

Attachment B

Resolution No. 2025- 80

RESOLUTION NO. 2025- 80

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH, CALIFORNIA, APPROVING AN AFFORDABLE HOUSING IMPLEMENTATION PLAN FOR THE MACARTHUR COURT PROJECT LOCATED AT 4665, 4675, 4680, 4685 AND 4695 MACARTHUR COURT AND 4770 CAMPUS DRIVE (PA2025-0090)

WHEREAS, Section 200 of the City Charter, of the City of Newport Beach ("City"), vests the City Council with the authority to make and enforce all laws, rules and regulations with respect to municipal affairs subject only to the restrictions and limitations contained in the City Charter and the State Constitution, and the power to exercise, or act pursuant to any and all rights, powers, and privileges or procedures granted or prescribed by any law of the State of California;

WHEREAS, California Government Code Section 65580 *et seq.* ("State Housing Element Law") requires each city and county adopt a housing element that identifies and analyzes existing and projected housing needs within their jurisdiction and prepare goals, policies, and programs, and quantified objectives to further the development, improvement, and preservation of housing;

WHEREAS, an application was filed by The Irvine Company ("Applicant"), concerning properties located at 4665, 4675, 4680, 4685 and 4695 MacArthur Court, and 4770 Campus Drive and legally described in Exhibit "A" ("Property"), which is attached hereto and incorporated by reference;

WHEREAS, the Applicant is requesting entitlements for the development of MacArthur Court Campus, a mixed-use campus consisting of two five-story residential buildings containing 700 residential rental units ("MacArthur Court Apartments"), and a 10,000- square-foot nonresidential building ("Project");

WHEREAS, the Project would also retain the two existing high rise office towers and an existing parking garage;

WHEREAS, the Applicant requests the following approvals to vest the development rights for the Project:

- Development Agreement ("DA") - A development agreement between the Applicant and the City, pursuant to Chapter 15.45 (Development Agreements) of the Newport Beach Municipal Code ("NBMC"), which would provide the Applicant with the vested right to develop the Project for a term of 10 years and to provide negotiated public benefits to the City; and

- Affordable Housing Implementation Plan (“AHIP”) - A preliminary plan specifying how the Project would contribute affordable housing as a public benefit, by providing affordable housing units equivalent to 7% of up to 700 market rate residential units, or up to 49 affordable housing units;

WHEREAS, the Property is designated General Commercial Office (CO-G) by the General Plan Land Use Element and is located within the Koll Center Planned Community (PC-15) Zoning District - Office Site C;

WHEREAS, the Property is not located within the coastal zone;

WHEREAS, a public hearing was held by the Planning Commission on October 23, 2025, 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 California Government Code Section 54950 *et seq.* (“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 public hearing;

WHEREAS, at the hearing, the Planning Commission adopted Resolution No. PC2025-023 by a unanimous vote (5 ayes, 2 absent) recommending the City Council approve the Project; and

WHEREAS, a public hearing was held by the City Council on November 18, 2025, 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 the Ralph M. Brown Act, Chapter 20.62 (Public Hearings) of the NBMC, and Section 15.45.050 (Public Hearing - Notice) of the NBMC. Evidence, both written and oral, was presented to and considered by, the City Council at this hearing.

NOW, THEREFORE, the City Council of the City of Newport Beach resolves as follows:

Section 1: The City Council has considered the recommendation of the Planning Commission and determined that modifications to the Project made by the City Council, if any, are not major changes that require referral back to the Planning Commission for consideration and recommendation.

Section 2: The City Council hereby approves the Affordable Housing Implementation Plan, which is attached hereto as Exhibit “B” and incorporated herein by reference.

Section 3: The AHIP has been prepared by CAA Planning, Inc. dated September 2025, for the Project consistent with the intent to implement affordable housing goals within the City pursuant to the Sixth Cycle Housing Element in response to the Regional Housing Needs Assessment (“RHNA”) allocation for the following reasons:

1. The Applicant has committed to assisting the City in the provision of additional affordable housing opportunities. The location, type, affordability level, design, and other details will be determined in the future as part of a site-specific project review. The AHIP is attached as Exhibit “B” to this resolution and incorporated herein by reference.
2. The AHIP proposes the construction of 700 residential units that will be rented at market rate on the Property. The Applicant will construct new affordable housing units equal to 7% of the new market rate units constructed on the Property, or 49 affordable units. The Applicant will identify an appropriate site to develop a new affordable housing project for these 49 affordable units. The Project will facilitate the City’s efforts in attaining its Sixth Cycle RHNA mandate through the provision of market-rate and affordable units.
3. The AHIP has been prepared consistent with the provisions of Section 20.52.015 (Affordable Housing Implementation Plan) of the NBMC.

