

CALIFORNIA COASTAL COMMISSION

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W12a

DATE: April 22, 2025

TO: Commissioners and Interested Persons

FROM: Karl Schwing, Deputy Director
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Chloe Seifert, Staff Analyst

SUBJECT: Major Amendment Request No. LCP-5-NPB-24-0004-1, Parts A, B, and C (STRs in Mixed-Use Zones, 1602 E. Coast Hwy., and IP Clean-Up), to the City of Newport Beach LCP for Commission Action at the May 7, 2025 meeting.

SUMMARY OF LCP AMENDMENT REQUEST

The City of Newport Beach requests that the Commission certify an amendment to the City's certified Local Coastal Program (LCP). LCP Amendment Request No. LCP-5-NPB-24-0004-1 includes three parts, all of which are scheduled for the current Commission hearing. All three parts would amend solely the certified IP. The standard of review is whether the proposed IP revisions conform with, and are adequate to carry out the provisions of, the certified LUP.

Part A of the subject request was submitted for Commission certification by City Council Resolution No. 2023-83 on February 8, 2024 and pertains to short-term rentals (STRs) ([Exhibit 1](#)). Part A of the subject amendment request would, in part: 1) reduce the maximum number of STR permits allowed in multi-unit residential zones by 75 permits (i.e. from 1,550 to 1,475); and 2) increase the maximum number of STR permits in two mixed-use zones by 75 permits (i.e. from zero to 75) ([Exhibit 2](#)). The subject mixed-use zones are shown in [Exhibit 3](#). Part A of the subject amendment request would also establish new permitting and operating protocol for STRs in mixed-use zones; and further clarify unclear STR permitting standards in the current IP.

The City's intent is not to alter the 1,550-permit cap on STRs previously approved by the Commission in 2021. They instead propose to shift a small portion of allowable STR permits to mixed-use corridors, where visitors would benefit from closer proximity to commercial uses (like restaurants and cafes) and commercial uses would benefit from the increased foot traffic. However, the City's proposed revisions would allow a temporary increase in maximum allowable STRs by establishing two separate caps for residential and mixed-use zones. The City would also exclude legally nonconforming

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STRs from the new 75-permit mixed-use zone cap, further increasing the maximum number of STRs in the coastal zone. Upon further discussion, the City has agreed to modifications preserving the 1,550-permit cap. **Suggested Modification 1** would eliminate any unintended overflow by establishing a cumulative 1,550-permit STR cap for the entire coastal zone and including legally nonconforming STRs in each cap. **Suggested Modification 2** would re-alphabetize the subsections following the suggested new subsection accordingly. **Suggested Modification 3** would revise the City's proposed language to ensure property-owners are not relying on public parking to accommodate STR patrons. As modified, Part A of the subject amendment request would allow a priority land use in mixed-use zones without disturbing the existing maximum number of allowable STRs—a cap preceded by nearly 30 years of community deliberation.

Part B of the subject request was submitted for Commission certification by City Council Resolution No. 2023-71 on February 8, 2024 and pertains to a specific project site ([Exhibit 4](#)). Part B of the subject amendment request would increase the scope and intensity of allowable land uses in Planned Community No. 47, the 140-acre Newport Beach Country Club ("Country Club") located in Newport Beach, Orange County ([Exhibit 5](#)). The existing Country Club is developed with two primary, distinct areas: 1) a golf course and associated development comprising 133 acres, and 2) a set of tennis courts and associated development comprising seven acres ([Exhibit 6](#)). Part B of the subject amendment request would affect solely the tennis club component of Planned Community No. 47. The City's proposed revisions would amend the density, intensity, and types of uses allowed within the tennis club in order to allow approval of an associated local coastal development permit (CDP). The revisions include allowing pickleball courts and condominium units; and increasing the maximum number of hotel rooms allowed onsite. The entire Country Club facility is private (or 'members-only') and no public-serving facilities exist onsite.

Part B of the subject amendment request would increase the scope of recreational land uses allowed on the project site. As proposed, the IP would allow seven sports courts to increase to 18 courts; and 27 overnight accommodation (OA) rooms to increase to 41 OA rooms. The five residential units allowed onsite would not increase in number. Whether the developer actually builds to the IP's maximum limits, or how the developer distributes the land uses, is not before the Commission. One potential issue is the City's proposed increase in maximum allowable height for residential uses onsite from 31 ft. to 46 ft. The subject site is located adjacent to an LUP-designated coastal view road (West Newport Center Drive). However, the extent of blue-water views actually available across the site from a pedestrian vantage point is minimal. Trees and vegetation approved under a 2006 Commission CDP obscure any blue-water views unless one's vantage point is elevated (such as the Google 'Street-View' camera mounted atop a van). Regardless, **Suggested Modification 4** resolves the potential issue by prohibiting any obstruction of coastal blue-water views from any LUP-designated view roads.

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Part C of the subject request was submitted for Commission certification by City Council Resolution No. 2023-76 on February 8, 2024 ([Exhibit 8](#)). Part C of the subject amendment request would revise multiple sections of the certified IP to eliminate redundancies and inaccuracies, improve brevity, and establish a new exemption process for vesting tentative tract maps establishing airspace lots.

The City's proposed revisions include the deletion of the entire IP Chapter 21.34, "Conversion or Demolition of Affordable Housing". The existing IP chapter is intended to incorporate affordable housing protections of the Mello Act into the LCP. The Mello Act (in relevant part) requires the one-to-one replacement of any existing low- or moderate-income housing units that are converted or demolished in the coastal zone. Both the Mello Act and IP Chapter 21.34 exempt coastal zone projects from this replacement requirement if the project is located in a City with less than 50 aggregate acres of privately-owned, vacant land available for residential use located within the City's coastal zone plus within three miles therefrom. The City estimated 17.36 aggregate acres of such land. Thus, the City concluded that IP Chapter 21.34 was not applicable and could be eliminated to improve the certified IP's brevity and applicability to current local conditions. It is important to note two points on this proposed revision. First, deleting the subject chapter does not exempt qualifying projects from compliance with state housing law, including Mello Act protections. Second, the Commission cannot require an LCP to include housing policies and programs under Coastal Act Section 30500.1. Nor would retaining IP Chapter 21.34 be necessary under the standard of review.

Part C of the subject amendment request would also amend the certified IP to create a new category of exempt development for "[t]entative parcel maps involving the subdivision of airspace within two-unit or multi-unit dwellings for condominium purposes." The certified LUP limits CDP exemptions for coastal zone development to categories specified in the Coastal Act's Public Resources Code (PRC). The City's proposed new exemption category is not listed in any of the LUP's cited PRC provisions. **Suggested Modification 5** thus eliminates the City's proposed new exemption criteria to avoid nonconformance with the certified LUP. **Suggested Modification 6** additionally eliminates outdated IP language from the City's currently proposed revisions, as LCP amendments have been approved since the revisions were formalized.

Staff recommends that the Commission, after public hearing, **certify Parts A, B, and C of the amendment with suggested modifications**. Further information on the City of Newport Beach's LCP Amendment Request No. LCP-5-NPB-23-0019-1 Parts A through C may be obtained from Chloe Seifert, Coastal Program Analyst, at (562) 590-5071. If you wish to comment on the proposed amendment, please contact either chloe.seifert@coastal.ca.gov via email or the South Coast District Office via hard-copy mail by 5pm on May 2, 2025.

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Exhibits

- [Exhibit 1 – Resolution No. 2023-83](#)
- [Exhibit 2 – Part A Redline Changes](#)
- [Exhibit 3 – Mixed-Use Zoning Map](#)
- [Exhibit 4 – Resolution No. 2023-71](#)
- [Exhibit 5 – Part B Redline Changes](#)
- [Exhibit 6 – Country Club Map](#)
- [Exhibit 7 – Viewshed Photos](#)
- [Exhibit 8 – Resolution No. 2023-76](#)

**Part C Redline Changes omitted from exhibits due to length.*

I. PROCEDURAL REQUIREMENTS

A. STANDARD OF REVIEW

Pursuant to Coastal Act sections 30513 and 30514(b), the standard of review is whether the certified IP—as amended—conforms with, and is adequate to carry out, the provisions of the certified LUP. Parts A, B, and C of the subject LCP amendment request would amend the IP. Thus, all three parts must be reviewed for conformance and consistency with provisions of the certified LUP.

B. PUBLIC PARTICIPATION

Coastal Act Section 30503 requires local governments to provide adequate opportunities for public participation during the LCP amendment process. Below is a summary of each public hearing held on Parts A, B, and C of the subject amendment request. Considering the volume of public comment received at some of the local hearings listed below, comments are generally summarized and individual commenter names are not listed. The below summary also describes solely actions and comments directly pertaining to Parts A, B, and C of the subject LCP amendment request.

Part A (STRs in Mixed-Use Zones)

On June 22, 2023, the City Planning Commission held a public hearing on Part A of the subject amendment request. The City received one comment from a member of the public contending that the Planning Commission needed more information before final action. The Planning Commission passed a motion directing City staff to prepare a report for subsequent further action.

On October 19, 2023, the City Planning Commission held a public hearing on Part A of the subject amendment request. The City received comment from five members of the public, which included: A) questioning why STVR permits would be limited to only two mixed-use zones instead of all of them, B) requesting a more specific plan for transferring 75 permits from residential to mixed-use zones, and C) questioning the intent of the eligibility criteria for mixed-use STR permits pertaining to quantity of units owned. The Planning Commission eliminated the proposed provision limiting STR permits in mixed-use zones to property-owners who owned at least 20 unit within a statistical area (as defined by the uncertified General Plan). The Planning Commission passed a motion to approve the item as modified.

On November 28, 2023, the City Council held a public hearing on Part A of the subject amendment request. The City received comments from seven members of the public, which included: A) contending that the STVR permit transfer process between residential and mixed-use zones would effectively increase the permit cap; B) requesting that the City should restrict the transferability and turn-over process for STVR permits; C) flagging ineffective City enforcement of STVR restrictions; D)

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contending that the proposed amendment was unfair to property-owners in residential zones where the STVR permit cap would decrease; and E) both support and opposition to the eligibility criteria for mixed-use STR permits. The eligibility criteria referenced above was added back to the proposed revisions and the City Council adopted Resolution No. 2023- 83, authorizing submittal of the subject LCP amendment request to the Coastal Commission.

Part B (1602 E. Coast Hwy.)

On September 8, 2022, the City Planning Commission held a public hearing on Part B of the subject amendment request relating to 1602 E. Coast Hwy. The City received comments from 16 members of the public. Concerns raised in the public comments generally included: A) disagreement over pickleball and tennis court density among club members; B) alleged lack of legal authority for the local CDP applicant to pursue local approvals without consent from the other property-owners; C) a contended need for the City to obtain a majority vote on a public ballot measure before approving the project per the City's "Greenlight Initiative"¹ and noise from the proposed pickleball courts; and D) a contention that the City falsely identified the subject property as available for development with up to 23 dwelling units during the Regional Housing Needs Allocation (RHNA) process despite anticipating local approval of five dwelling units. The Planning Commission discussed the public comments and ultimately approved the item.

On September 27, 2022, the City Council held another public hearing on Part B of the subject amendment request and received comments from 26 members of the public. Concerns raised in the public comments generally included those listed above, as well as contentions that the proposed plans did not show the proposed number of pickleball courts. The City Council ultimately deferred action on the item until the Planning Commission approved new pickleball court plans.

On October 25, 2022, the City Council held another public hearing on Part B of the subject amendment request and received comments from 30 members of the public. Public comment focused on a new set of project plans proposing 28 pickleball courts and several commenters expressed support. Concerns raised in the public comments generally included those listed above, as well as the contention that the City Council should defer action until the Planning Commission approves the plans per the City Council's prior motion. The City Council again deferred action on the item until the Planning Commission approved new pickleball court plans.

On March 23, 2023, the City Planning Commission held a public hearing on Part B of the subject amendment request and received comment from three members of the public, all of whom re-stated the concerns listed above. The Planning Commission

¹ The City's Greenlight Initiative requires a majority vote on a public ballot measure for City approval of any amendment to the uncertified City General Plan that would significantly increase maximum generated traffic, density, or intensity of land use (detailed further in uncertified Newport Beach City Charter Article IV, [Section 423](#)).

approved the item (which included approval of the new pickleball court plans referenced above.)

On November 14, 2023, the City Council held a public hearing on Part B of the subject amendment request and received comment from two members of the public, both of whom re-stated comments summarized above. The City Council adopted Resolution No. 2023-71 authorizing submittal of the subject LCP amendment request to the Coastal Commission.

