



CITY OF

NEWPORT BEACH

City Council Staff Report

July 28, 2026
Agenda Item No. 25

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Jaime Murillo, Community Development Director - 949-644-3209,
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TITLE: Ordinance Nos. 2026-12 and 2026-13 and Resolution Nos. 2026-57
and 2026-58: Approving the 1300 Dove Street Townhome Project
(PA2025-0170)

ABSTRACT:

Sean Matsler of Cox, Castle, & Nicholson, LLP (Applicant), proposes several entitlement applications that would allow for the development of a 132-unit, for-sale, residential townhome community including seven units affordable to very low-income households on an existing office site. The proposed development includes the demolition of two existing office buildings and an existing parking structure and the construction of two-, three- and four-bedroom townhomes ranging from 1,251 to 2,562 square feet. The 132 units would be distributed within 36 buildings, with units arranged in two- and eight-unit buildings and ranging in height from approximately 37 to 47 feet above established grade. A publicly accessible pedestrian strada improved with landscaping and seating areas is proposed along the MacArthur Boulevard frontage. Onsite and offsite public improvements such as updating the storm drain, sidewalks, and driveways are included in project implementation (Project).

For the City Council's consideration is the adoption of two resolutions for the approval of a Site Development Review, Vesting Tentative Tract Map, and Affordable Housing Implementation Plan (AHIP), and approval of an Addendum to the Newport Beach General Plan Housing Implementation Program EIR (Addendum No. 1). Also for the City Council's consideration is the introduction of two ordinances for the approval of a Zoning Code Amendment and Development Agreement for the Project.

RECOMMENDATIONS:

- a) Conduct a public hearing;
- c) Adopt Resolution No. 2026-57, *A Resolution of the City Council of the City of Newport Beach, California, Adopting an Addendum to the Newport Beach General Plan Housing Implementation Program Final Program Environmental Impact Report SCH No. 2023060699 for a 132-unit Residential Townhome Project Located at 1200 Dove Street, 1300 Dove Street, and 4041 MacArthur Boulevard (PA2025-0170);*

- d) Introduce Ordinance No. 2026-12, *An Ordinance of the City Council of the City of Newport Beach, California, Approving a Zoning Code Amendment for a 132-Unit Residential Townhome Project located at 1200 Dove Street, 1300 Dove Street, and 4041 MacArthur Boulevard (PA2025-0170)*, and pass to second reading on August 25, 2026;
- e) Adopt Resolution No. 2026-58, *A Resolution of the City Council of the City of Newport Beach, California, Approving a Major Site Development Review, Vesting Tentative Tract Map, and an Affordable Housing Implementation Plan for a 132-Unit Residential Townhome Project Located at 1200 and 1300 Dove Street and 4041 MacArthur Boulevard (PA2025-0170)*; and
- f) Introduce Ordinance No. 2026-13, *An Ordinance of the City Council of the City of Newport Beach, California, Approving a Development Agreement for a 132-Unit Residential Townhome Project Located at 1200 Dove Street, 1300 Dove Street, and 4041 MacArthur Boulevard (PA2025-0170)*, and pass to second reading on August 25, 2026.

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DISCUSSION:

Project Setting

The subject property is 6.5 acres, addressed as 1200 and 1300 Dove Street and 4041 MacArthur Boulevard, and is located on the southwest corner of the Newport Place Drive and MacArthur Boulevard intersection, shown in Figure 1, below (Project Site). It is currently improved with a 125,249-square-foot, five-story office building, a 48,715-square-foot, three-story office building, a 137,557-square-foot three-level parking structure and surface parking lot.

