Section 2:

COMMUNITY PROFILE

The Community Profile for the City of Newport Beach provides an overview of the City's housing and population conditions. The community profile serves as the foundation for the Housing Elements policies by describing and assessing the factors and characteristics that contribute to the supply and demand for housing in Newport Beach. Specifically, the community profile describes the community's population, employment, economics, and household characteristics. Special Needs groups and housing stock characteristics are also described. The community profile develops context for the goals, programs, and policies, established in the Housing Element.

The data used for this community profile has been collected using the most current available data from the Southern California Association of Governments (SCAG), 2010 U.S. Census, 2010-2018 American Community Survey, the California Department of Finance, the California Employment Development Department, the California Department of Education and other currently available real estate market data. Data has also been collected from the SCAG Local Housing report for Newport Beach, which provides facts and Figures pre-certified by the California Department of Housing and Community Development (HCD) for use in the 6th Cycle Housing Elements.

A.   Population Characteristics

Population characteristics affect current and future housing demands in a community. Population growth, age compositions and race/ethnicity influence the type and extent of housing needed and the ability of the local population to afford housing costs. The following section describes and analyzes the various population characteristics and local trends in Newport Beach.

1. Population Growth

Table 2-1 below displays the forecasted population growth for Newport Beach, as it compares to the County and other surrounding jurisdictions/cities. The U.S. Census reported a population of 85,186 individuals for the City in 2010. This is the second smallest population for this area after Laguna Beach, which has a population of 22,723. The 2010 population of Newport Beach represents about 3 percent of the Orange County total population.

The Southern California Association of Government (SCAG) Final Growth Reports calculates estimates for future population counts and economic and housing trends through 2045. The SCAG data shown in Table 2-1 estimates a population growth for Newport Beach of 7,100 individuals, or an 8.4-percent increase, between 2016 and 2045. The growth calculation is consistent with that expected in Costa Mesa and is double that of Huntington Beach. In comparison, the City of Irvine anticipates a population surge of about 25 percent through 2045. Between 2016 and 2045, Newport Beach population is forecasted to grow by about 2 percent less than Orange County.
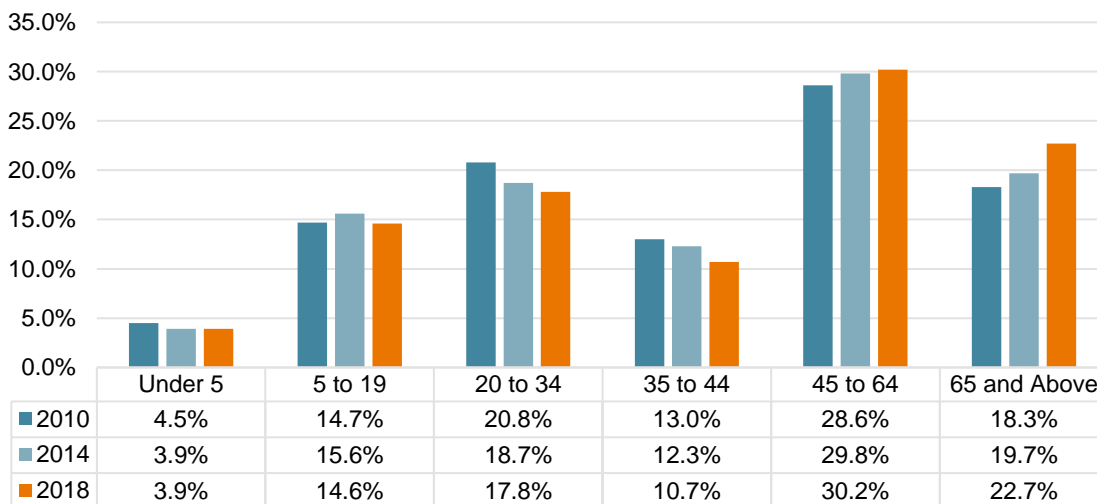
Table 2-1: Population Growth Forecast, 2016-2045

Jurisdictions	Population		Percent Change
	2016 Actual	2045 Projected	2016-2045
Costa Mesa	113,900	123,700	8.6%
Newport Beach	**84,900**	**92,000**	**8.4%**
Huntington Beach	196,900	205,300	4.3%
Laguna Beach	23,400	23,500	0.4%
Irvine	261,600	327,700	25.3%
Orange County	3,180,000	3,535,000	11.2%
Represents an estimate from the SCAG Connect SoCal 2016-2045 Demographics and Growth Forecast. *Sources: SCAG 2020 Connect SoCal Demographics and Growth Forecast.*			

2. Age Characteristics

The age composition of a community affects housing needs because housing demand within the market is often determined by the preferences of certain age groups. For example, young adults generally favor apartments, low to moderate-cost condominiums, and smaller or more affordable single-unit homes because they tend to live on smaller incomes and have smaller households. As population moves through different stages of life, housing is required to accommodate new or adjusted needs. To produce a well-balanced and healthy community, a community must provide appropriate housing to accommodate needs of all ages.

Figure 2-1: Age Distribution in Newport Beach, 2010-2018

	Under 5	5 to 19	20 to 34	35 to 44	45 to 64	65 and Above
■2010	4.5%	14.7%	20.8%	13.0%	28.6%	18.3%
■2014	3.9%	15.6%	18.7%	12.3%	29.8%	19.7%
■2018	3.9%	14.6%	17.8%	10.7%	30.2%	22.7%

Source: American Community Survey, 5-Year Estimates, 2010, 2014, and 2018.

Newport Beach population that falls within the ages of 45 to 64 represents the largest age group, as shown in **Figure 2-1**. In 2018, 30.2 percent of the population was between the ages of 45 and 64. Children under 5 years of age make up about 4 percent of the population, and 18.5 percent are 19 years or younger. Adults in the 35 to 44 age group have the second lowest population representation at 10.7 percent.

From 2010 to 2018, Newport Beach shows an aging population trend. All age groups under 45 years have consistently been decreasing. The 20 to 34 age group has experienced the greatest population loss at 3 percent between 2010 to 2018. In comparison, seniors over 65 years have increased by 4.4 percent during the same time. The middle-aged and senior populations both make up the largest age groups and can be expected to continue increasing given the decreasing distribution of young adults and children.

Table 2-2 compares the age distribution of Newport Beach to the rest of the county and surrounding cities. The City has a below-average age distribution for those ages 44 and under as compared to Orange County. The City of Laguna Beach and Newport Beach both exceed 22 percent of senior populations, while the surrounding cities and county range from 9 to 16 percent. All municipalities in Table 2-2 have lower distributions of individuals ages 15 to 17 and higher distributions of individuals 45 to 64 years of age.

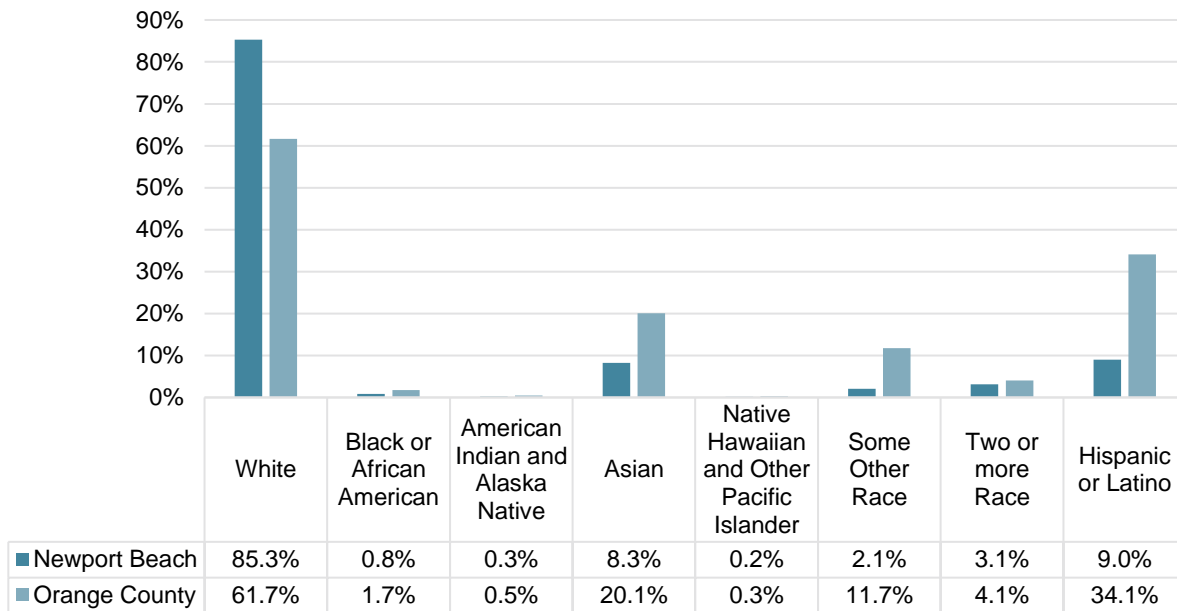**Table 2-2: Age Distribution by Jurisdiction**

Jurisdiction	Under 5	5 to 14	15 to 17	18 to 24	25 to 44	45 to 64	65+ years
Costa Mesa	5.7%	11.4%	3.2%	9.6%	35.2%	24.3%	10.7%
Newport Beach	**3.9%**	**10.0%**	**3.5%**	**6.3%**	**23.4%**	**30.2%**	**22.7%**
Huntington Beach	5.2%	10.9%	3.5%	7.6%	27.0%	29.0%	16.9%
Laguna Beach	3.4%	8.5%	4.1%	5.9%	16.3%	38.4%	23.3%
Irvine	6.4%	12.4%	3.6%	13.0%	30.8%	23.9%	9.9%
Orange County	6.0%	12.5%	4.0%	9.5%	27.4%	26.6%	13.9%
Source: American Community Survey, 5-Year Estimates, 2018							

3. Race/Ethnicity Characteristics

Racial and ethnic composition contribute to housing needs due to varying household characteristics, income levels, and cultural backgrounds which may affect their housing needs, housing choice and housing types. Cultural influences may reflect preference for a specific type of housing.

As summarized in **Figure 2-2**, Newport Beach is comprised mainly of White individuals at 85.3 percent of the population in 2018. American Indian/Alaska Natives and Native Hawaiian/other Pacific Islanders comprise the lowest percentage; both populations in Newport Beach and Orange County add up to less than 1 percent of the population. The White population in Newport Beach is 23.6 percent greater than the county and the Hispanic or Latino population is 25.1 percent less than that of the county. The Black population represents 0.8 percent of the Newport Beach population, which is half that of Orange County. The Asian population of Newport Beach is 11.8 percent smaller than that of Orange County and there are 9.6 percent less individuals in the City who identify as some other race than in the County.

Figure 2-2: Racial and Ethnic Composition, 2018

	White	Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race	Two or more Race	Hispanic or Latino
■ Newport Beach	85.3%	0.8%	0.3%	8.3%	0.2%	2.1%	3.1%	9.0%
□ Orange County	61.7%	1.7%	0.5%	20.1%	0.3%	11.7%	4.1%	34.1%

Source: American Community Survey, 5-Year Estimates, 2018.

Table 2-3 shows that all cities around Newport Beach and Orange County have a majority White population. The second largest population group in this area are those who identify as Hispanic or Latino. The Black population in Newport Beach and Laguna Beach are both the smallest of the area at 0.8 percent and both cities are below the county percentage by just under 1 percent. Both American Indian/Alaska Native and Native Hawaiian/other Pacific Islanders represent the smallest population groups with neither exceeding 1 percent in any of the listed cities.

Table 2-3: Racial and Ethnic Composition, 2018

Jurisdiction	White	Black	American Indian/ Alaska Native	Asian	Native Hawaiian/ Other Pacific Islander	Some Other Race	Two or More Races	Hispanic or Latino Origin [1]
Costa Mesa	71.6%	1.9%	0.4%	8.4%	0.7%	13.0%	4.0%	36.1%
Newport Beach	**85.3%**	**0.8%**	**0.3%**	**8.3%**	**0.2%**	**2.1%**	**3.1%**	**9.0%**
Huntington Beach	72.4%	1.4%	0.6%	12.1%	0.4%	7.3%	5.4%	20.0%
Laguna Beach	90.8%	0.8%	0.1%	3.7%	0.3%	1.5%	2.8%	7.4%
Irvine	47.6%	1.9%	0.2%	42.3%	0.2%	2.8%	5.2%	10.3%
Orange County	61.7%	1.7%	0.5%	20.1%	0.3%	11.7%	4.1%	34.1%
Note: (1) Persons of Hispanic or Latino Origin is an ethnicity that may be included in other racial groups. *Source: American Community Survey, 5-Year Estimates, 2018.*								

Table 2-4 identifies the change in composition of Newport Beach between 2010 to 2018. The population who reported White experienced the greatest population loss between 2010 and 2015 (4 percent), but then increased by just under a percent point between 2015 and 2018. The City's population who identifies as Hispanic or Latino increased by a total of 1.6 percent; this was the greatest population increase between these three survey years. Overall, majority of the different racial and ethnic populations within Newport Beach remained stable in population from 2010 to 2018.

