



'Condo hotels' controversy along Calif. beaches

Sierra Club takes on developers over access to coast

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ENCINITAS, Calif. - On a sandy bluff overlooking the Pacific, surfer Mark Massara sees a developing threat to a California amenity: guaranteed beach access for average families.

Luxury hotel builders are hovering over the coastline, hoping to expand California's shores the nationwide trend of developments split between high-priced hotel rooms and privately owned condominiums.

Where developers see opportunity in "condo hotels," Massara and others see a legal loophole that lets private buyers snap up parts of the coast which are supposed to remain public. And that, he fears, will make getting to the beach harder.

In this low-key northern San Diego County surf town, dunes and ice plants are being cleared from land designated for public use to make way for 100 condos that will sell for an estimated \$1.5 million each and 30 hotel rooms that will go for up to \$600 a night. Because the project includes hotel rooms, it is deemed to be for public use by the commission that oversees a state law protecting beach access.

"It's like a knife at the throat of the Coastal Act," said Massara, a lawyer for the Sierra Club.

Condo hotels have gained popularity in recent years, thanks to the real estate boom. There are currently 225 such developments in the pipeline nationwide, with Chicago, Miami and Las Vegas the current hotspots, according to the newly formed National Condo Hotel Association. The trend has also filtered down to smaller cities such as Provo, Utah; Pittsburgh and Little Rock, Ark. as a way to spread the financial risk of new developments.

10 projects along Calif. coast

Along California's coast, where demand for real estate is so intense that the city of Santa Barbara may build affordable housing for families earning \$160,000 a year, as many as 10 condo hotel projects are pending.

Since 1989, the state Coastal Commission has approved nearly a dozen projects, including developments built in Half Moon Bay near San Francisco, Pismo Beach on the central coast and the Los Angeles County town of Hermosa Beach. In the past five months, the commission has green lighted projects in Encinitas and one in Rancho Palos Verdes.

In such quasi-residential developments, condo owners can use their rooms for a maximum of 90 days each year and are expected to rent them out the rest of the time. Developers say owners have incentive to make rooms available to the public during peak seasons because they can charge more.

Just who can afford these largely luxury accommodations — and how to police whether owners are staying year-round rather than the 90-day maximum — are questions the Coastal Commission tackled this month. The regulatory panel is entrusted with upholding the 1976 Coastal Act, which requires affordable accommodations be protected and encouraged.

"The working stiff in Bakersfield who has a family of four — he is not coming to these five-star hotels," environmental attorney and former Coastal Commissioner Dwight Worden told commissioners.

For many, a California beach vacation already is out of reach. Barely 10 percent of coastal accommodations are considered affordable — that is, cost less than \$100 a night. That means of the 1,600 RV parks, campsites and hotels, only 134 are low-cost, according to the Coastal Commission.

How commission works

To further comply with the law, the 12-member commission regularly attaches special conditions on condo hotel projects, such as limiting how long owners can use their units and protecting public beach access.

For the yet unnamed Encinitas project, commissioners made developer KSL Encinitas Resort Co. attach hotel rooms to their original condo proposal. The commission also required the developer of the more than \$50 million project to invest \$220,500 in low-cost accommodations off site.

Company spokesman Douglas Yavarian said developers aren't looking for loopholes in the Coastal Act to build hotels. Condo buyers get to invest in hot real estate markets and developers have all-but-guaranteed buyers on the coveted coast, he said.

"We just think the concept is a good one," said Yavarian. "It's good for the prospective buyers and it's good for us."

Coastal Commission Chairwoman Meg Caldwell said the panel was being cautious in its approvals, but recognized that condo hotels could help privatize the coast.

"Sometimes you don't really recognize the threats until they've already shaped your coastline," she said.

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