

CALIFORNIA COASTAL COMMISSION

NORTH CENTRAL COAST DISTRICT
455 MARKET STREET, SUITE 300
SAN FRANCISCO, CA 94105
PHONE: (415) 904-5260
EMAIL: NORTHCENTRALCOAST@COASTAL.CA.GOV
WEB: WWW.COASTAL.CA.GOV



W13b

Prepared August 11, 2026 for the August 12, 2026 Hearing

To: Commissioners and Interested Persons
From: Stephanie Rexing, North Central Coast District Manager
Oceane Ringuette, North Central Coast District Supervisor
Subject: **STAFF REPORT ADDENDUM for W13b**
LCP Application Number LCP-2-25-0079-2 (Short-Term Rentals)

In the time since the staff report for the above-referenced item was published (on July 30, 2026), staff received a number of comments, both in support of and in opposition to staff's recommendation, with the majority received being in opposition (see posted correspondence package numbers 2 and 3 for comments received since publication). In the case of the former, commenters generally observe that the proposed modifications to the LCP amendment would ensure that unhosted STRs remain a viable option in the City of Pacifica, with some commenters requesting that staff modify the amendment further to remove the ban on STRs in multifamily residential settings. In terms of those in opposition, comments raise concerns about unhosted STRs and their impacts on community character and housing, the commercialization and corporatization of STRs, the availability of hosted STRs as an alternative, and request that the LCP amendment be approved as submitted, omitting the staff recommended modifications.

In order to respond to comments received, staff modifies the staff recommendation to (1) add a response to comments section, and (2) to modify one staff report footnote, as follows.

1. Add a Response to Comments Section just after the report's Conclusion section on page 20 as follows:

Response to Comments

The Commission received a number of comments on Commission staff's staff report and recommendation (both in support of and in opposition to staff's recommendation, with the majority received being in opposition) after it was published on July 30, 2026. In the case of the former, commenters generally observe that the proposed modifications to the LCP amendment would ensure that unhosted STRs remain a viable option in the City of Pacifica, with some commenters requesting that staff modify the amendment further to remove the ban on STRs in multifamily residential settings. In terms of those in opposition, comments raise concerns about unhosted STRs and their impacts on community character and housing, the commercialization and corporatization of STRs, the availability of hosted STRs as an alternative, and request that the LCP amendment

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be approved as submitted, omitting the staff recommended modifications. The Commission provides the following response to those comments.

Standard of Review

Many commenters raise concerns regarding the Commission's review lens, and suggest that the Commission should focus more on housing availability than public access opportunities. While the Commission understands such sentiments, an important context here is that the LCP already limits STRs to no more than 1%, among the most stringent limits in the state. In addition, the standard of review for analyzing the proposed amendment is the LCP's Land Use Plan (LUP), and the Commission cannot legally apply a different standard as such commenters suggest. And, as indicated earlier in this report (see pages 12-13), the applicable LUP policies against which the amendment must be evaluated are weighted heavily towards provisions that require maximization of public recreational access opportunities.

Lower Cost Visitor-Serving Accommodations

Many commenters also suggest that STRs are not lower cost, and thus shouldn't qualify for the type of protection that the LUP requires for lower-cost visitor-serving accommodations, and thus that the suggested modifications are somehow inappropriate. However, as discussed earlier in this report (beginning on page 13), there are conflicting opinions about whether STRs are lower cost. Although the Commission has an established methodology for identifying lower cost hotel rooms, it has not developed a methodology for determining whether any particular STR is lower cost. Some are probably appropriately considered lower cost, and some are probably appropriately considered higher cost.

Importantly, the findings do not rely on whether or not STRs are lower cost or high cost. The LUP contains provisions that prioritize, protect, and require maximization of public recreational access opportunities irrespective of whether those opportunities are higher or lower cost. As such, the Commission need not draw a conclusion one way or the other regarding categorizing STRs as lower or higher cost (and therefore whether policies regarding protecting lower cost visitor serving accommodations apply to STRs).

