June 10, 2025 Agenda Item No. 18

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Ordinance No. 2025-10 and Resolution No. 2025-32: Approving an

Amendment to the Housing Opportunity (HO) Overlay Zoning and Coastal Zoning Districts and Resolution No. 2025-33: Overriding Orange County Airport Land Use Commission's Determination of

Inconsistency (PA2024-0205)

ABSTRACT:

For the City Council's consideration is the introduction of an ordinance and the approval of a resolution for an amendment to the Housing Opportunity (HO) Overlay Zoning and Coastal Zoning Districts in Title 20 (Planning and Zoning) and Title 21 (Local Coastal Program Implementation Plan) of the Newport Beach Municipal Code (Amendment), consistent with City Council Resolution No. <u>2024-85</u> adopted on November 19, 2024. If approved, a second reading for the adoption of ordinance would be conducted on June 24, 2025.

Also for the City Council's consideration is the adoption of a resolution overriding the March 20, 2025, Orange County Airport Land Use Commission (ALUC) determination that the Amendment is inconsistent with the 2008 John Wayne Airport Environs Land Use Plan pursuant to Public Utilities Code Section 21676(b). Approval of the Amendment and the adoption of the resolution to override the ALUC requires a two-thirds majority vote of the City Council.

RECOMMENDATIONS:

- a) Conduct a public hearing;
- b) Find that all potential environmental effects for the Amendment have been adequately addressed in the previously certified Final Program Environmental Impact Report (EIR) identified by State Clearinghouse Number (SCH No.) 2023060699, and the City Council of the City of Newport Beach intends to use said document for the approval of the Amendment;

- c) Waive full reading, direct the City Clerk to read by title only, introduce Ordinance No. 2025-10, An Ordinance of the City Council of the City of Newport Beach, California, Amending Section 20.28.050 (Housing Opportunity (HO) Overlay Zoning Districts) in Title 20 (Planning and Zoning) of the Newport Beach Municipal Code Related to Implementation of the Housing Element (PA2024-0205), and pass to second reading on June 24, 2025;
- d) Adopt Resolution No. 2025-32, A Resolution of the City Council of the City of Newport Beach, California, Authorizing Submittal of a Local Coastal Program Amendment to the California Coastal Commission to Amend Pending Section 21.28.070 (Housing Opportunity (HO) Overlay Coastal Zoning Districts) in Title 21 (Local Coastal Program Implementation Plan) of the Newport Beach Municipal Code Related to Implementation of the Housing Element; and
- e) Adopt Resolution No. 2025-33, A Resolution of the City Council of the City of Newport Beach, California, Finding Amendment to Section 20.28.050 (Housing Opportunity (HO) Overlay Zoning Districts) in Title 20 (Planning and Zoning) and Pending Section 21.28.070 (Housing Opportunity (HO) Overlay Coastal Zoning Districts) in Title 21 (Local Coastal Program Implementation Plan) of the Newport Beach Municipal Code Related to Implementation of the Housing Element Consistent with the Purposes of the State Aeronautics Act and Overriding the Orange County Airport Land Use Commission's Determination of Inconsistency with the 2008 John Wayne Airport Environs Land Use Plan (PA2024-0205).

DISCUSSION:

On September 24, 2024, the City Council adopted Ordinance No. 2024-16, approving an amendment to Title 20 (Planning and Zoning) of the Newport Beach Municipal Code (NBMC), to establish the Housing Opportunity (HO) Overlay Zoning Districts in Section 20.28.050 [Housing Opportunity (HO) Overlay Zoning Districts]. The City Council also adopted Ordinance No. 2024-17 to create multi-unit objective design standards in Section 20.48.185 (Multi-Unit Objective Design Standards). The new sections serve to implement Policy Actions 1A through 1G and 3A in the General Plan 6th Cycle Housing Element (Housing Element).

The adoption of these ordinances provided new housing opportunities within five subareas to ensure the City of Newport Beach 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 within these subareas are eligible for special development allowances intended to be conducive to residential development at the prescribed average density of 20 to 50 dwelling units per acre (du/ac). Additionally, the ordinances created multi-unit objective design standards and development standards, which include but are not limited to minimum lot area, setbacks, height, open space, landscaping, and parking.

On July 23, 2024, alongside the introduction of Ordinance No. 2024-16, the City Council adopted Resolution No. 2024-52, authorizing the submittal of the corresponding Local Coastal Program Amendment (LCPA) to the California Coastal Commission (CCC) to amend the City's Coastal Land Use Plan and Title 21 (Local Coastal Program Implementation Plan) of the NBMC. The LCPA would establish the Housing Opportunity (HO) Overlay Coastal Zoning Districts and their corresponding development standards applicable to properties located within the Coastal Zone of the city to implement the Housing Element. The City filed the LCPA application on August 16, 2024, and received its notice of complete filing on January 7, 2025. The LCPA will be scheduled for a CCC public hearing for consideration.

