



**CITY OF NEWPORT BEACH  
CITY COUNCIL – SPECIAL MEETING AGENDA**

**CITY COUNCIL CHAMBERS  
100 CIVIC CENTER DRIVE, NEWPORT BEACH, CA 92660**

**TUESDAY, SEPTEMBER 27, 2022 – 4:00 P.M.**

***City Council Members:***

**Kevin Muldoon, Mayor  
Noah Blom, Mayor Pro Tem  
Brad Avery, Council Member  
Joy Brenner, Council Member  
Diane B. Dixon, Council Member  
Duffy Duffield, Council Member  
Will O'Neill, Council Member**

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**NOTICE TO THE PUBLIC**

The agenda was prepared by the City Clerk's Office located at 100 Civic Center Drive, Bay E, 2nd Floor. If you have any questions, please contact City Clerk staff at (949) 644-3005. Agendas, minutes and staff reports are also available on the City's website: <http://www.newportbeachca.gov/agendas>.

The Newport Beach City Council is subject to the Ralph M. Brown Act. Among other things, the Brown Act requires that the City Council special meeting agenda be posted at least twenty-four (24) hours in advance of the meeting.

The City Council of Newport Beach welcomes and encourages community participation. Public comments are generally limited to three (3) minutes per person to allow everyone to speak. Written comments are encouraged as well.

The City of Newport Beach's goal is to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, we will attempt to accommodate you in every reasonable manner. Please contact Leilani Brown, City Clerk, prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible (949-644-3005 or [cityclerk@newportbeachca.gov](mailto:cityclerk@newportbeachca.gov)).

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**I. CALL THE MEETING TO ORDER**

**II. ROLL CALL**

**III. CURRENT BUSINESS**

**1. Resolution No. 2022-61: Initiation of Zoning Code and Local Coastal Program Amendments Related to Fractional Homeownership (PA2022-0202)**

- a) Determine this action exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15262 (Feasibility and Planning Studies) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3;
- b) Adopt Resolution No. 2022-61, *A Resolution of the City Council of the City of Newport Beach, California, Initiating Amendments to Title 20 (Planning and Zoning) and Title 21 (Local Coastal Program Implementation Plan) of the City of Newport Beach Municipal Code Related to Fractional Homeownership (PA2022-0202)*; and
- c) Provide other direction to staff as deemed necessary by the City Council.

**IV. ADJOURNMENT**

Testimony given before the City Council is recorded.  
The timer light will turn yellow when the speaker has one minute remaining.  
The timer light will turn red when the speaker has 10 seconds remaining.

**PLEASE TURN CELL PHONES OFF OR SET IN SILENT MODE**





# NEWPORT BEACH

## City Council Staff Report

September 27, 2022  
Agenda Item No. 1

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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

**PREPARED BY:** Chelsea Crager, Senior Planner  
ccrager@newportbeachca.gov

**PHONE:** 949-644-3227

**TITLE:** Resolution No. 2022-61: Initiation of Zoning Code and Local Coastal Program Amendments Related to Fractional Homeownership (PA2022-0202)

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### **ABSTRACT:**

For the City Council's consideration is the initiation of amendments to Newport Beach Municipal Code (NBMC) to address fractional ownership. Specifically, Title 20 (Planning and Zoning) and Title 21 (Local Coastal Program Implementation Plan) of the NBMC will need to be amended to regulate the use of properties that are considered fractional homeownership.

### **RECOMMENDATION:**

- a) Determine this action exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15262 (Feasibility and Planning Studies) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3;
- b) Adopt Resolution No. 2022-61, *A Resolution of the City Council of the City of Newport Beach, California, Initiating Amendments to Title 20 (Planning and Zoning) and Title 21 (Local Coastal Program Implementation Plan) of the City of Newport Beach Municipal Code Related to Fractional Homeownership (PA2022-0202)*; and
- c) Provide other direction to staff as deemed necessary by the City Council.

### **DISCUSSION:**

On November 16, 2021, the City Council conducted a study session to discuss fractional homeownership. Information was presented that there was one fractional ownership operator within the jurisdictional boundaries of the City and that four homes had either been fully sold or marketed for sale as fractional homeownership. The City Council directed staff to monitor fractional ownership activity in the City and investigate how other jurisdictions were dealing with such issues and report back.