"Bad Actor" STRs

Many commenters raise concerns with "bad actor" STRs, including rentals in which trash is overflowing, occupancy and vehicle limits are exceeded, visitors are loud and disruptive, and visitors trespass on other properties. Such commenters suggest that those types of STR activities are enough to further limit STRs through the primary residency and 60-night maximum use requirements proposed by the City. The Commission notes that although there are many commenters who anecdotally suggest that such behaviors are commonplace, the City did not provide any concrete evidence to suggest that such problems were as acute as is represented by such anecdotes (e.g., police reports, etc.). Be that as it may, the whole idea behind 'good neighbor' restrictions (on occupancy, parking, noise, trash, etc.) is to avoid impacts such as these, and the existing and proposed STR provisions include several safeguards that address these concerns. Some of which include: (1) requiring the operator to remain available 24 hours a day, seven days a week, to respond to complaints and respond in person within 30 minutes; (2) requiring each STR to be identified with a sign out front which

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includes the STR permit number and operator contact information, including via QR code; (3) requiring the STR to comply with noise, trash, and loud and unruly regulations; (4) limiting the occupancy of an STR to not exceed two renters per legally permitted bedroom (children under 6 do not count); (5) limiting visitors to the STR to be less than one half of the maximum renters allowed; (6) limiting visitor hours 8 am to 10pm; (7) requiring indoor speaker noise to be kept within the STR itself; (8) requiring no excessive noise occur during quiet hours of 10pm to 7am, and prohibiting the use of all outdoor pools, spas and hot tubs during this time; (9) requiring a noise monitor on the exterior of the STR that can be reviewed by the City to verify if STRs are operating within noise limits; (10) requiring at least one off-street parking space per legally permitted bedroom; and (11) requiring trash and recycling receptacles to be easily accessible but not located in a road, street, etc.

Put another way, STRs are only allowed to operate in a way that requires them to be 'good actors', including in ways that essentially mimic and go beyond typical residential use. These kinds of provisions are thus the primary methods by which neighborhood compatibility and special community characteristics are maintained. Inherent in that equation is enforcement, and the proposed provisions include a series of strict compliance requirements, including allowing the City to fine STR operators who do not comply, and allowing the City to revoke their permission to operate an STR at all if an STR operator or facility: violates the LCP, or local, state, or federal laws; violates the STR regulations two or more times in a year; provides false or misleading information in obtaining permits; doesn't provide use data and other information to demonstrate compliance to the City; among others. Thus, the proposal includes rather robust safeguards against 'bad actors', including enforcement measures with the teeth to eliminate same. With these measures in place, the 'bad actor' argument fails as a reason to eliminate the suggested modifications on character and special community grounds.

Corporatization and Commercialization of STRs

Some commenters also expressed concerns regarding the commercialization and corporatization of STRs. However, the City's proposed STR regulations, even as modified, continue to include backstops for such issues. For example, the regulations require that an STR operator be a living human being (not a corporation, LLC, etc.) and only have an ownership interest in one STR within the City at the time. As such, these should prevent corporate entities from operating multiple STRs within the City, while still allowing STRs run by living human beings to operate one STR within the cap of 150 throughout the City.

Hosted STRs

Several commenters raised concerns that the suggested modifications related to primary residency and the 60-night yearly cap for unhosted rentals discount the value of hosted STRs, and that the analysis supporting them focuses only on unhosted STRs. This is because the primary residency and 60-night yearly cap for unhosted rentals directly impacts the potential availability of unhosted STRs rather than hosted STRs. On the other hand, such provisions do not have the same sort of impacts to hosted STRs, and thus the analysis does not focus on them in that regard.

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The Commission agrees that hosted STRs are an important option to have within a suite of overnight accommodation options and play a part in providing access to visitors. However, they often do not provide the same amenities and privacy of unhosted STRs. As such, they tend to not be as popular as an option, especially for groups and larger families, where this is evidenced by the fact that over 70% of the STRs in the City's coastal zone are unhosted. As such, a decline in unhosted STRs in the coastal zone has a proportionally larger impact on public access opportunities, and the reduction – as opposed to the maximization – of such opportunities is the primary basis for the suggested modifications. Because the primary residency requirement would not have such an oversized impact on hosted rentals (and because the 60-night yearly cap only applies to unhosted rentals), those impacts are not what drive the required modifications, and thus are not discussed in depth. In fact, the proposed regulations do not limit hosted STR availability, apart from the fact that both hosted and unhosted STRs count towards the 150 STR cap (which is unusual as a general rule in STR LCP planning statewide, where most caps adhere to unhosted STRs alone and not also to hosted STRs as is the case in Pacifica).

STRs' Relationship to Housing

Many commenters opined that STRs take away housing opportunities for residents and contribute to the housing crisis. As explained earlier in this report starting on page 16, the relationship between STRs and housing can be quite complex as it relates to the broader issue of housing availability, and the City's data does not show how the proposed STR restrictions would create additional longer-term housing opportunities, especially low- and moderate-income housing, which is protected under the LUP. It is therefore somewhat speculative to assume that the proposed STR regulations will meaningfully improve the availability of housing stock in the coastal zone in Pacifica, particularly for low and moderate cost housing.

