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NEWPORT HEIGHTS

UNDERGROUND UTILITIES. SAFER COMMUNITY.

An Open Letter to Our Newport Heights Neighbors

On the Petition Regarding Utilities

Dear Neighbors,

We are writing as long-time residents of Newport Heights who, like you, love this community. We are from different generations and walks of life. Among us are parents, grandparents, working professionals, and retirees, with backgrounds in real estate, architecture, law, finance, and public service. But first and foremost, we are your Newport Heights neighbors. Some of us have sat beside friends and family members who lost everything in the Palisades and Eaton fires. Watching people we love rebuild their lives changed the way we think about risk, and the responsibility we all share to make our neighborhood as safe and resilient as we can.

By now, you may have been asked by one of your neighbors to sign a petition asking the City of Newport Beach to prepare the final assessment and engineering report for a proposed underground utility district in Newport Heights. We are writing because there has been a great deal of discussion and many understandable questions about what that petition actually does. Simply put, signing the petition does not approve undergrounding or obligate anyone to pay. It allows the City to complete its work, determine the actual assessment for each property, and present every homeowner with the final facts before a binding neighborhood vote.

Let us say this plainly: we respect the neighbors who disagree with us. This is a real expense, and concern about cost is fair. No one here is the enemy. We are all trying to do right by our families and our streets. We are not asking you to decide today whether undergrounding is the right choice. We are simply asking that every homeowner have the opportunity to review all the facts before making that decision. If, after reviewing the City's completed engineering report and the proposal for your property, you decide undergrounding is not right for you, you will be free to vote no.

We know many of you have already invested in your own safety. You have added sprinklers, rebuilt with newer fire-resistant construction, and improved your homes in dozens of ways. That is exactly the point. *Protecting a single home is something we each do. Protecting a neighborhood is something we can only do together.* Undergrounding is the one major neighborhood improvement no single homeowner can accomplish alone.

A few months ago, a power line caught fire at a home on Riverside Drive and knocked out electricity. It was a reminder that overhead electrical infrastructure presents risks even in a fully developed neighborhood. We have watched Altadena and Pacific Palisades lose entire communities, and some of us have stood in that aftermath with people we love. Those experiences reinforced a simple truth: while we cannot eliminate every risk, we should reduce the ones we can.

Undergrounding also improves safety in ways that extend beyond fire protection. It removes utility poles that can be struck by vehicles, reduces the risk of downed energized power lines during storms or high



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winds, and places critical electrical infrastructure below ground in a neighborhood that is adjacent to the Newport-Inglewood Fault Zone, and the City's Safety Element identifies earthquakes as one of Newport Beach's principal natural hazards. These are everyday safety and resilience benefits that help protect our community for decades to come.

On value and quality of life, the difference is easy to see for yourself. Take a short drive to Balboa Island, and notice how open and spacious it feels without a web of poles and wires overhead. Then look at the City's own undergrounding map below. Nearly all of Newport Beach has already undergrounded its utilities or approved plans to do so, and Newport Heights is one of the last large neighborhoods still living under the poles. Those of us who work in real estate regularly hear buyers express a preference for neighborhoods with underground utilities because they value cleaner streetscapes and modern infrastructure. As more neighborhoods around us move underground, the difference becomes increasingly noticeable. Communities left with overhead utilities risk becoming less competitive over time.

We also want to be candid about the cost, because it is understandably the biggest question for many homeowners. If the project is ultimately approved by the neighborhood voting process, you may either pay the assessment in full or finance it over approximately twenty years through your semiannual property tax bill. If you sell your home before the assessment is paid in full, the remaining assessment stays with the property and transfers to the next owner.

We also recognize that this expense may not be equally manageable for every homeowner. That is why we spent the past year working with the City to develop a cost-deferment program for qualifying lower-income homeowners, modeled after programs already in place in Manhattan Beach and Laguna Beach. The City Council is currently considering that program, and we expect its details to be finalized before the project goes to a vote.

One important part of the cost that is often overlooked is Southern California Edison's required contribution. Under the state's Rule 20B, Edison must credit the cost of constructing an equivalent overhead system against the cost of undergrounding. The City currently estimates that contribution will be between \$3 million and \$6 million, and that amount is already reflected in the assessment estimates in the petition. As a result, homeowners are not bearing the full cost of the project themselves.

Every meaningful improvement takes investment, and often the whole community. We no longer put wood shingles on our roofs. We traded outhouses for sewers, landlines for cell phones, and rooftop antennas for cable and streaming. Undergrounding is that same kind of step forward. For more than fifty years, underground electric service has been required for new residential development in California. We believe Newport Heights deserves that same standard.

So please, look around. Walk Balboa Island. Study the map. Ask questions. Talk to someone who lived through a fire. And if it moves you, consider signing when our supporters knock on your door or contact you. Signing is not a commitment to pay. It is simply a request for the City to provide the information we need so that every homeowner can make an informed decision.



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To learn more, visit www.safernewportheights.com. Please reach out to any of us directly with your questions. Whatever your view, we genuinely welcome the conversation.

This issue is personal for us. We hope you will join us in treating one another with respect as we consider what is best for our families, our neighborhood, and the generations that will follow. Newport Heights has always been a neighborhood where people invest in the future. Every generation has made improvements that benefited not only their own families, but the families who came after them. Whether you ultimately support undergrounding or not, we hope you'll take the time to learn about it, ask questions, and make an informed decision about the kind of neighborhood we want to leave to the next generation.

Sincerely,

The Safer Newport Heights Steering Committee

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