-family housing units are accommodated in this area.

Banning Ranch

Located within the City's Sphere of Influence (SOI) in the western-most portion of the Newport Beach Planning Area, the Banning Ranch area encompasses approximately 518 acres, of which 465 acres (includes 47 acres of water features) are under the jurisdiction of Orange County, and 53 acres are within the jurisdiction of the City of Newport Beach. The site is located within the coastal zone boundary and is subject to the provisions of the Orange County Local Coastal Program (LCP). However, the site is referred to as a "white hole," because neither the City's nor the County's LCP provides land use designations for the Banning Ranch area (Figure H3).

Figure H2 Newport Center/Fashion Island
Pg 1—8.5x11 color

Figure H3 Banning Ranch
Pg 1—8.5x11 color

The updated Land Use Element prioritizes the retention of the Banning Ranch property as open space, consolidating existing oil operations, restored wetlands and habitat, and a community park to serve adjoining neighborhoods. However, due to the significant cost of purchasing the site and amount of the area that would need extensive habitat restoration, a large amount of revenue would need to be generated to help fund preservation of the majority of the property as open space.

Should the property not be acquired for open space, the Land Use Element considers the possible development of a mixed-density residential village, that would include open space, convenience commercial, and small hotel uses. Revenue generated by this proposed development would help to fund preservation of the majority of the site as open space.

The Land Use Element designates the Banning Ranch Area as Open Space (OS) and Residential Village (RV). This designation provides for the development of a planned residential community that integrates up to 1,375 single-family detached, single-family attached, two family, and/or multi-family residential, units with supporting schools, parks, community services, local-serving convenience commercial uses and services, and open spaces. Future development would require a master plan or specific plan to depict the specific uses, development standards, density levels, infrastructure improvements, design guidelines, and financial plan.

Balboa Peninsula Area

The Balboa Peninsula area is comprised of a series of coastal districts linked by the Newport Boulevard/Balboa Boulevard commercial and residential corridor. These include Lido Village, Cannery Village, McFadden Square, and Balboa Village. The General Plan identifies the potential for new mixed-use development within these areas (Figure H4 and Figure H5).

Cannery Village

Cannery Village is the historic center of the City's commercial fishing and boating industry and contains a mix of small shops, art galleries, professional offices, and service establishments. Recent redevelopment activity within this area has been composed of new residential and mixed-use development such as Cannery Lofts, a 22 unit live/work project. All of these units were market-rate, loft-style ownership units. Older developments include some single-family residential units combined with commercial uses on single lots. The updated Land Use Element designates the Cannery Village Area as Mixed Use H4 (MU-H4) and Mixed Use Water 2 (MU-W2)

The intent of the MU-H4 land use category is to create a distinct district or neighborhood containing multi-family residential homes with clusters of mixed-use and/or commercial buildings at intersections. Mixed-use buildings are permissible throughout the area. Density ranges for multi-family residential uses are 20.1 to 26.7 units per net acre. Mixed-use parcels have a maximum floor area ratio of 1.5 with a maximum floor area to land area ratio of 0.5 for commercial and maximum of 1.0 for residential uses.

The MU-W2 designation applies to waterfront parcels within Cannery Village. Permitted uses include mixed-use structures that vertically integrate housing within retail uses, where the ground floor shall be restricted to retail and other pedestrian-active uses along the street frontage and/or the upper floors used for residential units or non-residential uses including retail and office. Mixed-use parcels

have a maximum floor area ratio of 1.25; with a maximum floor area to land ratio of 0.35 for commercial and a maximum of 0.75 for residential purposes.

Lido Village

Lido Village is primarily developed with commercial uses including grocery stores, restaurants, salons, home furnishings, apparel, and other specialty shops. It also includes Lido Marina Village, a pedestrian-oriented waterfront development that includes visitor-serving commercial uses, specialty stores, and marine uses. The guiding General Plan goal for Lido Village is to create a mixture of land uses within a pedestrian-oriented village environment. To facilitate these uses, a portion of the Lido Village General Plan sub area has been designated as Mixed-Use Water 2 (MU-W2) and Multiple Residential (RM(20/ac)). The MU-W2 designation applies to waterfront parcels. Permitted uses include mixed-use structures that vertically integrate housing within retail uses, where the ground floor shall be restricted to retail and other pedestrian-active uses along the street frontage and/or the upper floors used for residential units or non-residential uses including retail and office. Mixed-use parcels within the Lido Village area have a maximum floor area ratio of 1.5; with a maximum commercial floor area to land ratio of 0.7 and a maximum of 0.8 for residential purposes.

The RM(20/ac) designation is intended to provide multi-family residential development containing attached or detached dwelling units up to 20 dwelling units/acre.

Balboa Village

Balboa Village has served as the center for recreational and social activities on the Peninsula. Many of the existing land uses include retail uses and are visitor-oriented and seasonal in nature. The Balboa Village core is surrounded by residences, with isolated pockets of commercial uses scattered along Balboa Boulevard. Balboa Village and the greater Peninsula have experienced a transition to year-round residential occupancy while the visitor uses have continued. The General Plan calls for a portion of the Village Core area to be designated as MU-V2 which provides for the development of mixed-use structures that vertically integrate retail commercial, and office or related functions on the ground floor and the upper floors used for residential units. Non-residential uses are also permitted including office and commercial activities. The floor area ratio for mixed use buildings is 1.5; with a minimum floor area ratio of 0.35 and maximum of 1.0 for residential uses.

McFadden Square

McFadden Square surrounds the Newport Pier and extends between the ocean front and harbor. Commercial land uses are largely concentrated in the strips along Balboa and Newport Boulevards, with residential along the ocean front and marine-related uses fronting the harbor. Numerous visitor-serving uses include restaurants, beach hotels, tourist-oriented shops (t-shirt shops, bike rentals, and surf shops), as well as service operations and facilities that serve the Peninsula. Historically, the area has been known for its marine-related industries such as shipbuilding and repair facilities and boat storage on the harbor. Much of the McFadden Square area is pedestrian-oriented, with storefronts facing the street, the presence of signage at a pedestrian scale, and outdoor furniture, providing a pleasant environment for visitors. The Land Use Element identifies a portion of McFadden Square as Mixed Use Water 2 (MU-W2). This designation is applied to waterfront locations in which marine-related uses may be intermixed with mixed use buildings that integrate housing with ground level

Figure H4 Balboa Peninsula Lido Village/Cannery Village/McFadden Square
Pg 1—8.5x11 color

Figure H5 Balboa Village
Pg 1—8.5x11 color

retail. The floor area ratio for mixed use buildings is 1.25, with a minimum floor area ratio of 0.35 and maximum of 0.75 for residential uses.

Mariners' Mile

Mariners' Mile is a heavily traveled segment of Coast Highway extending from the Arches Bridge on the west to Dover Drive on the east (Figure H6). It is developed with a mix of highway-oriented retail and marine related commercial uses. The latter are primarily concentrated on bay-fronting properties and include boat sales and storage, sailing schools, marinas, visitor-serving restaurants, and comparable uses. A number of properties contain non-marine commercial uses, offices, and a multi-story residential building. The General Plan identifies Mariners' Mile as a location appropriate for mixed-use development integrating residential and commercial or office space.

The Land Use Element identifies Mariners' Mile as Mixed Use Water 1 (MU-W1), Mixed Use Horizontal 1 (MU-H1) and General Commercial (CG).

On the inland side of Coast Highway, land is designated as Mixed Use Horizontal 1 (MU-H1), and General Commercial (CG-0.3 and CG-0.5) to accommodate a mix of visitor and local-serving retail commercial, residential, and public uses. Coast Highway frontages shall be developed for marine-related and highway-oriented general commercial uses, and properties located on interior streets may be developed for free-standing neighborhood-serving retail, multi-family residential units, or mixed-use buildings that integrate residential with retail uses on the ground floor. The floor area ratio of mixed-use buildings is 1.5; with a maximum commercial floor area to land ratio of 0.5 and a maximum of 1.0 for residential uses. Densities for multi-family residential uses range from 20.1 to 26.7.

Bayfronting properties along Mariners' Mile are designated MU-W1 which permits the inter-mixing of marine-related and residential uses. Permitted uses include multi-family residential, mixed-use and commercial activities. Residential uses are permitted on parcels with a minimum frontage of 200 lineal feet where a minimum of 50 percent of the permitted square footage shall be devoted to non-residential uses.

The floor area ratio of mixed-use buildings is 1.25. Multi-family residential densities are 12 units per adjusted gross acre, with the number of units calculated on a maximum of 50 percent of the property.

Energy Conservation Opportunities

The City of Newport Beach fully enforces provisions of Title 24 of the California Administrative Code, which require energy conservation in new residences. Standards in Title 24 create energy savings of approximately 50 percent over residential construction practices utilized prior to the Title 24 enactment.

The City of Newport Beach Building Department is aware of energy conserving design innovations and solar technology. The department utilizes the Solar Systems Code Review Manual and its companion document, the Pool and Spa Solar Systems Code Review Manual, published by the International Code Council (ICC) to facilitate installation of appropriate solar systems.

Under existing state law (the California Resources Code), local jurisdictions may adopt structural energy conservation standards in excess of the existing state standard. Such an increase in standards would be of marginal value because of the moderate climate of the City of Newport Beach.

Additionally, increases in conservation standards generally increase housing costs and therefore exacerbate the existing housing affordability concern.

The City's updated Natural Resources Element contains policies that promote energy efficient construction for residential development and encourage the provision of energy alternatives such as solar power. Any future residential development would be subject to the policies contained within the General Plan.

A major concern pertaining to energy conservation is the relationship of housing to employment and related affected transportation modes. Although specific energy savings are difficult to quantify because of the myriad of variables involved in a transportation system, it is generally true that physical proximity between home and work saves transportation energy. Existing affordability concerns in Newport Beach increase energy use by forcing workers employed within the City to seek less expensive housing outside the City. New mixed-use development opportunities may help by reducing the length and frequency of automobile trips and energy usage. However, the jobs/housing imbalance in the City cannot be totally mitigated by increased residential development within the City.

Newport Beach is not in an area of geothermal or significant wind activity and consequently cannot take advantage of these "alternative" energy sources.

It appears that the City, through enforcement of Title 24 and sensitivity to innovative design, is maximizing residential energy conservation opportunities.

NONGOVERNMENTAL CONSTRAINTS

Community Attitudes

The citizenry in Newport Beach is well organized through neighborhood homeowners associations and community environmental groups. There exists strong public sentiment in favor of preserving the suburban environment in the City.

Public sentiment is a constraint because of its influence on local officials and because of the ability of citizens to establish development policies and zoning through the initiative process. In November 2000, an initiative passed in the City of Newport Beach that requires a general election be conducted to approve General Plan Amendment applications that include increases of 100 or more dwelling units or that would generate more than 100 peak hour trips. See Governmental Constraints for additional discussion of this initiative.

