

Attachment E

May 21, 2026 Planning Commission Minutes

and that the proposed drop-off/pick-up space and bicycle parking could allow for a 15% reduction, and the applicant is only asking for a 7% reduction, and is providing more than is required by the NBMC for their request.

Deputy City Manager Ben Zdeba agreed with Vice Chair Salene. He added that the City recently performed a comprehensive review and update of its commercial parking standards, with a point of discussion being whether medical facility parking requirements could be lowered. He added that the City did not change its standards because medical offices are resilient and continue to have a demand for their services even with other businesses dipping during times like the pandemic. He noted that flexibility was provided to developers with more objective waivers and stated that there is also a Condition of Approval where the City can revisit the facility's parking situation if it becomes an issue.

Commissioner Reed stated that the project is consistent with the area.

Motion made by Commissioner Reed and seconded by Commissioner Rosene to approve the item as presented.

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

VIII. STUDY SESSION

ITEM NO. 4 RESULTS OF THE REAP 2.0 MIXED-USE STUDY (PA2025-0257)
Site Location: Citywide

Summary:

On January 13, 2026, the City Council authorized participation in the Regional Early Action Planning (REAP) 2.0 Program in partnership with the Orange County Council of Governments (OCCOG). The REAP 2.0 Program provided the City with grant-funded consultant assistance to complete Housing Element Policy Action 4H (Review Mixed-Use Zones), primarily intended to identify and reduce regulatory barriers to housing development in the City's existing mixed-use zoning districts (Study). Staff has been working with OCCOG's selected consultant, Houseal Lavigne, to prepare the Study including recommendations for potential changes to the Newport Beach Municipal Code, Local Coastal Program, and General Plan that would reduce barriers and incentivize mixed-use development. The City is not obligated to make any amendments based on the findings of the Study. Staff will share a presentation on the findings of the Study for Planning Commission review and discussion.

Recommended Actions:

1. Receive the presentation and provide direction regarding the recommendations of the Study.

Secretary Langford recused himself from the item due to a property ownership interest by his employer and a personal income source.

Principal Planner Westmoreland reported that the Regional Early Action Planning (REAP) 2.0 Program is a State initiative designed to accelerate infill housing, Affirmatively Further Fair Housing (AFFH), and reduce Vehicle Miles Traveled (VMT). She added that the Orange County Council of Governments (OCCOG) received a grant to administer the program, opting to establish

a technical consulting bench to assist its member agencies with their Housing Element Implementation Programs. She stated that the City was selected for assistance with completing Housing Element Policy Action 4H, a review of mixed-use zones, with a goal of identifying regulatory constraints against mixed-use development and recommendations for subsequent policy and code changes to encourage infill housing.

Principal Planner Westmoreland reported that the City created the mixed-use zoning districts in 2010, but the City has not experienced the amount of mixed-use development that was expected. She added that the current zoning has led to a mixed-use project at 2510 West Coast Highway, along with some scattered mixed-use developments in Balboa Village, noting that Balboa Village is attractive due to its parking overlays. She added that five of the City's six mixed-use districts are in the Coastal Zone, with Dover Westcliff being the exception.

Principal Planner Westmoreland reported on the scope of the consultant's analysis and noted that, after tonight's Study Session on the results, the City Council is also scheduled to have a Study Session at its June 23rd meeting that would include the Commission's comments. She noted that the City is not obligated to move forward with the Study's recommendations.

Assistant Planner Arregui reported that any mixed-use development in the City requires the approval of a Site Development Review (SDR), with the Zoning Administrator able to approve projects with 1-4 dwelling units and less than 10,000 square feet of non-residential floor area, and anything larger having to be approved by the Commission. He added that, because most of the mixed-use developments are also within the Coastal Zone, there is an additional requirement for a Coastal Development Permit (CDP). He noted that from a developer's perspective, public hearing for these entitlements can increase a project's complexity, extend timelines, and reduce predictability.

Assistant Planner Arregui stated that the Study tested conceptual plans for projects at sites on Dover Drive, Cannery Village, and McFadden Square to determine if they could be built under the City's zoning standards and whether they would be financially viable given considerations like construction costs, soft costs, and entitlement risk.

Assistant Planner Arregui reported that two conceptual plans were analyzed for the Dover Drive site, with a determination that the first plan, while complying with City standards, is not financially viable, and the second plan, which includes an affordable housing component, would require obtaining a parking waiver in addition to not being financially viable. He added that increasing the height of a parking deck to solve the second conceptual project's issue would also require additional discretionary approvals.

Assistant Planner Arregui reported that two conceptual plans were analyzed for Cannery Village site, with a determination that neither the first plan (a two-story project) nor the second plan (a three-story project) would meet its commercial parking requirements due to the small lot sizes and requires a parking waiver. He added that because both concept plans include two lots, the concept plans would also require a Lot Merger, and neither plan was deemed to be financially viable due to constraint on qualifying rentable space.

Assistant Planner Arregui reported that the McFadden Square analysis was for a conceptual project on a consolidated lot at 2212 and 2214 West Ocean Front. He reported that, like the conceptual plans for the previously mentioned sites, only the residential parking can be accommodated. He added that, in addition to the need for both a parking waiver and lot merger applications, the conceptual project was deemed to be not financially viable.

