

# CITY OF NEWPORT BEACH COMMUNITY DEVELOPMENT DEPARTMENT PLANNING DIVISION ACTION REPORT

TO: CITY COUNCIL, CITY MANAGER, AND PLANNING COMMISSION

FROM: Seimone Juriis, Assistant City Manager/Community Development Director

SUBJECT: Report of actions taken by the Community Development Director for the week

ending June 6, 2025.

## COMMUNITY DEVELOPMENT DIRECTOR OR ZONING ADMINISTRATOR ACTIONS

(Non-Hearing Items)

Item 1: Director's Determination Regarding MacArthur Court and Inclusion in the Housing Opportunity

(HO) Overlay Zoning District (PA2025-0117)

Site Address: 4680 Macarthur Court

Action: Approved Council District 3

APPEAL PERIOD: An appeal or call for review may be filed with the Director of Community Development or City Clerk, as applicable, within fourteen (14) days following the date the action or decision was rendered unless a different period is specified by the Municipal Code (e.g., Title 19 allows ten (10) day appeal period for tentative parcel and tract maps, lot line adjustments, or lot mergers). For additional information on filing an appeal, contact the Planning Division at 949 644-3200.

Wendy Joe, Civilian Investigator, NBPD (*Telecom - Massage – ABC License*) Mark Short, Police Sergeant, NBPD (*Massage – ABC License*)



### CITY OF NEWPORT BEACH COMMUNITY DEVELOPMENT DEPARTMENT

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### Director's Determination

To: Planning Division

From: Seimone Jurjis, Assistant City Manager/Community Development

**Department Director** 

**Date:** June 6, 2025

**Re:** Director's Determination Regarding MacArthur Court and Inclusion in

the Housing Opportunity (HO) Overlay Zoning District (PA2025-0117)

#### **Summary**

In alignment with the 6<sup>th</sup> Cycle Regional Housing Needs Assessment (RHNA), the City Council adopted a certified-compliant Housing Element for the 2021-2029 planning period. Policy Actions 1A through 1G of the Chapter 4 (Housing Plan) commit the City to rezoning sites listed in the Adequate Sites Analysis (Appendix B) for potential redevelopment with housing projects. This effort was completed with the establishment of the Housing Opportunity (HO) Overlay Zoning Districts, which include five subareas:

- HO-1 Airport Area
- HO-2 West Newport Mesa
- HO-3 Dover-Westcliff

- HO-4 Newport Center
- HO-5 Coyote Canyon

Almost the entire block bound by MacArthur Boulevard to the west, Campus Drive to the north, Von Karman Avenue to the east, and Birch Street to the south was included in the HO-1 Subarea with exception of two footprint parcels developed with one office building each (addressed as 4695 and 4675 MacArthur Court), as well as a larger parcel with a parking structure and common area that serve the office buildings (addressed as 4680 MacArthur Court). All three excluded parcels are part of the MacArthur Court office campus, which is identified in Figure 1 below. Neither of the two footprint parcels have separate on-site parking and rely on the surrounding parking pool and adjacent parking structure that would not exist on its own without the office buildings that it serves. Since more than half of the MacArthur Court office campus was included as feasible for redevelopment, the

entire office campus should have also been included as part of the redevelopment potential for this block.



Figure 1, MacArthur Court office campus identified in yellow.

#### Background and Issue

The California Government Code requires cities and counties to adopt a housing element that assesses housing needs and establishes goals, policies, and programs to support housing development and preservation. As a mandatory component of the Newport Beach General Plan, the Housing Element must be updated periodically to comply with state law. The City's 6<sup>th</sup> Cycle Housing Element (2021–2029) outlines a strategy to meet the Regional Housing Needs Assessment (RHNA) allocation of 4,845 new housing units.

Beginning in 2019, the City engaged in extensive public outreach through the "Newport, Together" initiative, guided by the former General Plan Update Steering Committee, to gather community input. Additionally, the City Council established the Housing Element Update Advisory Committee (HEUAC), composed of nine residents with expertise in housing development, to ensure public participation, provide guidance, and make recommendations.

The HEUAC formed five subcommittees to evaluate potential redevelopment sites:

- Airport Area East
- Airport Area West
- Airport Area 65dBA CNEL+
- West Newport Mesa
- Remainder of Town

Each subcommittee prepared a memorandum to memorialize its findings through listing sites as "feasible," "potentially feasible," or "infeasible" when it comes to the prospect of redevelopment with residential. The memoranda were shared with the full HEUAC and received-and-filed as part of the record. This comprehensive review of sites largely informed the City's efforts in preparing an adequate sites analysis included in the Housing Element as Appendix B.

