

**CALIFORNIA COASTAL COMMISSION**

South Coast Area Office  
301 East Ocean Blvd., Suite 300  
Long Beach, CA 90802  
(562) 590-5071



**Th17a**

**5-18-0642 Julian Leonard Sunset Beach LLC**

**Sunset Beach Hotel & Retail**

**August 8, 2019**

**EXHIBITS**

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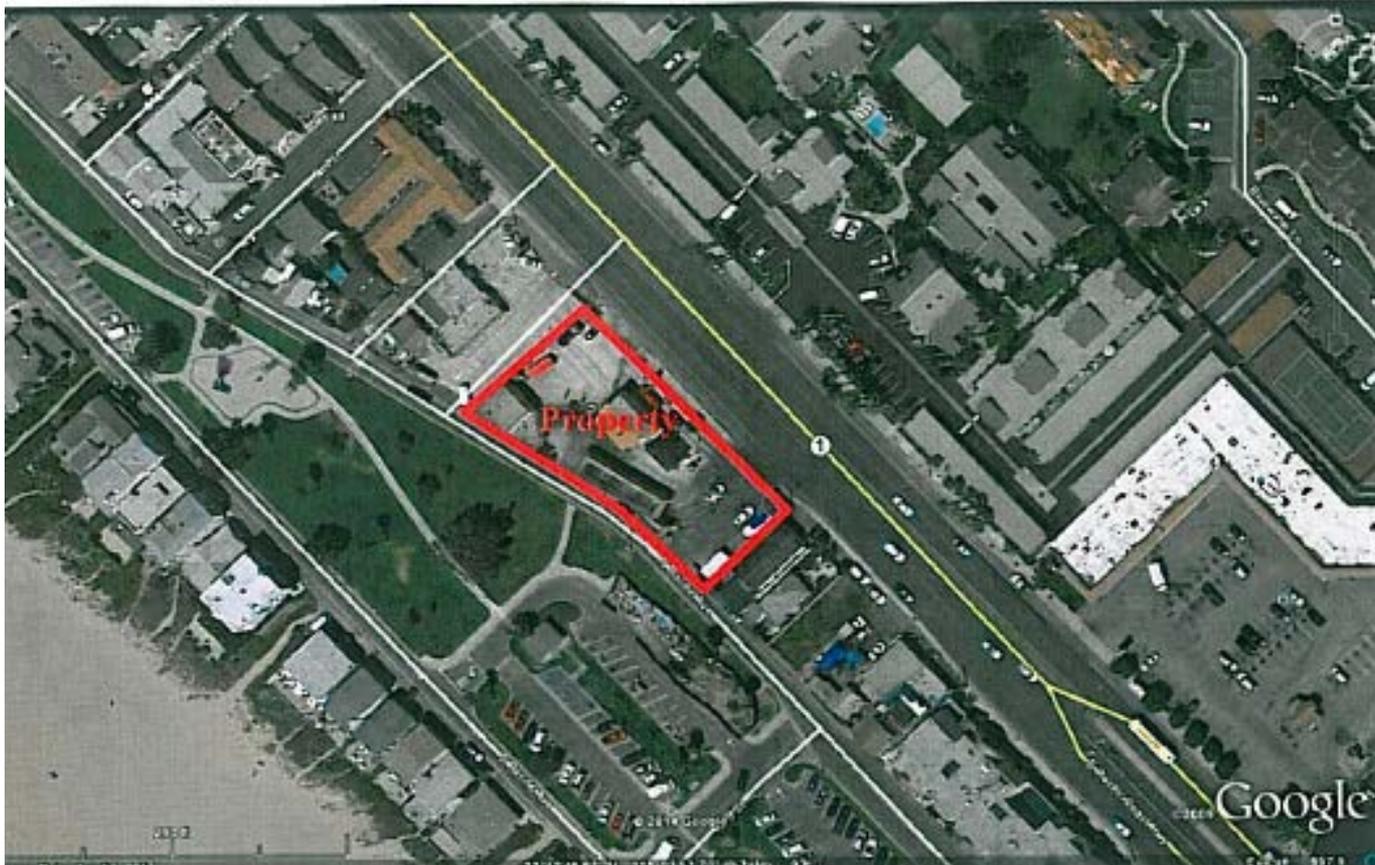
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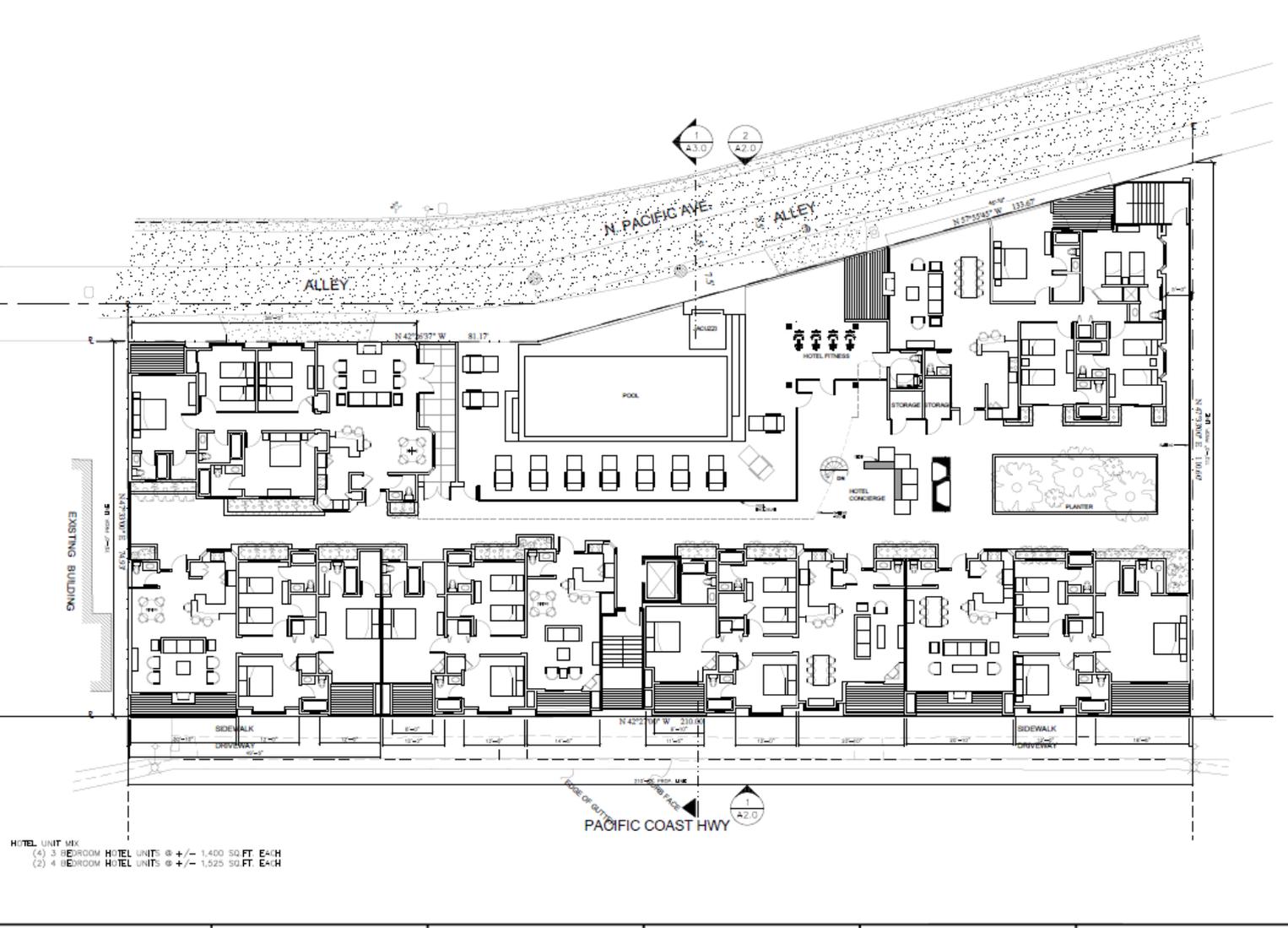


