



## **CITY OF NEWPORT BEACH PLANNING COMMISSION STAFF REPORT**

November 20, 2025  
Agenda Item No. 2

**SUBJECT:** Acacia Atrium Medical Office Condominiums (PA2024-0236)

- Condominium Conversion
- Tentative Parcel Map
- Conditional Use Permit
- Traffic Study

**SITE LOCATION:** 20280 and 20312 Acacia Street

**APPLICANT:** CGM Development

**OWNER:** CGM NEWPORT MED LLC

**PLANNER:** Oscar Orozco, Associate Planner  
949-633-3219, [oorozco@newportbeachca.gov](mailto:oorozco@newportbeachca.gov)

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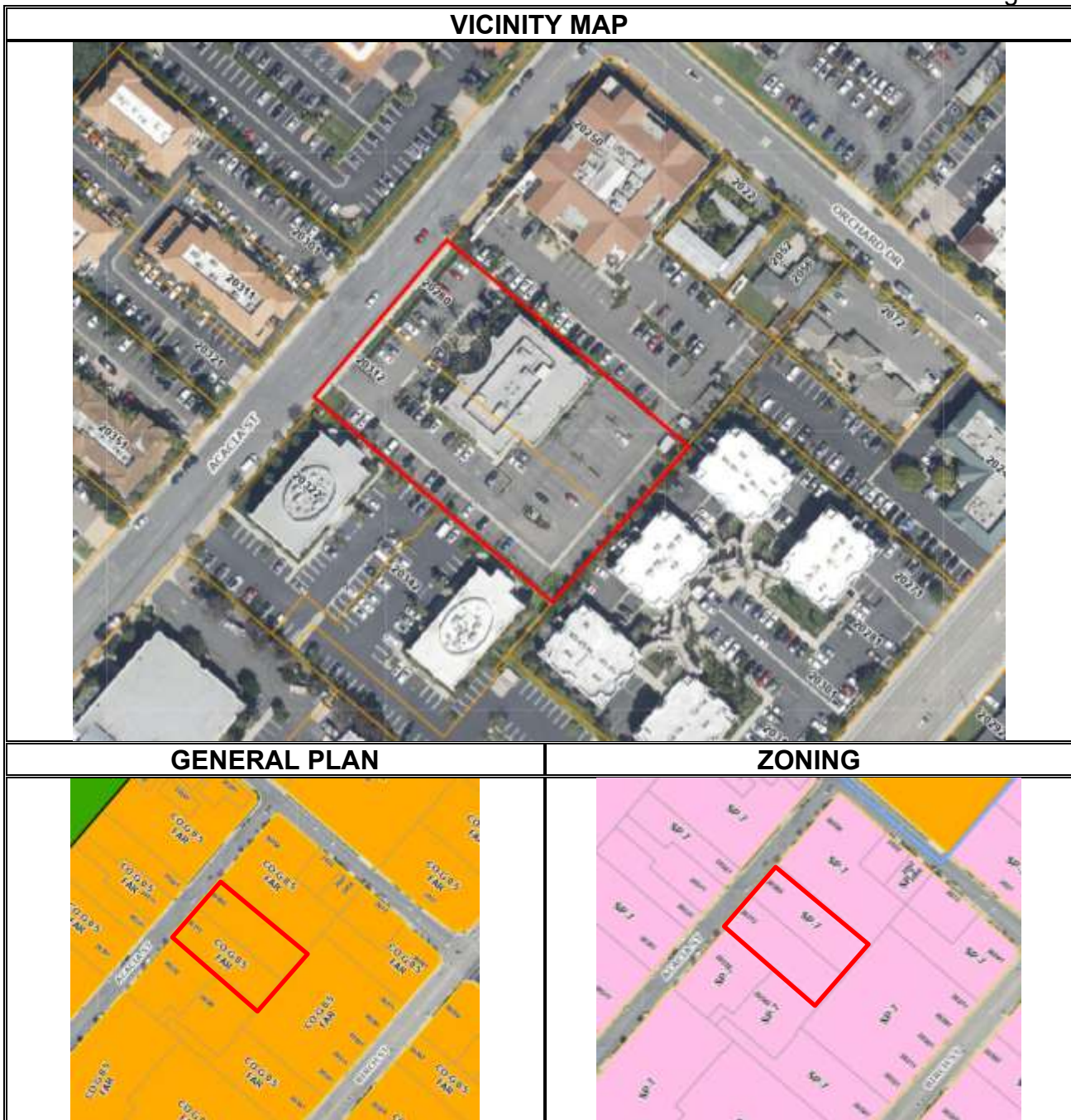
### **PROJECT SUMMARY**

