

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



F10a

ADDENDUM

DATE: June 11, 2024

TO: Coastal Commissioners and Interested Parties

FROM: South Coast District Staff

SUBJECT: **ADDENDUM TO ITEM F10a, LCP AMENDMENT NO. LCP-5-DPT-21-0079-2 (DANA POINT HARBOR HOTELS) FOR THE COMMISSION MEETING ON FRIDAY, JUNE 14, 2024.**

This addendum is designed to achieve the following objectives. First, in Section I, Commission staff updates the record by supplementing it with correspondence that was received after publication of the staff report. Then, Section II provides responses to issues raised in the recent correspondence for incorporation into the staff report. Finally, Section III provides corrections and modifications to the staff report in light of additional comments from the City.

I. CORRESPONDENCE RECEIVED

After publication of the staff report dated May 30, 2024, the Commission received additional correspondence from the City of Dana Point, County of Orange, and various interested parties including boaters and organizations at Dana Point Harbor. The correspondence is available on the Commission's website at the following address: <https://documents.coastal.ca.gov/reports/2024/6/F10a/F10a-6-2024-corresp.pdf>.

The City of Dana Point's letter is in support of the staff recommendation, but City staff later requested minor clarifications and corrections to the staff report, which are addressed in Section III of this addendum. Other correspondence that is in support of the staff recommendation includes a letter from the County of Orange Chief Real Estate Officer as well as ten (10) letters from visitors, boaters, and organizations. The sixteen (16) letters received in opposition of the staff recommendation, mainly from boaters, generally assert the following: (1) that the LCPA should not be certified until Dana Point Harbor Partners (DPHP), the developer of the hotels and operator of the marina, is in compliance with the existing LCP and with the issued CDPs for the Harbor's revitalization (CDP No. 5-19-0971) and the Commercial Core (CDP No. 13-0018(I)) relating to the slip layout and day use boater parking; (2) that the LCPA should not allow for reductions in the boater service

facilities; and (3) that boater parking, which will be reincorporated into the hotel development, would be less convenient to boaters. Additional comments were made about the viability of allowing two hotels (including one lower-cost hotel and one market rate hotel) at this site, but the Commission's staff report fully addresses these concerns at length in its discussion of the existing Marina Inn, existing LCP language, and the Coastal Act's requirements to ensure that lower-cost overnight accommodations are provided in the coastal zone.

II. RESPONSE TO COMMENTS

The following is added as a **Response to Comments** section to the staff report dated May 30, 2024 (as Section **IV.F** on staff report page 81, thus renumbering the CEQA section as Section **IV.G**):

Compliance with the LCP and Harbor CDPs

Some boaters in opposition of the LCPA assert that DPHP is not in compliance with the existing LCP and the CDPs issued by the Commission and City in the Harbor. Those in opposition specifically refer to CDP No. 13-0018(I), which the City of Dana Point approved with conditions in 2014 for revitalization of the Harbor's Commercial Core, including improvements to day-use boater launch sites and day-use boater parking, as well as [CDP No. 5-19-0971](#), which the Commission approved with conditions on September 9, 2020 for a larger-scale remodel of the Dana Point Harbor, including a new slip layout. They assert that while the City's CDP authorized the construction of 334 day-use boater parking spaces and the Commission's CDP authorized a 2254-slip marina, DPHP is actually constructing a substantially smaller day-use boater parking area and a 2196-slip marina with longer slip lengths. However, the County in a letter dated June 7, 2024, states that it has conducted a review of the current boater slip layout and concluded that the project is compliant with the requirements set forth in the LCP and previous CDP approvals.

As noted in the correspondence, the Commission's Enforcement staff is already investigating these allegations. While Enforcement staff has not yet determined whether DPHP is compliant with the LCP and previous CDP approvals, staff is verifying the validity of these allegations and monitoring the development of the Commercial Core and marina at Dana Point Harbor, which are currently under active construction.

Nevertheless, the Commission finds that these issues, which pertain to Planning Areas 1, 2, 9, and 10, do not relate to the hotel development proposed for Planning Area 3. The Commission's action on this LCPA would not concern boat slips, boater service facilities, or day-use boater parking areas that those in opposition allege are out of compliance. For these reasons, the Commission proceeds with the hearing on this matter.

Boater Service Facilities and Boater Parking

The boaters in opposition of the LCPA also assert that the LCPA should not allow for reductions in the boater service facilities, which they claim would have adverse impacts on services to boaters. The boaters further assert that the proposed hotel development

would not provide adequate boater parking because there would only be a few boater parking spaces that would be dock adjacent (in between the two hotels), and the remainder of the spaces would be either provided in the proposed parking garage or in a nearby Planning Area (2 or 5). Boaters often bring dinghies, motors, ice chests, fishing rods, supplies, and guests, and thus the boaters claim that the reconfigured parking could present an obstacle for off/loading.

With regard to the boaters' concern that the footprint of the new boater service facilities would decrease, the Commission notes that the staff report fully addresses these concerns. As discussed in detail in Section IV.C (Public Access and Recreation), the developer originally proposed reductions in the capacity of the new boater service facilities as compared to the existing Boater Service Buildings 3 and 4 (see Table 5 on page 69 of the staff report for the developer's original proposal). For some of the fixtures and appliances, including the number of showerheads, toilets, and sinks, the developer was proposing more than a third reduction, which the developer rationalized as corresponding to a 39.1% reduction in the number of slips in the East Cove Marina nearest to Boater Service Buildings 3 and 4. Nevertheless, the Commission finds that this proposal would not be consistent with Coastal Act Section 30234, which only allows for reductions in boater service facilities if there is demonstrated reduction in demand or if there are adequate substitute spaces. Therefore, **Suggested Modification 1** would allow for reduction in the total square footage of the boater service facilities, but **Suggested Modification 4** requires these new facilities to retain the existing quantity and quality of fixtures, appliances, services, amenities (i.e., capacity), unless there is substantial evidence that boater demand for such facilities has decreased. Therefore, with these modifications, the Commission finds that the reduction in the square footage of the facilities does not mean that there would be reduced capacity, and reductions in capacity could only happen if there is no longer demand for such capacity, which the developer would need to demonstrate. Thus, the Commission finds the LCPA, as modified, to be consistent with Coastal Act Section 30234.

