

COASTAL CONSERVANCY

Staff Recommendation  
May 05, 2020

**COASTKEEPER BEACH BUNGALOWS**

Project No. 19-059-01  
Project Manager: Rodrigo Garcia

**RECOMMENDED ACTION:** Authorization to disburse up to \$50,000 to Orange County Coastkeeper to prepare a business plan, evaluate design options, and prepare permit applications for the purchase and installation of ten prefabricated lower-cost bungalows at the Waterfront RV Park in Huntington Beach, Orange County.

**LOCATION:** Huntington Beach, Orange County

**PROGRAM CATEGORY:** Lower-Cost Coastal Accommodations

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EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Project Photos](#)

Exhibit 3: [Project Letters](#)

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**RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31411-31414 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed fifty thousand dollars (\$50,000) to Orange County Coastkeeper (“the grantee”) to prepare a business plan, evaluate design options, and prepare permit applications for the purchase and installation of ten prefabricated lower-cost bungalows at the Waterfront RV Park in Huntington Beach, Orange County.

Prior to commencement of the project, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

1. A detailed work program, schedule, and budget.
2. Names and qualifications of any contractors to be retained in carrying out the project.
3. A plan for acknowledgement of Conservancy funding.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Chapter 10 of Division 21 of the Public Resources Code, regarding Lower-Cost Coastal Accommodations.
  2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
  3. The Orange County Coastkeeper is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.”
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**PROJECT SUMMARY:**

Staff recommends authorization to disburse up to fifty thousand dollars (\$50,000) to Orange County Coastkeeper (OC Coastkeeper) to prepare a business plan, evaluate designs, and prepare permit applications for the purchase and installation of ten prefabricated lower-cost bungalows at the Waterfront RV Park in Huntington Beach, Orange County to increase the types of lower-cost coastal accommodations in California. The bungalows will be placed on existing RV sites to provide lower-cost room accommodations to serve those who do not own their own RV.

One of the biggest barriers for low and middle-income Californians to accessing and enjoying the coast is the lack of affordable overnight options. Nearly 60% of Californians never spend the night when they visit the coast. For Californians earning less than \$25,000 per year, that figure leaps to 75% (Explore the Coast Overnight Assessment, 2019).

The proposed project will enable OC Coastkeeper to purchase and install ten lower-cost coastal bungalows which are classified as recreational vehicles that can provide space for up to six guests. The bungalows will be located at the Waterfront RV Park, across the street from Huntington State Beach. The Waterfront RV Park currently has 92 RV spaces, a clubhouse, a pool, and laundry facilities and is owned by The Shore, O.P. and managed by The Shore, HB, Inc. The RV Park owners are interested in diversifying their accommodations options to include spaces that do not require visitors to own an RV and have indicated their willingness to lease 10 of the 92 RV spaces to OC Coastkeeper (Exhibit 3). The bungalows will be open year-round and, based on an occupancy of four people per bungalow staying two nights, the project could serve 7,300 people per year. The project will include a business plan for the bungalows, which will determine the how to achieve and maintain lower-cost nightly rental rates. Other accommodations in proximity of the bungalows and located across the street from Huntington State Beach include the Hyatt Regency Huntington Beach Resort and Spa, the Paséa Hotel & Spa, and The Waterfront Beach Resort. The average nightly rate for these nearby resorts ranges from \$274 to \$358 per night.

The bungalows will be designed to accommodate families or groups of up to six people and include a full kitchen, bathroom, separate bedroom and a front porch. The OC Coastkeeper has identified a handful of manufacturers that design this type of bungalow. As part of the project, the OC Coastkeeper will select a manufacturer and will work directly with them to ensure a durable design that meets the needs of overnight visitors. The bungalows will be transported to the Waterfront RV Park fully manufactured and then plugged into existing sewer and electrical services on-site.

Other key elements of this project will include:

- Developing a business plan with a qualified contractor to determine the expected overnight rates, and a plan to preserve the low-cost rates.
- Evaluating and selecting a bungalow design that will be sustainable as a lower-cost accommodation.
- Working with the City of Huntington Beach, the California Department of Housing and Community Development, and the California Coastal Commission to prepare permit applications as necessary.

**Site Description:** The bungalows will be located at the Waterfront RV Park (21871 Newland St. Huntington Beach, CA 92646) at the corner of Newland Street and Pacific Coast Highway in Huntington Beach. The site is directly across the street from Huntington State Beach which includes a broad sandy beach, boardwalk, beach concessions and ADA accessible walkways. The proposed project site is within walking distance of Downtown Huntington Beach and the Pacific City Mall providing for an excellent beach experience for visitors. The RV park is built and in operation. The RV business plan and design review will evaluate bungalows that will be installed in existing RV spaces and will use the existing utilities for those spaces to avoid the need for site modifications.

**Grantee Qualifications:** For the past 20 years, the OC Coastkeeper has worked collaboratively with diverse groups in the public and private sectors to achieve healthy, accessible, and sustainable water resources for Orange County. They are committed to public access, most recently exemplified in the Huntington Harbor/Portofino Cove Access project where they managed a public accessway at Portofino Cove. The OC Coastkeeper also has a proven track record of managing state grants. The OC Coastkeeper has successfully managed seven grants from the Conservancy and is committed to seeing the proposed project completed.

**Project History:** This is a new project developed over the last year by OC Coastkeeper staff. Through the organization's commitment to public access and the Founding Director's personal experience, the OC Coastkeeper has seen the RV Park industry evolve into offering different styles of bungalows at several parks across the State. The Explore the Coast Overnight program encouraged OC Coastkeeper to replicate this model at the Waterfront RV Park where the landowner is enthusiastic to expand his overnight offerings for Californians to enjoy.

