



Five Year Consolidated Plan FY 2010 - 2014

Annual Action Plan FY 2010 - 2011



Adopted April 27, 2010

**City of Newport Beach
2010 - 2014 Consolidated Plan**

I.	Executive Summary	I-1
	A. What is the Consolidated Plan?	I-1
	B. Purpose of the Consolidated Plan.....	I-1
	C. Community Vision.....	I-2
	D. Major Components of the Consolidated Plan	I-2
	E. Consolidated Plan Summary	I-3
II.	Community Profile.....	II-1
	A. City in the Past	II-1
	B. City Today: Demographics.....	II-2
	C. Business Climate	II-3
III.	Consolidated Plan Development	III-1
	A. Introduction.....	III-1
	B. Purpose of the Consolidated Plan.....	III-1
	C. Community Involvement in the 2010-2014 Consolidated Plan	III-3
	D. Anti-Displacement and Relocation Plan	III-7
IV.	Housing Market Analysis	IV-1
	A. Overview	IV-1
	B. Housing Supply	IV-2
	C. Age of Housing Stock	IV-5
	D. Housing Permits	IV-8
	E. Condominium Conversion Ordinance	IV-9
	F. Available Land	IV-9
	G. Housing Demand	IV-17
	H. Population Growth	IV-18
	I. Cost of Rental Housing.....	IV-19
	J. Housing Cost	IV-21
	K. Vacancy.....	IV-22
	L. Overcrowding	IV-22
	M. Cost Burdens.....	IV-24
	N. Physical Defects and Substandard Condition	IV-26
	O. Low-Income and Minority Populations	IV-27
	P. Housing Needs	IV-27
V.	Public Housing Needs.....	V-1
	A. Introduction.....	V-1
	B. Public and Assisted Housing Providers.....	V-1
	C. Units at Risk of Conversion.....	V-3
	D. Public Housing Strategy.....	V-6

VI.	Homeless Needs Assessment	VI-1
	A. Profile of the Homeless.....	VI-1
	B. Homeless Definitions	VI-1
	C. Factors Contributing to Homelessness	VI-2
	D. Local Homeless Population	VI-2
	E. Homeless Needs	VI-3
	F. Strategy	VI-8
VII.	Non-Housing Community Development Needs Assessment	VII-1
	A. Introduction.....	VII-1
	B. Methodology	VII-1
	C. Funding Priority Levels	VII-1
	D. The CDBG Program	VII-2
	E. Community Development Priority Needs	VII-4
	F. Infrastructure Improvements	VII-5
	G. Community Facilities.....	VII-6
	H. Community Services.....	VII-10
	I. Accessibility Needs.....	VII-14
	J. Economic Development.....	VII-14
VIII.	Barriers to Affordable Housing	VIII-1
	A. What is a Barrier to Affordable Housing?	VIII-1
	B. Analysis of Barriers	VIII-1
	C. Strategy and Objectives	VIII-6
IX.	Impediments to Fair Housing	IX-1
	A. Introduction.....	IX-1
	B. Overview of Fair Housing	IX-1
	C. Fair Housing in Context	IX-2
	D. Discrimination	IX-3
	E. Summary of Issues and Key Findings	IX-4
	F. Fair Housing in Newport Beach	IX-7
	G. Fair Housing Strategy	IX-7
X.	Lead-Based Paint Hazards	X-1
	A. Introduction.....	X-1
	B. Lead Hazards	X-1
	C. Sources of Lead Hazards	X-1
	D. What is a Lead-Based Paint Hazard?	X-2
	E. Effects of Lead Hazard	X-2
	F. Number of Children with Elevated Blood Levels of Lead	X-3
	G. Strategies and Objectives	X-4
	H. City Compliance and Activities	X-5
	I. Activities and Other County Agencies	X-7

XI. Housing and Community Development Delivery System..... XI-1

A. Housing and Community Development Delivery System XI-1

B. Gaps in the Institutional Structure XI-5

C. Housing and Community Development Delivery System Strategy XI-6

D. Priority Strategy for the Housing & Community Development Delivery System XI-7

XII. Anti-Poverty Strategy..... XII-1

A. Poverty in Context XII-1

B. Analysis of Poverty in City XII-1

C. The State’s Welfare-to-Work Program XII-2

D. Existing Programs XII-2

E. Anti-Poverty Strategy..... XII-3

XIII. Strategic Plan XIII-1

A. Strategies and Objectives XIII-1

B. Other Strategies XIII-2

C. Administrative Strategies XIII-6

D. General Priorities for Investment XIII-8

E. Priorities for Investment XIII-8

F. Outcome Performance Measurement System XIII-9

G. Performance Evaluation System XIII-10

XIV. Monitoring Standards and Procedures.....XIV-1

A. Project Monitoring.....XIV-1

B. Consolidated Plan MonitoringXIV-3

XV. Leveraging.....XV-1

A. Federal ResourcesXV-1

B. State Public ResourcesXV-8

C. Local Public ResourcesXV-15

D. Private ResourcesXV-17

Appendices

- A. Community Development Needs Survey and Results
- B. Community Meetings
- C. Acronyms
- D. Glossary of Terms
- E. Public Notices and Flyers
- F. Maps
- G. 2010-2011 One Year Action Plan

Tables

4-1 Change in Household Tenure: 1990 to 2000 and 2006-2008 Estimates IV-3

4-2 Housing Supply: Size of Housing Units by Tenure IV-3

4-3 Housing Supply: Units in Structure by Tenure IV-5

4-4 Age of Housing Stock: Year Units Built by Tenure IV-6

4-5 Age of Housing Stock: Households in Poverty IV-7

4-6 Housing Permits 1999-2008 IV-8

4-7 Potential Residential Sites IV-11

4-8 Housing Demand: Households by Size and Tenure IV-17

4-9 Housing Demand: Households Type IV-18

4-10 Population Growth: By Race and Ethnicity IV-19

4-11 Cost of Rental Housing: Rental Units by Price and Bedroom Size IV-20

4-12 Cost of Rental Housing: Fair Market Rents by Number of Bedrooms..... IV-20

4-13 Cost of Owner-Occupied Housing: Single-Family by Zip Code IV-21

4-14 Cost of Owner Occupied Housing: Condominiums by Zip Code IV-21

4-15 Vacancy Rate IV-22

4-16 Overcrowding Rates: Overcrowding By Race/Ethnicity IV-23

4-17 Rent Cost Burdens: As a Percentage of Income IV-24

4-18 Cost Burden: For Owners IV-25

4-19 Substandard Conditions: Housing Units Lacking Plumbing or Complete Kitchen IV-26

4-20 Housing Needs of Low and Moderate Income Households IV-28

4-21 HUD Table 2A – Priority Housing Needs/Investment Plan IV-30

5-1 Inventory of Assisted Units V-5

6-1 HUD Table 1-A- Homeless and Special Needs Populations VI-7

7-1 Infrastructure Providers In Newport Beach VII-5

7-2 Child Care Providers in Newport Beach..... VII-9

7-3 HUD Table 2B – Priority Community Development Needs VII-17

8-1 Additional City Fees VIII-3

10-1 Number of Elevated Blood Lead Levels and Cases X-4

10-2 Lead-Based Paint in CDBG and HOME funded Rehabilitation Programs X-6

10-3 Local Sources for Information on Lead-Based Paint X-8

12-1 2008 Stability Index – Orange County XII-5

Graphs

4-1 Age of Housing Stock: Year Unit Built IV-6

4-2 Age of Housing Stock: Households in Poverty IV-7

4-3 Housing Permits: Recent Permit Activity IV-8

4-4 Cost Burden: As a Percentage of Income IV-24

4-5 Cost Burdens: For Owners IV-25

Citizen Participation Plan

Citizen Participation & Consultation Plan for 2010-2014 CPP-1-13



I. Executive Summary

I. Executive Summary

A. What is the Consolidated Plan?

The Consolidated Plan identifies each community's priority needs, short- and long-term goals and objectives, and strategies and timetables for achieving its goals. It asks each community to state how it plans to achieve local objectives in accordance with the statutory goals of all community development programs; to provide decent housing in a suitable living environment and to expand economic opportunity for low- and moderate-income families.

The Consolidated Plan codifies the relationship between the U.S. Department of Housing and Urban Development (HUD), and local units of government and citizens. Developed with the input of citizens and community groups, the Consolidated Plan serves four (4) primary functions. First, it is a planning document for each community, built upon public participation and input. Second, it serves as the application for housing and community development funds through HUD's formula grant programs, of which the City of Newport Beach is only eligible to directly receive Community Development Block Grant (CDBG) program funds. Third, the Consolidated Plan defines local housing and community development priorities. Fourth, the Consolidated Plan is a five-year strategy that the City will follow each fiscal year to implement HUD programs locally.

The Consolidated Plan describes the lead agency responsible for overseeing the development and implementation of the plan and agencies, groups, and organizations that participate in the process. It also includes a summary of the citizen participation process, public comments, and efforts made to broaden public participation in preparing the plan.

B. Purpose of the Consolidated Plan

The City of Newport Beach 2010-2014 Consolidated Plan identifies the City's needs in housing, homelessness, community development and economic development. It also presents the City's strategies to address those needs.

HUD requires the City to complete a Consolidated Plan to receive funds under the Community Development Block Grant (CDBG) program. Consolidated Plans are required to be prepared every five years and include five Annual Action Plans (described below) to be produced for each year. This Consolidated Plan covers the period from July 1, 2010 through June 30, 2014.

CDBG funds can be used for a variety of activities to help low-income people and neighborhoods, such as planning activities, housing assistance, public services, infrastructure, economic development, and other community development projects.

The Consolidated Plan is built through a comprehensive consultation and citizen participation process. The City's Planning Department is the lead agency for the

Consolidated Plan. The Planning Department is tasked with developing and carrying out the plan.

C. Community Vision

Since the last Consolidated Plan in 2005, the City of Newport Beach has continued to provide a high standard of living through sound planning practices, managed growth and a host of City services that are available to residents from all walks of life. Newport Beach is a community of villages that each offer residents, visitors and businesses a distinctive character, composition and appearance.

The City uses all resources at its disposal to support the vision outlined in the General Plan to meet current and future demands for housing, commercial development, public open space and public facilities. With state and federal governments constantly threatening Cities with a reduction of funds, future community developments in Newport Beach will increasingly depend on the efficient use of City resources to maintain its infrastructure, wisely develop its remaining vacant land and to redevelop its underdeveloped land to meet current and future community needs.

The City's General Plan is a blueprint to guide development in the City of Newport Beach in future years. It provides a framework for decisions regarding land use and transportation, as well as public facilities, economic development, housing, and other public issues that are vital to a healthy and livable community. The Planning Department is the primary entity that carries out the vision of the General Plan.

Beyond infrastructure, facilities and open space, the City also supplements its general-funded community services with CDBG funds to ensure the efficient and effective delivery of a wide variety of public services to meet the needs of its citizens. As advised by the CDBG Advisory Committee and the City Council, the Planning Department oversees the implementation of various public service projects that are carried out by community-based organizations to address the needs of low- and moderate-income citizens. These programs help to ensure that all segments of the population are able to thrive in Newport Beach.

D. Major Components of the Consolidated Plan

The Consolidated Plan contains seven (7) major components:

1. An analysis of housing, homelessness, public housing, community development, economic development, and other related needs.
2. A housing market analysis.
3. A description of the priority needs selected by the City.
4. Long-term strategies to address those priority needs.
5. An explanation of how the City will work with organizations in the public, private, and nonprofit sectors to help carry out those strategies.
6. A description of annual projects and activities the Planning Department will undertake to carry out those strategies.

7. Certification to Affirmatively Further Fair Housing and other certifications

The City must produce five Annual Action Plans under the Newport Beach Consolidated Plan for 2010-2014. Each Annual Action Plan describes how the City will implement projects and invest its CDBG funds during a given program year. The first Annual Action Plan for 2010-2011 is included in this Consolidated Plan Document as an Appendix.

E. Consolidated Plan Summary

The following summary identifies the key components of the 2010-2014 Consolidated Plan including a summary of pertinent information presented in each chapter.

- I. **Executive Summary/Community Vision:** Included as part of the Executive Summary chapter, this section describes how the City's General Plan sets the vision for growth and how the Planning Department, its advisory committee, and the Consolidated Plan help carry out that vision.
- II. **Community Profile:** This chapter of the Consolidated Plan provides an overview of the City's history, current demographics and characteristics of the community. Newport Beach is a coastal community known for its known for its savvy corporate offices, mild Pacific coastal climate, and world-class dining and shopping destinations. According to the 2000 Census, the City population was 70,032 with 50.8% of all residents being native Californians. Demographically, the City is mostly comprised of non-Hispanic Whites although recent demographic trends show that racial and ethnic minorities remain a stable contributor to the growing population with approximately eight percent (8%) of the total population. The City has an even mix of males (50.5 %) and females (49.5%). The City has over 33,071 households—the majority of which are families with an average household size of 2.71 people with a median income of \$83,455 (in 1999).
- III. **Consolidated Plan Development:** This chapter details the methodology of the development of the Consolidated Plan, outlines the Consolidated Plan goals, institutional structure and citizen participation. This chapter also includes the City's Anti-Displacement and Relocation Plan that describes how the City will help persons or households who must be temporarily or permanently relocated as a result of the use of CDBG funds. It should be noted that such occurrences are rare—in fact, no such actions were necessary during the 2005-2009 fiscal years.

In the development of the 2009-2014 Consolidated Plan, the Planning Department offered numerous opportunities for public input and review, including:

- A needs survey that was distributed at the City Clerk's Office, Planning Department, Public Library and posted on the City website for residents to communicate their comments on housing, homelessness, community development, and economic development needs.

- A Community Meeting that examined issues related to affordable housing, public housing, homelessness, and non-housing community development.
- A review of the needs, strategies, actions, and projects in the draft Consolidated Plan by the CDBG Advisory Committee and other groups.
- Public hearings to garner citizen comments on the needs, strategies, actions, and projects in the Consolidated Plan.
- Distribution of the draft Consolidated Plan combined with a minimum 30-day public comment period.

IV. Housing Market Analysis and Housing Needs: This chapter presents an overview of the City's projected housing supply and demand, and assesses housing needs. The Consolidated Plan regulations require the Planning Department to conduct this analysis in order to establish priority housing needs and strategies. The Department conducted an extensive market analysis that focused on:

- Existing housing supply and demand.
- Economic and development trends that will determine future supply and demand.
- Niche markets such as public housing, homeless facilities, and housing for persons with special needs.
- HUD-specific market characteristics such as low- and moderate-income concentrations, as well as ethnic and minority concentrations.
- Priority housing needs and strategies set by the Planning Department through the Consolidated Plan development process.

The housing market analysis revealed a number of findings, including:

- The supply of housing increased by 5,258 units since 2000.
- Homeownership increased by 2.2% since 2000.
- The vacancy rate increased from 11.3% in 2000 to an estimated 14.3% in the 2006-2008 American Community Survey (ACS).
- 77% of all housing units are more than 25 years old, indicating that significant repairs to a majority of the City's housing units may need to be completed during this planning period. The City will need to consider the rehabilitation needs of low- and very-low income homeowners who may not be able to afford the costly but necessary repairs to maintain the habitability of their dwelling units.

- The lowest income renters are in the most need of more affordable housing. A growing demand for one and two bedroom units is driving up rents while many of these renters are already paying more than half their wages for housing.
- With some assistance, homeownership is still within reach of some moderate-income families. Down payment assistance programs and housing counseling would help the dream of homeownership become a reality for these families.
- As the amount of developable land becomes smaller, the need for infill / redevelopment will increase.

V. Public Housing Needs: This chapter describes the agencies that provide for public and assisted housing needs in Newport Beach. The City of Newport Beach is committed to working with public and assisted housing providers to address housing needs. Several agencies provide public or assisted housing in the City of Newport Beach city limits. The Housing Authority of the County of Orange provides assisted housing in the City. The Housing Authority offers the Section 8 or Housing Choice Voucher Program, which is a Federally-funded program that provides rental assistance in the form of a voucher to very low-income families, senior citizens, disabled and other individuals for the purpose of securing decent, affordable housing. Several additional agencies also develop affordable housing for low- and moderate-income households and persons with special needs.

VI. Homeless and Special Needs Assessment: This chapter examines the needs of homeless and persons with special needs. Despite greater attention to the problem, there are 34,999 homeless living in the Orange County region at any point in time. The diversity of the homeless population continues to increase and the percentage of homeless persons suffering from mental illness and substance abuse also continues to increase. Many homeless have come from rural areas to the City to be near family or to seek employment. Many addicted persons have cycled in and out of homelessness with many of those persons reporting prior episodes. The causes of homelessness in the City include a variety of factors, including:

- Substance abuse.
- De-institutionalization of persons with mental illness.
- Lack of resources to address the needs of homeless or "near-homeless" persons with substance abuse or mental illness, including persons with dual diagnoses.
- Unemployment/underemployment.
- Lack of job skills among persons at high risk for homelessness.
- Domestic violence.

- A large gap between the number of affordable housing units and the number of households which need them.
- Poverty and Lack of Personal Resources.

Although more people are homeless, the organizations and programs designed to serve them are making some progress in addressing these often, multi-diagnosed homeless needs. Studies indicate that more of the easier-to-reach “situational homeless” in the City are being helped now compared to several years ago. Crises such as domestic violence, unemployment, or death put these people at risk.

Helping the chronically homeless, who often have lived on the streets for years, is harder. These people tend to be substance abusers, persons with mental illness, or dually-diagnosed. The response by City agencies has moved toward a more effective treatment and rehabilitation focus, instead of merely providing food and shelter.

According to the Continuum of Care (CoC) Community Forum Collaborative survey, the number of potentially homeless and at-risk persons in transitional, group, and nonpermanent living arrangements is increasing. Persons with special needs may have a variety of mental and physical disabilities; therefore, need a variety of housing options. Their housing needs vary depending on the type of disability and may vary throughout an individual’s life depending on the degree of disability and individual circumstances.

Special Needs Populations. Several common themes and issues emerged from the Consolidated Plan needs assessment, discussions with community-based organizations, and the analysis that provides a good starting point in understanding how to serve persons with special needs in the City more effectively:

- **Transportation:** A common theme amongst those participating in the Consolidated Plan process was that the lack of access to transportation and employment centers was not helping many hardships, and was obstructive to self-sufficiency.
- **Adaptable Housing:** Agencies expressed the need to incorporate accessible design in new affordable housing as a high need, as was the need for adaptable “retrofits” to existing housing for households that need them. With such housing, residents with special needs will not need to abandon their homes. This issue is especially important for the elderly who are often homeowners who do not want to leave their homes. Also discussed was the issue that many persons with special needs lack the financial resources to pay for retrofits and other necessary improvements.
- **Lack of Income:** Organizations that assist special needs groups indicated that persons with special needs find it extremely difficult to maintain

employment. Therefore, they often cannot afford many of the housing and supportive services they need and must rely upon public assistance.

- **Discrimination:** While there are differences in the intensity of opposition to housing for the different special needs populations, individuals reported that landlords often did not want to rent to persons with special needs. NIMBY, the “Not In My Back Yard” syndrome, was also discussed as a common issue.
- **Lack of Funding:** Agencies indicated the need for additional funding for affordable housing for persons with special needs. They further discussed the lack of funding for the supportive services necessary for persons with special needs.
- **Education:** Another common theme was the need for educating the public regarding a variety of issues, including resources, services, and programs available for lower-income families and persons with special needs. Also cited was the need for homeless prevention education.
- **Accessible Facilities:** Participants cited the need for more accessible facilities that support services to persons with special needs, such as community centers, activities, education, and computer training. This need includes retrofitting existing facilities as well as the need for new facilities.
- **Support for Organizations Serving Persons with Special Needs:** Another common theme participants expressed was the need for resources (especially administrative support) for these organizations.

VII. Non-housing Community Development Needs Assessment: This chapter examines “non-housing” community development needs in Newport Beach such as planning, economic development, public services, and public facilities. The CDBG regulations categorize the types of programs and projects that are eligible for funding. The categories include community improvements, community facilities, economic development, accessibility needs and community services.

The Non-Housing Community Development Needs Assessment revealed that ADA improvements to public facilities, fair housing activities, tenant/landlord counseling and Section 108 Loan repayment were high priority needs. Medium needs included senior services, handicapped services, youth services, child care services, substance abuse services, health services and non-residential historic preservation of the City’s 50-100 year-old commercial and community buildings. All other needs were rated “low”.

VIII. Barriers to Affordable Housing: This chapter examines barriers to affordable housing and the City’s strategy for addressing those barriers. According to the most recent information available, the two (2) primary barriers to accessing affordable housing include the lack of affordable housing units and the combination of development approval process/fees, the

high cost of land and the local market conditions that make it very costly to develop affordable units in the City. Although each specific affordable housing development proposal has unique challenges, some of the more common barriers to the development of affordable housing include:

- Building codes and standards.
- Zoning.
- Land use controls.
- Citizen opposition based on unfounded neighborhood criticism.
- Lack of a political constituency in favor of such development.
- Lack of knowledge of available subsidies and resources.
- Resource fragmentation and scarcity.
- Housing acquisition finance requirements.
- Lack of private financial resources by housing providers.

IX. Impediments to Fair Housing: This chapter describes the impediments to fair housing choices in Newport Beach. The City has traditionally participated in a countywide consortium to develop a Regional Fair Housing Analysis of Impediments that addresses countywide issues as well as more localized issues for each participating City. At the time of this writing, the updated Regional Analysis of Impediments to Fair Housing Choice was not complete. The consortium has contracted with the Fair Housing Council of Orange County to complete the Regional Analysis. The study will evaluate the nature and extent of housing segregation and discrimination in the County as well as the City. It will serve as a framework for the City's fair housing planning as part of its Consolidated Plan implementation.

Since this study was not completed in time for inclusion in the 2010-2014 Consolidated Plan, Chapter IX includes information from the previous 2005-2009 Orange County Regional Analysis of Impediments to Fair Housing Choice. If the updated 2010-2014 Regional Analysis of Impediments to Fair Housing Choice reveals findings that are significantly different than those included in the Consolidated Plan, the Planning Department will take those findings into consideration and amend the Consolidated Plan as may be necessary and practicable.

X. Lead-based Paint Hazards: This chapter summarizes the lead-based paint hazards in housing. Lead poisoning is one of the most common and preventable health hazards to children in America. Research indicates that even a low-level of lead in a child's bloodstream can have harmful effects on their physical and developmental health.

Any housing built before 1978 is at risk of containing some amount of lead-based paint. Older housing is more likely to have lead-based paint and the amount of lead pigment in the paint tends to increase with the age of the housing. Slightly over 28,000 housing units in Newport Beach were built

before 1979. Since low-income people often live in older housing throughout the city, they are at much higher risk.

Young children who could ingest lead-based paint are at even higher risk. Consequently, children of very low- and low-income families are disproportionately at risk for lead poisoning, as they tend to reside in older homes. In accordance with the 2000 Census, the number of children in Newport Beach under the age of five years of age is equivalent to 4.0 percent of the population of the City, or 2,832 children. This group could be at higher risk of lead-based paint poisoning.

XI. Housing and Community Development Delivery System: This chapter summarizes the gaps in the City's housing and community development delivery system. As recipient of CDBG funds, the City of Newport Beach is tasked with the responsibility for developing and carrying out the Consolidated Plan. The Planning Department uses these and other funds to provide decent housing, create a suitable living environment, and expand economic opportunities throughout the city.

Effective program delivery would not be possible, however, without the efforts of many other Federal, State and local partners. Leadership begins with the City's elected officials, the Mayor and City Council members. These officials approve all Consolidated Plan strategies, activities, substantial amendments, and contracts. Since they represent the residents of the City, these officials also provide insight into the needs of City residents.

The Planning Department is building strong working relationships with other organizations and programs that support the Consolidated Plan goals and strategies. This working relationship and its results are the City's *housing and community development delivery system*.

The Consolidated Plan requirements include examining how organizations in the city "deliver" housing and community development (called the institutional structure). This examination includes identifying the gaps in the institutional structure and developing strategies to address the gaps. Newport Beach can only achieve its Comprehensive Plan goals and Consolidated Plan strategies if its institutional structure is complete.

Interviews, community meetings, and needs surveys included questions or comments concerning the current gaps in the local delivery system for housing and community development. They also discussed preliminary components of strategies for filling the most troublesome gaps. Several primary themes and issues emerged that provide a foundation for developing workable, collaborative strategies to fill the gaps:

- Lack of knowledge among the public and lower income clients arose as a common issue. The most common gap cited was limited knowledge of the available resources, services, and programs for lower income people and persons with special needs.

- An urgent need for affordable housing spread throughout the city, especially supportive housing for lower- income people and persons with special needs.
- Lack of children-centered services.
- Need for more services for the homeless and persons with special needs.
- Need for enhanced communication/coordination among organizations in the housing and community development delivery system.

XII. Anti-poverty Strategy: This chapter describes how CDBG projects are part of the City's efforts to move low-income families to self-sufficiency. By undertaking activities funded by the CDBG programs, the Planning Department supports the City's overall anti-poverty strategy of moving low-income people to self-sufficiency. Census data from the year 2000 indicates that 3,075 Newport Beach residents were living in poverty in 1999, which is 4.4 percent of the population. This number translates to 356 families, or 2.1 percent of the families in Newport Beach. Just slightly over three percent of these families had a child under the age of 5 years old.

The City of Newport Beach's anti-poverty strategy and activities support the overall effort in the State to move low-income families to economic self-sufficiency. The City's goal is to help families that are self-sufficient yet still at-risk to increase their financial stability. The focus of the anti-poverty strategy is three-fold: (1) to help these families accumulate assets, (2) to help these families address issues, such as substance abuse and domestic violence, that may threaten the family's stability, and (3) to provide these families with employment-related supportive services such as child-care. This focus will be incorporated into the programs and policies undertaken by the City as part of this Consolidated Plan.

XIII. Strategic Plan: This chapter presents the City's strategies to meet the housing and community development needs found in the previous sections. Based on the community survey, focus groups, consultation with other organizations, individual interviews, housing market and needs study, and other factors, the City of Newport Beach has developed the following five-year strategies to address the priority needs found in the Consolidated Plan:

Priority Need: Housing

- *5-Year Strategy:* Expand the supply of affordable rental and homeownership housing opportunities.
- *5-Year Strategy:* Preserve and improve the existing housing stock and ensure equal access.

Priority Need: Senior Services

- *5-Year Strategy:* Provide quality supportive services so elderly residents can live as independently as possible.

Priority Need: Special Needs / Non-Homeless

- *5-Year Strategy:* Help persons with special needs to live as independently as possible.

Priority Need: Homeless and HIV/AIDS

- *5-Year Strategy:* Support a continuum of services in support of the City's and County's efforts to end homelessness.
- *5-Year Strategy:* Support services that assist in improving the quality of life for persons living with HIV/AIDS

Priority Need: Public Services

- *5-Year Strategy:* Contribute to the well-being of individuals, families, and neighborhoods.

- XIV. Monitoring Standards and Procedures:** This chapter describes how the Planning Department monitors CDBG projects as well as its progress in carrying out Consolidated Plan strategies and objectives.

As the lead agency for the City of Newport Beach 2010-2014 Consolidated Plan, the Planning Department is continually honing its standards and procedures to monitor the performance and effectiveness of housing and community development activities. Monitoring of the Planning Department's contractors and sub-recipient partners is not just a regulatory process or a fact-finding mission. Rather, it involves effective communication and cooperative, problem-solving relationships between Planning Department and its contractors/sub-recipients. The Planning Department undertakes two types of monitoring: project monitoring and Consolidated Plan monitoring. Both types of monitoring ensure the success of Consolidated Plan projects and activities.

As the lead agency, the Planning Department is refining monitoring procedures to ensure that projects have measurable outcomes. This refinement will allow assessment of progress toward the specified goals and objectives of the projects, as well as ensuring long-term compliance with all applicable program regulations and statutes. The Planning Department will publish any proposed significant changes to monitoring standards and procedures in a future Annual Action Plan so that citizens and grant recipients may comment on those changes.

XV. Leveraging: This chapter describes how the Planning Department has put together a list of resources that public agencies, neighborhoods, and nonprofit organizations can use to further the strategies in the Consolidated Plan. The Planning Department anticipates that the Federal, State, local, and private resources listed in this section of the Consolidated Plan will remain available over the five-year period of the Consolidated Plan.



II. Community Profile

II. Community Profile

A. City in the Past

The City's first inhabitants thousands of years ago were the Shoshone Indians who lived along the Pacific coast, supported by the abundance of the seas and fertile land. The dramatic coastline of Newport Beach and its proximity to the water have always played a great part in the development of the City. In the mid 1700's, the Spanish aristocrat and military leader Gasper de Portola led an expedition to claim California frontier land for Spain. Portola enlisted the aid of Father Junipero Serra and numerous European soldiers to explore previously unmapped territory.

1800's¹

Decades later in the 1800's, land holdings of the Capistrano Mission were parceled out as Spanish and Mexican land grants to war heroes and aristocratic families. Later, many Spanish and Mexican landowners were forced to sell large tracts of their land. The most prominent landowners of the area, Don Sepulveda and Don Bernardo Yorba, men whose combined holdings comprised Newport Beach's upper bay and lower bay, sold their tracts to American entrepreneurs by the names of Flint, Bixby, Irvine and McFadden.

Santa Ana, Tustin and Orange became new farming communities for the settlers who arrived by steamer and covered wagon. Not long after, hide and tallow businesses emerged. The first stirring of commerce began when in 1870, a small stern wheeler from San Diego named "The Vaquero" made its first trip to a marshy lagoon to exchange lumber for hides, tallow, livestock and gain. James McFadden and other ranch owners in the Lower Bay decided from then on that the area should be called "Newport."

In 1888 James McFadden changed the isolated settlement by building a wharf that extended from the shallow bay of the peninsula to deeper water where large steamers could dock. Shipping activity increased dramatically, and in two years, Newport was known as a vibrant Southern California shipping town.

1900's

Attracted by the activity, Pacific Electric Railroad established itself in Newport in 1905, connecting the City of Los Angeles by rail. Rapid transit brought camping families to the waterfront, and small hotels and beach cottages sprang up to cater to the emerging tourist industry. At about the same time, the McFadden brothers sold their holdings of Peninsula land. West Newport, East Newport, Bay Island and Balboa became vacation communities in the beach boom decade. In 1906 with a population of 206 citizens, the scattered settlements were incorporated as the City of Newport Beach. These early settlements soon filled in on the Peninsula, West Newport, Balboa Island and Lido Isle, developing from West to East. Parts of Newport Heights and Corona del Mar were annexed soon after the turn of the century. Between 1934 and 1936, the federal government and the county undertook

¹ 2002 Newport Beach Conference & Visitors Bureau

work around the harbor. They dredged the Lower Bay, extended jetties, and created the present day contour of Newport Beach.

In 1936, community members dedicated the City's main harbor, named Newport Harbor. Just six years later, during World War II, the harbor became a vital hub as naval ships were built and repaired in its coastal waters. Newport Beach businesses flourished due in part to an influx of new military personnel. At the end of the war, many service men and women decided to stay, triggering a real estate boom in Newport Beach. Seasonal rentals became year-round housing, and the City's identity as a summer resort location began to change.

The Santa Ana freeway, built in the 1950's, brought even more citizens to the City. During this time, housing development began to spread northward from the waterfront to the hills and mesa areas. Industries changed, as the fishing industry, once the backbone of Newport Beach's economy, gradually declined to be replaced with vibrant new businesses and commercial centers. By the 1970's, rapid urbanization led to the building of shopping centers, hotels, high-scale restaurants, and many new homes.

Newport Beach residents still identify closely with their respective villages. Popular neighborhoods include Corona del Mar; West Newport; and Harbor, Lido and Balboa islands.

B. City Today: Demographics

At the time of the 2000 Census, about 50.8 percent of Newport Beach's residents were born in California and about 49.2 percent were born elsewhere. During the 2000 Census, the City of Newport Beach had a population of 70,032. The U.S. Census Bureau 2006-2008 American Community Survey (ACS) estimates that the population has grown to 83,008 with 54.0 percent being born in California.

The population of Newport Beach principally is not a multi-culturally diverse community. Racial and ethnic minorities remain a stable contributor to the growing population. About 11.1 percent of the population is non-white, a lesser proportion than the national average for metropolitan areas. Asians are the largest non-white ethnic group, comprising 6.6 percent of the population. All other racial and ethnic groups account for less than 1 percent each. Today's population is disproportionate relative to gender with males making up 43.8 percent of the population and females 56.2 percent.

Age and School Enrollment

The median age for Newport Beach residents is 42.6 years old. About 5.6 percent are young children under the age of 5. The City's school-age children (5 to 19 years old) account for 15.9 percent of the population. Of these, 65.1 percent are enrolled in elementary school (grades 1 through 8) and 34.9 percent are in high school (grades 9 through 12).

The majority (40.6 percent) of persons in Newport Beach are between the ages of 25 and 54 years old. Persons of age 55 and over account for 31.8 percent of the

population of Newport Beach. Between 1990 and 2000, the population of those aged 55 and over increased by 75 percent. Almost 24.5 percent of the population is age 60 and over. A small but significant segment (2.2 percent) of this group are considered to be “frail” elderly (84 years old and over) residents.

Households

Newport Beach has grown to over 36,470 households. Although 55.7 percent of these households are families, non-family households have decreased to 44.3 percent. The average household size is 2.28 persons per household, whose median income is approximately \$115,011 (in 2006-2008 ACS). This represents an increase of 37.8 percent from the median income from the 2000 census. The average family size is 2.93 persons per family, whose median income is approximately \$160,394.

Other Information

The 2000 U.S. Census counted 37,288 total housing units. The 2006-2008 ACS estimates that this number increased to 42,546, an increase of 14 percent. Of these, 6,076 (14.3 percent) were vacant. The 2006-2008 ACS estimates that a total of 44,502 residents were employed. The unemployment rate at that time is estimated at 1.7 percent, although 35.8 percent of all adults were not in the work force. The estimated per capita income is \$85,560 with 4.7 percent of residents living below the poverty level.

C. Business Climate

There are many reasons quality businesses choose Newport Beach. Amenities such as the nearby major airport, close proximity to technologically-proclaimed University of California at Irvine, a diversified and financially solid local economy, and business-friendly City Hall add up to a winning location for small to large businesses. There are many opportunities for play in Newport Beach including nature walks or bike rides along the Upper Newport Bay Ecological Reserve, fishing excursions or whale watching from the Balboa Pavilion on the Newport Harbor, surfing or swimming at the many beaches, shopping at the open air Mediterranean-style Fashion Island, or enjoying the sunset from one of the two piers over the Pacific Ocean.

Economy and Transportation

Newport Beach is known for its savvy corporate offices, mild Pacific coastal climate, and the nearby airport served by a dozen major air carriers and named after legendary resident John Wayne. Getting around the Newport Beach area is convenient, with commute times rarely more than 15 minutes. The nearby John Wayne/Orange County airport to the north handles nearly 70 commercial flights daily, serving approximately 9 million passengers annually (2008 figures)². Other nearby airports include Long Beach Municipal Airport (25 miles north), Los Angeles International Airport (40 miles north), and San Diego International Airport/Lindbergh

² John Wayne Airport Website; <http://www.o cair.com/newsandfacts/factsatag glance.htm>

Field (80 miles south). As in most major cities, transportation options include car and limousine rentals, as well as commuter airline, bus, and train service.

Facilities

With the temperate climate and variety of water and beachfront activities, the city offers a range of possibilities. From Newport Beach Municipal Beach and the world famous surfers' "Wedge," to the well-sheltered, family-oriented Balboa Bay beach, there is something for everyone. Waterfront activities abound, including yachting, surfing, and golf. And in the evening, the many clubs and diverse local restaurants provide nightlife entertainment.

In 1906, when the City of Newport Beach was officially incorporated, the first City Hall was located east of the Newport Pier on the Oceanfront. The Police Department used several offices in the City Hall building until they moved to their own building on Court Avenue. During these early years, various Marshals headed the Police Department. The Newport Beach Fire Department is made up of 154 full time employees and over 225 seasonal employees including seasonal lifeguards.³

Utilities

Newport Beach is serviced by the Southern Cal Gas Company for gas and by San Diego Gas and Electric for electricity. The City of Newport Beach provides water and trash services. Telephone service is provided through Pacific Bell or Cox Communications.⁴

Schools

The City of Newport Beach is served by the Newport/Costa Mesa Unified School District. The Newport/Costa Mesa Unified School District has 22 elementary schools, two middle schools, and six high schools and eight pre-schools. Roughly half of these are located within the Newport Beach city limits. The District also provides 2 alternative education centers and an adult education program.

Health Care

There are many health care facilities with doctors, dentists and other healthcare professionals to choose from in Newport Beach. The hospitals that serve the city are Hoag Memorial Hospital and Newport Bay Hospital.

³ City of Newport Beach Website – Fire Department

⁴ <http://www.orangecountyutilities.com>



III. Consolidated Plan Development

III. Consolidated Plan Development

A. Introduction

The U.S. Department of Housing and Urban Development (HUD) requires the City of Newport Beach to complete a Consolidated Plan to receive funds for the Community Development Block Grant (CDBG) program. CDBG can fund a variety of activities to assist low-income people and neighborhoods, such as housing rehabilitation, community services, infrastructure, economic development, and business assistance.

B. Purpose of the Consolidated Plan

The Consolidated Plan serves as:

- A planning document which builds on a comprehensive consultation and citizen's participation process
- An application for HUD funds
- A strategy for housing, homelessness, community development, and economic development
- An annual business plan that presents an investment strategy for CDBG

It contains six major components:

- A housing market analysis
- An assessment of housing, homelessness, community development, economic development, and related needs
- A description of priority needs
- Long-term strategies to address those priority needs
- An explanation of how the City will work with its partners in the public, private, and nonprofit sectors to carry out these strategies
- A description of annual projects and activities the Planning Department will take to carry out those strategies—also called an Annual Action Plan

Each component serves a specific purpose. The housing market analysis and needs assessment allows the City to determine existing needs. Identifying needs helps the City set priorities for its CDBG program. Finally, assessing needs and identifying priorities allows the Planning Department, with the advice of citizens and partner organizations, to set five-year strategies to address the priority needs. The City then proposes how to invest CDBG funds for projects in the coming program year to carry out those five-year strategies.

The Annual Action Plan and Consolidated Annual Performance and Evaluation Report:

- To receive CDBG funds, the City must produce an Annual Action Plan each year. The Annual Action Plan describes the City's planned investments for the coming program year, including proposed actions and proposed CDBG projects.
- The Annual Action Plan is similar to a yearly operating plan for a business. It outlines the City's proposed activities in several areas and relates these activities back to the five-year strategies to address priority needs described in the Consolidated Plan.
- The City must also submit a Consolidated Annual Performance and Evaluation Report (CAPER) each year. The CAPER reports the City's progress in meeting its proposed actions and projects, as well as its progress in carrying out the Consolidated Plan's five-year strategies. The CAPER is similar to an annual report to stockholders except, with this example, the stockholders are citizens and taxpayers.

1. Consolidated Plan Goals

Newport Beach must use its CDBG funds to provide decent housing, a suitable living environment, and expanded economic opportunity for its residents, particularly those earning low- to moderate-incomes. The statutes¹ for the Federal grant programs covered by the Consolidated Plan set forth three basic goals against which HUD will evaluate the City's performance:

Provide decent housing, which includes activities to:

- Help homeless people obtain appropriate housing
- Assist people threatened with homelessness
- Retain the affordable housing stock
- Make available permanent housing that is accessible to job opportunities and is affordable to low-income people and families without discrimination
- Increase the supply of supportive housing for persons with special needs

Provide a suitable living environment, which includes activities to:

- Improve safety and livability of neighborhoods
- Increase access to quality facilities and services

¹ The Housing and Community Development Act of 1974 and the National Affordable Housing Act (as amended).

- Reduce isolation of income groups within an area through decentralization of housing opportunities and revitalization of deteriorating neighborhoods
- Restore and preserve properties of special value for historic, architectural, or aesthetic reasons
- Conserve energy resources

Expand economic opportunity, which includes activities to:

- Create and retain jobs, especially for low-income people
- Expand small businesses
- Provide public services concerned with employment
- Increase access to capital and credit for development activities that promote the long-term socioeconomic viability of the city
- Empower low-income persons to achieve self-sufficiency to reduce generations of poverty in federally-assisted public housing

2. Institutional Structure

The City's Planning Department prepared this Consolidated Plan to promote these statutory goals through a collaborative process that encourages citizen participation and collaboration among organizations. It views these goals as an opportunity to extend and strengthen partnerships among organizations in the public, private, and nonprofit sectors.

3. Lead Agency

As described in the Executive Summary section, the Planning Department is one of the primary entities that carry out the vision of the Consolidated Plan. As advised by the CDBG Advisory Committee, the Planning Department carries out policies and programs designed to help neighborhoods, whether they are places or groups of citizens sharing a common goal, achieve a high quality of life for all of the city's residents.

The *City of Newport Beach 2010-2014 Consolidated Plan* is the primary way the Planning Department, as advised by the CDBG Advisory Committee, carries out this mission. The Planning Department, along with its housing and community development partners in Newport Beach, carries out the five-year strategies in the Consolidated Plan.

C. Community Involvement in the 2010-2014 Consolidated Plan

The City of Newport Beach views the Consolidated Plan as an opportunity to invest its CDBG resources. It urges citizens to voice their concerns and share their ideas concerning community development, affordable housing, and homelessness. It

encourages all residents, especially those living in low- and moderate-income neighborhoods, to participate in the planning process.

The Consolidated Plan process brings government agencies, community organizations, service providers, and city residents together to address the larger picture in which housing and community development programs operate. The City encourages agencies, businesses, and community groups to share their comments on needs, strategies, and proposed projects.

1. Summary of Citizen Participation

The Planning Department developed the *City of Newport Beach 2010-2014 Consolidated Plan* using substantial citizen participation and consultation. The process offered numerous opportunities for public input, comment, and review:

A Community meeting to garner citizen comments on the needs of the community was held on Wednesday August 26, 2009. A Needs Assessment survey was distributed at the City Clerk's Office, Planning Department, Public Library and on the City's website to communicate their comments on community development needs housing, public housing, non-housing community development, and homeless needs.

Review by the CDBG Advisory Committee of the needs, priorities, and five-year strategies in the City of Newport Beach 2010-2014 Consolidated Plan as well as the proposed projects and activities in the City's 2010 Annual Action Plan were conducted. Phone consultation was conducted with several public service agencies and/or community based organizations regarding the needs, priorities, and five-year strategies in the City of Newport Beach 2010-2014 Consolidated Plan as well as the proposed projects and activities in the City's 2010 Annual Action Plan.

A 30-day public comment period was provided to allow residents an opportunity to obtain and review the draft copy of the Consolidated Plan. In addition, the City of Newport Beach 2010-2014 Consolidated Plan was distributed at the following places:

- City of Newport Beach Planning Department
- City Clerk's Office
- Newport Beach Public Library

2. Residents Survey

A Needs Assessment survey (see Appendix "A") was distributed at various public facilities and was forwarded to a number of public service and community based organizations that serve the City of Newport Beach. In addition, the survey was posted in the City's website to allow visitors to download the form for completion. The surveys were distributed and posted on the website in an effort to garner citizen comments on the needs of the

community. The survey was broken down into seven sections. The sections were Community Facilities, Community Services, Infrastructure, Neighborhood Services, Special Needs Services, Business and Jobs, and Housing. The survey asked the residents to rate the need level for each of the items listed in the survey.

3. Community Meetings for Consolidated Plan

To garner the opinion of Newport Beach's residents on community needs, the Planning Department held a community meeting at the Newport Beach Council Chambers. The time and location was selected to make it as convenient to the public as possible, particularly actual and potential beneficiaries of program activities. The community meeting was held on the following dates and locations:

- Wednesday, August 26, 2009 at 6:00 p.m. at the Newport Beach City Council Chambers located at 3300 Newport Blvd. Newport Beach, CA 92658-8915.

The community meeting was attended by one (1) resident and one (1) representative from a non-profit community-based organization who each indicated a need for additional affordable rental housing opportunities in the City.

4. Citizen Participation and Consultation Opportunities

The Planning Department engaged in outreach efforts to residents, organizations, and businesses regarding the needs and strategies in the Consolidated Plan.

a. CDBG Advisory Committee Review

Members of the CDBG Advisory Committee advised the Planning Department on the needs, priorities, and five-year strategies in the Consolidated Plan. The CDBG Advisory Committee also advised staff on proposed projects and actions in the 2010 Annual Action Plan.

As the Department's official advisory group, the CDBG Advisory Committee provides opinions regarding the Department's programs and policies regarding CDBG. Therefore, the CDBG Advisory Committee discussed needs, strategies, and projects at their meetings.

b. Consultation by Community Organizations

As part of its research on the needs of low-income residents—and the development of strategies to address these needs—the Planning Department consulted with public, private and nonprofit organizations in the region that provide housing and community development resources, programs and services.

These include the following:

- Rebuilding Together, Orange County
- Fair Housing Council of Orange County
- Mercy House
- Orange Coast Interfaith
- Wise Place
- Human Options
- Families Forward
- Serving People in Need – SPIN
- South County Senior Services
- OASIS Senior Center
- Seaview Lutheran Plaza
- CARING Housing Ministries
- Goodwill of Orange
- OC Partnership Continuum of Care
- Habitat for Humanity
- Western Community Housing
- H.O.M.E.S., Inc.
- California Corporation on Disability Access
- HCD Orange County Authority
- Kennedy Commission

c. Public Comment Period

The Planning Department held a 30-day public comment period beginning March 20, 2010. During this comment period, City residents were encouraged to provide their verbal or written comments about the Consolidated Plan's proposed five-year funding goals for housing, homelessness, economic development, and community development needs—and its strategies, activities, and projects.

d. Distribution of Draft Consolidated Plan

To provide an easy way for citizens to comment during the public comment period, the Planning Department posted the City of Newport Beach 2010-2014 Consolidated Plan on its website. It also distributed copies of the draft plan to the local library and City Hall. Finally, the Planning Department made copies available to anyone who called or wrote. The plan was available on CD-ROM for anyone requesting a copy in a digital format.

Cities adjacent to the City were notified via mail of the availability of the draft 2010-2014 Consolidated Plan on the City's website. These Cities include the Cities of Costa Mesa, Huntington Beach and Irvine.

e. Public Hearing

During the public comment period, the Planning Department also encouraged city residents to attend a public hearing held by the City Council in the City Council Chambers located at 3300 Newport Blvd., Newport Beach, CA 92658. The Planning Department placed a public notice in The Daily Pilot.

Appendix "B" contains the public notice, as well as a summary of public comments and the City's response. These responses include comments made at the public hearing and the City's response to comments not incorporated into the final Consolidated Plan and 2010 Annual Action Plan.

f. Citizen Comments

The Planning Department will summarize oral comments from public hearings and any written comments it receives concerning the Consolidated Plan, Annual Action Plan, or CAPER. Each document will contain a summary of any comments received concerning that document in the Appendix section of this document. Newport Beach residents may obtain copies of the full version of written or public hearing comments by contacting the Planning Department.

D. Anti-Displacement and Relocation Plan

The City's Citizen Participation Plan must include an Anti-displacement and Relocation Plan that describes how it will help persons who must be temporarily relocated or permanently displaced due to the use of CDBG funds. This plan takes effect whenever the City funds projects that involve the following:

- Property acquisition
- Potential displacement of people from their homes and the need to relocate people (either permanently or temporarily)
- The demolition or conversion of low- and moderate-income dwelling units

1. Background

Two acts apply whenever any of the above issues are present: the Uniform Relocation Assistance and Real Property Policies Act of 1970 (URA) and Section 104(d) of the Housing and Community Development Act of 1974. Each of these acts places different obligations on the City.

The URA governs the processes and procedures which the City and the Planning Department must follow to minimize the burden placed on low- and moderate-income tenants, property owners, and business owners who must move (either temporarily or permanently) as the result of a project funded in whole or in part by the CDBG program.

The URA applies to:

- Displacement that results from acquisition, demolition, or rehabilitation for HUD-assisted projects carried out by public agencies, nonprofit organizations, private developers, or others.
- Real property acquisition for HUD-assisted projects (whether publicly or privately undertaken).
- Creation of a permanent easement or right of way for HUD-assisted projects (whether publicly or privately undertaken).
- Work on private property during the construction of a HUD-assisted project even if the activity is temporary.

2. **What is Displacement?**

Displacement occurs when a person **moves** as a **direct result** of federally assisted acquisition, demolition, conversion, or rehabilitation activities, because he or she is:

- Required to move, or
- Not offered a decent, safe, sanitary and affordable unit in the project, or
- Treated “unreasonably” as part of a permanent or temporary move.
- A person may also be considered displaced if the necessary notices are not given or provided in a timely manner and the person moves for any reason.

3. **What is a Displaced Person?**

The term *displaced person* means any person that moves from real property or moves his or her personal property from real property permanently as a direct result of one or more of the following activities:

- Acquisition of or written notice of intent to acquire, or initiation of negotiations to acquire, such real property, in whole or in part, for a project.
- Rehabilitation or demolition of such real property for a project.

- Rehabilitation, demolition, or acquisition (or written notice of intent) of all or a part of other real property on which the person conducts a business or farm operation, for a project.
- Newport Beach offers advisory and financial assistance to eligible tenants (or homeowners) who meet the above definition.

4. Persons Not Eligible for Assistance

A person is not eligible for relocation assistance under the provisions of the URA if any of the following occurs:

- The person was evicted for serious or repeated violations of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, state, or local law, or other good cause. However, if the person was evicted only to avoid the application of URA, then that person is considered displaced and is eligible for assistance.
- The person has no legal right to occupy the property under state or local law.
- The City determines that the person occupied the property to obtain relocation assistance and the HUD Field Office concurs in that determination.
- The person is a tenant-occupant that moved into the property after a certain date, specified in the applicable program regulation, and, before leasing and occupying the property, Newport Beach or its subgrantee provided the tenant-occupant written notice of the application for assistance, the project's impact on the person, and the fact that he or she would not qualify as a "displaced person" because of the project.
- The person is a tenant-occupant of a substandard dwelling that is acquired or a tenant-occupant of a dwelling unit to which emergency repairs are undertaken and the HUD field office concurs that:
 - Such repairs or acquisition will benefit the tenant;
 - Bringing the unit up to a safe, decent, and sanitary condition is not feasible;
 - The tenant's new rent and average estimated monthly utility costs will not exceed the greater of: the old rent/utility costs or 30 percent of gross household income; and
 - The project will not impose any unreasonable change in the character or use of the property.
 - The person is an owner-occupant of the property who moves because of an "arm's length" acquisition.

- Newport Beach or its subgrantee notifies the person that they will not displace him or her for the project.
- The person retains the right of use and occupancy of the real property for life following the acquisition.
- Newport Beach determines that the person is not displaced as a direct result of the acquisition, rehabilitation, or demolition for the project and the HUD field office concurs in the determination.

