

4.10 POPULATION AND HOUSING

4.10.1 Introduction

This section evaluates the impacts of the proposed General Plan Update associated with population and housing within the City of Newport Beach. Data used to prepare this section were taken from the United States Bureau of the Census, the California Department of Finance (DOF), and the Southern California Association of Governments (SCAG). Full bibliographic entries for all reference materials are provided in Section 4.10.5 (References) of this section.

During the Initial Study process, it was determined that the proposed project would potentially have impacts associated with the three population and housing CEQA criteria for determining significance, though these impacts were found to be less than significant. Therefore, all potential impacts (regarding whether the project would induce substantial population growth either directly or indirectly, or displace substantial numbers of existing housing or people, necessitating the construction of replacement housing elsewhere) were analyzed as part of this EIR. Full bibliographic entries for all reference materials are provided in Section 4.10.5 (References) of this section.

Two comment letters associated with population and housing were received in response to the (IS/NOP) circulated for the proposed General Plan Update. The Environmental Quality Affairs Citizens Advisory Committee for the City of Newport Beach requested that the DEIR include an analysis of the number of dwelling units to be added upon buildout of the proposed General Plan Update, including the number of additional residents associated with the addition of these dwelling units. A resident of the City also requested that the DEIR provide reference to the number of people per household under existing and proposed conditions, as well as the percent growth in population that would occur under the proposed project. Sections 4.10.2 (Existing Conditions) and 4.10.4 (Project Impacts, Mitigation Measures, and Proposed Policies) provide such an analysis.

4.10.2 Existing Conditions

■ Population

Newport Beach was incorporated in 1906 and the population has increased every decade since then. Table 4.10-1 shows the population growth that occurred during the last 50 years based on available data. As shown, the population in 1950 was 12,120 and by 1960, had more than doubled to 26,564 persons.⁶⁵ In 1970, the population nearly doubled again to 49,442 persons and by 1980, the population had reached 62,556 persons. During the following decade, the population increased only slightly to 66,643 persons in 1990. As of 2005, after annexation of Newport Coast in 2002, the City had a population of

⁶⁵ City of Newport Beach, Demographics: http://www.city.Newport-beach.ca.us/pln/demo_main.htm, Accessed February 2, 2006.

approximately 83,120 residents, while Orange County had a total population of approximately 3,056,865 residents.⁶⁶

Year	Population	Year	Population
1950 ^a	12,120	1996 ^b	69,246
1960 ^a	26,564	1997 ^b	70,512
1970 ^a	49,442	1998 ^b	72,951
1980 ^a	62,556	1999 ^b	74,317
1990 ^a	66,643	2000 ^a	70,032
1991 ^b	67,028	2001	75,662
1992 ^b	67,572	2002	72,622
1993 ^b	68,199	2003 ^c	81,435 ^b
1994 ^b	68,572	2004 ^c	82,255 ^b
1995 ^b	68,920	2005 ^c	83,120 ^b

SOURCE: City of Newport Beach website

^a April Decennial Census of Population, U.S. Census Bureau

^b January Revised Estimate, State Department of Finance (rates per 1,000 population)

^c Population figure includes January 1, 2002, annexation of Newport Coast

Projections

The recent population and household forecasts provided in Table 4.10-2 for the City of Newport Beach, Orange County (OCCOG SubRegion), and SCAG region were prepared by SCAG in 2004. As shown, the projections for existing conditions in the City and Orange County vary slightly compared to the DOF data. For this reason, DOF data are used for baseline data, while SCAG data are used for future projections in this EIR.