Part C (IP Clean-Up)

On August 3, 2023, the City Planning Commission held a public hearing on Part C of the subject LCP amendment request and received comment from one member of the public. Concerns raised in the public comment generally included the potential for mass code revisions that are unaccompanied by specific findings to: A) inadvertently alter intentional language, B) disguise significant policy changes among a large volume of minor revisions, and C) render meaningful public engagement impossible. The comment also contended that the City's proposed deletion of certified IP Chapter 21.34, "Conversion or Demolition of Affordable Housing" is premised on a misreading of the corresponding state law. The Planning Commission approved the item.

On October 24, 2023, the City Council held a public hearing on Part C of the subject amendment request. Public comment was received from three members of the public. Concerns raised in the public comments generally included those listed above, as well as a contended lack of clarity regarding governmental roles and responsibilities and a request for more Municipal Code revisions pertaining to group homes in order to improve residents' quality of life.

On November 14, 2023, the City Council held a public hearing on Part C of the subject amendment request and approved Resolution No. 2023-76 authorizing the City to submit the subject request to the Coastal Commission. Public comment was received from two members of the public. Concerns raised in the public comments generally included those listed above, as well as requests that: A) abbreviations not be used for clarity and B) the City provide additional findings defending the proposed elimination of certain certified IP sections.

In summary, the City complied with Coastal Act Section 30503 through provision of multiple public hearings and assessment of the comments received. Notice of the Coastal Commission hearing held for the subject amendment request has been distributed to all known interested parties.

C. PROCEDURAL REQUIREMENTS

If the Commission certifies the LCP amendment request as submitted, no further City Council action will be necessary, and the amendment takes effect. Should the

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Commission deny the LCP amendment request as submitted and without suggested modifications, no further action is required by either the Commission or the City, and the LCP amendment is not effective, pursuant to Section 13542(f) of Title 14 of the California Code of Regulations (CCR). Should the Commission deny the LCP Amendment, as submitted, but approve it with suggested modifications, then the City Council may consider accepting the suggested modifications and submitting them by resolution to the Executive Director for a determination that the City's acceptance is consistent with the Commission's action.² In that scenario, pursuant to Title 14, CCR Section 13544(c), the modified LCP Amendment will become final at a subsequent Commission meeting if the Executive Director reports a determination that the City's action in accepting suggested modifications approved by the Commission for the LCP Amendment is legally adequate. If the City does not accept the suggested modifications within six months of the Commission's action, then the LCP amendment remains uncertified and not effective within the coastal zone.³

D. DEADLINES FOR COMMISSION ACTION

On February 8, 2024, the City submitted LCP Amendment Request No. LCP-5-NPB-24-0004-1 (Parts A, B, and C). On February 23, 2024, staff determined that additional materials and information remained necessary to file Part A and B of the subject amendment request as complete; Part C was determined to be in proper order and legally adequate to comply with the submittal requirements of Coastal Act Section 30510 and CCR Section 13553. On March 25, upon receipt of the requested information, Parts A and B of the subject amendment request were also determined in proper order and legally adequate to comply with the referenced submittal requirements.

The Commission must act on LCP Amendment requests that propose changes to solely the certified IP within 60 working days of filing pursuant to Coastal Act Section 30513 and CCR Section 13522. In this case, the 60th working-day for Parts A and B of the subject LCP amendment request was June 19, 2024; and the 60th working-day for Part C was May 20, 2024. However, the Commission extended the deadline by one year to allow further review of the LCP amendment, as permitted by Coastal Act Section 30517 and CCR Section 13535(c). This extended the deadlines for the Commission to act on each LCP amendment request portion to June 19, 2025 for Parts A and B; and to May 20, 2025 for Part C.

Pursuant to the above actions, the latest feasible scheduling of the subject amendment is the June 11-13, 2025 hearing for Parts A and B; and the May 7-9, 2025 hearing for

² The City's submittal resolution indicates that the future ordinance reflecting the resolution will only become final after effective certification by the Commission. Pursuant to CCR [Section 13544\(c\)\(3\)](#), no further formal Commission action is required if the Executive Director reports having determined the City's action accepting the Commission's suggested modifications and the City's notification procedures are legally adequate.

³ See 14 CCR § [13537\(b\)](#) and [13542\(b\)](#).

Part C. This staff recommendation discusses Parts A, B, and C of the subject amendment request.

II. MOTIONS AND RESOLUTIONS

Following a public hearing, staff recommends the Commission adopt the following resolutions and findings.

A. PART A (STRS IN MIXED-USE ZONES)

Motion I: I move that the Commission reject Part A of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1 for the City of Newport Beach as submitted.

Staff recommends a **YES** vote. Passage of this motion will result in rejection of Implementation Plan Amendment Part A and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Resolution to Deny Certification of IP Amendment Part A As Submitted:

The Commission hereby denies certification of Part A of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1 submitted for the City of Newport Beach and adopts the findings set forth below on grounds that Part A of the Implementation Plan Amendment, as submitted, does not conform with, and is inadequate to carry out, the provisions of the certified Land Use Plan. Certification of Part A of the Implementation Plan Amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Program as submitted.

Motion II: I move that the Commission certify Part A of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1 for the City of Newport Beach if modified per the staff recommendation.

Staff recommends a **YES** vote. Passage of this motion will result in certification of the Implementation Program with suggested modifications and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Resolution to Certify IP Amendment Part A with Suggested Modifications

The Commission hereby certifies Part A of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1 submitted for the City of Newport Beach if modified as suggested and adopts the findings set forth below on grounds that Part A of Implementation Plan Amendment, with the suggested modifications, conforms with, and is adequate to carry

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out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Program on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

B. PART B (1602 E. COAST HWY)

Motion I: I move that the Commission reject Part B of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1 for the City of Newport Beach as submitted.

Staff recommends a **YES** vote. Passage of this motion will result in rejection of Implementation Plan Amendment Part A and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Resolution to Deny Certification of IP Amendment Part B As Submitted:

The Commission hereby denies certification of Part B of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1 submitted for the City of Newport Beach and adopts the findings set forth below on grounds that Part B of the Implementation Plan Amendment, as submitted, does not conform with, and is inadequate to carry out, the provisions of the certified Land Use Plan. Certification of Part B of the Implementation Plan Amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Program as submitted.

Motion II: I move that the Commission certify Part B of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1 for the City of Newport Beach if modified per the staff recommendation.

Staff recommends a **YES** vote. Passage of this motion will result in certification of the Implementation Program with suggested modifications and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Resolution to Certify IP Amendment Part B with Suggested Modifications

The Commission hereby certifies Part B of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1 submitted for the City of Newport Beach if modified as suggested and adopts the findings set forth below on grounds that Part B of Implementation Plan

Amendment, with the suggested modifications, conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Program on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

C. PART C (IP CLEAN-UP)

Motion II: I move that the Commission reject Part C of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1 for the City of Newport Beach as submitted.

Staff recommends a **YES** vote. Passage of this motion will result in rejection of Implementation Plan Amendment Part C and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Resolution to Deny Certification of IP Amendment Part C As Submitted:

The Commission hereby denies certification of Part C of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1 submitted for the City of Newport Beach and adopts the findings set forth below on grounds that Part C of the Implementation Plan Amendment, as submitted, does not conform with, and is inadequate to carry out, the provisions of the certified Land Use Plan. Certification of Part C of the Implementation Plan Amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Program as submitted.

Motion II: I move that the Commission certify Part C of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1 for the City of Newport Beach if it is modified per the staff recommendation.

Staff recommends a **YES** vote. Passage of this motion will result in certification of the Implementation Program with suggested modifications and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Resolution to Certify IP Amendment Part C with Suggested Modifications

The Commission hereby certifies Part C of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1 submitted for the City of Newport Beach if modified as suggested and

adopts the findings set forth below on grounds that Part C of Implementation Plan Amendment, with the suggested modifications, conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Program on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

III. SUGGESTED MODIFICATIONS

The City's proposed new text is shown in underlined text.

The City's proposed deleted text is shown in ~~single strike-through~~.

The Commission's proposed new text is shown in **bold underline**.

The Commission's proposed deleted text is shown in ~~**bold strike-through**~~.

For clarity in the report findings, the suggested modifications below are enumerated cumulatively despite separation in distinct subsections.

A. PART A (STRS IN MIXED-USE ZONES)

Suggested Modification 1: Preserve the overall 1,550-permit cap on STRs throughout the coastal zone.

21.48.115 Short=Term Lodging.

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

...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 (MUCV/ 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(F), 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.**

...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).

Suggested Modification 2: Re-alphabetize the three subsections (“Operational Standards”, “Additional Requirements for Newport Island...”, and “Additional Requirements for the Mixed-Use...” following the new Subsection D of IP Section 21.48.115 to reflect the corrected alphabetical order.

Suggested Modification 3: Specify unclear language and protect public parking used for coastal access.

21.48.115 Short-Term Lodging.

...FG. 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.)...

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:

...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 **other parking is alternate modes of transportation are** available (e.g., **City parking lot located nearby, on-street parking available, bicycles and e-bikes, bus and trolley routes, rideshare services, private offsite parking lots,** 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.**

B. PART B (1602 E. COAST HWY.)

Suggested Modification 4: Protect public views from an LUP-designated coastal view road.

Section 21.26.055, Planned Community Coastal Zoning District Development Standards.

...S. Newport Beach Country Club (PC-47).

...3. Residential.

...b. Attached Residential (Condominiums)

...iii. Height: forty-six (46) feet (to be located atop of the 2-story hotel buildings in a manner that does not obstruct blue-water coastal views from LUP-designated coastal view roads.

C. PART C (IP CLEAN-UP)

Suggested Modification 5: Reject the City’s proposed new exemption criteria.

21.52.035.C. Coastal Act Exemptions.

Developments not located within the Coastal Commission’s permit jurisdiction determined to be exempt from the coastal development permit requirements pursuant to California Public Resources Code Section 30610. The following types of projects shall be so exempted unless they involve a risk of adverse environmental effects:

...8. Tentative Parcel Maps for Condominium Purposes. Tentative parcel maps involving the subdivision of airspace within two-unit or multi-unit dwellings for condominium purposes.

Suggested Modification 6: Retain certified IP language as previously amended.

Table 21.18-4, Development Standards for Multi-Unit Residential Zoning Districts.

~~...(7) Density bonuses may be granted for the development of housing that is affordable to lower-, low-, and moderate-income households and senior citizens in compliance with Government Cal. Gov. Code Sections 65915 through 65917. Any housing development approved pursuant to Government Cal. Gov. Code Section 65915 shall be consistent, to the maximum extent feasible, and in a manner most protective of coastal resources, with all otherwise applicable Local Coastal Program policies and development standards in compliance with Chapter 21.32 (Density Bonus).~~

Table 21.22-3, Development Standards for Vertical and Horizontal Mixed-Use Zoning Districts.

~~...(6) Density bonuses may be granted for the development of housing that is affordable to lower-, low-, and moderate-income households and senior citizens in compliance with Government Cal. Gov. Code Sections 65915 through 65917. Any housing development approved pursuant to Government Cal. Gov. Code Section 65915 shall be consistent, to the maximum extent feasible, and in a manner most protective of coastal resources, with all otherwise applicable Local Coastal Program policies~~

and development standards in compliance with Chapter 21.32 (Density Bonus).

Table 21.22-4, Development Standards for Waterfront Mixed-Use Zoning Districts.

...(7) Density bonuses may be granted ~~for the development of housing that is affordable to lower-, low-, and moderate-income households and senior citizens in compliance with Government Cal. Gov. Code Sections 65915 through 65917. Any housing development approved pursuant to Government Cal. Gov. Code Section 65915 shall be consistent, to the maximum extent feasible, and in a manner most protective of coastal resources, with all otherwise applicable Local Coastal Program policies and development standards~~ **in compliance with Chapter 21.32 (Density Bonus).**

21.48.200 Accessory Dwelling Units.

A. Purpose. The purpose of this section is to establish the procedures for the creation of accessory dwelling units and junior accessory dwelling units, as defined in Part 7 (Definitions) of this title and in ~~California Government Cal. Gov. Code Sections 65852.2 and 65852.22~~ **66310 through 66342**, or any successor statute, in areas designated for residential use, including as part of a planned community development plan or specific plan, and to provide development standards to ensure the orderly development of these units in appropriate areas of the City.

...B. Effects of Conforming. ...

...4. Required to correct a legally established nonconforming zoning conditions, **building code violations, or unpermitted structures that do not present a threat to public health and safety and are not affected by the construction of the accessory dwelling unit or junior accessory dwelling unit.** This does not prevent the City from enforcing compliance with applicable building standards in accordance with California ~~Cal. Health and~~ & Safety, Code Section 17980.12.