5. Minimizing Displacement

The City of Newport Beach will take reasonable steps to minimize displacement occurring as a result of its CDBG activities. This means that the Planning Department will:

- Consider if displacement will occur as part of funding decisions and project feasibility determinations.
- Assure, whenever possible that occupants of buildings to be rehabilitated are offered an opportunity to return.
- Plan substantial rehabilitation projects in “stages” to minimize displacement.
- Meet all HUD notification requirements so that affected persons do not move because they have not been informed about project plans and their rights.

6. Anti-Displacement Policy:

Newport Beach’s policy is to minimize, to the greatest extent feasible, the displacement, whether permanently or temporarily, of persons (families, individuals, businesses, nonprofit organizations, or farms) from projects funded with CDBG involving single- or multi-family rehabilitation, acquisition, commercial rehabilitation, demolition, economic development, or capital improvement activities.

Projects that the City deems beneficial, but that may cause displacement, may be recommended and approved for funding only if Newport Beach or its subgrantee demonstrates that such displacement is necessary and vital to the project and that they take efforts to reduce the number of persons displaced. Further, they must clearly demonstrate that the goals and anticipated accomplishments of a project outweigh the adverse effects of displacement imposed on persons who must relocate.

7. Displacement Assistance

Consistent with the goals and objectives of the CDBG program, Newport Beach will take all reasonable steps necessary to minimize displacement of persons, even temporarily. If displacement occurs, the City will provide relocation

assistance to all persons directly, involuntarily, and permanently displaced according to HUD regulations.

If the City of Newport Beach temporarily displaces a low- or moderate-income household, that household becomes eligible for certain relocation payments. The assistance applies to those persons residing in the residence at the time the application is processed and is based on the following procedures:

- If the structure and its occupants are determined eligible for temporary relocation assistance, the owner-occupants and tenants are eligible for the actual reasonable cost (based on fair market rent) of temporary lodging facilities until the structure is determined habitable by Newport Beach's housing inspector.
- Newport Beach must approve housing and the Lessor and Lessee must sign a rent agreement before move-in. Housing must be comparable functionally to the displacement dwelling and be decent, safe, and sanitary. This does not mean that the housing must be in comparable size. The term "functionally equivalent" means that it performs the same function, has the same principal features present, and can contribute to a comparable style of living. Approved lodging accommodations include apartments and houses. Newport Beach does not reimburse "rental expenses" for living with a friend or family member.
- Either Newport Beach will provide the owner-occupants and tenants a direct payment for moving expenses (to and from temporary housing) and storage costs, or Newport Beach will arrange moving and storage of furniture with a moving company. If Newport Beach makes a direct payment, complete documentation and receipts are necessary to process claims when storage costs exceed the amount assumed by the direct payment.
- Damage deposits, utility hookups, telephone hookups and insurance costs are not eligible for reimbursement.
- The City may pay the cost of relocation assistance from Federal funds or funds available from other sources.

8. One-For-One Replacement Dwelling Units

Newport Beach will generally avoid awarding funds for activities resulting in displacement. However, should Newport Beach fund an activity, specific documentation is required to show the replacement of all occupied and vacant dwelling units demolished or converted to another use. Newport Beach will assure that relocation assistance is provided as described in 24 CFR 570.606(b)(2).

Before obligating or expending funds that will directly result in such demolition or conversion, Newport Beach will make public and submit to the HUD field office the following information in writing:

- A description of the proposed assisted activity.
- The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low- and moderate-income units.
- A time schedule for the commencement and completion of the demolition or conversion.
- The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement units.
- The source of funding and a time schedule for the provision of replacement dwelling units.
- The basis for concluding that each replacement dwelling unit will remain a low- and moderate-income unit for at least ten years from the date of initial occupancy.

Consistent with the goals and objectives of the HOME program, Newport Beach will take all reasonable steps necessary to minimize displacement of persons from their homes. The City will avoid funding projects that cause displacement of persons or businesses and will avoid funding any project that involves the conversion of low- and moderate-income housing to non-residential purposes.

9. Decent, Safe and Sanitary Dwelling

The basic definition is found at 49 CFR 24.2(a)(8). The term decent, safe, and sanitary dwelling means a dwelling that meets the following standards and any other housing and occupancy codes that are applicable. It will:

- Be structurally sound, weather tight, and in good repair.
- Contain a safe electrical wiring system adequate for lighting and other devices.
- Contain a safe heating system capable of sustaining a healthful temperature for the displaced person.
- Be adequate to accommodate the displaced person. There will be a separate, well lit, ventilated bathroom that provides privacy to the user and contains a toilet, sink, and a bathtub or shower, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system. There should be a kitchen area that contains a fully usable sink, properly connected to hot and cold water and to a sewage drainage system, and adequate space and utility service connections for a stove and refrigerator.

- Contain unobstructed egress to safe, open space at ground level.
- For a mobility-impaired person, be free of any barriers that would preclude reasonable ingress, egress, or use of the dwelling by such person. This requirement will be satisfied if the displaced person elects to relocate to a dwelling that he or she selects and the displaced person determines that he or she has reasonable ingress, egress, and the use of the dwelling.
- Comply with lead-based paint requirements of 24 CFR Part 35.

10. Real Property Policies

The City and its CDBG recipients must follow specific guidelines regarding the acquisition and use of real property funded in whole or in part with CDBG funds.

11. Use of Real Property

The following standards apply to real property within the recipient's control and acquired or improved, in whole or in part, using CDBG funds. These standards will apply from the date funds are first spent for the property until five years after the project is audited and closed.

A recipient may not change the use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made unless the recipient gives affected citizens reasonable notice of, and opportunity to comment on, any such proposed change, and either:

- The use of such property qualifies as meeting a national objective and is not a building for the general conduct of government.
- The requirements in the paragraph below are met.
- If the recipient determines, after consultation with affected citizens, that it is appropriate to change the use of property to a use that does not qualify under the above paragraph, it may retain or dispose of the property. The Newport Beach CDBG program must be reimbursed in the amount of the current fair market value of the property less any portion attributable to expenditures of non-federal funds for the acquisition of and improvements to the property.
- If the change of use occurs within five years of the project being audited and closed, income from the disposition of the real property will be returned to the Newport Beach CDBG program.
- Following the reimbursement of the federal program pursuant to the above paragraph of this section, the property is no longer subject to any federal requirements.

12. Real Property Acquisition

All real property acquisition activities described in this section and funded in whole or in part with CDBG funds and all real property that must be acquired for an activity assisted with Federal funds, regardless of the actual funding source for the acquisition, are subject to the URA (as amended).

a. What is Real Property Acquisition?

Real property acquisition is any acquisition by purchase, lease, donation, or otherwise, including the acquisition of such interests as rights-of-way and permanent easements.

HUD Handbook 1378 and 49 CFR Part 24 currently contains such regulations. These regulations detail a standard procedure for acquiring property and methods of determining a purchase price and outline other documents that must be provided to the City of Newport Beach before disbursement of funds. These regulations further require the applicant to provide relocation payments and assistance to any business or residential occupant of the property whom the acquisition will displace.

13. Eligible Activities

The City of Newport Beach or its sub-grantee may acquire real property for a project using CDBG funds where the proposed use of the acquired property will be an activity that the City can demonstrate as beneficial to low- and moderate-income persons.

14. Environmental Review Process (24 CFR Part 58)

HUD requires that all real property acquisition projects be reviewed before the commitment of Federal funds to assess the impact of a project on the environment. Newport Beach will undertake this review process. The applicant should be aware, however, that this review process may delay the date by which CDBG funds may be available and, in case of serious adverse environmental impacts, may effectively stop a project.



IV. Housing Market Analysis

IV. Housing Market Analysis

A. Overview

The purpose of this study is to determine the availability of affordable housing in the City of Newport Beach. It is in the City's interest to ensure its housing stock is comprised of decent and suitable affordable units, as affordable housing is the basis and foundation of self-sufficiency. For the purposes of this plan, the City will define affordable housing based on Section 215 of the National Affordable Housing Act:

- Rental housing is considered affordable if it is (A) occupied by a household earning less than 80% of the area median income and (B) pays a rent no more than the existing fair market rent established by HUD.
- Owner-occupied housing is considered affordable if it is (A) the principal residence of the owner, whose income is less than 80% of the Area Median Income, and (B) the purchase price is not more than 95% of the median purchase price for the area.

In order to gauge the availability of affordable housing within the City, this study will examine the following aspects of the current housing market:

- Supply: Current housing stock by size of units; units in structure and age of unit; recent Permit Activity; available vacant land.
- Demand: Number of households by size and type; vacancy rates; population growth; economic outlook and job growth.
- Supply vs. Demand: Sales data; rent increases; overcrowded housing; cost-burdened households.

Based on the above data, the City formulated different levels of need for three income levels: moderate-income households (earning between 50 and 80% of the area median income), low-income households (earning between 30 and 50% of the area median income), and extremely-low income households (earning less than 30% of the area median income). These need levels will form the basis for the City's Five-Year Strategic Plan.

In addition to the private housing market, the City examined the inventory of public and assisted housing to determine the level of need for the following types of housing and services:

- Homeless Facilities and Services: including homeless prevention, emergency housing, transitional housing, permanent supportive housing and supportive services.
- Supportive Housing: includes elderly, persons with disabilities, persons suffering from substance abuse and persons living with HIV/AIDS.

- Public Housing and Subsidized Housing: includes Low Income Housing Tax Credit Units, public housing developments and Section 8, HUD multi-family developments, and locally-funded housing.

B. Housing Supply

The Planning Department reviewed several variables of the community's housing stock in order to gain a complete understanding of the available supply of homes. This section covers the supply, tenancy, condition, and other characteristics of existing housing stock, as well as touched on future housing development. Note that some of the tables reflect housing data from the 2000 U.S. census and the 2006-2008 American Community Survey (ACS) based on occupied units and not the total number of housing units located in the City. The tables where this occurs will contain a note denoting such.

1. Overall Supply

The overall number of housing units in Newport Beach grew at a slow rate throughout the 1990's. This is due to the fact that the City is almost completely built out and any increase is due to the redevelopment of low density residential properties into a higher density development. The 2000 U.S. Census indicates that Newport Beach's current housing stock contains 37,288 units, an increase of 7%, or 2,427 units, from 1990. In accordance with the ACS, the City's housing stock has increased to 42,546 units which is an increase of 14.1% or 5,258 units from 2000.

2. Tenure

The rate of homeownership has declined significantly in Newport Beach. The 55.7% homeownership rate is below the national rate of 66.2%. It should be noted that while a rise in the homeownership rate increased throughout the United States, homeownership in Newport Beach declined by 17% during the ten year period of 1990 to 2000. The homeownership rate has increased to 57.9% in the ACS estimates. The current economic crisis, increase in foreclosures, and stricter loan underwriting may result in homeownership being less attainable to families of modest income.

**Table 4-1
Change in Household Tenure: 1990 to 2000, and 2006-2008 Estimates**

Tenure	Housing Units & % of Total Units							
	1990		2000		Change in Unit	2006-2008 Estimate		Change in Unit
Renter	13,653	39.2%	14,663	39.3%	1,010	15,340	36.0%	677
Owner	17,207	49.3%	18,408	49.4%	1201	21,130	49.7%	2,722
Vacant	4,001	11.5%	4,217	11.3%	216	6,076	14.3%	1,859
Total	34,861	100%	37,288	100%	2,427	42,546	100%	5,258

Source: 1990 (SF-1: H002, H003); 2000 (SF-1: H1, H3, H4) US Census; 2006-08 American Community Survey

3. Housing Size

The table below provides a breakdown of the size of the housing in the City by tenure. Note that the table reflects occupied units and not total units. The table shows that under the 2000 census, 58% of Newport Beach’s housing units contain between two to three bedrooms. 15% of the units are one-bedroom units. Combine these figures and 73% of Newport Beach’s housing units contain from one to three bedrooms. Only 4% or 1,323 units are considered to be efficiencies. 6% of the units have 5 or more bedrooms. Combined, the four and five bedroom units make up 22% of the housing units in the City. The larger size of the units in Newport Beach reflects the economic strength of the city. Under the 2006-2008 ACS, the percentages remained relatively level with the exception of a reduction in the number of smaller units.

**Table 4-2
Housing Supply: Size of Housing Units by Tenure**

Size of Housing Units by Tenure	Housing Supply: Size of Housing Units by Tenure 2000						2006-2008	
	2000 Owner		2000 Renter		Total		Total	
	#	% of total	#	% of total	#	% of total	#	% of total
No bedroom	45	0.1%	1,278	3.9%	1,323	4.0%	1,013	2.4%
1 bedroom	592	1.8%	4,391	13.3%	4,983	15.0%	4,977	11.7%
2 bedrooms	4,331	13.1%	6,065	18.3%	10,396	31.0%	14,013	32.9%
3 bedrooms	6,758	20.4%	2,329	7.0%	9,087	27.0%	11,436	26.9%
4 bedrooms	4,815	14.5%	580	1.8%	5,395	16.0%	7,700	18.1%
5 + bedrooms	1,841	5.6%	69	0.2%	1,910	6.0%	3,407	8.0%
Total	18,382	55.5%	14,712	44.5%	33,094	100%	42,546	100%

Source: 2000 U.S. Census (SF3: H41, H42); and 2006-2008 American Community Survey

4. Housing Type

Single family detached units currently account for a predominant share of the housing stock in the City. Fewer than 44% of all units are detached single-family units while attached single-family units, such as townhouses and condominiums, account for 18.6%. As land has become less available,

development trends are toward single family housing with zero lot lines or P.U.D.'s.

Existing multifamily housing is often packaged in small complexes with less than ten units. These units account for 18.2% of all housing stock. In the 2000 census, structures with ten or more units accounted for 17.2% of that total. Many of these structures were built between 1940 and 1980. The 2006-2008 ACS estimates an increase in the percentage of structures with ten or more units to 19.4%.

Mobile homes have traditionally filled a unique and useful niche for the lower income housing market. These units are recognized as a viable solution to the shortage of affordable housing. According to the 2006-2008 ACS, occupied mobile homes currently account for 2.8% of housing in Newport Beach, or 1,212 units. The Newport Beach Housing Element states that there are 972 mobile home spaces in the ten (10) mobile home parks in the City. In either case, the number of mobile homes has increased from the 2000 census which stated the number at 727 units.

Many of these units are occupied by permanent residents and some are used by households that use the unit for vacations or weekend visits to the area. The character of the City's ten mobile home parks varies. Three of the parks are located on or close to Newport Harbor. These three parks appeal to retirees and a substantial number of spaces in these parks are occupied by permanent residents. It should be noted that mobile homes in Cannery Village and some in West Newport have been replaced with manufactured housing that is not affordable to low-income and moderate-income individuals and families.

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

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

Both the Marina Mobile Home Park and the Seacliff Mobile Home Park were approved for closure in 2006. The Marina Park mobile home park has been owned and operated by the City of Newport Beach since 1919. The park presently accommodates 57 mobile homes: 25 used as second homes, 31 permanent residences and 1 that is vacant. Beginning in 1985, the City agreed to enter into long term leases that provided for reduced rents that were below fair market value. In exchange, the Lessees agreed to deliver possession of the

premises. In 2006, the City elected to consider closing the Park and changing the use to an interim open space condition.¹

**Table 4-3
Housing Supply: Units in Structure by Tenure**

Units In Structure By Tenure										
Number of Units in Structure	2000								2006-2008	
	Total Units		Owner			Renter			Total Units	
	#	%	#	Share of Category	Share of Total	#	Share of Category	Share of Total	#	%
1, detached	14,441	43.6%	12,263	85%	37.1%	2,178	15%	6.6%	19,806	46.6%
1, attached	6,165	18.6%	4,112	67%	12.4%	2,053	33%	6.2%	7,026	16.5%
2	2,786	8.4%	578	21%	1.7%	2,208	79%	6.7%	3,003	7.1%
3 or 4	1,945	5.9%	258	13%	0.8%	1,687	87%	5.1%	1,805	4.2%
5 to 9	1,307	4.0%	141	11%	0.4%	1,166	89%	3.5%	1,443	3.4%
10 to 19	863	2.6%	80	9%	0.2%	783	91%	2.4%	763	1.8%
20 to 49	1,269	3.8%	255	20%	0.8%	1,014	80%	3.1%		
50 or more	3,553	10.8%	150	4%	0.5%	3,403	96%	10.3%	7,488	17.6%
Mobile home	727	2.2%	516	71%	1.6%	211	29%	0.6%	1,212	2.8%
Boat, RV, Van	38	0.1%	29	76%	0.1%	9	24%	0.0%	0	0.0%
Total:	33,094	100%	18,382	56%	14,712	44%	42,546	100%		

Source: 2000 U.S. Census (SF3: H30, H32); and 2006-2008 American Community Survey

Key Statistics

- In 2000, 35% of all housing units are rentals with 2 bedrooms or less.
- The ACS estimates that 63.1 % of all housing units are single-family. Over 43.6% of all housing units are single-family detached. This is the strength of the City.
- Only 15% of single family housing units (detached) are renter occupied. This rate is only slightly higher than that of Orange County (13%), but less than that of Los Angeles County (21%) and San Gabriel Valley (20%)
- 44% of all housing units are renter occupied compared to Orange County's 39%.

C. Age of Housing Stock

According to the latest Census figures, the majority of the City's housing stock was built between 1950 and 1979. This coincides with one of the City's booming economic growth periods. During that period 21,569 units were built, accounting for 61% of the city's current housing stock. Unfortunately, many of the units were built using low quality materials that did not follow any quality or design standards. Age has taken its toll on these units, which are candidates for rehabilitation and in some cases demolition and reconstruction.

Concerning mobile homes, the condition of these homes has become more of an issue as these units continue to age and decrease in value while the residentially

¹ City of Newport Beach Housing Element 2008

zoned land where they are located becomes more valuable. When parks close, the older and more deteriorated homes cannot be transported without renovations that are unaffordable to the owner.

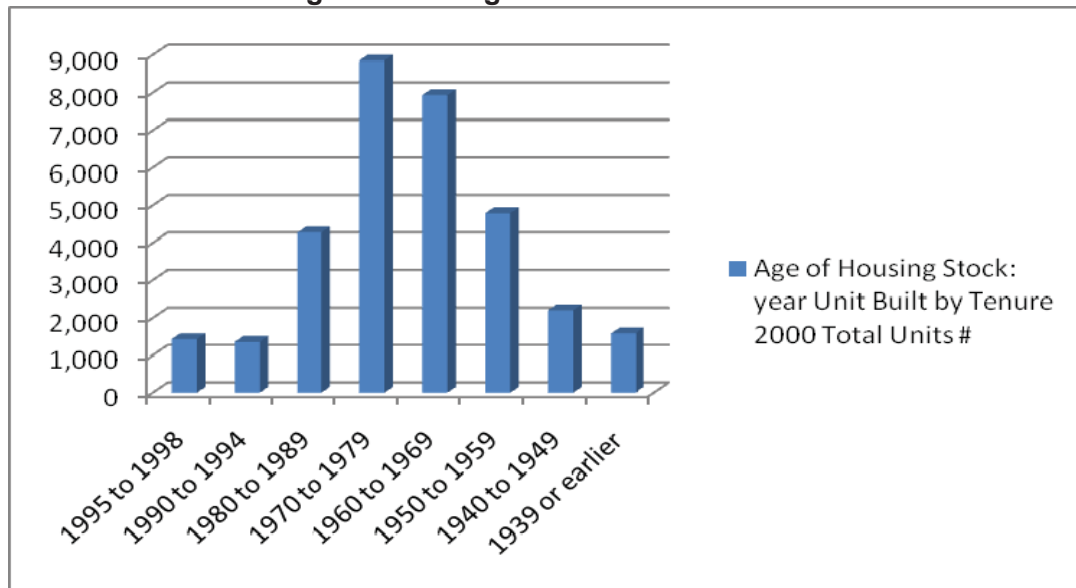
Table 4-4
Age of Housing Stock: Year Unit Built by Tenure

Year Structure Built	Age of Housing Stock: year Unit Built by Tenure 2000							
	Total Units		Owner			Renter		
	#	%	#	Share of Category	Share of Owner	#	Share of Category	Share of Rental
1995 to 1998	1,433	4.4%	798	55.7%	2.3%	635	44.3%	1.9%
1990 to 1994	1,355	4.2%	806	59.5%	2.4%	549	40.5%	1.6%
1980 to 1989	4,272	13.2%	2,450	57.4%	7.2%	1,822	42.6%	5.3%
1970 to 1979	8,852	27.3%	4,425	50.0%	13.0%	4,427	50.0%	13.0%
1960 to 1969	7,931	24.5%	4,367	55.1%	12.8%	3,564	44.9%	10.5%
1950 to 1959	4,786	14.8%	2,982	62.3%	8.8%	1,804	37.7%	5.3%
1940 to 1949	2,209	6.8%	1,193	54.0%	3.5%	1,016	46.0%	3.0%
1939 or earlier	1,584	4.9%	902	56.9%	2.6%	682	43.1%	2.0%
Total:	34,063	100%	19,304	56.7%		14,759	44.3%	

Source: 2000 U.S. Census (SF3: H34, H36); and 2006-2008 American Community Survey

*Note: 2006-2008 American Community Survey estimates that from 2000 to present, a total of 4,380 units have been built.

Graph 4-1
Age of Housing Stock: Year Unit Built

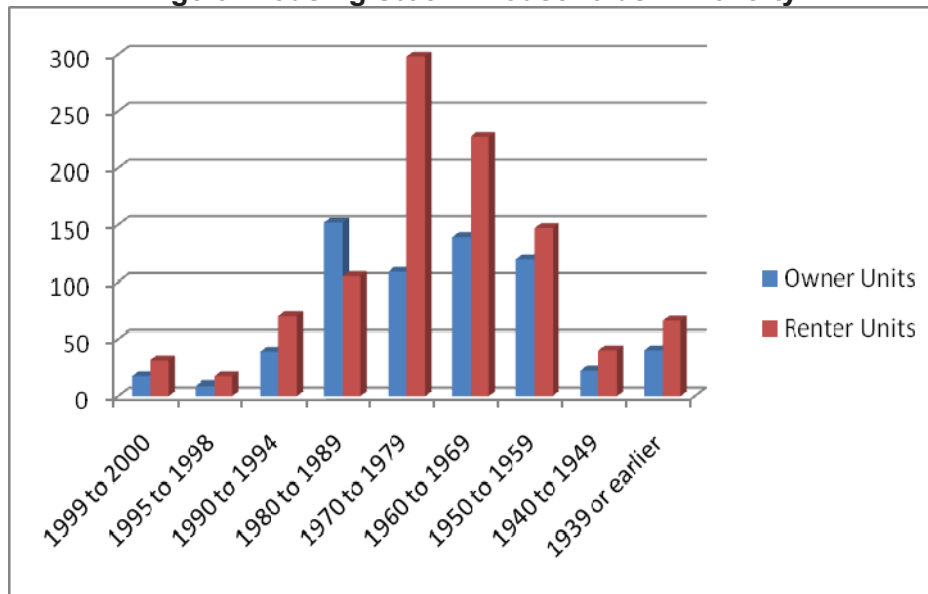


**Table 4-5
Age of Housing Stock: Households in Poverty**

Housing Units in Poverty by Age of Unit		
Year Built	Owner Units	Renter Units
1999 to 2000	17	31
1995 to 1998	9	17
1990 to 1994	39	70
1980 to 1989	152	105
Subtotal: After 1980	217	223
1970 to 1979	109	298
1960 to 1969	140	228
1950 to 1959	120	147
1940 to 1949	22	40
1939 or earlier	40	66
Subtotal: Before 1980	431	779
Total:	648	1,002

Source: 2000 US Census (SF3: H23)

**Graph 4-2
Age of Housing Stock: Households in Poverty**



Key Statistics

- 77% of all housing units (25,362) are more than 25 years old. Units older than 25 years typically need significant repair and rehabilitation to the roof, heating and air conditioning, and other key components.
- Housing units built before 1980 may have lead based paint hazards, especially if those units are occupied by households under the poverty line. 1,210 housing units built before 1980 are occupied by households in poverty. 64% of these units are rentals.

According to the latest Census figures, approximately one-quarter of the housing stock in Newport Beach that was built between 1960 and 1979 is occupied by

seniors. Once again this coincides with one of Newport Beach's booming economic growth periods. During that period, 16,783 units were constructed. Based upon 2000 Census data, 24.3% of the units constructed during that period are occupied by seniors. This represents 52% of all senior occupied housing. Due to the likelihood that these older senior occupied units will become candidates for rehabilitation, and in some cases require demolition and reconstruction, diligent monitoring of these units must be maintained.

D. Housing Permits

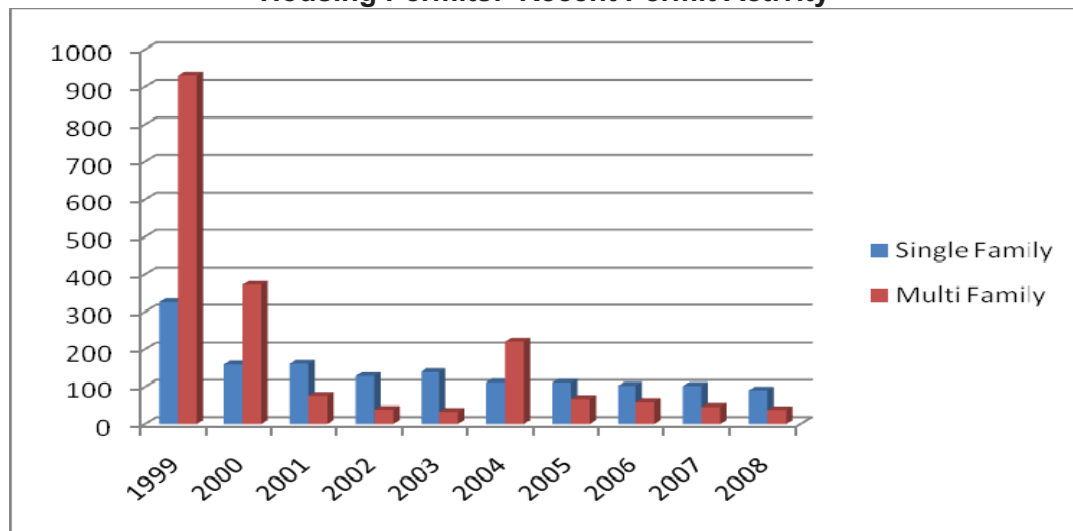
The City tracks the housing activity as it relates to the number of housing permits issued during a given year. The graph and table provided below shows the recent permit activity for both single-family and multi-family housing. The graph indicates that since 1996, the number of building permits each year for single-family residential has on average remained relatively constant around 200 permits, with the highest level of permit activity taking place in 1999 with the issuance of over 400 permits. In addition, the multi-family permits went from a non-existent level in 1997 to approximately 931 permits in 1999, followed by a rapid decline to minimal levels over the last 4 years.

**Table 4-6
Housing Permits 1999-2008**

Units	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
Single Family	326	161	163	129	140	112	111	103	102	90	1,437
Multi Family	931	372	75	39	33	221	66	58	46	38	1,879
Total:	1,257	533	238	168	173	333	177	161	148	128	3,316

Source: <http://socds.huduser.org/permits/index.html>

**Graph 4-3
Housing Permits: Recent Permit Activity**



Key Statistics

- 43.3% of permits issued in the last nine years have been for single family housing.
- Permits for multifamily housing units have decreased significantly in the last four years.

E. Condominium Conversion Ordinance

In the mid-1990s, the City of Newport Beach adopted a new ordinance to ease restrictions on condominium conversions. Easing restrictions on condominium conversions was intended to promote the availability of first-time home buyer opportunities and to promote the rehabilitation and preservation of smaller, more affordable housing units. Many rental units in certain areas of the community were overcrowded and deteriorating due to absentee owners and the renting of units on a weekly basis. Health and safety issues were also a concern given quality of life impacts resulting from excessive noise, pollution and traffic in areas where weekly vacation rentals were prevalent. In 2005, the City became concerned that severe parking inadequacies of older apartment buildings were being perpetuated through condominium conversions, and adopted ordinances restricting condominium conversions to structures that provide the code required parking at the time of the conversion. Under these ordinances, duplexes, and multi-family properties that are nonconforming by way of parking cannot be converted to condominiums. These regulations will have slowed the rate of condominium conversions in the City. The total number of units affected by condominium conversions approved since 1995 is 394 units.²

F. Available Land**Inventory of Land Suitable for Residential Development**

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

In 2006, the City completed a comprehensive update of its General Plan including an update of the Land Use Element. The General Plan recognizes that most of the City will be conserved with its existing patterns of uses and establishes policies for their protection and long-term maintenance. However, the General Plan identifies several areas where substantive land use changes may be anticipated over the next 20 years. Other than Banning Ranch, this would occur within existing developed areas of the City as infill and replacement of previously permitted retail and office development capacity. These areas provide an attainable opportunity to create approximately 5,000 new housing units in the community, (up to 3,758 units excluding the Banning Ranch area). In addition, all of the new residential units will be subject to the provisions of the City’s inclusionary housing program. The City’s

² City of Newport Beach Housing Element 2008

goal over the planning period is for an average of 15% of all new housing units to be affordable to very low-, low-, and moderate-income households.

Since a limited amount of vacant land remains in the community, future housing development in accordance with the update of the General Plan would be achieved through infill development and reuse of sites with existing, possibly obsolete land uses.

**Table 4-7
Potential Residential Sites**

Site	General Plan Designation	Zoning Designation	Dwelling Unit Capacity	Density (du/acre)
Banning Ranch**	RV and OS	Planned Community (PC)	1,375	Land Use Element requires a mixture of unit types and densities in development plan.
Banning Ranch**	RV and OS	Planned Community (PC)	1,375	Land Use Element requires a mixture of unit types and densities in development plan.
Corona del Mar	RM	Subject to provisions of Interim Development Review Process	8	22 units per acre. 8 units are possible on vacant site.

INFILL/MIXED-USE

Airport Area	MU-H2	Planned Community (PC)	2,200	2,200 as replacement of existing office, retail, and/or industrial uses at 30 to 50 units per acre of which 550 units may be infill on surface parking lots.***
Newport Center	MU-H3	Planned Community (PC)	450	Subject to maximum of 450 units and zoning height limits
Mariners' Mile	MU-W1 and MU-H1	Subject to provisions of Interim Development Review Process	300	MU-W-1: Mixed-Use FAR: 1.25 , with maximum 0.75 for residential Multi-Family Residential: 12 du/acre (50% of site) MU-H-1: Mixed-Use: FAR 1.5, with 1.0 for residential Multi-Family Residential: 20.1–26.7 du/net acre
Newport Mesa	RM-18 du/acre	Subject to provisions of Interim Development Review Process	100	Multi-Family Residential: 18 du/net acre
Balboa Peninsula Area			500–700	
Lido Village	MU-W2 and RM (20/ac)	Subject to provisions of Interim Development Review Process	165	MU-W2: FAR 1.5 , with 0.8 for residential (up to 26.7 du/acre) RM (20 du/acre)
Cannery Village	MU-H4 MU-W2		300–500	MU-H4: Mixed-Use: FAR 1.5, with 1.0 for residential Multi-Family: 20.1 to 26.7 du/net acre MU-W2: Mixed-Use: FAR 1.25, with 0.75 for residential
Balboa Village	MU-V			MU-V: FAR 1.5, with 1.0 for residential
McFadden Square	MU-W2			MU-W2: FAR: 1.25, with 0.75 for residential
Total				3,558–3,758

Source: City of Newport Beach Planning Department and General Plan

* Above existing uses

** Residential development total excludes 1,375 potential units within Banning Ranch. Development

will not likely occur during the 2008–2014 RHNA Planning period. Due to the high proportion of sensitive habitat areas, the actual number of buildable acreage will be determined in subsequent studies to be conducted in accordance with state and federal regulations.

*** Average Density of 30 units/acre is the default density required by Housing Element law to accommodate lower income households for urbanized areas (AB2348).

John Wayne Airport Area

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

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

The housing capacity for the John Wayne Airport planning area was determined by the maximum permissible new automobile trips that could be generated for the statistical area in which it is located in compliance with City Charter Section 423 and Measure S. Land Use Element Policy LU 6.15.5 allocates a maximum of 2,200 housing units in areas designated as MU-H2 on the General Plan.

Newport Center

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

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

The Irvine Company (TIC) is the main land owner/developer in the Newport Center area. A Planned Community Development Plan to develop 430 of the permitted 450 mixed-use units was approved in December 2007. The City requires that an Affordable Housing Implementation Plan (AHIP) be prepared for projects with more than 50 residential units. As part of the approved 430 mixed-use units, the Irvine

Company is required to provide very low-, low-, or moderate-income housing, or a combination of income categories, using the percentages shown below:

- Very Low: 43 units (10%)
- Low: 65 units (15%)
- Moderate: 86 units (20%)

The Irvine Company owns the Bays Apartment complex consisting of three buildings know as Baywood, Bayview, and Bayport. In order to meet the AHIP requirements, The Irvine Company would provide affordability covenants for 43 to 86 existing units for a period of at least 30 years. In addition, there are 79 units approved with the Santa Barbara Condominium project within Newport Center that requires 12 affordable low- and moderate-income housing units to be constructed off-site. All of the affordable units will be required to be affordable for a period of 30 years. This project was approved by the Newport Beach City Council in 2006 by the Local Coastal Commission in 2007.

Another private land owner in the Newport Center area is presently in discussion with the City to develop a 30-unit multi-family rental and condominium project on the site presently occupied by the Balboa Bay Tennis Club. This is a market-rate development that would be subject to the City's in-lieu fee program. The developer will have a choice whether to provide affordable units or to pay the City's in-lieu fee.

Banning Ranch

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

The Land Use Element prioritizes the retention of the Banning Ranch property as open space, consolidating existing oil operations, restored wetlands and habitat, and a community park to serve adjoining neighborhoods. However, due to the significant cost of purchasing the site and amount of the area that would need extensive habitat restoration, a large amount of revenue would need to be generated to help fund preservation of the majority of the property as open space. Should the property not be acquired for open space, the Land Use Element considers the possible development of a mixed-density residential village that would include open space, convenience commercial, and small hotel uses. The Land Use Element designates the Banning Ranch Area as Open Space (OS) and Residential Village (RV). This designation provides for the development of a planned residential community that integrates up to 1,375 single-family detached, single-family attached, two family, and/or multi-family residential units with supporting schools, parks, community services, local-serving convenience commercial uses and services, and open spaces. Future development would require a master plan or

specific plan to depict the specific uses, development standards, density levels, infrastructure improvements, design guidelines, and financial plan.

Due to the long time frame for potential development of the site, including the necessity of obtaining the necessary federal and state regulatory permits and the creation and approval of a planned community development plan, residential development of Banning Ranch will not occur during the current Housing Element cycle. However, the owners of the property are actively engaged in planning with the City.

Balboa Peninsula Area

The Balboa Peninsula area is comprised of a series of coastal districts linked by the Newport Boulevard/Balboa Boulevard commercial and residential corridor. These include Lido Village, Cannery Village, McFadden Square, and Balboa Village. The General Plan identifies the potential for new mixed-use development within these areas. These areas are highly urbanized and are adequately served by existing infrastructure including sewer, water, police, and fire services. These areas also have no significant environmental constraints that would impede new housing development.

Cannery Village

Cannery Village is the historic center of the City's commercial fishing and boating industry and contains a mix of small shops, art galleries, professional offices, and service establishments. Recent redevelopment activity within this area has been composed of new residential and mixed-use development such as Cannery Lofts, a 22-unit live/work project. All of these units were market-rate, loft-style ownership units. Older developments include some single-family residential units combined with commercial uses on single lots. The updated Land Use Element designates the Cannery Village Area as Mixed-Use Horizontal 4 (MU-H4) and Mixed-Use Water 2 (MU-W2).

The MU-W2 designation applies to waterfront parcels within Cannery Village. Permitted uses include mixed-use structures that vertically integrate housing within retail uses, where the ground floor shall be restricted to retail and other pedestrian-active uses along the street frontage and/or the upper floors used for residential units or nonresidential uses including retail and office. Mixed-use parcels have a maximum floor area ratio of 1.25 with a maximum floor area to land ratio of 0.35 for commercial and a maximum of 0.75 for residential purposes. The average size of parcels designated as MU-W2 and MU-H4 in Cannery Village 0.08 acre or 3,840 square feet.

Lido Village

Lido Village is primarily developed with commercial uses including grocery stores, restaurants, salons, home furnishings, apparel, and other specialty shops. It also includes Lido Marina Village, a pedestrian-oriented waterfront development that includes visitor-serving commercial uses, specialty stores, and marine uses. The guiding General Plan goal for Lido Village is to create a mixture of land uses within a

pedestrian-oriented village environment. To facilitate these uses, a portion of the Lido Village General Plan subarea has been designated as Mixed-Use Water 2 (MU-W2) and Multiple Residential (RM(20/ac)). The MU-W2 designation applies to waterfront parcels. Permitted uses include mixed-use structures that vertically integrate housing with retail uses, where the ground floor shall be restricted to retail and other pedestrian-active uses along the street frontage and/or the upper floors used for residential units or nonresidential uses including retail and office. Mixed-use parcels within the Lido Village area have a maximum floor area ratio of 1.5 with a maximum commercial floor area of 0.7 and a maximum of 0.8 for residential purposes. This translates to a maximum density of 26.7 dwelling units per acre for mixed-use projects. The RM(20/ac) designation is intended to provide multi-family residential development containing attached or detached dwelling units up to 20 dwelling units/acre. As shown in Housing Element, up to 165 new dwelling units can be accommodated within Lido Village on sites currently occupied by commercial and office uses.

Balboa Village

Balboa Village has served as the center for recreational and social activities on the Peninsula. Many of the existing land uses include retail uses and are visitor-oriented and seasonal in nature. The Balboa Village core is surrounded by residences, with isolated pockets of commercial uses scattered along Balboa Boulevard. Balboa Village and the greater Peninsula have experienced a transition to year round residential occupancy while the visitor uses have continued. The General Plan calls for a portion of the Village Core area to be designated as MU-V which provides for the development of mixed-use structures that vertically integrate retail commercial, and office or related functions on the ground floor and the upper floors used for residential units. Non-residential uses are also permitted including office and commercial activities. The floor area ratio for mixed-use buildings is 1.5; with a floor area ratio of 0.35 to 0.5 for commercial and maximum of 1.0 for residential uses. The average size of parcels designated as MU-V in Balboa Village 0.10 acre or 4,356 square feet.

McFadden Square

McFadden Square surrounds the Newport Pier and extends between the ocean front and harbor. Commercial land uses are largely concentrated in the strips along Balboa and Newport Boulevards, with residential along the ocean front and marine-related uses fronting the harbor. Numerous visitor serving uses include restaurants, beach hotels, tourist-oriented shops (t-shirt shops, bike rentals, and surf shops), as well as service operations and facilities that serve the Peninsula. Historically, the area has been known for its marine-related industries such as shipbuilding and repair facilities and boat storage on the harbor. Much of the McFadden Square area is pedestrian-oriented, with storefronts facing the street, the presence of signage at a pedestrian scale, and outdoor furniture, providing a pleasant environment for visitors. The Land Use Element identifies a portion of McFadden Square as Mixed-Use Water 2 (MU-W2). This designation is applied to waterfront locations in which marine related uses may be intermixed with mixed-use buildings that integrate housing with ground level retail. The floor area ratio for mixed-use buildings is 1.25, with a minimum floor area ratio of 0.35 and maximum of 0.75 for residential uses.

The average size of parcels designated as MU-W2 in McFadden Square is 0.12 acre or 5,230 square feet.

Mariners' Mile

Mariners' Mile is a heavily traveled segment of Coast Highway extending from the Arches Bridge on the west to Dover Drive on the east. It is developed with a mix of highway-oriented retail and marine related commercial uses. The latter are primarily concentrated on bay-fronting properties and include boat sales and storage, sailing schools, marinas, visitor-serving restaurants, and comparable uses. There are no significant infrastructure or environmental constraints within the Mariners' Mile area that that would impede new housing development.

A number of properties contain non-marine commercial uses, offices, and a multi-story residential building. The General Plan identifies Mariners' Mile as a location appropriate for mixed-use development integrating residential and commercial or office space. The Land Use Element identifies Mariners' Mile as Mixed-Use Water 1 (MU-W1), Mixed-Use Horizontal 1 (MU-H1) and General Commercial (CG).

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

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

The floor area ratio of mixed-use buildings is 1.25. Multi-family residential densities are 12 units per adjusted gross acre, with the number of units calculated on a maximum of 50% of the property. The average size of parcels designated as MU-W1 and MU-H1 in Mariner's Mile is 0.60 acre or 26,500 square feet.

Corona del Mar

The Corona del Mar corridor extends along Coast Highway between Avocado Avenue and Hazel Drive. It is developed with commercial uses and specialty shops that primarily serve adjoining residential neighborhoods. Among the area's primary uses are restaurants, home furnishing stores, and miscellaneous apparel and professional offices. Almost half of the commercial uses are located in multi-tenant buildings with retail on the ground floor and professional services above. Other uses

include the Sherman Library and Gardens, a research library and botanical garden open to the public, and an assisted-living residential complex.

The updated General Plan intends Corona del Mar as a pedestrian-oriented village with office and service uses that serve surrounding neighborhoods. New development largely would occur as replacement of existing uses and developed at comparable building heights and scale. Additional parking would be provided by the re-use of parcels at the rear of commercial properties and/or in shared parking lots or structures developed on Coast Highway. General Plan land use designations for Corona del Mar include Corridor Commercial (CC) with an FAR of 0.75 and Multiple Residential (RM). Per the Land Use Element up to 8 dwelling units may be accommodated on the two adjoining RM parcels that are currently occupied by a dirt parking lot. The City has received inquiries from an architect about potential housing development on these vacant parcels, but no formal plans have been submitted.

West Newport Mesa

The West Newport Mesa area contains a mixture of residential, office, commercial, industrial, and public uses. It is immediately abutted by Hoag Hospital, a major employment center. The General Plan identifies the opportunity to develop new, complementary uses such as residential, medical offices and other facilities supporting Hoag Hospital. In addition, providing well-planned residential neighborhoods will enable residents to live close to their jobs and reduce commutes to outlying areas. Residential uses within this area are permitted under the Multiple Family Residential category at up to 18 dwelling units per acre. Approximately 100 new residential units could be developed as new and replacement housing.³

G. Housing Demand

This analysis examines several variables on the demand side of the Newport Beach housing market, including the housing demand by household size and tenure, and in household type.

**Table 4-8
Housing Demand: Households by Size and Tenure**

Households By Size and Tenure	Total		Owner		Renter	
	#	%	#	% of total	#	% of total
1-person	11,666	35.3%	4,865	14.7%	6,812	20.6%
2-person	13,010	39.3%	7,992	24.1%	5,138	15.5%
3-person	4,170	12.6%	2,351	7.1%	1,813	5.5%
4-person	2,747	8.3%	2,012	6.1%	742	2.2%
5-person	1,110	3.4%	899	2.7%	141	0.4%
6-person	279	0.8%	219	0.7%	45	0.1%
7 + person	89	0.3%	70	0.2%	21	0.1%
Total:	33,071	100%	18,408	55.6%	14,712	44.4%

Source: 2000 US Census (SF-1: H13, H15)

³ The section discussing available land was taken from the Newport Beach Housing Element 2008.

**Table 4-9
Housing Demand: Household Type**

Households by Type and Tenure	Owner				Renter			
	#	Share of HH Type	Share of Owner	Share of Total	#	Share of HH Type	Share of Renter	Share of Total
Family households:								
Married-couple family:	11,125	65.5%	60.4%	33.6%	2,938	17.3%	20.0%	8.9%
Single Parent Male	425	2.5%	2.3%	1.3%	487	2.9%	3.3%	1.5%
Single Parent Female	958	5.6%	5.2%	2.9%	1,046	6.2%	7.1%	3.2%
Subtotal:	12,508	73.3%	67.9%	37.8%	4,471	26.3%	30.5%	13.5%
Non-family households:								
Male Living alone:	1,824	11.3%	9.9%	5.5%	3,546	22.0%	24.2%	10.7%
Male Not living alone:	590	3.7%	3.2%	1.8%	2,006	12.5%	13.7%	6.1%
Female Living alone:	3,041	18.9%	16.5%	9.2%	3,255	20.2%	22.2%	9.8%
Female Not living alone:	445	2.8%	2.4%	1.3%	1,385	8.6%	9.4%	4.2%
Subtotal:	5,900	36.7%	32.1%	17.8%	10,192	63.3%	69.5%	30.8%
Total:	18,408	55.7%			14,663	44.3%		

Source: 2000 U.S. Census (SF1: H17)

Key Statistics

- Less than 1% (207) of all occupied households (33,071) are renters that have five or more persons in the household. There are only 2,978 rental units with three or more bedrooms.
- 20% of all married couple families are renters.
- 5% of all households are single parent families that rent their housing.

H. Population Growth

After leveling off throughout the early 1980s, the population of Newport Beach rebounded in the late 1980's and has continued to grow at a modest rate. According to U.S. Census 2000 data, the population stood at 70,022, an increase of 3,389 residents over the 1990 total. According to the 2006-2008 ACS, the estimated population in 2008 is 83,779. This is an increase of 19.6% or 13,757 residents.

**Table 4-10
Population Growth: By Race and Ethnicity**

Race	1990 Population		2000 Population		1990-2000 Change		2006-2008 Est. Population		2006-08 Change	
	#	%	#	%	#	%	#	%	#	%
White	63,850	95.8%	64,583	92.3%	733	1%	75,329	89.9%	10,746	16.6%
Black or African American	230	0.3%	371	0.5%	141	61%	516	.6	145	39%
Native American	170	0.3%	179	0.3%	9	5%	123	.1	-56	-31.3%
Asian	1,861	2.7%	2,804	4.0%	943	51%	5,511	6.6	2,707	96.5%
Pacific Islander	66	.2%	83	0.1%	17	26%	70	.1	-13	-15.7%
Some other race	466	0.7%	792	1.1%	1,546	332%	1,220	1.5	428	54%
Multiracial	N/A	N/A	1,220	1.7%	N/A	N/A	1,010	1.2	-210	17.2%
Total:	66,643	100%	70,022	100%	3,389	5%	83,779	100%	13,757	19.6%
Ethnicity	1990 Population		2000 Population		1990-2000 Change		2006-08 Population		2006-08 Change	
	#	%	#	%	#	%	#	%	#	%
Hispanic or Latino	2,648	4%	3,301	5%	653	25%	5,584	6.7%	2,283	69.2%
Not Hispanic or Latino:	63,995	96%	66,731	95%	2,736	4%	78,195	93.3%	11,464	17.2%

Source (1990 US Census (STF1: P007, P009) , 2000 U.S Census (SF1: P3, P4)

Key Statistics

- Overall, the population grew by 5% from 1990 to 2000 and an estimated 19.6 % from 2000 to 2008.
- The Asian / Pacific Islander segment accounted for 4.0% of the population in 2000, an increase of 50% compared to 1990. That number increased to 6.6% of the population in 2008, an increase of 96.5% compared to 2000.
- The ACS estimates that the overall percentage of Hispanic residents increased by 69.2%.
- All segments maintained the same relative household size.

I. Cost of Rental Housing

For the purposes of this analysis, affordable rental housing is defined as units that a low income family can afford without incurring a housing cost burden and without being “overcrowded.” A unit is considered overcrowded when there is more than one person per room. Rooms that are considered in this calculation include bedrooms, living rooms, kitchens, dens, home offices and other finished rooms. This calculation excludes bathrooms and laundry rooms.

Different sized units will have different thresholds of affordability. The adjustments in the thresholds will mirror those made for family size in HUD's annual release of Section 8 Income Limits.

The following table lists the cost of rental housing in Newport Beach, broken down by bedrooms size.

Table 4-11
Cost of Rental Housing: Rental Units by Price and Bedroom Size

Rental Units by Price and Bedroom Size (1999 rents)									
# of Bedrooms		Less than \$200	\$200 to \$299	\$300 to \$499	\$500 to \$749	\$750 to \$999	\$1,000 or more	No cash rent	Total:
Efficiency	# of units	0	21	42	271	518	394	32	1,278
	% of size	0%	2%	3%	21%	41%	31%	3%	
	% of total	0%	0%	0%	2%	4%	3%	0%	
1 Bedroom	# of units	74	89	51	357	1,251	2,489	80	4,391
	% of size	2%	2%	1%	8%	28%	57%	2%	
	% of total	1%	1%	0%	2%	9%	17%	1%	
2 Bedroom	# of units	33	18	49	239	714	4,877	135	6,065
	% of size	1%	0%	1%	4%	12%	80%	2%	
	% of total	0%	0%	0%	2%	5%	33%	1%	
3 + Bedroom	# of units	20	0	49	89	131	2,541	148	2,978
	% of size	1%	0%	2%	3%	4%	85%	5%	
	% of total	0%	0%	0%	1%	1%	17%	1%	
Subtotal		127	128	191	956	2,614	10,301	395	14,712
Share of Total		1%	1%	1%	6%	18%	70%	3%	

Source: 2000 US Census (SF3: H67)

Table 4-12
Cost of Rental Housing: Fair Market Rents by Number of Bedrooms

Fair Market Rents by Number of Bedrooms										
Year	Efficiency		1 Bedroom		2 Bedrooms		3 Bedrooms		4 Bedrooms	
	FMR	Incr.	FMR	Incr.	FMR	Incr.	FMR	Incr.	FMR	Incr.
2006	\$774		\$845		\$1,046		\$1,455		\$1,619	
2007	\$812	5%	\$887	5%	\$1,097	5%	\$1,527	5%	\$1,699	5%
2008	\$855	5%	\$934	5%	\$1,155	5%	\$1,607	5%	\$1,788	5%
2009	\$903	6%	\$987	6%	\$1,220	6%	\$1,698	6%	\$1,889	6%
2010	\$979	8%	\$1,098	11%	\$1,317	8%	\$1,885	11%	\$2,165	15%

Source: HUD Fair Market Rents

Key Statistics

- 39% of all rental units have one bedroom or less. 20% of units (2,978) have three bedrooms or more.
- Fair market rents have increased at least 5% each year since 2006 for every size unit. Overall, fair market rents have increased an average of 27% from 2005 to 2010.

J. Housing Cost

In prior years, the cost of single family homes in the City of Newport Beach increased to the point that the number of families that were able to purchase a home has decreased substantially. The record lows for interest rates during the same time period was part of the impetus for the surge in home prices. During the prior two years, the cost of housing has decreased in all zip codes, with the exception of 92663, as a result of the economic climate and large number of foreclosures throughout the country. The table below shows the median sales price for single family home in Newport Beach for the 2008 calendar year.

Similar conditions occur for condominium or attached single family dwellings, however not at the same level of increase during the same time period.

