

CALIFORNIA COASTAL COMMISSION

SOUTH COAST DISTRICT OFFICE
301 E. OCEAN BLVD, SUITE 300
LONG BEACH, CA 90802-4325
VOICE (562) 590-5071
FAX (562) 590-5084



Th14g

ADDENDUM

February 8, 2021

TO: Coastal Commissioners and Interested Parties

FROM: South Coast District Staff

SUBJECT: **ADDENDUM TO ITEM Th14g, Application No. 5-20-0181 (B&J Capital Group Investments) for the Commission meeting of February 11, 2021.**

I. Changes to Staff Report

This addendum modifies the staff report dated January 21, 2021 with the following modifications on page 2, page 6, and page 16 of the staff report. Language to be added to the condition and findings is shown in underlined text and language to be deleted is identified by ~~strikethrough~~.

a. On page 2 of the staff report, the text shall be modified as follows:

To ensure that overnight accommodations are available at a range of price points in the coastal zone, **Special Condition 1** requires the applicant, and all other successors and assigns, to submit an in-lieu mitigation fee of \$150,000, paid prior to the issuance of the of the Certificate of Occupancy for the hotel, or within 3 years of Coastal Commission approval, whichever is sooner, and ensures that the funds will be directed toward the State Coastal Conservancy, to support expanding availability of lower-cost overnight visitor accommodations in the coastal zone. The preferred use of the in-lieu fee is for the provision of low-cost rooms; however, the condition was written broadly to allow for any form of lower-cost visitor accommodation. As conditioned, the proposed development will increase the amount of visitor-serving opportunities in the coastal zone and also contribute toward providing lower-cost accommodations.

b. On page 6 of the staff report, the text shall be modified as follows:

- 1. Lower-Cost Overnight Accommodations Mitigation Fee.** Prior to the issuance of the of the Certificate of Occupancy for the hotel, or within 3 years of Coastal Commission approval of this permit, whichever is sooner, the applicant, and all other successors and assigns, shall pay the mitigation fee for 25% of the number of high-cost rooms developed on-site, totaling \$150,000. The Executive Director may extend this 3-year deadline for good cause.

c. On page 16 of the staff report, the text shall be modified as follows:

Thus, to mitigate for 1.5 rooms, the mitigation fee would be \$150,000.¹ In this case, the proposed development is a small, boutique hotel which will convert an existing single-family residence to a visitor-serving use. As previously discussed, it is not economically feasible for any of the units on-site to be offered as lower-cost units. Thus, **Special Condition 1** requires the applicant, and all other successors and assigns, to submit an in-lieu mitigation fee of \$150,000, paid prior to the issuance of the of the Certificate of Occupancy or within 3 years of Coastal Commission approval, whichever is sooner, and ensures that the funds will be directed toward the State Coastal Conservancy, to support expanding availability of lower-cost overnight visitor accommodations in the coastal zone. If the project is not developed, then the in-lieu fee is not required. However, if the project is developed, the in-lieu fee is required immediately prior to the issuance of the Certificate of Occupancy. The hotel should not open or be operated prior to the payment of the in-lieu fee. The Executive Director may extend the 3-year deadline for good cause. The preferred use of the in-lieu fee is for the provision of low-cost rooms; however, the condition was written broadly to allow for any form of lower-cost visitor accommodation.

¹ 25% of the 6 high cost rooms * \$100,000 per room (0.25*6*\$100,000) =\$150,000