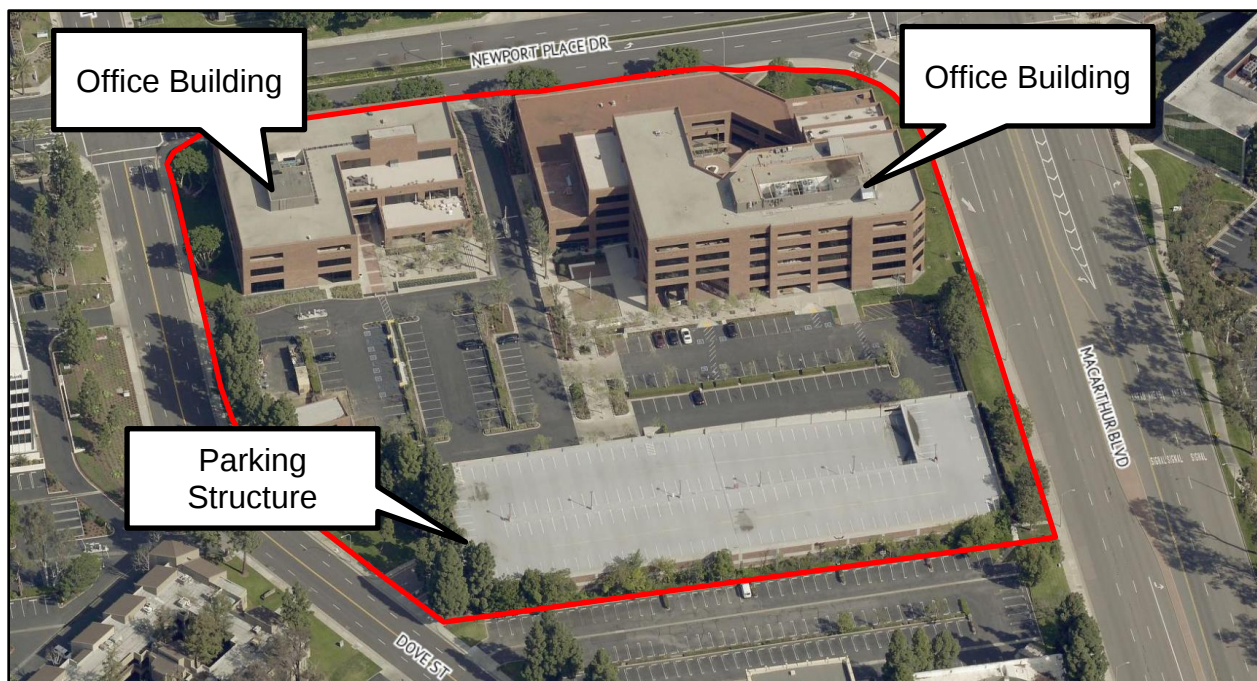


Figure 1, Birds-eye aerial image of current development on the Project Site

Project Description

The Applicant proposes the demolition of all existing on-site improvements and construction of 132 dwellings. As depicted in the Project Plans (Attachment I), the development is organized into a total of 36 residential buildings, consisting of four building types (Types A, B, C and D). Building Types A and B consist of eight-unit, three-story structures that incorporate stacked unit configurations, while Building Types C and D consist of attached two-unit buildings in three- and four-story formats. Building heights range between approximately 37 to 47 feet above established grade, below the allowable 55-foot height limit.

The unit mix includes two-, three- and four-bedroom townhomes ranging from 1,251 to 2,562 square feet. All units feature multi-story layouts with private living areas, bedrooms, bathrooms, and outdoor private open space such as decks or patios. Parking is accommodated through private garages integrated within each building, consistent with typical condominium and duplex configurations. A more detailed project description is

provided in the June 4, 2026, Planning Commission staff report included as Attachment E.

Design and Architecture

As depicted in Figures 2 and 3 below, the Project will have a contemporary coastal inspired design with clean straight lines, large windows, stacked units, stucco siding with stone veneer accents, as well as cementitious horizontal siding and wood awnings.



Figure 2, Rendering of Two-Unit Buildings from Interior Private Street



Figure 3, Rendering of an Eight-Unit Building from Interior Private Street

To enhance architectural articulation and create visual variety throughout the community, four coordinated and complementary color schemes are proposed for all buildings. The light and neutral tones used in the color palette enhance architectural articulation and reflect the coastal environment, while stone veneer adds texture and durability.

Access and Parking

Vehicular access to the Project Site is provided by a driveway on Newport Place Drive and a second driveway on Dove Street. The two access points connect to a private internal street that runs the full length of the development, providing a minimum 26-foot-wide vehicular path throughout the site. This internal circulation system leads to the individual two-car garages serving each unit, all of which meet the minimum garage dimensions of 17 feet, 6 inches in width and 19 feet in depth. In addition to the private garage parking, 40 guest/visitor parking spaces will be provided throughout the Project Site, resulting in a total of 304 parking spaces. Figure 4 depicts the on-site circulation and the guest parking locations.

