

# **Attachment H**

Underline~~Strikeout~~ Version of Amendments

## PROPOSED CODE AND LOCAL COSTAL PLAN AMENDMENTS (PA2023-0116)

### Chapter 5.95 Revisions (Redline Strikeouts)

**Section 11:** Section 5.95.042 (Maximum Number of Permits) of the Newport Beach Municipal Code is hereby amended to read as follows:

5.95.042 Maximum Number of Permits.

A. ~~Except as provided in subsection (B),~~ The maximum number of short term lodging permits in a residential district shall be limited to one thousand four hundred seventy-five (1,475) permits at any time. If there are more than one thousand four hundred seventy-five (1,475) valid permits in residential districts as of the effective date of Ordinance No. 2025-\_\_, an owner shall be permitted to renew, reinstate, or transfer a valid permit in accordance with the provisions of this chapter; however, no new permit shall be issued to any person on the waiting list, as described in subsection (GF) of this section, until the total number of residential district permits does not exceed one thousand four hundred seventy-five (1,475). To avoid wholesale conversion of existing and new housing complexes into short term lodgings within the residential district, multi-unit developments with five (5) or more units may permit a maximum of twenty (20) percent of the total number of units to be short term lodgings (rounded down to the nearest whole number).

B. The maximum number of short term lodging permits in the multi-use area shall be limited to seventy-five (75) permits. No new permit shall be issued to any person on the waiting list, as described in subsection (GF) of this section, until the total number of multi-use area permits is less than seventy-five (75). ~~Notwithstanding the foregoing, the seventy-five (75) permit maximum shall not apply to a short term lodging unit that was legally established as of November 25, 2010, on a lot within a Mixed Use Coastal Zoning District provided the owner maintains a valid short term lodging permit that is not subsequently revoked or abandoned.~~

C. The total number of short-term lodging permits in the City shall not exceed one - thousand five-hundred and fifty (1,550).

~~C~~D. For purposes of calculating the maximum number of short term lodging permits available as provided in subsection (A), ~~or~~ (B), or (C) of this section, a permit shall be deemed valid and unavailable unless abandoned in accordance with Sections 5.95.030(B) through (F), and/or Section 5.95.043(B) or, if the short term lodging permit has been revoked and the time has run to seek administrative or judicial review of the decision.

~~D~~E. An owner who has a short term lodging permit, or an owner seeking to reinstate a short term lodging permit that has not been abandoned in accordance with Sections 5.95.030(B) through (F), shall have priority to renew or reinstate the permit over anyone on the waiting list, as described in subsection (GF) of this section.

**EF.** An owner seeking to transfer a valid short term lodging permit that files an application within the time frames set forth in Section 5.95.043(A) shall have priority to transfer the permit over anyone on the waiting list, as described in subsection (**GF**) of this section.

**FG.** If the City has issued the maximum number of permits available, the City shall maintain a separate waiting list for both the residential districts and the multi-use areas. An application for placement on the waiting list shall be submitted to the Finance Director, on a form approved by the Finance Director, and shall be accompanied by a fee established by resolution of the City Council. In the event a short term lodging permit becomes available, the Finance Director shall notify the person or persons next in order on the waiting list as provided for in Section 1.08.080. The notice shall specify that applications will be accepted for ten (10) days after the date of the notice, and that failure to apply within the ten (10) day period shall result in removal of the person or persons receiving notice from the waiting list. The Finance Director may extend the deadline to apply if the Finance Director determines that good cause has been shown to extend the deadline. Notice shall be deemed given when deposited in the United States mail, with the first-class postage prepaid, and addressed as specific by the person or persons on the waiting list. The City shall not be liable for a failure to notify any person or persons on the waiting list since placement on the list does not create any property right in any person or persons on the list nor any contractual obligation on the part of the City.

## Title 21 Revisions **(Redline Strikeouts)** and **CCC Suggested Mods**

**Section 1:** Rows entitled “Visitor Accommodations, Residential” and “Short Term Lodging” are hereby added to the “Residential Uses” section of Table 21.22-1 (Allowed Uses) of Section 21.22.020(C) of the Newport Beach Municipal Code to read as follows:

### **21.22.020 Mixed-Use Coastal Zoning Districts Land Uses and Permit Requirements.**

TABLE 21.22-1 ALLOWED USES	Mixed-Use Zoning Districts			
			A	Allowed
			—	Not Allowed *
Land Use				
See Part 7 of this Implementation Plan for land use definitions. See Chapter 21.12 for unlisted uses.	MU-V (6)	MU-MM (4)	MU-CV/15th St. (5)(6)	Specific Use Regulations
Residential Uses				
Single-Unit Dwellings				