Financing Constraints

Financing costs largely are not subject to local influence. Control of interest rates is determined by national policies and economic conditions. Interest rates directly influence purchasing power of home-buyers and cost of home construction through construction loans. Currently, interest rates are at a level that enables many of the upper and middle economic classes to afford a home purchase. However, the banking industry has adopted more conservative lending criteria for construction loans, especially for multiple-family housing. These factors have influenced housing supply throughout Southern California.

Figure H6 Mariners' Mile

Pg 1—8.5x11 color

High interest rates substantially reduce home purchasing potential of households. New homebuyers find the housing product they can afford is substantially less than their expectation. Difficulty in producing housing affordable to first-time homebuyers thusly is compounded.

While cost of production has increased, purchasing power of some customers has decreased due to inflation, interest rate fluctuations, and limited choices for housing types. Because development costs in Newport Beach are higher than in other areas of the state, housing is even further out of the reach of first-time homebuyers.

With savings and loan institutions and other home loan lenders experiencing higher costs in attracting funds, it is extremely difficult for the fixed rate, long-term mortgage to be used as the primary mortgage instrument for housing finance purposes. Consequently, variable rate mortgages, equity appreciation mortgages, and other techniques are being promoted. This smorgasbord of “creative financing” helps to maintain a higher level of capital for housing than might otherwise be available.

Land and Construction Costs

Land costs and construction costs are significant components in housing cost. Land costs are a function of the private market and are relatively high due to the City’s location near major employment centers and the Pacific Ocean. Due to the built out nature of the City, vacant land that is available for development of any kind and for affordable housing projects in particular, is nearly nonexistent, and cannot be compared to surrounding jurisdictions. Construction costs also are set by the private market and are influenced by a variety of factors including availability and price of materials and labor, quality of construction, and amenities offered.

Cost factors (per square foot) used to estimate cost of new housing in 2005 are approximately as follows:

- Apartment Houses

Wood Frame \$100.00 (average quality); \$120.00 (good quality)

- Single-Family Dwellings

Wood Frame \$120.00 (average quality); \$150.00 (good quality)

Growing market demand for housing in Newport Beach and little remaining vacant land in the City has had a strong impact on financial aspects of residential development in the City. The greatest impact of this market demand on cost of new housing is seen in the price of residential land in the City.

Density increases often are used to offset high construction and land costs. Density increases may decrease land costs on a per unit basis, but sales prices of units in Newport Beach indicate density increases do not necessarily bring the cost of housing to consumers to a level that is affordable to lower- or even moderate-income households.

In addition, high residential densities involving buildings taller than three stories will greatly increase unit marketability in many areas of the City because of the addition of a view factor. Regardless of square-footage or density, a unit with a blue water or white water view can be marketed as a luxury condominium and command an extremely high price.

Higher land costs in the City are the main factor in higher square-footage costs for housing provision. High land costs also trigger higher costs in other areas of development. To balance land prices, developers must increase amenities within the housing unit as well as within the community area. Thus, a higher land price is the factor that triggers increased development costs.

GOVERNMENTAL CONSTRAINTS

This section of the Housing Element addresses actual and potential City governmental constraints on development of housing for all income levels. Such constraints include land use controls (zoning), building codes and their enforcement, site improvements, fees and local processing, and permit procedures. In many of these areas, localities have varying degrees of discretion to modify state standards for local implementation and/or conditions. Included in this analysis are constraints created by specific state regulations.

As previously mentioned, there is a relatively limited supply of vacant land remaining for development in the City of Newport Beach. This limitation on the supply of land and accompanying existing urban development patterns of the City shape City land use regulations.

Voter Initiative

In November, 2000, the voters of the City of Newport Beach approved a ballot proposition (Measure S) which is now “Section 423 of the City Charter.” It requires voter approval of any project that significantly increases density or intensity above that provided for in the General Plan. Significance is quantified as 100 or more dwelling units, over 100 peak hour trips, or 40,000 or more square feet of non-residential floor area. Charter Section 423 applies exclusively to General Plan amendments. For projects with a General Plan amendment, it could delay the effective date(s) of discretionary approval(s) until the approval(s) are submitted to the Newport Beach electorate. The time frame for the potential delay(s) is controlled by the normal election cycle (every two years) or a developer(s) willingness to fund a special election(s).

Charter Section 423 could be a constraint to development if a development proposal exceeds current General Plan levels, which may deter builders who look at increasing density levels as a way of making housing more affordable. However, the initiative should have no impact on the City’s ability to provide density bonuses required by state law for affordable housing projects on sites already designated for residential development.

It is important to note, however, that Charter Section 423 will not have any impact on the allowed density established for the housing sites identified to meet the City’s Regional Housing Needs Allocation. As indicated in the above paragraph, this section is only applicable when a change to the existing General Plan is proposed.

Zoning

The City Zoning Code is complex but typical for an already highly urbanized community. The Code uses a “district” concept appropriate to the diverse urban patterns and topography found in the City. The Zoning Code contains five basic zoning districts (excluding Planned Community districts and other specialized districts) to regulate residential uses within the City. These zoning districts are R-A (Residential Agricultural), R-1 (Single Family Residential), R-1.5 (Restricted Two-Family Residential),

R-2 (Two-Family Residential), and MFR (Multi-Family Residential). Table H31 summarizes Zoning Code provisions for residential density, height, set-backs, and parking. Parking requirements are also set forth by the California Coastal Commission.

Table H31 Summary of Zoning Code Provisions by District—City of Newport Beach						
<i>Zone</i>	<i>R-A</i>	<i>R-1 (S.F.)</i>	<i>R-1.5 (S.F. and duplex.)</i>	<i>R-2 (Duplex)</i>	<i>MFR (Multi.)</i>	<i>Newport Shores Specific Plan</i>
Height ^a	24 ft/28 ft	24 ft/28 ft	24 ft/28 ft	24 ft/28 ft	28 ft/32 ft	24 ft/28 ft
Min. Lot Size	6,000 sf	5,000 sf, 6,000 sf for corner lots	5,000 sf	Same as R-1	Same as R-1	Same as R-1
Min Lot Width	125 ft	50 ft/60 ft	50 ft/60 ft	50 ft/60 ft	50 ft/60 ft	Same as R-1
Parking	1½ spaces/unit	Same	Same	Same	Same	Same
Floor Area Ratio ^b		1.5/2.0	1.5	1.5/2.0	1.5/3.0 ^c	2
Lot Coverage	40%	100% less setbacks			Same as R-1	
Front Yard (Min./Max.) ^d	20 ft	20 ft/35 ft	20 ft	20 ft.	20 ft ^e	5 ft ^e
Side Yard	3 ft min/ 6 ft max	3 ft or 4 ft	3 ft or 4 ft	3 ft or 4 ft	3 ft or 4 ft	Same as R-1
Rear Yard ⁵	15 ft min/ 25 ft max	10 ft	10 ft	10 ft	10 ft ^e	5 ft ^e
Minimum Open Space		WxHx6 ft		WxHx6 ft	WxHx6 ft	10% of buildable
Lot Area per Dwelling			1,000 sf	1,000 sf		1,200 sf (1 or 2 units)/ 1,500 sf (3+ units)

SOURCE: City of Newport Beach Planning Department

Additionally, the California Coastal Commission requires 2 parking spaces per dwelling unit.

^a Lower number is the basic height limit, which can be increased to higher number upon approval of a use permit in each case.

^b The 1.5 FAR applies to Old Corona del Mar and Balboa Island only. FAR does not include open decks, balconies, or patios.

^c Excludes building area used for parking

^d Twenty feet, unless otherwise specified on districting maps

^e Other special yard and building distance requirements may apply

Zoning Code requirements could be considered constraints to development because they place demands on the land that limit space that could be utilized for dwelling units. However, zoning standards are designed to protect the quality of life and provide, at a minimum, some access to sunlight and fresh air. Access to air and sun are guaranteed through building setbacks, open space requirements, maximum building heights, and floor area ratios.

The Newport Beach Zoning Code controls density for each zoning district through development regulations pertaining to land required per dwelling unit. In the older neighborhoods of the City, density standards have not changed since 1936. Densities in the amount of approximately thirty dwelling units per acre are still allowed in these areas. In the newer neighborhoods, developed since the 1960s, single-family densities are generally less than 10 dwelling units per acres. The City’s Codes contain many procedures to grant relief from certain development standards which can be of assistance in allowing higher densities. However, even if the City is willing to approve reductions in

some of the zoning regulations, (such as parking), the California Coastal Commission has similar development requirements which would still need to be complied with for properties in the Coastal Zone. The updated Land Use Element calls for the Airport Areas to have a density of 50 units per acre, average over the first phase for each residential village. The minimum density for subsequent phased of residential development is 30 units per acre. However the Zoning Code will need to be amended to achieve consistency with the General Plan.

Maximum density in the multifamily zone (MFR) is a function of the size of the lot. For example, a minimum lot area per dwelling unit of 1,200 square feet applies, which translates to a maximum density of 36 units per net acre.

The Subdivision Process

Basic provisions of the City of Newport Beach Subdivision Code are similar to those of most jurisdictions of similar size to Newport Beach. The Subdivision Code contains design standards that provide minimum criteria for development. In some cases, the Code allows flexibility in application of its provisions and thereby potentially could reduce development costs. Examples of such cases are allowances for the development of non-conforming lots and park fee waivers. The Subdivision Code also addresses improvements (e.g., street trees, placing utilities underground, street lighting) that add to development costs. Additionally, the Newport Beach Subdivision Code requires dedication of parkland and/or payment of in-lieu fees concurrently to recordation of a final subdivision map. This requirement is made in compliance with state law, but also adds to costs of development.

Local Coastal Program

The Coastal Land Use Plan portion of the Local Coastal Program, approved by the California Coastal Commission on October 13, 2005, and adopted by the City Council on December 13, 2005, might be a constraint to providing affordable housing. The Coastal Land Use Plan consists of land use designations and resource protection and development polices for the Coastal Zone. The Land Use Plan policies result in consistency with Chapter 3 of *California Coastal Act*, which addresses the planning and management of coastal resources.

One of the major goals of the *California Coastal Act* and the Coastal Land Use Plan is to assure the priority for coastal-dependent and coastal-related development over other development in the Coastal Zone, which is a constraint on residential development, particularly in areas on or near the shoreline. The Coastal Land Use Plan indicates that areas within the Coastal Zone designated for residential use are to be used primarily for residences, but indicates certain incidental uses that (with proper location and design) are appropriate within coastal areas with a residential designation. These uses are to be governed by requirements of the Newport Beach Municipal Code and include senior citizen housing facilities (whose occupancy is limited to elderly persons, as defined by state or federal law). In addition, the Coastal Land Use Plan contains restrictions applicable to twelve sensitive habitat areas that limit potential residential development areas and that control and regulate locations on new buildings and structures to ensure (to the extent practical) preservation of unique natural resources and to minimize alteration of natural land forms along bluffs and cliffs.

