



CITY OF NEWPORT BEACH PLANNING COMMISSION STAFF REPORT

February 5, 2026
Agenda Item No. 2

SUBJECT: Dover Townhomes (PA2025-0135)
▪ Major Site Development Review
▪ Variance
▪ Vesting Tentative Tract Map

SITE LOCATION: 601 Dover Drive

APPLICANT: Shea Homes

OWNER: Dover Drive I, LLC

PLANNER: Melinda Whelan, Assistant Planner
949-644-3221, mwhelan@newportbeachca.gov

PROJECT SUMMARY

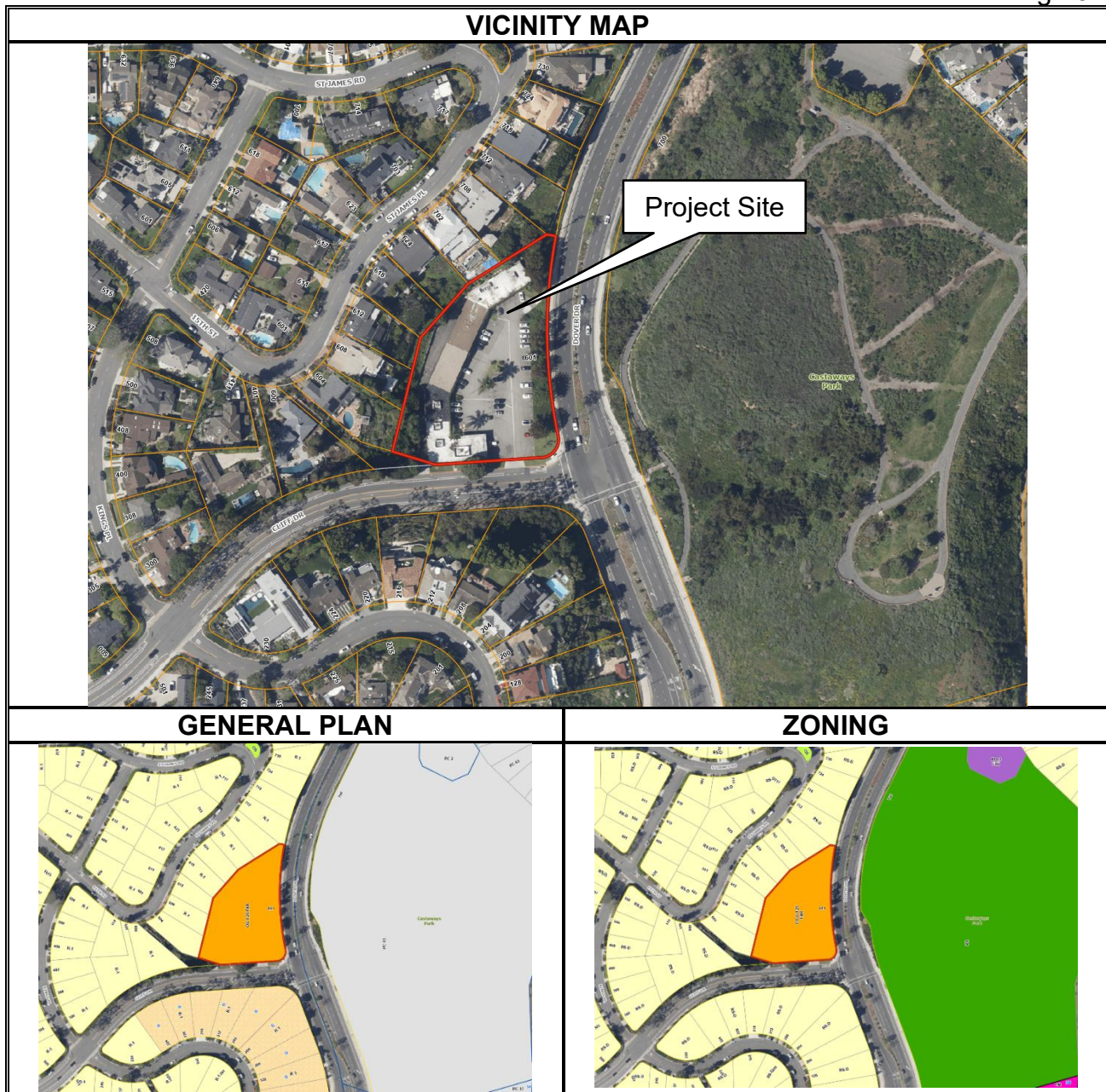
A request to authorize the development of a 33-unit, for-sale, residential townhome community on an existing medical office site at 601 Dover Drive (Project). The proposed development includes the demolition of the existing office structure and construction of two-, three-, and four-bedroom units ranging from 1,355 to 2,247 square feet. The development will include a two-car garage for each unit and 10 uncovered guest parking spaces for a total of 76 on-site parking spaces. The 33 units will be distributed within seven detached, three-story buildings with a maximum structure height of 38 feet above the established grade. The development will include resident-serving amenities including outdoor seating, picnic tables, barbecues, and a firepit area. Vehicular access to the Project Site is provided via a driveway on Cliff Drive. Pedestrian access to a publicly accessible plaza is provided at the corner of the site adjacent to Dover Drive. The plaza includes a seating area, walkway, and a scenic view (Project).

- A *Major Site Development Review* authorizing construction of residential development including deviations from specific multi-unit objective design standards.
- A *Variance* authorizing encroachments into the required street setbacks along Cliff Drive and Dover Drive.
- A *Vesting Tentative Tract Map* removing an underlying lot line and authorizing the airspace subdivision of the individual residential units for individual sale (i.e., for condominium purposes).

RECOMMENDATION

- 1) Conduct a public hearing;
- 2) Find this project statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code (PRC) Section 21080.66 (enacted through Assembly Bill 130) because it has no potential to have a significant effect on the environment; and
- 3) Adopt Resolution No. PC2026-003 approving the Major Site Development Review, Variance, and Vesting Tentative Tract Map filed as PA2025-0135 (Attachment No. PC 1).

