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# **NEWPORT BEACH**

## **City Council Staff Report**

July 28, 2026  
Agenda Item No. 2

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

**FROM:** Jaime Murillo, Community Development Director - 949-644-3209,  
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**TITLE:** Ordinance No. 2026-10: Approving Amendment to Newport Place  
Planned Community Development Plan (PC-11) Related to the  
Minimum Percentage of Inclusionary For-Sale Housing within the  
Residential Overlay (PA2025-0196)

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### **ABSTRACT:**

For the City Council's consideration is the adoption of Ordinance No. 2026-10 to amend the Newport Place Planned Community Development Plan (PC-11), changing the minimum inclusionary for-sale housing percentage within the Residential Overlay from 15% to 6% for lower-income households and 8% for moderate-income households. The ordinance was introduced and considered at the July 14, 2026, City Council meeting.

### **RECOMMENDATIONS:**

- a) Find the adoption of this ordinance is not subject to 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. The proposed action is also exempt pursuant to CEQA Guidelines Section 15061(b)(3), the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment; and
- c) Waive full reading of an ordinance, read by title only, conduct a second reading and adopt Ordinance No. 2026-10, *An Ordinance of the City Council of the City of Newport Beach, California, California, Approving an Amendment to the Newport Place Planned Community Development Plan (PC-11) to Revise the Minimum Inclusionary For-Sale Housing Percentage Required within the Residential Overlay (PA2025-0196).*

### **DISCUSSION:**

The proposed amendment to the Newport Place Planned Community (PC-11) reduces the Inclusionary Requirement from 15% to 6% for lower-income households (i.e. very-low and low income) and 8% for moderate-income households for for-sale housing developments within the Overlay. No other changes are proposed, and no development would be directly authorized by the amendment. The existing Inclusionary Requirement

of 15% affordable to lower-income households for a minimum of 30 years would remain in place for for-rent housing developments.

On July 14, 2026, the City Council conducted a public hearing and introduced Ordinance No. 2026-10 to amend the PC-11, filed as PA2025-0196. If the ordinance is adopted, it would become effective 30 calendar days after the adoption.

**FISCAL IMPACT:**

There is no fiscal impact related to this item.

**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. The proposed action is also exempt pursuant to CEQA Guidelines Section 15061(b)(3), the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. The Amendment would reduce the minimum inclusionary for-sale housing percentage within the Residential Overlay from 15% to 6% for lower-income households and 8% for moderate-income households. The Amendment in and of itself does not authorize new development that would directly result in physical change to the environment.

**NOTICING:**

Notice of this hearing was published in the Daily Pilot and mailed to all owners of property within 300 feet of the boundaries of the Newport Place Planned Community (excluding intervening rights-of-way and waterways), consistent with the provisions of the Municipal Code. Additionally, the item also appears on the agenda for this meeting, which was posted at City Hall and on the City website in accordance with the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

**ATTACHMENT:**

Attachment A - City Council Ordinance No. 2026-10