Table 2-4: Changes in Racial and Ethnic Composition, 2010-2018

Race/Ethnicity	2010	2015	2018	Percent Change 2010 to 2015	Percent Change 2015 to 2018
White	88.4%	84.4%	85.3%	-4.0%	0.9%
Black	0.6%	0.4%	0.8%	-0.2%	0.4%
American Indian and Alaska Native	0.1%	0.2%	0.3%	0.1%	0.0%
Asian	7.2%	8.2%	8.3%	1.0%	0.1%
Native Hawaiian or Other Pacific Islander	0.0%	0.2%	0.2%	0.2%	0.0%
Some Other Race	1.9%	3.1%	2.1%	1.2%	-1.1%
Two or More Races	1.7%	3.4%	3.1%	1.7%	-0.3%
Hispanic or Latino*	7.4%	8.3%	9.0%	0.9%	0.7%
Of any race.					
Source: American Community Survey, 5-Year Estimates, 2010, 2015, and 2018.					

B. Economic Characteristics

Reporting and analyzing economic characteristics of a community provides valuable information on the community's ability to access the housing market. Incomes associated with different types of employment and the number of workers in a household affect housing affordability and choice. Therefore, to consider a healthy balance between jobs and housing, the employment characteristics of a community must be considered. Local employment growth is linked to local housing demand, and the reverse is true with employment contracts.

1. Employment and Wage Scale

Employment directly affects housing needs, as employment and income inform a population's ability to purchase housing and the types of housing they would be inclined to purchase. **Table 2-5** summarizes projected employment growth for Newport Beach and its surrounding cities and Orange County between 2012 to 2040. These projections are provided by the Southern California Association of Government's (SCAG) Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). The report is a long-range plan that considers future mobility and housing needs with economic, environmental, and public health goals and was adopted on April 7, 2016.

Table 2-5 shows that Newport Beach is estimated to experience an employment growth of 1.8 percent between 2016 to 2045. The total employment growth in the City is significantly less in percentage than the forecast for the surrounding cities. City of Irvine is estimated to experience a 24.5 percent increase through 2045, which is about 10 percent more than the percentage projected for the whole county. While Newport Beach is projected to experience the least employment growth as a percent, the growth represents an increase in 1,500 new employees; this is a greater numeric change than Laguna Beach. The number of new employees projected for Newport Beach represent 0.5 percent of employment growth for the county.

Table 2-5: Employment Growth Trends, 2016-2045

Jurisdiction	2016	2045	% Change 2016-2045	Numeric Change 2016-2045
Costa Mesa	95,700	104,000	8.7%	8,300
Newport Beach	83,400	84,900	1.8%	1,500
Huntington Beach	83,400	90,800	8.9%	7,400
Laguna Beach	5,800	6,100	5.2%	300
Irvine	265,300	330,200	24.5%	64,900
Orange County	1,710,000	1,980,000	15.8%	270,000
Source: SCAG 2020 Connect SoCal Demographics and Growth Forecast.				

Based on data from the United States Census Bureau American Community Survey (ACS) 5-Year Estimates, the number of employed people in Newport Beach reached 43,892 in 2018. This value is less than the amount projected by the SCAG RTP/SCS. A contributing factor for this may be the increasing amount of the population over the retirement age, as shown in Figure 2-1.

Table 2-6 identifies employment sectors in Newport Beach and the changes in employment for each sector between 2010 and 2018. Most employed people in the City work in professional, scientific, management, and administrative services (19.4 percent). The sector with the least amount of residents employed was agriculture, forestry, fishing and hunting, and mining, with only 0.2 percent in 2018. Two other popular sectors in the City in 2018 were finance and insurance, and real estate and rental leasing at 18.7 percent as well as education services, health care, and social assistance at 17.1 percent. None of the employment sectors in Newport Beach have experienced changes in employment greater than 1 percent between the two survey years. This has resulted in a decrease of 0.5 percent in total employment, rather than an increase as forecasted in **Table 2-5.**

Table 2-6: Employment in Newport Beach by Sector, 2018

Industry Sector	2010		2018		Percent Change 2010-2018
	# of people employed	% of City Employment	# of people employed	% of City Employment	
Agriculture, forestry, fishing and hunting, and mining	1,324	0.3%	92	0.2%	0.1%
Construction	2,118	4.8%	1741	4.0%	0.8%
Manufacturing	3,529	8.0%	3929	9.0%	-1.0%
Wholesale trade	2,074	4.7%	2165	4.9%	-0.3%
Retail trade	4,411	10.0%	4149	9.5%	0.6%
Transportation and warehousing, and utilities	839	1.9%	1020	2.3%	-0.4%
Information	1,059	2.4%	991	2.3%	0.2%
Finance and insurance, and real estate and rental leasing	8,072	18.3%	8196	18.7%	-0.4%
Professional, scientific, management, and administrative services	8,999	20.4%	8517	19.4%	1.0%
Education services, health care, and social assistance	7,234	16.4%	7507	17.1%	-0.7%
Arts, entertainment, recreation, accommodation, and food services	3,353	7.6%	3425	7.8%	-0.2%
Other services (except public administration)	1,324	3.0%	1472	3.4%	-0.4%
Public Administration	971	2.2%	688	1.6%	0.7%
Total	**44,109**	**100%**	**43,892**	**100%**	**-0.5%**
Source: American Community Survey, 5-Year Estimates, 2010 and 2018.					

Table 2-6 shows that employment decreased slightly from 2010 to 2018 despite a projected growth and estimated employment amount much larger than that reached. Nonetheless, unemployment rates displayed in **Table 2-7** show a drop by 1 percent during the same period. Unemployment factors into housing needs as the lack of income necessitates the availability of affordable housing. Newport Beach has maintained an unemployment rate of 3.4 percent in 2018 – the lowest unemployment rate for this area, and 1.7 percent below Orange County.

Table 2-7: Unemployment Rate, 2018

Jurisdiction	Unemployment Rate*		Percent Change 2010-2018
	2010	**2018**	
Costa Mesa	7.3%	4.8%	-2.5%
Newport Beach	**4.4%**	**3.4%**	**-1%**
Huntington Beach	7%	4.3%	-2.7%
Laguna Beach	4.4%	6.8%	2.4%
Irvine	5.5%	4.9%	-0.6%
Orange County	7.4%	5.1%	-2.3%
Population 16 years and over			
Source: American Community Survey, 5-Year Estimates, 2010 and 2018.			

Based on the data in **Table 2-7**, approximately 2,492 Newport Beach residents were without work in 2018 and would therefore be more likely to require more affordable housing options. For those that are employed, income level further identifies housing types that may need to be provided within the City. According to the SCAG Draft Regional Housing Needs Assessment (RHNA) Methodology, housing needs by income are broken down into four income levels:

- **Very Low-Income** (50 percent or less of the county's median family income)

- **Low-Income** (50-80 percent of the county median family income)

- **Moderate-Income** (80-120 percent of the county median family income)

- **Above Moderate-Income** (120 and above of the county median family income)

Orange County's median family income is $85,398 according to the 2018 ACS estimates. The occupations that fall below 50 percent of this amount are Protective Services; Sales; Office and Administration Support; Production; Transportation and Material Moving; Healthcare Support; Building, Grounds Cleaning, and Maintenance; Personal Care and Service; Farming, Fishing and Forestry; and Food Preparation and Serving Related. Most occupations in Orange County have an average income that is either low or very low.

Table 2-8: Mean Salary by Occupation in Orange County, 2020

Occupation	Salary
Management	$120,871
Legal	$105,406
Healthcare Practitioners and Technical	$79,755
Architecture and Engineering	$87,635
Computer and Mathematical	$92,631
Life, Physical and Social Sciences	$67,488
Business and Financial Operations	$73,913
Education, Training and Library	$52,043
Arts, Design, Entertainment, Sports and Media	$47,351
Construction and Extraction	$52,684
Protective Services	$37,236

Table 2-8: Mean Salary by Occupation in Orange County, 2020

Occupation	Salary
Community and Social Service	$48,834
Installation, Maintenance and Repair	$48,928
Sales	$32,262
Office and Administration Support	$38,845
Production	$31,669
Transportation and Material Moving	$29,254
Healthcare Support	$34,397
Building, Grounds Cleaning, and Maintenance	$27,824
Personal Care and Service	$24,666
Farming, Fishing and Forestry	$25,487
Food Preparation and Serving Related	$24,841
Source: California Employment Development Division, Occupational Wage data, 2020.	

C. Household Characteristics

A household includes all persons who occupy a housing unit, as defined by the Census. This may include single persons living alone, families related through marriage, blood or adoption, domestic partnerships and unrelated individuals living together. Nursing facilities, residential care facilities, dormitories, and other group living, as well as the persons living with them are not considered a housing unit.

Income and affordability are best measured at the household level, as well as the special needs of certain groups, such as large families, single parent households, or low and extremely low-income households. For example, if a city has a prominent aging population who are homeowners but live on fixed incomes, it may consider implementing a home beautification assistance program.
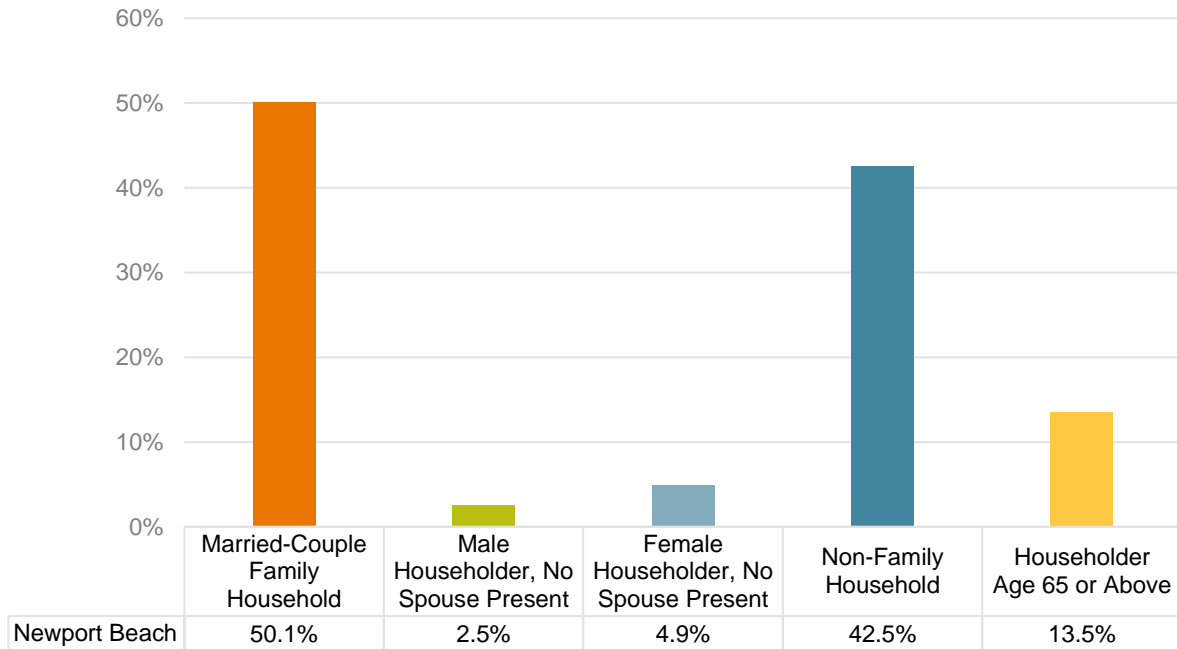
1. Household Type and Size

Newport Beach contains 37,870 total households, which is the second smallest household amount behind Laguna Beach with 10,542 total households. Female households with no spouse present represent the lowest amount at 4.9 percent and is 6.9 percent below the regional percentage. Orange County has 28.2 percent non-family households, but all cities in this area, including Newport Beach, have percentages that exceed 33 percent. Newport Beach non-family households account for the second largest percentage at 42.5 percent. When combined with senior households over the age of 65 and living alone, as shown in **Figure 2-3**, it amounts to 56 percent of households in the City. These two groups of people tend to occupy apartments or smaller age centric living areas and would also be considered in determining housing needs.

Table 2-9: Household Characteristics

Jurisdiction	Married-couple Family Households	% of Total Households	Female Householder, No Spouse Present	% of Total Households	Non-Family Household	% of Total Households	Total Households
Costa Mesa	17,568	42.8%	4,191	10.2%	16,509	40.2%	41,019
Newport Beach	**18,965**	**50.1%**	**1,870**	**4.9%**	**16,088**	**42.5%**	**37,870**
Huntington Beach	37,588	48.9%	8,263	10.8%	26,961	35.1%	76,821
Laguna Beach	5,116	48.5%	539	5.1%	4,537	43%	10,542
Irvine	51,682	54.2%	8,418	8.8%	31,636	33.2%	95,371
Orange County	564,685	54.7%	121,753	11.8%	290,652	28.2%	1,032,373
Source: American Community Survey, 5-Year Estimates, 2018							

Figure 2-3: Newport Beach Household Characteristics in Percent, 2018

	Married-Couple Family Household	Male Householder, No Spouse Present	Female Householder, No Spouse Present	Non-Family Household	Householder Age 65 or Above
Newport Beach	50.1%	2.5%	4.9%	42.5%	13.5%

Source: American Community Survey, 5-Year Estimates, 2018.

