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# W15a

**Prepared January 15, 2026 for February 4, 2026 Hearing**

**To:** Commissioners and Interested Persons  
**From:** Stephanie Rexing, North Central Coast District Manager  
Julian Honey, North Central Coast District Coastal Planner  
**Subject:** **City of Pacifica LCP Amendment Number 2-PAC-25-0079-2 (Short-Term Rentals)**

### SUMMARY OF STAFF RECOMMENDATION

The City of Pacifica proposes to amend its Local Coastal Program (LCP) Implementation Plan (IP) to provide additional regulations for short-term rentals (STRs) (also known as vacation rentals) within residential dwellings in the City's coastal zone. Since 2018 the City has regulated STRs in the coastal zone via certified LCP provisions that require compliance around potential use issues (e.g., related to noise and guest safety, otherwise known as 'good neighbor' policies), and the collection of transient occupancy tax (TOT). More recently, in 2024 the City proposed, and the Commission certified, changes to the LCP's STR provisions to add a maximum numerical STR cap, allowing up to 150 citywide (i.e., roughly 1% of total housing stock in the City, both in and out of the coastal zone); to prohibit STRs in junior accessory dwelling units (junior ADUs, or JADUs) (where STRs in ADUs were already prohibited by that time); and to establish new permitting provisions (e.g., annual renewal requirements, revocation procedures, waitlisting once cap has been reached, etc.). At that time, multiple Commissioners encouraged the City to explore further limits on STRs, such as potential STR operator natural person requirements.

The City's now proposed amendment would impose further limits on STRs, including restricting unhosted stays (i.e., whole house rentals where the operator is not present) to 60 nights maximum per year; allowing unlimited hosted stays (i.e., rentals in an occupied residence where the operator is on site at the time); requiring STRs to take place in an operator's primary residence (meaning they reside there at least six months a year); requiring STR operators to be natural persons (and not commercial entities etc.); identifying specific parking, signage, occupancy, and visitor requirements; requiring on-site noise monitoring; limiting the number of visitors and allowed visitor hours; adding safety inspection requirements; modifying operating requirements regarding parking, noise, and waste; identifying advertising platform responsibilities; adding a series of new STR related definitions; and establishing standards and procedures for STR permit revocation should the STR operator or facility violate the LCP and/or other local, state, or federal laws.

The Commission has historically recognized that STRs can provide a unique and important source of visitor-serving accommodation in the coastal zone, especially for families and groups, and has typically found that undue restrictions on this type of use are inconsistent with Coastal Act and/or LCP provisions prioritizing public access and visitor-serving opportunities. At the same time, the Commission has also recognized a need to restrict STRs in some coastal communities where evidence showed that the STR market was having impacts on coastal resources, or was impacting housing necessary to support priority uses (e.g., visitor-serving economies). In that sense, the Commission has sought to accommodate a balance between these sometimes competing interests, where the appropriate balance is typically driven by the community context. In all cases, the Commission has always supported 'good neighbor' operational standards (which exist already in the LCP and are proposed to be refined here) as important tools to address use concerns while maintaining such a balance.

The City found the proposed STR provisions to be an important tool to help minimize what they consider to be the commercialization of residential areas and to safeguard longer term housing opportunities. While one approach to addressing housing shortages is simply to build more housing, the reality is that there are built environment constraints here, including as the City's coastal zone residential areas are largely built out, and many neighborhoods are predominantly zoned for single family residences. Although the City could certainly pursue 'upzoning', densification, additional units, and affordable housing incentives in these areas, it has yet to pursue LCP amendments that would encourage/provide for that form of infill housing to date, and thus additional housing development potential is both somewhat limited and not being significantly pursued at the current time. While staff believes that LCP provisions that would encourage forms of housing development that are denser and more affordable than standard single-family residences would provide significantly more of a boost to housing stock and supply than would further limiting what are a fairly small number of STRs in the City's coastal zone (estimated at 43 total hosted and unhosted STRs by the City currently), staff also recognizes that the City believes that additional STR regulations are important to providing longer term housing too. And while the City cites housing protection more generically as support for the proposed amendment, that housing also can help to support the City's important visitor-serving economy too, which is a Coastal Act priority, including as the many workers needed for such an economy also need a place to live.

Ultimately, however, the proposed STR provisions are stringent, being some of the most constrained in the coastal zone at this point, with the now proposed primary residency requirement essentially reducing potential unhosted STR rental nights by 50%, and the 60 rental night cap on unhosted rentals reducing that type of use even further (e.g., if all 150 STRs meeting the cap after the 2024 LCP amendment were unhosted, then the amount of potential unhosted rental nights would be reduced by nearly 85% by these new proposed STR provisions). Additionally, there is little evidence to suggest that the proposed STR restrictions would actually create additional longer-term housing opportunities, especially in terms of affordable housing, including because it is difficult to predict individual property owner circumstances that may or may not suggest that a property would be offered for rent or sale if an STR is not possible in the unit, and because the housing stock in question is actually quite expensive (with median home

prices in this area hovering around \$1.25 million, and 2-bedroom rentals going for around \$3,500 per month).<sup>1</sup> That said, there is no ‘one size fits all’ STR solution in coastal California, and each community must find their own balance, including how STRs – and different types of STRs – are appropriately part of the overnight accommodations context in the area (and in Pacifica there are also some 330 hotel and motel rooms, meaning that there will still remain a variety of visitor overnight accommodation options moving forward).

