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Prepared October 22, 2026 (for November 4, 2026 Hearing)

To: Coastal Commissioners and Interested Persons

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Subject: **San Mateo County Local Coastal Program Amendment Number LCP-2-SMC-26-0048-1 (Midcoast Residential Unit Cap)**

SUMMARY OF STAFF RECOMMENDATION

San Mateo County is proposing to amend its Local Coastal Program (LCP) Land Use Plan (LUP) to modify the methodology used to calculate the annual residential unit development cap for its Midcoast coastal area. Growth in the Midcoast, which includes the unincorporated communities of Montara, Moss Beach, Miramar, El Granada, and Princeton, has long been managed in part through such a cap, which was originally set at 125 units per year in 1980, but lowered to 40 units in 2012. The cap was meant to help ensure that the pace of development remained consistent with available water, wastewater, and transportation infrastructure. Annual residential development in the Midcoast has historically remained below this limit, averaging 28.5 units per year from 2013 to 2024. However, in 2025, the County approved 102 housing units, of which 71 were affordable, or 62 units above the cap. Such a cap exceedance is allowed by the LCP if the units are affordable and if the growth rate averaged over a three-year period does not exceed 40 units per year. Because the County approved 102 units in 2025, only 18 additional units may be permitted through 2027 to remain at or below the 40 unit per year average for that three-year period as currently allowed by the LCP.

To address this constraint, the County proposes to amend its LUP to revise the methodology used to calculate the residential development cap by allowing previously unrealized development potential from earlier years to be incorporated into the calculation. Under the proposed amendment, the current forward-looking three-year rolling average would be replaced with a historical-average method. This new method would apply beginning January 1, 2013, and would allow for affordable housing projects to be permitted even if they exceed the annual 40-unit development cap, so long as the overall number of units approved since 2013, on a per year basis, does not exceed 40 per year. This change would give the County greater flexibility in administering the existing development cap while addressing the current backlog of permit applications without altering the longstanding 40-unit annual growth limit. And, to be clear, once the

40-unit cap has been met in any year, the only units allowed above the cap in that year under the proposed averaging methodology would be affordable units.

The proposed LUP changes raise two primary issues: whether adequate services, including wastewater capacity, water supply, and transportation management, are available to support the potential increase in housing units that could result from allowing the cap to be raised, and whether such changes could adversely affect coastal resources. In terms of ensuring that there are adequate services to serve new development, it is important to note that the LCP includes a series of provisions that require applicants to demonstrate that proposed development can be served by adequate and sustainable utility infrastructure, including in relation to water, wastewater and traffic, and that those provisions apply irrespective of the potential availability of development units under the cap. Put another way, the cap is a limitation, but just because a project may fall under the cap (including using averaging as proposed) such eligibility does not establish that adequate public services are available to serve the proposed development, and thus the cap works in tandem with other LCP tests to ensure adequate services under any scenario. And the same applies to coastal resource protection, where any such project would also need to prove that it protects coastal resources as required by the LCP, cap or no cap.

In short, the proposed changes would give the County and its Midcoast residents greater flexibility with respect to the cap to accommodate affordable housing projects, and the LCP would continue to require demonstration of adequate services and lack of coastal resource impacts to do so. Accordingly, the proposed amendment is consistent with applicable Coastal Act requirements, which serve as the standard of review for LUP amendments. Therefore, staff recommends that the Commission approve the proposed LCP amendment as submitted, and the motions to implement the staff recommendation are found on **page 4** below.

Staff Note: LCP Amendment Action Deadline
This proposed LCP amendment was filed as complete on October 22, 2026. The proposed amendment only affects the LCP's LUP provisions, and the 90-working-day action deadline is March 3, 2027. Thus, the Commission has until that time to take final action on this LCP amendment.