Section 4: The recitals provided in this resolution are true and correct and are incorporated into the operative part of this resolution.

Section 5: If any section, subsection, sentence, clause or phrase of this resolution is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this resolution. The City Council hereby declares that it would have passed this resolution, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 6: 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 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: [Housing Implementation Program EIR](#).

1. The Project is 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-1 Subarea, the Project does 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 September 2025, and peer reviewed by Kimley-Horn & Associates, Inc., and is attached hereto as Exhibit "C" and incorporated herein by reference.
2. Section 15183 of the CEQA Guidelines provides, in relevant part:
 - a. Projects which are consistent with the development density established by existing zoning, community plan, or general plan policies for which an environmental impact report ("EIR") was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. This streamlines the review of such projects and reduces the need to prepare repetitive environmental studies.
 - b. In approving a project meeting the requirements of this section, a public agency shall limit its examination of environmental effects to those which the agency determines, in an initial study or other analysis:
 - i. Are peculiar to the project or the parcel on which the project would be located;
 - ii. Were not analyzed as significant effects in a prior EIR on the zoning action, general plan, or community plan, with which the project is consistent;
 - iii. Are potentially significant off-site impacts and cumulative impacts which were not discussed in the prior EIR prepared for the general plan, community plan or zoning action; or
 - iv. Are previously identified significant effects which, as a result of substantial new information which was not known at the time the EIR

was certified, are determined to have a more severe adverse impact than discussed in the prior EIR.

- c. If an impact is not peculiar to the parcel or to the project, has been addressed as a significant effect in the prior EIR, or can be substantially mitigated by the imposition of uniformly applied development policies or standards, as contemplated by subdivision (e) below, then an additional EIR need not be prepared for the project solely on the basis of that impact.
 - d. This section shall limit the analysis of only those significant environmental effects for which:
 - i. Each public agency with authority to mitigate any of the significant effects on the environment identified in the EIR on the planning or zoning action undertakes or requires others to undertake mitigation measures specified in the EIR which the lead agency found to be feasible, and
 - ii. The lead agency makes a finding at a public hearing as to whether the feasible mitigation measures will be undertaken.
 - e. An effect of a project on the environment shall not be considered peculiar to the project or the parcel for the purposes of this section if uniformly applied development policies or standards have been previously adopted by the city or county with a finding that the development policies or standards will substantially mitigate that environmental effect when applied to future projects, unless substantial new information shows that the policies or standards will not substantially mitigate the environmental effect. The finding shall be based on substantial evidence which need not include an EIR. Such development policies or standards need not apply throughout the entire city or county but can apply only within the zoning district in which the project is located, or within the area subject to the community plan on which the lead agency is relying. Moreover, such policies or standards need not be part of the general plan or any community plan but can be found within another pertinent planning document such as a zoning ordinance.
3. As part of its decision-making process, the City is required to review and consider whether the Project would create new significant impacts or significant impacts that would be substantially more severe than those disclosed in the PEIR. Additional CEQA review is only triggered if the Project's new significant

impacts or impacts that are more severe than those disclosed in PEIR such that major revisions to the PEIR would be required.

4. The PEIR contemplated those future projects meeting the thresholds of Senate Bill No. 610 (SB 610) would require the preparation of a Water Supply Assessment. The project area is within the Irvine Ranch Water District (IRWD) service area and the PEIR concluded that water demands from future housing projects would result in a significant and unavoidable impact concerning water supply. The City, therefore, adopted a Statement of Overriding Consideration for this impact in connection with its certification of the PEIR.
5. The Project is consistent with the development density and use characteristics established by the City's General Plan Housing Implementation Program as analyzed by the PEIR, and the required determinations can be made, as detailed in Exhibit "C" of this resolution and incorporated by reference.