**5-18-0642 Sunset Beach Hotel  
Leonard Julian Sunset Beach, LLC  
Vicinity Map  
Exhibit 1.1**



**5-18-0642 Sunset Beach Hotel  
Leonard Julian Sunset Beach, LLC  
Vicinity Map  
Exhibit 1.2**





HOTEL UNIT MIX  
 (4) 3 BEDROOM HOTEL UNITS @ +/- 1,400 SQ.FT. E<sup>4</sup>H  
 (2) 4 BEDROOM HOTEL UNITS @ +/- 1,525 SQ.FT. E<sup>4</sup>H

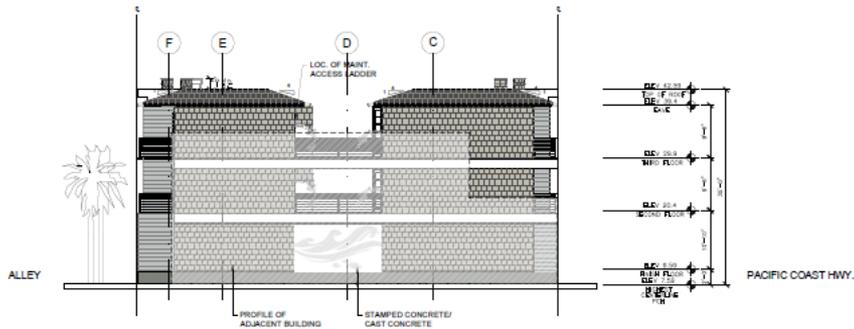
FINISH

1. FLOOR	SEE PLAN
2. WALL	SEE PLAN
3. CEILING	SEE PLAN
4. DOOR	SEE PLAN
5. WINDOW	SEE PLAN
6. STAIR	SEE PLAN
7. ELEVATOR	SEE PLAN
8. MECHANICAL	SEE PLAN
9. ELECTRICAL	SEE PLAN
10. PLUMBING	SEE PLAN
11. ROOF	SEE PLAN
12. EXTERIOR	SEE PLAN

KEY  
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 2. 1/4" = 1'-0"  
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 4. 1/16" = 1'-0"  
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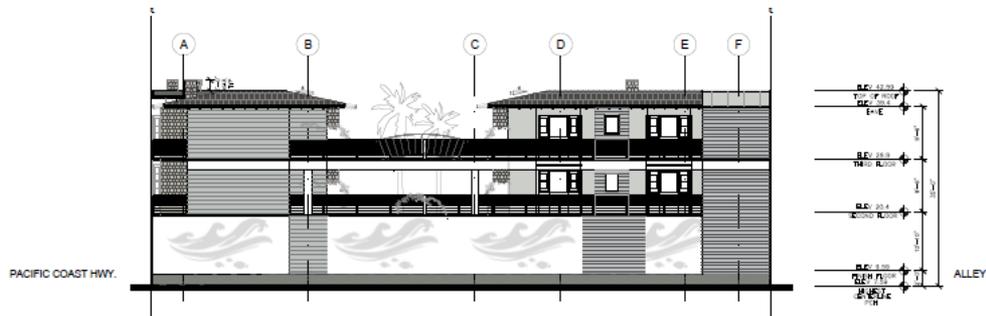






WEST ELEVATION

Scale: 1/8"=1'-0"



EAST ELEVATION

Scale: 1/8"=1'-0"

NO.	DESCRIPTION	DATE
1	ISSUE FOR PERMITS	02/22/2019
2	ISSUE FOR PERMITS	02/22/2019
3	ISSUE FOR PERMITS	02/22/2019
4	ISSUE FOR PERMITS	02/22/2019
5	ISSUE FOR PERMITS	02/22/2019
6	ISSUE FOR PERMITS	02/22/2019
7	ISSUE FOR PERMITS	02/22/2019
8	ISSUE FOR PERMITS	02/22/2019
9	ISSUE FOR PERMITS	02/22/2019
10	ISSUE FOR PERMITS	02/22/2019

DATE: 02/22/2019  
 DRAWN BY: JLM  
 CHECKED BY: JLM  
 PROJECT: LEONARD JULIAN  
 SUNSET BEACH, LLC  
 17145 PACIFIC COAST HWY  
 SUNSET BEACH, CA

PROJECT: LEONARD JULIAN  
 SUNSET BEACH, LLC  
 17145 PACIFIC COAST HWY  
 SUNSET BEACH, CA

PROJECT: LEONARD JULIAN  
 SUNSET BEACH, LLC  
 17145 PACIFIC COAST HWY  
 SUNSET BEACH, CA

DATE: 02/22/2019  
 DRAWN BY: JLM  
 CHECKED BY: JLM

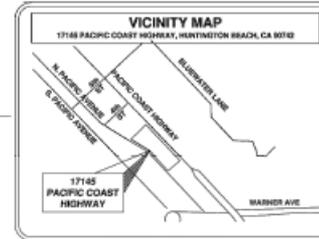
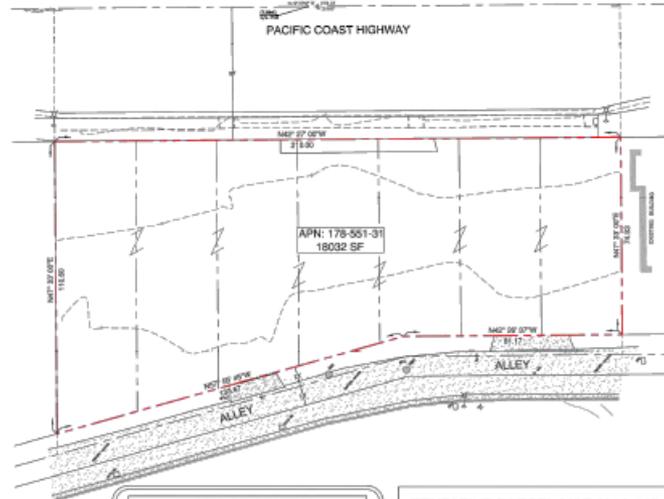
**A2.1**