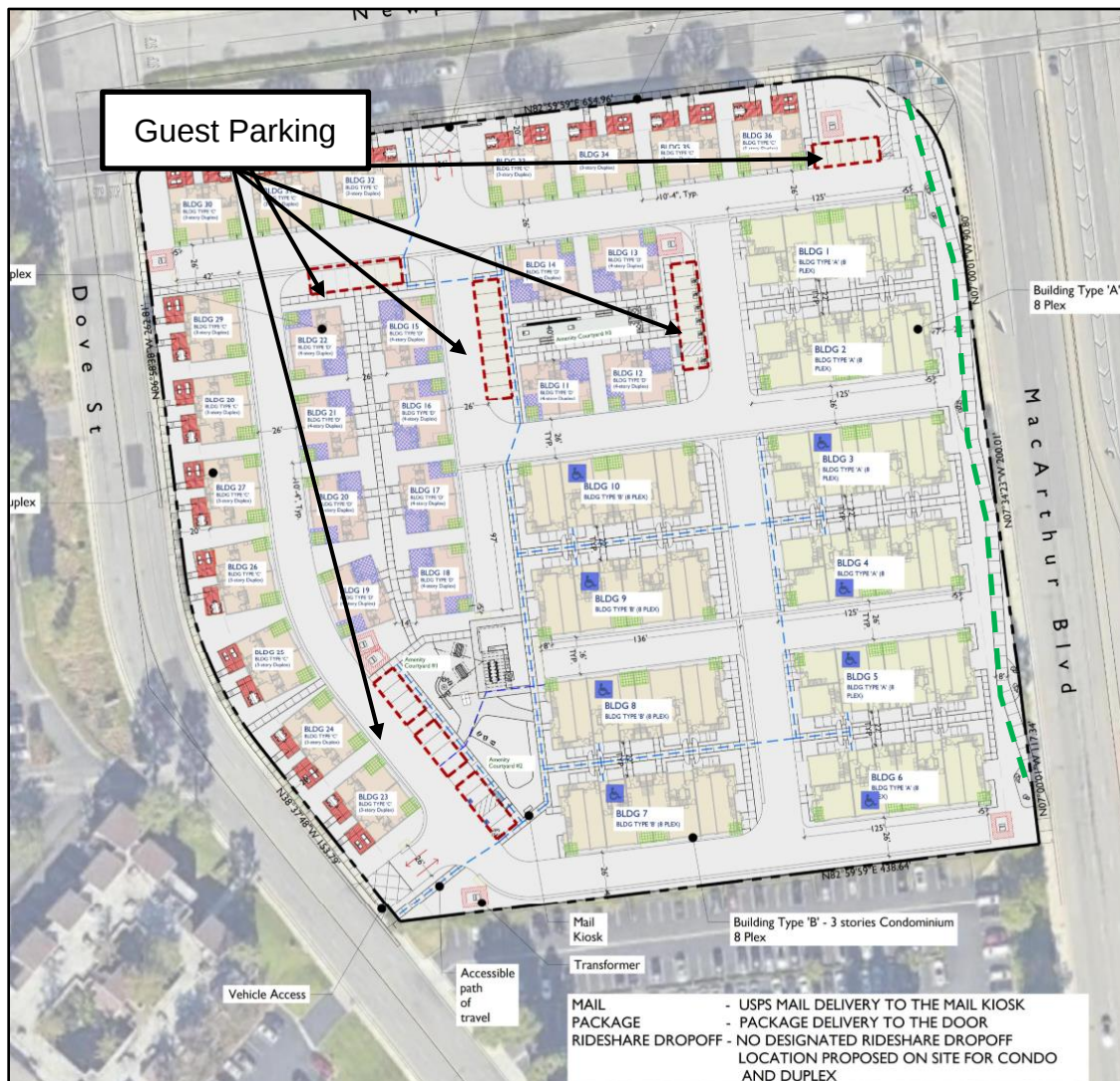


Figure 4, Private Driveways and Parking Areas

Residential Amenities

The Project provides the required private open space in the form of private balconies and courtyards for each unit, ranging from 63 square feet for the smallest unit to 127 square feet the largest unit.

In addition to the private open space, there will be three common open space courtyards with the following resident-serving amenities:

- Courtyard 1 is an approximately 2,000-square-foot outdoor dining area, which includes a shade structure, outdoor kitchen, barbeque, and pizza oven. Additionally, there is an outdoor lounge which includes a seat wall, fire pit, picnic tables with umbrellas, and catenary lighting overhead.
- Courtyard 2 is an approximately 2,000-square-foot open lawn intended for flexible play and activities, with seating and shade trees.
- Courtyard 3 is an approximately 1,900-square-foot courtyard with an outdoor dining area, which includes barbeques, a seat wall with bench top seating, as well as concrete steppers onto a game lawn.

Additionally, the Project includes an 8,927-square-foot Publicly Accessible Open Space (PAOS) along the MacArthur Boulevard frontage. The PAOS provides a meandering sidewalk, or strada, with landscaping and seating areas to enhance the pedestrian experience, which is shown in a green-dashed line in Figure 4 on the preceding page.

Solid Waste and Recycling

The private garages are adequately sized to accommodate individual containers for trash, recycling, and organics while maintaining the appropriate dimensions for residential parking spaces. Due to the configuration of dwelling units proposed, the homeowners association will be responsible for securing waste pickup for its residents.

Subdivision and Establishment of Grade

The Project includes a request for an airspace subdivision of the units to allow for individual sale as townhomes (i.e., for condominium purposes). It also proposes the establishment of grade for height measurement purposes for each building consistent with Section 20.30.050(B) (Establishment of Grade) of the Newport Beach Municipal Code (NBMC), which allows the average of the elevation from each corner of the building to establish the grade. All individual building heights would be measured based on the established grade plane elevation for that building.

Required City Approvals

The following approvals are requested from the City of Newport Beach (City) to implement the Project:

- **Zoning Code Amendment** - An amendment to Section 20.80.025 (Housing Opportunity Overlay Zoning Districts Maps) of the NBMC to include the Project Site in the Housing Opportunity Sites Overlay in the HO-1- Airport Area Environs Map;
- **Major Site Development Review (SDR)** - A major site development review in accordance with Section 20.52.080 (Site Development Reviews) of the NBMC for five or more units with a tentative tract map;
- **Vesting Tentative Tract Map (VTTM)** - A vesting tentative tract map to allow for an airspace subdivision of the individual residential units on a 6.5-acre parcel, pursuant to Chapter 19.12 (Tentative Map Review) of the NBMC;
- **Affordable Housing Implementation Plan (AHIP)** - A plan specifying how the Project would meet the City's affordable housing requirements pursuant to Chapter 20.32 (Density Bonus) of the NBMC and Government Code Section 65915 (Density Bonus Law);
- **Development Agreement (DA)** - A development agreement between the Applicant and the City, pursuant to Section 15.45.020 (Development Agreement Required) of the NBMC, which would provide the Applicant with the vested right to develop the Project for a term of 10 years and to provide negotiated public benefits to the City; and
- **Addendum to the Newport Beach General Plan Housing Implementation Program EIR (Addendum No. 1)** - Pursuant to the California Environmental Quality Act (CEQA), the Addendum addresses reasonably foreseeable environmental impacts resulting from the Project.

Background

Housing Opportunity (HO) Overlay Zoning District and Amendment

On September 13, 2022, the City Council adopted the City's 6th Cycle Housing Element for the 2021-2029 planning period (Housing Element). The Housing Element was later certified as statutorily compliant with State of California (State) law by the California Department of Housing and Community Development (HCD) on October 5, 2022.

