



(NOTE: This excerpt begins on Page 3-64 of the June 2022 version. Only the highlighted yellow text reflects changes made since the June 2022 version. The balance of the text reflects what was previously submitted to HCD for review.)

Local Data and Knowledge

Locally-derived knowledge and contributing factors were developed in response to through community participation in outreach events, and through analysis conducted in Affirmatively Furthering Fair Housing development, and analysis of the sites inventory, and feedback and comments received on the draft Housing Element's data, sites inventory, and analysis and policy programs. Additionally, local knowledge has been gathered and retained by City staff during the course of routine business over many decades of service. The various City Departments interact with the residents and businesses, property owners, developers, the various elected and appointed representatives, and the public on a daily basis. One aspect of providing service is to listen to the needs of the community and then to work with all stakeholders to address those needs deemed priorities after public debate. The following local contributing factors have been identified and several citywide and placed-based strategies to counter those factors are described later in Section 4. Additional local knowledge is provided regarding affirmatively furthering fair housing in the Airport Area and West Newport Focus Areas under the "Analysis of Exacerbating Current Conditions" header later in this Section. —explicitly includes the following fair housing issues in the City of Newport Beach:

- **Ageing Housing Stock** — The community and the City's Planning and Code Enforcement Divisions have indicated that there is an older housing stock that will continue to require rehabilitation as the housing continues to age. With the relative cost of property, these conditions are a challenge for maintenance and upkeep due to relatively high cost of improvements.
- **Housing Conditions and Senior Housing** — The community has Resident's have noted its higher proportion of the local aging population. This is also supported by the demographic information provided in Tables 2-18 and 2-19 in Section 2 (Profile) of this Housing Element. This tends to create and the challenges of with deferred maintenance with an aging population, as those older homeowners who may not have the financial resources or physical ability to perform maintenance functions. —Seniors are predominately on fixed incomes and represent the largest group of residents in need of support to address high housing costs and unique housing needs. The City's Senior Home Assistance Repair Program (SHARP) works to assist senior citizens with home repairs. Data for the program is provided in Appendix A. Eligible applicants must be 60 or older and must have an income at or below the 50th-percentile of median income of Orange County with net assets not to exceed gross household income for 18 months. The City's Senior Center (OASIS) plays a vital role in the dissemination of information and services to the senior community and should be engaged to help facilitate the needs of the senior population.
- **Variety of Housing Choices** — The City's existing mobile home and upward-trending accessory dwelling unit (ADU) inventory play a role in keeping an inventory of affordable housing in the community. —The community has expressed its desire to have a good balance of residential development types and densities to accommodate not just affordability to various income levels



~~and a variety of different household types. As discussed in Appendix D, the City has been promoting ADU development and provides local data to substantiate increased an increasing production.~~

- **Redevelop and Infill Opportunities** – Resident’s and property owners indicated a desire to focus future development in areas seeing a decline in commercial development activity. As such, ~~the Airport Area and Newport Center Area were included as a major opportunity areas due to recent residential development activities and entitlement requests. The negative effects that the COVID-19 pandemic and on-line shopping trends has had on the ability to maintain economically performing commercial properties was also cited as a concern. and trends away from commercial due to the eeffects of the COVID-19 pandemic.~~ As such, ~~r~~Reuse and repurposing of commercial and industrial uses is a major opportunity area according to residents.
- **Address the High Cost of Housing** – The cost of housing in Newport Beach is very high ~~and rents continue to increase~~; however, the City has aimed to encourage and preserve a number of affordable housing units through existing agreements. As part of this Housing Element update, Policy Action 1K is included to adopt an inclusionary housing program that would require affordable units to be developed as part of ~~a residential project~~ **housing development projects** meeting the certain applicability criteria. This **Inclusionary Housing Program, in conjunction with the implementation of the Housing Element,** will help to boost affordable housing production, which will in turn boost affordable housing stock to help offset higher housing costs.
- **Lower Income Access to Opportunity** – High local employment in service industry at resort, hotel, ~~restaurants,~~ and other tourist-serving businesses contributes to the need for housing affordable to lower income households. To address this, Policy 4E grants exceptions for affordable housing projects, and supportive Policies for Housing Goal #5 provides for the preservation of lower income housing opportunities.
- **Transportation and Housing**– ~~Through community workshops, r~~Residents and stakeholders have indicated there is a need for improved transit use and better access ~~ithroughout~~ the community. In areas where higher density is preferred, such as the Airport Area, access to various transportation options will increase local economic development potential, physical mobility, employment and housing mobility.
- **Displacement of Residents** – As the cost of housing ~~continues to rises~~, there are ~~is~~ continued limitations on housing options for the younger and older populations. ~~–During community workshops, residents indicated the desire to improve access to housing options throughout various life stages. This includes rental and ownership opportunities, as well as and options for persons with various incomes and household needs. The ability to age-in-place, not necessarily within an owned single-family home, but within a senior living community in Newport Beach, place was identified as a major priority given the stated~~City’s aging population.
- **Preserving Economic Integrity** – As the RHNA obligations in the City ~~haves~~ increased significantly, ~~increasing development capacity has also increased the project cost for services and land has become scarce.~~ ~~T~~he members of City’s ~~H~~ousing Element Update ~~A~~advisory Committee, its