**5-18-0642 Sunset Beach Hotel  
 Leonard Julian Sunset Beach, LLC  
 Project Plans –Elevations  
 Exhibit 2.5**



**5-18-0642 Sunset Beach Hotel  
Leonard Julian Sunset Beach, LLC  
Project Plans – Site Survey  
Exhibit 2.6**

**TENTATIVE PARCEL MAP 2016-142**  
 CITY OF HUNTINGTON BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA  
 FOR LOT CONSOLIDATION PURPOSES



**LEGEND AND SYMBOLS ABBREVIATIONS**

--- ADJACENT LOT LINES  
 --- LOT LINE  
 --- CHANGELINE  
 --- EASEMENT  
 --- BUILDING FOOTPRINT

**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF HUNTINGTON BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCELS IN:  
 LOT 27, IN AL. 44, AS LAY OUT IN BLOCK 184, SUNSET BEACH TRACT, IN THE COUNTY OF ORANGE, COUNTY OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 1, PAGE 29 AND 30 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.  
 APN: 178-551-31

<b>OWNER:</b>	<b>ENGINEER:</b>
LEONARD JULIAN, LLC 1048 N. CURSON AVE. WEST HOLLYWOOD, CA 90240	JOE ENGINEERING 2800 TULLSA STREET CHATTSWORTH, CA 91311 PHONE: (909) 254-0204
<b>ARCHITECT:</b>	
TRE HERMAN GROUP 4151 HERMAN 294 WEST WOOD BLVD., SUITE 206 LOS ANGELES, CA 90024	

**BASIS OF BEARING**

THE BEARINGS SHOWN HEREON ARE BASED ON THE BEARING INSTRUMENT OF A CORNER IN THE STREET CONTROL OF PACIFIC COAST HIGHWAY AS SHOWN ON THE MAP OF RECORD OF SURVEY 51-154, BOOK 11, PAGE 48.

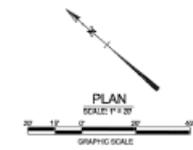
**BENCHMARK**

DESCRIPTION: TYPICAL  
 MATERIAL: BRASS  
 DATE: 05/12/2015

THIS IS A NATIONAL GEODETIC SURVEY BENCHMARK (BENCH MARK) SET IN THE TOP OF CONCRETE FOOTING FOR A TRAFFIC SIGNAL POLE NEARBY TO BE LOCATED IN THE SUBSEQUENTLY CORNER OF THE INTERSECTION OF PACIFIC COAST HIGHWAY AND WARNER AVENUE. THIS BENCHMARK IS SET LEVEL WITH THE SURFACE.

**TENTATIVE PARCEL MAP 2016-142**  
 CITY OF HUNTINGTON BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, FOR LOT CONSOLIDATION PURPOSES

- SEE ADDRESS: 17148 PACIFIC COAST HWY, HUNTINGTON BEACH, CA 92618
- PREPARED BY: JOE ENGINEERING, 5/12/2015
- LOT SIZE: GROSS NUMBER OF LOTS: 7, GROSS GROSS SQ. FEET: 16,032 SF, PROPOSED NUMBER OF LOTS: 1, GROSS PROPOSED SQ. FEET: 16,032 SF
- STREETS ARE SHOWN AS: ALLEY
- NO WALK COURSE OR SHALE EXIST HERE
- ADJACENT STREET AND ALLEY ARE CORNERED.



PREPARED UNDER THE DIRECTION OF:

  
**JOE ENGINEERING**  
 CIVIL ENGINEERING  
 2800 TULLSA STREET, CHATTSWORTH, CA 91311  
 TEL: (909) 254-0204 JOE@JOENGINEERING.COM

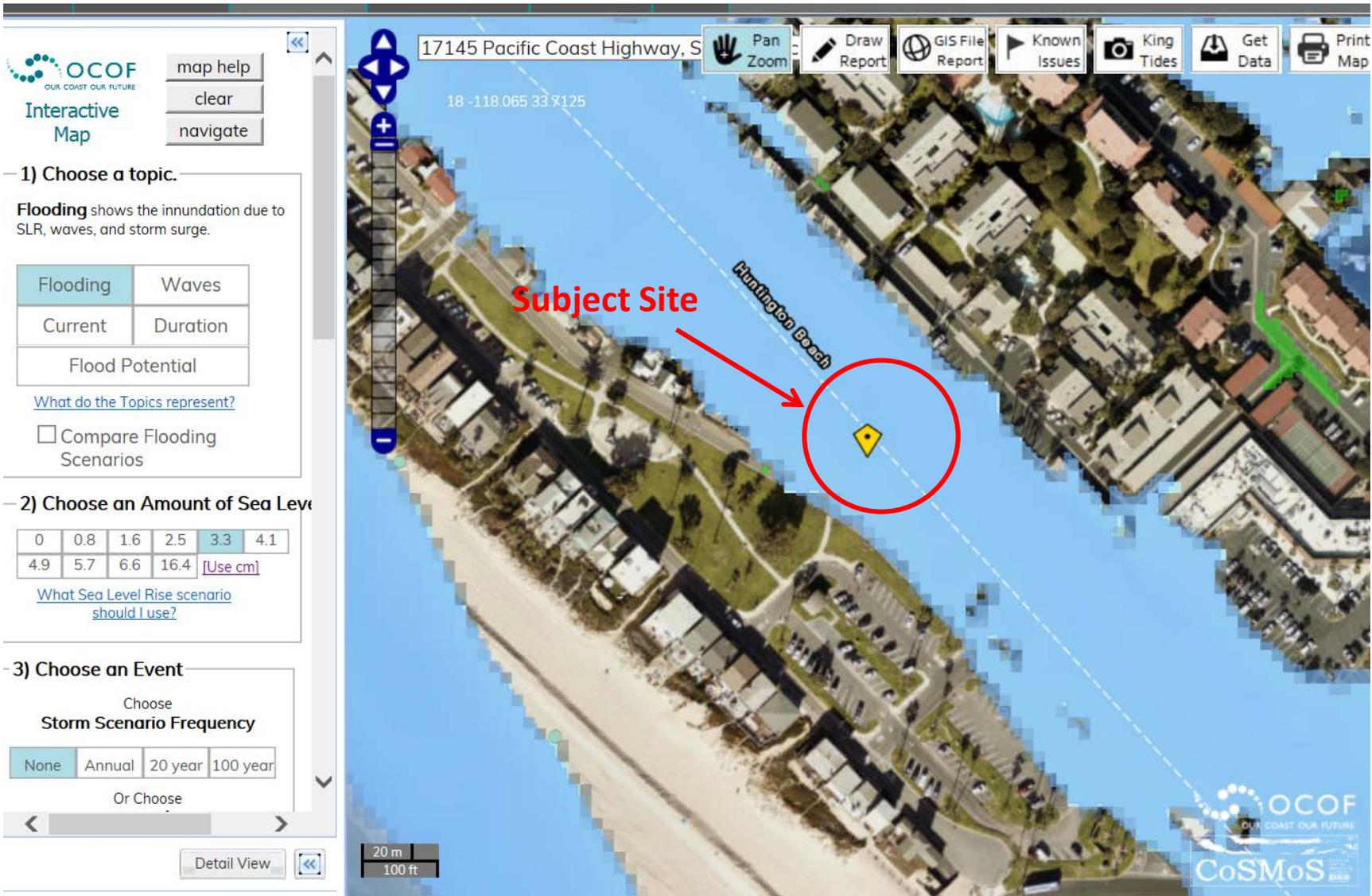
PREPARED EXCLUSIVELY FOR:  
**LEONARD JULIAN, LLC**  
 1048 N. CURSON AVE.  
 WEST HOLLYWOOD, CA 90240

