

Attachment A

Ordinance No. 2025-4

ORDINANCE NO. 2025-4

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH, CALIFORNIA, AMENDING SECTION 1.08.120 (DEFINITIONS) OF TITLE 1 (GENERAL PROVISIONS), SECTION 5.95.042 (MAXIMUM NUMBER OF PERMITS), SECTION 5.95.043 (TRANSFER OF PERMIT), AND SECTION 5.95.065 (SUSPENSIONS AND REVOCATIONS) OF CHAPTER 5.95 (SHORT TERM LODGING PERMIT) OF TITLE 5 (BUSINESS LICENSES AND REGULATIONS) OF THE NEWPORT BEACH MUNICIPAL CODE TO UPDATE ADMINISTRATIVE PROCEDURES RELATED TO GOOD CAUSE DETERMINATIONS AND THE EXTENSION OF DEADLINES

WHEREAS, Section 200 of the City Charter, of the City of Newport Beach ("City"), vests the City Council with the authority to make and enforce all laws, rules and regulations with respect to municipal affairs subject only to the restrictions and limitations contained in the City Charter and the State Constitution, and the power to exercise, or act pursuant to any and all rights, powers, and privileges or procedures granted or prescribed by any law of the State of California;

WHEREAS, the City is committed to ensuring the safety, health, and welfare of all its residents, visitors, and businesses;

WHEREAS, Chapter 5.95 (Short Term Lodging Permit) of the Newport Beach Municipal Code ("NBMC"), regulates the rental of dwelling units, for less than thirty (30) consecutive calendar days, to help preserve the City's housing stock, maintain the quality and character of the City's residential neighborhoods, and limit the impacts of short term lodgings on residential neighborhoods;

WHEREAS, Section 5.95.042 (Maximum Number of Permits), which imposes a limit on the number of active short term lodging permits, Section 5.95.043 (Transfer of Permit), which imposes limits on the transfer of short term lodging permits, and Section 5.95.065 (Suspensions and Revocations), which sets forth the applicable procedures for the suspension and revocation of short term lodging permits, contain fixed deadlines that cannot be extended;

WHEREAS, as part of the administration of the short term lodging permit program, the Finance Director has determined that, in certain circumstances, good cause may exist to extend deadlines for the transfer of permits or the filing of a request for hearing;

WHEREAS, to ensure that the short term lodging permit provisions of the NBMC are administered in the most fair and efficient manner, the Finance Director requests the City Council amend Section 5.95.042 (Maximum Number of Permits), Section 5.95.043 (Transfer of Permit), and Section 5.95.065 (Suspensions and Revocations) to authorize the Finance Director to extend deadlines if the Finance Director determines that there is good cause to grant an extension;

WHEREAS, several sections throughout the NBMC provide exceptions from the provisions of the NBMC based on a determination that good cause exists, such that adding a globally applicable definition for good cause will provide consistency and minimize redundancy;

WHEREAS, Chapter 1.08 (Rules of Construction) sets forth provisions that are globally applicable throughout the NBMC, including but not limited to, Section 1.08.120 (Definitions) which defines terms that are commonly used throughout the NBMC, except where a more specific definition is provided or the context clearly requires otherwise; and

WHEREAS, the City Council desires to amend the NBMC to increase efficiency and ensure that the NBMC is administered in an efficient and fair manner by adding a global definition of good cause to Section 1.08.120 (Definitions), and by amending Section 5.95.042 (Maximum Number of Permits), Section 5.95.043 (Transfer of Permit), and Section 5.95.065 (Suspensions and Revocations) to authorize the Finance Director to grant an extension where the Finance Director determines goods cause exists.

NOW THEREFORE, the City Council of the City of Newport Beach ordains as follows:

Section 1: Section 1.08.120 (Definitions) is hereby amended in its entirety to read as follows:

1.08.120 Definitions.

Unless a more specific definition is provided or the context in which they are used clearly requires otherwise, the following terms and phrases used in this Code shall have the meaning ascribed to them in this section:

Assistant City Manager. The term "Assistant City Manager" means an Assistant City Manager working in the City Manager's office.

Building Official. The term “Building Official” means the Building Manager or Chief Building Official of the City’s Community Development Department or the person designated by the Community Development Director as the Building Official.

California Code of Regulations. The terms “California Code of Regulations” or “CCR” means the State administrative regulations that are cited as “title number CCR section number” or “title number CCR division number, chapter number, article number, section number.”