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LOCATION	GENERAL PLAN	ZONING	CURRENT USE
ON-SITE	General Commercial Office (CO-G)	Office General (OG) and Housing Opportunity (HO) Overlay, HO-3 – Dover Westcliff Area	Medical Offices
NORTH	Single Unit Residential Detached (RS-D)	Single-Unit Residential (R-1)	Single-unit residential dwellings
SOUTH	RS-D	R-1	Single-unit residential dwellings
EAST	Parks and Recreation (PR)	Castaways Planned Community (PC-43)	Castaways Park
WEST	RS-D	R-1	Single-unit residential dwellings

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INTRODUCTION

Background

Housing Opportunity (HO) Overlay Zoning District and Amendment

On September 13, 2022, the City Council adopted the City's 6th Cycle Housing Element for the 2021-2029 planning period (Housing Element). The Housing Element was later certified as statutorily compliant with state law by the California Department of Housing and Community Development (HCD) on October 5, 2022.

On September 24, 2024, the City Council adopted Ordinance Nos. 2024-16 and 2024-17, approving amendments to Title 20 (Planning and Zoning) of the Newport Beach Municipal Code (NBMC) to establish the Housing Opportunity (HO) Overlay Zoning Districts in Section 20.28.050 (Housing Opportunity (HO) Overlay Zoning Districts) of the NBMC and to create multi-unit objective design standards (ODS) in Section 20.48.185 (Multi-Unit Objective Design Standards) of the NBMC, respectively. The new sections serve to implement Policy Actions 1A through 1G and 3A in the 6th Cycle Housing Element of the General Plan.

The adoption of these ordinances provided new housing opportunities within five subareas to ensure the City can meet its 6th Cycle Regional Housing Needs Assessment (RHNA) allocation: Airport Area Environs Area (HO-1), West Newport Mesa Area (HO-2), Dover-Westcliff Area (HO-3), Newport Center Area (HO-4), and Coyote Canyon Area (HO-5). These subareas correspond directly to the Focus Areas identified in Appendix B (Adequate Sites Analysis) of the Housing Element.

Properties identified as a Housing Opportunity Site have specified development standards conducive to residential development at the prescribed average density of 20 to 50 dwelling units per acre. The standards include but are not limited to minimum lot area, setbacks, height, open space, landscaping, and parking. The ODS are applicable to any residential project with a minimum density of 20 dwelling units per acre to ensure the high-quality design and to provide a baseline standard for new multi-unit developments throughout the City.

As shown in Figure 1 below, the project site was identified as Housing Site Inventory No. 144 with an assumed net yield of 49 dwelling units and included within the HO-3 (Dover-Westcliff) Subarea of the Housing Opportunity (HO) Overlay Zoning District.

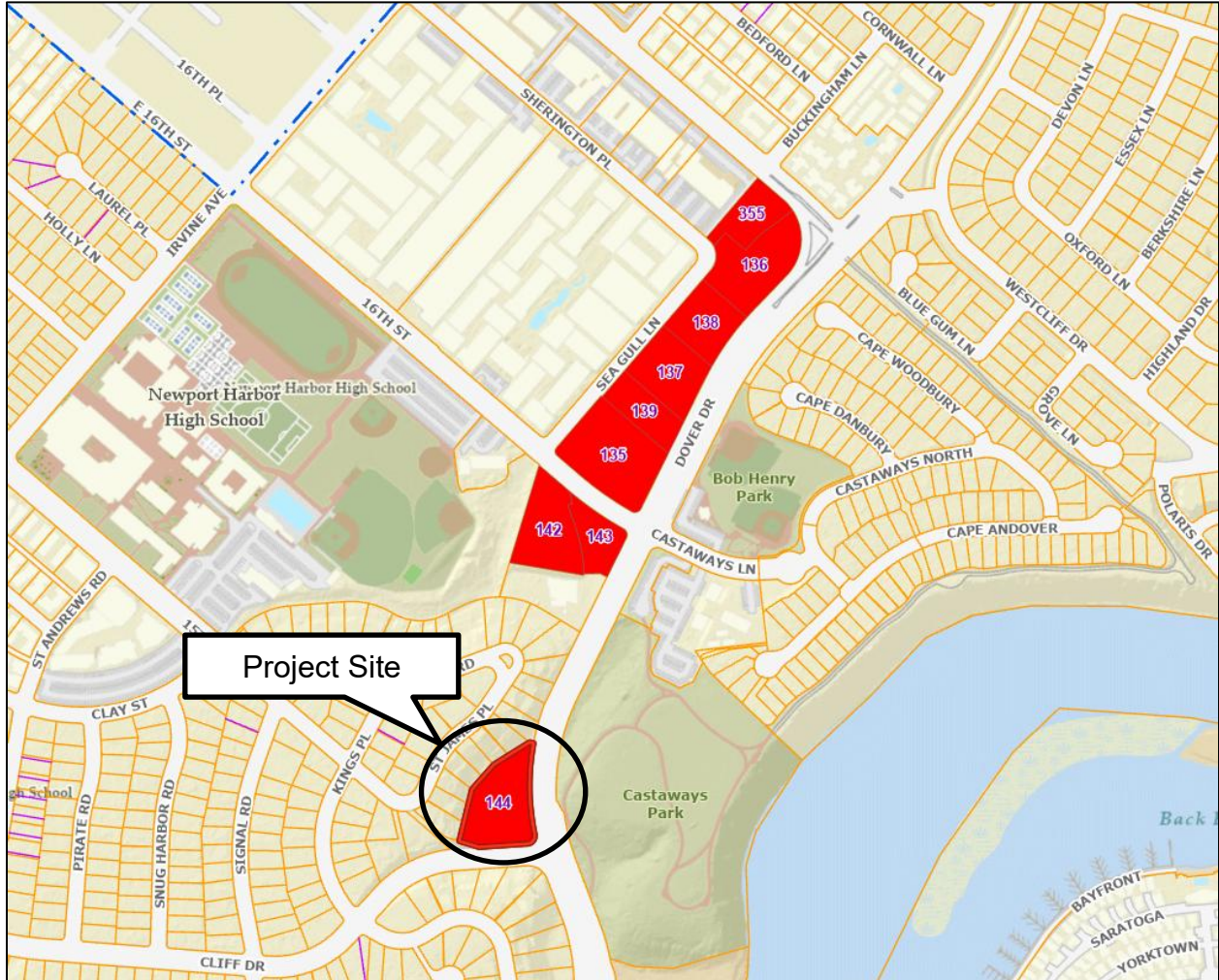


Figure 1, HO-3 (Dover-Westcliff) Subarea of the Housing Opportunity (HO) Overlay Zoning District

Project Setting

As depicted in Figure 2 below, the Project Site is located at the northwest corner of the Dover Drive and Cliff Drive intersection. The Project Site is directly across from Castaways Park and abuts the Cliff Haven residential community consisting of single-unit residences to the north, west, and south across Cliff Drive.