	2005	2010	2015	2020	2025	2030
Newport Beach						
Population	83,585	89,527	91,147	92,365	93,488	94,167
Households	37,015	39,443	40,196	41,345	42,470	43,100
Orange County (OCCOG Region)						
Population	3,103,377	3,291,628	3,369,745	3,433,609	3,494,394	3,552,742
Households	978,423	1,034,027	1,046,473	1,063,976	1,081,421	1,098,474
SCAG Region						
Population	18,117,604	19,208,661	20,191,117	21,137,519	22,035,416	22,890,797
Households	5,673,585	6,072,578	6,463,402	6,865,355	7,263,519	7,660,107

SOURCE: SCAG 2004, Growth Forecast

⁶⁶ State of California, Department of Finance, E-1 City / County Population Estimates, with Annual percent Change, January 1, 2004 and 2005. Sacramento, California, May 2005.

■ Households

A household is defined by the DOF and the Census as a group of people who occupy a housing unit. A household differs from a dwelling unit because the number of dwelling units includes both occupied and vacant dwelling units. It is important to note that not all of the population lives in households. A portion lives in group quarters, such as board and care facilities; others are homeless.

Vacancy Rates

The vacancy rates and affordability of the housing stock are also key elements in the balance between supply and demand in the City's housing market. High vacancy rates usually indicate low demand and/or high prices in the housing market or significant mismatches between the desired and available types of housing. Conversely, low vacancy rates usually indicate high demand and/or low prices in the housing market. However, vacancy rates are not the sole indicator of market conditions. They must be viewed in the context of all the characteristics of the local and regional market and economy. Vacancy rates, which indicate a "market balance" (i.e., a reasonable level of vacancy to avoid local housing shortages, and appropriate price competition and consumer choice), generally range from 1 percent to 3 percent for single-family units, and from 3 to 5 percent for multifamily units. According to DOF, the City currently has a vacancy rate of 10.9 percent. This is substantially higher than that of the County, which currently maintains a vacancy rate of 3.7

Household Size

Small households (1 to 2 persons per household [pph]) traditionally reside in units with 0 to 2 bedrooms; family households (3 to 4 pph) normally reside in units with 3 to 4 bedrooms. Large households (5 or more pph) reside in units with 4 or more bedrooms. However, the number of units in relation to the household size may also reflect preference and economics: many small households obtain larger units, and some large families live in small units for economic reasons.

Table 4.10-3 compares the number of households in the City of Newport Beach and Orange County for the period 2000-2005. The average household size in the City of Newport Beach increased slightly from 2.09 pph in 2000 to 2.19 pph in 2005. The average household size of 2.19 persons in 2005 is used for projections in this EIR.

Table 4.10-3 Households in Newport Beach and Orange County (2000–05)

<i>Area</i>	<i>2000</i>	<i>2005</i>
Total Households		
Newport Beach	33,071	37,545
Orange County	935,287	976,540
Average Household Size (persons per household)		
Newport Beach	2.09	2.19
Orange County	3.00	3.09

SOURCE: California State Department of Finance 2000, 2005

Household figures represent occupied house units.

■ Housing

Residential Growth and Dwelling Unit Types

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

4.10.3 Thresholds of Significance

The following thresholds of significance are based on Appendix G of the 2005 CEQA Guidelines. For purposes of this EIR, implementation of the proposed project may have a significant adverse impact on biological resources if it would result in any of the following:

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

4.10.4 Project Impacts, Mitigation Measures, and Proposed Policies

■ Effects Not Found to Be Significant

The IS/NOP prepared for the proposed project did not identify any effects not found to be significant associated with Population and Housing. Therefore, all thresholds are addressed in this section.

■ Project Impacts

Threshold	Would the proposed project induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?
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Impact 4.10-1 Implementation of the proposed General Plan Update would induce substantial growth in an area, either directly or indirectly.

As discussed in Chapter 1 (Introduction), the baseline used in this EIR consists of 2002 data, as presented in the TBR. This baseline presents a more conservative analysis for this EIR because the TBR does not include the growth authorized under the existing General Plan that occurred between 2002 and

the January 2006 IS/NOP publication date. Thus, for the purposes this analysis, the total population upon buildout of the proposed General Plan Update is derived by adding the projected increase to the City's 2002 population rather than the 2005 population. This allows for a more accurate representation of the population in the Planning Area upon buildout of the General Plan Update, and provides a more conservative estimate of the population increase.