Simply put, STR regulation is not an all or nothing proposition in coastal areas, as some might claim, and the key is finding a balance that makes sense for both a community and its visitors while remaining Coastal Act and LCP compliant. Finding that balance can be an incredibly difficult process, where that process demands some acknowledgment and deference given what can be truly competing objectives at times. Here, although the proposed STR provisions are quite limiting, they would not eliminate STRs, and the City would still retain what would appear to be a viable STR market for visitors, particularly for hosted rentals. And to be clear, there is a high level of discretion and a wide range of what can be considered reasonable to meet Coastal Act and LCP objectives. Here, the City’s proposal, while clearly not universally supported by its residents (with fervent supporters and opposition on both sides of the debate), has been based on some eight years of local outreach and study, and the Commission has typically given great weight to that sort of process that leads to what might be considered a negotiated outcome.

In conclusion, staff recommends that the Commission find that the proposed IP amendment conforms with and is adequate to carry out the LCP’s Land Use Plan (which is the standard of review for the proposed IP changes), and that the Commission certify it as submitted. The motion and resolution to do so can be found on **page 6** below.

**Staff Note: LCP Amendment Action Deadline**

This proposed LCP amendment was filed as complete on January 8, 2026. The proposed amendment affects the LCP’s IP only, and the 60 working day deadline for the Commission to take action on it is therefore April 7, 2026. Thus, unless the Commission extends the action deadline (it may be extended by up to one year), the Commission has until April 7, 2026 to take a final action on this LCP amendment (where April 7th falls before the Commission’s April 2026 meeting).

Therefore, if the Commission fails to take a final action in this case at this Commission meeting (e.g., if the Commission instead chooses to postpone/continue LCP amendment consideration), then staff recommends that, as part of such non-final action, the Commission 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

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<sup>1</sup> The median home price in Pacifica is \$1.25 million, and the median rental price for a 2-bedroom unit is \$3,500 per month, as of January 2026 (via [redfin.com](http://redfin.com) and [zillow.com](http://zillow.com)).

of the Commissioners present.

*Alternate Time Extension Motion: I move that the Commission extend the time limit to act on City of Pacifica Local Coastal Program Amendment Number LCP-2-PAC-25-0079-2 to April 7, 2027, and I recommend a yes vote.*

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## EXHIBITS

Exhibit 1: Proposed LCP Amendment

## 1. MOTION AND RESOLUTION

Staff recommends that the Commission, after public hearing, certify the proposed LCP IP amendment as submitted by the City of Pacifica. Thus, Staff recommends a **NO** vote on the motion below. Failure of this motion will result in certification of the IP amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

***Motion:*** *I move that the Commission reject Implementation Amendment Number LCP-2-PAC-25-0079-2 as submitted by the City of Pacifica, and I recommend a no vote.*

***Resolution to Certify:*** *The Commission hereby certifies Implementation Amendment Number LCP-2-PAC-25-0079-2 as submitted by the City of Pacifica, and adopts the findings set forth below on grounds that the amendment conforms with, and is adequate to carry out, the provisions of the certified City of Pacifica Land Use Plan. Certification of the amendment will meet the requirements of 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 impacts on the environment that will result from certification of the amendment.*

## 2. FINDINGS AND DECLARATIONS

### A. Background

The City of Pacifica is located about 10 miles south of San Francisco along the San Mateo County ‘coastside’, where the coastal zone boundary mostly tracks along Highway 1 and encompasses residential neighborhoods, visitor-serving and commercial areas, significant open space and habitat areas, and important and popular beaches and other public access attractions. In particular, the City is a very popular recreational destination for visitors from all over the Bay Area, due in part to its beaches, open spaces, and well-known surf breaks, but also due to its proximity to both the San Francisco area and to the Peninsula, San Mateo, the Santa Clara (or Silicon) Valley, and the East Bay.