TABLE 21.22-1 ALLOWED USES	Mixed-Use Zoning Districts			
				A Allowed
				— Not Allowed *
<b>Land Use</b>				
See Part 7 of this Implementation Plan for land use definitions. See Chapter 21.12 for unlisted uses.	MU-V (6)	MU-MM (4)	MU-CV/15th St. (5)(6)	Specific Use Regulations
Located on 1st floor	—	—	A (3)	
Located above 1st floor	A (1)	—	A (3)	
Multi-Unit Dwellings				
Located on 1st floor	—	A (1)(2)	A (3)	
Located above 1st floor	A (1)	A (1)(2)	A (3)	
Two-Unit Dwellings				
Located on 1st floor	—	—	A (3)	
Located above 1st floor	A (1)	—	A (3)	
Home Occupations	A	A (1)	A	
Live-Work Units	A	A (1)(2)	A (3)	
Accessory Dwelling Units and Junior Accessory Dwelling Units	A	A	A	Section 21.48.200
<u>Visitor Accommodations, Residential</u>				
<u>Short Term Lodging</u>	=	=	A	<u>Chapter 5.95 and Section 21.48.115</u>

**Section 2:** Rows entitled “Visitor Accommodations, Residential” and “Short Term Lodging” are hereby added to the “Residential Uses” section of Table 21.22-2 (Allowed Uses) of Section 21.22.020(C) of the Newport Beach Municipal Code to read as follows:

TABLE 21.22-2 ALLOWED USES	Mixed-Use Coastal Zoning Districts		
			A Allowed
			— Not Allowed *
<b>Land Use</b>			
See Part 7 of this Implementation Plan for land use definitions. See Chapter 21.12 for unlisted uses.	MU-W1 (3)	MU-W2 (5)	Specific Use Regulations
Residential Uses			
Single-Unit Dwellings			
Located on 1st floor	—	—	
Located above 1st floor	A (1)	A (2)	

TABLE 21.22-2 ALLOWED USES	Mixed-Use Coastal Zoning Districts		
			Allowed A — Not Allowed *
Land Use  See Part 7 of this Implementation Plan for land use definitions. See Chapter 21.12 for unlisted uses.	MU-W1 (3)	MU-W2 (5)	Specific Use Regulations
Multi-Unit Dwellings			
Located on 1st floor	—	—	
Located above 1st floor	A (1)	A (2)	
Two-Unit Dwellings			
Located on 1st floor	—	—	
Located above 1st floor	A (1)	A (2)	
Home Occupations	A	A (2)	
Accessory Dwelling Units and Junior Accessory Dwelling Units	A	A	Section 21.48.200
<u>Visitor Accommodations, Residential</u>			
<u>Short Term Lodging</u>	=	A	<u>Chapter 5.95 and Section 21.48.115</u>

**Section 3:** The title and content of Section 21.48.115 (Short-Term Lodging) of the Newport Beach Municipal Code are hereby amended to read as follows:

**21.48.115 Short Term Lodging.**

A. Purpose. This section provides standards for the operation of short term lodging units to prevent overburdening City services and adverse impacts on residential neighborhoods, multi-use areas, and on coastal access and resources.

B. Permits within a Residential District.

1. No owner of a short term lodging unit shall advertise for rent, or rent a lodging unit located within a residential district for a short term, without a valid short term lodging permit for that unit, issued pursuant to Chapter 5.95.

2. An owner shall be permitted to renew, reinstate, or transfer a valid permit in accordance with the provisions of Chapter 5.95.

3. As set forth in Section 5.95.042 of Chapter 5.95, the maximum number of short term lodging permits shall be limited to ~~one thousand five hundred fifty (1,550)~~ one thousand four hundred seventy-five (1,475) permits within a residential district at any time. If there are more than ~~one thousand five hundred fifty (1,550)~~ one thousand four hundred seventy-five (1,475) valid permits that have been issued within a residential district as of the effective date of Ordinance No. 2023- January 13, 2022, no new permit shall be issued to any person ~~one~~ on the waiting list, as described in Section

5.95.042(~~DG~~), until the total number of permits does not exceed the ~~one thousand five hundred fifty (1,550)~~ one thousand four hundred seventy-five (1,475) limit. To avoid wholesale conversion of existing and new housing complexes into short term lodgings, multi-unit developments within a residential district with five (5) or more units may permit a maximum of twenty (20) percent of the total number of units to be short term lodgings (rounded down to the nearest whole number).

4. No short term lodging unit shall be permitted on any lot in the R-1 (Single-Unit Residential) Coastal Zoning District or any lot designated for single-unit dwelling land use as part of a planned community development plan, unless the short term lodging unit was legally established on or before June 1, 2004.

