

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Part 0.5, Chapter 3.5 or Part 2, Chapter 3, Articles 3 and 4 respectively (commencing with Section 75) of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the Vestee named in Schedule A; or as a result of changes in ownership or new construction occurring prior to the date of policy.
2. (a) Unpatented mining claims; (b) reservations or exception in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
3. A deed of trust to secure indebtedness in the original amount shown below.

Amount: \$553,000.00

Dated: 03/09/2007

Trustor: Anna Thames

Trustee: Recontrust Company, N.A.

Beneficiary: MERS, Inc. as nominee for Countrywide Bank, N.A.

Recorded: 03/15/2007 in Doc: 2007-166870

Original Loan Number: none stated

4. A deed of trust to secure indebtedness in the original amount shown below.

Amount: \$158,000.00

Dated: 03/09/2007

Trustor: Anna Thames

Trustee: Recontrust Company, N.A.

Beneficiary: MERS, Inc. as nominee for America's Wholesale Lender

Recorded: 03/15/2007 in Doc: 2007-166871

Original Loan Number: none stated

Open Ended to \$158,000.00.

5. 2008/2009 1st installment County Taxes are Paid in the amount of \$4,349.17. Taxes accruing in the current year. Tax ID 119-361-08. NOTE: CONTACT LOCAL TAX AUTHORITIES FOR EXACT AMOUNTS DUE, PRIOR TO LOAN CLOSING. Exemption: N/A Code Area: 07212
6. 2008/2009 2nd installment County Taxes are Open in the amount of \$4,349.17 due 04/10/2009. Taxes accruing in the current year. Tax ID 119-361-08. NOTE: CONTACT LOCAL TAX AUTHORITIES FOR EXACT AMOUNTS DUE, PRIOR TO LOAN CLOSING. Exemption: N/A Code Area: 07212
7. 2007/2008 1st & 2nd installment County Taxes and 2007 1st and 2nd installments Supplemental Taxes are Delinquent in the amount of \$12,315.74 plus interest and penalties. Taxes accruing in the current year. Tax ID 119-361-08. NOTE: CONTACT LOCAL TAX AUTHORITIES FOR EXACT AMOUNTS DUE, PRIOR TO LOAN CLOSING. Delinquent Real Estate taxes and any adverse effect upon the interest herein including but not limited to any tax sale occurring prior to or subsequent to date of final policy. Exemption: N/A Code Area: 07212

8. Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
9. Covenants, conditions and restrictions in the declaration of restrictions but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: Book 437, Page 231, of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

Modification(s) of said covenants, conditions and restrictions

Recorded: Book 5296, Page 239, of Official Records

10. Covenants, conditions and restrictions in the declaration of restrictions but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: Book 5923, Page 378, of Official Records

11. Easement(s) for the purpose(s) shown below and rights incidental thereto as disclosed by a document;

Purpose: pole lines and/or conduits and incidental purposes

Recorded: Book 6009, Page 242, of Official Records

Affects: The Northwesterly 6 feet of the land

12. Easement(s) for the purpose(s) shown below and rights incidental thereto as disclosed by a document;

Purpose: pole lines and/or conduits and incidental purposes

Recorded: Book 6023, Page 2, of Official Records

Affects: The Northwesterly 5 feet of the land

13. The effect of a Map purporting to show the herein described and other land recorded in Book 117, Page 5 of Record of Surveys.
14. Any restrictions covering the future use of the land, as disclosed by the Santa Ana Heights Specific Plan recorded May 4, 1990 as instrument no. 1990-235869 of Official Records, covering the herein described and other land
15. The effect of a Map purporting to show the herein described and other land recorded in Book 138, Page 28 of Record of Surveys.

END OF ITEMS

1. The only deeds affecting said land, which recorded within twenty-four (24) months of the date of this report, are as follows:

Grantor: Celia Johnson, a widow

Grantee: Anna Thames, an unmarried woman

Recorded: 03/15/2007, Doc: 2007-166889, of Official Records

2. There is located on said land a Single Family residence, known as: 1561 INDUS ST, City of SANTA ANA, County of ORANGE, and State of California.
3. Amended Civil Code Section 2941, which becomes effective on January 1, 2002, sets the fee for the processing and recordation of the reconveyance and recordation of the reconveyance of each Deed of Trust being paid off through this transaction at \$45.00. The reconveyance fee must be clearly set forth in the Beneficiary's Payoff Demand Statement ("demand"). In addition, an assignment or authorized release of that fee, from the Beneficiary to the Trustee of record, must be included. An example of the required language is as follows: "The Beneficiary identified above hereby assigns, releases, or transfers to the Trustee of record, the sum of \$45.00, included herein as a Reconveyance Fee, for the processing and recordation of the Reconveyance of the Deed of Trust securing the indebtedness covered hereby, and the escrow company or title company processing this pay-off is authorized to deduct the Reconveyance Fee from this Demand and forward said fee to the Trustee of record or the successor Trustee under the Trust Deed to be paid off in full." In the event that the reconveyance fee and the assignment, release or transfer thereof is not included within the demand statement, then Chicago Title Company may decline to process the reconveyance and will be forced to return all documentation directly to the Beneficiary for compliance with the requirements."
4. The current owner does not qualify for \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs for the herein described property.
5. Properly drafted and executed owner's affidavit from Anna Thames, and spouse, if any.
6. Record instruments conveying or encumbering the estate or interest to be insured, briefly described:

Properly drafted and executed Deed of Trust from Anna Thames, and spouse, if any, to Lender to be determined, securing a lien in the amount of \$400,000.00. NOTE: Marital status must be stated on the Deed of Trust Document.

ANY DEED PREPARED IN CONNECTION WITH THIS TRANSACTION MUST INCLUDE THE RELATIONSHIP OF GRANTOR AND GRANTEE IN ORDER TO DETERMINE THE APPLICABILITY OF TRANSFER TAXES, IF ANY.

END OF NOTES

Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount.

Request for \$20.00 Discount – CA Settlement

Use one form for each qualifying property.

To:	Fidelity National Title Insurance Company
Date:	
From: (name)	
Current Address:	
	I believe that I am qualified for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs. I have not previously received a cash payment or a discount from another Company on the property described below.
	Signed: _____ Date: _____
Address of qualifying property:	
Approximate date of transaction:	

THIS SECTION IS FOR TITLE DEPARTMENT USE ONLY.

The above referenced party is entitled to receive a \$20.00 discount on escrow services or title insurance pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs.

OR

The above referenced party does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs for the following reason:

The party has previously received credit for the transaction described above.

The transaction described above did not occur in the time period allowed by the stipulated judgments – May 18, 1995 to November 1, 2002.

Title Department: please fax your response to:

Escrow No:	
Escrow Officer:	
Fax Number:	

**AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection
 This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

3. Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - to any land outside the area specifically described and referred to in Item 3 of Schedule A
 - or
 - in streets, alleys, or waterways that touch your land
 This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;

(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;

- (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
 5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
 6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

Order No: 1763948 - 1

**AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-82)
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is

afforded herein as to assessments for street improvements under construction or completed at Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not insured in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgage insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgage being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgage as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgage being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 6.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;

(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
(e) resulting in loss or damage that would not have been sustained if the insured claimant had paid value for the insured mortgage.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of an insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the insured mortgage that arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the insured mortgage, is:
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the insured mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ATTACHMENT ONE
(CONTINUED)

Order No: 1763948 - 1

AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage anything which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

- Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
- Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 6.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Defects, liens, encumbrances, adverse claims, or other matters

- (a) created, suffered, assumed, or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
(e) resulting in loss or damage that would not have been sustained if the insured claimant had paid value for the Title.
- Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A is:
(a) a fraudulent conveyance or fraudulent transfer; or
(b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
- Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

- (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ATTACHMENT ONE
(CONTINUED)

Order No: 1763948 - 1

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE(10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE(10-22-03)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on Land
 - e. Land division
 - f. environmental protection
 This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
 This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8 d, 22, 23, 24 or 25.
5. Failure to pay value for Your Time.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14:	1.00 % of Policy Amount or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 15:	1.00 % of Policy Amount or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 16:	1.00 % of Policy Amount or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 18:	1.00 % of Policy Amount or \$2,500.00 (whichever is less)	\$ 5,000.00

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY(10/19/01)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage anything which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
 - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8 (e) and 25.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are known to the Insured at:
 - (a) The time of the advance; or
 - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

Privacy Statement

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements; and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our

Privacy Statement

Effective Date 5/1/2008

customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access to Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

Privacy Statement

Effective Date 5/1/2008

December 15, 2008

Mr. Steve Bunting
Fire Marshall
CITY OF NEWPORT BEACH
FIRE AND MARINE DEPARTMENT
3300 Newport Boulevard
P.O. Box 1768
Newport Beach, Ca 92658-8915

RE: Yellowstone Recovery ("Keystone Manor" Residence)
Coda Analysis For The Existing Building

Dear Mr. Bunting,

Alfred J. Boder, Architect has been contracted by Yellowstone Recovery to review details of their existing building, titled "Keystone Manor", located at 1561 Indus Street, Santa Ana, Ca 92707. Yellowstone Recovery intends to change the use of the building from a single-family residence to a Residential Facility for the non-medical rehabilitation of drug abuse and alcoholism. We have surveyed the existing building and the summary of our findings and conclusions are as follows:

- A. The existing building was constructed in 1961, and was built as a single-family residence, occupancy type R-3. The building is a two-story structure with an attached garage.
- B. The building is set back from the front property line 26'-0". The side yard set back is 6'-0" clear on both sides of the structure.
- C. As the attached plans indicate, the residence is entered through the front door that faces the addressed street. The first floor consists of a living room, dining room, kitchen, bathroom, and two bedrooms. The second floor consists of four bedrooms, and two bathrooms.

Based on this research, the following code issues are in compliance with the current code requirements of the California Building Code, CBC 2007.

- 01. **Location On The Property:** As indicated on the attached plans, the building setbacks for the side yards is five (12) feet from the property line. This distance includes the attached garage. Per CBC section 6, Table 602, the minimum fire separation distance is five feet. This setback is achieved to the property line and from the property line; the

adjacent R-3 residence is also setback five (12) feet from the property line for a total of a ten (22) foot separation from the two buildings.

Conclusion: The wall of the garage at the side yard is not required to be of fire rated construction and there are no penetrations or openings in the attached garage wall.

02. **Section 419, Group I-1, R-1, R-2, R-3, R-3.1, R-4:** 419.2, Separation walls. Section does not apply. Note that the common wall between the attached garage is of one-hour fire rated construction to the bottom of the roof diaphragm and there are no penetrations in this wall.

03. **Section 419.3, Horizontal Separation:** This section does not apply per section 711.1.

04. **Section 425, Special Provisions For Licensed 24-Hour Care Facilities in Group R-1, R-3.1 or R-4 Occupancy (SFM):** Per section 425.3.5, Limitations – Seven or More Clients; The second floor area is less than three thousand (3,000) square feet and therefore a one-hour fire rated construction is not required.

05. **Section 425.7, Fire Protection System Provisions:** Section 425.7.1, Automatic Fire Sprinkler Systems. Per section 903.2.7, Group R, an automatic fire sprinkler system is not required per exceptions 1 and 3.

Section 425.7.2, Fire Alarm Systems: Per section 907.2.8 an approved, hard-wired fire alarm system is installed as required per section 907.2.8.2.

Section 427.7.3, Smoke Alarms: Per section 907.2.8.3, battery powered smoke detectors/alarms are installed in the required areas per section 907.2.10.

Section 906.1, Portable Fire Extinguishers: Portable fire extinguishers are installed and located per the California Fire Code.

06. **Chapter 10 Means Of Egress:** Section 1006, means of egress illumination. There is illumination at the top, middle, and bottom of the staircase.

Section 1009, Stairways: Per section 1009.1, exception 1, the staircase complies with the code requirement.

I believe that this is a complete analysis of the code related items which apply to this building during the change of occupancy. Please call Anthony Grillo, my representative, at (949) 678-3214 if you have any questions.

Sincerely,

Alfred Bodor – Architect

A handwritten signature in black ink, appearing to read "Alfred Bodor", written in a cursive style.

Attachments; Scale as-built plans

PARKING AND TRANSPORTATION

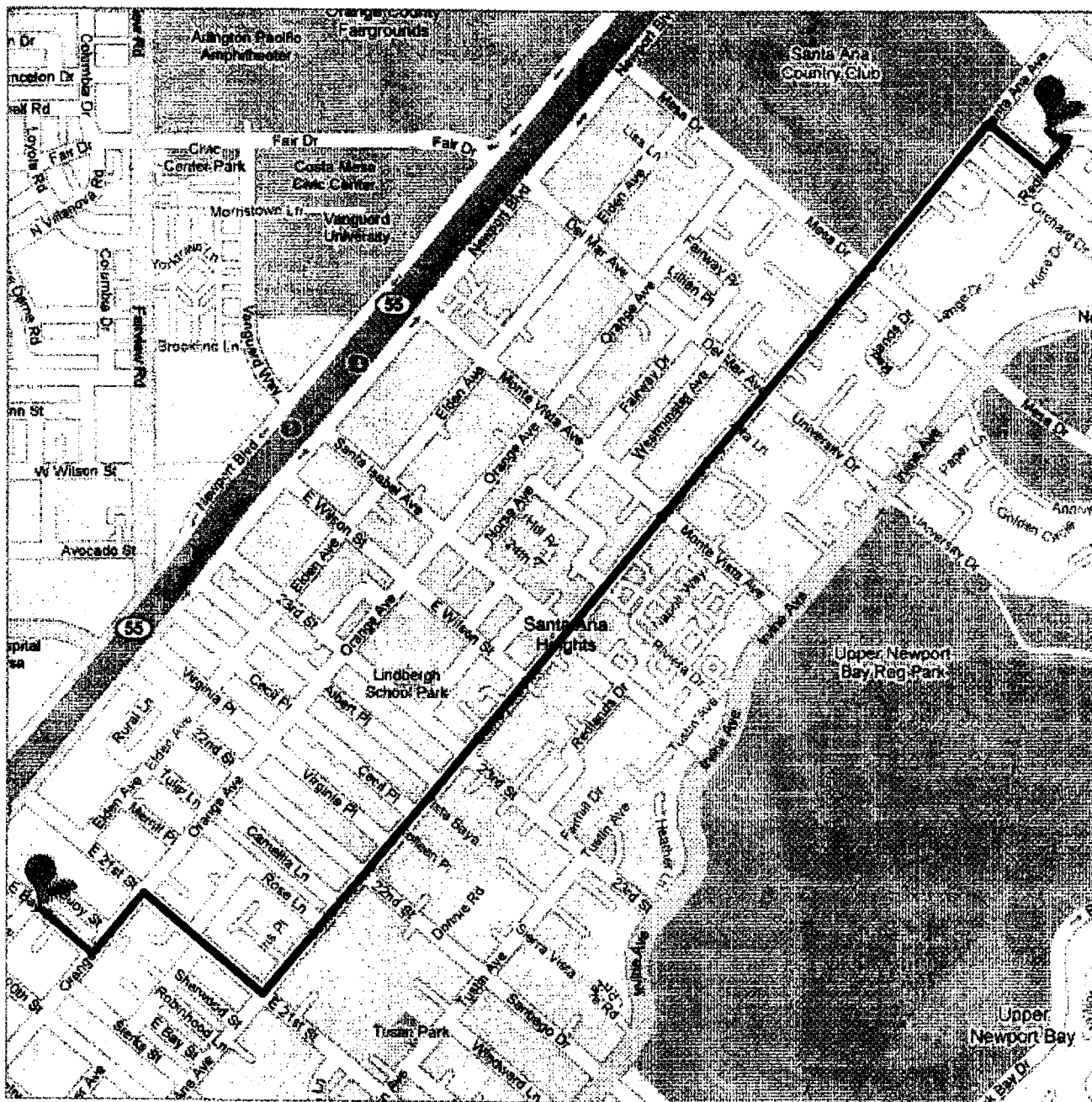
There is room for four cars to park on the property; however, residents are not permitted to park there. Only the house manager and assistant manager are permitted to park onsite. Thus, the maximum number of cars parked onsite at any time will be two. Most residents ride the bus and there is a bus stop located near the home.

The home does not provide general transportation throughout Newport Beach and other neighboring cities. The home provides transportation to only two locations: the treatment facility and St. John church. Both are within ten minutes of the home. St. John is located at 183 East Bay Street in Costa Mesa. The treatment facility is located at 154 East Bay Street in Costa Mesa. Route maps from the home to the treatment facility and from the home to St. John church are attached.

In the morning, residents are transported to either church or treatment. All residents are prohibited from being in the house between 8:00 a.m. and 3:00 p.m. Additionally, all residents must return to the house by 4:00 p.m. Finally, the vans that transport the residents are not parked onsite. When not in use, the vans are kept in another city.



Directions to 154 E Bay St, Costa
Mesa, CA 92627
2.6 mi – about 8 mins
From HOME to TREATMENT



 1561 Indus St, Santa Ana, CA 92707

-
- | | |
|---|---------------------------|
| 1. Head southeast on Indus St toward Redlands Dr | go 194 ft
total 194 ft |
|  2. Turn right at Redlands Dr | go 341 ft
total 0.1 mi |
|  3. Turn right at Pegasus St | go 0.1 mi
total 0.2 mi |
|  4. Turn left at Santa Ana Ave
About 6 mins | go 1.8 mi
total 2.0 mi |
|  5. Turn right at E 21st St
About 1 min | go 0.2 mi
total 2.3 mi |
|  6. Turn left at Orange Ave | go 0.1 mi
total 2.4 mi |
|  7. Turn right at E Bay St
Destination will be on the right | go 0.1 mi
total 2.5 mi |

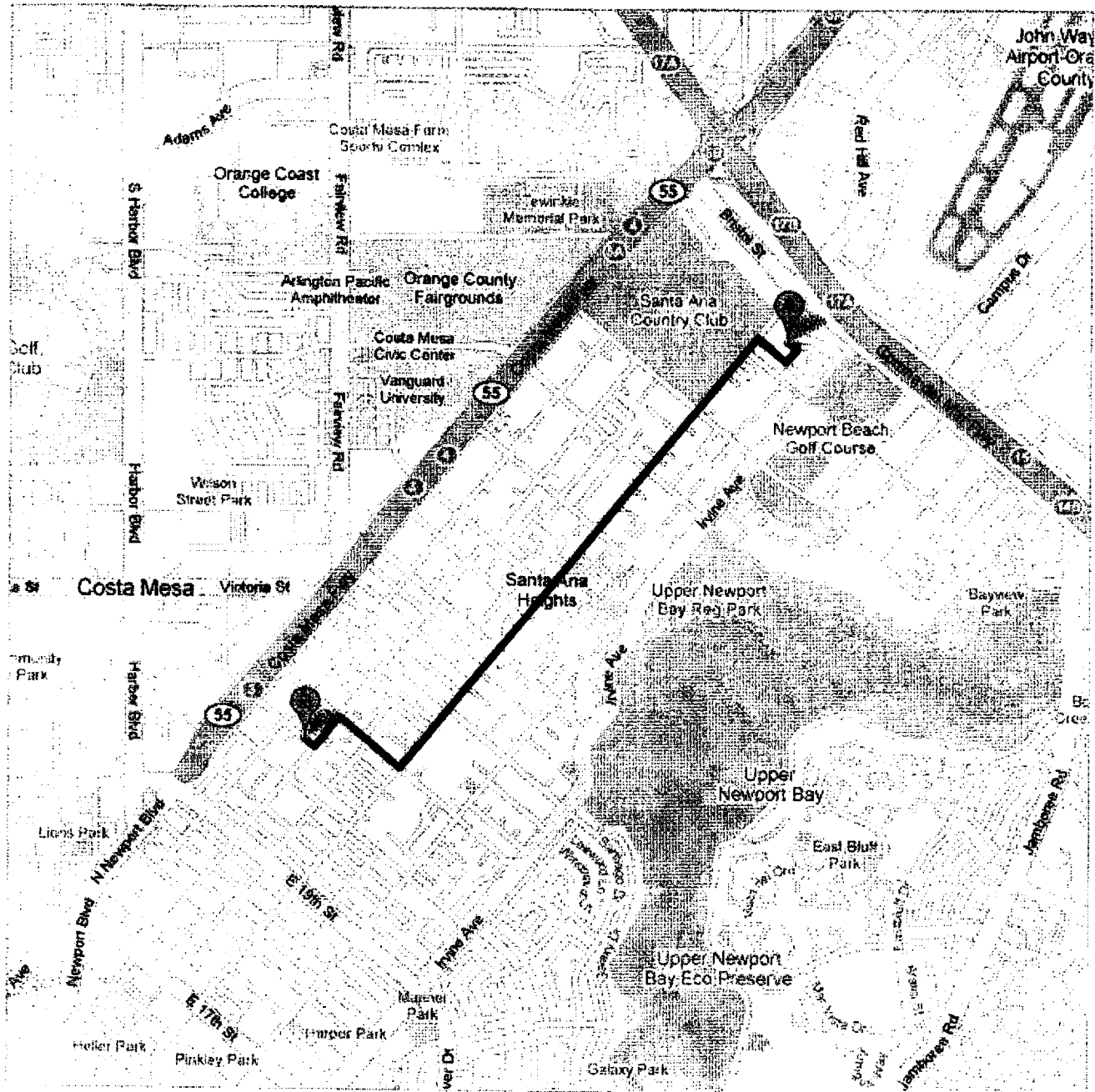
 154 E Bay St, Costa Mesa, CA 92627

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

Map data ©2008, Tele Atlas



Directions to 183 E Bay St, Costa
Mesa, CA 92627
2.4 mi – about 8 mins
From HOME to CHURCH



 1561 Indus St, Santa Ana, CA 92707

-
- | | |
|--|---------------------------|
| 1. Head southeast on Indus St toward Redlands Dr | go 194 ft
total 194 ft |
|  2. Turn right at Redlands Dr | go 341 ft
total 0.1 mi |
|  3. Turn right at Pegasus St | go 0.1 mi
total 0.2 mi |
|  4. Turn left at Santa Ana Ave
About 5 mins | go 1.8 mi
total 2.0 mi |
|  5. Turn right at E 21st St
About 1 min | go 0.2 mi
total 2.3 mi |
|  6. Turn left at Orange Ave | go 0.1 mi
total 2.4 mi |
|  7. Turn right at E Bay St
Destination will be on the left | go 223 ft
total 2.4 mi |

 183 E Bay St, Costa Mesa, CA 92627

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

Map data ©2008, Tele Atlas

Oxford House, Inc.

Hereby grants
a conditional charter to:

Oxford House – Keystone Manor

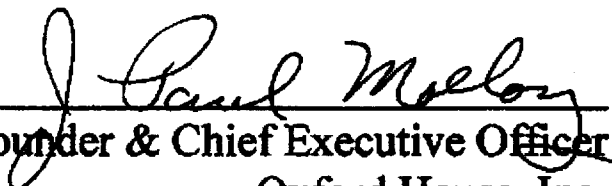
Newport Beach, CA

Oxford House – Keystone Manor may enjoy all the privileges of Oxford House as long as it adheres to the following three conditions:

- 1. The House must be self-run on a democratic basis;**
- 2. The House must be financially self-supporting; and**
- 3. Any resident who drinks alcohol or uses drugs must be immediately expelled.**

Granted by Oxford House, Inc. this 1st day of March 2007

Conditional Charter valid through June 1, 2007

By: 
Co-founder & Chief Executive Officer
Oxford House, Inc.



PLANNING DEPARTMENT

3300 Newport Boulevard, Building C, Newport Beach, CA 92663
(949) 644-3200 Fax: (949) 644-3229 website: www.city.newport-beach.ca.us

January 21, 2009

Davis & Rayburn, Attorneys at Law
Attention: Isaac R. Zfaty
580 Broadway Street, Suite 301
Laguna Beach, CA 92651

Dear Mr. Zfaty:

Subject: Yellowstone Women's First Step House, Inc.
Property located at 1561 Indus Street
Use Permit No. 2008-034 (PA2008-105)

The City of Newport Beach will proceed with the use permit application hearing for the above referenced property on Thursday, February 5, 2009, at 4:00 p.m. in the City Council Chambers. This will be a public hearing and will take place before a third-party hearing officer.

The City has scheduled this hearing despite the fact that your use permit application remains incomplete. Please be advised that by scheduling your application for a public hearing, the City is not deeming your application complete.

Thank you for your follow-up submittal dated December 23, 2008, and received by the City on December 29, 2008. After reviewing the re-submittal material, the following items are incorrect or otherwise incomplete:

1. Please revise the site plan (Sheet A-1) to show the building footprints on adjacent parcels, including the distances of those improvements from the property lines. Please note that your original submittal included a site plan showing portions of adjacent structures, but those plans were not accurately drawn, not drawn to scale, and the dimensions indicated were in error.
2. Please add the location of the driveway and the street curb line (as distinguished from the front property line) to the site plan.
3. The plans are not consistent with respect to the number of beds provided. The number of beds shown is 15 (2 downstairs and 13 upstairs), but a site inspection of the property indicates that there are a total of 12 beds (2 downstairs and 10 upstairs).

4. Municipal Code Section 20.91A.050 (C.2) states that the maximum number of residents is restricted to a total of two per bedroom plus one additional resident, resulting in a total of 11 residents for this specific property. As related to the foregoing item relative to the inconsistency of the beds shown, please clarify the total number of residents in the dwelling. If it is proposed to exceed the maximum of 11 residents, a justification needs to be submitted (please refer to page 3 of the application for those items to be considered in determining if a different occupancy limit is to be considered).
5. The architect's letter dated December 15, 2008 is not stamped, and Item "C" on the first page references two bedrooms on the first floor; however the plans and site inspection reveal that there is only one bedroom on the first floor.

In addition to the above items, the application filing fee of \$2,200 remains unpaid. However, per e-mail correspondence with both the City Attorney's Office and the Planning Department, it is our understanding you will be applying for a reasonable accommodation for a fee waiver based on disability-related financial hardship. This is in addition to the separate request for a reasonable accommodation to be treated as a single housekeeping unit.

Pursuant to Chapter 20.98 of the Zoning Code, if the project for which the request for a reasonable accommodation is made requires another discretionary permit or approval (in this case, a use permit), the applicant may request that the Hearing Officer hear the request for a reasonable accommodation at the same time as the use permit. If you do not request a simultaneous hearing, the request for reasonable accommodation will not be heard until after a final decision has been made regarding the use permit.

Please inform us of whether or not you wish to schedule the requests for reasonable accommodation to be treated as a single housekeeping unit and/or for a fee waiver at the same hearing as the use permit or at a later date. We will need this information by January 27, 2009, so that we may proceed appropriately with preparation of the staff report.

The City of Newport Beach will proceed with the use permit application hearing for the above referenced property on Thursday, February 12, 2009, at 4:00 p.m. in the City Council Chambers. This will be a public hearing and will take place before a third-party hearing officer.

The City has scheduled this hearing despite the fact that your use permit application remains incomplete. Please be advised that by scheduling your application for a public hearing, the City is not deeming your application complete.

We will send a copy of the staff report which discusses your application to you and the hearing officer for review four to seven days in advance of the hearing date.

If you have any questions regarding the process, please do not hesitate to contact me at (562) 989-6664 or dghc@verizon.net, or you may contact Associate Planner Janet Brown at (949) 644-3236 or jbrown@city.newport-beach.ca.us.

