



CITY OF

NEWPORT BEACH

City Council Staff Report

December 9, 2025
Agenda Item No. 4

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Jaime Murillo, Acting Community Development Director - 949-644-3209, jmurillo@newportbeachca.gov

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TITLE: Ordinance No. 2025-36: Approving the MacArthur Court Development Agreement

ABSTRACT:

For the City Council's consideration is the adoption of Ordinance No. 2025-36, approving a development agreement to vest The Irvine Company's (Applicant) rights to develop 700 residential dwelling units and 10,000 square feet of nonresidential building area at the MacArthur Court Campus in the Airport Area. The ordinance was introduced and considered at the November 18, 2025, City Council meeting.

RECOMMENDATIONS:

- a) Find the adoption of the ordinance is not subject to further environmental review pursuant to Section 21083.3 of the California Public Resources Code (PRC) and Section 15183 of the California Environmental Quality Act (CEQA) Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, because it is consistent with the previously certified Program Environmental Impact Report (SCH No. 2023060699); and
- b) Conduct second reading and adopt Ordinance No. 2025-36, *An Ordinance of the City Council of the City of Newport Beach, California, Approving a Development Agreement for the MacArthur Court Project located at 4665, 4675, 4680, 4685 and 4695 MacArthur Court, and 4770 Campus Drive (PA2025-0090).*

DISCUSSION:

On November 18, 2025, the City Council held a noticed public hearing to consider the Applicant's request for a Development Agreement (DA) and an Affordable Housing Implementation Plan (AHIP). The voluntary DA would vest the rights for future redevelopment of the MacArthur Court Campus, which is within the HO-1 (Airport Environs Area) Subarea of the Housing Opportunity (HO) Overlay Zoning District. While no specific project design is proposed currently, the proposed redevelopment would conceptually include two five-story residential buildings with up to 700 units and up to 10,000 square feet of non-residential building area. Although the DA provides vested rights, implementation of the project will require processing of a future site development

review application and other Planning Commission approvals prior to any building permit issuance.

In exchange for vested development rights, the Applicant would provide several public benefits, including a \$3.25-million MacArthur Boulevard Revitalization Fee and off-site affordable housing, along with additional benefits outlined in Attachment A (Ordinance No. 2025-36).

After taking public testimony, the City Council unanimously adopted Resolution No. 2025-80 to approve the AHIP and introduced Ordinance No. 2025-36 and passed it to a second reading. If the ordinance is adopted it will take effect 30 days after adoption.

FISCAL IMPACT:

As the project is not increasing overall density nor is it changing allowed land uses through an amendment to the General Plan Land Use Element, a fiscal impact analysis was not prepared. However, a fiscal impact analysis was prepared by Keyser Marston Associates dated July 9, 2024, for the Housing Element Implementation Program Amendments. The analysis concluded that residential projects could have a net negative fiscal impact unless they continue to be developed at higher price points. Additionally, fiscal impacts are often offset through payment of impact fees and DAs. In this case, should future market rate residential projects be constructed pursuant to the DA, the applicant would provide various public benefit fees, including development impact fees and a MacArthur Boulevard Revitalization Fee to the City based on the specific terms contained in the DA.

ENVIRONMENTAL REVIEW:

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](#).

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 October 2025, and peer reviewed by Kimley-Horn & Associates, Inc., is provided as Exhibit "C" of Attachment A and hereby incorporated by reference.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Ordinance No. 2025-36