Therefore, if the Commission fails to take a final action in this case (e.g., if the Commission instead chooses to postpone/continue LCP amendment consideration), then staff recommends that as a part of that action, the Commission vote to extend the deadline for final Commission action on the proposed amendment by one year. To do so, staff recommends a YES vote on the motion below. Passage of the motion will result in a new deadline for final Commission action on the proposed LCP amendment. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

> ***Motion:*** *I move that the Commission extend the time limit to act on San Mateo County Local Coastal Program Amendment Number LCP-2-SMC-26-0048-1 to March 3, 2028, and I recommend a yes vote.*

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EXHIBITS
Exhibit 1 – Proposed LCP Amendment
Exhibit 2 – Applicable LCP Provisions

1. MOTION AND RESOLUTION

Staff recommend that the Commission, after public hearing, **approve** the LCP amendment. The Commission needs to make one motion on this LCP amendment in order to act on this recommendation.

A. Certify the LUP Amendment as Submitted

Staff recommends a **YES** vote on the following motion. Passage of this motion will result in certification of the LUP amendment as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

> ***Motion to Approve LUP Amendment:*** *I move that the Commission certify the Land Use Plan portion of LCP Amendment LCP-2-SMC-26-0048-1 as submitted by San Mateo County, and I recommend a yes vote.*
>
> ***Resolution to Certify:*** *The Commission hereby certifies LCP Amendment LCP-2-SMC-26-0048-1 as submitted by San Mateo County and adopts the findings set forth below on the grounds that the Amendment conforms with the policies of Chapter 3 of the Coastal Act. Certification of the Amendment complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Amendment on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impact which the Amendment may have on the environment.*

2. FINDINGS AND DECLARATIONS

A. Background

San Mateo County includes 59 miles of shoreline and supports extensive agricultural lands, a commercial fishing harbor, and significant public access to parks, beaches and other recreational lands, substantial marine and other natural resource areas, and extensive scenic resources. The 98,000 acres (153 square miles) of terrestrial coastal zone area includes unincorporated San Mateo County lands and 3 incorporated cities: the Cities of Daly City, Pacifica and Half Moon Bay. The Midcoast Urban Area refers to five distinct communities (the unincorporated Montara, Moss Beach, El Granada, Miramar, and Princeton) that are in semi-rural areas of San Mateo County's coastal zone. Smaller than other urbanized areas of San Mateo County, the Midcoast communities have proven to be desirable places to live, with each Midcoast community having a unique character that varies in architecture, size, and scale. Natural features found throughout the Midcoast include creeks, beaches, hillsides, bluffs, and mountains.

When the LCP was originally certified in 1981, it established an annual 125 residential unit cap for housing projects in the Midcoast area. In 2006, this limit was reduced to 75 units per year to align growth rates with then available water supply, wastewater capacity, and transportation infrastructure, reflecting a roughly 2% annual population

growth rate.[1] Most recently, in 2012, the LCP was amended to lower the cap to 40 units per year. Today, the 40-unit limit remains in effect in the Midcoast and applies to accessory dwelling units (ADUs) as well. This cap equates to an approximately 1% annual population growth rate,[2] and it is one tool that the LCP uses to help ensure that limited available water, wastewater, and traffic capacity on the Midcoast is not overwhelmed by residential development. The cap can be exceeded under the LCP for affordable units, provided that the rolling three-year average, including the year of cap exceedance as well as the next two years, does not surpass 40 units per year.