Sincerely,


William Cunningham, AICP
Contract Planner

cc: Dr. Honey Thames, Yellowstone Recovery Programs


DAVIS • ZFATY
A PROFESSIONAL LAW CORPORATION

RECEIVED BY
PLANNING DEPARTMENT

JAN 27 2009

CITY OF NEWPORT BEACH

January 23, 2009

VIA FIRST CLASS MAIL

Ms. Janet Brown
CITY OF NEWPORT BEACH
3300 Newport Boulevard
Newport Beach, CA 92658-8915

Re: *Hearing for Use Permit Application and Reasonable Accommodations*

Dear Janet:

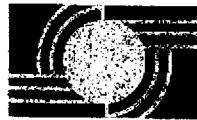
I received your letters regarding the February 12, 2009 hearing date for the Use Permit Application for the Yellowstone properties. We would like to have both our fee-waiver and our Single Housekeeping Unit Requests for Reasonable Accommodation heard on February 12, 2009 for all of the Yellowstone properties as well. As always, please feel free to contact me if you have any questions.

Very truly yours,

DAVIS ZFATY



NICOLE COHRS



DAVIS • ZFATY
A PROFESSIONAL LAW CORPORATION

RECEIVED
CITY OF NEWPORT BEACH

FEB 02 2009

January 29, 2009

CITY OF NEWPORT BEACH

VIA FIRST CLASS MAIL

Ms. Janet Brown
CITY OF NEWPORT BEACH
3300 Newport Boulevard
Newport Beach, CA 92658-8915

Re: *Affidavits for Fee Waiver Reasonable Accommodation*

Dear Janet:

Enclosed are the signed Affidavits of Disability Related Financial Hardship. There is a separate Affidavit for each of the four Yellowstone properties. As we discussed, our responses to the questions relating to the income of the residents pre and post-disability are based on the average resident for each of the homes.

Please feel free to contact me if you have any questions.

Very truly yours,

DAVIS ZFATY

NICOLE COHRS

Enclosure

AFFIDAVIT OF DISABILITY-RELATED FINANCIAL HARDSHIP
1561 Indus, Newport Beach

I, Anna Marie Thames, declare:

1. I am an authorized representative of disabled individuals;
2. I am submitting information specific to the financial status of a group of disabled individuals who reside in a household;
3. I am submitting the financial information herein voluntarily because I have requested a reasonable accommodation from the City of Newport Beach, which I believe is necessary because of financial hardship to the disabled individuals I represent;
4. Severe financial constraints which arose as a direct result of the disabled individuals I represent prevent them from complying with one or more provision or provisions of the City of Newport Beach's Municipal Code, Council Policies or usual and customary procedures generally applicable to the type of dwelling in which disabled persons I represent reside or wish to reside;
5. Such provisions of the City of Newport Beach's Municipal Code, Council Policies or usual and customary procedures, if applied to the dwelling in which the disabled individuals I represent reside, will deprive disabled individuals of the opportunity to reside in the dwelling of his or her choice;
6. In order to afford the disabled individuals the opportunity to reside in the dwelling of his or her choice, the permanent or temporary waiver of a fee, tax, nuisance abatement, code enforcement action, repair, zoning, building construction or other requirement of the Newport Beach Municipal Code, Council Policy or customary procedure is necessary;
7. The requested waiving of such fee, tax, nuisance abatement, code enforcement action, repair, zoning, building construction or other requirement is necessary because of financial limitations which are the direct result of the disability of the individuals that I represent;

8. If the disabled individual on whose behalf a financial reasonable accommodation is requested was able to work prior to becoming disabled, please provide information on such individual's pre- and post disability income:
- A. On the following dates, the disability of the persons I represent, rendered such persons severely limited in their ability to work or entirely unable to work:
- The individuals residing in the home were all affected by their disability at different times. During addiction, residents are unable to work. In sober living, however, all residents must find a job.
- B. Prior to the dates on which such disability rendered the disabled individuals I represent unable or severely limited in their ability to work, their annual household income from all sources was approximately \$50,000 (on average).
- C. After the dates on which such disability rendered the disabled individuals I represent unable or severely limited in their ability to work, their annual income from all sources was approximately \$20,000 (on average). Typically, household income is cut approximately in half because of alcoholism. As a result of alcoholism, the residents of the home have been rendered financially disabled. In sober living, the residents must find a job, however, the jobs the residents seeks are near minimum wage (\$8.00 per hour).

9. If the disabled individuals on whose behalf a financial reasonable accommodation is requested were not employed prior to becoming disabled, please state why any financial limitations which render the disabled individuals unable to meet the financial requirements of complying with the Newport Beach Municipal Code are a direct result of such their disability.

All residents were employed in some manner prior to their addiction.

10. Please provide any additional information you feel would enable City staff and/or hearing officers to determine whether disability-related financial hardship requires an exception from the application of the City's Municipal Code, Council Policies, or usual and customary procedures in order to afford the disabled individuals an opportunity to reside in a dwelling.

The residents cannot afford their own places to live. Their income is based on near minimum wage hourly rates. Thus, if forced to live elsewhere they could not afford to pay rent, a security deposit for an apartment, food, or utilities. Yellowstone provides a fresh start for recovering alcoholics to begin their life with a clean slate. Our fees are low and donors in the community provide individual scholarships for residents who qualify.

Yellowstone is a non-profit organization. Yellowstone has no investors and no loans. The organization uses the income from residents to cover its costs and Yellowstone makes no profit from the residents. The organization is run by a group of volunteers who are committed to returning the residents back to the community clean and sober as tax paying citizens who can help other alcoholics. As a result, Yellowstone's small budget cannot accommodate the \$2,200 application fee. Yellowstone respectfully requests that the City make a reasonable accommodation in accordance.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 29th day of January, 2009, in Newport Beach, California.


ANNA MARIE THAMES


DAVIS • ZFATY
A PROFESSIONAL LAW CORPORATION

RECEIVED BY
PLANNING DEPARTMENT

FEB 02 2009

CITY OF NEWPORT BEACH

January 29, 2009

Z175.1

VIA FIRST CLASS MAIL

Ms. Janet Brown
City of Newport Beach
3300 Newport Boulevard
Newport Beach, CA 92658-8915

Re: Request for Reasonable Accommodation: 1561 Indus Street

Dear Ms. Brown:

As you know, this firm is general counsel for Yellowstone Women's First Step House, Inc. ("Yellowstone"). I recently spoke with Cathy Walcott of the City Attorney's office. She informed me of a few ambiguities in our Request for Reasonable Accommodation Worksheet for the 1561 Indus property (the "Property"). The purpose of this letter is to clarify these ambiguities.

(Question 5) Impairments Substantially Limiting Major Life Activities: Do the clients have physical or mental impairments that substantially limit one or more of such person's major life activities? What are those impairments?

The residents of the Property are recovering from alcohol addiction. They manifest physical and mental symptoms which have prevented them from engaging in at least one of their major life activities.

Although the residents work, they are recovering from a physical dependence on alcohol. Mentally, the residents are recovering from the inability to make healthy choices like the average person in the general population regarding their consumption of alcohol. Their impairments affect their ability to think, concentrate, and interact with others as compared to the ability of the average person in the general population to do the same. Thus, their disability is substantially limiting.

Enclosed with this letter is a Declaration under penalty of perjury from the applicant, Honey Thames, manager of the Property, that every resident in the Property has physical or mental impairments that substantially limit one or more of the residents' major life activities. Cathy Walcott mentioned that this would be acceptable given that the privacy concerns of the residents limit our ability to provide medical records or signatures of the residents.

Ms. Janet Brown
January 29, 2009

(Question 10) Parking: Describe the on-site parking resources and the staff and visitor parking plans.

Parking on the Property is reserved for the manager and assistant manager, thus the maximum number of cars on the Property at any one time will be two. Residents are not permitted to park on the Property. Visitors are not permitted on the Property therefore there are no visitor parking issues.

(Question 11) Operation of Vehicles: Describe client's availability to drive and operate a vehicle while residing at facility.

The residents do not use cars. Instead, they rely on public transportation to and from the Property.

(Question 12) Transportation: Does the facility provide transportation services? If yes, please describe the frequency, duration, and schedule of services and where the vehicles are stored

Though the home generally does not provide transportation services, the home does provide some basic transportation to the nearby treatment facility and to St. John church. Both locations are within ten minutes of the home. There is a morning pickup at 8 a.m. and an evening drop off at 4 p.m. This is the only transportation provided. The vans that transport the residents are not parked on site. When not in use, the vans are kept in another city.

(Question 16) Interaction Within the Property: How do the clients interact with each other within the unit? Is there joint use of common areas? Do clients share household activities and responsibilities? Will delivery trucks be provided at the facility?

The Property provides the residents with a network of support to encourage recovery from the symptoms of alcoholism. The residents reside separately at the Property. There is a common area however each resident is responsible for their own meals, expenses, and chores. There is no individual treatment, group treatment, or group therapy sessions that occur on the Property. The sole purpose of each resident living on the Property is to live in a house with other sober individuals with similar disabilities. Also, there are no delivery vehicles going to and from the Property. Finally, although Yellowstone owns four such homes in the Newport Beach area, there is no interaction between the homes. In other words, residents of the Property do not meet with the residents of other Yellowstone properties for dinners or other gatherings. Each home has its own residents and the residents of one home never interact with residents of a different home.

Ms. Janet Brown
January 29, 2009

(Question 19) Necessity of the Requested Accommodation: Please explain why the requested accommodation is necessary.

Yellowstone hereby requests that a Reasonable Accommodation be made to Ordinance 2008-5 such that Yellowstone is treated as a Single Housekeeping Unit as the term is defined in Section 20.03.030 of the Newport Beach Municipal Code.

The Reasonable Accommodation is necessary because the Property is not transient or institutional in nature such that it fits the definition of a non-licensed residential care facility. Instead, the Property more accurately fits the definition of a Single Housekeeping Unit as the term is defined in Section 20.03.030. Residents are the functional equivalent of a traditional family, whose members are an interactive group of persons jointly occupying a single dwelling unit. Like a Single Housekeeping Unit, there is a common area and each resident is responsible for their own meals, expenses, and chores. There is no individual treatment, group treatment, or group therapy sessions that occur on the Property. The sole purpose of each resident living on the Property is to live in a house with other sober individuals with similar disabilities. Also, the makeup of the Property is determined by the residents of the unit rather than the property manager. In conformity with our request for a Reasonable Accommodation, we would like to request that we get an exemption from Section 20.91A. 050 of the Newport Beach Municipal Code which states that there shall be no more than two residents per bedroom plus one additional resident.

I hope that this clarifies any ambiguity with respect to our previous request for a Reasonable Accommodation. Please let me know if our responses need to be supplemented further and as always, feel free to contact me if you have any questions.

Very truly yours,

DAVIS ZFATY
a professional corporation



NICOLE COHRS

cc: Yellowstone (attn: Dr. Anna Marie Thames)

DECLARATION OF ANNA MARIE THAMES

I, Dr. Anna Marie Thames, hereby declare as follows:

1. The matters stated herein are known to me personally and if called upon to testify, I could and would competently testify thereto as follows.
2. All individuals residing in the property located at 1561 Indus in Newport Beach are recovering from alcohol addiction.
3. Although the residents are recovering, they manifest physical and mental symptoms of their addiction which substantially limit one or more of the residents major life activities

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 28th day of January 2009, at Newport Beach, California.


ANNA MARIE THAMES

COST ANALYSIS OF OUR HOMES IN SANTA ANA HEIGHTS

IN GENERAL, OUR WEEKLY FEES ARE BASED ON A SLIDING SCALE FROM \$50.00 TO \$160 PER WEEK

OUR MORTGAGES AVERAGE \$4500 PER MONTH

A MINIMUM OF 15 RESIDENTS IS NEEDED TO PAY ALL THE EXPENSES FOR EACH HOUSE, INCLUDING LIGHTS, GAS, WATER AND TRASH.

RENTS: SLIDING SCALE: \$50.00 TO \$160.00 PER WEEK

AVERAGE: RESIDENTS: 16

AVERAGE RENT \$100

MONTHLY AVERAGE: \$6400 INCOME

EXPENSES: FOR EACH HOUSE

AVERAGE UTILITIES \$ 800 LIGHTS, GAS, WATER, PHONE

FOOD: \$ 900

MORTGAGES: AVERAGE \$4500

MONTHLY AVERAGE \$6200 EXPENSES

RECEIVED BY
PLANNING DEPARTMENT

FEB 05 2000

CITY OF NEWPORT BEACH

Yellowstone

SOUTHERN CALIFORNIA DRUG AND ALCOHOL TREATMENT CENTER

Call Today (888) 941-9048 - After Hours (949) 678-9000

Thursday, February 12, 2009

A HIGHLY SUCCESSFUL AND LOW COST DRUG AND ALCOHOL RECOVERY PROGRAM FOR WOMEN AND MEN

Home

InPatient Programs

OutPatient Programs

Detox Services

Programs Available

Our Homes

Our Staff

Mission Statement

Schedule

Contact Us

LEGAL PROBLEMS?



WE CAN HELP!

LICENSED AND CERTIFIED BY THE STATE OF CALIFORNIA

Yellowstone Recovery Financial Requirements

- 90 Days: \$7,600 Residential Treatment
- Sober Living: \$160 - \$180 per week
- Outpatient: Sliding Scale \$40 - \$80

Some scholarships available after 30 days



Admission Requirements

Call for an appointment or telephone interview
1-800-941-9048

Or Email us at honeythames@yahoo.com

Yellowstone offers a free initial assessment of care.

Services Include:

Court Liaison • 12 Step Recovery • Counseling
Art Therapy Life Skills Training • Job Placement Program
Sponsors Family Meetings • Sober Fellowship
Sober Softball • Sober Camping

Yellowstone

© Yellowstone Recovery 2008


DAVIS • ZFATY
A PROFESSIONAL LAW CORPORATION

February 13, 2009

RECEIVED BY
PLANNING DEPARTMENT

FEB 13 2009

CITY OF NEWPORT BEACH

VIA EMAIL AND FIRST CLASS MAIL

Ms. Cathy Wolcott
Ms. Janet Brown
City of Newport Beach
3300 Newport Boulevard
Newport Beach, California 92658-8915

Re: *Yellowstone Use Permit Applications and Reasonable Accommodation Requests*

Dear Ms. Wolcott and Ms. Brown:

It has recently come to my attention there may be discrepancies between materials Yellowstone submitted with respect to its use permit applications and requests for reasonable accommodation for each of the four Yellowstone properties. Although this firm and the representatives of Yellowstone have made our best efforts to be clear and consistent, the materials submitted to the City in May 2008 reflect some inaccurate information. The purpose of this correspondence is to clarify these inconsistencies.

Group Meetings

Neither group treatment meetings nor individual treatment meetings occur on any of the four Yellowstone properties. All treatment is performed off site in Costa Mesa. The only meetings that occur at each of the four homes are weekly house meetings with the residents to discuss potential new residents and other administrative matters.

Visitors

Visitation with family and friends occurs on Sundays at Yellowstone's Costa Mesa facility located at 154 East Bay Street.

Ms. Cathy Wolcott
Ms. Janet Brown
February 13, 2009
Page 2 of 2

Contractual Arrangements with Residents and Resident Selection

In May 2008, Yellowstone submitted a request for reasonable accommodation that each of the four homes be treated as a Single Housekeeping Unit. It was recently brought to my attention that Yellowstone's response to Question 16, regarding resident interaction, needs clarification.

Yellowstone does not have a contractual relationship with the residents of its properties. With respect to the residents of the four Yellowstone homes in Santa Ana Heights, Yellowstone's position is correctly stated in a letter to the City dated January 29, 2009: "the makeup of the Property is determined by the residents of the unit rather than the property manager." More specifically, Yellowstone's Board of Directors does not determine who resides in each of the four homes. New residents are introduced and approved by the current residents during house meetings or they are not accepted. Many of Yellowstone's residents transition to sober living directly from treatment. Other residents learn about Yellowstone from other recovery centers or by community referral.

Parking

In May 2008, when the original Yellowstone use permit and reasonable accommodation applications were submitted to the City, Yellowstone requested that four cars be permitted to park at the 1561 Indus property. There is adequate room for four cars to park at 1561 Indus, however only the two resident managers for the home park on site. With respect to the three other Yellowstone properties, it has consistently been Yellowstone's position that only the two resident managers of the homes are allowed to park vehicles on site.

I hope that this clarifies the ambiguities in our previous submissions to the City. As always, if you have any questions regarding this correspondence, please feel free to contact me.

Very truly yours,

DAVIS ZFATY
a professional corporation



NICOLE COHRS, ESQ.

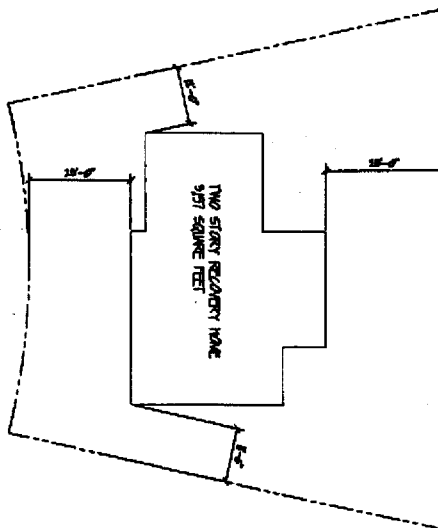
EXHIBIT 4

SITE PLAN AND FLOOR PLANS

INDUS STREET

SITE PLAN

SCALE 1/8" = 1'-0"



LEGAL DESCRIPTION:

LOT 14 OF TRACT NO. 4897,
IN THE CITY OF SANTA ANA,
COUNTY OF ORANGE, STATE OF
CALIFORNIA, AS THE SAME ARE
SHOWN BY THE MAP RECORDED
IN BOOK 17, PAGE 1870, OF
THE PUBLIC RECORDS IN THE
OFFICE OF THE COUNTY RECORDER
OF SAID COUNTY.

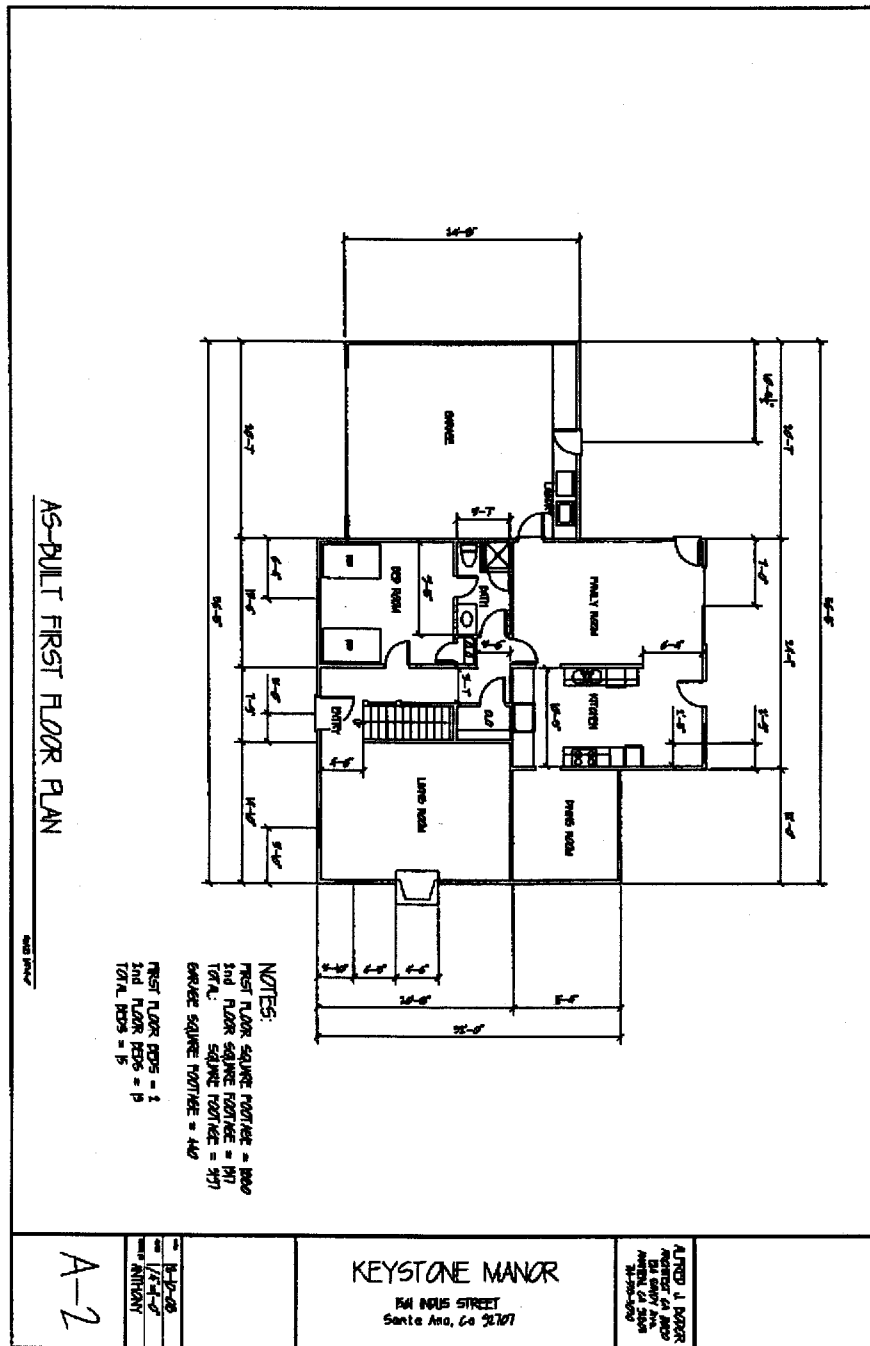
KEYSTONE MANOR

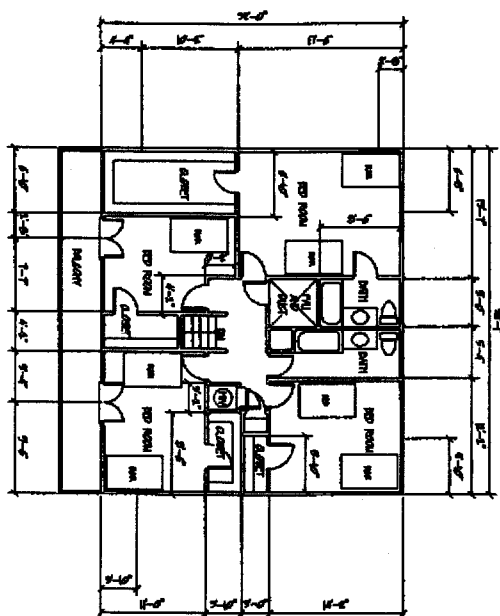
1541 INDUS STREET
Santa Ana, Ca 92707

ALFRED J. BOOR
REGISTERED ARCHITECT
1541 INDUS STREET
SANTA ANA, CA 92707
14-000-0000

11-1-80
1/8" = 1'-0"
ARCHITECT

A-1





AS-BUILT SECOND FLOOR PLAN

NOTES:
 2nd FLOOR SQUARE FOOTAGE = 171
 2nd FLOOR BEDS = 10

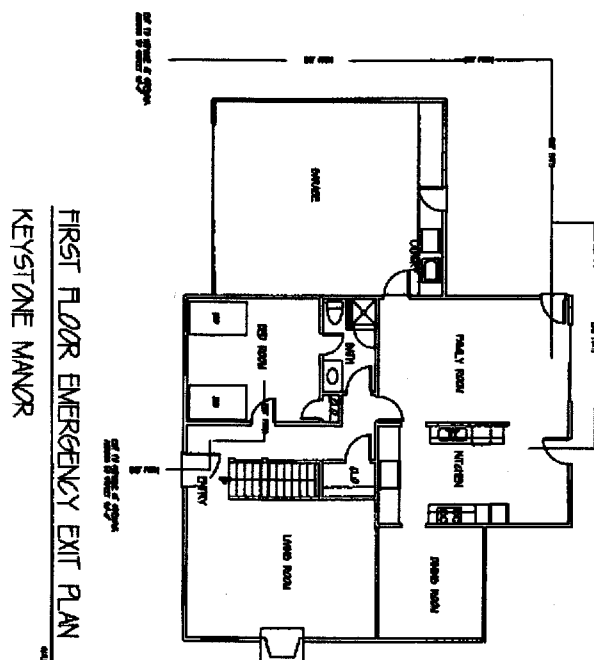
000000

A-3

1-1-1-1
 1-1-1-1
 1-1-1-1

KEYSTONE MANOR
 154 NOLAN STREET
 Santa Ana, Ca 92701

ALFRED J. BOON
 154 NOLAN STREET
 SANTA ANA, CA 92701
 714-750-0000



FIRST FLOOR EMERGENCY EXIT PLAN

Health Impact

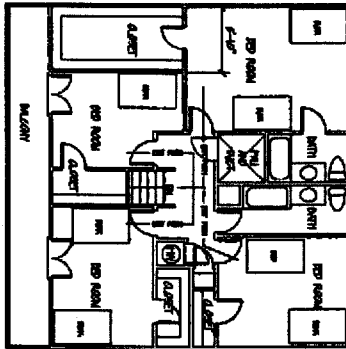
KEYSTONE MANOR

1541 INDUS STREET
Santa Ana, Ca 92707

ALFRED J. PARR
MORTIMER SA BROS
2141 GARDY AVE.
MONTREAL, CA 33045
34-502-5700

15-10-03	15-10-03
1/8-1-0	1/8-1-0
15-10-03	15-10-03

7



SECOND FLOOR EMERGENCY EXIT PLAN
KEYSTONE MANOR

F-2	ALFRED J. BOZAK DISTRICT ATTORNEY 1000 N. 10th St. ANAHEIM, CA 92816 714-771-1000	KEYSTONE MANOR 641 N. 10th STREET Santa Ana, Ca 92701	11-1-80 1/24-80 ANTHONY

EXHIBIT 5

FIRE MARSHAL CORRESPONDENCE AND FIRE CODE ANALYSIS SUBMITTAL



NEWPORT BEACH FIRE DEPARTMENT
P.O. Box 1768, 3300 Newport Blvd., Newport Beach, CA 92658-8915

STEVE LEWIS, FIRE CHIEF

January 29, 2009

Dr. Honey Thames
154 East Bay Drive
Costa Mesa, CA 92627

Re: Code Analysis for Yellowstone Recovery: 1561 Indus Street; 1621 Indus Street; 1571 Pegasus; 20172 Redlands, Newport Beach

Dear Dr. Thames:

Thank you for submitting the code analysis and floor plans for the above referenced properties. After reviewing the analysis, we have identified the following areas which will require further clarification:

1561 Indus Street

1. Item # 5: Exception 1 to California Building Code (CBC) Section 903.2.7 excludes single family homes "unless...classified as Group R4". Recovery or treatment facilities for more than 6 clients are classified as Group R4 by Section 310 of the CBC.
2. Item # 6: Stairwell and other components of the means of egress must be illuminated at all times. A switched circuit is not permitted. CBC Section 1006.3 requires back-up emergency lighting for the means of egress. The back-up illumination shall operate automatically and shall last for a minimum of 90 minutes. Please indicate how the illumination will be accomplished.
3. Bedroom egress windows shall be in accordance with CBC Section 1026. Please indicate the net clear opening dimensions as well as the height above the floor for each bedroom window opening.

January 29, 2009

Code Analysis for Yellowstone Recovery: 1561 Indus Street; 1621 Indus Street;
1571 Pegasus; 20172 Redlands, Newport Beach.

1621 Indus Street

1. Item # 5: Exception 1 to California Building Code (CBC) Section 903.2.7 excludes single family homes "unless...classified as Group R4."
2. Item # 6: Stairwell and other components of the means of egress must be illuminated at all times. A switched circuit is not permitted. CBC Section 1006.3 requires back-up emergency lighting for the means of egress. The back-up illumination shall operate automatically and shall last for a minimum of 90 minutes. Please indicate how the illumination will be accomplished.
3. Bedroom egress windows shall be in accordance with CBC Section 1026. Please indicate the net clear opening dimensions as well as the height above the floor for each bedroom window opening.

