



CITY OF NEWPORT BEACH

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July 30, 2008

The Honorable Nancy Wieben Stock
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

RE: Response to Grand Jury report – “No Country for Old Boomers”

Dear Judge Wieben Stock:

This letter is submitted in response to the recent Grand Jury report “No Country for Old Boomers – When Orange County Baby Boomers Retire, Where Will They Live?” on behalf of Mayor Ed Selich of Newport Beach. As mandated by Penal Code 933.05 (a) and (b), the following responses address the findings and recommendations made in the Grand Jury Report.

Finding 1. The Housing Elements for the cities and County of Orange do not reflect that the number of affordable senior housing units in Orange County will not accommodate the projected population.

Response: The City disagrees with this finding relative to the housing needs for low income seniors living in the City of Newport Beach. The City's Housing Element is required by state law to address housing for special needs groups including the senior population. The senior population within the City is 12,295 with only three percent of those living below the federally established poverty line. Table H12 in the element shows that there are 219 units in the City reserved for very low- and low-income elderly households. The Bayview Landing Senior Affordable Housing Project was constructed recently, in 2004. This project received over one million dollars in funds from the City's "in-lieu" housing fund and was provided expedited permit processing, partial fee waivers of

entitlement fees and substantial entitlement assistance. Assistance for elderly including low-income elderly is a high priority in Newport Beach's Housing Element, and the Element includes policies and programs to assist with meeting the needs of all lower income residents including seniors.

Finding 2. The Housing Elements for the County of Orange and the cities do not focus sufficiently on or analyze the population growth and housing needs of the aging baby boomer generation.

Response: The City disagrees with this finding relative to the City of Newport Beach existing and draft 2008-2014 Housing Elements. The Housing Element is required by state law to discuss and provide analysis on the population growth and housing needs of all segments of the population, including the elderly. Both the current and draft Housing Elements include a discussion of the elderly population. The most current information is found on pages 5-33 through 5-35 in the draft Housing Element, including statistics and analysis on growth, population, and senior housing needs. This discussion acknowledges that some elderly households may choose to remain in their homes even if they might not be affordable by today's standards.

Finding 3. Not all Housing Elements are available online for easy access to the public.

Response: The City disagrees with this finding as it pertains to the City of Newport Beach. The City of Newport Beach has had and will continue to have its Housing Element available on the City website. Currently both the draft updated Housing Element and the existing, adopted Housing Element are on the website.

Finding 4. Municipalities are not proactive enough in encouraging the Development of affordable senior housing.

Response: The City disagrees with this finding as it pertains to Newport Beach. The City, implements Housing Program 2.2.1, which requires affordable housing and/or the payment of in-lieu fees when new market rate housing is developed. Adoption of an inclusionary housing ordinance that includes an in-lieu housing fee is anticipated midyear 2008. However, the City has a history of requiring affordable units and/or payment of in- lieu fees dating

back to 1984. Affordable housing created through affordable housing agreements and the Inclusionary Housing program is available to special needs populations including lower income seniors. In fact, it was in-lieu fee payments that contributed to the Bayview Landing Senior Affordable project. Because Newport Beach had contributed to this senior housing project, during the certification process for the 1998-2005 Housing Element, the Department of Housing and Community Development (HCD) directed the City to focus on providing housing for families foremost due to the conclusion that the senior population was adequately addressed.

Recommendation 1. Include the current and projected affordable senior housing inventory by type, location and cost in the 2008 and future years' development of the Housing Element.

Response: The recommendation has already been implemented in the City's adopted Housing Element and the draft 2008-2014 Housing Element. Table H-12 includes the name, location and income group of existing affordable senior housing developments. The projections for affordable senior housing needs (number of units) for the 2008-2014 planning period is included in the allocation of units assigned to the City of Newport Beach through the Regional Housing Needs Assessment (RHNA) prepared by the Southern California Association of Governments (SCAG).

Recommendation 2. Include sufficient data in the Housing Element to acknowledge the imminent growth in the county's aging population. This data is to include the current population and the growth trend of the aging baby boomer generation as well as the current median income and the income trend of the senior population.

Response: The recommendation has already been implemented in the City's existing Housing Element and is included in the draft 2008-2014 Housing Element as required by state law. The most current information is found in the draft updated Housing Element, where discussion of the elderly population as a special needs population is provided. Currently, 17.6% of the City's population is elderly with only 3% of those persons living below the federally established poverty line. In addition to the discussion, the following statistics are found in the draft 2008-2014 Housing Element: Table

H-18 provides population by age for the City of Newport Beach, Table H-19 provides population and percent change by age group, and Table H-25 provides household income data by household type including an elderly category.

Recommendation 3. Put all Housing Elements online on each city's website.

Response: The recommended action has been historically and will continue to be implemented. The City's current and draft 2008-2014 Housing Elements are posted on the City's website.

Recommendation 4. Confer with developers to establish the needs for affordable senior housing and to encourage investment in future projects.

Response: The recommended action has been implemented. Implementation can be seen through the Housing Programs in the City's existing and draft 2008-2014 Housing Element. Housing Program 2.2.7 states, "Advise existing landowners and prospective developers of affordable housing development opportunities available within the Banning Ranch, Airport Area, Newport Center, Mariners' Mile, West Newport highway, and Balboa Peninsula." City staff on a regular basis provides prospective developers with information on the City's available land and its incentive programs.

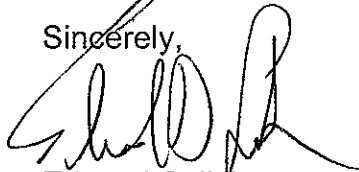
Housing Program 2.2.8 states, "Periodically contact known local developers and landowners to solicit new affordable housing construction." The City Manager's Office and Planning Department regularly discuss the construction of new affordable housing including senior housing with local developers and landowners. Additionally, City staff introduces the idea of constructing affordable housing to developers who propose large residential projects and discuss density bonuses and other incentives that may assist in the construction of affordable housing such as use of in-lieu funds.

Housing Program 2.2.9 states, "Participate in other housing assistance programs that assist production of housing." City staff attends OCHA Cities advisory Committee meetings to keep up-to-date with programs that assist in the production of housing and informs developers of programs that are available to assist in the production of housing for all income levels including seniors.

In addition, as part of the current update of the Housing Element, the City held three public workshops to which developers and the public were invited. Although we received comments on housing needs for other groups, affordable senior housing was not raised as an issue at these workshops.

If you have any questions regarding the City of Newport Beach Housing Element update please contact Gregg Ramirez, Senior Planner, at 949-644-3219 or gramirez@city.newport-beach.ca.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Edward Selich', written over the word 'Sincerely,'.

Edward Selich
Mayor