



# The Week in Review

City Manager Grace K. Leung  
January 17, 2020

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## Upcoming Events

**Monday, January 20**

**[Holiday Closure – Martin Luther King Jr. Day](#)**

The Civic Center and select City facilities will be closed

**Tuesday, January 21**

**Library Lecture Hall Committee Meeting**

City Hall, Crystal Cove Conference Room (Bay 2D)  
100 Civic Center Drive  
8 a.m.

**Tuesday, January 21**

**Board of Library Trustees Meeting**

Central Library  
1000 Avocado Avenue  
5 p.m.

**Wednesday, January 22**

**Newport Beach Restaurant Association BID Board Meeting**

Newport Beach & Co. Offices  
1600 Newport Center Drive, Suite 120  
9:30 a.m.

**Thursday, January 23**

**Corona del Mar BID Board Meeting**

City Hall, Corona del Mar Conference Room (Bay1E)  
100 Civic Center Dr.  
7:30 a.m.

## **Housing Action Plan Goes to Council**

On Tuesday, January 14, the City Council received a presentation from staff on the Regional Housing Needs Assessment (RHNA) allocation for the City of 4,832 new housing units and outlined an action plan to move forward.

The *Housing Action Plan* was designed with a purpose to “firmly challenge and plan to comply.” The action plan identifies four objectives: (1) Facilitate compliance with mandated deadlines and requirements; (2) appeal to reduce the City’s RHNA number; (3) focus the General Plan update on housing; and (4) collaborate regionally. Each of the objectives has tasks beneath to accomplish the overlying objective. The Mayor, each council member, and the public participated in an engaging discussion of what needs to be considered as part of the action items in the plan. Staff came away with a tremendous amount of feedback and “to-do” items, so there will definitely be more information to come, as we begin to move on the action plan.

In short, Council directed staff to appeal the SCAG numbers, asking for a reduction in housing units based on unique characteristics of Newport Beach and overlapping jurisdictions that make development difficult (Coastal Commission, Federal Aviation Administration (FAA), Federal Emergency Management Agency (FEMA), etc.). Staff will pursue legislative amendments and collaborate with regional entities. A new Housing Element Update Advisory Committee will be created and the General Plan Update Steering Committee will be dissolved.

## **Housing Element Update Advisory Committee Applications Sought**

The Housing Element Update Advisory Committee will advise the Council on policy decisions and guide City staff on issues related to the drafting of a certifiable Housing Element as required by the state Department of Housing and Community Development.

Visit the City’s website for a complete listing of meetings and events at [newportbeachca.gov/events](http://newportbeachca.gov/events).

**Thursday, January 23**

**Tourism BID Board Meeting**

The Resort at Pelican Hill – Vista Mar Lounge  
22701 S Pelican Hill Road,  
Newport Coast, CA 92657  
1:30 p.m.

**Thursday, January 23**

**Planning Commission Meeting**

City Hall  
City Council Chambers  
100 Civic Center Dr.  
6:30 p.m.

**Friday, January 24**

**Witte Lecture: Doris Kearns**

**Goodwin**

Friends Room  
Central Library  
1000 Avocado Avenue  
7 p.m. (Central Library closes at  
5 p.m.)

**Saturday, January 25**

**City Council Planning Session**

City Hall  
City Council Chambers  
100 Civic Center Dr.  
9 a.m.

**Saturday, January 25**

**Witte Lecture: Doris Kearns**

**Goodwin**

Friends Room  
Central Library  
1000 Avocado Avenue  
2 p.m.

The 10-member committee will consist of nine appointed residents and a non-voting member (the Mayor or Council designee). Residents with experience and knowledge in one or more of the following areas are encouraged to apply: development of affordable and/or senior housing; California environmental law; transportation analysis/circulation planning; architectural or land use planning; real estate financing; residential development; general law; and leading public meetings.

Applications for the committee are due by January 25. For applications and information: [newportbeachca.gov/vacancy](http://newportbeachca.gov/vacancy).

**Homeless Update**

Last week, City Net and the Homeless Liaison Officer collaborated to assist with a family reunification. A woman who had been staying at the Newport Transportation Center has moved back to Arizona to live with her brother. City Net initiated contact with her brother, arranged for transportation, and coordinated her move. City Net, the City's social services contractor, provides street outreach to people experiencing homelessness to identify and provide appropriate resources.