1571 Pegasus Street

1. Item # 5: Exception 1 to California Building Code (CBC) Section 903.2.7 excludes single family homes "unless...classified as Group R4."
2. Item # 6: Stairwell and other components of the means of egress must be illuminated at all times. A switched circuit is not permitted. CBC Section 1006.3 requires back-up emergency lighting for the means of egress. The back-up illumination shall operate automatically and shall last for a minimum of 90 minutes. Please indicate how the illumination will be accomplished.
3. Bedroom egress windows shall be in accordance with CBC Section 1026. Please indicate the net clear opening dimensions as well as the height above the floor for each bedroom window opening.

January 29, 2009

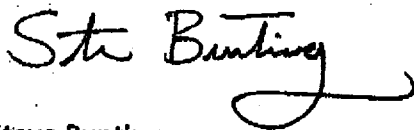
Code Analysis for Yellowstone Recovery: 1561 Indus Street; 1621 Indus Street;
1571 Pegasus; 20172 Redlands, Newport Beach.

20172 Redlands Drive

1. Item # 5: Exception 1 to California Building Code (CBC) Section 903.2.7 excludes single family homes "unless...classified as Group R4."
2. Item # 6: Stairwell and other components of the means of egress must be illuminated at all times. A switched circuit is not permitted. CBC Section 1006.3 requires back-up emergency lighting for the means of egress. The back-up illumination shall operate automatically and shall last for a minimum of 90 minutes. Please indicate how the illumination will be accomplished.
3. Bedroom egress windows shall be in accordance with CBC Section 1026. Please indicate the net clear opening dimensions as well as the height above the floor for each bedroom window opening.

If you have any questions regarding these issues, please call me at 949-644-3106.

Sincerely,



Steve Bunting
Fire Marshal

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PLANNING DEPARTMENT

JAN 29 2009

January 29, 2009

CITY OF NEWPORT BEACH

Mr. Steve Bunting
Fire Marshall
CITY OF NEWPORT BEACH
FIRE AND MARINE DEPARTMENT
3300 Newport Boulevard
P.O. Box 1768
Newport Beach, Ca 92658-8915

RE: Yellowstone Recovery ("Keystone Manor" Residence)
Coda Analysis For The Existing Building

Dear Mr. Bunting,

Alfred J. Boder, Architect has been contracted by Yellowstone Recovery to review details of their existing building, titled "Keystone Manor", located at 1561 Indus Street, Santa Ana, Ca 92707. Yellowstone Recovery intends to change the use of the building from a single-family residence to a Residential Facility for the non-medical rehabilitation of drug abuse and alcoholism. We have surveyed the existing building and the summary of our findings and conclusions are as follows:

- A. The existing building was constructed in 1961, and was built as a single-family residence, occupancy type R-3. The building is a two-story structure with an attached garage.
- B. The building is set back from the front property line 26'-0". The side yard set back is 6'-0" clear on both sides of the structure.
- C. As the attached plans indicate, the residence is entered through the front door that faces the addressed street. The first floor consists of a living room, dining room, kitchen, bathroom, and two bedrooms. The second floor consists of four bedrooms, and two bathrooms.

Based on this research, the following code issues are in compliance with the current code requirements of the California Building Code, CBC 2007.

01. **Location On The Property:** As indicated on the attached plans, the building setbacks for the side yards is five (12) feet from the property line. This distance includes the attached garage. Per CBC section 6, Table 602, the minimum fire separation distance is five feet. This setback is achieved to the property line and from the property line; the

adjacent R-3 residence is also setback five (12) feet from the property line for a total of a ten (22) foot separation from the two buildings.

Conclusion: The wall of the garage at the side yard is not required to be of fire rated construction and there are no penetrations or openings in the attached garage wall.

02. **Section 419, Group I-1, R-1, R-2, R-3, R-3.1, R-4:** 419.2, Separation walls. Section does not apply. Note that the common wall between the attached garage is of one-hour fire rated construction to the bottom of the roof diaphragm and there are no penetrations in this wall.

03. **Section 419.3, Horizontal Separation:** This section does not apply per section 711.1.

04. **Section 425, Special Provisions For Licensed 24-Hour Care Facilities in Group R-1, R-3.1 or R-4 Occupancy (SFM):** Per section 425.3.5, Limitations – Seven or More Clients; The second floor area is less than three thousand (3,000) square feet and therefore a one-hour fire rated construction is not required.

05. **Section 425.7, Fire Protection System Provisions:** Section 425.7.1, Automatic Fire Sprinkler Systems. Per section 903.2.7, Group R, an automatic fire sprinkler system is not required per exceptions 1 and 3.

Section 425.7.2, Fire Alarm Systems; Per section 907.2.8 an approved, hard-wired fire alarm system is installed as required per section 907.2.8.2.

Section 427.7.3, Smoke Alarms; Per section 907.2.8.3, battery powered smoke detectors/alarms are installed in the required areas per section 907.2.10.

Section 906.1, Portable Fire Extinguishers; Portable fire extinguishers are installed and located per the California Fire Code.

06. **Chapter 10 Means Of Egress:** Section 1006, means of egress illumination. There is illumination at the top, middle, and bottom of the staircase.

Section 1009, Stairways; Per section 1009.1, exception 1, the staircase complies with the code requirement.

I believe that this is a complete analysis of the code related items which apply to this building during the change of occupancy. Please call Anthony Grillo, my representative, at (949) 678-3214 if you have any questions.

Sincerely,

Alfred Bodor – Architect

Attachments; Scale as-built plans

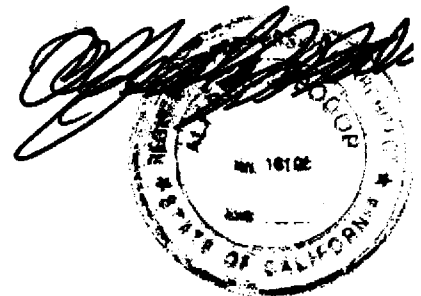


EXHIBIT 6

LETTERS IN SUPPORT (Submitted by Applicant) AND LETTERS IN OPPOSITION

DATE: 01/24/09

TO WHOM IT MAY CONCERN

FROM: THE CROSSING CHURCH, JACKIE DAVIS

THE CROSSING CHURCH IS JUST A MILE AWAY FROM YELLOWSTONE.

WE ALL NOTICE WOMEN COMING TO OUR MEETINGS AND GETTING INVOLVED.
THEY HELP WITH HANDLING OUT THE CHURCH BULLETINS, FOR EXAMPLE.

LAST YEAR THEY HELPED US SERVE FOOD TO THE HOMELESS.

YELLOWSTONE WOMEN AND MEN STAY INVOLVED WITH OUR CHURCH

WE ARE VERY PROUD THAT YELLOWSTONE IS PART OF OUR COMMUNITY.

WE DO WHAT WE CAN TO HELP OUR NEIGHBOR YELLOWSTONE

JUST AS THEY HELP US.

PLEASE CALL IF WE CAN ANSWER ANY QUESTIONS:



JACKIE DAVIS, THE CROSSING CHURCH, 949 566 7901

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JAN 29 2009

CITY OF NEWPORT BEACH

YS 00201


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FEB 02 2009
CITY OF NEWPORT BEACH

January 29, 2009

VIA FIRST CLASS MAIL

Ms. Janet Brown
CITY OF NEWPORT BEACH
3300 Newport Boulevard
Newport Beach, CA 92658-8915

Re: *Yellowstone – Letters of Support*

Dear Janet:

I noticed that the Exhibits to previous Use Permit Applications included letters from neighbors surrounding the homes. Enclosed are copies of letters from alumni of the Yellowstone homes showing their support. I thought you may like to include these as exhibits to our Use Permit Application. As always, please feel free to contact me if you have any questions.

Very truly yours,

DAVIS ZFATY



NICOLE COHRS

Enclosures

cc: Cathy Walcott, City of Newport Beach

My name is Angie and I checked into Yellowstone in 2002. My using and drinking had really spun my life out of control, I was completely lost and felt like I was being eaten alive from the inside out, I was so empty and broken down in the final days of my disease. I couldn't imagine my life any other way. Yellowstone introduced me to A.A. and Recovery and to a higher power. My life has surely been turned around in a way I could have never thought possible. I feel free today and not a slave to a life that had no promise what so ever nor a purpose. I will forever be grateful to have the days and years that Yellowstone taught me how to live sober.....I built my foundation at Yellowstone, I learned how to be a friend again, how to be honest again, how to be dependable again, how to be a good sister, auntie, and daughter.....I have made TRUE and REAL FRIENDS through Yellowstone.....I trade in my old friends for these new sober ones. My life has a real purpose today and Yellowstone helped me find my way to it.

I could go on and on about all the wonderful things that recovery and Yellowstone has given me but I doubt any words could ever truly express what I've been given by being freed from my disease. I come to Yellowstone every week and am still apart of this place still to this day....6 years later.

I hope it is here for other girls to come back and work with the new comers the way I have been given the chance too. It saves me in times when I need it most.

Truly Blessed,

Angela M.

Angela M.

Sobriety Date 11-16-02

My name is Gina and I have been sober for 92 days.

I came to Yellowstone because my life was going nowhere and I couldn't get sober on my own.

Yellowstone has helped me in so many ways. I'm learning the program of Alcoholics Anonymous and how to live as a sober woman. I'm learning how to be responsible. I've met wonderful people here that care about me and support me.

My relationship with my family and my son is being restored and I'm working again.

I am forever grateful to Yellowstone for teaching me a new way of life ONE DAY AT A TIME.

Sincerely,

Gina 

Gina G

Sobriety Date 10/20/08

Hi my name is Gloria I have been sober for two and a half years. I went through Yellowstone and truly believe that had this home not provided me with the foundation that I needed in AA I would not have a life today, nor would my daughter have her mother or my husband her wife. When I decided to get help I couldn't think of going anywhere else. This is where I had seen women come back from the gates of hell and learn to become women of dignity with a joy for life that was unimaginable to me. Had I not found Yellowstone I would have never known that there was a way out of the misery and despair my life had become.

Yours Truly



Sobriety Date
8-21-2006

My name is Erika and I have been sober for 2 ½ years. If it wasn't for a place like Yellowstone, I would probably be dead today. I lived at Yellowstone for over a year where I was able to build a foundation upon how to live life on life's terms. Because of the opportunity that I got at Yellowstone I no longer have that hopelessness that I lived with for so long. I am able to be present in the lives of my children who I now have joint custody of.

Yellowstone is the place that I will continue to come back to and visit the new girls who are struggling the same way I once did. Thank God for Yellowstone.



Sincerely Yours,

Erika [redacted]

7/15/06 - sobriety date.

MY NAME IS MEGHAN DOYLE AND I HAVE BEEN
SOBER FOR FOUR YEARS.

I CAME TO YELLOWSTONE AFTER BEING LOCKED OUT
OF MY MOM'S HOUSE.

I STAYED AT YELLOWSTONE 13 ½ MONTHS.

I LEARNED HOW TO WORK, LIVE A SOBER LIFE,
SUIT UP AND SHOW UP EVERY DAY TO MY JOB,
AND HANDLE LIFE SITUATIONS FOR THE FIRST TIME.

I AM VERY GRATEFUL TO YELLOWSTONE AND
THE PROGRAM OF ALCOHOLICS ANONYMOUS.

I AM SELF SUPPORTING NOW AND MAKE AMENDS.

I CAN BE OF SERVICE TO OTHERS TODAY.

SINCERELY

MEGHAN D. [REDACTED] Meghan D. [REDACTED]

SOBRIETY DATE: 04/18/05

MEMO TO: JANET BROWN, CITY OF NEWPORT BEACH

FROM: HONEY THAMES, YELLOWSTONE

SUBJECT: LETTERS OF SUPPORT

COULD YOU PLEASE ADD THESE LETTERS OF SUPPORT TO
OUR APPLICATION.

ONE IS FROM ST. JOHN THE DIVINE CHURCH AND THE OTHER IS FROM
A MOTHER WHOSE SON COMPLETED OUR PROGRAM TWO YEARS AGO.

FINALLY, WE HAVE A PETITION FROM OUR NEAREST NEIGHBORS
(WITHIN 300 FEET) SUPPORTING US AS A GOOD NEIGHBOR.

THANKS IN ADVANCE FOR YOUR HELP



DATE: 2/03/09

RECEIVED BY
PLANNING DEPARTMENT

FEB 05 2009

CITY OF NEWPORT BEACH

*FROM THE DESK
OF
Kimberly Black*

February 3, 2009

Dear Yellowstone Staff,

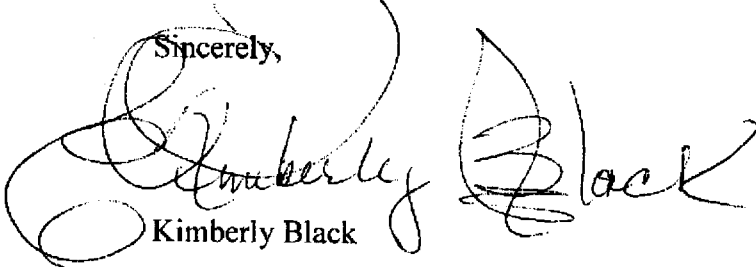
I wanted to take a few minutes to thank you all for the wonderful care my son received while at Yellowstone, as well as the continued support during his time in your sober living program.

Today, I am proud to say my son is **clean and sober**! It's been almost three years since I called you on the telephone, desperate for help. Not only did you open your doors to us, but your hearts as well. I delivered to your doorstep a young man addicted to heroin (among other things) and suicidal. A few short months later I had my son back. You gave him the tools he needed to succeed. He worked very hard and today he is healthy and happy. I know his continued success will be in part to the support he still receives. He in turn gives back by helping others in their sobriety.

I don't know where we would have turned had you not been there for us. I wish for families like ours that your doors will always be open and those arms that so warmly embraced us will never turn away a parent whose child is in danger.

Thanks again for all your help and support.

Sincerely,



Kimberly Black

RECEIVED BY
PLANNING DEPARTMENT

FEB 05 2009

CITY OF NEWPORT BEACH

St. John the Divine Episcopal Church

A parish of the Diocese of Los Angeles
A congregation of the Episcopal Church in the United States
A part of the world-wide Anglican Communion

The Rev. Dr. Barbara R. Stewart, Rector

183 E. Bay Street phone 949-548-2237
Costa Mesa, CA 92627-2145 fax 949-548-2238
www.stjohncm.org
bstewart@stjohncm.org

January 31, 2009

To Whom It May Concern:

I write in support of Yellowstone. The services offered by Yellowstone, helping people live sober and clean lives, are necessary in our society and important to the establishment and ongoing welfare not only of the individuals involved, but our community as well. To begin the process of reclaiming lives lost to alcohol and drugs is something to be valued and appreciated. St. John's is pleased to be able to support the work done by Yellowstone by offering our facility for some of their work.

Sincerely,

Barbara R. Stewart +

The Rev. Dr. Barbara Stewart

RECEIVED BY
PLANNING DEPARTMENT

FEB 05 2009

CITY OF NEWPORT BEACH

YS 00210

YELLOWSTONE IS A GOOD NEIGHBOR

NAME WAYNE ROYALLA YELLOWSTONE
ADDRESS 1561 PEGASUS IS A GREAT
NEIGHBOR

S. A. P. T. S. A. K. A. 714 429 9474
NEWPORT BEACH

NAME Brian Wickett

ADDRESS 1552 PEGASUS

Newport Beach 714-662-1406

NAME SEAN JAVIS

ADDRESS 1601 PEGASUS ST.

Newport Beach

NAME Michelle Morahan

ADDRESS 1592 PEGASUS ST

RECEIVED BY
PLANNING DEPARTMENT

FEB 05 2003

CITY OF NEWPORT BEACH

DATE: 2/5/09

TO: Dave Kiff, Asst. City Manager

FROM: Rita Bosley, Resident in Pegasus Tract, NB

RE" Yellow stone Women's First Step House
Public Hearing on group residential use permits
1561 Indus, 1621 Indus, 1571 Pegasus, 20172 Redlands, NB

We have four sober living homes within a few hundred feet of each other in the Pegasus Tract, and I am fed up with my rights being subordinated to theirs. I am not a special interest group, so I have to rely on those who represent me to make sure the right thing happens. Can I rely on the City of NB?

I oppose each of the four applications for permits and exempt status. The laws were put into effect for the purpose of keeping residential neighborhoods for families. These homes are not families, nor do the owners and residents of them care about the people who live here. Their only interest is making money as indicated by the request for three residents/ bedroom instead of 2. This is a single family neighborhood and even rentals are not officially lawful.

To justify my strong feelings, just look what their presence is doing to aggravate the precarious situation the local residents are suffering. We have lived with the noise of the airport and have fallen into the problems of the slacking economy about which we can do very little. But to add insult to injury, we are forced to accept our rights being trampled with the current situation with the sober living homes. This places undue hardship on our properties.

First, their presence in such great numbers for a very small area have changed the family nature of our neighborhood. Families are reluctant to let their children ride around the block on their bikes because of encounters their children may have with "recovering" people.

Secondly, selling a property in this tract requires disclosing the presence of these homes so close to each other and other properties. Therefore, property values and sales have been affected. Getting refinancing is impossible because the last homes sold were sober living homes which went for forced sale prices.

Third, we have cigarette butts and beer cans in front of our homes, even though the homes are supposed to be alcohol/drug free. Not only are the SL residents using, but so are their families who visit. SL residents also travel around the neighborhood in "gangs" as they go from home to home.

Fourth, cars line the street on nights and weekends, leaving no parking for regular residents' cars and their guests. It is an invasion of our neighborhood.

ENOUGH IS ENOUGH!!! If these requests are granted and the homes become such cash cows, why wouldn't every home in the neighborhood be a potential SL residence. Our large homes are even more attractive in this economy.

Maybe the State should reimburse each local resident for undue hardship on us if these exceptions are enacted. The decision is yours! I hope the City uses its power wisely. And I am aware of the City's efforts to find a workable solution. Thank you, Dave, for your efforts towards our community in the past.

Brown, Janet

From: Kiff, Dave
Sent: Friday, February 06, 2009 11:24 AM
To: Brown, Janet; Wolcott, Cathy
Subject: FW: Re: Hearing February 12, 2009 - Group Residential Permits - Yellowstone Women's First Step House, Inc.

For the record. We appear to be having assembly uses out there, too, among other things.

From: Chet Groskreutz [mailto:Chet@IvankoBarbell.com]
Sent: Friday, February 06, 2009 11:23 AM
To: Kiff, Dave
Cc: Victoria Groskreutz; Rita Bosley; Prodancer1@aol. com
Subject: FW: Re: Hearing February 12, 2009 - Group Residential Permits - Yellowstone Women's First Step House, Inc.

-----Original Message-----

From: Chet Groskreutz [mailto:Chet@IvankoBarbell.com]
Sent: Friday, February 06, 2009 11:13 AM
To: Dave Kiff
Cc: Prodancer1@aol. com; Victoria Groskreutz; Rita Bosley
Subject: Re: Hearing February 12, 2009 - Group Residential Permits - Yellowstone Women's First Step House, Inc.

Re: 1561 INDUS STREET
1621 INDUS STREET
1571 PEGASUS STREET
20172 REDLANDS DRIVE
Applications for the above use permits

Dear Dave:

I met you sometime ago at one of the annexation hearings when Santa Ana Heights annexation was being discussed.

I wanted to e-mail and voice my opposition to all (4) of the applications Yellowstone has applied for based on the following complaints:

1. Vehicles that are not being used:

I oppose all (4) applications.

Although we have been told by Yellowstone officials at their own meetings that none of their residents are allowed to drive, we have evidence that the exact opposite is true, there are residents who are driving cars or trucks and parking them on our streets, many times loaded with personal possessions for extended periods of time. They just move the vehicles from street to street to avoid being ticketed or towed.

2. Parking problems:

I oppose all (4) applications.

On their meeting nites and during the day and on weekends, we cannot use any parking in front of our own homes because the spaces are full of attendees for these meetings. I have posted notes on vehicles on several occasions during their meetings in the past years, telling the owners that the next time they park illegally I am going to have their car towed because it was blocking my driveway. Additionally, I have picked up soda cans, cigarette butts, even beer bottles (

interesting since these are supposed to be sober living homes) and other trash all over the street and on the sidewalk after these "meeting nites". The meetings break up around 9:00 pm but often the attendees stand around in the street until 10:00 p.m. or later talking loudly and disturbing my granddaughters who are asleep.

3. Residential requirements exemption request for more than two residents per bedroom plus one additional resident:

I oppose all (4) applications.

I oppose any variance from the existing NBMC. As it is, there is no control over the massive influx of visitors to the residents of these homes, day and nite, visitors are constantly going back and forth from vehicles to these houses... This means that in one of these 4-5 bedroom homes, they could have as many as they want per bedroom....all it says is that they are asking for more than two residents per bedroom, it could be 3, 4, or even 5 or more residents per bedroom and that would mean in one 5 bedroom home, they could stick up to 25 people or more in the house! If 1 or 2 visitors come daily per resident, there's another potentially 100 people per day coming into our neighborhood, plus the 100 or so living in the houses, that's a potential of 200 more people in our neighborhood...and the potential public health and safety impact should be obvious and in my view is a blatant disregard for the rights of taxpaying residents by Yellowstone Inc., it's nothing personal to them, it's just business!

4. Unlicensed adult alcohol and/or drug abuse facilities:

I oppose all (4) applications.

I oppose any applications for the approval of the above use permits for operation of unlicensed adult alcohol and/or drug abuse facilities. Right now...these homes are unlicensed and therefore are not under any licensing regulations. They are exempt. They should not be exempt. They should apply for the proper licenses that all other facilities of this kind is required by law to have. Their impact as a business on our residential community is and has been devastating.

5. Public safety :

I oppose all (4) applications.

Last week, I think it was January 28th, when I came home, at about 9:50 pm. out complete tract was blocked off and I could not get into Pegasus Street because the police officer told me that there "was a man with a gun" in our neighborhood. It took a half an hour before I was finally let into my own neighborhood to go to bed, due to some wacko who allegedly had a gun. We never had in the 30 years I have lived in my house, ever anything like this happen. I do not think that this was coincidental and I believe that sooner or later, there will be one of these residents from an unlicensed adult facility or a relative or acquaintance of one of them, who will successfully commit some serious crime against someone. Statistically, to have this many (4) homes in such a small concentrated area, it's no surprise that there has only been (1) situation like what happened on Wednesday. Fortunately, no one was hurt....but I fear the next time and there most assuredly will be a next time, if these unlicensed homes are allowed to go unchecked, we may not be so lucky.

6. 100% cost recovery approval:

I oppose all (4) applications.

I oppose this request on the grounds that this is a residential neighborhood and not zoned for business. 100% cost recovery translates to pay for services rendered at these homes...and thus Yellowstone is running (4) run for profit businesses out of our residential neighborhood.

7. Decline in property values:

I oppose all (4) applications.

Recently, we attempted to refinance our home and we were told that the appraised value of our home was affected by neighborhood properties. These values had fallen drastically. We believe the decline in values has been caused in great measure, by the operation of these (4) homes in our neighborhood. We believe that these home have had a negative impact on our property values and that we have suffered financial damages up to and including the inability to receive a

fair appraisal of the value of our home due to the impact caused by the operation of the (4) Yellowstone properties as per above mentioned.

In summary, I oppose all (4) applications for the YELLOWSTONE WOMEN'S FIRST STEP HOUSE, INC.

Sincerely,

Chet P. Groskreutz
1551 Pegasus Street
Newport Beach, Ca.
Ph.(714) 545-1832
Bus.:(310) 514-1155

Brown, Janet

From: Kiff, Dave
Sent: Monday, February 09, 2009 7:21 PM
To: Brown, Janet
Subject: FW: Yellowstone Group Homes, West Santa Ana Heights

From: mike mcdonough [mailto:mmcdonough01@hotmail.com]
Sent: Monday, February 09, 2009 7:12 PM
To: Kiff, Dave
Subject: Yellowstone Group Homes, West Santa Ana Heights

Mr. Kiff,

I own 1562 Pegasus Street, Newport Beach. My wife and I are opposed to the granting of use permits for the Group homes in our neighborhood. We have resided at this location for 36 years, my four children grew up on this street, playing with the children of other long time residents. We have always felt safe in the past but now don't allow our grandchildren play in the front yard.

On a daily basis we observe individuals wandering the neighborhood, often in groups of 3 or 4, with no apparent business or destination. Trash, bottles, and cigarette butts on the street and parkways has increased, parking of vehicles for several days at a time is common, and groups from meetings mill about talking loudly. All these issues cause a negative impact on the neighborhood. In the last 2 years my vehicle has been entered at least twice and property stolen. Are the thefts related? No way to know for sure.

Four sober living homes are within 100 yards of my front door. I have been advised by a real estate agent that I must disclose, to prospective buyers, the location of Sober Living Group homes close to my property. This has a negative impact on property values and if these properties are allowed to house, expand or increase the number of clients property values will continue to fall.

Another consideration is the cost of city services to these locations. The NBFD has responded several times on medical aid calls to sober living homes in the neighborhood. These drug and alcohol related medical calls are time consuming, costly in relation to personnel and equipment, and disruptive to the community.

I urge the City to deny the use permits for these property and return our neighborhood to a family oriented community.

Thank you,

Mike McDonough
1562 Pegasus Street
Newport Beach, Ca

Brown, Janet

From: Brian Wecklich [bwecklich@hotmail.com]
Sent: Thursday, February 12, 2009 9:04 AM
To: Brian Wecklich; Brown, Janet
Subject: Public hearing for use permits

Hello

I'm writing about the public hearing regarding the 4 rehab houses in the area of Pegasus St. Newport Beach. My house is located at 1552 Pegasus st. Newport Beach. I have not had any issues with the houses you are trying to address at this time. At the same time I do not want to see any issues in the future. The issue that comes to attention is parking in our neighborhood. Where these houses do not contribute to the problem at present I want to make sure they do not in the future. There is a rehab house at the corner of Pegasus and Santa Ana Ave that is run by another group. I do not know what the name of that group is. They are a major problem as far as parking goes. There are so many vehicles from that house that they park in front of four or five houses up the street. They have inadequate parking for their operation. If these type houses are going to operate in our neighborhood I want to make sure they do not infringe on the others in the neighborhood. So I guess I am saying that some sort of parking regulation or enforcement should go along with the Use Permits they are requesting.

Thank You

Brian Wecklich
1552 Pegasus St
Newport Beach, California

714 609 1441
[BWecklich@Live .com](mailto:BWecklich@Live.com)

Brown, Janet

From: Michelle Rosenthal [shoppingfenatic143@yahoo.com]
Sent: Thursday, February 12, 2009 4:45 PM
To: Brown, Janet
Subject: PUBLIC HEARING 2/20: USE PERMITS FOR REHAB HOUSES

To City of Newport Beach:

My name is Michelle Rosenthal. I am a homeowner living at 1661 Indus Street. My husband and I just moved to this neighborhood in November 2007. It was not until after we moved into our neighborhood and began asking questions that we learned of these "rehab businesses" in our area. It was rather disappointing to find this out and it wasn't something that was disclosed at the time we purchased our home.

The scenario is quite simple. These are not homes...they are businesses:

- Cars and people are constantly coming and going
- These addicts wander from home to home without any regard for traffic
- Their shuttle vans are parked all over the neighborhood
- They host weekly meetings inviting more people like themselves into the neighborhood, parking all over the streets, smoking, and hanging in the streets
- They take no pride in their homes and do not maintain them to the standards as a homeowner normally would
- People congregate and smoke in their front yards
- They generate massive amounts of trash with more people than a normal family living under one roof

Bottom line, they depreciate the value of our neighborhood, I am not an addict, I am not in rehab, and do not wish to have these people living a few doors down from me.

