

**CALIFORNIA COASTAL COMMISSION**

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



# Th10a

**LCP-5-NPB-23-0020-2**

**(FRACTIONAL OWNERSHIP & TIME SHARE)**

**SEPTEMBER 7, 2023**

**CORRESPONDENCE 2**



**CITY OF NEWPORT BEACH**

100 Civic Center Drive  
Newport Beach, California 92660  
949 644-3004 | 949 644-3039 FAX  
newportbeachca.gov

August 25, 2023

**Mayor**

Noah Blom

**Mayor Pro Tem**

Will O'Neill

**Council Members**

Brad Avery

Robyn Grant

Lauren Kleiman

Joe Stapleton

Erik Kenneth Weigand

Chair Brownsey and Honorable Commissioners  
California Coastal Commission, South Coast Area Office  
301 East Ocean Blvd., Suite 300  
Long Beach, CA 90802-4302

RE: Agenda Item: City of Newport Beach LCP-5-NPB-23-0020-2 (Fractional Ownership & Time Share)

Dear Chair Brownsey:

The City of Newport Beach respectfully requests that the City's LCP Amendment No. LCP-5-23-0020-2 (Fractional Ownership) be scheduled for review, at your October 2023, Coastal Commission hearing agenda. Coastal Commission staff is requesting a one-year extension to provide staff time to adequately review the amendment and prepare a recommendation. However, the item was previously scheduled for an August 10, 2023, Coastal Commission hearing date with a staff recommendation of approval as a de minimis amendment but postponed due to a staff noticing error that was no fault of the City.

Pacaso, a fractional ownership company, has three "prospective" new properties listed in Newport Beach; therefore, it is imperative this amendment be processed as quickly as possible to resolve this issue. The LCP Amendment request is necessary to clarify that fractional ownership or co-ownership models are considered timeshares and thus already prohibited in residential zoning districts.


As previously supported by Coastal Commission staff in their August 10, 2023, staff report, this amendment has no impact on coastal resources and is fully consistent with the Coastal Act. Therefore, we respectfully ask that the extension of time be granted and the item be brought back and heard at the October, 2023, Coastal Commission hearing.

We thank you and all the commissioners for your time and service on the Coastal Commission.

If you or any members of the Commission have questions, please contact Seimone Jurjis, Assistant City Manager, at (949) 644-3282 or [sjurjis@newportbeachca.gov](mailto:sjurjis@newportbeachca.gov).

Sincerely,

Noah Blom  
Mayor  
City of Newport Beach



August 31, 2023

Correspondence to CA Coastal Commission (CCC) re.

September 7, 2023 Agenda Items Th10a-

City of Newport Beach LCP-5-NPB-23-0020-2 (Fractional Ownership) Time Extension Only

Sent via email to: [SouthCoast@coastal.ca.gov](mailto:SouthCoast@coastal.ca.gov). att. Fernie Sy, Senior Coastal Planner

COMMENTS AND REQUEST TO ACCELERATE HEARING AND COMMISSION APPROVAL OF MINOR LCP AMENDMENTS TO CITY TIME-SHARE ORDINANCE

Please distribute this correspondence to the California Coastal Commissioners and enter into the Public Record

Honorable Chair Brownsey and Commissioners:

Thank you for the recent notification received from Fernie Sy (Coastal Program Analyst) regarding the California Coastal Commission's upcoming hearing scheduled for September 7, 2023 at 9:00 am PT. The agenda stated the purpose of the meeting as follows:

" Public hearing and action to extend time limits for action for one year on City of Newport Beach's request to amend the certified Implementation Plan of the City's Local Coastal Program to clarify that Fractional Ownership uses are defined as a Time Share Use within the City of Newport Beach, and minor cleanup revision to existing Timeshare regulations".

This hearing was noticed subject to the Commission's cancellation of an item on the previous August 10, 2023 agenda, with postponement stated to be due to, an error regarding noticing.

We are a leadership council comprised of representatives and residents of multiple communities in Newport Beach, including but not limited to: Central Balboa Peninsula; Balboa Peninsula Point; Balboa Island; Corona del Mar; West Newport; Newport Island; and surrounding residential areas.