**PROJECT FINANCING**

<b>Coastal Conservancy</b>	<b>\$50,000</b>
<b>Project Total</b>	<b>\$50,000</b>

The expected source of funds for this project is the FY 2019/20 appropriation to the Conservancy from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Proposition 68, Public Resources Code Sections 80000-80173). Chapter 9 of Proposition 68 (Section 80120-80121) allocates funds to the Conservancy to enhance and protect coastal and ocean resources and to grant funds to public agencies and nonprofit organizations to develop lower-cost coastal accommodations. (Public Resources Code Section 80120 (b)).

Consistent with the purposes of this funding source, the proposed project consists of developing plans to create 10 lower-cost overnight accommodations on the coast through installation of 10 bungalows into an existing RV park. While the project does not increase the number of RV spaces, it does create new overnight options for those who do not own RVs and prefer room accommodations over camping. OC Coastkeeper’s anticipates developing a business plan where OC Coastkeeper leases the RV spaces from the private owner, retains ownership of the bungalows, and retains the ability establish a lower-cost rental rates for the bungalows through the lease. The project would be carried out in accordance with Chapter 10 of Division 21 regarding lower-cost coastal accommodations (see “Consistency with Conservancy’s Enabling Legislation” section below).

**CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:**

The proposed project is consistent with chapter 10 of Division 21 of the Public Resources Code, Section 31411-31414. Pursuant to PRC Section 31412(a), the Conservancy may award grants and undertake projects as part of its Lower-Cost Coastal Accommodations Program (Explore the Coast Overnight) to facilitate the development of new, lower-cost accommodations within one- and one-half miles of the coast.

The proposed project is consistent with the Conservancy’s Explore the Coast Overnight program because it will plan the installation of 10 lower-cost accommodations on the coast. Although the bungalows will occupy existing RV spaces, the bungalows will increase the variety of lower-cost room accommodations in that users will not have to own or rent an RV to stay at the site. Further, the project includes preparation of a business plan to ensure that the proposed accommodations will be affordable to low and middle-income families in accordance with 31412(b).

Consistent with Section 31412 (c)(1), the proposed project was selected through a collaborative effort with California State Parks and the California Coastal Commission.

Pursuant to Section 31413, the Conservancy’s implementation of the Explore the Coast Overnight Program must be guided by a lower-cost accommodations assessment. The Conservancy completed the “Explore the Coast Overnight – An Assessment of Lower-Cost Coastal Accommodations” (Assessment) on March 14, 2019. The proposed project will provide

an increase of overnight options in the City of Huntington Beach, a location identified in the Assessment as having low concentration of lower-cost coastal accommodations in a county with high occupancy rate for coastal accommodations. The Assessment identified the need to increase they types of lower-cost room option, including “RV Cabins” for those who do not own camping of RV equipment.

**CONSISTENCY WITH CONSERVANCY’S [2018-2022 STRATEGIC PLAN](#) GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 3, Objective D** of the Conservancy’s 2018-2022 Strategic Plan, the proposed project will design and plan for 10 units (bungalows) of lower-cost coastal accommodations.

**CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy’s Project Selection Criteria and Guidelines, last updated on October 2, 2014, in the following respects:

**Required Criteria**

1. **Promotion of the Conservancy’s statutory programs and purposes:** See the “Consistency with Conservancy’s Enabling Legislation” section above.
2. **Consistency with purposes of the funding source:** See the “Project Financing” section above.
3. **Promotion and implementation of state plans and policies:**  
“Explore the Coast Overnight – An Assessment of Lower-Cost Coastal Accommodations” (2019): Consistent with the goals of the Assessment, the proposed project will help create lower-cost coastal accommodations within one and one half miles of the California coast by planning the installation of ten pre-fabricated bungalows in Huntington Beach. More specifically, the proposed project is consistent with the following goals of the Assessment:  
Consistent with **Goal 1**, the proposed project assists in the development of 10 new lower-cost coastal accommodations within 1.5 miles of the California coast.
4. **Support of the public:** The proposed project has strong support from the landowner of the Waterfront RV Park and local elected officials. See Exhibit 3.
5. **Location:** The proposed project would be located within the coastal zone of the City of Huntington Beach, Orange County.
6. **Need:** Without Conservancy funds the OC Coastkeeper would be unable to complete the proposed project.
7. **Greater-than-local interest:** The development of a partnership between a nonprofit organization and a recreational vehicle park business to provide lower-cost overnight

accommodations to coastal visitors is a model that if successful, could be replicated along the coast.

8. **Sea level rise vulnerability:** The project is in an area vulnerable to sea level rise as it is adjacent to the coast in Huntington Beach. By the year 2050 the project area could have 1 foot of flooding and by 2100 the flooding could be between 3-7 feet. When or if the site becomes affected by sea-level rise, the OC Coastkeeper will consider donating the bungalows to other public agencies who may use them to house homeless individuals or dismantle them and recycle the materials in the event that the bungalows are not fit to live in anymore.

#### **Additional Criteria**

9. **Readiness:** The OC Coastkeeper is ready to implement the proposed project immediately.
10. **Cooperation:** The proposed project is the result of strong cooperation between the OC Coastkeeper and the landowner of the Waterfront RV Park.

#### **CEQA COMPLIANCE:**

The proposed project is statutorily exempt from review under the California Environmental Quality Act pursuant to 14 California Code of Regulations, Section 15262, in that it would involve only planning studies and feasibility analyses for possible future actions that have not yet been approved, adopted or funded. The project is also categorically exempt under Section 15306, which exempts basic data collection and resource evaluation activities which include environmental assessment. Environmental factors will be considered in the design and permit application process. Upon approval of the project, Conservancy staff will file a Notice of Exemption.