I paid FULL PRICE for my home, am a decent citizen and homeowner....why do I have 4 homes being ran as businesses in my neighborhood, making a profit off people who are "recovering" from drug/alcohol abuse? "Halfway house" is what they call it and half way is how they maintain it and portray the neighborhood. My husband and I want to live in a family environment. If we stepped up the prestige of our community and became part of the city of Newport Beach, clean house and get the riff-raff out. PULL THEIR PERMITS AND GET THEM OUT OF OUR NEIGHBORHOOD PLEASE.

Thank you for your time and attention to my strong feelings on this issue.

Exhibit No. 7
Reasonable Accommodation
Application dated August 22, 2008



RECEIVED BY
PLANNING DEPARTMENT

AUG 26 2008

CITY OF NEWPORT BEACH

August 22, 2008

8005-003

VIA FIRST CLASS MAIL

Ms. Janet Brown
CITY OF NEWPORT BEACH
3300 Newport Boulevard
Newport Beach, CA 92658-8915

Re: Notice of Incomplete Application: 1561 Indus Street

Dear Ms. Brown:

As you know, this firm is general counsel for **Yellowstone Women's First Step House, Inc. ("Yellowstone")**. We are in receipt of the City of Newport Beach's Notice of Incomplete Application for the property located at 1561 Indus Street (the "Property").

In response to that notice, we provide herewith the following:

1. Application Form 100, Item 2, Property Owner Information: the requested information is enclosed herewith.
2. Item 3B: We have no information regarding other similar uses and we appreciate the City's offer to provide this information.
3. Item 4: We cross-reference and incorporate the other applications, which are being provided concurrently under separate cover.
4. Item 5: We have no information regarding other conditional uses and we appreciate the City's offer to provide this information.
5. Item 6: A site plan is enclosed herewith.
6. Item 8B: Resident capacity is 10. Total capacity is 12.
7. Item 8C: A floor plan is enclosed herewith.
8. Item 8L: The acknowledgement re secondhand smoke is enclosed herewith.
9. Item 10D: Dr. Thames is the facility Director.
10. Form 200: A board resolution is enclosed herewith.
11. Form 850: Fire Marshall Clearance is enclosed herewith.
12. Request for reasonable accommodation: See the enclosed form.

The one item that we have not included in this correspondence is the requested \$2,200.00 fee. After reviewing the code, we have been unable to locate any discussion of such fee. We mention this not to question the City's authority to impose such a fee, but rather because we have not seen any statutory scheme that should provide for a hardship exception. We would respectfully request that the City furnish such authority, and also provide us with any exemption

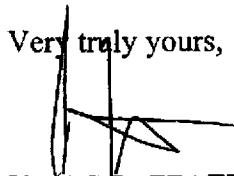
City of Newport Beach
August 22, 2008
Page 2

application. Alternatively, we would request an extension of time to remit such fee so that we might be able to raise the funds necessary to accommodate the City's request.

As a final note, it is worth mentioning that it is our understanding that the Property is still currently located in an unincorporated area of Orange County known as Santa Ana Heights, and that the Newport Beach annex of the property is not yet complete. If this is true, then we would submit that the city of Newport Beach does not have jurisdiction over this property. Any response that the City can provide regarding this matter would be greatly appreciated. To the extent that our understanding is correct, we would ask that the City simply hold our application until such time as the annexation is complete, so that the parties are not required to reinitiate this process.

Please accept our apologies for the delay in providing the enclosed information. As always, if you have any questions regarding these applications, please feel free to contact us.

Very truly yours,

A handwritten signature in black ink, appearing to read 'ISAAC R. ZFATY', written over the printed name.

ISAAC R. ZFATY

IRZ/jmk

cc: Yellowstone (attn: Dr. Anna Marie Thames)

FIDELITY NATIONAL TITLE

RECORDING REQUESTED BY

Escrow No.: 00031693 GF

Title Order No.: 30137876

When Recorded Mail Document
and Tax Statement To:

ANNA THAMES

154 E. Bay

COSTA MESA - CA 92627

This Document was electronically recorded.

Fidelity National Title B

Recorded in Official Records, Orange County

Tom Daly, Clerk-Recorder



9.00

2007000166869 03:51pm 03/15/07

110 27 G02 2

434.50 434.50 0.00 0.00 3.00 0.00 0.00 0.00

APN: 119-361-08

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(s) DECLARE(s)

Documentary Transfer Tax is \$869.00

- ☒ computed on full value of property conveyed, or
☐ computed full value less value of liens or encumbrances remaining at the time of sale
☐ unincorporated area X City of Santa Ana

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Cella Johnson, a widow
hereby GRANT(s) to Anna Thames, AN UNMARRIED WOMAN

the following described real property in the City of Santa Ana County of Orange, State of California:

LOT 14, TRACT 4307, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 153,
PAGES 18 TO 20 MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Dated: December 26, 2006

STATE OF CALIFORNIA

COUNTY OF ORANGE } ss:

On FEB. 20TH 2007, before me,

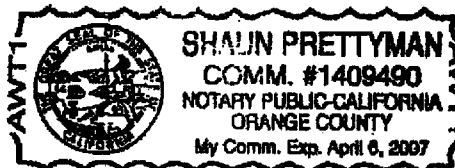
SHAWN PRETTYMAN
a Notary Public, personally appeared CELLA

JOHNSON ONLY
personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s)
is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted,
executed the instrument.

Cella Johnson
Cella Johnson

WITNESS my hand and official seal.

Signature [Signature]



MAIL TAX STATEMENT AS DIRECTED ABOVE

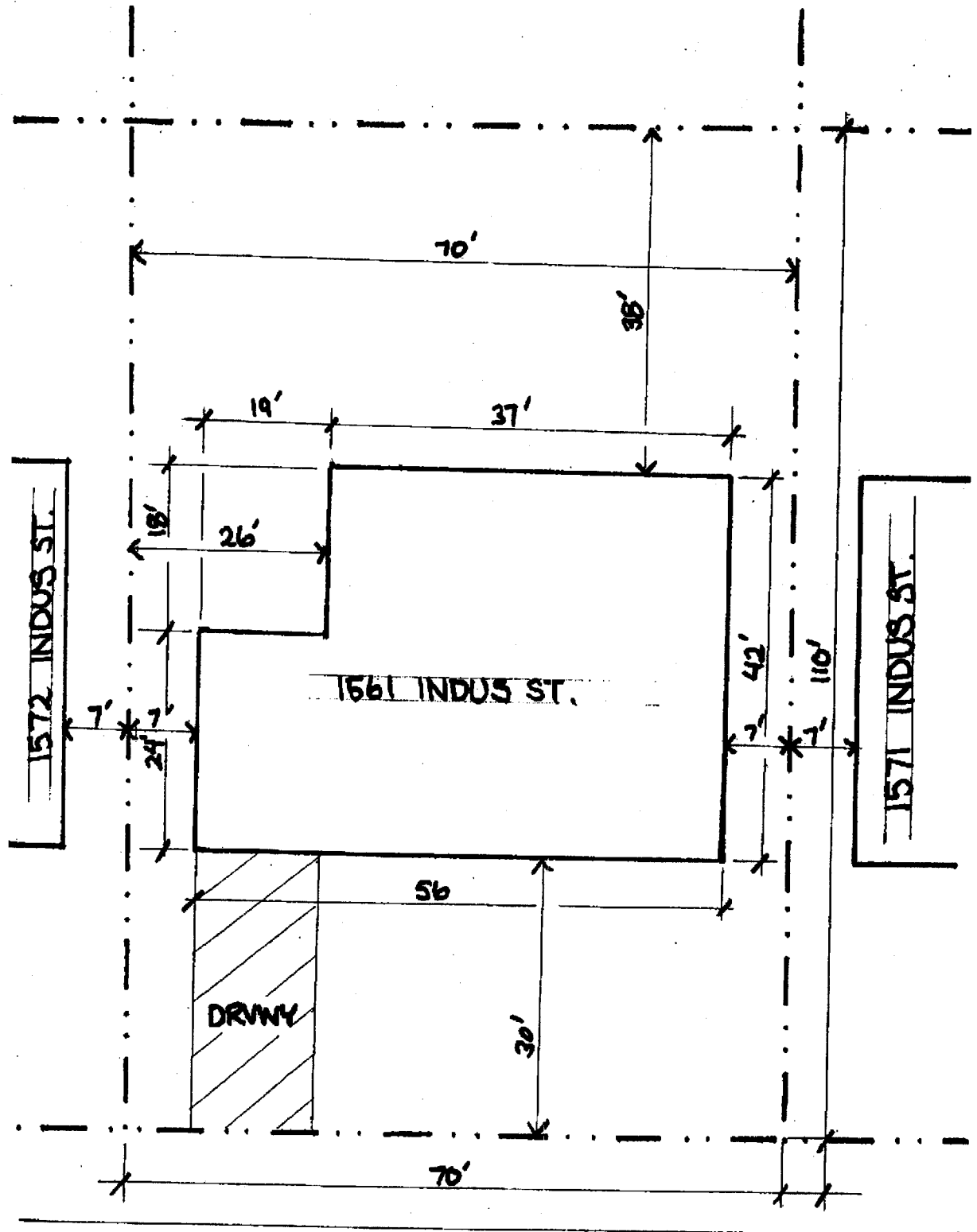
TO: CITY OF NEWPORT BEACH
FROM: DR. ANNA THAMES OWNER
RE: AUTHORIZATION

THIS IS AN OFFICIAL AUTHORIZATION TO MAKE
APPLICATION FOR THE "OXFORD" HOUSE AT
1561 INDUS, NEWPORT BEACH, CAL.
REGISTERED AS "KEYSTONE MANOR."

DATE AUTHORIZED: JUNE 30, 2008

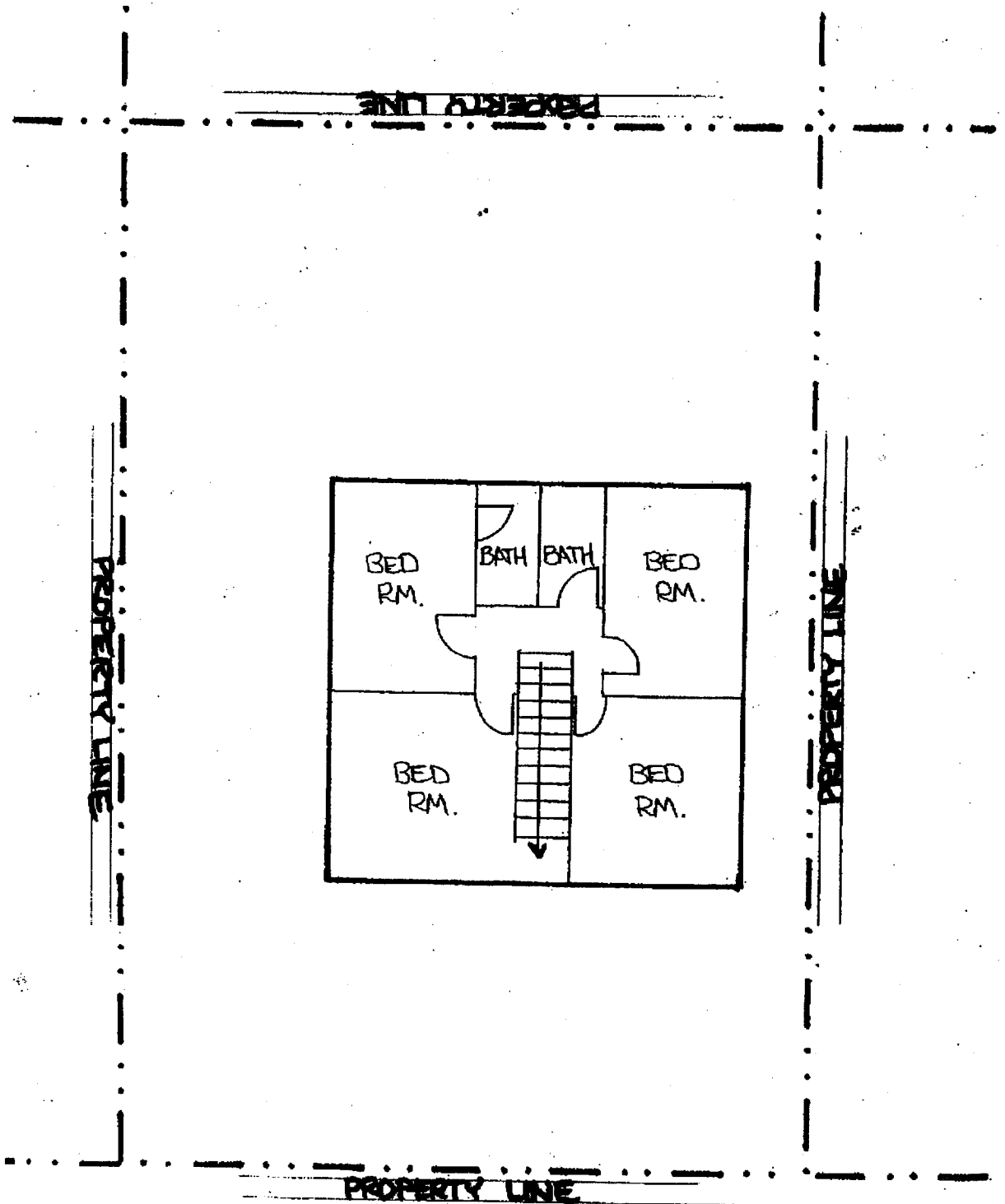
A handwritten signature in cursive script, appearing to read "Dr. Anna Thames", is written over a horizontal line.

SIGNATURE



1561 INDUS STREET
KEYSTONE HOUSE

SITE PLAN

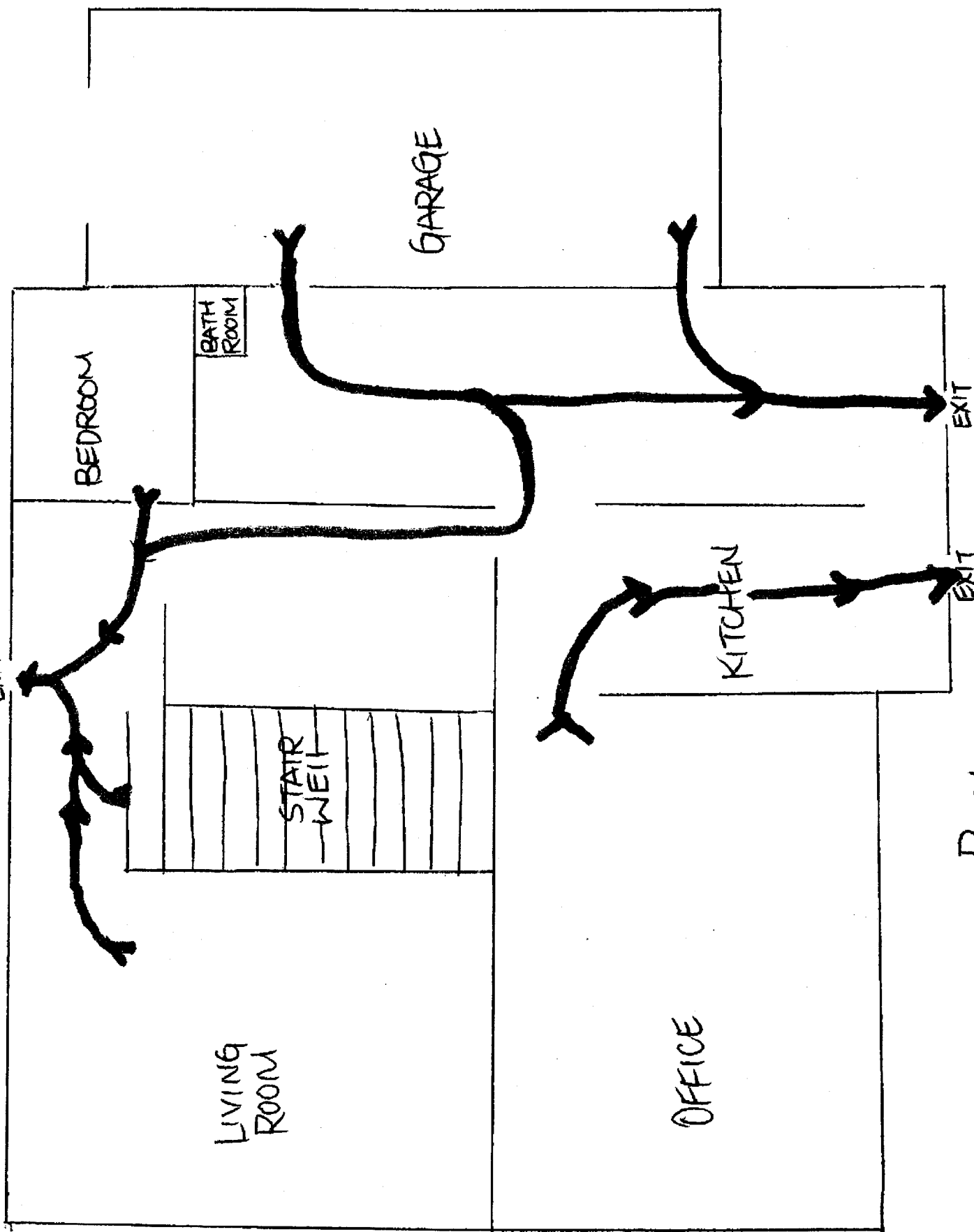


1861 INDUS STREET
.. KEYSTONE HOUSE ..

2ND. FLOOR PLAN

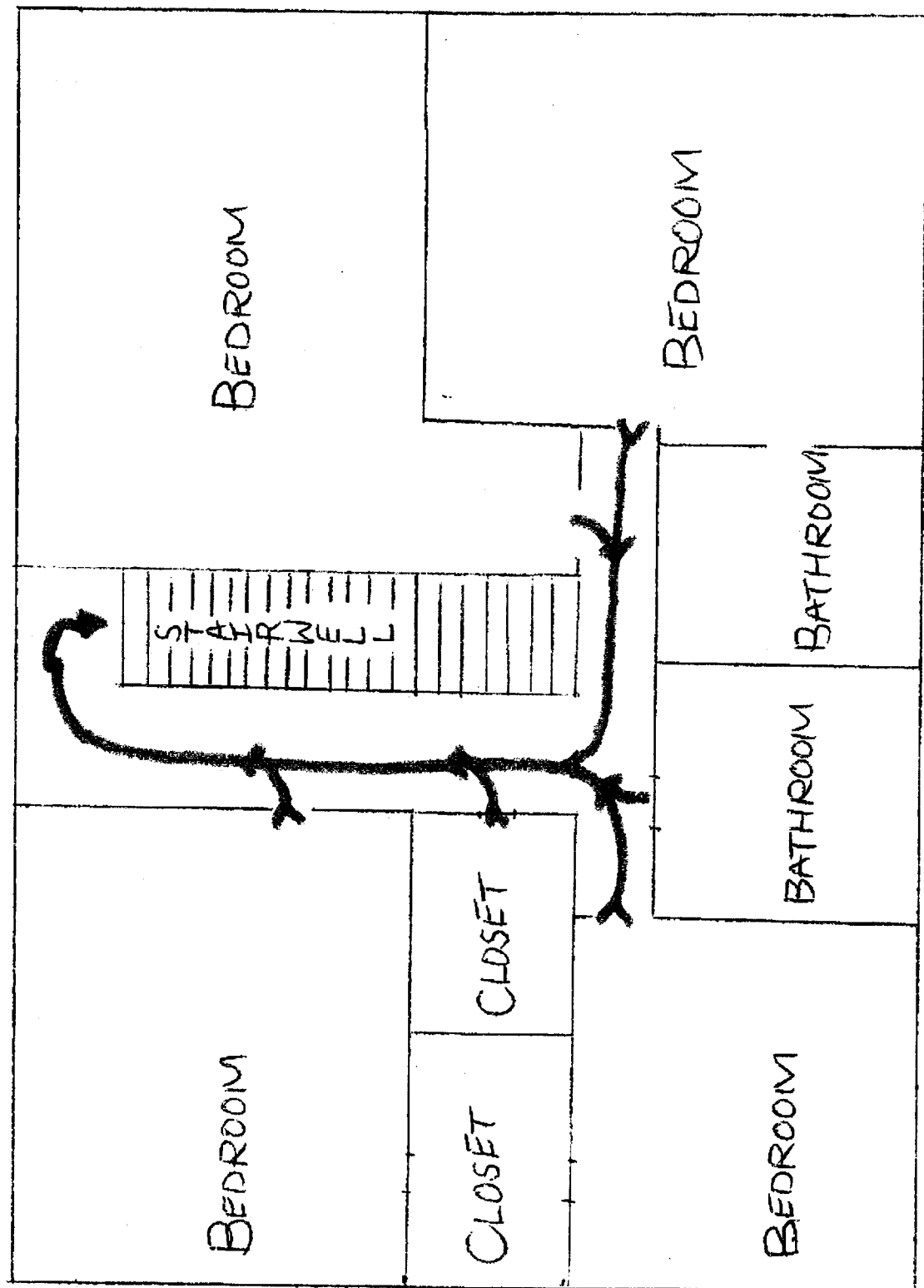
FRONT
GROUND FLOOR
EXIT

HOUSE



D. 0. 1.

FRONT
TOP FLOOR



BACK

☐ Orange County Sober Living Network (recommended)

☐ Other (please describe) _____

L. SECONDHAND SMOKE LIMITATIONS

NBMC §20.91A.050.A directs that "no staff, clients, guests, or any other uses of the facility may smoke in an area from which the secondhand smoke may be detected on any parcel other than the parcel upon which the facility is located. Check and sign here to acknowledge this requirement and your use's adherence to it:

☒ I acknowledge that I will control secondhand smoke on my facility such that no secondhand smoke may be detected on any parcel other than the parcel upon which my facility is located.

Signature: W. Antrem

Date: 7/21/2008

9. APPLICANT OBLIGATIONS

- A. The "owner of record" of the property or an authorized agent must sign this Application. Signing the application under Section 10 means that the applicant certifies, under penalty of perjury, that the information provided within this Application and its attachments is true and correct. Per NBMC §20.90.030.C, false statements are grounds for denial or revocation.
- B. The Applicant acknowledges that he or she must comply with all other Federal, State, and local laws and regulations relating to this use. The Applicant understands that a violation of Federal, State, and local laws and regulations is grounds for revocation of the Permit. The Applicant understands and acknowledges that it is against California law to provide treatment (as defined) in an unlicensed facility.
- C. If the City issues a Use Permit based on the information provided in this Application, the Applicant's signature below certifies his or her agreement to comply with the terms of the Use Permit. The Applicant understands and acknowledges that non-compliance with the terms of the Use Permit is grounds for revocation of the Permit.

Revocation of the Use Permit. NBMC §20.96.040.E provides that the City can revoke a Use Permit if:

- The permit was issued under erroneous information or misrepresentation; or
- The applicant made a false or misleading statement of material fact, or omitted a material fact; or
- The conditions of use or other regulations or laws have been violated; or
- There has been a discontinuance of use for 180 days or more.

10. AUTHORIZED SIGNATURE(S) OF APPLICANT

THE UNDERSIGNED ASSURES THAT THE INFORMATION PROVIDED ON THIS APPLICATION IS TRUE AND CORRECT AND THAT THE APPLICANT HAS READ AND UNDERSTOOD HIS OR HER OBLIGATIONS UNDER ANY USE PERMIT ISSUED BASED ON THIS APPLICATION.

- A. If the applicant is a sole proprietor, the application shall be signed by the proprietor.
- B. If the applicant is a partnership, the application shall be signed by each partner.
- C. If the applicant is a firm, association, corporation, county, city, public agency or other governmental entity, the application shall be signed by the chief executive officer or the individual legally responsible for representing the agency.

YELLOWSTONE BOARD RESOLUTION:

THE SIGNATURES BELOW REPRESENT AGREEMENT AND ENDORSEMENT OF THE BOARD OF TRUSTEES OF YELLOWSTONE FOR THE FOLLOWING:

DR. A.M. THAMES IS THE CEO OF THE BOARD AND AGREES TO REPRESENT YELLOWSTONE IN ALL NEGOTIATIONS WITH THE CITY OF NEWPORT BEACH. SHE WILL SIGN ANY AND ALL FINAL AGREEMENTS.

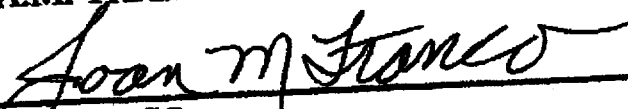
ATTORNEY ISAAC ZFATY, WILL PROVIDE LEGAL REPRESENTATION IN ALL MATTERS IN THE AGREEMENTS WITH THE CITY OF NEWPORT BEACH

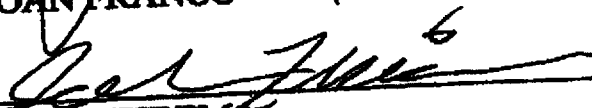
LEISHA MELLO, AS ADMINISTRATOR FOR YELLOWSTONE WILL ALSO BE AVAILABLE FOR DISCUSSIONS RELATED TO THE AGREEMENTS WITH THE CITY OF NEWPORT BEACH.

THESE AGREEMENTS AND ENDORSEMENTS ARE APPROVED BY THE BOARD OF TRUSTEES AS OF JULY 1, 2008.

BOARD MEMBERS SIGNING:


DR. A.M. THAMES


JOAN FRANCO


JOHN ZEIDEMA


ROY WARD


LISA TUMAN

STATE OF CALIFORNIA

FIRE SAFETY INSPECTION REQUEST

STD. 860 (REV. 10-84)

See instructions on reverse.

AGENCY CONTACT'S NAME

Chuck Browning

TELEPHONE NUMBER

(916) 322-2991

REQUEST DATE

04/01/2008

PROGRAM

A / DRF

EVALUATOR'S NAME

Chuck Browning

REQUESTING AGENCY FACILITY NUMBER

NOT ASSIGNED YET

REQUEST CODE

1 A

LICENSING
AGENCY
NAME AND
ADDRESS

Department of Alcohol+Drug Programs
Licensing and Certification Branch
1700 K. STREET
Sacramento, CA 95814-4037

CODES

1. ORIGINAL A. FIRE CLEARANCE
2. RENEWAL B. LIFE SAFETY
3. CAPACITY CHANGE
4. OWNERSHIP CHANGE
5. ADDRESS CHANGE
6. NAME CHANGE
7. OTHER

AMBULATORY		NONAMBULATORY		BEDRIDDEN		TOTAL CAPACITY
CAPACITY	PREVIOUS CAPACITY	CAPACITY	PREVIOUS CAPACITY	CAPACITY	PREVIOUS CAPACITY	
12						12
FACILITY NAME						LICENSE CATEGORY
Keystone Manor - Yellowstone						
STREET ADDRESS (Actual Location)						NUMBER OF BUILDINGS
1361 Indus						1
CITY						RESTRAINT
Santa Ana Heights						
FACILITY CONTACT PERSON'S NAME						HOURS
Lersha Mello						24
SPECIAL CONDITIONS						

TO BE COMPLETED BY INSPECTING AUTHORITY

FIRE
AUTHORITY
NAME AND
ADDRESS

Orange County Fire Authority
57 Journey
Aliso Viejo, CA 92686

CLEARANCE/DENIAL CODE

CODES

1. FIRE CLEARANCE GRANTED
2. FIRE CLEARANCE DENIED
- A. EXITS
- B. CONSTRUCTION
- C. FIRE ALARM
- D. SPRINKLERS
- E. HOUSEKEEPING
- F. SPECIAL HAZARD
- G. OTHER

INSPECTOR'S NAME (Typed or Printed)

TELEPHONE NUMBER

CPIR NUMBER

OCCUPANCY CLASS

INSPECTION DATE

INSPECTOR'S SIGNATURE

EXPLAIN DENIAL OR LIST SPECIAL CONDITIONS



CITY OF NEWPORT BEACH

**Supplemental Information
for
Reasonable Accommodation**

Planning Department
3300 Newport Boulevard
Newport Beach, California 92658-8915
(949) 644-3200

Application Number _____

To aid staff in determining that the necessary findings can be made in this particular case as set forth in Chapter 20.98 of the Municipal Code, please answer the following questions with regard to your request (Please attach on separate sheets, if necessary):

Please see attached sheet

Name of Applicant

If provider of housing, name of facility, including legal name of corporation

(Mailing Address of Applicant)

(City/State)

(Zip)

(Telephone)

(Fax number)

(E-Mail address)

(Subject Property Address)

Assessor's Parcel Number (APN)

1. Is this application being submitted by a person with a disability, that person's representative, or a developer or provider of housing for individuals with a disability?