The "Airport Area – East" Subcommittee issued its final memorandum to the HEUAC on February 17, 2021. The described block that included the MacArthur Court office campus was split into four separate line items listing some parcels as "feasible," "potentially feasible," or "infeasible" for redevelopment as housing. This final memo is included as Attachment A for reference and the line items are described below Figure 2, which identifies the parcel numbers mentioned.



Figure 2, Excerpt of mapping document used by the HEUAC to identify housing sites.

Line item (1) describes parcels identified as numbers 1,4 and 7 and notes redevelopment as "feasible."

Line item (2) describes parcels identified as numbers 5, 6, and 7, and notes redevelopment as "infeasible" largely due to the presence of "Class A offices" but

notes that "[t]heoretically the owner could modify the parking structure to add housing, but again this does not look likely to happen."

Line items (3) and (4) describe parcels identified as numbers 2, 3, and 8 and notes redevelopment as "potentially feasible."

While the outcome indicated for line item (2) is "infeasible," the narrative suggests that it would be an appropriate location assuming the property owner had interest. Furthermore, the parcel identified as number 7 with the parking structure was mentioned in both line items (1) and (2). This is another indication that housing development was viewed as at least "potentially feasible" on the entire MacArthur Court office campus.

With the initial study and conflicting direction on portions of the block that includes the MacArthur Court office campus by the HEUAC, the Housing Element and its implementing zoning left the footprint parcels and the parking structure parcel out of the HO-1 Subarea. This is shown in the map excerpt below as Figure 3 and marked up to show the location. Since over half of the MacArthur Court office campus is included, it would not make sense to arbitrarily divide the site, as any redevelopment would affect the entire office campus.

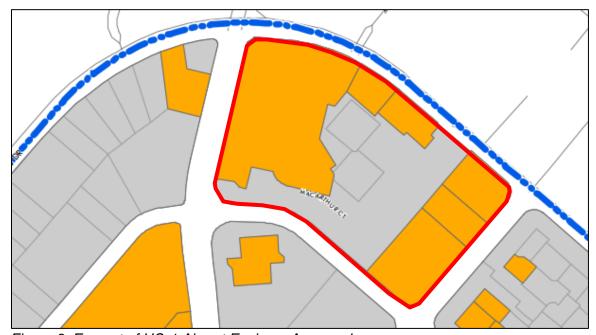


Figure 3, Excerpt of HO-1 Airport Environs Area zoning map.

#### <u>Authority</u>

Section 20.12.020 (Rules of Interpretation) of the Newport Beach Municipal Code (NBMC) authorizes the Community Development Director to interpret the meaning

Director's Determination Regarding MacArthur Court and Inclusion in the Housing Opportunity (HO) Overlay Zoning District (PA2025-0117) June 6, 2025 Page 5

and provisions of the Zoning Code, including maps, and to apply and/or enforce the codes.

#### Director's Determination

The Community Development Director of the City of Newport Beach hereby determines that the entire block bound by MacArthur Boulevard to the west, Campus Drive to the north, Von Karman Avenue to the east, and Birch Street to the south is within the HO-1 Subarea.

All decisions of the Director may be appealed to, or called for review by, the Planning Commission pursuant to Chapters 20.64 (Appeals) of the NBMC within fourteen (14) days following the date of this decision.

Seimone Jurjis,

Seimone Jurgis

Assistant City Manager/Community Development Director

Attachments: A Airport Area – East Subcommittee Final Memo

B HO-1 Map

## **Attachment A**

Airport Area – East Subcommittee Final Memo

#### **Housing Element Sites Subcommittee - - Airport Area**

Sites Reviewed in Zoom Meeting
July 14, 2020
Revised as of February 8, 2021
Airport Area Encircled by MacArthur, Jamboree and Campus
Subcommittee Members Present: Sandland, Selich & Tucker
Staff Members Present: Campbell & Zdeba

Note: NBGIS Staff prepared an Ownership Inventory Map (attached) with a number designated on each Parcel in the Study Area. References to Parcel numbers below correspond to the numbers assigned to each Parcel on the Ownership Inventory Map.