Residential units developed under the proposed General Plan Update would increase the City's population. In 2002, there were approximately 40,179 residential units in the City. According to Table 3-3 in the Project Description, buildout of the proposed General Plan Update would increase the number of dwelling units by 14,215 units (approximately 12,515 multi-family units and approximately 1,700 single-family units), for a total of 54,394 units, representing a 35 percent increase in the number of dwelling units over 2002 conditions. Buildout of the existing General Plan would increase the number of dwelling units by 9,549, or a 24% increase over 2002 conditions.

According to the DOF, the 2002 population was approximately 72,622 residents. For purposes of comparison, the existing (2005) population is approximately 83,120 residents, which is approximately 465 persons less than what was projected by SCAG in 2004 (Table 4.10-2). However, as discussed previously, the baseline year (2002) is used for all impact analyses in this EIR because the TBR presents a more conservative (or worst-case scenario) analysis. Using the City's existing pph rate of 2.19, the net increase of 9,549 residential units under the existing General Plan would result in a population increase of 20,912 residents. Under the proposed General Plan Update, the potential increases would be greater, as 14,215 residential units would result in a population increase of approximately 31,131 residents. Consequently, this increase would result in a total population of 103,753 persons at buildout of the proposed General Plan Update, which would represent an approximately 43 percent increase in population over the 2002 population and an approximately 37 percent increase in population over existing conditions. This increase is considered to be substantial. This estimated population increase represents the most conservative or worst-case scenario, as it assumes that all allowed units would be built, which has not occurred under the existing General Plan. Additionally, this estimate assumes that all units in the City would be occupied. However, as previously discussed, the City currently has a 10.9 percent vacancy rate, which is substantially higher than that of the County. Thus, units that would likely remain vacant (due to conditions such as seasonal housing) are included in the calculation of the City's population upon buildout of the proposed General Plan Update. Further, implementation of the proposed General Plan Update would include development of more multi-family residential units, which typically have fewer persons residing in each unit as compared to single-family units. Because multi-family residential units do not presently make up a substantial portion of the City's residential land uses, the existing 2.19 pph does not reflect a reduction in future pph rates.

The increase in residential units and the associated increase in population would exceed SCAG projections. The number of households in the City is projected by SCAG at 43,100 by 2030, while the number of dwelling units under the proposed General Plan Update would be 54,394 units. The SCAG-projected population is 94,167 by 2030, and the population resulting from the proposed General Plan Update buildout would be approximately 10 percent higher, or 103,753 residents.

Because the residential portion of the proposed General Plan Update would substantially increase population growth within the City (by approximately 43 percent over 2002 population, approximately 37 percent over existing conditions, and approximately 10 percent higher than existing SCAG projections), impacts on population growth would be considered *significant*.

Threshold	<p>Would the proposed project displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?</p> <p>Would the proposed project displace substantial numbers of existing people, necessitating the construction of replacement housing elsewhere?</p>
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Implementation of the proposed General Plan Update would not displace substantial numbers of existing housing or people.

Development under the proposed General Plan Update would occur primarily on sparse, developable land the City has left, by intensifying current land uses, and through the conversion of land uses of economically underperforming and obsolete development. In addition, new development on the currently vacant Banning Ranch area could occur if this area cannot be retained for open space. No substantial demolition of residential uses is proposed under the General Plan Update.

There is an allowance for the loss of ten single-family residential units in the West Newport Mesa subarea, only if these units are sold voluntarily by the owners. These properties could be converted to commercial uses. However, West Newport Mesa would also gain 1,070 multi-family residential units, which would be consistent with Policy LU 6.6.2, which promotes the development of a mix of residential types and building scales within the subarea.

Since the proposed General Plan Update does not propose uses that would displace substantial numbers of existing housing or people, there would be *no impact*.