During the Rapid Response Team outreach at the Newport Transportation Center last week, City staff assisted a woman with ties to Corona del Mar who had lost her housing arrangements. She was in distress and attempting to locate shelter before sundown. The Homeless Liaison Officer provided directions to the Fullerton Armory as well as a bus pass. The Rapid Response Team offered medical aid, which she declined. The Homeless Coordinator verified the bus route with the OCTA driver and ensured the woman boarded the correct bus for the trip. The Rapid Response Team is comprised of City staff from the Police and Fire Departments, the Public Works Department, and Recreation and Senior Services Department. The Rapid Response Team offers comprehensive services to people experiencing homelessness on days City Net is not on-site in Newport Beach.

**Small Cell FAQ and Interactive Map**

Staff has been busy processing applications from AT&T and Verizon for new small cell telecommunications facilities on City-owned streetlights. The City has received many inquiries from residents about small cell technology, and created a Frequently Asked Questions (FAQ) page, which has been added to the [City's website](http://City's website) to provide another resource for information on this new technology. Additionally, an interactive map viewer has been created to show the telecommunications facilities that are being processed for City-owned properties around town. The map can be found on the City's website at: <https://nbgis.newportbeachca.gov/NewportHTML5Viewer/index.html?viewer=TelecomSites>

## **Treasury Report Update**

The November 2019 Treasury Report is available on the City's website at: [www.newportbeachca.gov/treasury](http://www.newportbeachca.gov/treasury).

As of November, the City's portfolio totaled just over \$275 million, from all sources. Roughly \$47 million of this portfolio was highly liquid, meaning it was available for cash flows associated with day-to-day operations and cash funding of major construction expenditures.

The short-term portfolio (\$220 million) had a weighted average effective maturity of 1.86 years. The trailing twelve months' total return was 4.48%. This return compared favorably to our benchmark for the same period, the BAML 1-3 Year Treasury index, which returned 4.15%. The income yield on the portfolio, a better measure of income derived from the portfolio, was 2.17%.

## **Open Budget Data Updated Through December 31, 2019**

The City of Newport Beach makes financial information available to review the status of revenues and expenditures. The online Open Budget Portal provides citizens an in-depth and friendly view of the City's financial data including the City's revenue sources, expenditures and the Capital Improvement Program (CIP). The site provides users the ability to view the financial data in a table, chart or graph format. Interactive features of the site allow for searching by departmental or other types of budget categories. The CIP portion of the site organizes information by funding category, funding source or by project. Users will also find project photos, the current phase of the project and a map showing the project's location.

### **Revenues**

Through December 31, 2019, the City's General Fund has received \$109.4 million, or 47.5%, of the \$230.5 million of budgeted General Fund revenues. Receiving roughly half of the budgeted amount through the first half of the fiscal year indicates that revenues are tracking as anticipated. The General Fund's top three revenues sources (Property Taxes, Sales Taxes, and Transient Occupancy Tax) account for approximately 75% of all General Fund revenues. The City expects to receive \$173.8 million of revenue from these three sources in FY 2019-20.

### **Property Tax**

Property Tax is the top source of revenue for the City and represents almost half of all General Fund revenues. FY 2019-20 property taxes as a whole are budgeted to come in at \$113.6 million. The City has collected about \$53.4 million, or 47.0%, of budget through December 31, 2019, which is a \$2.6 million year-over-year increase when comparing through the same period last year.

### **Sales Tax**

Sales tax, the second largest revenue source for the City, is expected to finish FY 2019-20 at \$35.7 million. As of December 31, 2019, the City has received \$13.4 million, or 37.6%, of the sales tax budget. This is a normal trend for this time of year as the majority of sales tax is received in the second half of the fiscal year. Current year results are almost identical to prior year results through the same period.

### **Transient Occupancy Taxes**

Transient Occupancy Taxes (TOT) are budgeted at \$24.5 million for FY 2019-20. The City has realized 51.8%, or \$12.7 million, through December 31, 2019, which is a \$1.6 million increase through the same period of the prior year.

Click link below to view an interactive snapshot of General Fund revenues through December 31, 2019.

<https://newportbeachca.budget.socrata.com/#!/year/2020/revenue/0/fund/GENERAL+FUND/0/class>

### Expenditures

As of December 31, 2019, General Fund expenditures totaled \$98.3 million, which represents 44.2% of the \$222.6 million revised budget. Click link below to view an interactive snapshot of General Fund expenditures through December 31, 2019.