Through 2024, the number of residential units approved each year remained below the cap, but in 2025, the County approved a total of 102 residential units in the Midcoast: 31 market rate units and 71 affordable units (for the Cypress Point Affordable Housing Community Project in Moss Beach). This resulted in an exceedance of the cap by 62 affordable units, as allowed by the LCP. However, given the LCP requirement that that exceedance be accounted for over three years, this means that the County currently can only approve 18 more units in 2026-2027,[3] which the County indicates has caused a backlog of permit applications extending into 2028, including for ADUs. Further, the County notes that reaching the unit limit would trigger its certified Housing Element Policy 11.6 (Monitoring and Assessment of Urban Midcoast Permit Limit). Housing Element Policy 11.6, which the California Department of Housing and Community Development required as part of the County's Housing Element update, states that should the 40-unit limit pose a constraint to residential development, the County must submit an LCP amendment to increase the annual unit cap by at least 50% (i.e. from 40 units per year to at least 60 units per year) within one calendar year. According to the County, except for the 71 affordable units associated with the Cypress Point project, an increase in the development cap is not needed as requests to issue permits for more than 30 units annually in the Midcoast are a rare occurrence (and the County indicates that it has averaged about 28 new residential units per year in the Midcoast historically). Because of this, the County argues that there has been 'unrealized development potential' associated with applying the cap, or approximately 188units.[4]

During the local process, the County conducted a public survey for Midcoast residents to vote for which course of action they would like the County to pursue, from leaving the cap as is to modifying it in a variety of ways.[5] Survey results indicated that nearly 70%

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[1] The County estimated approximately 11,000 people residing in the Midcoast at the time, and estimated that there were 3,950 residential units (thus 2.78 persons per unit). Adding another 75 units at that same density per unit would mean a 1.9% population increase per year.

[2] Ibid (see footnote 1).

[3] For the three-year cycle covering 2025 through 2027, 102 of the 120 available units have already been approved, leaving only 18 remaining for that period. Of those, the County has approved 2 units so far in 2026, leaving just 16 units available for the rest of 2026 and 2027.

[4] The County indicates that a total of 372 residential units were approved between January 1, 2013 and present, when it could have approved 560 if the cap had been maxed out each year, including 2026 (i.e., 40 per year for 14 years).

[5] The alternatives presented included the following: (1) forward-looking average: maintain the current cap with no change; (2) forward-looking average: allow for 20 additional affordable units per year in cases

of respondents supported the alternative which involved banking the aforementioned 'unrealized development potential' accumulated since 2013 (including affordable housing units) and rolling them forward into oncoming cycles. The options were also presented to the Midcoast Community Council (MCC),[6] which voted 5-2 in support of this approach.

B. Proposed LUP Amendment

The proposed amendment would revise the methodology used to calculate the residential development unit cap in the Midcoast region by replacing the current forward-looking three-year rolling average method with a historical average calculation. Under the proposed amendment, if the 40-unit cap is reached in a given year, permits for affordable housing projects could still be issued in that given year, unless and until the annual average of new residential units from 2013 (the year after the 40-unit cap was initially certified in the LCP) onward reaches 40 units. According to this method, the 102 units approved in 2025 could be averaged across the 12 preceding years during which residential development remained below the cap. This would allow the County to 'capture' previously unrealized development potential while staying under the overall 1% annual growth rate target calculated from 2012 onward. Ultimately, this change would give the County greater flexibility in administering the existing development cap while resolving current residential unit request backlog without significantly altering the longstanding 40-unit annual growth limit. Doing so enables the County to absorb these infrequent but much-needed larger affordable housing projects. Finally, it is important to note that this change in calculation methodology does not apply to all residential development in the Midcoast. Rather, it would only be implemented in instances where the County would otherwise exceed the 40-unit cap, and it solely applies to affordable housing projects. See **Exhibit 1** for the full text of the proposed LUP amendment.

C. Standard of Review

The proposed amendment consists of changes to the Land Use Plan only, and the standard of review for LUP amendments is that they must conform with the requirements of Chapter 3 of the Coastal Act.