...**JK**. Historic Resources. Accessory dwelling units and/or junior accessory dwelling units proposed on residential or mixed-use properties that are determined to be historic shall be approved ministerially, in conformance with California ~~Government Cal. Gov. Code Sections 65852.2 and 65852.22~~ **66310 through 66342**. However, any accessory dwelling unit or junior accessory dwelling unit that is listed on the California Register of Historic Resources shall meet all Secretary of the Interior standards, as applicable.

21.70.020 Definitions of Specialized Terms and Phrases.

~~“Density bonus” means, as defined by Government Cal. Gov. Code Section 65915 et seq., an increase over the maximum density otherwise allowed by the applicable zoning district that is granted to the owner/developer of a housing project who agrees to construct a prescribed percentage of dwelling units that are affordable to very low- and low-income households. See “Very low-income household” and “Low-income household.” a density increase over the maximum allowable density under the applicable coastal zoning district and Coastal Land Use Plan as of the date of application.~~

IV. FINDINGS

The Commission hereby finds and declares:

A. DESCRIPTION (PART A – STRS IN MIXED-USE ZONES)

Part A of the subject request was submitted for Commission certification by City Council Resolution No. 2023-83 on February 8, 2024 ([Exhibit 1](#)). Part A of the subject amendment request would revise three sections of the certified IP: Section 21.22.020 outlining allowable land uses per zoning district, Section 21.48.115 outlining permitting requirements for STRs, and Section 21.70.020 defining overnight accommodations. A ‘redline version’ showing the City’s proposed additions and strike-throughs are shown in [Exhibit 2](#).

Newport Beach’s History of STRs

The certified LCP uses the phrase “short-term lodging unit” (STL) rather than the Commission’s typical “short-term rental unit” (STR) terminology. To maintain consistency with prior Commission actions—and render this report more easily found by those searching Commission records for actions on STRs—this report will use the Commission’s typical “STR” terminology. The certified IP currently defines an STR as a dwelling unit that is rented or leased for between two and 30 days.⁴ STRs temporarily convert residential development to visitor-serving commercial uses for intermittent periods. In this regard, they are unique from other, more permanent forms of overnight accommodations like hotels.

Throughout the 1900’s, Newport Beach was renowned as a summer beach resort town. STRs went largely unregulated for most of the 20th century, with no reference to STRs in the City’s original LUP (certified by the Commission in 1990). In 1992, the City revised the uncertified Municipal Code to establish local permitting requirements and

⁴ As defined by certified IP sections 21.70.020 and 21.48.115.C.

operating protocol for STRs.⁵ No maximum cap on STR permits would be established until 2021.

In 2004, the City revised the uncertified Municipal Code to prohibit STR permits in the R-1, “Single Family Residential” zoning district.⁶ STRs remained allowable in all other zones, including mixed-use. The City’s stated rationale was that higher housing densities in multi-unit zoning districts rendered those neighborhoods less vulnerable to community character impacts from STRs. (In other words, more units meant less noticeable neighborhood impacts when some of the units were converted to visitor-serving overnight accommodations.) The City’s findings deemed the single-unit zoning district more vulnerable to changes in character from STRs based on its lesser housing stock. Any existing STRs in the R-1 zone became legally nonconforming.

In 2007, the City imposed a roughly two-month moratorium on issuing new STR permits.⁷ The local findings reported 801 STR permits issued for 527 parcels as of 2007 and determined that no new permits should be issued until the City could analyze the potential community impacts. (The moratorium included other transitory residential use permits, such as sober living facilities.) The City circulated opinion questionnaires in major residential neighborhoods, reviewed the database of STR complaints, and conducted interviews with stakeholders. Ultimately, the City determined that minor changes to the uncertified Municipal Code were adequate to lift the STR permit moratorium. (Most of the revisions curtailed noise from STRs.)

In 2009, the Commission certified a major update to the City’s existing LUP which included new STR policies. The new policies generally acknowledged the importance of STRs as visitor-serving OAs and the need to balance them against potential coastal resource impacts.

In 2010, the City revised the uncertified Municipal Code to allow STR permits solely in the R-2 and RM zones.⁸ The City has since described the prohibition of STRs in mixed-used zones as an inadvertent omission. Under the uncertified Municipal Code, omitting a land use from a zoning district’s list of allowable uses constitutes a prohibition if the land use is included in another zoning district’s list. STRs were not included in the ‘allowable uses’ table for mixed-use zoning districts, but were addressed in the R-2 and RM zones. Regardless, any STRs in mixed-use zones became legally nonconforming.

In 2017, the Commission certified the City’s IP with an STR permit program mirroring that of the uncertified Municipal Code. STR permits were allowed solely in R-2 and RM

⁵ City Council [Ordinance No. 92-13](#).

⁶ City Council [Ordinance No. 2004-6](#).

⁷ City Council [agenda packet dated May 30, 2007](#).

⁸ City Council [Ordinance No. 2010-21](#).

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zones and subject to no maximum cap.⁹ The City had issued approximately 1,070 STR permits in the coastal zone as of 2017.

In 2021, the Commission approved the City's LCP Amendment Request No. LCP-5-NPB-20-0070-3 to revise certified IP standards of STR permits.¹⁰ As approved, the amendment established two new IP requirements: 1) a minimum two-night stay for STR occupants, and 2) a maximum 1,550-permit STR cap in multi-unit residential zones. The first requirement was intended to discourage single-day bookings, which often generated neighborhood disturbances from large parties or film shoots. The second requirement was intended to preserve the City's stock of visitor-serving overnight accommodations (28% of which constituted STRs), while still guarding against the potential impacts of continued, unchecked STR expansion. The City had issued 1,416 STR permits in the coastal zone as of 2021.

That same year, the Commission also approved the City's LCP Amendment Request No. LCP-5-NPB-21-0036-1, Part C to revise IP standards specific to STRs on Newport Island.¹¹ The amendment established several new requirements for STRs on Newport Island pertaining to booking frequency, occupant density, parking availability, and property-owner management. The amendment also established a maximum 20-permit cap on the number of STRs allowed on Newport Island. (This new cap did not exclude Newport Island STRs from the greater 1,550-permit cap in multi-unit residential zones because all dwelling units on Newport Island are zoned R-2.) The City cited Newport Island's uniquely narrow streets, limited parking stock, and quiet residential character as necessitating special protections. The City had issued 18 STR permits on Newport Island as of 2021.

Current Amendment Request (Part A)

Now the City wishes to divert more visitors toward its mixed-use districts, many of which have struggled to recover from the pandemic-era dip in business. The City's intent is to site STRs closer to visitor-serving commercial facilities while avoiding any immediate, dramatic shifts in STR distributions and concentrations—in other words, a 'soft start' approach. Part A of the subject amendment request would:

- Reduce the maximum number of STR permits in the R-2 and RM multi-unit residential zones by 75 permits (i.e. from 1,550 to 1,475);
- Increase the maximum number of STR permits in the MU-CV/15th St. and MU-W2 mixed-use zones by 75 permits (i.e. from zero to 75);

⁹ There are subsets of the R-2 and RM zoning districts, like R-2-6,000, but for the sake of brevity this staff report will reference the primary two subsets of multi-unit zoning.

¹⁰ LCP Amendment Request No. [LCP-5-NPB-20-0070-3](#).

¹¹ LCP Amendment Request No. [LC-5-NPB-21-0036-1-Part-C](#).

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- Limit STR permit eligibility in the subject MU zones to property-owners who own at least 20 or more units within a single statistical area (as defined by the uncertified General Plan);
- Revise the definitions of an “STR” and “bed and breakfast inn” to allow up to 30-day stays, rather than less than 30-day stays; and
- Correct typographical errors, delete outdated provisions, and clarify unclear language, such as defining the term “owner-occupied” in the context of Newport island STRs and adding enumeration to written-out numbers.

The certified IP’s R-2 and RM zones allow duplexes and multi-unit housing, respectively.¹² The certified IP’s MU-CV/15th St. and MU-W2 zones both allow a mix of housing units and visitor-serving commercial uses, but the former is specific to Cannery Village and 15th Street on Balboa Peninsula; and the latter is specific to waterfront properties and encourages marine-related uses.¹³ [Exhibit 3](#) shows a color-coded map of the MU-CV/15th and MU-W2 zoning districts.

According to the City, limiting permit eligibility to property-owners with at least 20 units is intended to encourage professional STR management and make STR enforcement easier for the City. The City has indicated that resolving noise, trash, or other such STR complaints can be accomplished faster and easier when contacting fewer property-owners (i.e. the limited number of property-owners who would be eligible for STRs in mixed-use zones).

Revising the phrase “less than 30 days” to “up to 30 days” in the subject definitions is intended by the City to eliminate an inconsistency with local tax law. The City requires all property-owners renting to transient guests to pay a transient occupancy tax of approximately 10% of the property lease amount, which is used in part to fund enforcement of STR regulations (among a broad range of other City expenditures). The uncertified Municipal Code defines “transient” as an individual occupying a unit for 30 days or less. However the certified IP defines “STRs” and “bed and breakfast inns” as dwelling units offered to guests for less than 30 days. (Length of stay is not specified in the other overnight accommodation definitions.) This raises ambiguity as to whether STR and bed and breakfast inn property-owners have to pay the subject tax. The proposed revision would increase the maximum allowable stay in STRs and bed and breakfast inns by one day in order to address the issue.

How STR Permits Would Be Issued

Certified IP Section 21.48.115 currently contains four subsections pertaining to STRs, which outline: A) the general purpose, B) permit requirements, C) operational

¹² As defined by certified IP Section 21.18.010.D. and E.

¹³ As defined by certified IP Section 21.22.010.C. and E.

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standards, and D) permit requirements and operational standards specific to Newport Island. Subsection B allows the City to issue up to 1,550 STR permits in the coastal zone. When that cap is reached, STR permit applicants enter a waiting list. Sometimes the number of active STRs dips below the 1,550-permit maximum, often due to natural attrition or permit violations. The waiting list does not mean the deficit is immediately filled, since the City takes time to vet applications for eligibility and attrition may continue during that period. This generally explains why the City's records show 1,482 STR current STR permits, despite the 680-person waiting list.

With regard to mixed-use zones, the City states that any STR permit obtained prior to the 2010 prohibition (described in the above timeline) may be renewed an indefinite number of times. Even if the STR permit is revoked for failure to pay fees or violation of operating protocol, the current property-owner for the subject site may apply for a renewed STR. This is why the 24 legally nonconforming STR permits in mixed-use zones reported during the City's local hearing process have increased to 30 STR permits as of this report's publication.

Part A of the subject amendment request would create two separate limits on STR permits: a 1,475-permit cap for multi-unit residential zones and a 75-permit cap for mixed-use zones. No overall cap on all STRs in the coastal zone was proposed by the City. This means the City could immediately begin issuing up to 75 STR permits in mixed-use zones, regardless of how many STR permits were active in residential zones. The current number of STR permits in residential zones (1,482 permits) already exceeds the proposed cap (1,475 permits) by seven.

Additionally, the City's proposed revisions would exclude from the proposed 75-permit cap all STR permits issued in mixed-use zones prior to November 25, 2010 (i.e. the date on which STRs were prohibited in mixed-use zones). It is unclear if this would include legally nonconforming STR permits issued prior to the date but renewed after the date. Regardless, it would exclude additional STR permits from the proposed 75-permit cap and effectively allow a maximum net increase of 37 STR permits.

B. DESCRIPTION (PART B – 1602 E. COAST HWY.)

Part B of the subject request was submitted for Commission certification by City Council Resolution No. 2023-76 on February 8, 2024 ([Exhibit 4](#)). Part B of the subject amendment request would revise certified IP Section 21.26.055.S to increase the scope and intensity of allowable land uses in Planned Community No. 47 ([Exhibit 5](#)).

While the certified LCP does not define planned communities, they are generally described as pre-planned, multi-structural developments with unique and highly specific design standards. Planned Community No. 47 encompasses the 140-acre Country Club located at 1602 E. Coast Highway in Newport Beach, Orange County. The subject site is located roughly 0.4 miles inland of Newport Harbor in Newport Center, a visitor-serving business district. The subject site is zoned PC-47, "Planned Community" and

designated MU-H, "Mixed Use Horizontal" and PR, "Parks and Recreation" in the certified IP and LUP, respectively.

The subject development in Planned Community No. 47 is referenced by multiple names in the historical record, including the Balboa Bay Raquet Club and the Balboa Bay Tennis Club. For the sake of clarity, the staff report will refer to the subject area per its interchangeable titles in the certified IP: the Country Club and Planned Community No. 47.