Section 7: The City Council finds that judicial challenges to the City's CEQA determinations and approvals of land use projects are costly and time consuming. In addition, project opponents often seek an award of attorneys' fees in such challenges. As project applicants are the primary beneficiaries of such approvals, it is appropriate that such applicants should bear the expense of defending against any such judicial challenge, and bear the responsibility for any costs, attorneys' fees, and damages which may be awarded to a successful challenger.

Section 8: This resolution shall take effect upon the effective date of the associated ordinance for the project filed as PA2025-0090, and the City Clerk shall certify the vote adopting the resolution.

ADOPTED this 18th day of November, 2025.

Joe Stapleton
Mayor

ATTEST:

Lena Shumway
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE



Aaron C. Harp
City Attorney

Attachments:

- Exhibit "A" – Legal Description
- Exhibit "B" – Affordable Housing Implementation Plan
prepared by CAA Planning Inc. dated May 2025
- Exhibit "C" – CEQA Consistency Analysis prepared by T&B
Planning Inc. dated October 2025
- Exhibit "D" – Conditions of Approval

Exhibit "A"
Legal Description

The Land referred to herein below is situated in the City of Newport Beach, County of Orange, State of California, and is described as follows:

PARCEL A:

PARCEL 1 OF PARCEL MAP NO. 84-716, IN THE CITY OF NEWPORT BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A PARCEL MAP FILED IN BOOK 196, PAGE 40 THROUGH 43 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

PARCEL 1, IN THE CITY OF NEWPORT BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A PARCEL MAP FILED IN BOOK 68, PAGE 19 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL C:

PARCELS 2, 3 AND 4 OF PARCEL MAP NO. 84-716, IN THE CITY OF NEWPORT BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A PARCEL MAP FILED IN BOOK 196, PAGES 40 THROUGH 43 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APNs:

445-121-14 (Affects Parcel A)
445-121-05 (Affects Parcel B)
445-121-15 (Affects Parcel 2 of Parcel C)
445-121-16 (Affects Parcel 3 of Parcel C)
445-121-17 (Affects Parcel 4 of Parcel C)

Exhibit “B”

**AFFORDABLE HOUSING IMPLEMENTATION PLAN PREPARED BY CAA PLANNING
INC. DATED SEPTEMBER 2025**

MACARTHUR COURT

AFFORDABLE HOUSING IMPLEMENTATION PLAN

**Prepared For:
The City of Newport Beach**

September 2025

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I. Introduction

The MacArthur Court project approval by the City of Newport Beach will implement the goals and policies of the City's General Plan. With the project, MacArthur Court, as shown on Exhibit 1, will consist of a mixed-use office and residential community with retail located at the strategic intersection of MacArthur Boulevard and Campus Drive in the City's Airport Area, a regional center comprised of professional office, residential, retail, recreation and hotel uses in proximity to John Wayne Airport. The subject property is located within the HO-1 subarea (Airport Area Environs Area) as identified in Newport Beach Municipal Code Sections 20.80.025 (Housing Opportunity Overlay Zoning Districts maps) and 20.28.050 (Housing Opportunity (HO) Overlay Zoning Districts) including 4665, 4675, 4680, 4685, and 4695 MacArthur Court and 4770 Campus Drive.

With the project, a total of 700 residential units may be developed on MacArthur Court. The City has not adopted an inclusionary housing policy. However, the City is encouraging new residential development projects to provide affordable housing. This Affordable Housing Implementation Plan (AHIP) outlines how affordable housing will be provided relative to the 700 new residential units allowed at MacArthur Court.

Background

On September 13, 2022, the Newport Beach City Council adopted the 6th Cycle Housing Element for the 2021-2029 planning cycle in response to the Regional Housing Needs Assessment (RHNA) allocation. The Housing Element identifies moderate income households as those with annual incomes between 81% and 120% of the County median household income. Low-income households are those with annual incomes between 51% and 80% of the County median household income. Very-low income households are those with annual incomes between 31% and 50% of the County median household income. Extremely low-income households are those with annual incomes of 30% or less of the County median household income. While the Housing Element does not require an AHIP, this document has been prepared to outline how the development will meet the City's affordable housing goal.