1. Coastal Act Consistency Determination

Applicable Coastal Act Provisions

The proposed LUP changes raise two main coastal resource concerns: whether this amendment could result in future development that would strain existing Midcoast water, wastewater, and traffic infrastructure, and whether such development could result in adverse impacts to coastal resources, such as water quality and environmentally sensitive habitat areas (ESHA). Specifically, the Coastal Act requires that development be cited where adequate public services are available, and where it will not have

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where the cap would otherwise limit allocation to fewer than 20 units in the following years; (3) forward-looking average: apply a tiered approach that marginally increases the cap limit based on how far an affordable housing project exceeds the existing limit; (4) backwards-looking average: bank unrealized permits accumulated since 2013; and (5) bank unrealized permits accumulated over the past 10 years.

[6] The Midcoast Community Council is an elected advisory board for the County Board of Supervisors, representing unincorporated Montara, Moss Beach, El Granada, Princeton, and Miramar areas.

significant adverse impacts on coastal resources such as sensitive habitats and water quality. The following sections of the Coastal Act apply:

> ***Section 30250(a).*** *New development except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources.*
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> ***Section 30252.*** *The location and amount of new development should maintain and enhance public access to the coast by (1) facilitating the provision or extension of transit service, (2) providing commercial facilities within or adjoining residential development or in other areas that will minimize the use of coastal access roads, (3) providing nonautomobile circulation within the development, (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation, (5) assuring the potential for public transit for high intensity uses such as high-rise office buildings, and by (6) assuring that the recreational needs of new residents will not overload nearby coastal recreation areas by correlating the amount of development with local park acquisition and development plans with the provision of onsite recreational facilities to serve the new development.*
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> ***Section 30231.*** *The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface waterflow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.*
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> ***Section 30240****. Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas. (b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.*

Consistency Analysis

Public Services

The Coastal Act requires that new development be located where adequate public services such as water supply, wastewater capacity, and transportation infrastructure are available to serve it, and cumulative impacts from development can affect all such capacities. For example, Highways 1 and 92, roadways which are the primary arterial connections for the Midcoast, already operate at or near capacity during peak periods,

and new units can increase trips on these roads. Each new home also places demands on water and wastewater infrastructure. So, while the proposed LCP amendment in and of itself would not directly increase demand on public service infrastructure, it would provide a more relaxed cap for affordable units, and those units would need to be served.

Some Midcoast service providers have raised concerns that allowing for the cap to reflect past unrealized development potential is a mistake, including identifying a scenario where the 'unrealized' 188 units would all come in a single year, which could significantly strain the Midcoast's public services.[7] Specifically, the Montara Water and Sanitary District (MWSD) noted that a sudden increase in housing units could exacerbate existing water demand constraints, and that issuing permits for all 188 units in a single year would increase average daily water demand by roughly 28,000 gallons per day, representing an approximately 10% increase over current average demand. According to MWSD, this projected growth exceeds its existing planning assumptions and allocations.

However, the County explains that the amendment would not result in all 188 units being approved at once. Instead, the amendment would allow affordable housing units that exceed the annual cap to be averaged across prior years, while still maintaining a total average development rate of no more than 40 units per year. The County also notes that water service providers have historically relied on the certified LCP's growth limitations and planning assumptions to prepare its master plans, capital improvements programs, capacity analyses, and infrastructure replacement schedules. Because of this, the County suggests that both MWSD and CCWD should have already planned to accommodate water demand associated with approximately 40 units (or a 1% growth rate) per year since 2013. Specifically, the County asserts that they should be prepared for a maximum buildout scenario consistent with this 1% annual growth rate, which would result in up to 560 residential units in the Midcoast since 2013. To be clear in any case, the proposed revised calculation methodology would only be used to issue permits for affordable housing, and LCP Policy 2.24 requires that water service providers reserve water supplies for each land use given priority by the LCP.[8]

In any case, even if a given residential project could be allowed under the LCP according to the proposed cap methodology, all other existing LCP provisions would still apply. While the County may have the ability to approve additional units in accordance with the new calculation method, the LCP provides that the annual limit on residential

[7] Per comments from the Montara Water and Sanitary District (MWSD) dated July 6, 2026, which serves the communities of Moss Beach and Montara (the Coastside County Water District (CCWD) supplies water to the remaining unincorporated Midcoast areas).