NO.	REVISIONS	ENG.	DATE	DATE

SHEET TITLE:  
**TENTATIVE PARCEL MAP**  
 17148 PACIFIC COAST HIGHWAY

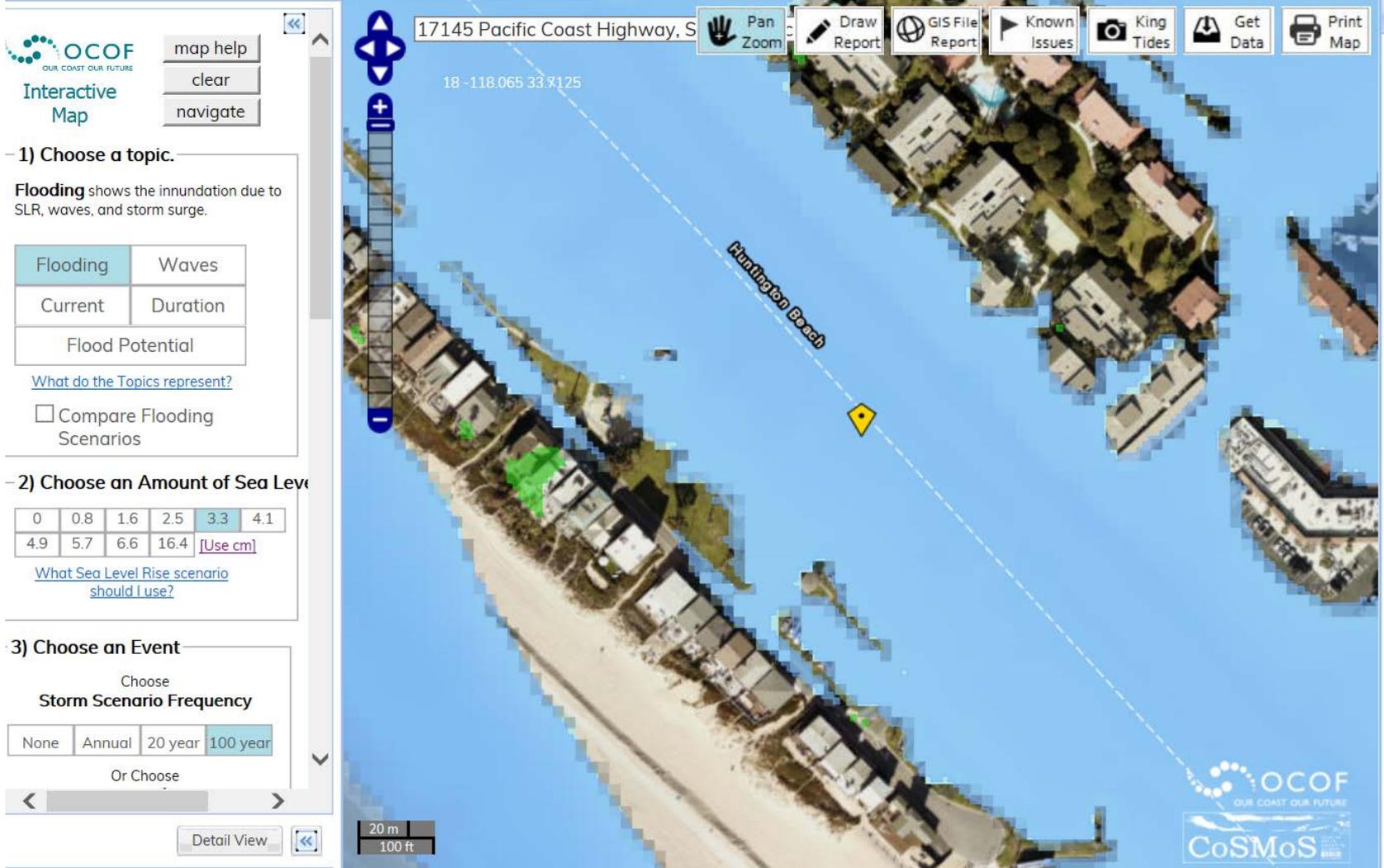
JOB NO.:  
**16012**  
 SHEET NO.:  
**1 OF 1**

**5-18-0642 Sunset Beach Hotel**  
**Leonard Julian Sunset Beach, LLC**  
**Tentative Parcel Map**  
**Exhibit 2.7**



Subject Site with 3.3 feet of SLR  
And No Storm

5-18-0642 Sunset Beach Hotel  
CoSMoS Hazard Map  
Exhibit 3.1



Subject Site with 3.3 feet of SLR  
And 100 Year Storm

5-18-0642 Sunset Beach Hotel  
CoSMoS Hazard Map  
Exhibit 3.2

**OVERNIGHT ACCOMMODATIONS ANALYSIS**  
**5-18-0642 (SUNSET BEACH HOTEL PROJECT)**  
**17145 PACIFIC COAST HIGHWAY**  
**FEB. 28, 2019**

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CCC Staff requested information regarding the proposed room rates of the new facility and the current lower cost hotel rates in the project area. The following analysis provides extensive market data and a product type comparison for the new hotel. As explained below, the proposed hotel offers large, multi-bedroom units more similar to short-term rental units than traditional hotel rooms. Therefore, we have included an analysis of short-term rental rates in the surrounding community as a more appropriate comparison for determining lower cost overnight accommodations for the surrounding community.

