



NEWPORT BEACH

City Council Staff Report

September 23, 2025
Agenda Item No. 22

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Seimone Jurjis, Assistant City Manager - 949-644-3001,
sjurjis@newportbeachca.gov

PREPARED BY: Lauren Wooding Whitlinger, Real Property Administrator - 949-644-3236, lwooding@newportbeachca.gov

TITLE: Relocation Plan for Tenants at 301 East Balboa Boulevard

ABSTRACT:

In December 2024, the City of Newport Beach (City) acquired the property at 301 East Balboa Boulevard for potential future use as a public parking facility. The site is currently developed as a legal nonconforming residential triplex and is occupied by two tenants. Pursuant to California Relocation Assistance Law, the City must provide relocation assistance when a public project results in the displacement of residential occupants. A consultant has prepared a Relocation Plan assessing the tenants' needs and outlining the City's responsibilities. For the City Council's consideration is the Relocation Plan for 301 East Balboa Boulevard (Attachment A), which identifies an estimated total cost of \$88,000 in relocation payments.

RECOMMENDATIONS:

- a) Hold a public hearing;
- b) Determine this action exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and Section 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because this action will not result in a physical change to the environment, directly or indirectly; and
- c) Approve the Relocation Plan for the property at 301 East Balboa Boulevard, Newport Beach, California, 92661, dated June 20, 2025, prepared by Overland, Pacific and Cutler, LLC, a TranSystems company, conforming to the requirements of California Relocation Assistance Law, Government Code Section 7260, et seq. (Law), the Relocation Assistance and Real Property Acquisition Guidelines adopted by the Department of Housing and Community Development as in Title 25, California Code of Regulations Section 6000, et seq., and AB 1482.

DISCUSSION:

301 East Balboa Boulevard (Property), located at the entrance to Balboa Village at the east end of the Balboa Peninsula (Attachment B), is a 2,399-square-foot (0.06-acre) site currently developed with an original 1,638-square-foot legal nonconforming residential

triplex, zoned Two-Unit Residential (R2). The triplex consists of one studio unit and two, one-bedroom units.

The triplex was constructed in 1921 and has been maintained in its original condition with minor system upgrades and tenant improvements completed since then. Two tenants currently occupy units at the site, including the studio unit and one of the one-bedroom/one-bathroom units. The City acquired the Property in December 2024 for future redevelopment as public parking (Project), with the goal of acquiring the adjacent property at 311 Balboa Boulevard East, which is owned by AT&T and is one of the largest properties in the area. The two parcels are ideally located to expand public parking along Balboa Boulevard near Balboa Village at the eastern end of the Peninsula. AT&T has been open to discussions, however, the timeline for the company to downsize or relocate its operations from its property are unknown at this time.

California Housing Crisis Act

Senate Bill 330 (Chapter 654, Statutes of 2019), the Housing Crisis Act (HCA) of 2019, was signed into law in 2019, updated in 2021 with Senate Bill 8 (Chapter 161, Statutes of 2021), and updated again in 2023, with Assembly Bill 1218 (Chapter 754, Statutes of 2023). The HCA includes provisions to protect existing housing inventory by prohibiting cities from approving a housing development project that results in a reduction of housing units on a site.

Before the structure can be demolished, three new residential units must be constructed in the City, to ensure no net loss of housing. Replacement units can be in the form of either accessory dwelling units or affordable housing units as part of a larger multifamily project.

Included with the recent changes to the HCA is a new provision applicable to nonresidential projects that states any existing units proposed for demolition that meet the definition of “protected” must be replaced, and displaced tenants must be provided relocation benefits. Protected units are units that are- or were- (within the past 5 years) either subject to an affordable housing covenant or occupied by low- or very low-income households.

Prior to acquisition, it was determined that the two tenant households residing at the property qualified as low-income, thereby classifying their units as “protected.” Under the Act, these units must be replaced with housing subject to a minimum 55-year affordable housing covenant. However, if the units remain vacant for five years, or are occupied by households with incomes above the area median, the replacement units would not be subject to affordable covenants.

Following the five-year period, and upon identification of three replacement housing units, the City may proceed with demolition of the existing structure and advancement of the project.

Relocation Plan

The City retained Overland, Pacific & Cutler, LLC, a TranSystems company, (Consultant) to prepare a relocation plan to address existing tenant displacements. When the proposed Project moves forward, it would cause the permanent displacement of the two tenant households who would be eligible for relocation benefits and assistance. The needs and characteristics of the tenants and the City's program to provide assistance to each affected person are general subjects of the attached Relocation Plan (Plan). This Plan conforms to the requirements of California Relocation Assistance Law, Government Code Section 7260, et seq. (Law), the Relocation Assistance and Real Property Acquisition Guidelines adopted by the Department of Housing and Community Development in Title 25, California Code of Regulations Section 6000, et seq., and AB 1482.

The Plan includes the following details:

- Project description
- Assessment of the relocation needs of persons subject to displacement
- Assessment of available comparable replacement housing units within proximity to the Project site
- Description of the City's relocation program
- Description of the City outreach efforts, Project timeline and budget

Calculation of Benefit

The total estimated budget for relocation assistance at 301 East Balboa Boulevard is approximately \$88,000, which includes a 15 percent contingency. This estimate covers tenant moving expenses, rental assistance over a 42-month period, and potential Last Resort Housing benefits if required. The budget also provides advisory and administrative support to ensure compliance with relocation law. Actual costs will depend on income verification, comparable rent at the time of displacement, and whether supplemental Last Resort Housing payments are necessary. The estimate does not include property acquisition costs or consultant service contracts. An example calculation of relocation benefit is shown in the table below.

Estimated Relocation Benefit	
Category	Estimated Cost
Moving expense payment	\$5,000
Rental assistance (42 month subsidy)	\$60,000
Last Resort Housing (if required)	\$10,000
Administrative support	\$1,500
Contingency (15%)	\$11,500
Total Relocation Benefit	\$88,000

Next Steps

Upon City Council's approval of the Plan, the Consultant will issue 90-day notices to each tenant to vacate the Property, with an expected move-out date in mid-January 2026 to avoid displacing the tenants during the holiday season. The Consultant will work with each tenant to verify their household income and determine the exact amount of relocation assistance they are eligible to receive.

Based on the Consultant's preliminary review of the tenants' household income, relocation benefits to be paid is estimated to be a total of approximately \$88,000 and was included in the budget amendment approved by City Council in August 2024, when the Property acquisition was authorized.

FISCAL IMPACT:

Budget Amendment No. 25-013 was already approved by the City Council on August 27, 2024, to provide funding for the acquisition of the Property. Additionally, the Budget Amendment included funding in the estimated amount of \$180,000 for relocation payments to the existing tenants at the Property. It will be expensed to the General Fund CIP Fund, from account 01201925-911047-25F11.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

Notice of this hearing was published in the Daily Pilot at least 10 days in advance of this hearing. Additionally, the item appeared on the agenda for this meeting, which was posted at City Hall and on the City website.

ATTACHMENTS:

Attachment A – Relocation Plan
Attachment B – Map