While the City hopes that fewer STRs will lead to more housing opportunities, there is not a mechanism to mandate or assure that property owners will rent or sell their properties for longer term residential use if they can't pursue STRs. And as it relates to the LUP protection for affordable housing, should an STR cease operating, there isn't evidence to suggest that that residential unit would be available for rent or purchase at a rate affordable for a low- or moderate-income household. Even if that were the case, and the current STRs were all converted to permanent housing, this change would not meaningfully add a significant amount of housing to the coastal zone as it would only equate to about 0.025% of the City's housing stock.¹ It is therefore unlikely that the proposed STR regulations will meaningfully improve the availability of housing stock in the coastal zone in Pacifica, particularly for low and moderate cost housing.² The regulations will, however, reduce access opportunities related to unhosted rentals, as described earlier, which cannot be found consistent with the LUP.

¹ Based on current STR numbers, where there are 41 coastal zone STRs, or 0.025% of the City's overall housing stock.

² It is evident that there is high demand for housing of all types in Pacifica, and the Commission is committed to working with the City to identify new opportunities for housing, especially affordable housing, within the coastal zone.

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Lastly, one commenter raised issue with the characterization of sensitive coastal resource areas as it relates to housing found earlier in this report, claiming that it is inappropriate to identify “areas that provide existing coastal housing...opportunities for low- and moderate-income persons” (i.e., the language taken directly from the LUP) as “affordable housing”. However, this general policy language is the only LUP language that addresses housing for low and moderate income persons, thus it is the appropriate standard of review for the Commission when considering this LCPA.

Environmental Justice Framing

Several commenters stated that the environmental justice framing in this report is flawed, including that it does not consider the environmental justice issues related to local housing supply. However, these issues are described in detail on pages 14-18. The Commission very much recognizes local housing supply concerns, and, per the LUP, aims to protect housing opportunities for the coastal workforce and for affordable housing. One of the reasons that people visit the coast 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.³ Oftentimes such workers are contributing to the communities in other ways and reflect a part of its fabric and character. Protecting those communities as visitor destinations implicitly requires that affordable and workforce housing also be appropriately accommodated and protected for long-term and less transient use. However, and as discussed above, it is not clear that the restrictions proposed will actually move the needle related to affordable and workforce housing, and thus there is no significant and compelling LUP reason to suggest that the Commission shouldn't require suggested modifications here, whereas there are significant LUP reasons that the suggested modifications are required to find LUP consistency as it relates to maximizing public recreational access opportunities.

Modified Staff Recommendation

Some commenters raised concerns about the change in Commission staff's recommendation from the February 2026 Commission meeting to the August 2026 Commission meeting, and also raised concerns that the suggested modifications differ from other LCP actions that the Commission has previously taken related to STRs.

First, while the staff report/recommendation for the Commission's August 2026 meeting differs from the staff report/recommendation that was provided for the Commission's February 2026 meeting (when this item was postponed and was not heard nor acted upon by the Commission), the changes are based on an analysis of facts and law. Specifically, after that earlier staff report was distributed, the Commission received several hundred pages of comments. Staff evaluated this new information and revised its recommendation based on a renewed evaluation of the evidence.

³ And some such workers/residents depend on the extra income that STRs provide them to be able make ends meet, including paying for the residential units themselves, and in some cases to be able to live in the City at all. And in fact, the Commission has received comments from STR operators in Pacifica making just this point.

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Second, each City and County has different contexts and different policies regarding short-term rentals, housing, and public access and therefore have varying standards of review. Therefore, what is appropriate in some areas may not be appropriate in others. For Pacifica, the standard of review is focused mainly on maximizing public access and limiting overuse of any particular area. In this case, the City of Pacifica already has a 150 STR cap (roughly 1% of housing stock) which limits STRs, and which the Commission found was an appropriate balance in 2024. The primary residency and 60-night unhosted cap would limit STRs beyond that cap, which limits public access opportunities even further, where such restrictions adhere almost entirely to unhosted rentals.⁴ Such restrictions require modifications in order to find LUP consistency. Ultimately, STR regulation is all about striking a balance between competing interests, and in this case, the balance was struck with the 150-STR cap in 2024 and further limiting unhosted STRs only reduces public access further, which does not comply with the LUP. However, it should be noted that many other regulations within this proposal do not conflict with the LUP and instead will continue to address community concerns by strengthening the “good neighbor” policies and permitting and enforcement procedures, as explained above.