2. Does the applicant, or individual(s) on whose behalf the application is being made, have physical or mental impairments that substantially limit one or more of such person's major life activities? If so, please state the impairment(s) and provide documentation of such impairment(s).

3. From which specific Zoning Code provisions, policies or practices are you seeking an exception or modification?

4. Please explain why the specific exception or modification requested is necessary to provide one or more individuals with a disability an equal opportunity to use and enjoy the residence. Please provide documentation, if any, to support your explanation.

5. Please explain why the requested accommodation will affirmatively enhance the quality of life of the individual with a disability. Please provide documentation, if any, to support your explanation.

6. Please explain how the individual with a disability will be denied an equal opportunity to enjoy the housing type of their choice absent the accommodation? Please provide documentation, if any, to support your explanation.

7. If the applicant is a developer or provider of housing for individuals with a disability, please explain why the requested accommodation is necessary to make your facility economically viable in light of the relevant market and market participants. Please provide documentation, if any, to support your explanation.

8. If the applicant is a developer or provider of housing for individuals with a disability, please explain why the requested accommodation is necessary for your facility to provide individuals with a disability an equal opportunity to live in a residential setting taking into consideration the existing supply of facilities of a similar nature and operation in the community. Please provide documentation, if any, to support your explanation.

Application Number _____

9. Please add any other information that may be helpful to the applicant to enable the City to determine whether the findings set forth in Chapter 20.98 can be made (Use additional pages if necessary.) _____

1561 Indus Attachment

Name of applicant: Yellowstone, Woman's First Step House, Inc., 1561 Indus St., Santa Ana Heights, CA 92701; Phone: 888.941.9048; Fax: 949.646.5296; APN: 119-361-08.

1. This application is provided by a provider of housing for individuals with a disability.
2. The individuals are alcoholics.
3. Single family residence to multi-family residence.
4. The applicant provides the residents of the Property with housing where same is otherwise unavailable to them. Most residents are long-term residents who are able to live with their disability, and in a sober environment, as a result of the provision of the facility by the applicant. The success of sober living homes in assisting these disabled individuals throughout the United States is well documented. Similar success has been realized at the Property addressed herein. A sample of the literature on sober living homes was attached to the original application. Without the home addressed in this application, the individuals who live at this home would not have access to sober living homes, and would not be able to afford to live in such a home in Orange County. Yellowstone provides this home to satisfy the otherwise unaddressed need by these disabled individuals for an equal opportunity to use and enjoy a dwelling. There is no question that, with their current use, this property affirmatively enhances the lives of many individuals with disabilities. Importantly, the rent charged to these individuals simply covers Yellowstone's costs; no profit is realized. In fact, without charitable contributions, Yellowstone would operate at a loss. By no means is Yellowstone, or any individual involved with Yellowstone, a profiteer. Yellowstone simply makes available a sober living environment in an effort to help these disabled individuals, and with a view toward enhancing the community. To the extent that Yellowstone is forced to remove its operations from this property, it will suffer extreme economic hardship. Moreover, with any prospective closure of the property as a sober living home, the individuals with disabilities who live in the home will be without accommodation. Yellowstone is compliant with all of the requirements in the City of Newport Beach's Good Neighbor Principles, and is tenacious in ensuring that all residents at the Property strictly observe these requirements. Approval of this application would not alter the nature of the municipal code or impose any financial or administrative burden on the City. This property has been operating under these same general guidelines for years without imposing any burden upon the County or City. The residential character of the neighborhoods in which this property is located will not be altered in any way with the approval of this application. In fact, there is no non-residential use at the property. Moreover, there is no campus established through the grant of this application. Residents this property are not allowed at any of other property operated by Yellowston, and there are no functions that include all residents. Yellowstone has never been cited by any municipality at this property for any of the complaints set forth specifically in Ordinance 2008-5,

Page 4, Paragraph 13. No health, safety or physical damage issues are presented with granting of these applications.

5. See response to No. 4.
6. See response to No. 4.
7. See response to No. 4. The applicant is not a developer. The applicant has operated at the Property for years and currently can afford this property. Due to the economic decline, and specifically as it pertains to residential housing, the forced sale of this property would cause an extreme economic hardship.
8. See responses to No. 4 and 7.
9. The applicant is a long-standing tenant in the community, and has had a presence in Santa Ana Heights for years. The applicant prides itself in acting as a good neighbor. As noted above, the applicant has an extremely high success rate in assisting disabled individuals live and integrate into Orange County. The applicant affirmatively enhances the lives of its residents. Any abatement of this facility would be harmful to the community.

Exhibit No. 8
Applicant's Supportive
Documentation

1001 Induk



RECEIVED
CITY OF NEWPORT BEACH
FEB 02 2009

January 29, 2009

VIA FIRST CLASS MAIL

Ms. Janet Brown
CITY OF NEWPORT BEACH
3300 Newport Boulevard
Newport Beach, CA 92658-8915

Re: *Affidavits for Fee Waiver Reasonable Accommodation*

Dear Janet:

Enclosed are the signed Affidavits of Disability Related Financial Hardship. There is a separate Affidavit for each of the four Yellowstone properties. As we discussed, our responses to the questions relating to the income of the residents pre and post-disability are based on the average resident for each of the homes.

Please feel free to contact me if you have any questions.

Very truly yours,

DAVIS ZFATY

NICOLE COHRS

Enclosure

AFFIDAVIT OF DISABILITY-RELATED FINANCIAL HARDSHIP
1561 Indus, Newport Beach

I, Anna Marie Thames, declare:

1. I am an authorized representative of disabled individuals;
2. I am submitting information specific to the financial status of a group of disabled individuals who reside in a household;
3. I am submitting the financial information herein voluntarily because I have requested a reasonable accommodation from the City of Newport Beach, which I believe is necessary because of financial hardship to the disabled individuals I represent;
4. Severe financial constraints which arose as a direct result of the disabled individuals I represent prevent them from complying with one or more provision or provisions of the City of Newport Beach's Municipal Code, Council Policies or usual and customary procedures generally applicable to the type of dwelling in which disabled persons I represent reside or wish to reside;
5. Such provisions of the City of Newport Beach's Municipal Code, Council Policies or usual and customary procedures, if applied to the dwelling in which the disabled individuals I represent reside, will deprive disabled individuals of the opportunity to reside in the dwelling of his or her choice;
6. In order to afford the disabled individuals the opportunity to reside in the dwelling of his or her choice, the permanent or temporary waiver of a fee, tax, nuisance abatement, code enforcement action, repair, zoning, building construction or other requirement of the Newport Beach Municipal Code, Council Policy or customary procedure is necessary;
7. The requested waiving of such fee, tax, nuisance abatement, code enforcement action, repair, zoning, building construction or other requirement is necessary because of financial limitations which are the direct result of the disability of the individuals that I represent;

8. If the disabled individual on whose behalf a financial reasonable accommodation is requested was able to work prior to becoming disabled, please provide information on such individual's pre- and post disability income:
- A. On the following dates, the disability of the persons I represent, rendered such persons severely limited in their ability to work or entirely unable to work:
- The individuals residing in the home were all affected by their disability at different times. During addiction, residents are unable to work. In sober living, however, all residents must find a job.
- B. Prior to the dates on which such disability rendered the disabled individuals I represent unable or severely limited in their ability to work, their annual household income from all sources was approximately \$50,000 (on average).

C. After the dates on which such disability rendered the disabled individuals I represent unable or severely limited in their ability to work, their annual income from all sources was approximately \$20,000 (on average). Typically, household income is cut approximately in half because of alcoholism. As a result of alcoholism, the residents of the home have been rendered financially disabled. In sober living, the residents must find a job, however, the jobs the residents seeks are near minimum wage (\$8.00 per hour).

9. If the disabled individuals on whose behalf a financial reasonable accommodation is requested were not employed prior to becoming disabled, please state why any financial limitations which render the disabled individuals unable to meet the financial requirements of complying with the Newport Beach Municipal Code are a direct result of such their disability.

All residents were employed in some manner prior to their addiction.

10. Please provide any additional information you feel would enable City staff and/or hearing officers to determine whether disability-related financial hardship requires an exception from the application of the City's Municipal Code, Council Policies, or usual and customary procedures in order to afford the disabled individuals an opportunity to reside in a dwelling.

The residents cannot afford their own places to live. Their income is based on near minimum wage hourly rates. Thus, if forced to live elsewhere they could not afford to pay rent, a security deposit for an apartment, food, or utilities. Yellowstone provides a fresh start for recovering alcoholics to begin their life with a clean slate. Our fees our low and donors in the community provide individual scholarships for residents who qualify.

Yellowstone is a non-profit organization. Yellowstone has no investors and no loans. The organization uses the income from residents to cover its costs and Yellowstone makes no profit from the residents. The organization is run by a group of volunteers who are committed to returning the residents back to the community clean and sober as tax paying citizens who can help other alcoholics. As a result, Yellowstone's small budget cannot accommodate the \$2,200 application fee. Yellowstone respectfully requests that the City make a reasonable accommodation in accordance.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 29th day of January, 2009, in Newport Beach, California.


ANNA MARIE THAMES


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A PROFESSIONAL LAW CORPORATION

RECEIVED BY
PLANNING DEPARTMENT

FEB 02 2009

CITY OF NEWPORT BEACH

January 29, 2009

Z175.1

VIA FIRST CLASS MAIL

Ms. Janet Brown
City of Newport Beach
3300 Newport Boulevard
Newport Beach, CA 92658-8915

Re: Request for Reasonable Accommodation: 1561 Indus Street

Dear Ms. Brown:

As you know, this firm is general counsel for Yellowstone Women's First Step House, Inc. ("Yellowstone"). I recently spoke with Cathy Walcott of the City Attorney's office. She informed me of a few ambiguities in our Request for Reasonable Accommodation Worksheet for the 1561 Indus property (the "Property"). The purpose of this letter is to clarify these ambiguities.

(Question 5) Impairments Substantially Limiting Major Life Activities: Do the clients have physical or mental impairments that substantially limit one or more of such person's major life activities? What are those impairments?

The residents of the Property are recovering from alcohol addiction. They manifest physical and mental symptoms which have prevented them from engaging in at least one of their major life activities.

Although the residents work, they are recovering from a physical dependence on alcohol. Mentally, the residents are recovering from the inability to make healthy choices like the average person in the general population regarding their consumption of alcohol. Their impairments affect their ability to think, concentrate, and interact with others as compared to the ability of the average person in the general population to do the same. Thus, their disability is substantially limiting.

Enclosed with this letter is a Declaration under penalty of perjury from the applicant, Honey Thames, manager of the Property, that every resident in the Property has physical or mental impairments that substantially limit one or more of the residents' major life activities. Cathy Walcott mentioned that this would be acceptable given that the privacy concerns of the residents limit our ability to provide medical records or signatures of the residents.

Ms. Janet Brown
January 29, 2009

(Question 10) Parking: Describe the on-site parking resources and the staff and visitor parking plans.

Parking on the Property is reserved for the manager and assistant manager, thus the maximum number of cars on the Property at any one time will be two. Residents are not permitted to park on the Property. Visitors are not permitted on the Property therefore there are no visitor parking issues.

(Question 11) Operation of Vehicles: Describe client's availability to drive and operate a vehicle while residing at facility.

The residents do not use cars. Instead, they rely on public transportation to and from the Property.

(Question 12) Transportation: Does the facility provide transportation services? If yes, please describe the frequency, duration, and schedule of services and where the vehicles are stored

Though the home generally does not provide transportation services, the home does provide some basic transportation to the nearby treatment facility and to St. John church. Both locations are within ten minutes of the home. There is a morning pickup at 8 a.m. and an evening drop off at 4 p.m. This is the only transportation provided. The vans that transport the residents are not parked on site. When not in use, the vans are kept in another city.

(Question 16) Interaction Within the Property: How do the clients interact with each other within the unit? Is there joint use of common areas? Do clients share household activities and responsibilities? Will delivery trucks be provided at the facility?

The Property provides the residents with a network of support to encourage recovery from the symptoms of alcoholism. The residents reside separately at the Property. There is a common area however each resident is responsible for their own meals, expenses, and chores. There is no individual treatment, group treatment, or group therapy sessions that occur on the Property. The sole purpose of each resident living on the Property is to live in a house with other sober individuals with similar disabilities. Also, there are no delivery vehicles going to and from the Property. Finally, although Yellowstone owns four such homes in the Newport Beach area, there is no interaction between the homes. In other words, residents of the Property do not meet with the residents of other Yellowstone properties for dinners or other gatherings. Each home has its own residents and the residents of one home never interact with residents of a different home.

Ms. Janet Brown
January 29, 2009

(Question 19) Necessity of the Requested Accommodation: Please explain why the requested accommodation is necessary.

Yellowstone hereby requests that a Reasonable Accommodation be made to Ordinance 2008-5 such that Yellowstone is treated as a Single Housekeeping Unit as the term is defined in Section 20.03.030 of the Newport Beach Municipal Code.

The Reasonable Accommodation is necessary because the Property is not transient or institutional in nature such that it fits the definition of a non-licensed residential care facility. Instead, the Property more accurately fits the definition of a Single Housekeeping Unit as the term is defined in Section 20.03.030. Residents are the functional equivalent of a traditional family, whose members are an interactive group of persons jointly occupying a single dwelling unit. Like a Single Housekeeping Unit, there is a common area and each resident is responsible for their own meals, expenses, and chores. There is no individual treatment, group treatment, or group therapy sessions that occur on the Property. The sole purpose of each resident living on the Property is to live in a house with other sober individuals with similar disabilities. Also, the makeup of the Property is determined by the residents of the unit rather than the property manager. In conformity with our request for a Reasonable Accommodation, we would like to request that we get an exemption from Section 20.91A. 050 of the Newport Beach Municipal Code which states that there shall be no more than two residents per bedroom plus one additional resident.

I hope that this clarifies any ambiguity with respect to our previous request for a Reasonable Accommodation. Please let me know if our responses need to be supplemented further and as always, feel free to contact me if you have any questions.

Very truly yours,

DAVIS ZFATY
a professional corporation



NICOLE COHRS

cc: Yellowstone (attn: Dr. Anna Marie Thames)

DECLARATION OF ANNA MARIE THAMES

I, Dr. Anna Marie Thames, hereby declare as follows:

1. The matters stated herein are known to me personally and if called upon to testify, I could and would competently testify thereto as follows.
2. All individuals residing in the property located at 1561 Indus in Newport Beach are recovering from alcohol addiction.
3. Although the residents are recovering, they manifest physical and mental symptoms of their addiction which substantially limit one or more of the residents major life activities

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 28th day of January 2009, at Newport Beach, California.


ANNA MARIE THAMES

COST ANALYSIS OF OUR HOMES IN SANTA ANA HEIGHTS

IN GENERAL, OUR WEEKLY FEES ARE BASED ON A SLIDING SCALE FROM \$50.00 TO \$160 PER WEEK

OUR MORTGAGES AVERAGE \$4500 PER MONTH

A MINIMUM OF 15 RESIDENTS IS NEEDED TO PAY ALL THE EXPENSES FOR EACH HOUSE, INCLUDING
LIGHTS, GAS, WATER AND TRASH.

RENTS: SLIDING SCALE: \$50.00 TO \$160.00 PER WEEK

AVERAGE: RESIDENTS: 16

AVERAGE RENT \$100

MONTHLY AVERAGE: \$6400 INCOME

EXPENSES: FOR EACH HOUSE

AVERAGE UTILITIES \$ 800 LIGHTS, GAS, WATER, PHONE

FOOD: \$ 900

MORTGAGES: AVERAGE \$4500

MONTHLY AVERAGE \$6200 EXPENSES

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PLANNING DEPARTMENT

FEB 05 2000

CITY OF NEWPORT BEACH



SOUTHERN CALIFORNIA DRUG AND ALCOHOL TREATMENT CENTER

Call Today (888) 941-9048 - After Hours (949) 678-9000

Thursday, February 12 - 2009

A HIGHLY SUCCESSFUL AND LOW COST DRUG AND ALCOHOL RECOVERY PROGRAM FOR WOMEN AND MEN

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LEGAL PROBLEMS?



WE CAN HELP!

LICENSED AND CERTIFIED BY THE STATE OF CALIFORNIA

Yellowstone Recovery Financial Requirements

- **90 Days: \$7,500 Residential Treatment**
- **Sober Living: \$160 - \$180 per week**
- **Outpatient: Sliding Scale \$40 - \$80**

Some scholarships available after 30 days



Admission Requirements:

Client must be 18 years of age or older and a U.S. resident.
Must be a U.S. citizen.

Online Email to: honeythames@yahoo.com

Call for more information and program details.

Services Include:

Court Liaison • 12 Step Recovery • Counseling
Art Therapy Life Skills Training • Job Placement Program
Sponsors Family Meetings • Sober Fellowship
Sober Sober • Sober Camping



© Yellowstone Recovery 2008

Exhibit No. 9
Applicant's E-mail dated
January 28, 2009

Brown, Janet

From: Nicole Cohrs [nc@dzattorneys.com]
Sent: Wednesday, January 28, 2009 12:11 PM
To: Brown, Janet
Subject: RE: Yellowstone -- all hearings in one day

Thank goodness! I was worried about it since the deadline was yesterday. And yes, it is amazing when these things suddenly pop into my head at night.

Here are the answers to your questions:

1. The number of beds in each home is as follows:

1561 Indus = 12

1621 Indus = 18

Redlands = 17

Pegasus = 18

I apologize for the discrepancy.

2. The number of beds in each home exceeds the number permitted by the Code:

1561 Indus (Code = 11 max) Actual = 12

1621 Indus (Code = 13 max) Actual = 18

Redlands (Code = 13 max) Actual = 17

Pegasus (Code = 13 max) Actual = 18

As you can see, we plan to exceed the number specified by the Code in all four homes. The Code states that a Hearing Officer may set different occupancy limits based on **structure characteristics, traffic and parking impacts, and the health, safety, and welfare of the persons residing in the facility and neighborhood.** All four of the homes have fire clearance. Obtaining fire clearance takes into account the above-listed factors which are to be considered by the Hearing Officer in increasing the number of beds. According to the City Fire Dept., the homes all meet the standards for fire clearance. We think that this is more than sufficient. Let me know if you need more detail.

3. I spoke to Honey Thames and the architect this morning. I am waiting for a response from her as to when the revised plans will be sent to you. I know that she already contacted the architect about this last week.

I will let you know as soon as I hear from her.

Thanks.

Nicole Cohrs, Esq.
DAVIS ZFATY APC
Attorneys at Law
580 Broadway, Suite 301
Laguna Beach, CA 92651
(949) 376-2828
Email: nc@dzattorneys.com
Web: www.dzattorneys.com

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DAVIS ZFATY a professional corporation
580 Broadway Avenue, Suite 301
Laguna Beach, CA 92651
949.376.2828, Fax 949.376.3875

From: Brown, Janet [mailto:JBrown@city.newport-beach.ca.us]
Sent: Wednesday, January 28, 2009 9:06 AM
To: Nicole Cohrs
Subject: RE: Yellowstone -- all hearings in one day
Importance: High

It arrived in yesterday's mail. Thank you. (Amazing what we think of at night, hm.)

I am meeting with the contract planners who are working on the staff reports this morning at 10:00 a.m., and I do have a few other questions for you.

1. In the January 21st letter, we requested clarification as to number of resident beds in each dwelling, as there was a discrepancy on the floor plans vs. the written summary on the plans. When may we expect this information?
2. If the number of beds exceeds the number allowed by Code, as outlined in the 1/21 letter, a justification statement must be submitted. Has that been prepared?
3. When might we expect revised site plans providing the additional information requested in the 1/21 letter?

The information requested in the January 21st letter is necessary for us to fully analyze the applications, and prepare the staff report. Given that we are running up against the deadline for obtaining a use permit, we need this information as soon as possible.

Thank you.

Janet Johnson Brown
Associate Planner
City of Newport Beach
(949) 644-3236
jbrown@city.newport-beach.ca.us

From: Nicole Cohrs [mailto:nc@dzattorneys.com]
Sent: Wednesday, January 28, 2009 8:46 AM
To: Brown, Janet
Subject: Yellowstone -- all hearings in one day

Hi Janet,

I was thinking about this last night...

I just wanted to make sure that you got my letter expressing that we want all 3 issues to be heard on February 12.

Did you get that letter? I sent it last week.

Nicole Cohrs, Esq.
DAVIS ZFATY APC
Attorneys at Law
580 Broadway, Suite 301
Laguna Beach, CA 92651
(949) 376-2828
Email: nc@dzattorneys.com
Web: www.dzattorneys.com

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Laguna Beach, CA 92651
949.376.2828, Fax 949.376.3875

Exhibit No. 10
Applicant's Additional
Correspondence dated
February 13, 2009

Wolcott, Cathy

From: Nicole Cohrs [nc@dzattorneys.com]
Sent: Thursday, February 12, 2009 1:55 PM
To: Wolcott, Cathy
Cc: Brown, Janet
Subject: RE: Reasonable accommodation #2 - necessity clarification

Yes Cathy, all of that is correct. Thank you.

I am concerned by my conversation with you this afternoon. If you know of any other inconsistencies please let me know. I don't want to present an unclear report. I want to make sure that Yellowstone's answers are clear. Please feel free to contact me if you have any questions at all. I assure you that I will get the appropriate responses for you ASAP. I am in the office until 3 today, at which point I will be heading to the hearing scheduled at 4pm. If you need to talk to me at any other time my cell is [REDACTED]

Thanks again.

Nicole Cohrs, Esq.
DAVIS ZFATY APC
Attorneys at Law
580 Broadway, Suite 301
Laguna Beach, CA 92651
(949) 376-2828
Email: nc@dzattorneys.com
Web: www.dzattorneys.com

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DAVIS ZFATY a professional corporation
580 Broadway Avenue, Suite 301
Laguna Beach, CA 92651
949.376.2828, Fax 949.376.3875

From: Wolcott, Cathy [mailto:CWolcott@city.newport-beach.ca.us]
Sent: Thursday, February 12, 2009 1:20 PM
To: Nicole Cohrs
Cc: Brown, Janet
Subject: Reasonable accommodation #2 - necessity clarification

Hi Nicole,

As we discussed on the phone this afternoon, I am writing to obtain further clarification of Yellowstone Recovery's request for reasonable accommodation. Specifically, Yellowstone has requested an exemption from the standards of Newport Beach Municipal Code (NBMC) Section 20.91A.050, which states that there shall be no more than two residents per bedroom plus one additional resident in residential care facilities granted a use permit under NBMC Section 20.91A.040. However, there has been no formal explanation of the necessity of this exemption. In order to complete staff's analysis, by phone I requested that Yellowstone furnish the City with their explanation of why this accommodation is necessary to afford a disabled individual or individuals the opportunity to use and enjoy the dwelling of their choice.

You supplied explanations for the necessity of this accommodation for current residents, and prospective residents.

1) Current residents at Yellowstone facilities in excess of numbers allowed under NBMC 20.91A.050 – You stated that current residents in excess of numbers specified in the NBMC's operating standards would be displaced if a use permit were granted for a lesser amount of residents. Because of financial constraints related to the disability of the residents, you stated they would be unable to afford rent in another dwelling and would have nowhere to live, and therefore an exemption from the occupancy limits of NBMC Section 20.91A.050 is necessary.

2) Prospective residents at Yellowstone facilities in excess of numbers allowed under NBMC 20.91A.050 – You stated that prospective residents of Yellowstone facilities have financial constraints related to their disability, and would be unable to afford a dwelling if the Yellowstone facility is unavailable to them because of the occupancy restrictions of NBMC Section 20.91A.050. Therefore, an exemption from the occupancy restrictions of NBMC Section 20.91A.050 is necessary to provide housing to these prospective residents as well.

In addition, you clarified two inconsistencies among the various Yellowstone submissions. You stated that in May, 2008, when the original Yellowstone use permit and reasonable accommodation applications were submitted, four cars were permitted at 1561 Indus. There has been a change of policy at Yellowstone since that date, and at this time no resident is permitted use personal vehicles, to have personal vehicles onsite, or park personal vehicles in the neighborhood (with the exception of the two resident managers per site, who are allowed vehicles which are parked onsite.)

You also stated, consistent with the applicant's previous submissions, that there are no meetings held onsite at any of the Yellowstone facilities in Newport Beach. All meetings are held at Yellowstone's Costa Mesa facility, and letters from Yellowstone alumnae that reference visiting Yellowstone are referring to the meetings at the Costa Mesa facility.

Please confirm the above, and feel free to provide further clarification if needed.

Thank you,

Catherine Wolcott

Deputy City Attorney

City of Newport Beach

3300 Newport Boulevard

Newport Beach, CA 92658-8915

cwolcott@city.newport-beach.ca.us

Phone (949)644-3131

Facsimile (949)644-3139

Brown, Janet

From: Nicole Cohrs [nc@dzattorneys.com]
Sent: Friday, February 13, 2009 9:40 AM
To: Brown, Janet; Wolcott, Cathy
Subject: Clarification Correspondence
Attachments: DOC001.PDF

Hello Cathy and Janet,

I was recently informed that the City is concerned about a few inconsistencies between Yellowstone's early submittals to the City (back in May 2008) and our more recently submittals.

The attached letter will hopefully clarify some of the City's concerns. A hard copy is being sent in the mail today, however I wanted you to have a PDF version so that you could include this information in your reports.

Regards,

Nicole Cohrs, Esq.
DAVIS ZFATY APC
Attorneys at Law
580 Broadway, Suite 301
Laguna Beach, CA 92651
(949) 376-2828
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580 Broadway Avenue, Suite 301
Laguna Beach, CA 92651
949.376.2828, Fax 949.376.3875

-----Original Message-----

From: xerox@dzattorneys.com [mailto:xerox@dzattorneys.com]
Sent: Friday, February 13, 2009 9:31 AM
To: Nicole Cohrs
Subject: Scan from a Xerox WorkCentre


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February 13, 2009

RECEIVED BY
PLANNING DEPARTMENT

FEB 17 2009

CITY OF NEWPORT BEACH

VIA EMAIL AND FIRST CLASS MAIL

Ms. Cathy Wolcott
Ms. Janet Brown
City of Newport Beach
3300 Newport Boulevard
Newport Beach, California 92658-8915

Re: *Yellowstone Use Permit Applications and Reasonable Accommodation Requests*

Dear Ms. Wolcott and Ms. Brown:

It has recently come to my attention there may be discrepancies between materials Yellowstone submitted with respect to its use permit applications and requests for reasonable accommodation for each of the four Yellowstone properties. Although this firm and the representatives of Yellowstone have made our best efforts to be clear and consistent, the materials submitted to the City in May 2008 reflect some inaccurate information. The purpose of this correspondence is to clarify these inconsistencies.

Group Meetings

Neither group treatment meetings nor individual treatment meetings occur on any of the four Yellowstone properties. All treatment is performed off site in Costa Mesa. The only meetings that occur at each of the four homes are weekly house meetings with the residents to discuss potential new residents and other administrative matters.

Visitors

Visitation with family and friends occurs on Sundays at Yellowstone's Costa Mesa facility located at 154 East Bay Street.