California Environmental Quality Act or CEQA. The term “California Environmental Quality Act” or “CEQA” means the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.) and the State CEQA Guidelines (14 CCR Section 15000 et seq.).

Chief of Police. The term “Chief of Police” or “Police Chief” means the individual who manages and directs the City’s Police Department.

City. The term “City” means the City of Newport Beach, a municipal corporation and charter city, or, when referring to territory or territorial limits, it means the area within the territorial City limits of the City and such territory outside the City over which the City has jurisdiction or control by virtue of any law.

City Attorney. The term “City Attorney” means the City Council appointed official who occupies the position as the City Attorney of the City.

City Charter. The term “City Charter” means the City Charter of the City.

City Clerk. The term “City Clerk” means the City Council appointed official who occupies the position as the City Clerk of the City.

City Council. The term “City Council” or “Council” means the City Council of the City of Newport Beach.

City Engineer. The term “City Engineer” means the City Engineer of the City’s Public Works Department, or the individual designated by the Public Works Director as the City Engineer.

City Hall or Civic Center. The term “City Hall” or “Civic Center” means the City’s Civic Center located at 100 Civic Center Drive, Newport Beach, California, that includes most administrative offices of the City and related parking.

City Manager. The term “City Manager” means the City Council appointed official who occupies the position as the chief administrative officer of the City.

City Treasurer. The term “City Treasurer” means the individual appointed as the City’s Finance Director.

Code. The term “Code” means the Newport Beach Municipal Code.

Community Development Director. The term “Community Development Director” means the individual who manages and directs the City’s Community Development Department.

Consumer Price Index. The term “Consumer Price Index” means the Los Angeles-Long Beach-Anaheim, California Area, All Urban Consumers, All Items, Base Period (1982-84 = 100), or successor index, as published by the United States Department of Labor, Bureau of Labor Statistics.

County. The term “County” means the County of Orange.

Day. The term “day” or “days” means a calendar day, unless otherwise specifically provided.

Day Care Center. The term “day care center” means a child care—infant center, and child care center (preschool) licensed by the State Department of Social Services that is not located on a residentially zoned property including, but not limited to, Bright Horizons at Newport Beach; Carden Hall; Catalyst Kids-Newport Heights; Christ Church by the Sea Children’s Center; Environmental Nature Center (ENC) Nature Preschool; Miraculous Milestones; Montessori Way Learning Center, Inc., Newport Coast Child Development Preschool; Newport Harbor Lutheran Church; St. Andrew’s Preschool; St. Mark Community Preschool; St. Matthew’s Montessori Preschool; Temple Bat Yahm; and Tutor Time Child Care/Learning Center.

Designee. The term “designee” means a position, employee, or person that is authorized to fulfill a duty, obligation or responsibility.

District Attorney. The term "District Attorney" means the Orange County District Attorney.

Fair Political Practices Commission. The term "Fair Political Practices Commission" or "FPPC" means the five-member independent, nonpartisan commission that has primary responsibility for the impartial and effective administration of the Political Reform Act.

Finance Director. The term "Finance Director" means the individual who manages and directs the City's Finance Department.

Fire Chief. The term "Fire Chief" means the individual who manages and directs the Fire Department.

Fire Marshal. The term "Fire Marshal" means the Fire Marshal of the City's Fire Department, or the individual designated by the Fire Chief as the Fire Marshal.

Good Cause. The term "good cause" means that there is substantial evidence that unusual or unforeseen circumstances justify the taking of a particular action, which circumstances include, but are not limited to, a medical emergency; a delay caused by events beyond the person's control; a natural disaster; a weather-related delay; an administrative error; or health and safety concerns.

Harbor Commission. The term "Harbor Commission" means the Harbor Commission of the City.

Harbor Department. The term "Harbor Department" means the Harbor Department of the City. Any provision within this Code or any uncodified ordinance or resolution referring to the Harbor Resources Division shall mean the Harbor Department.

Harbormaster. The term "Harbormaster" means the individual who manages and directs the Harbor Department. Any provision within this Code or any uncodified ordinance or resolution referring to the Harbor Resources Manager shall mean the Harbormaster.

Health Officer. The term "Health Officer" means the Orange County Health Officer.