On September 24, 2024, the City Council adopted Ordinance Nos. 2024-16 and 2024-17, approving amendments to Title 20 (Planning and Zoning) of the NBMC to establish the Housing Opportunity (HO) Overlay Zoning Districts (Housing Overlay) in Section 20.28.050 (Housing Opportunity (HO) Overlay Zoning Districts) of the NBMC and to create multi-unit objective design standards (ODS) in Section 20.48.185 (Multi-Unit Objective Design Standards) of the NBMC, respectively. The new sections serve to implement Policy Actions 1A through 1G and 3A in the Housing Element.

The adoption of these ordinances provided new housing opportunities within five subareas to ensure the City can meet its 6th Cycle Regional Housing Needs Assessment (RHNA) allocation: Airport Area Environs Area (HO-1), West Newport Mesa Area (HO-2), Dover-Westcliff Area (HO-3), Newport Center Area (HO-4), and Coyote Canyon Area

(HO-5). These subareas correspond directly to the Focus Areas identified in Appendix B (Adequate Sites Analysis) of the Housing Element.

Properties identified as a “Housing Opportunity Site” have specific development standards conducive to residential development at the prescribed average density of 20 to 50 dwelling units per acre. The standards include but are not limited to minimum lot area, setbacks, height, open space, landscaping, and parking. The ODS are applicable to any residential project with a minimum density of 20 dwelling units per acre to ensure the high-quality design and to provide a baseline standard for new multi-unit developments throughout the city.

The Project Site is located within the Airport Area Environs Area; however, it is not currently identified as a housing opportunity site, as illustrated in Figure 5 below. An amendment is requested to the Housing Opportunity Overlay Zoning Districts Maps of the NBMC to include the Project Site in the Housing Opportunity Sites Overlay in the HO-1-Airport Area Environs Map.

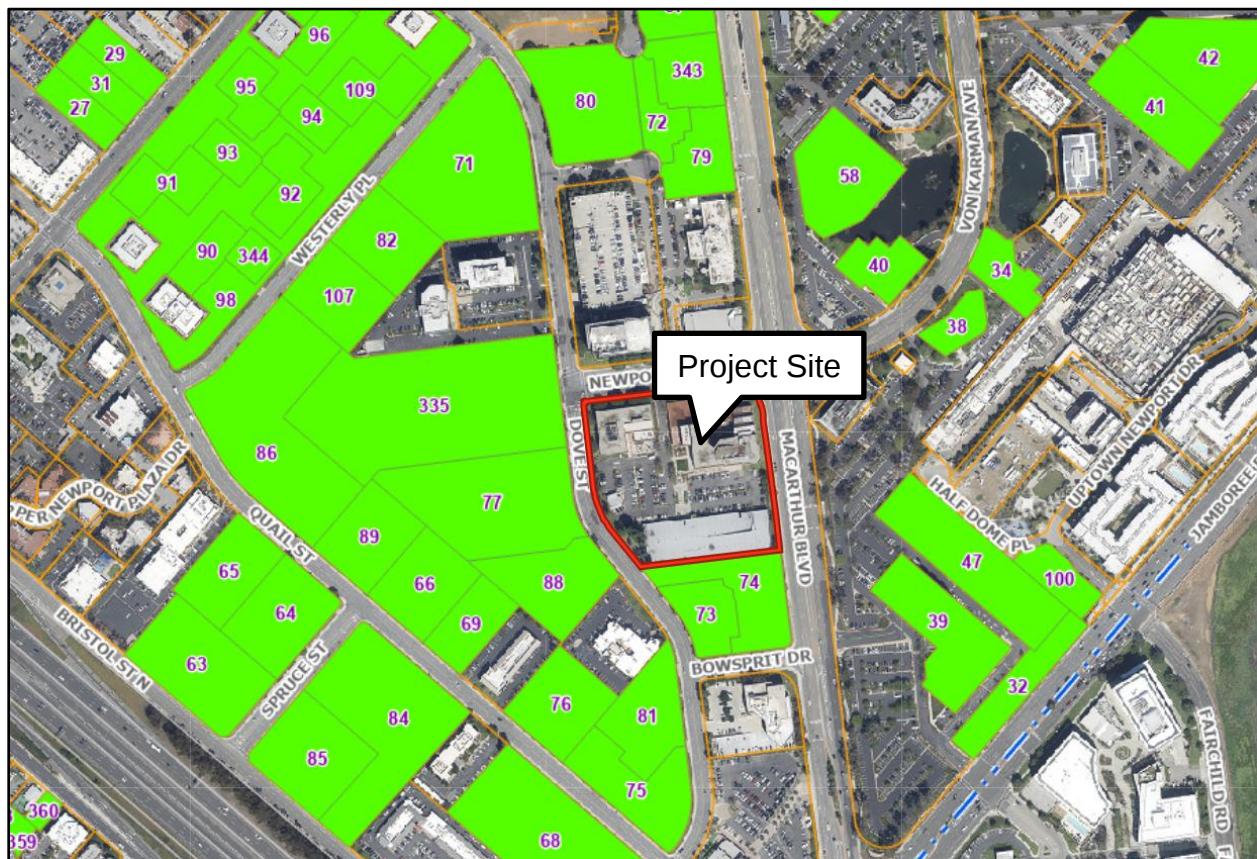


Figure 5, Excerpt of the HO-1 (Airport Area Environs Area) Subarea

General Plan Consistency

The Project Site is categorized as Mixed-Use Horizontal (MU-H2) by the General Plan Land Use Element. The MU-H2 Designation is intended to provide for horizontal intermixing of uses that may include regional commercial office, multifamily residential, vertical mixed-use buildings, industrial, hotel rooms, and ancillary neighborhood

commercial uses. Although the Project is consistent with the intent of the MU-H2 designation, it is not required to be consistent with the underlying General Plan Land Use Designation, pursuant to Land Use Element Policy LU 4.5 (Residential Uses and Residential Densities). Policy LU 4.5 allows residential use of any Project Site included within an established HO Overlay Zoning District regardless of and in addition to the underlying land use category or density limit established in the General Plan.