Ms. Cathy Wolcott
Ms. Janet Brown
February 13, 2009
Page 2 of 2

Contractual Arrangements with Residents and Resident Selection

In May 2008, Yellowstone submitted a request for reasonable accommodation that each of the four homes be treated as a Single Housekeeping Unit. It was recently brought to my attention that Yellowstone's response to Question 16, regarding resident interaction, needs clarification.

Yellowstone does not have a contractual relationship with the residents of its properties. With respect to the residents of the four Yellowstone homes in Santa Ana Heights, Yellowstone's position is correctly stated in a letter to the City dated January 29, 2009: "the makeup of the Property is determined by the residents of the unit rather than the property manager." More specifically, Yellowstone's Board of Directors does not determine who resides in each of the four homes. New residents are introduced and approved by the current residents during house meetings or they are not accepted. Many of Yellowstone's residents transition to sober living directly from treatment. Other residents learn about Yellowstone from other recovery centers or by community referral.

Parking

In May 2008, when the original Yellowstone use permit and reasonable accommodation applications were submitted to the City, Yellowstone requested that four cars be permitted to park at the 1561 Indus property. There is adequate room for four cars to park at 1561 Indus, however only the two resident managers for the home park on site. With respect to the three other Yellowstone properties, it has consistently been Yellowstone's position that only the two resident managers of the homes are allowed to park vehicles on site.

I hope that this clarifies the ambiguities in our previous submissions to the City. As always, if you have any questions regarding this correspondence, please feel free to contact me.

Very truly yours,

DAVIS ZFATY
a professional corporation


NICOLE COHRS, ESQ.

Exhibit No. 11
Additional Letters of Opposition
Received After February 13, 2009

Brown, Janet

From: Jeff Dangi [Jeff.Dangi@advisys.com]
Sent: Thursday, February 19, 2009 10:23 AM
To: DKiff@city-newport-beach.ca.us; JBrown@city-newport-beach.ca.us
Subject: Yellowstone Homes (No more!)

Greetings Janet Brown and Dave Kiff,

I am a resident of the Santa Ana Heights area west of Irvine Ave, which was recently annexed into the city of Newport Beach. My wife and I (and 3 children) have lived in the area since 1995. We are active in the community and enjoy the bond and unity we have with other families who also live in this area. Aside from the noise we get from planes taking off out of John Wayne airport, I feel we have a great and safe environment for our family to live, grow and take part in. Becoming a part of Newport Beach has also affected us positively as we have received "here's what's up" newsletters from the city, additional police patrols, code enforcement, etc.

My concern right now deals with the number of permits that have been issued for the use of halfway houses (and alcohol/ drug rehabilitation homes) by Yellowstone Homes. While I do not necessarily have anything against these residents and believe that they should be afforded the same rights to a comfortable life I enjoy, I feel that these residents do not necessarily have the same level concern for the welfare and wellbeing of the neighborhood as do families who are permanent residents. Over the past several years, as homes have been sold, it seems like more and more are being purchased by Yellowstone Homes rather than to families because Yellowstone Homes is able to offer more money than families knowing that they will receive funding and assistance from the state. I believe that the number of these halfway houses has now adversely affected our neighborhood as we have seen a decrease in house upkeep and an increase in parked cars along our streets.

I am not sure how many Yellowstone Homes are in my neighborhood, but it seems like the ration of their homes to homes owned by families is out of skew. Please do not approve any more permits to Yellowstone Homes.

Thanks for your attention to this matter,

/ Jeff Dangi
20081 Kline Drive, Newport Beach

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Brown, Janet

From: George Robertson [g_robertson@roadrunner.com]
Sent: Thursday, February 19, 2009 8:12 AM
To: Brown, Janet
Cc: patrbritson@aol.com
Subject: Public comments re: Yellowstone First Step House, Inc.

Dear Ms. Brown,

Please enter these comments to the public record regarding the application of Yellowstone First Step House, Inc. to operate four unlicensed adult residential care facilities within the West Santa Ana Heights neighborhood. My primary concern are the inaccuracies contained in the city staff reports that I reviewed. However, please note that due to the lateness of the city's posting of these reports (Tuesday, February 17, 2009 after 4:30 pm) and the fact that two of the links to the reports did not work until sometime late Wednesday, February 18, 2009, I was only able to review two reports completely and one cursorily.

Besides the inconsistencies contained in reports, that city staff has pointed out, I have a few comments regarding the accuracy of the reports. However, the scope of the comments below are not complete as my review of the staff reports was hurried and incomplete due to the reasons cited above.

Initial comments are:

(1) Parks

- a. The staff report on 1561 Indus Street (and by extension all other reports) states that there are no public parks located within the neighborhood. This is in fact a wrong statement. There is a neighborhood park located at the terminus of Orchard Drive, that was in place well before Yellowstone began operations in this neighborhood. This park is located within about 750 feet of the proposed facility at 20172 Redlands Drive. I would ask that the city review its decisions on all of the applications using this information.

(2) House size and Number of bed rooms

- a. The staff reports states square footage of each house as one of the reasons to allow an exemption in the maximum number of residents allowed. However, the stated square footage, which I have to assume was provided by the applicant, were considerably over exaggerated. I have the original builder's materials on the "Sherwood Estates" development and, as built, house sizes were either 2,650 sq. ft. or 2,585 sq. ft. The implications is that for the houses at 1621 Indus Street and 1571 Pegasus Street, the application is off by almost 25%; I have to assume that this percentage also applies to the proposed house at 1621 Indus. . For the house located at 20172 Redlands Drive the excess square footage is almost 15%.
- b. None of these houses, as built were larger than five bedrooms, yet two of the applications state that they have six bedrooms. I know that the house located at 20172 Redlands had some internal modifications done, at the time without a county building permit, but this house as built only had four bedrooms.
- c. The staff reports contain a stipulation on having the city's Fire Marshall review, which I support. In addition I would ask that the city also send a building inspector to verify (a) square footage; (b) number of bedrooms; and (c) whether any structural modifications, such as the addition of new bedrooms, are legal additions.

(3) "Characteristics of Use/Treatment

- a. The report states that the applicant does not allow residents on any other Yellowstone property. However, this statement is negated by personal observations of residents from at least three of the four residences co-mingling at each other's residences. I have seen women from the Pegasus house walk up to Redlands, and on one occasion observed several women leave the Redlands house early in the morning before 7 a.m., ; implication is that they spent the night. I often see residents from the

Redlands house walk up to the house at 1621 Indus. Additionally on at least two occasions I have seen large groups walk up to the house on 1621 Indus mid-week, mid-morning. The assumption being made is that there are large group functions (treatments?) being held onsite.

(4) Transportation and Parking

- a. Despite all of the inconsistencies contained in the staff report table, my biggest concern are the assertions that (a) transportation is not provided; and (b) that residents to not allowed to have cars. My personnel observations are: (a) that Yellowstone operates two large capacity vans on a routine basis. Over the years I have seen these vans pick up and drop off residents at both the men's and women's residences, in particular 1561 Indus Street and 20172 Redlands Drive. These vans (one of which has "VANPOOL" stenciled on the windows) have lately been parked each night in the neighborhood, typically alongside 20172 Redlands Drive near the intersection of Redlands Drive and Pegasus Street. Additionally I have observed private vehicles pick-up and drop off multiple residents at 20172 Redlands. These facts on the ground seem to contradict statements made by the applicant
- b. Manager parking. I have never seen any cars parked inside the garage of any of the four residences. Two cars I commonly see parked in the driveway are at 1561. One of these leaves each day before 7 am. So I am not sure that this is a managers vehicle or a residents vehicle who is leaving for work.

(5) Smoking

- a. The staff report states that no complaints have been made regarding second hand smoke and that smoking is limited to the backyard patios. Again I have personally observed individuals (residents or guests I can't say) smoke in the front yards. Additionally, a walk along these houses will show cigarette butts in the gutters and driveways of these houses; I recently observed this at 1621 Indus on Wednesday, February 18, 2009 and at 20172 Redlands on Thursday, February 19, 2009.
- b. I was completely unaware until I read the staff report that there was a restriction on second hand smoke until I read the staff report. I would suggest that the lack of complaints cited in the staff report is an artifact of the neighbors not knowing that this was a legitimate issue that could be raised to the city's attention. I have personally detected second hand smoke outside the property, so I believe that the findings made regarding Section 20.91A.060A is wrong.

(6) Approval selection process

- a. After reading the three staff reports, I was not able to determine why one facility was selected for approval over another. A comparison table would have been informative. In fact, the house at 20172 Redlands, which city staff has recommended be approved, is probably one of the more problematic houses with the most issues, vanpools, private car use, smoking, noise, litter, excessive trash. How did this house get selected over another? Availability of street parking?

In closing I request that the city deny all of these application due to the inconsistencies and contradictions contained in the applications, as reflected in the staff report. I lieu of that decision, I request that, prior to any approvals being granted by the city, that staff verify the issues contained in #2 above, be more transparent on the decision process (#6), provide sufficient time for the public to review all relevant documents, and get more public input before any final decisions are made. Additionally, I suggest to city staff that if the applicant is unaware of the facts-on-the-ground (e.g., vanpools, residents co-mingling, use of private cars) that contradict statements made by the applicant as reflected in the staff report, that there is a disconnect between the on-site residence managers and the applicant; another issue for the city to clarify and rectify prior to any approvals. Finally, for any approvals granted, I ask that the city add a condition that the applicant provide all of the neighbors with a common set of "house" rules that is updated as changes are made. Finally I ask that the city provide the neighbors a method of reporting violations of these rules and a description of the city's actions would be under such instances.

Thank you for your consideration of these comments.

Regards,
George and Patricia Robertson

Brown, Janet

From: barry walker [bwarch.biz@gmail.com]
Sent: Tuesday, February 17, 2009 1:51 PM
To: Brown, Janet
Subject: Yellowstone Sue Permits
Attachments: Yellowstone Use Permits.rtf

Janet -

Attached letter responding to the Use Permit Hearing notice

They did not have a meeting at the Redlands house last week and have not for about 3 weeks, but when they do, the meetings seem to start about 6:00 and breakup in about 90 mins. Not real sure because we did not specifically watch for them, but they have held meetings there that seemed to draw about a dozen cars.

Thanks
Barry

City of Newport Beach
3300 Newport Blvd.
Newport Beach, CA.

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PLANNING DEPARTMENT

February 17, 2009

FEB 17 2009

Attn: Janet Brown

CITY OF NEWPORT BEACH

This letter is in response to the Use Permit Hearing notification for the Group Residential Use Permits that have been applied for by Yellowstone Women's First Step House, Inc. for 1561 Indus Street, 1621 Indus Street, 1571 Pegasus Street and 20172 Redlands Drive.

My primary objection to these use permit requests is the substantial increase in density that this represents for this neighborhood and the associated problems that come with a higher density usage than was originally planned for.

The use permits request permission to raise the density from the original design of a probable max of 6 per household to 18 (plus supervision?) per household. Although this request is for four houses, the neighborhood has an additional rehab house (and possibly two as a previous rehab house has recently changed hands and the new owner has not moved in yet), all within a 350' radius. This means that 6 houses out of 36 are involved with the rehab industry and that the possible population of the area increases from 216 to 282, a 30% increase in density. The reality is that this is an older neighborhood (most are empty nest at this point), and the average is probably more likely 2.5 - 3.0 people per household. That makes the number more like 108 residents and with the addition of the rehab houses, the population increases to 216, a 100% increase in the population density in this specific case.

The increase in density has many environmental effects on the neighborhood. When these homes were planned, the target household was for a family unit of 5-6 with 5 bedrooms and 3 baths (the typical floor plan, encompassing about 2400 square feet) and a two car garage.

The water supply and sanitary sewer were probably sized for the number of uses that 6 people would generate. As you can imagine, the systems will be over-used with a household of 18 people and we can anticipate system problems with an over-stressed older infrastructure.

Parking will become a worse problem with the addition of more cars since the houses only have 2 off-street parking spaces at most (the garages are filled with "stuff" and not used for parking). When the house at 20172 has meetings (previously every Tuesday at about 6:00 pm.) both sides of two streets were lined with cars, passage was more difficult.

Waste generation per house is substantially increased with several of the houses putting out 4 overflowing 90 gal. trash cans each week - with 18 people, I can only imagine the trash generation and disposal situation - 12 trash cans?

Smoking, though not regulated as an outside activity, still creates its own problems as we are constantly picking up cigarette butts from our yards, driveways and gutters.

Late night / early morning traffic as group home residents who do not drive are picked up and dropped off or just sitting in the car in the street as people talk - not a big deal with regular density, but with a doubling of the density, it just happens more often and becomes an irritant.

Lastly, when Yellowstone moved in, they did nothing to start a dialogue, like "here is the phone number of our customer service if there is problem we should address" which did nothing to get Yellowstone off to a good start and so we have no reason to believe they will be a good neighbor if these use permits are approved.

Sincerely,
Barry Walker
1571 Indus Street

264
YS 00264

February 16, 2009

RECEIVED BY
PLANNING DEPARTMENT

FEB 17 2009

CITY OF NEWPORT BEACH

Newport Beach Planning Department
Newport Beach City Hall
3300 Newport Blvd.
Newport Beach, Ca. 92658

Regarding: Yellowstone Women's First Step House Inc. application for Group Home Use permits to operate commercial business in a residential neighborhood.

Yellowstone Women's First Step House Inc. has been operating the above business for several years before West Santa Ana Heights was annexed into Newport Beach. To my knowledge these are unlicensed businesses and as such have changed the complexion and nature of our community.

Yellowstone wishes to increase the number of clients and staff at these facilities. Based on the figures given by Yellowstone, 12 clients at 1561 Indus Street, 18 clients each at 1621 Indus Street, 1571 Pegasus Street, and 20172 Redlands Drive this is a total of 66 paying customers at any given time. The application does not include live-on site staff, which I assume would be required to maintain the enterprise. Assuming staff would not share a room with clients the dorm style rooms would have to sleep 4 and each of the 3 bathrooms per property would have to accommodate between 5 and 6 individuals. With the rapid turnover this represents several hundred clients per year. Basically, these are transient hotels without the controls placed on other similar businesses. These homes were not designed or intended for this requested use.

If Yellowstone is granted the requested use permits and allowed to operate these businesses in this neighborhood, is the Planning Department willing to grant all other requests to operate business in our residential neighborhood? Newport Beach does not permit a homeowner to conduct weekly garage sale on their property because it is a business. Could another investment group purchase a home and set up a massage therapy parlor? I doubt it.

Zoning is intended to maintain balance and community structure. Commercial, industrial, and residential neighborhoods are all important to maintain a strong city. Disregarding the zoning plans of a community and combining the different uses will impact property values, destroy the nature of family neighborhoods, and set a precedence that could negatively impact all concerned.

For these reasons it is requested the applications related to these residences, to be operated as for profit businesses, be denied.

Respectfully Submitted,

Michael McDonough
Connie McDonough

Michael McDonough
Connie McDonough
1562 Pegasus Street (Newport Beach)
Santa Ana Heights, Ca. 92707

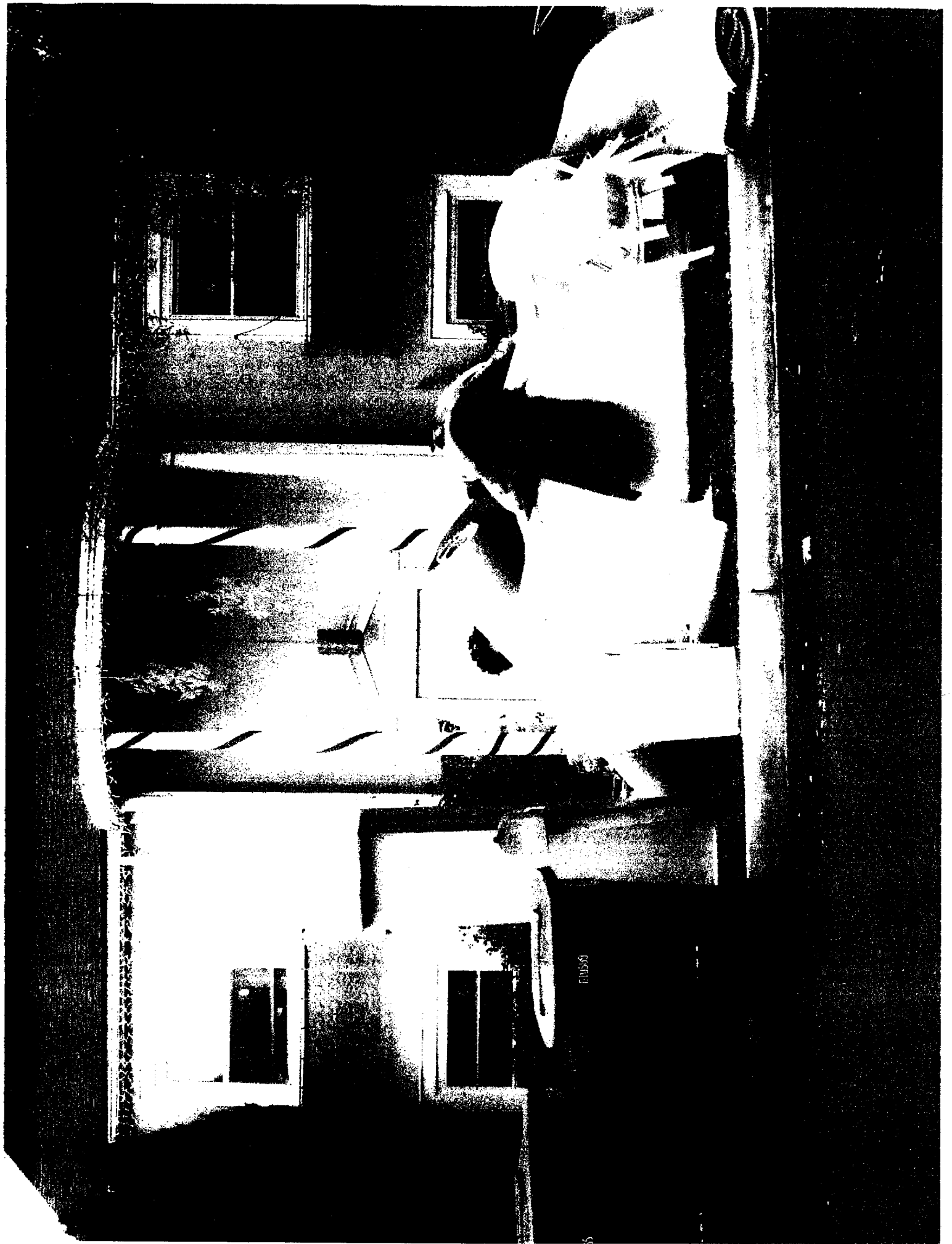


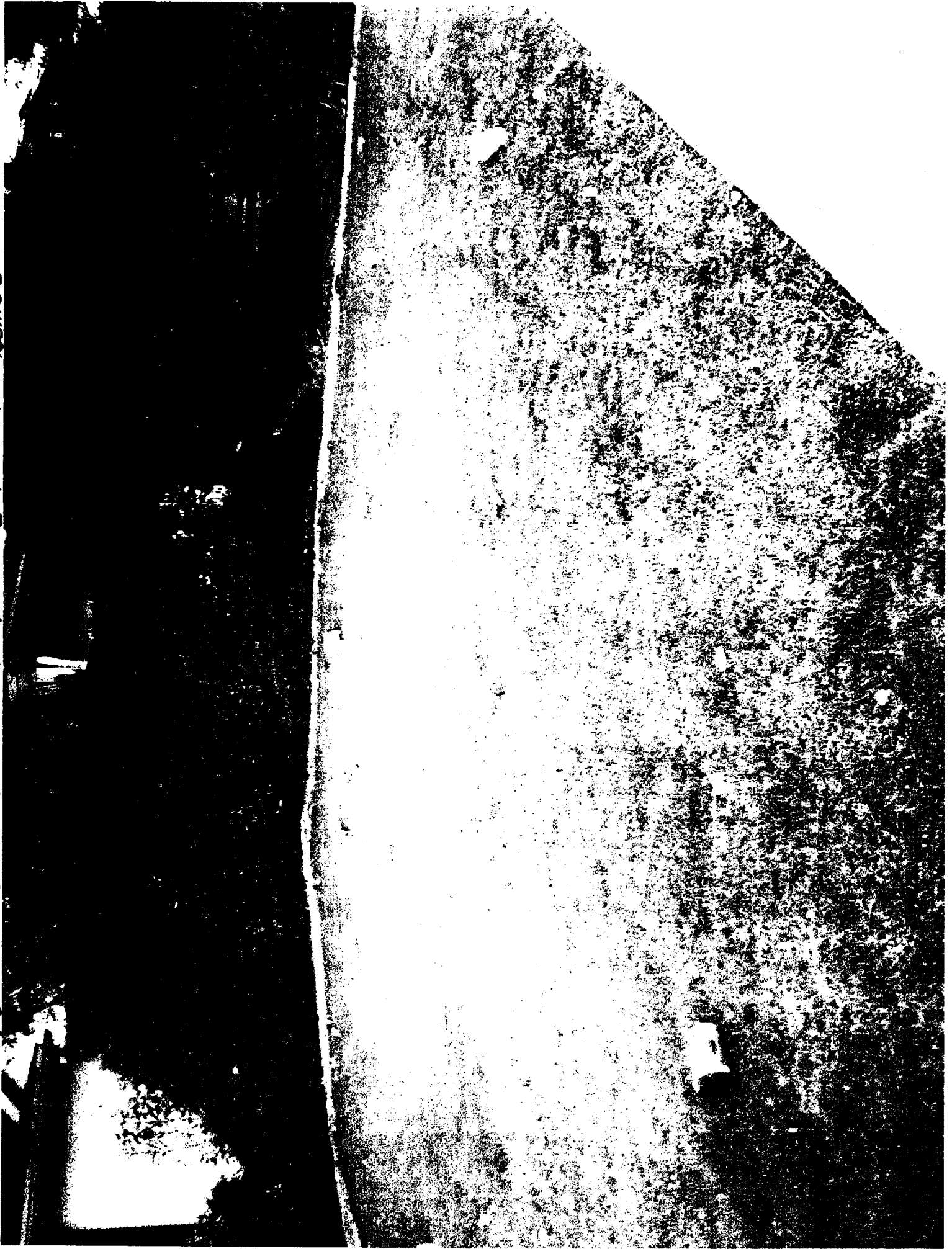


Photo 11111111

CAUTION: HI 1201 PEROXIDE SILENT. DESIGNER GROUP HOMES AT 1211 & 1201 PEROXIDE



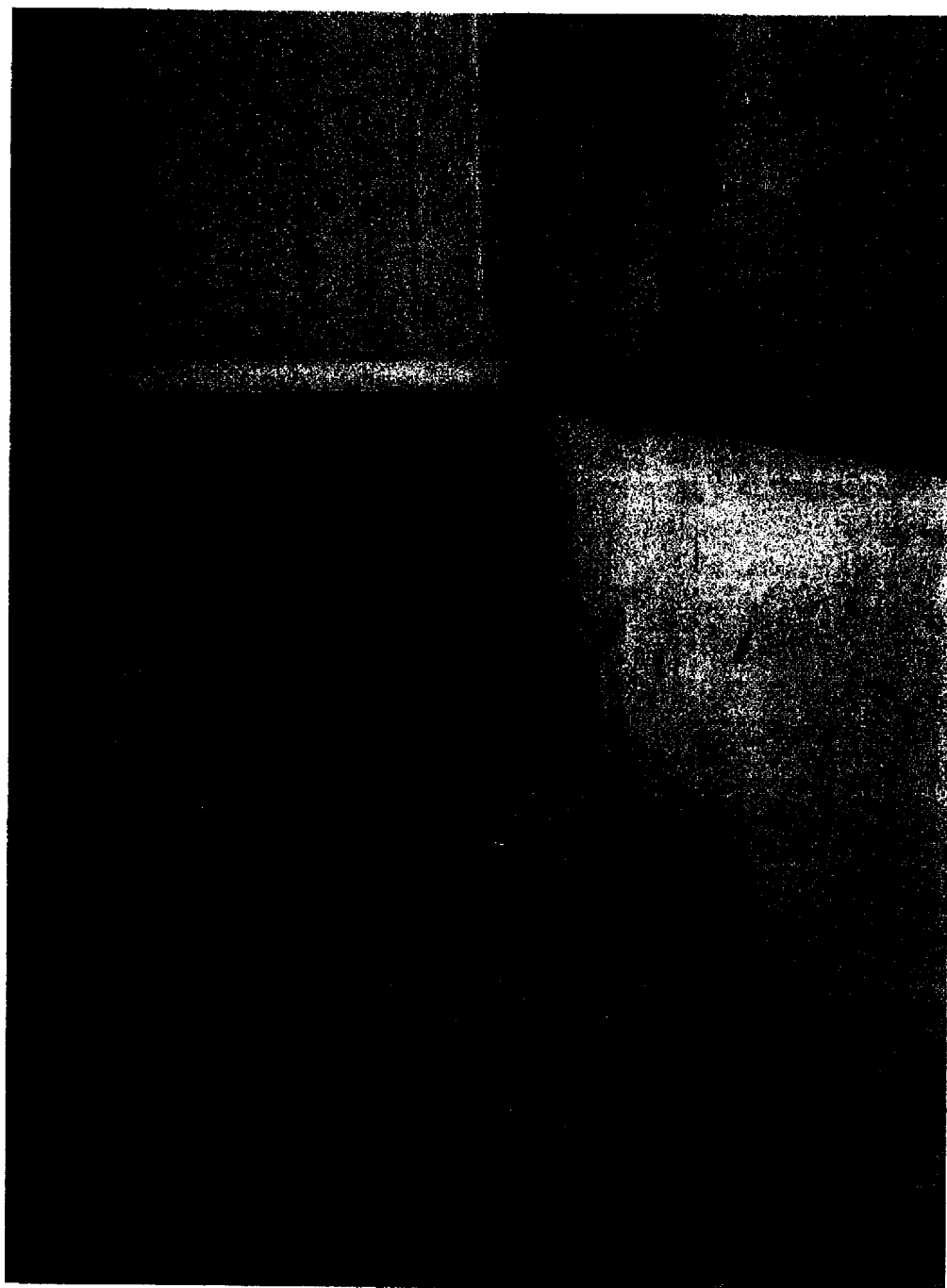
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TYPICAL AMOUNT OF WEEKLY TRASH AT GROUP HOME - 1501 PEGASUS ST.

A high-contrast, black and white photograph of a crime scene. A white car is parked on a dark surface, possibly a road or parking lot. A large, dark, rectangular object, likely a body bag or a large bag, is lying on the ground next to the car. The bag has a circular logo on it. A small, white, oval-shaped object is visible on the ground to the right of the bag. The image is heavily stylized with high contrast, making details difficult to discern.



YS 00272

TO: Janet Johnson Brown, Planner
City of Newport Beach CA

FROM: Judy Hoyer Walker
1571 Indus St
Santa Ana Heights, CA 92707

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FEB 17 2009

CITY OF NEWPORT BEACH

DATE: FEB. 17, 2009

SUBJECT: Comments on the City's Consideration of Special Use Permits for the
Yellowstone Women's First Step House Inc.

I am a property owner at the above listed address and have resided at this property for over 20 years.

The potential of ever increasing population density to my neighborhood is most disturbing. In the posted application for Use Permits by Yellowstone Women's First Step House Inc. I was overwhelmed by the proposed occupancy levels of these 4 properties. Three of the properties were listed as requesting occupancy for 16 "clients" and the fourth was listed for 12 "clients".

Many flags went up when I read this.