The Applicant proposes to convert an existing three-story professional office building into a medical office condominium use. Project implementation requires the approval of a condominium conversion and tentative parcel map to create 12 airspace condominium units for individual sale, a conditional use permit authorizing medical office use and a 32-space parking requirement reduction, and a traffic study.

### **RECOMMENDATION**

- 1) Conduct a public hearing;
- 2) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 under Class 1 (Existing Facilities) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential to have a significant effect on the environment; and
- 3) Adopt Resolution No. PC2025-024 approving the Condominium Conversion, Tentative Parcel Map, Conditional Use Permit, and Traffic Study filed as PA2024-0236 (Attachment No. PC 1).

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| LOCATION | GENERAL PLAN                   | ZONING                                                       | CURRENT USE                  |
|----------|--------------------------------|--------------------------------------------------------------|------------------------------|
| ON-SITE  | CO-G General Commercial Office | SP-7 Santa Ana Heights Specific Plan, Sub Area Business Park | Professional office building |
| NORTH    | CO-G                           | SP-7, BP                                                     | Professional office building |
| SOUTH    | CO-G                           | SP-7, BP                                                     | Professional office building |
| EAST     | CO-G                           | SP-7, BP                                                     | Medical office buildings     |
| WEST     | CO-G                           | SP-7, BP                                                     | Professional office building |

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## **INTRODUCTION**

### **Project Setting**

The subject property is located to the south of the Acacia Street and Orchard Drive intersection. The subject property is a 1.36-acre site developed with one existing three-story office building, totaling 27,931 square feet of building area. The building contains a mix of professional, business and medical office uses and an existing 109-space parking lot that serves the tenants of the building. The project site is bounded by Acacia Street to the north and by professional offices in all other directions.

### **Project Description**

The applicant proposes to convert the existing three-story professional office building into a medical office condominium use.

Project implementation requires the following approvals:

- Condominium Conversion authorizing the conversion of existing professional office building into medical office condominiums (“Condominium Conversion”);
- Tentative Parcel Map to create a 12-unit condominium subdivision as defined in Section 783 of the California Civil Code (“Tentative Parcel Map”) allowing for individual sale;
- Conditional Use Permit authorizing medical office use and a 32-space reduction of required off-street parking (“Conditional Use Permit”);
- Traffic Study ensuring compliance with the Traffic Phasing Ordinance of Newport Beach Municipal Code Chapter 15.40 (“Traffic Study”);

The existing parking lot includes 109 spaces, which complies with the minimum number of parking spaces required to serve the professional office use. As part of the project, the applicant proposes minor improvements to the parking lot circulation by providing a turnaround space at the existing dead-end drive aisles, which would bring the surface parking lot into compliance with current design standards. With the proposed modifications, a total of 108 spaces in the parking lot will be provided.

Additionally, the applicant has submitted plans for a separate permit for the exterior remodel of the existing office building as well as minor interior alterations to the existing building. These changes are ministerial and do not require Planning Commission review.

## **DISCUSSION**

### *General Plan and Zoning Code*

The Land Use Element of the General Plan designates the subject property as General Commercial Office (CO-G), which is intended to provide administrative, professional, and medical offices with limited accessory retail and service uses. The proposed medical office conversion project is consistent with this designation.