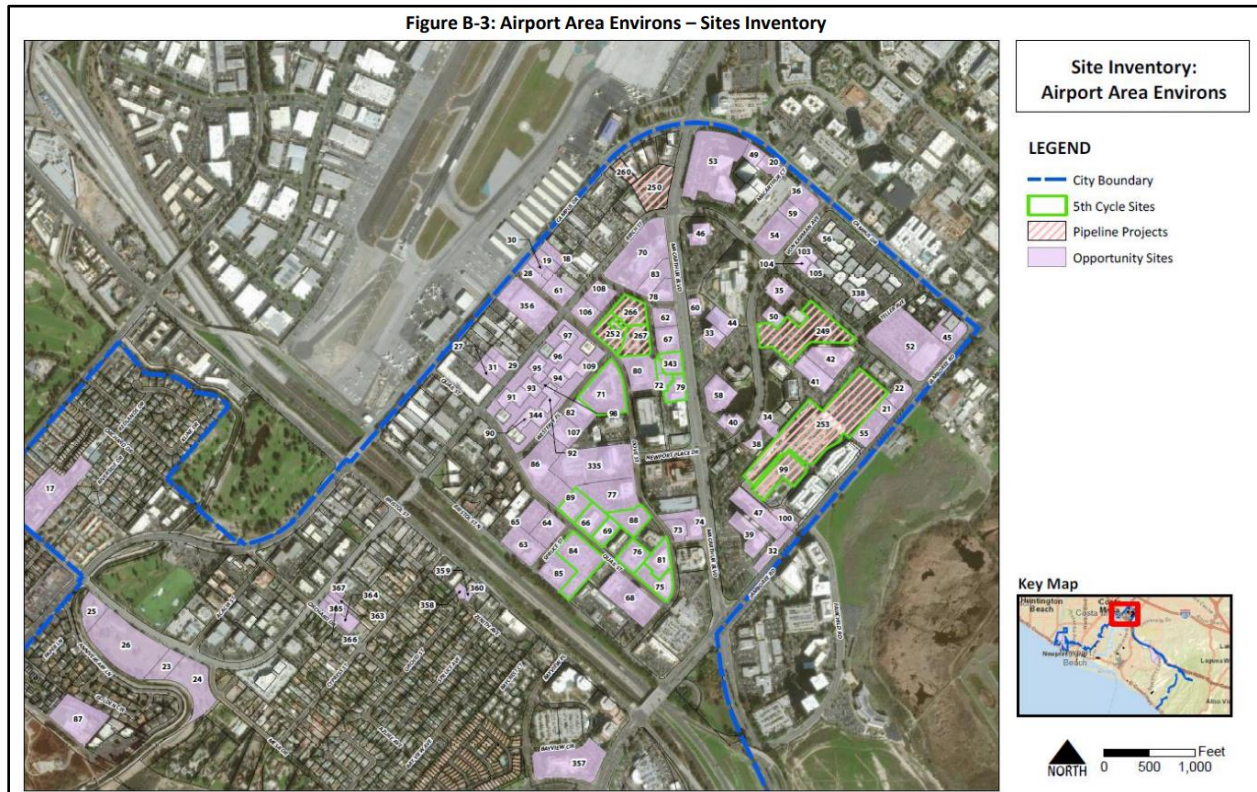


Figure 6, Figure B-3 of the Housing Element

Furthermore, the Housing Element identifies adequate sites to accommodate the City's fair share allocation of the RHNA. Figure B-3 of the Housing Element (Figure 6) displays the Opportunity Sites within the Airport Area Environs Focus Area. Although the Project Site was not identified as a Housing Opportunity Site, Policy LU 4.4 (Rezoning to Accommodate Housing Opportunities) indicates that additional sites can be identified through rezoning. In this case, the Applicant is requesting an amendment to include the Project Site in the HO Overlay Zoning Districts of the NBMC. The amendment would not increase the number of units allocated to the HO-1 Subarea rather it would add another site to the list of eligible sites.

In addition, the Project is consistent with several other Housing, Land Use, and Circulation Element policies that establish fundamental criteria for the formation and implementation of new residential development. A full General Plan consistency analysis was completed and is detailed in the attached draft resolution (Attachment C). For example, the Project is consistent with Land Use Element Policy LU3.2 (Growth and Change) by replacing a multi-story office building and large surface parking lot with 132 dwelling units that assist

the City in meeting its share of RHNA and accommodating additional growth in the community. These new units are in a job-rich area, supporting reduced commute times.