Table 2-10 below illustrates the changes in household types between 2010 and 2018. During these years, Newport Beach experienced a growth in population of married-couple family households (5.3 percent) and of householders 65 years and over who live alone (5.5 percent). Non-family households dropped by 4.2 percent in the same time period, with 3.8 percent occurring between 2010 and 2015. In 2010, non-family households were the largest household type in Newport Beach at 46.7 percent, but in 2018 the married-couple family households became the largest with 47.6 percent of the population.

Table 2-10: Changes in Household Types, 2010-2018

	2010	Percent	2015	Percent	2018	Percent
Married-couple Family Households	16,936	44.8%	18,122	47.6%	18,965	50.1%
Female Household, No Spouse Present	2,155	5.7%	2,665	7.0%	1,870	4.9%
Male Household, No Spouse Present	1,058	2.8%	990	2.6%	947	2.5%
Non-Family Household	17,654	46.7%	16,332	42.9%	16,088	42.5%
Householder 65 Years and Over	3,024	8.0%	4,797	12.6%	5,112	13.5%
Total Households	37,803	100%	38,071	100%	37,870	100%
Source: American Community Survey, 5-Year Estimates, 2010, 2015 and 2018.						

Newport Beach represents 1 of the smallest average household sizes in the area, as shown in **Table 2-11**. The average household size for the region is 3 persons and the average household size for the City is 2.2 persons per home. All the neighboring cities have comparable household sizes under the regional amount.

Table 2-11: Average Household Size

Jurisdiction	Average Persons per Household
Costa Mesa	2.7
Newport Beach	**2.2**
Huntington Beach	2.6
Laguna Beach	2.1
Irvine	2.6
Orange County	3
Source: California Department of Finance – Population and Housing Estimates, 2018.	

2. Household Income

Household income is an indicator of housing needs in a community because household income is directly connected to affordability. As household income increases, it is more likely that the household can afford market rate housing units, larger units and/or pursue ownership opportunities. However, as household income decreases, households tend to pay a disproportionate amount of their income for housing. This may influence increased incidences of overcrowding and substandard living conditions.

The California State Department of Housing and Community Development (HCD) has identified the following income categories based on the Area Median Family Income (AMFI) of Orange County:

- **Extremely Low-income**: households earning up to 30 percent of the AMFI

- **Very Low-income**: households earning between 31 and 50 percent of the AMFI

- **Low-income**: households earning between 51 percent and 80 percent of the AMFI

- **Moderate-income**: households earning between 81 percent and 120 percent of the AMFI

- **Above Moderate-income**: households earning over 120 percent of the AMFI

Combined, the extremely low, very low, and low-income groups are referred to as lower-income.[1]

Comprehensive Housing Affordability Strategy (CHAS) estimates based on 2006-2017 American Community Survey (ACS) data is used below. **Table 2-12** shows a greater percentage of homeowners (57 percent) than renters (43 percent) in Newport Beach. Just under 70 percent of households are estimated to have a moderate or above income and 21.6 percent earn a lower-income. A greater number of renters are estimated to earn a lower-income than of homeowners. About 60 percent of households in the extremely low-income category identified as renters, as for very low- and low-income households. Homeownership was more likely for households in the moderate or above moderate-income groups.

**Table 2-12: Households by Income Category, 2013-2017**

Income Category (% of County AMI)	Owner		Renter		Households	
	Total	**Percent**	**Total**	**Percent**	**Total**	**Percent**
Extremely Low (30% AMFI or less)	1,575	40.8%	2,280	59.2%	3,855	10.15%
Very Low (31 to 50% AMFI)	1,310	40.1%	1,960	59.9%	3,270	8.61%
Low (51 to 80% AMFI)	1,920	42.9%	2,550	57.1%	4,470	11.77%
Moderate or Above (over 80% AMFI)	16,840	63.8%	9,540	36.2%	26,380	69.5%
Total	21,645	57.0%	16,325	43.0%	37,970	100%

Source: Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS), 2013-2017.

The ACS 2018 data shown in **Figure 2-4** below depicts median household income for Newport Beach, surrounding jurisdictions, and the County of Orange. The figure shows a much higher median household income in the City that exceeds the regional median by $37,311 annually. At $122,709, Newport Beach has the highest median household income than any of the neighboring cities. Laguna Beach is in close second with an annual median household income of $121,474. Costa Mesa is the only nearby city with a median household income below the regional median and $43,502 below Newport Beach. **Table 2-13** also compares median household incomes by percent points above or below the regional amount. All cities around Newport Beach, except for Costa Mesa, exceed the Orange County median household income of $85,398.

---

[1] Federal housing and community development programs typically assist households with incomes up to 80 percent of the AMFI and use different terminology. For example, the Federal Community Development Block Grant (CDBG) program refers households with incomes between 51 and 80 percent AMFI as moderate income (compared to low-income based on State definition).

Figure 2-4: Median Household Income by City, 2018
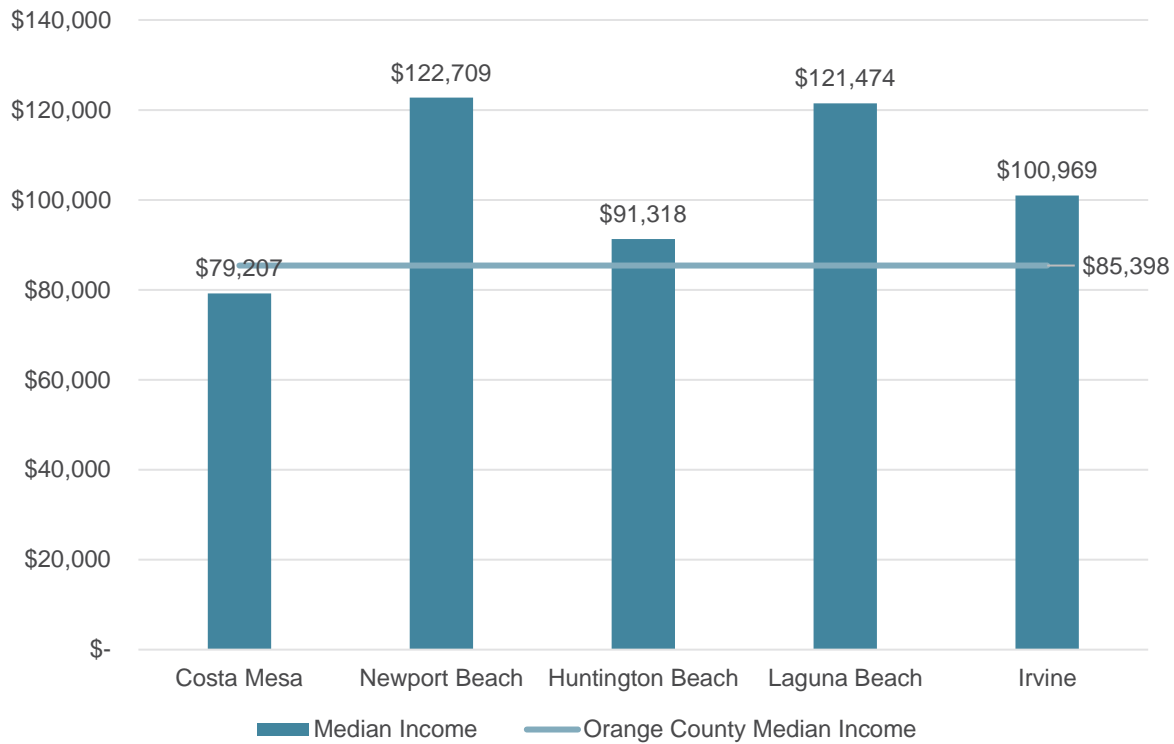
Source: American Community Survey, 5-Year Estimates, 2018.

Table 2-13: Median Household Income

Jurisdiction	Median-income	Percent Above/Below Regional Median
Costa Mesa	$79,207	-7.2%
Newport Beach	**$122,709**	**43.7%**
Huntington Beach	$91,318	6.9%
Laguna Beach	$121,474	42.2%
Irvine	$95,371	11.7%
Orange County	$85,398	100%
Source: American Community Survey, 5-Year Estimates, 2018.		

Further explaining the income gap between Orange County and Newport Beach is an income breakdown for the City in **Figure 2-5**. Most employed City residents fall in the high-income category as about 31 percent of residents earn $200,000 per year and 60 percent earn over $100,000. About 15 percent of the Newport Beach population earns under $35,000 annually.

Figure 2-5: Newport Beach Income Breakdown by Income Category

	Less than $10,000	$10,000 to $14,999	$15,000 to $24,999	$25,000 to $34,999	$35,000 to $49,999	$50,000 to $74,999	$75,000 to $99,999	$100,000 to $149,999	$150,000 to $199,999	$200,000 or more
Newport Beach	4.0%	2.6%	4.2%	4.5%	6.0%	9.9%	9.3%	17.6%	11.1%	30.8%

Source: American Community Survey, 5-Year Estimates, 2018.

D. Housing Problems

The Comprehensive Housing Affordability Strategy (CHAS) developed by the Census Bureau for the Department of Housing and Urban Development (HUD) provides detailed information on housing needs by income level for different types of households in Newport Beach. The most recent available CHAS data for the City was published in August 2020 and was based on 2006-2017 ACS data. Housing problems considered by CHAS included:

- Units with physical defects (lacking complete kitchen or bathroom);
- Overcrowded conditions (housing units with more than one person per room);
- Housing cost burdens, including utilities, exceeding 30 percent of gross income; or
- Severe housing cost burdens, including utilities, exceeding 50 percent of gross income.

As is the case with many cities, there is strong variation between homeowners and renters who experience housing problems in the City, as shown in **Table 2-14**. Of all homeowners in the City, 35.3 percent experience at least one housing problem, while 45.1 percent of renters experience one these problems. Over half of all households in the City have at least one housing problem (58.5 percent).

Severe housing problems are comprised of incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 persons per room, and a cost burden greater than 50 percent. The CHAS reports that just under a quarter of Newport Beach households experience at least one of these problems (23 percent). Similarly to general housing problems, renters here are also more likely to be affected; in the City, 27.2 percent of renter-occupied units are subject to at least one severe housing problem. A lower – yet substantial – percentage of homeowners live with at least one severe housing problem (19.8 percent).

Table 2-14: Housing Problems Overview, 2013-2017

Housing Problem Overview*	Owner		Renter		Total	
	Count	Percent of owner households	Count	Percent of renter households	Count	Percent of total households
Household has at least 1 of 4 Housing Problems	7,635	35.3%	7,355	45.1%	14,990	39.5%
Household has none of 4 Housing Problems	13,835	63.9%	8,365	51.2%	22,200	58.5%
Cost Burden not available, no other problems	175	0.8%	610	3.7%	785	2.1%
Total	21,645	57.0%	16,325	43.0%	37,970	100.0%
Severe Housing Problem Overview**	Owner		Renter		Total	
	Count	Percent owner households	Count	Percent of renter households	Count	Percent of total households
Household has at least 1 of 4 Severe Housing Problems	4,285	19.8%	4,435	27.2%	8,720	23.0%
Household has none of 4 Severe Housing Problems	17,180	79.4%	11,285	69.1%	28,465	75.0%
Cost Burden not available, no other problems	175	0.8%	610	3.7%	785	2.1%
Total	21,645	57.0%	16,325	43.0%	37,970	100%

* The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%.

** The four severe housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 persons per room, and cost burden greater than 50%.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2013-2017.

1. Overcrowding

"Overcrowding" is generally defined as a housing unit occupied by more than one person per room in house (including living room and dining rooms, but excluding hallways, kitchen, and bathrooms). An overcrowded household results from either a lack of affordable housing, which forces more than one household to live together, and/or a lack of available housing units of adequate size. Overcrowding can indicate that a community does not have an adequate supply of affordable housing, especially for large families. However, overcrowding can also be a result of different cultural or demographic housing preferences. For example, the option to live with an existing family member in a new country may be an opportunity for an immigrant family or person to transition from an old home to a new one securely and help maintain cultural values.

Overcrowded and severely overcrowded households can lead to neighborhood deterioration due to the intensive use of individual housing units leading to excessive wear and tear, and the potential cumulative overburdening of community infrastructure and service capacity. Overcrowding in neighborhoods can lead to an overall decline in social cohesion and environmental quality. Such decline can often spread

geographically and impact the quality of life and the economic value of property and the vitality of commerce within a city. The combination of lower-incomes and high housing costs result in many households living in overcrowded housing conditions.

