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F7b

Prepared July 9, 2026 for the July 10, 2026 Hearing

To: Commissioners and Interested Persons
From: Stephanie Rexing, North Central Coast District Manager
Subject: **STAFF REPORT ADDENDUM for F7b**
CDP Application Number A-2-HMB-25-0003 (Hyatt Hotel)

In the time since the staff report for the above-referenced item was published (on June 25, 2026), staff has gotten additional clarity on project details from the Applicant which warrants some additional discussion, generally related to building and resource conservation area configurations. In addition, since publication, correspondence regarding the project has also been received, both in support of and in opposition to staff's recommendation, with roughly 50 commenters in support and roughly 30 commenters in opposition (see posted correspondence package number 2, for comments received since publication). In the case of the former, commenters generally observe that the proposed hotel project will be a welcome addition to the City that is thoughtfully sited and designed in a way that fits the City's character and protects views in the manner required by the LCP. In terms of those in opposition, comments predominantly argue that the proposed hotel project is too large and would have an impermissible impact on public views.

The purpose of this addendum is to modify certain sections of the staff report to reflect the greater clarity regarding project details, and to respond to comments received. To be clear, however, neither the changes nor the comments/responses alter the basic substance of the staff recommendation, which continues to be to approve the project with conditions. Where applicable below, text in underline and ~~striketrough~~ denotes text to be added or deleted, respectively.

1. Staff Report Modifications

First, the Applicant has clarified that the distance between the two proposed connected hotel buildings ranges from 48 feet on the seaward side to about 65 feet on the Main Street side due to the way the buildings are angled. Staff had understood this to be a uniform length, which is reflected in the staff report, but it actually varies (although the connecting passageway is a fairly uniform 60 feet), requiring corrections as follows.

Modify the first full paragraph on staff report page 2 as follows:

...In addition, the gap between the buildings has increased to varying degrees depending on the vantage point and building angle – more than doubling the distance between the buildings nearest Main Street and increasing such distance

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by 50% nearest the highway – opening more inland mountain/ridgeline views from the highway. ...

Modify **Special Condition 1(a)** on staff report page 6 as follows:

Configuration. *The 110-room hotel shall be spread over three buildings; two connected north and south structures, in the northern half of the property, and a smaller detached structure in the southern portion of the site. The two connected buildings would consist of one 36-foot tall, 253-foot long, and three-story “North Structure” that would be 49,270 interior square feet and a 25.5-foot tall, 185-foot long, and one-story “South Structure” that would be 12,009 square feet. The two structures shall be connected by a 15-foot tall and one-story enclosed walkway extending ~~some-67~~ 60 feet between the two structures. The third building would be a 22-foot tall and one-story detached 9,746 square-foot structure.*

Modify the first full paragraph on staff report page 19 as follows:

The two structures would be connected by a 15-foot tall and one-story enclosed walkway extending ~~some-67~~ 60 feet between the two structures.

Modify the last full paragraph on staff report page 25 as follows:

...With these two design modifications, the proposed space between the two main structures is now ~~about 35 feet~~ to varying degrees depending on perspective and building angle (i.e., it’s now varies from about 48 to 65 ~~7~~ linear feet when the space between the two buildings was initially proposed to be only 32 feet, more than doubling the distance between buildings nearest Main Street and increasing such distance by 50% nearest the highway). ...

Modify the last full paragraph on staff report page 25 as follows:

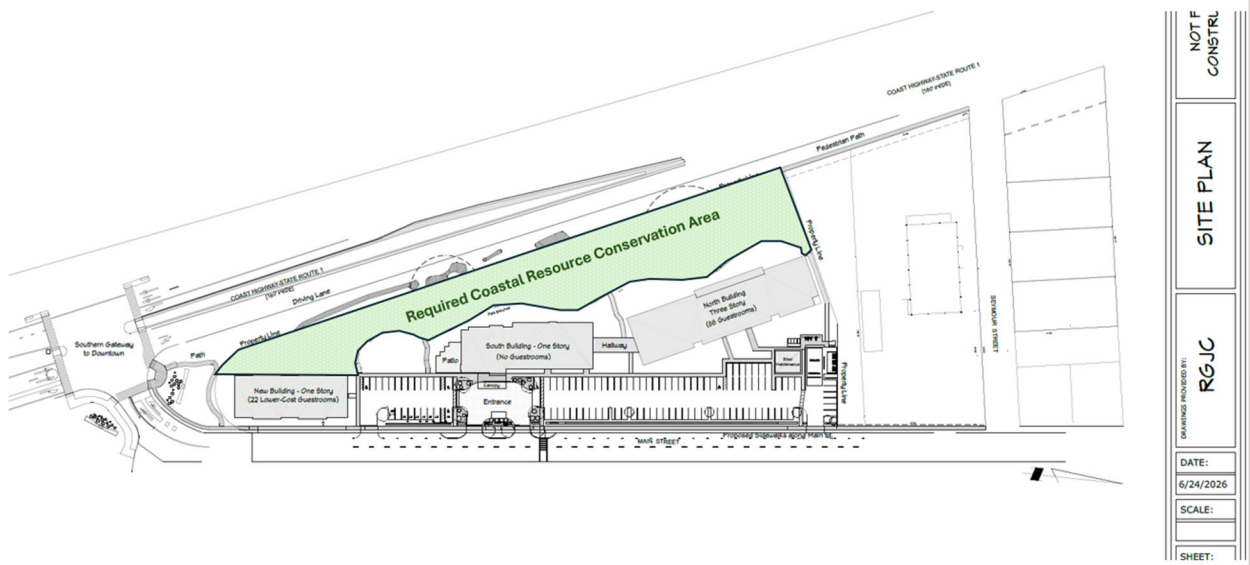
...Put another way, when driving the speed limit on Highway 1 heading north past the site, ridgeline views are now only obstructed for about 3.5 seconds for ~~each~~ the North Structure only, and unobstructed for the remaining nearly 10 seconds. ...

Replace the second photo simulation on staff report Exhibit 4 page 7 (i.e., the “newly configured” photo) with the following image:

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Second, the Applicant has noted that they will need access to the buildings from the highway side for repair and maintenance, but that the staff recommendation includes the entire area from the hotel buildings to the highway in a “coastal resource conservation area” (via **Special Condition 4** starting on staff report page 12) within which such activities would not be allowed. Accordingly, staff has modified the required area to exclude the small area between the hotel buildings and the public pathways. These areas will only be landscaped, and the requirements specific to the landscaping are adequate to address the purpose and need of the coastal resource conservation area in that respect (i.e., via landscape screening/softening that area). Thus, the image on staff report Exhibit 7 is replaced by the image below, where the required coastal resource conservation area is shown in green:



Finally, several commenters in opposition assert that staff’s CEQA finding is incorrect where staff states (on staff report page 41) that “the City found that the proposed project, as mitigated, would not lead to any significant adverse effects.” Staff notes that

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the commenters are correct, and that statement is in error, because the City did identify a significant and unavoidable visual impact under CEQA, and certified the final EIR based on a statement of overriding considerations on that point. Thus, the first paragraph of the CEQA finding on staff report page 41 is modified as follows:

*... The City of Half Moon Bay, acting as lead CEQA agency, approved the originally proposed project and certified an Environmental Impact Report and adopted a series of CEQA findings and mitigation measures as conditions of approval in the City's action. The City found that the proposed project, as mitigated, would not lead to any significant adverse effects for all issue areas except one, where the City identified a significant and unavoidable visual impact under CEQA, and certified the final EIR based on a statement of overriding considerations on that point. The City's mitigation measures are incorporated into this CDP via **Special Condition 11**.*

2. Response to Correspondence

Staff acknowledges the roughly 50 submittals in support of the project and/or the staff recommendation, including from U.S. Congressman Sam Liccardo, State Senator Josh Becker, State Assemblyman Marc Berman, the San Mateo County Board of Supervisors, Supervisor Ray Mueller, and City of Half Moon Bay Mayor Debbie Ruddock. Again, supporters generally observe that the proposed hotel project will be a welcome addition to the City that is thoughtfully sited and designed in a way that fits the City's character and protects views in the manner required by the LCP, and commenters urge the Commission's approval.