[8] Priority land uses for MWSD designated by the LCP include Coastal Act priorities (Marine-Related Industrial, Commercial Recreation, Public Recreation, Public Recreation, Floriculture, and Essential Public Services) and Local Coastal Program priorities (Specific Developments on Designated Sites Containing Affordable Housing and Other Affordable Housing). Priority land uses for CCWD include Coastal Act priorities (Marine-Related Industrial, Commercial Recreation, Public Recreation, Public Recreation, Floriculture, and Essential Public Services) and Local Coastal Program priorities include Specific Developments on Designated Sites Containing Affordable Housing, Other Affordable Housing, Consolidated Lots in Miramar, and Historic Structures).

units is only one piece of the overall framework and does not guarantee approval of any specific project. As stated in LCP Policy 1.23(e), the annual cap on residential units is not an entitlement to development. The cap sets an upper limit and does not ensure that any proposed development that qualifies under the cap will be approved. Any coastal development permit application for residential units must still undergo standard review procedures, including demonstration that the project is consistent with all applicable policies of the LCP, including those policies which require that there be adequate public utilities to support the proposed development.[9] Put another way, the cap is a limitation, but just because a project may fall under the cap (including using averaging as proposed) it is not a guarantee that development can prove it has adequate services, and thus the cap works in tandem with other LCP tests to ensure adequate services under any scenario. And the same applies to coastal resource protection, where any such project would also need to prove that it protects coastal resources as required by the LCP, cap or no cap.

Finally, if the County did intend to increase the 40-unit development cap in the future, several additional infrastructure improvements would first need to be completed to ensure that roads, utilities, schools, and other public facilities and community infrastructure are not overburdened by rapid residential growth. Specifically, LCP Policy 1.23(a) states that the existing maximum number of new residential dwelling units in the urban Midcoast cannot be increased until a comprehensive transportation plan has been incorporated into the LCP and sufficient evidence is provided demonstrating that additional stormwater infiltration and inflow facilities have been constructed to prevent sewage overflows and water quality violations. While meaningful progress has been made in improving transportation efficiency and safety, such as through 'Connect the Coastside' and other initiatives, the County has not yet integrated a comprehensive transportation plan into the LCP. Likewise, further improvements are still required to show that stormwater and wastewater infrastructure can reliably accommodate additional growth. As such, substantially more progress in these areas would be required before the County could consider whether conditions are appropriate to revisit or increase the Midcoast residential development cap past the 40 units per year.

In sum, the proposed amendment does not significantly increase the Midcoast growth rate but would instead account for residential units that have historically gone unrealized. The Coastal Act requires that new development be cited where adequate public services, including water supply, wastewater capacity, and transportation infrastructure, are available to serve it. As such, the proposed amendment does not create a sudden or unexpected increase in housing units, and the existing LCP provisions requiring adequate public services for new development would continue to ensure that public service capacity remains sufficient to accommodate any new residential development under the amended LCP in a manner that protects coastal resources as the LCP requires. Accordingly, the proposed amendment can be found consistent with the above-cited Coastal Act provisions.

Habitat and Water Quality

[9] For example, LCP Policy 1.19, which requires that adequate water supplies and wastewater treatment facilities are provided for all new development.

With respect to impacts of new development on coastal resources, the Coastal Act states that new development must be sited and designed so that it does not have significant adverse impacts on coastal resources such as water quality and sensitive habitats. While a change in methodology or calculation method for a residential unit cap does not, in and of itself, necessarily cause direct impacts to coastal resources, it is important to consider the potential effects associated with additional development in a semi-rural environment such as the Midcoast. As development increases, so too does the amount of developed area, including impervious surfaces, such as roads, driveways, and rooftops, which reduces the land's natural ability to absorb rainfall. This can result in higher volumes and velocities of stormwater runoff that can transport pollutants such as oil, fertilizers, pesticides, sediment, and trash to nearby waterways and marine environments, potentially degrading adjacent ESHA and water quality. Additionally, increased development capacity could increase the likelihood of encroachment into natural areas, potentially adversely affecting their ecological functions. Therefore, without limits on development, development that occurs in advance of necessary infrastructure improvements, or with inadequate ecological protections can result in increased stormwater runoff into surrounding watersheds and other adverse impacts to surrounding habitats.

