# PRESENTERS

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WHAT WILL WE COVER

- OPERATOR REQUIREMENTS
- WHAT’S NEW
- RESOURCES
- AGENT RESPONSIBILITIES
- TRANSIENT OCCUPANCY TAX
- CODE ENFORCEMENT VIOLATIONS
- NOISE DISTURBANCE - DACS & LUGOS
- NEXT STEPS
- Q & A SESSION
LICENSING & PERMITTING
STLP CYCLE

Business License Tax Certificate
Annual Renewal

(TOT) Uniform Transient Occupancy Tax
Agents: Billed/Remit Quarterly
Owners: Billed Annually Due every October 31st

Short Term Lodging Permit
Annual Renewal Due every October 31st

Permit will be closed if there is no activity for 2 consecutive years. Owner may re-apply & reinstate (NBMC 5.95.080(B)
WHAT’S NEW

SHORT TERM LODGING PERMIT APPLICATION & RENEWAL

<table>
<thead>
<tr>
<th>Number of bedrooms</th>
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<tbody>
<tr>
<td>Gross Floor Area (Floor Area ÷ 200) = Max Occupancy</td>
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<tr>
<td>1400 sq ft home = 7 occupants</td>
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<tr>
<td>Number Of Onsite Parking Spaces</td>
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<tr>
<td>Provide A Nuisance Plan</td>
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<tr>
<td>Certify Review &amp; Confirmation of HOA</td>
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<tr>
<td>Certify Review of all NBMC Regulations &amp; Conditions</td>
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<td>Annual Short Term Lodging Renewal Fee</td>
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# WHAT’S NEW

## CONDITIONS

<table>
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<tr>
<td>Age 21+</td>
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<tr>
<td>Violations include local, state &amp; federal</td>
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<tr>
<td>Provide copies of NBMC</td>
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<tr>
<td>Provide copies of Good Neighbor Policy</td>
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<tr>
<td>Local Contact= 24 hrs/day; 25 miles; 30 minutes response</td>
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<tr>
<td>Interior Posting (parking, street sweeping, trash collection, notice of no audible sounds from 10:00 p.m.-10:00 a.m, notification re: violations)</td>
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<tr>
<td>Ensure onsite parking spaces are available for the guest</td>
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<tr>
<td>Include on all advertisements (a) City permit # (b) total TOT charged</td>
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<td>Residential use Only</td>
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<td>Property Inspection Allowed with 7 days Notice</td>
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RESOURCES

- Good Neighbor Policy
- Interior Posting
- Municipal Code Violations
- 24/7 Local Contact Update-Link
- What’s New

TRANSIENT OCCUPANCY TAX
Agents Responsibilities

- Representing a new client?
  - Verify the zoning. Is property located in an R-1 Zone?
  - Has the property been previously permitted?
  - Verify that owners Business License is valid.
  - Verify owner has a valid Short Term Lodging Permit.
  - Notify the City - Revenue Division
  - Inform your clients of the annual requirements.
    - Business Tax, Permit, Reporting the TOT form
Uniform Transient Occupancy Tax

NBMC Section 3.16

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of ten percent (10%) of the rent charged by the operator.

Short Term Lodging Increases City’s Need For Services

- TOT provides City funds for services (Fire, Police, Lifeguards, Libraries, Parks, Code Enforcement, more).

\[(TOT) \text{ Transient Tax} \quad 9\%\]
\[+ \text{Visitor Service Fee}^* \quad 1\%\]

\[\text{Total TOT Tax} \quad 10\%\]

*Newport Beach Conference & Visitor Bureau
Provides information about the amenities of Newport Beach.
Rent

- Newport Beach Municipal Code §3.16.020 defines ‘Rent’
- Rent includes base Rent charge plus any applicable fees
- What is taxable vs What is not taxable
  - Separate Charges include but not limited to:
    - Cleaning fees, rental of furniture (rollaway beds, cribs, etc.), linens, towels, smoking upgrade fees, pet upgrade fees, resort fees.
  - Advanced/forfeited deposit, cancellation/no show fees, early or late check out/departure fees.
- Non taxable fees include:
  - Damage fees, credit card processing fees, internet charge (if room can be occupied with charge) pet or smoke clean up fees (if room did not request upgrade prior to stay)
Open upon receipt to ensure all reporting forms are included

The owner and/or agent shall collect, report and remit tax timely & accurately.

Note any changes on the form (mailing address).

Complete each line item on the form

If exemptions are claimed, attached exemption form

Late payments will be assessed penalties and interest

Non-compliance can result in citation under NBMC §5.95.060(A)(4)
Records, Audit Rights & Type of Records

- Under Newport Beach Municipal Code §3.16.070 (B)
  - Each return is subject to audit

- Under Newport Beach Municipal Code §3.16.110
  - It is the duty of every operator to keep four years of records

- Records shall include:
  - Daily summaries of room occupancies, records of each occupancy, rental agreements/reservations, support for claimed exemptions

- Records may also include:
  - Accounting records, worksheets for preparing UTOT returns, invoices, receipts, tax returns
MUNICIPAL CODE VIOLATIONS
What We Do

- Muni Code Enforcement
  - Trash Accumulation and Storage
  - Garage Accessibility
  - R1 Zoning Violations
  - Respond to Public Complaints related to ShortTerm Lodging Units

- Water Quality Enforcement
  - Runoff from hoses or spouts
  - Water Conservation
Code Enforcement Issues

WASTE & REFUSE ABATEMENT PROGRAM (WRAP)

City of Newport Beach
Waste & Refuse Abatement Program

Each year in Newport Beach the amount of trash set out for curbside collection significantly increases during the summer months. Please help keep the city clean and free of loose trash, odors and flies by remembering to follow these simple steps:

- Store trash containers in a garage, trash enclosure, or side yard.
- Make sure garbage bags are durable and securely tied.
- Ensure that trash containers have lids on them at all times.
- Place trash containers out for collection no earlier than 7 p.m. on the day preceding pick up.
- Put trash containers away as soon as possible, but no later than 7 p.m. on collection day.