With respect to the roughly 30 submittals in opposition to the project and/or the staff recommendation, the predominant and common theme is a belief that the proposed hotel project is too large, that it would have an impermissible impact on public views, and should be denied by the Commission. In coming to such a conclusion, multiple commenters assert the LCP does not in fact allow for any impact to visual resources, and that staff's determination of LCP consistency via determining that the project appropriately minimizes such impacts is in error. Staff respectfully disagrees. The applicable LCP provisions in question, including LCP Land Use Plan (LUP) Policies 9-12 and 9-23, and LCP Implementation Plan (IP) Section 18.37.030 (see applicable LCP provisions starting on staff report page 20), all of which were frequently cited in comments, do not support the premise articulated, namely that no amount of view infringement, including in relation to ridgeline views, is allowed. For example, LUP Policy 9-12 states, in applicable part:

LUP Policy 9-12: Town Boulevard and Scenic Corridor. Require that new development in close proximity to or easily visible from the Town Boulevard scenic corridor, including Highways 1 and 92: A. Protects views of visual resource areas as seen from the Town Boulevard, including views to the ocean, upland slopes (i.e. minimizes intrusions into the ridgeline), and the historic Johnston House; B. Incorporates design standards such as screening of commercial parking areas and landscaping provisions; and C. Is visually compatible with the surrounding land and development. ... (emphasis added)

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Thus, the way in which LUP Policy 9-12 protects views of upland slopes is by explicitly minimizing intrusions into the ridgeline, and then overall protects the Highway 1 view through screening/landscaping and visual compatibility requirements. There is nothing in Policy 9-12 that stands for the premise that no impact at all is allowed. In staff's view, the revised project does all of those things (see also discussion on this point beginning on staff report page 25).

As to LUP Policy 23, it states:

LUP Policy 9-23: Upland Slopes and Ridgelines. *Protect broad views of upland slopes, prominent ridgelines and other intervening ridgelines as viewed from scenic corridors and the beach and shoreline through the following means: A. Prohibiting new development above the 160-foot contour line and on slopes greater than 30 percent, including grading and subdivisions but excluding public trails and critical facilities or public infrastructure that cannot be located elsewhere; B. Ensuring new development below the 160-foot contour line is sited and designed to minimize intrusions into the ridgeline through the application of appropriate height and setback restrictions; and C. Establishing standards for the Town Boulevard, other streetscapes, and large-scale landscaping projects to highlight and frame, but not block, views of visual resource areas. (emphasis added)*

Again, LUP Policy 9-23 protects views of upland slopes and ridgelines by “ensuring new development below the 160-foot contour line is sited and designed to minimize intrusions into the ridgeline.” Here, the proposed development is below that contour, and it is similarly required to minimize impacts. Staff believes that the revised project does that, including through “the application of appropriate height and setback restrictions” as the policy states, where this project is well setback from Highway 1 (ranging from 40 to 118 feet from the northbound travel lane, with the largest building to the north the furthest set back), and heights have been reduced below the maximum allowed by the IP (i.e., a maximum of 36 feet is allowed) for the two southern buildings (now 25.5-foot and 22-foot one-story buildings in the revised project). In staff's view, the project is consistent with LUP Policy 9-23 (see also discussion on this point beginning on staff report page 25).

As to IP Section 18.37.030, it states:

IP Section 18.37.030: Scenic Corridor Standards. *Public views within and from scenic corridors shall be protected and enhanced, according to the following standards: ... Development within the Highway One corridor ... In general, structures shall be: a. Situated and designed to protect any views of the ocean and scenic coastal areas. Where appropriate and feasible, the site plan shall restore and enhance the scenic quality of visually degraded areas. b. Located where least visible from the public view. Development shall not block views of the shoreline from scenic road turnouts, rest stops or vista points. c. Designed to be compatible with the environment, in order to maintain the natural features such as streams, major drainage, mature trees, and dominant vegetative communities. d. Set back as an appropriate distance from Highway One*

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right-of-way and from scenic beach access routes in accordance with the intent of this chapter. e. Designed to maintain a low height above natural grade, unless a greater height would not obstruct public views. ... f. Landscaping and screening suitable to the site and compatible with the surrounding area shall be used to soften the visual effect of development within a scenic corridor. g. Landscaping which establishes scenic gateways and corridors is encouraged to enhance the scenic quality of scenic corridors. (emphasis added)