Project Background

The existing Country Club is developed with two primary, distinct areas: 1) a golf course and associated development comprising roughly 133 acres; and 2) a set of tennis courts and associated development comprising roughly seven acres ([Exhibit 6](#)). In 1970, prior to Coastal Act enactment, the City authorized construction of 10 tennis courts on the site of the existing Country Club. In the following four decades, the Country Club was developed with 24 tennis courts without Commission authorization. In 2013, the Commission approved CDP No. 5-12-160 for Golf Realty LP to redevelop the Country Club's tennis club into three distinct components:

- Tennis Club. Demolition of 18 of the 24 existing tennis courts, the existing 3,725 sq. ft. tennis clubhouse, and the 125-space surface parking lot. Construction of one new tennis court (resulting in seven total tennis courts), a new 3,725 sq. ft. tennis clubhouse, swimming pool, storage shed, and a 38-space surface parking lot;
- The Villas. Construct five new single-family residences (referenced as "The Villas") with the following development standards:
 - o Provision of minimum three-foot side-yard setbacks and five foot front/rear yard setbacks;
 - o Construction of maximum 39-ft. heights; and
 - o Provision of two enclosed parking spaces and one unenclosed guest parking space per residential unit
- The Bungalows. Construct 27 new hotel rooms (referenced as "The Bungalows") with 50 new, associated parking spaces;

The approved work also included subdivision of the existing two lots into 11 lots via a Vested Tentative Tract Map and a 10-year development agreement between the applicant and the City. No alterations were proposed to the golf course or its associated clubhouse and parking lot. The CDP term was extended by one year in 2015, but ultimately expired without commencement of any approved work in 2016. This included expiration of the Commission-approved development agreement.

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In 2017, the City's IP was certified by the Commission and the City assumed permitting jurisdiction over the subject project site. The prior applicant, Golf Realty LP, expressed continued interest in developing the site with the number of tennis courts, hotel rooms, and single-family residences approved by the expired CDP No. 5-12-160. As a result, the City established maximum development standards for Planned Community No. 47 consistent with those approved by CDP No. 5-12-160. In 2018, the City approved a local CDP for the same scope of work previously approved by the Commission (listed above). The locally-approved scope of work was never constructed.

In 2021, the prior applicant (Golf Realty LP) applied to amend the local CDP to construct one additional tennis court, 14 additional hotel rooms, and a residential compound consisting of three attached condominium units and two detached single-family residences (rather than the previously approved five detached single-family residences.) The requested amendment would allow eight total tennis courts, 41 total hotel rooms, and five total dwellings onsite. The absence of pickleball courts from the proposed amendment—among other issues—resulted in public opposition, as summarized in Part B of the ['Public Participation'](#) report subsection above. The applicant revised the proposed ratio of tennis courts and pickleball courts.

In 2022, the City approved a local CDP amendment authorizing redevelopment of the Country Club's existing tennis club to provide four total tennis courts, 14 total pickleball courts, 41 total hotel rooms, three detached condominiums, and two detached single-family residences. The work has not commenced, in part, because it exceeds the maximum development standards of the certified IP and requires a project-specific IP amendment.

Current satellite images show 43 pickleball courts and 12 tennis courts onsite. However, the City indicates that this reflects a temporary special event and is not representative of existing conditions. The City's LCP amendment request indicates that the Country Club's existing tennis club is currently developed with 16 total tennis courts, 31 total pickleball courts, a 3,725 sq. ft. tennis clubhouse, and a 125-space surface parking lot. No hotel or residential uses exist onsite.

Current Amendment Request (Part B)

The local CDP amendment application proposes a density and intensity of land uses in Planned Community No. 47 that exceeds the maximum standards of certified IP Section 21.26.055.S. To enable approval of the subject project, Part B of the subject amendment request would:

- Revisions to Tennis Club. Decrease the allowable number of tennis courts from seven to four courts; increase the allowable number of pickleball courts from zero to 14 courts; increase the minimum number of parking spaces from 28 to 72 spaces; and revise the subsection title to reference both tennis and pickleball.

- Revisions to The Villas. Decrease the allowable number of single-family dwelling units from five to two units; increase the allowable number of condominium units from zero to three attached units; and establish the following new setback, height, and parking standards for the condominium units (with no revision to the current development standards for the detached single-family residences):
 - o Require minimum five-foot setbacks between all property lines and the residential condominium units;
 - o Allow the construction of the three condominium units atop the two-story hotel buildings and limit the overall condominium and hotel height to 46 ft.; and
 - o Require three enclosed parking spaces and one guest parking space per residential condominium unit.

- Revisions to The Bungalows. Increase the allowable number of hotel rooms from 27 to 41 rooms; increase the maximum allowable gross floor area for the hotel rooms from 28,300 sq. ft. to 47,484 sq. ft.; allow an additional 4,686 sq. ft. of ancillary hotel uses; and increase the minimum number of parking spaces.

[Exhibit 6](#) shows the currently proposed distribution of the above uses within the existing tennis club (although varying configurations are possible under the proposed LCP amendment request, since this exhibit reflects solely local CDP application plans). No revisions to the certified LUP, or the golf club portion of Planned Community No. 47, are proposed. The requested revisions are necessary for the City to approve the associated project in a manner consistent with the certified LCP.

C. DESCRIPTION (PART C – IP CLEAN-UP)

Part C of the subject request was submitted for Commission certification by City Council Resolution No. 2023-76 on February 8, 2024 ([Exhibit 8](#)). Part C of the subject amendment request would revise multiple sections of the certified IP with the intent of improving its brevity and currency, as well as streamlining existing procedures. The City references the overall revisions as a ‘clean-up’ of the certified IP.

In 2022, the City Council established an Ad Hoc Municipal Code and Council Review Committee to review the Newport Beach Municipal Code (both certified and uncertified portions). The Committee was established to generate a list of potential revisions to improve the “relevancy, brevity, and coherency” of the Municipal Code. Pursuant to the Committee’s recommendations, the City now requests the following IP revisions (i.e. Part C of the subject IP amendment request):

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- Eliminate IP Section 21.34, “Conversion or Demolition of Affordable Housing”, which reflects Mello Act requirements that are no longer applicable to the City of Newport Beach;
- Update IP Section 21.52.035 to establish a new exemption category for tentative parcel maps involving the subdivision of airspace within multi-unit dwellings for condominium uses;
- Abbreviate references to code sections; and
- Update phasing to reflect more current language (such as changing “business days” to “working days”).

The revisions summarized above would affect 20 of the 30 total chapters in Title 21 of the certified IP. No revisions to the certified IP’s appendices are proposed.

D. ANALYSIS (PART A – STRS IN MIXED-USE)

The certified LUP contains the following relevant sections:

Table 2.1.1-1	Mixed Use Horizontal—MU-H: The MU-H category is intended to provide for the development of areas for a horizontally distributed mix of uses, which may include general or neighborhood commercial, commercial offices, multifamily residential, visitor-serving and marine-related uses, and/or buildings that vertically integrate residential with commercial uses. ...
	Mixed Use Water Related—MU-W: The MU-W category is intended to provide for commercial development on or near the bay in a manner that will encourage the continuation of coastal-dependent and coastal-related uses and visitor-serving uses, as well as allow for the development of mixed-use structures with residential uses above the ground floor. Freestanding residential uses shall be prohibited. Overnight accommodations (e.g. hotels, motels, hostels) are allowed. Limited Use Overnight Visitor Accommodations (e.g. time shares, fractionals, condominium-hotels) may be permitted in lieu of allowable residential development provided the use is above the ground floor. ...
2.1.4-2	For bay-fronting properties that are designated as MU-W, encourage marine-related and visitor-serving retail, restaurant, hotel, institutional, and recreational uses...
2.3.1-3.	On land designated for visitor-serving and/or recreational uses, give priority to visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation over other

commercial uses, except for agriculture and coastal-dependent industry.

- 2.3.1-7** Give priority to visitor-serving and recreational uses in the mixed-use areas of the Balboa Peninsula, and Balboa Island.
- 2.3.3-1** Lower-cost visitor and recreational facilities, including campgrounds, recreational vehicle parks, hostels, and lower-cost hotels and motels, shall be protected, encouraged and, where feasible, provided. Developments providing public recreational opportunities are preferred. New development that eliminates existing lower-cost accommodations or provides high-cost overnight visitor accommodations or limited use overnight visitor accommodations such as timeshares, fractional ownership and condominium-hotels shall provide lower-cost overnight visitor accommodations commensurate with the impact of the development on lower-cost overnight visitor accommodations in Newport Beach or pay an "in-lieu" fee to the City in an amount to be determined in accordance with law that shall be used by the City to provide lower-cost overnight visitor accommodations.
- 2.3.3-2** Encourage new overnight visitor accommodation developments to provide a range of rooms and room prices in order to serve all income ranges. Consistent with Section 30213 of the Coastal Act, the City shall in no event (1) require that overnight room rental be fixed at an amount certain for any privately owned and operated hotel, motel, or other similar visitor-serving facility located on either public or private land; nor (2) establish or approve any method for the identification of low or moderate income persons for the purpose of determining eligibility for overnight room rentals in any such facilities.
- 2.3.3-3** Identify, protect, encourage and provide lower-cost visitor-serving and recreation facilities, including museums and interpretative centers.
- 2.3.3-4** Encourage visitor-serving and recreational developments that provide public recreational opportunities.
- 2.3.3-6** Continue to issue short-term lodging permits for the rental of dwelling units as a means of providing lower-cost overnight visitor accommodations while continuing to prevent conditions leading to increase demand for City services and adverse impacts in residential areas and coastal resources.

- 2.3.3-7** A method to define whether a facility providing overnight accommodations is low, moderate, or high cost for the City of Newport Beach coastal zone shall be developed in the implementing regulations for this land use plan (when such regulations are certified) and through the coastal development permit process.
- 2.7-3** Continue to authorize short-term rental of dwelling units pursuant to permits and standard conditions that ensure the rentals will not interfere with public access and enjoyment of coastal resources.
- 2.9.3-2** Continue to require new development to provide off-street parking sufficient to serve the approved use in order to minimize impacts to public on-street and off-street parking available for coastal access.
- 2.9.3-9** Approve no application for a modification or waiver of off-street parking requirements that are found to impact public parking available for coastal access.

Visitor-Serving Recreation

The City of Newport Beach has a long history as a beach vacation destination, with nearly 50 miles of water-fronting land and 17,000 acres of coastal waters.¹⁴ Not everyone can afford to live along the coast; for many, OAs are the only way to enjoy the City's beaches and bays for longer than a few hours. Certified LUP policies 2.3.3-1 through -3 emphasize the role of OAs in meaningful public access.

STRs are a unique form of OA, with amenities that distinguish STRs from typical hotels and motels. For example, STRs often include a kitchen/kitchenette, common spaces for group gatherings (like yards), and pet-friendly accommodations. These features are less common in hotels/motels. The ability to prepare food onsite saves money otherwise spent on room-service or dining out. Additionally, STR's potential provision of multiple bedrooms allows lodging costs to be shared among more visitors. Other forms of OA may offer multiple beds, but these are typically concentrated in one room less easily shared by a large group. Another feature unique to STRs is their proximity to the beach or bay: most of the City's STRs are clustered along the waterfront, supplementing the range of prices and lodging options available to visitors.

The local record documents the total number of OA units (excluding STRs) as of 2003 and 2020, including hotels, motels, timeshares, bed and breakfast inns, recreational vehicle parks. Estimates of total STR permits were also available for this date range,

¹⁴ City of Newport Beach [Demographics and Statistics](#).

allowing a direct comparison.¹⁵ (The City’s current 1,482 total STR permits in the coastal zone exceeds the number in 2020 and increased by 85%, or 1.8 times, since 2003. However, staff do not have access to current estimates of total OA units and instead used the 2020 STR estimate to allow direct comparison with the 2020 OA estimate.) **Table 1** below illustrates comparable rates of increase between STRs and other forms of OA in Newport Beach. It also shows that STRs comprise roughly 24% of the City’s total stock of OAs.

2003	2020	Magnitude of Increase
2,693 OA units (excluding STRs)	4,557 OA units (excluding STRs)	Increase by 1.7 or 69%
800 STR permits	1,416 STR permits	Increase by 1.8 or 77%

Table 1. Comparison of the increase in OAs and STRs between 2003 and 2020.