The Southern California Association of Governments (SCAG) prepares the state-mandated RHNA. The RHNA quantifies the need for housing within each jurisdiction during specified planning periods. The City's General Plan Housing Element must include its "fair share" regional housing needs allocation for all income groups which must be updated periodically. The most recently published SCAG RHNA identifies the City allocation as follows:

- Total allocation between 10/15/2021 and 10/15/2029 – 4,845 units
- Very-low income allocation – 30% (1,456 units)
- Low-income allocation – 19% (930 units)
- Moderate-income allocation – 22% (1,050 units)

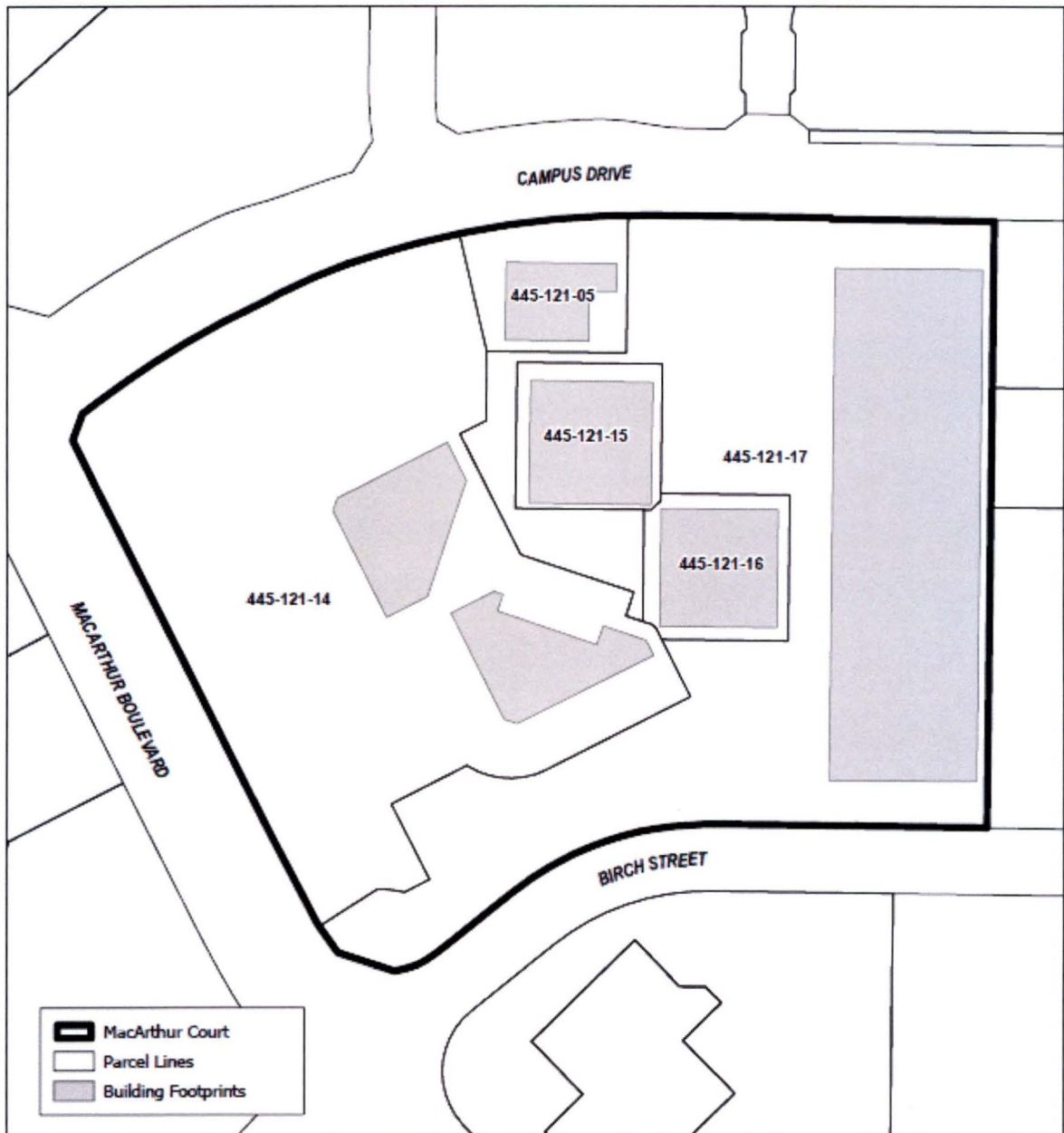


Exhibit 1 – MacArthur Court

II. Affordable Housing Plan

Proposed Plan

This Affordable Housing Implementation Plan includes the following plan.