A key element of IP Section 18.37.030 that commenters ignore is that it begins with the phrase “in general”, which qualifies all the text that follows it. That is not to say the development shouldn’t be made to conform in the ways described, but it is to say that some of the “shall” statements (which one commenter goes to great lengths to identify) need to be understood as qualified in this way in this section.¹ All of which makes particular sense when applied to a vacant site such as this that is in view of the Highway 1 scenic corridor where any amount of development (and here the LCP designates this site for fairly significant development and development intensity) is going to impact views in some way. Put another way, impacts to views cannot be avoided if development is to be allowed here. Thus, the LCP direction in that sense, as qualified by the “in general” language, is again to minimize such impacts, including in the ways identified. For example, to the ‘least visible’ standard above, the entire site is prominently visible from Highway 1, and no portion of it is truly ‘least visible’, beyond setting development back “an appropriate distance from Highway One”, which staff believes has been done here. As to the directive “to maintain a low height above natural grade”, that standard is not actually quantified. Here, where the LCP-allowed height is 36 feet, and most of the built development and the massing in the viewshed are lower than this height (10.5 and 14 feet lower than 36 feet for the two southerly buildings), the proposed project height is arguably quite a bit lower than what is allowed by the LCP. Finally, about half the site will be vegetated open space, and the area in the foreground of the Highway 1 view will be deed restricted as a coastal resource conservation area that is required to be landscaped to help screen and soften view impacts, all of which directly speak to IP Section 18.37.030 provisions. In staff’s view, the project is consistent with IP Section 18.37.030 (see also discussion on this point beginning on staff report page 26).

Staff acknowledges that a determination of whether a project has appropriately minimized its visual impacts is inherently a somewhat subjective and discretionary exercise and further acknowledges that commenters in opposition have come to a different conclusion than staff. That said, those kinds of differences in opinion are not uncommon in the coastal land use planning realm, and that is normal, as reasonable people can disagree on such matters. However, here the record contains substantial evidence that supports staff’s conclusion that the project minimizes visual impacts

¹ “[when] several words are followed by a clause which is applicable as much to the first and other words as to the last, the natural construction of the language demands that the clause be read as applicable to all.” *White v. County of Sacramento* (1982) 31 Cal.3d 676, 680. “It is a maxim of statutory interpretation that courts should give meaning to every word of a statute and should avoid constructions that would render any word or provision surplusage.” *Tuolumne Jobs & Small Business Alliance v. Superior Court* (2014) 59 Cal.4th 1029, 1038.

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consistent with the LCP. Regardless, the commentary that suggests that the project is not allowed to have any visual impact, including in terms of ridgeline incursions, is not a discretionary determination, and concludes that the project is therefore inconsistent is simply inaccurate. Here, the methods laid out to assure adequate visual protection are via siting and designing to be compatible with surroundings (including heights), setting back from the right-of-way, designing development to be compatible with the surroundings, and incorporating screening/softening landscaping, all of which this project does (including through setting the hotel back from Highway 140 to 118 feet, using landscaping and open space and trails to help screen and soften massing as seen from the highway corridor, breaking up massing to provide view gaps (from 50% wider to double the gap compared to the previous version last seen by the Commission for the space between the two largest buildings), and providing articulation and architectural interest, including southerly buildings well below the LCP allowed maximum height). So, while it is understood that some impacts are present, staff continues to recommend approval for the proposed project because it minimizes visual impacts in the way that the LCP envisions.

After public views, perhaps the second most prominent comment was in relation to CEQA, where several commenters in opposition assert that staff's CEQA finding is incorrect where staff states (on staff report page 41) that "the City found that the proposed project, as mitigated, would not lead to any significant adverse effects." Staff notes that the commenters are correct, and that that staff report statement is in error, because the City identified a significant and unavoidable visual impact under CEQA, and certified the final EIR based on a statement of overriding considerations on that point. To address that concern, the modification described above was made to the staff report. Three additional observations are made in relation to CEQA.