As detailed in the [“Description \(Part A—STRs in Mixed-Use\)”](#) subsection above, the current 1,550-permit STR cap was preceded by nearly 30 years of local deliberation and stakeholder engagement. Since 1992, the City has refined STR regulations, conducted community surveys, and even imposed a temporary permit moratorium while evaluating the potential impacts of STRs. Reading three decades of relevant local agendas illustrates a difficult situation for the City: its STR supporters and opponents are both passionate, vocal, and roughly equal in number. The Commission certified the IP’s 1,550-permit STR cap in recognition of the City’s work to balance the potential pros and cons. No change to that overall maximum cap is intended by the City. Instead, the City wishes to divert a small number of allowable STR permits from multi-unit residential to mixed-use zoning districts. The City has described this as a ‘pilot project’ or ‘soft-start’ approach: a minor revision that would be evaluated for potential impacts.

The City has acknowledged that creating separate STR permit caps for residential and mixed-use zones could result in a temporary increase beyond 1,550 total STR permits in the coastal zone. They contend, however, that the temporary increase would not last long per the below expected process:

- The City could immediately begin to issue up to 75 STR permits in mixed-use zones. The number of mixed-use STR permits would gradually increase in a manner slowed by eligibility restrictions and permit processing times. The City Finance Department currently issues roughly 30 to 35 STR permits per year.

¹⁵ Source: Certified LUP Section 2.3.3 for 2003 data and page 16 of LCP Amendment No. [LCP-5-NPB-20-0070-3](#) for 2020 data.

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- The City would immediately stop issuing any new STR permits in residential zones. The number of residential STR permits would gradually reduce from natural attrition and permit violations. Once the total number of permits fell below the proposed 1,475-permit cap, the City would resume processing wait list applications.

The City's assumptions regarding attrition and issuance rates may prove correct, but this does not dispel concerns regarding temporary increases in the previously approved 1,550-permit cap. Upon further discussion with Commission staff, the City agreed to an additional revision ensuring enforcement of the two STR caps in a manner that shall not exceed the cumulative 1,550-permit cap. **Suggested Modification 1** would thus add a new subsection limiting the total number of STR permits in the City's coastal zone to 1,550 permits. The City could begin to issue STR permits in mixed-use zones once there were: 1) less than 1,550 active STR permits in residential zones and 2) less than 75 STR permits in mixed-use zones. Additionally, the City would immediately stop issuing new STR permits in residential zones until the total number fell below the proposed 1,475-permit cap. The absence of any caveats in the third, overall cap means that all legally nonconforming STR permits must be included in the cap. **Suggested Modification 1** also deletes the City's proposed provision to exclude legally nonconforming STRs in mixed-use zones from the new 75-permit cap, as this provision would effectively increase the allowable number of STRs in the coastal zone by 30 legally nonconforming permits (as of this report's publication).

Reconciling three different STR limits may seem like a convoluted process, but it would only be necessary until residential-zone STRs decrease to the newly reduced cap. Once that happens, the City could simply restrict the number of STR permits in mixed-use and residential zoning districts to 75 and 1,475, respectively. These two caps would inherently limit STR permits to a cumulative 1,550-permit maximum in the coastal zone.

The City's proposed revisions required re-alphabetization of each subsection following the proposed new IP subsections. **Suggested Modification 1** would create a new subsection D establishing the cumulative 1,550-cap on STRs in the coastal zone, thus triggering the need for further re-alphabetization. **Suggested Modification 2** thus re-names each subsection following the suggested modification subsection D.

Opponents have urged the Commission to use Part A of the subject LCP amendment request as an opportunity to re-examine Newport Beach's STR industry, including average rates, hosted vs. un-hosted statuses, operator corporatization, and the effects on affordable/workforce housing. However, the standard of review for the subject LCP amendment request is conformance with, and ability to carry out the provisions of, the certified LUP—a set of policies with limited discussion of STR operating protocol or

housing protections. Furthermore, the Commission cannot require an LCP to include housing policies and programs under Coastal Act Section 30500.1.¹⁶

Allowable Land Uses

Part A of the subject amendment request would allow STRs in the MU-CV/15th and MU-W2 zoning districts. The entire MU-CV/15th zoning district is designated MU-H, “Mixed-Use Horizontal” in the certified LUP. Certified LUP Table 2.1.1-1 encourages a horizontally distributed mix of uses in this designation, such as a row of dwelling units sited behind office buildings. Multi-unit housing and visitor-serving commercial uses (in vertical or horizontal distribution) are allowed in the MU-H designation. The entire MU-W2 zoning district is designated MU-W, “Mixed Use Water Related” in the certified LUP. Certified LUP Table 2.1.1-1 and Policy 2.1.4-2 encourage coastal-dependent and coastal-related uses in this designation, such as boat-yards and kayaking tour companies. Residential uses and OAs are also allowed on the upper floors of commercial structures in the MU-W designation. STRs constitute a visitor-serving commercial use provided on a temporary basis from dwelling units. Thus, STRs may be allowed in the subject mixed-use designations without raising inconsistency with the certified LUP’s relevant land use designations.

Furthermore, STRs constitute a priority land use under the certified LUP. LUP Policy 2.3.1-7 specifically prioritizes visitor-serving and recreational uses in the mixed-use zoning districts of the Balboa Peninsula and Balboa Island. This includes the two subject mixed-use zones. Similarly, LUP Policy 2.3.1-3 requires the prioritization of “visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation over other commercial uses” on lands designated for visitor-serving or recreational uses.

Some members of the public have noted the intent for coastal-dependent uses in the MU-W2 zone and questioned whether allowing STRs could displace existing (or disincentivize future) coastal-dependent industries. LUP Policy 2.3.1-3 does prioritize coastal-dependent industry over visitor-serving commercial uses. However, the certified LUP Table 2.1.1-1 would continue to limit STRs and all residential uses to the upper floors of commercial structures; conversion of any ground-floor marine-related use to an STR is prohibited. Furthermore, only 75 STR permits would be allowed in the entire combined MU-W2 and MU-CV/15th zoning districts (including legally nonconforming STRs per **Suggested Modification 1**). These factors render any substantive threat to coastal-dependent uses unlikely.

Public Parking

¹⁶ Coastal Act Section 30500.1 states, in full: “No local coastal program shall be required to include housing policies and programs.”

The City’s proposed IP Section 21.48.115.F.1.d requires a parking management plan for all STRs in mixed-use zones. The plan must confirm that the dwelling unit proposed for STR operation satisfies the certified IP’s off-street parking requirements. If it does not, the parking management plan shall provide evidence that either: i) parking demand will “be less than the required number of spaces”, or ii) parking demand may be satisfied via other means (including on-street parking, municipal parking lots, or alternative transportation) in a manner that will not impact parking availability in nearby residential neighborhoods.¹⁷

This raises a few concerns. First, provision i) above seems to pose an unintentional abstraction. The STR permit applicant should demonstrate that parking demand would be less or equal to the existing number of parking spaces onsite—not the IP’s required number of spaces. For example, a live/work unit requires four parking spaces under certified IP Table 21.40-1. An applicant with no off-street parking could demonstrate that their STR would generate less than four spaces of parking demand and neglect to analyze their actual lack of any parking under the City’s proposed language. The City has confirmed that this was not their intent and the subject requirement would be reasonably interpreted to require site-specific parking analysis. However, this would constitute a subjective interpretation of unclear language.

Second, provision ii) above seems to encourage the use of public parking for private commercial uses, with the explicit intent of protecting parking in residential neighborhoods. Certified LUP Policy 2.9.3-2 requires new development to satisfy its generated parking demand with off-street parking in order to minimize impacts to the public stock of coastal access parking. Certified LUP Policy 2.9.3-9 prohibits the City from approving any “modification or waiver of off-street parking requirements” that would impact public coastal parking. These policies do not allow private commercial development to rely on the City’s public parking stock to satisfy customer demand, even if the development is visitor-serving.

To specify unclear language and protect public parking, **Suggested Modification 3** revises the proposed, new IP Section 21.48.115.F.1.d language. In the event that an STR applicant fails to satisfy minimum parking requirements of the certified IP, **Suggested Modification 3** requires demonstration that either: i) the existing number of off-street parking spaces will satisfy the STR’s anticipated parking demand, or ii) the STR will have access to adequate alternative modes of transportation, like e-bikes and bicycles, bus and trolley routes, and/or private offsite parking lots, to prevent adverse effects to public coastal parking and residential neighborhood parking.

Conclusion

¹⁷ As shown in **Exhibit 2**, the City’s subject revision does not include roman numeral subsections. Staff used this structure to

In summary, Part A of the subject LCP amendment request would offer a small-scale, 75-permit shift in allowable STR locations from multi-unit to mixed-use zoning districts. No change to the total number of STR permits allowed in the coastal zone is proposed; nor are any fundamental changes to STR permitting protocol proposed. **Suggested Modification 1** would prevent any unintended increase in total STRs while residential STR permits naturally decline to meet the newly reduced limit. **Suggested Modification 2** would subsequently re-alphabetize subsections following the newly added subsection.

The certified LUP prioritizes visitor-serving recreational facilities over private development. Visitor-serving uses are especially prioritized on Balboa Peninsula (i.e. the location of the entire MU-CV/15th zoning district and at least half of the MU-W2 zoning district). STRs are thus an allowable and prioritized land use in the subject zones under the certified LUP. Allowing 75 STR permits would offer visitors OAs sited closer to visitor-serving commercial corridors without disturbing the City's existing balance. **Suggested Modification 3** would revise the City's proposed language to further ensure that STR operation will not adversely impact public parking.

Therefore, as modified, Part A of the subject amendment request conforms with, and is adequate to carry out, the provisions of the certified LUP as submitted.

E. ANALYSIS (PART B – 1602 E. COAST HWY)

Table 2.1.1-1 Mixed Use Horizontal—MU-H.

Uses: The MU-H category is intended to provide for the development of areas for a horizontally distributed mix of uses, which may include general or neighborhood commercial, commercial offices, multifamily residential, visitor-serving and marine-related uses, and/or buildings that vertically integrate residential with commercial uses.

Density/Intensity, Mixed-Use Buildings: Floor area to land area ratio of 1.5, where a minimum floor area to land area ratio of 0.25 and maximum 0.5 shall be used for retail uses and maximum of 1.0 for residential.

Density/Intensity, Nonresidential only: Floor area to land area ratio of 0.5. Residential only: 20.1– 26.7 units per net acre.

Density/Intensity, Residential only: 20.1– 26.7 units per net acre.

Parks and Recreation—PR

Uses: The PR category applies to land used or proposed for active public or private recreational use. Permitted uses include parks (both active and passive), golf courses, marina support facilities, aquatic facilities, tennis clubs and courts, private recreation, and similar facilities

Density/Intensity: Not applicable for public uses. Private uses in this category may include incidental buildings, such as maintenance equipment sheds, supply storage, and restrooms, not included in determining intensity limits. For golf courses, these uses may also include support facilities for grounds maintenance employees.

- 2.1.8-1** Allow the horizontal intermixing of short-term rental units and single-family homes with the expanded tennis club facilities *[sic]*. Permitted uses include those permitted by the MU-H and PR categories.
- 2.2.1-1** Continue to allow development and infill development within and adjacent to the existing developed areas in the coastal zone subject to the density and intensity limits and resources protection policies of the Coastal Land Use Plan.
- 2.2.1-2** Require new development be located in areas with adequate public services or in areas that are capable of having public services extended or expanded without significant adverse effects on coastal resources.
- 2.3.1-3** On land designated for visitor-serving and/or recreational uses, give priority to visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation over other commercial uses, except for agriculture and coastal-dependent industry.
- 2.3.1-5** Protect special communities and neighborhoods which, because of their unique characteristics, are popular visitor destination points for recreational uses.
- 2.3.3-4** Encourage visitor-serving and recreational developments that provide public recreational opportunities.
- 4.4.2-2** Continue to regulate the visual and physical mass of structures consistent with the unique character and visual scale of Newport Beach.

- 2.7-1** Continue to maintain appropriate setbacks and density, floor area, and height limits for residential development to protect the character of established neighborhoods and to protect coastal access and coastal resources.

- 2.9.3-1** Site and design new development to avoid use of parking configurations or parking management programs that are difficult to maintain and enforce.

- 2.9.3-2** Continue to require new development to provide off-street parking sufficient to serve the approved use in order to minimize impacts to public on-street and off-street parking available for coastal access.

- 2.9.3-3** Require that all proposed development maintain and enhance public access to the coast by providing adequate parking pursuant to the off-street parking regulations of the Zoning Code in effect as of October 13, 2005.

- 4.4.1-1** Protect and, where feasible, enhance the scenic and visual qualities of the coastal zone, including public views to and along the ocean, bay, and harbor and to coastal bluffs and other scenic coastal areas.

- 4.4.1-2** Design and site new development, including landscaping, so as to minimize impacts to public coastal views.

- 4.4.1-6** Protect public coastal views from the following roadway segments:
...Newport Center Drive.