The subject property is located within the Business Park area of the Santa Ana Heights Specific Plan (SP-7), which is intended to provide for the development and maintenance of professional and administrative offices, commercial uses, specific uses related to product development, and limited light industrial uses. The Project is consistent with this designation as medical offices uses are an allowed use with the approval of a use permit.

Land Use Policy 2.4, Economic Development, encourages the accommodation of uses that maintain or enhance Newport Beach's fiscal health, accounting for market demands while maintaining and improving the quality of life for residents. Due to the COVID-19 pandemic, the market demands for commercial office have been altered for the foreseeable future. The conversion to a medical office plaza provides an opportunity for medical office uses that would serve residents and enhance the overall fiscal health of the property. The applicant is responding to an increase in demand for medical office use.

General Plan Circulation Element Goal CE 7.1 states "an adequate supply of convenient parking throughout the City." Circulation Element Policy CE 7.1.1 "require[s] that new development provide adequate, convenient parking for residents, guests, business patrons, and visitors." As discussed below, the proposed parking reduction is consistent with Policy CE 7.1.1 because adequate parking will be provided for the proposed use as demonstrated by a site-specific parking study.

### *Parking Reduction*

The applicant seeks a 32-space reduction of required parking for the full medical office conversion. The parking requirements are summarized in Table 1 below:

Since the medical office use requires 140 spaces and only 108 spaces will be provided, the applicant is requesting a reduction of 32 required spaces. The reduction request is supported by a parking study, "20280 Acacia Street Parking Assessment", dated September 22, 2025, prepared by Michael Baker International ("Parking Study") (Attachment No. PC 2). The Parking Study analyzed the overall parking demand of the proposed medical office condominiums by evaluating weekday parking surveys taken from two comparable medical office buildings within Orange County. The analysis determined that the peak projected parking demand for the medical office building is 109 spaces. Although the existing parking lot only includes 108 spaces, a dedicated

shared mobility space will be provided to facilitate ride share pick up and drop off. The parking study concludes that the proposed parking supply of 108 parking spaces, including one shared mobility space, is adequate to accommodate the parking demand associated with the conversion of the building from professional office to 100% medical office use.

Table1: Parking Requirements

| Use                          | Floor Area (SF) | Required Parking Rate | Required Parking (NBMC) | Required Parking (Parking Study)             |
|------------------------------|-----------------|-----------------------|-------------------------|----------------------------------------------|
| Existing Professional Office | 27,095 net      | 1 per 250 SF (net)    | 109                     | N/A                                          |
| Medical Office               | 27,931 gross    | 1 per 200 SF (gross)  | 140                     | 108<br>(including one shared mobility space) |

To ensure that employees, patients, and visitors to the medical office do not impact adjacent properties, appropriate conditions of approval have been included to require installation of barriers and landscaping to act as a visual screen and prevent pedestrian access and customer/employee parking on adjacent properties. Although not considered in the Parking Study, there is also street parking in the vicinity along Acacia Street, which supplements the overall supply in the area.

#### Conditional Use Permit Findings

Pursuant to [Section 20.52.020.F \(Findings and Decision\)](#) of the Newport Beach Municipal Code, the Planning Commission must make the following findings in order to approve a conditional use permit for medical office use and the parking reduction:

- 1. The use is consistent with the General Plan and any applicable specific plan;*
- 2. The use is allowed within the applicable zoning district and complies with all other applicable provisions of this Zoning Code and the Municipal Code;*
- 3. The design, location, size, and operating characteristics of the use are compatible with the allowed uses in the vicinity;*
- 4. The site is physically suitable in terms of design, location, shape, size, operating characteristics, and the provision of public and emergency vehicle (e.g., fire and medical) access and public services and utilities; and*
- 5. Operation of the use at the location proposed would not be detrimental to the harmonious and orderly growth of the City, nor endanger, jeopardize, or otherwise*

*constitute a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working in the neighborhood of the proposed use.*

As demonstrated in the draft resolution (Attachment No. PC 1), staff believes that sufficient facts exist in support of each finding for the full conversion of the existing building to medical office and the associated reduction in parking. The proposed medical office condominiums will be consistent with the C-OG General Plan land use designation and SP7.