Staff retained the services of Sagecrest Planning+Environmental (Sagecrest) to study jurisdictions with known fractional ownership properties. The study found that of the 22 jurisdictions surveyed, 15 classify these properties as a form of timeshare.

On September 13, 2022 the City Council held a study session to discuss the results of the Sagecrest study. Public testimony provided during the study session included concerns about increases in traffic and noise, as well as fractional ownership properties having an adverse impact on the character of the existing residential neighborhoods. In some instances, fractional ownership properties operate in a similar manner as short-term lodgings by limiting occupancy by owners of a fractional interest in a property to less than 30 consecutive days. Over the past 10 months, the number of fractional ownership operators has increased to five and fractional ownership residential properties within the City has nearly tripled with at least 11 fractional homeownership residential properties currently fully sold or marketed in the City.

At the conclusion of the study session, the City Council directed staff to return with: 1) a moratorium to pause the transactions of new fractional ownerships; and 2) an initiation of a code amendment to revise the NBMC.

This agenda item focuses on the code initiation only as the moratorium is still being developed. Should the City Council choose to initiate these proposed amendments, the specific text changes will be drafted and considered by both the Planning Commission and the City Council at future public hearings. Additionally, amendments to the certified LCP will require certification by the California Coastal Commission (CCC) to become effective.

**FISCAL IMPACT:**

There is no fiscal impact related to this item.

**ENVIRONMENTAL REVIEW:**

The initiation of zoning and LCP amendments are exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15262 (Feasibility and Planning Studies) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential to have a significant effect on the environment. No final action on any amendments will occur at this meeting and the initiation of the amendment does not have any legally binding effect upon future consideration of the amendments themselves. The City of Newport Beach will conduct an environmental review prior to the consideration of approval of the amendments.

**NOTICING:**

The Municipal Code does not require notice for the initiation of amendments. Notice of this item appeared on the agenda for this meeting, which was posted at City Hall and on the City website.

Should the City Council initiate the amendment, public notice will be provided for subsequent public hearings before the Planning Commission and the City Council as required by the Municipal Code. Additionally, notice of the LCP amendments will be sent to all persons and agencies on the Notice of the Availability mailing list.

**ATTACHMENT:**

Attachment A – Resolution No. 2022-61



## ATTACHMENT A

### RESOLUTION NO. 2022- 61

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH, CALIFORNIA, INITIATING AMENDMENTS TO TITLE 20 (PLANNING AND ZONING) AND TITLE 21 (LOCAL COASTAL PROGRAM IMPLEMENTATION PLAN) OF THE NEWPORT BEACH MUNICIPAL CODE RELATED TO FRACTIONAL HOMEOWNERSHIP (PA2022-0202)**

**WHEREAS**, Newport Beach Municipal Code ("NBMC") Section 20.66.020 provides that the City Council of the City of Newport Beach ("City Council") may initiate an amendment to Title 20 (Planning and Zoning) of the NBMC with or without a recommendation from the Planning Commission;

**WHEREAS**, City Council Policy K-1 (General Plan and Local Coastal Program) requires an amendment to the City of Newport Beach ("City") certified Local Coastal Program codified in Title 21 (Local Coastal Program Implementation Plan) of the NBMC to be initiated by the City Council; and

**WHEREAS**, the City Council desires to amend Title 20 (Planning and Zoning) and Title 21 (Local Coastal Program Implementation Plan) of the NBMC related to fractional homeownership.

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

**Section 1:** The City Council hereby initiates amendments to Title 20 (Planning and Zoning) and Title 21 (Local Coastal Program Implementation Plan) of the NBMC related to fractional homeownership.

**Section 2:** The recitals provided in this resolution are true and correct and are incorporated into the operative part of this resolution.

**Section 3:** If any section, subsection, sentence, clause or phrase of this resolution 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 resolution. The City Council hereby declares that it would have passed this resolution, 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 4:** The City Council finds the adoption of this resolution is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15262 (Feasibility and Planning Studies) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3. Section 15262 exempts projects involving feasibility or planning studies for possible future actions which the agency, board, or commission has not approved or adopted.

**Section 5:** This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting the resolution.


**ADOPTED** this 27th day of September, 2022.

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Kevin Muldoon  
Mayor

**ATTEST:**

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Leilani I. Brown  
City Clerk

**APPROVED AS TO FORM:**  
CITY ATTORNEY'S OFFICE

  
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Aaron C. Harp  
City Attorney