We are writing to express our objection to the proposal to extend time limits for action for one year. Our objection is based on the following:

1. The residents of Newport Beach have been working through multiple public hearings with the City Planning Commission and the City Council for the past two years, to address concerns associated with growing number of Timeshare fractional ownership business uses being established in and impacting our dense residential neighborhoods. This exhaustive process resulted in the City's enactment of ordinances in May of 2023, updating the City's already existing Time-share ordinances to clarify that commercial operators such as Pacaso are selling "Time-share plans" as defined by Business & Professions Code 11212 (z); and that such uses are prohibited in residential zones, but can be permitted in commercial zones subject to a CUP.

The City staff believed that it was advisable to file a request for, and obtain Coastal Commission approval of minor amendment to the City's certified LCP, which was diligently prepared and filed by City staff. It was our understanding that the changes would be reviewed and ruling of approval would be completed by the Coastal Commission on August 10, 2023.

While residents have been experiencing adverse impacts associated with the insertion of these commercial Time-share uses in our family residential neighborhoods, we have been relying on and entrusting the administrative process to be completed so that the City can begin to administer and enforce its updated Ordinance in the coastal zone.

We only now have come to learn that we may have no relief for yet another year. This is inequitable at best to the residents of our community. This prospect of delay puts residents and our residential communities in harm's way, as commercial Time-share fractional ownership businesses continue their expansion. Given the illiquid nature of the commercial Time-share/Fractional ownership programs, there is no remedy for the residents of our community unless the minor LCP amendment is approved, and unless the City enforces its ordinance (other than having to resort to litigation, which the community would prefer not to do).

2. There is no doubt that the commercial fractional ownership uses are Time-share uses and that businesses such as Pacaso are commercial for-profit entities establishing commercial Time-share uses in our residential zones for their financial benefit and return. The Arguments which this publicly traded entity has asserted based on "property rights" and "coastal access" are disingenuous. This entity is engaged in the business of marketing and selling, structuring and operating commercial Time-share fractional ownership businesses. It receives revenue from property acquisition and sale commissions and from structuring of entities where multiple, (generally eight or more unrelated parties) purchase interests in a property which includes modification of the property deed structure. The parties are required to use Pacaso's proprietary reservation system and are able to use the acquired share in a property on a basis restricted short-term repeating basis. The parties (through a management contract) utilize Pacaso and its stable of vendors for property amenities and services---all of which are provided for charge (source: Pacaso public information).

Pacaso 's business goals and interests have compromised traditional "property rights". This business has expanded in our residential neighborhoods over the past two years without regard for the City's regulations or the residents who live, work, raise families and participate in the community. The ongoing stream of people in and out and the related vendors in and out has, in our view, seriously impeded public access to the coastal zone .

It is most unfortunate that this entity has elected to resort to legal threats rather than consider a meaningful approach to establishing operations in appropriate commercial zones within the Newport Beach community.

3. Time is of the essence. The Pacaso business model continues its expansive initiatives without respect for residents or the City's regulations. The Company will likely continue to do so until the City's LCP amendment is approved and the City proceeds to enforce its ordinance. Pacaso has already established 12 known operations in our residential neighborhoods with an additional 3-4 are in process. Enough is enough.

We respectfully request that the Coastal Commission move to hear and approve the City's requested LCP amendment either in this September 7, 2023 hearing, or at the October, 2023 hearing at the latest.

Thank you for your consideration and action.

Sincerely,

Newport Beach Leadership Council -by

Denys H. Oberman- Resident and community stakeholder, Balboa Peninsula

Gary Cruz and Gina Cruz- Residents and community stakeholders, West Newport

Carmen Rawson- Resident and community stakeholder, Balboa Peninsula

Robert (Bob) Yant- Resident, and President Balboa Peninsula Point Community Association

Debbie Stevens- Resident and President, Corona del Mar Residents Association

Lee Pearl-Resident and community stakeholder, Balboa Island

Fred Levine- Resident and Board member, Central Balboa Peninsula Community Association

CC: Residents and other known interested parties