Development and Community Character

Certified LUP policies 2.2.1-1 and 2.2.1-2 allow infill development in already-developed areas of the coastal zone with adequate public infrastructure in a manner consistent with the density and intensity limits of the certified LUP. Planned communities reflect previous local decisions regarding the density, intensity, and land uses appropriate for each subject community. The City's proposed revisions to Planned Community No. 47 would not significantly increase the density and intensity of allowable uses onsite, but may have an effect on the overall pattern of allowable development.

Regarding land uses, the tennis club portion of Planned Community No. 47 is designated for MU-H, "Mixed Use Horizontal" and PR, "Parks and Recreation" land uses in the certified LUP. Of these two uses, the former is intended to accommodate a range of horizontally-distributed uses and the latter is intended to accommodate public and/or private recreational uses per LUP Table 2.1.1-1. More specifically, the subject table allows the following uses on PR-designated land: "parks (both active and passive), golf courses, marina support facilities, aquatic facilities, tennis clubs and courts, private

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recreation, and similar facilities.” The “horizontal intermixing of short-term rental units and single-family homes with the expanded tennis club” is specifically allowed in Planned Community No. 47 per LUP Policy 2.1.8-1.

Part B of the proposed LCP amendment request allows two new land uses beyond those already listed in the certified IP: attached residential condominium units and pickleball courts. Neither land use would raise inconsistency with the MU-H and PR land uses as defined by LUP Table 2.1.1-1. Nor would Part B of the proposed IP amendment request raise inconsistency with the required “floor area to land area” ratios (FARs) or dwelling unit density limitations of LUP Table 2.1.1-1.

Some members of the public contend that the City’s proposed revisions would decrease private recreational uses onsite in a manner inconsistent with the PR designation of LUP Table 2.1.1-1. Private recreation is not defined in the certified LCP, but it generally means recreational facilities that require membership and are not open to the general public like the subject Country Club. This argument is premised primarily on two rationales: 1) the City’s proposed decrease in the maximum number of tennis courts from seven to four and 2) the City’s proposed increase in the maximum hotel land use onsite from 38,000 cumulative sq. ft. to 61,870 cumulative sq. ft. However, Rationale No. 1 ignores the proposed increase in pickleball courts, which increases the net number of sports courts allowed onsite by seven; and Rationale No. 2 disregards the other MU-H land use designation onsite. The proposed revisions would increase the number of sports courts and hotel footprint in a manner consistent with both the PR and MU-H designations.

Regarding design standards, LUP Policy 2.7-1 requires residential development to provide adequate design measures, such as setbacks and height limits, to protect the “character of established neighborhoods” among other resources. LUP Policy 4.4.2-2 requires regulation of “the visual and physical mass of structures” consistent with the City’s “unique character and visual scale”. LUP Policy 2.3.1-5 requires the protection of special communities and neighborhoods that are popular visitor destinations for recreational uses. (The Country Club is only available to members, but its exterior is visible to the public.) Taken together, these policies are intended to protect the unique character of the City’s coastal neighborhoods. Staff will describe the resource referenced in these policies as ‘community character’ for the sake of brevity.

Part B of the proposed IP amendment request would not revise any design standards for the tennis club beyond the allowable quantity and type of sports courts. Certified IP Section 21.26.055.S.2 does not outline development standards for the tennis club beyond height, square footage, and court quantity limits. The tennis club would remain subject to the maximum 0.5 FAR for non-residential uses in the MU-H land use designation per LUP Table 2.1.1-1.

Part B of the proposed IP amendment request would establish new design standards for the residential component allowed onsite. Certified IP Section 21.26.055.S.3 currently

outlines unique maximum lot coverage percentages for each of the five detached single-family residences allowed onsite, ranging from 70% to 40%. The City's proposed language for the three attached condominium units does not include maximum lot coverage percentages or minimum lot sizes for the condominium units. However, this omission is intentional: the condominium units are allowed solely atop the hotel, instead of locations across disparate lots like the single-family residences allowed in Planned Community No. 47. It is not necessary to regulate how the condominium units spread across disparate lots, considering they would be located solely within the upper floors of a single development. The City's proposed five-foot setbacks between any property line and the condominium units will be adequate to limit the subject mass and scale.

The City's proposed language would allow an effective increase in the mixed-use hotel building's maximum height from 31 ft. to 46-ft. to accommodate the condominium units. A maximum 46-ft. building height would exceed the 32-ft. maximum heights allowed in the two planned communities flanking the south and south-east sides of the Country Club (i.e. the Villa Point Apartments and Corporate Plaza West). It would also exceed the 29-ft. to 37-ft. range of maximum heights allowed in the two zoning districts flanking the north and north-east sides of the Country Club (i.e. OG, "Office General" and RM, "Multiple Unit Residential").

However, the allowable 46-ft. maximum building height would be dwarfed by the maximum 300-ft. heights allowed in the High Rise Height Limit Area flanking the upper north-east side of the Country Club. (The High Rise Height Limit Area is not currently developed with high-rises, but the certified IP would allow such development heights there.) The proposed height limit would also be exceeded by the 65-ft. and 50-ft. maximum heights allowed in the two planned communities flanking the upper north-east and north-west sides of the Country Club (i.e. Santa Barbara Residential and Sea Island Planned Community). The hotel building's location is also relevant in assessing its potential impacts on community character: it is insulated from view behind a line of existing office and commercial development, with enough of a setback from the road to render its visibility unlikely despite its up to 15-ft. projection above the insulating office and commercial development heights. Overall, the City's proposed height limit for the mixed-use hotel and condominium building allowed onsite would not pose adverse effects to community character.

The City's proposed language would nearly double the hotel development's maximum allowable floor area when including all ancillary uses, proposing an increase from 38,000 cumulative sq. ft. to 61,870 cumulative sq. ft. in the maximum allowable floor area. However, the subject site's insulation from public view and expansive area for development means the proposed increase unlikely to have an adverse effect on community character.

Public Views

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Certified LUP policies 4.4.1-1 and 4.4.1-2 require the protection of scenic coastal resources, in part by designing and siting new development to minimize impacting public coastal views. LUP Policy 4.4.1-6 identifies the portion of West Newport Center Drive adjacent to the tennis club as a roadway meriting protection of public coastal views.

When looking across the project site from West Newport Center Drive, one is confronted with expanses of obstructing vegetation. The 'street-view' Google Maps images show a sliver of blue-water views across the project site from the north-bound side of West Newport Center Drive. However, Google takes these photographs with a camera mounted atop a vehicle roof and the resulting images are from an elevated vantage point. Pedestrian photographs provided by the City show all blue-water views blocked by landscaping along Granville Drive (i.e. the road directly east of the tennis club) ([Exhibit 7](#)).

The Commission approved the installation of up to 70-ft. tall oak trees at 1150 Granville Drive via CDP No. 5-06-161, with no required limitation on vegetative heights.¹⁸ These are likely the trees present in the left-most periphery of the [Exhibit 7](#) photos. The City approved installation of the trees lining Granville Road via Use Permit No. UP1243 in 1967, prior to certification of the Coastal Act.¹⁹ The obstructing vegetation is thus permitted or predates the Coastal Act. In the event that there are blue-water views which Commission staff have not identified, **Suggested Modification 4** resolves the issue by adding language prohibiting any obstruction of coastal blue-water views from LUP-designated coastal view roads.

Public Access

Part B of the proposed IP amendment request would revise minimum parking requirements and the maximum overnight accommodation limits for Planned Community No. 47, both of which raise questions of potential impacts to public access.

Regarding overnight accommodations, certified LUP policies 2.3.3-1 through 2.3.3-3 encourage the provision of lower-cost hotels to serve visitors of "all income ranges" and require new development proposing visitor-serving overnight accommodations to either A) incorporate affordable rooms or B) pay an in-lieu fee to facilitate the City's provision of affordable rooms elsewhere in the coastal zone. Consistent with the certified LUP's requirements, certified IP Section 21.48.025 establishes methods of determining average daily rates and corresponding affordability ranges for proposed overnight accommodations. It also echoes the certified LUP's requirements by requiring the City to analyze the feasibility of Option A and B listed above for each CDP application proposing overnight accommodations.

¹⁸ CDP No. [5-06-161](#).

¹⁹ Local Permit No. [UP1243](#).

Part B of the subject IP amendment request would not revise any of the certified LCP requirements for overnight accommodations summarized above. Rather, the City's only proposed revision to the hotel rooms would be increasing the allowable number of rooms within Planned Community No. 47. The proposed revision would enhance the density of visitor-serving overnight accommodations available in the subject area in a manner consistent with the certified LUP's public access policies. Suggested modifications to establish lower-cost rate requirements specific to Planned Community No. 47 are not necessary for consistency with the certified LUP, as certified IP Section 21.48.025 already requires this for all CDP applications proposing overnight accommodations.

Regarding parking, certified LUP policies 2.9.3-1 through 2.9.3-3 require new development to protect public access by providing adequate off-street parking and avoiding the use of parking configurations or management programs that may be "difficult to maintain and enforce." Taken together, these LUP policies emphasize the importance of preserving public parking in the coastal zone for public uses. Without an adequate stock of off-street parking to serve its generated need, new development can adversely impact the public's ability to visit the coast via vehicle. Certified IP Section 21.26.055.S.2 establishes the minimum number of off-street parking spaces necessary to satisfy parking demand generated by Planned Community No. 47.

No change in parking ratio requirements is proposed for the sports courts and residential units allowed in Planned Community No. 47. The certified IP currently requires four spaces per tennis court and three to four parking spaces per residential unit (depending on its maximum allowable lot coverage). The City's proposed revisions would continue to require at least four parking spaces per sports court, regardless of its use for tennis or pickleball. The proposed 18 allowable courts would require at least 72 parking spaces per the City's proposed language. Additionally, the City would require four parking spaces per condominium unit, consistent with the certified IP's requirements per detached single-family residence.

However, the proposed amendment request would reduce parking requirements for hotel rooms in Planned Community No. 47. The certified IP currently requires approximately 1.25 parking spaces per hotel room (i.e. 34 required parking spaces for 27 hotel rooms). The City's proposed revisions would require one parking space per hotel room (i.e. 41 required parking spaces for 41 hotel rooms).

To evaluate whether one parking space per hotel room can adequately satisfy generated demand, it is useful to consider the certified IP's general requirements outside of planned communities. Certified IP Table 21.40-1 states that minimum off-street parking requirements for hotels and accessory uses shall be determined by project-specific analysis in review of individual CDP applications. The subject table requires at least one parking space per motel room and one space per bed and breakfast inn plus an additional two spaces. The difference in parking ratios between motels and bed and breakfast inns is not explained in the certified IP or LUP, but it may

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be attributed to differing trends in use: inns may attract guests who wish to spend recreational time at the inn and arrive in multiple vehicles to do so, such as families or clubs. By comparison, motels may attract more individual travelers who spend less recreational time at the motel facility and meet groups at other locations.

The hotel component allowed in Planned Community No. 47 seems more similar to a bed and breakfast inn than a motel in terms of activities. The Country Club offers a range of recreational facilities, including sports courts, clubhouses, and a swimming pool. However, each of the subject facilities requires its own distinct parking ratio regardless of the likely usage overlap. This suggests that the additional two-space parking requirement for bed and breakfast inns is not strictly necessary to satisfy parking demand for hotel rooms in the subject planned community. Overall, the City's proposed new parking ratio for hotel rooms in Planned Community No. 47 poses an approximate 0.25-space decrease compared to existing certified requirements and will be adequate to satisfy generated parking demand.

Concerns from the Public

As summarized in Part B of the ['Public Participation'](#) report subsection above, members of the public have raised concerns with Part B of the subject IP amendment request and its associated local CDP application during the local and Commission review processes.

One such contention was an alleged lack of legal authorization for the local CDP applicant (Golf Realty LP) to pursue local entitlements for work to the tennis club. Part B of the subject amendment request is a project-specific amendment intended to enable local approval of a CDP application from Golf Realty LP. Since at least 2013, the other co-owners on the subject local CDP application have contended that Golf Realty LP lacks legal authority to obtain local entitlements without their consent. The local record references ongoing litigation between the subject property owners. This matter requires resolution in the local CDP application review process and does not raise potential coastal resource impacts.

Another contention was the City's alleged non-compliance with the Greenlight Initiative. Uncertified Newport Beach City Charter Section 423 requires a majority affirmative vote on a Citywide ballot prior to approving an amendment to the uncertified General Plan if the amendment exceeds certain standards. This matter also requires local resolution, as it pertains solely to uncertified regulations and standards beyond the Commission's purview. The Commission does not have the legal authority to assess compliance with the City's Greenlight Initiative.