**Table 4-13
Cost of Owner-Occupied Housing: Single-Family by
Zip Code**

Median Single Family Home Prices by Zip Code			
Zip Code	Number of Sales	Median Price*	12 Mo. Change
92660	197	\$1,350	-15.6%
92661	27	\$1,968	-25.6%
92663	99	\$2,000	13.3%
92657	95	\$2,340	2.9%

**In Hundred Thousands.*

Source: sales data in 2008; Dataquick

**Table 4-14
Cost of Owner Occupied Housing: Condominiums by
Zip Code**

Median Condominium Prices by Zip Code			
Zip Code	Number of Sales	Median Price*	12 Mo. Change
92660	53	\$675	-27.0%
92661	5	\$950	3.3%
92663	77	\$565	-12.5%
92657	42	\$935	-15.0%

**In Hundred Thousands.*

Source: sales data in 2008; Dataquick

Key Statistics

- The median housing price (half the homes sold for more, half the homes sold for less) decreased by 12% from 2007 to 2008. The median sales price in 2008 was approximately \$1.6 million.

K. Vacancy

A vacancy rate is often a good indicator of how effectively for-sale and rental units are meeting the current demand for housing in a community. Vacancy rates of 5 to 6% for rental housing and 1 to 2% for ownership housing are generally considered optimum, where there is balance between the demand and supply for housing. A higher vacancy rate may indicate an excess supply of units and therefore price depreciation, while a low vacancy rate may indicate a shortage of units and resulting escalation of housing prices. The overall housing unit vacancy rate of the City of Newport Beach has varied between 1980 and 2000, as fluctuations have occurred in the housing market. The last available data for all vacant units categorized by the type of housing stock is from the 2000 Census. It indicated that the vacancy rate for rental units was 3% versus 1% for ownership housing. According to State Department of Finance estimates of the overall vacancy rate in the community has decreased to 10.9 in 2007.

**Table 4-15
Vacancy Rate**

Table H9 Overall Housing Newport Beach,		Unit Vacancy Rate 1980–2007	
Year	Vacancies as a % of all housing stock	Vacancies for sale as a % of all housing stock	Vacancies for rent as a % of all housing stock
1980	10.1%	3.8%	6.1%
1990	11.5%	0.8%	4.3%
2000	11.3%	0.9%	3.4%
2007	10.9%	N/A	N/A

Source: U.S. Census 1980, 1990, 2000; Orange County Progress Report 2000; State Department of Finance 2007, Estimate

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

To assist in administration of its condominium conversion ordinance, the City has conducted rental vacancy surveys since 1979. This survey includes only apartment vacancies, not other homes that may be used as rentals. In 2006, the vacancy rate for apartment units was 4.45%.⁴

L. Overcrowding

Overcrowding is a living condition defined by the Census as more than one person living per dwelling room. The 2000 Census data indicated that only 2% of occupied housing units had rooms that are occupied by 1.01 persons or more. The ACS

⁴ City of Newport Beach Housing Element 2008

estimates that in 2008, the number decreased to 1.3%. This means that over 98 % of units have rooms that are occupied by 1 person or less.

Throughout the State and County, overcrowding is increasingly becoming a problem. In the last few years, the economic conditions have resulted in an increase in the number of married couples, children, and other family members living together in units to pay the rent or mortgage. This condition is rare in the City of Newport Beach.

Overcrowding in a home often causes neighbors to be concerned about their property values. Therefore, many of the city' resident bring potential overcrowding hazards to the attention Code Enforcement staff. Therefore, the City will need to continue weighing the benefits and drawbacks to strict code enforcement. Many of the complaints received fall under the Health Department regulation, not a City regulation; not enforceable by Code Enforcement staff.

**Table 4-16
Overcrowding Rates: Overcrowding By Race/Ethnicity**

Overcrowded Housing Units					
Race/Ethnicity	2000 Total Households	Overcrowded		2006-08	
		#	%	#	%
White	30,915	472	2%		
Black	165	0	0%		
Native American	134	7	5%		
Asian	1,024	79	8%		
Pacific Islander	63	0	0%		
Other Race	237	26	11%		
Multiracial	556	31	6%		
Total	33,094	615	2%	470	1.3
Hispanic	1,174	86	7%		

Source: 2000 US Census: SF3: HCT 29; and 2006-2008 American Community Survey

Illegal Dwelling Units

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

Illegal units continue to be a problem today, but are less prevalent than in the past, due to increased year round owner occupancy in these areas, and inspections which occur when properties are sold. While it is difficult to estimate the number of illegal units, code enforcement personnel estimate that as much as 5% of the City’s housing stock may be in the form of illegal units. While not considered safe and

adequate housing, these units do provide living arrangements that tend to be more affordable than legal units.

M. Cost Burdens

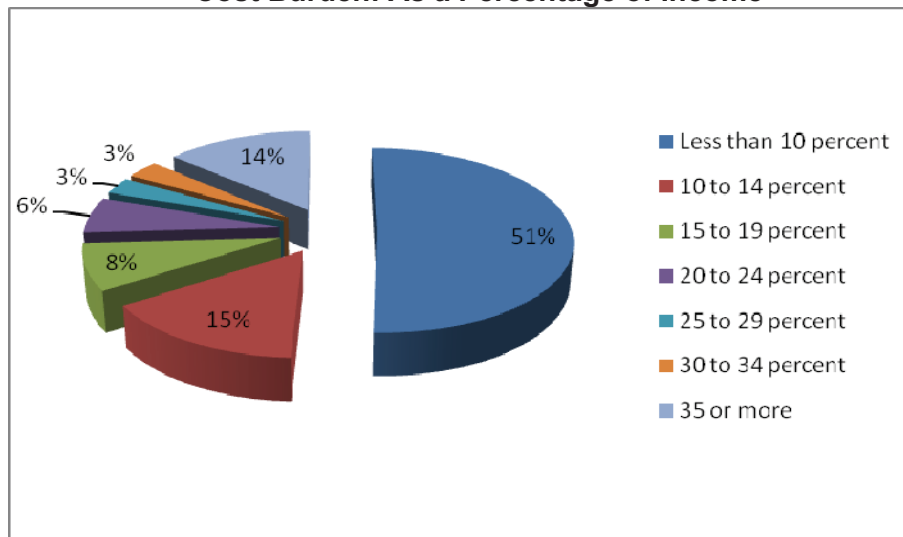
Table 4-17 below lists the percentages of monthly income renters paid for housing costs in 1999 and the estimated amount for 2008. Given that any household paying more than 30% of monthly income is considered *cost burdened*, the data from the 2000 Census and the 2006-2008 ACS shows that:

Table/Chart 4-17
Rent Cost Burdens: As a Percentage of Income

Rent Burdens as a percent of income	2000		2006-2008 Est.	
	#	%	#	%
Less than 10 percent	1,284	9%	2,951	50.7%
10 to 14 percent	1,837	12%	883	15.2%
15 to 19 percent	2,601	18%	479	8.2%
20 to 24 percent	2,081	14%	367	6.3%
25 to 29 percent	1,263	9%	166	2.9%
30 to 34 percent	923	6%	179	3.1%
35 to 39 percent	746	5%	797	13.7%
40 to 49 percent	1,035	7%		
50 percent or more	2,394	16%		
Not computed	548	4%	22	
Total:	14,712	100%	5,822	100%

Source: 2000 US Census (SF3: H69); and 2006-2008 American Community Survey

Graph 4-4
Cost Burden: As a Percentage of Income



Source: 2006-2008 American Community Survey

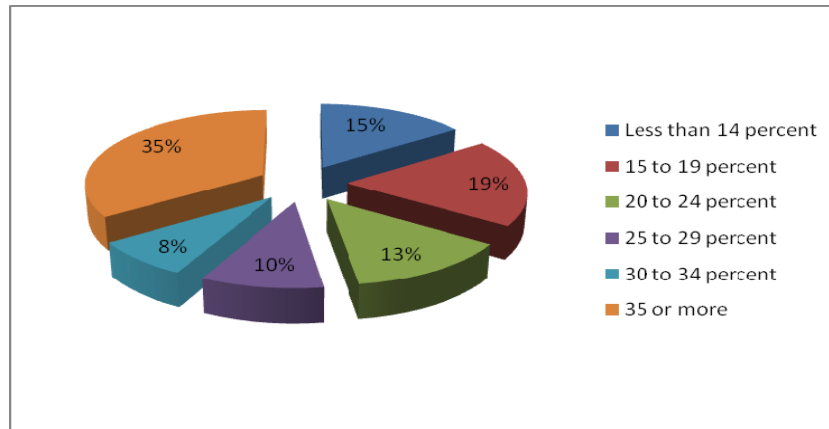
Table 4-18 below lists the percentages of monthly income homeowners paid for housing costs in 1999 and in 2008. Given that any household paying more than 30% of monthly income is considered *cost burdened*, the data from the 2000 Census and 2006-2008 ACS shows that:

**Table 4-18
Cost Burdens: For Owners**

Owner Cost Burdens as a percent of income	2000		2006-2008 Estimate	
	#	%	#	%
Less than 10 percent	1,124	10%	2,213	15.2%
10 to 14 percent	1,280	11%		
15 to 19 percent	1,449	12%	2,785	19.1%
20 to 24 percent	1,484	13%	1,936	13.3%
25 to 29 percent	1,303	11%	1,422	9.8%
30 to 34 percent	964	8%	1,182	8.1%
35 to 39 percent	644	5%	5,009	34.4%
40 to 49 percent	1,043	9%		
50 percent or more	2,441	21%		
Not computed	72	1%	793	
Total:	11,804	100%	14,547	100%

Source: 2000 US Census (SF3: H94); 2006-2008 American Community Survey Estimate

**Graph 4-5
Cost Burden: For Owners**



Source: 2006-2008 American Community Survey

HUD is especially concerned about those households paying more than 50% of monthly income on housing costs. These households are considered severely cost burdened and at high risk of homelessness. Any break in the flow of income or unexpected expenses, such as loss of employment or hospitalization, would severely jeopardize the household's ability to continue to meet the housing expense. In 2000, the number of severely cost burdened families (renter and homeowner) reached 4,835.

Key Statistics	
▪	A household is considered cost burdened when it pays more than 30% of its gross income for housing costs. At this point the unit is considered unaffordable for the household. In 2000, almost one-third of all renter households (34%) endure a cost burden. 43% of all owner households have a housing cost burden.
▪	A household is considered to have a severe cost burden when more than 50 % of its gross income goes toward housing costs. Households with severe cost burdens run a risk of losing their housing if faced with a loss of employment, sickness, injury, or similar event that reduces income. In 2000, almost 1 of every 6 renters had a severe cost burden.

N. Physical Defects and Substandard Condition

HUD considers a unit that lacks a complete kitchen or bathroom to have a physical defect and therefore a housing problem. Current ACS Census data indicates that 133 units (0.3% of units) lacked complete plumbing or complete kitchen facilities.

**Table 4-19
Substandard Conditions:
Housing Units Lacking Plumbing or Complete Kitchen**

Housing Problem	2000		2006-2008	
	# of Housing Units	% of Housing Stock	# of Housing Units	% of Housing Stock
Lacking complete plumbing facilities	125	0.4%	18	0.0%
Lacking complete kitchen facilities	235	0.7%	115	0.3%

Source: U.S. Census Bureau, 2000 (SF3: H47, H50); and 2006-08 American Community Survey Est.

Since substandard housing can cause serious health and safety issues, the definition of physical defects should not be used as the only definition of substandard housing. The City considers housing units in compliance with local building codes to be standard units. Any housing unit that does not meet these requirements is considered substandard.

Common housing code violations make a unit unsafe and/or unsanitary, including problems with wiring, plumbing, windows, roofs and exterior, and heating and air conditioning systems. Most of these units are substandard units that are suitable for rehabilitation. These units, which do not meet local code standards for occupancy but are still in use, though dilapidated and poorly maintained, are suitable for essential repairs to rehabilitate the unit.

However, any property found to be structurally unsound or badly deteriorated is considered in substandard condition, unsuitable for rehabilitation. These units may be candidates for reconstruction. These are units that do not meet local code standards for occupancy and are “uninhabitable” as a working residential unit

because they no longer contain an enclosed, heated residential unit with working plumbing and electricity.

O. Low-Income and Minority Populations

The City's low- and moderate-income population is spread throughout the City and is not heavily concentrated in any area. Census Block Group 636.03-1, located in the northwestern corner of the City, has the highest number of low- and moderate-income residents (1,127). However, this only accounts for 7% of the City's total low- and moderate-income population. Census Block Group 630.10-2 has the highest concentration of non-white minorities at 19%. There is no correlation between minority concentrations and low-income concentrations.

P. Housing Needs

HUD requires that the following Priority Housing Needs Table (Table 4-20) be submitted as part of the Consolidated Plan. The table is organized first by tenancy and then by income. Renter housing needs are further categorized by family type. The information in each category of the Priority Housing Needs Table is defined below.

1. Relative Level of Need

A score of low, medium, or high reflects the level of need for this household type relative to the other categories. A category that receives a "low" may in fact have a large number of households in need of assistance, but the City understands that either another agency is servicing these needs or the need is greater for other household types.

A medium level of need indicates that the City will attempt to satisfy these needs if funding is available or pursue other funding sources to meet these needs. A low need level indicates that the City does not consider the household type a priority or that another organization is sufficiently serving the need.

The need level indicates where the City will spend its housing funds. A category assigned a high need level is considered a priority and will receive funding throughout the plan.

Unmet Need

Despite the data available from the Census and other sources, the ever changing needs, wants, and circumstances of individuals constituting the family unit makes it impractical to prescribe a formula to determine the exact number of households in need of assistance. Some may need a rental subsidy while others need a larger unit. Unmet needs for the purpose of this assessment were estimated by calculating the number of households that spend more than 30 % of their gross monthly income on housing expenses. Such households are termed cost burdened. It is important to note that the City does not intend to help only households experiencing a cost burden.

**Table 4-20
Housing Needs of Low and Moderate Income Households
(HUD Table 2-A)**

Household by Type, Income, & Housing Problem	Renters					Owners					Total
	Elderly	Small Related	Large Related	Other	Total Renters	Elderly	Small Related	Large Related	Other	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
1. Household Income <=50% MFI	797	444	10	1,153	2,404	900	337	28	514	1,779	4,183
2. Household Income <=30% MFI	454	214	0	620	1,288	440	204	18	355	1,017	2,305
3. % with any housing problems	76.9	98.1	N/A	81.5	82.6	69.3	85.3	77.8	73.2	74	78.8
4. % Cost Burden >30%	72.5	91.1	N/A	78.2	78.3	69.3	85.3	77.8	73.2	74	76.4
5. % Cost Burden >50%	61.7	91.1	N/A	75	73	56.8	83.3	77.8	73.2	68.2	70.9
6. Household Income >30% to <=50% MFI	343	230	10	533	1,116	460	133	10	159	762	1,878
7. % with any housing problems	78.4	89.1	100	97.2	89.8	64.1	88.7	100	87.4	73.8	83.3
8. % Cost Burden >30%	78.4	89.1	100	96.4	89.4	64.1	88.7	100	87.4	73.8	83.1
9. % Cost Burden >50%	74.3	60.9	100	76.7	72.9	51.1	75.2	100	75.5	61	68.1
10. Household Income >50 to <=80% MFI	322	388	75	954	1,739	740	315	49	185	1,289	3,028
11. % with any housing problems	82.9	83.2	86.7	77.5	80.2	56.8	68.3	91.8	67.6	62.5	72.6
12. % Cost Burden >30%	82.9	82.2	53.3	74.8	77.1	56.8	68.3	91.8	67.6	62.5	70.8
13. % Cost Burden >50%	32.3	27.1	26.7	21.5	25	30.4	54	91.8	37.8	39.6	31.2
14. Household Income >80% MFI	1,105	2,920	105	6,424	10,554	4,910	6,799	1,094	2,480	15,283	25,837
15. % with any housing problems	33	17.8	52.4	14.5	17.7	21.7	29.8	31.4	32.5	27.8	23.7
16. % Cost Burden >30%	29.9	10.3	9.5	13.4	14.2	21.7	29.3	28.7	31.7	27.2	21.9
17. % Cost Burden >50%	5.9	1.2	0	1	1.6	7.8	9.9	8.2	11.1	9.3	6.2
18. Total Households	2,224	3,752	190	8,531	14,697	6,550	7,451	1,171	3,179	18,351	33,048
19. % with any housing problems	56.2	33.5	68.4	31.5	36.3	31.8	34	35.3	41.8	34.7	35.4
20. % Cost Burden >30	53.7	27.2	31.6	30.1	33	31.8	33.5	32.7	41.2	34.2	33.6
21. % Cost Burden >50	31.7	12.7	15.8	13.4	16	16.7	15	13.6	22.8	16.9	16.5

Source: <http://socds.huduser.org>

Definitions:

Any Housing Problems: Cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Other Housing Problems: Overcrowding (1.01 or more persons per room) and/or without complete kitchen or plumbing facilities.

Elderly Households: 1 or 2 person household, either person 62 years old or older.

Renter: Data does not include renters living on boats, RV's or vans.

Cost Burden: Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing cost include mortgage payment, taxes, insurance and utilities.

2. Goals

The City has developed the strategies that have been incorporated into this Consolidated Plan. In determining the strategies, the historical participation in housing programs by various household types and estimated level of funding over the next five years was considered. Special attention was given to family households as such households are more likely to consist of children further stretching the limited resources available to low-income families. These households are also more likely to reside within the assisted dwelling unit during the period of affordability for these programs.

**Table 4-21
HUD Table 2A - Priority Housing Needs/Investment Plan Table**

PRIORITY HOUSING NEEDS (Households)		Priority Need Level (High, Medium, Low)		Unmet Need	Goals
Renter	Small Related	0-30%	High	100	10
		31-50%	High	100	10
		51-80%	High	164	20
	Large Related	0-30%	High	31	5
		31-50%	Medium	31	5
		51-80%	Low	50	0
	Elderly	0-30%	High	30	8
		31-50%	High	30	10
		51-80%	Medium	60	0
	All Other	0-30%	Medium	30	0
		31-50%	Medium	30	0
		51-80%	Medium	40	0
Owner	0-30%	High	5	5	
	31-50%	High	5	5	
	51-80%	High	8	8	
Special Needs		0-80%	High	45	16
Total Goals					102
Total 215 Goals (i.e., units with HOME Covenants)					0
Total 215 Renter Goals (i.e., units with HOME Covenants)					0
Total 215 Owner Goals (i.e., units with HOME Covenants)					0

Source: HUD 2000 CHAS data, City of Newport Beach Consolidated Plan Strategic Plan



V. Public Housing Needs

V. Public Housing Needs

A. Introduction

Public housing and other assisted housing programs are crucial elements of the City's efforts to address the affordable housing needs of low- and moderate-income families in Newport Beach. The Orange County Department of Housing and Community Services, acting as the Orange County Housing Authority (OCHA), oversee the City's public housing programs.

As a standard performing housing authority, OCHA provides affordable housing for low-income families, seniors, and disabled persons. HCS administers the Section 8 Housing Choice Voucher Program (Section 8), which provides rental assistance in all unincorporated areas of the County and in 39 participating cities.

B. Public and Assisted Housing Providers

The Planning Department, as part of its mission of collaboration and leveraging, is committed to working with public and assisted housing providers to address housing needs. The following section provides a summary of the various agencies that provide public housing assistance or programs that can be used to create public housing.

1. Housing Authority of the County of Orange

The Housing Authority of the County of Orange offers one type of housing assistance programs, the Section 8 Assisted Housing Program. The owner is required to provide decent, safe, and sanitary housing to tenants at a reasonable rent. Inspections are performed initially and at least once annually thereafter to insure that tenants and owners comply with Housing Quality Standards, and other lease and contract provisions. A summary of the program is provided below.

Section 8 Assisted Housing Program

The Section 8 Assisted Housing program was established by the 1974 Housing and Community Development Act and is administered by the Housing Authority of the County of Orange. This Federally-funded program provides rental assistance in the form of a voucher to very low-income families, senior citizens, disabled, handicapped, and other individuals for the purpose of securing decent, affordable housing. The Housing Authority is currently managing 130 Section 8 vouchers units that are located within the City of Newport Beach.

Under the Housing Choice Voucher Program, subsidy payments are made by the Housing Authority to property owners on behalf of the family. Assistance is provided to very low-income families including senior citizens, disabled, handicapped, and other individuals. The program uses a Payment Standard to determine the maximum amount of assistance that will be paid on behalf of the family. The family's portion will be a minimum of 30% of their adjusted gross monthly income up to a maximum of 40% if they choose.

2. Federally-Assisted Housing

Aside from the programs that the Housing Authority of the County of Orange currently administers, HUD also provides funding for the construction of low- and moderate-income rental housing as authorized under Sections 202, 241, 236, and 811 of the National Affordable Housing Act. Many of these projects also maintain project-based Section 8 contracts to subsidize rents for low-income tenants.

HUD Section 236 Loans

Housing projects funded under the HUD Section 236 loan program carry 40-year low-income use restrictions. After the first 20 years of the loan, owners participating in this program can choose to prepay the outstanding mortgage loan and opt out of the low-income use restriction. Until recently, prepayment of the Section 236 loan had been regulated by the provisions of the Low Income Housing Preservation and Resident Homeownership Act (LIHPRA).

Under LIHPRA, the owner of a prepayment-eligible project can choose to retain project ownership in exchange for additional Federal incentives or sell the properties under a voluntary sale program. Where the owner chooses to sell, the residents and non-profit organizations are provided with an exclusive 12-month negotiating period. Prepayment and conversion of the housing to non-low income use can only occur if there is no willing buyer to purchase the project.

In light of the budgetary constraints at the Federal level, Congress passed the Housing Opportunities Extension Act in 1996, which limits the incentives that can be offered to prepayment-eligible projects in exchange for extending the low-income use restrictions and allows more flexibility for owners to prepay and sell the projects than previously provided for under LIHPRA. For all practical purposes, HUD now considers all prepayment-eligible projects to be at risk of converting to market rate housing.

HUD Section 8 Contracts

Projects with Section 8 contracts receive Section 8 rent subsidies that are tied to the project units. Many projects financed with HUD Section 202, 221, and 236 funds also maintain Section 8 contracts with HUD. The contracts typically carry an initial term of 15-years with the option for five-year extensions thereafter. However, passage of the 1996 Housing Opportunities Extension Act also jeopardized the continued availability of project-based Section 8 assistance. The bill allows owners of projects with Section 8 contracts to opt out of the Section 8 program with a six-month notification prior to expiration of the contracts. For owners who elect to renew the expiring contracts, HUD is giving local HUD offices the authority to renew these contracts on an annual basis pending funding availability. For these reasons, projects with Section 8 contracts are considered at risk of losing their affordability.

HUD Section 221 Loans

There are typically two types of Section 221 loans - loans with below-market rate interest (221(d)(3)) and loans with market rate interest (221(d)(4)). Projects financed under Section 221(d)(3) have a 40-year low-income use restriction and the long-term low-income use of these units is therefore considered fairly secure. However, the Section 8 contracts on these projects may still expire due to budgetary constraints at HUD.

Projects financed under the Section 221(d)(4) market rate program alone have no binding low-income use restrictions. Typically, these projects also receive project-based Section 8 assistance to maintain the affordability of the units. These projects may be at risk if Section 8 funds are reduced or no longer available.

HUD Sections 202/811

These projects are owned by non-profit organizations and low-income use restrictions are locked-in for the full 40-year mortgage term. The long-term low-income use of these projects is fairly secure as they are required to be owned by non-profit entities. However, the Section 8 contracts on these projects, if any, may still expire due to budgetary constraints at HUD. The City's policy is to emphasize preservation of the existing units when they become available by leveraging funds from existing City programs with HUD resources on a project by project basis.

C. Units at Risk of Conversion

HUD requires that the City undertake an analysis of Federal, State and locally assisted housing units that may be lost from the City's affordable housing stock. The expiration of affordability restrictions on government assisted rental units is the typical reason of this potential loss. Much of the housing at risk of conversion from affordable housing to market rate housing is predominantly reserved for lower income households.

Use restrictions, as defined by State law, means any Federal, State or local statute, regulation, ordinance or contract which as a condition of receipt of any housing assistance, including a rental subsidy, mortgage subsidy, or mortgage insurance, to an assisted housing development, establishes maximum limitations on tenant income as a condition of eligibility for occupancy.

Table 5-1 provides an inventory of the assisted units that are at risk of converting to market rate housing. As shown, there are a total of 339 assisted, multi-family rental units in the City, of which 46 are units that are "at-risk" of conversion to market rate.

These units received assistance under a combination of HUD programs, Housing Revenue Bonds, and the County of Orange Multi-family Mortgage Revenue Bond Program.

3. Inventory of At-Risk Units

Two of the projects with assisted units is at risk of losing their affordability restrictions during the analysis period. Table 5-1, Inventory of Assisted Units, shows each project and their potential conversion dates. At the end of this consolidated plan period (2014), there is a potential of losing 46 rental units (Villa Point I and Villa Point II).

4. Cost of Preservation versus Replacement

During this period, none of the projects listed in Table 5-1 will be at risk. However, two projects with 228 units (46 affordable housing units) will be at-risk in 2010. The cost of preserving those future at-risk units is estimated to be less in most cases to the City than replacing the units through new construction. Replacing the units with rehabilitated units may be cost effective in some instances.

Preservation of the units as affordable would require financial incentives to the project owners to extend low-income use restrictions. Other scenarios for preservation would involve purchase of the affordable units by a non-profit or public agency, or local subsidies to offset the difference between affordable and market rents.

Scenarios for preservation will depend on the type of project at-risk. Two options exist for preservation of units at-risk of losing their Section 8 rental subsidies: HUD may offer an extension of the Section 8 contract or the City may offer rental subsidies.

**Table 5-1
Inventory of Assisted Units**

Project Name	Project Address	Type of Housing	Type of Assistance	Units	Affordable Units	Termination Date
Newport Sea Crest Apartments	Newport Sea Crest Apartments 843 15 th Street	Rental	Section 8 CDBG Fee Waiver LIHTC	65	65	11/1/2016
Newport Seaside Apartments	1544 Placentia Avenue	Rental	Section 8 CDBG Fee Waivers	25	25	8/1/2019
Newport Seashore Apartments	849 West 15 th Street	Rental	Section 8 Fee Waivers	15	15	7/1/2018
Newport Harbor I	1538 Placentia Avenue	Rental	Section 8 Density Bonus CDBG	26	26	5/7/2020
Pacific Heights Apartments	881-887 W. 15 th Street	Rental	Section 8	16	7	9/12/2018
Villa Point I	Baywood Apartments	Rental	City Inclusionary Housing Requirement	138	28	11/31/2010
28 th Street Marina Project	2809-11 Newport Blvd.	Rental	Inclusionary Housing Requirement	35	4	2/28/2020
Kirkwood (Villa Del Este)	401 Seaward Road	Owner	Section 8 Ownership	18	2	4/19/2025
Villa Sienna Condominiums	2102 East 15 th Street	Owner	Section 8 Ownership Density Bonus	15	3	7/2/2022
Villa Point II	Newport North 2 Milano Drive @ Jamboree	Rental	City Inclusionary Housing Requirement	90	18	11/13/2010
Newport Harbor II	1530 Placentia Ave	Rental	Section 8	14	14	7/16/2023
28 th Street Marina Project	Newport Harbor II Apts.	Rental	Inclusionary Housing Requirement		4	7/16/2023
851 Domingo Drive Apartments	851 Domingo Drive (County Project)	Rental	Section 8	28	28	Permanent
Seaview Lutheran Plaza	2900 Pacific View Dr.(Federal Proj.)	Rental	Section 202 Section 8	100	100	Permanent
Bayview Landing	1121 Back Bay Drive	Rental Seniors	LIHTC	120	119	2056

5. Resources for Preservation

Funding Sources

The following summarizes financial resources available to the City for preservation of assisted, multi-family rental housing units.

CDBG – The City is programmed to receive approximately \$2 million during the next five years. This program is intended to enhance and preserve the City's affordable housing stock. CDBG funds are awarded to the City on a formula basis for housing activities. Eligible activities include acquisition, rehabilitation, economic development, and public services.

Section 8 Rental Assistance Program – This program provides rental assistance payments to owners of private market rate units on behalf of very low-income tenants.

Section 202 – Provides grant to non-profit developers for supportive housing for elderly. Eligible activities include acquisition, rehabilitation, new construction, and rental assistance.

California Housing Finance Agency (CHFA) Multiple Rental Housing Programs – This state program provides below market rate financing to builders and developers of multiple-family and elderly rental housing. Tax exempt bonds provide below market mortgage money. Eligible activities include new construction, rehabilitation, and acquisition of properties with 20-150 units.

Low Income Housing Tax Credit (LIHTC) – This state program provides tax credits to individuals and corporations that invest in low-income rental housing. Tax credits are sold to corporations and people with high tax liability and proceeds are used to create housing. Eligible activities include new construction, rehabilitation, and acquisition.

California Community Reinvestment Corporation (CCRC) – This private, non-profit mortgage banking consortium provides long-term debt financing for affordable multi-family rental housing. Eligible activities include new construction, rehabilitation, and acquisition.

D. Public Housing Strategy

1. Strategy 1: Preserve and improve the supply of public housing for very low- and low-income persons.

The preservation and improvement shall include the implementation of the following:

- a. **Monitor At-Risk Units**
The City will contact with owners of at-risk units as the use restriction expiration date approaches and communicate to the owner the importance of the units to the supply of affordable housing in Newport Beach as well as its desire to preserve the units as affordable. The City will make every effort to use local incentives that can be offered to property owners to preserve any at-risk units.
- b. **Rental Subsidies**
If other methods to preserve the at-risk units fail, the City will determine if it can assign financial resources to provide rental assistance to very low-income tenants to cover the difference between their current rents and market rents.
- c. **Support and Assistance to Local Nonprofits**

The City will focus on development and/or support of local nonprofit housing organizations. If owners of the at-risk housing projects are interested in selling to nonprofit organizations, work with the project owner(s) and nonprofit(s) to maximize the possibility of purchase. The city can use incentives, such as low-cost financing or payment of some of the costs associated with the purchase, to facilitate non-profit purchase of the project in order to preserve its affordability.

d. Inclusionary Zoning Regulations

The enactment of Inclusionary zoning regulations should be considered so as to enhance the public welfare and assure that further housing development contributes to the attainment of the housing goals of the City, by increasing the production of residential units affordable by households of very-low and low income. The regulations should assure that the limited remaining developable land in the City's planning area is utilized in a manner consistent with the City's housing element, policies and needs. Similar regulations in other jurisdictions require all new residential development projects shall include 20% of the total number of units as affordable units.

2. Strategy 2: Continue to support the on-going efforts of the Orange County Housing Authority to maximize the use of Section 8 subsidies and other resources.

The City shall proactively pursue opportunities to increase the number of Federally allocated Section 8 vouchers through the Housing Authority of the County of Orange.

Intentionally Left Blank



VI. Homeless Needs Assessment

VI. Homeless Needs Assessment

A. Profile of the Homeless

People often have a misconception of the homeless. When a low-income household suffers from a personal crisis, the result can be a loss of their housing. Issues most often cited by homeless persons as the cause of homelessness include substance abuse, loss of employment, health issues, domestic violence and injuries.

Substance abuse is the most commonly reported cause of homelessness.

Homelessness is a significant issue in Newport Beach. To address this growing problem, the Continuum of Care (CoC) Community Forum Collaborative works with the City to lead the effort in addressing homelessness in Newport Beach.

The CoC Community Forum Collaborative sponsors a semi-annual Homeless Service Providers Survey to gather demographic information on the homeless who receive services based on a “point-in-time estimate.” The survey defines homelessness as follows, which is based on standard established by the Department of Housing and Urban Development (HUD) and the California Housing Finance Agency:

- Any individual who lacks a fixed, regular, and adequate night-time residence or has a primary night-time residence in any facility not designed for permanent living.
- Families, individuals, and youth residing in emergency shelter or transitional housing.
- Persons in drug and alcohol treatment who were homeless before they entered treatment or will be homeless after they leave.
- Family members wait-listed for public housing that are currently residing in substandard or overcrowded housing.
- Individuals discharged from correctional institutions within 30 days of the survey date that would meet the definition of being homeless.

B. Homeless Definitions

The definition of homelessness in the survey differs slightly from the definitions for HUD's homeless programs (the Emergency Shelter Grant, the Supportive Housing Program, Shelter Plus Care program, and the Section 8 Moderate Rehab for Single Room Occupancy Units program). All organizations receiving funds under these four programs must ensure that any homeless persons participating in any activities funded by these programs meet HUD's homeless definitions for the respective programs.

HUD considers persons living in overcrowded housing to be at high risk for homelessness, but not homeless, unlike the definition in the survey. HUD also has a requirement that people leaving institutions (such as in-patient alcohol and drug treatment facilities)—where they have stayed more than 30 days—are only

considered to be homeless if they have no family or friends where they can stay, have no resources to obtain housing, and did not have housing discharge planning. Please note that HUD does not consider people staying in such institutions for more than 30 days to be homeless just because they once were in a shelter or living on the streets. For such people to be considered homeless, the other criteria (support network, resources, planning) must also be absent and documented.

Finally, HUD does not consider persons living in transitional housing to be homeless unless they leave within 30 days and previously came from the streets or emergency shelter. In this case, documentation must exist that the person came from the streets or emergency shelter. If a person has been in an institution for more than 30 days, they must meet the "network, resources, planning" test described above.

C. Factors Contributing to Homelessness

Providers suggest that the growth in homeless families is due to the difficulty in finding affordable housing options in a tightening rental market. Based on discussions at community meetings, homeless working group meetings, consultations, and survey results, the following issues surfaced as contributing factors:

- Substance abuse.
- De-institutionalization of persons with mental illness.
- Lack of resources to address the needs of homeless or "near-homeless" persons with substance abuse or mental illness, including persons with dual diagnoses.
- Unemployment/underemployment.
- Lack of job skills among persons at high risk for homelessness.
- Domestic violence.
- A large gap between the number of affordable housing units and the number of households, which need them.
- Poverty and lack of personal resources.

D. Local Homeless Population

The following are quick facts about the homeless population in Orange County:

- Orange County's population surged past 3 million making it the 2nd most populous county in California.
- In November 2009, the State of California Employment Development Department reported Orange County's unemployment rate at 9.4 percent - up from 5.3 percent a year earlier. The unemployment numbers for Newport Beach are 5.9 percent compared to 3.3 one year earlier.
- According to HUD, the 2009 median income for an Orange County family of four equals \$86,100.

- In November 2009, the median home price in the County exceeded \$432,250, an increase of 8.1 percent from a year earlier¹.
- Per the 2000 Census, 7% of the County's families live in poverty - the figure increases to 33% when housing costs are added.²
- In accordance with the Orange County Client Management Information System (CMIS) year end progress report for 2008, 5,081 persons were reported to be homeless. Of the 5,081 homeless persons, 1,207 were determined to be at-risk persons.
- In 2008, a total of 12,834 clients were actively served in one of 26 Orange County Programs reporting under the CMIS system.
- Only one-fifth of the homeless population was housed in emergency or transitional housing.

E. Homeless Needs

To most efficiently address the needs of the homeless population, HUD has tasked local governments with developing a Continuum of Care. The Continuum of Care (CoC) is a planning model designed to provide assistance to homeless persons at every level of need and to move a client from homelessness to permanent housing. The Continuum addresses both the lack of housing affordable to the lowest income levels; it also addresses the underlying causes of homelessness such as substance abuse, domestic violence, and mental illness.

Point in Time Survey:

In addition, HUD has mandated a Point in Time Survey (PITS) in an effort to enumerate people identified as homeless who either seek emergency or transitional shelter in a known program or find refuge in places not meant for human habitation. This survey is conducted at a single point in time during the last ten calendar days of January, every two years. HUD began to require Continuums of Care to conduct a PITS beginning in 2005, as a condition of applying for Homeless Assistance Funding. The goal of the PITS process is to produce an unduplicated census of a community's street and sheltered homeless population at a single point in time. The PITS process is not intended to count those at-risk of homelessness that are living in crowded conditions, in motels, or those who are likely to become homeless once discharged from an institution such as a hospital or jail or those in permanent supportive housing. One of the most significant limitations of the PITS process is that an untold number of homeless are not visible to enumerators during the count.

Client Management Information System:

In response to a Congressional mandate, in 2004, Orange County implemented the Client Management Information System (CMIS), our local branding of a Homeless Management Information System, to track homeless clients. The CMIS is Orange County's investment in a local data collection tool that can be used by all public, non-profit and faith-based service providers to track client demographics, as well as

¹ Dataquick

² O.C. Register, September 27, 2003

measure usage of housing and support services by our local homeless and at-risk populations.

As in many Continuums of Care across the nation, implementation of an information system has been a challenging task. Software deficiencies, an overly optimistic implementation plan, and a mismatch between the complexity of the software system selected and the desire or ability of agencies to invest the resources necessary to fully utilize the system have all led to less than expected adoption of CMIS. These issues can also largely explain why CMIS has not reached the 75% participation rate set by HUD as a goal to be attained by the end of 2008. By the end of 2008, the CMIS participation rate was 48%. An expanded effort to increase the participation rate was initiated in spring 2009. Consequently, by March 31, 2009, the CMIS participation rate was 63%.

Many non-HUD funded agencies see little incentive to participate in CMIS. Resource constrained agencies focused on providing the best service possible to their clients have little interest in participating in and a lesser tolerance for a regional data collection process that seems to add to their workload. Consequently, there are too few agencies involved, and those that are may or may not be fully engaged and data quality is variable. Perhaps, the most compelling reason for the lower than desired participation rate is the fact that only a relatively small percentage of shelters in Orange County are HUD-funded and thereby mandated to participate.

While the focus on maximizing shelter participation is critical, efforts must be made to ensure participation by the vast numbers of non-shelter providing agencies so as to provide a balanced picture of homelessness in Orange County. Strategies outlined in this plan are targeted at removing barriers to CMIS participation, implementing technology improvements, providing value added to participating agencies, extending regional data collection capabilities outside of CMIS, and publicly communicating the wealth of information collected regarding client characteristics, regional service delivery, and performance measurement.

Orange County Ten Year Plan to End Homelessness:

The Ten-Year Plan to End Homelessness (The Plan) in Orange County is the product of an integrated community collaboration. The Plan provides a roadmap of how to effectively end homelessness in Orange County within the next ten years.

Although the efforts to develop such a Plan started several years ago, that process began in earnest in August of 2008, when a broad-based Working Group was established and charged with developing a plan. Working Group members represented various stakeholder groups including the business community, non-profit homeless service providers, technical consultants, philanthropic foundations, education, mental health, housing, shelter providers and local government.

Working Group members were nominated by the community of homeless service providers and selected on the basis of their area and level of expertise, leadership ability, and willingness to commit the necessary time and effort to engage in the planning

process. This initial core of Working Group members was then augmented with members from the broader Orange County community, representing entities critical to The Plan's success.

In addition to background information on the costs of homelessness and the extent of the need in Orange County, this Plan outlines the mission, vision, core values, key goals, strategies and many of the important implementation actions necessary to successfully eliminate homelessness in Orange County. It will enable Orange County to develop a more strategic, focused approach to ending homelessness.

This Ten-Year Plan will lead to positive, systematic changes in the way the community addresses homelessness.³ The strategies listed in this chapter represent the strategy and implementing action proposed on a county-wide basis.

Continuum of Care:

The City of Newport Beach is part of the O.C. Partnership , a countywide Continuum of Care. The Continuum is an umbrella organization that brings together government agencies and community-based nonprofit agencies. Homeless needs are presented on a regional basis by the levels of service that form the Continuum. The Orange County Continuum of Care system consists of six basic components:

- Advocacy on behalf of those who are homeless or at-risk of becoming homeless;
- A system of outreach, assessment, and prevention for determining the needs and conditions of an individual or family who is homeless;
- Emergency shelters with appropriate supportive services to help ensure that homeless individuals and families receive adequate emergency shelter and referrals;
- Transitional housing to help those homeless individuals and families who are not prepared to make the transition to permanent housing and independent living;
- Permanent housing, or permanent supportive housing, to help meet the long term needs of homeless individuals and families; and
- Reducing chronic homeless in Orange County and addressing the needs of homeless families & individuals using motels to meet their housing needs.

For many Newport Beach residents, the first entry into the Continuum of Care is through an emergency shelter, where individuals and families obtain emergency housing and supportive services directed to getting people off the streets and into a safe environment. Typically, people stay in an emergency shelter for a short period. Usually during this time, other housing is arranged and the homeless person's immediate social service and medical needs are addressed.

The next component of the Continuum is transitional housing, designed as short-term housing for up to 2 years, where persons move into a more stabilized housing arrangement than an emergency shelter. In transitional housing, persons receive substantial supportive services that are normally directed toward long-term solutions

³ Orange County Ten Year Plan to End Homelessness

(i.e. employment, counseling, medical aftercare and life skills training), rather than the immediate needs and services addressed in the emergency shelter settings.

The final component of the Continuum of Care is permanent housing, both with and without supportive services. The goal of the Continuum of Care system is to move people toward housing alternatives where they are able to reside permanently in safe and sanitary housing. This housing must be available at prices they can afford and in locations where they can receive the support services necessary for them to achieve maximum independence based on their abilities.

The following tables were provided as part of the County's Continuum of Care. The inventory numbers in the tables below are based on the results of a survey sent to homeless service providers who participate in the Community Forum Collaborative.

**Table 6-1
County of Orange - Homeless and Special Needs Populations
(HUD Table 1-A)**

Continuum of Care: Housing Gap Analysis Chart

		Current Inventory	Under Development	Unmet Need/ Gap
Individuals				
Example	Emergency Shelter	100	40	26
Beds	Emergency Shelter	926	0	2113
	Transitional Housing	1,211	0	0
	Permanent Supportive Housing ⁴	1,174	27	3783
	Total	3,311	27	5896
Persons in Families With Children				
Beds	Emergency Shelter	305	0	0
	Transitional Housing	1,614	18	102
	Permanent Supportive Housing ⁵	109	0	0
	Total	2,028	18	102

Continuum of Care: Homeless Population and Subpopulations Chart

Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Number of Families with Children (Family Households):	171	268	74	513
1. Number of Persons in Families with Children	474	808	255	2,112
2. Number of Single Individuals and Persons in Households without children	936	360	816	1,537
(Add Lines Numbered 1 & 2 Total Persons)	1,410	1,168	1,071	3,649
Part 2: Homeless Subpopulations	Sheltered		Unsheltered	Total
a. Chronically Homeless	36			
b. Seriously Mentally Ill	199			
c. Chronic Substance Abuse	184			
d. Veterans	419			
e. Persons with HIV/AIDS	93			
f. Victims of Domestic Violence	619			
g. Unaccompanied Youth (Under 18)	43			

Source: HUD's 2008 Continuum of Care Homeless Population and Subpopulations Report

Based on the figures provided above and local expertise from homeless service providers, the County has derived the strategies and priorities listed in the following section:

⁴ HUD's point in time count does not include persons or beds in permanent supporting housing as currently homeless.

⁵ Chronically Homeless "Sheltered" figure includes 51 "Sheltered" individuals included in Part 2, Row 2 ("Severely Mentally Ill").

F. Strategy

The City's strategy to address homelessness in the City is to adopt the regional (County) homeless strategies as listed in the Ten Year Plan to End Homelessness and listed herein, as its own. The City will continue to work with the area's Continuum of Care (CoC) providers to address the aforementioned priorities and goals. The following section provides the regional strategies and the implementation actions that will be taken to address the strategies.

Goal #1: Prevent Homelessness – Ensure that no one in our Community becomes Homeless		
#	Strategy	Implementation
1	Through regional access centers, provide prevention assistance such as anti-eviction services, rental and utility supports, credit counseling, debt management, tangible goods, emergency assistance, employment services, conflict resolution, and relationship building.	1.1 Develop a service description and work plan. 1.2 Develop a budget for implementing the Access Center Program. 1.3 Identify potential sites for access centers. 1.4 Conduct a Request for Proposals to find a suitable provider. 1.5 Ensure consistent procedure in data collection and assessments among access centers.
2	Establish a pool of flexible funding that can be used for “whatever it takes” assistance for those who are at-risk of losing their current housing.	2.1 Identify a non-categorical funding source 2.2 Develop a plan for priority uses of the funding.
3	Encourage employer-assisted housing models for employees (at all income levels) already in housing.	3.1 Identify employers who might have a potential interest in such a program. 3.2 Conduct a cost/benefit study to show the impact of employer-assisted housing.
4	Support the development of community resources and housing options so that hospitals, jails, and foster care programs can more effectively assist patients/clients, through appropriate referrals, to have a smoother transition upon discharge.	4.1 Explore methods to increase communication and coordination among agencies discharging clients.
5	Improve coordination among the various public assistance programs so that at-risk individuals and families can more effectively and efficiently access resources.	5.1 Create an inclusive shared database of available resources that can be accessed through the internet.
6	Create a “deep prevention plan” that addresses issues that affect multiple generations of families and children.	6.1 Issues include physical and sexual abuse, mental illness, substance abuse, foster care, residential instability, and lack of education and training.
7	Use the Central Registry (created under Goal 2 Strategy 9) to identify and assess those at-risk of homelessness and link them to needed services.	7.1 Develop a standardized set of reports that will be generated and shared among agencies.

STRATEGY # 1: The regional access centers will serve as an entry point for persons at-risk of becoming homeless to obtain the resources necessary to maintain their housing. Resources include clothing, food, household items, rental assistance, and utility assistance. Other resources such as health care, landlord-tenant mediation, legal services, and access to public assistance may be provided on site or off site. Case management will be available and may be provided to help address the underlying causes of housing instability to persons or can be required to continue receiving resources.

STRATEGY # 2: This strategy will enable service providers to tailor the help provided to more closely fit the individual's or family's unique needs. Currently, many of the supportive services available to assist these clients are categorically funded. Categorical funding requires a client to seek assistance from multiple programs that each has its own eligibility requirements and ways of doing business. Having available flexible funding will allow for improved coordination and less complicated access to services for clients. A similar approach has been used and found to be effective in the Full Service Partnership programs funded through the State of California's Mental Health Services Act.

STRATEGY #: 3 is a method to bring in additional sources of support to prevent people from becoming homeless. Employers have a stake in the well-being of their labor force. Businesses can participate in the solution.

STRATEGY # 4: is based on the idea of supporting public institutions in preventing the discharge of individuals without adequate planning and resources to ensure that there is a stable home for them once they leave the care of that institution. This will not only assist in preventing homelessness, but will decrease the likelihood of recidivism and lower costs to taxpayers.

STRATEGY # 5: recognizes the need for improved coordination and data sharing among the agencies providing assistance to those at high-risk of homelessness. By sharing information about each client, agencies will be able to track the needs of their clients and follow-up to ensure that those needs have been addressed. Timely access to information is critical to helping clients before they become homeless.

STRATEGY # 6: is aimed at breaking the cycle of risk factors and resulting homelessness that often continue through generations. By the time that individuals and families reach out for shelter, many have a long history of interaction with social services programs and providers. The expectation is that dealing with the individual or family as a whole, will not only prevent homelessness, but also increase the probability that the clients will be able to sustain stable housing. This strategy recognizes that the underlying situations and conditions leading to homelessness must be addressed to be successful in achieving Goal # 1.

STRATEGY # 7: provides a means to centralize information so that those at high risk of homelessness can more easily be identified, assessed, and linked to services. This will assist in avoiding the common experience of people "falling through the cracks." It also supports the principle of "no wrong door" so that people

entering the service system at any agency will be able to access coordinated service.

Goal #2: Outreach to those who are Homeless and At-risk of Homelessness		
#	Strategy	Implementation Action
8	Invest in and expand existing regional access centers and develop a 24/7 coordinated system of outreach to assure universal assessment, intake, referrals, transportation to shelters, etc.	8.1 Officially designate regional access centers. 8.2 Use one phone number that serves as a central point of referral where individuals can call to identify homeless persons for follow-up by outreach workers. 8.3 Expand current programs that provide outreach, such as Comprehensive Health Assessment Team for the Homeless (CHAT-H)-Risk Reduction Education and Community Health (REACH), Health Care Agency Mental Health Outreach Teams, and Mental Health Association Outreach Teams and have them work together to provide regularly scheduled outreach events for the homeless. 8.4 Use the police/community outreach officer model within Orange County cities to expand the use of diversion options to prevent unnecessary incarceration of homeless persons. 8.5 Implement a community voicemail system to provide street homeless with the continuity needed to seek jobs and benefits. 8.6 Develop consistent public safety and public health trainings targeted at informing this sector on how to best respond to homeless clients. 8.7 Integrate the use of community courts into the case management process.
9	Create a Central Registry with multiple data functions, one of which is to identify the most vulnerable, chronic homeless individuals, and then provide outreach to areas where they congregate and link them to intensive services.	9.1 Involve agencies in collaborative efforts to create the Central Registry. 9.2 Ensure that the centralized database includes the people not served/turned away. 9.3 Utilize the Central Registry to identify high concentration areas of potential clients and schedule regular outreach to homeless at those locations. 9.4 Work with shelter providers and developers to increase permanent housing for individuals included in the Central Registry.
10	Create and market an information plan for those who come in contact with individuals who are homeless or at high risk of homelessness so that they can make referrals to needed services. The target audience to receive the information plan includes, but is not limited to churches, landlords, tenant associations, schools, and health clinics.	10.1 Review existing materials and develop additional ones to communicate available resources. 10.2 Develop database for collecting and using the information. 10.3 Identify goals of plan and outline key elements to be communicated.

11	Implement periodic Project Homeless Connect coordinated outreach events.	<p>11.1 Hold Project Homeless Connect events in conjunction with other well-attended community events, such as cultural events or health fairs.</p> <p>11.2 Contact agencies that might participate.</p> <p>11.3 Coordinate logistics of the event.</p>
12	Implement new and strengthen existing mobile outreach efforts to provide needed health, assessment, and referral services in all areas of the County.	<p>12.1 Support public and nonprofit agency efforts to strengthen existing mobile outreach teams, identify and address homeless clients, and provide them supportive services. Examples of services may include medical (screening, minor treatment, and referral for acute illness); mental health (outreach and referral); dental (education, screening, x-rays, and treatment); SSI benefits assistance, Medi-Cal enrollment assistance; food; and clothing.</p> <p>12.2 Create a sustainable mobile outreach unit that would have the capability to initiate services and care to homeless clients, and transport clients to access centers. Mobile services operate in a variety of ways to optimize effectiveness. Some may have fixed routes and stay in a location for a week, others are more flexible to be able to move more quickly.</p> <p>12.3 Encourage city leaders to provide opportunities for outreach efforts, using methods such as demonstrating effectiveness, showcasing benefits to cities, and establishing “good neighbor” standards for mobile efforts (e.g., working to determine locations, obtaining any permits, and necessary permissions).</p> <p>12.4 Coordinate Outreach efforts with Family Resource Centers (FRCs). FRCs work with at-risk clients and thus, provide a link to this population.</p>

STRATEGY # 8: This strategy envisions a network of regional access centers and a 24/7 coordinated outreach system. This is necessary due to the distinct political (municipal) jurisdictions of the area; a desire to share the burden of services region-wide; the concentration of the chronic homeless populations in distinct areas; a need for a system that flexible and responsive to the highly mobile characteristics of the population; the requirement of information and resource sharing; and the benefits of efficient and comprehensive service delivery.