On November 19, 2024, the City Council adopted Resolution No. <u>2024-85</u>, initiating an amendment to Section 20.28.050 in Title 20 and the pending complementary section in Title 21 of the NBMC, to review and make possible adjustments to certain development standards, including but not limited to building height limits specified in Table 2-16 (Development Standards for Housing Opportunity Overlay Zones) of Section 20.28.050 [Housing Opportunity (HO) Overlay Zoning Districts] and pending Table 21.28-1 (Development Standards for Housing Opportunity Overlay Zones) in Title 21 of the NBMC.

Proposed Amendment

Specifying Height Limitations

Currently, Table 2-16 (Development Standards For Housing Opportunity Overlay Zones) of Section 20.28.050 in Title 20 identifies heights within the HO-4 Subarea that are limited to those in the underlying base zoning district. Given the variety of zoning districts, maximum height limits range from as high as 300 feet to as low as 32 feet. Due to the lower base height limits, an adjustment to allowable building heights is appropriate and necessary to accommodate residential developments within the intended prescribed density range of 20 to 50 dwelling units per acre. It should be emphasized that there are no changes proposed to the Newport Center Sight Plane, as established by Ordinance Nos. 1371, 1596, 83-27, and 91-97, which serves to maintain residential views across the southeasterly quadrant of Newport Center.

The benefits of increasing heights include accommodating density on smaller sites and/or fewer sites, increasing walkability for residents and activating the urban core of Newport Center to create a true mixed-use community, and decreasing development footprints and encouraging increased open space and views through developments.

While not a complete list of consistency with the General Plan, the proposed increases are wholly consistent with Land Use Element Policy 6.14.4 (Development Scale), excerpted below.

LU 6.14.4 Development Scale. Reinforce the original design concept for Newport Center by concentrating the greatest building mass and height in the northeasterly section along San Joaquin Hills Road, where the natural topography is highest and progressively scaling down building mass and height to follow the lower elevations toward the southwesterly edge along East Coast Highway. (Imp 2.1, 3.1, 4.1)

Table 1 below summarizes the locations and proposed specified heights for potential housing sites taking advantage of the HO Overlay Zoning Districts along with their existing allowed base heights.

Table 1, HO-4 Properties with Proposed Special Height Limits						
Location Description	Base Height	Proposed Height				
Newport Beach Tennis Club in Eastbluff	32 feet	32 feet ¹				
AT&T Switching Station on Ford Road	32 feet	48 feet ²				
St. Michael's and All Angels Church/Newport Center	32 feet	50 feet (flat) ²				
United Methodist		55 feet (sloped)				
Armstrong Gardens, Newport Beach Country Club's	32 feet, 50 feet	70 feet				
surface parking lot, maintenance yard, and tennis						
courts						
Northern portion of Corporate Plaza outside the	32 feet	70 feet				
Newport Center Sight Plane						
100 Block Newport Center	32 feet, 50 feet	85 feet				
Underutilized parking structure	65 feet	85 feet				
Chase Bank	32 feet	110 feet				
Newport Beach Country Club golf course portion	50 feet	110 feet				
Southern portion of 200 Block Newport Center	32 feet	150 feet				
excepting Regal Edwards Big Newport site						
300 Block Newport Center and Regal Edwards Big	32 feet	270 feet				
Newport Site						

¹ This site is in a well-established neighborhood in Eastbluff where anything higher than the base height limit would likely not be compatible with surrounding development. Limiting the height to 32 feet eliminates the potential to seek a site development review to increase the height and further encourages a lower density of 20 dwelling units per acre for neighborhood compatibility.

Allocating Units to City-Owned Properties

The proposed Amendment would also allocate dwelling units from the development limits of HO-1 and HO-4 Subareas to one City-owned property within each Subarea.

The City acquired real property at 1201 Dove Street in 2023 with the intention of potentially redeveloping it in the future as the new headquarters for the Newport Beach Police Department (NBPD); however, alternative uses for the site are possible. Of the 2,577-unit development limit in HO-1, a total of 179 units would be allocated to Site ID No. 77 (1201 Dove Street) from the Housing Element Sites Inventory. This gives the City flexibility on the final use in the future.

² These sites have been included as part of the Planning Commission's review and recommendation of the Amendment, which is discussed under the "Planning Commission Review and Recommendation" header below.

868 and 870 Santa Barbara Drive is the current location of Newport Beach Fire Station No. 3 and the NBPD's headquarters. Both sites are City-controlled and have the potential for redevelopment with housing projects within the Housing Element's planning period. Of the 2,439-unit development limit in HO-4, a total of 152 units would be allocated to Site ID No. 362 (868 and 870 Santa Barbara Drive) from the Housing Element Sites Inventory. As a note, this proposed allocation has been lowered from the initial 199 units due to increased near-term development interest in HO-4 compared to other subareas.