**PROPOSAL**

The applicant is proposing to construct a new twelve-unit hotel consisting of:

- Eight 3-bedroom hotel suites
- Four 4-bedroom hotel suites

**AMENITIES**

The project amenities include:

- large units
- full kitchens
- private bathrooms for each room
- full laundry facilities in each unit
- swimming pool & spa
- fitness center
- free parking

**RATES**

The proposed nightly room rates of the new hotel facility will be as follows:

	Peak Season	Off Season
4 bedroom units (4) - 1,525 sq.ft. - sleeps 8 people	\$500.00	\$300.00
3 bedroom units (8) - 1,400 sq.ft. - sleeps 6 people	\$400.00	\$200.00
ADR (per unit type)	\$433.33	\$233.33

**ADR (overall) \$283.33**

### **MARKET COMPARISON**

The nightly room rates for the proposed hotel were compared with rates charged for hotels within the coastal communities of Huntington Beach, Sunset Beach and Seal Beach, as shown on the attached market study prepared by Pacific Edge Development dated February 19, 2019. The average nightly rate was determined to be \$269 for the peak season and \$184 for the off season. Using this data, the annual ADR for these hotels can be estimated to be \$205.25. The market study includes rate information obtained through Internet sources such as online motel/hotel directories, personal site visits, and phone calls. The effort was focused on all hotels and motels located along Pacific Coast Highway and the surrounding area, not only those considered to be lower cost.

In addition to the market study, an inventory of economy hotels/motels was purchased from STR to specifically analyze lower cost accommodations. Please see attached STR Trend Report dated February 21, 2019 showing all current lower cost rates for hotels/motels in the project area. The STR report includes all "economy class" facilities within a 10-mile radius of Sunset Beach. This included 48 properties, many of them located well inland of the coastal zone in cities such as Stanton and Westminster. The resulting ADR for 2018 in this market category was determined to be \$107.12. However, this trend report is considered overly broad and a more accurate data set would only include hotels/motels located in closer proximity to the coast.

The rates for coastal properties are typically higher than properties located miles inland. A more accurate way to establish the rates of lower cost accommodations in the "subject community/market" is to calculate the average rate of comparable "economy" hotels in the immediate subject area that fall *below* the statewide average rate (\$170 in 2017)<sup>1</sup>. This methodology has been applied in previous CCC analyses and we believe it is appropriate in this instance. We have taken the relevant subset of hotels from the market report prepared by Pacific Edge Development to establish the average annual ADR for the subject community. As shown in the following list, the average "economy" room rate in the subject area was determined to be \$140.54.

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<sup>1</sup> 2018 statewide ADR information unavailable

## **SUNSET BEACH AREA**

### **ECONOMY HOTELS (ADR BELOW STATEWIDE AVERAGE)**

OCEAN SURF & INN:	\$121.25
TRAVEL LODGE OCEAN FRONT:	\$139.50
HAMPTON INN:	\$151.00
COMFORT SUITES:	\$145.00
SUN & SAND INN:	\$163.50
SURF CITY INN:	\$123.00
<b>Avg Annual ADR</b>	<b>\$140.54</b>

## **VALUE**

While the nightly rate for the proposed hotel (\$283.33) is higher than the average "economy" room rate in the subject area (\$140.54), the per person value should also be considered when determining affordability. The applicant is in fact offering a lower cost facility through the provision of amenities and spacious suites that result in an increased per person value. We believe mitigation for the lost potential of new lower cost accommodations is unnecessary in this case because the applicant is offering a new family-style hotel with extensive cost-saving amenities. Although the per night rates may be considered in the "higher" range when compared to the statewide average, the following factors make the project much more affordable, particularly for larger groups:

- Reduced price per person through high capacity units
- Provision of cost-saving amenities to guests
- Overall value provided

### Price Per Person

The proposed project offers a range of room types/sizes at varying price points. All units are notably spacious compared to traditional hotel rooms. The smallest unit is 1,400 square feet and can accommodate up to 6 people. The largest unit is 1,525 square feet and can accommodate up to 8 people. Depending on how many guests stay in each room, the price per person could be as low as \$62.50 in the peak summer season. This offers an excellent value to large families and groups who would otherwise have to purchase multiple rooms to accommodate all the guests in their party.

### Low Cost Amenities Package

The project provides many amenities to hotel guests that will result in extensive cost savings, including full kitchens, laundry facilities, free Wi-Fi

and two free parking spaces per unit. Kitchens are particularly attractive to families traveling on a budget. Eating in the room for even one meal per day can save a family of four a minimum of \$20/day. The cost savings that can be attributed to these amenities are extensive.

### **PRODUCT TYPE COMPARISON**

As described above, the product type of the proposed hotel is much different than that of a typical hotel room because it includes multiple bedrooms, kitchens and spacious living areas. To objectively compare the proposed rates for this project to those charged for similar overnight accommodations, the market study analyzed rates charged for short-term rental units in the surrounding area. The online search focused on vacation rentals with 2-3 bedrooms located around Sunset Beach, Huntington Beach and Seal Beach as offered through VRBO and AirBNB. This is the most accurate comparison of product types offering larger, family-style accommodations with multiple bedrooms and kitchen facilities. The average nightly rate for a 3-bedroom unit was \$519 in the peak season and \$428 in the off season, for an ADR of \$450.75. This figure is much higher than the \$283.33 ADR proposed for the 12-unit hotel. As such, the hotel facility offers an affordable alternative to short term rentals.

Another way to determine the affordability of the proposed hotel units is to divide the total cost of each unit by the number of bedrooms provided. During the peak season, the nightly rate for a 4-bedroom suite would only be \$125 per bedroom/\$62.50 per person, well below the room rates charged in the surrounding area.

### **CONCLUSION**

The proposed 12-unit hotel is a unique product type that offers multi-bedroom accommodations desirable to large groups and families. The project is more akin to 12 short-term rental units than a hotel. The nightly rates are consistent with those charged for short-term rentals in the subject area and provide a desirable alternative to visitors to the coast. The project is lower cost in that there are large suites and an increased per person value. As such, we believe no mitigation for lower cost accommodations is required in this case.

# Tab 2 - Data by Measure

Sunset Beach Area Economy Hotels

Job Number: 1059811\_SADIM Staff: CW Created: February 21, 2019

Occupancy (%)														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2013	68.6	70.1	78.0	74.8	74.6	81.8	88.7	82.9	73.0	73.9	68.5	66.7	75.2	68.6	
2014	68.5	73.0	79.0	76.7	78.4	82.6	88.6	82.1	72.1	76.7	69.6	70.8	76.6	68.5	
2015	68.7	74.0	80.1	76.6	77.3	83.7	89.9	82.9	77.1	81.4	71.7	66.7	77.5	68.7	
2016	66.6	75.3	82.3	78.5	75.2	79.2	87.8	79.7	75.8	78.8	69.8	66.0	76.3	66.6	
2017	68.5	74.1	82.4	77.9	74.7	81.8	85.9	75.8	75.1	77.5	69.9	68.7	76.0	68.5	
2018	67.2	74.5	79.0	74.2	71.8	80.7	86.6	78.8	72.1	76.8	69.7	67.5	74.9	67.2	
2019	66.5												66.5		
<b>Avg</b>	67.8	73.5	80.2	76.4	75.2	81.6	87.8	80.2	74.2	77.5	69.9	67.7	76.1	67.8	