For example, the project complies with the building design requirements for the Business Park subarea of SP7 for trash, storage, and ground-mounted mechanical equipment. The mechanical equipment that serves the existing building is located within the building and on the rooftop with an existing roof top parapet ensuring that the equipment is not visible from the public. In addition, the project site includes an existing covered trash enclosure that provides screening of trash containers in compliance with the requirements of the business park subarea of SP7.

The site is suitable for the type and intensity of development proposed because the infrastructure serving the site and surrounding area has been designed and developed to accommodate various office uses, including medical offices. The project is anticipated to generate a net increase of approximately 703 average daily trips, and a Traffic Impact Analysis study has been completed (Attachment No. PC 4). The study found that there are no significant traffic-related impacts. Therefore, all aspects of the proposed project should not prove detrimental to the community with the application of the conditions of approval.

When considering a reduction in required off-street parking, Section 20.40.110 (Adjustments to Off-Street Parking Requirements) includes two conditions:

1. *The applicant has provided sufficient data, including a parking study if required by the Director, to indicate that parking demand will be less than the required number of spaces or that other parking is available (e.g., City parking lot located nearby, on-street parking available, greater than normal walk-in trade, mixed-use development); and*
2. *A parking management plan shall be prepared in compliance with subsection (C) of this section.*

As previously analyzed, the proposed reduction in parking is supported by the Parking Study (Attachment No. PC 2), which concludes that the parking demand from the medical office uses can be accommodated by the existing parking supply. The Parking Study also includes a parking management plan, which outlines strategies for managing the on-site parking and requires the conversion of an existing parking space to a shared mobility space, to provide options for alternative transportation such as Rideshare (i.e., Uber, Lyft). As conditioned, urgent care facilities are not permitted as part of the converted medical office plaza, which ensures that the project would be consistent with the assumptions identified in the Parking Study.

### Condominium Conversion Findings

In accordance with Section 19.64.070 (Standards for Condominium Conversions) of the Newport Beach Municipal Code, the following findings and facts in support of such findings are set forth:

1. *The number of off-street parking spaces that were required at the time of original construction shall be provided on the same property to be converted to condominium purposes, and the design and location of such parking shall be in conformance with the provisions of the off-street parking regulations contained within Title 20 of this Code.*
2. *Each dwelling unit within a building shall have a separate sewer connection to the City sewer.*
3. *Each sewer lateral shall be retrofitted/fitted with a cleanout at the property line.*
4. *Each unit shall maintain a separate water meter and water meter connection.*
5. *The electrical service connection shall comply with the requirements of Chapter 15.32.*
6. *The applicant for a condominium conversion shall request a special inspection from the Community Development Department for the purpose of identifying any building safety violations. The applicant shall correct all identified safety violations prior to approval of a final map for the condominium conversion.*
7. *Permanent lot stakes and tags shall be installed at all lot corners by a licensed surveyor or civil engineer unless otherwise required by the City Engineer.*
8. *For residential conversions, the project shall be consistent with the adopted goals and policies of the General Plan, particularly with regard to the balance and dispersion of housing types within the City.*
9. *The establishment, maintenance or operation of the use or building applied for shall not, under the circumstances of the particular case, be detrimental to the health, safety, peace, comfort and general welfare of persons residing or working in the neighborhood of such proposed use or be detrimental or injurious to property and improvements in the neighborhood or the general welfare of the City.*

Staff believes facts support each of the required findings as provided in the draft resolution (Attachment No. PC 1). The finding related to the provision of parking is satisfied through the approval of the parking reduction. The Property is located within the Irvine Ranch Water District (IRWD) and Costa Mesa Sanitary District service area

(CMSD). Therefore, Finding 4 is not applicable since the City does not supply water and/or sewer services to the Property. Staff consulted with the IRWD to confirm that they did not require *separate water meter and water meter connection*. IRWD confirmed and was supportive of maintaining single water meter and water meter connection for the building. As conditioned, the Applicant shall form an owner's association responsible for the payment of water fees to ensure common water connection use will not be detrimental to the tenants of the Property or surrounding properties. As conditioned, the existing sewer laterals for the building shall be retrofitted/fitted with a cleanout to comply with this requirement prior to recordation of the Tentative Parcel Map.