Human Resources Director. The term “Human Resources Director” means the individual who manages and directs the City’s Human Resources Department.

Library Services Director. The term “Library Services Director” means the individual who manages and directs the City’s Public Library System.

Oath. The term “oath” means and includes affirmation.

Office. The term “office” means the title of any officer, employee, or office, of the City of Newport Beach.

Owner. The term “owner,” applied to a building or land, means and includes any part owner, joint owner, tenant, tenant in common or joint tenant, of the whole or a part of such building or land.

Pacific Ocean. The term “Pacific Ocean” means the waters off of the City from the beach to a point three nautical miles seaward.

Person. The term “person” means and includes any individual, firm, partnership, joint venture, limited liability company, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver, assignee for the benefit of creditors, trustee, trustee in bankruptcy, syndicate, the United States, this State, any county, city and county, municipality, district, or other political subdivision of the State, or any other group or combination acting as a unit.

Public park or public facility. The terms “public park” or “park facility” means all publicly owned, managed or leased land that is open to the public, walking or hiking trails, parks and park-related buildings, facilities and improvements, and any school facilities when they are in use as recreational or community center facilities and under the control of the Director of the Recreation and Senior Services Department including, but not limited to, Arroyo Park; 38th Street Park; Back Bay View Park; Bayside Park; Bayview Park; Begonia Park; Big Canyon Park; Bob Henry Park; Bolsa Park; Bonita Canyon Sports Park; Bonita Creek Park & Community Center; Buffalo Hills Park; Canyon Watch Park; Carroll Beek Community Center and Balboa Island Park; Castaways Park; Channel Place Park; Civic Center Community Center; Civic Center Park; Cliff Drive Park and Community Center; Coastal Peak Park; Corona del Mar Pocket Park; Corona del Mar State Beach; Dog Park; Eastbluff Park and Boys and Girls Club; Galaxy

View Park; Gateway Park; Grant Howald Park & Community Youth Center; Harbor View Nature Park; Harbor Watch Park; Inspiration Point; Irvine Terrace Park; Jasmine Creek Park; John Wayne Park and Theater Arts Center; Kings Road Park; L Street Park; Lake Ave Park; Lido Park; Lincoln Athletic Center; Lookout Point; Los Trancos Canyon View Park (lower, middle, upper); Lower Castaways Park; M Street Park; Marian Bergeson Aquatic Center; Marina Park; Mariners Park and VJ Community Center; Mesa Birch Park; Miramar Park; Myrtle Park; Newport Aquatic Center; Newport Coast Community Center; Newport Island Park; Newport Shores Park; North Star Beach; OASIS Senior Center; Old School Park; Peninsula Park; Rhine Wharf Park; San Joaquin Hills Park and Lawn Bowling Center; San Miguel Park; Spyglass Hill Park; Spyglass Hill Reservoir Park; Sunset Ridge Park; Sunset View Park; Upper Buck Gully Reserve; Uptown Park; Veterans Memorial Park; West Jetty View Park; West Newport Community Center; West Newport Park; and Westcliff Park.

Public Works Director. The term “Public Works Director” means the individual who manages and directs the City’s Public Works Department.

Recreation and Senior Services Director. The term “Recreation and Senior Services Director” means the individual who manages and directs the City’s Recreation and Senior Services Department.

Revenue Division. The term “Revenue Division” means the City’s Finance Department Revenue Division.

Risk Manager. The term “Risk Manager” means the Risk Manager of the City’s Human Resources Department, or the individual appointed by the Human Resources Director as the Risk Manager.

School. The term “school” means an institution of learning, whether public or private, which offers in-person instruction in grades K through twelve (12) in those courses of study required by the California Education Code and is licensed by the State Board of Education. This definition includes all kindergarten, elementary, junior high, senior high or any special institution of learning under the jurisdiction of the State Department of Education including, but not limited to, Andersen Elementary School; Carden Hall; Corona del Mar Middle and High School; Eastbluff Elementary School; Ensign Intermediate School; Harbor Day School; Harbor View Preschool and Elementary School; Lincoln Elementary School; Mariners Elementary School; Newport Christian Academy; Newport

Coast Preschool and Elementary School; Newport Preschool and Elementary School; Newport Harbor High School; Newport Heights Elementary School; Our Lady Queen of Angels Catholic School; Pacifica Christian High School; and Sage Hill High School.

State. The term "State" means the State of California.

