

Attachment E

Planning Commission Resolution No. PC2026-009

RESOLUTION NO. PC2026-009

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF NEWPORT BEACH, CALIFORNIA RECOMMENDING THE CITY COUNCIL APPROVE 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)

THE PLANNING COMMISSION OF THE CITY OF NEWPORT BEACH HEREBY FINDS AS FOLLOWS:

SECTION 1. STATEMENT OF FACTS.

1. Newport Place is a Planned Community (PC-11) in the Airport Area, generally bounded by MacArthur Boulevard, Jamboree Road, Birch Street and Bristol Street North, and originally designed in the early 1970s with clusters of office parks and industrial uses. The 145-acre area has evolved with light industrial uses being replaced over time with the commercial supported retail and office uses within the original design. The introduction of the Mixed Use – Horizontal 2 (MU-H2) General Plan Land Use classification as a part of the 2006 General Plan Land Use Element created an opportunity for residential uses.
2. On July 24, 2012, the City Council of City of Newport Beach (“City”) adopted [Ordinance No. 2012-14](#), amending the PC-11 to create the Residential Overlay (Overlay). The Overlay was necessary to secure certification of the 4th Cycle Housing Element as it had a greater potential to accommodate the City’s Regional Housing Needs Assessment (RHNA). The amendment implemented the Mixed Use – Horizontal 2 (MU-H2) General Plan Land Use category adopted in 2006 for parcels within PC-11. The Overlay included use and development standards for multi-unit residential projects and required 30% of the units in a development to be affordable to lower-income households for a minimum of 30 years.
3. On September 13, 2022, the City adopted [Resolution No. 2022-60](#), approving the 6th Cycle Housing Element for the 2021-2029 housing period, and it was certified by the State Department of Housing and Community Development (“HCD”) on October 5, 2022. The Airport Area Environs (“Airport Area”) is one of the five focus areas where new housing opportunity sites are identified to satisfy the RHNA allocation of 4,845 new housing units. At least 2,577 housing units are planned for the Airport Area, which comprises approximately 25% of the City’s planned housing capacity. In addition to the existing residential sites allowed by the 2006 General Plan Land Use Element and the PC-11 Overlay, a total of 31 new housing opportunity sites have been identified in PC-11 per the 6th Cycle Housing Element.
4. On July 25, 2023, the City adopted [Ordinance No. 2023-13](#), reducing the minimum inclusionary housing requirement of the Overlay from 30% to 15%. The amendment was necessary to implement the 6th Cycle Housing Element by mitigating potential governmental constraints. The 15% inclusionary housing requirement is applicable to both

for-sale and rental housing developments, facilitating construction of market-rate housing and affordability for all income groups.

5. On April 9, 2024, the City Council approved the necessary land use entitlements for the development of a 67-unit condominium project, the Residences at 1401 Quail Street, by Intracorp Homes ([PA2023-0040](#)). This project is located within the Overlay and includes the required 15% of inclusionary housing. Intracorp Homes has since requested that the City consider lowering the required inclusionary percentage for for-sale housing, as the approved project is no longer financially viable to implement.
6. On September 24, 2024, the City adopted [Resolution No. 2024-73](#), amending portions of Section 3 and 4 of the 6th Cycle Housing Element to remove the reference to Charter Section 423 as voter approval is precluded by state law.
7. On November 4, 2025, the City adopted [Resolution No. 2025-77](#), initiating an amendment to PC-11 to lower the minimum percentage of inclusionary for-sale housing within the Overlay ("Amendment"), in accordance with Section 20.56.050(E) (Development Plan Amendments) and Section 20.56.050(B) (Development Plan) of the Newport Beach Municipal Code ("NBMC").
8. A public hearing was held on March 19, 2026, in the Council Chambers at 100 Civic Center Drive, Newport Beach. A notice of the time, place, and purpose of the hearing was given in accordance with Sections 54950 *et seq.* of the California Government Code ("Ralph M. Brown Act") and Chapter 20.62 (Public Hearings) of the NBMC. Evidence, both written and oral, was presented to and considered by the Planning Commission at this hearing.