Assistant Planner Arregui reported that recommendations from the consultant that staff feel would

be appropriate for Newport Beach include allowing administrative approval for small mixed-use developments and allowing for a minimum of two residential units. He added that another recommendation was having mixed-use development residential parking requirements based on the number of bedrooms, which incentivizes smaller units. He added that there is a recommendation to waive non-residential parking requirements for certain uses to incentivize resident and visitor uses, noting that there is a similar and successful program in Balboa Village. He reported that a recommendation not supported by staff is to have an administrative waiver for all commercial and residential uses, adding that part of the concern is that most of the mixed-use areas are located in the Coastal Zone, where these recommendations could create coastal access issues.

Assistant Planner Arregui reported that recommendations supported by staff also include allowing upper floor residential units to be allowed within the 100-foot setback from Coast Highway in the Mariner's Mile Mixed-Use Zone and only requiring common open space for projects with four or more units to make smaller projects more efficient on small lots. He noted that many mixed-use developments are in high-resource areas where outdoor activity space already exists. He added that staff does not agree with the recommendation to increase the residential Floor Area Ratio (FAR), as it is likely to lead to larger units, instead of additional units. He stated that a staff-supported recommendation is to increase the height limit in Dover Westcliff to 55 feet for flat roofs and 60 feet for sloped roofs because it is not in the Coastal Zone, but staff does not support the recommendation to remove discretionary review for increases in height limits in all mixed-use zones due to potential Coastal Zone issues.

Principal Planner Westmoreland reported that the final recommendation supported by staff is to redefine non-residential uses on the first floor for affordable housing projects to include resident-serving amenities such as a gym or community room. She stated that the Study has shown that the City does have zoning barriers to housing development, with changes that can be made to incentivize development. She added that affordable housing is challenging, if not infeasible, in smaller mixed-use developments because the economics are difficult enough even without the affordable housing component. She recommended community and industry outreach if the City wishes to enact the Study's recommendations and cautioned that factors exist beyond the City's control, including market conditions, funding sources, and the many small lots in Newport Beach's mixed-use areas.

In response to Commissioner Rosene's inquiry, Principal Planner Westmoreland clarified that the current Mixed-Use Zoning Code was implemented in 2010, but some areas had existing specific plans that allowed mixed-use development under old zoning regulations.

Commissioner Rosene stated that the concept here seems to be to incentivize residential development and pondered whether some areas could benefit from an Overlay Zone that would waive the mixed-use component and not require a commercial use. He added that this would allow developers to get creative on housing projects while adhering to appropriate densities.

In response to Commissioner Gazzano's inquiry, Principal Planner Westmoreland confirmed that the City's goal through this Study is to incentivize mixed-use developments viewed through the lens of creating more housing opportunities.

In response to Commissioner Gazzano's inquiry, Principal Planner Westmoreland stated that the land cost is likely lumped in with the economic analysis used to determine if the conceptual projects would be financially viable because the Return on Investment calculation would include the cost of purchasing the property. Consultant Robert Kain, of Houseal Lavigne confirmed that the cost of the land is factored into the costs of the conceptual developments but does not have its own specific listing in the report.

Commissioner Gazzano requested a specific notation of the cost of the land for the conceptual plans because the costs can vary widely around the City. He added that potential purchasers have looked at 881 Dover Drive but could not offer the current landowner enough money to sell it.

In response to Commissioner Gazzano's inquiry, Principal Planner Westmoreland agreed that land costs would be included in the economic viability analysis prior to the City Council study session.

Commissioner Gazzano clarified that his request is to include the land costs as a separate item in the economic analysis.

Commissioner Gazzano recommended adding a requirement for the residential use to be over 50% of the floor area to ensure that the City is getting the benefit of the housing units. He also recommended consideration of expanding the City's mixed-use zones.

Commissioner Reed agreed with Commissioner Gazzano's call to separately list the hard costs, soft costs, and land costs of the conceptual projects.

Vice Chair Salene opened public comment.

Mr. Mosher stated that 881 Dover Dr. currently has a Housing Overlay, allowing the current property owner to develop 100% residential with a minimum density requirement. He expressed confusion over the goals of the study relative to residential use, commercial use, and mixed-use.

Principal Planner Westmoreland confirmed Mr. Mosher's notation of the existence of a Housing Overlay over several of the areas being discussed. She clarified that the Study is looking at mixed-use zoning districts Citywide, adding that the potential project sites in Dover Westcliff are by far the largest the City can offer for mixed-use. She noted that mixed-use zoning without a Housing Overlay does not allow for 100% residential development, and the Study is aimed at discovering barriers to development in these areas under the City's current codes.

Vice Chair Salene closed public comment.

Vice Chair Salene expressed concerns about the consistent discussion of parking waivers as developments come to the Commission, noting how hard it can be to find available parking in parts of Newport Beach. He expressed concerns about granting more parking waivers for the sole purpose of encouraging more residential development. He agreed with the Study's recommendation of removing common open space requirements from smaller projects as the mixed-use zones are located in areas with recreational amenities. He stated that waiving any required parking spaces in some areas of the City is difficult.

In response to Vice Chair Salene's inquiry, Assistant City Attorney Yolanda Summerhill stated that staff has received reasonable feedback from the Commission to bring to the City Council.

Vice Chair Salene closed the Study Session.

IX. ~~DISCUSSION ITEM~~

ITEM NO. 5 ~~CITY TRAFFIC ENGINEER UPDATES (PA2026-0085)~~ Site Location: ~~Citywide~~

~~In response to previous Planning Commission inquiries, City Traffic Engineer Kevin Riley will present updates on the warrant study for a stop sign at Cliff Drive and Kings Place and~~