The City has regulated short-term rentals (STRs) in its LCP since 2018 when the Commission certified its initial STR provisions as part of the LCP Implementation Plan (IP). Those LCP provisions included an STR permit process (i.e., non-CDP); a prohibition against STRs in accessory dwelling units (ADUs), trailers, and storage sheds/garages; required payment to the City of transient occupancy tax (TOT); and “good neighbor” policies, such as guest safety requirements and noise regulations. In 2024 the City further amended their IP to add a cap of 150 maximum STRs (whether hosted or unhosted rentals, between which the LCP did not differentiate) throughout the City (both in and out of the coastal zone); to add junior ADUs to the types of housing where STRs were prohibited; to establish an STR permit renewal window of October 1 – October 31 annually, and allow the City to revoke STR permits if the permittee failed to

renew their license each year; and to create a waitlist for STR permits if the cap has been met. In determining their proposed STR cap, the City decided to limit allowable STRs to roughly 1% of total housing stock (or 150 total units cumulatively, both in and out of the coastal zone), concluding that that number assured the City's desired balance between housing availability and visitor serving accommodations. Currently, the City indicates that there are 43 STRs operating in the coastal zone, and 31 outside of the coastal zone, or a total of 74 STRs. As indicated, the City does not distinguish between hosted and unhosted rentals, so it is unclear to what extent these rentals fall to either category.

The City has continued to refine their STR provisions following the 2024 LCP changes and has continued to engage on the issues with both supporters and detractors of STRs, including receiving feedback from STR operators and their neighbors through Planning Commission and City Council meetings, and study sessions. Many of the concerns raised have been operational, with claims of STRs leading to neighborhood parking deficits, excessive noise, improper/inadequate trash disposal, and other such operational concerns. Ultimately, the City decided to address such concerns through a series of refined operational requirements, as well as through further STR limitations overall, as discussed below.

## **B. Proposed LCP Amendment**

The proposed amendment would build upon existing LCP STR provisions, including allowing unlimited nights of hosted stays (i.e., room rentals in an occupied residence where the operator is on site); restricting unhosted stays up to 60 nights per year (i.e., whole house rentals where the operator is not present); instituting a primary residence and natural person requirement for STR operators;<sup>2</sup> establishing parking, signage, occupancy, and visitor guidelines; requiring on-site noise monitoring; limiting the number of visitors and establishing visitor hours; regulating the total number of STRs per dwelling unit on site; adding safety inspection requirements; incorporating operating requirements to address neighborhood concerns and complaints regarding parking, noise, and waste; providing advertising platform responsibilities; adding a series of new STR related definitions; and establishing standards and procedures for STR permit revocation should the STR operator or facility violate the LCP or other local, state, or federal laws. The amendment only allows STRs in LCP zoning districts that allow residential use,<sup>3</sup> all without a CDP requirement and instead through the provision of a City-issued "Short Term Rental Permit".

Additionally, the amendment would add requirements that: STR operators only have an ownership interest in one STR within the City at a time; STRs provide adequate parking

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<sup>2</sup> The proposed provisions define "natural person" as a living human being, "operator" as the natural person who has applied for or received a STR permit from the City, and "primary residence" as a residence where the operator resides full time for more than six months of the year (noting that primary residency requirements cannot be satisfied via living in an ADU or Junior ADU on site).

<sup>3</sup> Such residential zoning districts consist of Open Space/Agricultural/Residential, Very Low Density Residential, Low Density Residential, Medium Density Residential, High Density Residential, Coastal Residential Mixed Use, and Mixed Use Center.

based on the number of bedrooms being rented;<sup>4</sup> establish limits for the number of renters per bedroom;<sup>5</sup> limit the number and hours which visitors whom are not party to a STR booking may enter the site; modify waste and noise requirements; and that the STR operator/responsible party post signage explaining they are reachable via a posted telephone number 24/7 to respond to complaints regarding the use of the STR. Further specific added performance requirements include that each STR must be equipped with a noise monitor on the exterior of the rental property to ensure compliance with the City's quiet hours, disclosure to the guest of the presence of a noise monitor, and information provided by the host with instructions regarding trash, composting, and recycling disposal requirements including collection time and dates.

Furthermore, each STR must erect a single, weatherproof exterior sign, not more than two square feet in total area, posted either at the front of the site and visible from the right-of-way for single family dwellings, or on the door if it is a hosted multi-family dwelling unit or condominium, indicating the site is being used at times as an STR. The sign is also required to include the STR permit number and a QR code with the operator's name and contact information and a link to the City's code enforcement website. The amendment also establishes an inspection requirement as part of the application process and creates a permit revocation and enforcement process. Existing permitted STRs will not need to comply with the new provisions until the time for their next permit renewal (i.e., October 1-31 of the coming application cycle).

Please see **Exhibit 1** for the full text of the proposed IP amendment.

## **C. Consistency Determination**

### **Standard of Review**

The proposed amendment affects only the IP component of the City's LCP and the standard of review for IP amendments is that they must be consistent with and adequate to carry out the LCP Land Use Plan (LUP).