ADR (\$)														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2013	61.00	64.08	65.98	65.95	66.25	71.52	77.65	74.91	66.92	66.21	65.41	65.12	67.94	61.00	
2014	65.51	67.50	69.75	70.66	71.81	76.35	84.17	82.82	71.36	72.22	70.09	69.89	73.08	65.51	
2015	70.79	72.71	75.86	76.76	77.49	81.11	92.38	86.30	77.68	77.49	75.19	74.99	78.67	70.79	
2016	77.11	79.00	82.85	80.93	87.68	95.91	114.84	106.88	97.20	94.23	88.22	86.41	91.90	77.11	
2017	91.60	94.20	102.35	100.23	98.97	108.06	122.97	113.01	102.58	101.34	97.41	94.80	102.82	91.60	
2018	96.72	102.70	107.66	105.27	104.46	113.48	125.57	117.96	103.91	103.58	100.09	96.71	107.12	96.72	
2019	98.49												98.49		
<b>Avg</b>	80.74	80.87	85.03	84.03	84.90	91.78	103.74	97.43	87.50	86.74	83.48	81.92	87.62	80.74	

RevPAR (\$)														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2013	41.87	44.90	51.47	49.30	49.41	58.47	68.84	62.10	48.86	48.93	44.82	43.45	51.06	41.87	
2014	44.90	49.30	55.09	54.17	56.31	63.09	74.54	67.96	51.47	55.38	48.80	49.48	55.95	44.90	
2015	48.61	53.82	60.73	58.84	59.90	67.89	83.08	71.52	59.93	63.10	53.94	50.04	60.99	48.61	
2016	51.38	59.49	68.17	63.50	65.93	75.97	100.79	85.14	73.67	74.25	61.58	57.00	70.09	51.38	
2017	62.79	69.76	84.36	78.05	73.96	88.35	105.68	85.69	77.02	78.49	68.12	65.15	78.19	62.79	
2018	65.00	76.54	85.10	78.16	74.98	91.55	108.76	92.99	74.92	79.53	69.73	65.32	80.26	65.00	
2019	65.51												65.51		
<b>Avg</b>	54.74	59.46	68.16	64.23	63.89	74.85	91.13	78.16	64.94	67.24	58.33	55.48	66.64	54.74	

Supply														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2013	85,808	77,504	83,576	80,880	83,576	80,880	83,576	83,576	80,880	83,576	80,880	83,576	988,288	85,808	
2014	83,576	75,488	83,576	80,880	83,576	81,030	83,731	83,731	81,030	83,731	81,030	83,731	985,110	83,576	
2015	83,731	75,628	83,731	81,030	83,731	81,030	83,731	83,731	81,030	83,731	81,030	85,963	988,097	83,731	
2016	85,963	77,644	85,963	83,190	93,713	90,720	93,744	93,744	90,720	93,744	90,720	93,744	1,073,609	85,963	
2017	93,744	84,672	93,744	90,720	93,744	90,780	93,806	93,868	90,840	93,899	90,870	93,899	1,104,586	93,744	
2018	93,899	84,812	93,899	90,870	93,899	90,870	93,899	93,899	90,990	94,023	90,990	94,023	1,106,073	93,899	
2019	94,023												94,023		
<b>Avg</b>	88,678	79,291	87,415	84,595	88,707	85,885	88,748	88,758	85,915	88,784	85,920	89,156	1,040,961	88,678	

Demand														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2013	58,891	54,306	65,202	60,465	62,333	66,124	74,100	69,286	59,050	61,763	55,420	55,759	742,699	58,891	
2014	57,279	55,137	66,011	62,006	65,533	66,958	74,153	68,704	58,444	64,212	56,419	59,281	754,137	57,279	
2015	57,498	55,980	67,032	62,109	64,722	67,823	75,304	69,384	62,509	68,185	58,127	57,364	766,037	57,498	
2016	57,271	58,474	70,732	65,275	70,464	71,860	82,274	74,675	68,753	73,875	63,333	61,838	818,824	57,271	
2017	64,253	62,701	77,265	70,651	70,053	74,217	80,619	71,175	68,200	72,731	63,541	64,530	839,936	64,253	
2018	63,111	63,208	74,222	67,470	67,398	73,304	81,329	74,024	65,608	72,194	63,388	63,504	828,760	63,111	
2019	62,544												62,544		
<b>Avg</b>	60,121	58,301	70,077	64,663	66,751	70,048	77,963	71,208	63,761	68,827	60,038	60,379	791,732	60,121	

Revenue (\$)														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2013	3,592,564	3,479,853	4,302,034	3,987,688	4,129,528	4,728,964	5,753,628	5,190,009	3,951,511	4,089,404	3,625,195	3,631,073	50,461,451	3,592,564	
2014	3,752,395	3,721,129	4,604,417	4,381,493	4,705,838	5,112,176	6,241,338	5,690,176	4,170,763	4,637,242	3,954,183	4,143,150	55,114,900	3,752,395	
2015	4,070,197	4,070,127	5,085,142	4,767,755	5,015,122	5,501,139	6,956,261	5,988,129	4,855,887	5,283,796	4,370,514	4,301,750	60,265,819	4,070,197	
2016	4,416,378	4,619,288	5,860,149	5,282,549	6,178,323	6,892,079	9,448,322	7,980,995	6,683,094	6,960,881	5,586,934	5,343,230	75,252,222	4,416,378	
2017	5,885,877	5,906,348	7,908,168	7,081,032	6,933,215	8,020,232	9,913,690	8,043,421	6,996,044	7,370,582	6,189,733	6,117,629	86,365,971	5,885,877	
2018	6,103,800	6,491,500	7,990,671	7,102,579	7,040,620	8,318,837	10,212,805	8,732,086	6,817,201	7,477,945	6,344,705	6,141,553	88,774,302	6,103,800	
2019	6,159,711												6,159,711		

<b>Avg</b>	4,854,417	4,714,808	5,958,430	5,433,849	5,667,108	6,428,905	8,087,674	6,937,469	5,579,083	5,969,975	5,011,877	4,946,398	69,372,444	4,854,417
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MARKET STUDY FOR SUNSET HOTEL  
 SUNSET BEACH, HUNTINGTON BEACH & SEAL BEACH  
 February 19, 2019