lected officials and a number of residents have expressed the desire need to considered balance housing need in conjunction with the need for economic development in the community to foster access to services and jobs to ensure an appropriate balance.

- Alternative Means to Accommodate Affordable Housing – Throughout the outreach and consultation process, the public stakeholders,– decision-makers and housing advocates have expressed at many meetings and workshops a desire to seek alternatives to accommodating affordable housing in a high–cost market. This includes ADU development, inclusionary housing options, and funding and financing mechanisms that further these opportunities. The community has expressed that ADUs represent the single greatest opportunity to accommodate affordable housing within the existing established high-resource neighborhoods in the community and recommended the inclusion of policies and programs to encourage them.

Considering the locally derived knowledge and data, Tthe City recognizes that the fair housing issues that exist within the community. The City is and is committed to reducing barriers to providing housing that is affordable to all persons. The City has outlined programs to address fair housing issues in Newport Beach in the Section 4: Housing Plan. As a prime example, Policy Action 4A (Affirmatively Furthering Fair Housing) has Table 4-1 (Fair Housing Actions) and lists nine identified fair housing issues such as access to opportunity, displacement, and housing mobility. The Table includes both place-based and citywide strategies. Each issue includes geographic targets, meaningful City actions, priority level, timelines for action, and evaluative metrics that are aspirational goals to measure performance and to inform changes to future actions.

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Analysis of Exacerbating Current Conditions

Through the City’s sites analysis, which was conducted in compliance with the requirements of AB 1398, sites were selected to consider the following:

- Minimize over concentrations of affordable housing in one geographical area;
- Encouraging and expanding opportunities for mixed–income development; and
- Expanding mixed use, infill opportunities in areas adjacent to services and amenities.

The Airport Area and West Newport Area have been identified with a larger concentration of lower-income opportunities. These sites will help encourage mixed–income development and will expand opportunity in some of the City’s highest resource areas proximate to jobs.

The Airport Area has a higher amount of existing affordable units that were constructed in conjunction with market-rate development projects and through the ,– implementation of density bonus incentives



and past inclusionary housing largely due to new affordable housing being produced, as part of market rate development and density bonus developments. Due to high land costs city-wide, there are minimal opportunities to feasibly construct feasible lower-income development unless they are in conjunction with larger scale, market rate projects and . Therefore, much of the lower income opportunities would not have otherwise existed in this area. While the Airport Area scores in the 43rd -percentile related to pollution burden according to OEHHA's California Communities Environmental Health Screening Tool, this is primarily due to transportation and air quality impacts due to the areas given the proximity to John Wayne Airport related impacts. and are It is not related to majority polluting industries or other point sources. The area is experiencing a transition from low-scale, office/industrial uses to higher density, urban mixed-use development, as evidenced by the multiple project examples presented in Appendix B.