Table 2-15: Overcrowding by Tenure, 2018

Tenure	Overcrowded Housing Units (1.0 to 1.50 persons/room)		Severely Overcrowded Housing Units (>1.51 persons/room)		Total Overcrowded Occupied Housing Units	
	Number of Units	Percent of Total Occupied Housing Units	Number of Units	Percent of Total Occupied Housing Units	Number of Units	Percent of Total Occupied Housing Units
Owner Occupied	65 units	0.2%	0 units	0%	65 units	0.2%
Renter Occupied	252 units	0.7%	253 units	0.7%	505 units	1.3%
Total	317 units	0.8%	253 units	0.7%	570 units	1.5%
Source: American Community Survey, 5-Year Estimates, 2018.						

Table 2-15 breaks down the severity of overcrowding in Newport Beach by household tenure. As the table shows, there is a very low percentage of units that are overcrowded (1.5 percent). About 80 percent of those overcrowded units are renter-occupied, with 1.3 percent of households being overcrowded and severely overcrowded. Only 0.2 percent of owner-occupied units exceed 1 person per bedroom. In comparison to the surrounding cities, as outlined in **Table 2-16**, Newport Beach has kept the lowest percentages of overcrowding for both renters and homeowners. Costa Mesa reported the largest total percentage of overcrowded cities (9 percent), which is 7.5 percent over that of Newport Beach. Orange County reported 21,800 overcrowded units and 8.9 percent of total households.

Table 2-16: Overcrowded Housing Units by Tenure, 2018

Jurisdiction	Owner Occupied Overcrowded Units (>1.0 persons/room)		Renter Occupied Overcrowded Units (>1.0 persons/room)	
	Number of Units	Percent of Total Occupied Units	Number of Units	Percent of Total Occupied Units
Costa Mesa	435 units	1.1%	3,251 units	7.9%
Newport Beach	**65 units**	**0.2%**	**505 units**	**1.3%**
Huntington Beach	557 units	0.7%	2,291 units	3.0%
Laguna Beach	62 units	0.6%	127 units	1.2%
Irvine	958 units	1.0%	4,921 units	5.2%
Orange County	21,800 units	2.1%	69,713 units	6.8%
Source: American Community Survey, 5-Year Estimates, 2018.				

2. Overpayment (Cost Burden) In Relationship to Income

State and federal standards indicate that a household paying more than 30 percent of its income for housing is overpaying. Overpayment for housing can cause an imbalance on the remainder of a household's budget.

As reported by the CHAS and presented in **Table 2-17**, a large portion of households are subject to some form of overpayment in Newport Beach. Renters in the City represent a greater portion of the community that is overpaying for housing, but homeowners are 12 percent behind and exceed renters in total count – there are 11,810 homeowners overpaying and 10,880 renters overpaying for housing. Homeowners who earn over 100 percent of the HUD area median family income (AMFI), and are considered high-income, make up the largest group experiencing cost burdens greater than 30 percent and 50 percent. For renters, those who experience housing burdens are those who earn a moderate to low-income.

Table 2-17: Summary of Housing Overpayment, 2013-2017

Income by Cost Burden*	Owner				Renter			
	Cost Burden > 30%	% of Owner HH	Cost Burden > 50%	% of Owner HH	Cost Burden > 30%	% of Renter HH	Cost Burden > 50%	% of Renter HH
Household Income is less-than or = 30%	1,335	6.2%	1,225	5.7%	1,485	9.1%	1,455	8.9%
Household Income >30% to less-than or = 50% AMFI	1,010	4.7%	820	3.8%	1,696	10.4%	1,350	8.3%
Household Income >50% to less-than or = 80% AMFI	1,210	5.6%	815	3.8%	1,980	12.1%	910	5.6%
Household Income >80% to less-than or = 100% AMFI	615	2.8%	450	2.1%	815	5.0%	170	1.0%
Household Income >100% AMFI	3,420	15.8%	910	4.2%	965	5.9%	55	0.3%
Total	7,590	35.1%	4,220	19.5%	6,940	42.5%	3,940	24.1%

* Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

Note: AMFI = Area Median Family Income, this is the median family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. AMFI will not necessarily be the same as other calculations of median incomes (such as a simple Census number), due to a series of adjustments that are made.

Source: Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2013-2017.

E. Special Needs Groups

State law recognizes that certain households may have more difficulty in finding adequate and affordable housing due to special circumstances. Special needs populations include seniors, persons with disabilities, female-headed households, large households, and farmworkers.

Special circumstances may be related to one's employment and income, family characteristics, disability and household characteristics, or other factors. Consequently, certain residents in Newport Beach may experience higher incidences of housing overpayment (cost burden), overcrowding, or other housing problems. The special needs groups analyzed in the Housing Element include the elderly, persons with disabilities (including persons with developmental disabilities), people experiencing homelessness, single parents, large households, and farmworkers (**Table 2-18**). These groups may overlap, for example elderly people may also have a disability of some type. The majority of these special needs groups could be assisted by an increase in affordable housing.

Table 2-18: Special Needs Groups in Newport Beach

Special Needs Groups	# of People or Households	Percent of Total Population	Percent of Total Households
Senior Headed Households (65 years and over)	12,187 households	--	32.2%
Seniors	19,574 persons	22.7%	--
Seniors Living Alone	5,119 households	--	13.5%
Persons with Disabilities	6,943 persons	8.1%	--
Large Households (5 or more persons per household)	1,945 households	--	5.1%
Single-Parent Households	1,358 households	--	3.6%
Single-Parent, Female Headed Households with Children (under 18 years)	936 households	--	2.5%
People Living in Poverty	5,670 persons	6.6%	--
Farmworkers*	92 persons	0.2%	--
Persons Experiencing Homelessness**	64 persons	0.09%	--
Student	5,273 persons	6.1%	--

*Farmworker data is taken of the population 16 years and over, not total population.
**The Everyone Counts report is updated annually, therefore the most recent data is from 2019, and there is no percentage of total population available.
Source: American Community Survey, 5-Year Estimates, 2018 and Orange County Point in Time Count, Everyone Counts Report 2019.

1. Seniors

The senior population, which is generally defined as those over 65 years of age, has several concerns: limited and fixed incomes, high healthcare costs, higher incidence of mobility and self-care limitations, transit dependency, and living alone. Specific housing needs of the senior population include affordable

housing, supportive housing (such as intermediate care facilities), group homes, and other housing that includes a planned service component.

Newport Beach has the second largest population of seniors over the age of 65 at 22.7 percent, as shown in **Table 2-19**. This is 8.8 percent above the percentage for the County. Laguna Beach is reported to have the largest senior population of the area (23.3 percent) and Irvine has the lowest at 9.9 percent of its population.

Table 2-19: Persons Age 65 and Over, 2018

Jurisdiction	Population Count	Percent
Costa Mesa	12,138	10.7%
Newport Beach	**19,574**	**22.7%**
Huntington Beach	34,002	16.9%
Laguna Beach	5,398	23.3%
Irvine	26,228	9.9%
Orange County	440,488	13.9%
Source: American Community Survey, 5-Year Estimates, 2018.		

In addition to overpayment problems faced by seniors due to their relatively fixed incomes, many seniors are faced with various disabilities. In 2018, the American Community Survey (ACS) reported 4,134 seniors with disabilities. Among these disabilities, the most common were ambulatory disabilities, independent living disabilities and hearing disabilities.

Key Challenges and Resources to Address Senior Housing Needs

Seniors in Newport Beach generally have exhibited the following unique challenges to housing:

- Having Limited and fixed incomes,
- Disproportionately higher healthcare costs, adding monthly living costs
- Higher incidence of mobility and self-care limitations requiring customized housing features
- Transit dependency
- Limited in-home support, due to living alone.

To address these challenges, the City must consider a variety of solutions to address the above issues: these may include:

- More affordable housing options for Seniors
- Supportive City programs to help sustain decent, safe and affordable housing for dependent Seniors.
- Housing with included supportive services
- Group Homes options for persons with self-care limitations

Resources currently available at the City includes a robust Senior Services program.

Section **3.C.3** of this Housing Element includes an analysis on deed-restricted affordable housing units and affordable units at-risk of converting to market-rate. The City of Newport Beach currently has one affordable housing project for senior residents. Seaview Lutheran Plaza includes 100 deed-restricted affordable housing units reserved for extremely low and very low-income seniors through 2039; it is not considered at-risk of converting to market-rate over the next 10 years.

To address unique needs of senior residents living in the City, the following three programs have been included in **Section 4**:

- **Policy Action 6B**: Repair Loans and Grant Programs for Seniors, Persons with Physical and Developmental Disabilities and Lower-Income Households

- **Policy Action 6E**: Housing Assistance for Seniors

- **Policy Action 6G**: Senior Housing Priority Program

The City will continue providing housing resources to its senior population through community partnerships and by facilitating the development of senior housing units.

2. Persons with Physical and Developmental Disabilities

Physical and developmental disabilities can hinder access to traditionally designed housing units, as well as potentially limit the ability to earn adequate income. Physical, mental, and/or developmental disabilities may deprive a person from earning income, restrict one's mobility, or make self-care difficult. Thus, persons with disabilities often have special housing needs related to limited earning capacity, a lack of accessible and affordable housing, and higher healthcare costs associated with a disability. Some residents suffer from disabilities that require living in a supportive or institutional setting.

Although no current comparisons of disability with income, household size, or race/ethnicity are available, it is reasonable to assume that a substantial portion of persons with disabilities would have annual incomes within Federal and State income limits. Furthermore, many lower-income persons with disabilities are likely to require housing assistance and services. Housing needs for disabled persons are further compounded by design issues and location factors, which can often be costly. For example, special needs of households with wheelchair-bound or semi-ambulatory individuals may require ramps, holding bars, special bathroom designs, wider doorways, lower cabinets, elevators, and other interior and exterior design features.

Housing opportunities for persons with disabilities can be addressed through the provision of affordable, barrier-free housing. Rehabilitation assistance can be targeted toward renters and homeowners with disabilities for unit modification to improve accessibility.

As addressed in **Table 2-20**, the 2018 ACS identifies six disability types: hearing disability, vision disability, cognitive disability, ambulatory disability, self-care disability and independent living disability. The Census and the ACS provide clarifying questions to determine persons with disabilities and differentiate disabilities within the population.

Table 2-20: Disability Status, 2018

Disability Type	Under 18 with a Disability	18 to 64 with a Disability	65 years and Over with a Disability	Total	Percent of Population with Disability	Percent of Total Population
Population with a Hearing Difficulty	96	402	1,832	2,330	33.6%	2.7%
Population with a Vision Difficulty	60	561	909	1,530	22%	1.8%
Population with a Cognitive Difficulty	398	962	1,155	2,515	36.2%	2.9%
Population with an Ambulatory Difficulty	72	705	2,411	3,188	45.9%	3.7%
Population with a Self-care Difficulty	112	406	894	1,412	20.3%	1.6%
Population with an independent Living Difficulty	--	714	1,885	2,599	37.4%	3%
Total	**480**	**2,329**	**4,134**	**6,943**	**100%**	**86,015**

This number may double count as some persons report having one or more disabilities, therefore this total number differs from the total number of persons with a disability in Table 2-18.
Source: American Community Survey, 5-Year Estimates, 2018.

The ACS defines a disability as a report of one of the six disabilities identified by the following questions:

- **Hearing Disability:** Is this person deaf or does he/she have serious difficulty hearing?

- **Visual Disability:** Is this person blind or do they have serious difficulty seeing even when wearing glasses?

- **Cognitive Difficulty:** Because of a physical, mental, or emotional condition, does this person have serious difficulty concentrating, remembering, or making decisions?

- **Ambulatory Difficulty:** Does this person have serious difficulty walking or climbing stairs?

- **Independent Living Difficulty:** Because of a physical, mental, or emotional condition, does this person have difficulty doing errands alone such as visiting a doctor's office or shopping?

State law requires that the Housing Element discuss the housing needs of persons with developmental disabilities. As defined by federal law, "developmental disability" means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;

- Is manifested before the individual attains age 22;

- Is likely to continue indefinitely;

- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self-sufficiency; and

- Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

Per Section 4512 of the Welfare and Institutions Code a "developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes intellectual disability, cerebral palsy, epilepsy, and autism. This term also includes disabling conditions found to be closely related to intellectual disability or to require treatment like that required for individuals with intellectual disability but shall not include other handicapping conditions that are solely physical in nature.

According to the Regional Center of Orange County's (RCOC) *Total Annual Expenditures and Authorized Services for Fiscal Year 2019-2020,* a total of 25,163 individuals received services. RCOC represents the fifth-largest regional center in California and has over 300 service coordinators. Of those who received services, 31.6 percent reported their race as White, 16 percent reported Asian, 16.1 percent reported Other Ethnicity or Race/Multi-Cultural, and 2 percent reporter Black/African American. Approximately 34 percent of those who received services also reported their ethnicity as Hispanic or Latino. Ages of the 25,163 individuals includes 21.1 percent 2 years or younger, 39.9 percent 3 to 21 years, and 39 percent over the age of 22. The majority of those who received services lived at the home of a parent or guardian (82.3 percent), but 6.8 percent live in a Community Care Facility and 5.6 percent live in Independent Living or Supported Living. Diagnosis reported by the individuals who received services include the following:

- Intellectual Disability: 37.6%

- Autism: 31%

- Cerebral Palsy: 2.5.%

- Epilepsy: 1%

- Category 5: 3.9%

- Other: 24.1%

For Newport Beach, the California Department of Developmental Services provides estimates of persons with developmental disabilities in Newport Beach. As of June 2019, 232 juvenile persons have been and 123 adults have been identified as have a developmental disability. The majority of these residents are juveniles who live at home with a parent or guardian.