### **Applicable LUP Provisions**

The LUP contains a series of provisions designed to protect and provide for maximized public recreational access opportunities, as well as to protect and encourage lower cost visitor and recreational facilities, as well as protect and provide for housing opportunities. These LUP provisions include:

***LUP Policy LD-G-1 Coastal Development. Ensure that development maximizes beach and coastal open space access and is orientated as much as possible to each particular coastal environment in use, design, and intensity.***

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<sup>4</sup> The STR must provide at least one off-street parking space per legally permitted bedroom that is being used for STR purposes, which shall be dedicated and available to guests during the period of the rental.

<sup>5</sup> Maximum overnight occupancy for all STRs cannot exceed two guests per legally permitted bedroom, where children under the age of six do not count towards such limits.

**LUP Policy LD-G-3: Future Residential Development.** Limit development to sites that are not critical for open space connections or habitat preservation, and which will be in harmony with the surrounding natural setting.

**LUP Policy LD-I-6: Lower Cost Visitor and Recreational Facilities.** Protect, encourage, and where feasible, provide lower-cost visitor and recreational facilities in the Coastal Zone. These include major, free recreational attractions such as Pacifica Pier and Pacifica State Beach; the public golf course at Sharp Park; the San Francisco RV Park; California Coastal Trail and other trails, lower cost overnight accommodations; and numerous beaches accessible at no cost.

**LUP Policy LD-I-7: Oceanfront Land for Recreational Use.** Protect land adjacent to Sharp Park and Pacifica State Beaches for low-intensity recreational use. Allowable uses should include recreation outfitters, campgrounds, rustic lodging, hikers' huts, or view restaurants.

**LUP Policy LD-I-8: Development Priority for Visitor-Serving and Recreational Uses.** Allow visitor-oriented uses as-of-right in all areas designated for Visitor-Serving Commercial or Low-Intensity Visitor-Serving Commercial, and all commercial or mixed-use districts within the Coastal Zone.

**LUP Policy LD-I-14: Palmetto Avenue.** Enhance Palmetto Avenue between north of Paloma Avenue and Clarendon Road as a pedestrian-oriented main street with retail, restaurants and services as well as multi-family housing and mixed-use development.

**LUP Policy PR-G-1: Coastal Access and Recreational Opportunities.** Provide maximum coastal access and recreational opportunities for all people consistent with public safety needs and the need to protect public rights, rights of property owners, and natural resource areas from overuse, including access at each point identified on Figure 3-1.

**LUP Policy PR-G-2: Management of Public Access.** Regulate the time, place, and manner that public access is provided, based on such factors as topographic and site constraints; the fragility of natural resources; public safety; and the privacy of adjacent residential uses.

**LUP Policy PR-G-3: Distribution of Public Coastal Facilities.** Continue to distribute public facilities, including parking areas or facilities, so as to mitigate against the impacts of overcrowding or overuse by the public of any single area.

**LUP Policy PR-G-26: Private Parking.** Ensure adequate off-street parking in all new development.

**LUP Policy PR-G-27: Public and Visitor Parking.** Facilitate beach and recreational use by providing safe and well-located public parking. When appropriate and feasible, distribute parking areas throughout the Coastal Zone to mitigate against the impacts of overcrowding or overuse by the public of any single area.

**LUP Policy ER-I-41: Recreational Uses.** Promote recreational uses, such as horse boarding and trail riding, which retain open space character while contributing to a visitor-based economy.

**LUP Policy PR-I-1: Public Shoreline Access.** Continue to ensure that new development does not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

**LUP Policy PR-I-2: New Development and Coastal Access.** Require that new development along the coastline provide public access from the nearest public roadway to the shoreline and along the coast, and be designed to minimize impacts to public coastal access and recreation. Ensure that impacts are mitigated through the dedication of access or trail easements or the provision of improvements to other public access points.

**LUP Policy PR-I-27: Fees and Time Restrictions.** Ensure that public beaches and parks in the Coastal Zone maintain free and lower-cost user fees and parking fees, and minimize parking lot and beach curfews to the extent feasible in order to maximize public access and recreation opportunities.

**Sensitive Coastal Resource Areas Definition:** Those identifiable and geographically bounded land and water areas within the coastal zone of vital interest and sensitivity. "Sensitive coastal resource areas" include the following: ... (e) Special communities or neighborhoods which are significant visitor destination areas; (f) Areas that provide existing coastal housing or recreational opportunities for low- and moderate income persons; and (g) Areas where divisions of land could substantially impair or restrict coastal access.

Additionally, the LUP incorporates Coastal Act provisions into the LUP, including the following:

**Section 30210.** In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.

**Section 30213.** Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred. ...

**Section 30222.** The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

**Section 30253.** *New development shall: ... (e) Where appropriate, protect special communities and neighborhoods which, because of their unique characteristics, are popular visitor destination points for recreational uses.*

### **Consistency Analysis**

#### Balancing STR and Residential Objectives

The LCP's LUP requires protection and maximization of public recreational access opportunities, where such opportunities in this case are both the overnight accommodation provided to visitors via STRs, as well as the directly related opportunities that such an overnight stay can facilitate and engender (e.g., hikes, beach trips, sightseeing, etc.). In addition, the LUP gives preference and priority to such public recreational access use/development over other types of use/development, and explicitly over private residential use, when the choice is between private use and facilities capable of enhancing public recreational opportunities (like STRs) (see, for example, LUP Policies LD-I-6, LD-I-7, LD-G-3, and Coastal Act Section 30222).