HOTELS & MOTELS	ROOMS	BEDS	SQ. FT.	SUMMER NIGHTLY RATE	OFF SEASON NIGHTLY	SPECIAL AMENITIES
OCEAN SURF & INN 1655 Pacific Coast Hwy, Seal Beach	STANDARD	2 QUEENS	NA	\$131	\$118	free wi-fi; beach access
	DELUXE	2 QUEENS		196	149	
TRAVEL LODGE OCEAN FRONT 17205 Pacific Coast Hwy, Seal Beach	STANDARD	2 QUEENS	NA	183	125	free breakfast; beach access
BEST WESTERN 16912 Pacific Coast Hwy, Seal Beach	STANDARD	2 QUEENS	NA	275	147	free breakfast; wi-fi; w/ micro & fridge
	SUITE	1 KING BED		310	150	
HAMPTON INN 2401 Seal Beach Blvd., Seal Beach	STANDARD	2 QUEENS	380	160	148	free breakfast, pool
PACIFIC INN 600 Marina Drive, Seal Beach	DELUXE	2 QUEENS	351	232	155	
	EXECUTIVE	2 QUEENS	351	279	175	jacuzzi & balcony
COMFORT SUITES 16301 Beach Blvd., Huntington Beach	STANDARD;	1 KING, 1 DB	NA	199	127	free breakfast, pool, wi-fi
SUN & SAND INN 1102 Pacific Coast Hwy, Huntington Beach	STANDARD	2 QUEENS	350	198	152	free breakfast, wi-fi, kitchen

CONTINUATION

MARKET STUDY - Sunset Beach, Huntington Beach & Seal Beach

PAGE 2

<b>HOTELS &amp; MOTELS</b>	<b>ROOMS</b>	<b>BEDS</b>	<b>SQ. FT.</b>	<b>SUMMER NIGHTLY RATE</b>	<b>OFF SEASON NIGHTLY</b>	<b>SPECIAL AMENITIES</b>
WATERFRONT BEACH RESORT (HILTON)  21100 CA-1, Huntington Beach	STANDARD	2 QUEENS	350	322	239	pool, restaurant, gym, bar/lounge, laundry service
HYATT  21500 Pacific Coast Hwy, Huntington Beach	STANDARD	2 QUEENS	NA	514	229	spa, pool, wi-fi, laundry service
AYRES HOTEL  12850 Seal Beach Blvd., Seal Beach	DELUXE	1 KING	450	\$199.00	\$199.00	free breakfast, pool, wi-fi
SURF CITY INN 16220 CA-1, Huntington Beach	W/ SEA VIEW	1 KING	275	165	109	free wi-fi
PASEA HOTEL; & SPA  21080 Pacific Coast Hwy, Huntington Beach	W/ OCEAN VIEW	2 QUEENS	400-600	394	280	oceanfront, pool, wi- fi, laundry service
<b>AVERAGE FOR MOTELS &amp; HOTELS:</b>				<b>\$269</b>	<b>\$184</b>	

## CONTINUATION

## MARKET STUDY - Sunset Beach, Huntington Beach &amp; Seal Beach

PAGE 3

<b>HOUSES, CONDOS &amp; APTS.</b>	<b># BEDRMS</b>	<b># BATHS</b>	<b>SQ FT</b>	<b>SUMMER NIGHTLY</b>	<b>OFF SEASON NIGHTLY</b>	<b>SPECIAL AMENITIES</b>	<b>SOURCE</b>	<b>Listing #</b>
OCEANFRONT BEACHOUSE, Sunset Beach	2	2	1600	\$622	\$492	beachfront-wi-fi, washer/dryer, cable	VRBO	477822
SUNSET BEACH BUNGALOW, Sunset Beach	2	1	850	225	225	beachfront-, wi-fi, washer/dryer, cable, deck, patio	VRBO	729005
WATER BEACH FRONT, Sunset Beach	2	1	1100	375	375	hot tub, cable, wi-fi	VRBO	7195393ha
PINEAPPLE BUNGALOW, Seal Beach	2	1	1200	306	306	washer/dryer, wi-fi, cable	VRBO	921005
2BD/2BA TOWNHOUSE GETAWAY, Huntington Bch	2	2	1400	215	177	washer/dryer, wi-fi, cable	VRBO	1537620
HISTORICAL COACH HOUSE, Huntington Beach	2	1	1050	189	300	washer/dryer, wi-fi, cable	VRBO	1030405
STARFISH BUNGALOW, Seal Beach	2	1	1200	325	325	washer/dryer, wi-fi, cable, pool	VRBO	283171
HUGE TOWNHOME BY THE BEACH, Hungtinton Bch	2	2	1600	\$200	\$200	washer/dryer, wi-fi, cable	VRBO	733364
OCEANFRONT BEACH HOUSE, Huntington Beach	2	2	NA	600	600	oceanfront, washer/dryer, wi-fi, cable	AIRBNB	
BEACH BUNGALOW, Huntington Beach	2	1	NA	225	225	washer/dryer, wi-fi, cable	AIRBNB	
LUXURIOUS OCEANFRONT, Sunset Beach	2	2	NA	164	564	washer/dryer, wi-fi, cable	AIRBNB	
SANDCASTLE BY THE SEA, Sunset Beach	2	1.5	NA	361	271	kitchen, wi-fi	AIRBNB	

CONTINUATION

MARKET STUDY - Sunset Beach, Huntington Beach & Seal Beach

PAGE 4

<b>HOUSES, CONDOS &amp; APTS.</b>	<b># BEDRMS</b>	<b># BATHS</b>	<b>SQ FT</b>	<b>SUMMER NIGHTLY</b>	<b>OFF SEASON NIGHTLY</b>	<b>SPECIAL AMENITIES</b>	<b>SOURCE</b>	<b>Listing #</b>
SURFERS DREAM HOUSE, Huntington Beach	2	2	NA		280	house-w/ patio & bikes	AIRBNB	
SUNSET BEACH RETREAT WATERFRONT, Sunset Bch	2	2	NA	214	181	kitchen, wi-fi, cable tv	AIRBNB	
SUNSET BEACH VACATION OASIS, Sunset Beach	2	2	NA	339	339	full kitchen, wi-fi, washer/dryer, bbq	AIRBNB	
APT w/ AC, SHORT WALK TO SAND, Huntington Bch	2	1	650	250	225	washer/dryer, wi-fi, cable	VRBO	1440674
CALIFORNIA ON SAND, Sunset Beach	2	2	NA	710	667	oceanview, washer/dryer, wi-fi, cable	VRBO	7184997ha
<b>AVERAGE FOR 2 BEDROOMS:</b>				<b>\$333</b>	<b>\$360</b>			
BEACHFRONT PARADISE CONDO, Seal Beach	3	2	1300	\$385	\$355	beachfront, washer/dryer, wi-fi, cable	VRBO	4447878ha
OCEANFRONT STUNNER HOUSE, Sunset Beach	3	2.5	2600	992	630	oceanfront, washer/dryer, wi-fi, cable	VRBO	1423600
BEACHFRONT 3 BEDROOM HOUSE, Huntington Bch	3	2	1200	\$568	\$495	beachfront, washer/dryer, wi-fi, cable	VRBO	161720ha
OCEANFRONT SINGLE FAMILY HOME, Sunset Beach	3	1	1000	493	250	oceanfront, washer/dryer, wi-fi, cable	VRBO	303339ha