A. Construction of New Affordable Housing Units

Irvine Company owns property within Newport Beach that would allow for the development of new affordable housing. Irvine Company proposes to identify an appropriate site for the development of affordable housing and to develop a new affordable housing project. Due to land costs, the location may be located outside of the Airport Area.

The units must be sold or rented to households qualifying as very-low or low-income households. The annualized rents chargeable for occupancy of the Affordable Units shall not exceed thirty percent (30%) of the Very-Low or Low-income limits. The restriction on these units – for example, tenant selection procedures, monitoring – will be included in an affordable housing agreement, which shall be submitted for review and approval by the City Attorney and recorded against the property(ies).

B. Dedication of Property to the City

If Irvine Company is unable to construct new affordable housing units as described in Section II.A above and in a manner consistent with the Implementation terms below, Irvine Company shall dedicate land to the City, which could include land not currently zoned for residential use, for the purpose of future affordable housing development. The site shall be of adequate size to allow for construction of at least 49 affordable housing units at an assumed density of 20-50 dwelling units to the acre. The site shall be free of any restrictions such as easements, covenants, conditions, or other restrictions that would preclude or make financially infeasible the development of the intended affordable housing development as determined by the City. The City shall coordinate with Irvine Company regarding design. Notwithstanding any covenants, conditions or other restrictions, the City shall be the final review authority regarding design of the building(s) and property.

C. Fee Payment

In the event that construction of new affordable housing units as described in Section II.A above, or dedication of property as described in Section II.B above, is not possible, Irvine Company shall pay the City an affordable housing in-lieu fee of \$36,690 per market-rate unit constructed. If the City determines that the conditions in Sections II.A and II.B above cannot be met, the fee for any market-rate unit that has received a building permit shall be paid to the City within 90 days of said determination. For any remaining market-rate units to be constructed, the in-lieu fee shall be paid at the time of building permit issuance.

Number and Type of Affordable Units

The Irvine Company proposes to build new affordable housing units which equate to 7% of new market-rate housing units built at MacArthur Court. Irvine Company shall be permitted to construct conventional affordable housing or senior affordable housing. Irvine Company shall be required to build the number of affordable housing units equivalent to 7% of new market-rate residential units permitted. Irvine Company is contemplating the construction of approximately 700 new market-rate residential units at MacArthur Court, which would require construction of 49 new affordable units. If

additional affordable units are provided (or land is dedicated that will accommodate more affordable housing units) in excess of the 7% requirement, Irvine Company shall be allowed to offset any future residential development against the excess affordable units provided.

Implementation

The new affordable housing units shall be constructed on a single site (which may include additional new affordable housing units that are intended to meet the affordable housing requirements related to other projects in the City) and may be implemented in a single phase or in multiple phases. Irvine Company shall secure the first approved building permit (i.e. issued) from the City by January 31, 2029, for the affordable housing units required under this AHIP (Section II.A), unless the deadline is extended by the Director of Community Development upon mutual consent of the parties.

Conclusion

Implementation of this AHIP will result in the availability of affordable housing units as identified above within the City of Newport Beach in accordance with the City's Housing Element.

III. Consistency with Housing Element

The City of Newport Beach adopted a Housing Element Implementation Plan in 2024. A Housing Element was included in the General Plan in accordance with state law. The Housing Element was updated in 2022 and amended in 2024. The Housing Element identifies goals and programs for the provision of affordable housing in the City. The AHIP is intended to meet the specific goals of the Housing Element as follows:

Housing Goal #3 A variety of housing types, designs, and opportunities for all social and economic segments.

Housing Policy 3.1 Encourage preservation of existing and provision of new housing affordable to extremely low-, very low-, low-, and moderate-income households.

The AHIP supports the City's requirement for the provision of affordable housing for all new residential development. The Irvine Company has prepared a Development Agreement in accordance with this Policy/Program.

Housing Goal #5 Preservation of the City's housing stock for extremely low-, very low-, low-, and moderate-income households.