Figure 2, Oblique image of the project site and the surrounding neighborhood

Project Description

The applicant proposes to develop a 33-unit residential townhome community. The proposed development includes two-, three-, and four-bedroom units ranging from 1,355 to 2,247 square feet, each with an attached two-car garage. The units are to be distributed within seven detached three-story buildings with a maximum structure height of approximately 38 feet above the established grade. Dwelling unit types are summarized in Table 1. The project's design and architecture, access and parking, amenities, and subdivisions are each described under separate headers below. The applicant's full project description is provided as Attachment No. PC 2.

Table 1, Dwelling Unit Summary

Floor Plan	Gross Floor Area (Sq. Ft)	Bedrooms	Garage Spaces	No. Units
Plan 1	1,355	2	2	11
Plan 2	1,940	3	2	11
Plan 3	2,247	4	2	11

Design and Architecture

As depicted in Figure 3, the project design was inspired by mid-century modern design principles, drawing direct inspiration from both the existing on-site commercial buildings and the nearby Environmental Nature Center located to the north along Dover Drive, which features a distinctive butterfly roof form. These influences are expressed through clean horizontal and vertical massing, asymmetrical rooflines, deep overhangs, large window groupings, and a soft material palette that reflects the simplicity and transparency characteristic of mid-century architecture. The project's coastal color palette draws from Newport Beach's natural surroundings, using Pure White and Sea Salt in a refined color-blocking composition. The light, neutral tones enhance architectural articulation and reflect the coastal environment, while elongated white brick adds texture and durability. Natural wood tone siding introduces warmth and balance, consistent with a coastal aesthetic.



Figure 3, Project Rendering viewed from Dover Drive

Access and Parking

Three buildings are located along the Dover Drive frontage, one building is along the Cliff Drive frontage, and three buildings are on the interior of the proposed townhome community. The buildings along Dover Drive have direct pedestrian access along the public right-of-ways with dwelling entrances oriented to the street. The buildings along Cliff Drive have entrances that connect to a private walkway that leads to Cliff Drive and dwelling entrances oriented to the street. The interior buildings have entrances connecting to the internal paseos. Access to the individual garages is provided at the rear of the buildings. The publicly accessible open space (PAOS) is provided at the rear of the property via a public plaza including a path connecting the PAOS to the sidewalk along Dover Drive. The plaza includes a seating area, landscaping, walkway, and a scenic view. Castaways Park is accessible from the project site through the crosswalk at the intersection of Dover Drive and Cliff Drive. Castaways Park provides trails and scenic routes along the Back Bay.



Figure 4, Site Plan

The project is designed with vehicular access from Cliff Drive. A new driveway along the Cliff Drive frontage will be reconstructed generally in the same location as the existing driveway. The vehicular access design and analysis is further discussed in the section *Driveway Analysis and Sight Distance* of this report, and the layout is depicted in Figure 4. The project proposes one drive aisle within the interior of the community leading to each of the individual garages for the units facing Dover Drive. Alley-type shorter drive aisles stem off of the main drive aisle to provide access to remaining buildings. Guest parking is provided adjacent to the drive aisles and spread throughout the community. The drive aisles will also accommodate emergency, delivery, and refuse vehicle access with a designated turn

around area, allowing for vehicles to safely exit the property. Trash pick-up will be staged along the drive aisles, as each unit will have individual residential trash bins.

The project will provide 66 parking spaces (i.e., two per unit) within garages and 10 uncovered guest parking spaces for a total of 76 parking spaces.

Residential Amenities and Open Space

The development provides resident-serving amenities including two open space areas that are interconnected with a landscaped walking path. These areas include a seat wall and lounge seating for an outdoor picnic area with a fire pit, a barbeque, benches, passive open space, and a dog relief area. In total, these areas provide approximately 4,307 square feet of open space amenities for the townhome community. Additionally, the 1,956-square-foot PAOS plaza will also provide an additional seating area, walking path, and scenic view for residents and public alike. Renderings depicting the amenity areas and public plaza are depicted in the project plans (Attachment No PC 5).

The Project provides between 69 to 126 square feet of private open space per unit in the form of balconies. Additionally, three of the seven buildings provide 125 to 211 square feet of additional private open space in the form of entry courtyards.

Subdivision and Establishment of Grade

The project will subdivide the property to remove the underlying legal lot line crossing the front of the property and allow for the airspace subdivision of the units for individual sale (i.e., for condominiums purposes).

The project proposes the establishment of grade for height measurement purposes for each building. The grade establishment is pursuant to Section 20.30.050 (B)(1) (Grade Establishment – Subdivisions) of the NBMC which allows the established grade to be the finished grade as shown on the grading plan or final subdivision map.

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Required City Approvals

The following approvals are required to implement the proposed project:

1. **Major Site Development Review (SDR):** Required for any project proposing five or more residential units with a tract map. The SDR also allows for deviations of five ODS pursuant to Section 20.48.185 (Multi-Unit Objective Design Standards) of the NBMC.
2. **Variance (VA):** Requested to allow encroachments into the required street setbacks along Cliff Drive and Dover Drive.
3. **Vesting Tentative Tract Map (VTTM):** Requested to remove an existing underlying lot line and authorize the airspace subdivision of the individual residential units for individual sale (i.e., for condominium purposes).

DISCUSSION

Analysis

General Plan Consistency

Though the subject property is categorized as General Commercial Office (CO-G) by the General Plan Land Use Element, it was included as Site No. 144 within Appendix B (Adequate Sites Analysis) of the adopted and certified 6th Cycle Housing Element deeming it potentially appropriate for multi-unit residential development in furtherance of the City's housing goals. Its rezoning with the HO-3 Subarea designation is supported by Land Use Element Policy LU4.4 (Rezoning to Accommodate Housing Opportunities), which states that the City would provide housing opportunities through the use of a housing overlay zoning district as a regulatory mechanism. In addition to the above, the project is consistent with several other General Plan Housing Element, Land Use Element, and Circulation Element policies that establish fundamental criteria for the formation and implementation of new residential development. A consistency analysis was completed and is detailed in the attached draft resolution (Attachment No. PC 1), as well as the attached General Plan Consistency Table (Attachment No. PC 3).