For more information on refuse collection requirements, visit: www.newportbeachca.gov
Help keep the city clean by reporting spilled or overflowing trash: www5.newportbeachca.gov/quest/
Code Enforcement (cont’d)

Cans must be stored in garage or along side yard *(NBMC 6.04.120)*

Garages and Carports must be accessible for parking
Code Enforcement (cont’d)

Investigate complaints about properties in R1 Zones
   ▶ Illegal Rental Units
   ▶ Boarding Houses

Follow up on resident complaints
   ▶ Overflowing Trash
   ▶ Cans still out in Alley
   ▶ Loud parties where PD was contacted
   ▶ Required Parking not available
Water Quality

**Prohibited discharge** is a discharge containing any pollutant, from public or private property to the storm drain system or into any coastal harbor, bay, or the Pacific Ocean

NBMC 14.36.030 No person shall, cause, allow or facilitate any prohibited discharge
What can you do?

- **Train your employees!**
  - Cleaning crews and property owners will be held accountable for discharges
  - Pour cleaning agents into toilet, sink or bath tub

- Be careful! Drains in yards empty into the street and flow to the bay and ocean
Enforcement

$1000
$2000
$3000
Citation Process

Step 1: Complaint Initiated

Complaint Initiated

Unfounded

Citation

CITE/SUSPENSION

Compliance

CITE/REVOCATION

Compliance

Step 2: $1,000 Citation

Step 3: $2,000 Citation and 6 month suspension

Step 4: $3,000 Citation

Step 5: Referred to Office of the City Attorney to pursue further enforcement action

Referred to City Attorney’s Office
NOISE DISTURBANCES
DACS & LUGOS
Disturbance Advisement Card

- NBMC §10.58.030 - Police Services at Large Parties.
- Notice of Disturbance.
- If officers are required to return to restore order and keep the peace, at anytime within a twelve-month period, Civil or Criminal Action may be taken.
- Host/parent/guardian is liable for $250.00 fine or higher.
Elements of Loud and Unruly Gathering Ordinance

- Loud or Unruly Gathering;
- Consists of eight or more persons;
- On any private residential property for a social occasion or other activity;
- Which loud and unruly conduct occurs and results in a nuisance; or
- A threat to the public health and safety, general welfare, or quiet enjoyment of residential and nearby properties.
Loud or Unruly Gathering

- Excessive Noise or Traffic
- Obstruction of public streets by crowds or vehicles;
- Obstruction of right of way by people or vehicles;
- Public drunkenness;
- The service of alcohol to Minors;
- Possession or consumption of alcohol by Minors;
- Assaults, batteries, fights, disturbance of the peace;
- Vandalism;
- Litter;
- Urinating or defecating in public.
Responsible Persons

1. Any person(s) who is present at and rents, leases or otherwise is in charge of the residential unit where a loud or unruly gathering occurs; or

2. Any person(s), including any business, company or entity, who organizes or sponsors a loud or unruly gathering; or

3. Any person(s) who attends a loud or unruly gathering and engages in loud or unruly conduct.

*If the responsible person is a juvenile, then the parent(s) or guardian(s) of that juvenile shall also be considered a responsible person.*
Enforcement

- Officer responds to the private residence;
- Observers the Loud or Unruly Gathering violation;
- Detains Responsible Person(s);
- Issues Administrative Citation resulting in civil fines;
- First violation fine is in the amount of $500;
- Subsequent Loud or Unruly Gatherings within 90 days results in increased fine amounts;
- Fines are civil / administrative in nature;
- Only criminal penalty is if person removes, alters, tampers with, or defaces a posted notice without City permission.
Appeals Process

- A responsible person who is cited or the owner of the property that has been posted a notice under the proposed Ordinance may appeal the citation or posting.
- Appeal must be filed in writing within 30 days.
- Hearing before an Administrative Hearing Officer similar to how City’s current administrative citations are handled.
- Chief of Police may grant appeal to property owner for removal of the LUGO Tag.
NEXT STEPS (for City)

► Resource Documents
  ○ Available on the website by 8/13/2020

► 24/7 Hotline
  ○ ETA implemented and available by 8/31/2020

► Outreach to owners
  ○ Update 24/7 Local Contact

► Short Term Lodging Fee Study
  ○ Permit (Annual & Renewal) Fee Update

► Property Compliance Audits
  ○ Valid license & permit
  ○ Outstanding TOT due

► City Council August 25, 2020-Phase 2
NEXT STEPS (for permit holders)

- Provide 24/7 local contact to Revenue Division through Owner Resources tile (NBMC §5.95.045)

- With permit renewal (due October 31) (NBMC §5.95.030):
  - Number of bedrooms
  - Gross floor area
  - Number of parking spaces available onsite
  - Nuisance response plan
QUESTIONS?
WHAT IF I HAVE MORE QUESTIONS

- **Licensing, Permitting, Zoning Qualification:**
  - Contact Revenue Division at 949-718-1997 or email lodging@newportbeachca.gov

- **Transient Occupancy**
  - Contact Revenue Division Antonio Velasco 949-644-3143

- **Code Enforcement Municipal Code Violations**
  - Contact Community Development, Code Enforcement 949-644-3215

- **Illegal Rentals**
  - Contact Community Development, Code Enforcement 949-644-3215

- **Issuance of DAC’s & LUGOS**
  - Contact Newport Beach Police Department