Street. The term "street" means and includes all streets, roads, highways, avenues, lanes, alleys, courts, boulevards, places, squares, curbs, or other public ways in this City, which have been or may hereafter be dedicated and open to public use, or such other public property so designated in any law of this State.

Tenant, Occupant. The term "tenant" or "occupant" applied to a building or land means and includes any person who occupies the whole or part of such building or land, whether alone or with others.

Utilities Director. The term "Utilities Director" means the individual who manages and directs the City's Utilities Department.

Section 2: Subsection (D) of Section 5.95.042 (Maximum Number of Permits) of the NBMC is hereby amended and shall read as follows:

D. If the City has issued the maximum number of permits available, the City shall maintain a waiting list. 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. The notice shall specify that applications will be accepted for ten (10) calendar days after the date of the notice, and that failure to apply within the ten (10) calendar-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 specified 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.

Section 3: Subsection (B) of Section 5.95.043 (Transfer of Permit) of the NBMC is hereby amended and shall read as follows:

B. The deadlines set forth in subsection (A) of this section are established for purposes of setting deadlines for the transfer of a valid permit that has not been deemed abandoned in accordance with Sections 5.95.030 (B) through (F). The deadlines set forth in subsection (A) of this section shall not extend the deadlines set forth in or in accordance with Sections 5.95.030 (B) through (F). Authorization to transfer a valid short term lodging permit shall be deemed waived and the permit abandoned if an application is not filed to transfer a permit in accordance with the deadlines set forth in subsection (A), unless the Finance Director determines that good cause has been shown for extending the deadline.

Section 4: Subsection (B) (1) of Section 5.95.065 (Suspensions and Revocations) of the NBMC is hereby amended and shall read as follows:

B. Permits shall be suspended or revoked, only in the manner provided in this section.

1. The Finance Director shall investigate whenever he or she has reason to believe that an owner has submitted an application that contains false information or committed a violation of a permit condition, this Code, state or federal law related to a permitted unit. Such investigation may include, but is not limited to, on-site property inspections. Should the investigation reveal substantial evidence to support a finding that warrants a suspension or revocation of the short term lodging permit, the Finance Director shall issue written notice of intention to suspend or revoke the short term lodging permit. The written notice shall be served on the owner in accordance with Section 1.08.080, and shall specify the facts which, in the opinion of the Finance Director constitute substantial evidence to establish grounds for imposition of the suspension and/or revocation, and specify the proposed time the short term lodging permit shall be suspended and/or that the short term lodging permit shall be revoked within thirty (30) calendar days from the date the notice is given, unless the owner files with the Finance Director, before the suspension or revocation becomes effective, a request for hearing before a hearing officer, who shall be retained by the City, and pays the fee for the hearing established by resolution of the City Council.

Subject to subsection (E), failure to file a timely request for a hearing and pay all applicable fees shall result in the suspension or revocation of the permit.

Section 5: Subsection (E) is hereby added to Section 5.95.065 (Suspensions and Revocations) of the NBMC and shall read as follows:

E. The Finance Director may extend the deadlines set forth in this section if the Finance Director determines that good cause has been shown to extend the deadline.

Section 6: The recitals provided in this ordinance are true and correct and are incorporated into the substantive portion of this ordinance.

Section 7: The Finance Director is hereby authorized to retroactively extend deadlines as provided in Sections 2 through 5 of this ordinance upon a determination by the Finance Director that good cause has been shown to do so.

Section 8: If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 9: The City Council finds the introduction and adoption of this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

Section 10: Except as expressly modified in this ordinance, all other sections, subsections, terms, clauses and phrases set forth in the NBMC shall remain unchanged and shall be in full force and effect.

Section 11: The Mayor shall sign and the City Clerk shall attest to the passage of this ordinance. The City Clerk shall cause the ordinance, or a summary thereof, to be published pursuant to City Charter Section 414. This ordinance shall be effective thirty (30) calendar days after its adoption.

This ordinance was introduced at a regular meeting of the City Council of the City of Newport Beach held on the 11th day of March, 2025, and adopted on the 25th day of March, 2025, by the following vote, to-wit:

AYES: _____

NAYS: _____

ABSENT: _____

JOE STAPLETON, MAYOR

ATTEST:

LEILANI I. BROWN, CITY CLERK

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE



AARON C. HARP, CITY ATTORNEY