STRATEGY # 9: This strategy requires specialized outreach methods, an ability to identify individuals and their specific needs, a system to dispatch outreach workers accurately and efficiently, and to pair individuals with the right services in order to address the dynamics of the chronic homeless population.

STRATEGY # 10: This strategy consists of a public information plan to equip those who have frequent contact with homeless individuals with the information needed to provide service referrals. Since there are so many organizations, primarily faith-based groups, who offer services independent of coordinated agency collaboration,

a marketing plan will saturate the public with knowledge of available programs and services for the homeless population.

STRATEGY # 11 Project Homeless Connect is a nationally recognized best-practice outreach model for linking the homeless population (especially the chronic homeless) with resources—especially housing. This innovative practice links homeless individuals with services and housing in a high profile one-day/one-stop event designed to engage the support of not only homeless services providers, but also business leaders, community volunteers, and policy makers. The event could take place in one jurisdiction, or in multiple jurisdictions simultaneously on the same day.

STRATEGY # 12 This strategy encourages the use of coordinated, multi-disciplinary mobile outreach teams as an efficient way to provide services and build relationships with those who are homeless, especially the chronic homeless. Typically, this is accomplished through public agencies and non-profit service providers who offer outreach services as a regular aspect of their work. Another way to address these same issues is to encourage city leaders to provide opportunities for outreach.

Goal #3: Improve the efficacy of the Emergency Shelter and Access System		
#	Strategy	Implementation Action
13	Continue to support the Armory until year-round emergency shelter is developed.	13.1 Maintain and enhance funding streams currently supporting the Cold Weather Shelter Program. 13.2 Maintain and enhance relationships between contracted providers; County; City of Santa Ana, City of Fullerton, and City of Anaheim; and partner agencies providing onsite services.
14	Develop year-round permanent emergency shelter(s) to replace the Cold Weather Shelter system.	14.1 Determine the number of regional shelters that are appropriate and feasible. 14.2 The shelter must provide or be able to refer for medical care, mental health assessment and services, benefit counseling, etc. 14.3 Within the shelter, provide a separate space for families with children, and provide an area that can serve as a 'day center' where those unable to work or attend school can go as a respite from the streets. 14.4 Develop and evaluate a pilot recuperative shelter bed program.
15	Provide a rapid re-housing program for Emergency Shelter clients, including, but not limited to, move-in expenses, housing subsidies, and case management support.	15.1 Develop rapid re-housing program model. 15.2 Secure funding for implementation of the model. 15.3 Secure program partners and define roles and responsibilities of each. 15.4 Implement countywide program.

STRATEGIES # 13 AND 14: Although the Cold Weather Shelter Program is typically filled to capacity during the winter months, the use of these facilities is necessarily limited, depending upon whether the National Guard needs to utilize its buildings during the shelter program months. This prevents the set-up of permanent beds for the homeless, since the shelter program supplies must be packed up each morning. It also leads to some evenings when alternate shelter locations must be found on short notice, increasing transportation costs to the homeless and the providers.

One or two permanent emergency shelter buildings will allow for a facility to be tailored to the needs of both homeless individuals and homeless families with permanent rooms and beds, rather than open floor cots. It would also allow for service organizations to maintain staff and services on site, which is not currently possible in the seasonal Cold Weather Shelter locations. The existing Cold Weather Program should be fully supported until the permanent location(s) is/are built.

STRATEGY # 15: As noted in Strategies #13 and #14, with a permanent emergency shelter location, facilities for on-site services can be incorporated. With the availability of on-site services, rapid re-housing program staff can assess the individuals or families that arrive at the shelter each evening to determine the best means for housing them as quickly as possible.

Goal #4: Make Strategic Improvements in the Transitional		
#	Strategy	Implementation Action
16	Maintain current funding for existing transitional housing.	16.1 Fund existing transitional housing at a level needed to maintain the transitional housing until there is sufficient permanent housing stock to meet the needs of the homeless. 16.2 Using an approach that includes permanent supportive, transitional, and emergency housing, determine the number of transitional housing units/beds needed.
17	Provide a rapid re-housing program for clients living in transitional housing.	17.1 Include move-in expenses, housing subsidies, and case management support. 17.2 Give graduating Emergency Shelter clients priority for accessing Transitional Housing. 17.3 Identify clients that can go straight to permanent housing without staying in Transitional Housing.
18	Pursue less stringent entrance requirements for obtaining and remaining in transitional housing.	18.1 Examine current program thresholds and requirements and establish common criteria among service providers. 18.2 Develop high quality standards of care for transitional living programs to be consistently implemented by the service providers.
19	Use the Central Registry to identify those clients who move from shelter to shelter and link them to appropriate services.	19.1 Develop plan and action items for both service providers and for clients to implement a rapid re-housing program vs. transferring to another transitional housing program.

STRATEGY # 16: While funding is needed for permanent affordable housing and emergency shelter, it is also important to continue to support the existing transitional housing programs that are critical to the continuum of services for those who are homeless and for the prevention of homelessness.

STRATEGY # 17: While transitional programs have been effective for many clients, there is increasing research to indicate that additional strategies are needed. Rapid re-housing for long and short term homeless is effective in many jurisdictions, including Minneapolis, San Francisco, and others. Providing housing and the services necessary to sustain independence will not only provide benefits to the clients served, but will also reduce costs to the community for hospital emergency rooms, parks, etc.

Developing an assessment tool to determine who should go directly to permanent housing and who should be put in transitional housing will help provide stability to the family and children.

STRATEGY # 18: This strategy refers to the need for programs with less stringent entrance requirements that still provide adequate services to assist the client.

STRATEGY # 19: A Central Registry that identifies clients, their needs, the services required, and can be used to identify agencies where clients can receive the appropriate services is critical in creating a seamless continuum. Service providers will need to participate in the process to develop or link existing services to the client.

Goal #5: Development permanent housing options lined to a range of supportive services		
#	Strategy	Implementation Action
20	Establish as a top priority providing permanent housing opportunities.	20.1 Design and implement programs using HOME grants, MHSA, redevelopment or other funding sources that can be used for flexible tenant-based rental assistance with flat or tiered rent subsidies and required participation in supportive services for individuals coming out of the homeless system of care. 20.2 Work with redevelopment agencies to increase the affordability of housing stock in redevelopment areas. 20.3 Work with shelter providers and developers to increase permanent housing by providing incentives for the conversion of some transitional housing to permanent supportive housing. 20.4 Actively seek out funding opportunities to increase housing options. 20.5 Encourage employer assisted housing (also known as “workforce housing”) for all income levels through development and widespread dissemination of a cost-benefit analysis for employers. 20.6 Research and implement project-based

		<p>Section 8 programs.</p> <p>20.7 Create a Trust Fund to develop housing for extremely low and very low-income individuals and families.</p> <p>20.8 Explore SB 375 and other mechanisms to link housing/ transportation balance to providing permanent supportive housing. (SB 375 provides emissions-reducing goals for which regions can plan; integrates disjointed planning activities; and provides incentives for local governments and developers to follow new conscientiously-planned growth patterns.)</p> <p>20.9 Develop a mechanism for evaluating the political cost of siting various types of housing needed (e.g., emergency and permanent) and prioritizing when, where and how the housing will be sited.</p>
21	Preserve and expand current supportive housing programs.	21.1 Work with developers and County Behavioral Health to plan and implement projects that could be funded (in part) through the Mental Health Services Act (MHSA).
22	Meet Regional Housing Needs Assessment (RHNA) allocations for permanent affordable housing for those individuals with extremely low and very low incomes.	<p>22.1 Build partnerships between supportive service providers, affordable housing developers, advocacy organizations, and City and County governments through existing organizations (such as The Kennedy Commission, Jamboree Housing, Orange County Community Housing Corporation, and shelter providers).</p> <p>22.2 Hold a widely publicized joint meeting (involving the organizations in Action 22.1), where cities/county sign a resolution agreeing to meet RHNA goals within a specified timeframe.</p>
23	Identify best practices and develop programs that remove barriers and provide incentives to assist “difficult to place” clients in existing private housing markets.	23.1 Review existing effective practices such as the MHSA Full Service Partnership programs.
24	Develop housing locator services.	<p>24.1 Identify the housing locator services that are currently available and explore ways of improving coordination among these groups; use master trainers to work with existing providers of this type of service.</p> <p>24.2 Consider a web-based housing search tool that could be used by both clients and case managers.</p>
25	Work in partnership with cities and counties to reduce regulatory barriers to affordable housing development and to identify incentives for local municipalities, builders, and developers to create housing for extremely low and very low-income residents.	<p>25.1 Promote and create new incentives to encourage partnerships between affordable housing developers/property managers, city/county governments, and supportive service providers.</p> <p>25.2 Encourage non-profit housing developers to apply for Community Housing Development Organization (CHDO) status. This puts such agencies on a “preferred provider” list for</p>

		affordable housing projects being considered by particular jurisdictions. 25.3 Work with affordable housing developers to create projects appropriate for the MHSA Housing Program.
26	Adopt a “Housing First” philosophy for homeless individuals with disabling conditions (or conditions that impact their ability to remain housed).	26.1 Identify those with serious mental illness, substance abuse issues, physically disabling conditions and other serious disabilities. 26.2 Set up a system whereby those individuals identified are channeled directly into permanent supportive housing.
27	Establish a move-in assistance program.	27.1 Provide a countywide fund to assist shelter graduates and homeless clients with first/last month’s rent, deposit, furniture, and household supplies.
28	Provide technical assistance for service providers.	28.1 Identify the types of technical assistance needed. 28.2 Identify appropriate individuals or organizations to provide the technical assistance.

STRATEGY # 20: The existing homeless funding model from both public and private sources focuses almost exclusively on emergency and transitional shelters and service provision within that paradigm. The purpose of this strategy is to expand regional planning efforts, funding, and resources toward increasing the supply of permanent affordable housing linked to supportive services, while maintaining the current supply of transitional housing.

STRATEGY # 21: Although public funding is currently the primary source of financing for permanent supportive housing programs, much of the homelessness prevention funding goes to shelter programs. Cost studies by the Corporation for Supportive Housing show that it costs about the same amount of money to house someone in stable supportive housing as it does for someone to cycle through the shelter and crisis care system.

Permanent Supportive Housing for homeless individuals living with serious mental illness can be funded (in part) with the Housing component of the Mental Health Services Act. Orange County has been allocated approximately \$33 million to develop projects for this target population. The projects must be submitted by OC Behavioral Health Services, housing developers, and other interested parties should work with the County Mental Health Director to develop project proposals.

STRATEGY # 22: In California, cities and counties are required by law to determine their community’s housing needs and to document those needs in a written record known as a “housing element”. Although typically a long and complex document, a housing element basically outlines a community’s housing needs at all income levels, from extremely low incomes to above moderate level incomes. These needs are calculated based on a variety of factors (including size of the community, demographics, available open land, percentage of existing housing and commercial properties). The resulting number is known as a Regional Housing Needs Assessment (RHNA). The numbers calculated for a housing element are usually considered current for between five and eight years, and are reviewed by the state Housing and Community Development Department.

Jurisdictions that are out of compliance with their housing element are subject to state action and civil legal action.

However, even though RHNA numbers are so central to solving the permanent housing crisis in Orange County, housing elements are still a highly complicated and little known or understood tool to assist in planning for housing at all income levels. Further, given that the housing element planning and development process only occurs every five to eight years, the consequence of not engaging all potential stakeholders is the continued growth of the homeless and precariously housed members of our communities. The long lead-time for planning housing projects exacerbates the problem.

STRATEGY # 23: As described earlier, ending homelessness for the chronically homeless population in particular will require addressing not only their housing needs but also their service requirements. Housing First programs across the country provide successful models to guide local efforts. Moreover, funding opportunities exist, particularly through California's Mental Health Services Act (Proposition 63), to develop supportive housing to serve many of Orange County's homeless community. Collaborative relationships between developers and providers to address the comprehensive support requirements of these "difficult to place" clients must be encouraged and sustained.

STRATEGY # 24: Some shelter case managers already provide housing locator services to their clients and have specific experience with this process. These core staffers could act as master trainers to staff with the other homeless service providers. Alternatively, similar services could be handled by a small group of specially trained staff stationed within a central referral bank, such as 2-1-1 Orange County.

STRATEGY # 25: One of the more ~~significant~~ ^{significant} factors limiting more housing developments (as cited by both housing advocates and housing developers) is the volume of state and local development and land-use regulations. The more regulations that developers must comply with, the less likely it is that a housing development will materialize unless it is highly ~~profitable~~ ^{profitable} to the developer. By definition, housing developments that are intended to be affordable to residents at the low end of the local income range will not be ~~profitable~~ ^{profitable}. This strategy is intended to bring the various housing development stakeholders together with city and county planning policy makers to determine the best ways to create incentives for affordable development, with a focus on serving very low and extremely low income residents (as defined by the state income standard).

STRATEGY # 26: The "Housing First" philosophy is based upon the premise that placing a client in permanent housing as quickly as possible provides the stability that the client needs to be able and willing to receive supportive services, and for those services to be effective. The goal of this strategy is to ensure permanent housing with supportive services for those clients with a "disabling condition" (including physical and/or mental health issues and addictions) that is likely to be long-lasting and impact their ability to remain housed.

STRATEGY # 27: The purpose of this strategy is to assist clients with the initial expenses and supplies required to move into an apartment. Move-in assistance would include first and last month's rent plus a security deposit, deposit funds for utilities to be turned on, furniture and household supplies, and assistance with moving belongings. These funds could be disbursed through existing programs or a new fund could be established. The key to this strategy is that the required funding be made available to the client in need without delay.

STRATEGY # 28: Although there are many successful shelter providers and housing developers that have permanent supportive housing, additional assistance is needed to ensure that more agencies have the capacity to develop supportive housing.

Goal #6: Ensure that people have the right resources, programs and services to remain housed		
#	Strategy	Implementation Action
29	Identify and enhance employment and training that enables homeless adults and youth to secure living wage jobs.	29.1 Provide career counseling and job development assistance. 29.2 Offer a declining subsidy for housing to allow an individual to afford housing while in school or being trained.
30	Increase and coordinate benefits and services provided by mainstream government programs, e.g., use a navigator to lead the client through the benefits acquisition process.	30.1 Systems Navigators have been used by the Mental Health Services Act programs provided in Orange County as well as in other U.S and foreign jurisdictions. Study these successful models to see how they could be implemented for this target population.
31	Increase and support communication between service providers.	31.1 Reward collaborative efforts amongst service providers and support excellent model programs.
32	Increase options for transportation to services, work, and school.	32.1 Given the inadequate public transportation system and the large size of the County, find innovative ways to meet transportation needs. Examples might be: carpooling, and paying for gas and basic car repairs.
33	Increase the supply of and access to affordable childcare for homeless and at-risk families.	33.1 Explore babysitting cooperatives and partial subsidies for childcare expenses.
34	Develop/implement model performance standards for supportive services.	34.1 Review existing performance standards and compare to models that have been effective.
35	Increase the supply of and access to legal services related to housing and homeless issues	35.1 Work with Orange County Public Law Center to identify and coordinate the pro bono services of local attorneys.
36	Develop a housing scholarship fund to support declining rental subsidies for clients.	36.1 Engage local philanthropists and corporate foundations to leverage their resources and reach out to others to establish the fund.
37	Expand case management and other supportive services to individuals after they move into permanent housing.	37.1 Review eligibility requirements for case management services and explore sources of funding to expand length of client eligibility for such services.

STRATEGY # 29: The unemployment and underemployment of many Orange County residents is a major contributing factor for homelessness. Identifying programs focused on job training for all segments of the homeless will support the objective of providing adequate financial resources to sustain housing. This strategy encourages participation in effective short-term certificate programs through community college, Regional Occupation Programs, and adult school programs so the individuals can regain employment or increase wages as soon as possible.

STRATEGY # 30: An inventory of government resources and a process for accessing them must be developed. The complexity of programs and resources, and the means of access to them, requires a knowledgeable and focused advocate to navigate the maze of services. Types of public assistance include General Relief, Food Stamps and CalWORKS. (The CalWORKS program provides temporary financial assistance and employment-focused services to families with minor children who have income and property below State maximum limits for their family size.)

Coordination of services and access to those services is currently inefficient at best. To prevent duplication and increase access to various important services needed to sustain housing, service providers must coordinate their efforts. Doing so will not only increase the effectiveness of programs county-wide, but is fiscally responsible, saving tax and donor dollars.

STRATEGY # 31: Sharing the expertise of experienced providers and developing mentors for newer providers will result in the development of new resources and better utilization of existing resources.

Coordinating regional communication and collaboration among service providers and government agencies will decrease duplication of services and promote best practices and mentoring opportunities. In addition, this type of coordination should result in cost-savings for the agencies providing the services. One way to increase coordination/collaboration is to find ways to reward such efforts among service providers. Another way is to support the implementation of excellent model programs.

STRATEGY # 32: Employment programs, ~~but~~ a and education will require access to transportation services. Without transportation or location of services in accessible places, clients will be unable to improve their situations.

STRATEGY # 33: Critical to family self-sufficiency is access to quality and affordable child care. In addition, breaking the cycle of poverty will not occur if children do not have access to quality early childhood learning. Stipends for childcare, as well as development of child care centers are critical to family success. Families will require access to subsidized child care to allow them to benefit from mainstream resources.

STRATEGY # 34: While supportive services appear to be the key to successful housing stability, the range, cost, and quality of these services varies widely.

Developing “Best Practices” models will provide a template for quality and achievement, and measuring success will be more consistent.

STRATEGY # 35: Knowledgeable advocates and access to legal resources will be required to sustain and promote the successful re-housing of many clients, since many low-income individuals are unaware of their legal rights with respect to housing and the obligations of landlords.

STRATEGY # 36: Financial support for housing subsidies must be developed, as well as incentives for stability and successful re-housing.

STRATEGY # 37: Tracking clients for a two-year period after they move into permanent housing should be the evaluation target. Many chronically homeless will require on-going lifelong support to ensure that they remain housed and many special needs populations will require varying levels of support over their lifetimes to maintain permanent housing. This will require an on-going investment in supportive services. Others may access services if they are knowledgeable about the availability and encouraged to connect with service providers once they move into permanent housing.

Goal #7: Improve data systems to provide timely, accurate data that can be used to define the need for housing and related services and to measure outcomes		
#	Strategy	Implementation Action
38	Ensure that County agencies contribute data to the countywide centralized homeless information system.	38.1 Build an internal “data mart” structure for the County’s centralized intake process across its agencies including but not limited to Social Services Agency and the Health Care Agency and others as appropriate. 38.2 Convert County legacy applications to an intranet-based case management system. 38.3 Create a process for aggregating and transmitting anonymous data in a format compatible with the centralized homeless information system. 38.4 Remove confidentiality barriers between agencies while complying with all applicable Federal and State regulations (e.g., HIPAA). 38.5 Facilitate the blending of existing County referral resources into 2-1-1 in a format that encourages broader access.
39	Use the Central Registry to track a client from point of entry to obtaining permanent housing, and any follow-up services provided for at least one year after placement in permanent housing. This system should have the ability to track individuals who have been turned away.	39.1 Design and build a system with multiple data functions, including the HUD required universal data elements. 39.2 Develop a strategy with service providers to ensure the collection of follow-up data on clients six and twelve months following exit from program. 39.3 Allow for the tracking and communication of real time shelter bed availability.
40	Increase countywide participation in data collection by using incentives,	40.1 Work with other data collecting agencies to streamline the collection process to provide

	marketing, system improvements, and other strategies.	<p>incentives by reducing the data collection burden.</p> <p>40.2 Align local funder reporting requirements with regional data collection system.</p> <p>40.3 Design reporting in such a way that it meets multiple provider needs.</p> <p>40.4 Communicate provider participation, as well as regional demographic and performance data to local funding agencies.</p> <p>40.5 Improve the system of data collection by expanding the ways that agencies provide data collection through direct data entry, data migration, and data collection through paper intake.</p> <p>40.6 Remove cost barriers to participation.</p> <p>40.7 Implement system improvements related to ad hoc reporting, and user friendly/intuitive interface.</p>
41	Support the federally mandated Point-In-Time homeless count and survey.	<p>41.1 Improve the process of identifying locations where the homeless congregate during the counting period.</p> <p>41.2 Improve engagement of local jurisdictions and discharging institutions in including their populations.</p> <p>41.3 Consideration of more frequent Point-In-Time Counts to minimize the effects of specific 'day of' phenomena (such as rain) on the results.</p> <p>41.4 Improve engagement of currently homeless residents in identifying the homeless and conducting survey interviews.</p> <p>41.5 Conduct counts as frequently as needed to accurately reflect the county's homeless population.</p>
42	Link existing data repositories.	<p>42.1 Initiate discussion with external data collectors, to facilitate better client information and service provision and increase participation in the countywide centralized homeless information system.</p> <p>42.2 Data should be passed electronically between systems to avoid duplication.</p>
43	Engage local universities to conduct academic research to study efficacy of local homeless programs.	43.1 Identify appropriate faculty and graduate students who might be interested in this area of research.
44	Identify consistent measures of success and educate service providers and funders about them.	<p>44.1 Design pre- and post-assessment tools for each client to measure impact of program/services.</p> <p>44.2 Implement strategies that encourage utilizing pre- and post-assessments.</p>
45	Produce an annual report that provides an aggregate picture of the Orange County homeless population demographics, services received, goals achieved, recidivism, and stabilization in permanent housing.	45.1 Utilize the data in the countywide centralized homeless information system to increase interagency communication about and effectiveness with common populations through data matching and sharing.

46	Facilitate the collection of key public service data (e.g., ER, police) to measure cost/benefit of interventions.	46.1 Link with Ten-Year Plan Board and encourage its participation in gathering key public service data related to the cost of serving the homeless population (i.e., police, fire, and other public service data).
----	---	---

STRATEGY # 38: This strategy calls for coordination amongst the various County reporting systems so that the same information is collected and stored in a manner that can benefit cross agency communication within the County and add to the countywide homeless information system. This includes incorporating County public data repositories with the countywide CMIS.

STRATEGY # 39: This strategy is intended to increase the ability of the service providers, funders, and the community at large to learn about the system of care for homeless individuals and families. Ultimately, the information gathered in this system will be used by evaluators to determine the most effective ways to serve this population.

STRATEGY # 40: This strategy involves focusing on increasing the number of service providers that submit data to the countywide CMIS. With the increase in data in the system, the reports and findings derived from the data will be more meaningful and present a more accurate picture of the homeless population and the service intervention models.

STRATEGY # 41: This strategy includes strategies that will improve the homeless count and survey. Conducting a count is a HUD requirement and must be maintained. However, once the level of reporting into the countywide CMIS increases, this will be the most accurate way to understand the size and demographics of the county's current homeless population.

STRATEGY # 42: This strategy consists of linking the existing databases within the County to reduce the data entry burden, increase the completeness of the information system, and provide a more thorough picture of the services provided to the homeless.

STRATEGY # 43: This strategy targets local universities to analyze the homeless data collected in CMIS to assist the community, funders and providers in better understanding the effectiveness of various interventions on different populations.

STRATEGY # 44: This strategy concentrates on establishing a consistent way in which providers can measure their programs. By working with the local universities and service providers to design and implement pre and post tests that all providers can use will lend credibility to the analysis performed.

STRATEGY # 45: This strategy provides information to the community on the strategies and success of cities, counties, and service providers to serve the homeless community.

STRATEGY # 46: This strategy lays the groundwork for preparation of a cost/benefit analysis focused on prevention services and supportive housing models.

Goal #8: Develop the system and organizational structures to provide oversight and accountability		
#	Strategy	Implementation Action
47	Establish a Ten-Year Plan Board with paid staff to provide strategic leadership, communicate best practices, monitor outcomes, and report results.	47.1 Advocate for each city in Orange County to sign off in support of the regional Ten-Year Plan and develop a set of local strategies to implement The Plan. 47.2 Bring public agencies (county, city, state, and federal) together to regionally plan and coordinate efforts to maximize available government assistance.
48	Create and maintain implementing groups for each of the following goal areas: Data* Homelessness Prevention* Outreach* Emergency Shelter and Access system * Transitional Shelter * Permanent Housing * Resources to Remain Housed* Advocacy*	48.1 The Ten-Year Plan Board will schedule report submittal and presentations from each implementing group. These reports shall detail the progress made toward completing strategies and implementing actions as defined in the Ten-Year Plan. 48.2 The Ten-Year Plan Board and each implementation group will engage the faith-based community in collaborative efforts to align the faith-based community's resources and missions with opportunities to fill unmet gaps. 48.3 The Ten-Year Plan Board will work with the implementing groups to ensure that standards of client responsibility and accountability have been established. 48.4 It will also work with the implementing groups to ensure the development of shelter standards for both agency accountability practices and service delivery. The standards shall include a process for clients and/or stakeholders to file complaints.
49	Align Continuum of Care priorities with the strategies identified in The Plan.	49.1 Staff will ensure coordination and collaboration between Continuum of Care and Ten-Year Plan to End Homelessness Board and Implementing Groups.

STRATEGY # 47: This strategy establishes a Ten-Year Plan Board of community leaders to provide strategic direction, oversight, and advocacy for the Plan.

STRATEGY # 48: Coordinating and reporting on the progress in implementing the goals and strategies as defined in the Ten -Year Plan will be the major task of Implementation Groups. Members of these groups will work with the professionals that are providing the services to the at-risk and homeless populations.

STRATEGY # 49: Ensuring that the work of the CoC and the Ten-Year Plan to End Homelessness are explicitly linked and work in concert will be critical in maximizing

the amount of grant awards received from HUD. It will be important to utilize these HUD funds for activities that coordinate with and support the Ten-Year Plan to End Homelessness.

Goal #9: Advocate for social policy and systemic changes necessary to succeed		
#	Strategy	Implementation Action
50	Educate the public that it is in their best interest, both financially and socially, to end homelessness.	50.1 Emphasize the cost-effectiveness of ending homelessness. 50.2 Emphasize the effectiveness and societal benefits of proven programs.
51	Create incentives for local government and business to support policy to end homelessness.	51.1 Engage local community advocates and the local policy-makers in a collaborative effort to overcome misconceptions about homelessness that may have previously discouraged substantive policy change.
52	Implement a broad program to engage local organizations, faith-based organizations, neighborhood associations and the public in supporting proven solutions to ending homelessness.	52.1 Establish a website that can be used to disseminate information, report on progress, and obtain feedback from stakeholders.
53	Work with appropriate agencies and entities to find a balance between public safety needs and quality of life issues for all residents.	53.1 Host an annual homeless summit bringing together elected officials, national advocates, service providers, funders, and government agency representatives (city, county, state, and local) to discuss progress and future strategies.
54	Have subject area experts, including those from economics, education, and housing, provide the technical assistance needed to be successful.	54.1 Identify areas where TA is needed. 54.2 Identify and contact subject matter experts. 54.3 Chair of the Implementation Group for goal # 9 assigns members of the Implementation Group to work with subject matter expert.

STRATEGY # 50: It is important to raise the public awareness of the costs and consequences of homelessness. Further, federal homeless services funding is now primarily intended for the expansion of permanent housing opportunities, rather than temporary shelter housing options. Many private funders are also making a shift in their giving policies of a similar nature. In order for local communities to take advantage of these funding opportunities, there needs to be a stated and proven commitment to ending homelessness through the creation of more permanent housing options.

STRATEGY # 51: Local jurisdictions are usually not aware of providers and programs that serve the homeless, both in their community as well as on a larger regional basis.

With this in mind, a small group of local experts from across the homeless service provider and advocacy community can assist in doing an inventory of the available housing and services for the homeless in a particular area, keeping in mind the larger Ten-Year Plan regional re-housing philosophy. If an inventory shows

particular housing and service gaps, the jurisdiction should work with the local providers to help fill those gaps.

Those same local providers are encouraged to comprise a speakers' bureau to offer trainings to government staff, elected officials, and community members about what local and regional services are available to serve their community's homeless population. Such presentations might also present financial and social benefits of ending homelessness. This approach can both engage the local community advocates and the local policymakers in a collaborative effort to overcome misconceptions about homelessness that may have previously discouraged substantive policy change.

STRATEGY # 52: Although the Ten-Year Plan governing structure includes Implementation Groups with representatives from a number of community organizations, there also needs to be a mechanism for encouraging regular communication among providers and other organizations to be sure that the Ten-Year Plan goals are implemented, and in a way that includes all of the critical stakeholders. Further, increased collaboration decreases the likelihood of duplicated services or the diversion of grant funds away from the core mission of the Ten-Year Plan. A central organizing entity needs to take responsibility for this strategy so that there can be continuity in the collaborative effort. In addition, this central entity can act as a main educational resource to the community organizations when they need information to create or support new initiatives. A website should be established to serve as a central point of contact and information.

STRATEGY # 53: Recognizes the concerns of residents of our community who are securely housed. There are many similarities among various communities and there are best practices from other areas that can be successfully implemented in Orange County. Holding an annual summit that includes local providers, advocates and policy makers in a conversation with experienced colleagues from other parts of the country would bring a higher level of sophistication to the homelessness prevention efforts in Orange County.

STRATEGY # 54: Acknowledges that there are others in our community who are experts in relevant areas, whose research and experience can help to develop policies and advocate for their implementation. Most research regarding homelessness prevention and programs comes from HUD-sponsored projects, designed and implemented by a select number of researchers. Although that research is incredibly valuable, there is little in the way of local evaluation or demographic research other than the two primary HUD-mandated research sources – the HMIS client data software and biennial Point-In-Time homeless counts.

Using the national data as a guide, the community needs to engage the County's local research institutions in research about homelessness in Orange County. This would enable policy makers and service providers to have specific information about the population they are serving. It would also allow tracking of local trends and changes over time.

Intentionally Left Blank



VII Non-Housing Community Development Needs Assessment

VII. Non-Housing Community Development Needs Assessment

A. Introduction

Consolidated Plan regulations require an assessment of “non-housing community development needs.” The City of Newport Beach is committed to developing effective investment strategies to meet these needs using the City’s Community Development Block Grant (CDBG). This section is presented in the following order:

- The City’s methodology for determining priorities among the several competing community needs.
- The three funding priority levels and their meaning.
- An overview of the CDBG program and eligible uses of funds.
- The City’s community development needs, including infrastructure improvements, facilities, public services, accessibility improvements, and economic development needs.
- At the end of the section is HUD’s Consolidated Plan Table 2B. This table summarizes all of the non-housing community needs and the City’s five-year funding strategy for the City’s Consolidated Plan funds.

B. Methodology

The City used several data sources to assess its non-housing community needs. The 2000 U.S. Census data and the 2006-2008 U.S. Census American Community Survey (ACS) were the primary sources for demographic data. Information on local economic conditions was obtained from the County of Orange and the State of California. As required by Federal regulations, the City consulted local service providers to obtain input. The first-hand knowledge of local community development professionals, including City staff and non-profit advocacy groups, made a significant contribution to the assessment. In addition, the City conducted a Community Needs Survey to gather public opinion.

C. Funding Priority Levels

Consolidated Plan funds are limited and are not sufficient to meet all of a community’s needs. Therefore, it is necessary that the City assign relative priorities to each need and use its limited resources to address the highest priorities. The City has assigned one of the following Priority levels to each possible use of funds:

- High Priority: A high priority indicates the City will use Consolidated Plan funds to implement programs and projects to address this need.
- Medium Priority: A medium priority indicates the City acknowledges a need exists but that the need level is relatively low compared to other needs and / or the need is being addressed by another program or funding source. The City will partner with other agencies and organizations to apply for additional funding.

- Low Priority: A low priority indicates that the City does not perceive a need for this type of service or program.

D. The CDBG Program

This section provides a brief overview of the CDBG Program as it is the primary funding source utilized by the City for non-housing community and economic development activities related to this Consolidated Plan. The CDBG statute calls for program funds to be used to develop viable communities through the provision of decent housing, a suitable living environment, and expanded economic opportunities primarily for persons of low and moderate income. To achieve these ends, the statute requires that activities funded through CDBG meet one of three national objectives:

- Benefiting low- and moderate-income (LM) persons
- Preventing or eliminating slums or blight
- Meeting urgent needs

1. Activities Benefiting Low- And Moderate-Income Persons

LMA - Area Benefit Activities: An activity with benefits available to all residents in a particular area where at least 51 percent of the residents are low- and moderate-income persons. Typical area benefits include:

- Street Improvements
- Water and Sewer Lines
- Neighborhood Facilities
- Façade Improvements in Neighborhood Commercial Districts

LMC - Limited Clientele Activities: An activity that provides benefits to a specific group of persons of which at least 51 percent of the beneficiaries are low- and moderate-income persons.

Presumed Group: An activity that benefits clientele who are generally presumed to be principally low- and moderate-income persons. (Presumed groups: abused children, battered spouses, elderly persons, adults who are severely disabled, homeless persons, illiterate adults, persons with AIDS, and migrant farm workers).

Activities that would be expected to qualify under the LMC Presumed Group subcategory include construction of a senior center, public services for the homeless, assistance to LM persons developing a micro-enterprise, Meals on Wheels for the elderly; services for battered and abused spouses or children; or construction of job training facilities for severely disabled adults.

Requiring Income Documentation: An activity requiring information on family size and income to document that at least 51 percent of the clientele are persons whose income does not exceed the low- and moderate-income limit.

Programs Limiting Services to Low- and Moderate-Income: An activity that has income eligibility requirements which limit the activity exclusively to low- and moderate- income persons, or is of such a nature and location to limit services to primarily low- and moderate-income persons.

Activities that would be expected to qualify under the LM limited clientele presumed groups subcategory include:

- Construction of a senior center
- Public services for the homeless
- Assistance to LM persons developing a micro-enterprise
- Meals on Wheels for the elderly
- Construction of job training facilities for severely disabled adults

LMJ - Job Creation or retention: An activity that directly creates or retains permanent, full-time equivalent jobs. Activities that could be expected to create or retain jobs include:

- Construction by the grantee of a business incubator which is designed to offer both space and assistance to new, small businesses to help them survive and perhaps even expand.
- Loans to help finance the expansion of a plant or factory.
- Financial assistance to a business which has publicly announced its intention to close, and to help it update its machinery and equipment instead.
- Improvement of public infrastructure as needed by a company to comply with environmental laws to avoid closure.

2. Activities Preventing or Eliminating Slums or Blight

The second of the CDBG national objectives has its roots in the Urban Renewal program, one of the major Federal programs that were terminated and replaced with the CDBG program upon its formation in 1974. Although the vast majority of persons who resided in the areas that qualified for assistance under the Urban Renewal program were LM, the principal focus of that program lay in eliminating major slums and other areas of blight within the community and preventing the return of blight to treated areas.

Because of some concerns that the CDBG program might not allow the continuance of the type of projects that were funded under Urban Renewal, provision was made for this through the inclusion of the national objective concerning slums and blight. The subcategories under this national objective are:

SBA – Slum or Blighted Area Activities: An activity serving to improve an area in which documented conditions of slums or blight exist.

SBS - Slum or Blight on Spot Basis Activities: An activity outside of a slum and blighted area designed to address imminent safety hazards.

3. Activities Designed To Meet an Urgent Need

To comply with the national objective of meeting community development needs having a particular urgency, an activity must be designed to alleviate existing conditions that the grantee certifies:

- Pose a serious and immediate threat to the health or welfare of the community.
- Are of recent origin or recently became urgent.
- The grantee is unable to finance the activity on its own, and
- Other resources of funding are not available to carry out the activity.

Example: a major catastrophe such as a flood or earthquake that threatens the community's residents with the spread of serious disease. The community's other resources may well be depleted and other Federal programs may not be sufficient to cover all the costs associated with this public health threat.

E. Community Development Priority Needs

The CDBG regulations categorize the types of programs and projects that are eligible for the funds. This assessment examines the following need categories: Community Improvements; Community Facilities; Community Services; Accessibility Needs; and Economic Development. Each need category is defined below.

Economic Development

Activities or improvements designed to support, increase, or stabilize business development, as well as to create or retain jobs, or expand the provision of goods and services (e.g., small business incubators, commercial and industrial development, loans to for-profit businesses, infrastructure improvements specific to expanding or creating business development).

Community Improvements

Community Improvements are public improvements that support existing or future community development that benefits an entire area or site (e.g., roads, curbs, gutters, sewer systems, street lighting, bridges, etc.).

Community Facilities

Community Facilities includes the construction or rehabilitation of structures or facilities that house a public use. Facilities used for the general conduct of

government are ineligible for CDBG assistance except under certain circumstances, such as the elimination of material or architectural barriers to ADA accessibility.

Community Services

Activities that provide services to individuals and/or households (e.g., job training, child care, graffiti removal, etc.).

F. Infrastructure Improvements

The Infrastructure category looks at all public improvements that support existing or future community development benefitting an entire area or a particular site (e.g., roads, curbs, gutters, sewer systems, street lighting, bridges, etc.). The City has on-going needs for community infrastructure improvements and follows a Capital Improvement Plan (CIP) to meet those needs. Projects in the CIP include construction and rehabilitation of arterial highways, local streets, storm drains, bay and beach improvements, parks and buildings, water and wastewater improvements, and some planning programs. The adopted FY 2009-10 CIP consists of 96 projects representing over \$32 million in new appropriations and \$28 million in re-budgeted funds for a total CIP budget of \$60,784,459. These projects are typically funded with non-Consolidated Plan funds.

The City has assigned a medium priority for Consolidated Plan funds to this need category. The City will consider funding for infrastructure projects in residential areas with concentrations of low- and moderate-income households.

In the 2000-2004 Consolidated Plan, the City used CDBG funds to secure a \$2.4 million Section 108 loan to partially finance the Balboa Village infrastructure improvements. This loan is being repaid over 20 years in approximate \$225,000 installments. The City uses CDBG funds to repay this loan.

Table 7-1 indicates which agencies provide services to eligible census tracts located with the City.

**Table 7-1
Infrastructure Providers In Newport Beach**

Responsible Agency	Infrastructure/Services Provided
City of Newport Beach Engineering Department	Streets, sidewalks, curbs and gutters Local Storm drains
City of Newport Beach Utilities Department	Local Sewage collection
City of Newport Beach General Services Department	Collection of single-family residential refuse and recyclable materials Collection of all other refuse and recyclable materials
City of Newport Beach Utilities Department	Domestic water service
Source: City of Newport Beach	

In the *Needs Assessment Survey*, respondents did not indicate a need for improvements to this type of community infrastructure.

G. Community Facilities

A principal goal of the Consolidated Plan is to develop viable urban communities by developing a suitable living environment. A suitable living environment also includes community (public) facilities that add to the quality of life for a community's residents. In terms of the Consolidated Plan, public facilities include Park and Recreational Facilities, Community Centers, Health Care Facilities, as well as Fire Stations, Libraries, and Public Parking Facilities.

Some city residents are from low- and moderate-income households with annual incomes between 50-80 percent of the area median income. Households with limited resources face great difficulty in meeting everyday needs and maintaining a safe, healthy community and suitable standard of living.

The use of funds to construct, expand and renovate public service facilities contributes a great deal to the quality of life in these households. By making it possible for communities to provide health, recreational, and safety services to their residents, the City's program activities are an important tool for enhancing the livability of the City's lower income households and communities. The provision of these services eases the burden of low- and moderate-income households that must struggle to meet the needs of their families.

1. Health Care Facilities

The availability of public health care facilities is a necessity in jurisdictions of any size. Such agencies regulate health care standards throughout the jurisdiction, monitor trends in health indicators such as rates of infectious disease and injury, and provide needed medical care to poor households.

There are several existing health care programs operating within the City and throughout Orange County. Below is a short summary of the major programs that serve lower income clientele and major hospitals in proximity to the City.

a. County Community Nursing Program

Public Health Nursing provides nursing services in the home and community with a focus on communicable disease investigation, maternal health (high-risk and teen pregnancies), infant and child health (high-risk infants and children), adolescent and adult health.

b. County Medical Services for Indigents (MSI) Program

This program pays medical costs to hospitals, clinics, physicians, ambulance companies, home health providers, and other providers that serve eligible indigent patients. The program covers necessary medical care for Orange County residents ages 21 through 64 years who have no other financial resources for medical care. The scope of the Medical Services for Indigents program is limited to services that protect life, prevent significant disability or prevent serious deterioration of health.

Eligibility is based on Medi-Cal criteria, with an income cap at 200% of the Federal Poverty Level.

c. Orange County Rescue Mission

This organization operates a mobile health clinic that outreaches to the homeless living on the streets to the address health care needs in the poorest of communities. The program provides free medical care to those with minimal or no insurance coverage. Services include clinical evaluation, referral for diagnostic testing, and prescription treatment services. The Clinic provides over 4,400 patient visits yearly throughout Orange County.

d. Hoag Hospital, Newport Beach

Hoag Memorial Hospital Presbyterian is a 409-bed acute care, not-for-profit hospital that provides advanced medical programs in many specialties. The Hospital's quality is endorsed by several healthcare industry organizations and continually recognized on local, regional and national levels. For eight consecutive years, Hoag has received the Consumer Choice Award from National Research Corporation (NRC) and is ranked among the top five percent of hospitals in the nation.

The City has assigned a low priority to this need category, as current facilities and services meet the needs of all income segments of the community.

2. Fire Station and Equipment

The Newport Beach Fire Department is responsible for protecting city residents and property from fire, medical, and environmental emergencies. The Department's eight stations, 140 full-time employees, and over 200 seasonal lifeguards provide 24-hour protection and response to the City's residents and visitors. The average response time for fire apparatus to an emergency call is 4 minutes 22 seconds. The front line apparatus includes eight fire engines (one at each fire station) two aerial ladder trucks (one on each side of the city), three paramedic vans, 3 lifeguard rescue boats, 8 lifeguard patrol units and 3 command vehicles. In 2008, the Fire Department responded to 9,794 incidents.

The City has assigned a low priority to this need category, as current services are funded through other funds and this type of activity would not be eligible in the City due to a lack of low income areas.

3. Youth Centers

According to the 2000 Census, seventeen percent of the City's population was under age 19, representing almost 12,000 persons. The 2006-2008 ACS estimates that the number has increased to 16,371 persons. The City operates a dedicated facility for youth. The Community Youth Center is located at scenic Grant Howald Park in the heart of Corona del Mar. The facility includes athletic fields, basketball & tennis courts along with a game room, meeting room & dance floor. In addition, youth activities are held at other general use facilities

and parks. The City considers the development of additional facilities dedicated to youth to be a low priority relative to other community needs.

4. Libraries

The City is currently served by the Central Library and three branches, Mariners, Corona del Mar and Balboa. In addition, the Newport Coast Community Center provides concierge services for book drop off, pick up, and allows residents to search the library catalog. The system offers a diverse range of informational resources, special programs, and public services such as the Literacy Program. State Library Grant Funds and local contributions were used to construct a new branch library, the Donna and John Crean Mariners Branch Library, as a joint use project with Mariners Elementary School.

Funding for the library was a combination of general funds, support from the Friends of the Library, the Newport Beach Public Library Foundation, as well as donations and in-kind services from businesses. The City has assigned this need category a low priority for Consolidated Plan funds.

5. Child Care Centers

There were approximately 2,800 children under the age of five years in the City, according to the 2000 U.S. Census. According to the 2006-2008 ACS, the number of children in the City grew to 4,674. This accounts for 5.6 percent of the total population of Newport Beach. Adequate and affordable child care is a key component in helping working families succeed. During the school year, Newport Beach Recreation Services offers after-school programs for children in grades 1st through 6th at West Newport Community Center, Mariner's Park and the Community Youth Center. These programs, however, have limited enrollments of fifty children per site. There are 12 registered private child care providers in the City that are licensed by the State. Overall, these centers provide 978 child care slots. The key subsidized child care services are described below.

- a. **Head Start Preschools:** These preschools provide child development services to preschool children ages 3-5 and families. For the children, the schools provide hot meals, along with health, social, and psychological services. Referral services for housing and job information are provided for the parents.
- b. **Avenues for Independence (GAIN) Program:** This program subsidizes child care for people who meet the low income eligibility and who are either working or going to school. The intent of this program is to help parents achieve greater financial independence by maintaining employment or acquiring the job skills to secure employment.

The City has assigned a low priority to this need category, as current facilities and services meet the needs of the community.

**Table 7-2
Child Care Providers in Newport Beach**

Child Care Provider	Capacity
Childtime Childrens Center, Inc.	59
Christ Church By The Sea Children's Center	44
Hoag Child Care Center	90
Newport Coast Child Development Preschool	145
Newport Harbor Lutheran Church	43
Newport Heights, CDC	19
Newport Montessori	107
St. Andrew's Presbyterian Church Pre-School	131
St. Mark Community Preschool	72
St. Matthews Montessori School	48
Temple Bat Yahm	100
Tutor Time Child Care Learning Ctr.	120
TOTAL	978

6. Senior Centers

The City has assigned this category a low priority because the recently developed Oasis Senior Center facility. The facility was designed to address the current needs as well as recognizing the growing needs of seniors. Newport Beach's senior population as of the 2000 census surpassed 12,000 residents and accounted for slightly less than 18 percent of the population. The 2006-2008 ACS estimates that the senior population has increased to 15,383 or 18.4 percent of the population. As the senior population grows and the average lifespan increases, the need for additional capacity and upgrades to the existing facilities will grow. The City operates the Oasis Senior Center. This facility hosts numerous senior activities, such as educational classes, exercise programs, art education, health promotion, transportation, counseling, and support functions.

7. Parks and Recreational Facilities

Parks and recreational facilities serve an important role in a community. They provide opportunities for resident interaction, and improve the overall aesthetic of a neighborhood. Funds can be used to acquire land, build or improve playgrounds or buildings used primarily for recreation, and develop open spaces that will serve low to moderate-income areas.

Newport Beach has 30 parks that provide residents with 258 acres of open space for recreational activities. There are over thirty playgrounds throughout the City for children ages 2-12. The City's parkland standard is five acres per 1,000 residents. Based on the 2000 population of slightly over 70,000, the City has 92 fewer acres of active parkland than this standard would require. This deficit is offset by the recreational opportunities provided by 237 acres of

beach, 68 acres of school facilities, and the recreational resources on the Back Bay. A recent addition is the Bonita Canyon Sports Park, a 40-acre space that provides athletic fields, courts, walking trails and playground areas. The City has assigned this category a low priority need.

8. Community Centers

Community service centers may provide recreational space and activities, but also provide neighborhood services such as computer labs, adult education programs, family services, and general information about public services available throughout the community. Whether or not recreational opportunities are provided by a given community service center, all centers provide multiple public services to the neighborhood and community where they are located.

The City currently operates seven five community centers: Balboa, West Newport, Bonita Creek, Carroll Beek, Cliff Drive, Community Youth Center (CYC), and the Mariners Vincent Jorgensen Community Center. These facilities offer space for a variety of programs for all age groups and genders and available for public use. Two new community center projects are slated for development. One will be located in the Santa Ana Heights neighborhood and the second will be built in Newport Coast. The City has assigned this category a low priority need.

9. Historic Preservation

The City previously had an ad hoc Historic Preservation Advisory Committee. The committee identified over 60 historic structures and compiled the City's Historic Resource Inventory in the early 1990's. Some residents consider the inventory outdated and limited in scope, and want a new inventory to be compiled. Protection of the City's historic villages and their unique character, such as Corona del Mar, Balboa Island, Mariner's Mile, and Lido Marina should be addressed. The City may address these issues by limiting the permitted uses, establishing design guidelines, updating the existing historic resources inventory and establishing a design review process. The City has assigned a medium priority to this need category.

H. Community Services

The City is placing a high priority on public services that can contribute to the regional homeless Continuum of Care. Specifically, these services are: homeless services, counseling, substance abuse services, domestic violence services, and employment related supportive services such as job training. The City is also placing a medium priority on senior services.

1. Homeless Services

The threat of homelessness continues to rise as local property values and rents continue to increase at high rates. The City partners with local non-profit agencies and the regional Continuum of Care to provide homeless services to the area. The City is cognizant of the importance of the provision of homeless

services and will support programs that contribute to the regional Continuum of Care's framework of service. Please refer to Homeless Needs section for additional information on the existing homeless facilities and services and the unmet need in the area. The City has assigned this category a medium priority need.

2. Substance Abuse Services

The County of Orange is the primary provider of substance abuse services through the Alcohol and Drug Abuse Services (ADAS). ADAS provides a range of outpatient and residential treatment programs designed to reduce or eliminate the abuse of alcohol and other drugs within the community.

Services include crisis intervention, assessment and evaluation; individual, group and family counseling, HIV education, pre- and post-test counseling, and voluntary testing; TB education, counseling and testing; referrals to other programs when indicated; and outreach to schools and the general community. Specialized programs provide services for pregnant and parenting women, persons who require methadone maintenance and detoxification, adolescents, persons who have been dually diagnosed with substance abuse and mental health problems, and individuals referred by the Orange County Drug Court.

The City is served by an outpatient clinic at in Aliso Viejo (Aliso Viejo ADAS). In addition, there are a number of public and private substance abuse agencies and/or facilities located in the City and throughout the county.

Although these services are being adequately provided by the various public and private agencies, the City places a medium priority on substance abuse services to address the high cost of these services for the low and moderate income persons who would otherwise not be able to afford the services in addition to addressing the supportive service in the Continuum of Care homeless plan.

3. Senior Services

The City's Senior Services Division is responsible for the operation of the OASIS Senior Center as well as numerous senior activities. Programs include educational classes, exercise programs, art education, health promotion, transportation, counseling, and support functions for seniors. In addition to staff, the Center is fortunate to have a non-profit organization, Friends of OASIS, who provides both financial and volunteer support to the Center. The Center relies on volunteers to help in all aspects of the Center and boasts having over 25,000 hours of volunteer work a year.

Although the City provides many services to the senior population, some of the services require the participant to pay for a portion of the cost. For seniors on a fixed income, a small fee can become a burden on their finances. The City places a medium priority on supportive senior services that help maintain independence. Services such as Meals on Wheels allow seniors to remain in their homes when they may otherwise be institutionalized at a high cost to both the senior and the public.

4. Health Services

As health care costs rise and an increasing number of residents go without health insurance, this category is growing concern. The City has assigned a medium priority to health services and will look to partner with local non-profit agencies and local health care providers to meet this need.

This category also includes mental health services. The County currently provides a range of services including emergency crisis intervention, acute and long-term hospitalization, short-term outpatient services, and longer-term rehabilitative and recovery outpatient mental health services. Outpatient programs emphasize individual needs and strengths while developing rehabilitation and recovery goals chosen by the consumer. Supportive services are provided to those able to live independently as well as to those in need of shelter and residential rehabilitation programs.

5. Employment / Job Training

The two primary agencies responsible for employment and job training in the area are at the county level. The Orange County Workforce Investment Board (OCWIB) administers state and federal funds available through the Workforce Investment Act (WIA) and coordinates a network of One-Stop Career Centers that offer a wealth of training, information and assistance for businesses and job seekers.