At the same time, however, the LUP also designates special coastal resource areas within the City's coastal zone, including significant visitor destination areas and areas that provide coastal housing or recreational opportunities for low- and moderate-income persons. The relationship between STRs, housing stock, the visitor-serving economy, and healthy functioning coastal communities is complex. There is little evidence to suggest that all housing that might be used for STRs of some type in the City of Pacifica's coastal zone would provide the type of longer term and/or affordable housing opportunities encouraged by the LCP if such housing weren't used for STR use. Such a question is complicated, not only by the costs associated with such housing (whether rental or home ownership),<sup>6</sup> but also by the general lack of evidence to suggest that housing used for STRs would be put to longer-term rental or other housing uses if STRs were not allowed.<sup>7</sup> Regarding special community protection, however, one of the reasons that these communities' characteristics encourage increased visitation in the first place is the visitor-serving economies (and the related businesses, facilities, etc.) associated with them. Those visitor-serving economies are dependent on workers, who are dependent on reasonably affordable and available workforce housing. Oftentimes such workers are contributing to the communities in other ways and reflect a part of its fabric and character in that sense, as well. Thus, protecting those communities as visitor destinations implicitly requires that workforce housing also be appropriately accommodated. In addition, when viewed in that light, the public recreational opportunities that are required to be protected and enhanced by other LUP provisions can themselves necessarily only be achieved with adequate workforce housing.

The City's LUP recognizes that visitor-serving uses/facilities and affordable housing are both sensitive coastal resources that are vital to the coastal zone in Pacifica. The ability of communities to accommodate and attract visitors requires both workers to serve the

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<sup>6</sup> The median home price in Pacifica is \$1.25 million, and the median rental price for a 2-bedroom unit is \$3,500 per month, as of January 2026 (via [redfin.com](https://www.redfin.com) and [zillow.com](https://www.zillow.com)).

<sup>7</sup> Including related to second (or more) homes where owners may choose to leave them vacant if STRs aren't possible.

visitor economy, where such workers require viable workforce housing, and residents that contribute to and can be a part of the character of the place. The question of when, where, and how to accommodate STRs thus raises intertwined LUP public visitor-serving/recreational access and housing issues that must be harmonized and balanced.

The Commission recognizes that STRs provide a unique and important source of visitor-serving accommodation in the coastal zone, especially for larger families and groups, and has found that outright bans or undue restrictions on this type of lodging are inconsistent with Coastal Act and LUP policies prioritizing public access and visitor-serving uses. At the same time, the Commission has also recognized a need to restrict STRs in some coastal communities where evidence showed that the STR market was having impacts on coastal resources, or was impacting housing necessary to support priority uses (e.g., visitor-serving economies), such as workforce housing of the type described above. Past Coastal Commission guidance to local governments has emphasized the need to allow, but regulate, STRs in a manner that balances the important public access and visitor-serving benefits of such rentals with reasonable regulations to limit adverse impacts on coastal communities.<sup>8</sup> This balanced approach has been reflected in past Commission actions, where although each case has its own unique STR, housing, community character, coastal resource, and proposed policy context (and thus different outcomes due to such unique contexts), the Commission has consistently pushed for and arrived at what it has considered an appropriate balance, including a recognition of the heated debates and tough choices that are often part of local deliberations when crafting such STR regulations.<sup>9</sup>

In short, while the Commission has found STR use a higher priority than private residential use as directed by the Coastal Act, and here by the LCP's LUP provisions,

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<sup>8</sup> See, for example, the Commission's 2016 guidance to local governments available at: [https://documents.coastal.ca.gov/assets/la/Short\\_Term\\_Vacation\\_Rental\\_to\\_Coastal\\_Planning\\_&\\_Devt\\_Directors\\_120616.pdf](https://documents.coastal.ca.gov/assets/la/Short_Term_Vacation_Rental_to_Coastal_Planning_&_Devt_Directors_120616.pdf).