In 1981, the California Legislature enacted SB 626 (Mello), which added Government Code Section 65590 and eliminated certain provisions of the *California Coastal Act* that required local coastal programs to include housing policies and programs; Section 65590 mandates coastal communities require inclusion of low- and moderate-income housing as part of new residential developments and

replacement of low- and moderate-income housing eliminated as a result of demolition of existing housing within coastal zones of those communities. On August 19, 1982, the Newport Beach City Council adopted Council Policy P-1, establishing administrative guidelines and implementation procedures to administer Section 65590 within the coastal zone areas of the City. This Policy now is in the Zoning Code in Chapter 20.86 which establishes the requirement of a Coastal Residential Development Permit for certain activities involving dwelling units within the Coastal Zone. This permit ensures compliance with state law by maximizing low and moderate-income housing opportunities within the Newport Beach Coastal Zone.

A Coastal Residential Development Permit is required in Newport Beach to demolish or convert eleven or more dwelling units in two or more structures, to demolish or convert three or more dwelling units in one structure, or to construct ten or more dwelling units. A Coastal Residential Development Permit is not required for demolition or conversion of a residential structure to establish a nonresidential use that is “coastal related” or “coastal dependent” and that is consistent with provisions of the City of Newport Beach Local Coastal Program Land Use Plan. In addition, a Coastal Residential Development Permit is not required to demolish a residential structure declared a public nuisance or to reconstruct a nonconforming building damaged by fire, earthquake, or other calamity when a use permit is not required.

The Newport Beach Municipal Code indicates replacement affordable units in the Coastal Zone shall be provided on a one-for-one basis when demolition or conversion activities involve low and moderate-income dwelling units. Also, a feasibility study is required for new dwelling unit construction of ten or more units when low and moderate-income dwelling units are not proposed at affordability standards contained in this Housing Element. The test of feasibility shall be initially conducted at the Housing Element standard and subsequently at progressively higher standards contained in California State Health and Safety Code Section 50093. Furthermore, the City of Newport Beach and the owner of the low and moderate-income dwelling units provided are required to enter into an affordable housing agreement (to be recorded against the property) governing the dwelling units.

Senior citizen housing facilities may require higher dwelling unit limits than normally allowed in the Municipal Code. Such higher dwelling unit limits are allowed and are consistent with the Local Coastal Program when a finding can be made that the use is a particular benefit to the City and that traffic generated by the project is not greater than the predominant use allowed in the area. Senior citizen housing facilities must conform to floor area limits of applicable residential zone(s).

Building Codes and Enforcement

Building codes regulate new construction and rehabilitation, and are designed to ensure adequate protection against fire, structural collapse, unsanitary conditions, and other safety hazards. . The City Council adopted the 2001 edition of the California Building Code, and also adopted and incorporated by reference the 2001 edition of the California Building Code volumes 1, 2, and 3, including all national codes and standards based on the 1997 Uniform Building Code, as published by the International Conference of Building Officials. Chapter 11 of the California Building Code, which establishes regulations for new multi-family construction projects pertaining to access and adaptability for persons with disabilities, is strictly enforced.

These building codes are the minimum standards for the health, safety, and welfare of citizens. These codes and regulations are based on uniform standards and are applied throughout the region and

therefore are not considered to significantly impact construction costs or constrain the provision of housing for person with disabilities. State energy conservation regulations, which are cost effective in the long term, may add to construction costs. There does not appear to be a need to expand present code enforcement activities as indicated by few significant housing quality problems.

Although Chapter 11 of the California Building Code pertains only to new multi-family projects of 3 or more units, staff currently processes any and all voluntary proposals of ADA retrofits. If for any reason an applicant should request an accommodation to the code for reasons related to a disability, the Building Department is willing to closely examine the special needs of the applicant and consider a hardship request or an alternative material, design, and methods of construction request.

Impact Fees

The role fees play in constraining production of housing is difficult to measure, although fees can affect housing prices in certain markets. The theory behind fees is that new development should bear its own costs and these costs should be spread equitably. State law requires fees bear a reasonable relationship to actual costs incurred by a city. However, fees may add significantly to the cost of a housing unit. To offset the cost of constructing housing units, the Newport Beach City Council adopted a program that allows for the waiver of all application and park fees when affordable housing units are proposed. In addition the Municipal Code allows for the waiver of fair share trip fees. The City of Newport Beach fees for discretionary applications are compared to discretionary application fees of various nearby cities in Table H33.

Development Permit Procedures

The City's permitting procedures are considered efficient with typical zone change requests reaching completion in as few as 90 days if no environmental review is required. An environmental impact report may require up to one year before a decision is rendered, which is within the time frame established by state law. Conditional Use Permits and subdivision maps typically can be approved in six to eight weeks, provided an environmental impact report is not required. Planning Commission decisions on maps, and conditional use permits are final unless appealed within 14 days of the date of decision to the City Council, or unless a member of the City Council within 14 days of the date of decision requests to review the Planning Commission decision. Zone Changes require City Council action.

It should be noted that the City does not impose a design review process and/or compliance with any architectural design guidelines. The lack of this procedure further lends to an expeditious approval process.

Although a "Reasonable Accommodation" procedure specifically for persons with disabilities seeking equal access to housing is not currently in place, the City of Newport Beach does continue to provide reasonable accommodation through the use of existing permit processing procedures. In addition, the City recently adopted amendments to the Zoning Code which added a "Federal Exception Permit" process which provides a mechanism for persons to request a "reasonable accommodation" for the use of residential care facilities serving 7 or more persons within residential zones.

Table H32 Comparison of Permit Fees—Nearby Jurisdictions, December 2005

<i>Jurisdiction</i>	<i>General Plan Amendment</i>	<i>Zone Change</i>	<i>Parcel Map</i>	<i>Variance</i>
Costa Mesa	\$2,245*	\$1,140	\$790	\$770
Huntington Beach	\$8,390 (minor) \$11,150 (major)	\$5,300	\$1,460	\$1,080
Irvine	\$118/hr	\$118/hr	\$118/hr	\$118/hr
Laguna Beach	\$1,210	\$1,210	\$690 + \$275/lot	\$180
Newport Beach	\$125/hr, \$2,200 deposit (minor) \$125/hr, \$5,000 deposit (major)	\$125/hr, \$2,200 deposit	\$700	\$125/hr, \$2,200 deposit
Orange County	\$10,000 deposit	\$10,000 deposit	\$5,000 (screen check)	\$3,500

SOURCE: City Planning Departments (2005)

* Plus \$125 for additional acre

Table H33 Residential Development Impact Fees in Newport Beach

	<i>Zone A: Single-Family</i>	<i>Zone A: Multi-Family</i>	<i>Zone B: Single-Family</i>	<i>Zone B: Multi-Family</i>
Transportation Corridor Fee*	\$3,970	\$2,313	\$3,076	\$1,795
Fair Share Trip Fee	Single-Family Detached \$1,794	Single-Family Attached \$1,403	Apartment \$1,060	Elderly \$653 Mobile Home \$979
In-Lieu Park Fee	\$6,894.37 per dwelling unit			
Newport-Mesa Unified School District Fee	\$1.84 per square foot			

SOURCE: City Planning Departments (2005)

* Applies to all development in the San Joaquin Hills Transportation Corridor Agencies Area of Benefit

Modification Permits

The City has a process to obtain a “Modification Permit.” Whenever strict interpretation of the Zoning Code precludes reasonable use of a property, a modification permit may be issued to deviate from the standards of the Code relating to building setbacks, size, and location of parking spaces, structural appurtenances or projections that encroach into setbacks, and related matters. A public hearing will be set not less than 10 days or more than 30 days after a completed application is submitted to the Planning Department.

Request for Hardship or Request for Alternative Materials, Design, and Methods of Construction

The Building Department has a process to approve hardship requests, as well as requests for alternative materials, design, and methods of construction when strict compliance with the building codes is impractical. These requests may be approved by the Building Official and Fire Marshall, or their designated agent, if he/she determines that unique characteristics or conditions exist that make compliance with the strict letter of the Code impractical and equivalency is provided. The resulting

condition must be in conformance with the spirit and purpose of the Code provisions involved and such modification may not compromise fire protection, structural integrity, or occupant safety. The review of the request is based upon a written report that must be submitted describing the alternate proposal along with applicable data.

Use Permit

Use permits are required for certain use classifications typically having unusual site development features or operating characteristics requiring special consideration to ensure compatibility with adjacent properties. A noticed public hearing is held by the Planning Commission within 60 days after accepting a complete application. The Planning Commission has the authority to approve, conditionally approve, or deny applications for use permits.

Applications for residential care facilities for seven or more persons within commercial and industrial zoning districts are processed through the use permit process. Conditions may be placed on the project by the Planning Commission to ensure compatibility with surrounding uses. The City does not maintain a standard set of conditions or use restrictions imposed on these residential care facilities since each application should be evaluated individually and approved based upon its own merits.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The *California Environmental Quality Act* (CEQA) was enacted in 1970, and requires governmental agencies that propose to approve projects to undertake analysis of environmental impacts resulting from that project.

The CEQA process can be lengthy, and project delays can increase costs to developers. Likewise, costs to prepare environmental documentation necessary to satisfy CEQA can be quite high, and traditionally is borne by the project applicant.

The CEQA process particularly affects Newport Beach due to rich natural resources in the area. Concern for protection of natural resources within Newport Beach has in the past required, and will continue to require, modifications to intensity of residential development and design of projects. The City environmental review process is responsive, well coordinated, and meets CEQA requirements. Review of this environmental reporting process for purposes of preparation of this Element illustrates it is not excessive or overly restrictive according to state law.

Housing Plan: Goals, Policies, Quantified Objectives, and Programs

Analyses contained in previous sections of this Housing Element provide the basis for the Newport Beach Housing Plan, which is comprised of housing goals, policies, and programs. The plan places emphasis on providing adequate opportunity for satisfaction of the City's remaining Regional Housing Needs Assessment (RHNA) requirement of 145 units and 95 units for Newport Coast. Additionally, the plan places emphasis on providing housing opportunities for special needs populations in local (jurisdictional) and regional contexts.

The special needs populations most evident within Newport Beach and most easily quantifiable by United States Census of Population and Housing are the elderly, the challenged (handicapped), and female-headed households. Many of those Policies and Programs in this Housing Plan focus on providing housing opportunities for the dominant Special Needs population—senior citizens (those 65 years of age and older). Senior citizens comprise a large component of the total special needs population and have, as a group, many who are disabled, as well as live at or below the poverty level. Special needs populations less evident and less easily quantifiable by the Census are the homeless and people living with HIV/AIDS. The City of Newport Beach recognizes the homeless, in particular, exist in every community but may be transient and therefore may more accurately be classified as a regional special needs population rather than as a “City” special needs population. This is done in acknowledgement that many categories of special needs populations are regional in nature rather than confined to jurisdictional boundaries.

Goals and policies contained in this Housing Plan address the City of Newport Beach’s anticipated housing needs during the tenure of this Housing Element (1998–2008) and are implemented by a series of Housing Policies and Programs. These Policies and Programs prescribe specific actions the City of Newport Beach will take during the tenure of this Housing Element. The Housing Plan set forth in this Housing Element contains an annotated description of future actions for each Housing Program policy, the Program funding source, responsible agency, and time frame for implementation.