Zoning Code Consistency

The property is located within the HO-3 Subarea of the Housing Opportunity (HO) Overlay Zoning District. As previously discussed, Section 20.28.050 (B) (Housing Opportunity (HO) Overlay Zoning Districts – Uses Allowed) of the NBMC allows for multi-unit residential development on housing overlay sites if the project meets the 20 to 50 dwelling units per acre density requirement. Based on the proposed 1.61-acre lot, the project results in a density of 20.5 units per acre and meets the density requirement of the HO-3 Subarea.

The HO-3 subarea requires 10-foot front/street setbacks, a zero-foot side setback, and a 20-foot rear setback. Additionally, any portion of a building that is over 20 feet in height, which includes the Project's third floors, is required to provide a 20-foot setback from the street right-of-way. The Project is bounded to the east by Dover Drive and to the south by Cliff Drive. The Project exceeds the minimum 20-foot rear setback by providing a publicly accessible plaza. The project includes a request for a Variance to encroach into the street setbacks and the 20-foot setback for the third floor pursuant to Section 20.52.090 (F) (Variances – Findings and Decisions). The Variance analysis is provided in the *Variance* section.

Except for the required street side and front setbacks, the project conforms to all applicable development standards of the HO-3 Subarea specified in Table 2-16 (Development Standards for Housing Opportunity Overlay Zones) of Section 20.28.050 of the NBMC, as evidenced by the project plans (Attachment No. PC 5) and as illustrated in Table 2 below.

Table 2: HO-4 Subarea Development Standards

Development Standard	Standard	Proposed
Setbacks (min.)		
Front (Cliff Drive) ¹	10 feet	Varies (6-feet, 8-inches to 7 feet)
Street Side (Dover Drive) ¹	10 feet	Varies (6 feet, 8- inches to 7 feet)
Side (northwest)	0 feet	20 feet
Rear (north)	20 feet	64 feet
Parking (min.)	63 spaces	76 spaces
Building Separation	10 feet	22 to 33 feet
Common Open Space (75 sq. ft./unit min.)	2,475 sq. ft.	4,307 sq. ft (Fire Pit/Picnic Area)
Private Open Space (5% gross floor area/unit min.)	68 to 113 sq. ft. per unit	69 to 126 sq. ft. per unit
Height (max.)	65 feet	37 feet, 6 inches
¹ Footnote No. 3 of Table 2-16 of NBMC Section 20.28.050 requires that any portion of a building that is over 20 feet in height, which includes the Project's third floors, shall provide a 20-foot setback from the street right-of-way. Included in the Variance request		

The project is also subject to the ODS provided in Section 20.48.185 (Multi-Unit Objective Design Standards) of the NBMC. As indicated in the Objective Design Standards Checklist (Attachment No. PC 4), the project conforms to 47 of the 52 applicable standards. Subsection 20.48.185(C) (Applicability) of the NBMC allows for deviations from any objective design standards through the approval of an SDR, by the Planning Commission, with additional findings. The applicant requests minor deviations of five standards as described in the *Major Site Development Review - Multi-Unit Objective Design Standard Deviation* section below.

The Project exceeds the required 63 on-site parking spaces and provides 76 parking spaces including a two-car garage for each unit and 10 guest parking spaces. The extra parking will mitigate use of street parking on Cliff Drive and the adjacent neighborhoods behind the Project Site.

Major Site Development Review

Section 20.52.080(F) (Site Development Reviews – Findings and Decision) of the NBMC requires the Planning Commission to make the following findings before approving the SDR:

- A. *The proposed development is allowed within the subject zoning district;*
- B. *The proposed development is in compliance with all of the following applicable criteria:*
 - i. *Compliance with this section, the General Plan, this Zoning Code, any applicable specific plan, and other applicable criteria and policies related to the use or structure;*
 - ii. *The efficient arrangement of structures on the site and the harmonious relationship of the structures to one another and to other adjacent developments; and whether the relationship is based on standards of good design;*
 - iii. *The compatibility in terms of bulk, scale, and aesthetic treatment of structures on the site and adjacent developments and public areas;*
 - iv. *The adequacy, efficiency, and safety of pedestrian and vehicular access, including drive aisles, driveways, and parking and loading spaces;*
 - v. *The adequacy and efficiency of landscaping and open space areas and the use of water efficient plant and irrigation materials; and*
 - vi. *The protection of significant views from public right(s)-of-way and compliance with NBMC Section 20.30.100 (Public View Protection); and*
- C. *Not detrimental to the harmonious and orderly growth of the City, nor endangers, jeopardizes, or otherwise constitutes a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working in the neighborhood of the proposed development.*

Staff believe facts to support the findings exist to approve the SDR. These facts are discussed in detail in the attached draft resolution (Attachment No. PC 1). The key facts in support of findings are summarized in the following paragraphs.

Design and Open Space

Although the Project Site has an irregular shape, the Project design compactly arranges the seven separate buildings to maximize site efficiency and preserve a larger than required rear setback with a publicly accessible plaza. The Project site design includes

interior drive aisles and resident amenity areas which are screened from public view. The Project's larger rear setback, publicly accessible plaza, landscaped edge conditions, location of drive aisles and residential amenities reduce the visual impact of the Project and ensure compatibility with the surrounding neighborhood.

Throughout the site, areas of passive green space are integrated alongside pedestrian walkways, including a turf and decomposed granite seating zone with benches and sculptural seating elements that provide areas for informal use, rest, and neighborhood interaction. The site is located directly across from Castaways Park and a short walk to Coast Highway, providing residents with immediate access to regional nature trails, coastal open space, and the Upper Newport Bay trail network. This proximity to both natural and commercial amenities enhance the overall livability of the community and reinforces its connection to the broader Newport Beach recreational and commercial network. Figures 5 and 6 below illustrate the features of the Project that promote compatibility with the existing surrounding neighborhood. Figure 5 illustrates the publicly accessible plaza; and Figure 6 illustrates the landscape buffer and entrances along Dover Drive that mimic residential neighborhoods throughout the City.

As noted in Table 2 above, the Project exceeds the minimum common and private open standards. A total of 4,307 square feet of common open area is provided within an outdoor picnic area and firepit/barbecue lounge area with a walkway leading to a passive open space area with outdoor seating and a dog relief area. The Project provides between 69 to 126 square feet of qualifying private open space per unit in the form of balconies. Additionally, three of the seven buildings provide 125 to 211 square feet of additional private open space in the form of entry courtyards.