Zoning Code Amendment

The requested amendment to include the Project Site in the HO Overlay Zoning Districts of the NBMC is a legislative act. Based on State law and the NBMC, there are no findings for either approval or denial of such amendments to the NBMC. Notwithstanding this, the requested Zoning Code Amendment to incorporate the Project Site into the HO-1 Subarea of the HO Overlay Zoning Districts is in furtherance of the Housing Element and the request is supportable for the following key reasons:

1. The Project Site is located within the Newport Place Planned Community (PC-11) Zoning District in the Professional & Business Office Site 4 Subarea. It is also within the Residential (R) Overlay of PC-11, which allows for multifamily residential development on the Project Site. The R Overlay requires a minimum of 30 dwelling units per acre, where the Project proposes approximately 20 dwelling units per acre. Therefore, the Applicant is seeking an amendment to Section 20.80.025 (Housing Opportunity Overlay Zoning Districts Maps) of the NBMC to include the Project Site in the HO Overlay Zoning Districts within the HO-1 (Airport Area Environs Map), where the minimum density is 20 dwelling units per acre. Aside from the change in minimum density, the Project is consistent with the intent of the existing zoning district to provide housing.
2. The Project allocates 5% of the base units (7 dwelling units) as affordable for very-low-income households, increasing the overall affordable housing supply. Specifically, the Project would include the introduction of a for-sale affordable housing product, which would diversify the City's housing stock.
3. Given the location of the Project Site in the Airport Area, which includes a mixture of service uses, hotels, airport and commercial support services, professional offices, and new residential developments that cumulatively contain the ingredients of a planned community, the proposed Zoning Code Amendment would not disrupt the existing uses within the Planned Community and would add to this diversity of uses, assisting the City in larger scale community planning and the provision of additional housing opportunities.
4. As illustrated in Figure 5 above, the Project Site is located within the Airport Area Environs Area, which includes numerous properties designated within the HO Overlay Zoning District. The Project would be consistent with the anticipated future development of other adjacent properties within the HO Overlay Zoning District in the Airport Area Environs Area and its inclusion within this broader development context is appropriate and not a substantial change in the anticipated character of the area. The Zoning Code Amendment would not increase the number of units allocated to the HO-1 subarea.

5. The Project would be subject to the appropriate site and project specific setbacks, density, and height limits for this location. All required parking is provided onsite. The Project complies with the development standards identified for the HO Overlay Zoning District, except as modified by the allowed development standard waivers identified in the Affordable Housing Implementation Plan.
6. The Project Site is located near existing office buildings within the Airport Area and is not negatively impacted by noise, dust, smoke, vibration, odor, toxic or noxious matter that may be generated by existing commercial or industrial uses nearby. The Project would develop 132 of the overall 2,577 units allowed within the HO-1 subarea. The Project Site is located within the 60dBA CNEL noise contour, reducing the likelihood of dwelling units being developed within the 65dBA CNEL noise contours.
7. The Project Site is fully developed and does not support any natural resources and all potential environmental impacts associated with the Project are appropriately addressed through standard building permit procedures, conditions of approval, and the General Plan Policies identified in the Housing Implementation Program EIR.

Site Development Review

Staff believes facts to support the findings exist to approve the SDR. These facts are discussed in detail in the attached draft resolution (Attachment C). The key facts in support of findings are summarized in the following paragraphs.

Development Compliance

As described in more detail in the June 4, 2026, Planning Commission staff report included as Attachment E, the Project is fully consistent with the HO-1 Subarea development standards of the HO Overlay Zoning Districts.

Design and Open Space

The Project design compactly arranges the 36 separate buildings to maximize site efficiency and preserve larger-than-required open space areas. The PAOS strada exceeds the minimum required publicly accessible open space of 8,786 square feet and provides 8,927 square feet. The Project's design includes interior driveways and resident amenity areas which are screened from public view. The Project's larger common open space areas, PAOS strada, landscaped edge conditions, location of drive aisles and residential amenities reduce any potential visual impact of the Project and ensure compatibility with the surrounding neighborhood.

Throughout the Project Site, areas of passive green space are integrated alongside pedestrian walkways, including seating areas elements that provide space for informal use, rest and neighborhood interaction. Figure 7 illustrates the PAOS along MacArthur

Boulevard and the landscape buffer and entrances to the community along Newport Place Drive, and Dove Street, which reinforce the aesthetics of a residential neighborhood.

Traffic

The Project's trip generation was reviewed and approved by the Public Works Department. The estimated trip generation for the Project is 820 average daily trips (ADTs), which is a reduction of 758 ADTs when compared to the existing office use. Therefore, the Project does not result in a net increase of 300 ADTs, and no traffic study is required per Chapter 15.40 (Traffic Phasing Ordinance) of the NBMC.