■ Cumulative Impacts

The geographic context for the cumulative impacts associated with population and housing issues is Orange County, which assumes full buildout of the proposed General Plan Update, in combination with buildout of the County as currently planned.

SCAG’s regional growth data project that the population of Orange County will be 3,552,742 persons in 2030, an increase of 495,877 persons over the County’s existing population. SCAG also projects that the population of the City will be 94,167 persons in 2030. The proposed General Plan Update projects that the population of the City will be 103,753 persons in 2030, an increase of 9,586 persons over what SCAG projects in 2030 for the City and Orange County. As stated in Impact 4.10-1, this is an increase of approximately 10 percent over what SCAG projects for the City in 2030. In the cumulative context of Orange County, this represents an increase of approximately less than one percent over what is projected by SCAG for 2030. On a cumulative level, the proposed project would not result in substantial population growth beyond projections, and would not induce substantial population growth in an area,

either directly or indirectly. This cumulative impact would be *less than significant*. The project would have a *less-than-significant* contribution to this effect.

It is currently unknown whether cumulative development within the County could result in demolition of existing housing units, displacing existing persons or dwelling units. However, development related to the General Plan Update would not result in or contribute to substantial demolition of existing housing that would displace existing people or dwelling units. If housing units were displaced as a result of future development proposals in the County, relocation plans would be prepared consistent with Federal and State law (similar to Housing Program 4.2.2 in the Housing Element). Thus, the General Plan Update, as well as development within the County, would not result in the displacement of persons or housing without providing replacement housing. This cumulative impact would be *less than significant*. The project would have a *less-than-significant* contribution to this effect.

■ Proposed General Plan Update Policies

The Housing Element of the proposed General Plan Update includes policies that would address issues related to population and housing within the City of Newport Beach. The policies that are applicable to the project are included below.

Housing Element

Goal H 1 Quality residential development and preservation, conservation, and appropriate redevelopment of housing stock

Policy H 1.1 Support all reasonable efforts to preserve, maintain, and improve availability and quality of existing housing and residential neighborhoods, and ensure full utilization of existing City housing resources for as long into the future as physically and economically feasible.

Housing Program 1.1.1—Improve housing quality and prevent deterioration of existing neighborhoods by strictly enforcing Building Code regulations and abating Code violations and nuisances.

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

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

Goal H 2 A balanced residential community, comprised of a variety of housing types, designs, and opportunities for all social and economic segments

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

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

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

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

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

Policy H 2.2 Encourage the housing development industry to respond to housing needs of the community and to the demand for housing as perceived by the industry, with the intent of achieving the Regional Housing Needs Assessment construction goals within five (5) years.

Housing Program 2.2.1—Require a proportion of affordable housing in new residential developments or levy an in-lieu fee. The City's goal over the five-year planning period is for an average of 20% of all new housing units to be affordable to very low-, low-, and moderate-income households. The City shall either a) require the production of the housing units affordable to very low-, low- or moderate-income households, or b) require the payment of an in-lieu fee, depending on the following criteria for project size:

1. Projects of fifty or fewer units shall have the option of providing the units or paying the in-lieu fee.
2. Projects where more than fifty units are proposed shall be required to provide the units.

All required very low-, low-, and moderate-income units shall be provided on-site unless at an off-site location approved by the City. Implementation of this program will occur in conjunction with City approval of any residential discretionary permits or Tentative Tract Maps. To insure compliance with the

20% affordability requirements, the City will include conditions in the approval of discretionary permits and Tentative Tract Maps to require ongoing monitoring of those projects.

Housing Program 2.2.2—The City shall provide more assistance for projects that provide a higher number of affordable units or a greater level of affordability. At least 20% of units shall be affordable when assistance is provided from Community Development Block Grant funds or the City’s in-lieu housing fund.

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

Housing Program 2.2.4—All required affordable units shall have restrictions to maintain their affordability for a minimum of 30 years.