<sup>9</sup> Commission actions on STR LCP amendments have varied considerably in policy and other outcomes due to unique circumstances in each case but have all included the premise of balancing at their core. See, for example: the 2018 rejection of a Santa Barbara County proposal that would have significantly restricted STRs without meaningful benefits to community character or housing (LCP-4-STB-17-0086); the 2018 approval of a City of Santa Cruz ordinance that significantly restricted STRs to facilitate greater housing opportunities (LCP 3-STC-17-0073-2-Part B); the 2022 approval of City of Dana Point STR provisions with conditions to allow for a "cap" on unhosted STRs in the coastal zone based on the approximate number of STR permits in existence when the City stopped issuing STR permits (A-5-DPT-22-0038); the 2022 approval of City of San Diego provisions that capped whole home (unhosted) rentals at various levels for varying neighborhoods and created a "lottery" for issuing STR permits (LCP-6-SAN-21-0046-2); the 2022 approval of a City of Trinidad ordinance that capped unhosted (called "full time") STRs citywide at around 15% of the city's housing stock in order to protect housing (LCP-1-TRN-22-0034-1); the 2022 rejection of the City of Malibu's STR provisions because the proposed ban on non-hosted STRs would have eliminated lower-cost overnight accommodations in the City when alternative approaches existed that could both protect such visitor-serving opportunities and affordable housing stock (LCP-4-MAL-20-0083-2); the 2023 approval of the City of Half Moon Bay's proposal that included significant restrictions on the types of allowable STRs and the number of nights allowed for hosted versus unhosted STR usage (LCP-2-HMB-21-0078-2); the 2024 approval of the Marin County proposal that capped the number of STRs specific to each individual township at varying percentages of single-family housing stock (LCP-3-MAR-24-0002-1), and the 2025 approval of the Monterey County proposal that also capped STRs by area and types (LCP-3-MCO-24-0039-1).

these provisions also protect special communities that are visitor destinations because of their attributes, such as the coastal beaches and communities of Pacifica. In turn, the ability of such communities to accommodate and attract visitors as protected by the LUP requires both workers to serve the visitor economy, where such workers require viable workforce housing, and residents that contribute to and can be a part of the character of the place. Put another way, the question of when, where, and how to accommodate STRs raises intertwined LUP public recreational access and housing issues that must be harmonized and balanced as much as possible. That is not only true in Pacifica, but in the coastal zone statewide.

### City's Proposed Balance

The City's current STR provisions provide straightforward standards designed to ensure STRs are appropriately operated and regulated (including through existing certified 'good neighbor' provisions, a process for licensing and compliance, and the 150 STR cap citywide). The new proposal would further specify and refine many of those regulations in response to concerns raised by the public during the City's public process, as explained further above, where the most substantive of these moving forward is the proposed limit on unhosted stays to 60 nights per year (while having no restrictions on the nightly stays on hosted stays),<sup>10</sup> and the primary residence requirement. Together, those proposed provisions mean that the allowance for unhosted STRs will be fairly severely curtailed. This is not only because they would be limited 60 nights of rentals within half the overall year (due to primary residency requirements), but also importantly because the proposed LCP provisions do not distinguish between hosted versus unhosted rentals in relation to the cap, and all STRs – whether they are unhosted or hosted – count towards the cap. All of which means that there are likely to be far fewer of the unhosted type than 150 STRs, and at one end of the spectrum there is nothing to stop the market from being a completely hosted market with no unhosted STRs.<sup>11</sup> This raises some concerns as these proposed provisions would decrease options for public recreational access opportunities, and such a decrease in overnight opportunities could make visitor serving, and thus public access opportunities, more difficult in these areas, particularly for larger groups and families. At the same time, though, hosted stays would remain unlimited, which would continue to provide some STR overnight accommodation opportunities, even if unhosted such STRs are likely to decline. Additionally, by limiting STRs in multi-family dwelling buildings, the proposed amendment helps to ensure the continued availability of multi-family units for longer-term residential uses, an important source of less costly housing

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<sup>10</sup> It's worth noting that initial versions of the City's changes proposed a 90-night limit on unhosted stays but following public input the City chose the 60-night limit to address community concerns surrounding noise, parking, and waste, among others, and ensure STRs operate in a compatible manner with existing residential uses.

<sup>11</sup> Currently, the City indicates that there are 43 STRs operating in the coastal zone, and 31 outside of the coastal zone, or a total of 74 STRs. As indicated, the City does not distinguish between hosted and unhosted rentals, so it is unclear to what extent these rentals fall to either category. It is worth noting that at the time the 2024 LCP changes were adopted, there were some 150 STRs citywide. However, since that time the total number of STRs has dropped almost in half. It appears clear that the reduction shows the market's reaction to more restrictive STR regulations from 2024, and would suggest that a similar correction is likely moving forward after these new and more limiting provisions proposed in this case.

as a general rule. In addition, the proposed amendment prohibits STRs in ADUs and JADUs, including prohibiting operators from living in an ADU and using the larger dwelling as an STR, retaining these units as potential housing resources as well. In any case, even though the unhosted STR market may shrink, the City still has approximately 330 hotel and motel rooms, meaning that there will still remain a variety of visitor overnight accommodation options moving forward.