The Airport Area is also identified in the General Plan Recreation Element as deficient in park acreage. The Land Use Element currently provides policies for the dedication and improvement of neighborhood parks within future residential or mixed-use development. Three recently entitled projects have been required to dedicate and improve parks for future residents and the broader community (i.e., Uptown Newport, Newport Crossings, and the Residences at 4400 Von Karman). Continued implementation of these policies will further assist in the provision of necessary park spaces thereby improving access recreation and open space areas to enhance the livability of the area.

For the Airport Area, Policy Actions 1A and 4J require new development standards that will further enhance the City's ability to establish quality mixed-income communities while helping to offset mitigate and/or avoid possible environmental considerations in the area. Examples include feasible and appropriate noise mitigation and possibly enhanced air filtration systems for buildings to reduce exposure of future resident to these environmental factors.

The West Newport Area contains most the City's mobile home parks and, thus, has long provided opportunities for affordable housing. It also has the largest industrial use area with several manufacturing-type uses concentrated in a smaller area. Industrial uses can be associated with increased noise and or pollution. Based on consultation with the City's Code Enforcement Division, there have been no recent complaints from residential uses regarding noise in this area. Air and ground pollutants are largely monitored and regulated by the South Coast Air Quality Management District (SCAQMD), as well as the Department of Toxic Substances Control (DTSC). The SCAQMD and DTSC began closely monitoring the emissions of a single operator in the West Newport Area between 2008 and 2015. The operator has implemented measures to reduce emissions to appropriate standards by installing a vapor extraction system as well as exhaust treatment equipment. The City has served as a coordinating partner in this effort and continues to assist in any inquiries related to pollutants in the area. Policy Action 4K has been included in Section 4 to ensure the City continues to monitor industrial users while striving to improve the environmental score for the area.

Although there is a concentration of industrial type uses in this area, it has long been viewed as an opportunity area for redevelopment. While there is currently a temporary City-run community center in the area, the City continues to pursue the siting and development of a permanent community center. In



2015, the City approved the Ebb Tide Residential Project, an 81-unit condominium community. In 2016, the City Council adopted the West Newport Mesa Streetscape Master Plan, which includes streetscape improvements that are required as part of private development projects and improvements that could be implemented as part of the City's Capital Improvements Program (CIP). The Ebb Tide Residential Project was the first private project to implement components of the West Newport Mesa Streetscape Master Plan. Future redevelopment projects will also be required to implement streetscape improvements that will foster an enhanced and safer environment for workers and residents.

As the area transitions to a more urban, dense environment, it is important to include affordable housing opportunity sites to help preserve current affordable housing opportunities while serving to expand economic growth potential. In addition, there is an opportunity for workforce housing with the proximity of Hoag Hospital, one of Newport Beach's biggest employers. As touched upon, the West Newport area has seen recent trends toward infill, mixed-income development that will continue in a high resource area. Policy Action 4K has a consideration to include residential-serving commercial as part of the rezoning mechanism program (Policy 1B) to allow flexibility beyond the underlying industrial zoning limits, which will allow new commercial uses that are more supportive of current and future residents as well as workers in the area.

Also notable, the West Newport Area is home to several education institutions such as Pacifica Christian High School, Coastline Community College, and Carden Hall. The City has seen recent reinvestment from the schools, which further demonstrates an improving neighborhood condition that shifts away from industrial to more mixed-use and mixed-income development.

Relevant to the West Newport Mesa Area, Policy Action 5D provides for the protection of mobile home opportunities. Policy Action 1D-1B states provisions to include development standards, overlay text and entitlement procedures to encourage the development of housing for persons of very low and low incomes. In developing the overlay, or similar rezone strategy, the City will evaluate the potential to include a variety of incentive tools as appropriate, including but not limited to floor area bonus, density bonus, entitlement streamlining, fee waivers or reductions and other considerations. The intent in these incentive tools is to further opportunity for mixed-income developments in these areas.

Lastly, to ensure that these conditions are not exacerbated during the planning period, the City is introducing an inclusionary requirement (Policy 1K) that would further support mixed-use and mixed-income developments and provide additional incentives to increase lower, moderate and above moderate income development in these areas.