Lastly, one commenter opines that the balance struck does not comply with the conflict resolution provisions of the Coastal Act. To clarify, the use of the word ‘balance’ in this context is unrelated to conflict resolution since that is a specific procedure that only applies to applications where (1) the Coastal Act is the legal standard of review, and (2) where there is a conflict between the provisions of one or more Coastal Act Chapter 3 sections. Neither is the case here. In fact, the City of Pacifica LUP (or even the LCP overall) does not contain any policies relating to conflict resolution, like all LCPs, as that is solely a Coastal Act construct. As a result, the ‘balance’ being struck within this report’s analysis is not a reference to conflict resolution under the Coastal Act. Rather, and as the Commission has noted repeatedly over the years, 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.

2. Modify Staff Report Footnote 13

Staff report footnote 13 discusses the relevance of the dormant commerce clause of the United States Constitution as applied to the City’s proposed primary residency requirement, where that clause generally prohibits state and local laws from favoring local economic interests over out-of-state interests, and concludes that the primary residency requirement is vulnerable to successful legal challenge on constitutional grounds. However, some commenters contend that the primary residency requirement does not likely violate the dormant commerce clause and is consistent with *Rosenblatt v. City of Santa Monica* ((9th Cir. 2019) 940 F.3d 439, 450-453), where the Ninth Circuit upheld a resident requirement and noted that the resident was not required to own the property. Pacifica’s ordinance similarly allows an STR “operator” to be someone other than the property owner, which provides support for that position (i.e., where a property

⁴ Additionally, Commenters identified additional legal arguments that caused staff to reevaluate the primary residence and natural person requirement in a new light.

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owner could live elsewhere, but where the operator could live on site for at least 6 months and thus satisfy the primary residency requirement for that STR).

At the same time, *South Lake Tahoe Property Owners Group v. City of South Lake Tahoe* ((2023) 92 Cal.App.5th 735, 759-767) reflects the potential dormant commerce clause concerns that can arise when STR eligibility turns on residency as other commenters have pointed out. While not inconsistent with one another, these different holdings highlight that there may be some uncertainty around the applicability of the dormant commerce clause to residency requirements. Staff modifies footnote 13 below to better reflect the facts presented by Pacifica's specific LCP. Importantly, the reference to the dormant commerce clause and potential litigation risk was only contextual information related to the suggested modification that would remove the primary residency requirement. The need for a suggested modification to remove the primary residency requirement is because it would severely limit – in fact, cut in half at the least – the number of nights that an unhosted rental could be provided, which cannot be found LUP consistent, as described in the staff report. As a result, the change to footnote 13 has no bearing on the staff recommendation.

Thus, footnote 13 on staff report page 16 is modified as follows (where text in underline and ~~cross-through~~ formats denotes text to be added and removed, respectively):

*The primary-residence requirement also raises concerns under the Dormant Commerce Clause of the United States Constitution, where that clause generally prohibits state and local laws from favoring local economic interests over out-of-state interests. By limiting STR permits to people whose primary residence is in Pacifica, the ordinance ~~would exclude nonresident owners, including out of state owners, from operating STRs in the City, inconsistent with the Dormant Commerce Clause~~ may limit the ability of nonresident owners, including out-of-state owners, to directly operate STRs in the City, potentially implicating the Dormant Commerce Clause. ~~This was affirmed in the~~ Such concerns were addressed in the *South Lake Tahoe Property Owners Group v. City of South Lake Tahoe* ((2023) 92 Cal.App.5th 735, 759-767) case, where that court held that an STR exception available only to residents violated the Dormant Commerce Clause. However, other case law, specifically *Rosenblatt v. City of Santa Monica* ((9th Cir. 2019) 940 F.3d 439, 450-453), has upheld residency-based STR requirements where the resident operator was not required to own the property, and Pacifica's ordinance similarly allows an STR operator to be someone other than the property owner, where that operator could live on site for at least 6 months and thus satisfy the primary residency requirement for that STR. ~~Pacifica's primary residence requirement creates a similar distinction and is therefore vulnerable to successful legal challenge on constitutional grounds.~~ Thus, while Pacifica's ordinance may be more likely to withstand a constitutional challenge because an "operator" may be the qualifying resident, some uncertainty remains as to how a court would ultimately resolve the issue.*