

From: [Murillo, Jaime](#)
To: [Lippman, Tiffany](#)
Subject: FW: Comments on Newport Crossings Mixed Use Project
Date: Wednesday, February 20, 2019 5:02:07 PM
Attachments: [Ltr Newport Crossings PC 19.2.21.pdf](#)

From: Linda T <lindat@kennedycommission.org>
Sent: Wednesday, February 20, 2019 5:01 PM
To: Murillo, Jaime <JMurillo@newportbeachca.gov>
Cc: Cesar C <cesarc@kennedycommission.org>
Subject: RE: Comments on Newport Crossings Mixed Use Project

Dear Jaime,

Please find attached the Kennedy Commission's letter of support for tomorrow's Planning Commission Public Hearing Item #2: Newport Crossings Mixed Use Project.

Thank you and please let me know if you have any questions.

--

Sincerely,

Linda Tang

The Kennedy Commission

Increasing Orange County's Affordable Housing Opportunities

17701 Cowan Ave, Suite 200

Irvine, CA 92614

(949) 250-0909

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February 21, 2019

Chair Peter Zak and Planning Commission Members
City of Newport Beach
3300 Newport Blvd.
Newport Beach, CA 92658-8915

RE: Support & Approve Newport Crossing Mixed-Use Development

Dear Chair Zak and Planning Commission Members:

The Kennedy Commission (the Commission) is a coalition of residents and community organizations that advocates for the production of homes affordable for families earning less than \$20,000 annually in Orange County. Formed in 2001, the Commission has been successful in partnering with Orange County jurisdictions to create effective housing policies that have led to the new construction of homes affordable to lower income working families.

As the City considers how to effectively address the housing needs for all income segments of the community, **the Commission urges the City to support and approve the proposed Newport Crossing Mixed-Use development that will set aside 78 units to lower income working households.** The Commission supports planning efforts in developing new homes that provide a community benefit, such as affordable homes to lower income working families. The proposed Newport Crossing Mixed-Use development will not only provide quality affordable homes for the City's work force, but it will also build and contribute to a more economically competitive and opportunity rich community.

To address the City's existing and projected housing needs, Newport Place Planned Community was amended in 2012 to facilitate the development of affordable homes in the City. A residential development overlay was established to allow residential developments that set-aside 30 percent of units affordable to lower-income households.¹ It has been over five years since the amendment and the proposed Newport Crossing Mixed-Use development could be the first development implemented in the Newport Place Planned Community Residential Overlay. The City should take this golden opportunity and move forward with the proposed Newport Place project to ensure the implementation of the residential overlay will be successful and come to fruition. In addition, the Newport Crossing proposed development was identified in the City's 2014-2021 Housing Element as a housing opportunity site (Site 1a, 1b, 1c and 1d) in Area 9-Airport Area.²

Ranked among the top ten least affordable metropolitan areas in the country³, Orange County is suffering from an affordable housing crisis. A resident must earn at least \$36.08 per hour to afford a two-bedroom apartment at a fair market rent of \$1,876 a month.⁴ Over the past seven years, Orange County renters have paid an average of \$355 more a month and rents are projected

¹ City of Newport Beach General Plan Housing Element, p. 5-89, September 2013.

² City of Newport Beach General Plan Housing Element, p. 5-227, September 2013.

³ Out of Reach 2018- The High Cost of Housing, National Low Income Housing Coalition, p.14, 2018.

⁴ Out of Reach 2018- The High Cost of Housing, National Low Income Housing Coalition, p.38, 2018.

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to continually rise.⁵ During 2000 to 2015, Orange County's inflation-adjusted median rent increased by 28 percent while the median renter income decreased by 9 percent.⁶

The impact of this crisis is dire. Many Orange County renters are rent burdened where they spend more than 30% of their income towards housing costs. Struggling to make ends meet, many households take on more jobs or live in overcrowded substandard households. With high rents, low vacancy rates and an increasing number of residents needing affordable homes, the supply of affordable homes being built for lower income households has also not kept up with the demand. An additional 92,738 affordable rental homes are needed to address Orange County's housing needs for lower income renters.⁷

Compared to other cities in Orange County, housing costs are significantly higher and out-of-reach for many working households in Newport Beach. Ranked second for Southern California's most expensive city for renters, Newport Beach's average two-bedroom asking rent was \$2,760 a month.⁸ With the serious lack of affordable home and with wages that are not keeping up with rising rent, many working families, especially those who earn lower wages, struggle financially to work *and* live in Newport Beach.

In Newport Beach, tourism is one of the City's leading industries and it generates substantial revenue and jobs for the City. Of the top 12 principal employers in the City, four provide leisure and hospitality services⁹; however, jobs related to leisure and hospitality services, restaurants and retail that greatly contributes to the City's tourism market typically offers lower wages. The average salary for occupations in the tourism market is approximately less than \$30,000 a year¹⁰, which is not enough to rent an apartment home in the City without overpaying and being rent burdened.

The Commission looks forward to partnering with the City to increase affordable home opportunities for lower income working households in the City. Please keep us informed of any updates and meetings regarding the Newport Crossing Mixed-Use Development. If you have any questions, please contact me at (949) 250-0909 or cesarc@kennedycommission.org.

Sincerely,



Cesar Covarrubias
Executive Director

⁵ Southern Californians Scrimp to Get By As Average Rents Hit \$1,900, Orange County Register, February 15, 2018.

⁶ California Rents Have Risen to Some of the Nation's Highest. Here's How that Impacts Residents, Orange County Register, February 15, 2018.

⁷ Orange County's Housing Emergency and Proposed Solutions, California Housing Partnership Corporation, p. 1, May 2018.

⁸ Marina del Rey, Newport Beach Have Region's Highest Rents. Lowest? Try Highland, Orange County Register, October 13, 2017.

⁹ City of Newport Beach Comprehensive Financial Annual Report, p. 222, June 30, 2017.

¹⁰ OC Community Indicators 2018, p. 31, 2018.