GENERAL REVIEW OF 1992 HOUSING ELEMENT AND HOUSING ACTIVITIES, 2000–2005

California state law requires the City Housing Element be reviewed as frequently as appropriate and that it be revised appropriately, but not less than every five years, to reflect results of the review. The last comprehensive revisions of the Newport Beach Housing Element occurred in 1992 and in 2000. All the following must be evaluated during a review of the Housing Element:

- Appropriateness of housing goals, policies, and programs in contributing to attainment of the state housing goal.
- Effectiveness of the Housing Element in attainment of the community housing goals.
- Progress of the City in implementation of the Housing Element.
- When a City has land within the California Coastal Zone, review of its Housing Element must consider housing pursuant to coastal requirements. This evaluation must include the following.
- Number of new housing units approved for construction within the Coastal Zone after January 1, 1992.
- Number of housing units required to be provided in new housing developments within the Coastal Zone or within 3 miles of the Coastal Zone for persons and families of low- or moderate-income, as they are defined in Section 50093 of the Health and Safety Code.
- Number of existing residential dwelling units in the Coastal Zone that have been authorized to be demolished or converted since January 1, 1992, that were occupied by persons or families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.
- Number of residential dwelling units required for replacement of units authorized to be demolished or converted that were occupied by persons or families of low or moderate income, as defined in Section 50093 of the Health and Safety Code. Location of replacement units on

site, elsewhere within the locality's jurisdiction within the Coastal Zone, or within 3 miles of the Coastal Zone within the locality's jurisdiction, must also be designated in the review.

In the course of administering the Housing Element and preparing the 2000–2008 Housing Element review and revision, the City determined that the previously adopted goals and policies continue to contribute to the attainment of California state housing goals as well as the housing goals of Newport Beach. As a result, most of those goals and policies have been retained to facilitate attainment of the 2000-2008 City housing goals. Specific Housing Programs that have not been effective have been revised or deleted. New Housing Programs have been added, and new housing sites, consistent with the updated Land Use Element, have been identified.

According to the Regional Housing Needs Assessment for 1989–1994 produced by the Southern California Association of Governments, the projected regional need for additional housing units in Newport Beach was 2,062 total new units. The distribution of these new units according to income was as follows: Very Low Income (299 units); Lower Income (408 units); Moderate Income (359 units); and, High Income (996 units). According to Building Department records, 216 net units were produced in Newport Beach during the period between January 1, 1989, and January 1, 1994, and 1,050 net units were produced in Newport Beach during the period between January 1, 1994, and January 1, 2000.

Newport Beach's adopted quantified objectives (which included an adjustment to RHNA) for the period between January 1, 1989, and January 1, 1994, were to provide 2,371 total new units during that time period, distributed as follows: Very Low Income (272 units); Lower Income (284 units); Moderate Income (647 units); and, High Income (1,168 units). Due to the lack of funding at the state level for generating new RHNA figures for the 1994–1999 cycle, the RHNA was extended through the end of 1997.

Quantified objectives for the RHNA period of January 1, 1998, through June 30, 2008 (extended from June 30, 2005, by the State Department of Housing and Community Development), were to provide 476 residential units. The total need for each target income group is as follows: Very Low-Income (86 units), Low-Income (53 units), Moderate Income (83 units), and Above-Moderate Income (254 units).

Development of new residential units in projects considered to be major projects by the City between January 1, 1989, and January 1, 1994, totaled 240 units. The projected new construction was not achieved because the City over projected development on some sites and the owner of large parcels (The Irvine Company) did not construct new units in the prescribed affordable range.

The Building Department maintains a detailed Building Activity Report for each fiscal year. The report lists the total number of different types of construction permits issued, as well as the number of demolition permits issued. Using this data, staff has created Table H34 illustrating the total number of new additional units that were permitted during the RHNA period of 1998 to 2005.

The City issued a total of 1,757 residential building permits during the 1998–2005 period. This number well exceeds the total 476 units projected by SCAG. However, given the existing home and rental prices within the community for market-rate units, the majority of these new housing units were only affordable to upper income households. However, of the 159 building permits issued by the City in 2004–2005, 120 of the new units are in the *Bayview Landing Senior Affordable Housing Project*. With the exception of one “managers unit,” all of the 120 units are designated for very low and low income seniors. This project received \$1 million in funds from the City's “in-lieu” housing fund reserves. In

addition, the City provided expedited permit processing, partial fee waivers of entitlement fees and substantial entitlement assistance. Approximately \$4.5 million in tax credits were also awarded to the project.

Table H34 Total Number of New Additional Housing Units Permitted			
<i>Fiscal Year</i>	<i>During Period 1998–2005</i>		
	<i>New Units</i>	<i>Demolished Units</i>	<i>Total Additional Units</i>
1st 6 months of 1998	315	180	135
1998–1999	1018	158	860
1999–2000	742	258	484
2000–2001	234	168	66
2001–2002	159	130	29
2002–2003	162	174	(-12)
2003–2004	198	162	36
2004–2005	329	170	159
<i>Total</i>	<i>3,157</i>	<i>1,400</i>	<i>1,757</i>

As displayed in Table H34 and Table H35, Newport Beach has already fulfilled its requirement for low income housing and above-moderate/upper income housing.

Table H35 Remaining RHNA Allocation, 1998–2008					
	<i>Income Category</i>				<i>Total</i>
	<i>Very Low</i>	<i>Low</i>	<i>Moderate</i>	<i>Above Moderate</i>	
Projected Need	86	53	83	254	476
Total New Units Permitted					
(1/98–6/05)	24	95	0	1,637	1,757
<i>Remaining Need</i>	<i>62</i>	<i>0</i>	<i>83</i>	<i>0</i>	<i>145</i>

New units constructed in small projects, including second units and “granny” units, and rehabilitated units were estimated to be approximately 421 for the period January 1, 1989, to January 1, 1994. The total number of units identified for rehabilitation was 3,016. Incomes of occupants of these units cannot be determined by the City.

The City uses building permits as its sole source for quantitative records of housing rehabilitation. However, it is impossible to ascertain which of the 2,521 building permits issued for remodeling between January 1, 1989, and January 1, 1994, were for rehabilitating substandard units. The City does not have a substantial incidence of substandard dwelling units. According to the 1990 Census of Population and Housing, there were 231 dwelling units lacking complete kitchen facilities, 111 dwelling units with no source of heating fuel and 91 dwelling units lacking complete plumbing facilities. The 2000 Census reported that 125 units had incomplete plumbing, 235 units were without a complete kitchen and 135 units had no heating facilities. However, it is likely that a high number of the substandard housing are illegal units.

These units qualify as substandard dwelling units in Newport Beach, although the City does not keep statistics on such types of units. The City defines “substandard” in terms of code enforcement issues, such as garage conversions. Most rehabilitation in the City was accomplished without involvement of the City because of the high land and unit values in Newport Beach. The City was not involved in any property condemnation cases between January 1, 1989, and January 1, 1994.

The City indicated in its 1992 Housing Element that 9,172 total units would be conserved between 1989 and 1994 by applying the City Mobile Home Park Zone Ordinance, applying the Condominium Conversion Regulations, and by applying Title 20 of the Municipal Code regarding replacement housing.

The vacancy rate provision of the City’s Condominium Conversion Regulations prohibited applications for conversion of rental units to condominiums, and there were no conversions during 2001. Between the years of 1995 and 2005, a total of 346 apartment units were converted to condominiums.

Subsequent to the tenure of the Housing Element of 1989–1994, the City took the following actions to implement its Program objectives:

- The City received and spent approximately \$3.9 million of Community Development Block Grant funds between 1996 and 2005/2006.
- The City, between 1989–1994 and 1996–2005, participated in County of Orange programs that provided housing and social services for special needs populations.
- The City, during 1996–2002, was involved in continuing negotiations with the Irvine Company and other residential developers for a senior residential project.
- The City collected \$1,063,539 in-lieu fees for affordable housing from developers of market-rate residential projects.
- The City contributed \$1,754,119 from the in-lieu fee fund to the Bayview Landing affordable senior housing project in 2003. The City’s remaining in-lieu fee fund balance is \$1,329,420.
- The City established an Affordable Housing Task Force to work with other public agencies and private parties to develop affordable housing projects.
- The task force was instrumental in The Irvine Company’s agreement to provide for development of the Lower Bayview Landing site with up to 120 units for very low- and low-income senior citizens.

HOUSING ELEMENT COASTAL ZONE REVIEW

The City of Newport Beach uses Section 20.86 of the Municipal Code to implement Government Code Section 65590 et seq. Between January 1, 1989, and January 1, 1994, 190 new residential units were approved for construction within the California Coastal Zone. Of these 190 new units, 24 were required to be developed and maintained as housing affordable to low-income and moderate-income individuals and/or families pursuant to Section 65590. During the same time period, the City permitted landowners to demolish 189 residential units within the Coastal Zone. Of the 189 units demolished, none were occupied by low-income and/or moderate-income persons and/or families. Newport Beach approved construction of 190 residential units in new housing developments in the California Coastal Zone, which represents a total net increase of 1 residential unit and a total net

increase of 24 residential units affordable to low-income and moderate-income individuals and/or families.

YEAR 2000–2008 HOUSING PLAN

Quantified Objectives

The Year 2000 Regional Housing Needs Assessment (RHNA) determined the City of Newport Beach had a construction need for 476 residential units between January 1998 and January 2008. The total need for each target income group is as follows: Very Low Income (86 units); Low Income (53 units); Moderate Income (83 units); and, Above Moderate Income (254 units).

As of December 2005, the City has already fulfilled its requirement for above moderate income units. With completion of the Bayview Landing project in 2006, the City will have a remaining RHNA allocation of 145 units (83 moderate units and 62 very low units).

The Year 2000–2005 Housing Plan for Newport Beach has identified Goals, Policies, and Programs that fulfill this construction need. Achieving the remaining RHNA allocation is expected to be achieved through the future redevelopment of several key housing opportunity areas such as Newport Center, Airport Area, Banning Ranch, the Balboa Peninsula area and Mariners' Mile. These areas could potentially accommodate up to 4,825 to 5,025 new residential units. Many of these areas are at sufficient density levels that would facilitate the development of affordable housing. In addition to the future residential sites identified within the General Plan update, all future residential development citywide would be subject to the City's Inclusionary Housing Program, which establishes a goal that 15 percent of all new units be affordable to very low-, and low-, and moderate-income households.

Projects of 50 or fewer units have the option of preparing an Affordable Housing Implementation Plan (AHIP) or paying an in-lieu fee. Projects of more than fifty units are required to prepare an AHIP that specifies how the development will meet the City's affordable housing goal. It is estimated that the total number of new units that could be developed pursuant to the Land Use Element is 6,900. It is estimated that approximately 1,030 of these would be affordable subject to the provisions of the Inclusionary Housing Program over the 20-year horizon of the Land Use Element. Affordable units shall be legally restricted to occupancy by households of the income levels for which the affordable units were designated for at least 30 years.