Table 2-21 Developmental Disability Status, 2019

Disability Type	# of Residents
BY RESIDENT	
Home of Parent/Guardian	202
Independent/Supported Living	15
Community Care Facility	5
Intermediate Care Facility	0
Foster/Family Home	10
Other	0
BY AGE	
0-17 Years Old	232
18* Years Old	123
CA DDS data by ZIP Code, June 2019.	

Many people with developmental disabilities can live and work independently within a conventional housing environment. Individuals with more severe developmental disabilities may require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for persons with developmental disabilities is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

There are several housing types appropriate for people living with a development disability: rent-subsidized homes, licensed and unlicensed single-unit homes, inclusionary housing, Section 8 vouchers, special programs for home purchase, Department of Housing and Urban Development (HUD) housing, and SB 962 (veterans) homes. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving the needs of this group. Incorporating 'barrier-free design in all, new multi-unit housing (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for residents with disabilities. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

Key Challenges and Resources to Address Persons with Physical and Developmental Disabilities

Persons with physical and developmental disabilities in Newport Beach have exhibited the following unique challenges to housing:

- Need for specialized housing to accommodate disabilities
- Need for supportive services
- Higher incidence of dependent living needs

- High incidence of unemployment

To address these challenges, the City must consider a variety of solutions to address the above issues: these may include:

- Regional coordination and support for services
- Permitting of housing for persons with disabilities
- Prioritization of services for disabled persons
- Local supportive services to supplement physical housing needs
- Housing regulations/accommodation of unique housing needs
- Group Homes options for persons with self-care limitations

Resources to address the above needs include local General Fund revenue to fund Policy Actions described in Chapter 4, and partnership with the Orange County Regional Center, who provides and coordinates lifelong support and services to persons with disabilities. The City's existing permit procedures, regulations and policies further support physical and developmental disabilities through the granting of uses and facilities to accommodate the needs of persons disabilities. The City also has a reasonable accommodation procedure that is intended to grant accommodations for persons with disabilities with the expressed intent not to cause additional cost to the requestee.

The City has included **Policy Action 7C** in **Section 4** to address housing needs for persons with developmental disabilities. The City will review and prioritize housing and supportive services for persons with developmental disabilities, as well as explore regulatory incentives for projects that address the needs of persons with developmental disabilities.

3. Large Households

Large households are defined as those consisting of five or more members. These households comprise a special need group because many communities have a limited supply of adequately sized and affordable housing units. To save for other necessities such as food, clothing, and medical care, it is common for lower-income large households to reside in smaller units with inadequate number of bedrooms, which frequently results in overcrowding and can contribute to fast rates of deterioration.

Securing housing large enough to accommodate all members of a household is more challenging for renters because multi-unit rental units are typically physically smaller than single-unit ownership homes. While apartment complexes offering two and three bedrooms are common, apartments with four or more bedrooms are rare. It is more likely that large households will experience overcrowding in comparison to smaller households. Additionally, throughout the region, single-unit homes with higher bedroom counts, whether rental or ownership units, are rarely affordable to lower-income households.

Table 2-22 outlines the number of large households in the City by tenure and household size. As is shown, the vast majority of large households are owner-occupied rather than rented (71.3 percent and 28.7 percent respectively). There are very few households with 7 or more persons in owner-occupied homes and none in rentals. Amongst all rental homes, 2.5 percent are 5-person households and amongst owned homes 4.4 percent are 5-person households.

Table 2-22: Large Households by Tenure, 2017

Household Size	Owner		Renter		Total	
	Count	Percent of Total Owner HHs	Count	Percent of Total Renter HHs	Count	Percent of Total HHs
5-Person Household	933	4.4%	417	2.5%	1,350	3.6%
6-person Household	398	1.9%	93	0.6%	491	1.3%
7+ person Households	56	0.3%	48	0.3%	104	0.3%
Total	1,387	71.3%	558	28.7%	1,945	100%
Source: American Community Survey, 5-Year Estimates, 2018.						

Key Challenges and Resources to Address Large Person Households

Large Person Households in Newport Beach have exhibited the following unique challenges to housing:

- Lack of available housing with sufficient bedroom counts
- Options for larger bedroom counts in rental units
- Higher monthly cost burdens
- Affordable options for large family households
- Childcare needs for working families

To address these challenges, the City must consider a variety of solutions to address the above issues: these may include:

- Permitting of larger bedroom counts in ownership and rental units
- Affordable housing options for large family households
- Prioritization of family-sized units in affordable housing developments
- Leveraging of Grant/Funding opportunities

Resources to address the above needs include Policy Actions that support the leveraging of LIHTC opportunities, State, Federal and private funds focused on multiple family development. Regional resources include OCHFA, SCHFA funding, Orange County Continuum of Care and Orange County Housing Authority Funding. The City has included Policy Actions 1A-1F, 4C, 4D and 6C,6D that will provide standards and provisions that will support the provision of larger sized family units.

4. Single-Parent Households

Single-parent households often require special consideration and assistance due to their greater need for affordable and accessible daycare, health care, and other supportive services. Many female-headed households with children are susceptible to having lower-incomes than similar two-parent households. Single, female mothers often face social marginalization pressures that often limit their occupational choices and income earning potential, housing options and access to supportive services.

Table 2-23 shows there are few single parent households in Newport Beach (3.6 percent) as compared to 7.4 percent in Orange County. Most single-parent households in both the City and Orange County are headed by females without a spouse present – 68.9 percent in Newport Beach and 70.5 percent in Orange County. The percentage of single parents living in poverty in the City is half that of the regional percentage.

Table 2-23: Single Parent Households

Jurisdiction	Single Parent-Male, No Spouse Present		Single Parent-Female, No Spouse Present		Single Parent Households Living in Poverty		Single Parent Households	
	Count	% of Single Parent HH	Count	% of Single Parent HH	Count	% of Single Parent HH	Count	% of Total Households
Newport Beach	422	31.1%	936	68.9%	183	13.5%	1,358	3.6%
Orange County	22,456	29.5%	53,659	70.5%	22,999	30.2%	76,115	7.4%
Source: American Community Survey, 5-Year Estimates, 2018.								

Key Challenges and Resources to Address Single Parent Households

Single Parent Households in Newport Beach have exhibited the following unique challenges to housing:

- Affordable Housing Options
- Rental and For Sale Housing Options
- Higher monthly cost burdens with one income families
- Childcare needs for working families

To address these challenges, the City must consider a variety of solutions to address the above issues: these may include:

- Affordable housing options for single income families
- Accessibility to childcare options
- Leveraging of Grant/Funding opportunities

With incidents of single parent households at half the rate compared to Orange County, the city believes the existing opportunities and policies related to affordable housing options, childcare access and leveraging of funding will provide the necessary resources to address the needs of this segment of the population.

5. Farmworkers

Farmworkers are traditionally defined as persons whose primary incomes are earned through permanent or seasonal agricultural labor. Permanent farm laborers work in the fields, processing plants, or support activities on a generally year-round basis. When workload increases during harvest periods, the labor force is supplemented by seasonal workers, often supplied by a labor contractor. For some crops, farms may hire migrant workers, defined as those whose travel prevents them from returning to their primary residence every evening. Farmworkers have special housing needs because they earn lower-incomes than many other workers and move throughout the year from one harvest location to the next.

The United States Department of Agriculture, National Agriculture Statistics provides data on hired farm labor across the United States. The data is compiled at both a State and County level. Within Orange County, a total of 99 farms reportedly hired 1,772 workers in 2017. Permanent workers, those who work 150 days or more, represent the largest category of workers with 1,106 workers (62 percent). A total of 666 workers (38 percent) are considered seasonal and work less than 150 days. Orange County reported 340 migrant workers (19 percent) with full time hired labor in 2017. In addition, the County reported 176 unpaid workers.

2018 ACS 5-Year Estimates data reports a total of 72 Newport Beach residents employed full time, year round in the agriculture, forestry, fishing, hunting, and mining industry. Fourteen (14) residential are employed full time in farmworkers jobs. These are most likely very small local operations and not large scale farming activities .The median annual wage for these industries is $27,472 and falls below 50 percent of the median income for Orange County (32 percent).

Key Challenges and Resources to Address Farmworker Housing Needs

Farmworker Households in Newport Beach have exhibited the following unique challenges to housing:

- Affordable Housing Options
- Higher incidents of cost burden for housing
- Rental and For Sale Housing Options
- Childcare needs for working families

Similar to other special needs groups, Farmworkers needs are focused on affordability of housing and access to services that support lower monthly overall costs.   To address these challenges, the City must consider a variety of solutions to address the above issues: these may include:

- Affordable housing options for farmworkers
- Accessibility to childcare options
- Leveraging of Grant/Funding opportunities

With incidents of Farmworker households representing less than one half of one percent, the city believes the existing opportunities and policies related to affordable housing options, childcare access and leveraging of funding will provide the necessary resources to address the needs of this segment of the population will assist in the needs for farmworkers citywide.

6. Extremely Low-income Households and Poverty Status

The 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) indicates that there are 3,270 low-income households living in Newport Beach. Very low-income households earn 50 percent or less of the area median family income (AMFI) for Orange County. Extremely low-income households earn less than 30 percent of the AMFI. There are approximately 3,855 extremely low-income households in the City, including both renters and homeowners. **Table 2-23** below shows a breakdown of housing problems for Newport Beach households by income category.

Table 2-24 shows that about 10 percent more renters live with at least one housing problem. More lower-income renters report a housing problem – 9.2 percent with extremely low-income, 10.6 percent with very low-income, and 12.5 percent with low-income. About 45 percent of renters experience one or more housing problems. Homeowners typically report less of a cost burden than renters. In Newport Beach, 35.3 percent of homeowners have at least one housing problem. The majority of those are in above-moderate-income households (15.9 percent). In total, for both renters and homeowners, 39.5 percent of households have at least one housing problem.

While representing only 0.8 percent of the Newport Beach population, people who identify as Black have the highest rates of poverty in the City, as illustrated in **Figure 2-6**. Similarly, American Indian/Alaska Natives and Native Hawaiian/other Pacific Islanders make up the smallest population percentages (0.3 percent and 0.2 percent, respectively) and together account for over 20 percent of those living below the poverty line. Values in the bar graph below contrasted to racial and ethnic composition of the City illustrate critical differences in housing needs.

To calculate the projected housing needs, the City assumed 50 percent of its very low-income regional housing need are extremely low-income households. Calculating from the very low-income need of 1,456 units, the City has an estimated need of 728 housing units for extremely low-income households.

Extremely low-income household needs will likely be focused to rental housing and more likely to experience overpayment, overcrowding or substandard housing conditions and more likely to include transitional and supportive housing.

Table 2-24: Housing Problems for All Households by Income Category, 2013-2017

Income Category	Owner					
	Household has at least 1 of 4 Housing Problems	% of Owner HH	Household has none of 4 Housing Problems	% of Owner HH	Cost Burden not available, no other Housing Problem	% of Owner HH
Household Income is less-than or = 30%	1,335	6.2%	65	0.3%	175	0.8%
Household Income >30% to less-than or = 50% AMFI	1,020	4.7%	290	1.3%	0	0.0%
Household Income >50% to less-than or = 80% AMFI	1,215	5.6%	705	3.3%	0	0.0%
Household Income >80% to less-than or = 100% AMFI	615	2.8%	370	1.7%	0	0.0%
Household Income >100% AMFI	3,450	15.9%	12,405	57.3%	0	0.0%
Total	7,635	35.3%	13,835	63.9%	175	0.8%
Household Income is less-than or = 30%	1,500	9.2%	170	1.0%	610	3.7%

Income Category	Owner					
	Household has at least 1 of 4 Housing Problems	% of Owner HH	Household has none of 4 Housing Problems	% of Owner HH	Cost Burden not available, no other Housing Problem	% of Owner HH
Household Income >30% to less-than or = 50% AMFI	1,725	10.6%	235	1.4%	0	0.0%
Household Income >50% to less-than or = 80% AMFI	2,040	12.5%	510	3.1%	0	0.0%
Household Income >80% to less-than or = 100% AMFI	885	5.4%	425	2.6%	0	0.0%
Household Income >100% AMFI	1,205	7.4%	7,025	43.0%	0	0.0%
Total	7,355	45.1%	8,365	51.2%	610	3.7%
Total Households (Owner and Renter)	**14,990**	**39.5%**	**22,200**	**58.5%**	**785**	**2.1%**

* The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%.

** The four severe housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 persons per room, and cost burden greater than 50%.

