

Attachment CC4 Correspondence

July 13, 2016

Mayor Diane Dixon
& Members of the Newport Beach City Council
City of Newport Beach
1000 Civic Center Drive
Newport Beach, CA 92660

**RE: The Residences at Newport Place (PA 2014-150)
1701 Corinthian Way, 1660 Dove Street, 4251, 4253, 4255 Martingale Way, &
4200, 4220, 4250 Scott Drive**

- Mitigated Negative Declaration No. MD2015-009
- Planned Development Permit No. PL2014-001
- Lot Merger No. LM2014-003
- Affordable Housing Implementation Plan No. AH2015-001

Dear Mayor Dixon & Members of the Newport Beach City Council:

We reviewed the above referenced application for The Residences at Newport Place (RNP) and previously expressed our concerns in a formal letter and during public comments to the Planning Commission, which voted to deny a motion to continue the hearing and voted to deny the project. Since the Planning Commission's June 23rd Final Denial (Resolution 2019) the applicant has exercised their rights to appeal the denial to City Council, so we wish to express our concerns to the council.

These concerns deal with the extent this Airport Area application is requesting waivers from General Plan requirements and Zoning requirements. While we recognize the Newport Place zoning standards provide for residential development on sites smaller than 10-acres with a 30% affordable component, we believe that a Development Agreement and a 1 acre park are required by the General Plan. Additionally, we believe the applicant needs to live within the height and setback standards as defined by the Newport Place Zoning.

Development Agreement Requirement

We believe there is no justification for the lack of a Development Agreement and the fees associated, which are required by the General Plan as follows:

Land Use Element-Airport Area-Mixed Use Districts (Subarea C. MU-H2 Designation)

LU 6.15.12 Development Agreements P. 3-109

“A Development Agreement shall be required for all projects that include infill residential units. The Development Agreement shall define the improvements and public benefits to be provided by the developer in exchange for the City’s commitment for the number, density, and location of housing units.” (Imp. 2.1, 3.1, 4.1, 13.1)

The common definition of “infill development” is the process of developing vacant or under-used parcels within existing urban areas that are already largely developed. This project is definitively infill residential in nature and should have a Development Agreement and the fees associated.

We disagree with staff’s rationale that the General Plan Development Agreement requirements were only intended for “additive units” and not for those projects like the RNP that provide 384 “replacement units”.

As the Planning Commission is aware, in February of 2013, Uptown Newport was the first Airport Area project to be approved by the City of Newport Beach, and was required to have a Development Agreement and Public Benefit Fee on all of its 1,244 units – both replacement and additive. These fees, originally set at \$32,500 per unit on the document effective date of April 2013, increase by CPI annually on each first day of January and as of January 1, 2016 have increased to \$33,798.05 per unit. CPI has increased from 232.531 in April 2013 to 236.525 at the end of December 2015, a 3.994 point increase, which equates to a 1.718% increase.

Based on staff’s recommendation for the RNP project, the Uptown Newport project should only be paying fees for the 290 “additive” units and not the 954 “replacement units” and density bonus units.

With CPI-adjusted DA fees of \$33,058.35 per dwelling unit, that reduction in fees equates to approximately \$31,537,665.90 (Thirty-one Million, Five Hundred Thirty-seven Thousand, Six Hundred Sixty-five Dollars and Ninety Cents) for Uptown Newport.

954 Dwelling Units x \$33,058.35 Per Unit = \$31,537,665.90

Or said a different way, if the same DA Fees were imposed on the RNP project, the fees would be approximately \$12,694,406.40 (Twelve Million, Six Hundred Ninety-four Thousand, Four Hundred Six Dollars and Forty Cents).

384 Dwelling Units x \$33,058.35 Per Unit = \$12,694,406.40

Based on the magnitude of the fees in question here, we strongly urge the Planning Commission to seek the City Council's review of this project so that the requirement of a Development Agreement can be sought. Lack of a Development Agreement on this project would be unfair and inequitable to all other Airport Area residential projects.

Park Requirement: We believe there is no justification to grant a General Plan Land Use Policy (Neighborhood Parks (LU6.15.13) waiver of the park dedication. The General Plan states, "In every case, the neighborhood park shall be at least 8 percent of the total Residential Village Area or one acre in area, whichever is greater, and shall have a minimum dimension of 150 feet." We believe the General Plan clearly requires and anticipated all Airport Area residential communities would provide a public park. Granting a deviation from this requirement would create a precedent for future Airport Area residential projects and establishes an inequity in which the city is applying its standards.

The requested waiver of the 1 acre park for public dedication also allows the applicant to generate additional density on the site as the park acreage is not deducted from the total land. With a 1 acre park, the net acreage would be 4.7 acres creating a maximum of 235 units based on the maximum density of 50 upa before the density bonus and 317 units with the 35% density bonus. This is a reduction in 50 allowable units and 67 units with the density bonus.

Deviation from Newport Place Zoning Standards

The Newport Place zoning sets forth a maximum building height of 55 feet. The height of a structure can be increased with approval of a site development review and subject to required findings.

The height requested by the applicant exceeds the 55 foot height limit by 28 feet. We understand that the height deviations can be approved if the Planning Commission approves a set of findings and a Planned Development Permit. The staff report indicates that the additional height to 83 is only for architectural elements, but the plans indicate there are living spaces within the additional height. We believe the request is far reaching (over a 50% increase in height) and the findings can't be made.

Deviation from the Newport Place Setback Standards

The applicant is also requesting deviation from the 30' setback standard on all streets the project abuts; Corinthian Way, Martingale Way, Dove Street, and Scott Drive. The applicant's representative stated that the request was based on the fact that the Newport Place Zoning Standards never anticipated residential. The staff report suggests they are supportive of the setback deviation provided the applicant builds a 0.5 acre park with public access.

We contend if the zoning standards needed to be modified to accommodate residential, the applicant should have requested a Zone Change as part of its application as is the case with all other Airport Area residential projects.

In conclusion, we believe this project is too far reaching and doesn't meet the basic standards and requirements that are mandated for the Airport Area residential developments. This development project should be held to the same standards as others in the Airport Area and as such should have a Development Agreement and the associated fees; should adhere to the park requirement, which would reduce the density; and should comply with the Newport Place height and setbacks or submit for a zone change. The applicant's requests for deviations are an attempt to circumvent the appropriate zone change, which would in itself trigger a legislative action requiring a Development Agreement.

We are hopeful the City Council will uphold the Planning Commission's denial of this project or request the applicant significantly revise the project to be more in keeping with the standards and requirements being applied to all other Airport Area residential projects.

Thank you for considering our thoughts and concerns.

Sincerely,



John Santry

Executive Vice President- Acquisitions and Development

Ung, Rosalinh

From: mbaguy99@aol.com
Sent: Monday, July 18, 2016 8:08 PM
To: Dept - City Council; City Clerk's Office; Info@SPON-NewportBeach.org
Subject: Public Comments: The Residences at Newport Place

Please do not let this project through. It violates the General Plan and several other regulations.

Herbert Karg
Corona del Mar resident for 40 years.

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