Following is a matrix indicating the maximum number of housing units that should be constructed, rehabilitated, and conserved during the remaining tenure of the 2000–2008 Newport Beach Housing Element.

<i>Income Group</i>	<i>Remaining RHNA (Newport Beach)</i>	<i>Remaining RHNA (Newport Coast)</i>	<i>Rehabilitation*</i>	<i>Conservation</i>
Very Low Income	62		0	150
Low Income	0	95	0	169
Moderate Income	83		0	2
Above Moderate	0		0	0
<i>Total</i>	<i>145</i>	<i>95</i>	<i>0</i>	<i>319</i>

The City has adequate capacity to fulfill its remaining RHNA requirement through future residential capacity identified in the Land Use Element, and the City's Inclusionary Housing Program requirements.

Newport Beach Housing Element: Goals, Policies, and Programs

Goals for the City include the following: promoting quality residential development through application of sound planning principles and policies that encourage preservation, conservation, and appropriate redevelopment of housing stock; providing a balanced residential community that contains a variety of housing types, designs and opportunities for all economic segments of the community; extending ownership opportunities to as many households as possible, particularly those of moderate and upper incomes because these comprise the greatest demand; preserving and increasing housing affordability, through rental housing, for very low- and low-income households; and, providing housing for special needs groups. The policies and programs described below focus on providing appropriate and affordable housing opportunities and related services to the special needs populations most in need of such in Newport Beach, that is, in particular to senior citizens. Additionally, the policies and programs (particularly under Goals 3, 4, and 5) will ensure that the City will meet its remaining RHNA for very low, low and moderate income of 145 total new units for Newport Beach and 95 total new units in Newport Coast.

For purposes of defining income groups, the Housing Element follows the regulations of Title 25 (Housing and Community Development) of the California Code of Regulations (CCR), Sections 6910 through 6932. The income groups are defined as follows:

Very Low–Income: 50 percent or less of the area median income, as adjusted for family size by the United States Department of Housing and Urban Development.

Low–Income: 50–80 percent of the area median income, as adjusted for family size by the United States Department of Housing and Urban Development.

Moderate–Income: 80–120 percent of the area median income, as adjusted for family size by the United States Department of Housing and Urban Development.

Above Moderate–Income: 120+ percent of the area median income, as adjusted for family size by the United States Department of Housing and Urban Development.

The following affordability standards shall apply to rental and ownership housing:

- Maximum household income shall be determined by number of persons in a family or household.
- Income shall be in conformance with the limits set forth in 25 CCR §6932.

An *efficiency unit* as if occupied by one person; a *one bedroom* as if occupied by two persons; a *two bedroom* as if occupied by four persons; a *three bedroom* as if occupied by six persons; and a *four bedroom* as if occupied by eight.

Rents for very low–, low–, and moderate-income households shall be no more than 30 percent of the income limits set forth in Section 6932. The selling price of an ownership unit shall be no more than

three times the buyer’s income. Units may be sold to buyers with qualifying incomes for the limited sales price without regard to the number of persons in the family.

Specific Goals, Policies, and Programs of the Year 2000 Newport Beach Housing Plan follow.

Conservation and Improvement of Housing

Goal

H 1

Quality residential development and preservation, conservation, and appropriate redevelopment of housing stock

Policies

H 1.1 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.

Programs

Housing Program 1.1.1 Improve housing quality and prevent deterioration of existing neighborhoods by strictly enforcing Building Code regulations and abating Code violations and nuisances. *(Imp 25.1, 26.1)*

Responsibility: Planning Department, Building Department the City Attorney and Code and Water Quality Enforcement.

Housing Program 1.1.2 Participate with the Orange County Housing Authority and Housing and Community Development Division in their administration of rehabilitation loans and grants for low- and moderate-income homeowners and rental property owners to encourage preservation of existing City housing stock. *(Imp 14.3, 25.1)*

Responsibility: Planning Department.

Housing Program 1.1.3 Require replacement of housing demolished within the Coastal Zone when housing is or has been occupied by very-low, low-, and moderate-income households within the preceding 12 months. The City shall prohibit demolition unless a Coastal Residential Development Permit has been issued. The specific provisions implementing replacement unit requirements are contained in the Municipal Code. *(Imp 1.1, 5.1)*

Responsibility: Planning Department.

Variety of Housing Opportunities

Goal

H 2

A balanced residential community, comprised of a variety of housing types, designs, and opportunities for all social and economic segments

Policies

- H 2.1** Encourage preservation of existing and provision of new housing affordable to very low, low- and moderate income households.

Programs

- Housing Program 2.1.1** Maintain rental opportunities by restricting conversions of rental units to condominiums unless the vacancy rate in Newport Beach for rental housing is an average 5 percent or higher for four (4) consecutive quarters, and unless the property owner complies with condominium conversion regulations contained in Chapter 20.83 of the Newport Beach Municipal Code. *(Imp 25.1)*

Responsibility: Planning Department.

- Housing Program 2.1.2** Take all feasible actions, through use of development agreements, expedited development review, and expedited processing of grading, building and other development permits, to ensure expedient construction and occupancy for projects approved with low- and moderate-income housing requirements. *(Imp 2.1)*

Responsibility: Planning Department and City Council.

- Housing Program 2.1.3** Participate with the County of Orange in the issuance of tax-exempt mortgage revenue bonds to facilitate and assist in financing, development and construction of housing affordable to low and moderate-income households. *(Imp 14.3)*

Responsibility: Planning Department.

- Housing Program 2.1.4** Conduct an annual compliance-monitoring program for units required to be occupied by very low-, low-, and moderate-income households. *(Imp 25.1)*

Responsibility: Planning Department.

Policy

- H 2.2** Encourage the housing development industry to respond to housing needs of the community and to the demand for housing as perceived by the industry, with the intent of achieving the Regional Housing Needs Assessment construction goals within five years.

Programs

Housing Program 2.2.1 Require a proportion of affordable housing in new residential developments or levy an in-lieu fee. The City's goal over the five-year planning period is for an average of 15 percent of all new housing units to be affordable to very low-, low-, and moderate-income households. The City shall either (a) require the payment of an in-lieu fee, or (b) require the preparation of an Affordable Housing Implementation Plan (AHIP) that specifies how the development will meet the City's affordable housing goal, depending on the following criteria for project size:

1. Projects of 50 or fewer units shall have the option of preparing an AHIP or paying the in-lieu fee.
2. Projects where more than 50 units are proposed shall be required to prepare an AHIP.

Implementation of this program will occur in conjunction with City approval of any residential discretionary permits or Tentative Tract Maps. To insure compliance with the 15 percent affordability requirements, the City will include conditions in the approval of discretionary permits and Tentative Tract Maps to require ongoing monitoring of those projects. *(Imp 2.1)*

Responsibility: Planning Department, Planning Commission and City Council.

Housing Program 2.2.2 The City shall provide more assistance for projects that provide a higher number of affordable units or a greater level of affordability. At least 15 percent of units shall be affordable when assistance is provided from Community Development Block Grant funds or the City's in-lieu housing fund. *(Imp 2.1, 25.1)*

Responsibility: Planning Department, Planning Commission and City Council.

Housing Program 2.2.3 For new developments proposed in the Coastal Zone areas of the City, the City shall follow Government Code Section 65590 and Title 20. *(Imp 5.1)*

Responsibility: Planning Department and the City Council.

Housing Program 2.2.4 All required affordable units shall have restrictions to maintain their affordability for a minimum of 30 years. *(Imp 25.1)*

Responsibility: Planning Department, City Attorney, and City Council.

Housing Program 2.2.5 Advise existing landowners and prospective developers of affordable housing development opportunities available within the Banning Ranch, Airport Area, Newport Center, Mariners' Mile, West Newport Highway, and Balboa Peninsula areas. *(Imp 24.1)*

Responsibility: Planning Department.

Housing Program 2.2.6 Periodically contact known local developers and landowners to solicit new affordable housing construction. *(Imp 25.1)*

Responsibility: Planning Department.

Housing Program 2.2.7 Participate in other housing assistance programs that assist production of housing. *(Imp 14.3, 25.1)*

Responsibility: Planning Department.

Housing Program 2.2.8 New developments which provide housing for lower income households that help meet regional needs shall have priority for the provision of available and future resources or services, including water and sewer supply and services. *(NR 1.6) (Imp 17.1)*

Responsibility: Planning Department and Utilities Department

Policy

H 2.3 Approve, wherever feasible and appropriate, mixed residential and commercial use developments that improve the balance between housing and jobs.

Programs

Housing Program 2.3.1 Study housing impacts of proposed major commercial/industrial projects during the development review process. Prior to project approval, a housing impact assessment shall be developed by the City with the active involvement of the developer. Such assessment shall indicate the magnitude of jobs to be created by the project, where housing opportunities are expected to be available, and what measures (public and private) are requisite, if any, to ensure an adequate supply of housing for the projected labor force of the project and for any restrictions on development due to the "Charter Section 423" initiative. *(Imp 25.1)*

Responsibility: Planning Department and Planning Commission.

Adequate Residential Sites

Goal

H 3

Housing opportunities for as many renter and owner occupied households as possible in response to the demand for housing in the city

Policies

- H 3.1** Mitigate potential governmental constraints to housing production and affordability by increasing the City of Newport Beach role in facilitating construction of affordable housing for all income groups.

Programs

- Housing Program 3.1.1** Provide a streamlined “fast-track” development review process for proposed affordable housing developments. *(Imp 2.1)*

Responsibility: Planning and Building Department

- Housing Program 3.1.2** When a residential developer agrees to construct housing for persons and families of very low, low and moderate income above mandated requirements, the City shall either (1) grant a density bonus as required by state law, or (2) provide other incentives of equivalent financial value. *(Imp 2.1)*

Responsibility: Planning Department.

- Housing Program 3.1.3** Review and consider in accordance with state law, the waiver of planning and park fees, and modification of development standards, (e.g., setbacks, lot coverage, etc.) at the discretion of City Council and Planning Commission for developments containing very low, low- and moderate-income housing in proportion to the number of low- and moderate-income units in each entire project. *(Imp 2.1)*

Responsibility: Planning Commission and City Council.

Policy

H 3.2 Enable construction of new housing units sufficient to meet City quantified goals by identifying adequate sites for their construction. Development of new housing will not be allowed within the John Wayne Airport (JWA) 65dB CNEL contour, no larger than shown on the 1985 JWA Master Plan.

Programs

Housing Program 3.2.1 Identify the following sites as adequate, which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage development of a variety of housing types to meet City housing goals as identified pursuant to Government Code Section 65583(b): Banning Ranch, Airport Area, Newport Center, Mariners' Mile, and the Balboa Peninsula areas. *(Imp 2.1, 25.1)*

Responsibility for achieving this program is that of the Planning Department and City Council.

Housing Program 3.2.2 Update Zoning Code to reflect housing opportunities provided in the Land Use Element. *(Imp 2.1)*

Responsibility: Planning Department, Planning Commission and City Council.