CONTINUATION

MARKET STUDY - Sunset Beach, Huntington Beach & Seal Beach

PAGE 5

<b>HOUSES, CONDOS &amp; APTS.</b>	<b># BEDRMS</b>	<b># BATHS</b>	<b>SQ FT</b>	<b>SUMMER NIGHTLY</b>	<b>OFF SEASON NIGHTLY</b>	<b>SPECIAL AMENITIES</b>	<b>SOURCE</b>	<b>Listing #</b>
SUNSET BEACH COTTAGE, Sunset Beach	3	4	NA	297	270	kitchen, wi-fi, dryer	AIRBNB	
GORGEOUS BEACHHOUSE, Huntington Beach	3	2.5	2200	450	325	washer/dryer, wi-fi, cable	VRBO	864853
BEACHFRONT HOUSE, Sunset Beach	3	2	NA	1129	1129	beachfront, pool, washer/dryer, wi-fi, cable	VRBO	282924
CHARMING BEACH COTTAGE, Huntington Beach	3	2	NA	356	305	washer/dryer, wi-fi, cable, hot tub	VRBO	94192
SUNSET BEACH OHANA HOUSE, Sunset Beach	3	3.5	NA	571	571	oceanview, hot tub, washer/dryer, wi-fi, cable	AIRBNB	
GORGEOUS FAMILY FRIENDLY HOME, Huntington Bch	3	3	2000	465	375	bikes, washer/dryer, wi-fi, cable	VRBO	596770
<b>AVERAGE FOR 3 BEDROOMS:</b>				<b>\$519</b>	<b>\$428</b>			



COASTAL LAND USE  
CONSULTING AND ADVOCACY

10520 Oakbend Drive  
San Diego, CA 92131

1017 L Street, #646  
Sacramento, CA 95814

Meg Vaughn  
California Coastal Commission  
South Coast District  
301 E. Ocean Blvd, Suite 300  
Long Beach, CA 90802

April 8, 2019

**SUBJECT: Coastal Development Permit Application No. 5-18-0642  
Sunset Beach Hotel and Retail**

Dear Ms. Vaughn:

In response to your letter dated March 5, 2019, please accept the following.

### **Overnight Accommodations**

Your letter states that Commission staff believes the proposed overnight accommodations facility could not be considered lower cost. However, based on the previously provided analysis, the applicant maintains that the facility will be a unique lower cost alternative to a traditional hotel. The proposed hotel facility will provide large, multi-bedroom units that are more akin to an Airbnb or VRBO offering. Although you state that "Airbnb and VRBO generally are not lower cost," the staff report for the Lower Cost Overnight Accommodations Workshop (Oct. 2016) stated that "Short term vacation rentals provide an alternative to hotels, camping and hostels, and can be especially suited to families." This sentiment has been reiterated in various Commission actions over the years. The staff report for the City of Del Mar's LCP Amendment LCP-6-DMR-17-0083-3 (May 2018) discussed the benefits of short-term rentals (STRs) as follows:

*"As STR activity has increased along the California coast in recent years, the Commission has emphasized that this type of use has historically provided and continues to be an important source of visitor accommodations in the state by increasing the available supply of overnight accommodations. Part of the rationale for this position is that STRs provide amenities that distinguish them from other types of overnight lodging and may make them a more affordable option for overnight stays on the coast, particularly for groups and families."*

While the proposed project will operate as a traditional hotel and not as a short-term rental, we continue to believe daily room rates and per person cost is a more appropriate method to determine lower cost. As previously described, the proposed hotel will be ideal for families or larger groups that can take advantage of the cost savings of sharing units and cooking meals on site.

In your letter you state, *"an example of a more appropriate comparison lower cost overnight accommodations facility would be Crystal Cove State Park cottages."* We believe that the rates for the proposed project compare favorably to those at the Crystal Cove Cottages. We reviewed the daily rates for the 15 individual cottages (non-dorm style) listed on the Crystal Cove Conservancy website (<https://crystalcove.org/beach-cottages/cottages/>). Depending on the size of the cottage, the listed daily rates are \$185.00, \$222.00, \$261.00 and \$271.00. Those rates would not be considered lower cost for a traditional hotel room. However, the cottages are not typical hotel rooms, as is the case with the proposed project. When the maximum capacity for each cottage is factored in, the per person cost ranges from \$29.90 per person (\$261.00/9-person maximum) to \$61.67 per person (\$185.00/3-person maximum) and would be considered lower cost by the Commission. (Please see the attached chart for a breakdown of per person costs for the 15 cottages).

Moreover, in addition to the large units with multiple bedrooms, with each bedroom having a private bathroom, the proposed Sunset Beach hotel project provides additional amenities not provided by the Crystal Cove Cottages that further reduce the cost to guests. These amenities include full laundry facilities in each unit, swimming pool and spa, fitness center, two free parking spaces per unit, bicycle storage and bicycles for guests to enjoy a ride along the coast or to access the many visitor destinations in nearby Huntington Beach.

It is worth noting that unlike the Crystal Cove Cottages which are located on state owned lands, operated by the non-profit Crystal Cove Conservancy, and subsidized by public and private funds including lower-cost accommodation mitigation fees that have been required by the Coastal Commission, the proposed project is able to provide lower cost accommodations at per person rates similar to those offered by the Crystal Cove Cottages. Depending on how many guests stay in each room, the price per person could be as low as \$62.50 in the peak summer season and \$37.50 in the off season.

We continue to believe that the proposed project provides lower cost accommodations similar to the Crystal Cove Cottages and as such does not require mitigation.

**Project Description**

Please see e-mail from Cliff Neiman sent on March 29, 2019.

Feel free to contact me at 310-463-9888 if you have any additional questions or concerns. Thank you for your time and attention to this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Anne J. Blemker".

Anne Blemker

cc: Lawrence Lazar  
Cliff Neiman

**CRYSTAL COVE COTTAGES PER PERSON RATE**

	Cottage Number	Daily Rate	Max. Capacity	Per Person Rate
1	1	\$222.00	6	\$37.00
2	2	\$261.00	7	\$37.29
3	14	\$261.00	6	\$43.50
4	16	\$261.00	7	\$37.29
5	18	\$222.00	6	\$37.00
6	19a	\$261.00	8	\$32.63
7	19b	\$185.00	4	\$46.25
8	24	\$222.00	5	\$44.40
9	27	\$222.00	6	\$37.00
10	32	\$261.00	9	\$29.00
11	33	\$222.00	6	\$37.00
12	37	\$261.00	8	\$32.63
13	38d	\$74.00	4	\$18.50
14	40	\$185.00	3	\$61.67
15	45	\$185.00	4	\$46.25

## SUNSET BEACH HOTEL

CDP #5-18-0642

July 18, 2019

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### Revised Project Description

Demolition of a carwash facility and construction of a three-story, 35 foot high mixed use structure consisting of a ***moderately priced*** 12-unit hotel with eight 3 bedroom units and four 4 bedroom units, and 1,800 square feet of retail space located on the ground floor level. The entire structure is proposed to be 25,950 square feet, including a 6,117 square foot garage with 32 parking spaces in the Sunset Beach area of the City of Huntington Beach.