Affordable Housing Implementation Plan

The Applicant has prepared an Affordable Housing Implementation Plan (AHIP), dated May 6, 2026 (Exhibit B of Attachment C). The AHIP is consistent with the intent to implement affordable housing goals within the City pursuant to Government Code Sections 65915-65918 (State Density Bonus Law), and Title 20, Chapter 20.32 (Density Bonus) of the NBMC for the following reasons:

- The Project includes seven very-low-income units, representing 5% of the total 132 units, consistent with State Density Bonus Law and Chapter 20.32 (Density Bonus) of the NBMC. The affordable units are proportionally distributed across two-, three-, and four-bedroom floor plans and will be dispersed throughout the site to avoid concentration.
- By providing at least 5% of the total units as very-low-income units, the Project qualifies for one incentive/concession under Government Code §65915(d). The Applicant requests a partial reduction of the park in-lieu fee from \$48,987 per unit to \$7,661 per unit, which provides an identifiable, financially sufficient, and actual cost reduction necessary to support the affordable units. The reduction in park in-lieu fees would allow the Applicant to contribute to the overall fund for parks in the Airport Area, while providing identifiable cost reductions that make the provision of affordable units feasible.
- In addition to the concessions, the Project is entitled under California Government Code Section 65915(e), Section 20.32.080 (Waivers or Reductions of Development Standards), and recent case law to receive waivers or reductions of development standards where application of the development standard would physically preclude construction of a density bonus project. In this case, the Applicant requests a waiver of three of the following Objective Design Standards identified in NBMC Section 20.48.185 (Multi-Unit Objective Design Standards):
 1. 20.48.185(S)(1)(a) (First Floor Opening and Transparency Standards);
 2. 20.48.185(N)(2)(b) (Private Driveway Standards – Landscape and Paving Zone (LPZ)); and
 3. 20.48.185 (R)(1)(c) (Horizontal Modulation – Minimum Depth); of the NBMC.

- Affordable units will be priced and income qualified in accordance with Health & Safety Code §50052.5, HCD Very Low-Income limits, and the Orange County Housing Authority (OCHA) utility allowances, ensuring long-term affordability consistent with State and local requirements. As conditioned, prior to issuance of building permits, the Applicant must execute an Affordable Housing Agreement identifying the location, distribution and sale procedures for the affordable units, ensuring compliance with State Density Bonus Law and NBMC provisions. The Project's affordable for-sale units will be subject to an Equity Sharing Agreement under NBMC Section 20.32.140 (Occupancy and Resale of Ownership Units), ensuring the City recaptures its proportionate share of appreciation upon resale for reinvestment in affordable homeownership opportunities.

Vesting Tentative Tract Map

Staff provides facts to support the findings for the approval of the VTTM in the attached draft resolution (Attachment C). The key facts in support of findings are summarized in the following paragraphs.

Since the Project includes for-sale residential units, the Applicant is required to pay in-lieu park dedication fees pursuant to Section 19.52 (Park Dedications and Fees) of the NBMC, for park and recreational purposes. The Project is also subject to General Plan Policy LU 6.15.13 (Neighborhood Parks – Standards) that requires new residential development in the Airport Area to dedicate and improve a minimum ½ acre as a neighborhood park or provide an equivalent park in-lieu fee. However, as part of the AHIP, the Applicant has requested an incentive to reduce the in-lieu park dedication fee.

Additionally, the Project provides the required PAOS on the site. The PAOS is located along the MacArthur Boulevard frontage, which includes a pedestrian strada improved with landscaping and seating areas to benefit the public.

The Project Site is suitable for the type and density of the development in that the infrastructure serving the site has been designed to accommodate the Project. Sewer and Water Demand Studies were prepared by Fuscoe Engineering, both dated August 2025 and revised December 2025. The Water Demand Study concluded that the proposed onsite water system is adequately designed to provide domestic water service and fire flows for the proposed onsite fire hydrants and building's domestic demand. The Sewer Demand Study concluded that the existing sewer systems will not be adversely impacted by the wastewater flows associated with the proposed project, and no sewer upgrades are required as part of the Project. The Public Works Department has reviewed and accepted these studies.

The Project storm drain system is conditioned to be privately owned and maintained. The Applicant is required to upsize the existing public storm drain line along Dove Street to a 48-inch storm drain line. The extent of the improvement will be determined by the Public Works Department. The Project is also conditioned so that any additional required improvements to downstream City infrastructure to accommodate the Project will be

designed and constructed as part of the Project. Final design will be reviewed and approved by the Public Works Department.

The Project Site does not contain riparian habitat or other sensitive natural communities, or wetlands. Furthermore, the Project is not expected to result in any public health or safety concern to residents in this area or throughout the city. All improvements associated with the Project will comply with all Building, Public Works, and Fire Codes, which are in place to prevent serious public health problems. Public improvements will be required of the developer per Section 19.28.010 (General Improvement Requirements) of the NBMC.

Development Agreement

In accordance with Section 15.45.020(A)(2)(a) (Development Agreement Required) of the NBMC, a development agreement (DA) is required as the Project requires a Zoning Code Amendment that includes the development of more than 50 residential units. In this case the Project includes a total of 132 residential units.

The Applicant requests a 10-year term of agreement, and the DA would establish rights to develop the Project over the term. However, the public benefit fees are structured to incentivize development in a shorter term. The DA includes the following key terms:

Table 2 – Development Agreement Key Terms

Term	The initial term is 10 years.	
Affordability	Affordable housing for 5% of total units (i.e., 7 units), allocated to very-low-income households.	
Developer Fees	Park Fee (Reduced)*	\$1,011,252 total (\$7,661 per unit) Due at permit issuance
	Development Impact Fees (Police, Fire, Sewer, Water, Recreation)	\$2,607,483.98 total (Estimated) Does not apply to affordable units
	General Public Benefit Fee	\$3,000,000 total (Estimated) (\$24,000 per market rate unit) Subject to annual CPI adjustments** Does not apply to affordable units
*NBMC and adopted Park Fee Schedule requires \$48,987 per unit (\$6,466,284 total) unless the City Council grants a financial incentive (to reduce the fee) pursuant to State Density Bonus Law and Chapter 20.32 of the NBMC. **CPI adjustment incentivizes development prior to the 10-year term limit.		