C. Permits within Mixed-Use Water Zoning District (MU-W2) and Mixed-Use Cannery Village and 15th Street Zoning District (MU-CV/15th St.).

1. No owner of a short term lodging unit shall advertise for rent, or rent a lodging unit located within the Mixed-Use Water (MU-W2) or Mixed-Use Cannery Village and 15th Street (MU-CV/15th St.) zoning districts for a short term, without a valid short term lodging permit for that unit, issued pursuant to Chapter 5.95.

2. An owner shall be permitted to renew, reinstate, or transfer a valid permit in accordance with the provisions of Chapter 5.95.

3. As set forth in Section 5.95.042 of Chapter 5.95, the maximum number of short term lodging permits shall be limited to a total of seventy-five (75) permits within the Mixed-Use Water (MU-W2) and Mixed-Use Cannery Village and 15th Street (MU-CV/15th St.) districts at any time. No new permit shall be issued to any person on the waiting list, as described in Section 5.95.042(G), until the total number of permits is less than seventy-five (75). ~~Notwithstanding the foregoing, the seventy five (75) permit maximum shall not apply to a short term lodging unit that was legally established as of November 25, 2010, on a lot within a Mixed-Use Coastal Zoning District provided the owner maintains a valid short term lodging permit that is not subsequently revoked or abandoned.~~

4. Only a property owner that owns twenty (20) or more units under common ownership within the same Statistical Area as defined by the Land Use Element of the General Plan shall be eligible to obtain a short-term lodging permit(s) in the MU-W2 and/or MU-CV/15th St. districts. The eligible units may be located upon one (1) or more separate parcels or properties provided they cumulatively add up to twenty (20) or more units, and all units are located within the MU-W2 and/or MU-CV/15th St. districts. Common ownership means the same person, entity or managing partner holds legal and/or equitable title to no less than fifty percent (50%) of each property or entity.

D. Permits in the Coastal Zone. At no point shall the total number of short-term lodging permits in the City's coastal zone exceed one-thousand five-hundred and fifty (1,550).

**EDC.** Operational Standards. The owner, or any other person(s) or entity(ies) that hold(s) legal and/or equitable title to the lodging unit, shall comply with all ~~F~~ederal, State, and local laws, rules, regulations and conditions of approval including, but not limited to, all short term lodging permit conditions, as set forth in Chapter 5.95. In addition, the owner, or any other person(s) or entity(ies) that hold(s) legal and/or equitable title to the lodging unit, shall:

1. By written agreement, limit overnight occupancy of the short term lodging unit to the maximum permitted by the Building Code and Fire Code.
2. Use best efforts to ensure that the transient user, occupants and/or guests of the short term lodging unit do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate provisions of this Code or any State or Federal law pertaining to noise, disorderly conduct, the consumption of alcohol, or the use of illegal drugs.
3. Upon notification that any transient user, occupant and/or guest of his or her short term lodging unit has created unreasonable noise or disturbances, engaged in disorderly conduct or committed violations of this Code or any State or Federal law pertaining to noise, disorderly conduct, the consumption of alcohol or the use of illegal drugs, promptly use best efforts to prevent a recurrence of such conduct by any transient user, occupant or guest.
4. Use best efforts to ensure compliance with applicable health and sanitation regulations relating to waste disposal.
5. Post a copy of any applicable permits and conditions in a conspicuous place within the unit.
6. Not rent, let, advertise for rent, or enter into an agreement for the rental of any lodging unit, for less than two (2) consecutive nights.
7. The City Manager shall have the authority to impose additional standard conditions, applicable to all short\_term lodging units, as necessary to achieve the objectives of this section.

**FED.** Additional ~~Permit Conditions~~ Requirements for Newport Island (Map A-16). To the extent there is any conflict between this subsection and other provisions of the Code related to short term rentals on Newport Island (Map A-16), this subsection shall govern and control.

1. In addition to the restriction set forth in Section 5.95.042 and subsection (B)(3) of this section, the maximum number of short term lodging permits issued for units located on Newport Island shall be limited to twenty (20) short term lodging permits at any one time. If there are more than twenty (20) valid short term lodging permits that have been issued as of January 13, 2022, an owner shall be permitted to renew, reinstate, or transfer a valid permit in accordance with the provisions of Chapter 5.95; however, no new permit shall be issued unless: (a) permits are available for issuance pursuant to Section 5.95.042 and subsection (B)(3) of this section; and (b) the total

number of permits for units located on Newport Island does not exceed twenty (20). If the City has issued the maximum number of permits available for units on Newport Island, the City shall maintain a waiting list and follow the same procedures as set forth in Section 5.95.042(DG). For purposes of this subsection, the maximum number of permits available will be calculated in the same manner as set forth in Chapter 5.95.

