



CITY OF

NEWPORT BEACH

City Council Staff Report

July 22, 2025
Agenda Item No. 24

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Seimone Jurjis, Community Development Director - 949-644-3232, sjurjis@newportbeachca.gov

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TITLE: Ordinances Nos. 2025-15 and 2025-16: Newport Beach Municipal Code Amendments Related to Short Term Lodging (PA2023-0116)

ABSTRACT:

On December 12, 2023, the City Council adopted Ordinance No. 2023-23, amending Chapter 5.95 (Short Term Lodging Permit) and Title 20 (Zoning Code) of the Newport Beach Municipal Code (NBMC) regarding the permitting and operation of short term lodging. These amendments included permitting short term lodging within the MU-W2 (Mixed-Use Water) and MU-CV/15th Street (Mixed-Use Cannery Village and 15th Street) zoning districts. Similar amendments to Title 21 (Local Coastal Program Implementation Plan) of the NBMC were also needed.

On May 7, 2025, the California Coastal Commission (CCC) approved the amendments to the Local Coastal Program (LCP) with suggested modifications. For the City Council's consideration is a proposed ordinance to accept and incorporate the CCC's suggested modifications into Title 21 and to amend Chapter 5.95 of the NBMC to ensure consistency with the CCC's suggested modifications.

RECOMMENDATIONS:

- a) Conduct a public hearing;
- b) Find this project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(2) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, which states that an activity is not subject to CEQA if "[t]he activity will not result in a direct or reasonably foreseeable indirect physical change in the environment";
- c) Waive full reading, direct the City Clerk to read by title only, introduce Ordinance No. 2025-15, *An Ordinance of the City Council of the City of Newport Beach, California, Approving a Code Amendment to Chapter 5.95 (Short Term Lodging Permit) of the Newport Beach Municipal Code to Ensure Consistency with the Local Coastal Program Amendment Related to Short Term Lodging (PA2023-0116)*, and pass to second reading on August 26, 2025; and
- d) Waive full reading, direct the City Clerk to read by title only, introduce Ordinance No. 2025-16, *An Ordinance of the City Council of the City of Newport Beach, California, Approving a Local Coastal Plan Amendment Amending Title 21 (Local Coastal Program Implementation Plan) of the Newport Beach Municipal Code as Modified by the California Coastal Commission Related to Short Term Lodging (PA2023-0116)*, and pass to second reading on August 26, 2025.

DISCUSSION:

On December 12, 2023, the City Council adopted Ordinance No. 2023-23 (Attachment C). The ordinance approved Code Amendment No. PA2023-0116 to amend Chapter 5.95 (Short Term Lodging Permit) and Title 20 (Planning and Zoning) of the NBMC. The City Council also adopted Resolution No. 2023-83 (Attachment D), authorizing submitting an LCP amendment to the CCC. Resolution No. 2023-83 specified the LCP Amendment shall not become effective until approval by the CCC and adoption, including any modifications suggested by the CCC, by the City Council.

The proposed amendments adopted by the City Council would establish regulations and eligibility requirements authorizing the permitting of short term lodging within the MU-W2 (Mixed-Use Water) and MU-CV/15th Street (Mixed-Use Cannery Village and 15th Street) zoning districts (Attachment F). It would also change the maximum cap of short-term lodging permits from 1,550 permits citywide to 1,475 permits in residential districts; and 75 permits within the MU-W2 and MU-CV/15th Street zoning districts.

Coastal Commission Action and Modified Amendments to Title 21

The CCC reviewed the LCP Amendment at its May 7, 2025, hearing. The CCC approved the amendments, except for the suggested modifications described below. The CCC approval letter, including suggested modifications, is included as Attachment G.

The City Council may either accept or reject the suggested modifications (Attachment B). If the City Council rejects the suggested modifications, the LCP amendment would effectively expire, and the proposed regulations would not go into effect. Should the City Council want to partially accept the suggested modifications, the City would need to process a new LCP amendment application and attempt to obtain CCC approval.

A summary of the suggested modifications includes:

- Suggested Modifications 1 (Preserve the overall 1,550-permit cap on STRs throughout the coastal zone) – As initially proposed, the City would limit the number of short term lodging permits to 75 short term lodging permits for properties within the MU-W2 and MU-CV/15th Street zoning districts subject to specific eligibility requirements. Any existing short term lodging that was legally established prior to November 25, 2010, that did not meet the eligibility requirements would not count against this limit (currently 19 permits). The CCC recommends removing this exemption, thus all short term lodging within the MU-W2 and MU-CV/15th Street zoning districts would count towards the 75-permit limit, leaving capacity for 56 new permits.

This suggestion also includes a maximum overall limit of 1,550 permits for short-term lodging to be included in Title 21 of the NBMC. This modification would have the effect of restricting the number of short term lodging permits that can be immediately issued in the MU-W2 and MU-CV/15th Street zoning districts in the near term to ensure that at no time does the total number of short term lodging permits in the City exceed 1,550 total permits.

- Suggested Modification 2 (Re-alphabetize three subsections) – Due to the changes in Suggested Modification 1, three subsections need to be re-alphabetized to be kept in order.

- Suggested Modification 3 (Specify unclear language and protect public parking used for coastal access) – The suggestion addresses properties with a short-term lodging permit and are non-conforming due to the number of parking spaces. Sufficient data would need to be provided to show the parking demand would be met through alternative means (bikes, bus, trolley, rideshare, or private off-street parking) and would not rely on the City's stock of public on-street and off-street parking.

The recommended actions accept and incorporate all the CCC suggested modifications into the LCP Amendments. A redline strikeout version of the proposed code revisions is included as Attachment H.

Amendments to Chapter 5.95 Amendments

The proposed amendment to Chapter 5.95 (Attachment A) is needed for consistency with CCC Suggested Modification 1 eliminating the exemption of existing nonconforming permits from the 75-permit cap in the MU-W2 and MU-CV/15th Street zoning districts and adding a citywide maximum 1,550 permit limit.

FISCAL IMPACT:

There is no fiscal impact related to this item.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(2) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, which states that an activity is not subject to CEQA if "[t]he activity will not result in a direct or reasonably foreseeable indirect physical change in the environment". The Code Amendment would allow existing residential dwelling units in mixed-use zones to be used as short-term lodging. The Code Amendment would not authorize new development that would result in a physical change in the environment

NOTICING:

Pursuant to Section 13515 of the California Code of Regulations, a review draft of the LCP Amendment was made available, and a Notice of Availability was distributed on October 13, 2023, to all persons and agencies on the Notice of Availability mailing list.

Notice of this amendment was published in the *Daily Pilot* as an eighth-page advertisement, consistent with the provisions of the NBMC. The item also appeared on the agenda for this meeting, which was posted at City Hall and on the City website.

Furthermore, the agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

- Attachment A – Ordinance No. 2025-15 (Chapter 5.95)
- Attachment B – Ordinance No. 2025-16 (Title 21 Amendment)
- Attachment C – Ordinance No. 2023-23
- Attachment D – Resolution No. 2023-83
- Attachment E – November 28, 2023 City Council Staff Report
- Attachment F – MU-W2 and MU-CV/15th Street Zoning Districts Map
- Attachment G – Coastal Commission Approval Letter and Suggested Modifications
- Attachment H – Underline/~~Strikeout~~ Version of Amendments