First, and fundamentally, and as described on staff report page 41, the Commission has a certified program under CEQA, where the Commission's review, analysis, and decision-making process for CDP applications, like this one, is the functional equivalent of the environmental review required by CEQA (see California Code of Regulations (CCR) Section 15251(c)). As a result, the Commission must consider the lead agency's analysis (here the City) but is not bound by the CEQA process or conclusions of the City. Whether the City did or did not adopt a statement of overriding considerations due to what the City perceived were significant and unavoidable adverse environmental visual effects is not dispositive to the Commission's LCP consistency analysis or findings.² In that analysis, including as it relates to visual concerns, staff continues to believe that the proposed project as conditioned (and modified *since* the City's approval) is both consistent with the LCP and will not result in any significant

² To be clear, the Commission complies with CEQA by complying with its own regulatory program under the Coastal Act, here as embodied in the LCP. This is further affirmed since CEQA states that "[t]o the extent of any inconsistency or conflict between the provisions of the California Coastal Act ... and the provisions of [CEQA], the provisions of [the Coastal Act] shall control" (CEQA Section 21174). See also *Sierra Club v. Cal. Coastal Com.* ((2005) 35 Cal.4th 839, 859) where the appellate court in a published decision rejected an argument that the Commission must consider CEQA issues outside its authority under the Coastal Act; and see *Fudge v. City of Laguna Beach* ((2019) 32 Cal.App.5th 193, 204) where the appellate court stated that "the Coastal Act takes precedence over CEQA".

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environmental effects for which feasible mitigation measures have not been employed, consistent with CEQA Section 21080.5(d)(2)(A).³

Second, the City's action included a series of CEQA mitigation measures that were included as required conditions of the City's approval, and such mitigation measures (and other City conditions imposed by the City pursuant to an authority other than the Coastal Act, including pursuant to CEQA) are still in effect. The Applicant remains responsible for compliance with all such conditions (see **Special Condition 11** on staff report page 16).

Third, specific to traffic and circulation, and as discussed starting on staff report page 36, the project is supported by a Traffic Impact Study, which analyzed a larger 129-room hotel, and determined that impacts to vehicle miles traveled would be less than significant with the implementation of recommended transportation demand management measures (e.g., employee rideshares, transit passes, etc.). The City in its action ultimately determined that a smaller 102-room hotel, as approved by the City's CDP, would be estimated to generate no more than the number of trips per day attributable to the larger hotel project analyzed in the Traffic Impact Study (572 daily trips). The currently proposed project has 110 rooms, which would lead to a similar traffic impact.⁴ The City's mitigation measures for traffic are included herein via incorporation of the City's conditions (again, see **Special Condition 11**), which explicitly require compliance with the Traffic Impact Study's mitigation measures. In addition, and to ensure that everything possible is done to alleviate traffic impacts consistent with LCP direction, particularly related to reducing reliance of single-occupancy vehicle travel, staff's recommendation also includes a condition for a Transportation Demand Management Program (TDMP) (see **Special Condition 7** starting on staff report page 15). The TDMP is required to include, but not be limited to, the following: (a) an agreement to work with SamTrans to encourage increased bus service for visitors and employees; (b) participation in available shuttle systems to the San Francisco, Oakland, and San Jose Airports, as well as to area attractions; (c) adequate bicycle storage for visitors, residents, and employees; (d) adequate on-site shower facilities and lockers available to all employees; and (e) creation and implementation of a carpool plan for employees, with notices of the carpool program posted in employee work areas, where information regarding the aforementioned components of the TDMP shall be provided to all employees (and visitors as applicable) and included in any employment paperwork for new employees. The project also includes bicycle and pedestrian trails and bicycle rentals, where these types of amenities, especially when combined with the Traffic Impact Study mitigation measures and the required TDMP measures, should be able to provide the project with the necessary tools to appropriately address traffic concerns.

³ Where CEQA Section 21080.5(d)(2)(a) prohibits a proposed development from being approved if there are feasible alternatives and/or feasible mitigation measures available that would substantially lessen any significant adverse effect that the development may have on the environment.

⁴ In coming to this conclusion, the City also included the traffic that would be associated with up to 16 residential units that could be accommodated by the proposed subdivision, even though those units are not part of the current proposed project, and would require their own CDP(s) in the future, where traffic attributable to them (and other issues) would be analyzed at that time.

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In sum, staff continues to believe that the project should result in the development of a higher priority visitor-serving hotel use – with both free (public access features) and lower-cost (rooms, bike rentals, etc.) visitor-serving facilities – at a location capable of accommodating it. Although the hotel structures are fairly large, they also sit on a large site that the LCP targets for this use, and the project has been modified from the version that the Commission last reviewed to better spread-out massing and increase articulation in a way that helps to limit view impacts. Staff continues to recommend that the Commission approve a conditioned CDP for the project.