The Orange County Social Services Agency administers the local Welfare-to-Work Program. Under the California Work Opportunities and Responsibility to Kids (CaWORKs) Act, welfare recipients must comply with work requirements in order to receive assistance. The program offers a number of employment assistance activities, such as work preparation and vocational training, job search and readiness activities, study, on-the-job training, vocational training, adult basic education, and other supportive services.

The City recognizes the need for employment and job training services and will consider support for programs that seek to complement the existing services. The assigned need level for this category is low.

6. Youth Services

The City administers several recreational programs and two after-school programs. For elementary school-aged children, KidsScene, an After-school Recreation for grades 1-6, meets at West Newport Community Center, Mariners Park, and Community Youth Center at Grant Howald Park. For Junior High students (grades 7-8), "Ensign X-perience" is a drop-in after-school program at Ensign Middle School.

Local non-profits, such as the CSP Youth Shelter, offer programs and counseling to at-risk youth in the area. Other non-profits, such as Operation School Bell, provide suitable school clothes to low- and moderate income children. While the City recognizes that there is a significant need for funds to serve at-risk youth, the City has an assigned this need category a medium priority relative to other community needs.

7. Child Care

Affordable child care is an essential component to a low-income working family's ability to rise out of poverty. Although there are a large number of licensed child care facilities in Newport Beach, the cost of these facilities is often unaffordable to the families who most need it. According to a set of community indicators published by Orange County, child care costs increased three times as fast as the median family income. The local Welfare-to-Work program meets some of the existing need, as it includes subsidies for child care. The City has placed a medium priority on meeting the community's child care needs.

8. Services for the Disabled

The Dayle McIntosh Center, located in Garden Grove, is the primary provider of services to the disabled in the area. The Center receives funding from the State Department of Rehabilitation and is designated as a one of the twenty-nine Independent Living Centers (ILCs) in the state. These centers are dedicated to the ideal that communities become fully accessible and integrated so that all persons with disabilities can live, work, shop, and play where they choose, without barriers. Dayle McIntosh provides a variety of services including advocacy, counseling, and vocational services.

Residents of Orange County with developmental disabilities, such as mental retardation, cerebral palsy, epilepsy, and autism, are also served by the Regional Center of Orange County.

In addition, the State administers the In-Home Supportive Services Program that helps pay for services so that clients can remain safely at home as an alternative to expensive out-of-home care, such as nursing homes or board and care facilities. Types of services include housecleaning, meal preparation, and personal care services.

Given the existing level of service and funding, the City has set this need category as a medium funding priority, where it will consider supporting programs that complement existing services.

9. Transportation Services

The county transportation authority operates ACCESS, a shared-ride service for people who are unable to use the regular, fixed-route bus service because of functional limitations caused by a disability. This need category received a low priority.

10. Crime Prevention

Crime against persons or property is of significant concern in the City of Newport Beach. Even the perception of the risk of crime can lead to a decline in the livability of residential neighborhoods, and suppress economic viability in commercial areas. Consequently, crime prevention, awareness, and intervention efforts are important steps toward building a strong community and assisting in arresting slum and blight.

The City does not have a significant issue with crime. Residents in general feel safe in their neighborhoods. Based on the availability of other funding sources, the City has assigned this category of need a low priority relative to other community needs.

I. Accessibility Needs

Persons who are physically disabled, including blindness, and persons who suffer from brain impairments due to diseases or accidents, often face accessibility issues. The American with Disabilities Act of 1991 provides comprehensive civil rights protection to persons with disabilities in the areas of public accommodation, employment, state and local government services, and telecommunications. The design, implementation, and maintenance of all park facilities must comply with ADA; persons of all abilities must have the opportunity to participate in recreation activities.

Under the Americans with Disabilities Act (ADA), the City is charged to ensure that individuals with disabilities are not excluded from services, programs, and activities because existing buildings are inaccessible. ADA compliance is a concern of the Consolidated Plan as many persons with disabilities qualify as low and moderate income. The City is working to assure compliance with this important legislation and has assigned this category of need a high priority.

J. Economic Development

Overall, the need to use Consolidated Plan funds for economic development in Newport Beach is low. The city is an attractive place to do business. It is located in the heart of Southern California's "Technology Coast" with immediate access to interstate highways, railways, seaports, the John Wayne Airport, and a highly educated and skilled labor force. Professional services are a strong factor in the city's economy. The high salaries in this sector support the City's retail and restaurant sectors and the travel demand generated by this sector also supports local hotels. Tourism and retail are also important sectors. Together, tax revenues from these two sectors account for almost a third of the City's general fund revenue. Major contributors to this revenue are Fashion Island, automobile dealers and restaurants. According to the 2009 Consolidated Annual Financial Report (CAFR), the largest segment generating sales tax revenue is restaurants, accounting for 19.4% of total sales taxes. The next largest segment is automobile sales which account for 19.1% of total sales taxes represented by nine (9) dealerships.

Recent economic development initiatives have been aimed at improving the City's older commercial villages. Under the last Consolidated Plan, CDBG funds and a Section 108 loan were used to make infrastructure improvements to the Balboa Village area in order to spur private investment. Other potential redevelopment sites include Mariner's Mile, Old Newport Boulevard, Cannery Village, Central Balboa Peninsula, McFadden Square, the West Newport industrial area, the mixed residential/industrial area above Hoag Hospital, and the Airport Business Area.

There are several other existing economic development programs available to residents and local businesses funded from other agencies. Descriptions of these programs are provided below.

Orange County Small Business Development Center (SBDC):

The Orange County SBDC offers complimentary, personalized business assistance through individual consultations and low-cost seminars. The SBDC is an economic development program of Rancho Santiago Community College District and is supported by the U.S. Small Business Administration (SBA) and the California State University in Fullerton.

Small Business Administration (SBA) Programs:

- **Basic 7(a) Loan Guaranty:** This is the SBA's primary business loan program. It helps qualified small businesses obtain financing when they might not be eligible for business loans through normal lending channels. Funds can be used for most business purposes including working capital, machinery and equipment, furniture and fixtures, land and building, and debt refinancing. These loans are processed through local commercial lenders.
- **Express Loans:** This program offers term loans and lines of credit up to \$150,000.
- **Microloan Program:** Local intermediary for U.S. Small Business Administration's Microloan program is Valley Economic Development Corporation, located in Van Nuys, serves Los Angeles and Orange County. The Microloan program loans up to \$35,000 for a term of six years to start-up and growing small businesses.
- **Certified Development Company (504) Loan Program:** The CDC/504 loan program is a long-term financing tool for economic development within a community. The 504 Program provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings. Maximum loans are \$1.3 million. Local intermediaries: La Habra Local Development Company, Inc., Santa Ana.

Other Programs:

- **ACCION:** This nonprofit organization is dedicated to helping micro entrepreneurs grow their businesses by providing small loans and business training. As a community lender, they provide small loans ranging from \$300-\$25,000. The average loan size is approximately \$4,500. About 40% of ACCION clients are women and over half are Hispanic or African-American.
- **Bankers Small Business Community Development Corporation of Orange County:** Bankers CDC administers loan programs for financing under \$50,000. This loan pool is a consortia of small business lenders that pull together to make these loans available for businesses. The CDC focuses on small business owners that do not meet criteria for conventional bank loans or SBA financing. Businesses over one year old that can demonstrate professionalism, satisfactory credit, and positive cash flows, but may not have profit levels that are available for conventional banking, meet the general qualifications. The loan pool is made available by over 20 banks as an effort to "give back" to our local communities. Women, minority and businesses in low to moderate-income levels comprise 75% of Bankers CDC borrowers.

11. Employment / Job Training

The two (2) primary agencies responsible for employment and job training in the area are at the county level. The Orange County Workforce Investment Board (OCWIB) administers state and federal funds available through the Workforce Investment Act (WIA) and coordinates a network of One-Stop Career Centers that offer a wealth of training, information and assistance for businesses and job seekers.

The Orange County Social Services Agency administers the local Welfare-to-Work Program under the California Work Opportunities and Responsibility to Kids Act (CalWORKs). Welfare recipients must comply with work requirements in order to receive assistance. The program offers a number of employment assistance activities, such as work preparation and vocational training, job search and readiness activities, study, on-the-job training, vocational training, adult basic education, and other supportive services.

The City recognizes the medium level of need for employment and job training services and will support programs that seek to complement the existing services administered through the County.

**Table 7-3
HUD Table 2B - Priority Community Development Needs**

Priority Need	Priority Need Level	Unmet Priority Need	Dollars to Address Need	5 Year Goal Plan/Act	Annual Goal Plan/Act	Percent Goal Completed
Acquisition of Real Property	Low	-	\$0	-	-	-
Disposition	Low	-	\$0	-	-	-
Clearance and Demolition	Low	-	\$0	-	-	-
Clearance of Contaminated Sites	Low	-	\$0	-	-	-
Code Enforcement	Low	-	\$0	-	-	-
Public Facility (General)						
Senior Centers	Low	-	\$0	-	-	-
Handicapped Centers	Low	-	\$0	-	-	-
Homeless Facilities	Low	-	\$0	-	-	-
Youth Centers	Low	-	\$0	-	-	-
Neighborhood Facilities	Low	-	\$0	-	-	-
Child Care Centers	Low	-	\$0	-	-	-
Health Facilities	Low	-	\$0	-	-	-
Mental Health Facilities	Low	-	\$0	-	-	-
Parks and/or Recreation Facilities	Low	-	\$0	-	-	-
Parking Facilities	Low	-	\$0	-	-	-
Tree Planting	Low	-	\$0	-	-	-
Fire Stations/Equipment	Low	-	\$0	-	-	-
Abused/Neglected Children Facilities	Low	-	\$0	-	-	-
Asbestos Removal	Low	-	\$0	-	-	-
Non-Residential Historic Preservation	Medium	1	\$50,000	1 / -	0 / -	0%
Other Public Facility Needs (ADA Imp.)	High	1	\$200,000	2 / -	0 / -	0%
Infrastructure (General)						
Water/Sewer Improvements	Low	-	\$0	-	-	-
Street Improvements	Low	-	\$0	-	-	-
Sidewalks	Low	-	\$0	-	-	-
Solid Waste Disposal (Imp.)	Low	-	\$0	-	-	-
Flood Drainage Improvements	Low	-	\$0	-	-	-
Other Infrastructure (ADA Impr.)	High	1	\$200,000	1 / -	0 / -	0%
Public Services (General)	Medium	100	\$50,000	100 / -	25 / -	0%
Senior Services	Medium	500	\$100,000	500 / -	100 / -	0%
Handicapped Services	Medium	25	\$25,000	25 / -	0 / -	0%
Legal Services	Low	-	\$0	-	-	-
Youth Services	Medium	100	\$50,000	100 / -	25 / -	0%
Child Care Services	Low	-	\$0	-	-	-
Transportation Services	Low	-	\$0	-	-	-
Substance Abuse Services	Medium	40	\$50,000	40 / -	8 / -	0%
Employment/Training Services	Medium	100	\$50,000	100 / -	25 / -	0%
Health Services	Medium	100	\$50,000	100 / -	25 / -	0%
Lead Hazard Screening	Low	-	\$0	-	-	-
Crime Awareness	Low	-	\$0	-	-	-
Fair Housing Activities	High	1000	\$60,000	1,000 / -	200 / -	0%
Tenant Landlord Counseling						
Other Services	Medium	100	\$50,000	100 / -	25 / -	0%
Economic Development (General)	Low	-	\$0	-	-	-
C/I Land Acquisition/Disposition	Low	-	\$0	-	-	-
C/I Infrastructure Development	Low	-	\$0	-	-	-
C/I Building Acq/Const/Rehab	Low	-	\$0	-	-	-
Other C/I	Low	-	\$0	-	-	-
ED Assistance to For-Profit	Low	-	\$0	-	-	-
ED Technical Assistance	Low	-	\$0	-	-	-
Micro-enterprise Assistance	Low	-	\$0	-	-	-
Other (Section 108 Loan Repayment)	High	5	\$996,730	5 / 0	1 / -	0%

Intentionally Left Blank



VIII. Barriers to Affordable Housing

VIII. Barriers to Affordable Housing

A. What is a Barrier to Affordable Housing?

As defined by the Consolidated Plan regulations, a *barrier to affordable housing* is a public policy, such as land use controls, property taxes, zoning ordinances, building codes, fees and charges, growth limits, and other policies. Since cost reduction opportunities in housing can also be found in areas other than public policy, the Planning Department chose to look at all potential barriers. To distinguish a barrier to affordable housing from an impediment to fair housing choice, is to think of a barrier as not necessarily unlawful (i.e., the lack of affordable housing stock, in and of itself, is a barrier to affordable housing).

B. Analysis of Barriers

The Planning Department is committed to helping reduce barriers to affordable housing. Despite Newport Beach's historic strong economy and housing demands, the private market is not responding to the needs of lower-income households to the degree needed. The inventory of affordable housing will eventually deteriorate, while the production rate of new affordable housing units cannot keep up with demand. Therefore, the responsibility to develop affordable housing has been taken on by the City.

As the lead agency for housing and community development in Newport Beach, the Planning Department is making a significant effort to identify housing problems and reshape its policies and programs for the coming years. The Planning Department sponsored a community meeting, distributed needs surveys, and conducted individual interviews as part of Consolidated Plan development (described in the Consolidated Plan Development section). Participants identified several issues that are barriers to affordable housing.

1. Comments from these sources reveal a variety of barriers to affordable housing in Newport Beach. The two (2) primary barriers to accessing affordable housing are housing affordability and approval process and fees.

Other barriers may include:

1. Building codes and standards.
2. Zoning.
3. High costs of land.
4. Land use controls.
5. Citizen opposition (the "Not In My Back Yard," or NIMBY syndrome).
6. Lack of knowledge of available programs and resources.
7. Resource fragmentation and scarcity.
8. Housing acquisition finance requirements.
9. Lack of financial resources by housing providers.

In addition, some families and individuals face barriers to fair housing choice. For more information on impediments to fair housing choice, consult the Impediments to Fair Housing section of this document.

1. Primary Barrier: Housing Affordability

Since affordable housing is becoming more difficult to find, many low-income households must pay more than they should for a home, or live in less-than-desired conditions. As reported in the housing needs section, the U.S. Census' American Community Survey (ACS) estimates that approximately 6,191 (42.5%) renter households and approximately 7,781 (51.1%) of the owner households in the City are experiencing a cost burden.

The number of renters who pay more than 30% of their income is proportionally lower compared to that of the owner households. The ACS estimates that over 34% of the renter households are paying more than 35% of their income towards housing.

What is a Housing Cost Burden?

When a household pays more than 30% of its income on housing and utilities, HUD considers the household to be experiencing a cost burden. When a household pays more than 50% of its income on housing, the household experiences a severe cost burden.

2. Primary Barrier: Approval Process and Fees

Getting government approvals for affordable housing projects requires an increasing amount of time and money. The length of time involved in the permit approval process itself can be a barrier to affordable housing.

All residential development in the City requires review to determine compliance with the City's development regulations and guidelines. The development review process may require a discretionary approval as part of the process and may include actions such as zone change, modification permit or use permits. The City's review procedures are considered efficient with typical zone change requests reaching completion in as few as 90 days if no environmental impact report is required. An Environmental Impact Report may require up to one year before a decision is rendered, which is within the time frame established by state law. The City's policy is that building permit plan checks take a maximum of 4 weeks for first review. Use Permits and subdivision maps typically can be approved in six to eight weeks provided an environmental impact report is not required. Planning Commission decisions on maps, and use permits are final unless appealed within 14 days of the date of decision to the City Council, or unless a member of the City Council within 14 days of the date of decision requests to review the Planning Commission decision. Zone Changes require City Council action.

It should be noted that the City does not impose a design review. The lack of this procedure further lends to an expeditious approval process. Reasonable Accommodation procedures specifically for persons with a disability seeking equal access to housing are outlined in Chapter 20.98 of the City's Zoning Code. Applications for a reasonable accommodation are made available at the public counter and no fees are required for a reasonable accommodation

request. A request for a reasonable accommodation may be made by any person with a disability, their representative or a developer or provider of housing for individuals with a disability. A Hearing Officer is designated to approve, conditionally approve, or deny applications for a reasonable accommodation.

The role fees play in constraining production of housing is difficult to measure, although fees can affect housing prices in certain markets. The theory behind fees is that new development should bear its own costs and these costs should be spread equitably among new development. State law requires fees bear a reasonable relationship to actual costs incurred by a city. However, fees may add significantly to the cost of a housing unit. To offset the cost of constructing housing units, the Newport Beach City Council adopted a program that allows for the waiver of all fees when affordable housing units are proposed. In addition the Municipal Code allows for the waiver of fair share trip fees. The City of Newport Beach fees for discretionary applications are provided in Table 8-1.¹

**Table 8-1
Additional City Fees**

	Zone A: Single-Family	Zone A: Multi-Family	Zone B: Single Family	Zone B: Multi-Family
Transportation Corridor Fee*	\$4,185	\$2,438	\$3,242	\$1,892
Fair Share Trip Fee	Single-Family Detached \$1,946	Single-Family Attached \$1,522	Apartment \$1,150	Elderly \$708 Mobile Home \$1,062
In-Lieu Park Fee	\$26,125 per dwelling unit			
Newport-Mesa Unified School District Fee	\$1.84 per square foot			

Source: 2008 Housing Element

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

3. Other Barriers

- a. Zoning: Local zoning is the primary system used by the City to maintain control over the pattern of land development within its borders. Zoning regulations allocate parcels of land to different classifications with certain uses being permitted, while others are prescribed. Zoning regulations often restrict density and limit housing types in locations that might otherwise be suitable for affordable housing. Such restrictions therefore exclude lower income households from many neighborhoods.

¹ City of Newport Beach Housing Element 2008

Zoning regulations prescribing minimum lot sizes, minimum setbacks, and other requirements may necessitate the need for larger lots, which drive up the cost of housing, making it less affordable. In addition, zoning is occasionally used to “zone out” mobile/manufactured homes, which are an important source of affordable housing for many low- and moderate-income citizens in Newport Beach.

Zoning regulations may also prohibit the development of ancillary dwelling units, even if such units do not impose a significant cost on other community residents. Ancillary dwelling units—sometimes called “in-law apartments” or “grandparent apartments”—are an important tool to increase the supply of affordable housing for moderate-income households, particularly single people who require minimal space.

Zoning practices often have the intended or unintended effect of increasing housing costs, and effectively excluding prospective moderate-income households from locating affordable housing for purchase or rent. Separation of residential from non-residential uses exacerbates traffic problems since most employees must then drive to work. Higher-income residents may bid up the price or rent of housing units that are near places of employment thereby forcing lower-income residents to live farther from their places of employment or other amenities.

The City Zoning Code is complex but typical for an already highly developed community. The Code uses a “district” concept appropriate to the diverse urban patterns and topography found in the City. The Zoning Code contains six basic zoning districts (excluding Planned Community districts and other specialized districts) to regulate residential uses within the City. These zoning districts are R-A (Residential Agricultural), R-1 (Single Family Residential), R-1.5 (Restricted Two-Family Residential), R-2 (Two-Family Residential), Medium Density Residential (RMD) and MFR (Multi-Family Residential). Table H35 summarizes Zoning Code provisions for residential density, height, set-backs, and parking. Parking requirements are also set forth by the California Coastal Commission.

The Newport Beach Zoning Code controls density for each zoning district through development regulations pertaining to land required per dwelling unit. In the older neighborhoods of the City, density standards have not changed since 1936. Densities in the amount of approximately thirty dwelling units per acre are still allowed in these areas. In the newer neighborhoods, developed since the 1960s, single-family densities are generally less than 10 dwelling units per acre. The City’s Codes contain many procedures to grant relief from certain development standards which can be of assistance in allowing higher densities. However, even if the City is willing to approve reductions in some of the zoning regulations, (such as parking), the California Coastal Commission has similar development requirements which would still need to be complied with for properties in the Coastal Zone. Maximum density in the Multifamily Residential Zone (MFR) is a function of the size of the lot. For example, a minimum lot area per dwelling unit of 1,200 square feet applies, which translates to a

maximum density of 36 units per net acre. Within the Medium Density Residential Zone (RMD), up to approximately 22 dwelling units could be developed. Table H36 displays permitted residential uses by zone.²

- b. **Citizen Opposition:** The “Not In My Back Yard” (NIMBY) syndrome is also a barrier to affordable housing. Participants in interviews, town hall meetings, and working groups often expressed a reluctance to have any additional affordable housing in their neighborhoods due to their perception of housing design, absentee landlords, and crime associated with such housing. There is the misperception that there will be a decrease in property value. Public hearings concerning proposed affordable housing projects bring many objections, mostly from neighbors who cite adverse effects on traffic, infrastructure, public services, schools, the environment, property values, and crime rates. Community groups almost all cited the need to keep out additional rental housing, particularly multifamily housing. Frequently unstated is the desire to maintain a neighborhood’s socioeconomic homogeneity and exclusivity.
- c. **Lack of Knowledge of Available Programs and Resources:** A lack of knowledge among organizations and lower income clients arose as a common theme in meetings and interviews.
- d. **Resource Fragmentation and Scarcity:** To finance affordable housing, sponsors must now bundle together many Federal, State, City, and private programs providing capital funds, operating subsidies, and investment tax incentives. Funding fragmentation is administratively onerous, with sometimes conflicting program constraints.

Even with the availability of a variety of programs, affordable housing resources remain scarce. Like most jurisdictions, the City still has insufficient resources to meet the need for affordable rental and homeownership housing. The need for increased revenue for housing on the Federal, State, and local levels competes with other legitimate public priorities, such as education, transportation, health, and welfare.

- e. **Housing Acquisition Finance Requirements:** Mortgage down payment requirements constitute perhaps the most significant barrier to the purchase of otherwise affordable housing by moderate-income households. Moderate-income households may have little difficulty in making monthly mortgage payments, particularly as household incomes increase with increasing self-sufficiency and real wage growth. However, these households may have difficulty accumulating the total amount required for the up-front down payment on a home purchase.

Financing costs largely are not subject to local influence. Control of interest rates is determined by national policies and economic conditions. Interest rates directly influence purchasing power of home-buyers and cost of home construction through construction loans. Currently, interest rates are at a

² City of Newport Beach Housing Element 2008

level that enables many of the upper and middle economic classes to afford a home purchase. However, the banking industry has adopted more conservative lending criteria for construction loans, especially for multiple-family housing. These factors have influenced housing supply throughout Southern California.

- f. Rental security deposits may also constitute a significant barrier to the acquisition of otherwise affordable rental housing by low- and moderate-income households, although security deposits are generally small compared with mortgage down payment requirements.
- g. Similarly, environmental review procedures result in barriers to affordable housing. Environmental regulations provide positive public benefits to all citizens and communities; however, different environmental reviews, rather than a uniform review process shared by all departments, prolong the affordable housing development process, increase costs, create confusion, reduce affordability, and impose undue administrative burdens.

Additionally, many low-income households and most special needs populations usually need access to a variety of supportive services. A common theme reported in interviews was the lack of access to transportation. In many areas of the City, affordable housing is not located near public transportation routes, which are scarce. Lack of transportation raises high barriers to self-sufficiency in such cases.

C. Strategy and Objectives

The primary barrier to affordable housing in Newport Beach—as cited through the citizen participation and consultation process—is the affordability of housing, specifically rental housing. Many low- and moderate-income persons and households, especially the very low-income households, the homeless, the physically and mentally disabled, the frail elderly, and other persons with special needs, have problems finding and obtaining affordable housing.

Therefore, the City's primary strategies for helping reduce barriers to affordable housing are the same as its strategies to meet affordable housing needs:

- Expand and preserve affordable rental housing opportunities, particularly for low-income persons.
- The final strategy is that the City, with the help of the Planning Department, will work with its Consolidated Plan partners throughout Newport Beach to further examine ways to ameliorate the conditions that can prevent residents from obtaining quality, affordable housing.

The City of Newport Beach 2010-2014 Consolidated Plan contains several objectives that address some of the above barriers to affordable housing such as lack of access to affordable housing. Consult the Strategic Plan section to find the list of strategies and objectives.



IX. Impediments to Fair Housing

IX. Impediments to Fair Housing

A. Introduction

Consolidated Plan requirements include completing an Analysis of Impediments to Fair Housing Choice. As part of a mandate to affirmatively further fair housing, Newport Beach must take appropriate actions to overcome the effects of the impediments to fair housing choice it identifies in its analysis.

As the lead agency for the City of Newport Beach 2010-2014 Consolidated Plan, the Planning Department is committed to working with the public, private, and nonprofit sectors in Newport Beach to ensure fair housing choice for all residents. This commitment includes incorporating fair housing needs and strategies into the Consolidated Plan.

This section on Fair Housing includes the following:

- Overview of fair housing, with background on the Fair Housing Act.
- Impediments to Fair Housing Choice in Newport Beach, as identified in the City's Analysis of Impediments to Fair Housing Choice (AI).
- A strategy for the City of Newport Beach to affirmatively further fair housing by addressing current impediments.

B. Overview of Fair Housing

1. What is Fair Housing Choice?

The ability of persons, regardless of race, color, religion, sex, handicap, familial status, national origin, of similar income levels to have available to them the same housing choices.

Consolidated Plan requirements include completing an Analysis of Impediments to Fair Housing Choice. As part of a mandate to affirmatively further fair housing, the City of Newport Beach must take appropriate actions to overcome the effects of the impediments to fair housing choice it identifies in its analysis.

2. What is an Analysis of Impediments to Fair Housing?

HUD requires each CDBG recipient to complete an Analysis of Impediments to Fair Housing Choice, also known as an *AI*. The analysis includes examining barriers to fair housing choice. Many communities develop this analysis and planned actions as part of a broader fair housing strategy or fair housing plan.

3. What is an Impediment to Fair Housing Choice?

Housing choice is impeded when actions, omissions, or decisions are taken that restrict a person's choice of housing because of his/her characteristics as listed above. It is also impeded when certain residential dwellings are not made available to a person because of his/her characteristics as listed above.

C. Fair Housing in Context

Title VIII of the Civil Rights Act of 1968 (and a subsequent Amendment in 1988) made it unlawful to discriminate in any aspect related to the sale, rental, or financing of dwellings (or in the provision of brokerage services or facilities) in connection with the sale or rental of a dwelling because of:

- Race
- Color
- Religion
- Sex
- National origin
- Persons with handicaps
- Families with children

1. Application of the Fair Housing Act

Application of the Fair Housing Act is not limited to situations involving Federal funds. It provides for fair housing throughout the United States in the private and public sectors.

When Congress first passed the Housing and Community Development Act in 1974, HUD instructed recipients of the Community Development Block Grant (CDBG) funds to “affirmatively further fair housing.” However, it did not provide specific guidance for implementing programs to affirmatively further fair housing.

Some CDBG recipients fund nonprofit groups to provide direct assistance to victims of housing discrimination. Others fund educational programs for consumers and industry about their rights and responsibilities under Federal, State, or local fair housing laws. Other CDBG recipients take actions such as holding special events during the National Fair Housing Month in April each year. Other CDBG recipients do nothing specific to affirmatively further fair housing.

2. Analysis of Impediments to Fair Housing Choice

To help remedy this situation, when HUD published the Consolidated Plan Final Rule in 1995, it required each CDBG recipient to complete an Analysis of Impediments to Fair Housing (AI). The AI is part of the mandate to affirmatively further fair housing. This mandate also includes planning and taking annual actions to overcome the effects of any identified impediments. A jurisdiction must also maintain records reflecting the AI and the actions it takes to address fair housing impediments.

The City is in the process of updating its Analysis of Impediments to Fair Housing Choice. The City, along with a number of Cities in Orange County have created a consortia to develop a Regional Fair Housing Analysis of Impediments that addresses county wide issues as well as more localized issues for each participating City. The consortium has contracted with the Fair Housing of Orange to complete the study. The study will evaluate the nature and extent of housing segregation and discrimination in the County as well as

the City. It will serve as a framework for the City's fair housing planning as part of its Consolidated Plan implementation.

D. Discrimination

Discrimination in the sale or rental of housing has diminished significantly since the 1960s. However, there is evidence that housing discrimination persists in Newport Beach despite being illegal. Discrimination affecting home sales appears to occur most commonly when potential buyers are hoping for approval of their mortgage application by the lender. Discrimination in apartment rentals is no longer simply a matter of White landlords refusing to rent to minority tenants. Members of many ethnic groups, often immigrants, own or manage apartment complexes, and their own ethnic biases clearly affect their treatment of prospective tenants.

Populations that are particularly impacted by discrimination and face higher levels of fair housing violations are large families with children, female-headed families, formerly homeless persons, disabled persons and persons with HIV/AIDS. Many of these groups face housing restrictions imposed by property owners/managers working under misperceptions or stigmas about these population groups.

Many families with children often face housing discrimination by landlords who fear that children will cause property damage or have cultural issues with children of opposite sex sharing a bedroom. Female-headed families may be discriminated against in the rental housing market because some landlords are concerned about the ability of these households to make regular rent payments.

Formerly homeless persons may encounter fair housing issues when landlords refuse to rent to them based on the perception that homeless persons are more economically, and sometimes mentally, unstable. Persons with disabilities may face discrimination in the housing market because of the need for wheelchairs, home modifications to improve accessibility, or be refused housing based on the stigma of mental disability. Many persons living with HIV/AIDS face illegal eviction from their homes when their illness is exposed.

Advertising can also be an issue that impacts fair housing choice. When looking for a home to purchase or rent, some of the main sources of information are the classified advertisements in local newspapers, word of mouth, signs, apartment guides, the Internet, and apartment brokers. The language in these types of advertisements may become an issue if it contains discriminatory references such as the use of words describing conditions like "adults preferred," "perfect for empty nesters," or "ideal for married couples without kids." While this type of language may be intended by the author to describe property conditions, these statements can also discourage people by directing them away from particular housing units. Further, if advertisements are limited to one language it can be targeted to specific ethnic groups, excluding others, such as when "for rent" and "for sale" signs and advertisements for housing are in Spanish or languages other than English. This can exclude English speaking-only residents and also make certain groups feel unwelcome.

Discrimination can also play a role when deciding where to live. Realtors can act unintentionally by steering potential buyers or renters to particular neighborhoods by

encouraging the client to look into certain areas; others may choose not to show clients all of the choices available. Further, agents may also discriminate by their choices in whom they agree to represent, whom they turn away, and the comments they make about their clients. Instances of steering by realtors to certain neighborhoods occur in many communities. The homeownership market lends itself to potential increases in discrimination by the very nature of stakeholders involved.

While the City understands that limited housing is not a fair housing issue, it also understands that this condition can exacerbate fair housing problems as housing becomes increasingly scarce and competition for housing increases. When the housing market is tight, with high demand, low vacancies, and rising costs, the potential for discriminatory housing practices also increases.

E. Summary of Issues and Key Findings

The City of Newport Beach joined with 13 other Entitlement Cities as well as the Cities participating in the Urban County CDBG program and all unincorporated areas of the County to complete a Regional Analysis of Impediments to Fair Housing Choice in 2005. HUD specifies that the Analysis of Impediments to Fair Housing Choice (AI) must be updated every five (5) years to address changing public and private sector conditions that can be viewed as impediments to fair housing.

As of the writing of this document, the City has contracted with the Fair Housing Council of Orange County (FHCO) to conduct a new AI to more accurately understand impediments to fair housing choice, and to develop effective strategies to address them. This section of the Consolidated Plan will discuss the issues and finding that were made in the 2005 AI.

Subsequent to the receipt of the 2010 AI, the Planning Department will incorporate any new or significantly modified impediments or recommendations to address impediments that are provided in the 2010 AI. The City will use the amendment process described in the Citizen Participation Plan to update this chapter of the Consolidated Plan should it be necessary.

The 2005 AI provided information for use in Orange County's Regional Fair Housing Analysis of Impediments (AI). It includes the data that HUD requires as part of the AI. More specifically, the Report includes the following information.

- *Jurisdictional Background Data:* population and housing characteristics, minority and legal immigrant population characteristics, and employment and transportation profiles.
- *Local Housing Authorities' Policies:* overview of local housing authorities' plans, policies and procedures pertaining to and furthering fair housing.
- *Overview of Lender Loan Underwriting Criteria:* loan-underwriting criteria are explained for Fannie Mae, Freddie Mac, FHA and VA.

- Community Reinvestment Act (CRA) and Home Mortgage Disclosure Act (HMDA): summary explanation of the basic requirements of these two statutes.
- *Mortgage Lending Discrimination*: summary statements from major studies completed on the subject of potential and actual mortgage lending discrimination.
- *HMDA Data Analysis*: analysis of the disposition of loans by census tract for entitlement cities and Urban County jurisdictions.

The analysis entitled *Orange County Regional Fair Housing Impediments Analysis* was completed in 2005 and provided for review by the public. The analysis revealed the following findings and provided the recommendations to address these findings:

1. This region has a well-established and effective private fair housing council that has provided dynamic and comprehensive educational and enforcement programs to the local jurisdictions it serves. This example of public-private partnership continues to be a model for other areas and is considered one of the best in the nation.

Recommendation: *Orange County jurisdictions support a continuation of fair housing services at the current level of effectiveness. CDBG funds allocated to fair housing services are equal to or greater than the service demand rate requested by FHCOC. This will insure that all Orange County residents are provided with the same professional level of services.*

2. This region studied and conducted testing, through FHCOC and a grant provided by HUD's Fair Housing Initiatives Program. The pre-application testing did not account for the high denial rate of loans to blacks and Hispanics. The HMDA data continues to indicate a disproportionate number of loan denials to upper-income minorities as compared to white applicants.

Recommendation: *Promote Fair Housing Education within the banking and lending industry. Local jurisdictions contract with a consultant to prepare and conduct training to encourage voluntary compliance with fair housing laws. The initial cost of curriculum preparation would be paid for by participants in the training over time and would allow for continuation of the educational programs.*

Continue to monitor HMDA data to determine if the educational programs have a positive effect on loan denial rates for minorities. This approach would not prevent enforcement in cases involving identifiable discriminatory practices by a lending institution.

3. Orange County's high cost of housing negatively impacts minority, immigrant and families with children more often than white households with or without children. This results in high concentrations of minorities in low-income census tracts living in sub-standard and/or overcrowded housing conditions.

Recommendation: Local jurisdictions enter into discussions with banking institutions located in Orange County to encourage the use of CRA funds in ways that will benefit minority and low-income neighborhoods. This can be accomplished by encouraging banks to support programs provided by FHCOC to increase financial literacy and the use of main-stream banking services as well as IDA's to promote saving for home ownership, higher education or micro-businesses.

This cooperative effort between public, private for-profit and non-profit entities would be a model program that could easily be replicated in other areas of the nation to improve housing conditions, earning potential and unemployment of local residents.

4. Local jurisdictions do not have formal fair housing educational systems in place for staff who impact fair housing issues, such as, planning/zoning staff, housing authority staff, code enforcement and CDBG monitoring staff.

Recommendation: All employees in positions that impact fair housing issues attend formal fair housing training. The training can be conducted at the local jurisdiction level by contracting with a fair housing council or other training entity.

A more cost effective approach would be to provide funds for individuals to attend regularly scheduled fair housing training provided by FHCOC and those provided as a partnership between FHCOC and the Apartment Association of Orange County. This option would allow all staff members to attend fair housing training with 6 months of hire without the cost of conducting a private session.

5. Insurance Companies may be targeting certain census tracts or zip codes for higher rates or different terms and conditions in violation of fair housing laws. This was a finding in the Regional AI conducted in 2000 and it remains beyond the scope of this analysis.

Recommendation: Local jurisdictions conduct or fund an audit of insurance practices in Orange County to determine if violations of fair housing laws are being complied with. If there are negative findings an educational program to encourage voluntary compliance would be the first step in correcting the problem. Enforcement action would remain possible in cases with direct evidence of illegal discrimination.

6. Recent immigrant populations do not have information necessary to understand fair housing laws. This results in immigrants experiencing illegal discrimination as well as discrimination by recent immigrants in positions impacting housing.

Recommendation: Continue outreach to immigrant populations as FHCOC has done over the past 3 years. This service is both time and resource intensive. It requires information in many languages as well as professional staff members who are fluent in more than one language.

Much of the illegal discrimination against immigrant populations is in the form of encouraging certain immigrants (and discouraging others) to apply and live in housing communities with sub-standard conditions.

FHCOC has also found that some immigrant housing providers are not familiar with fair housing laws and as a result engage in illegal discrimination by discouraging persons not of their race or national origin. These cases must be handled in the same manner as any other discrimination case. FHCOC does not selectively enforce fair housing laws against only white or non-minority housing providers. FHCOC filed and recovered damages from a housing provider based upon discrimination against white applicants in favor of minority applicants. Education and enforcement are both necessary to eliminate fair housing violations.

7. Local jurisdictions have independent and distinct policies and programs that affect housing options. This can result in increased or decreased minority and low-income populations in any given area.

Recommendation: *Orange County entitlement jurisdictions coordinate their efforts to insure that all residents have decent, safe and affordable housing free from illegal discrimination. It is critical to work as a region to overcome the problems created by the very high cost of housing. Monitor local policies to insure there are no fair housing violations or neutral policies that have a discriminatory effect.*

F. Fair Housing in Newport Beach

The City of Newport Beach has worked in conjunction with the Fair Housing of Orange County to affirmatively further fair housing opportunities in this community. The Fair Housing of Orange “actively supports and promotes freedom of residence through education, advocacy and litigation to the end that all persons have the opportunity to secure the housing they desire and can afford, without regard to their race, color, religion, gender, sexual orientation, national origin, familial status, marital status, disability, ancestry, age, source of income or other characteristics protected by law.”

The Fair Housing of Orange County provides a wide array of programs and services to its clients free of charge and which are available in a number of different languages to residents, housing professionals and community service providers under contracts with the City of Newport Beach, and many other communities throughout Orange County.

G. Fair Housing Strategy

The Planning Department, as the lead agency for the Consolidated Plan, is committed to working with its public, private, and nonprofit partners to ensure fair housing choice for all residents. This commitment includes incorporating fair housing needs and strategies into the Consolidated Plan. In conjunction with the

Orange County Regional Fair Housing Impediments Analysis (2005 Edition) and the subsequent 2010 Analysis of Impediments, the Planning Department will develop measurable actions that it will undertake each year to carry out this strategy. The Annual Action Plan for each program year will describe these actions.



X. Lead-Based Paint Hazards

X. Lead-Based Paint Hazards

A. Introduction

Lead-based paint poisoning among children is increasing nationwide. Research indicates that even a low level of lead in a child's blood can have harmful effects on physical and developmental health. The Center for Disease Control (CDC) has designated lead exposure as the primary environmental health hazard facing American children. The most common source of exposure is deteriorating lead-based paint and lead-contaminated dust found in the home.

Fortunately, lead poisoning is preventable. To adequately protect children, the Federal government streamlined, modernized, and consolidated all lead-based paint requirements in Federally assisted housing. New HUD regulations (24 CFR Part 35) took effect implementing these sweeping changes in 2000, and the City is ensuring that its programs comply with these new regulations.

B. Lead Hazards

Lead can cause severe damage in young children. It attacks the central nervous system, the neurological system, and can cause brain damage, IQ reduction, learning disabilities, decreased attention span, hyperactivity, growth inhibition, comas, seizures, and in some cases, death. Fetuses may also experience significant adverse effects through prenatal exposure.

In 1991, the CDC issued guidelines for identifying children with lead poisoning. It recommended that jurisdictions screen all young children for lead in their blood. Children identified with blood lead poisoning would receive intervention to remove the source of the poisoning and reduce the blood lead level.

The problem of lead poisoning has increased so dramatically that the CDC has reduced the standard regarding the blood level that demarcates lead poisoning by more than half. By reducing the standard from 25 micrograms to 10 micrograms of lead in a deciliter of blood ($\mu\text{g}/\text{dL}$), it expanded the number of people that are considered poisoned and in need of help. A level of 10 $\mu\text{g}/\text{dL}$ or above is now considered an "elevated blood lead level." If a child's blood lead level is 20 $\mu\text{g}/\text{dL}$ or remains at 15 $\mu\text{g}/\text{dL}$ after two tests, the CDC requires case management by local health professionals. Even a low level of lead in a child's blood can have harmful effects on physical and developmental health.

C. Sources of Lead Hazards

The most common source of child lead poisoning is exposure to lead-based paint (and lead-contaminated dust) in the child's home. Housing built before 1978 may contain some lead-based paint since the use of lead-based paint became illegal that year. Since the amount of lead pigment in the paint tends to increase with a home's age, older housing is more likely to have lead-based paint hazards.

Lead exposure occurs when children ingest chips of lead-based paint, paint-contaminated dust, or paint-contaminated soil. It also occurs if children inhale dust

particles from lead-based paint (usually occurring due to deterioration, abrasion, home renovation, or maintenance). Children are also exposed to lead through a variety of other sources besides lead-based paint, such as gasoline, air, food, water, soil, dust, and parental hobbies such as pottery and stained glass making.

Occupational lead exposure accounts for approximately 90 percent of adult lead poisoning cases. Occupations in which a worker is potentially exposed include smelting and refining industries, battery manufacturing plants, gasoline stations, construction and residential painting.

D. What is a Lead-based Paint Hazard?

Lead-based paint hazards consist of any condition that causes exposure to lead from the following sources that would result in adverse human health effects:

- Lead-based paint dust.
- Lead-based paint contaminated soil.
- Lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces.

E. Effects of Lead Hazard

Lead poisoning is one of the most common and preventable health hazards to children in American today. Research indicates that even a low level of lead in a child's blood can have harmful effects on their physical and developmental health. Lead poisoning is the most serious environmental threat to children's health. If harmful levels of lead are not detected early, children could suffer from:

- Decreased growth.
- Learning problems.
- Impaired hearing.
- Behavior problems (such as hyperactivity).
- Nerve and/or brain damage.

Children are more susceptible to the effects of lead, because their growing bodies absorb more lead, and young children often put their hands and other objects in their mouths. In addition, children's brains and nervous systems are more sensitive to the damaging effects of lead.

Most children do not have any symptoms, even if a blood test shows that they have an elevated blood lead level. If a child does have symptoms, the symptoms may be mistaken for the flu or other illnesses. If symptoms occur, they might be

- | | | |
|----------------|---------------------|---------------------------|
| ▪ Irritability | ▪ Frequent Vomiting | ▪ Poor appetite |
| ▪ Fatigue | ▪ Headache | ▪ Stomach ache and cramps |
| ▪ Constipation | ▪ Sleep disorder | |

Who is At Risk?

Residents of any housing built before 1978 are considered to be at risk of containing some amount of lead-based paint. Older housing is more likely to have lead-based paint and the amount of lead pigment in the paint tends to increase with the age of the housing. A small amount of Newport Beach's housing stock (24.4 %) was built after 1979, eliminating the residents of these homes from risk of lead-based paint hazards. An additional 26.4 % of the City's housing stock was built between 1970 and 1979, which has a somewhat low risk of lead-based paint hazards.

Since low-income people often live in older housing, they are at higher risk for exposure to lead-based paint. It is estimated that a small fraction of the units constructed before 1978 are occupied by low- to moderate-income households and potentially have lead-based paint. However, empirical evidence gathered through the testing of pre-1978 housing done in conjunction with the City's various housing rehabilitation programs suggests that a smaller percentage of the City's housing stock has paint containing lead. Young children who live in housing built before 1978 could ingest lead-based paint and are thus at higher risk. The following children in Newport Beach could be at higher risk:

- Children under 5 years old: about 4.0 % of the population of Newport Beach, or 2,832 children.¹
- Approximately 68 families (or 2.9 % of the total number of families below the poverty level) have related children under six years old are living below poverty.²

F. Number of Children with Elevated Blood Levels of Lead

The CDC mandates lead screening for all children who participate in federally funded health programs. Screening typically occurs when a child is between 12 and 72 months old. An elevated blood level (EBL) is recorded when the blood level is 10 µg/dL or higher.

In accordance with the CDC and Prevention, a "case" is defined as a child having a blood lead level equal to or greater than 20 µg/dL once, or blood lead levels between 15-19 µg/dL for at least two tests. Once a case is reported, the Center is involved in the case, as described below the heading, Childhood Lead Poisoning Prevention (CLPP) Program.

The CDC records the number of reported annual screenings, the number of children with elevated blood levels, and the number of reported cases for the cities within the County. The chart below shows the number of screenings, EBLs, and cases in the City of Newport Beach.

¹ Source: U.S. Census Bureau, 2000 Census data.

² Source: U.S. Census Bureau, 2000 Census data.

**Table 10-1
Number of Elevated Blood Lead Levels and Cases**

Description	2005	2006	2007	2008	2009	Total
# Children less than 16 y.o. w/ BLL greater than 15 mcg/dL* (includes children who are cases)	0	1	0	0	0	1
# Children less than 6 y.o. meeting case definition** (needing site inspection)	0	0	0	0	0	0

BLL = blood lead level

CDC = Centers for Disease Control and Prevention

mcg/dL = micrograms per deciliter

*The CDC has determined the “level of concern” or “elevated” BLL to be 10 mcg/dL or greater.

**A “case” is defined as a child who has had one BLL of 20 mcg/dL or greater or two BLLs between 15 mcg/dL – 19 mcg/dL drawn at least 30 days apart.

Data was obtained from the Childhood Lead Poisoning Prevention Program Response and Surveillance System for Childhood Lead Exposure (RASSCLE) Database.

G. Strategies and Objectives

The City’s strategy for lead-based paint falls under:

Housing Strategy:

Preservation and Rehabilitation of Existing Stock of Affordable Housing

Housing Strategy:

Reduce the number of housing units with lead paint hazards through education, inspection and rehabilitation

The following describes the programs and activities to support this strategy and more specifically to address lead-based paint in federally assisted housing. The City undertakes a range of activities to address the problem of lead-based paint in the housing, including outreach, assessment, and abatement. As required by HUD regulation 24 CFR Part 35, the City has a *Lead-Based Paint Implementation Plan* that includes a Needs Assessment Matrix that estimates lead-based paint needs by activity.

The City conducts housing inspections to determine if various types of housing are safe, sanitary, and fit for habitation.

H. City Compliance and Activities

The City has taken aggressive action to ensure compliance with HUD's Consolidated Lead-Based Paint Regulations. The matrix in Table 10-2 displays the process and procedures that the City uses to address lead-based paint in CDBG and HOME-funded Rehabilitation Programs. This matrix is broken into three categories—rehabilitation under \$5,000, rehabilitation \$5,000 to \$25,000, and rehabilitation over \$25,000—and describes the approach to lead hazard evaluation and reduction, application to the program, scope of work, notification, lead hazard evaluation, relocation requirements, lead hazard reduction, clearance, and options.

The City will proactively disseminate information on lead hazards and the new regulations to its Advanced Planning/Housing staff; Community-Based Organizations; non-profit organizations; and other participating public agencies that receive City administered Federal funds.

To ensure that its staff is knowledgeable about lead regulations, the City has sent key staff to HUD-sponsored training sessions. The City compiled an informational source document based on HUD-sponsored training materials and conducted internal training sessions for the other Housing staff members. The training sessions were designed to help other staff members provide meaningful oversight of lead-hazard consultants and contractors to ensure safe work practices are followed, and to ensure that compliance requirements are implemented in conjunction with rehabilitation and renovation program activities.

**Table 10-2
Addressing Lead-Based Paint in CDBG and HOME funded Rehabilitation Programs**

Requirements	< \$5,000	\$5,000 - \$25,000	> \$25,000
Approach to Lead Hazard Evaluation and Reduction	Do no harm	Identify and control lead hazards	Identify and abate lead hazards
Application to Program	Application reviewed and approved; agreement determines commitment	Application reviewed and approved; agreement determines commitment	Application reviewed and approved; agreement determines commitment
Scope of Work	Scope of work to determine if painted surfaces will be disturbed; begin to identify lead hazards	Scope of work to determine if painted surfaces will be disturbed; begin to identify lead hazards	Scope of work to determine if painted surfaces will be disturbed; begin to identify lead hazards
Notification	Lead hazard pamphlet; notification to buyers; notify. of evaluation; notify. of reduction	Lead hazard pamphlet; notification to buyers; notify. of eval.; notify. of reduction	Lead hazard pamphlet; notification to buyers; notify. of evaluation; notification of reduction
Lead Hazard Evaluation	Paint testing required by certified paint inspectors* or risk assessors* for surfaces disturbed during rehab.	Paint testing required by certified paint inspectors* for surfaces disturbed during rehab; risk assessment on entire dwelling and soil	Paint testing required by certified paint inspectors* for surfaces disturbed during rehab; risk assessment on entire dwelling and soil
Relocation Requirements	Relocation from work area	Relocation from unit may be required when extensive rehab. occurs in kitchens, bathrooms, etc.	Relocation from unit may be required when extensive rehab. occurs in kitchens, bathrooms, etc.
IF LEAD IS PRESENT OR PRESUMED: Lead Hazard Reduction	Repair lead-based paint disturbed during rehab. and apply a new coat of paint; Safe Work Practices (SWP) that restrict types of paint removal methods, provide for occupant protection, and require cleaning after lead hazard reduction activities.	Interim Controls on lead-based paint include addressing friction and impact surfaces, creating smooth and cleanable surfaces, encapsulation, removing or covering lead-based paint and paint stabilization through-out unit; SWP	Abatement to lead-based paint involves permanently removing lead-based paint hazards, often through paint and component removal, and enclosure and interim controls on exterior surfaces not disturbed by rehab; SWP
Clearance	Clearance testing on repaired surfaces by certified professional*	Clearance testing performed unit-wide and on soil	Clearance testing performed unit-wide and on soil
Options	Presume lead-based paint; SWP	Presume lead-based paint; use standard treatments	Presume lead-based paint; abate all applicable surfaces
Contractor Qualifications	SEP-contractors familiar with Safe Treatment Methods and Prohibited Treatment Methods	Interim Controls or Standard Treatments-accredited lead-based paint worker course or lead-based paint abatement supervisors course	Abatement contractors-trained and state-certified abatement supervisors and accredited lead abatement worker training
*Certified Paint Inspectors must successfully complete an Environmental Protection Agency (EPA) or state-accredited training program and receive state certification; Certified Risk Assessors must successfully complete an Environmental Protection Agency (EPA) or state-accredited training program, receive state certification, and have related experience.			

I. Activities of Other County Agencies

Other Orange County agencies administer various programs and engage in various activities to address lead hazards or lead-based paint issues. These programs and activities are listed below.

Orange County Health Care Agency

The Orange County Health Care Agency through the Public Health Services – Family Health Division implements the Childhood Lead Poisoning Prevention Program (CLPPP). The program is a court ordered program which implements a multifaceted approach to preventing childhood lead poisoning which includes screening, surveillance, risk reduction, primary prevention activities, interagency coordination, and services for children affected by lead. The mission of Orange County CLPPP is to reduce children's blood lead levels below 10 µg/dl through primary prevention activities.

The Family Health Division³ of the Orange County Health Agency administers a Childhood Lead Poisoning Prevention (CLPPP) program with the following mission: “To prevent lead poisoning in children by pro-active action to educate the public regarding the hazards of lead poisoning, and to provide a comprehensive response to support lead burdened children, their families and the community.” The Division has four units to carry out the mission of the CLPP: the Case Management, Environmental Health, Epidemiology, and Health Education Units. The Case Management Unit has Public Health Nurses who assist primary care providers with identification, follow-up and management of lead-poisoned children considered to be a case.

