

**Lower Cost
Overnight
Accommodations
in the Coastal
Zone**



Lower Cost Visitor Facilities

The Coastal Act protects and encourages opportunities for lower cost visitor and recreational facilities. These can include beaches, trails, parks, boat launches, tourist attractions, retail and food services, and overnight accommodations that provide lower cost options for people to stay and recreate on the coast.

Coastal Act Section 30213

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.

The commission shall not: (1) require that overnight room rentals be fixed at an amount certain for any privately owned and operated hotel, motel, or other similar visitor-serving facility located on either public or private lands; or (2) establish or approve any method for the identification of low or moderate income persons for the purpose of determining eligibility for overnight room rentals in any such facilities.

Other Relevant Provisions

Other legal provisions also support the requirement for lower-cost overnight accommodations:

Together, Coastal Act Sections 30210 and 30604(h) call for providing **equitable**, maximum access—e.g., for people of all income levels—to coastal waters.

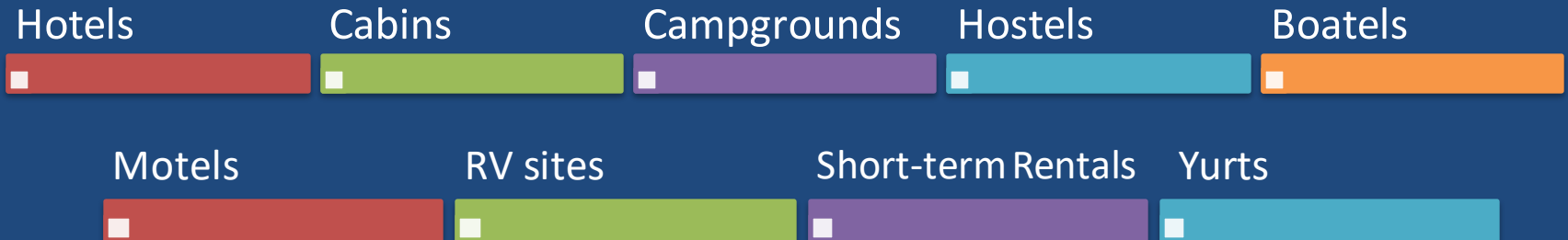
The Legislature has found that the right of access to the coast is guaranteed to the people of California by the California Constitution (Article X, Section 4) and the Coastal Act, and that a lack of affordable overnight accommodations is a barrier to such access:

Lower cost accommodations, including hotels, motels, hostels, cabins, and camping opportunities, are essential elements of coastal and park access because they enable Californians and visitors from a variety of backgrounds, including those of low and moderate income, to enjoy California's beaches and parks . . . A lack of affordable accommodations remains a barrier to coastal access . . . California should invest in new strategies and partnerships to improve the availability of lower cost accommodations along the coast, particularly for low-income and middle-income families. (Pub. Res. Code § 31411(c)-(e))

Potential Visitor-Serving Overnight Accommodations

The general goal is to provide a range of overnight accommodations in the coastal zone.

~ FOR EXAMPLE ~



What is Lower Cost?

Lower Cost Overnight Accommodations (LCOAs) are generally taken to mean those that are priced to allow use for lower- and middle-income coastal visitors.



Hotel costs can go up depending on many factors.

However, ability-to-pay doesn't track with those same factors.

Determining Higher and Lower Cost*



Higher Cost Accommodations

- In past actions, the Commission has defined higher cost as rates at or above 125% of the annual average statewide Average Daily Rate (ADR) from [VisitCalifornia](#)

Moderate cost accommodations are those with rates between higher cost and lower cost.



Lower Cost Accommodations

- In past actions, the Commission has defined lower cost as rates at or below 75% of the annual average statewide ADR from [VisitCalifornia](#) OR
- Rates at or below the Economy Segment ADR for a specific market area (e.g., a city or county). This data is available for purchase from [Smith Travel Research](#).

*This methodology applies to standard double-occupancy rooms at hotels equivalent to AAA one- or two-diamond rated lodgings only. Other types of accommodations may have different higher and lower cost thresholds.