Housing Program 3.2.3 When requested by property owners, the City shall approve rezoning of developed or vacant property from non-residential to residential uses when appropriate. These rezoned properties shall be added to the list of sites for residential development. *(Imp 2.1)*

Responsibility: Planning Department, Planning Commission and City Council.

Provision and Preservation of Affordable Housing

Goal

H 4

Preservation and increased affordability of the City's housing stock for very low-, low-, and moderate-income households.

Policy

H 4.1 Encourage the extension of the affordability contracts for the developments listed in Table H12 (City of Newport Beach Assisted Housing Summary) of this Housing Element beyond the years noted.

Programs

Housing Program 4.1.1 Periodically contact owners of affordable units for those developments listed in Table H12 to obtain information regarding their plans for continuing affordability on their properties. *(Imp 25.1)*

Responsibility: Planning Department.

Housing Program 4.1.2 Consult with the property owners regarding utilizing CDBG funds and in-lieu housing funds to maintain affordable housing opportunities in those developments listed in Table H12. *(Imp 25.1)*

Responsibility: Planning Department.

Housing Program 4.1.3 Prepare written communication for tenants and other interested parties about Orange County Housing Authority Section 8 opportunities to assist tenants and prospective tenants to acquire additional understanding of housing law and related policy issues. *(Imp 14.3)*

Responsibility: Planning Department.

Housing Program 4.1.4 Investigate availability of federal, state, and local programs (including in-lieu funds) and pursue these programs if found feasible, for the preservation of existing low-income housing, especially for preservation of low-income housing that may increase to market rates during the next ten years. A list of these programs, including sources and funding amounts, will be identified as part of this program and maintained on an on-going basis. *(Imp 14.3, 25.1)*

Responsibility: Planning Department.

Policy

H 4.2 Maintain and preserve existing City housing stock and improve energy efficiency of all housing unit types (including mobile homes).

Programs

Housing Program 4.2.1 Investigate the use of federal funds to provide technical and financial assistance, if necessary, to all eligible homeowners and residential rental property owners to rehabilitate existing dwelling

units through low-interest loans or potential loans, or grants to very low-, low- and moderate-income, owner-occupants of residential properties to rehabilitate existing units. *(Imp 25.1)*

Responsibility: Planning Department.

Housing Program 4.2.2 In accordance with Government Code Section 65863.7, require a relocation impact report as a prerequisite for the closure or conversion of an existing mobile home park. *(Imp 25.1)*

Responsibility: Planning Department and the State of California. (The state will determine acceptability of the relocation impact report).

Housing Program 4.2.3 Should need arise, consider using a portion of its Community Development Block Grant funds for establishment and implementation of an emergency home repair program. Energy efficient products shall be required whenever appropriate. *(Imp 25.1)*

Responsibility: Planning Department

Housing Program 4.2.4 Participate as a member of the Orange County Housing Authority Advisory Committee and work in cooperation with the Orange County Housing Authority to provide Section 8 Rental Housing Assistance to residents of the community. The City shall, in cooperation with the Housing Authority, recommend and request use of modified fair market rent limits to increase number of housing units within the City that will be eligible to participate in the program. The Newport Beach Planning Department shall prepare and implement a publicity program to educate and encourage landlords within the City to rent their units to Section 8 Certificate holders and to make very low-income households aware of availability of the Section 8 Rental Housing Assistance Program. *(Imp 14.3)*

Responsibility: Planning Department.

Housing Program 4.2.5 Participate in a Joint Powers Authority of Orange County jurisdictions for the purpose of financing and administering a lease purchase program for first-time homebuyers. *(Imp 14.3)*

Responsibility: Planning Department and City Council.

Housing for Special Needs Groups

Goal

H 5

Housing opportunities for special needs populations

Policy

- H 5.1** Encourage approval of housing opportunities for senior citizens and other special needs populations.

Programs

- Housing Program 5.1.1** Apply for United States Department of Urban Development Community Development Block Grant funds and allocate a portion of such funds to sub-recipients who provide shelter and other services for the homeless. *(Imp 25.1)*

Responsibility: Planning Department and the City Council.

- Housing Program 5.1.2** Cooperate with the Orange County Housing Authority to pursue establishment of a Senior/Disabled or Limited Income Repair Loan and Grant Program to underwrite all or part of the cost of necessary housing modifications and repairs. Cooperation with the Orange County Housing Authority will include continuing City of Newport Beach participation in the Orange County Continuum of Care and continuing to provide CDBG funding. *(Imp 14.3)*

Responsibility: Planning Department and the City Council.

- Housing Program 5.1.3** Permit, where appropriate, development of “granny” units in single-family areas of the City. *(Imp 2.1)*

Responsibility: Planning Department.

- Housing Program 5.1.4** Consistent with development standards in residential and commercial areas, permit emergency shelters and transitional housing under group housing provisions in its Zoning Code. *(Imp 2.1)*

Responsibility: Planning Department.

- Housing Program 5.1.5** Work with the City of Santa Ana to provide recommendations for the allocation of HUD Housing Opportunities for Persons with AIDS (HOPWA) funds within Orange County. *(Imp 14.3)*

Responsibility: Planning Department.

- Housing Program 5.1.6** Maintain a list of “Public and Private Resources Available for Housing and Community Development Activities.” *(Imp 25.1)*

Responsibility: Planning Department.

Fair Housing

Goal

H 6

Equal housing opportunities for all residents

Policy

- H 6.1** Support the intent and spirit of equal housing opportunities as expressed in Title VII of the *1968 Civil Rights Act*, *California Rumford Fair Housing Act*, and the *California Unruh Civil Rights Act*.

Programs

- Housing Program 6.1.1** Contract with an appropriate fair housing service agency for the provision of fair housing services for Newport Beach residents. The City will also work with the fair housing service agency to assist with the periodic update of the Analysis of Impediments to Fair Housing document required by HUD. The City will continue to provide pamphlets containing information related to fair housing at the Planning Department counter. *(Imp 14.3)*

Responsibility: Planning Department and City Attorney.

- Housing Program 6.1.2** Support fair housing opportunities by using Community Development Block Grant funds whenever necessary to enact federal, state, and City fair housing policies. *(Imp 14.3, 25.1)*

Responsibility: Planning Department.

Program Monitoring

Goal

H 7

Effective and responsive housing programs and policies

Policy

- H 7.1** Review the Housing Element on a regular basis to determine appropriateness of goals, policies, programs, and progress of Housing Element implementation.

Programs

- Housing Program 7.1.1** As part of its annual General Plan Review, the City shall report on the status of all housing programs. The portion of the Annual

Report discussing Housing Programs is to be distributed to the California Department of Housing and Community Development in accordance with California state. (*Imp. 1.4, 14.5*)

Responsibility: Planning Department.

Appendix H1 Social Service Programs

The following programs are located in, and near, the City of Newport Beach and serve many Newport Beach residents, including the elderly.

Orange County Housing Authority (2043 North Broadway, Santa Ana) offers rental assistance for elderly and non-elderly in the County. The Section 8 “Certificate” and “Housing Voucher” programs were established by federal law. Both provide rental assistance for low-income persons (those having incomes 80 percent or less of the County median income) in need of decent, safe, and sanitary housing. The “Certificate” program requires families pay a portion of their rent, but an amount not to exceed thirty (30) percent of their adjusted income. Total amount of the rental unit must be approved by the Housing Authority based on utilities, location, and the condition of each rental dwelling. Additionally, total rent must fall within Housing Authority Fair Market Rent limits. It should be noted that United States Department of Housing and Urban Development regulations were modified in October, 2000 to allow Section 8 monies to be used for home purchases in addition to rental assistance.

The “Housing Voucher” program allows families to pay more than 30 percent of their adjusted income toward rent should they wish to rent a housing unit that has a rent greater than Fair Market Rent. Families pay the difference between the rental price of the dwelling and the Housing Authority portion of the rent. The Housing “Certificate” Program (which will be combined under a “New Voucher” Program by October 1, 2001) provides rental assistance for families renting housing units that charge Fair Market Rent. No assistance is provided to the renter beyond Fair Market Rent should the renter choose a unit more expensive than Fair Market Rent. The Housing Authority does not have figures on how many elderly are waiting for assistance, but has indicated that approximately 5,000 people are on a waiting list to obtain assistance.

Although the following service organizations do not provide housing for the elderly, those organizations provide services to the elderly that assist the elderly in affording housing in Newport Beach.

Meals on Wheels, a Home Delivered Meals Program—provides hot meals to elderly shut-ins and is available in Newport Beach. This Program is administered by South County Services, which has indicated it serves 30 to 35 congregate meals daily at the OASIS Senior Center in Newport Beach and delivers 3 meals daily to 23 (approximately 17,250 total meals annually) Newport Beach residents.

OASIS Senior Center (800 Marguerite Avenue, Corona del Mar)—This is a multi-purpose center dedicated to meeting needs of senior citizens and their families. OASIS estimates as many as 75 percent of its clients are residents of Newport Beach. OASIS offers classes in art, exercise, mature driving, topics of enrichment, and computers and arranges social groups for those who share hobbies and interests. The Center travel department coordinates day and overnight trips. OASIS offers transportation programs (three vans) for Newport Beach seniors who have disabilities that limit their access to public transportation. This shuttle program provides transportation from senior citizens’ homes to the Senior Center. A Care-A-Van program is available for those senior citizens who require transportation for medical appointments, grocery shopping, and banking. OASIS distributes information about job openings that might interest seniors who wish to supplement their retirement income or to remain active through part-time work. OASIS offers various health services for seniors. Support groups meet regularly at the Center to help senior citizens and their families cope with stress,

illness, life transitions, and crises. Informational and supportive counseling is available to seniors and their family members on an individual basis. OASIS also offers a lunch program for active and homebound senior citizens ages 60 and older that is funded by the federal government through the *Older American Act*. A donation is requested for meals, which are provided by South County Senior Services.

The year 2000 operating budget for OASIS Senior Center was \$470,000. Funding sources for OASIS include the following: the City of Newport Beach; Friends of OASIS, a non-profit support group that contributes approximately \$200,000 annually to OASIS and funds other special events, services through grants; and, fees charged for some classes offered, facility rental, and transportation.

South County Senior Services (24300 El Toro Road, Building A, Suite 2000, Laguna Woods) is a regional non-profit charitable organization that has as its mission to promote, advocate and improve quality of life, dignity, and independence of the elderly. This organization serves approximately 10,000 seniors annually in its combined programs. South County Senior Services receives funding from federal grants, project income, MediCal, client fees, USDA, funding drives, and special events. South County Senior Services provides medical treatment programs for adults eighteen years or older with disabilities or impairments who are at risk of institutionalization, including nursing services, occupational and physical therapy, speech therapy, nutrition, music therapy, counseling, supervised social and educational activities, exercise, special events, music, and art to delay institutionalization and social isolation. South County Senior Services has an Alzheimer's treatment center and an in-home assessment program to determine needs of frail seniors, 60 years of age and older, and to establish a Plan-of-Care for services needed to assist seniors to maintain independence in their own homes for as long as possible. The Meals-On-Wheels program provides meals to individuals 60 years of age and older who are living at home and unable to prepare their own meals, or who are unable to go out to eat, or who have little or no assistance to obtain adequate meals. A transportation program coordinates lift-equipped paratransit services for senior centers. A referral service for In-Home Providers is offered to help seniors maintain independence in their own homes for as long as possible. Various programs and services are offered to meet educational, recreational, social, and human service needs of the elderly population. The Shared Housing Program was designed for seniors and various age groups to share their existing homes for companionship and relief from financial burden of housing costs for short- or long-term tenures. This Program had operated throughout the 1990s, but was discontinued in 2000 because the County of Orange discontinued Community Development Block Grant Funds for the Shared Housing Program.