Note: AMFI = Area Median Family Income, this is the median family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. AMFI will not necessarily be the same as other calculations of median incomes (such as a simple Census number), due to a series of adjustments that are made.

Source: Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2013-2017.

Figure 2-6: Percent below Poverty Level, by Race and Hispanic or Latino Origin
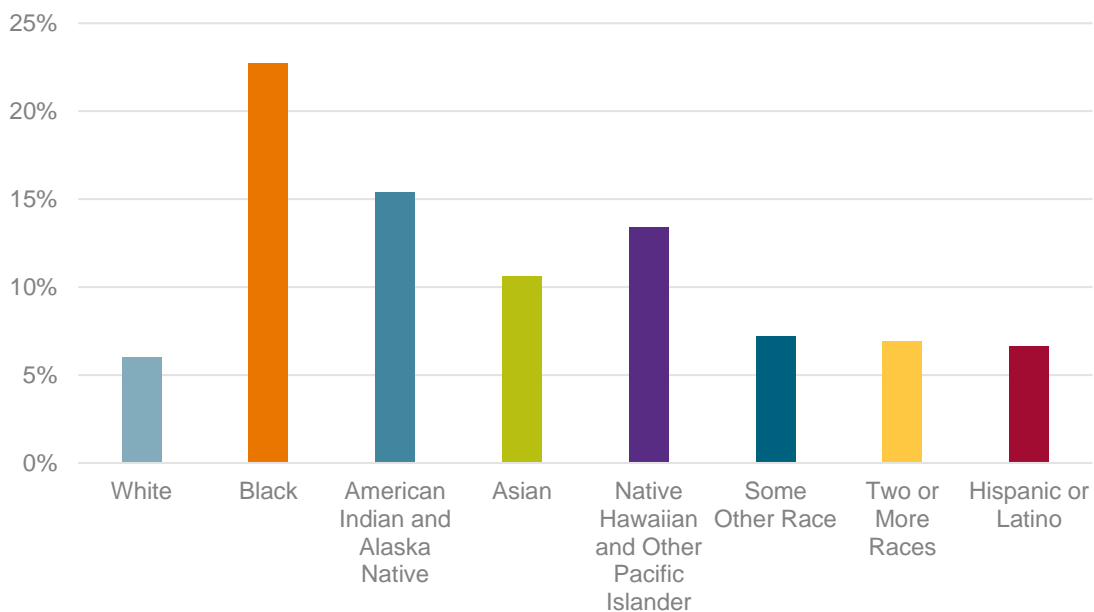
Source: American Community Survey, 5-Year Estimates, 2018.

Note: The chart reports percentage of own population who are reported to have incomes below poverty level.

Housing Extremely Low Income households (those with incomes less than 30% of the County Median income) are generally challenging in Newport Beach, Extremely Low Income Housing Needs. **Table 2-25** illustrates there are 3,984 persons in Newport Beach with incomes less than 30% of the Area Median Income. Persons of Hispanic origin experience the highest rates of extremely low income, represent 14.3% of the total Extremely Low Income Population. This income category is generally distributed evenly amongst racial groups. Renters tend to have a higher incidents of Extremely Low Income in Newport Beach.

Table 2-25: Extremely Low Income Household Needs

	# Households <30% MFI	% Share <30% MFI
White, Non-Hispanic	3185	10.1%
Black, Non-Hispanic	15	8.2%
Asian and Other Non-Hispanic	449	12.6%
Hispanic	335	14.3%
TOTAL	**3984**	**10.6%**
Renter Occupied	2385	14.4%
Owner Occupied	1600	7.6%
Source: HUYD CHAS, 2012-2016		

Key Challenges and Resources to Address Farmworker Housing Needs

Extremely Low Income Households in Newport Beach have exhibited the following unique challenges to housing:

- Need for increased affordable housing options
- Markedly Higher incidents of cost burden for housing
- Need for smaller housing unit options such as SRO's
- Rental Assistance
- Higher incidents of homelessness
- Higher likelihood for transitional and supportive housing

Extremely Low income household needs are focused on affordability of housing and access to subsidies and services that support lower monthly overall costs.   To address these challenges, the City must consider a variety of solutions to address the above issues: these may include:

- Affordable housing options for Extremely Low Income households
- Preservation of subsidized housing units
- Creation of additional subsidized housing units
- Inclusionary policies
- Housing with a service component
- Transitional, Supportive and Homeless housing options

Resources to address the needs of Extremely Low Income households include a variety of federal, state and regional programs, such as Section 8, HUD, LIHTC USDA, CalHFA and other public and private funding sources.

The City has included **Policy Action 7B** in **Section 4** to address transitional and supportive housing needs for extremely low income persons. The City will continue to monitor the inventory of sites appropriate to accommodate extremely low income households, transitional and supportive housing and will work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met. The City is committed to prioritizing funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.

7. Persons Experiencing Homelessness

Throughout the country and Orange County region, homelessness has become an increasingly important issue. Factors contributing to the rise in homelessness include, increased unemployment and underemployment, a lack of housing affordable to lower and moderate-income persons (especially extremely low-income households), reductions in public subsidies to the poor, and the de-institutionalization of the mentally ill.

State law mandates that cities address the special needs of persons experiencing homelessness within their jurisdictional boundaries. "Homelessness" as defined by the U.S. Department of Housing and Urban Development (HUD) has recently been updated, the following lists the updated descriptions and the changes in the definition from HUD:

- People who are living in a place not meant for human habitation, in emergency shelter, in transitional housing, or are exiting an institution where they temporarily resided. The only significant change from existing practice is that people will be considered homeless if they are exiting an institution where they resided for up to 90 days (it was previously 30 days) and were in shelter or a place not meant for human habitation immediately prior to entering that institution.

- People who are losing their primary nighttime residence, which may include a motel or hotel or a doubled-up situation, within 14 days and lack resources or support networks to remain in housing. HUD had previously allowed people who were being displaced within 7 days to be considered homeless. The proposed regulation also describes specific documentation requirements for this category.

- Families with children or unaccompanied youth who are unstably housed and likely to continue in that state. This is a new category of homelessness, and it applies to families with children or unaccompanied youth who have not had a lease or ownership interest in a housing unit in the last 60 or more days, have had 2 or more moves in the last 60 days, and who are likely to continue to be unstably housed because of disability or multiple barriers to employment.

- People who are fleeing or attempting to flee domestic violence, have no other residence, and lack the resources or support networks to obtain other permanent housing. This category is similar to the current practice regarding people who are fleeing domestic violence.

This definition does not include persons living in substandard housing (unless it has been officially condemned); persons living in overcrowded housing (for example, doubled up with others); persons being discharged from mental health facilities (unless the person was homeless when entering and is considered to be homeless at discharge); or persons who may be at risk of homelessness (for example, living temporarily with family or friends.)

The Point in Time Count is conducted by the County of Orange in accordance with the U.S. Department of Housing and Urban Development (HUD) guidelines to provide information on where individuals experiencing homelessness are in the County. About 1,167 volunteers across the County counted 6,860 individuals experiencing homelessness. Of those, 2,899 were sheltered and 3,961 were unsheltered. The 2020 Count is not yet available online, therefore this data is based on the Count conducted in January 2019 – the individual city results are shown in **Table 2-26**. Of the nearby cities, Newport Beach had the lowest count and percentage of people experiencing homelessness (64 individuals and 0.9 percent of the County). Huntington Beach recorded the greatest percentage at 5.1 percent. Of all those reported in Orange County, 5 percent were veterans, 4 percent were transitional youth ages 18 to 24, and 9 percent were seniors over the age of 65.

Table 2-26: Homeless Count by Jurisdiction, 2019

Jurisdiction	Unsheltered	Sheltered	Total	% of County
Costa Mesa	187	6	193	2.8%
Newport Beach	**64**	**0**	**64**	**0.9%**
Huntington Beach	289	60	349	5.1%
Laguna Beach	71	76	147	2.1%
Irvine	127	3	130	1.9%
Orange County	3,961	2,899	6,860	100%
Source: Orange County Point in Time Count, Everyone Counts Report 2019.				

Key Challenges and Resources to Address Persons Experiencing Homelessness

The City has taken steps to address the very complex issue of homelessness. City staff and City Net, a contractor that assists with community outreach and case management services, work in collaboration to engage these individuals and connect them with services such as emergency housing, mental and health care, benefits counseling and a variety of other community-based programs and services.

The City also has a dedicated, full-time police officer and a homeless coordinator who focus on the issue of homelessness. The Homeless Liaison Officer works closely with the County of Orange Health Care Agency's case management staff and City Net to provide homeless outreach services. The uniqueness of each homeless individual's situation requires an individual approach. Since everyone's needs are different, our staff works with our homeless individuals on a case-by-case basis.

It is important to understand that often, individuals are resistant to seeing case workers or our police officers assigned to work with those experiencing homelessness. Multiple visits may be required before

we gain a person's trust in a way that opens a conversation about solutions. That is why, in addition to our full-time officer, the City has contracted with City Net to provide homeless outreach services. Street outreach services seeks to connect unsheltered homeless individuals with emergency shelter, housing, critical services, healthcare, or urgent, non-facility-based care.

Newport Beach has entered a partnership with the adjacent City of Costa Mesa for shelter beds at the Costa Mesa Bridge Shelter, which opened in Spring 2021. In addition to temporary housing, the Bridge Shelter provides case workers who assist homeless individuals with addiction and mental health counseling, job searches, and accessing permanent housing.

The City has included **Policy Action 6A** to address the needs of persons experiencing homelessness. The Policy Action continues the City's efforts to fund sub-recipients who provide shelter and services to persons experiencing homelessness. In addition, **Policy Action 7A** and **7B** address supportive and transitional housing and low barrier navigation center needs for persons experiencing homelessness.

8. Students

Student housing often only produces a temporary housing need based on the duration of the educational institution enrolled in. The impact upon housing demand is critical in areas that surround universities and colleges. Located in Newport Beach is Coastline College, and colleges near the City include University of California, Irvine; Concordia University; Orange Coast College; Vanguard University; Laguna College of Art and Design; SOKA University; and Irvine Valley College. Students enrolled in undergraduate and graduate programs, make up about 6 percent of the total population of Newport Beach.

Key Challenges and Resources to Address Student Housing Needs

Typically, students are low-income and are, therefore, affected by a lack of affordable housing, especially within easy commuting distance from campus, therefore it is important for the City to consider and accommodate the student population within the community. They often seek shared housing situations to decrease expenses and can be assisted through roommate referral services offered on and off campus. A lack of affordable housing also influences choices students make after graduating.

F. Housing Stock Characteristics

The characteristics of the housing stock, including growth, type, availability and tenure, age and condition, housing costs, and affordability contribute to the housing needs for the community. This section details the housing characteristics of Newport Beach to identify how well the current housing stock meets the needs of its current and future residents.

1. Housing Growth

According to the American Community Survey (ACS), the City's housing stock grew by 1,298 units between 2010 and 2018 (**Table 2-27**). This 2.9 percent increase was the second largest in this area, behind the City of Irvine which had a dramatically larger gain of 31 percent. Orange County as a whole experienced a

4.6 percent housing stock increase during this same time period, which is 1.7 percent more than Newport Beach. The City of Costa Mesa had smaller percent change than Newport Beach by 2.3 percent.

Table 2-27: Housing Unit Growth Trends, 2010-2018

Jurisdiction	2010	2015	2018	Percent Change 2010 to 2015	Percent Change 2015 to 2018
Costa Mesa	42,867	43,030	43,100	0.4%	0.2%
Newport Beach	**43,503**	**43,690**	**44,801**	**0.4%**	**2.5%**
Huntington Beach	79,166	78,252	81,396	-1.2%	4.0%
Laguna Beach	13,243	13,433	13,487	1.4%	0.4%
Irvine	76,184	91,938	101,434	20.7%	10.3%
Orange County	1,042,254	1,064,642	1,091,376	2.1%	2.5%
Source: American Community Survey, 5-Year Estimates, 2010, 2015, and 2018.					

2. Housing Type

Table 2-28 is a breakdown of housing units by type in Newport Beach in contrast to Orange County. The table reflects data from the American Community Survey which is estimates based on the U.S. Census and surveys. A large percentage of housing units in the City come from single unit detached homes (47.8 percent). Single unit attached homes typically do not take up a large portion of the housing stock, but in Newport Beach they account for 16.1 percent of all units. Another 34.5 percent is multi-unit housing, which is the same for the County as well. Mobile homes are the smallest category of housing types with 1.5 percent of all units. It is important to provide a wide variety of housing types throughout the City in order to ensure all housing needs for the population are met.

Table 2-28: Total Housing Units by Type

Jurisdiction	Single-Unit Detached		Single-Unit Attached		Multi-Unit		Mobile Homes	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Newport Beach	**21,399**	**47.8%**	**7,234**	**16.1%**	**15,437**	**34.5%**	**390**	**1.5%**
Orange County	553,164	50.7%	133,326	12.2%	374,176	34.3%	30,227	2.8%
Source: American Community Survey, 5-Year Estimates, 2018.								