Housing Policy 5.1 Continue or undertake the following programs to mitigate potential loss of "at risk" units due to conversion to market-rate units. These efforts utilize existing City and local resources. They include efforts to secure additional resources from public and private sectors should they become available.

The affordable housing provided per the AHIP will increase the City's affordable housing stock. The units will be deed-restricted to remain affordable for a period of 55 years. In addition, the developer will provide periodic reports in the form required by the City. The provision of the affordable housing units will assist the City in meeting Housing Element Goal #1: Provision of adequate sites to accommodate projected housing unit growth needs identified by the 2021-2029 RHNA.

In conclusion, the AHIP is consistent with the relevant goals and programs in the City's 2022 General Plan Housing Element.

IV. Amendments to the AHIP

This AHIP may be amended with the approval of the City Council.

V. Authority

The AHIP has been adopted by the City of Newport Beach per Resolution No. 2025-____ on the 18th day of November, 2025.

Exhibit “C”

CEQA Consistency Analysis prepared by T&B Planning Inc. dated October 2025

<https://ecms.newportbeachca.gov/WEB/DocView.aspx?id=3187695&dbid=0&repo=CNB>

Appendix A – Mitigation, Monitoring, and Reporting Program (“MMRP”)
Applicability Matrix:

<https://ecms.newportbeachca.gov/WEB/DocView.aspx?id=3187694&dbid=0&repo=CNB>

Appendix B – Water Supply Assessment (WSA)

<https://ecms.newportbeachca.gov/WEB/DocView.aspx?id=3187693&dbid=0&repo=CNB>

Exhibit “D”
Conditions of Approval

CONDITIONS OF APPROVAL

(Project-specific conditions are in italics)

Planning Division

1. The development shall be in substantial conformance with the approved *MacArthur Court Development Agreement dated September 25, 2025, and Affordable Housing Implementation Plan dated May 2025* (except as modified by applicable conditions of approval).
2. *Prior to the issuance of building permits, the Applicant shall obtain all applicable discretionary permits (e.g. Site Development Review, Subdivision Map, etc.). The Applicant shall comply with all conditions of approval for said discretionary permits.*
3. The Project is subject to compliance with all applicable submittals approved by the City of Newport Beach (“City”) and all applicable City ordinances, policies, and standards, unless specifically waived or modified by the conditions of approval.
4. The Applicant shall comply with all federal, state, and local laws. Material violation of any of those laws in connection with the use may be cause for revocation of this Development Agreement and Affordable Housing Implementation Plan.
5. Any change in operational characteristics, expansion in area, or other modification to the approved plans, shall require an amendment to this Development Agreement or Affordable Housing Implementation Plan or the processing of a new Development Agreement or Affordable Housing Implementation Plan.
6. *Prior to the issuance of a building permit, an affordable housing agreement shall be executed in a recordable form as required by the City Attorney’s Office.*
7. *The Applicant shall comply with all provisions of the Development Agreement for the Project including payment and timing of the public benefit fees.*
8. A copy of the Resolution, including conditions of approval Exhibit “A” shall be incorporated into the Building Division and field sets of plans before issuance of the building permits.
9. Should the property be sold or otherwise come under different ownership, any future owners or assignees shall be notified of the conditions of this approval by either the current business owner, property owner or the leasing agent.

10. To the fullest extent permitted by law, Applicant shall indemnify, defend and hold harmless City, its City Council, its boards and commissions, officials, officers, employees, and agents from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including without limitation, attorney's fees, disbursements and court costs) of every kind and nature whatsoever which may arise from or in any manner relate (directly or indirectly) to City's approval of ***MacArthur Court Project including, but not limited to, the Affordable Housing Implementation Plan (PA2025-0090)***. This indemnification shall include, but not be limited to, damages awarded against the City, if any, costs of suit, attorneys' fees, and other expenses incurred in connection with such claim, action, causes of action, suit or proceeding whether incurred by Applicant, City, and/or the parties initiating or bringing such proceeding. The Applicant shall indemnify the City for all of City's costs, attorneys' fees, and damages which City incurs in enforcing the indemnification provisions set forth in this condition. The Applicant shall pay to the City upon demand any amount owed to the City pursuant to the indemnification requirements prescribed in this condition.