Title 20 (Planning and Zoning) Amendment

Table 2-16 of Section 20.28.050 in Title 20 would be amended as illustrated below:

TABLE 2-16
DEVELOPMENT STANDARDS FOR HOUSING OPPORTUNITY OVERLAY ZONES

Housing Opportunity Subareas						
Development Feature	HO-1	HO-2	HO-3	HO-4	HO-5	HO-6
Development Limit (units) ⁽¹⁾	2,577 ⁽¹¹⁾	1,107	521	2,439(12)	1,530	N/A
Height	Per Base Zone unless otherwise identified on the map	65 ft.	65 ft. ⁽⁶⁾	Per Base Zone unless otherwise identified on the map ⁽⁷⁾	65 ft.	All Standards Per Base Zone

⁽¹¹⁾ Of the 2,577 base development units, 179 units shall be allocated to Site ID No. 77 (1201 Dove Street) from the 6th Cycle Housing Element Sites Inventory.

Title 21 (Local Coastal Program Implementation Plan) Amendment

All proposed changes in Title 20 would be made in Title 21 as applicable, including any updated maps to ensure consistency in the Coastal Zone. Table 21.28-1 of pending Section 21.80.032 in Title 21 would be amended as illustrated below:

TABLE 21.28-1
DEVELOPMENT STANDARDS FORHOUSING OPPORTUNITY OVERLAY ZONES

	Housing Opportunity Subareas				
Development Feature	HO-1	HO-2	HO-3	HO-4	
Height	Per Base Zone unless otherwise identified on the map		65 ft. ⁽⁵⁾	Per Base Zone unless otherwise identified on the map ⁽⁶⁾⁽⁸⁾	

^{(8) &}quot;Base Zone" includes all height limitations established by the Sight Plane Ordinance (Ordinance No. 1371 and Ordinance No. 1596.

⁽¹²⁾ Of the 2,439 base development units for HO-4, 152 units shall be allocated to Site ID No. 362 (868 and 870 Santa Barbara Drive) from the 6th Cycle Housing Element Sites Inventory.

Planning Commission Review and Recommendation

On January 23, 2025, the Planning Commission considered the Amendment. The Planning Commission received written comments from a representative of St. Michael and All Angels Episcopal Church at 3233 Pacific View Drive (Site ID No. 147 in Appendix B of the Housing Element) and from a representative of an unaddressed parcel abutting AT&T's switching facility at 1650 Ford Road (Site ID No. 141 in Appendix B of the Housing Element). All correspondence is available in Attachment D. Both representatives requested the properties be included in the HO-4 Subarea's height limitation adjustments.

At the conclusion of the public hearing, the Planning Commission adopted Resolution No. PC2025-004 by a unanimous vote of (5 ayes and 1 recused) recommending the City Council approve the Amendment with inclusion of Site ID Nos. 146 and 147 with a maximum height limit of 50 feet (flat) and 55 feet (sloped) and Site ID No. 141 with a maximum height limit of 48 feet. Below is a brief description of these properties.

Housing Element Site ID Nos. 146 and 147: The sites are adjacent to Lincoln Elementary to west, the Baywood Apartment Homes to the east across Marguerite Avenue, Big Canyon Reservoir to the north across Pacific View Drive, and the Jasmine Creek Planned Community to the south across San Joaquin Hills Road. They have a combined acreage of 6.63 and are within the HO-4 Subarea. They are currently improved with religious facilities. St. Michael and All Angels Episcopal Church requested a building height increase, from 32 (flat) and 37 (sloped) to maximum height limit of 50 feet (flat) and 55 feet (sloped). Surrounding properties generally have a maximum height of 32 feet (flat) and 37 (sloped) feet except for Jasmine Creek, which allows up to 35 feet, but not more than two stories. Both sites are identified in Figure 1 below to provide a reference of the setting and neighboring pattern of development.



Figure 1, Site ID Nos. 147 (north) and 146 (south) in context with the surrounding development

Housing Element Site ID No. 141: The site is adjacent to Bonita Canyon Planned Community (PC-50) to the north across Bonita Canyon Drive, Bonita Canyon Sports Park and parking lot to the south and west; AT&T's switching facility to the east and MacArthur Boulevard to the west of the sports park. This 1.29-acre parcel is within the HO-4 Subarea, currently vacant, and feasible for housing development. A representative of the entity who owns an option to develop the site owned by Pacific Bell Telephone Company requested a building height increase, from 32 feet (flat) and 37 feet (sloped) to maximum height limit of 48 feet. There is no height limit established for the sports park. The switching facility has a maximum height limit of 32 feet (flat) and 37 feet (sloped). The residential properties abutting Bonita Canyon Drive have a maximum height of 50 feet. The site is identified in Figure 2 below to provide a reference of the setting and neighboring pattern of development.