<https://newportbeachca.budget.socrata.com/#!/year/2020/operating/0/fund>

Open budget data is refreshed on a monthly basis and does not remain static. The narrative above represents the status of General Fund revenues and expenditures through December 31, 2019, and may not match data accessed subsequent to this time.

### **Bison Avenue, San Joaquin Hills Road and San Nicholas Drive Pavement Rehabilitation Project**

The City has successfully completed the MacArthur Blvd and University Avenue pavement rehabilitation project and Public Works is scheduled to continue with their next upcoming rehabilitation project. The City awarded a construction contract to R.J. Noble for the rehabilitation of Bison Avenue, San Joaquin Hills Road and San Nicolas Drive. The contractor is scheduled to start the work in the third week of January. Construction begins with replacement of deteriorated concrete driveways, sidewalks and access ramps. Followed by the next construction phase of grinding and repaving the asphalt roadway. Construction is scheduled to conclude by the end of March. During construction, some traffic lane closures will be required to facilitate the road work. Bison Avenue and San Joaquin Hills Road regular working hours will be between 8 a.m. and 4:30 p.m. on weekdays. San Nicolas Drive work will take place at night, working hours of 9 p.m. to 6 a.m.

### **Park Avenue Bridge Railing Installation**

The permanent railing for the Park Avenue Bridge is now ready for installation. A temporary rail was installed while the permanent rail was fabricated by a specialty fabricator in Colorado. Beginning on January 21 a City contractor will begin installing the permanent coated aluminum railing on the Park Avenue Bridge between Balboa Island and Little Balboa Island. Work is expected to be completed by the second week in February. Flagmen will be utilized to direct traffic anytime a traffic lane on the bridge will be closed. One sidewalk will be open to pedestrians at all times.

### **Tree Failure in Corona Del Mar**

On the morning on Wednesday, January 8, 2020, a Red Iron Bark Eucalyptus fell over into the street at 3320 Second Avenue. Our City Arborist responded, and found an apparent lack of roots, which would normally lift up hardscape located directly next to the tree's trunk.

Upon further investigation, it was determined that many of the roots located below the walkway were suffering from a wood-decaying fungus, commonly called soft rot. The fungus breaks down the wood fibers and therefore the tree's ability to anchor a tree. This decay can take many years to weaken the wood to the point where a tree fails. In this case, some past root pruning during residential construction led to the wounding, which in turn, led to the fungi entering the root system causing the soft rot.

This tree was previously trimmed in November 2019. The City continues to stay on schedule for City trees trimming cycle. Tree replacement is currently being coordinated by staff and the property owners with regards to approved tree species selection and planting schedule.

### **West Ocean Front Beachfront Landscape Restored**

In compliance to the City Municipal Code Section 13.08.030, "Removal or Relocation of Plants by City," property owners along 1100 West Ocean Front were notified of the City's intent to remove non-permitted landscaping on beachfront right-of-way in September 2019.

Public Works Landscape Maintenance Crew arrived on site on December 19 to commence the project, with some landscaping already removed by the property owners. After the irrigation pipes to the planters were disconnected, the rest of the landscaping was removed. As a result, the beachfront scenery has been restored back to its natural environment.

### **Misinformation on New State Water Allocations**

Recent news and radio reports may have provided inaccurate and confusing information regarding new laws set to take effect in the new year. Specifically, water use targets set by Senate Bill 606 (Hertzberg) and Assembly Bill 1668 (Friedman). Neither bill sets fines on water customers for taking a shower and doing laundry on the same day. The laws were signed in 2018, directing the State Regional Water Board to come up with new water use and efficiency standards. The State Water Board is working and collaborating with urban suppliers to implement the new efficiency standards and their ultimate goal is to standardize water use to 55 gallons per day per person. We ask residents to continue to use water wisely and efficiently and if you have any questions or suggestions, please contact our water conservation specialist at (949) 644-3214. Further information can also be found at: [https://www.waterboards.ca.gov/publications\\_forms/publications/factsheets/docs/water\\_efficiency\\_bill\\_factsheet.pdf](https://www.waterboards.ca.gov/publications_forms/publications/factsheets/docs/water_efficiency_bill_factsheet.pdf)