Once a child has been identified as a case, a Public Health Nurse visits the child's home to provide a general physical assessment of the child. The nurse also educates the family on the effects of lead poisoning, explains how to prevent it, and helps link the family to any needed health and social services.

The Environmental Health Unit sends Registered Environmental Health Specialists to visit a lead-poisoned child's environment to identify hazards, interview parents and take environmental samples. These specialists investigate, evaluate and analyze lead hazards, including source identification. The inspectors may issue corrective notices to eliminate lead hazards as well as monitor home repair, corrective notices, or compliances.

The Epidemiology Unit maintains a lead poisoning database, which includes demographic, geographic, laboratory and clinical information on all reported screenings, and identified cases throughout the County. The Epidemiology staff plans, directs, and evaluates original epidemiological studies, analyzes lead poisoning data and responds to data requests from interested parties.

³ Information on the Childhood Lead Poisoning Prevention Program was received from the Orange County Health Care Agency web site at www.ochealthinfo.com/mcah/chlppp.htm

Finally, the Health Education Unit maintains a library of information on lead and lead poisoning prevention, available to the community in several languages. The unit also provides presentations, information booths, and training upon request. In addition, it offers a toll free hotline, 1-800-LA-4-LEAD, for the public during regular working hours to answer questions or to give referrals regarding lead-related issues.

**Table 10-3
More Local Sources for Information
On Lead-Based Paint**

<p>Air Quality Management District To report the spread of lead dust due to construction www.aqmd.gov 1-800-288-7664</p>	<p>Hazardous Waste Roundups Disposal of hazardous materials (i.e., paint, oil, batteries, etc.) www.ladpw.org/epd 1-888-CLEAN-LA ; 1-888-253-2652</p>
<p>California Department of Health Services Occupational Lead Poisoning Prevention Program (510) 622-4332</p>	<p>Healthy Families State's low-cost health insurance for children ages 1-19 www.healthyfamilies.ca.gov 1-800-880-5305</p>
<p>National Safety Council/Environmental Health Center [URL: www.nsc.org/ehc/lead.htm]</p>	<p>National lead service Provider's Listing System [URL: www.leadlisting.org]</p>
<p>Child Health and Disability Prevention Program CHDP - provides no cost health examination, including blood lead test, for children under 21 www.dhs.cahwnet.gov/pcf/cms/html/chdp.htm 1-800-993-CHDP ; 1-800-993-2437</p>	<p>Lead-Related Construction Information Line List of certified workers and contractors www.dhs.ca.gov/childlead 1-800-597-LEAD; 1-800-597-5323</p>
<p>Consumer Nutrition Information Center Suggestions for healthy foods www.eatright.org 1-800-366-1655</p>	<p>Office of Lead Hazard Control/Department of Housing and Urban Development [URL: www.hud.gov/lea/]</p>
<p>Consumer Product Safety Commission Hotline For information on lead in consumer products www.cpsc.gov 1-800-638-2772</p>	<p>Medi-Cal This program provides no-cost or low-cost medical care for families. For more information, call www.medi-cal.ca.gov 1-888-747-1222</p>
<p>Environmental Protection Agency EPA - Home repairs and renovations www.epa.gov 1-415-744-1124</p>	<p>National Lead Information Center Information on protecting children, during home repairs and renovations www.epa.gov/lead 1-800-LEAD-FYI ; 1-800-424-LEAD</p>
<p>EPA's Safe Drinking Water Hotline Information on lead in drinking water www.epa.gov/OGWDW 1-800-426-4791</p>	<p>Occupational Lead Poisoning Prevention Program Lead concerns in the workplace www.dhs.cahwnet.gov/ohb/olppp 1-510-622-4332</p>
<p>Poison Control System For Poison Emergencies www.calpoison.org 1-800-876-4766</p>	<p>CDC Childhood Lead Poisoning Prevention Program [URL: www.cdc.gov/nceh/lead/lead.htm]</p>
<p>National Center for Lead Safe Housing [URL: www.leadshousing.org/]</p>	



XI. Housing and Community Development Delivery System

XI. Housing and Community Development Delivery System

A. Housing and Community Development Delivery System

State agencies, local governments, nonprofit organizations, businesses, and financial institutions are all vital players in Newport Beach's housing and community development delivery system. This section examines the effectiveness of the housing and community development system in the City and possible strategies to enhance collaboration.

Institutional Structure:

The institutional structure is comprised of the private, public, and nonprofit organizations that help carry out the Consolidated Plan for the City. The relationships and interaction of these organizations as they deliver programs and undertake activities is known as the City's housing and community development delivery system.

1. Lead Agency

The City's Planning Department is the lead agency for the Consolidated Plan. It administers the City's CDBG program. As the City's affordable housing and community development agency, its intent is to build better lives and better neighborhoods by strengthening communities, empowering families, supporting local economies, and promoting individual achievement.

The Planning Department plans, administers, implements, and monitors projects funded through the City's formula entitlement funds from the U.S. Department of Housing and Urban Development (HUD). These entitlements include the Community Development Block Grant (CDBG) program. As the recipient of these funds, the Planning Department is tasked with the responsibility for developing and carrying out the Consolidated Plan

The City uses these and other funds to provide decent housing, create a suitable living environment, and expand economic opportunities throughout the City.

2. Community Development Block Grant (CDBG) Program

The CDBG program was initiated by the Housing and Community Development Act of 1974 (Act). Although the Act has been amended in recent years, the primary objective continues to be the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate-income.

Each year the City program is designed to achieve this primary objective. Regulations governing the Program also require that each activity undertaken with CDBG funds meet one of three broad national objectives as follows:

- Benefit low- and moderate-income persons.

- Aid in the prevention or elimination of slums and blight.
- Meet other community development needs having a particular urgency.

The City certifies that its Annual Action Plan has been designed to give maximum feasible priority to activities, which meet the first and second objectives above. Additionally, the City certifies that no less than 70% of the CDBG funds received, over a three-year certification period, will be designed to benefit low- and moderate-income persons.

3. Home Investment Partnerships Program (HOME)

On November 28, 1990, the Cranston-Gonzalez National Affordable Housing Act was enacted (P.L. 101-625). The HOME Investment Partnerships (HOME) program was created as a result of this legislation. It affords states and local governments the flexibility to fund a wide range of low-income housing activities through housing partnerships among states, localities, private industry, and nonprofit organizations. This program provides Federal funds for the development and rehabilitation of affordable rental and homeownership housing, replacing a series of programs previously funded by HUD. Funds are allocated by HUD to qualifying "Participating Jurisdictions" (PJs), such as the County of Orange, based upon a variety of demographic and housing factors.

With the exception of a waiver granted for disaster-related funding, HOME funds are subject to a 25% match of non-Federal funds or in-kind contributions. The Orange County Department of Housing and Community Development administers the HOME program for various Orange County cities, including Newport Beach, as well as unincorporated areas of the County.

4. Homeless Services Programs (Including ESG Program)

The Emergency Shelter Grant (ESG) program began on November 7, 1989, as part of the Stewart B. McKinney Homeless Assistance Act. The program is designed to improve the quality of existing emergency shelters, make available additional emergency shelters, help meet the cost of operating emergency shelters, and provide essential social services to homeless individuals. The ESG program ensures that the homeless have access not only to safe and sanitary shelter but also to supportive services and other kinds of assistance needed to improve their situations. The program is also intended to reduce homelessness through the funding of preventive programs and activities.

Orange County's homeless system of care is comprised of a network of public, private, faith-based, for-profit, and non-profit service providers. County agencies such as the County Executive Office, Health Care, Social Services, Community Services, and Housing and Community Development provide direct services for the homeless and/or significant resources for agencies serving the homeless. The region's municipalities also provide substantial resources for services that assist the homeless and those at risk of becoming homeless. The County's non-profit community is a critical player in the current Continuum of Care system. Hundreds of agencies throughout the County provide programs

ranging from feeding the homeless on the street to creating permanent supportive housing opportunities. These services are available to homeless families with children and single men and women. The County's non-profit community also serves special need populations, such as victims of domestic violence, veterans, the disabled and youth.

In 1998 the Orange County Board of Supervisors approved the establishment of the Continuum of Care Leadership Cabinet. The mandate of the Leadership Cabinet is to provide direction to the Director and to assist in the development and maintenance of the countywide comprehensive continuum of care planning process for the delivery of services to homeless men, women, and children.

The goal of the Leadership Cabinet is to coordinate the involvement of three primary groups: private industry, homeless experts, and the public sector in the continuum of care planning process. The Leadership Cabinet is also responsible for working with H&CD staff to design the planning process for each year's Supportive Housing Program homeless competition and to provide direction on the organization of the application review and evaluation processes.

Programs and initiatives operated by Orange County Continuum of Care fall into the following categories:

- Homelessness Prevention
- Outreach
- Emergency Shelter
- Transitional Housing
- Permanent Supportive and Permanent Affordable Housing
- Service Coordination

Orange County Continuum of Care funds programs according to the need and in keeping with the Continuum of Care, described in Section VI of the Consolidated Plan. The Orange County Department of Housing and Community Development administers the ESG program for various Orange County cities, including Newport Beach, as well as unincorporated areas of the County.

5. Orange County Housing Authority (OCHA)

The Orange County Housing Authority (OCHA) is a division of the County's Housing and Community Services Department that administers rental assistance programs throughout Orange County. Currently, OCHA helps more than 9,700 households through tenant based rental assistance programs.

Persons receiving assistance include those over 62 years of age or who have disabilities, and low-income households residing in 31 participating cities and the unincorporated areas of Orange County. According to the OCHA's 2004 Annual Plan, 105 of these assisted households reside in Newport Beach. Such

programs allow income-qualified households to receive rental assistance in a variety of apartments, houses, and other rental dwellings owned by private landlords. Funding for tenant-based rental assistance programs is provided by the Department of Housing and Urban Development (HUD).

6. Other Housing and Community Development Organizations

Other public agencies, for-profit entities, and nonprofit organizations all play a part in the provision of affordable housing and community services in the City. The City strives to coordinate with these organizations in the development of the Consolidated Plan and in the delivery of the programs covered by it.

City Departments

City staff coordinates with various City departments to carry out the City's housing and community development strategies and to allocate CDBG funds to provide funding support to achieve community development goals. These departments include:

- Planning Department
- Public Works Department
- Recreation and Senior Services Department

Organizations

Major players in the City's institutional structure for housing and community development include nonprofit organizations. The City contracts directly with a number of nonprofit community-based organizations to provide public services to City residents, including a wide range of programs for persons with special needs, homeless, seniors, youth, and other low- and moderate-income populations. For production of affordable housing, the City supplements its own efforts by entering into partnerships with private sector and nonprofit developers and housing development corporations.

Additionally, the City participates in the Orange County Continuum of Care planning process for the delivery of services to homeless men, women and children.

Orange County Housing Authority —administers the public housing units and the Section 8 rental assistance programs in Newport Beach;

Southern California Home Financing Authority (SCHFA) - a joint powers authority between Los Angeles and Orange Counties formed in June 1988 to issue tax-exempt mortgage revenue bonds for low and moderate income First Time Homebuyers. The program is administered by the Community Development Commission of The County of Los Angeles and County Executive Office of the County of Orange on behalf of the SCHFA. The Authority has helped thousands of individuals and families.

California Department of Health Services (CDHS), Childhood Lead Poisoning Prevention Branch (CLPPB) - complies information, identifies target areas and analyzes information to design and implement a program of medical follow-up and environmental abatement to reduce childhood lead exposure. Programs operated by the CLPPB include: 1) accreditation of training providers and certification of individuals involved in construction related activities; 2) reporting of elevated blood lead levels by medical laboratories; 3) lead exposure screening; 4) real estate disclosure of known LBP hazards upon sale of property; and 5) lead related activities in construction work, as well as other various other childhood and occupational lead poisoning prevention programs.

7. Faith-Based Organizations

Recently, there has been great recognition and value given to the contributions of faith-based organizations (FBOs) in providing social services. In the past, FBOs have been particularly visible in providing food, clothing, and shelter to individuals and families in need. However, faith-based organizations have also taken on a new role in helping to encourage housing and community development efforts.

Moreover, the significance of faith based organizations in the United States is underlined by former President George W. Bush's creation of the Office of Faith-Based and Community Initiatives. This initiative expanded the role of faith based organizations, by requiring Cabinet agencies to create their own Center for Faith-Based and Community Initiatives to work in tandem with the White House OFBCI, to make Federal grants available to Faith-Based and Community Initiatives nationwide. Agencies include the following Federal Departments: Health and Human Services; Housing and Urban Development; Department of Labor; Justice; and Education.

B. Gaps in the Institutional Structure

Consolidated Plan requirements include an examination of how organizations in the City that "deliver" housing and community development (called the institutional structure). This examination includes identifying the gaps in the institutional structure and developing strategies to address the gaps. Newport Beach can only achieve its Comprehensive Plan goals and Consolidated Plan strategies if its institutional structure is complete.

As the lead agency for the City of Newport Beach 2010 – 2014 Consolidated Plan, the Planning Department desired to gain a better understanding of the gaps and potential strategies needed for collaborative long-term planning. The ideas of the City's housing and community development organizations are crucial to an accurate gaps analysis of the institutional structure. They are even more important to the development and implementation of strategies to overcome the gaps. Therefore interviews and discussions with stakeholders included questions or comments concerning the current gaps in the local delivery system for housing and community development. Also discussed were the preliminary components of strategies for filling the most troublesome gaps.

Gap in the Institutional Structure: A missing component, such as an organization, a relationship, a service, a project, or an activity.

1. Common Topics

Several issues emerged from the Consolidated Plan process. These topics and issues provide a good starting point in understanding the gaps in the housing and community development delivery system. They also provide a foundation for developing workable, collaborative strategies to fill the gaps.

Public Education Gap: The lack of knowledge among the public and lower income clients is a common need. The most common gap is knowledge of the available resources, services, and programs for lower income people and persons with special needs. This lack of knowledge occurred among clients, employers, and service providers.

Unmet Housing Needs: There is an urgent need for affordable housing, especially supportive housing for lower income people and persons with special needs. Under-served housing needs include persons with both substance abuse and mental illness, including the dually diagnosed, persons needing assisted or supportive living arrangements, and former offenders.

Lack of Children-Centered Services: Services and programs related to children in lower income families repeatedly arose as a theme. Lack of affordable, quality childcare surfaced as a gap in all discussions. Other child-related issues included the lack of the following items: affordable children's primary education programs, training for child care providers, childcare at non-traditional hours, mental health and substance abuse treatment services and facilities for children, and mental health prevention for children.

Need for More Services for Persons with Special Needs and the Homeless: Such needs include mental health and substance abuse treatment services and facilities, long-term care facilities and services for low-income persons; transportation for the low-income elderly and low-income residents; transitional housing with supportive services for homeless persons with multiple diagnoses; and homeless shelters with services for children.

Communication/Coordination among Organizations: The lack of communication between specific groups and the overall community of service providers, such as the need for stronger relationships between all types of organizations involved in housing and community development (neighborhood groups, church groups, nonprofit agencies, and government agencies). Confidentiality laws sometimes reduce information sharing between service providers and contribute to a lack of good referrals.

C. Housing and Community Development Delivery System Strategy

As lead entity for Newport Beach's Consolidated Plan, the Planning Department's focus on the institutional structure should be a broad strategy of coordination, empowerment, and communication with the public, private, and nonprofit sectors.

D. Priority Strategy for the Housing and Community Development Delivery System:

The City will implement the strategies outlined in the Administrative Strategies Section of the Consolidated Plan, specifically the section under Development of Institutional Structure in Section 13 – Strategic Plan, of the Consolidated Plan.

Intentionally Left Blank



XII. Anti-Poverty Strategy

XII. Anti-Poverty Strategy

A. Poverty in Context

The U.S. Census Bureau follows the Office of Management and Budget's Directive 14 to define poverty. It therefore uses a set of income thresholds that vary by family size and composition to detect who is "poor." If the total income for a family or unrelated individual falls below the relevant poverty threshold, then the family or unrelated individual is classified as being "below the poverty level." The official poverty definition counts money income before taxes and does not include capital gains and noncash benefits (such as public housing, Medicaid, and food stamps). Poverty is not defined for people in military barracks, institutional group quarters, or for unrelated individuals under age 15 (such as foster children). They are excluded from the poverty universe—that is, they are considered neither as "poor" nor as "nonpoor."

Since this Consolidated Plan covers programs designed to help primarily low-income people and neighborhoods, it must also include an anti-poverty component. By undertaking activities funded by the CDBG program, the Planning Department supports the State's overall anti-poverty strategy of moving low-income people to self-sufficiency. The Planning Department consults with many public, private, and nonprofit organizations to help ensure that its goals, programs, and policies for activities such as producing and preserving affordable housing are effectively coordinated to best reduce the number of poverty level families.

B. Analysis of Poverty in City of Newport Beach

Poverty is the condition of having insufficient resources or income. In its extreme form, poverty is a lack of basic human needs, such as adequate and healthy food, clothing, housing, water, and health services. Even modest levels of poverty can prevent people from realizing their goals and dreams.

Census data from the year 2000 indicates that 3,075 Newport Beach residents were living in poverty in 1999, which is 4.4% of the population. This number translates to 356 families, or 2.1% of the families in Newport Beach. Almost 19% of these families had a child under the age of 5 years old. In accordance with the 2006-2008 U.S. Census Bureau's American Community Survey the estimated percentages for the number of individuals in poverty has decreased to 4.7% and the number of families decreased to 2.0%.

Although most of Newport Beach's households have higher incomes, a significant number are living at or near poverty. The housing section stated that this division of wealth has significant social consequences and implications for Newport Beach's market segmentation, housing demand, and affordability.

In 2000, female headed households made up 47% of families living in poverty. More than 51% of these families included a child under the age of 18; almost 27% of these families included a child under the age of 5. In accordance with the 2006-2008 U.S. Census Bureau's American Community Survey the estimated percentages for the number of female headed households in poverty has decreased to 9.7%.

C. The State's Welfare-to-Work Program

The City's anti-poverty strategy and activities support the overall effort in the State to move low-income families to economic self-sufficiency. The California Department of Health and Social Services is the nexus of the State's Welfare-to-Work program and is thus the lead anti-poverty agency in the State.

D. Existing Programs

In California, the primary programs for assisting families in poverty are CalWORKS, Food Stamps, and Medi-Cal. Together, these programs combine to provide clients with employment assistance, discounted food, medical care, child care, and cash payments to meet basic needs such as housing and transportation. A short description of each is provided below.

CalWORKs

The California Work Opportunities for Kids (CalWORKs) program is a time-limited program that provides financial assistance and Welfare-to-Work services to families with children who are deprived of support or care due to the death, incapacity, unemployment/underemployment, or continued absence of one or both parents. Homeless Assistance is included in this program. CalWORKs is administered following Federal and State regulations.

Food Stamps

The Food Stamp Program is a nutritional assistance program designed to help single people and families with little or no income to buy food. Food Stamp benefits are issued on an EBT Card that is used just like a bank card at most local food stores. The Food Stamp Program is a Federal State funded program.

Medi-Cal

The Medi-Cal program pays for health care for certain needy residents of California, including public assistance recipients. Medi-Cal is supported by Federal and State taxes. Pregnant women and children have been the focus of outreach efforts by the State of California for enrollment in the Medi-Cal program.

CDBG, HOME, and ESG-Funded Activities

Congress designed the CDBG, HOME and ESG programs to serve lower-income people, some of which may meet the Federal poverty definition, and at least 51% of whom are low- and moderate-income individuals and families.

At least 70% of all CDBG funds must be used for activities that are considered under program rules to benefit low- to moderate-income persons. Additionally, every CDBG activity must meet one of three national objectives: (1) benefits low- and moderate-income persons (at least 51% of the beneficiaries must be low- to moderate-income; (2) addresses slums or blight, or (3) meets a particularly urgent community development need.

Under the HOME Investment Partnerships Program (HOME), households must earn no more than 80% of the Area Median Income (AMI), adjusted for household size, to be eligible for assistance. Furthermore, 90% of a HOME Participating Jurisdiction's

(PJ's) annual HOME allocation that is invested in affordable rental housing must go to assist households earning no more than 60% of AMI (the "90/60" rule).

The Emergency Shelter Grant (ESG) program provides homeless persons with basic shelter and essential supportive services. It can assist with the operational costs of the shelter facility, and for the administration of the grant. ESG also provides short-term homeless prevention assistance to persons at imminent risk of losing their own housing due to eviction, foreclosure, or utility shutoffs.

The County's ESG program is administered through the County of Orange and its continuum of care provider O.C. Partnership. OC Partnership supports, creates, and sustains solutions to homelessness in Orange County by providing leadership, advocacy, planning and management of program funding. OC Partnership provides funding and guidance for a vast network of local, non-profit agencies with missions to help people leave homelessness permanently. These agencies are dedicated to providing as much assistance as possible, including emergency shelter, to help homeless persons with housing, case management, counseling, advocacy, substance abuse programs, and other specialized services.

E. Anti-Poverty Strategy

The City's goal is to help families that are self-sufficient yet still at-risk to increase their financial stability. The focus of the anti-poverty strategy is three-fold: (1) to help these families accumulate assets, (2) to help these families address issues, such as substance abuse and domestic violence, that may threaten the family's stability, and (3) to provide these families with employment-related supportive services such as child care. This focus will be incorporated into the programs and policies undertaken by the City as part of this Consolidated Plan.

1. Programs

The City has yet to finalize any specific programs at this stage in the development of the Consolidated Plan. Any definite activities will be described in detail in the City's Annual Action Plan. Potential programs may include:

Family Stability

- Counseling
- Substance Abuse Services
- Domestic Violence Services

Employment Related Supportive Services

- Job Training
- Child Care

2. Policies

The City will fully comply with Section 3 of the Housing and Community Development Act. Section 3 helps foster local economic development, neighborhood economic improvement, and individual self-sufficiency. This set of regulations require that to the greatest extent feasible, the City will provide job training, employment, and contracting opportunities for low- or very-low income residents in connection with federally funded housing and public construction projects.

Public services funded through the Consolidated Planning process that promote the self-sufficiency of families in poverty (extremely low-income) will be encouraged.

When evaluating economic development subsidies and incentives offered to firms in exchange for relocating to the City, the City will incorporate a benchmark measure called the Stability Index when reviewing the income level of potential jobs. The Stability Index determines the wage required, based on family size and composition. A family needs to (A) meet their basic needs without subsidies of any kind and (B) save 5% of their income. This index is based on the Self-Sufficiency Standard developed by Wider Opportunities for Women.

**Table 12-1
2008 Stability Index –Orange County**

	One Adult		One Adult, One Preschooler		One Adult, One Pre- Schooler, One School- Age Child		Two Adults, One Pre- Schooler, One School-Age Child	
	Costs	%	Costs	%	Costs	%	Costs	%
Monthly Costs								
Housing	\$1330	47%	\$1,595	35%	\$1,595	30%	\$1,595	27%
Child Care	\$0	0%	\$832	18%	\$1,253	24%	\$1,253	21%
Food	\$256	9%	\$388	8%	\$581	11%	\$799	13%
Transportation	\$255	9%	\$262	6%	\$262	5%	\$500	8%
Health Care	\$107	4%	\$269	6%	\$287	5%	\$345	6%
Misc.	\$195	7%	\$335	7%	\$398	8%	\$449	8%
Taxes	\$538	19%	\$817	18%	\$928	18%	\$1003	17%
Earned Income Tax Credit (-)	0		0		0		0	
Child Care Tax Credit (-)	0		-50	-1%	-100	-2%	-100	-2%
Child Tax Credit (-)	0		-83	-2%	-167	-3%	-167	-3%
Total	\$2,681	95%	\$4,365	95%	\$5,037	95%	\$5,677	95%
Savings (5%)	\$134	5%	\$218	5%	\$251	5%	\$283	5%
Self Sufficiency Wage								
Hourly	\$15.24		\$24.79		\$28.62		\$16.13/adult	
Monthly	\$2,681		\$4,364		\$5,037		\$5,678	
Annual	\$32,177		\$52,363		\$60,446		\$68,134	

Intentionally Left Blank



XIII. Strategic Plan

XIII. Strategic Plan

The Strategic Plan section of the Consolidated Plan summarizes Newport Beach's 5-year strategies and objectives to address the needs described earlier in the Consolidated Plan. To carry out each objective, the City has developed measurable actions that it will undertake each year.

The City's 2010-2014 Consolidated Plan includes the first of five Annual Action Plans. Each of these plans will describe the activities planned for the coming program year to carry out the 5-year strategies. As required by the U.S. Department of Housing and Urban Development (HUD), the City will submit a Consolidated Annual Performance and Evaluation Report (CAPER) within 90 days following the conclusion of each program year to report the City's progress in carrying out the strategies, objectives, and actions included in the Annual Action Plan and the 5-year strategies.

A. Strategies and Objectives

The City developed priority strategies and objectives to meet the housing and community development needs described in earlier sections. Those strategies are discussed in the following paragraphs and are outlined in the tables included at the conclusion of this Chapter.

Consolidated Plan Goals

The City's strategies, objectives, and activities for the Consolidated Plan must address and meet Federal goals. The Federal Consolidated Planning Regulations found at 24 CFR Part 91 state that the Consolidated Plan's activities should meet one (1) of the following three (3) goals, including the provision of:

- Affordable housing opportunities;
- A suitable living environment; or
- Expanded economic opportunity.

The City's Priority Strategies

Through the citizen participation and consultation process described in the Consolidated Plan Development Section, the City has developed top-level strategic goals to meet the priority needs (described in previous sections). During the 2010-2014 Consolidated Plan period, the City will invest its Community Development Block Grant (CDBG) funds in accordance with the following Priority Strategies:

Housing Strategy

- Expand the supply of affordable rental and homeownership housing opportunities.
- Preserve and improve the existing housing stock and ensure equal access.

Homeless Strategy

- Support continuum of care services to further the City's and the County of Orange's efforts to end homelessness.

Special Needs Strategy

- Help persons with special needs live as independently as possible.

Senior Services Strategy

- Provide quality supportive services so elderly residents can live as independently as possible.

Public Services Strategy

- Contribute to the well-being of individuals, families, and neighborhoods.

The City will provide CDBG funds to projects that help meet the strategies identified above during one or more of the five program years covered by the 2010-2014 Consolidated Plan.

B. Other Strategies

The Federal Consolidated Plan regulations require the City to address community development issues that are common to all communities throughout the nation, including impediments to fair housing, poverty, and the threat of lead-based paint. This section describes the City's strategies to address the following specific issues:

- Address impediments to fair housing
- Reduce lead-based paint hazards
- Move low-income persons to self-sufficiency (anti-poverty strategy)
- Address barriers to affordable housing
- Monitor all projects and programs

The following is a summary of each item:

1. Impediments to Fair Housing

In conjunction with the development of this Consolidated Plan, the City has partnered with other local jurisdictions and the Fair Housing Council of Orange County to update the regional Analysis of Impediments to Fair Housing (AI). When the updates are finalized, the City will incorporate those updates into this

section to ensure that the City coordinates its efforts with the regional fair housing initiatives. The current AI identifies the following impediments to fair housing:

- a). Lending Practices: While data and study has not shown discrimination in lending, lending efforts have not been proactive.
- b). Insuring Practices: Some insurance companies may be targeting certain zip codes for higher rates of denial or different terms and conditions for insurance coverage.
- c). Outreach and Education: The lack of uniformity in content and approach to fair housing education from community to community may leave gaps in the information provided and contribute to the lack of a common understanding of fair housing laws. Further, inconsistencies in the provision of fair housing information (e.g. publication methods, language of publication, etc.) may contribute to a lack of awareness of fair housing laws among immigrant populations.
- d). Public Policies/Programs: A lack of coordination among cities in the region in regard to their planning activities may have an adverse effect on fair housing efforts on a regional basis.

To combat these impediments and to work toward universal access to fair housing, the City will contract with fair housing service providers such as the Fair Housing Council of Orange County (FHCO) or another fair housing agency each year to provide the necessary fair housing and tenant/landlord services. Some of the required services include counseling and information on potential discrimination and landlord/tenant problems, special assistance for ethnic minority and single-headed households, bilingual housing literature and video-tape presentations, and housing assistance counseling.

The City will also work with the property managers of rent-restricted housing throughout the City to ensure these affordable units are managed in accordance with fair housing laws.

2. Lead-Based Paint

The Residential Lead Based Paint Hazard Reduction Act of 1992 (Title X) emphasizes prevention of childhood lead poisoning through housing-based approaches. This strategy requires the City to implement programs that protect children living in older housing from lead hazards. Overall, the City has a relatively new housing stock; therefore, lead-based paint hazard is not an extensive issue. According to U.S. Census Data from 2000, only 42% of the City's housing units were constructed prior to 1979. Only those units constructed prior to January 1, 1978, when the use of lead-based paint was outlawed, have the potential to contain lead-based paint. In pre-1978 units, the only way to have assurance that lead-based paint is not present is to have the paint tested. According to the City's Residential Rehabilitation Program, a

typical lead-based paint screening survey costs approximately \$300. To reduce lead-based paint hazards, the City takes the following actions:

- Include lead testing and abatement procedures in all residential rehabilitation activities, where applicable.
- Work with neighboring jurisdictions in a collaborative effort to secure funding and provide low-cost training to testing and abatement contractors and workers.
- Monitor the lead-poisoning data maintained by the Orange County Health Care Agency (OCHCA). According to OCHCA, there was 1 incidence of children with blood lead levels (BLL) greater than 15 micrograms per deciliter for the City of Newport Beach from 2005-2009. This level is very low, nonetheless, the City should monitor this data.
- Educate residents on the health hazards of lead-based paint through the use of brochures and encourage screening children for elevated blood-lead levels.
- Disseminate brochures about lead hazards through organization such as the Fair Housing Council of Orange County, and the City's residential rehabilitation activities.

3. Anti-Poverty Strategy

The goal of the Anti-Poverty Strategy is to provide a coordinated offering of services to help households rise out of poverty to a level of long-term, self-sufficiency. The City's available funding sources are miniscule in comparison to other existing anti-poverty programs. Given this, the City will support activities that will complement these existing programs.

In California, the primary programs for assisting families in poverty are CalWORKS, Food Stamps, and Medi-Cal. Together, these programs combine to provide clients with employment assistance, discounted food, medical care, child care, and cash payments to meet basic needs such as housing and transportation. Also available are services designed to treat persons suffering from substance abuse, domestic violence, and mental illness.

While these programs have succeeded in weaning low income households off of public assistance and transitioning them into the job market, many of these households that find employment remain poor. Jobs taken by former welfare recipients are often low paying and have little room for advancement. In addition, as a recipient's income increases, the cash assistance decreases. This prevents the household from saving any income. While a family may achieve self-sufficiency, they will remain at-risk. A sudden loss of income from unemployment, illness, or other personal crises would push the family back into poverty and perhaps into homelessness.

Therefore, it is the City's goal to supplement the existing programs and help families move to the next level of self-sufficiency. The City's anti-poverty strategy will focus on moving families beyond mere self-sufficiency and to a level where they can accumulate savings, establish a stable lifestyle, and rise above poverty. The remainder of this section will discuss the programs and policies the City will pursue over the next five years that will advance this purpose.

4. Monitoring

To ensure that the Federal funds are used correctly and efficiently, the City will monitor its subrecipients and its own programs to track performance and to document compliance with the relevant Federal regulations.

Performance measurement is an important tool the City will utilize to ensure that funded projects are effective at generating expected outcomes. Tracking performance also helps staff determine if projects are administered correctly. It can also help identify problems and indicate where to make needed adjustments.

The performance measurement process includes goal formulation, resource allocation, and program evaluation. The Consolidated Plan goals are set forth in the Strategic Plan and in each Annual Action Plan. When the City seeks project proposals in preparation for each program year, each proposed project will be rated according to its ability to meet the high-priority needs and its potential contribution to meeting the City's goals. At the end of the program year, City staff will analyze the productivity of each project in terms of costs vs. benefits, timeliness, and quality. The results of this analysis will help the City make adjustments in a project's structure and form a basis for future funding decisions.

The City recognizes the value of monitoring the use of these public funds to ensure all funded projects comply with applicable federal laws and regulations. The City will budget a portion of each year's grant allocation to program administration that will pay for staff time and consultants to monitor all aspects of funded programs. Monitoring will include the following review:

- Eligibility of proposed and actual uses of funds
- Eligibility of partnering organizations and contractors
- Environmental review
- Labor law compliance
- Relocation and displacement review and mitigation

The City will place an emphasis on assisting subrecipients with compliance. Some subrecipients are not familiar with all applicable laws and regulations. To address this, the City will host a pre-award training workshop to review the

program regulations applicable to CDBG in addition to the Uniform Administrative Requirements found in 24 CFR Part 84 (nonprofits) and 24 CFR Part 85 (government), the Office of Management and Budget (OMB) circulars pertaining to allowable costs. Subrecipient attendance is mandatory. Prior to entering into agreements with subrecipients, the City will require proof of an acceptable financial audit and other documentation as necessary to establish the administrative capacity of the subrecipient to successfully use CDBG funds in accordance with the applicable program regulations. The City's CDBG administrative policies and procedures, as well as the annual Notice of CDBG Funding Availability address these requirements in more detail.

C. Administrative Strategies

In addition to strategies that will help guide funding decisions, the City has developed administrative strategies to ensure that the planning process is one that adapts to a changing environment and continually improves over time. Administrative strategies include identifying and overcoming obstacles to meeting community needs, developing the capacity and coordination of the local institutional structure, and implementing a performance measurement and monitoring system.

1. Identifying and Overcoming Obstacles to Meeting Underserved Needs

Throughout the administration of the Consolidated Plan, the City must identify obstacles to meeting underserved needs in the community and develop methods for overcoming the obstacles. Affordable housing and community development projects face a broad array of obstacles, ranging from residents opposed to new developments in their neighborhoods to government policies and programs that have unintended, adverse effects. The City will be able to identify obstacles early on through the performance measurement process. Performance measurement is described later in this section.

Through the development of this Plan, the City has identified two (2) obstacles to meeting underserved needs to date: (1) Regulatory barriers to affordable housing, and (2) lack of public service funding. Below, the City has outlined strategies to overcome or mitigate these obstacles:

Regulatory Barriers to Affordable Housing: There is no litmus test that indicates when a state or local policy is a regulatory barrier to affordable housing. Many local laws and policies, such as conservation of open space, have direct and adverse effects on affordability of housing but cannot be considered a barrier because they are worthy goals. A policy, rule, process, or procedure is considered a barrier when it prohibits, discourages, or excessively increases the cost of new or rehabilitated affordable housing without sound compensating public benefits.

The regulatory cost of new housing development, such as plan-check and permitting fees, are relatively high. The City offsets these costs through inclusionary zoning requirements that require developers to reserve a number of newly developed units as affordable housing, extend the affordability of

existing affordable units, or pay an in-lieu fee that will be used to subsidize other developments that will include affordable units.

The City will implement the following procedures and programs to reduce the adverse effects of local policy on affordable housing:

- Monitor all regulations, ordinances, departmental processing procedures, and residential development fees to ensure these requirements do not excessively constrain affordable residential development.
- Continue to offer density bonus incentives for the development of affordable housing pursuant to state density bonus requirements and the City's General Plan Housing Element.
- Partner with the Fair Housing Council of Orange County or other fair housing agencies to provide tenant and landlord counseling to ensure fair housing rights for Newport Beach residents.

Lack of Public Service Funding: Per the Federal regulations, the City may budget up to 15% of its CDBG allocation to public service activities. Each year, the City receives applications and proposals from local public service providers for more than the allowed amount. Priority will be given to proposals where funds will be used to expand long-term service capacity, serve an unmet need and will not need on-going future grant funds to maintain that capacity. Funding decisions are informed by the Strategic Plan Goals when selecting projects for inclusion in the Annual Action Plan.

2. Development of Institutional Structure

The City partners with a network of local service providers, advocacy groups, neighboring jurisdictions, local developers and businesses, and other public agencies to form the institutional structure that undertake affordable housing and community development initiatives. It is essential that the efforts of these varying organizations are coordinated in order to efficiently use the limited amount of resources available. There are a number of existing networks and collaborations that help these various organizations work together, such as the Continuum of Care. Throughout the duration of the Consolidated Plan, the City will continue to collaborate with partner organizations and will survey the institutional structure for gaps or areas where organizational capacity is insufficient to meet the community's need. Below is a discussion of how the City currently partners with other agencies and the strategies it proposes to strengthen and improve these relationships.

3. Public Housing Authority

The City is under the jurisdiction of the Orange County Housing Authority (OCHA). OCHA is a distinct and separate entity from the City and the City has no influence over OCHA decisions or policy, including those related to hiring, contracting and procurement. The City, however, holds an officer position on the Cities Advisory Committee. The Committee is a liaison between the

respective participating jurisdictions and the OCHA, and the Committee acts in an advisory capacity to the OCHA Executive Director in matters of policy pertaining to housing programs and long range housing goals. The Orange County Board of Supervisors acts as the Board of Commissioners of OCHA and the Housing and Community Development Commission serves as an advisory board. OCHA is a division within the County's Housing and Community Services (HCS) Department.

There are no public housing developments within the City. Instead, the Housing Authority provides affordable units in the City through the Section 8 rental subsidy program. This program provides residents the ability to locate their own housing and then pays for a portion of the rent to make the unit affordable to the resident.

The City will work with the housing authority to include the residents with Section 8 vouchers in the federally funded programs administered by the City, including any homeownership programs. By moving these residents to homeownership, they gain a higher level of self-sufficiency and begin to generate assets. In addition, the rental subsidy voucher is available to serve another resident.

D. General Priorities for Investment

The Strategic Plan identifies the City's top-level priorities for activities and HUD-supported investments to address affordable housing needs, homelessness, the need of non-homeless persons who require supportive housing and non-housing community development needs. These general and relative priorities will help guide HUD-supported housing and community development initiatives in Newport Beach for 2010-2014.

General priorities are those shown as "H" (for "high") on the priority needs tables in earlier sections of this document. These are the priority needs tables that address affordable housing needs (HUD Table 2A), homelessness (HUD Table 1A), the need of non-homeless persons who require supportive housing (HUD Table 1B), and non-housing community development needs (HUD Table 2B). These priorities are not intended to preclude nor impede use of HUD or other government/private resources when other documented priority needs are known to exist or can be established. The relative priority of needs is delineated into three categories: high, medium and low.

E. Priorities for Investment

Most general priorities in this Strategic Plan are focused on meeting the housing and community development needs of low-income households and neighborhoods throughout the City. Some housing and community development revitalization initiatives are targeted to low-income residents or eligible CDBG neighborhoods.

F. Outcome Performance Measurement System

On March 7, 2006, HUD issued a notice entitled, "Notice on Outcome Performance Measurement System for Community Planning and Development Formula Grants Programs." The notice requires that grantees implement HUD's Outcome Performance Measurement System (OPMS).

The OPMS is intended to provide HUD and grantees with a standardized methodology to demonstrate the outcomes of the CDBG program. The OPMS has three main components: Objectives, Outcomes, and Outcome Indicators. Each activity is assigned an objective and outcome. In addition, each activity will report on the outcome indicators throughout the year.

Objectives

There are three (3) objectives that originate from the statutory purposes of the Federal formula grant programs. They are as follows:

- **Creating a suitable living environment.** In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- **Provide decent affordable housing.** The activities that typically would be found under this objective are designed to cover a wide range of housing possibilities under CDBG. This objective focuses on housing programs to meet individual, family or community housing needs rather than issues concerning public services or facilities as would be included above under creating a suitable living environment.
- **Creating economic opportunities.** This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

Outcomes

There are three outcomes that reflect what the grantee seeks to achieve by the funded activity. The City associates the National Objectives to these Outcomes. The three outcomes and their associated National Objectives are as follows:

- **Availability/Accessibility.** This outcome category applies to activities that benefit families and individuals. The national objectives that apply to this outcome are Low- and Moderate-Income Limited Clientele and Low- and Moderate-Income Jobs.
- **Affordability.** This outcome category applies to activities that create or maintain affordable housing. The National Objective that applies to this outcome is Low- and Moderate-Income Housing.
- **Sustainability.** This outcome applies to activities that improve neighborhoods or communities. The National Objectives that apply to this outcome are

Addressing Slums or Blight on an Area Basis, Addressing Slums and Blight on a Spot Basis, Serving a Low- and Moderate-income Area, and Urgent Need.

In addition to the OPMS, the City must also ensure that its HUD-funded activities carried out under the Consolidated Plan meet its 5-year priorities and strategies. The City helps ensure that Consolidated Plan activities meet these priorities and strategies as well as the OPMS objects and outcomes through a measurement system that quantifies achievement.

G. Performance Evaluation System

The City's Consolidated Plan activities must meet one of the three national objectives established by HUD for all but its administrative activities. As the lead entity for the Consolidated Plan, the City is responsible for ensuring the Consolidated Plan meets these three (3) national goals. The City must also ensure that its HUD-funded activities carried out under the Consolidated Plan meet its 5-year priorities and strategies.

The next set of tables summarizes the City's 5-year strategies and objectives in relation to the national objectives for the Consolidated Plan. The City will update these tables in each year's Annual Action Plan and CAPER to reflect actions and accomplishments. Such updates will allow citizens and other organizations to track the City's performance.

Objectives are measured by the proposed and actual accomplishments. See each year's Annual Action Plan for proposed measurements for each objective. The measurements for 2010 are listed here as an example. The City helps ensure that Consolidated Plan activities meet these goals, strategies, and objectives through a measurement system that quantifies achievement.

Identified in the matrix are the following: the City of Newport Beach Priority Needs and 5-Year Strategy and Outcome/Objective statements. There are a total of nine (9) possible outcome/objective statements. However, the City uses the following three (3) and links it to the National Objective as discussed above under Outcomes:

- Accessibility for the purpose of creating suitable living environments
- Accessibility for the purpose of providing decent affordable housing
- Affordability for the purpose of creating decent affordable housing

The second component of the City's performance measurement system is a table in each year's Action Plan that contains individual program goals related to specific activities.

The third component is the Integrated Disbursement and Information System (IDIS), an online database used to report accomplishments and other information to HUD. During the program year, the City will enter its planned and actual accomplishments for each activity into IDIS. At the end of the program year, the City will run IDIS

reports for inclusion in the Consolidated Annual Performance Evaluation Report (CAPER) that summarize the year's program accomplishments.

The final component of City's performance measurement system is the CAPER. The City will publish these two tables in each year's CAPER to reflect its number of planned and actual accomplishments and how they relate to the long- and short-term objectives set in the Consolidated Plan and Annual Action Plan. Such updates will allow HUD, the City's partners, citizens and others to track the City's performance.

City of Newport Beach Priority Need:
Housing

5-Year Strategy: Expand the supply of affordable rental and homeownership housing opportunities

Outcome/Objective Statements	Planned Activities	Performance Indicator	Five-Year	2010	2011	2012	2013	2014	Accum. Total	% Attained
Affordability/Decent Affordable Housing	Acquisition of Affordability Covenants on Rental Properties	Housing Units	34	0	0	0	22	12	0	0
	Construction of Multi-Family Affordable Housing Units	Housing Units	68	0	0	0	0	68	0	0

City of Newport Beach Priority Need:

Housing

5-Year Strategy: Preserve and improve the existing housing stock and ensure equal access

Outcome/Objective Statements	Planned Activities	Performance Indicator	Five-Year Goals	2010	2011	2012	2013	2014	Accum. Total	% Attained
Accessibility / Decent Affordable Housing	Section 8 Housing Choice Voucher & Rent Restricted Units	Housing Units	2,000	400	400	400	400	400	0	0
	Housing Rehabilitation Programs Utility Connection Programs	Housing Units	21	7	5	3	3-	3	0	0
	Fair Housing Program	People	1,000	200	200	200	200	200	0	0

City of Newport Beach Priority Need:

Senior Services

5-Year Strategy: Provide quality supportive services so elderly residents can live as independently as possible

Outcome/Objective Statements	Planned Activities	Performance Indicator	Five-Year Goals	2010	2011	2012	2013	2014	Accum. Total	% Attained
Accessibility /Suitable Living Environments	General Senior Programs	People	500	100	100	100	100	100	0	0
	Information and Referral Programs									
	Food and Essential Services									
	Senior Transportation Services									

City of Newport Beach Priority Need:

**Special Needs/Non-Homeless
5-Year Strategy: Help persons with special needs live as independently as possible**

Outcome/Objective Statements	Planned Activities	Performance Indicator	Five-Year Goals	2010	2011	2012	2013	2014	Accum. Total	% Attained
Accessibility / Suitable Living Environments	Battered and Abused Spousal Programs	People	35	7	7	7	7	7	0	0
	Food & Essential Services									
	Referral and Case Management Services									
	Employment Training and placement for persons with Disabilities									
	Upgrade Public Facilities with ADA Improvements	Public Facilities	2	0	0	0	1	1	0	0
	Substance Abuse Rehabilitation Services	People	40	8	8	8	8	8	0	0

City of Newport Beach Priority Need:

Homeless and HIV/AIDS

Homeless 5-Year Strategy: Support a continuum of services in support of the City's and County's effort to end homelessness and improve the quality of life for persons living with HIV/AIDS

Outcome/Objective Statements	Planned Activities	Performance Indicator	Five-Year Goals	2010	2011	2012	2013	2014	Accum. Total	% Attained
Accessibility / Suitable Living Environments	Homeless Prevention Programs	People	500	100	100	100	100	100	0	0
	Transitional Housing									
	Emergency Shelter to Victims of Domestic Violence									
	Transitional Housing and Support Services for Victims of Domestic Violence									
	Case Management and other services									

City of Newport Beach Priority Need:

Public Services
5-Year Strategy: Contribute to the well-being of individuals, families, and neighborhoods

Outcome/Objective Statements	Planned Activities	Performance Indicator	Five-Year Goals	2010	2011	2012	2013	2014	Accum. Total	% Attained
Accessibility / Suitable Living Environments	General Public Service Programs	People	500	100	100	100	100	100	0	0
	Employment and Other Training Programs									
	Food and Essential Services									
	Family Services									
	Health Services									
	Youth Services									

City of Newport Beach Priority Need:

Public Facilities

5-Year Strategy: Provide access to local public facilities that contribute to community and neighborhood development

Outcome/Objective Statements	Planned Activities	Performance Indicator	Five-Year Goals	2010	2011	2012	2013	2014	Accum. Total	% Attained
Accessibility / Suitable Living Environments	Section 108 Loan Repayment- Balboa Village Improvements	Public Facilities	5	1	1	1	1	1	0	0



XIV. Monitoring Standards and Procedures

XIV. Monitoring Standards and Procedures

A. Project Monitoring

Monitoring of the City's contractors and subrecipient partners is not just a regulatory process or a fact-finding mission. Rather, it involves effective communication and cooperative, problem-solving relationships between the City's Planning Department and its contractors/subrecipients.

What is a Subrecipient?

A subrecipient is an organization receiving CDBG funds from the City of Newport Beach. The City's Planning Department monitors all CDBG programs. Each program requires a written agreement between the recipient and the subrecipient. The requirements demand that the agreement remain in effect throughout the period that the subrecipient has control over funds. In addition, regulations prescribe the provisions that the agreement must contain. These provisions include a statement of work (description of work, budget, and time schedule); records and reports, program income, uniform administrative requirements, other program requirements such as fair housing, labor, displacement, employment opportunities, lead-based paint, debarred contractors, conflict of interest, restrictions for certain resident aliens (as described in 24 CFR Part 49); provisions for Community Housing Development Organizations, religious entities, the Architectural Barriers Act, and the Americans with Disabilities Act.

1. Project Monitoring Process

When it awards a grant, the Department develops an individual monitoring schedule for each contractor/subrecipient that includes the following items:

- Desk monitoring
- Performance reports
- Annual onsite reviews

These three (3) items combine to provide a clear and timely picture of each contractor/subrecipient's progress. The following narrative explains each of these three items in more detail.

Desk Monitoring

Planning Department staff reviews copies of case files to ensure complete and accurate documentation regarding the following items:

- Client eligibility
- Property eligibility
- Appropriate funding levels for the activity
- Compliance with all program requirements (i.e. environmental review)

Performance Reports

The City's Planning Department requires performance reports so it can assess a project's progress and better ensure timeliness. For capital projects and public service grants, reports are required on a quarterly basis. Housing program reports are obtained based upon specifics of the programs' operations.

Annual Onsite Reviews

The Planning Department, as appropriate, also provides annual on-site reviews of a project so it can assess capabilities of staff and review case files.

These three items combine to provide a clear and timely picture of each sub-recipient's progress. For housing projects, the Planning Department has additional monitoring procedures that provide the following assurances:

- Ensure consistency with primary objective—not less than 70% of CDBG funds used during the program year must be for activities that benefit low- and moderate-income persons.
- Ensure each activity meets the criteria for one or more of the national objectives.
- Compliance with all other regulatory eligibility requirements for each activity.
- Compliance with the Consolidated Plan regulations regarding displacement.
- Compliance with all other applicable laws and program requirements.
- Ensure production and accountability.
- Evaluate organizational and project performance.

The Planning Department achieves success through:

- Pre-award screening, risk assessment, and orientation.
- Strong written agreements.
- Performance standards and program objectives.
- Defined monitoring visits for each subrecipient partner: quarterly, semi-annually, and/or annually.

Monitoring Staff

The Planning Department periodically reports on the progress of each project. The Department's staff has the following monitoring duties:

- Oversee the planning and budgeting process to ensure that projects and programs are consistent with the Consolidated Plan's identified high- and possibly medium-priority objectives and grant requirements. Staff will also

provide technical guidance regarding Affirmative Marketing and Fair Housing practices.

- Provide technical guidance with each subrecipient partner regarding: program structure, income requirements, and document compliance. Staff will review the City's monthly expenditure reports. At a minimum, staff will perform quarterly drawdowns in HUD's Integrated Disbursement and Information System (IDIS) against the appropriate grant. For IDIS, staff will gather quarterly program statistical reports from the subrecipient partners and update all necessary fields from setup to completion of each project and activity. Regular updating and draws will ensure meeting the CDBG timeliness deadline. As needed, staff will perform environmental reviews and Davis Bacon monitoring.
- Review the invoices from each subrecipient and ensure timeliness with expenditures.
- Provide technical guidance regarding all housing construction, demolition, and rehabilitation projects ensuring the correct number of units, timeliness in build-out, and approval of payments. For new construction, ensure compliance with all applicable local codes, ordinances, and zoning ordinances at the time of project completion.
- Provide monitoring orientation with all subrecipient partners and establish monitoring visits. The monitoring orientation includes the timing for monitoring visits. Subrecipient partners without problems or significant findings receive annual or semi-annual monitoring visits, while new subrecipients and subrecipients with significant problems or complex projects receive quarterly visits.