The Subcommittee only considered if the Parcels would physically be able to accommodate housing in place of or in addition to the current use of the Parcels. Parcels were assigned one of three grades: Feasible, Potentially feasible or Infeasible. Feasible sites are those that appear that they could feasibly be redeveloped for housing or have housing added to the Parcel while the current use remains in whole or in part, Potentially Feasible sites are those that may work as housing, but due to the size and/or configuration of a Parcel, or the quality and functionality of existing improvements, a Parcel might be somewhat less likely to be a candidate for a housing use. Potentially Feasible sites may also include Parcels that would be infeasible standing alone, but if combined with adjacent Parcel(s) could become part of a potential housing site. Infeasible sites are those that the Subcommittee determined would not work as housing due to existing improvements on the site, insufficient size and/or inefficiencies due to the configuration of the Parcel. The Subcommittee acknowledges that it does not have all the facts about the various Parcels and therefore the designations may be somewhat subjective. Accordingly, some of the Parcels could have been wrongly assigned the grade of Feasible, Potentially Feasible or even infeasible. Staff will be following up with many of the property owners and that follow-up should provide more pertinent information about each Parcel for which an owner responds.

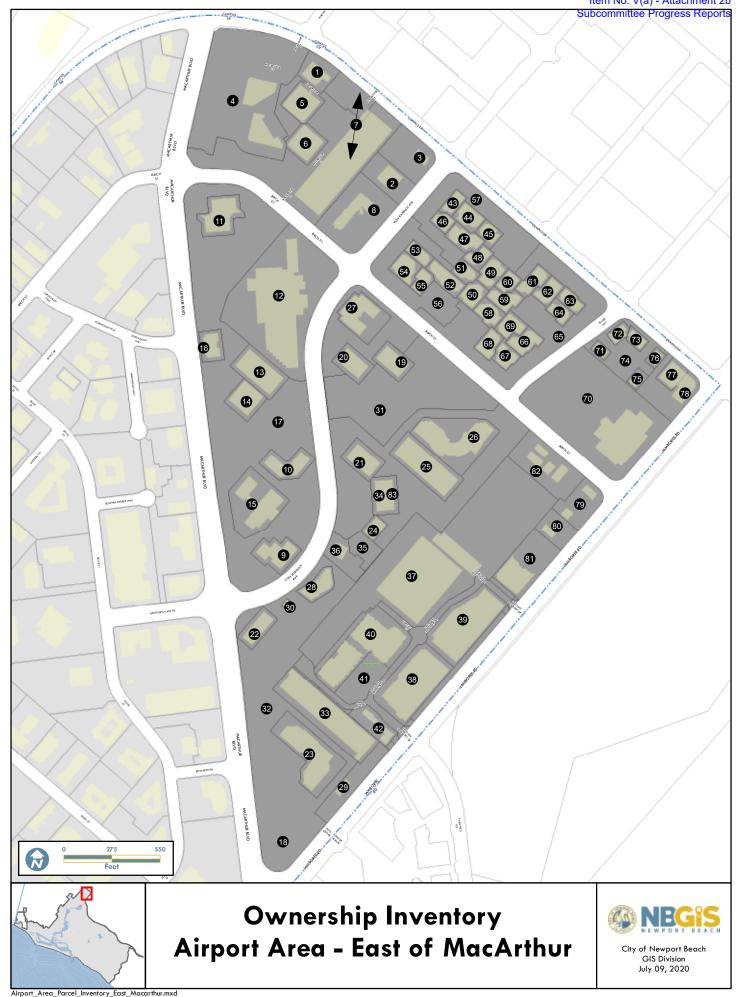
Before any Parcel is finally approved for the Sites Inventory list, the Full Committee, after public input, would have to find that housing on a Parcel would be a suitable use. Among other things, the deliberations on suitability will involve density and could involve development standards. The Subcommittee is not endorsing housing on any particular Parcel, but rather is narrowing the Sites that staff will spend time looking into and that the Full Committee will consider after receiving public input.

- 1. Parcels 1, 4 & surface parking lot on #7 are owned by the Irvine Company at SEC MacArthur & Campus. There are somewhat sizable parking fields on the Parcel. The property owner should be advised that the addition of housing to the Parcel might be possible. Feasible
- 2. Parcels 5, 6 and parking structure on #7 are Irvine Company Class A offices so no housing opportunity looks to be likely. Theoretically the owner could modify the parking structure to add housing, but again that does not look likely to happen. Infeasible
- 3. Parcel 3 (Carl's Jr) and Parcel 2 (office building) at SWC Campus and Von Karman. Parcel 3 appears more underutilized than Parcel 2. The Parcels might be combinable. If found suitable, the property owners should be advised that a land use change to housing might be possible. Potentially Feasible
- 4. Parcel 8 is hotel use that does not look to be a likely candidate. However, if the Site is found suitable, the property owner should be advised that a land use change to housing might be possible. Potentially Feasible