Figure 5, Publicly Accessible Plaza



Figure 6, Landscape Buffer and Entry along Dover Drive

Scale and Compatibility

The Project is proposed on an existing property with an older medical office development that is underutilized, within an area of the City that is considerably developed. The Project will add 33 attached single-unit dwellings to the City's housing stock which furthers the City's efforts of increasing and diversifying the housing stock. The project trip generation was reviewed and approved by the Public Works Department. The estimated trip generation for the Project is 222 average daily trips, which is 231 average daily trips less than the existing medical office use. All internal driveways to garages are behind the residential buildings and individual trash containers are kept within each private garage space not visible from the public street

The Project proposes a maximum height of approximately 38 feet (37-feet, 6-inches), which is approximately 27 feet below the maximum allowed height limit (65 feet). Although the City does not have private view protection standards, the lower height promotes compatibility with the surrounding residential neighborhood and is more consistent with the height limit of lower density residential developments. The side yard adjacent to the existing single unit residential neighborhood includes a steep slope and requires a minimum 15-foot setback from the toe of the slope for safety and stability. The Project provides more than the required 15 feet as well as landscaping, a retaining wall, and a tall hedge which buffers the community from the existing neighbors. The photo simulations provided in Figure 7 below illustrates an example sight line from the residential neighbors, including distances and buffer areas.

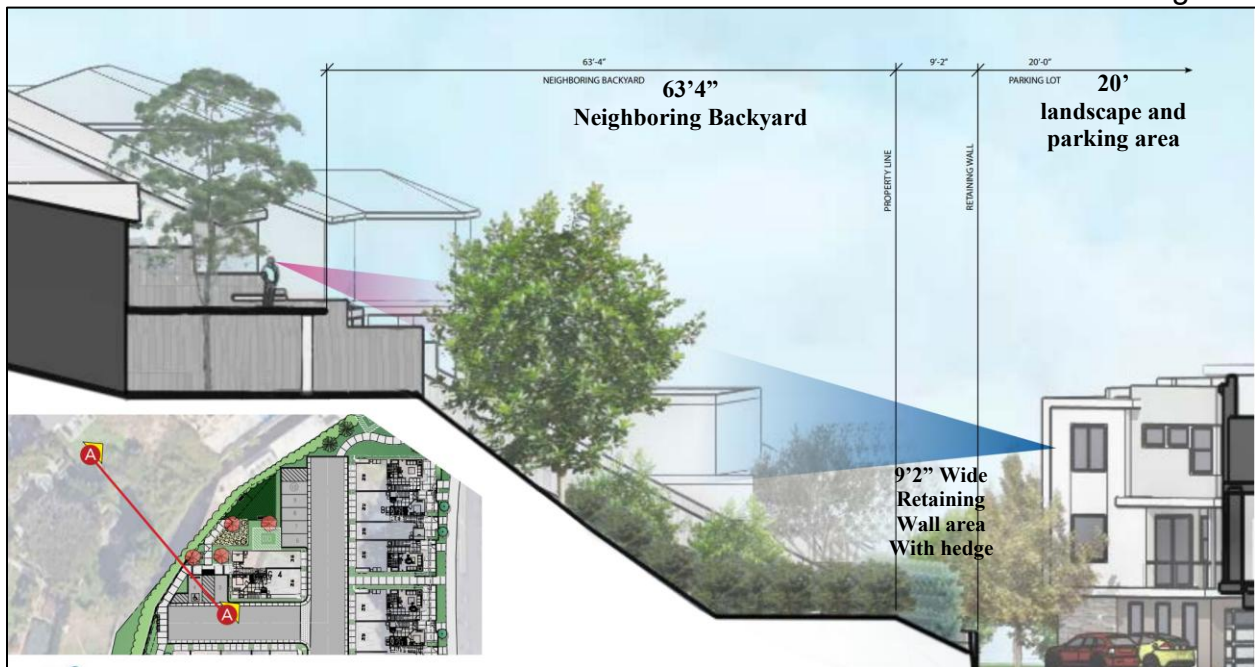


Figure 7, Sight Lines from Residential Neighborhood with Building Heights and Distances to Surrounding Uses

Driveway Analysis and Sight Distance

The Project driveway would remain in generally the same location as the existing driveway. Because the driveway is near the signalized intersection of Dover and Cliff Drive, a driveway analysis was prepared by LSA Associates Inc., dated December 11, 2025, to evaluate inbound and outbound traffic at the project driveway. A level of service (LOS) analysis and queuing analysis were conducted to determine the potential driveway operations. A sight distance analysis was also prepared to assess the adequacy and safety of the stopping and corner sight distances at the project driveway. Based on the analysis, the proposed project is not anticipated to create any operational or safety issues. The Public Works Department reviewed and approved the analysis with conditions to ensure that the driveway does not become a hazard in the future. A Condition of Approval is included that requires the applicant to construct improvements that would restrict access to right-in/right-out (RIRO) only access if the City Traffic Engineer determines that full access (i.e., including left turns) creates an operational or safety issue at the Project driveway along Cliff Drive. A conceptual RIRO driveway plan was provided in the approved analysis.

Major Site Development Review – Multi-Unit Objective Design Standard Deviation

Pursuant to Section 20.48.185(A) (Multi-Unit Objective Design Standards – Purpose) of the NBMC, the project is seeking deviation from five of the 52 applicable Multi-Unit Objective Design Standards as shown in the Objective Design Standards Checklist (Attachment PC 5). The purpose of the objective design standards is to ensure high

quality design and to provide a baseline standard for all new multi-unit development in Newport Beach, including by-right housing approvals. However, in recognition that all the objective standards may not be appropriate for all developments and that flexibility should be provided to allow for design creativity and diversity, the Planning Commission may approve an SDR to allow deviation of multi-unit objective design standards only after making all the following findings:

- A. *The strict compliance with the standards is not necessary to achieve the purpose and intent of this section.*
- B. *The project possesses compensating design and development features that offset impacts associated with the modification or waiver of standards*

Staff believe facts to support the findings exist to approve the deviation of the five objective design standards. These facts are discussed in detail in the attached draft resolution (Attachment No. PC 1). The key facts in support of findings needed for the deviations are summarized as follows and a color elevation of the façade is provided as shown in Figure 8:

1. *Private Driveway Standards - Landscape and Paving Zone (LPZ):* A 4-foot minimum width zone abutting a building is required to provide a minimum of 20% landscaping with a combination of vines, ornamental, grasses, shrubs, ground cover, and ornamental trees. The Project provides a 3-foot, 6-inch wide LPZ at most driveway areas which result from building offsets. The building offset contributes to enhanced building articulation, resulting in a more visually appealing facade. Increasing the LPZ zone to meet the 4-foot width requirement would reduce the size of the building offsets and the open setback area in front of each building. It could also increase encroachments into front setbacks. The LPZ areas, however, are designed with more than the required 20% minimum landscaping. The narrower LPZ design maximizes the amount of landscaped open space in front of each building which provides more benefit to future residents than the negligible 6 inches of LPZ adjacent to garages.
- 2./3. *Vertical Modulation – Floor Heights:* A minimum middle or top floor-to-floor height and minimum first finished floor to second finished floor plate elevation are required to be 10 feet. The Project proposes a first-floor height of 9 feet 1 inch, second floor of 9 feet, 6 inches and a third floor of 9 feet, 1 inch. The slightly reduced floor heights are still sufficient for residential design and supports an overall lower building height, which was also a key design goal to maintain neighborhood compatibility with the existing adjacent single-unit neighborhood. The floor heights still meet the intent of the section to provide units that are designed with comparable design components with residential development throughout the City.
4. *Horizontal Modulation – Minimum Depth:* All building recesses or projections shall be a minimum of 2 feet in depth. The Project proposes a variety of different recesses and projections including first floor recessed entries, second floor

balconies and covered patios, recessed windows and architectural features. The intent of this requirement is to allow for sufficient depth of recesses and projections so that building lengths are sufficiently modulated. While some of the Project's recesses and projections are less than 2 feet in depth, the Project provides large second floor recesses, balconies, and patios. The Project provides additional depth for other recesses and projection features which ensures building length is less visually obtrusive. The buildings are shorter ranging from 78 feet to 109 feet in length where the maximum allowed is 150 feet. The recesses and modulation range from 0 to 30 inches providing ample articulation and meeting the intent of this section.

5. *Horizontal Modulation – Maximum Number:* A maximum of two recesses or projections per façade. The Project includes more than two recesses and projections in both of the largest buildings within the development. The additional recesses and projections allow for sufficient modulation to each unit. The intent of this requirement is to avoid lengthy and plain building faces. Limiting the design to only two recesses or projections would result in less modulation, less visual interest, and a building less reminiscent of townhomes. The Project is furthering the intent of this requirement by sufficiently modulating the buildings, which results in a less visually obtrusive building length.



Figure 8, Facade of Eight-Unit Building

The project as proposed goes beyond the intent of the Objective Design Standards, which is to ensure the high-quality design for residential projects with a density of at least 20 units per acre. Though the project requests minor deviations to five objective design standards, the project is still consistent with the intent that the objective design standards and the deviations are appropriate.

Variance

Section 20.52.090(F) (Variances – Findings and Decisions) of the NBMC, requires the Planning Commission to make the following findings before approving a Variance:

- A. There are special or unique circumstances or conditions applicable to the subject property (e.g., location, shape, size, surroundings, topography, or other physical features) that do not apply generally to other properties in the vicinity under an identical zoning classification;*
- B. Strict compliance with Zoning Code requirements would deprive the subject property of privileges enjoyed by other properties in the vicinity and under an identical zoning classification;*
- C. Granting of the variance is necessary for the preservation and enjoyment of substantial property rights of the applicant;*
- D. Granting of the variance will not constitute a grant of special privilege inconsistent with the limitations on other properties in the vicinity and in the same zoning district;*
- E. Granting of the variance will not be in conflict with the intent and purpose of this section, this Zoning Code, the General Plan, or any applicable specific plan.*

Staff believe facts to support the findings exist to approve the Variance. These facts are discussed in detail in the attached draft resolution (Attachment No. PC 1). The key facts in support of findings are summarized in the following paragraphs.

The Project Site is irregular in shape, with two property lines abutting public streets and one property line abutting an existing single-unit residential neighborhood. The corner of the Property is adjacent to the intersection of Dover Drive and Cliff Drive and requires compliance with sight distance safety regulations. Additionally, there is a steep slope at the side of the property abutting the existing residential properties. The Project is required to maintain a horizontal distance of 15 feet from the toe of slope to the building. These conditions greatly reduce the buildable area for the development of the site when compared to other properties along Dover Drive within the HO-3 subarea, including corner lots, that are larger in size with four-sided rectangular shapes and mostly flat topography. The strict application of the setbacks and compliance with sight distance safety regulations unreasonably restricts the ability to develop a housing project at the minimum density required pursuant to the HO-3 subarea.

The existing medical offices on the Property are considered underutilized with small, one-story structures that were common in the past but are now outdated. Developing the property to the full potential allowed by the current Zoning Code (as enjoyed by other properties), would not be possible without some concessions to fit into the irregular shape or substantially increase the height or bulk of the structures.

Figure 9 below illustrates the physical constraints on the buildable area of the property.