2. An owner, agent, or other person shall only be allowed to rent a dwelling unit on Newport Island for a short term if the dwelling unit is located on a lot with an owner-occupied dwelling unit that is managed by the owner of the owner-occupied dwelling unit. For purposes of this subsection, the term “owner-occupied” means the owner occupies and lives at the property and the property is used as the owner’s primary residence no less than one hundred eighty-three (183) days of each year and provides at least two (2) of the following documentation: motor vehicle registration, driver’s license, California State Identification card, voter registration, income tax return, property tax bill, or a utility bill. For purposes of this subsection, “managed by the owner” means that the owner is occupying and living at the property while it is being rented or a short term use.

3. The owner and/or agent shall limit the overnight occupancy of the short term lodging unit on Newport Island to the lesser of: (a) the number of occupants that can be accommodated consistent with the on-site parking requirement set forth in subsection (FED)(4) of this section, or (b) two (2) persons per bedroom plus two (2) additional persons, up to a maximum of ten (10) persons. Additional daytime guests are allowed between the hours of 7:00 a.m. and 10:00 p.m. with the maximum daytime occupancy limited to a number equal to maximum overnight occupancy plus six (6) additional persons. The occupancy restrictions set forth in this subsection shall be set forth in a written rental agreement.

4. Each short term lodging unit on Newport Island shall provide a minimum of one (1) parking space in an existing garage or carport. Occupancy shall be limited to a maximum of five overnight guests for a short term lodging unit providing only one (1) parking space. The parking required by this subsection shall be free of obstructions and available for use by the short term lodging user.

~~5. Any existing permit holder of a dwelling unit that is not located on an owner-occupied lot per subsection (D)(2) of this section or does not meet the parking requirements of subsection (D)(4) of this section will be permitted to retain their permit until January 13, 2023.~~

56. No owner, agent, or other person shall rent or let a short term lodging unit on Newport Island more than once in any seven-consecutive-day period.

GE. Additional Requirements for the Mixed-Use Water Zoning District (MU-W2) and Mixed-Use Cannery Village and 15th Street Zoning District (MU-CV/15th St.). To the extent there is any conflict between this subsection and other provisions of the Code related to short term lodging within the Mixed-Use Water (MU-W2) district or Mixed-Use Cannery Village and 15th Street (MU-CV/15th St.) district, this subsection shall govern and control.



1. Prior to issuance of a short term lodging permit, a management plan shall be submitted for review and approval by the Community Development Director. The management plan shall include the following:

a. Acknowledgement and method of compliance with all operational standards identified in Subsection 21.48.115(ED) for all short term lodging units on the property or properties;

b. Identification of professional management responsible for administering the permit;

c. Evidence of eligibility and compliance with ownership requirements of Subsection 21.48.115(C)(4) above;

d. Demonstration that on-site amenities are provided to guests; and

e. Parking management plan ensuring all available on-site parking remain free of obstructions and available for use by the short term lodging user. For short term lodging units that are non-conforming due to number of parking spaces provided, ~~there shall be~~ sufficient data to indicate that parking demand will be ~~less than the required~~ **satisfied by the provided** number of spaces or that **alternative modes of transportation are other parking is available (e.g., City parking lot located nearby bicycles and e-bikes, bus and trolley routes, rideshare services, private offsite parking lots, on-street parking available, greater than normal walk in trade, alternative transportation, etc.)** such that use or operation of the short term lodging permit will not **rely on the City's stock of public on-street and off-street parking or** ~~reduce availability of parking in nearby residential neighborhoods.~~

2. No deed-restricted affordable housing units shall be used for short term lodging.

**Section 4:** The definition of “Bed and breakfast inn” of Section 21.70.020 (Definitions of Specialized Terms and Phrases) of the Newport Beach Municipal Code is hereby amended to read as follows:

“Bed and breakfast inn” means a dwelling unit that offers guest rooms or suites for a fee for ~~less than~~ thirty (30) days or less, with incidental eating and drinking service provided from a single kitchen for guests only.

**Section 5:** The title and definition of “Short-term lodging” of Section 21.70.020 (Definitions of Specialized Terms and Phrases) of the Newport Beach Municipal Code is hereby amended to read as follows:

“Short term lodging” means a dwelling unit that is rented or leased as a single housekeeping unit (see “Single housekeeping unit”) for a period of ~~less than~~ thirty (30) days or less.