What is not clear from the City's data and/or its justification for the amendment is whether the proposed STR restrictions would actually create additional longer-term housing opportunities, especially in terms of affordable housing. For example, while it might be presumed that less STRs less of the time would lead to more housing opportunities, the City cannot mandate or assure that property owners will rent or sell their properties for longer term residential use if they can't pursue STRs. Even if the law of supply and demand would suggest that making more housing stock available for long-term housing could correspondingly lead to lower costs for such housing overall, the housing stock in question is actually quite expensive (with median home prices in this area hovering around \$1.25 million, and 2-bedroom rentals going for around \$3,500 per month), and the degree to which such housing availability, if it were to become available due to City STR actions, might 'trickle down' and help reduce costs/rents at the lower end of the market is unclear, and unlikely in the short term.<sup>12</sup> In addition, the actual mechanisms by which that might happen are complicated, not the least of which is the inability to predict individual property owner circumstances that may or may not suggest that a property would be offered for rent or sale if an STR is not possible in the unit. The City has no data that identifies expectations for such property owners when confronted with such circumstances, and thus it is not entirely clear to what extent the proposed STR restrictions will lead to additional longer term housing opportunities.<sup>13</sup>

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<sup>12</sup> It should be noted that the City does have many tools available to more concretely encourage housing opportunities generally, and more affordable housing specifically, that do not relate to STRs, such as prioritizing denser infill housing; 'upzoning' to encourage multi-family housing; incentivizing denser multi-family development and disincentivizing more dispersed single-family development; and/or deed restricting more housing as required affordable housing, none of which would likely unduly and adversely impact unique forms of visitor-serving accommodations such as STRs. While such approaches to housing are generally encouraged by the Coastal Act (e.g., locating new development contiguous with, or in close proximity to existing developed areas; see Coastal Act Section 30250), they also raise concerns for some about the way in which they could lead to changes in the single-family residential built environment, which is the predominant form of housing in the City's coastal zone (and the coastal zone more broadly) and which dominates the residential built environment (both here and statewide). It is clear that more inroads of this type are necessary by coastal zone local governments if the needle is going to be moved on housing stock and affordability in the coastal zone, including in the City of Pacifica. In fact, while the City's focus in this proposal is on STRs and their relationship to 'freeing up' affordable housing stock, it is not clear that the direct hypothesis identified (i.e., that more restrictions on STRs and fewer STRs will lead to more affordable housing options) is actually going to be borne out by the changes proposed, and in fact the data available suggests that that is unlikely to be the case. Put another way, STRs versus housing units is not a zero sum game: the proposal will further limit allowable STRs, but that doesn't directly or even necessarily result in units that would otherwise provide STRs being available as affordable housing options.

<sup>13</sup> On this point it is noted that Dr. David Wachsmuth from McGill University in Montreal presented the conclusions of some of his research regarding the impact of short-term rentals on housing availability in the City of Los Angeles (prepared for Better Neighbors LA) and in other large urban/metropolitan areas of

However, the City reasons that it is still appropriate to provide meaningful STR limitations via retaining the 150 STR cap, adding a primary residency requirement, and limiting the number of nights for unhosted stays to 60 max, if for no other reason than to draw the line on the number of houses that may be used as STRs at any one time as opposed to housing, even if they lack an enforceable mechanism to require any particular property owner to rent or sell their unit for longer term housing as opposed to leaving it empty if they can't operate an STR, and to incentivize a form of STR use that the City reasons will have less effects on neighborhoods and sensitive communities. The City previously determined that a 150 unit cap, which equates to roughly 1% of the total housing stock,<sup>14</sup> meets their community's housing objectives, and the Commission concurred that that number was appropriate under the LUP with its approval of the LCP amendment in 2024. Arguably, however, the now proposed primary residency requirement essentially reduces potential unhosted STR rental nights by 50%, and the 60 rental night cap on unhosted rentals reduces it even further (e.g., if all 150 STRs meeting the cap after the 2024 LCP amendment were unhosted, then the amount of potential unhosted rental nights would be reduced by nearly 85% by these new proposed STR provisions). Put another way, the City's proposed STR restrictions are some of the most severe in the coastal zone at this point. That said, there is no 'one size fits all' STR solution in coastal California, and each community must find their appropriate balance, including how STRs – and different types of STRs – are appropriately part of the overnight accommodations context in the area. Simply put, STR regulation is not an all or nothing proposition in coastal areas, as some might claim, and the key is finding a balance that makes sense for both a community and its