Community Based Organizations

Community-based organizations (CBOs) are funded for a wide variety of CDBG funded activities, especially public services. However, their experience and training in implementing these activities in compliance with applicable statutory and regulatory requirements vary widely.

In addition, some projects are a one-time City effort while others are ongoing activities. Based on this diversity, the City has determined that some of these projects can represent the highest potential for risk, while others represent a very low risk. Therefore, completed projects will be candidates for the full range of monitoring tools. Monitoring of CBOs has been augmented by mid-year technical assistance visits that are provided to every CBO in an effort to enhance programmatic compliance. Further, ongoing CBO projects receive annual on-site monitoring visits.

B. Consolidated Plan Monitoring

The Planning Department understands that monitoring the Consolidated Plan and the annual activities must be carried out regularly to ensure that statutory and regulatory requirements are met and that, where appropriate, information submitted to HUD is correct and complete.

To ensure that the City's CDBG program further meets the Consolidated Plan goals, the Planning Department incorporates the Consolidated Plan's strategies, objectives, and activities into its work plan. The Planning Department will measure its achievement of Consolidated Plan goals by the same standards used to evaluate all programs and activities.

The Planning Department will appraise its diverse operations and controls and determine whether: risks are identified and reduced; acceptable policies and procedures are followed; established standards are met; resources are used efficiently and economically; and ultimately, its objectives are achieved.

The Planning Department prepares documentation and reports as required by HUD, including the Consolidated Annual Performance and Evaluation Report (CAPER).

Using a substantial citizen participation and consultation process, the CAPER describes each year's performance regarding Consolidated Plan strategies, objectives, actions, and projects

Monitoring Strategy

As the lead agency for the CDBG programs, the Planning Department is refining monitoring procedures to ensure that projects have measurable outcomes. This refinement will allow assessment of progress toward the specified goals and objectives of the projects, as well as ensuring long-term compliance with all applicable program regulations and statutes. The Planning Department will publish any proposed significant changes to monitoring standards and procedures in a future Annual Action Plan so that citizens and grant recipients may comment on those changes.



XV. Leveraging

XV. Leveraging

A. Federal Resources

Funds from the U.S. Department of Housing and Urban Development (HUD), which operates in excess of 100 programs and a variety of other Federal resources are available to address the Consolidated Plan's priority needs, such as grants and other revenues that provide funding to City of Newport Beach or other organizations within the City.

1. Homeless Programs – The Continuum of Care

The Continuum of Care is a set of three competitive programs based on the law of the McKinney - Vento Homeless Assistance Act to address the problems of homelessness in a comprehensive manner in concert with other Federal agencies.

a. Supportive Housing Program (SHP)

SHP helps develop housing and related supportive services for people moving from homelessness to independent living. Program funds help homeless people live in a stable place, increase their skills or income, and gain more control over the decisions that affect their lives. Eligible applicants include States, local governments, other government agencies (such as public housing agencies), private nonprofit organizations, and community mental health associations that are public nonprofit organizations. After HUD publishes a Notice of Funding Availability (NOFA) for Continuum of Care Homeless Assistance in the Federal Register, applicants must submit specific information about a proposed project, along with their Continuum of Care application. Each application must include a certification that the project is consistent with the Consolidated Plan of the jurisdiction where each proposed project is found.

b. Shelter Plus Care (S+C)

Shelter Plus Care (S+C) provides rental assistance that, when combined with social services, provides supportive housing for homeless people with disabilities and their families. The program allows for a variety of housing choices such as group homes or individual units, coupled with a range of supportive services (funded by other sources). Grantees must match the rental assistance with supportive services that are at least equal in value to the amount of HUD's rental assistance. States, local governments, and public housing agencies may apply for Shelter Plus Care grants.

c. Single Room Occupancy Program (SRO)

The Single Room Occupancy (SRO) Program provides Section 8 rental assistance for moderate rehabilitation of buildings with SRO units-single-room dwellings, designed for the use of an individual, that often do not contain food preparation or sanitary facilities. A public housing authority makes Section 8 rental assistance payments to the landlords for the homeless people who rent the rehabilitated units. SRO units are less expensive to rent than regular apartments, so they often serve as the only affordable housing option for many low-income individuals and homeless

persons. Such units are in short supply, however, since they yield negligible profits for building owners. Public housing agencies and private nonprofit organizations may apply. Nonprofit organizations must subcontract with public housing agencies to administer the rental assistance.

2. Supportive Housing for the Elderly (Section 202):

This competitive federal program funds nonprofit organizations to develop housing designed to accommodate the special needs of elderly persons and provide a range of services tailored to their needs. Assistance is in the form of capital advances and rental assistance. Recipients can use the funds for acquisition, rehabilitation, new construction, rental assistance, and supportive services. Private nonprofit sponsors apply directly to HUD in response to a Notice of Funding Availability (NOFA) published in the Federal Register each fiscal year. Applications must be submitted to the Los Angeles HUD field office. Awards are usually announced in September.

3. HUD Assisted Living Conversion Program

This program provides nonprofit owners of eligible developments with a grant to convert some or all of the dwelling units in the project into an assisted living home for the frail elderly. The state must license and regulate the assisted living home. This program provides funding for the physical costs of converting some or all of the units of an eligible development into an assisted living home, including the unit configuration, common and services spaces, and any necessary remodeling, consistent with HUD or State statute/regulations (whichever is more stringent). There must be sufficient community space to accommodate a central kitchen or dining facility, lounges, recreation, and other multiple-areas available to all residents of the project, or office/staff spaces. The owners either directly or through a third party must provide funding for the supportive services. Only private nonprofit owners of Section 202, Section 8 project-based housing developments that are designated primarily for occupancy by the elderly for at least five years are eligible for funding. A private nonprofit of an unused/underutilized commercial property is also eligible. For more information, contact the Los Angeles HUD Office at 213/894-8000.

4. Supportive Housing for Persons with Disabilities (Section 811):

This competitive federal program funds nonprofit organizations to develop housing designed to accommodate the special needs of persons with disabilities. It also provides supportive services that address the individual health and other needs of such persons. Houses may be group homes, independent living facilities, or intermediate care facilities. Assistance is in the form of capital advances and rental assistance. A set-aside fund exists under this program for persons disabled due to HIV. Eligible applicants are private nonprofit organizations. Private nonprofit sponsors apply directly to HUD in response to a Notice of Funding Availability (NOFA) published in the Federal Register each fiscal year. Applications must be submitted to the Los Angeles HUD field office. Awards are usually announced in September.

5. Housing Opportunities for Persons with AIDS (HOPWA):

This program provides both entitlement and competitive grants for housing assistance and supportive services for low-income persons with AIDS and related diseases. It can be used for acquisition, rehabilitation, conversion, lease, repair of facilities, new construction, project-based or tenant-based rental assistance, planning, support services, operating costs, short-term payments (rent, mortgage, utility), and administrative expenses.

6. HUD Service Coordinators in Multi-Family Housing:

The purpose of this Service Coordinator program is to allow non-profit multifamily housing owners to assist elderly individuals and people with disabilities living in HUD-assisted housing and in the surrounding area to obtain needed supportive services from the community, in order to enable them to continue living as independently as possible in their own homes. Eligible programs include HUD Sec. 202, 221/236, and Section 8. Project-based assistance. The number of units in the property and a 1:5 staffing ratio determines the maximum grant. Service Coordinator grants are awarded competitively each year, with priority going to Assisted Living Conversion Program sites. For more information, contact the Los Angeles HUD Office at 213/894-8000.

7. Emergency Food and Shelter Program:

The Emergency Food and Shelter Program, formerly known as FEMA, is another source of Federal formula funds that are awarded annually to local jurisdictions to aid the homeless and near homeless. With the exception of major shelter development, the eligible activities for this program are essentially the same as ESG (i.e. essential services, shelter operating support and homeless prevention.) Funds are generally distributed through the local United Way.

8. Low-Income Housing Preservation Program:

This competitive program provides financial incentives to retain subsidized housing projects when Federal assistance is expiring. The owner may apply for incentives or sell to another entity that will maintain low-income affordability restrictions.

9. Veterans' Administration Homeless Providers Grant and Per Diem

The Veteran's Administration's Homeless Providers Grant and Per Diem Program is offered annually, as funding permits, by the Department of Veterans Affairs Health Care for Homeless Veterans Programs to fund community agencies providing services to homeless veterans. The purpose is to promote the development and provision of supportive housing and/or supportive services with the goal of helping homeless veterans achieve residential stability, increase their skill levels and/or income, and obtain greater self-determination. Only programs with supportive housing (up to 24 months) or service centers (offering services such as case management, education, crisis intervention, counseling, etc.) are eligible for these funds. The program has two levels of funding: the Grant portion and the Per Diem portion. Currently grants of up to 65 percent of the project are awarded for the construction, acquisition, or renovation of facilities or to purchase vans to provide outreach and services

to veterans. The program may provide partial operating funds for programs through per diem payments. Priority in awarding the Per Diem funds goes to the recipients of Grants. Non-Grant programs may qualify if they meet these criteria: (1) at least 75 percent of those receiving supportive services are veterans, and (2) provide supportive housing or a homeless service center.

10. Lead-Based Paint Abatement Program:

This program provides competitive grants to State and local governments for the development of cost effective community strategies for lead-based paint abatement. Recipients may use the funds for rehabilitation, planning and operating costs. A funding match is required for this program.

11. Surplus Housing to Assist the Homeless:

This program leases suitable Federal properties, rent free, to organizations serving the homeless. The organizations must pay operating and any rehabilitation and/or renovation costs.

12. Section 108 Loan Guarantee (Section 108):

Through Section 108, HUD guarantees notes issued by units of general local government. Funds finance economic revitalization and development activities that include housing and rehabilitation of privately owned buildings for residential purposes; expansion of for-profit businesses; financing and rehabilitation of low-income and public housing; acquisition, construction, or rehabilitation of neighborhood and community facilities; site improvement on community-owned land leased to a developer for a commercial or industrial development project; site development; purchase of land or buildings for economic development; and infrastructure development that includes street reconstruction and/or sewer system repairs.

13. Community Services Block Grant (CSBG):

This program can fund activities to implement anti-poverty activities such as housing counseling, emergency assistance and other supportive services.

14. Youthbuild:

This program provides assistance for activities and services to assist economically disadvantaged youth to obtain education and employment skills and to expand the supply of permanent affordable housing. It may be used for planning grants or implementation grants that may be used for architectural and engineering work, acquisition, rehabilitation, construction, relocation, administrative costs, and education and job training services. Activities may also include counseling, leadership skill development, support services, wages, stipends and benefits to participants, operating expenses, replacement reserves, legal fees, and training and technical assistance for the applicant.

15. Community Outreach Partnership Center (COPC) Program:

This HUD program provides funding for universities to become more involved in community development activities.

16. Department of Energy:

The U.S. Department of Energy provides funds to carry out weatherization and energy assistance programs for low-income homeowners and tenants.

17. Brownfields Economic Development Initiative (BEDI) Grants:

BEDI grants target Economic Development Initiative funds to Brownfields projects. BEDI grants are made to local governments for use in supporting Brownfield redevelopment activities and projects financed in whole or in part with Section 108 loan guarantees. (see item #12)

18. Economic Development Initiative (EDI):

The Economic Development Initiative provides grants to be used in tandem with Section 108 guaranteed loans for economic revitalization projects. These grants will enhance the viability of such projects (through interest rate subsidies and debt service/operating reserves) and increase the likelihood that the Section 108 loans can be repaid from project revenue.

19. HOPE VI (Public Housing Revitalization)

The HOPE VI (Public Housing Revitalization) Program was developed as a result of the National Commission on Severely Distressed Public Housing. The Commission recommended revitalization in three general areas: physical improvements, management improvements, and social and community services to address resident needs. Any public housing authority (PHA) that operates public housing units with severe problems-such as crime, maintenance, and safety problems is eligible to apply for HOPE VI. HOPE VI permits expenditures for the capital costs of demolition, construction, rehabilitation and other physical improvements, development of replacement housing, planning and technical assistance, and planning and implementation of self-sufficiency programs. It encourages PHAs to seek new partnerships with private entities to create mixed-finance and mixed-income affordable housing that is radically different from traditional public housing "projects." PHAs administer the program, and can use the grants in conjunction with modernization funds or other HUD funds, as well as municipal and State contribution, public and private loans, and low-income tax credit equity. While most of the funds are to be used for capital costs, a limited amount may be used for self-sufficiency programs. Appropriations are distributed through an annual national competition. PHAs respond to a Notice of Funding Availability (NOFA) published in the Federal Register by submitting an application to HUD. Each year's NOFA and application kit are automatically mailed to each eligible PHA upon publication.

20. Federal Tax Credit and Tax Exempt Programs

The U.S. Department of the Treasury and the Internal Revenue Service oversees several useful and important Federal housing and related programs. Most of these programs are administered by State agencies.

a. Low Income Housing Tax Credits

The Low Income Housing Tax Credit Program (LIHTC) is an Internal Revenue Service program (IRC Section 42) that provides Federal income tax credits to owners of rental housing where a number of units are set-

aside for low and moderate-income families. The California Tax Credit Allocation Committee (TCAC) administers the Federal, as well as a State, Low-Income Housing Tax Credit Program (See State programs for a discussion of the State Low-Income Housing Tax Credit Program). Under the Program, owners "sell" the tax credit to investors and use the proceeds to support the development cost of the project. Developments that are financed with the proceeds of tax-exempt bonds may also receive federal tax credit (See Tax-Exempt Private Activity Bond Program). In this instance, the developer/owner of a tax-exempt development must apply to TCAC and must conform to the Federal and State statutory and regulatory requirements, but there is no annual "cap" on the amount of credit that may be awarded by the State to such developments. The credit available is based on approximately 4% (instead of 9%) of the "qualified basis" of the development.

b. Tax-Exempt Private Activity Bond Program

The Tax Exempt Private Activity Bond Program is an Internal Revenue Service program (IRC Section 146) that permits the issuance of tax-exempt bonds to finance certain activities, including single- and multi-family housing development and rehabilitation. The California Debt Limit Allocation Committee (CDLAC) administers the Tax Exempt Private Activity Bond Program in California.

c. Federal Rehabilitation Tax Credit (a.k.a Historic Tax Credit)

The Rehabilitation Tax Credit is a two-tiered program, because there are two tax credit rates based on the status or age of the buildings. The 20% credit is available for income-producing buildings that are considered certified historic structures (Historic Tax Credit). Federal historic tax credits are available for buildings listed in the *National Register of Historic Places* or located in certain historic districts that are substantially rehabilitated for income-producing purposes according to standards set by the Secretary of the Interior. The 10% credit is available for non-residential income producing buildings originally used before 1936, which are not certified historic structures. Consequently, the two credits are mutually exclusive.

d. Federal New Markets Tax Credit (NMTC) Program

The New Markets Tax Credit (NMTC) Program, which is administered by the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI), permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities. The credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to 5% of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is 6% annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period. NMTCs will be allocated annually by the Fund to CDEs under a competitive application process. These CDEs

will then sell the credits to taxable investors in exchange for stock or a capital interest in the CDEs. To qualify as a CDE, an entity must be a domestic corporation or partnership that: 1) has a mission of serving or providing investment capital for low-income communities or low-income persons; 2) maintains accountability to residents of low-income communities through their representation on a governing board of or advisory board to the entity; and 3) has been certified as a CDE by the CDFI Fund. The CDFI Fund is currently accepting applications from entities seeking CDE certification. A listing of current CDEs may be found at <http://www.cdfi.org/resource.asp>.

21. Public Works and Development Facilities Program

Grants are provided to help distressed communities attract new industries, encourage business expansion, diversify local economies, and generate long-term, private-sector jobs. Projects funded include water and sewer facilities primarily serving industry and commerce, access roads to industrial parks or sites, port improvements, and business incubator facilities. A proposed project must be located within or provide a substantial direct benefit to an area in severe economic distress, that is, one that is experiencing high unemployment, low per capita income, or sudden economic changes such as those caused by a military base closure.

22. Rebuild America

Rebuild America helps community and regional partnerships improve the energy efficiency of commercial and multifamily buildings. Partners may include government agencies, economic development organizations, energy services companies, financial institutions, utilities, private businesses, and nonprofit organizations. Rebuild America provides technical assistance and helps identify sources for financial assistance but does not provide funding or financing for building projects.

23. Technology Opportunity Program

This program provides matching grants to nonprofit organizations such as schools, libraries, hospitals, public safety entities, and state and local governments. Grants fund projects that improve the quality of, and the public's access to, education, healthcare, public safety, and other community-based services. The grants are used to purchase computer equipment and software, train staff and users, and provide connections to the Internet. Funds also support evaluation and dissemination of project findings.

24. Housing Preservation Grant Program

This program also makes available funds to repair housing. Non-profits receive grants and they in turn make funds available to homeowners that cannot afford to make needed repairs.

25. Multifamily Housing and Health Care Facilities Mortgage Insurance Programs

The Federal Housing Administration (FHA), part of the U.S. Department of Housing and Urban Development (HUD), provides mortgage insurance programs that make capital available for, and facilitate the development of,

multifamily rental housing and healthcare facilities. FHA insures loans that are originated by private, HUD-approved lenders. Project sponsors are responsible for finding a HUD-approved lender to write the loan and for submitting an application for commitment to the local HUD office.

26. Head Start/Early Head Start

This program awards grants to local public and private nonprofit and for-profit agencies for comprehensive child development services for children and families. Intended primarily for low-income families, the program fosters the development of children and enables them to deal more effectively with both their present environment and later responsibilities in school and community life.

Programs and funds at the State level are available to address the Consolidated Plan's priority needs, such as grants and other revenues that provide funding to the City or other organizations within the City of Newport Beach.

B. State Public Resources

Programs and funds at the State level are available to address the Consolidated Plan's priority needs, such as grants and other revenues that provide funding to the City or other organizations within the City Newport Beach.

1. California Department of Housing and Community Development Programs

a. Building Equity and Growth in Neighborhoods Program

The Building Equity and Growth in Neighborhoods Program (BEGIN) seeks to reduce local regulatory barriers to affordable ownership housing and to provide downpayment assistance loans to qualifying first-time low- and moderate-income buyers of homes in BEGIN projects. BEGIN provides grants to cities and counties to make deferred-payment second mortgage loans to qualified buyers of new homes, including manufactured homes on permanent foundations, in projects with affordability enhanced by local regulatory incentives or barrier reductions.

b. CalHome Program

The CalHome Program, via grants to local public agencies and nonprofit developers, assists low- and very-low income households to become or remain homeowners. CalHome provides grants to local public agencies or nonprofit corporations for first-time homebuyer downpayment assistance, home rehabilitation, including manufactured homes not on permanent foundations, acquisition and rehabilitation, homebuyer counseling, self-help mortgage assistance programs, or technical assistance for self-help homeownership. All funds to individual homeowners will be in the form of loans. CalHome also provides loans for real property acquisition, site development, predevelopment, construction period expenses of homeownership development projects, or permanent financing for mutual housing and cooperative developments. Project loans to developers may be forgiven as developers make deferred payment loans to individual

homeowners. CALHOME assistance (indirect) to individual households will be in the form of deferred-payment loans, payable on sale or transfer of the homes, or when they cease to be owner-occupied, or at maturity. CalHome grant and loan applications are invited through the issuance of Notices of Funding Availability (NOFAs).

c. Emergency Housing and Assistance Program Operating Facility Grants

The Emergency Housing and Assistance Program Operating Facility Grants program provides facility operating grants to local government agencies and nonprofit corporations that shelter the homeless on an emergency or transitional basis. Funds are used for support services for emergency shelters, transitional housing projects, and supportive services for homeless individuals and families. Each county receives a formula grant allocation. Grants may be used to provide: 1) direct client housing, including facility operations and administration, residential rent assistance, leasing and renting of rooms for provision of temporary shelter, capital development activities of up to \$20,000 per site, and 2) administration of the award (limited to 5 percent).

d. Emergency Housing and Assistance Program Capital Development

The Emergency Housing and Assistance Program Capital Development program funds capital development activities for emergency shelters, transitional housing, and safe havens that provide shelter and supportive services for homeless individuals and families. Funds may be used to acquire, construct, convert, expand and/or rehabilitate emergency shelter, transitional housing, and/or safe haven housing and administration of the award (limited to 5 percent).

e. Mobile Home Park Resident Ownership Program (MPROP)

The Mobilehome Park Resident Ownership Program provides financial assistance for the preservation of affordable mobile home parks by conversion to ownership or control by resident organizations, nonprofit housing sponsors, or local public agencies. The program provides for 1) *Short-term conversion loans* at 3% percent simple annual interest for up to 3 years to enable a resident organization, nonprofit sponsor or local public agency to purchase a mobile home park; 2) *Long-term blanket loans* at 3% percent simple annual interest for up to 30 years for long-term financing of a park purchase, or for a resident organization, nonprofit or local public agency that has purchased a park to help low-income residents finance the purchase of shares or spaces in the park; and 3) *Long-term individual loans* at 3% percent simple annual interest, to low-income residents of a mobile home park that has been converted, to ensure housing affordability when the resident buys a cooperative interest, a share, a planned unit development space, or a condominium space in the park.

f. Multi-family Housing Program (MHP)

The Multi-family Housing Program (MHP) assists the new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households. Eligible applicants include local public

entities, for-profit and nonprofit corporations, limited equity housing cooperatives, individuals, Indian reservations and rancherias, and limited partnerships in which an eligible applicant or an affiliate of an applicant is a general partner. Applicants or their principals must have successfully developed at least one affordable housing project. The 55-year deferred payment loans may be used for new construction, rehabilitation, or acquisition and rehabilitation of permanent or transitional rental housing, and the conversion of nonresidential structures to rental housing. Projects are not eligible if construction has commenced as of the application date, or if they are receiving 9% Federal low-income housing tax credits. MHP funds will be provided for post-construction permanent financing only. Eligible costs include the cost of child care, after-school care and social service facilities integrally linked to the assisted housing units; real property acquisition; refinancing to retain affordable rents; necessary onsite and offsite improvements; reasonable fees and consulting costs; and capitalized reserves.

g. Predevelopment Loan Program (PDLP)

The Predevelopment Loan Program provides predevelopment capital to finance the start of low-income housing projects. Predevelopment loans are provided at three percent simple annual interest loans for up to two years. Maximum loan amount for purposes other than site option or site purchase is \$100,000. The maximum amount committed to any one borrower at any point in time is announced in each Notice of Funding Availability (NOFA). PDLP funds may be used to construct, rehabilitate, convert or preserve assisted housing, including manufactured housing and mobile home parks. Eligible project costs include, but are not limited to, site control, site acquisition for future low-income housing development, engineering studies, architectural plans, application fees, legal services, permits, bonding and site preparation. Priority will be given to developments which are rural, located in the public transit corridors, or which preserve and acquire existing government-assisted rental housing at risk of conversion to market rents. Eligible applicants under the PDLP Program include local government agencies, nonprofit corporations, cooperative housing corporations, and limited partnerships or limited liability companies where all the general partners are nonprofit mutual or public benefit corporations. Applications are accepted and evaluated, and funds awarded, on a continuous basis as funds are available.

h. Preservation Interim Repositioning Program

The Preservation Interim Repositioning Program loan proceeds will be used to finance the acquisition of at-risk rental housing for the purpose of preserving affordability. California HCD has committed all available funds to Mercy Housing California, which expects to use them itself to acquire qualified properties. Potential property sellers should contact Mercy Housing.

i. Exterior Accessibility Grants for Renters

The Exterior Accessibility Grants for Renters helps lower income rental tenants with disabilities make exterior modifications to their rental housing

to make it accessible. The program provides grants to local government or nonprofit recipients to make grants to lower income renters with disabilities. Grant funds may be used to make exterior modifications to entryways or common areas of rental housing structures or property to make the housing accessible to persons with disabilities. Applications are invited through issuance of Notices of Funding Availability (NOFAs).

j. Joe Serna, Jr. Farmworker Housing Grant (JSJFWHG) Program

The Joe Serna, Jr. Farmworker Housing Grant (JSJFWHG) Program provides financing for the new construction, rehabilitation and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower-income households. The JSJFWHG program provides: 1) homeowner grants for rehabilitation or new home construction and 2) rental rehabilitation and new construction grants. Grant and loan funds may be used for costs in the development of homeowner or rental housing for agricultural workers, including land acquisition, site development, construction, rehabilitation, design services, operating and replacement reserves, repayment of predevelopment loans, provision of access for the elderly or disabled, relocation, homeowner counseling, and other reasonable and necessary costs. JSJFWHG applicants may include local government agencies, nonprofit corporations, cooperative housing corporations, limited partnerships where all the general partners are nonprofit mutual or public benefit corporations, and Federally-recognized Indian tribes. Eligible beneficiaries of the grants are households with at least one person who derives, or prior to retirement or disability derived, a substantial portion of their income from agricultural employment.

2. California Housing Finance Agency Programs

The California Housing Finance Agency (CalHFA) operates several single-family, multi-family and special housing programs.

a. Single-Family Programs

CalFHA has more than 10 single-family programs providing mortgage loans, mortgage loans with downpayment assistance, and standalone downpayment assistance programs. A complete directory and description of each of their programs may be found at:

<http://www.calhfa.ca.gov/homeownership/programs/index.htm>.

b. Multi-family Programs

Multi-family Programs provide permanent financing for the acquisition, rehabilitation and preservation, or new construction of rental housing that includes affordable rents for low- and moderate-income families and individuals. CalHFA multi-family programs include:

- The Permanent Financing Program provides permanent loan financing for new multi-family construction projects and existing affordable housing multi-family projects.

- The Special Needs Financing Program offers low interest rate financing for the development of rental housing to serve a broad range of special needs tenants in need of supportive services.
- The Tax-Exempt Bridge Financing Program offers tax-exempt bridge loans for projects receiving 4% tax credits at an amount necessary to ensure the award of tax credits.
- The Preservation Acquisition Program is designed to preserve at-risk affordable housing developments by providing low-cost acquisition financing. The fund is comprised of monies authorized by Proposition 46 (Bond Funds) and funds from CalHFA (Agency Funds). Assisted housing developments eligible for Program include: Section 8 assisted, BMIR 221 (d)(3), Section 236, Section 202, Programs under Rent Supplement Assistance, Section 515, and Section 42 of the Internal Revenue Tax Code.
- The 202 Refinance Program offers owners of existing Section 202 developments the opportunity to refinance their direct HUD loans through CalHFA under more favorable terms and conditions. Owners must agree to maintain affordable occupancy restrictions, comply with HUD requirements, and undertake appropriate rehabilitation of the property.
- The Construction Loan Program is designed to provide construction loans at commercially competitive rates and terms to developments approved for
- CalHFA permanent financing that are otherwise subject to State prevailing wage requirements.

c. Special Programs

The Small Business Development Loan Program is designed to assist small developers whose projects would not otherwise be funded through conventional sources given the developer's experience, capital, project size and/or location. This program provides up to \$300,000, on a 50% reimbursement basis, for soft costs incurred in connection with a development that will be financed by CalHFA.

The HELP Program offers a 3% interest rate loan to local government agencies for their locally determined affordable housing activities and priorities. HELP Program funds must be used to directly produce affordable housing units, however, there is virtually unlimited flexibility for the local agency to determine the specific housing activity and use of the funds in providing for the acquisition, development, rehabilitation, or preservation of affordable rental or ownership housing.

3. California Office of the Treasurer Programs

The California Office of the Treasurer oversees several important program initiatives available to address the Consolidated Plan's priority needs.

a. Low Income Housing Tax Credits

As previously noted (See *Federal Programs. Tax Credit and Tax Exempt Bond Programs*), the California Tax Credit Allocation Committee (TCAC) administers a Federal and State Low-Income Housing Tax Credit Program. The Federal Program is an Internal Revenue Service program (Section 42) that provides Federal income tax credits to owners of rental housing where a number of units are set-aside for low and moderate-income families. Owners "sell" the credits to investors and use the funds to support the development cost of the project. Developments that are financed with the proceeds of tax-exempt bonds may also receive Federal tax credit (See Tax-Exempt Private Activity Bond Program). In this instance, the developer/owner of a tax-exempt development must apply to TCAC and must conform to the Federal and State statutory and regulatory requirements, but there is no annual "cap" on the amount of credit that may be awarded by the State to such developments. The credit available is based on approximately 4% (instead of 9%) of the "qualified basis" of the development.

Recognizing the high cost of developing housing in California, the State legislature authorized a state low-income housing tax credit program ("State Program") to augment the Federal Program. The State credit is only available to a project which has previously received, or is concurrently receiving, an allocation of federal credits. The State program does not stand alone, but instead, supplements the federal tax credit program. California's tax credit program was structured to mirror the federal program with certain exceptions. In addition to the State credit only being available to projects that also receive a Federal credit, other major differences include:

- TCAC gives priority for State credit allocations to projects not located in a designated high cost area and those using HOME funds to finance eligible costs.
- The applicable percentage to be applied to the qualified basis for determining the amount of State credits is 30% for projects which are not Federally subsidized, and 13% for projects which are federally subsidized, in contrast to 9% and 4% for the Federal credit.
- State credits are not available for acquisition costs, except for already assisted projects that qualify as "at-risk" of being converted to market rate.
- The State program has a rate of return limitation. Any surplus revenues generated above the limitation must be used to reduce rents.

Additional information and regulations for both the Federal and State Programs may be found at <http://www.treasurer.ca.gov/ctcac>.

b. Tax-Exempt Private Activity Bond Program

The California Debt Limit Allocation Committee (CDLAC) administers the tax-exempt private activity bond program available annually for California. Federal and State revenues that are not utilized in this program. The maximum issuance amount, which is set by the Federal government, for calendar year 2010 was over \$3.2 billion. The bonds issued are purchased by the private sector and the repayment is not an obligation of the State or of the federal government. Agencies and organizations authorized to issue tax-exempt private activity bonds or mortgage credit certificates must receive an allocation from CDLAC. For additional information on the bond allocation process, visit <http://www.treasurer.ca.gov/cdlac>.

Three of the six tax-exempt private activity bond programs may be used for housing activities. The three housing programs are:

i. Qualified Residential Rental Project Program

State and local governmental agencies and joint powers authorities can issue tax-exempt housing revenue bonds. These bonds assist developers of multifamily rental housing units to acquire land and construct new units or purchase and rehabilitate existing units. The tax-exempt bonds lower the interest rate paid by the developers. The developers in turn produce market rate and affordable rental housing for low and very low-income households by reducing rental rates to these individuals and families. Projects that receive an award of bond authority have the right to apply for non-competitive 4% tax credits (See Low Income Housing Tax Credits).

Bond authority for Rental Projects is awarded in three allocation rounds and to three sub-pools: the General Pool (Projects having more than 50% of total units designated as Restricted Rental Units); the Mixed Income Pool (Projects having 50% or fewer of total units designated as Restricted Rental Units); and the Rural Project Pool (Projects located in a rural area as defined by California Health and Safety Code Section 50199.21 but shall not include a Mixed Income Project).

ii. Single-Family Housing Program

State and local governmental agencies and joint powers authorities can issue tax-exempt mortgage revenue bonds (MRBs) or mortgage credit certificates (MCCs) to assist first-time homebuyers to purchase homes. These agencies and authorities may issue MRBs, the proceeds of which back-below market interest rate mortgages. As an alternative to issuing MRBs, State and local governmental agencies and joint powers authorities may issue MCCs. Homebuyers use the MCC to reduce their Federal tax liability by applying the credit to their net tax due. Homebuyers may purchase single-family homes, either freestanding detached homes, condominiums, or townhouses.

Program participants must meet program income limits and must purchase a home that falls within the program's purchase price limitations.

iii. Extra Credit Home Purchase Program

State and local governmental agencies and joint powers authorities can issue tax-exempt mortgage revenue bonds (MRBs) or mortgage credit certificates (MCCs) to assist teachers, principals and other credentialed school staff purchase homes. These agencies and authorities may issue MRBs, the proceeds of which back-below market interest rate mortgages. As an alternative to issuing MRBs, State and local governmental agencies and joint powers authorities may issue MCCs. Homebuyers use the MCC to reduce their Federal tax liability by applying the credit to their net tax due. Homebuyers may purchase single-family homes, freestanding detached homes, condominiums, or townhouses. Participants must be employed at a low-performing school (a California K-12 public school that is ranked in the bottom 50% of all the schools based on the most recent Academic Performance Index (API), i.e. schools receiving an API Statewide Ranking of 1, 2, 3, 4 or 5) and make a commitment to work at a low performing school for at least three years. In addition, Program participants must meet program income limits and must purchase a home that falls within the program's purchase price limitations.

C. Local Public Resources

Local funds and programs are also available to address the Consolidated Plan's priority needs.

1. County of Orange

The County of Orange offers a Mortgage Credit Certificate (MCC) program throughout Orange County, including the City of Newport Beach.

2. Orange County Area Housing & Finance Agency (OCHFA):

Newport Beach is a member of the Orange County Area Housing & Finance Agency (OCHFA), which sponsors the Public Lease-Purchase Home Ownership Program in the member cities. Through its Public Lease-Purchase program, OCHFA offers moderate-income home buyers offers a mortgage for 100% of the purchase price of the home with no closing costs. During the lease period, the home is owned by a non-profit governmental agency.

3. Southern California Home Financing Authority (SCHFA)

SCHFA is a joint powers authority between Los Angeles and Orange Counties formed in June 1988 to issue tax-exempt mortgage revenue bonds for low and moderate income First Time Homebuyers. The program is administered by the Community Development Commission of the County of Los Angeles and County Executive Office of the County of Orange on behalf of the SCHFA. The Authority has helped thousands of individuals and families.

4. **Orange County Continuum of Care**

Orange County's homeless system of care is comprised of a network of public, private, faith-based, for-profit, and non-profit service providers. County agencies such as the County Executive Office, Health Care, Social Services, Community Services, and Housing and Community Development provide direct services for the homeless and/or significant resources for agencies serving the homeless. The region's municipalities, including the City of Newport Beach, also provide substantial resources for services that assist the homeless and those at risk of becoming homeless. The County's non-profit community is a critical player in the current Continuum of Care system. Hundreds of agencies throughout the County provide programs ranging from feeding the homeless on the street to creating permanent supportive housing opportunities. These services are available to homeless families with children and single men and women. The County's non-profit community also serves special need populations, such as victims of domestic violence, veterans, the disabled and youth.

In 1998, the Orange County Board of Supervisors approved the establishment of the Continuum of Care Leadership Cabinet. The mandate of the Leadership Cabinet is to provide direction to the Director of Housing and Community Development and to assist in the development and maintenance of the countywide comprehensive continuum of care planning process for the delivery of services to homeless men, women and children. The goal of the Leadership Cabinet is to coordinate the involvement of three primary groups: private industry, homeless experts, and the public sector in the continuum of care planning process. The Leadership Cabinet is also responsible for working with H&CD staff to design the planning process for each year's Supportive Housing Program homeless competition and to provide direction on the organization of the application review and evaluation processes.

Programs and initiatives operated by the Orange County Continuum of Care fall into the following categories:

- Homelessness Prevention
- Outreach
- Emergency Shelter
- Transitional Housing
- Permanent Supportive and Permanent Affordable Housing
- Service Coordination

Orange County Continuum of Care funds programs according to the need and in keeping with the Continuum of Care, described in the Consolidated Plan.

5. **Orange County Housing Authority (OCHA)**

The Orange County Housing Authority (OCHA) is a division of the County's Housing and Community Services Department that administers rental assistance programs throughout Orange County. Currently, OCHA helps more than 9,600 households through tenant based rental assistance programs. Persons receiving assistance include those over 62 years of age or who have

disabilities, and low-income households residing in 31 participating cities and the unincorporated areas of Orange County. According to the OCHA, 615 of these assisted households resided in Newport Beach as of June 30, 2004.

Such programs allow income-qualified households to receive rental assistance in a variety of apartments, houses, and other rental dwellings owned by private landlords. Funding for tenant-based rental assistance programs is provided by the Department of Housing and Urban Development (HUD).

D. Private Resources

Funds from private sources are also available to address the Consolidated Plan's priority needs from partners such as private lenders, nonprofit organizations, and citizens.

1. Federal Home Loan Bank Affordable Housing Program (AHP):

The Affordable Housing Program is designed to finance housing for low-and moderate- income families. The Federal Home Loan Bank System makes the funds available by setting aside a percentage of net earnings as subsidy. Federal Home Loan Banks are sources of wholesale credit and lend only to financial institutions that are member stockholders of the Federal Home Loan Bank. Nonprofits, local governments, community development corporations, individuals, and others seeking the funding should establish a relationship with a member institution. Housing developers can use the funds in a variety of ways to fund new construction, purchase and/or rehabilitate of owner-occupied and rental housing for very low-, low-, and moderate-income households. Funds are available to member institutions as below market rate loans or direct loans. Generally, recipients are required to match direct grants with an equal contribution of funds from other sources. Application deadlines are April and October each year.

2. Community Reinvestment Act Programs:

Community Reinvestment Act Programs are special programs promoted by local financial institutions designed to assist low-and moderate-income buyers and/or to target low-income neighborhoods.

3. United Way:

The United Way provides funding to local social service organizations, many of which are involved in housing or supportive services.

4. Private Contributions:

Many nonprofit organizations rely heavily on private contributions. In addition to cash, contributions may include donated labor and materials. Habitat for Humanity is one nonprofit organization that receives sponsorships that include donated labor and materials.

Intentionally Left Blank



Appendices

Appendices

- A. Community Development Needs Survey
- B. Community Meetings
- C. Acronyms
- D. Glossary of Terms
- E. Public Notices and Flyers
- F. Maps
- G. 2010-2011 One Year Action Plan



Appendix "A"

Needs Assessment Survey (English)



**CITY OF NEWPORT BEACH
NEEDS ASSESSMENT SURVEY**

Residents Survey

The City of Newport Beach receives approximately \$450,000 in federal funds each year for housing and community development projects. The City of Newport Beach wants you to have a voice in how the City invests this money. Please assist us by filling out this survey.

- 1) Consider the needs in your community and how they can be improved. 2) Rate the level of need for each of the following items and circle the level that best applies.

Community Facilities	Lowest			Highest	Community Services	Lowest			Highest
Senior Centers	1	2	3	4	Senior Activities	1	2	3	4
Youth Centers	1	2	3	4	Youth Activities	1	2	3	4
Child Care Centers	1	2	3	4	Child Care Services	1	2	3	4
Park and Recreational Facilities	1	2	3	4	Transportation Services	1	2	3	4
Health Care Facilities	1	2	3	4	Anti-Crime Programs	1	2	3	4
Community Centers	1	2	3	4	Health Services	1	2	3	4
Fire Stations & Equipment	1	2	3	4	Mental Health Services	1	2	3	4
Libraries	1	2	3	4	Legal Services	1	2	3	4
Infrastructure	Lowest			Highest	Neighborhood Services	Lowest			Highest
Drainage Improvement	1	2	3	4	Tree Planting	1	2	3	4
Water/Sewer Improvement	1	2	3	4	Trash & Debris Removal	1	2	3	4
Street/Alley Improvement	1	2	3	4	Graffiti Removal	1	2	3	4
Street Lighting	1	2	3	4	Code Enforcement	1	2	3	4
Sidewalk Improvements	1	2	3	4	Parking Facilities	1	2	3	4
					Cleanup of Abandoned Lots and Buildings	1	2	3	4
Special Needs Services	Lowest			Highest	Businesses & Jobs	Lowest			Highest
Centers/Services for Disabled	1	2	3	4	Start Up Business Assistance	1	2	3	4
Accessibility Improvements	1	2	3	4	Small Business Loans	1	2	3	4
Domestic Violence Services	1	2	3	4	Job Creation/Retention	1	2	3	4
Substance Abuse Services	1	2	3	4	Employment Training	1	2	3	4
Homeless Shelters/Services	1	2	3	4	Commercial/Industrial				
HIV/AIDS Centers & Services	1	2	3	4	Rehabilitation	1	2	3	4
Neglected/Abused Children					Facade Improvements	1	2	3	4
Centers and Services	1	2	3	4	Business Mentoring	1	2	3	4

(over)

Appendix "A" Needs Assessment Survey

Housing	Lowest			Highest
Residential Rehabilitation	1	2	3	4
Homeownership Assistance	1	2	3	4
Housing for Disabled	1	2	3	4
Senior Housing	1	2	3	4
Single Family Housing	1	2	3	4
Large Family Housing	1	2	3	4
Affordable Rental Housing	1	2	3	4
Fair Housing	1	2	3	4
Lead-Based Paint Test/Abatement	1	2	3	4
Residential Historic Preservation	1	2	3	4
Non-Residential Historic Preservation	1	2	3	4
Energy Efficient Improvements	1	2	3	4

Please write in any additional needs that you feel are important and are not listed above:

PART II – As part of this planning process, the City of Newport Beach must also analyze factors that limit fair housing choice in the City of Newport Beach. Your own experiences will contribute to the efforts to research obstacles such as the nature and extent of housing discrimination in the City.

This information will be used to assist in developing strategies to overcome impediments to fair housing choice. This survey is for informational gathering purposes only.

1. Do you believe housing discrimination is an issue in your neighborhood? ___ Yes ___ No

2. Have you ever experienced discrimination in housing? ___ Yes ___ No
(If **Yes**, please proceed to Questions 3, 4, and 5)

3. Who do you believe discriminated against you?
 Landlord/property manager Real estate agent
 Mortgage lender Mortgage insurer

4. On what basis do you believe you were discriminated against?
 Race Color National Origin Religion Gender
 Familial Status (single-parent with children, family with children or expecting a child)
 Disability (either you or someone close to you)

5. If you believe you have been discriminated, have you reported the incident? ___ Yes ___ No
If No – WHY? ___ don't know where to report ___ afraid of retaliation
 ___ too much trouble ___ don't believe it makes any difference

If you feel you may have been discriminated against, please contact the Fair Housing Council of Orange County at (714) 569-0823.

Once you have completed the survey, please return the document to the City of Newport Beach, Planning Department at 3300 Newport Blvd. Newport Beach, CA 92658-8915. If you have any questions regarding this survey or need additional information please call 949/644-3230.

Thank you for your assistance!

Needs Assessment Survey (Spanish)



**CIUDAD DE NEWPORT BEACH
ENCUESTA DE NECESIDADES**

Encuesta Para Residentes

La Ciudad de Newport Beach recibe aproximadamente \$357,350 anualmente en fondos federales del Departamento de Vivienda y Desarrollo Urbano (HUD). El Ayuntamiento de la Ciudad de Newport Beach quiere que Usted tenga la oportunidad de opinar en como el Ayuntamiento podría invertir este dinero. Por favor ayúdenos y complete esta encuesta.

1) Considere las necesidades en su comunidad y como se pueden mejorar. 2) Marque con un círculo el número más apropiado que indica el nivel de necesidad para cada uno de los siguientes objetivos y circule el número más apropiado.

Utilice los números del 1 a 4 (1 indica la necesidad menor y el número 4 indica la necesidad mayor).

Centros Comunitarios	Menor				Mayor				Servicios Comunitarios	Menor				Mayor			
Centros Para Personas de la 3ra. Edad	1	2	3	4	1	2	3	4	Actividades Para Personas de la 3ra. Edad	1	2	3	4	1	2	3	4
Centros Para Jóvenes	1	2	3	4	1	2	3	4	Actividades Para Jóvenes	1	2	3	4	1	2	3	4
Guarderías Infantiles	1	2	3	4	1	2	3	4	Servicios Para Cuidado de Niños	1	2	3	4	1	2	3	4
Parques y Sitios de Recreo	1	2	3	4	1	2	3	4	Servicios de Transportación	1	2	3	4	1	2	3	4
Sitios Para Cuidado de la Salud	1	2	3	4	1	2	3	4	Programas Contra el Crimen	1	2	3	4	1	2	3	4
Centros Comunitarios	1	2	3	4	1	2	3	4	Servicios de Salud	1	2	3	4	1	2	3	4
Estaciones de Bomberos y Equipo	1	2	3	4	1	2	3	4	Servicios de Salud Mental	1	2	3	4	1	2	3	4
Bibliotecas	1	2	3	4	1	2	3	4	Servicios de Asesoría Legal	1	2	3	4	1	2	3	4
Infraestructura	Menor				Mayor				Servicios Vecindarios	Menor				Mayor			
Mejoramiento de Drenajes	1	2	3	4	1	2	3	4	Instalación de Arboles	1	2	3	4	1	2	3	4
Mejoramiento de Agua/Alcantarillados	1	2	3	4	1	2	3	4	Limpieza de Basura	1	2	3	4	1	2	3	4
Mejoramiento de Calle/Callejones	1	2	3	4	1	2	3	4	Limpieza de Grafito	1	2	3	4	1	2	3	4
Alumbrado Público	1	2	3	4	1	2	3	4	Imponer el cumplimiento de los Códigos Municipales	1	2	3	4	1	2	3	4
Mejoramiento de Aceras	1	2	3	4	1	2	3	4	Sitios de Estacionamiento	1	2	3	4	1	2	3	4
									Limpieza de Lotes Valdíos y Edificios Abandonados	1	2	3	4	1	2	3	4
Servicios Para Necesidades Especiales	Menor				Mayor				Negocios y Trabajos	Menor				Mayor			
Centros/Servicios Para Discapacitados	1	2	3	4	1	2	3	4	Ayuda Para Negocios Nuevos	1	2	3	4	1	2	3	4
Mejoramiento de Accesibilidad	1	2	3	4	1	2	3	4	Préstamos Para Negocios Pequeños	1	2	3	4	1	2	3	4
Servicios Para Violencia Doméstica	1	2	3	4	1	2	3	4	Creación/Retención de Trabajos	1	2	3	4	1	2	3	4
Servicios Para Abuso de Drogas	1	2	3	4	1	2	3	4	Entrenamiento Para Empleos	1	2	3	4	1	2	3	4
Servicios Para Personar Sin Hogar	1	2	3	4	1	2	3	4	Rehabilitación Comercial/Industrial	1	2	3	4	1	2	3	4
Centros/Servicios Para VIH/SIDA	1	2	3	4	1	2	3	4	Mejoramiento de Fachada	1	2	3	4	1	2	3	4
Centros/Servicios Para Niños	1	2	3	4	1	2	3	4	Asesoría Para Negocios	1	2	3	4	1	2	3	4
Desamparados/Abusados	1	2	3	4	1	2	3	4									

(reverso)

Vivienda	Menor			Mayor
Rehabilitación Residencial	1	2	3	4
Ayuda Para Dueños Primerizos	1	2	3	4
Vivienda Para Discapacitados	1	2	3	4
Vivienda Para Personas de la 3ra. Edad	1	2	3	4
Vivienda Para Familias	1	2	3	4
Vivienda Para Familias Grandes	1	2	3	4
Vivienda Para Renta (rentas razonables)	1	2	3	4
Vivienda Justa	1	2	3	4
Pruebas Para el Plomo en la Pintura	1	2	3	4
Preservación de Residencias Históricas	1	2	3	4
Preservación de Sitios Históricos	1	2	3	4
Mejoramientos en el consumo de Energía	1	2	3	4

Por favor indique alguna otra necesidad que Ud. crea que no fue mencionada:

SEGUNDA PARTE – Como parte del proceso de planificación, el Ayuntamiento de la Ciudad de Newport Beach tiene que analizar los factores que limitan el derecho de escoger vivienda justa dentro de la ciudad de Newport Beach. Sus propias experiencias contribuirán a los esfuerzos para reconocer los obstáculos tales como el tipo y severidad de discriminación de vivienda en esta región.

Esta información se usará para desarrollar estrategias para sobrevenir los impedimentos del derecho de escoger vivienda justa. Esta encuesta se usará para obtener información únicamente.

- ¿Cree Usted que la discriminación de vivienda es un problema en su vecindad? Sí No
- ¿Ha tenido Usted una experiencia de discriminación de vivienda? Sí No
(Si marcó **Sí**, proceda a las Preguntas 3, 4, and 5)
- ¿Quién cree que lo discriminó?
 Propietario/Manejador de Propiedad Agente de Bienes Y Raíces
 Prestamista de Hipoteca Agente de Seguro de Hipoteca
- ¿Por cuál razón cree Usted que lo discriminaron?
 Raza Color Origen Nacional Religión Sexo
 Situación de Familia (padre único con niños, familia con niños o familia esperando niño)
 Incapacidad (Usted o alguien cerca a Usted)
- Si Usted cree que lo han discriminado, ¿lo ha reportado? Sí No
Si No – ¿Por qué no? no sabe a donde reportar temor de venganza
 mucho trabajo no cree que hará diferencia

Si Usted siente que lo han discriminado, por favor lláme a Fair Housing of Orange County al at (714) 569-0823.

Una vez que haya terminado la encuesta, por favor regrese este documento al Ayuntamiento de la Ciudad de Newport Beach, Departamento de Desarrollo Económico, 3300 Newport Blvd, Newport Beach, CA 92658. Si tiene preguntas referente a esta encuesta ó necesita información adicional, lláme al (949) 644-3230.

¡GRACIAS!



Appendix "B"

Notice of Community Meeting

CITY OF NEWPORT BEACH

COMMUNITY DEVELOPMENT BLOCK GRANT COMMUNITY MEETING & NEEDS ASSESSMENT SURVEY

The City of Newport Beach invites you to attend a meeting to discuss the short- and long-term needs of the community and how Community Development Block Grant (CDBG) federal funds may be used to meet those needs.

DATE: Wednesday, August 26, 2009

TIME: 6 p.m. to 7 p.m.

LOCATION: City Hall – Council Chambers
3300 Newport Boulevard,
Newport Beach, CA 92663

It is the intention of the City of Newport Beach to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the City of Newport Beach will attempt to accommodate you in every reasonable manner. Please contact Katie Bowden, Economic Development Coordinator, at (949) 644-3230 at least 72 hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible.

The City encourages residents to complete and return the Community Needs Assessment Survey for the CDBG Program.

Surveys are available at:

- The Planning Department at City Hall located at 3300 Newport Boulevard, Newport Beach, CA 92663;
- The Newport Beach Public Library – Central Library located at 1000 Avocado Avenue, Newport Beach, CA 92660; and
- Online at www.newportbeachca.gov. Click on "Departments and Services", "Planning", and "CDBG – Community Development Block Grant".

Completed surveys should be returned to the Planning Department – Economic Development Division by September 28, 2009.

For more information, contact Katie Bowden, Economic Development Coordinator at (949) 644-3230.