- 5. Parcels 9-11 and Parcels 13-16 look to be Parcels with no parking facilities on the Parcels (i.e., the Parcels are not much larger than the building footprints), but which all use Parcel 17 which is improved with a parking lot. There appears to be a large surface parking area that could be re-worked into one or more parking structures on Parcel 17 so some of the surface area currently used for parking could be built out as housing. There is also a water feature on Parcel 17. If the Parcel 17 is found suitable, the owner of Parcel 17 should be advised that the addition of housing on Parcel 17 might be possible. Feasible
- 6. Parcel 12 (SWC Birch and Von Karman) is a hotel on its own parcel and does not appear to have a likely housing site. Infeasible
- 7. Parcels 37-42 is the Uptown Newport development that is zoned for housing. If found to be suitable, the owner of that project should be made aware of the possibility of adding more housing density to this already zoned Parcel. Feasible
- 8. Parcels 43-69 are the so-called Koll Office Condo's (SEC Campus and Von Karman) and due to multiple ownerships of the condo units, and the lack of a sizable land area where housing could be placed (even if the requisite number of the owners would agree to such a use), this block is viewed as very unlikely as a housing site. Infeasible
- 9. Parcel 70 is the Orange County Superior Court site. This site is 7.78 acres and it looks like at least 5 acres of which is a surface parking lot. The parking could remain (whether below grade and/or at grade) and housing could be built above the parking lot so that the operations of the Court would not be affected (but for some inconvenience during the construction period). This is a significant site so a contact should be made perhaps starting at the City Council/Board of Supervisors levels. Might as well start where the decision will likely be made. Feasible
- 10. Parcel 71-76 looks to be small office buildings with a common parking lot. Due to the number of building owners, this area does not look to be a feasible housing site. Infeasible
- 11. Parcels 77-78 are owned by Hoag. Staff has informed the Subcommittee that UCI will be building a major medical facilities and a hospital across the Jamboree (in Irvine). It is likely that this Parcel will be used by Hoag to complement the UCI medical facilities, but it is possible that Hoag may consider workforce housing. A letter should be sent to Hoag to confirm Hoag's long-term plans for those Parcels. Potentially Feasible
- 12. Parcels 79-80 are small commercial retail buildings operated by national food and beverage companies and probably not likely to be housing sites; however, the sites could be combined so if found suitable the owners should be contacted about their thoughts on a re-use of those properties for housing. Potentially Feasible
- 13. Parcel 81 is an older office building adjacent to Uptown Newport. The Owner has been in contact with the City about redeveloping the site for housing. Staff has indicated that it would be easiest to annex the property into the Uptown Newport Planned Community so that will be looked at if the Parcel is found to be suitable. The City should seek confirmation that the owner would consider a change in land use to housing. Feasible
- 14. Parcel 82 is an office condo building with multiple owners. Due to multiple owners, this site does not appear to be a feasible housing site. Infeasible
- 15. Parcels 19-20 and Parcels 25-27 look to be Parcels with no parking facilities on the Parcels (i.e. the Parcels are not much larger than the building footprints), but which all use Parcel 31 which is improved

in large part with a parking lot. Parcel 31 was the location of a proposed project formerly called the Koll Residences which contemplated "infill housing" (not "replacement housing") under the Airport Area provisions of the 2006 General Plan. An application has been filed with the City by TPG (KCN) Acquisitions LLC for a new design of a 312-unit residential project on Parcel 31. This filing should be sufficient evidence of the desire of the owner to use Parcel 31 for housing. Feasible

16. The remaining Parcels in the area encircled by MacArthur, Jamboree, Campus and Von Karman (Parcels 21-24, 28-30, 34-36 and 83 (which appears to house numerous office condos)) look to be Parcels with no parking facilities on the Parcels (i.e., the Parcels are not much larger than the building footprints) but which all use the improved parking lots on Parcels 18 and 32 and/or the parking structure on Parcel 33. There is also a water feature on Parcel 32. It appears that in fill housing could fit on some of the parking areas or even the possibility of re-working the parking structure on Parcel 33. If suitable, the owners of Parcels 18, 32 and 33 should be advised that the addition of housing on those Parcels might be possible. Feasible



## **Attachment B**

HO-1 Map