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the United States to the Commission in December 2023, framing his presentation as "how best to regulate STRs from a pro-housing perspective." At that time, Dr. Wachsmuth suggested that the proliferation of STRs in Los Angeles and other dense urban areas of the U.S. has taken homes there off the long-term rental market and raised rents in housing not used for STRs. It is worth noting, however, that Dr. Wachsmuth's research focused on exploring the relationship between STRs and housing stock in large urbanized metropolitan areas (and thus the references to Los Angeles) and does not appear to consider potentially significant distinctions between observed trends in those dense urban areas and trends that may be present in dissimilar built environments (such as less densely developed Pacifica in this case). It would appear that additional research is needed to explore the extent to which the conclusions of such STR research focused on urban metro areas (e.g., Dr. Wachsmuth indicated that the foundational research that has been done to date was based on the "100 largest metro areas in the United States") are transferable and applicable to areas that do not share that same context. It would also appear that distinctions need to be more fully explored between such STR markets (related to primary residency requirements, hosted versus unhosted STRs, limitations on allowed STRs nights per year, etc.) and the type of housing markets in question (whether predominantly single-family residential or units in multi-family settings, owned versus rented, etc.) to be as useful as possible in the Commission's STR regulation efforts, as well as distinctions emanating from the Coastal Act itself that are relevant (e.g. requirements to maximize public access). In any case, as applicable here, given the very different housing characteristics of Pacifica's coastal zone as compared to Los Angeles and other significant U.S. metropolitan areas, it is not clear that the data is transferable for that reason alone. In light of these issues and questions, and as a means of fleshing out points made and their relevance to individual STR regulation cases like this one, Commission staff reached out to Dr. Wachsmuth multiple times since his December 2023 presentation in order to try to better understand his research and its potential implications in the coastal zone, but to date Dr. Wachsmuth has not yet responded to these inquiries.

<sup>14</sup> It should be noted that STRs as a percentage of housing units vary wildly in LCP STR provisions up and down the coast (e.g., ranging from 1% in Half Moon Bay to 15% in Trinidad, all the way up to 50% in certain Marin County coastal areas like Dillon Beach).

visitors while remaining Coastal Act and LCP compliant. Finding that balance can be an incredibly difficult process, where that process demands some acknowledgment and deference given for what can be truly competing objectives at times.

On that note, both the City and Commission have heard a great deal from the various interested parties in this matter, and there are stakeholders on all sides of the argument. For example, groups like Pacifica for Responsible Tourism contend that the proposed STR provisions are inconsistent with Coastal Act and LCP provisions that require that public recreational opportunities be maximized, and argue that this amendment will lead to a decrease in tourism and reduce revenue to the City. Conversely, groups like Pacifica Homes Are Not Hotels support the STR ordinance, claiming that unhosted STRs deplete the housing stock, raise rents, and disturb local communities. And, at opposing ends of the spectrum, some parties expressed their support for an outright STR ban while others suggested only restricting STRs in terms of appropriate 'good neighbor' provisions and procedures (for TOT, permitting, etc.).

Importantly, the City has spent considerable time and energy engaging the public on potential solutions, and the proposal before the Commission is the result of those efforts. Indeed, the City has spent nearly eight years seeking a balance for STR regulations, beginning in 2018 with the LCP amendment that added initial STR provisions related to permit processing and good neighbor policies, followed by the 2024 LCP amendment that instituted a 150 STR cap City-wide (among other minor refinements), and now the subject proposal that focuses on reducing STRs even further. It is clear that through this process the City has taken the varied feedback to heart and explored a myriad of options and permutations for appropriately balancing important visitor-serving accommodations that increase public access to the coast, while providing for some new opportunities for longer term housing and some new ways of continuing to protect the character of the City's coastal neighborhoods. Such permutations highlight and exemplify the point that it has been the Commission's experience that there are multiple ways to achieve a balanced regulatory framework and program for STRs in coastal communities, and depending on how one views STRs and their effects on community character, resource protection, housing, and their interplay with protection of residential neighborhoods, and how the mix of LUP provisions are interpreted and weighed, multiple LUP consistent outcomes are certainly possible. The City has landed on a compromise that represents a balance based on the unique attributes of the built and natural environment of its coastal areas and the various provisions of its LUP. The Commission here agrees with the City's proposal in that regard, and finds that the proposed LCP amendment conforms with and is adequate to carry out the LCP LUP as submitted.

#### **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 City exempted the proposed amendment from environmental review (citing 15061(b)(3) (no significant environmental impact) and 15301 (class 1 – existing facilities)).

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 comments received, and has concluded that the proposed LCP amendment is not expected to result in significant environmental effects, including as those terms are understood in CEQA.

Accordingly, it is unnecessary for the Commission to suggest modifications (including through alternatives and/or mitigation measures) as there are no significant adverse environmental effects that approval of the proposed amendment would necessitate. Thus, the proposed amendment 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).

### 3. APPENDICES

#### **A. Substantive File Documents<sup>15</sup>**

- LCP Amendment File for LCP-2-PAC-25-0079-2

#### **B. Staff Contact with Agencies and Groups**

- City of Pacifica Planning Department
- Angel Law on behalf of Pacifica for Responsible Tourism

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<sup>15</sup> Available for review in the Commission's North Central Coast District office in San Francisco.