A special inspection was completed by the Building Division on July 24, 2025. The inspection identified that the existing office building complies with the minimum building code requirements and does not need to be upgraded as part of the condominium conversion request.

### Tentative Parcel Map Findings

In accordance with Section 19.12.070 (Required Findings for Action on Tentative Maps) of Title 19 of the NBMC, the following findings and facts in support of such findings are set forth:

1. *That the proposed map and the design or improvements of the subdivision are consistent with the General Plan and any applicable specific plan, and with applicable provisions of the Subdivision Map Act and this Subdivision Code;*
2. *That the site is physically suitable for the type and density of development;*
3. *That the design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage nor substantially and avoidably injure fish or wildlife or their habitat. However, notwithstanding the foregoing, the decision making body may nevertheless approve such a subdivision if an environmental impact report was prepared for the project and a finding was made pursuant to Section 21081 of the California Environmental Quality Act that specific economic, social or other considerations make infeasible the mitigation measures or project alternatives identified in the environmental impact report;*
4. *That the design of the subdivision or the type of improvements is not likely to cause serious public health problems;*
5. *That the design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision. In this connection, the decision making body may approve a map if it finds that alternate easements, for access or for use, will be provided and that these easements will be substantially equivalent to ones previously acquired by the public. This finding shall apply only to easements of record or to easements established by judgment of a court of*

*competent jurisdiction and no authority is hereby granted to the City Council to determine that the public at large has acquired easements for access through or use of property within a subdivision;*

- 6. That, subject to the detailed provisions of Section 66474.4 of the Subdivision Map Act, if the land is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (Williamson Act), the resulting parcels following a subdivision of the land would not be too small to sustain their agricultural use or the subdivision will result in residential development incidental to the commercial agricultural use of the land;*
- 7. That, in the case of a “land project” as defined in Section 11000.5 of the California Business and Professions Code: (1) There is an adopted specific plan for the area to be included within the land project; and (2) the decision making body finds that the proposed land project is consistent with the specific plan for the area;*
- 8. That solar access and passive heating and cooling design requirements have been satisfied in accordance with Sections 66473.1 and 66475.3 of the Subdivision Map Act;*
- 9. That the subdivision is consistent with Section 66412.3 of the Subdivision Map Act and Section 65584 of the California Government Code regarding the City’s share of the regional housing need and that it balances the housing needs of the region against the public service needs of the City’s residents and available fiscal and environmental resources;*
- 10. That the discharge of waste from the proposed subdivision into the existing sewer system will not result in a violation of existing requirements prescribed by the Regional Water Quality Control Board; and*
- 11. For subdivisions lying partly or wholly within the Coastal Zone, that the subdivision conforms with the certified Local Coastal Program and, where applicable, with public access and recreation policies of Chapter Three of the Coastal Act.*

As demonstrated in the draft resolution (Attachment No. PC 1), staff believes that sufficient facts exist to support each finding for a tentative parcel map. The map is for nonresidential condominium purposes. The proposed subdivision of an existing commercial office building is consistent with provisions of the Subdivision Map Act and the CO-G General Plan land use designation, which provides for administrative, professional, and medical offices. The site is physically suitable for the proposed medical offices (with the approval of the proposed parking waiver) as it is developed with one existing building consisting of office uses. Several other buildings consisting of office uses exist nearby. The site is accessible from Acacia Street and is adequately served by existing utilities.

The design of the subdivision is not likely to cause serious public health concerns. With the exception of minor parking lot improvements, minor interior alterations, and the retrofitting/fitting of sewer cleanouts, no other improvements to the building or public utilities are proposed. Any future improvements proposed will comply with all Building, Public Works, and Fire Codes, which are in place to prevent serious public health problems.

