

March 19, 2026, Planning Commission Item 3 Comments

These comments on a Newport Beach Planning Commission [agenda](#) item are submitted by:

Jim Mosher (jimmosher@yahoo.com), 2210 Private Road, Newport Beach 92660 (949-548-6229).

Item No. 3. NEWPORT PLACE PLANNED COMMUNITY DEVELOPMENT PLAN AMENDMENT (PA2025-0196)

This item seems to me to lack any coherent logical arguments to explain its recommendations.

On handwritten page 5, it says “*representatives of Intracorp submitted a written request (Attachment No. PC 2) that the City consider lowering the Inclusionary Requirement for for-sale housing, as the approved project is no longer financially viable to implement.*” Yet, I see nothing in Attachment No. PC 2 saying a 15% requirement makes the previously-approved project “no longer financially viable.” It simply says, unremarkably, that they would prefer a 7.5% requirement to a 15% one. Even if we assume the Intracorp letter was accompanied by other communications saying 15% was no longer feasible, the letter certainly suggests that 7.5% would be doable for Intracorp. Yet the recommendation is to lower the requirement to 6%. Why? Where is the logic behind that?

Apparently we are expected to find the logic in the Keyser Marston Addendum (Attachment No. PC 4).

Before going there, it seems important to note, as may be gleaned from Exhibit “A” to the proposed resolution (on handwritten page 15), that the Inclusionary Requirement in the Newport Place Planned Community Residential Overlay area¹ (not to be confused with the recently created 6th Cycle Housing Element Housing Overlay districts) applies solely to units provided for “lower-income” households, defined in the [PC text](#) as “low” and “very low” income households, and there does not appear to be any recommendation to change that.

Returning to the KMA document, the absence of a table of contents makes it extremely hard to follow, but as best I can tell the “Executive Summary” begins on handwritten page 31 and ends on handwritten page 33. The document appears to deal almost exclusively with a hypothetical requirement for providing **moderate** income units, something that does not currently, and does not seem recommended to, apply to the Newport Place Housing Overlay area. But the summary contains one sentence saying “*The results of this analysis indicate that a 6% low income requirement can be supported in the Airport Area.*” The supporting analysis is apparently that appearing on handwritten page 38. There seems to be no analysis of the requirement that could be supported for very-low income units, but I would guess the supportable requirement for very-low income is even less than 6%.

¹ Figure 2 of the staff report, showing the Residential Overlay boundaries, is copied from the Planned Community text, but it might be noted the “Area Summary” table in the upper left has rows with mismatched lines. I assume “22.2 ac.” is supposed to go with “Industrial” and not with “Office,” and that “1.2 ac.” is intended to go with “Service Station.” Wouldn’t this be an appropriate time to replace this defective figure with a corrected one?

Whatever their recommendation is intended to apply to, how can we believe an analysis that concludes anything greater than a 6% requirement (or some even lower number) would place an illegal burden on developers, when Intracorp, an actual developer, appears to say they would be comfortable with a 7.5% lower-income requirement? Where is the logic in relying on a theoretical analysis whose conclusions contradict real world experience?

Finally, I completely fail to see how lowering inclusionary requirements furthers the implementation of the 6th Cycle Housing Element. It certainly makes it easier to build “above moderate” (market rate) housing, but the City has never believed it would have a problem meeting its market rate RHNA quotas.

Indeed, Table B-2 of the Housing Element indicated the City already had enough “pipeline” units to meet its 6th Cycle market rate quota. The 8,174 new focus area overlay base units were, according to that table, added to the Land Use Element and Zoning to provide 3,194 below-market base units (which would provide a small buffer above the estimated 2,707 unit RHNA requirement in the below-market income categories). Simple math² indicates that to actually meet the 2,707 unit objective (let alone have a buffer), 33% of all 8,174 newly-approved base units would have to be below market. And, as I have been trying to explain, every approval of base units with a lower affordable percentage increases the percentage that will be needed in the remaining approvals, until it becomes over 100%, at which point the 8,174 unit limit will need to be raised.

Having an inclusionary requirement encourages property owners and developers to find creative ways to get at least some of the affordable units built. Lowering the required percentage reduces the incentive. It does not sound like good policy to me.

Setting aside these policy differences, there appear to be some technical problems with the proposed resolution which might merit attention. They include (starting on handwritten page 11):

1. **Title:** “A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF NEWPORT BEACH, CALIFORNIA RECOMMENDING **THE** CITY COUNCIL APPROVE AN AMENDMENT TO **THE** NEWPORT PLACE PLANNED COMMUNITY DEVELOPMENT PLAN (PC-11) TO REVISE THE MINIMUM INCLUSIONARY FOR-SALE HOUSING PERCENTAGE REQUIRED WITHIN THE RESIDENTIAL OVERLAY (PA2025-0196)”
2. **Section 1.3**, end of last sentence: “..., a total of 31 new housing opportunity sites have been identified in **the** PC-11 per the 6th Cycle Housing Element.” [note: Since not all opportunity sites are in the Residential Overlay Area of PC-11 (which is the subject of the resolution), I am unable to tell if this is referring to 31 sites in the **overlay area**, or in the **entirety** of PC-11.]

² The actual math is more complicated because separate quotas need to be met in three different income categories: moderate, low and very-low. Meeting the overall 2,707 unit goal does not ensure the RHNA quotas in each individual category will be met. Historically, the City’s greatest difficulty has been in meeting its moderate income targets. It is unclear why the Newport Place Overlay does not provide a moderate income percentage as an alternative to providing low or very-low income units.

3. **Section 1.6:** *“On September 24, 2024, the City adopted Resolution No. 2024-73, amending portions of Section 3 and 4 of the 6th Cycle Housing Element to remove the reference to Charter Section 423 as voter approval is precluded ~~from~~ **by** state law.”*
4. **Section 1.8,** sentence 2: *“A notice of the time, place, and purpose of the hearing was given in accordance with ~~California~~ Sections 54950 et seq. of the **California** Government Code (“Ralph M. Brown Act”) and Chapter 20.62 (Public Hearings) of the NBMC.”*