

CITY OF CITY OF **NEWPORT BEACH** City Council Staff Report

June 24, 2025 Agenda Item No. 3

TO:	HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM:	Seimone Jurjis, Assistant City Manager/Community Development Director - 949-644-3232, sjurjis@newportbeachca.gov
PREPARED BY:	Liz Westmoreland, AICP, Principal Planner - 949-644-3234, lwestmoreland@newportbeachca.gov
TITLE:	Ordinance Nos. 2025-7 and 2025-8: Approving an Amendment to the North Newport Center Planned Community (PC-56) Development Plan and a Development Agreement

ABSTRACT:

For the City Council's consideration is the second reading and adoption of an ordinance that would amend the North Newport Center Planned Community (PC-56) Development Plan and a related ordinance that would approve an amendment to Development Agreement No. DA2007-002. These approvals would allocate 1,500 dwelling units from the 2,439-unit limit in the HO-4 (Newport Center Area) of the Housing Opportunity Overlay, add 100 and 190 Newport Center Drive to PC-56, and update residential height limits, design standards, review processes, and other minor provisions for PC-56.

RECOMMENDATIONS:

- a) Find the adoption of the ordinances is not subject to further environmental review pursuant to Section 21083.3 of the California Public Resources Code (PRC) and Section 15183 of the California Environmental Quality Act (CEQA) Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, because it is consistent with the previously certified Program Environmental Impact Report (SCH No. 2023060699);
- b) Conduct second reading and adopt Ordinance No. 2025-7, An Ordinance of the City Council of the City of Newport Beach, California, Approving an Amendment to the North Newport Center Planned Community (PC-56) Development Plan to Allocate 1,500 Base Dwelling Units from the HO-4 (Newport Center Area) Subarea Development Limits Set Forth in Section 20.28.050 (Housing Opportunity (HO) Overlay Zoning Districts) of the Newport Beach Municipal Code to the North Newport Center Planned Community (PC-56) Development Plan for 100 And 190 Newport Center Drive and Various Addresses Within the North Newport Center Planned Community (PA2024-0173); and
- c) Conduct second reading and adopt Ordinance No. 2025-8, An Ordinance of the City Council of the City of Newport Beach, California, Approving a Second Amendment to Development Agreement No. DA 2007-002, Entitled Zoning Implementation and Public Benefit Agreement for the Project Located at 100 and 190 Newport Center Drive and Various Addresses Within the North Newport Center Planned Community (PA2024-0173).

Ordinance Nos. 2025-7 and 2025-8: Approving an Amendment to the North Newport Center Planned Community (PC-56) Development Plan and a Development Agreement June 24, 2025 Page 2

DISCUSSION:

On April 29, 2025, the City Council conducted a noticed public hearing to consider a request from Irvine Company (Applicant) to authorize amendments to the North Newport Center Planned Community (PC-56) Development Plan that would:

- Allocate 1,500 base dwelling units from the 2,439-unit development limit identified in the HO-4 (Newport Center Area) Subarea of the Housing Opportunity (HO) Overlay Zoning Districts of the Newport Beach Municipal Code (NBMC);
- Incorporate two parcels located at 100 and 190 Newport Center Drive into PC-56; and
- 3) Update residential height limits, design standards, the plan review process, and other minor provisions in PC-56.

As the request involves vesting development rights for dwelling units, the Applicant also proposed an amendment to the existing Development Agreement (DA), an affordable housing implementation plan (AHIP), and a water supply assessment (WSA).

After taking public testimony, the City Council unanimously adopted Resolution No. 2025-19, to approve the AHIP and the WSA and introduced Ordinance Nos. 2025-7 and 2025-8 and passed them to a second reading.

Ordinance No. 2025-7 (Attachment A) will amend the PC-56 Development Plan as noted above and Ordinance No. 2025-8 (Attachment B) will approve the amendment to the DA. If the ordinances are adopted, they will take effect 30 days after adoption.

FISCAL IMPACT:

As the project is not increasing overall density nor is it changing allowed land uses through an amendment to the General Plan Land Use Element, a fiscal impact analysis was not prepared. However, a fiscal impact analysis was prepared by Keyser Marston Associates dated July 9, 2024, for the Housing Element Implementation Program Amendments. The analysis concluded that residential projects could have a net negative fiscal impact unless they continue to be developed at higher price points.

Additionally, fiscal impacts are often offset through payment of impact fees and development agreements. In this case, should future market rate residential projects be constructed pursuant to the DA and the PC-56 Development Plan, the Applicant would provide various public benefit fees including development impact fees to the City of Newport Beach based on the specific terms contained in the DA.

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

Ordinance Nos. 2025-7 and 2025-8: Approving an Amendment to the North Newport Center Planned Community (PC-56) Development Plan and a Development Agreement June 24, 2025 Page 3

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: <u>Housing Implementation Program EIR</u>.

The proposed amendments are not subject to further environmental review pursuant to Section 21083.3 of the California Public Resources Code (PRC) and Section 15183 of the CEQA Guidelines because, inasmuch as the properties involved are all within the HO-4 Subarea, the amendments will not change the underlying land use or zoning designations; and would not result in new significant impacts or a substantial more adverse impact than addressed in the PEIR. A detailed consistency analysis has been prepared by T & B Planning Inc., dated April 2025, and peer reviewed by Kimley-Horn & Associates, Inc., is provided as Exhibit "D" of Attachment A and hereby incorporated by reference.

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).

ATTACHMENTS:

Attachment A – Ordinance No. 2025-7 Attachment B – Ordinance No. 2025-8