3. Housing Availability and Tenure

Housing tenure and vacancy rates generally influence the supply and cost of housing. Housing tenure defines if a unit is owner-occupied or renter occupied. Tenure is an important market characteristic as it relates to the availability of housing product types and length of tenure. The tenure characteristics in a community can indicate several aspects of the housing market, such as affordability, household stability,

and availability of unit types, among others. In many communities, tenure distribution generally correlates with household income, composition, and age of the householder.

In 2018, owner-occupied units accounted for 56.5 percent of the Newport Beach housing stock and 43.5 percent were rentals (**Table 2-29**). Of the owner-occupied units, the large majority were single unit detached homes (71.6 percent) and the smallest percentage was of mobile homes (1.1 percent). As is often the case, multi-unit homes accounted for over half of all rentals (67.9 percent) and only 17 percent of rental units were single unit detached homes. Mobile homes are more likely to be occupied by renters, as the Table 2-27 shows.

Table 2-29: Occupied Housing Units by Type and Tenure

Tenure	Single- Unit Detached	Single-Unit Attached	Multi-Unit	Mobile Homes	Total Occupied Units[1]
Owner Occupied	71.6%	19.5%	7.8%	1.1%	56.5%
Renter Occupied	17.1%	12.7%	67.9%	2.2%	43.5%
Total	47.9%	16.5%	34.1%	1.6%	100%

[1]Note: The data shows the percent of total occupied units.
Source: American Community Survey, 5-Year Estimates, 2018.

Table 2-30: Average Household Size by Tenure, 2018

Jurisdiction	Owner Occupied Households (% of Total Households)	Average Owner Household Size	Renter Occupied Households (% of Total Households)	Average Renter Household Size
Costa Mesa	39.1%	2.8	60.9%	2.7
Newport Beach	**56.5%**	**2.5**	**43.5%**	**2**
Huntington Beach	57.8%	2.6	42.2%	2.6
Laguna Beach	60.7%	2.3	39.3%	2
Irvine	47.3%	2.8	52.7%	2.6
Orange County	57.4%	3	42.6%	3.1

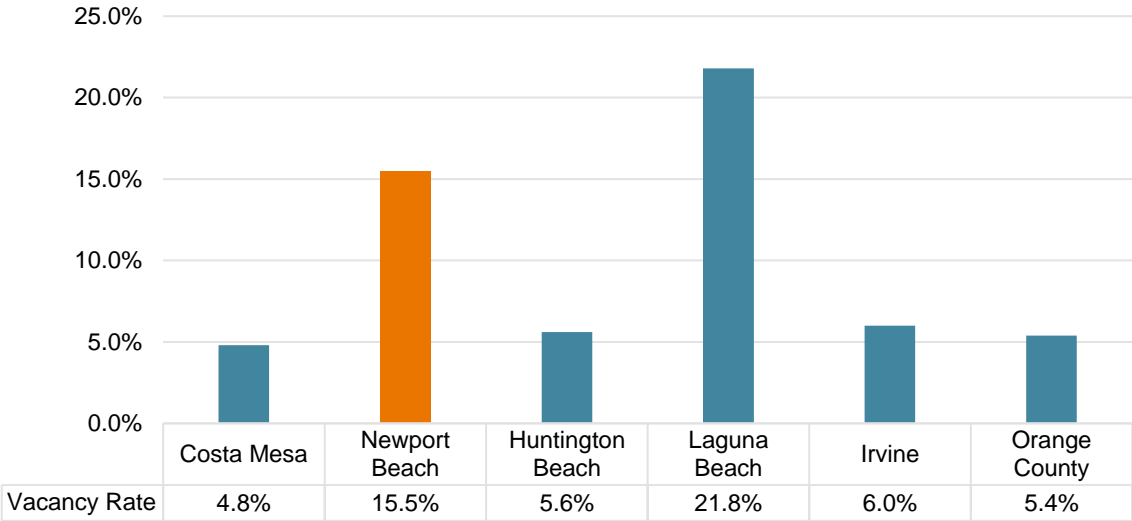*Source: American Community Survey, 5-Year Estimates, 2018.*

To identify housing trends and potential population needs, **Table 2-30** compares average household sizes and tenure amongst the cities surrounding Newport Beach. Renters in the City have one of the lowest average household sizes at just 2 people per home. Homeowners in Newport Beach also have the second smallest number of people per household after Laguna Beach with 2.3 people per home. The County average is 3.1 persons for rentals and 3 persons for owner-occupied homes. **Figure 2-7** illustrates vacancy rates by jurisdiction and shows that Newport Beach has the second largest percentage of vacant homes at 15.5 percent. The City's vacancy rate is 3 times that of Orange County.

Vacancy rates indicate the degree of choice available. High vacancy rates usually indicate low demand and/or high supply conditions in the housing market. Too high of a vacancy rate can be difficult for owners trying to sell or rent. Low vacancy rates usually indicate high demand and/or low supply conditions in the housing market. Too low of a vacancy rate can force prices up making it more difficult for lower and

moderate-income households to find housing. Vacancy rates of between 2 to 3 percent are usually considered healthy for single-unit or ownership housing, and rates of 5 to 6 percent are usually considered healthy for multi-unit or rental housing.

Figure 2-7: Vacancy Rate by Jurisdiction, 2018

	Costa Mesa	Newport Beach	Huntington Beach	Laguna Beach	Irvine	Orange County
Vacancy Rate	4.8%	15.5%	5.6%	21.8%	6.0%	5.4%

Source: American Community Survey, 5-Year Estimates, 2018.

The most common reason for vacancies in Newport Beach is due to homes being used seasonally, or for recreation or occasional use (48.3 percent), as shown in **Table 2-31** These 3,350 homes are not permanent residences and remain empty for most of the year. Homes for rent are the second most common reason for vacancies in the City at 22.4 percent.

Table 2-31: Type of Vacant Housing Units in Newport Beach

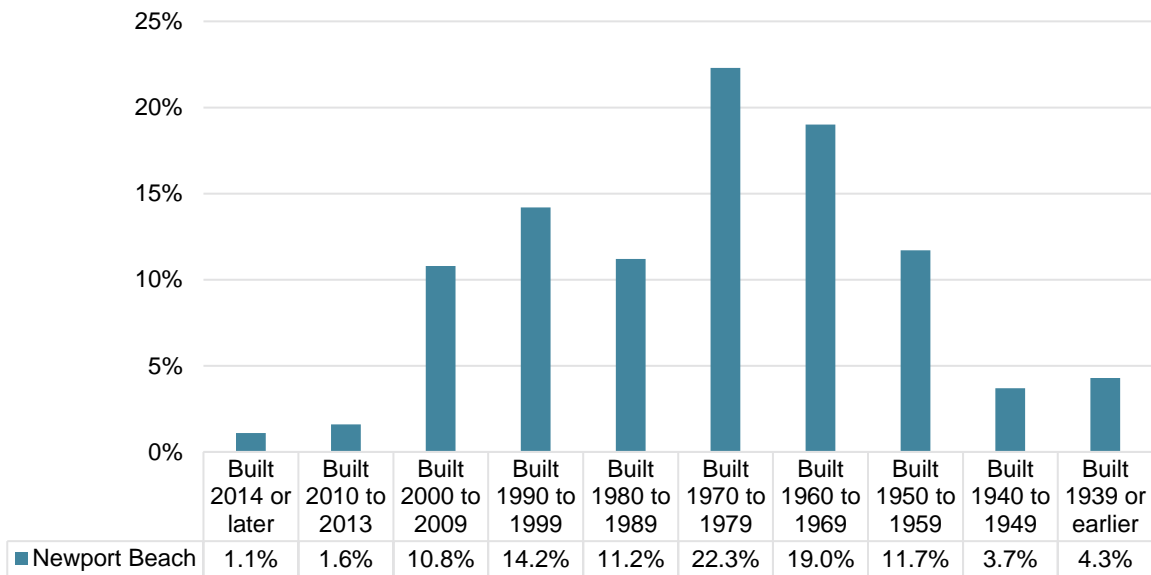| Type of Housing	Estimate	Percent
For rent	1,551	22.4%
Rented, not occupied	292	4.2%
For sale only	370	5.3%
Sold, not occupied	499	7.2%
For seasonal, recreational, or occasional use	3,350	48.3%
Other vacant	869	12.5%
Total	6,931	100%
Source: American Community Survey, 5-Year Estimates, 2018.		

4. Housing Age and Condition

Housing age can be an indicator of housing condition within a community. For example, housing that is over 30 years old is typically in need of some major rehabilitation, such as a new roof, foundation, plumbing, etc. Many federal and state programs also use the age of housing as one factor in determining housing rehabilitation needs.

In Newport Beach, most homes were built over 30 years ago (**Figure 2-8**). About 22.3 percent of the housing stock was built between 1970 and 1979, while only 2.7 percent was built after 2010. Another 8 percent of homes were also built prior to 1950. This reflects an aging housing stock that may need certain updates.

Figure 2-8: Age Distribution of Housing Stock

	Built 2014 or later	Built 2010 to 2013	Built 2000 to 2009	Built 1990 to 1999	Built 1980 to 1989	Built 1970 to 1979	Built 1960 to 1969	Built 1950 to 1959	Built 1940 to 1949	Built 1939 or earlier
■ Newport Beach	1.1%	1.6%	10.8%	14.2%	11.2%	22.3%	19.0%	11.7%	3.7%	4.3%

Source: American Community Survey, 5-Year Estimates, 2018.

Figure 2-9 below displays the 2018 ACS data for housing units by the year they were built sorted by tenure. According to the data, Newport Beach has mostly had a majority of owner-occupied units. The majority of the City's housing stock was built before 1980 and is home to 32 percent of the City's current homeowners. The greatest number of renters reside in housing units built between 1970 and 1979.

Figure 2-9: Housing Stock by Age of Structure and Tenure

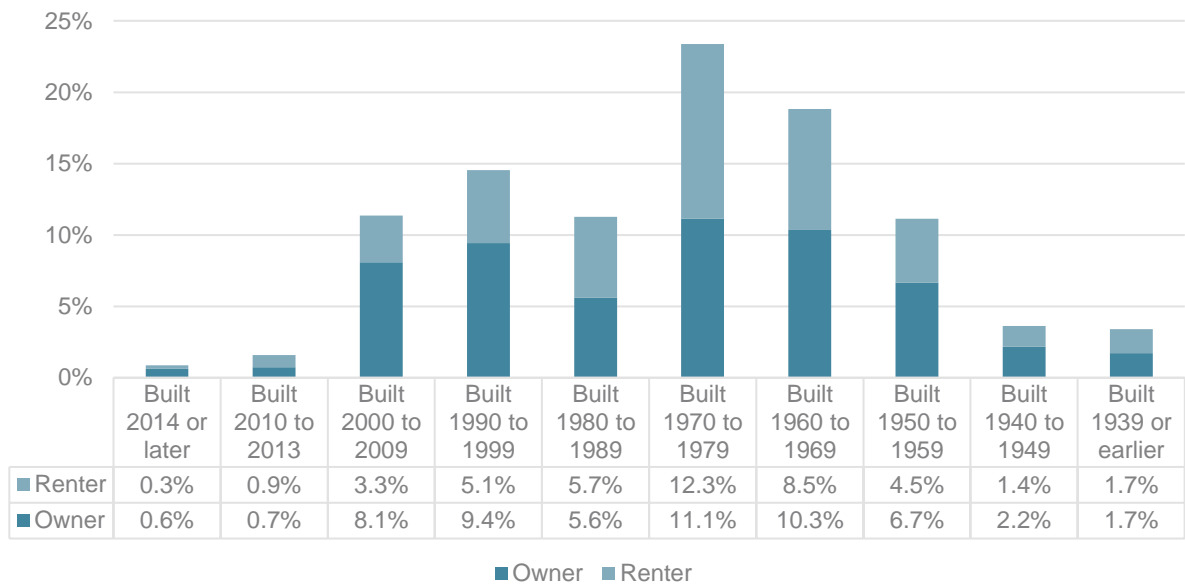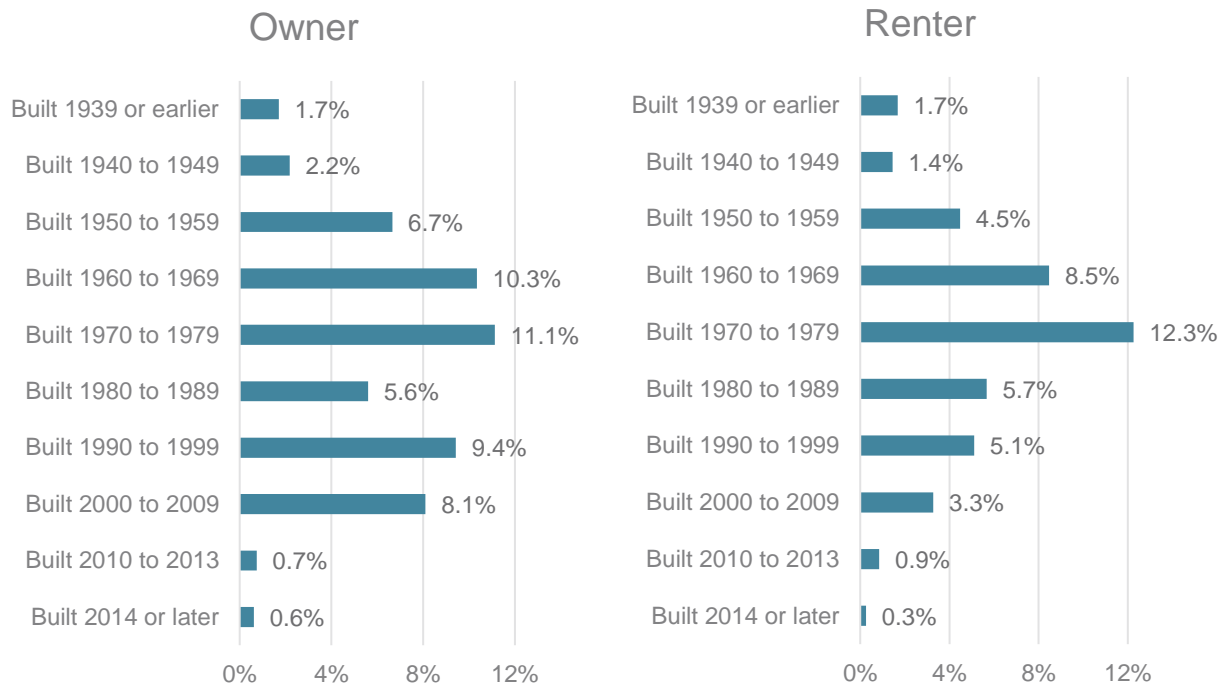|	Built 2014 or later	Built 2010 to 2013	Built 2000 to 2009	Built 1990 to 1999	Built 1980 to 1989	Built 1970 to 1979	Built 1960 to 1969	Built 1950 to 1959	Built 1940 to 1949	Built 1939 or earlier
■ Renter	0.3%	0.9%	3.3%	5.1%	5.7%	12.3%	8.5%	4.5%	1.4%	1.7%
■ Owner	0.6%	0.7%	8.1%	9.4%	5.6%	11.1%	10.3%	6.7%	2.2%	1.7%