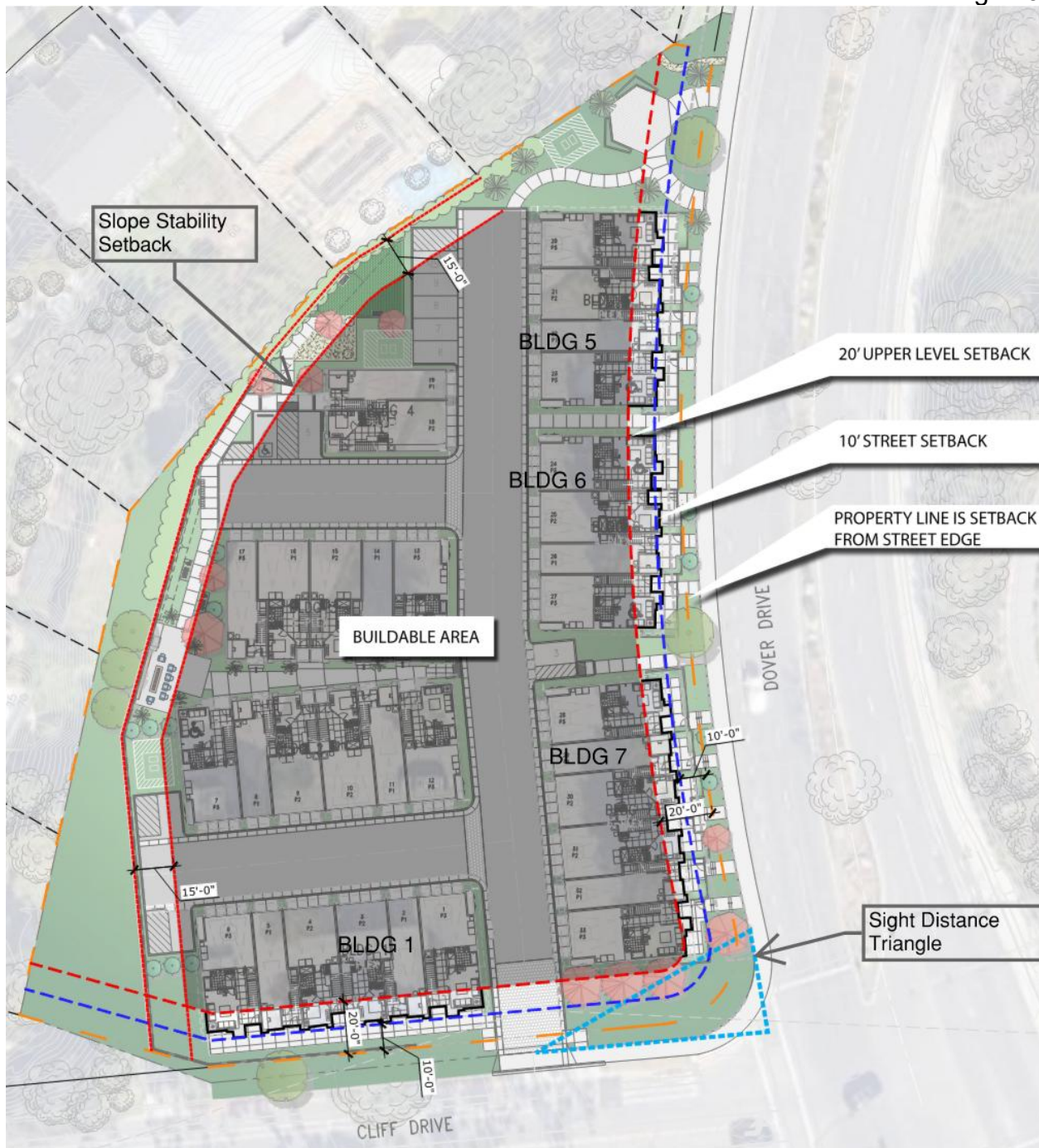


Figure 9, Site Constraints

Four of the seven multi-unit residential buildings are located along the street frontages and include encroachments into the setbacks. Figure 9 also illustrates the proposed staggered encroachments into the setbacks. The encroachments are jogging in and out of the setbacks which provide architectural relief and less impact to the adjacent public right of ways. Encroachments include the following:

Dover Drive Frontage (Buildings 5,6,7):

- First Floor: A structural component that encroaches a maximum 3 feet into the 10-foot street-setback to support balconies on the second floor (no floor area encroachment).
- Second Floor: Balconies that encroach a maximum of 3 feet and powder rooms that encroach a maximum of 1-foot, 4-inches into the 10-foot-street setback.
- Third Floor: All third floors are subject to a 20-foot street setback because they exceed 20 feet in height from established grade. All third floors within these buildings include a proposed encroachment of a primary bedroom. The bedrooms encroach approximately 10-feet, 3-inches to 13-feet, 4-inches and provide a minimum 6-foot, 8-inches setback. The greatest encroachment occurs in the narrowest portion of the lot along Dover Drive in Building 5.

Cliff Drive Frontage (Building 1):

- First Floor: A structural component that encroaches a maximum 4 inches into the 10-foot street-setback to support balconies on the second floor (no floor area encroachment).
- Second Floor: Balconies and powder rooms that encroach a maximum 4 inches into the 10-foot street-setback.
- Third Floor: All third floors are subject to a 20-foot street setback because they exceed 20 feet in height from established grade. All third floors within this building include a proposed encroachment of a primary bedroom. The bedrooms encroach a maximum of 10 feet, 2 inches and provide a minimum 9-feet, 10-inches setback.

To fit the minimum density of 20 units per acre for HO-3 Subarea (33 units), one design solution is to increase the height of the structures to 65 feet as allowed per the HO-3 development standards. However, the property abuts a single-unit residential neighborhood with 29-foot height limits. The Project is designed with a maximum height of approximately 38 feet to promote a seamless transition and improve compatibility between an established low density single-unit neighborhood and a medium density townhome development. Increasing the height would also result in more impactful visual mass from the Dover Drive and Cliff Drive rights-of-ways.

The intent of increased setbacks along street frontages is to provide adequate distance from curbs and sidewalks to improve scale and allow for landscaping. Setbacks are measured from the property line, which are typically located at back of sidewalk or curb. In this case, the property line along Cliff Drive is 12 feet, 6 inches behind the curb and the property line along Dover Drive is 11 feet behind the curb. Therefore, the actual distance from the face of curb to the buildings ranges from 18 feet to over 20 feet, preserving the intended visual openness, pedestrian comfort, and neighborhood character. The design of the buildings on the street frontages include modulation of volume through patios and balconies. The frontages provide entrances to the residential units and there are no long

unarticulated walls, significant mass or bulk encroaching into the setbacks. The ground floors provide entry courtyards, stoops, and design features found within front yard areas throughout the residential neighborhoods Citywide.

The granting of the Variance will not constitute special privileges for the Project, as the design is well under the maximum height limit and maximum density; provides a larger rear setback area with a publicly accessible plaza; and meets all requirements for open space.