SECTION 2. CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION.

The Amendment is not subject to the California Environmental Quality Act ("CEQA") under 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, Division 6, Chapter 3, because it has no potential for resulting in a physical change to the environment, directly or indirectly.

SECTION 3. REQUIRED FINDINGS.

An amendment to PC-11 is a legislative act. Neither PC-11, Chapter 20.56 (Planning and Zoning, Planned Community District Procedures), nor Article 2 (Adoption of Regulations) of Chapter 4 (Zoning Regulations) of Division 1 (Planning and Zoning) of Title 7 (Planning and Land Use) of the California Government Code set forth any required findings for either approval or denial of the Amendment. Notwithstanding the foregoing, the Amendment is consistent with the following City of Newport Beach 6th Cycle Housing Element Policy and Policy Action:

Finding and Facts in Support of Findings:**Housing Policy 4.1**

Housing Goal #4: Housing opportunities for as many renter- and owner-occupied households as possible in response to the market demand and RHNA obligations for housing in the City.

The Amendment would be a further step in the implementation of the 6th Cycle Housing Element by mitigating potential governmental constraints through the reduction of affordable housing percentage from 15% to 6% for very-low and low-income levels (collectively referenced as lower-income level) and 8% for moderate-income level, to facilitate construction of for-sale housing developments within the Overlay. According to the [January 22, 2026 Airport Area Ownership Housing Development Addendum](#) to the [March 19, 2025, Inclusionary Housing: Financial Evaluation](#), prepared by Keyser Marston Associates for the City of Newport Beach, inclusionary housing percentages for for-sale housing greater than 6% for lower-income levels and 8% for the moderate-income level would likely render most for-sale residential projects financially infeasible to develop. Lowering the inclusionary percentage would reduce the potential impediment and would also affirmatively further fair housing, consistent with Policy 4.1: *Mitigate potential governmental constraints to housing production and affordability by increasing the City's role in facilitating construction of market-rate housing and affordable housing for all income groups*, and Policy Action 4A: *Affirmatively Furthering Fair Housing provided in the 6th Cycle Housing Element*.

SECTION 4. DECISION.

NOW, THEREFORE, BE IT RESOLVED:

1. The Planning Commission of the City of Newport Beach hereby finds this action is covered under 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, Division 6, Chapter 3, in accordance with the recitals under Section 2 of this Resolution.
2. The Planning Commission of the City of Newport Beach hereby recommends the City Council of Newport Beach adopt this amendment to the Newport Place Planned Community (PC-11) Development Plan to revise the minimum inclusionary for-sale housing percentage within the Overlay from 15% to 6% for lower-income households (i.e., very-low and low) and 8% for moderate-income households, as attached hereto as Exhibit "A", and incorporated herein by reference.

PASSED, APPROVED, AND ADOPTED THIS 19TH DAY OF MARCH 2026.

AYES: Salene, Rosene, Gazzano and Reed

NOES: None

RECUSE: Harris

ABSENT: Ellmore and Langford

BY: Tristan Harris
Tristan Harris, Chair

BY: Jaime Murillo
Jaime Murillo, Ex-Officio Secretary

Attachments: Exhibit A - Amendment to Residential Overlay of Newport Place Planned Community (PC11)

EXHIBIT "A"

Newport Place Planned Community (PC11) Amendment

Amend Part III. Residential Overlay Zone, Section IV.A .3 to read as follows:

3. The following options are available for affordable housing projects:

- a. A minimum of 15 percent of the **for-rent** units within the residential development shall be affordable to lower-income households and subject to a 30-year affordability covenant;
- b. **A minimum of 6 percent of the for-sale units within the residential development shall be affordable to lower-income households and subject to a 30-year affordability covenant; or**
- c. **A minimum of 8 percent of the for-sale units within the residential development shall be affordable to moderate-income households and shall be subject to a 30-year affordability covenant.**