Another contention was the alleged incorrect characterization of the site by the City during the RHNA process. A non-profit legal organization argued during the local review process that the City counted up to 23 dwelling units available for development in Planned Community No. 47, despite recognizing that the certified IP only allows development of five residential units in the subject area. The Commission does not have

the legal authority to assess the City's compliance with California Department of Housing and Community Development (HCD) standards for the RHNA process.

Another contention was the potential increase in noise pollution associated with an increase in the allowable number of pickleball courts. Pickleball generally produces a higher frequency of noise compared to tennis, but the courts would be located near a noisy freeway and at least 0.3 miles from the harbor (where a certain noise threshold could conceivably disturb marine wildlife.) The comments related primarily to potential disturbance to private residents in the immediate vicinity, which does not raise potential coastal resource impacts.

Another contention was that additional IP revisions are necessary to resolve confusing language regarding planned communities, citing the following rationale: 1) the certified IP lists two different planned communities as PC-47, both Armstrong Garden and the Country Club; 2) certified IP 21.26.055.S.3 outlines development standards for enumerated "TTM lots" without defining the term or depicting/describing each lot's location; 3) certified IP 21.26.055.S does not reference the associated PC-47 map; and 4) there is not site plan showing specific locations for the allowable land uses.

Regarding Rationale No. 1 and No. 2 of the above contention, Commission staff agree that duplicated planned community titles and undefined terms may cause confusion. However, the City was concerned that the term 'PC-47' may be included on legal entitlement documents for Armstrong Garden and further outreach would be needed before the name could be changed. The City also had difficulty generating a list of every single map and policy that would need to be concurrently updated before the hearing. These corrections are not strictly necessary for consistency with the certified LUP and could be pursued in a future 'IP clean-up' LCP amendment request.

Regarding Rationale Nos. 3 and 4 of the above contention, Commission staff disagree with the necessity of citing the planned community map in the subject IP section and adding a new site plan. None of the planned communities in certified IP 21.26.055.S currently reference the associated PC maps; doing so for a single planned community would create inconsistent formatting. Additionally, not all of the certified IP's planned communities include codified site plans. The Country Club's four primary components (i.e. Golf Club, Tennis Club, The Villas, and The Bungalows) are demarcated by general polygons in the certified IP Map No. PC-47. The map would allow a developer to locate the tennis clubhouse, bungalows, and villas in a broad range of configurations—but all would be confined to the polygon shown on the subject map. The City has declined to propose a more specific IP site plan and none is required under the standard of review for this LCP amendment request.

Conclusion

In summary, the public comments summarized above do not pertain to the Commission's legal standard of review. The City's proposed revisions would increase

the allowable scope of visitor-serving facilities onsite, ensure adequate parking, and avoid any adverse impacts to community character or public views. Therefore, as modified, Part B of the subject amendment request conforms with, and is adequate to carry out, the provisions of the certified LUP as submitted.

F. ANALYSIS (PART C – IP CLEAN-UP)

The certified LUP includes the following relevant policies:

- 2.2.2-1** After certification of the LCP, require a coastal development permit for all development within the coastal zone, subject to exceptions provided for under the Coastal Act as specified in the LCP.
- 2.7-2** Continue the administration of provisions of State law relative to the demolition, conversion and construction of low and moderate-income dwelling units within the coastal zone.

State Housing Law

Part C of the subject amendment request would eliminate certified IP Chapter 21.34, “Conversion or Demolition of Affordable Housing”. IP Section 21.34.010 summarizes the subject chapter’s purpose as: A) implementing Mello Act requirements and B) maintaining low- and moderate-income housing density in the coastal zone. The Mello Act was adopted by California in 1982 to prevent further losses to the state’s much-needed stock of affordable housing. Among other provisions, the Mello Act generally prohibits the displacement of any existing low- or moderate-income dwelling units without one-to-one unit replacement.²⁰

Both the Mello Act and IP Chapter 21.34 state that the one-to-one replacement requirement does not apply to housing conversion or demolition projects located in a City with less than 50 aggregate acres of privately-owned, vacant land available for residential use located within the City’s coastal zone plus within three miles therefrom. The City conducted a land use inventory and estimated 17.36 aggregate acres of land meeting this description. As such, the City concluded that IP Chapter 21.34 was not applicable and could be eliminated to improve the certified IP’s brevity and accuracy.

The alteration of local coastal program language that pertains to affordable housing is a subject of concern and much scrutiny. A public comment in the City’s Planning Commission hearing contended that the City’s proposed deletion of certified IP Chapter 21.34, “Conversion or Demolition of Affordable Housing” is premised on a misreading of the corresponding state law. In the hopes of addressing this contention and also anticipating concerns with this aspect of the City’s proposed amendment, the

²⁰ California Government Code (CGC) [Section 65590\(b\)](#).

Commission provides additional context in how the proposed amendment should be read in context of both the LCP and Mello Act.

While the Commission acknowledges that the preservation of affordable housing is a statewide concern, the City's determination that the Mello Act does not apply in its jurisdiction, at least as of the time of the City's action, and the elimination of IP Chapter 21.34, are outside of the scope of the Commission's review and purview. Coastal Act Section 30011 prohibits the Commission from reviewing a local government's application of the requirements of Government Code Section 65590 (which partially contains the Mello Act) to any development or requiring any local government to provide certification or other evidence of compliance with Section 65590. Further, the Commission cannot require a local coastal program to include housing policies and programs under Coastal Act Section 30500.1.

In any case, the City is required to comply with Mello Act requirements, to the extent that they apply, regardless of whether those requirements are included in an LCP. The question before the Commission is, accordingly, whether the removal of this specific implementation language proposed in the amendment conflicts with the policies of the LUP. The removal of the implementation language that specifically requires conformance of the requirements of the Mello Act does not conflict with existing certified LUP Policy 2.7-2, which merely requires conformance with state housing law relating to the demolition, conversion, and construction of low and moderate-income dwelling units within the coastal zone. As stated above, the City will need to comply with any applicable Mello Act requirements regardless of whether those requirements are in the IP, and the Commission does not have the authority to require compliance with the Mello Act or to include Mello Act housing policies in an LCP in any event. Accordingly, the proposed amendment conforms with the LUP.

Exemption from Permitting Requirements

Part C of the subject amendment request would amend certified IP Section 21.52.035, "Projects Exempt from [CDP] Requirements" to add a new category of exempt development for "[t]entative parcel maps involving the subdivision of airspace within two-unit or multi-unit dwellings for condominium purposes."

General subdivisions typically create multiple, one-dimensional horizontal parcels, while airspace subdivisions vertically divide properties into three-dimensional parcels stacked atop horizontal parcels. Airspace subdivisions generally enable the vertical separation of ownership interests within a single structure or area. For example, an airspace subdivision could allow separate ownership of condominium units on the upper and lower floors of one building. The City's proposed exemption would not change the permitting requirements for proposed condominium development—just the tentative parcel maps establishing airspace subdivisions for said development.

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Although it could be argued that airspace subdivisions primarily affect legal ownership interests and generally pose a low risk of coastal resource impacts, the City's proposed exemption category is not founded in any Coastal Act provision as required by the certified LUP.

Certified LUP Chapter 2.2.2 mandates that the City require a CDP for proposed coastal zone development, unless the development is exempt pursuant to PRC sections 30610, 30005(b), 30608 and 30600(e). None of the cited sections list tentative parcel maps including airspace subdivisions as eligible for exemption from permitting requirements. PRC Section 30610(h) exempts the conversion of existing multi-unit residential development into a time-share project, but specifically notes condominium subdivision as ineligible for exemption under the subject PRC provision. LUP Policy 2.2.2-1 allows exemptions from permitting requirements in the coastal zone "subject to exceptions provided for under the Coastal Act as specified in the LCP."

Establishing a new exemption category independent from the PRC sections listed above poses nonconformance with certified LUP Chapter 2.2.2 and Policy 2.2.2-1. **Suggested Modification 5** thus eliminates the City's proposed addition to IP Section 21.52.035 to avoid inconsistency with the certified LUP.

General Updates

The other revisions proposed in Part C of the subject amendment are minor typographical corrections that do not change the intent of the subject IP provisions. Aside from incorporating abbreviations and updating titles/phrasings, there are two other requested revisions that would alter requirements.

First, the City's proposed revision to certified IP Section 21.44.055.B. would delete language allowing designees of the City police chief to advise on the need for temporary street closures in West Newport during the Independence Day holiday. A community-member, Jim Mosher, correctly noted that, (contrary to Commission staff's initial interpretation), the City still intends to allow designees of the Police Chief to pursue the subject closures pursuant to an uncertified Municipal Code provision, which allows designated persons to act on official's behalf.²¹ While deleting the phrase "or his designees" from the subject IP section may suggest active prohibition of designee action, the City's intent is solely to eliminate unnecessary verbiage. Someone reading the revised code would not assume that the Police Chief themselves must send the advisement—it is rational to assume that other police officers may act on behalf of the Police Chief, just as this staff report is published by Commission staff on behalf of the Executive Director. Ultimately, the revision does not require deletion for clarity or consistency with the certified LUP.

²¹ Uncertified Municipal Code [Section 1.08.050](#).

Second, the City's proposed revisions to IP Section 21.70.020 would correct the definition of "Alcohol sales, off-sale, accessory only (land use)" to eliminate convenience markets from the definition's examples, since the subject section specifically excludes convenience markets from the definition. This revision does not change the intent of the section beyond correcting a typographical discrepancy.

The City conducted their first local hearing on Part C of the subject amendment request on August 3, 2023. Since that date, the Commission has acted on three unrelated LCP amendment requests. Of those actions, Amendment Request Nos. LCP-5-NPB-23-0019-1-Part-B and LCP-5-NPB-22-0056-Part-A revised IP sections included for revision in the City's current LCP amendment request. As such, the public comment is correct and **Suggested Modification 6** is necessary to retain previously amended IP language.

Part B of the subject LCP amendment request would abbreviate the phrase 'California Government Code' in several certified IP sections. However, the subject phrase was deleted from certified IP tables 21.18-4, 21.22-3 and 21.22-4 and Section 21.70.020 under LCP Amendment No. LCP-5-NPB-22-0056-1-Part A (effectively certified by the Commission on November 15, 2024). IP Section 21.48.200 still contains the phrase, but other language in the subject section was revised under LCP Amendment No. LCP-5-NPB-23-0019-1-Part B (effectively certified by the Commission on December 12, 2024). **Suggested Modification 6** corrects the subject sections to reflect current, certified IP language.

Conclusion

The City's proposed addition of a new category of exemption from CDP requirements does not conform with LUP Chapter 2.2.2 and Policy 2.2.2-1. However, this issue would be resolved with **Suggested Modification 5**, and the City's other revisions do not raise inconsistency with the standard of review. **Suggested Modification 6** additionally ensures that updates to the certified IP made since the City's submittal of his LCP amendment request are included.

Thus, Part C of the subject amendment request conforms with, and is adequate to carry out the policies of, the certified LUP, if modified as suggested.

G. CALIFORNIA ENVIRONMENTAL QUALITY ACT

As set forth in Section 21080.9 of the California Public Resources Code, the California Environmental Quality Act (CEQA) exempts local governments from the requirement of preparing an environmental impact report (EIR) in connection with its activities and approvals necessary for the preparation and adoption of an LCP. The Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. (14 CCR § 15251(f).) Nevertheless, the Commission is required when approving an LCP submittal to find that the LCP does conform with the provisions of CEQA. This includes the requirement in CEQA section

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21080.5(d)(2)(A) that the amended LCP will not be approved or adopted as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment.

As outlined in the findings above, Parts A, B, and C, of the proposed IP amendment will be in conformity with, and adequate to carry out, the policies of the certified LUP with the five suggested modifications. The Commission finds that approval of the subject LCP Amendment request will not result in significant adverse environmental impacts under the meaning of CEQA and will be consistent with Section 21080.5(d)(2)(A) of the Public Resources Code. Furthermore, there are no other feasible alternatives or mitigation measures available which would substantially lessen any significant adverse impact which the LCP amendment may have on the environment.

APPENDIX A—SUGGESTED MODIFICATIONS IN TEXT (PART A)

For ease of reading, the suggested modifications outlined for Part A of the subject amendment request have been incorporated into Appendix A. The same suggested modifications are overlain atop the language submitted by the City per City Council Resolution No. 2023-83, resulting in a more fluent format. For the sake of brevity, solely the IP sections with embedded suggested modifications are included below.

Normal Text = Existing, unmodified language

~~Strikethrough Text~~ = City's proposed eliminated language

Underline Text = City's proposed added language

~~**Bold Strikethrough Text**~~ = Commission's proposed eliminated language

Bold Underline Text = Commission's proposed added language

IP Section 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 ~~January 13, 2022~~ the effective date of Ordinance No. 2023-, no new permit shall be issued to anyone on the waiting list, as described in Section 5.95.042(D), 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 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).