However, as previously stated, the proposed amendment does not increase the annual average housing units allowed under the certified LCP. Instead, it provides a pathway for allocating historically 'unrealized' units without increasing the maximum number of units anticipated by the LCP overall. The allowable development rate would continue to be limited to a 40-unit average or 1% per year. As a result, the amendment would not create a sudden rise in growth, nor would it increase the potential for significant adverse impacts to coastal resources. Additionally, any new dwelling units would still be required to obtain a CDP. As part of the CDP review process, any project in the Midcoast would undergo site-specific review. Such a CDP review requires analysis and application of all LCP-required resource protections like establishing adequate habitat or wetland buffers, as well as any necessary best management practices or mitigation measures needed to achieve LCP consistency. Even if the new residential unit calculation is approved, such coastal resource protections would be determined and required on a case-by-case basis through the CDP process to assure adverse impacts to coastal resources are avoided.

In conclusion, the Commission finds that the proposed LCP amendment is consistent with the relevant Coastal Act Sections that protect habitats and water quality because as proposed it does not increase growth beyond levels that existing or planned transportation, wastewater transmission, and water-supply capacity can accommodate, and existing LCP coastal resource protections would apply and would protect those resources as the LCP requires.

Thus, the Commission concludes that the proposed LUP amendment is consistent with Chapter 3 of the Coastal Act.

D. California Environmental Quality Act (CEQA)

CEQA Section 21080.5(d)(2)(A) prohibits a proposed LCP or LCP amendment from being approved if there are feasible alternatives and/or feasible mitigation measures

available that would substantially lessen any significant adverse effect that the LCP or LCP amendment may have on the environment. Although local governments are not required to satisfy CEQA in terms of local preparation and adoption of LCPs and LCP amendments, many local governments use the CEQA process to develop information about proposed LCPs and LCP amendments, including to help facilitate Coastal Act review. In this case, the County exempted the proposed amendment from environmental review (citing CEQA Section 21080.9, which exempts local government from the requirement of preparing an environmental impact report (EIR) in connection with its activities and approvals necessary for the preparation and adoption of LCPs and LCP amendments).

The Coastal Commission is not exempt from satisfying CEQA requirements with respect to LCPs and LCP amendments, but the Commission's LCP/LCP amendment review, approval, and certification process has been certified by the Secretary of the Natural Resources Agency as being the functional equivalent of the environmental review required by CEQA (CCR Section 15251(f)). Accordingly, in fulfilling that review, this report has discussed the relevant coastal resource issues with the proposal, has addressed all significant comments received, and has concluded that approval of the proposed LCP amendment is not expected to result in significant environmental effects, including as those terms are understood in CEQA.

Accordingly, it is not necessary for the Commission to suggest modifications (including through alternatives and/or mitigation measures) to the proposed LCP amendment to ensure that it does not result in significant adverse environmental effects. Thus, the proposed LCP amendment as modified will not result in any significant adverse environmental effects for which feasible mitigation measures have not been employed, consistent with CEQA Section 21080.5(d)(2)(A).

4. APPENDICES

A. Substantive File Documents[10]

- LCP Amendment File for LCP-2-SMC-26-0048-1

B. Staff Contact with Agencies and Groups

- San Mateo County Planning and Building Department
- Montara Water and Sanitary District

[10] These documents are available for review from the Commission's North Central Coast District office.