- 1) No mention is made of what additional "non-client" or supervisor personnel will also be residing in these dwellings. Personally I would not want to have these "clients" unsupervised. In my experience with these facilities thus far even with supervision the "client" behavior and activity is not within what I think or as residential, good neighbor, behavior. I would ask that the city have the Yellowstone Women's First Step House Inc. group provide specific staffing / supervisory information as part of this permit review. And that residence is informed of what those staffing proposals are.
- 2) Even considering the occupancy density *without* knowing what additional headcount staff/supervisory personnel may add, I am very concerned.

I will acknowledge that the dwellings in this neighborhood are large. Built in the early 60's they were intended for families (as stated in marketing materials from the original sale of the development). At five bedrooms one could see that a family unit of 6 would have been comfortable, and that the dwelling could potentially have had 10 individuals. But in reality the general large family unit in the 60's would have been in the 5 to 7 range.

You can do some mathematical weighting and estimate that the original neighborhood occupancy was 5.2 persons per dwelling. So if we look at the requested occupancy density we're looking at dwellings have 2.3 to 3.1 times the occupancy of a family neighborhood! And this is without staff/supervisor numbers being included. Given the fact that 40 years later the average Orange

County nuclear family is lower than 40 years ago any comparison we do to the weighted occupancy number from 1960's is even greater.

- 3) So now we're looking at a somewhat physically closed neighborhood (due to street layouts being closed to through traffic) we're looking at an effect of adding the equivalent of 8 additional houses!
 - a. 4 dwellings contributing an excess of 40+ individuals: 60 requested clients in 4 dwellings, less the expected occupancy of 21, based on weighted occupancy rate. 40 excess divided by the weighted occupancy of 5.2 is ~ 8 additional dwellings.
 - b. There just isn't physical room for 8 additional dwellings. And there is another factor that the proposed increased density to the neighborhood is not evenly distributed throughout the existing homes. There is a concentration to about half of the neighborhood. Is it reasonable that a burden such as this be so unevenly distributed?
- 4) Such very large increase on occupancy to individual properties gives me concern on many topics
 - a. **Infrastructure**.....specifically sewers and storm drains. The sewer and storm drain systems for this neighborhood were designed 40+ years ago. In my 20+ years of residency backups have been an issue. I suppose that I am overly sensitive due to the fact that my property is the lowest point for a portion of this development. We have experienced backups into our home due to the failure of the street system. Increasing occupancy density 3x is a frightening proposal. What has/will the city do to help mitigate the impact for an occupancy rate well over the imagined occupancy level at time of systems design?
 - b. **Traffic and parking**.....While the Yellowstone Women's First Step House Inc. group may tell the city that "clients" are not allowed to have vehicles during residency I would ask if they intend to make it a condition of employment for staff/supervisors to not have vehicles? Additionally I would ask if the city has reviewed what policies are in place now for "clients". During the months that the facility next to my home has been in operation I have had "clients" park in front of my property rather than in the empty driveway of the Yellowstone Women's First Step House Inc.>facility. When I asked if the vehicle could be moved from in front of my property to somewhere within the parameters of the property of the facility, I was told "It isn't that simple". So what are the guidelines that this group is giving that dissuades its client's from using the facilities that it owns? Why is burden being shifted to the neighborhood?

And parking is not the only concern. With so many residences the general level of vehicles coming and going is higher now than prior to the Yellowstone Women's First Step House Inc. purchasing the properties. I can specifically speak to the property next to me. There are vehicles coming and going, doing drop offs, or "visitor" standing or parking, and the

duration of this activity goes from very early in the morning (5 am) to very late at night (past 11pm and sometimes well past midnight). And then there are the weekly evening meetings that are held at some of these facilities. While occasionally residences of the neighborhood may have a gathering, party or club meeting, these are not routine. The parking impact to the surrounding street of the meeting house is significant.

- c. **Trash and refuse.....**I must question the city as to what would be considered reasonable for containment of refuse from one ~3000 sq. ft. dwelling that houses 16+ individuals? I haven't done the math as to how many trash receptacles will physically fit along the curb of these lots, but I invite the city to make such calculations. I would venture to say that the number would not be sufficient to manage the number of proposed "clients" and staff/supervisors.

While the sheer number of receptacles is only a physical issue on trash collection day, my concern arises from the condition of the receptacles between collections. To date the receptacles placed at the curb at the addresses covered by this application have been in overflowing conditions. Items and plastic bags are readily exposed to the exterior of the container. It is important to keep in mind the physical location of this neighborhood. The boundaries of this area on two sides have large open unpopulated space (two golf courses), and part of the area is bounded by a drainage channel. All of these areas are habitats to wildlife. Having uncontained refuse is an invitation to unwanted wildlife which is known to be attracted by rubbish, such as possums and raccoons. Even vector control directs full containment of refuse as a necessary deterrent to raccoon infestation. I ask that the city look hard at this component of allowing such dense occupancy of a dwelling, and ask that Yellowstone Women's First Step House Inc. provide detailed policies and procedures for dealing with this aspect of their facilities.

I have outlined those areas that can be spoken of in specific terms. My last area and one of the largest is how all of these factors compound together to change the character of what I purchased into.....a residential neighborhood. I purchased in the area because of the size of the property. And I fully expected to have families that were larger in number than if the dwellings were smaller. What is concerning to me is the change in the feel of the area. The "clients" of Yellowstone Women's First Step House Inc. are not in the property expecting to become a part of this community. They are temporary. Their attitude and behavior reflects this on an ongoing basis. Since Yellowstone Women's First Step House Inc. opened business in the property next to mine I now have more general debris in my yard; cellophane wrappers, plastic cup lids, cigarette butts. This is a change since the change of ownership. And it isn't just the difference of having a homeowner next door vs. a business. The former owner rented rooms, but she held her renters to strict rules and those included being respectful of the property and neighborhood. The property on my other boundary likewise is a

rental with young adult children who have normal active lives. They too respect the neighborhood and treat it as if they were owners.

I find it is the "small" things that give a good indication of how a neighbor respects the others they are sharing the space with. I am always amazed that the facility next to me feels it totally acceptable to place their trash cans, not in front of their property, but instead in front of the property next to them. While they may try and cover this with some statement that it is less maneuvering the trash truck needs to make, they seem to overlook the fact that they are *blocking a fire hydrant*. This is a safety issue for the residences of the street. Parking and standing vehicles across a neighbors drive. It's not an inconvenience to them just for the people who consider this as their home. When asked to do what is polite or common sense the first response I generally get is something to the effect that the action I am asking to change isn't bothering me! These temporary residents are giving proclamations as to what is and isn't bothersome to me. If it didn't bother me I wouldn't mention it. An individual who has a vested interest in selecting a neighborhood as a place of residence generally understands that their personal actions have an impact on others. This attitude and understanding has never been exhibited in any of my encounters with these facilities and "clients".

The constant coming and going is tiresome. It's additional foot traffic as well as vehicular traffic. It has become extremely difficult to "know" what is normal for our area and what isn't. All the people and vehicles coming and going at all hours is un-nerving.....are they part of the Yellowstone Women's First Step House Inc. group or are they individuals who are doing reconnaissance for potential crimes. The very secluded feel of the area is part of what is desirable, but it comes with a price of being more vigilant of what is normal or expected for the neighborhood. Likewise it is difficult to evaluate if the individual would be a potential "client" and expected to have access to the property. As example the facility next to me is reportedly a women's house, yet it isn't unusual for there to be several men wandering in and out of the facility. If I didn't have prior knowledge of the business being run in the building I would easily think that there was a potential brothel being run out of that address. I feel an added burden by sheer volume of all this activity to help insure that my family and property are safe.

In closing I would comment that I feel a change in the atmosphere of the neighborhood since Yellowstone Women's First Step House Inc. has purchased properties in our development. The feel of a residential neighborhood is diminished. Today there is a much stronger feel of an apartment complex or even a hotel/motel complex. I understand that the disabilities act provides protection from discrimination for these individuals. However as a property owner whose home this area is, I expect that the city will not transfer burden to me. I believe that facilities could be run in a residential neighborhood, but careful attention to detail is paramount. The facilities must be closely supervised 24/7.

Policies and procedures to ensure the temporary residents exhibit a demeanor that is respectful of the permanent residence should be strongly considered. Density of inhabitants should not be substantially different from the surrounding non-facility dwellings. Impact to infrastructure of the neighborhood has to be carefully studied.

While much of what I would like to see put in place falls to the Yellowstone Women's First Step House Inc. as proprietors of the business, I also feel that it is the responsibility of the city to include provisions for review, monitoring, and reporting, on a routine basis, those conditions and stipulations established and defined by any use permit that might be granted.

Thank you for the consideration of my concerns.

1592 Pegasus Street
Santa Ana Heights, CA 92707

February 14, 2009

Newport Beach Planning Department
City Hall
3300 Newport Blvd.
Newport Beach, CA 92658-8915

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PLANNING DEPARTMENT

FEB 17 2009

CITY OF NEWPORT BEACH

Re: UP2008-034, RA2009-004
UP 2008-035, RA 2009-005
UP 2008-036, RA2009-006
UP 2008-037, RA2009-007

Objections are hereby made to the above referenced requests for approval of use and continued use of certain residential properties as designated and requested in those same applications.

I am a resident of the community identified as Santa Ana Heights and a neighbor living adjacent to and in close proximity to the four single family residences that, if I understand correctly, are being used for commercial purposes inconsistent with current zoning and permitted uses and, furthermore, incompatible with the character of the neighborhood.

With respect to the assertion contained in the notice that the activities are categorically exempt under the requirements of the California Environmental Quality Act (CEQA) under Class 1 (Existing Facilities), objection is made on two grounds.

Firstly, the activities are not existing at the time of the lead agency's determination of the applicability of the categorical exemption in that the proposed activities will *not* "involve negligible or no expansion of the use existing at the time the exemption is granted." In the discussion of the application of section 13501 (CCR Title 14, Chapter 3, Article 19), it cannot be that the legislature intended to sanction unpermitted and unapproved uses as those uses for which a categorical exemption would apply.

The uses contemplated under the Act as being existing and for which the exemption would apply are those that are consistent with the existing zoning and other land use regulations in effect and applicable to the property.

The homes in the community are single-family dwellings, zoned for noncommercial uses. Without discussing what would constitute a "single family," the proposed uses, including providing residences for up to 18 transient adults, is hardly consistent with any definition of single family residence.

In that same vein, the use contemplated, without giving distinction to the nature of the occupancy, is plainly commercial and not residential. That is, the purpose of operating the facilities, from the perspective of the owner, is the accumulation of rental, whether from the individual residents or some other source or form. That makes the use commercial and not residential.

By way of example, if any resident of the community chose to lift up their garage door and sell antiques on the premises on more occasions than would be considered incidental, this City would assuredly require a business license and would likely object to the use to the extent such commercial activities were deemed incompatible with existing residential zoning.

The dwellings for which the exemptions and permits are being sought are not apartment complexes. They are not retail establishments. They are not hotels. Yet, what is proposed would create those very sorts of commercial establishments.

Secondly, the Class 1 exemption is applicable only to the extent there is no possibility that the activity will have a significant effect on the environment. (Section 15300)

In claiming an exemption, what the applicants overlook is the fact that there has never been an evaluation of the burden on the environment created by the very conditions they now seek to have approved.

To the extent the proposed use has not previously been evaluated under CEQA and approved, consideration has not been given to the burden on infrastructure and other aspects of the environment that would result from the dramatic increase in occupancy density proposed under the applications.

Admittedly without any census data to support the underlying assertion, it would not be unreasonable to assume that a "typical" residence of the size contained within the community for which the applications have been submitted (4-5 bedrooms, 2-3 baths) would be occupied by 3-6 people. The applicants propose a density 4 to 6 times that number, ranging from 12 individuals (UP2008-34) to as many as 18.

Such an increase in density will assuredly have a substantial impact on traffic, parking, noise, and use of emergency services including police and fire.

While it may be suggested that the residents will not impact parking because of the prohibition against residents having cars, residents of the community can assuredly speak to a contrary condition. It is frequently observed that cars are parked on adjoining streets and the occupants then walk to the residences. Moreover, there are frequent occasions when cars line most of the streets, even spilling over into the surrounding areas on Santa Ana. Without any means of enforcing these self-described and self-imposed conditions, it is not proper for the City to rely on the assertion that there are no parking or traffic impacts in considering the application.

Moreover, the City itself is in the best position to know of and, in consideration of County statistics applicable to the area pre-annexation, to evaluate the number of emergency service calls to the applicant residences as compared to the entirety of the remainder of the community.

This factor is of considerable concern inasmuch as the community was only recently annexed to Newport Beach. As such, the City has likely not undertaken to fully evaluate the required level of emergency services necessary to support the community, without regard to the proposed density of activity proposed under the applications. Adding at least four residences with as many as 18 individuals in three and 12 individuals in the fourth dwelling will dramatically increase the burden placed upon the City to support the community.

I wish to make clear, in submitting the foregoing objections, that I am not making a specific objection to any particular use or person. Rather, the objections are based on the fact, as acknowledged in the notice, that the proposed use is dramatically out of line with existing lawfully permitted and zoned uses for every other residence in the community.

Suggesting that the proposed uses will have no impact on the environment ignores the very reasons behind passage of the Environmental Quality Act and does a disservice both to this community and the City to whom community residents look for support.

Responsible land use planning takes into consideration the overall impacts of all development. Allowing uses that dramatically exceed zoned or otherwise permitted uses undermines the nature of planning. Claiming an exemption based on prior, unpermitted and unauthorized use merely encourages further disregard

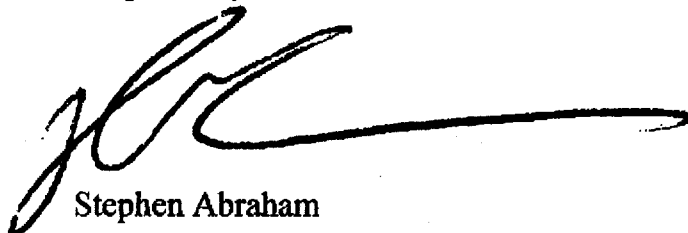
Newport Beach Planning Department
February 14, 2009
Page 4

for land use restrictions, all of which are intended not to preclude reasonable uses of property but to harmonize conflicting interests and avoid unsustainable conditions.

The proposed uses for the four residences invite the very sort of excessive uses and burdens for which CEQA review was designed.

On the basis of the foregoing, I submit that the applications should be denied in their present form and the applicants required to submit the projects to a full CEQA review prior to the resubmission of any application for the proposed uses.

Respectfully

A handwritten signature in black ink, appearing to be 'S. Abraham', with a long horizontal flourish extending to the right.

Stephen Abraham

JAMES C. HARVEY
DIANE E. HARVEY
1651 Indus Street
Newport Beach, CA 92707
Telephone (714) 979-7031
Email: harvey5@roadrunner.com

RECEIVED BY
PLANNING DEPARTMENT

FEB 18 2009

CITY OF NEWPORT BEACH

February 18, 2009

Thomas W. Allen
Hearing Officer
CITY OF NEWPORT BEACH
3300 Newport Blvd.
Newport Beach, CA 92658

Re: Opposition to Applications of Yellowstone Women's First Step House, Inc.
for Use Permits (1561 Indus Street, 1621 Indus Street, 1571 Pegasus Street,
& 20172 Redlands Drive)

We cannot be present for the public hearing on February 20, 2009 but intend this letter to register our opposition to the granting of a Use Permit for any of the four (4) facilities currently operated by Yellowstone Women's First Step House, Inc. in the former West Santa Ana Heights. We ask that you either: (1) deny all four applications, or (2) impose strict conditions on Yellowstone's operations to conform to the City's Municipal Code.

We bought a home in this neighborhood in 1998 because it was family-oriented with many small children. In the years since then, we believe that the residential character of the neighborhood has been substantially altered by the presence of Yellowstone's facilities. Those facilities have grown from the original one (at 1571 Pegasus Street) to the present four (4), all concentrated within a very small geographic area.

We are concerned about noise, trash, traffic, and transitory persons in our neighborhood, all caused by the over concentration of Yellowstone's facilities. With two children in elementary school, we are particularly concerned by Yellowstone's facility for men at 20172 Redlands Drive, as our children have been approached by some of the transitory men living in that facility. We have no idea if the men living there are parolees, probationers, or registered sex offenders, and along with other families in the neighborhood we fear allowing our children to walk past that facility unescorted. That facility is also right across the street from the neighborhood school bus stop, where children congregate every morning.

We urge you to deny Yellowstone's applications because they cannot satisfy the requirements of NBMC §20.91A.060:

1. Yellowstone's use does not conform to all applicable provisions of NBMC §20.91A.050.

A. We believe that Yellowstone is violating NBMC §20.91A.050(C)(1) and State law by conducting unlicensed treatment services at 1621 Indus Street. On several occasions we have observed a line of men walk from the Yellowstone facility at 20172 Redlands Drive, enter the adjacent Yellowstone facility for women at 1621 Indus Street, and stay there for more than an hour. We believe that this indicates the facility is providing on-site services, for which a State license is required.

B. We believe that Yellowstone has far more than two residents per bedroom, in violation of NBMC §20.91A.050(C)(2). These are single-family homes with four or five bedrooms, and at least one of the bedrooms is quite small. Yellowstone may argue that each facility has more than five bedrooms, but if so that is based on conversion of living, family, or dining rooms into "bedrooms."

2. Yellowstone's use does not meet the standards of NBMC §20.91A.060.

A. The properties are not physically suited to accommodate the proposed use. NBMC §20.91A.060(C). 18 adults living in one single-family home (as Yellowstone proposes) is ridiculous and cannot be justified by anything other than a desire to maximize profits. One need only drive through our neighborhood on trash day to see the impact: while each family home has one or two cans out front, each Yellowstone facility has four, five, or sometimes six cans, all filled to overflowing with trash. No doubt each facility's use of electricity, water, and gas is also out of proportion for a single-family home.

B. The use is not compatible with the surrounding neighborhood. NBMC §20.91A.060(D). In particular, the residential character of the neighborhood has been changed by over concentration of such facilities. In generally limiting the use to one per block, NBMC §20.91A.060(D)(3) directs the Hearing Officer to apply average or median block lengths, which are listed as 711 feet and 617 feet, respectively. We submit that by those measures our neighborhood already has more than one use per block. Using GoogleEarth, we calculate that the distance between 1621 Indus Street and 1561 Indus Street is less than 350 feet (they are only four doors apart on the same street). The distance between 1621 Indus Street and 20172 Redlands Street is less than 400 feet.

C. Contrary to Yellowstone's past assertion that its residents do not park cars in our neighborhood, we have observed that many of their residents actually do park cars on our streets, especially along Pegasus Street adjacent to the 1571 Pegasus Street facility and on Redlands Drive adjacent to the 20172 Redlands Drive facility. In addition, a large passenger van associated with Yellowstone is often parked at night across the street from the 20172 Redlands Drive facility. We also observe numerous cars entering and leaving our neighborhood containing visitors to facility residents. These activities generate traffic out of proportion to the number of facilities. NBMC §20.91A.060(E).

3. If any use is permitted, strict conditions should be imposed.

If you determine, despite the opposition of the neighboring homeowners, that Yellowstone should be granted any form of approval, we urge you to impose Conditions of Approval similar to those imposed on other applicants such as Balboa Horizons and Ocean Recovery:

A. Due to over concentration in our neighborhood, at most only **two** of Yellowstone's applications should be granted. The other two facilities should be abated.

B. No more than two (2) clients should be allowed per bedroom, and "bedroom" should be limited to those rooms designed for that purpose, not converted living, dining, or family rooms.

C. No probationers, parolees, or registered sex offenders should be allowed to occupy any of the facilities at any time. We suggest that you impose a condition requiring Yellowstone to obtain from a resident, prior to placement, a signed statement that he or she has never been convicted of a sex offense against a minor.

D. No more than one automobile per facility may be parked on neighborhood streets, and no commercial vehicles or passenger vans may remain overnight.

4. Yellowstone's requests for reasonable accommodation should be denied.

We presume that Yellowstone's request for reasonable accommodations involves the number of occupants allowed in its facilities, and we assume that Yellowstone claims that all its residents are persons with a "disability". But Yellowstone's request has nothing to do with "enhancing the quality of life" of any disabled person (NBMC §20.98.025(C)(1)) or granting disabled persons "equal opportunity" (NBMC §20.98.025(C)(2)). Yellowstone simply wants to pack as many people as possible into each facility to generate maximum profits.

Yellowstone cannot satisfy the requirements of NBMC §20.98.025, and per subsection (B), all the requirements must be met. Granting Yellowstone's application would undermine the City's zoning program and would continue to detract from the residential character of our neighborhood.

Thank you for considering our objections and those of our neighbors.

Very Truly Yours,

James C. Harvey

Diane E. Harvey

cc: Dave Kiff, Assistant City Manager

**1621 INDUS: STAFF REPORT (w/ Exhibits 1-11)
FOR FEBRUARY 20, 2009 HEARING**

CITY OF NEWPORT BEACH HEARING OFFICER'S STAFF REPORT

February 20, 2009
Agenda Item #2

TO: Thomas W. Allen, Hearing Officer

SUBJECT: Yellowstone Women's First Step House, Inc. (PA2008-106)
1621 Indus Street

- Use Permit No. 2008-035
- Reasonable Accommodation No. 2009-05

APPLICANT: Yellowstone Women's First Step House, Inc.
Isaac R. Zfaty, Attorney

CONTACT: Janet Johnson Brown, Associate Planner
(949) 644-3236, jbrown@city.newport-beach.ca.us

PROJECT SUMMARY

This is a use permit application to allow the continued operation of an existing unlicensed adult residential care facility providing a sober living environment with a total occupancy of 17 persons. This application has been filed in accordance with Ordinance No. 2008-05, which was adopted by the City Council in January 2008. A reasonable accommodation application has also been submitted requesting:

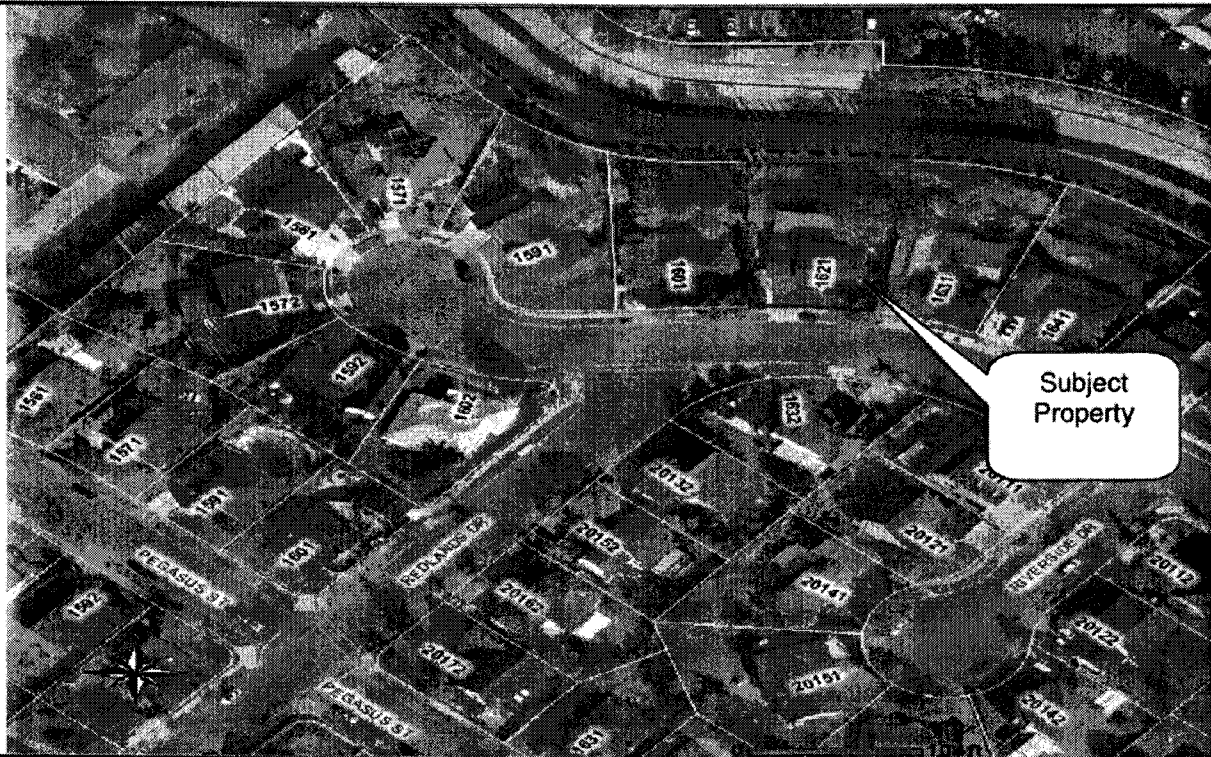
1. The residents of the facility be treated as a single housekeeping unit as defined in Section 20.03.030 the Newport Beach Municipal Code (NBMC);
2. An exemption from the occupancy restrictions of NBMC Section 20.91A.050, which restricts occupancy to two residents per bedroom plus one additional resident; and
3. An exemption from NBMC Section 20.90.030 that states applications for discretionary approvals, including use permits, are accompanied by a fee as established by resolution of the City Council.

RECOMMENDATION

Staff recommends that the Hearing Officer conduct a public hearing, receive testimony from the applicant, the City of Newport Beach and its legal counsel, and members of the public. At the conclusion of the public hearing, staff recommends the Hearing Officer:

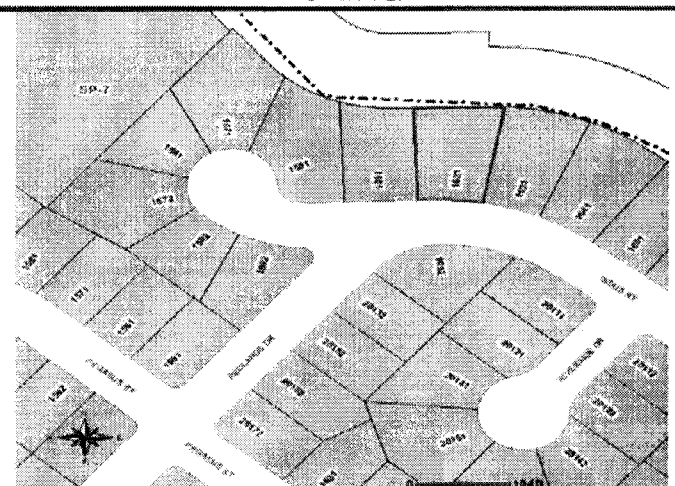
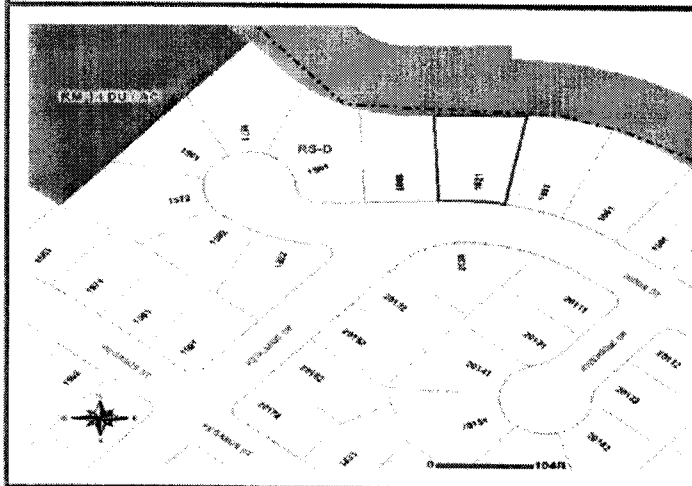
1. Approve the use permit application with a reduction in the number of beds (from 17 to 15) within the facility based on the findings discussed in this report, and provide direction to staff to prepare a resolution of approval of Use Permit No. 2008-035.
2. Deny the request for reasonable accommodation for the residents of the facility to be treated as a single housekeeping unit subject to the findings discussed in this staff report.
3. If a use permit is granted for this facility, staff recommends that the requested accommodation for an exemption from the occupancy restrictions of NBMC Section 20.91A.050 be granted as to the current residents. As to future residents of this facility, staff recommends continuance to a date certain pending receipt of additional financial information.
4. Staff recommends a continuance to a date certain for the request for reasonable accommodation for an exemption of the application filing fee requirement pending receipt of additional financial information.

