



# NEWPORT BEACH

## City Council Staff Report

June 23, 2026  
Agenda Item No. 18

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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**TITLE:** Memorandum of Understanding Between the Cities of Huntington Beach and Newport Beach Regarding the Huntington Beach Navigation Center

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### **ABSTRACT:**

In December 2020, the City of Newport Beach (City) and the City of Costa Mesa entered into a Memorandum of Understanding (MOU) to share the cost of developing and operating the Costa Mesa Bridge Shelter (Bridge Shelter). Since that time, the City has experienced a significant reduction in its homeless population, resulting in fewer shelter beds being occupied. In December 2025, the City Council authorized Amendment No. Two to the Bridge Shelter MOU, which reduced the City's exclusive access to beds from 25 to 20 until June 30, 2026. Starting July 1, 2026, the City will no longer have exclusive access to beds at the Bridge Shelter; however, beds may be available to the City at a daily per-bed cost. The amended Bridge Shelter MOU is set to expire December 31, 2026.

The City of Huntington Beach has proposed partnering with the City to provide access to their shelter beds. For the City Council's consideration is the approval of a new MOU between the City and the City of Huntington Beach for the Huntington Beach Navigation Center (HBNC). If approved, the HBNC MOU will provide the City with exclusive access to 10 shelter beds in the HBNC and 20 hours of social services support work per week for an initial one-year term.

### **RECOMMENDATIONS:**

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve the Memorandum of Understanding Between the City of Huntington Beach and the City of Newport Beach Regarding the Huntington Beach Navigation Center and authorize the Mayor and City Clerk to execute the Memorandum of Understanding for a total not-to-exceed amount of \$529,200.

## **DISCUSSION:**

### **Background**

In December 2020, the City and the City of Costa Mesa entered into a Memorandum of Understanding (Bridge Shelter MOU) to share the cost of developing and operating the Bridge Shelter. In June 2023, the Bridge Shelter MOU was amended to provide more beds for both cities.

In August 2024, the City Council adopted Ordinance No. 2024-19, which updated Titles 10 (Offenses and Nuisances) and 11 (Recreational Activities) of the Newport Beach Municipal Code related to regulations that govern the use of public property and interference with public access. Since its adoption, the City has experienced a marked reduction in street-level homelessness by getting service-resistance individuals that were experiencing homelessness to agree to accept services and begin the process of being housed.

With this reduction, the City sought to renegotiate the Bridge Shelter MOU, and in December 2025, a second amendment was executed reducing the City's exclusive access to beds through June 2026, with no exclusive access available starting July 2026, and eventual expiration December 31, 2026.

Recently, the 2026 Point in Time Count found eight people being unsheltered in Newport Beach. The regulations enacted by Ordinance No. 2024-19 and the 2026 Point in Time Count support the need for a reduced number of shelter beds exclusively available to the City.

### **Proposed Agreement with the City of Huntington Beach**

Given the upcoming loss of exclusive access to shelter beds at the Bridge Shelter, City staff worked with the City of Huntington Beach to draft a new MOU that, if approved, would enable the City to use shelter beds at the Huntington Beach Navigation Center (HBNC). The proposed HBNC MOU was presented to and approved by the Huntington Beach City Council on June 16, 2026. The HBNC MOU has a proposed effective date of July 1, 2026, and a one-year term, with the option to renew for up to two additional one-year terms.

The HBNC MOU would provide Newport Beach with exclusive access to 10 shelter beds (seven male and three female), as well as wraparound services, housing navigation, and 20 hours of social services support work per week. The proposed cost for the 10 exclusive beds and services is \$44,100 per month (\$529,200 annually), which will reduce the City's cost of the homeless services program and provide sufficient bed capacity for the street-level homeless population. The per-diem rate for additional beds at the HBNC is proposed at \$132 per night versus \$163 at the Bridge Shelter. Further, should the Council approve the HBNC MOU, the City would terminate its agreement with its current social services

provider, People Assisting the Homeless, which would further reduce program costs as Huntington Beach staff would provide those services on a part-time basis.

**FISCAL IMPACT:**

The adopted Fiscal Year 2026–27 budget includes \$1,698,282 to fund costs associated with the Costa Mesa Bridge Shelter. These funds are budgeted in the City Manager’s Office under Contract Services – Other Agency Fees, Account No. 0102041-841060.

The proposed annual cost for 10 shelter beds and related social services is \$529,200, which is approximately \$1.2 million less than the budgeted amount. As a result, the proposed arrangement would reduce the City's overall program costs.

**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:**

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

**ATTACHMENT:**

Attachment A – Memorandum of Understanding