Assistance League of Newport Mesa (2220 Fairview Road, Costa Mesa, CA (949) 645-6029)—is a non-profit volunteer service organization that assesses and helps meet the physical, material, emotional and cultural needs of the children in our community through self-funded, ongoing philanthropic projects. Programs include “Children’s Dental Health Care Center” providing oral hygiene instruction, general dentistry, orthodontia, and endodontics. The Assistance League also provides “Operation School Bell” providing clothing, shoes, school uniforms, and backpacks at no cost to children of low-income families. Still another program includes “Kids on the Block,” a nationally recognized educational program that teaches young adults increased understanding and tolerance for fellow classmates who have learning disabilities, physical handicaps or special emotional needs. The latest program, “The Community Outreach Program” provides funding for supplies used in supervised study programs for developmental education, parenting classes and counseling, living expenses for single parents, and day care at accredited facilities.

Appendix H2 Agencies Providing Emergency Shelter and Assistance

Orange County Housing Authority (2043 North Broadway, Santa Ana) offers rental assistance for those individuals and families in the County in danger of becoming homeless. The Section 8 “Certificate” and “Housing Voucher” programs were established by federal law. Both provide rental assistance for low income persons (those having incomes 80 percent or less of the County median income) in need of decent, safe, and sanitary housing. The “Certificate” program requires families pay a portion of their rent, but an amount not to exceed 30 percent of their adjusted income. Total amount of the rental unit must be approved by the Housing Authority based on utilities, location, and the condition of each rental dwelling. Additionally, total rent must fall within Housing Authority Fair Market Rent limits. It should be noted that United States Department of Housing and Urban Development regulations were modified in October, 2000 to allow Section 8 monies to be used for home purchases in addition to rental assistance.

The “Housing Voucher” program allows families to pay more than 30 percent of their adjusted income toward rent should they wish to rent a housing unit that has a rent greater than Fair Market Rent. Families pay the difference between the rental price of the dwelling and the Housing Authority portion of the rent. The Housing “Certificate” Program (which will be combined under a “New Voucher” Program by October 1, 2001) provides rental assistance for families renting housing units that charge Fair Market Rent. No assistance is provided to the renter should the renter choose a unit more expensive than Fair Market Rent. According to the Orange County Housing Authority, there are more than 2,000 Certificates in existence in Orange County.

Orange Coast Interfaith Shelter—This is an agency that provides housing, meals, employment services, and a children’s program. The Orange Coast Interfaith Shelter is the largest family shelter in Orange County and operates on an annual budget of \$500,000. The City of Newport Beach provided \$8,000 (1.6 percent) of that operating budget during the time period July 1, 1999, to June 30, 2000. Temporary shelter is offered to families and single women on an emergency (3 to 7 days/month) or transitional (2–7 months) basis. During the time period noted previously the Interfaith Shelter provided temporary shelter to 80 to 90 households that indicated a most recent permanent address in the City of Newport Beach. This indicated the percentage of total households assisted (2,070) that were from Newport Beach was between 3.9 percent and 4.3 percent, although the City provided 1.6 percent of the Interfaith Shelter annual budget. The racial/ethnic identifications of the 2,070 served were as follows: Caucasian (831); Hispanic (617); African American (354); Native American (57); Asian American (26); Biracial (64); and Other (33). The Interfaith Shelter also provided 57,295 meals to special needs populations during the time period noted. Additionally, the Interfaith Shelter provided children’s programs to the 30 to 40 children who commonly receive shelter at any one time. Furthermore, the Interfaith Shelter indicated it provided temporary shelter to 226 single mothers (female heads of households) during the time period noted. Many of the female heads of households served were women over the age of 50 with mental health disabilities.

Saddleback Community Outreach (23011 Moulton Parkway, Suite 12) is a non-profit organization that opened in August 1989. It is funded with federal (Super NOFA) monies, monies from local jurisdictions, and monies from faith-based organizations in the following areas: “in-kind” Donations Programs; Sponsorship and Underwriting for Programs and Fundraising Events; Housing Fund Donations; Food Drives; and, “Adopt-A-Family” Holiday Programs (which provides a holiday meal

at Thanksgiving and holiday meal and gifts in December). The major objective of Saddleback Community Outreach programs and services is to help those assisted become self-supportive. This organization operates without paid administrators. Of the more than 100 volunteers within the organization, some are selected and trained to function as directors, evaluators, coordinators, and care workers. Saddleback Community Outreach is involved in four active programs to meet critical housing needs of its clients, who number 5,200 annually. The Emergency Lodging Program is intended for homeless families needing temporary housing until a permanent residence is established. The Housing Assistance Program is intended for families needing an interest free loan to prevent eviction or to assist with move-in costs. The Interfaith Shelter Program is a six-month program available for homeless singles seeking employment, shelter, and counseling. The Transitional Housing Program is a two-year program for homeless families. Applicants are screened by the Housing Committee to assess each family's ability to pay a reduced rent in a condominium, maintain employment, set goals, meet commitments, and attend practical counseling for budget management. The Saddleback Community Outreach Pantry/Warehouse distributes more than 150,000 pounds of food annually to families or individuals in need and hosts SHARE, a program enabling people to buy up to \$35.00 worth of groceries for \$15.00. Saddleback Community Outreach also will pay a portion of a family's utility bill to help avoid disconnection of services. Additional services include vouchers for adults and children to obtain clothing at local thrift stores, gasoline vouchers or bus tickets for transportation to job interviews or physician appointments, donation of automobiles contributed to Saddleback Community Outreach to clients in need, medical prescription vouchers for pre-screened families or individuals, "motivational counseling" to help restore hope and confidence, "practical counseling" to assist in goal setting, budget management and future planning, and referrals to local agencies for other counseling needs.

YMCA—The Newport Beach YMCA offers physical activities classes and personal hygiene facilities. During 2000, the YMCA has provided 234 daily showers for those who identified themselves current or most recently as Newport Beach residents (out of a total 4,000 annually provided daily showers) and 858 single-day guest passes for identified current or recent Newport Beach residents. The percentage of daily showers for those from Newport Beach compared to the total of annual showers is 5.9 percent. The YMCA estimates approximately fifty (50) percent of its clients come from the Newport Beach/Costa Mesa area. The City of Newport Beach contributed \$5,000 during 2000, which accounted for 0.14 percent of the approximate 2000 YMCA operating budget of \$3,500,000.

YWCA Hotel for Women—The YWCA Hotel for Women provides shelter, food, counseling, job-search, and housing-search assistance for homeless women. The City also provides CDBG funds to this organization, and likewise, requires expanded reporting information

Friends in Service to Humanity—This agency (established in 1968) assists more than 5,900 families in Orange County. These families consist of more than 24,000 individuals, of whom more than 12,500 are children. Friends in Service to Humanity provides the following services: rental assistance to avoid eviction; "mobile meals to the home bound; transitional housing with case management; food; child care subsidies for low-income working parents; utility payments to avoid disconnections; baby diapers and infant formula; "adopt-a-family" program during the holidays; medical, dental, and shopping transportation; and, transportation costs for employment. During the first six months of 2000, Friends in Service to Humanity served 487 mobile meals, made 1,166 grocery deliveries, provided 119 individuals/families with rental assistance to avoid eviction; made 47 utility payments, provided 42 child care subsidies, and provided 15 automobile repairs. Friends in Service to Humanity indicates a substantial number of its clients reside in the City of Newport Beach. In year 2000, the City of

Newport Beach provided Friends in Service to Humanity with \$16,500 for homeless prevention and \$15,500 for Meals programs.

American Red Cross—The Red Cross assists persons temporarily displaced from their residence due to disasters such as fires. From 1994 to the present, the Red Cross reported helping 55 Newport Beach residents involved in 3 incidents. This agency does not request CDBG funding from the City.

Other volunteer groups and local religious organizations serve Newport Beach by providing temporary shelter, bus fares to reach pre-planned destinations, rental assistance, medical assistance, food, and clothes to the homeless and other needy persons/families.

Several motels in the Newport Beach–Costa Mesa area are utilized by various agencies to accommodate homeless persons. These agencies pay all or a portion of the costs.

An undetermined number of transients or chronically homeless individuals pass through Newport Beach. Much of this depends on opportunities and conditions presented to these individuals within Newport Beach and the surrounding communities. Housing needs of these individuals include transitional housing in the form of single room occupancy units (SRO) and emergency and transitional shelters.

<i>Name</i>	<i>Persons/Groups Served</i>	<i>Location</i>	<i>Number of Beds</i>
American Veterans Assistance Corp.	Veterans with families	Santa Ana	10
Anaheim Interfaith/Halcyon Shelter	Families with children	Anaheim	34
Anchor House	Families	San Clemente	14
Annie's House	People afflicted with HIV/AIDS	Costa Mesa	10
Armory (Cold Weather Program)	Singles; Couples; Families	Fullerton; Santa Ana	250
Bethany	Single, employed women who have successfully completed a shelter program	Orange	7
Beyond Shelter—YWCA	Transitional shelter for single women; may be dually diagnosed or have substance abuse issues	Fullerton	10
Birch I and II Santa Ana Facility	Adult Males (Birch I); Youth (ages 18–21) who are working or attending school and moving toward independence (Birch II)	Santa Ana	11
Casa Teresa	Single pregnant women, 18 years of age or older with no children; client expected to work or attend school	Orange	28
Casa Youth Shelter	Ages 12–17; accepts pregnant teens	Los Alamitos	25
Catholic Charities	Families	Santa Ana	18
Christian Temporary Housing	Families	Orange	60
CSP Youth Shelter	Ages 11–17	Laguna Beach	6
Dayle McIntosh Center For The Disabled	Disabled Individuals/ Families with Disabled Members	Anaheim	7