Finally, the DA includes all mandatory elements, including public benefits that are appropriate to support conveying the vested development rights consistent with the City's General Plan, NBMC, and Government Code Sections 65864 et seq.

Planning Commission Review and Recommendation

On June 4, 2026, the Planning Commission conducted a duly noticed public hearing to consider the requested applications. The Planning Commission discussed the merits of the Project, its amenities, required off-site sewer improvements, and the Project's contribution to the RHNA. One member of the public addressed the Planning Commission regarding the request. At the conclusion of the public hearing, the Planning Commission voted 6-0 with one Commissioner absent, to adopt Resolution No. PC2026-018, recommending the City Council approve the Project. The Planning Commission staff report, meeting minutes, and resolution are included for reference as Attachment Nos. E, F, and G, respectively.

Airport Land Use Commission (ALUC) Review

The Project Site falls within the airport planning area of the Airport Environs Land Use Plan (AELUP) for the John Wayne Airport. Section 4.3 of the AELUP and Section 21676(b) of the California Public Utilities Code (CPUC) require the City to submit General Plan and Zoning Code amendments to the ALUC for a consistency determination with the AELUP. ALUC conducted a hearing on the Project at its July 16, 2026, meeting and found the Project is consistent with the AELUP. The ALUC staff report is included as Attachment No. H.

FISCAL IMPACT:

There is no fiscal impact related to this item.

ENVIRONMENTAL REVIEW:

Pursuant to the California Environmental Quality Act (CEQA) as set forth in California Public Resources Code Section 21000 *et seq.* and its implementing guidelines set forth in California Code of Regulations, Title 14, Division 6, Chapter 3 (CEQA Guidelines), the City Council adopted Resolution No. 2024-50 on July 23, 2024, certifying Final Program Environmental Impact Report SCH No. 2023060699 (PEIR), approving a Mitigation Monitoring and Reporting Program (MMRP), and adopting Findings and a Statement of Overriding Considerations related to the implementation of the Housing Element involving amendments to the General Plan, Coastal Land Use Plan, and Title 20 (Planning and Zoning) and Title 21 (Local Coastal Program Implementation Plan) of the NBMC which are available at: [Housing Implementation Program EIR](#).

Pursuant to Section 21166 of the California Public Resources Code and Section 15162 of the CEQA Guidelines, when an EIR has been certified for a project, no subsequent EIR is required unless the lead agency determines, based on substantial evidence in the light of the whole record, one or more of the following:

- a. Substantial changes are proposed in the Project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- b. Substantial changes occur with respect to the circumstances under which the Project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
- c. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, shows any of the following:
 - i. The project will have one or more significant effects not discussed in the previous EIR;
 - ii. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - iii. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the Project, but the Project proponents decline to adopt the mitigation measure or alternative; or
 - iv. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the Project proponents decline to adopt the mitigation measure or alternative.

An [Addendum to the PEIR](#) (Exhibit C of Attachment A) was prepared by EPD Solutions, Inc. dated May 2026 and peer reviewed by the City's consultant Kimley-Horn, pursuant to Section 15162 (Subsequent EIRs and Negative Declarations) and 15164 (Addendum to an EIR or Negative Declaration) of the CEQA Guidelines.

The following environmental topics were analyzed for the Project: Aesthetics, Agriculture and Forestry Resources, Air Quality, Biological Resources, Cultural Resources, Energy, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Transportation, Tribal Cultural Resources, Utilities and Service Systems, and Wildfire.

Based on the PEIR and entire environmental review record, the Project will not result in any new significant impacts that were not previously analyzed in the PEIR. The Addendum confirms and provides substantial evidence that the potential impacts associated with this Project would either be the same or less than those described in the PEIR, as reduced by

applicable General Plan Policies and mitigation measures in the PEIR. In addition, there are no substantial changes to the circumstances under which the Project would be undertaken that would result in new or more severe environmental impacts than previously addressed in the PEIR, nor has any new information regarding the potential for new or more severe significant environmental impacts been identified. Therefore, in accordance with Section 15164 of the CEQA Guidelines, an addendum to the previously adopted PEIR is the appropriate environmental document for the Project. In taking action to approve any of the requested applications for the Project, the data presented in the PEIR, as augmented by the Addendum for this Project, are considered as part of the record.

NOTICING:

Notice of this hearing was published in the Daily Pilot, mailed to all owners of property within 300 feet of the boundaries of the site (excluding intervening rights-of-way and waterways), including the applicant and posted on the subject property at least 10 days before the scheduled meeting, consistent with the provisions of the Municipal Code. Additionally, the item appeared on the agenda for this meeting, which was posted at City Hall and on the City website).

ATTACHMENTS:

Attachment A – Resolution No. 2026-57: Addendum
Attachment B – Ordinance No. 2026-12: Zoning Code Amendment
Attachment C – Resolution No. 2026-58: SDR, VTTM, and AHIP Approvals
Attachment D – Ordinance No. 2026-13: Development Agreement
Attachment E – Planning Commission Staff Report, dated June 4, 2026 (without attachments)
Attachment F – Planning Commission Minute Excerpts, dated June 4, 2026
Attachment G – Planning Commission Resolution No. PC2026-018
Attachment H – ALUC Staff Report, dated June 18, 2026
Attachment I – Applicant's Project Description and Project Plans