As to the boaters' concern about the new boater parking, the Commission likewise notes that the staff report fully addresses these concerns. As discussed in Section IV.C (Public Access and Recreation), there are currently 178 designated boater parking spaces in Planning Area 3. The proposal is to retain the same number of 178 boater parking spaces in total. However, because there will be two hotels, which will have a larger footprint and larger parking demand compared to the existing Marina Inn, and because they will be sited closer to the waterfront as required by the certified LCP, then the 178 designated boater parking spaces will need to be incorporated into the hotel development. The current proposal is for 23 boater parking spaces to be unenclosed and located adjacent to the waterfront, 100 additional boater parking spaces to be located in the enclosed parking garage (on the podium level of the market rate Dana House Hotel structure, near the waterfront), and 55 dedicated boater parking spaces to be provided in adjacent Planning Areas 2 or 5 (which would also be unenclosed and located near the waterfront). This proposal is consistent with certified LUP Policy 4.2.2-10 pertaining to the required boater parking in the Harbor, as well as with the Commission's action under CDP No. 5-19-0971, and **Suggested Modification 4** clarifies that the boater parking must be consistent with the off-street parking standards and regulations of the LCP, as set forth in Chapter 14 of the IP. Thus, the assertions

that the proposed boater parking would be inadequate or inconvenient are fully addressed.

III. REVISIONS TO THE STAFF REPORT

The following modifications and corrections are made to the staff report dated May 30, 2024. Language to be added is shown in double underlined text, and language to be deleted is identified by ~~double strikethrough~~:

- a) Modify the first full paragraph on page 39 of Statewide Methodology as follows:

[...] Using the approach set above to account for additional occupants, the quadruple occupancy rooms would result in an ADR of \$183.74 (20% above the 2022 lower-cost peak-season statewide ADR), and the ~~sex~~octuple occupancy rooms would result in an ADR of \$244.99 (60% above the 2022 lower-cost peak-season statewide ADR). [...]

- b) Modify the definition of “underserved youth” in **Suggested Modification 5** (pages 22 and 24) and in **Appendix B** (pages 90 and 94) as follows:

The term “underserved youth” shall be defined as individuals up to the age of 18 years from underserved communities (including from inland and/or rural communities) that have been historically excluded from accessing the benefits of coastal opportunities and/or disproportionately impacted by environmental burdens that include, but are not limited to, low-income households; Black, Indigenous, and communities of color; people with disabilities; ~~inland and/or rural communities~~; youth who attend Title 1 schools (and their caregiver/s); the unhoused; LGBTQIA+; carceral-impacted youth; and, foster and transition-age youth.

- c) Add a footnote to the first complete sentence of the first incomplete paragraph on page 30 of Amendment Description and Background as follows:

[...] The City also updates the square footage figures for the various project components in Statistical Table 17-A of the IP (Exhibit 1).⁶ [...]

⁶ The submitted LCPA deletes reference to the maximum square footage of Boater Service Building 2 of 1,000 sq. ft. However, the City has clarified that this boater service building is reincorporated into the Commercial Core in Planning Area 2. Because Statistical Table 17-A of the IP is harborwide, **Suggested Modification 1** restores this number so that it corresponds to the figures in the certified LCP.

- d) Modify the maximum square footage figure for Boater Service Building 2 in Statistical Table 17-A in **Suggested Modification 1** (page 17) and in **Appendix B** (page 97) as follows:

DANA POINT HARBOR REVITALIZATION PLAN STATISTICAL TABLE 17-A*

Land Use Category	Planning Area	Gross Acreage	Estimated Existing Square Footage	Maximum Square Footage (1)
Visitor-Serving Commercial Select-Service Lower Cost Hotel/Motel	3	9.5	136 rooms	<u>136 To Be Determined</u>
				<u>220 rooms + 25% of market rate rooms</u>
- Function / Meeting			2,000	42,000
- Restaurant/ Food Service				<u>4,200</u> 2,750
- Accessory Retail				<u>350</u> 500
- Fitness / Health Center			450	<u>700</u> 1,500
<u>Market Rate (High-Cost) Hotel</u>				<u>130 rooms</u>
- Function / Meeting				<u>8,000</u>
- Restaurant/ Food Service				<u>8,275</u>
- Accessory Retail				<u>600</u>
- Fitness / Health Center				<u>1,700</u>
Boater Service Building 2			3,600	4,000 <u>1,000</u>
Boater Service Building 3			3,600	<u>3,000</u> 8,800
Boater Service Building 4			5,000	<u>3,800</u> 7,000
Planning Area 3 Subtotals		9.5	8,600	<u>28,625</u> 31,360 (3)

FootnNotes: (1) Maximum Square Footage includes existing buildings to remain
 (2) May include a Marine Retail Store
 (3) For hotel, square footage subtotal includes ancillary uses only
 (4) Includes OC Dana Point Harbor offices on the upper floor
 (5) Boater Service Buildings in Planning Area 3 may be incorporated within hotel buildings
(6) The lower cost hotel rooms that constitute 25% of the number of market rate rooms may be incorporated within the lower cost hotel or the market rate hotel