<i>Name</i>	<i>Persons/Groups Served</i>	<i>Location</i>	<i>Number of Beds</i>
El Modena	Transitional housing for families or single parents with children; must be employed and moving toward independent living; 70% of income must be saved by family; must be referred by O.C. shelter	Orange	30–35
Eli Home	Transitional housing for women and children (under age 12) who are victims of family abuse or domestic violence. Faith based.	Orange	N/A
Episcopal Service Alliance, Martha House	Women	Orange	10
Families Forward	Transitional housing for families or single parents with children under 18 years of age; one adult must be employed	Irvine	35
Friendship Shelter	Individuals	Laguna Beach	22
Fullerton Interfaith/New Vista	Families or Single Parent with Children under the age of 18; must have income	Fullerton	27
Gerry House	Male/Female intravenous drug users and who may be receiving narcotic replacement therapy	Santa Ana	12
Gerry House West	Persons who are HIV positive with substance abuse problems	Santa Ana	6
Hannah's House	Transitional housing for single pregnant women 18 years and older who are considering adoption. No other children. Woman expected to work or attend school.	Orange	12
Hearth Dayle McIntosh	Disabled men or women with or without children	Anaheim	6
Henderson House	Transitional housing to graduates, single men, single women of the Friendship Shelter; must have referral from Friendship Shelter Program	San Clemente	NA
Homeless Intervention Shelter	Transitional living center for families, single men and single women, men with children, women with children, couples	Placentia	40
House of Hope - O.C. Rescue Mission	Women & Children	Santa Ana	45
Human Options	Battered Women, with or without children		40 Emergency 14 Transitional
Huntington Youth Shelter	Ages 11–17	Huntington Beach	11
Interfaith Interim Housing	Single homeless adults willing to work; 120-day program; faith based	Laguna Hills	8
Interval House	Battered Women, with or without children; accepts pregnant women		49
Irvine Temporary Housing	Families	Irvine	10 single-family furnished apartments
Kathy's House	Women, with or without children; faith based	Capistrano Beach	11
Laura's House	Battered Women, with or without children		25
Laurel House	Youth, ages 11–19	Tustin	N/A

Housing Element

<i>Name</i>	<i>Persons/Groups Served</i>	<i>Location</i>	<i>Number of Beds</i>
Mary's Shelter	Pregnant teens, ages 17 and under; teen mothers and infants 0–18 months	Santa Ana	18
Mercy House/Joseph House	Transitional housing for Men; must be employed or in job training full time	Santa Ana	12
Mercy House/Regina House	Transitional housing for Women and Children under 10; must be employed or in job training full time	Santa Ana	14
Missionary Brothers of Charity	Families	Santa Ana	16
New Vista Shelter	Families	Fullerton	60
O.C. Rescue Mission	Men	Santa Ana	90
Orange Coast Interfaith Shelter	All	Costa Mesa	100
Precious Life Shelter	Transitional/Emergency program for pregnant women 18 years and older	Los Alamitos	21
Rescue Mission for Men	Men	Santa Ana	40
Salvation Army Hospitality House/Buffalo Street	All	Santa Ana	60
The Sheepfold	Women 18 years of age and older with children; Faith Based	Tustin	55
Shelter For The Homeless	Families, Men, & Women	Westminster	106
Thomas House	Transitional housing for families, women with children, men with children; adults must be willing to work	Garden Grove	76
Thomas House Temporary Shelter	Families	Fountain Valley	Provides room for 7 families
Toby's House	Adult pregnant women; children under 5 years of age	San Clemente	5 families
Veterans Charities	Single Veterans	Santa Ana	54
The Villa Posada	Women	Santa Ana	6
WISE Hotel for Women	Transitional program for single women with no children; must be alcohol free; drug testing may be required	Santa Ana	34
Women's Transitional Living Center	Battered Women		
YWCA—Hotel For Women	Women	Santa Ana	38

SOURCES: Orange County Social Service Resource Directory (1991-1992); County of Orange Housing Element, 1989; current (2000) research

Appendix H3 Public and Private Resources Available for Housing and Community Development Activities

<i>Program Names</i>	<i>Description</i>	<i>Eligible Activities</i>
1a. Federal Programs—Formula/Entitlement		
Community Development Block Grant	Grants awarded to the City on a formula basis for housing and community development activities. The City Receives approximately \$500,000 in CDBG funds annually	<ul style="list-style-type: none"> ◆ Acquisition ◆ Rehabilitation ◆ Home Buyer Assistance ◆ Economic Development ◆ Homeless Assistance ◆ Public Services ◆ ADA Compliance ◆ Public Facilities
1b. Federal Programs - Competitive		
Section 8 Rental Assistance Program	Rental assistance payments to owners of private market rate units on behalf of very low income tenants	◆ Rental Assistance
HOME	Flexible grant program awarded to the Orange County HOME Consortium on a formula basis for housing activities. City can apply to County on a competitive basis for affordable housing projects	<ul style="list-style-type: none"> ◆ Acquisition ◆ Rehabilitation ◆ Home Buyer Assistance ◆ Rental Assistance
Section 202	Grants to non-profit developers of supportive housing for the elderly.	<ul style="list-style-type: none"> ◆ Acquisition ◆ Rehabilitation ◆ New Construction ◆ Rental Assistance
Section 811	Grants to nonprofit developers of supportive housing for persons with disabilities, including group homes, independent living facilities, and intermediate care facilities.	<ul style="list-style-type: none"> ◆ Acquisition ◆ Rehabilitation ◆ New Construction ◆ Rental Assistance
Section 108 Loan	Provides loan guarantee to CDBG entitlement jurisdictions for pursuing large capital improvement or other projects. The jurisdictions must pledge future CDGB allocations for repayment of the loan. Maximum loan amount can be up to five times the entitlement jurisdiction's most recent annual allocation. Maximum loan term is 20 years.	<ul style="list-style-type: none"> ◆ Acquisition ◆ Rehabilitation ◆ Home Buyer Assistance ◆ Economic Development ◆ Homeless Assistance ◆ Public services
Mortgage Credit Certificate Program	Income tax credits available to first-time homebuyers for the purchase of new or existing single-family housing. Local agencies (County) make certificates available.	◆ Home Buyer Assistance
Low Income Housing Tax Credit (LIHTC)	Tax credits are available to individuals and corporations that invest in low-income rental housing. Usually, the tax credits are sold to corporations with a high tax liability and the proceeds from the sale are used to create the housing	<ul style="list-style-type: none"> ◆ New Construction ◆ Rehabilitation ◆ Acquisition

Housing Element

<i>Program Names</i>	<i>Description</i>	<i>Eligible Activities</i>
Shelter Plus Care Program	Grants for rental assistance that are offered with support services to homeless with disabilities. Rental assistance can be: Section 8 Moderate Rehabilitation (SRO) project based rental assistance administered by the local PHA with state or local government application <u>Sponsor-Based Rental Assistance</u> Provides assistance through an applicant to a private non-profit sponsor who wins or leases dwelling units in which participating residents reside. <u>Tenant-Based Rental Assistance (TBA)</u> Grants for rental assistance <u>Project-Based Rental Assistance</u> Grants to provide rental assistance through contracts between grant recipients and owners of buildings.	<ul style="list-style-type: none"> ◆ Rental Assistance ◆ Homeless Assistance
Supportive Housing Program (SHP)	Grants for development of supportive housing and support services to assist homeless persons in the transition from homelessness.	<ul style="list-style-type: none"> ◆ Transitional Housing ◆ Permanent Housing for Disabled ◆ Supportive Services ◆ Safe Havens
2. State Programs		
Proposition 1 A	Proposition 1A includes provisions to establish a Down payment Assistance Program and a Rent Assistance Program using school fees collected from affordable housing projects. Potential buyers or tenants of affordable housing projects are eligible to receive nonpayment assistance or rent subsidies from the state at amounts equivalent to the school fees paid by the affordable housing developer for that project in question.	<ul style="list-style-type: none"> ◆ Down payment Assistance ◆ Rental Assistance
Emergency Shelter Program	Grants awarded to non-profit organizations for shelter support services.	<ul style="list-style-type: none"> ◆ Support Services
California Housing Finance Agency (CHFA) Multiple /Rental Housing Programs	Below market rate financing offered to builders and developers of multiple-family and elderly rental housing. Tax exempt bonds provide below-market mortgage money.	<ul style="list-style-type: none"> ◆ New Construction ◆ Rehabilitation ◆ Acquisition of Properties from 20 to 150 units
California Housing Finance Agency Home Mortgage Purchase Program	CHFA sells tax-exempt bonds to make below market loans to first time homebuyers. Program operates through participating lenders who originate loans for CHFA purchase	<ul style="list-style-type: none"> ◆ Home Buyer Assistance
California Housing Rehabilitation Program-Owner Component (CHRP-O)	Low interest loans for the rehabilitation of substandard homes owned and occupied by lower-income households. City and non-profits sponsor housing rehabilitation projects.	<ul style="list-style-type: none"> ◆ Rehabilitation ◆ Repair Code Violations, Accessibility ◆ Additions, General Property Improvement

<i>Program Names</i>	<i>Description</i>	<i>Eligible Activities</i>
3. Local Programs		
Tax Exempt Housing Revenue Bond	The City can support low-income housing developers in obtaining bonds in order to construct affordable housing. The City can issue housing revenue bonds or participate in the County of Orange program requiring the developer to lease a fixed percentage of the units to low income families and maintain rents at a specified below market rate.	<ul style="list-style-type: none"> ◆ New Construction ◆ Rehabilitation ◆ Acquisition
4. Private Resource/Financing Programs		
Federal National Mortgage Association (Fannie Mae)	<p>Loan applicants apply to participating lenders for the following programs:</p> <ul style="list-style-type: none"> ◆ Fixed rate mortgages issued by private mortgage insurers. ◆ Mortgages that fund the purchase and rehabilitation of a home. 	<ul style="list-style-type: none"> ◆ Home Buyer Assistance
Savings Association Mortgage Company Inc. (SAMCO)	Pooling process to fund loans for affordable ownership and rental housing projects. Non-profit and for profit developers contact member institutions.	<ul style="list-style-type: none"> ◆ New Construction of single family and multiple family rentals, cooperatives, self help housing, homeless shelters, and group homes for the disabled.
California Community Reinvestment Corporation (CCRC)	Non-profit mortgage banking consortium designed to provide long-term debt financing for affordable multi-family rental housing. Non-profit and for profit developer contact member banks	<ul style="list-style-type: none"> ◆ New Construction ◆ Rehabilitation ◆ Acquisition
*Freddie Mac	Home Works—Provide 1st and 2nd mortgages that include rehabilitation loan. City provides gap financing for rehabilitation component. Households earning up to 80% of MFI qualify.	<ul style="list-style-type: none"> ◆ Home Buyer Assistance combined with Rehabilitation
Lease Purchase Program	The City could participate in a Joint Powers Authority (JPA) that issues tax-exempt bonds. Bonds enable City to purchase homes for households earning up to 140% MFI. JPA pays 3% down and payments equivalent to mortgage payments with the option to buy after three years.	<ul style="list-style-type: none"> ◆ Home Buyer Assistance

Appendix H4 Housing Element Amendments

<i>Date of Council Approval</i>	<i>Amendment No. & Resolution No.</i>	<i>Amendment Description</i>
4-12-05	GPA 2004-010 Res. No. 2005-19	Revisions to eliminate discrepancies and insure consistency within the text, clarify existing polices and affordability standards, and include additional provisions to promote the achievement of the City's housing goals.