Housing Program 2.2.5—Advise existing landowners and prospective developers of affordable housing development opportunities available within the Banning Ranch, Airport Area, Newport Center, West Newport Mesa, Mariners’ Mile, West Newport Highway, and Balboa Peninsula areas.

Housing Program 2.2.6—Periodically contact known local developers and landowners to solicit new affordable housing construction.

Housing Program 2.2.7—Participate in other housing assistance programs that assist production of housing.

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

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

Goal H 3 **Housing opportunities for as many renter and owner occupied households as possible in response to the demand for housing in the city**

Policy 3.2 **Enable construction of new housing units sufficient to meet City quantified goals by identifying adequate sites for their construction.**

Housing Program 3.2.1—Identify the following sites as adequate, which will be made available through appropriate zoning and development standards and

with public services and facilities needed to facilitate and encourage development of a variety of housing types to meet City housing goals as identified pursuant to Government Code Section §65583(b): Banning Ranch, Airport Area, Newport Center, West Newport Mesa, Mariners’ Mile, West Newport Highway, and the Balboa Peninsula areas.

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

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

Goal H 4 Preservation and increased affordability of the city’s housing stock for very low-low-, and moderate-income households

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

Housing Program 4.2.1—Investigate the use of Federal funds to provide technical and financial assistance, if necessary, to all eligible homeowners and residential rental property owners to rehabilitate existing dwelling units through low- interest loans or potential loans, or grants to very low, low- and moderate-income, owner-occupants of residential properties to rehabilitate existing units. (Imp 43.8)

Housing Program 4.2.2—In accordance with Government Code Section 65863.7, require a relocation impact report as a prerequisite for the closure or conversion of an existing mobile home park. (Imp 17.2)

Housing Program 4.2.3—Should need arise, consider using a portion of its Community Development Block Grant funds for establishment and implementation of an emergency home repair program. Energy efficient products shall be required whenever appropriate. (Imp 34.2)

Housing Program 4.2.4—Participate as a member of the Orange County Housing Authority Advisory Committee and work in cooperation with the Orange County Housing Authority to provide Section 8 Rental Housing Assistance to residents of the community. The City shall, in cooperation with the Housing Authority, recommend and request use of modified fair market rent limits to increase number of housing units within the City that will be eligible to participate in the program. The Newport Beach Planning Department shall prepare and implement a publicity program to educate and encourage landlords within the City to rent their units to Section 8 Certificate holders and to make very low-income households aware of availability of the Section 8 Rental Housing Assistance Program. (Imp 19.3)

Housing Program 4.2.5—Participate in a Joint Powers Authority of Orange County jurisdictions for the purpose of financing and administering a lease purchase program for first-time homebuyers. (Imp 19.3)

Land Use Element

The Land Use Element of the proposed General Plan Update includes policies that would address issues related to land use within the City of Newport Beach. The policies that are applicable to the project are included below.

Goal LU 6.6 A medical district with peripheral medical services and research facilities that support the Hoag Hospital campus within a well-planned residential neighborhood, enabling residents to live close to their jobs and reducing commutes to outlying areas.

Policy LU 6.6.2 Residential Types

Promote the development of a mix of residential types and building scales within the densities permitted by the “RH-A” designation, which may include single-family attached, townhomes, apartments, flats, and comparable units. Residential densities may be increased on a property as a means of promoting a variety of housing types within Newport Mesa, provided that the overall average density of 30 units per adjusted gross acre is not exceeded.

■ Impacts and Mitigation Measures

While mitigation measures are available for resource sections that analyze the direct impacts of population growth, there are no mitigation measures to reduce the substantial increase in growth alone.

Level of Significance After Policies/Mitigation Measures

After implementation of the proposed General Plan Update policies, impacts to population and housing would remain *significant and unavoidable*.

4.10.5 References

Applied Development Economics, Inc. 2004. Fiscal Impact Analysis and Model.

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