Figure 2, Site ID No. 141 in context with the surrounding development

The January 23, 2025, Planning Commission staff report, Planning Commission minutes excerpts, and Planning Commission Resolution No. PC2005-004 are included as Attachment D.

Orange County Airport Land Use Commission (ALUC) Override

The Airport Environs Land Use Plan (AELUP) for John Wayne Airport (JWA) is a planning document adopted by the Orange County Airport Land Use Commission to ensure that land uses near JWA are compatible with its operations. Its goal is to protect public safety, reduce noise impacts, and prevent development that could interfere with aircraft flight paths or airport operations.

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. Accordingly, the City submitted the Amendment to ALUC staff for consideration at the end of January 2025.

ALUC conducted public hearings on the Amendment at its February 20 and March 20, 2025, meetings and found the Amendment inconsistent with the AELUP.

On April 15, 2025, consistent with CPUC Sections 21670 and 21676, the City Council held a public hearing and adopted Resolution No. <u>2025-13</u>, containing draft findings for a possible override of the ALUC determination.

On April 16, 2025, a notice of intent to override and Resolution No. 2025-13 were sent via certified mail and emailed to ALUC and the California Department of Transportation, Aeronautics Program (Caltrans).

In response, the City received letters from Caltrans on May 14, 2025, and ALUC on May 15, 2025, which are summarized below and included as Attachment E. Both letters are also incorporated by reference into the draft resolution for overriding (Attachment C). The facts in support of the findings provided in the draft resolution adequately address the comments received.

Notably, overriding ALUC's determination and adopting the proposed amendment requires a two-thirds majority vote—at least five of the seven City Councilmembers—for approval.

Caltrans Comments

Caltrans determined the findings stated in City Council Resolution 2025-13 are sufficient to warrant the proposed overrule as they are consistent with the purpose of the statutes set forth in CPUC section 21670-21676.5, as well as noise and safety certain criteria disseminated in the AELUP.

ALUC Comments

ALUC reiterated its determination of inconsistency due to the concerns of the airport noise, safety and overflight impacts only with the City-owned site at 1201 Dove Street. Specifically, the proximity of this site to the 65 dBA CNEL contours and the flight tracks.

City staff believes ALUC's concerns are overstated, particularly given that residential use is already permitted at the 1201 Dove Street under the Residential (R) Overlay in the Newport Place Planned Community (PC-11) Development Plan. The site is located within the 2008 AELUP's Noise Impact Zone "2" (Moderate Noise Impact [60 dBA CNEL or greater, less than 65 dBA CNEL]) and City's Noise Element 60 dBA CNEL noise contour areas, and AELUP's Safety Zone 6 (Traffic Pattern Zone). Residential use is allowed both with proper sound-attenuation and careful design considerations to ensure compatibility pursuant to the AELUP.

The City acknowledges that any future residential development would be required to comply with Federal Aviation Regulation (FAR) Part 77 surfaces applicable to JWA.

FISCAL IMPACT:

There is no fiscal impact related to this item.

ENVIRONMENTAL REVIEW:

All potential environmental effects for the Amendment have been adequately addressed in the previously certified Final Program Environmental Impact Report (EIR) identified by State Clearinghouse Number (SCH No.) 2023060699, and the City of Newport Beach intends to use said document for the approval of the amendments. Copies of the previously prepared environmental document is available for public review at the City of Newport Beach website here: Housing Implementation Program EIR (PA2022-0245) or for inspection at the City of Newport Beach Community Development Department located at 100 Civic Center Drive, Bay 1B, Newport Beach, CA. Furthermore, a consistency analysis was prepared by Kimley-Horn & Associates, Inc. on January 9, 2025. It was determined that the Amendment is consistent with the Housing Element and within the scope of the EIR. Under State CEQA Guidelines Sections 15162 and 15164, no additional environmental review is required.

NOTICING:

Notice of this hearing was published in the Daily Pilot in a one-eighth-page format at least 10 days before the scheduled meeting, consistent with Section 20.62.020(B)(2)(c) of the NBMC. Additionally, the item appeared on the agenda for this meeting, which was posted at City Hall and on the City website.

ATTACHMENTS:

- Attachment A Ordinance No. 2025-10: Amendment to Title 20
- Attachment B Resolution No. 2025-32: Amendment to Title 21
- Attachment C Resolution No. 2025-33: Overriding ALUC's Determination
- Attachment D Planning Commission Staff Report, Correspondence, Minutes, and
 - Resolution No. 2025-004, dated January 23, 2025
- Attachment E Agency Comment Letters Regarding Intent to Override ALUC