■ Owner ■ Renter

Source: American Community Survey, 5-Year Estimates, 2018.

Figure 2-10 displays the 2018 ACS data for housing units by the year they were built for owners (left) and renters (right). That data shows that a greater concentration of renters reside in units built between 1970 and 1979 compared to other years and to homeowners. Less than 2 percent of renters and homeowners reside in units built after 2010. A greater number of homeowners live in units built between 1990 and 2009 than renters (9.1 percent more).

Figure 2-10: Housing Units by Year Built Owner (Left) and Renter (Right)

Owner		Renter	
Built 1939 or earlier	1.7%	Built 1939 or earlier	1.7%
Built 1940 to 1949	2.2%	Built 1940 to 1949	1.4%
Built 1950 to 1959	6.7%	Built 1950 to 1959	4.5%
Built 1960 to 1969	10.3%	Built 1960 to 1969	8.5%
Built 1970 to 1979	11.1%	Built 1970 to 1979	12.3%
Built 1980 to 1989	5.6%	Built 1980 to 1989	5.7%
Built 1990 to 1999	9.4%	Built 1990 to 1999	5.1%
Built 2000 to 2009	8.1%	Built 2000 to 2009	3.3%
Built 2010 to 2013	0.7%	Built 2010 to 2013	0.9%
Built 2014 or later	0.6%	Built 2014 or later	0.3%

Source: American Community Survey, 5-Year Estimates, 2018.

5. Housing Costs and Affordability

Housing costs reflect the supply and demand of housing in a community. This section summarizes the cost and affordability of the housing stock to the City's residents.

Home values in Newport Beach are on median $1,787,300, as shown in **Table 2-32**. This total is 2.7 times the median home value of Orange County and significantly larger than the nearby cities. Laguna Beach is second behind Newport Beach in home value with a median amount of $1,700,400. Costa Mesa has the lowest median home value of $707,600.

Table 2-32: Median Home Value by Jurisdiction

Jurisdiction	Median Home Value
Costa Mesa	$707,600
Newport Beach	**$1,787,300**
Huntington Beach	$728,200
Laguna Beach	$1,700,400
Irvine	$797,100
Orange County	$652,900
Source: American Community Survey, 5-Year Estimates, 2018.	

Table 2-33 outlines the average monthly price of rent in Newport Beach and how it has changed between 2017 and 2020 depending on the number of bedrooms. This data is provided by the Zillow Rent Index Report for Newport Beach, and shows that all units experienced increases in rates in the last three years. One-bedroom rentals rose by 5.1 percent and the most out of 1-3-bedroom units. Two-bedroom units

remained the most consistent with a slight increase of 1.4 percent. The price per square foot, however, saw a much greater increase for units with three or more bedrooms (9.8 percent). Zillow reports that one-bedroom units decreased from $3.01 per square foot in 2017 to $3 per square foot in 2020.

Table 2-33: Change in Average Monthly Rental Rates, 2017-2020

Unit Type	January 2017	January 2018	January 2019	January 2020	% Change 2017-2020
1 Bedroom	$2,383	$2,425	$2,408	$2,504	5.1%
2 bedrooms	$3,290	$3,291	$3,241	$3,337	1.4%
3 Bedrooms	$4,191	$4,218	$4,095	$4,355	3.9%
Price per Square Foot					
Unit Type	January 2017	January 2018	January 2019	January 2020	% Change 2017-2020
1 Bedroom	$3.01	$2.83	$2.93	$3	-0.3%
2 bedrooms	$2.64	$2.65	$2.53	$2.87	8.7%
3+ Bedrooms	$2.65	$2.8	$2.81	$2.91	9.8%
Source: Zillow Rent Index Report, January 2017-2020, accessed August 25, 2020.					

Housing affordability can be inferred by comparing the cost of renting or owning a home in the City with the maximum affordable housing costs for households at different income levels. Taken together, this information can generally show who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding and overpayment.

The Federal Department of Housing and Urban Development (HUD) conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Based on this survey, the California Department of Housing and Community Development (HCD) developed income limits, based on the Area Median Family Income (AMFI), which can be used to determine the maximum price that could be affordable to households in the upper range of their respective income category. Households in the lower end of each category can afford less by comparison than those at the upper end. The maximum affordable home and rental prices for residents in Orange County are shown in **Table 2-34** and **Table 2-35**.

The data shows the maximum amount that a household can pay for housing each month without incurring a cost burden (overpayment). This amount can be compared to current housing asking prices (**Table 2-32**) and market rental rates (**Table 2-33**) to determine what types of housing opportunities a household can afford.

Extremely Low-income Households

Extremely low-income households earn less than 30 percent of the County AMFI – up to $26,950 for a one-person household and up to $41,550 for a five-person household in 2020. Extremely low-income households cannot afford market-rate rental or ownership housing in Newport Beach without assuming a substantial cost burden.

Very Low-income Households

Very low-income households earn between 31 percent and 50 percent of the County AMFI – up to $44,850 for a one-person household and up to $69,200 for a five-person household in 2020. A very low-income household cannot afford market-rate rental or ownership housing in Newport Beach without assuming a substantial cost burden. A very low-income household at the maximum income limit can afford to pay approximately $1,121 to $1,730 in monthly rent, depending on household size. Given the high cost of housing in the City, persons, or households of very low-income could not afford to rent or purchase a home in the City.

Low-income Households

Low-income households earn between 51 percent and 80 percent of the County's AMFI - up to $71,750 for a one-person household and up to $110,650 for a five-person household in 2020. The affordable home price for a low-income household at the maximum income limit ranges from $308,500 to $454,000. Based on the asking prices of homes for sale in 2020 (Table 2-30), ownership housing would not be affordable to low-income households. A one-person low-income household could afford to pay up to $1,794 in rent per month and a five-person low-income household could afford to pay as much as $2,766. Low-income households in Newport Beach would not be able to find adequately sized affordable apartment units (Table 2-31).

Moderate-income Households

Persons and households of moderate-income earn between 81 percent and 120 percent of the County's AMFI – up to $133,500, depending on household size in 2020. The maximum affordable home price for a moderate-income household is $377,000 for a one-person household and $558,600 for a five-person family. Moderate-income households in Newport Beach would not be able to purchase a home in the City. The maximum affordable rent payment for moderate-income households is between $2,163 and $3,338 per month. A one-person moderate-income household may be able to find some adequately sized affordable apartment units; larger households would not be able to afford to rent a unit in the City.

Table 2-34: Affordable Housing Costs for Owners in Orange County, 2020

Annual Income		Mortgage	Utilities[1]	Tax and Insurance	Total Affordable Monthly Housing Cost	Affordable Purchase Price
Extremely Low-income (30% of AMFI)						
1-Person	$26,950	$455	$118	$101	$674	$99,990
2-Person	$30,800	$504	$151	$116	$770	$110,500
3-Person	$34,650	$539	$197	$130	$866	$118,000
4-Person	$38,450	$574	$243	$144	$961	$125,800
5-Person	$41,550	$594	$289	$156	$1,039	$130,200
Very Low-Income (50% of AMFI)						
1-Person	$44,850	$835	$118	$168	$1,121	$183,000
2-Person	$51,250	$938	$151	$192	$1,281	$205,500
3-Person	$57,650	$1,028	$197	$216	$1,441	$225,400
4-Person	$64,050	$1,118	$243	$240	$1,601	$245,000
5-Person	$69,200	$1,182	$289	$260	$1,730	$259,000
Low-income (80% AMFI)						
1-Person	$71,750	$1,407	$118	$269	$1,794	$308,500
2-Person	$82,000	$1,592	$151	$308	$2,050	$349,100
3-Person	$92,250	$1,763	$197	$346	$2,306	$386,500
4-Person	$102,450	$1,934	$243	$384	$2,561	$424,000
5-Person	$110,650	$2,062	$289	$415	$2,766	$452,000
Moderate-income (120% AMFI)						
1-Person	$86,500	$1,720	$118	$324	$2,163	$377,000
2-Person	$98,900	$1,951	$151	$371	$2,473	$427,800
3-Person	$111,250	$2,167	$197	$417	$2,781	$475,000
4-Person	$123,600	$2,384	$243	$464	$3,090	$522,700
5-Person	$133,500	$2,548	$289	$501	$3,338	$558,600

Source: Orange County Housing Authority, 2020 Utility Allowance Schedule and California Department of Housing and Community Development, 2020 Income Limits and Kimley Horn and Associates Assumptions: 2020 HCD income limits; 30% gross household income as affordable housing cost; 15% of monthly affordable cost for taxes and insurance; 10% down payment; and 4.5% interest rate for a 30-year fixed-rate mortgage loan. Utilities based on Orange County Utility Allowance.

1. Utilities includes basic electric, water, sewer/trash, refrigerator, and stove.

Table 2-35: Affordable Monthly Housing Cost for Renters in Orange County, 2020

Annual Income		Rent	Utilities[1]	Total Affordable Monthly Housing Cost
Extremely Low-income (30% of AMFI)				
1-Person	$26,950	$556	$ 118.00	$674
2-Person	$30,800	$619	$ 151.00	$770
3-Person	$34,650	$669	$ 197.00	$866
4-Person	$38,450	$718	$ 243.00	$961
5-Person	$41,550	$750	$ 289.00	$1,039
Very Low-income (50% of AMFI)				
1-Person	$44,850	$1,003	$ 118.00	$1,121
2-Person	$51,250	$1,130	$ 151.00	$1,281
3-Person	$57,650	$1,244	$ 197.00	$1,441
4-Person	$64,050	$1,358	$ 243.00	$1,601
5-Person	$69,200	$1,441	$ 289.00	$1,730
Low-income (80% AMFI)				
1-Person	$71,750	$1,676	$ 118.00	$1,794
2-Person	$82,000	$1,899	$ 151.00	$2,050
3-Person	$92,250	$2,109	$ 197.00	$2,306
4-Person	$102,450	$2,318	$ 243.00	$2,561
5-Person	$110,650	$2,477	$ 289.00	$2,766
Moderate-income (120% AMFI)				
1-Person	$86,500	$2,045	$ 118.00	$2,163
2-Person	$98,900	$2,322	$ 151.00	$2,473
3-Person	$111,250	$2,584	$ 197.00	$2,781
4-Person	$123,600	$2,847	$ 243.00	$3,090
5-Person	$133,500	$3,049	$ 289.00	$3,338

Source: Orange County Housing Authority, 2020 Utility Allowance Schedule and California Department of Housing and Community Development, 2020 Income Limits and Kimley Horn and Associates Assumptions: 2020 HCD income limits; 30% gross household income as affordable housing cost; Utilities based on Orange County Utility Allowance.

1. Utilities includes basic electric, water, sewer/trash, refrigerator, and stove.