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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 (MUCV/ 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(F), 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).

GDE. 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 Federal, State, and local laws, rules, regulations and conditions of approval

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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.

DEF. 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

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- 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(D). 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 ~~(DEF)~~(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.~~

65. 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. (Ord. 2021-28 § 12, 2021)

F.G. 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(DE) 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 **other parking is alternate modes of transportation are** available (e.g., ~~City parking lot located nearby, on-street parking available, bicycles and e-bikes, bus and trolley routes, rideshare services, private offsite parking lots,~~ 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.

APPENDIX B—SUGGESTED MODIFICATIONS IN TEXT (PART B)

For ease of reading, the suggested modifications outlined for Part B of the subject amendment request have been incorporated into Appendix B. The same suggested modifications are overlain atop the language submitted by the City per City Council Resolution No. 2023-71, resulting in a more fluent format. For the sake of brevity, solely the IP sections with embedded suggested modifications are included below.

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IP Section 21.26.055, Planned Community Coastal Zoning District Development Standards.

...S. Newport Beach Country Club (PC-47).

1. Golf Club.

- a. Density/intensity limit: eighteen (18) hole golf course; the maximum allowable gross floor area for a golf clubhouse building shall be fifty-six thousand (56,000) square feet, exclusive of any enclosed golf cart storage areas ramp and washing area. The greenskeeper/maintenance buildings, snack bar, separate golf course restroom facilities, starter shack, and similar ancillary buildings are exempt from this development limit.
- b. Height: fifty (50) feet.
- c. Fencing. Golf course perimeter fencing shall be wrought iron with a maximum permitted height of six feet.
- d. Parking.
 - i. Golf course: eight spaces per hole.
 - ii. Golf Clubhouse.
 - A) Dining, assembly and meeting rooms: one per three seats or one per thirty-five (35) square feet.
 - B) Administrative office: four per one thousand (1,000) square feet.
 - C) Pro shop: four per one thousand (1,000) square feet.

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D) Maintenance facility: two per one thousand (1,000) square feet.

E) Health and fitness facility: four per one thousand (1,000) square feet.

2. Tennis and Pickleball Club.

a. Density/intensity limit: ~~seven~~ four (4) tennis courts and fourteen (14) pickleball courts; and three thousand seven hundred twenty-five (3,725) square foot clubhouse.

b. Height: thirty (30) feet for clubhouse.

c. Parking: ~~twenty-eight (28) spaces~~ seventy-two (72) spaces.

3. Residential.

a. Detached Residential (Villas)

i. Density/intensity limit: ~~five~~ two single-family dwelling units.

ii. Development Standards:

Villa Designation	Villa A (TTM Lot #1)	Villa B (TTM Lot #2)
Lot Size	5,000 square feet minimum	
Lot Coverage (Maximum)	70%	65%
Building Height	39 feet, measured in accordance with the Height and Grade definition of Section 2.0 General Conditions and Regulations	
Building Side Yard Setbacks	3 feet minimum	
Building Front and Rear Yard Setbacks	5 feet minimum	
Enclosed Parking Space for Each Unit	2	2
Open Guest Parking Space for Each Unit	One space - could be located on the private driveway – No overhang to the private street/cul-de-sac is allowed	

b. Attached Residential (Condominiums)

i. Density/intensity limit: three (3) attached residential units.

ii. Setbacks: five (5) feet from any property line.

- iii. Height: forty-six (46) feet (to be located atop of the 2-story hotel buildings) in a manner that does not obstruct blue-water coastal views from LUP-designated coastal view roads.
- iv. Parking: three (3) enclosed spaces and one guest space per dwelling unit.

4. ~~(The Bungalows)~~ Hotel

- a. Density/Intensity Limit: forty-one (41) short-term guest rental units rooms. The maximum total allowable gross floor area for the hotel rooms shall be ~~twenty-eight thousand three hundred (28,300)~~ forty-seven thousand four hundred eighty-four (47,484) square feet with a two thousand two hundred (2,200) square-foot concierge and guest center, four thousand six hundred eighty-six (4,686) square feet of ancillary hotel uses, and a seven thousand five hundred (7,500) square-foot spa facility.
- b. Setbacks: five feet from any property line.
- c. Height: thirty-one (31) feet.
- d. Parking: ~~thirty-four (34) parking spaces.~~ forty-one (41) parking spaces.

APPENDIX C—SUGGESTED MODIFICATIONS IN TEXT (PART C)

For ease of reading, the suggested modifications outlined for Part C of the subject amendment request have been incorporated into Appendix C. The same suggested modifications are overlain atop the language submitted by the City per City Council Resolution No. 2023-76, resulting in a more fluent format. For the sake of brevity, solely the IP sections with embedded suggested modifications are included below. (This appendix also uses ellipses due to the significant length of the relevant sections.)

Normal Text = Existing, unmodified language

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Underline Text = City's proposed added language

~~**Bold Strikethrough Text**~~ = Commission's proposed eliminated language

~~**Bold Underline Text**~~ = Commission's proposed added language

IP Table 21.18-4, Development Standards for Multi-Unit Residential Zoning Districts.

- 1) All development and the subdivision of land shall comply with the requirements of Section 21.30.025 (Coastal Zone Subdivisions).
- 2) On a site of less than five thousand (5,000) square feet that existed prior to March 10, 1976, a two-family dwelling may be constructed; provided, that there shall be not less than one thousand (1,000) square feet of land area for each dwelling unit.

- 3) The total gross floor area contained in all buildings and structures on a development site shall not exceed 1.75 times the buildable area of the site or 1.5 times the buildable area of the site in Corona del Mar; provided, that up to two hundred (200) square feet of floor area per required parking space devoted to enclosed parking shall not be included in calculations of total gross floor area.
- 4) Interior and street side setback areas are not required to be wider than fifteen (15) feet; however, the side setback area on the street side of a corner lot, where the abutting lot has a reversed frontage, shall not be less than the front setback area required on the abutting reversed frontage.
- 5) On the bluff side of Ocean Boulevard, the maximum height shall not exceed the elevation of the top of the curb abutting the lot.
- 6) Portions of legal lots that have a slope greater than two-to-one (2:1) or that are submerged lands or tidelands shall be excluded from the land area of the lot for the purpose of determining the allowable number of units.
- 7) Density bonuses may be granted ~~for the development of housing that is affordable to lower-, low-, and moderate-income households and senior citizens in compliance with Government Cal. Gov. Code Sections 65915 through 65917. Any housing development approved pursuant to Government Cal. Gov. Code Section 65915 shall be consistent, to the maximum extent feasible, and in a manner most protective of coastal resources, with all otherwise applicable Local Coastal Program policies and development standards in compliance with Chapter 21.32 (Density Bonus).~~

IP Table 21.22-3, Development Standards for Vertical and Horizontal Mixed-Use Zoning Districts.

- 1) All development and the subdivision of land shall comply with the requirements of Section 21.30.025 (Coastal Zone Subdivisions).
- 2) The standards for minimum lot area and lot width are intended to regulate sites for development purposes only and are not intended to establish minimum dimensions for the creation of ownership or leasehold (e.g., condominium) purposes.
- 3) For the purpose of determining the allowable number of units, portions of legal lots that are submerged lands or tidelands are included in land area of the lot.
- 4) Portions of legal lots that are submerged lands or tidelands shall be included in the land area of the lot for the purpose of calculating the allowable floor area of structures.
- 5) The minimum density may be modified or waived through the approval of a coastal development permit. The review authority may only waive or modify the minimum

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density upon making the finding that the subject property contains unique site constraints that prevent the project from complying with this standard.

- 6) Density bonuses may be granted ~~for the development of housing that is affordable to lower-, low-, and moderate-income households and senior citizens in compliance with Government Cal. Gov. Code Sections 65915 through 65917. Any housing development approved pursuant to Government Cal. Gov. Code Section 65915 shall be consistent, to the maximum extent feasible, and in a manner most protective of coastal resources, with all otherwise applicable Local Coastal Program policies and development standards in compliance with Chapter 21.32 (Density Bonus).~~

IP Table 21.22-4, Development Standards for Waterfront Mixed-Use Zoning Districts.

- 1) All development and the subdivision of land shall comply with the requirements of Section 21.30.025 (Coastal Zone Subdivisions).
- 2) The standards for minimum lot area and lot width are intended to regulate sites for development purposes only and are not intended to establish minimum dimensions for the creation of ownership or leasehold (e.g., condominium) purposes.
- 3) A minimum of fifty (50) percent of the square footage in a mixed-use development shall be used for nonresidential uses.
- 4) For the purpose of determining the allowable number of units, portions of legal lots that are submerged lands or tidelands shall be included in land area of the site.
- 5) Portions of legal lots that are submerged lands or tidelands shall be included in the net area of the lot for the purpose of calculating the allowable floor area of structures.
- 6) The minimum density may be modified or waived through the approval of a coastal development permit. The review authority may only waive or modify the minimum density upon making the finding that the subject property contains unique site constraints that prevent the project from complying with this standard.
- 7) Density bonuses may be granted ~~for the development of housing that is affordable to lower-, low-, and moderate-income households and senior citizens in compliance with Government Cal. Gov. Code Sections 65915 through 65917. Any housing development approved pursuant to Government Cal. Gov. Code Section 65915 shall be consistent, to the maximum extent feasible, and in a manner most protective of coastal resources, with all otherwise applicable Local Coastal Program policies and development standards in compliance with Chapter 21.32 (Density Bonus).~~

IP Section 21.48.200 Accessory Dwelling Units.

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- A. Purpose. The purpose of this section is to establish the procedures for the creation of accessory dwelling units and junior accessory dwelling units, as defined in Part 7 (Definitions) of this title and in ~~California Government~~ Cal. Gov. Code Sections ~~65852.2 and 65852.22~~ **66310 through 66342**, or any successor statute, in areas designated for residential use, including as part of a planned community development plan or specific plan, and to provide development standards to ensure the orderly development of these units in appropriate areas of the City.
- B. Effects of Conforming. An accessory dwelling unit or junior accessory dwelling unit that conforms to the requirements in this section shall not be:
1. Deemed to be inconsistent with the Coastal Land Use Plan and coastal zoning district designation for the lot on which the accessory dwelling unit or junior accessory dwelling unit is located;
 2. Deemed to exceed the allowable density for the lot on which the accessory dwelling unit or junior accessory dwelling unit is located;
 3. Considered in the application of any ordinance, policy, or program to limit residential growth; or
 4. Required to correct ~~a~~ legally established nonconforming zoning conditions, **building code violations, or unpermitted structures that do not present a threat to public health and safety and are not affected by the construction of the accessory dwelling unit or junior accessory dwelling unit.** This does not prevent the City from enforcing compliance with applicable building standards in accordance with ~~California Cal.~~ Health and Safety. Code Section 17980.12.
- ...~~JK~~. Historic Resources. Accessory dwelling units and/or junior accessory dwelling units proposed on residential or mixed-use properties that are determined to be historic shall be approved ministerially, in conformance with ~~California Government~~ Cal. Gov. Code Sections ~~65852.2 and 65852.22~~ **66310 through 66342**. However, any accessory dwelling unit or junior accessory dwelling unit that is listed on the California Register of Historic Resources shall meet all Secretary of the Interior standards, as applicable.

IP Section 21.52.035.C. Coastal Act Exemptions.

Developments not located within the Coastal Commission's permit jurisdiction determined to be exempt from the coastal development permit requirements pursuant to California Public Resources Code Section 30610. The following types of projects shall be so exempted unless they involve a risk of adverse environmental effects:

...~~8. Tentative Parcel Maps for Condominium Purposes. Tentative parcel maps involving the subdivision of airspace within two-unit or multi-unit dwellings for condominium purposes.~~

City of Newport Beach

LCP Amendment Request No. LCP-5-NPB-24-0004-1

Parts A, B, and C (STRs in Mixed-Use Zones, 1602 E. Coast Hwy., and IP Clean-Up)

IP Section 21.70.020 Definitions of Specialized Terms and Phrases.

“Density bonus” means, ~~as defined by Government Cal. Gov. Code Section 65915 et seq., an increase over the maximum density otherwise allowed by the applicable zoning district that is granted to the owner/developer of a housing project who agrees to construct a prescribed percentage of dwelling units that are affordable to very low- and low-income households. See “Very low-income household” and “Low-income household.”~~ a density increase over the maximum allowable density under the applicable coastal zoning district and Coastal Land Use Plan as of the date of application.