In summary, the encroachments are the least impactful to the surrounding neighborhood as they are minor in nature compared to the Project's compliance with all of the following: the sight distance on the corner of Dover Drive and Cliff Drive; the slope stability setback adjacent the neighboring residential properties; on-site circulation providing the minimum drive aisle widths for traffic and fire regulations; the minimum design requirements of open space and landscaping; and the minimum density and height limit for the surrounding neighborhood. The Project provides additional housing opportunities for the surrounding area maintaining the character of the residential neighborhoods by not maximizing the height, square footage, or number of units

Vesting Tentative Tract Map

Section 19.12.070 (Required Findings for Action on Tentative Maps) of the NBMC, requires the Planning Commission to make the following findings before approving a Vesting Tentative Tract Map:

- A. 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;*
- B. That the site is physically suitable for the type and density of development;*
- C. 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;*
- D. That the design of the subdivision or the type of improvements is not likely to cause serious public health problems;*
- E. 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;

- F. 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;*
- G. That, in the case of a "land project" as defined in California Business and Professions Code Section [11000.5](#), (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;*
- H. 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;*
- I. That the subdivision is consistent with California Government Code Sections [66412.3](#) and [65584](#) 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;*
- J. 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*
- K. 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.*

Staff believe facts to support the findings exist to approve the VTTM. These facts are discussed in detail in the attached draft resolution (Attachment No. PC 1). The key facts in support of findings are summarized in the following paragraphs.

The project is subject to pay an in-lieu park dedication fee pursuant to Chapter 19.52 (Park Dedication and Fees) of the NBMC, as required for park and recreational purposes. A preliminary application for residential development, filed as PA2025-0066, was deemed submitted on March 21, 2025, for this Project. The preliminary application prevents the Project from being subject to any City ordinances, policies, and standards adopted after

the date of submission, except as specified in Government Code Section 65589.5(o). Therefore, the Project will be subject to the in-lieu park fee in the amount of \$38,400 per unit which was the fee in effect at the time the preliminary application was deemed submitted.

The site is suitable for the type and density of the development in that the infrastructure serving the site has been designed to accommodate the proposed project. A sewer and water demand study was prepared by C&V Consulting, Inc. dated July 2025. The study concluded that the proposed onsite water system is adequately designed to provide domestic water service and fire flow for the proposed onsite fire hydrants and building's domestic demand. Due to domestic water pressures, the developer will install a publicly owned and operated pressure-reducing station to be constructed to City standards. The Project does not result in more than 500 dwelling units; therefore, a Water Supply Assessment (WSA) is not required for Project. The study also concluded that the proposed sewer system will be sufficient to serve the project.

The Property is not designated as wetlands, is not identified for conservation in an adopted natural resource protection plan and is developed and does not contain habitat for protected species. Furthermore, the project is not expected to result in any public health or safety concern to residents in this area or throughout the City. All improvements associated with the project will comply with all Building, Public Works, and Fire Codes, which are in place to prevent serious public health problems. Public improvements will be required of the developer per Section 19.28.010 (General Improvement Requirements) of the NBMC.

Environmental Review

This project is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code (PRC) Section 21080.66 (enacted through Assembly Bill 130) because it has no potential to have a significant effect on the environment and meets the eligibility criteria to qualify for AB 130 as described in more detail in Section 2 of the attached draft resolution (Attachment No. PC 1). AB 130 took effect June 30, 2025, and created a new CEQA exemption designed to further the development of in-fill housing projects.

Pursuant to AB130, consultation with Native American Tribes is also required in addition to meeting the eligibility criteria. Therefore, the City initiated consultation on October 21, 2025, and November 4, 2025, with the two tribes that requested consultation, Juaneño Band of Mission Indians, Acjachemen Nation- Belardes and the Gabrieleno Band of Mission Indians - Kizh Nation. The tribal consultation with the Juaneño Band of Mission Indians, Acjachemen Nation- Belardes and the Gabrieleno Band of Mission Indians - Kizh Nation concluded on December 3, 2025, and December 22, 2025, respectively, and tribal monitoring conditions are included in Exhibit "C" (Conditions of Approval) of Attachment PC 1. AB130 includes a list of criteria for a Project site to qualify for the exemption. In summary and as provided in detail in the resolution, the criteria includes considerations

related to zoning, land use (including minimum density), and environmental topics such as confirmation of no wetlands, natural resources, or hazards on the property.

SUMMARY

Staff believes the findings for project approval are made as demonstrated by Attachment No. PC 1 to this report. The project is consistent with the intent of the HO-3 Subarea and is consistent with the policies of the General Plan Housing, Land Use, and Circulation Elements. If approved, the project will provide a net increase of 33 for sale attached single-unit dwellings, which diversifies the City's housing stock and helps increase the supply of housing in Newport Beach.

Alternatives and Housing Accountability Act Compliance

Should the Planning Commission's review and evaluation of this project not coincide with City staff's recommendation, then the following alternative options are available to the Planning Commission:

1. For projects that are fully consistent with objective general plan, zoning (including objective design standards), and subdivision standards, Housing Accountability Act (Government Code Section 65589.5), restricts the City's ability to deny, reduce density of, or make infeasible housing developments, unless specific findings can be made. In this case, the Project does not meet all objective setback standards and requires a variance request. Therefore, should the Planning Commission determine that there are insufficient facts to support one or more of the findings for approval for the requested variance, the Planning Commission may propose modifications to the Project or deny the application and provide facts in support of denial of the variance.
2. The Planning Commission may propose modifications that are necessary to eliminate the deviations from the ODS; however, the proposed modifications should not result in the reduction of dwelling units. If the proposed modifications are substantial, the item could be continued to the February 19, 2026, Planning Commission meeting. Should the Planning Commission choose to do so, staff will return with a revised resolution incorporating new findings and/or conditions. The Planning Commission must make a final decision by February 19, 2026, to comply with Government Code § 65950(b) and Government Code § 65957) which requires a decision be rendered within 30 days of the conclusion of tribal consultation if the project uses the AB130 statutory exemption for CEQA. The tribal consultation process concluded on December 22, 2025, and the deadline for a decision was January 22, 2026. However, the City and Applicant may mutually agree in writing to a one-time, 90-day extension. For this project the applicant provided a one-time extension of up to 30 days, extending the decision date to February 21, 2026.
3. In the case of denial or imposing a condition that the project be developed at a lower density or with any other conditions that would adversely impact feasibility

of the proposed project, the Planning Commission must articulate the factual basis (burden of proof on the City) to justify denial or reduction in density for making the following findings and direct staff to return with a revised resolution incorporating the articulated findings and factual basis for the decision:

- (A) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a “specific, adverse impact” means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.
- (B) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified, other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.


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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Assistant Planner


Jaime Murillo, AICP
Community Development Director

ATTACHMENTS

- PC 1 Draft Resolution with Findings and Conditions
- PC 2 Applicant's Project Description
- PC 3 General Plan Consistency Table
- PC 4 Multi-Unit Objective Design Standards Checklist
- PC 5 Project Plans