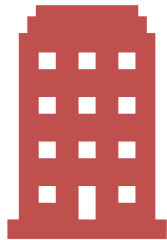


Photo Credit: Alex Braud

Why are LCOAs important?

The continued increase in the cost of coastal lodging and recreational opportunities in California can be a barrier to access for those with limited incomes and those that live farther away from the coast. Thus, ensuring that LCOAs are protected and provided along the California coast helps to maximize equitable coastal public access and recreation opportunities for all people. This is an important part of carrying out the Commission's [Environmental Justice Policy](#) and Coastal Act obligations to advance environmental justice.

How Does Section 30213 Apply to Overnight Accommodations?



Creation of new high-cost hotel units

Construction of new high-cost hotels should generally provide a portion of the new units at a lower cost to provide a range of opportunities for visitors of all income levels.

The Commission has typically required approximately 25% of the total number of new units to be lower cost to meet Section 30213 requirements.



Loss of lower cost units

Direct loss of existing lower cost units generally must be mitigated because Coastal Act Section 30213 protects lower cost accommodations.

The Commission has generally required that the loss of lower-cost units be fully mitigated at 1-to-1 (100%) replacement.

The Commission has also sometimes required the loss of existing moderate cost units to be mitigated.

Requirements for New Hotels

- The Commission has found that new higher-cost hotel projects that do not provide for or protect lower cost units are inconsistent with Coastal Act Section 30213. This is because Section 30213 includes an affirmative mandate to provide lower-cost facilities, where feasible, as well as a mandate to protect existing lower-cost facilities, such as by mitigating for the loss of such facilities.
- The Commission has typically required about 25% of new high-cost hotel units be provided at lower cost.
- In cases where the new rooms would be moderate cost (not high cost), the Commission has required provision of fewer lower-cost units.
- New hotels that cause the loss of existing lower-cost units must generally provide 100% replacement of the lower-cost units.

LCOA Provision & Mitigation Approach

On-Site Lower-Cost Accommodations

- The Commission has generally prioritized having any required lower-cost units be provided on-site.

Off-Site Lower-Cost Accommodations

- If it is not feasible to provide the lower-cost units on-site, the Commission has sometimes allowed applicants to construct required units off-site.

In-Lieu Fees

- Lastly, where it is not feasible to provide the lower-cost units directly on- or off-site, the Commission has sometimes allowed the applicant to pay a fee sufficient to construct the required number of units.

Feasibility Analysis for On-Site Units



An analysis of the feasibility of providing on-site lower cost units or options will often be required for any CDP application involving the construction or expansion of higher cost overnight accommodations or involving the conversion of lower or moderate cost overnight accommodations to that of higher cost.



Feasibility analyses should generally consider land value, development costs, estimated annual revenue based on several scenarios of differing ADRs and occupancy rates, estimated operating costs, and any other pertinent information (e.g., development constraints; financial constraints; the provision of free amenities such as kitchenettes, bike storage and EV charging, improved public access, discounts).

Explore the Coast Overnight

AN ASSESSMENT OF
LOWER-COST COASTAL
ACCOMMODATIONS



Where do in-lieu fees go?

The Commission typically requires in-lieu fees to be deposited with an Executive Director-approved entity such as the local government, State Coastal Conservancy, California Department of Parks and Recreation, Hostelling International, or other similar entity that can hold and manage the funds for the purpose of developing new or expanding existing LCOAs within the coastal zone in the region surrounding the new high-cost project.

In-lieu fees directed to the State Coastal Conservancy contribute to the Conservancy's [Explore the Coast Overnight grant program](#), which funds new LCOAs in the coastal zone.

In the past, the Commission has also approved the use of in-lieu fees to go towards programs that expand coastal access opportunities for youths and underserved communities.

Contact Us For...

For general questions about LCOAs and Coastal Act compliance, contact the Commission's Statewide Planning Unit at statewideplanning@coastal.ca.gov

For project-specific questions, contact the District Office that covers the project location through the [Commission's website](#).