Appendix "C"

Acronyms

AP	Action Plan
CAPER	Consolidated Annual Performance Evaluation Report
CBD	Central Business District
CBDO	Community Based Development Organization
CD	Community Development Department
CDBG	Community Development Block Grant
CDC	Community Development Corporation
CHDO	Community Housing Development Organization
CIP	Capital Improvement Projects
CPD	Community Planning and Development (part of HUD)
CUP	Conditional Use Permit
DAP	Disabled Access Program (CDBG program activity)
DHHS	Department of Health and Human Services
DOJ	Department of Justice
DU's	Dwelling Units
ESG	Emergency Shelter Grant
EZ/EC	Empowerment Zone/Enterprise Community
FHA	Federal Housing Administration (part of HUD)
FY	Fiscal Year
HOME	HOME Investment Partnership Program
HOPWA	Housing Opportunities for Persons with AIDS
HUD	U.S. Department of Housing and Urban Development
IDIS	Integrated Disbursement and Information System (HUD's Financial Mgt. System)
LUP	Land Use Permit
NIMBY	Not-In-My-Back-Yard
NOFA	Notice of Funds Available
NRSA	Neighborhood Revitalization Strategy Area
PLI	Public Lands and Institutions
PY	Program Year
RFP	Request for Proposals
RFQ	Request for Qualifications
RTS	Research and Technical Services Division (MOA)
TBRA	Tenant Based Rental Assistance (HOME program activity)
TIP	Transportation Improvement Plan
VA	Veteran's Administration
WD	Workforce Development



Appendix "D"

Glossary of Terms

Accessibility All new construction of covered multifamily buildings must include certain features of accessible and adaptable design. Units covered are all those in buildings with four or more units and one or more elevators, and all ground floor units in buildings without elevators.

Action Plan The Action Plan includes the following: an application for federal funds under HUD's formula grant programs (CDBG, ESG, HOME); identification of federal and other resources expected to be used to address the priority needs and specific objectives in the strategic plan; Activities to be undertaken including the following; activities to address Homeless and other special needs (persons with mental, physical or developmental disabilities, battered and abused spouses, victims of domestic violence, etc.); activities to address other Actions (affordable housing, lead-based paint hazards, poverty reduction, public housing improvements, etc); and lastly, a description of the areas targeted given the rationale for the priorities for allocating investment geographically.

Affordable Housing That housing within the community which is decent and safe, either newly constructed or rehabilitated, that is occupied by and affordable to households whose income is very low, low, or moderate. Such housing may be ownership or rental, single family or multifamily, short-term or permanent. Achieving affordable housing often requires financial assistance from various public and private sources and agencies.

Agency Any department, agency, City, authority, administration, board, or other independent establishment in the executive branch of the government, including any corporation wholly or partly owned by the United States that is an independent instrumentality of the United States, not including the municipal government of the District of Columbia.

Area Benefit - Benefits all residents in a particular area, where at least 51% are LMI. Area must be primarily residential. Area benefit activities include street/sidewalk improvements, water/sewer lines, neighborhood facilities, and façade improvements in neighborhood commercial districts.

Assisted Household or Person For the purpose of identification of priority needs and specific objectives, an assisted household or person is one that will receive benefits through the investment of Federal funds, either alone or in conjunction with the investment of other public or private funds. (The program funds providing the benefit(s) may be from any funding year or combined funding years.) A renter is benefited if the household or person takes occupancy of affordable housing that is newly acquired (standard housing), newly rehabilitated, or newly constructed, and/or receives rental assistance through new budget authority. An existing homeowner is benefited if the home's rehabilitation is completed. A first-time homebuyer is benefited if a home is purchased during the year. Households or persons who will benefit from more than one program (e.g. a renter who receives rental assistance while occupying newly rehabilitated housing) must be counted only once. To be included, the household's housing unit must, at a minimum, satisfy the HUD Section 8 Housing Quality Standards (see, e.g. 24 CFR 882.109).

Brownsfield Economic Development Initiative (BEDI) Grant Program BEDI is designed to help cities redevelop abandoned, idled, or underutilized industrial and commercial properties and facilities where expansion or redevelopment is complicated by real or perceived environmental contamination (e.g., brownfields). BEDI accomplishes this by providing funding to local governments to be used in conjunction with Section 108 loan guarantees to finance redevelopment of brownfields sites. BEDI-funded projects must meet one of the CDBG program's national objectives.

CDBG National Objectives

- 70% of CDBG expenditures must be used for activities that benefit low and moderate-income persons.
- Elimination of slum and blight

Community Based Development Organization (CBDO) Generally nonprofit organizations that undertake specific CDBG funded activities. Can not be a government entity. May be a subrecipient.

Certification A written assertion based on supporting evidence that must be kept available for inspection by HUD, by the Inspector General of HUD, and by the public. The assertion shall be deemed to be accurate unless HUD determines otherwise, after inspecting the evidence and providing due notice and opportunity for comment.

Community Development Block Grant Program (CDBG) A Community Development Block Grant is a federal grant to states, counties or cities. It is used for housing and community development including housing construction and rehabilitation, economic development, and public services which benefit low- and moderate- income people. Grant funds can also be used to fund activities which eliminate slums and blight or meet urgent needs.

City The City is the lead agency for purposes of the Consolidated Plan, and administration of the City's federal entitlement funding, namely CDBG, HOME and ESG program funds.

Community and Housing Development Organization (CHDO) A federally defined type of nonprofit housing provider that must receive a minimum of 15 percent of all Federal HOME Investment Partnership funds. The primary difference between CHDO and other nonprofits is the level of low-income residents' participation on the Board of Directors.

Comprehensive Grant Program (CGP) HUD grant program via an annual formula to large public housing authorities to modernize public housing units.

Consolidated Annual Performance and Evaluation Performance Report (CAPER) The CAPER allows HUD, local officials, and the public to evaluate the grantees' overall performance, including whether activities and strategies undertaken during the preceding year actually made an impact on the goals and needs identified in the Consolidated Plan.

Consolidated Plan The Consolidated Plan services four separate, but integrated functions. The Consolidated Plan is: a planning document for the jurisdiction which builds on a participatory process with County residents; an application for federal funds under HUD's formula grant programs which are: CDBG, HOME, ESG, HOPWA; a five-year strategy to be followed in carrying out HUD programs; and lastly, an action plan describing individuals

activities to be implemented.

Cost Burden The extent to which gross housing costs, including utility costs, exceeds 30 percent of gross income, based on data available from the U.S. Census Bureau.

Economic Development Initiative (EDI) Grant Program EDI is designed to enable local governments to enhance both the security of loans guaranteed through HUD's Section 108 Loan Guarantee Program and the feasibility of the economic development and revitalization projects that Section 108 guarantees finance. EDI accomplishes this by providing grants to local governments to be used in conjunction with Section 108 loan guarantees. A locality may use the grant to provide additional security for the loan (for example, as a loss reserve), thereby reducing the exposure of its CDBG funds (which by law must be pledged as security for the loan guarantees). A locality may also use the EDI grant to pay for costs associated with the project, thereby enhancing the feasibility of the 108-assisted portion of the project. EDI-funded projects must meet one of the CDBG program's national objectives.

Emergency Shelter Grant (ESG) Emergency Shelter Grant Program is a federally funded program designed to help, improve and maintain the quality of existing emergency shelters for the homeless. ESG helps emergency shelters meet the costs of operating emergency shelters and of providing certain essential social services to homeless individuals so that these persons have access to a safe and sanitary shelter, and to the supportive services and other kinds of assistance they need to improve their situations. The program is also intended to prevent the increase of homelessness through the funding of preventive programs and activities.

Emergency Shelter Any facility with overnight sleeping accommodations, the primary purpose of which is to provide temporary shelter for the homeless in general or for specific populations of the homeless.

Entitlement An underlying formula governing the allocation of Block Grant funds to eligible recipients. Entitlement grants are provided to larger urban cities (i.e. population greater than 50,000) and larger urban counties (greater than 200,000).

Federal National Mortgage Association (Fannie Mae) A federally chartered, stockholder owned corporation which supports the secondary market for both conventional mortgages and mortgages insured by the FHA and guaranteed by the Veteran's Administration (VA).

Financing Functions necessary to provide the financial resources to fund government operations and federal assistance including the functions of taxation, fee and revenue generation, public debt, deposit funds, and intra governmental collections.

First-time Homebuyer An individual or family who has not owned a home during the three year period preceding the assisted purchase of a home that must be occupied as the principal residence of the homebuyer. Any individual who is a displaced homemaker or a single parent may not be excluded from consideration as a first-time homebuyer on the basis that the individual, while a homemaker or married, owned a home with his or her spouse or resided in a home owned by the spouse.

Fiscal Year Any yearly accounting period, regardless of its relationship to a calendar year.

FTE-Full Time Equivalent One FTE is 2,080 hours of paid employment. The number of FTEs is

derived by summing the total number of hours (for which included categories of employees) are paid by the appropriate categories of employees and dividing by 2,080 hours (one work year). Appropriate categories include, but are not limited to, overtime hours, hours for full-time permanent employees, temporary employees, and intermittent employees who may not have been paid for an entire reporting period.

Grant A federal grant may be defined as a form of assistance authorized by statute in which a federal agency (grantor) transfers something of value to a party (the grantee) usually, but not always, outside the federal government, for a purpose, undertaking, or activity of the grantee which the government has chosen to assist, to be carried out without substantial involvement on the part of the federal government. The "thing of value" is usually money, but may, depending on the program legislation, also include property or services. The grantee, again depending on the program legislation, may be a state or local government, a nonprofit organization, or a private individual or business entity.

HOME The Home Investment Partnership Program is authorized by Title II of the National Affordable Housing Act. This federally funded program is designed to expand housing, for very low-income people, and to make new construction, rehabilitation, substantial rehabilitation, and acquisition of such housing feasible, through partnerships among the federal government, states and units of general local government, private industry, and nonprofit organizations able to utilize effectively all available resources.

HOME Funds Funds made available under the HOME Program through allocations and reallocations, plus all repayments and interest or other return on the investment of these funds.

Homeless Family A Family that includes at least one parent or guardian and one child under the age of 18, a homeless pregnant woman, or a homeless person in the process of securing legal custody of a person under the age of 18.

Homeless Individual An unaccompanied youth (18 years or younger) or an adult (18 years or older) without children who is homeless (not imprisoned or otherwise detained pursuant to an Act of Congress or a State law), including the following:

- 1) An individual who lacks a fixed, regular, and adequate nighttime residence; and
- 2) An individual who has a primary nighttime residence that is:
 - i) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 - ii) An institution that provides a temporary residence for individuals intended to be institutionalized; or
 - iii) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Homeless Subpopulation Includes but is not limited to the following categories of homeless persons: severely mentally ill only, alcohol/drug addicted only, severely mentally ill and

alcohol/drug addicted, fleeing domestic violence, youth and persons with HIV/AIDS.

HOPWA Housing Opportunities for People With AIDS is a federal program designed to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS) or related diseases and their families. The program authorizes entitlement grants and competitively awarded grants for housing assistance and services.

Household All the persons who occupy a housing unit. The occupants may be single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing and Urban Development (HUD) Created as part of President Lyndon B. Johnson's War on Poverty, the Department of Housing and Urban Development (HUD) was established as a Cabinet Department by the Department of Housing and Urban Development Act (42 U.S.C. 3532-3537), effective November 9, 1965. It consolidated a number of other older federal agencies. The Department of Housing and Urban Development is the Federal agency responsible for national policy and programs that: address America's housing needs; improve and develop the Nation's communities; and enforce fair housing laws. HUD's mission is helping create a decent home and suitable living environment for all Americans. It has given America's cities a strong national voice at the Cabinet level.

HUD Income Levels Income levels serve as eligibility criteria for households participating in federally funded programs.

Extremely Low Income A family whose income is between 0 and 30 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Low Income A family whose income does not exceed 50 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Middle Income A family whose is between 80 percent and 95 percent of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 95 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Moderate Income A family whose income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Jurisdiction A State or unit of general local government.

Large Family Family of five or more persons.

Lead-based paint hazards Any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects as established by the appropriate Federal agency.

Letter of Credit Line of credit to a grant recipient established at a time of approval of application.

Liability Assets owed for items received, services received, assets acquired, construction performed (regardless of whether invoices have been received), an amount received but not yet earned, or other expenses incurred.

Limited Clientele Benefit Benefit a limited number of people as long as at least 51% are LMI. Benefit is generally presumed to be principally L/M (abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers). Limited Clientele must be documented with income verification or be of such nature and in such location that it can be concluded that the clients are LMI.

Micro-enterprise A business that has 5 or fewer employees, one or more of whom owns the enterprise.

Neighborhood Revitalization Strategy Area

- Scattered site housing activities where the aggregate area is comprised of 51% or more low- and moderate-income people (51% LMI).
- Direct Homeownership assistance must meet the LMI standard for 100% of households assisted.

Overcrowded For purposes of describing relative housing needs, a housing unit containing more than one person per room, as defined by U.S. Census Bureau, for which the Census Bureau makes data available.

Person with a Disability A person who is determined to:

- 1) Have a physical, mental or emotional impairment that:
 - i) Is expected to be of long-continued and indefinite duration;
 - ii) Substantially impedes his or her ability to live independently; and
 - iii) Is of such a nature that the ability could be improved by more suitable housing conditions; or

- 2) Have a developmental disability, as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6007); or
- 3) Be the surviving member or members of any family that had been living in an assisted unit with the deceased member of the family who had a disability at the time of his or her death.

Private Non-profit Organization A secular or religious organization described in section 501 (c) of the Internal Revenue Code of 1988 which: (a) is exempt from taxation under subtitle A of the Code; (b) has an accounting system and a voluntary board; and (c) practices nondiscrimination in the provision of assistance.

Program An organized set of activities directed toward a common purpose or goal that an agency undertakes or proposes to carry out its responsibilities.

Program Income Program income is the gross income received by the recipient and its subrecipients* directly generated from the use of CDBG funds. For those program income generating activities that are only partially assisted with CDBG funds, such income is prorated to reflect percentage of CDBG funds that were used. Reference 24 CFR 570.500(a).

Examples: (Note: This list is NOT exclusive and therefore other types of funds may also constitute CDBG program income.)

- proceeds from the disposition by sale or long-term lease (15 years or more) of real property purchased or improved with CDBG funds.
- proceeds from the disposition of equipment bought with CDBG funds.
- gross income from the use or rental of real property that has been constructed or improved with CDBG funds and that is owned (in whole or in part) by the recipient or subrecipient. Costs incidental to the generation of the income are deducted from the gross income.
- payments of principal and interest on loans made using CDBG funds.
- proceeds from the sale of loans made with CDBG funds.
- proceeds from the sale of obligations secured by loans made with CDBG funds.
- any interest earned on funds held in a revolving fund account.
- any interest earned on program income pending its disposition.
- funds collected through special assessments that are made against properties owned and occupied by non-low and moderate- income households where the assessments have been made to recover some or all of the CDBG portion of a public improvement.

Reference: 570.500(a)(1)

Program income does not include the following examples.

- interest earned on grant advances from the U.S. Treasury. Any interest earned on grant advances is required to be returned to the U.S. Treasury.
- proceeds from fund-raising activities carried out by subrecipients that are receiving CDBG assistance to implement eligible activities.
- funds collected through special assessments that have been made to recover the non-CDBG portion of a public improvement.
- proceeds from the disposition by the grantee of real property that has been acquired or

improved with CDBG funds when the disposition occurs after grant closeout for entitlement grantees.

- proceeds from the disposition of real property that has been acquired or improved with CDBG funds where the disposition occurs within a five year period (or more if so determined by the grantee) after the expiration of the agreement between the grantee and subrecipient for that specific agreement where the CDBG funds were provided for the acquisition or improvement of the subject property.

Note: This list is not all-inclusive.

****Subrecipient** means a public or private nonprofit agency, authority, or organization or an authorized for-profit entity receiving CDBG funds from the recipient or another subrecipient to undertake activities eligible for such assistance. The term excludes an entity receiving CDBG funds from the recipient unless the grantee explicitly designates it as a subrecipient. The term includes a public agency designated by a unit of general local government to receive a loan guarantee, but does not include contractors providing supplies, equipment, construction, or services subject to the procurement requirements as applicable.*

Project A planned undertaking of something to be accomplished, produced, or constructed, having a finite beginning and finite end. Examples are a construction project or a research and development project.

Rehabilitation Labor, materials, tools, and other costs of improving buildings, including repair directed toward an accumulation of deferred maintenance; replacement of principal fixtures and components of existing buildings; installation of security devices; and improvement through alterations or incidental additions to, or enhancement of, existing buildings, including improvements to increase the efficient use of energy in buildings, and structural changes necessary to make the structure accessible for persons with physical handicaps.

Rehabilitation also includes the conversion of a building to an emergency shelter for the homeless, where the cost of conversion and any rehabilitation costs do not exceed 75 percent of the value of the building before conversion. Rehabilitation must meet local government safety and sanitation standards. For projects of 15 or more units where rehabilitation costs are 75 percent or more of the replacement cost of the building, that project must meet the accessibility requirement of Section 504 of the Rehabilitation Act of 1973; or where rehabilitation costs are less than 75 percent of the replacement cost of the building, that project must meet the requirements of 24 CFR 8.23b.

Rental Assistance Rental assistance payments provided as either project-based rental assistance or tenant-based rental assistance. Otherwise known as the Section 8 Rental Assistance Payments Program and variations thereof.

Renovation Rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation.

Request for Proposals (RFP) A RFP is the instrument used to solicit proposals/offers for proposed contracts using the negotiated procurement method.

Section 108 Loan Guarantee Program The Section 108 Loan Guarantee Program involves

a federal guarantee on local debt allowed under Section 108 of the Housing and Community Development Act of 1974, as amended. This section of the Act allows public entities, such as the County of Los Angeles, to issue promissory notes through HUD to raise money for eligible large-scale community and economic development activities. HUD guarantees these notes, which are sold on the private market in return for a grantee's pledge of its future CDBG funds and other security for the purpose of debt repayment. Section 108 activities must satisfy CDBG eligibility and national objective criteria as well as Section 108 regulations and guidelines.

Senior A person who is at least 55 years of age. For senior housing activities, a senior is a person who is at least 62 years of age. (Seniors and "elderly" are terms that are often interchangeable.)

Severely Disabled Persons are considered severely disabled if they:

- Use a wheelchair or another special aid for 6 months or longer
- Are unable to perform one or more functional activities (seeing, hearing, having one's speech understood, lifting and carrying, walking up a flight of stairs and walking), needed assistance with activities of daily living (getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating and toileting) or instrumental activities or daily living (going outside the home, keeping track of money or bills, preparing meals, doing light housework, and using the telephone)
- Are prevented from working at a job or doing housework
- Have a selected condition including: autism, cerebral palsy, Alzheimer's disease, senility or dementia or mental retardation
- Are under 65 years of age and are covered by Medicare or receive Supplemental Security Income (SSI)

Shelter Plus Care A federally funded McKinney Act Program designed to provide affordable housing opportunities to individuals with mental and/or physical disabilities.

SRO (Single Room Occupancy) A unit for occupancy by one person, which need not but may contain food preparation or sanitary facilities, or both.

State Any State of the United States and the Commonwealth of Puerto Rico.

Subsidy Generally, a payment or benefit made where the benefit exceeds the cost to the beneficiary.

Subrecipient An entity that assists the Municipality to implement and administer its programs. A subrecipient is generally a nonprofit organization.

Substantial Rehabilitation Rehabilitation of residential property at an average cost for the project in excess of \$25,000 per dwelling unit.

Supportive Housing Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, childcare, transportation, and job training.

Supportive Housing Program (SHP) The Supportive Housing Program promotes the

development of supportive housing and supportive services, including innovative approaches that assist homeless persons in the transition from homelessness and enable them to live as independently as possible. SHP funds may be used to provide transitional housing, permanent housing for persons with disabilities, innovative supportive housing, supportive services, or safe havens for the homeless.



Appendix "E"

Public Notice

NOTICE OF PUBLIC HEARING AND REVIEW FOR THE CITY OF NEWPORT BEACH DRAFT FIVE-YEAR CONSOLIDATED PLAN (2010-2014), ONE-YEAR ACTION PLAN (2010-2011) CITIZEN PARTICIPATION PLAN (2010-2014)

NOTICE IS HEREBY GIVEN that the City of Newport Beach has prepared its draft Five-Year Consolidated Plan (2010-2014), One-Year Action Plan (2010-2011) and Citizen Participation Plan. The publication of this notice is the beginning of the 30-day public review period required under Federal Regulation 21 CFR 91.105 (b) (2). The public review and written comment period begins March 20, 2010 and runs through April 27, 2010.

NOTICE IS HEREBY FURTHER GIVEN that the Five-Year Consolidated Plan, One-year Action Plan and Citizen Participation Plan will be presented to the City Council for approval on following date:

DATE: April 27, 2010
TIME: 7:00 P.M.
LOCATION: City Council Chambers
3300 Newport Boulevard, Newport Beach, California

At this meeting, the City Council will receive public comment on the draft Five-Year Consolidated Plan (2010-2014), One-Year Action Plan (2010-2011) and Citizen Participation Plan that is to be submitted to the U.S. Department of Housing and Urban Development (HUD).

BACKGROUND

The Consolidated Plan is a grant application to the Department of Housing and Urban Development (HUD). The plan establishes a framework of housing and community development priorities for Newport Beach, aides in identifying and sets the foundation for projects and programs to help local low- and moderate-income communities solve their problems, meet their needs, and achieve their goals. The Action Plan then appropriates the funding to specific programs and projects for a given year. The Action Plan will appropriate Community Development Block Grant (CDBG) funding to specific programs and projects for the 2010-2011 fiscal year. The City anticipates receiving approximately \$1.8 million in federal housing and community development funds over the next 5 years. The Citizen Participation Plan is a document that details the City's policy on public review and participation in the decision-making process regarding the Consolidated Planning Process in accordance with the Consolidated Plan implementing regulation 24 CFR 91.105.

PUBLIC COMMENT

Copies of the latest drafts of these documents will be available for public review at the following locations:

City Clerk's Office
3300 Newport Blvd.
Newport Beach, CA 92663

Planning Department
3300 Newport Blvd.
Newport Beach, CA 92663

City of Newport Beach – Central Library
1000 Avocado Avenue
Newport Beach, CA 92660

The public is invited to submit written comments on the housing, community and economic development needs and proposed projects as articulated in the draft Consolidated Plan, One-Year Action Plan, and Citizen Participation Plan. All comments relative to the draft documents mentioned above should be submitted to the Newport Beach Planning Department no later than 4:00 p.m. on April 27, 2010.

Questions and written comments regarding the draft Five-Year Consolidated Plan, One-Year Action Plan and Citizen Participation Plan may be addressed to Kathlyn Bowden, AICP at 3300 Newport Boulevard, P.O. Box 1768, Newport Beach, CA 92658-8915. You may also call (949) 644-3230 with any questions concerning the above documents.

ACCESSIBILITY TO MEETINGS AND DOCUMENTS

It is the objective of the City to comply with Section 504 of the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act (ADA) of 1990 and the ADA Amendment Act of 2008, the Fair Housing Act, and the Architectural Barriers Act in all respects. If you require public documents in an accessible format, the City will make reasonable efforts to accommodate your request. If you require a disability-related accommodation to attend or participate in a hearing or meeting, including auxiliary aids or services, please contact the City Clerk's Office at least 48 hours prior to the meeting at (949) 644-3005.

Leilani I. Brown, CMC
City Clerk

Publish: March 20, 2010

RECEIVED

SCANNED

FILE COPY

PROOF OF PUBLICATION DATE: MAR 26 AM 9:09

OFFICE OF THE CITY CLERK CITY OF NEWPORT BEACH) SS. STATE OF CALIFORNIA) COUNTY OF ORANGE)

I am a Citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the below entitled matter. I am a principal clerk of the NEWPORT BEACH - COSTA MESA DAILY PILOT, a newspaper of general circulation, printed and published in the City of Costa Mesa, County of Orange, State of California, and that attached Notice is a true and complete copy as was printed and published on the following dates:

March 20, 2010

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on March 22, 2010 at Costa Mesa, California.

Signature of Susan Channels

NOTICE OF PUBLIC HEARING AND REVIEW FOR THE CITY OF NEWPORT BEACH DRAFT FIVE-YEAR CONSOLIDATED PLAN (2010-2014), ONE-YEAR ACTION PLAN (2010-2011) CITIZEN PARTICIPATION PLAN (2010-2014) NOTICE IS HEREBY GIVEN that the City of Newport Beach has prepared its draft Five-Year Consolidated Plan (2010-2014), One-Year Action Plan (2010-2011) and Citizen Participation Plan. The publication of this notice is the beginning of the 30-day public review period required under Federal Regulation 24 CFR 91.105 (b) (2). The public review and written comment period begins March 20, 2010 and runs through April 27, 2010. NOTICE IS HEREBY FURTHER GIVEN that the Five-Year Consolidated Plan, One-Year Action Plan and Citizen Participation Plan will be presented to the City Council for approval on following date: DATE: April 27, 2010 TIME: 7:00 P.M. LOCATION: City Council Chambers, 3300 Newport Boulevard, Newport Beach, California At this meeting, the City Council will receive public comment on the draft Five-Year Consolidated Plan (2010-2014), One-Year Action Plan (2010-2011) and Citizen Participation Plan that is to be submitted to the U.S. Department of Housing and Urban Development (HUD). BACKGROUND The Consolidated Plan is a grant application to the Department of Housing and Urban Development (HUD). The plan establishes a framework of housing and community development priorities for Newport Beach, aids in identifying and sets the foundation for projects and programs to help local low- and moderate-income communities solve their problems, meet their needs and achieve their goals. The Action Plan then appropriates the funding to specific programs and projects for a given year. The Action Plan will appropriate Community Development Block Grant (CDBG) funding to specific programs and projects for the 2010-2011 fiscal year. The City anticipates receiving approximately \$1.8 million in federal housing and community development funds over the next 5 years. The Citizen Participation Plan is a document that details the City's policy on public review and participation in the decision-making process regarding the Consolidated Planning Process in accordance with the Consolidated Plan implementing regulation 24 CFR 91.105. PUBLIC COMMENT Copies of the latest drafts of these documents will be available for public review at the following locations: City Clerk's Office 3300 Newport Blvd. Newport Beach, CA 92663 Planning Department 3300 Newport Blvd. Newport Beach, CA 92663 City of Newport Beach - Central Library 1000 Avocado Avenue Newport Beach, CA 92660 The public is invited to submit written comments on the housing, community and economic development needs and proposed projects as articulated in the draft Consolidated Plan, One-Year Action Plan, and Citizen Participation Plan. All comments relative to the draft documents mentioned above should be submitted to the Newport Beach Planning Department no later than 4:00 p.m. on April 27, 2010. Questions and written comments regarding the draft Five-Year Consolidated Plan, One-Year Action Plan and Citizen Participation Plan may be addressed to Kathryn Bowden, AICP at 3300 Newport Boulevard, P.O. Box 1768, Newport Beach, CA 92668-8915. You may also call (949) 644-3230 with any questions concerning the above documents. ACCESSIBILITY TO MEETINGS AND DOCUMENTS It is the objective of the City to comply with Section 504 of the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act (ADA) of 1990 and the ADA Amendment Act of 2008, the Fair Housing Act, and the Architectural Barriers Act in all respects. If you require public documents in an accessible format, the City will make reasonable efforts to accommodate your request. If you require a disability-related accommodation to attend or participate in a hearing or meeting, including auxiliary aids or services, please contact the City Clerk's Office at least 48 hours prior to the meeting at (949) 644-3005. Lellani I. Brown, MMC City Clerk Published Newport Beach/Costa Mesa Daily Pilot March 20, 2010 Sa114

Public Notice

**NOTICE OF PUBLIC HEARING AND REVIEW
FOR THE CITY OF NEWPORT BEACH
DRAFT FIVE-YEAR CONSOLIDATED PLAN (2010-2014),
ONE-YEAR ACTION PLAN (2010-2011)
CITIZEN PARTICIPATION PLAN (2010-2014)**

NOTICE IS HEREBY GIVEN that the City of Newport Beach has prepared its draft Five-Year Consolidated Plan (2010-2014), One-Year Action Plan (2010-2011) and Citizen Participation Plan. The publication of this notice is the beginning of the 30-day public review period required under Federal Regulation 21 CFR 91.105 (b) (2). The public review and written comment period begins March 20, 2010 and runs through April 27, 2010.

NOTICE IS HEREBY FURTHER GIVEN that the Five-Year Consolidated Plan, One-year Action Plan and Citizen Participation Plan will be presented to the City Council for approval on following date:

DATE: April 27, 2010
TIME: 7:00 P.M.
LOCATION: City Council Chambers
3300 Newport Boulevard, Newport Beach, California

At this meeting, the City Council will receive public comment on the draft Five-Year Consolidated Plan (2010-2014), One-Year Action Plan (2010-2011) and Citizen Participation Plan that is to be submitted to the U.S. Department of Housing and Urban Development (HUD).

BACKGROUND

The Consolidated Plan is a grant application to the Department of Housing and Urban Development (HUD). The plan establishes a framework of housing and community development priorities for Newport Beach, aides in identifying and sets the foundation for projects and programs to help local low- and moderate-income communities solve their problems, meet their needs, and achieve their goals. The Action Plan then appropriates the funding to specific programs and projects for a given year. The Action Plan will appropriate Community Development Block Grant (CDBG) funding to specific programs and projects for the 2010-2011 fiscal year. The City anticipates receiving approximately \$1.8 million in federal housing and community development funds over the next 5 years. The Citizen Participation Plan is a document that details the City's policy on public review and participation in the decision-making process regarding the Consolidated Planning Process in accordance with the Consolidated Plan implementing regulation 24 CFR 91.105.

PUBLIC COMMENT

Copies of the latest drafts of these documents will be available for public review at the following locations:

City Clerk's Office
3300 Newport Blvd.
Newport Beach, CA 92663

Planning Department
3300 Newport Blvd.
Newport Beach, CA 92663

City of Newport Beach – Central Library
1000 Avocado Avenue
Newport Beach, CA 92660

The public is invited to submit written comments on the housing, community and economic development needs and proposed projects as articulated in the draft Consolidated Plan, One-Year Action Plan, and Citizen Participation Plan. All comments relative to the draft documents mentioned above should be submitted to the Newport Beach Planning Department no later than 4:00 p.m. on April 27, 2010.

Questions and written comments regarding the draft Five-Year Consolidated Plan, One-Year Action Plan and Citizen Participation Plan may be addressed to Kathlyn Bowden, AICP at 3300 Newport Boulevard, P.O. Box 1768, Newport Beach, CA 92658-8915. You may also call (949) 644-3230 with any questions concerning the above documents.

ACCESSIBILITY TO MEETINGS AND DOCUMENTS

It is the objective of the City to comply with Section 504 of the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act (ADA) of 1990 and the ADA Amendment Act of 2008, the Fair Housing Act, and the Architectural Barriers Act in all respects. If you require public documents in an accessible format, the City will make reasonable efforts to accommodate your request. If you require a disability-related accommodation to attend or participate in a hearing or meeting, including auxiliary aids or services, please contact the City Clerk's Office at least 48 hours prior to the meeting at (949) 644-3005.

Leilani I. Brown, CMC
City Clerk

Publish: March 20, 2010

Clint Whited

From: Bowden, Katie [KBowden@newportbeachca.gov]
Sent: Wednesday, August 12, 2009 5:23 PM
To: Clint Whited
Subject: FW: City of Newport Beach: Community Development Block Grant Community (CDBG) Community Meeting & Needs Assessment Survey

FYI

Kathlyn Bowden, AICP
Economic Development Coordinator
City of Newport Beach
949.644.3230

From: NewportBeachNews@newportbeachca.gov [mailto:NewportBeachNews@newportbeachca.gov]
Sent: Wednesday, August 12, 2009 5:12 PM
To: Bowden, Katie
Subject: City of Newport Beach: Community Development Block Grant Community (CDBG) Community Meeting & Needs Assessment Survey

Community Development Block Grant Community (CDBG) Community Meeting & Needs Assessment Survey

Posted Date: 8/12/2009

The City of Newport Beach invites you to attend a meeting to discuss the short- and long-term needs of the community and how Community Development Block Grant (CDBG) federal funds may be used to meet those needs.

DATE: Wednesday, August 26, 2009

TIME: 6 p.m. to 7 p.m.

LOCATION: City Hall - Council Chambers
3300 Newport Boulevard,
Newport Beach, CA 92663

["Download Meeting Announcement"](#)

The City encourages residents to complete and return the Community Needs Assessment Survey for the CDBG Program. . Completed surveys should be returned to the Planning Department - Economic Development Division by September 28, 2009. ["Download Needs Assessment Survey"](#)

For more information, contact Katie Bowden, Economic Development Coordinator at 949-644-3230.



Appendix "F"

Maps



Appendix "G"

2010-2014 One-Year Action Plan



Citizen Participation Plan

Citizen Participation Plan

A. Citizen Participation & Consultation Plan for 2010-2014

The Planning Department must develop and follow a Citizen Participation Plan to receive Federal funds for the Community Development Block Grant (CDBG) program. The Citizen Participation Plan covers the five-year Consolidated Plan, each subsequent Annual Action Plan, each year's Consolidated Annual Performance and Evaluation Report, and any amendments to the Consolidated Plan or its five Annual Action Plans. Developed as a stand-alone document in conformance with the requirements set forth at 24 CFR 91.105, the City's Citizen Participation Plan is as follows:

1. Purpose of and Accessibility to the Citizen Participation Plan

The City of Newport Beach is an entitlement jurisdiction receiving Community Development Block Grant (CDBG) funds directly from the U.S. Department of Housing and Urban Development (HUD). Pursuant to the program regulations, the City is required to prepare a five-year Consolidated Plan and annual updates to guide and report on the use of CDBG funds. Annual reviews of program performance are also required.

This Citizen Participation Plan sets forth the City of Newport Beach's policies and procedures for citizen participation in the development of the Consolidated Plan documents and any subsequent amendments. The Citizen Participation Plan provides an opportunity for nonprofit service agencies and the community to work in partnership with the City to identify needs and allocate CDBG funds. While this plan encourages the participation of all citizens, special assurances will be made to ensure the participation of the following: extremely low-, low-, and moderate-income persons; persons living in areas where federal funds are proposed to be used; residents of assisted housing; low income residents of target revitalization areas; minorities; non-English speaking persons; and persons with physical or mental disabilities. Upon request, the Planning Department will make the necessary accommodations to make an accessible copy of this written Citizen Participation Plan available to persons with disabilities.

2. Definitions

For purposes of the CDBG program, the following definitions will apply:

Consolidated Plan Documents (CPD) - For the CDBG programs for the City of Newport Beach, the Consolidated Plan Documents will include the following:

- Five-Year Consolidated Plan
- Five-Year Analysis of Impediments to Fair Housing Choice (AI)
- Citizen Participation Plan
- One Year Action Plan

- Consolidated Annual Performance Evaluation and Report (CAPER)

Low- and Moderate-Income Households - Pursuant to HUD regulations, the primary beneficiaries of the CDBG program should be low- and moderate-income households, defined by HUD as follows:

Extremely Low-Income Household - 0-30% County Median Family Income (MFI).

Low-Income - 31-50% County MFI.

Moderate-Income - 51-80% County MFI.

Low- and Moderate-Income Area - Generally defined as a census block group(s) in which a minimum of 51 percent of the residents have an income not exceeding 80 percent of the County median income.

Slum or Blighted Area - An area meeting the definition of a slum, blighted, deteriorated or deteriorating area under State or local law, typically identified as a Redevelopment Project Area, or where there are a substantial number of deteriorating or dilapidated buildings and/or improvements throughout the area.

3. Citizen Participation Strategy

The City of Newport Beach recognizes that CDBG funds are federal tax money returned to the City to be used primarily to benefit extremely low-, low-, and moderate-income persons. City staff and officials are stewards of this public money and will openly discuss all records, except those confidential records protecting a household's privacy.

4. Decision Making Bodies

The City of Newport Beach has established a CDBG Advisory Committee to assist the City Council in making funding decisions relating to the CDBG, programs. The functions and makeup of this group are described below.

CDBG Advisory Committee:

The CDBG Advisory Committee is comprised of the Assistant City Manager, the Planning Director, and the Project Manager. The CDBG Advisory Committee will perform in an advisory manner to the City Manager and City Council concerning planning, implementing, and assessing the CDBG programs/activities related to public service, capital expenditures, and administration expenditures. In addition, the CDBG Advisory Committee will review all public service grant applications for funding and will recommend funding priorities to the City Council.

This will be accomplished through the following tasks:

- Information dissemination during the CDBG application process, and other HUD application processes as applicable;

- Preparation of project recommendations for City Council review and final approval; and
- Review of project/program progress.

City Council:

After reviewing the recommendations on capital outlay projects, administration, and public service projects made by the CDBG Advisory Committee and considering public testimony and comments, the City Council shall make the final funding determinations for the CDBG funds.

5. Program Planning Process

The City of Newport Beach will adhere to the following citizen participation process when conducting program planning and reporting for the CDBG programs.

a. Citizen Participation Plan

i. Plan Development

Plan Considerations

As a part of the Citizen Participation Plan process, and prior to the adoption of the Consolidated Plan, the City will make available the information gathered and utilized to generate the City's Strategic Plan and to make program funding decisions. This information will be made available to citizens, public agencies, and other interested parties.

The information to be supplied will include: the amount of funding that the City expects to receive, the range of activities that may be undertaken, and the amount of funds that will benefit persons of low- and moderate-income.

The City will also: provide an assessment of community development and housing needs, identify short- term and long-term community development objectives directed toward the provision of decent housing and the expansion of economic opportunities primarily for persons of low- and moderate-income.

Additionally, the City must attest to its compliance with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24, as effectuated by the City's adopted Residential Anti-Displacement and Relocation Assistance Plan, as required under Section 104(d) of the Housing and Community Development Act of 1974, as amended.

Plan Review and Comment

The Draft Citizen Participation Plan shall be made available for public review for a 30-day period. Written comments will be accepted during the 30-day public review. A summary of the comments, views, and City responses shall be attached to the public hearing draft of the Citizen Participation Plan.

Public Hearing

The City Council shall conduct a public hearing to accept public comments on the draft Citizen Participation Plan. After public comments are heard and considered by the City Council, it shall approve the Citizen Participation Plan.

ii. Plan Amendment

The City can make amendments to the Citizen Participation Plan through the following amendment process:

Public Hearing

The City Council shall conduct a public hearing to accept public comments on the draft amended Citizen Participation Plan. After public comments are heard and considered by the City Council, it shall approve the amended Citizen Participation Plan.

b. Five-Year Consolidated Plan

i. Plan Development

During the development of the Five-Year Consolidated Plan, the City will consult the following services/agencies to solicit their input on housing and community development needs:

- Health Services Providers
- Social Services for: Children, Elderly, Disabled, Homeless, Persons With AIDS
- State and Local Health Agencies
- Adjacent Local Governments
- Economic Development Interests
- Public Housing Agencies

A variety of mechanisms may be utilized to solicit input from these persons, service providers, or agencies. These include telephone or personal interviews, mail surveys, and consultation workshops.

ii. Public Review and Comment

The Draft Consolidated Plan will be made available for public review for a 30-day period. Written comments will be accepted during the 30-day public review. A summary of the comments and views, and City responses shall be attached to the Consolidated Plan.

iii. Public Hearings

The City will conduct a public hearing/meeting to accept public input on community needs during the development stage of the Draft Consolidated Plan. The City Council will also conduct one (1) public hearing to accept comments on the Draft Consolidated Plan which will be provided for public review for a 30-day period prior to the public hearing (see above).

iv. Plan Amendment

Substantial Change:

The City will formally amend its approved Five-Year Consolidated Plan whenever a decision is made to propose a substantial change in allocation priorities or method of distribution of funds.

For the purpose of the Five-Year Consolidated Plan, a "substantial change" will constitute a cumulative change equal to or in excess of 20% of the City's CDBG entitlement for a program year.

For example, if the Five-Year Consolidated Plan's *Priority Needs Summary Table* indicates a "Low Priority Need" for multi-family housing rehabilitation, and during the five-year time frame, the City changes the priority level to "High" in order to implement a multi-family rehabilitation program using 20% or more of the City's annual CDBG allocation; this change would constitute a substantial change to the Five-Year Consolidated Plan and a formal amendment to the Plan is required.

Changes in the allocation priorities not amounting to 20% of the entitlement will not be considered as a substantial change to the Five-Year Consolidated Plan; therefore, no formal amendment to the Plan requiring public review and comment will be warranted. City Council approval of the priority changes is still required.

However, if a program or type of programs is indicated in the Five-Year Consolidated Plan as "No Such Need," the City will need to amend the Consolidated Plan in order to implement the program(s) regardless of

the level of funding. A change from "No Such Need" to a Low, Medium, or High level priority is considered by HUD as a substantial amendment to the Consolidated Plan.

v. Public Review and Comment

Substantial amendments to the Consolidated Plan will be made available for a 30-day public review. Written comments will be accepted during the 30-day public review period. A summary of the comments and views, and City responses must be attached to the amendment.

vi. Public Hearings

The City Council will conduct one (1) public hearing/meeting to accept public input on any amendment to the Consolidated Plan.

c. One Year Action Plan

i. Plan Development

In addition to Newport Beach residents, the City will ensure that public (including City staff) and private agencies that provide the following services will be consulted in the development of the Action Plan:

- Health Services Providers
- Social Services for: Children, Elderly, Disabled, Homeless, Persons With AIDS
- State and Local Health Agencies
- Adjacent Local Governments
- Economic Development Interests
- Public Housing Agency

These persons/service providers/agencies will be contacted and brought into the process in the following manner:

- Each year, the City will send a written Notice of Funding Availability (NOFA) to each cooperating department and nonprofit agency advising them that the planning cycle has begun for CDBG funds, and that the City is accepting project proposals.
- City staff will conduct outreach to special interest groups in Newport Beach, such as senior citizens and the disabled, and make presentations on the Action Plan to these groups where necessary.

- The City will conduct an eligibility analysis on all project proposals submitted and review the eligible proposals for service provider grants. The review for funding consideration will be conducted by the CDBG Advisory Committee.

ii. Public Review and Comment

The Draft Action Plan incorporating the City's proposed uses of CDBG funds will be made available for public review for a 30-day period. Written comments will be accepted during the 30-day public review. A summary of the comments and views, and City responses will be attached to the Action Plan.

iii. Public Hearings

The CDBG Advisory Committee may hold a public meeting to discuss the eligible project proposals and funding recommendations for both public service grant and capital outlay projects, and make funding decisions. The City Council will conduct one (1) public hearing to accept comments on the Draft Action Plan which will be provided for public review for a 30-day period (see above).

iv. Action Plan Amendment

Substantial Change:

The City will formally amend its approved Action Plan whenever a decision is made to propose a substantial change to the Plan, either by:

- carrying out an activity not previously described in the Action Plan;
- canceling an activity previously described in the Action Plan;
- increasing or decreasing the amount to be expended on a particular activity from the amount stated in the Action Plan by more than 20 percent; or
- substantially changing the purpose, scope, location, or beneficiaries of an activity.

Changes in funding for an existing activity not amounting to more than 20 percent will not be considered as a substantial change to the One Year Action Plan; no formal amendment to the Action Plan requiring public review and comment will be warranted. However, City Council approval of the activity funding changes is still required.

v. Public Review and Comment

Substantial amendments to the Action Plan will be made available for a 30-day public review. Written comments will be accepted during the 30-day Public review. A summary of the comments and views, and City responses must be attached to the Action Plan.

vi. Public Hearings

The City Council will conduct one (1) public hearing to accept public input on any Substantial Amendment to the One-Year Action Plan.

d. Consolidated Annual Performance and Evaluation Report (CAPER) Plan Development

i. Public Review and Comment

The Consolidated Annual Performance and Evaluation Report (CAPER) will be made available for a 15-day public review. Written comments will be accepted during the 15-day public review. A summary of the comments and views, and City responses must be attached to the CAPER.

ii. Public Hearing

The City Council will conduct one (1) public hearing to accept public input on the Consolidated Annual Performance and Evaluation Report (CAPER).

e. Five-Year Analysis of Impediments (AI) to Fair Housing Choice

i. Plan Development

During the development of the Five-Year AI, the City or its contracted third-party provider will consult the following groups/agencies to solicit their input on fair housing issues in the City:

- Fair Housing Organizations
- Other local governments
- Advocacy groups for special needs households
- Affordable housing providers
- Banks and other financial institutions
- Educational institutions

A variety of mechanisms may be utilized to solicit input from these groups/agencies. These include telephone or personal interviews, mail surveys, and consultation workshops.

ii. Public Review and Comment

The Draft AI will be made available for public review for a 30-day period. Written comments will be accepted during the 30-day public review. A summary of the comments and views, and City responses must be attached to the AI.

iii. Public Hearings

The City will conduct one (1) public hearing/meeting to accept public input on fair housing issues during the development stage of the Draft AI. The City Council will also conduct one (1) public hearing to accept comments on the Draft AI which will be provided for public review for a 30-day period (see above).

6. Public Notification

a. Public Hearings

Each program year, the City Council will convene a minimum of two (2) public hearings during regular or special meetings of the City Council to accept public comments on the CDBG Program—particularly the CPD documents. Specifically, one (1) public hearing must be conducted following a 30-day public review period for the Annual Action Plan. This public hearing usually takes place at the last City Council meeting in April or the first City Council Meeting in May prior to the City’s submission of the final Action Plan to HUD 45 days prior to the start of the program year on July 1. The second public hearing concerning the draft CAPER is usually conducted at the last City Council meeting in August or the first City Council meeting in September prior to the submittal of the final CAPER to HUD 90 days following the close of the program year (June 30).

At least 30 days in advance of the adoption of the Annual Action Plan and at least 15 days in advance of the adoption of the CAPER, Staff will provide the draft document for public review and will provide the public with notice of the public review and comment period. This notice will also include the date and time of the public hearing before the City Council where public comments on the draft documents may be entered into the official City record. Public Notices of the public review, comment, and public hearing will include:

- Publishing one (1) notice in the Daily Pilot and/or other newspapers of general circulation in the City; and
- Posting notices at City Hall and the City’s website

b. Public Meetings

Public notices of public meetings will include:

- Publishing one (1) notice in the Daily Pilot and/or other newspapers of general circulation in the City; and
- Posting notices at City Hall and the City's website at least 10 days prior to the meeting date.

c. Documents for Public Review

Notices of availability of all draft Consolidated Plan Documents (CPD) for public review and a summary of the CPD will be published in a display ad in the Daily Pilot. Additionally, Notices of Availability will be posted at City Hall and on the City's website.

7. Access to Meetings

All public hearings will be conducted at the following location:

City of Newport Beach
City Council Chambers
3300 Newport Blvd.
Newport Beach, CA 92663

It is the intention of the City to comply with Section 504 of the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act (ADA) of 1990 and the ADA Amendment Act of 2008, the Fair Housing Act, and the Architectural Barriers Act in all respects. If an attendee or participant at a public hearing or public meeting needs special assistance beyond what is normally provided, the City will attempt to accommodate requests from persons with disabilities¹ in every reasonable manner². Persons seeking special accommodations must notify the City Clerk at least 48 hours prior to the public hearing or meeting so that appropriate accommodations or services may be arranged.

8. Availability of Documents for Public Review

The City will place draft copies of the Consolidated Plan Documents and any substantial amendments to these documents for public review at the following locations:

- City of Newport Beach, Planning Department
3300 Newport Blvd.
Newport Beach, CA 92663

¹ For example, special communication systems (e.g., TTY for persons who are hearing or speech impaired, materials on tape or in Braille).

² An individual with a disability is any person who has a physical or mental impairment that substantially limits one or more major life activities. The term "physical or mental impairment" may include, but is not limited to, conditions such as visual or hearing impairment, mobility impairment, HIV infection, mental retardation, drug addiction (except current illegal use of or addiction to drugs), or mental illness. The term "major life activity" may include seeing, hearing, walking, breathing, performing manual tasks, caring for one's self, learning, speaking, or working. Persons with disability are also persons who have a record of such impairment, or are regarded as having such impairment.

- City Clerk's Office
3300 Newport Blvd.
Newport Beach, CA 92663

- City of Newport Beach – Central Library
1000 Avocado Avenue
Newport Beach, CA 92660

The City will provide a reasonable number of free copies of the documents to citizens and groups upon request. Notices of Availability of draft documents for public review will be published as specified in the Citizen Participation Plan.

The City will make reasonable efforts to accommodate requests to translate documents in a different language or in Braille.

9. Access to Records

The City will ensure timely and reasonable access to information and records related to the development of the Consolidated Plan Documents (CPD) and the use of monies for programs funded by CDBG. Information to be made available will include budget and program performance information, meeting minutes, and comments received by the City during the development of the CPD.

Requests for information and records must be made to the City of Newport Beach in writing. Staff will respond to such requests within 15 working days or as soon as possible thereafter.

10. Technical Assistance

Upon request, staff may provide technical assistance to groups representing extremely-low, low-, and moderate-income persons to develop funding requests for CDBG eligible activities. Technical assistance will be provided as follows:

- Establish an annual project proposal submission and review cycle (NOFA) that provides information, instructions, forms and advice to interested extremely low-, low- and moderate-income citizens or representative groups so that they can have reasonable access to the funding consideration process.

- Provide self-explanatory project proposal forms and instructions to all persons who request them whether by telephone or by letter. The City's funding application form is designed to be easily understood, while still addressing all key items necessary to assess the proposed project. Statistics concerning specific areas of the City may be furnished by City staff upon request.

- Answer, in writing, all written questions and answer verbally all verbal inquiries received from citizens or representative groups regarding how to write or submit eligible project proposals.

- Meet with groups or individuals as requested, to assist in identifying specific needs and to assist in preparing project proposal applications.
- Obtain information in the form of completed project proposal forms from citizens or non-profit agencies and assemble a list of proposals available for public review.
- Conduct a project eligibility analysis to determine, at an early stage, the eligibility of each project. In cases where only minor adjustments are needed to make proposals eligible or otherwise practical, City staff will advise the applicants on the options available and desired changes to the proposals.
- Provide foreign language translation on as needed basis.
- Accommodate special needs for disabled persons.

11. Comments and Complaints

a. Comments

Citizens or the City government, as well as agencies providing services to the community, are encouraged to state or submit their comments in the development of the CPD and any amendments to the CPD. Written and verbal comments received at public hearings or during the comment period, will be considered and summarized, and included as an attachment to the City's final CPD. Written comments should be addressed to:

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

A written response will be made to all written comments within ten working days, acknowledging the letter and identifying a plan of action, if necessary. Every effort will be made to send a complete response within 15 working days to those who submit written proposals or comments.

Copies of the complete final CPD and amendments to the CPD will be available to residents at the following locations:

- City of Newport Beach Planning Department
- City Clerk's Office
- Newport Beach Public Library

b. Complaints

Complaints regarding the CPD planning process and CPD amendments must be made within 30 days from the date the document is published for

comment. A written response will be made to all written complaints within 15 working days, acknowledging the letter and identifying a plan of action, if necessary.

The City will accept written complaints provided they specify:

- The description of the objection, and supporting facts and data.
- Provide name, address, telephone number, and a date of complaint.

12. Bilingual Opportunities

Wherever a significant number of extremely low- and low-income persons speak and read a primary language other than English, translation services at all public hearings will be provided in such language if translation services are available and are requested of the City Clerk's office in advance at least 72 hours prior to the public meeting.

13. Appeals

Appeals concerning the CPD, statements, or recommendations of the staff should be made to the following persons in the following order:

- Planning Director
- Assistant City Manager
- City Manager
- City Council
- Los Angeles Area Office of HUD (if concerns are not answered)