VICINITY MAP



GENERAL PLAN

ZONING



LOCATION	GENERAL PLAN	ZONING	CURRENT USE
ON-SITE	Single-Unit Residential Detached	SP-7/Residential Single Family	Residential Care Facility
NORTH	City of Costa Mesa	City of Costa Mesa	Flood Control Channel
SOUTH	Single-Unit Residential Detached	SP-7/Residential Single Family	Single-unit residential dwellings
EAST	Single-Unit Residential Detached	SP-7/Residential Single Family	Single-unit residential dwellings
WEST	Single-Unit Residential Detached	SP-7/Residential Single Family	Single-unit residential dwellings

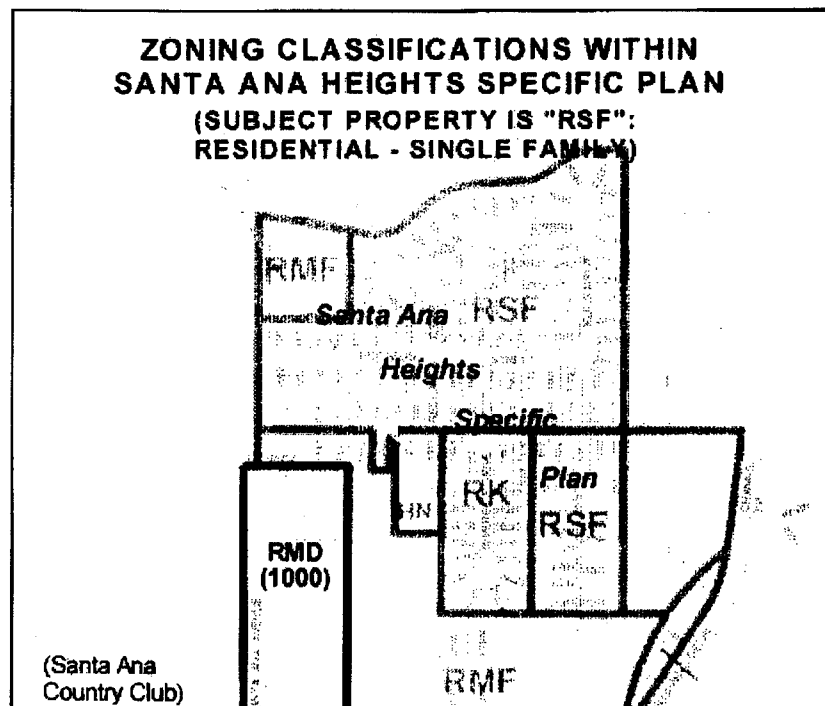
INTRODUCTION

Project Setting

The subject property is located in Santa Ana Heights southeast of the intersection of Santa Ana Avenue and Bristol Street. The property is developed with a two-story single-family residential structure that was originally constructed in 1961, and is located on the north side of Indus Street. The neighborhood consists of single-family tract homes that were constructed at approximately the same time as the subject dwelling. To the north of the property (along the rear property line) is an Orange County Flood Control District Channel, and to the north of that is an extended-stay hotel fronting Bristol Street; both the Channel and the hotel are located in the City of Costa Mesa. The subject property is one of four sober living houses in the immediate neighborhood operated by Yellowstone Women's First Step House, Inc.

Zoning

The zoning designation for the property and surrounding area is "SP-7" (Specific Plan District No. 7: Santa Ana Heights). This Santa Ana Heights Specific Plan (SAHSP) is incorporated into the Zoning Code in its entirety (Ch. 20.44). Thus, in the zoning exhibit at the right, the Santa Ana Heights Specific Plan zoning designations are shown faded to denote that the zoning categories shown are not base Zoning Code categories but are instead unique to the Specific Plan.



The subject property is zoned Residential – Single Family in the SAHSP. The principle land use allowed in this district is single family residential. The status of group homes as a permitted use under Ordinance No. 2008-05 is addressed later in this report.

Project Description

The subject application is a request for approval of a Group Residential Use Permit to allow the continued operation of an existing adult residential sober living facility for up to 17 females. The facility is currently operated by Yellowstone Women's First Step House, Inc. as an "unlicensed 7 and more" facility. The applicant has also submitted an

application for Reasonable Accommodation from the City's zoning and land use regulations, pursuant to the provisions of Section 20.98 of the NBMC. Specifically, the applicant requests that the residents of the facility be treated as a single housekeeping unit as that term is defined in NBMC Section 20.03.030; that the facility be allowed an occupancy per bedroom that is more than provided for in NBMC Section 20.91A.050; and that the application fees be waived due to disability-related financial hardship. Pursuant to NBMC Section 20.98.015, if the project for which a request for reasonable accommodation is made required another discretionary permit, in this case a use permit, the applicant may request that the Hearing Officer hear the request for a reasonable accommodation at the same time as the other discretionary permit or approval. The applicant has made such a request, and the following report provides the analyses for a Group Residential Use Permit and Reasonable Accommodation.

BACKGROUND

Please see the staff report for 1561 Indus for additional background on this facility and the others operated by Yellowstone. This staff report for 1621 Indus includes only those issues and aspects of the application that are materially different from the 1561 Indus application.

DISCUSSION

Description of Project Operations

The Yellowstone facility located at 1621 Indus Street, is also known as "South House", and has been in operation since 2003 prior to annexation to the City. The property is owned in fee by Dr. Anna Marie Thames, CEO of Yellowstone. This residential care facility is a sober living home for 17 women with past alcohol and drug dependence. This residential care facility operates in a two-story single-family dwelling containing five bedrooms, which are occupied as follows:

Current Uses at 1621 Indus Street			
	Bedrooms	Beds/ Room	Beds/ Unit
First Floor	2	2/1 room 4/1 room	6
Second Floor	4	3/1 rooms 3/2 rooms 2/1 room	11
Total Bedrooms = 6 (RA application states 5 bedrooms)			

Total Beds = 17 (RA application states 12 clients, floor plans show 17 beds)
Total Parking Spaces = 4 (2-car garage & 2 driveway spaces)

As indicated, staff has made numerous efforts to communicate with the applicant to provide them an opportunity to correct the applications, which are internally inconsistent, and to process the applications in order to deem them complete.

The following matrix has been prepared to illustrate the project operations as represented in the applications initially submitted and in subsequent submittals (Exhibits 2 and 3):

Project Operation	Application and Description		
	Date of Submittal	Reasonable Accommodation	Use Permit
Facility Users and Staffing	5-20-08	• 12 persons including 2 staff members • Two staff members. No other staff or caretakers that visit on a daily or weekly basis	• 18 persons including 2 staff members • House manager and assistant manager
	1/28/09	E-mail from applicant's attorney provided clarification of 12 bed occupancy for this facility (Exhibit 9).	
Duration of Stay	5-20-08	12 months (minimum)	180 days
		(Staff was informed verbally that typical stay is 6 months, but some clients have stayed for a year or more.)	
Characteristics of Use/Treatment	5-20-08	• Sober living home; no medical services provided • No counseling treatment provided • Residents at this property not allowed on any other properties & no function that includes all residents.	No alcohol and/or drug recovery or treatment services provided on-site.
	8-22-08	Residents at this property not allowed on any other Yellowstone properties & there are no functions that include all residents.	
	12-23-08	Residents prohibited from being in house between 8	

Project Operation	Application and Description		
	Date of Submittal	Reasonable Accommodation	Use Permit
		a.m. and 3 p.m., and must return to house by 4 p.m.	
Transportation and Parking	5-20-08	• Transportation not provided. • 2-car garage and driveway available for staff and visitor parking. • Four of the residents do have autos and remainder rely on public transportation or carpooling. • Tenants allowed to have vehicles w/ prior approval, may only park in garage or driveway.	• Residents residing on-site not allowed to use personal vehicles, and/or keep on-site or nearby • Clients use bus, carpools, bikes • Staff vehicles parked in driveway.
	12-23-08	Per correspondence from attorney: • Room for 4 cars to park on site. Residents not permitted to park there; only house manager and assistant manager permitted to park on-site. • Basic transportation provided to treatment facility and St. John Church • Transport van kept in other city when not in use	
	1-29-09	Per correspondence from attorney: • Parking on-site reserved for manager and assistant manager, thus max. number of cars at any time is two. • Residents not permitted to park on property. • Visitors not permitted on property; therefore, no visitor parking issues. • Residents do not use cars. Instead, they rely on public transportation to and from property. • Home does not generally provide transportation services; some basic transport to treatment facility and St. John Church. Morning pick up at 8 a.m. and evening drop off at 4 p.m.	
License/Permit History (i.e. ADP, DSS) and/or Certification	5-20-08	• No license. • Voluntary certification w/ Oxford House	• No license. • Orange County Sober Living Coalition
	8-22-08	Authorization to make application w/ statement the property is currently licensed with State of California submitted	
	12-23-08	Per correspondence from attorney: • No ADP license	

Project Operation	Application and Description		
	Date of Submittal	Reasonable Accommodation	Use Permit
		• Certified as a member of Orange County Sober Living Coalition • Date use as residential care facility began: 2003	
Curfew and Quiet Hours	5-20-08		10 p.m. to 8 a.m. daily
Delivery Information	5-20-08	There are no delivery vehicles required as the property	Trash disposal 1 day/week, no other delivery services provided.
Smoking	5-20-08 8-22-08		Acknowledged requirement to control secondhand smoke. (Smoking not permitted in house; restricted to backyard)

Fire Marshal Review

The Group Residential Use Permit Application also requires the submittal of a fire clearance from the Newport Beach Fire Marshal. The applicant provided a copy of a Fire Safety Inspection Request that was submitted to Orange County Fire Authority (OCFA) prior to annexation to the City of Newport Beach with the August 22, 2008, supplemental submittal. However, the form was not signed by the OCFA, and further, the property is now under the authority of the Newport Beach Fire Marshal. On December 23, 2008, and again on January 29, 2009, the applicant submitted an analysis prepared by an architect that was submitted to the Fire Marshal. The Fire Marshal has requested clarification on a number of items (Exhibit 5), but to date a fire clearance has not been issued. If this use permit is granted, condition of approval will be included stating that the use must comply with the requirements of the California Building Code and obtain a fire clearance from the Newport Beach Fire Marshal.

Public Input

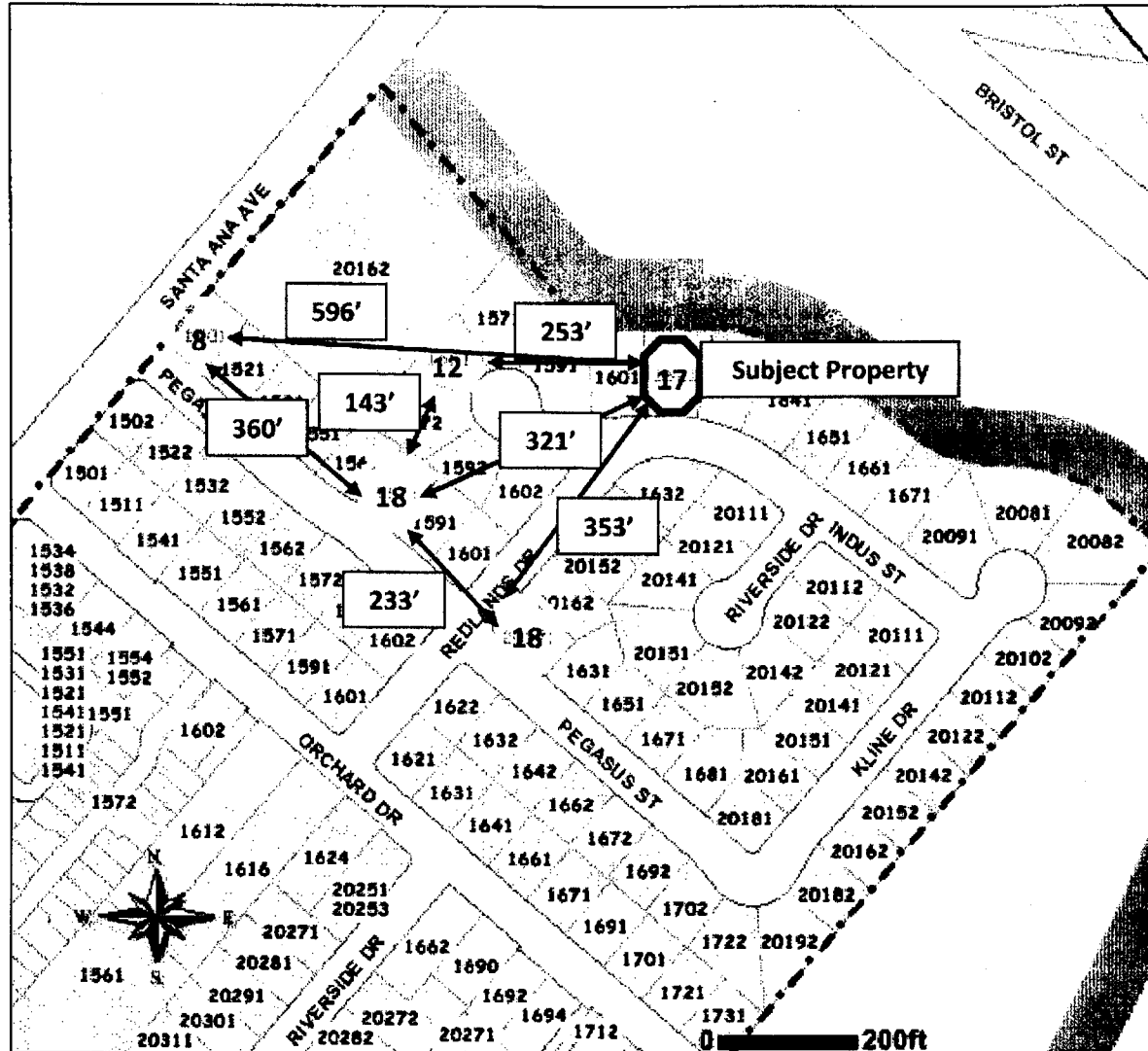
The same public input applies here as does the public input provided and described in the discussion for 1561 Indus. (See Exhibits 6 and 11)

ANALYSIS

In addition to the statements in the 1561 Indus staff report, four critical areas are worthy of analysis here:

Concentration of Uses

About 73 group residential beds are in this neighborhood as shown below:



As noted earlier in this report, Yellowstone operates three other sober living facilities in the neighborhood (distances below measured in a straight line from the nearest property line):

- 1561 Indus Street (12 residents), about 253 feet away;
- 20172 Redlands Drive (18 residents), about 353 feet away;
- 1571 Pegasus Street (18 residents), about 321 feet away; and in addition
- 1501 Pegasus (8 female residents) is about 596 feet away and is operated by another provider (Lynn House).

In adopting Ordinance No. 2008-05 the City made a number of findings including Finding No. 16 which states that *"community residences should be scattered throughout*

residential districts rather than being concentrated on any single block or in any single neighborhood." The ordinance defines a "block" as *"an area of land that is bounded on all sides by streets...or by streets and a cul-de-sac or by any other form of termination of the street."* In the case of the subject property, it is in a neighborhood that is not characterized by a typical grid street pattern; but instead has meandering streets and cul-de-sacs. The ordinance recognizes that there are instances when the lack of a straight-line grid pattern street will make it difficult to exactly define a block; and also recognizes that blocks throughout the City are not always uniform in size. In those instances, Code Section 20.91A.060.D.3 provides that the Hearing Officer may apply the American Planning Association (APA) standard of 617 feet (median) or 711 feet (average) in determining the block size and configuration.

Given the close proximity of this facility to the other similar uses located within the same neighborhood, it is critical to define "block" in this particular case. If the APA standard is used, and the median block length of 617 feet applied, the five houses would all fall within a single block area. Therefore, the subject property is located within a block and in close proximity to the other residential care facility uses with a combined total of 73 residents in the neighborhood. In staff's opinion, the presence of five residential care facilities in very close proximity to each other (100 to 400 feet) is an overconcentration, and two of the four Yellowstone homes should be abated.

Parking

The applicant has stated that currently all residents are not permitted to have vehicles, but it is the intent to allow the manager and assistant manger to have cars, which will be parked either on the driveway or in the garage. The NBMC requires off-street parking and loading spaces for a residential care facility at a ratio of one space for every three beds. The subject facility currently operates with 17 beds, resulting in a parking requirement of six off-street spaces. As noted above, the property has four spaces (two in an enclosed garage, and two in the driveway). If the property were restricted to the Code standard resulting in 13 beds, five parking spaces would be required. Also, if the facility were limited to 15 beds, five parking spaces would continue to be required due to the fact that under the NBMC parking provisions, the requirement is rounded up ($13 \div 3 = 4.33$; $15 \div 3 = 5$). Therefore, the property, if operated either at the Code standard or with two additional residents over the Code standard, would be deficient by one off-street parking space.

The subject property, as well as the adjacent residential lots, is approximately 70 feet in width, which allows the parking of two to three cars on the street in front of each residence. Given the four off-street parking spaces, in staff's opinion, increasing the number of residents by two for a total of 15 residents, can be supported with respect to parking, provided that the following conditions apply:

- All assembly uses are strictly prohibited;
- Only the manager and assistant manager shall be permitted to have vehicles;
- Visitors and guests be instructed to utilize the driveway for parking;

- The garage shall be kept clear and available for the parking of two vehicles at all times; and
- Van and/or other vehicles used for transporting residents to treatment and other off-site facilities, shall not be parked on-site nor within the neighborhood at any time, other than for normal passenger pick-up.

Given the foregoing conditions, in staff's opinion the increase by two residents over the City standard, which results in a total of 15 residents, can be supported on the basis that the increase will not significantly adversely impact the parking demand if conditioned as recommended above. Conversely, an increase by four residents (total of 17) as requested by the applicant would require significantly more off-street parking spaces and would impact the surrounding neighborhood.

Assembly Uses and Parking

Residential care facilities may conduct meetings on-site, such as Alcoholics Anonymous (AA) meetings, for the residents who live on-site only. However, the NBMC does not allow the hosting of AA or similar type meetings for individuals who do not reside in the facility. The facilities may be used for residential use by the residents only. Correspondence submitted by residents within the neighborhood states that there are meetings held at the subject facility that involves persons other than the residents and that there is an influx of vehicles using on-street parking during these times, leaving little or no parking for the residents of the neighborhood. The applicant has stated that no such meetings occur.

Staff is concerned about allegations from the neighbors regarding visitors during evening hour meetings and on weekends, and the impact on parking and additional traffic generated from these visitors to the surrounding neighborhood. If the use is approved, staff recommends conditions of approval that prohibits meetings on-site, restricts the allowance of vehicles to two staff members only, and requires staff parking on-site in the garage, reserving the driveway for visitor parking.

Traffic and Generated Trips

The Institute of Transportation Engineers (ITE) establishes and publishes standards for trip generation rates based on the use classification of a site. In the case of a single family dwelling, the standard trip rate is based on 9.57 average daily trips per dwelling unit. Trip rates for residential care facilities (also classified as an "assisted living" use by ITE) are based on 2.74 average daily trips per each occupied bed. Staff recognizes that the use pattern of an assisted living or residential care facility is similar, but not identical to a sober living facility. However, the trip generation rates established by ITE for residential care facilities is the closest land use classification to a sober living home.

Based on the ITE standards, a single family dwelling would generate approximately 10 average daily trips (rounded up), whereas a 17-bed residential care facility would generate approximately 47 average daily trips.

Maximum Number of Residents

NBMC Section 20.91A.060.C.2 states that a maximum number of residents for any group home shall not exceed a standard of two residents per bedroom plus one additional resident. The subject property has six bedrooms, which results in the maximum number of residents allowed to be thirteen. As indicated on the application, the applicant requests a total occupancy of 17 resident beds.

Pursuant to NBMC Section 20.91A.060.C.2, the Hearing Officer has discretion to set occupancy limits based upon the evidence provided by the applicant that additional occupancy is appropriate at the site. In determining whether to set a different occupancy limit, the Hearing Officer *"shall consider the characteristics of the structure, whether there will be an impact on traffic and parking and whether the public health, safety, peace, comfort, or welfare of persons residing in the facility or adjacent to the facility will be impacted."*

In determining whether the findings can be made to allow an occupancy of 17 residents, staff considered evidence submitted by the applicant, as well as the size of the structure, parking, traffic generation, and impacts on adjacent and surrounding land uses. Based on the plans submitted, the total living area is 3,892 square feet, and there appears to be adequate room to allow more occupants than allowed per the code. Parking and traffic generation and the impacts those have on the surrounding neighborhood have been discussed under separate sections of this staff report above.

In addition to the size of the dwelling, staff also considered the economic analysis submitted by the applicant, which is included as part of the applicant's supplemental submittal packet (Exhibit 8). The applicant states in that analysis that the break-even point given mortgage payments, utility and food costs, is 15 residents. The facility currently operates with a maximum of 17 residents. Therefore, given the applicant's own financial analysis, the facility can still operate at an acceptable level if it were limited to a maximum of 15 beds.

Another consideration with respect to the maximum residents per group care facility is the intent to maintain a residential character of the facility and avoidance of a "institutional" character of the facility. The American Institute of Planners, and other experts generally concur that between 13 and 15 residents is the maximum number in order to achieve this goal. The City standard would limit the subject facility to a maximum of 13 residents; however, under the NBMC, the Hearing Officer may consider additional residents over the standard. The applicant is requesting a total of 17 residents (four residents over the standard). However, given the applicant's financial statement, in order to maintain the residential character of the facility, and the intent to avoid an institutionalization of the facility, in staff's opinion, the total residents should not exceed 15.

Required Findings

Pursuant to Ordinance No. 2008-05, the Hearing Officer shall make all of the 11 required findings per NBMC Sections 20.91.035 (A) and 20.91A.060 (see Findings Chart, Exhibit 1). The required findings and a discussion of each finding are as follows:

NBMC Section 20.91.035 (A) Findings 1 through 4:

1. **Finding: That the proposed location of the use is in accord with the objectives of this code and purposes of the district in which the site is located.**

As requested by the applicant, the use is only partially in accord with the objectives of this code and the purposes of the district in which the site is located, unless modified as discussed below, the finding could not be made:

The subject property is located within the Santa Ana Heights Specific Plan (SP-7) area and is designated for Residential Single-Family (RSF) uses. The proposed use as a residential care facility is a nonconforming use. Nonconforming uses in a residential district are subject to the provision of Chapter 20.91A of the NBMC. The proposed application for Use Permit 2008-035 is in accord with the objectives and requirements of Chapter 20.91A with respect to the requirement for the submittal of an application for approval of a use permit to continue the use of the subject property as a residential care facility in the SP-7/RSF District.

The objectives of the code include provisions intended to reduce, through the use permit process, the potential for overconcentration of residential care facilities within a neighborhood and to protect public health, safety, peace, morals, comfort, or welfare of persons residing or working in or adjacent to the neighborhood of such use. The intensity of the use of 17 residents housed in six bedrooms with two persons per bedroom in two bedrooms, 3 persons in three bedrooms and four persons in one bedroom, would not be consistent with a typical residential population in a single family dwelling unit in the SP-7/RSF District and the surrounding properties within the neighborhood. However, for the reasons cited above, if the facility were limited to 15 residents (a decrease of two persons from the applicant's requested 17 residents), the project could be found to be in compliance with the objectives of the code and the purposes of the SP-7/RSF District. In addition, the subject property's proximity to four other residential care facilities, all located within close proximity to each other, would result in an overconcentration of residential care facilities within the neighborhood. If two of the four Yellowstone group homes were to be closed as recommended by staff, this finding can be made.

2. **Finding: That the proposed location of the use permit and the proposed conditions under which it would be operated or maintained will be**

consistent with the General Plan and the purpose of the district in which the site is located; will not be detrimental to the public health, safety, peace, morals, comfort, or welfare of persons residing or working or adjacent to the neighborhood of such; and will not be detrimental to the properties or improvements in the vicinity or to the general welfare of the city.

The location of the proposed use is consistent with the General Plan and, if approved with conditions, will be consistent with the purpose of the district in which the site is located and this finding can be made for the following reasons:

General Plan Policy LU 6.2.7 directs the City to regulate day care and residential care facilities to the maximum extent allowed by federal and state law so as to minimize impacts on residential neighborhoods. Approval of a use permit for the facility would include conditions of approval regulating the use and operational characteristics related to parking, traffic, curfew hours, and on-site meetings. As stated, the facility is located in a neighborhood in which there are currently four other residential care facilities in close proximity, which constitutes an overconcentration of residential care facilities in the immediate vicinity. However, as noted above, staff is recommending that two of the four Yellowstone homes be closed. Therefore, staff believes that the continued use of this property as a residential care facility, if approved as recommended by staff, would not be detrimental to the public health, safety, peace, morals, comfort, or welfare of persons residing in the neighborhood, and this finding can be made.

- 3. Finding: That the proposed use will comply with the provisions of this code, including any specific condition required for the proposed use in the district in which it would be located.**

As noted in Finding No. 2 above, the proposed use would not be consistent with the provisions of NBMC Section 20.91A.060.D in that the facility is located in a neighborhood in which there are currently at least four other residential care homes, exceeds the standard for maximum number of residents, and is not consistent with the parking regulations of the NBMC. However, as discussed in previous sections, if two of the other three group homes in the neighborhood were eliminated, if the maximum number of residents were limited to 15, and if conditions relating to operational characteristics were to be included, this finding can be made.

- 4. Finding: If the use is proposed within a Residential District or in an area where residential uses are provided for in Planned Community Districts or Specific Plan Districts, the use is consistent with the purposes specified in Chapter 20.91A and conforms to all requirements of that Chapter.**

One of the purposes of Chapter 20.91A is: *"To protect and implement the recovery and residential integration of the disabled, including those receiving*

treatment and counseling in connection with dependency recovery. In doing so, the City seeks to avoid the overconcentration of residential care facilities so that such facilities are reasonably dispersed throughout the community and are not congregated or over concentrated in any particular area so as to institutionalize that area." [sec. 20.91A.010.B] As noted in Finding No. 2 above, the proposed use would not be consistent with this purpose in that the facility is located in a neighborhood in which there are currently at least four other residential care homes, and does not meet the resident occupancy standards or off-street parking standards of the NBMC. However, as discussed in previous sections, if two of the four Yellowstone homes in the neighborhood were closed, if the maximum number of residents were limited to 15, and if conditions of approval relating to operational characteristics regulating parking, traffic, and on-site meetings were to be implemented, this finding can be made.

NBMC Section 20.91A.060 Findings A through G:

- A. Finding: The use conforms to all applicable provisions of Section 20.91A.050. These development and operational standards are summarized as follows:**
- a. **No secondhand smoke can be detectable outside the property.**
 - b. **Facility must comply with state and local law, and the submitted management plan, including any modifications required by this use permit.**
 - c. **A contact name and number must be provided to the City**
 - d. **No services requiring a license can be provided if the facility does not have a license for those services.**
 - e. **There shall be no more than two persons per bedroom plus one additional resident, unless a greater occupancy is requested and granted. Occupancy must also comply with State licensing if applicable.**
 - f. **If certification from an entity other than ADP's licensing program is available, applicants must get that certification.**
 - g. **All individuals and entities involved in the facility's operation and ownership must be disclosed.**
 - h. **No owner or manager shall have any demonstrated pattern of operating similar facilities in violation of the law.**