

Attachment D

March 19, 2026, Planning Commission Minutes

applicant presents a more complete application with better detail on what is being requested. He stated that the County's language relative to the use of the Zenith Ave. driveway is not vague in any way, shape, or form, and questioned why the gate does not have a better locking mechanism. He added that the valid safety concerns are not relevant to this application as it is presented.

In response to Commissioner Rosene's inquiry, Traffic Engineer Riley stated that he is not aware of any high-level capital improvement plans for this stretch of Bristol St.

Commissioner Gazzano agreed with Assistant City Attorney Summerhill that the County's documentation is not vague as it relates to emergency vehicle only restrictions on the Zenith Ave. driveway, citing several examples, including the contemplated inclusion of bollards. He agreed with Commissioner Rosene that the applicant's safety concerns are not relevant to the application as written. He stated that he is inclined to support the application's denial.

Commissioner Reed stated that it can be difficult to mix residential and commercial properties and agreed with Commissioner Rosene's assessment of the application being incomplete. He agreed that the Bristol St. driveway is not ideal, particularly considering the low clearance. He encouraged the applicant to present a plan for safe deliveries and agreed with his peers that the County's intention of the Zenith Ave. driveway being for emergency access only is clear and should be continued. He agreed that the current situation at the Bristol St. driveway is unsafe and that consideration should be given to a proposal to relocate deliveries, but he supports denying the application as it stands.

Chair Harris agreed with his peers and stated that the intent of the County's plans was clear, adding that the final drawing for the Zenith Ave. driveway includes a heavy chain with a fire lock. He agreed that the safety concerns raised by the applicant and public speakers who work for the law firm are valid, adding that he would welcome a different version of this application. He noted that Bristol St. has changed into more of a highway than when the project was approved in the 1980s but added that Zenith Ave. was intended to demarcate the line between commercial and residential with no traffic flow.

Motion made by Chair Harris and seconded by Commissioner Reed to deny the application.

AYES: Gazzano, Harris, Reed, Rosene, and Salene
 NOES: None
 ABSTAIN: None
 ABSENT: Ellmore, Langford

Chair Harris called for a recess at 7:22 p.m. The meeting resumed at 7:26 p.m.

ITEM NO. 3 NEWPORT PLACE PLANNED COMMUNITY DEVELOPMENT PLAN (PA2025-0196)

Site Location: Generally bounded by MacArthur Boulevard, Jamboree Road, Birch Street, and Bristol Street North

Summary:

An amendment to Newport Place Planned Community (PC-11) Development Plan to revise the minimum affordability percentage required within the Residential Overlay (Overlay) from 15% to 6% for for-sale residential projects.

Recommended Actions:

1. Conduct a public hearing;
2. Find 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; and
3. Adopt Resolution No. PC2026-009 recommending approval of a Planned Community Development Planned Amendment to revise the minimum percentage of inclusionary housing applicable to for-sale housing within the Residential Overlay of PC-11 to the City Council PA2025-0196.

Chair Harris recused from the item due to a financial interest with a business partner in the area being studied. Vice Chair Salene ran the meeting in his absence.

Acting Deputy Community Development Director Ben Zdeba reported that the Newport Place Planned Community (PC-11) is in the John Wayne Airport (JWA) area and was established in the 1970s for businesses, office parks, and light industrial use, but those uses have since evolved. He added that housing has also been added to the area, starting with its inclusion in the 2006 Land Use Element update. He noted that a Residential Overlay was added to portions of PC-11 as part of the 4th Cycle of the City's Regional Housing Needs Allocation (RHNA). He added that the overlay required 30% of the housing units to be restricted to lower income for 30 years, but this was amended in 2023 to reduce the percentage to 15% to help the City meet its 6th Cycle RHNA figures, as 30% was viewed as an impediment to housing development. He noted that the 2023 change did not contemplate for-sale housing, only studying rental projects.

Acting Deputy Community Development Director Zdeba reported that the proposed amendment in this item was initiated by the City Council in November 2025 and would reduce inclusionary housing from 15% to 6% for for-sale housing in PC-11. He clarified that rental developments would remain at 15%. He added that the amendment is aligned with the Housing Element's Policy 4A, which affirmatively furthers fair housing by removing governmental constraints. He added that the amendment will also have to be presented to the Airport Land Use Commission (ALUC) prior to being brought to the City Council.

In response to Commissioner Gazzano's inquiry, Acting Deputy Community Development Director Zdeba confirmed that no in-lieu payments are included in this amendment.

In response to Commissioner Rosene's inquiry, Acting Deputy Community Development Director Zdeba clarified that "lower-income" encompasses low- and very-low-income but not moderate-income.

In response to Vice Chair Salene's inquiry, none of the Commissioners disclosed any ex parte communications on this item.

Vice Chair Salene opened the public hearing.

Mr. Mosher clarified that the full documentation defines "lower-income" as being low-income and very-low-income. He referenced a letter in the staff report from the developer of 1401 Quail St., whose project was approved at 15% affordable units, requesting that the percentage be lowered to 7.5%, but also does not expressly state that 15% is unfeasible. He questioned the logic behind lowering the percentage to 6%. He stated that it is unlikely any affordable housing would be developed without an inclusionary requirement, adding that PC-11 is close to JWA and one of Newport Beach's less desirable areas, making it a place where they might expect to generate affordable housing. He expressed concerns that the City will not meet its RHNA requirements.

Vice Chair Salene closed the public hearing.

Commissioner Rosene stated that this is an area of the City where they are trying to focus on affordable housing generation. He stated that the negative impact of 15% to a developer is significant enough to lead to a reduction to 6%. He expressed his support for the amendment.

Commissioner Gazzano recommended including a clause about offering a developer 8% moderate-level income housing units as an option in addition to 6% at the lower income levels. He agreed that clarity could be added to the amendment about the specific affordability levels.

Commissioner Reed agreed with Commissioner Gazzano.

In response to Commissioner Reed's inquiry, Community Development Director Murillo clarified that PC-11's Residential Overlay was created to reduce barriers to the development of lower-income housing during the fourth RHNA cycle. He added that the study included in the staff report was conducted while looking into the feasibility of a potential Citywide inclusionary housing ordinance. He stated that City staff never anticipated the potential of for-sale housing in the JWA area, so it was not included in the original study, with the City's consultants later being asked to amend their original study to consider the feasibility of for-sale housing in PC-11.

Motion made by Commissioner Gazzano and seconded by Commissioner Rosene to approve the amendment with an addition of including the option of a minimum of 8% of for-sale units be designated for moderate-income, while clarifying that the 6% requirement is specifically for low-income and very-low-income.

AYES: Gazzano, Reed, Rosene, and Salene
NOES: None
ABSTAIN: Harris
ABSENT: Ellmore, Langford

Chair Harris returned to the meeting.

**ITEM NO. 4 TOBACCO RETAILER BUSINESS AND CIGAR LOUNGE ORDINANCE
(PA2025-0171)
Site Location: Citywide**

Summary:

Consistent with the City Council's initiation on September 9, 2025, the proposed amendments to Title 5 (Business Licenses and Regulations), and Title 20 (Planning and Zoning) of the Newport Beach Municipal Code serve to establish comprehensive regulations related to permitting and operation for tobacco retail businesses and cigar lounges.

Recommended Actions:

1. Conduct a public hearing;
2. Find the Amendment is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 21080.17 of the Public Resources Code and pursuant to 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
3. Adopt Resolution No. PC2026-010 recommending the City Council approve the code amendments collectively filed as PA2025-0171 establishing comprehensive regulations for tobacco retailer businesses and cigar lounges.