### *Traffic Study*

NBMC Chapter 15.40 (Traffic Phasing Ordinance) requires that a traffic study be prepared, and findings be made if a proposed project will generate a net increase of 300 or more average daily trips (ADT). The project is anticipated to generate 1,006 ADT or a net increase in 703 ADT. Pursuant to NBMC Section 15.40.030 (A,) the Planning Commission must make the following findings in order to approve the project:

1. *That a traffic study for the project has been prepared in compliance with this Chapter (Chapter 15.40) and Appendix A;*
2. *That, based on the weight of the evidence in the administrative record, including the traffic study, one of the findings for approval in subsection (B) can be made:*

*15.40.030.B.1 Construction of the project will be completed within 60 months of project approval; or*

*15.40.030.B.1(a) The project will neither cause nor make an unsatisfactory level of traffic service at any impacted intersection.*

3. *That the project proponent has agreed to make or fund the improvements, or make the contributions, that are necessary to make the findings for approval and to comply with all conditions of approval.*

A traffic study, Acacia Atrium Medical Office Condos Traffic Impact Analysis was prepared by Ganddini Group, Inc. dated June 20, 2025, under the supervision of the City Traffic Engineer for the project ("Traffic Study"). The traffic study was prepared in compliance with NBMC Chapter 15.40 (Traffic Phasing Ordinance) and Appendix A (Attachment No. PC 4). The traffic study included 13 intersections that were analyzed for potential impacts based on the City's Intersection Capacity Utilization ("ICU") methodology. Utilizing this methodology, the traffic study determined the intersections will continue to operate at satisfactory levels of service as defined by the Traffic Phasing Ordinance. The proposed project will neither cause nor make worse an unsatisfactory level of traffic service. No significant traffic delays are predicted, and no improvements are necessary. Facts to support the acceptance of the traffic study are provided in the draft resolution (Attachment No. PC 1).

### Alternatives

Staff believes the findings for approval can be made to support the proposed project and the facts in support of the required findings are presented in the draft Resolution (Attachment PC No. 1). The following alternatives are available to the Planning Commission should they feel the facts are not in evidence of support for the project application:

1. The Planning Commission may suggest specific project modifications or operational changes that are necessary to alleviate concerns such as a reduction in the conversion of professional office use to medical use (i.e., a smaller parking waiver). If the changes are substantial, the item should be continued to a future meeting to allow revisions to the project; or
2. If the Planning Commission does not believe the facts in support of findings can be made, the Planning Commission may deny the application request.

### Environmental Review

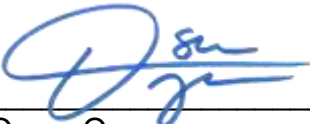
This project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 under Class 1 (Existing Facilities) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential to have a significant effect on the environment. Class 1 exempts the subdivision of existing commercial or industrial buildings where no physical changes occur which are not otherwise exempt from CEQA. No physical changes are proposed for the project beyond minor parking lot improvements and minor interior alterations to the existing building that are otherwise exempt from CEQA. The parking and traffic studies show there will be adequate parking and there will be no impacts to area intersections.

### Public Notice

Notice of this hearing was published in the Daily Pilot, mailed to all owners of property within 300 feet of the boundaries of the site (excluding intervening rights-of-way and waterways) including the applicant, and posted on the subject property at least 10 days before the scheduled meeting, consistent with the provisions of the Municipal Code. Additionally, the item appeared on the agenda for this meeting, which was posted at City Hall and on the City website.

Prepared by:

Submitted by:

  
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Oscar Orozco  
Associate Planner  
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Jaime Murillo, AICP  
Acting Community Development Director

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**ATTACHMENTS**

- PC 1 Draft Resolution with Findings and Conditions
- PC 2 Parking Study prepared by Michael Baker International, dated September 22, 2025
- PC 3 Acacia Atrium Medical Office Condos Traffic Impact Analysis prepared by Ganddini Group, Inc. dated June 20, 2025
- PC 4 Tentative Parcel Map (County Tentative Parcel Map No. 2024-147)
- PC 5 Project Plans

01/18/23