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W13b

Prepared July 30, 2026 for August 12, 2026 Hearing

To: Commissioners and Interested Persons

From: Stephanie Rexing, North Central Coast District Manager
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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 previously); and to establish new permitting provisions (e.g., annual renewal requirements, revocation procedures, waitlisting once cap has been reached, etc.). The 150 unit STR cap was meant to capture the market equilibrium that had established by that time, where the number of STRs in the City had vacillated between roughly 100 and 150 in the preceding years, where both unhosted (i.e., whole house rentals where the operator is not present) and hosted (i.e., rentals in an occupied residence where the operator is on site at the time) STRs count towards the cap number.

The City's proposed amendment would impose further limits on STRs, including requiring STRs to take place in an operator's primary residence (meaning they reside there at least six months a year); requiring operators to be natural persons (i.e., here, "living human beings", and not commercial entities etc.); requiring operators to have only one ownership interest in one STR within the City at a time; restricting unhosted stays to 60 nights maximum per year; allowing unlimited hosted stays; 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 found that undue restrictions on this type of use are inconsistent with Coastal Act and LCP provisions prioritizing public access and visitor-serving opportunities and requiring that public recreational access opportunities be maximized. 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 and LCP context. In all cases, the Commission has consistently supported a baseline of 'good neighbor' operational standards (which exist already in this LCP and are proposed to be refined here) as important tools to address use concerns while maintaining such a balance.

In this case, the Pacifica LCP's Land Use Plan (LUP), which is the standard of review, contains provisions that prioritize, protect, and require maximization of public recreational access opportunities, which echoes the same type of provisions found in Coastal Act Chapter 3. The LUP also identifies low- and moderate-income affordable housing as an important coastal resource and identifies provisions to address potential public access overuse of any particular area. Thus, the primary LUP question is whether the proposed STR provisions have been tailored to address issues of overuse and/or affordable/workforce housing in a manner that does not negatively affect the maximization of public recreational access opportunities.

In that respect, although the proposed STR provisions include a series of quite detailed operational provisions that do not raise significant LUP issues, the proposed changes would also add fairly restrictive STR use limitations, and their implementation through the LCP would likely reduce STRs and the potential use-nights available. Specifically, the proposed primary residency requirement has the potential to reduce unhosted STR rental nights by 50%, and the 60 rental night cap on unhosted rentals would reduce that even further (e.g., if all 150 STRs under the cap were unhosted, then the amount of potential unhosted rental nights would be reduced by nearly 85% as compared to the existing STR provisions). It is also worth noting that the proposed changes have already been implemented in the non-coastal zone areas of the City, where their implementation to date has led to a roughly 50% drop in STRs, all of which signals that the proposed changes would be expected to lead to further market contraction in the coastal zone if implemented.

As it relates to the broader issue of housing availability, the relationship between STRs and housing can be quite complex, and there does not appear to be an either/or distinction between allowing an STR versus using that home for longer term housing. In this case, the City's data does not show how the proposed STR restrictions would create additional longer term housing opportunities, especially affordable housing, which is the type of housing protected by the LUP. Additionally, 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 there is currently no evidence to suggest that the housing stock in question would be affordable if it were converted to permanent housing. Therefore, there is no substantive basis for concluding 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. However, reducing STRs would necessarily reduce access opportunities for those who can afford to rent them for a short time, but who cannot afford to buy or rent such properties longer term.

For these reasons, the proposed primary residency requirement and 60-night unhosted STR limit are inconsistent with LUP provisions prioritizing public access and visitor-serving opportunities, and requiring that public recreational access opportunities be maximized, especially for those not fortunate enough to live in Pacifica. These proposed provisions would decrease such options, making public access more difficult in these areas, particularly for larger groups and families, underserved communities and communities of color, and inland communities. In other words, LUP inconsistencies with the proposal are amplified when considered through an environmental justice lens.

However, other than the primary residency requirement and the 60-night unhosted STR limit, many of the other proposed provisions should not significantly reduce public recreational access opportunities, would benefit existing neighborhoods and limit future home conversions. Among these proposed and approvable provisions, there are a series of proposed 'good neighbor' provisions; important safeguards against turning STRs into a form of major business operation; and a prohibition of unhosted STRs in multifamily units (and of both types in ADUs/JADUs), retaining these 'more affordable by design' units as potential housing resources. If the proposed amendment was modified to remove the primary residence requirement and 60-night unhosted limit, the resulting proposal would provide an LUP consistent version of the regulations and would represent an appropriate balancing of competing objectives overall. These changes would continue to reflect the 150 STR cap that the Commission found was an appropriate balance for Pacifica in 2024, and the suggested modifications would aim to reduce the likelihood of a substantial reduction of the availability of STRs in the coastal zone beyond that cap. This would help protect public access opportunities for all, including lower income and disadvantaged communities, while still allowing the community of Pacifica to implement its "good neighbor policies" and protect its community character. As the Commission has noted repeatedly over the years, STR regulation is not an all or nothing proposition in coastal areas. The key is finding a balance that makes sense for both a community and its visitors while remaining Coastal Act and LCP compliant. Staff believes that this recommendation meets those requirements.

Finally, staff will note that this staff report and recommendation differ from the staff report/recommendation on this proposed LCP amendment 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). After that prior staff report was distributed, the Commission received several hundred pages of comments, some quite specific to the staff report analysis, primarily identifying ways in which commenters thought it to be

legally deficient and had arrived at conclusions not supported by the evidence. Staff took in all such comments, evaluated and reflected on them, and ultimately that process led staff to this revised recommendation.

In conclusion, staff recommends that the Commission suggest the modifications described, and find that the proposed IP amendment, as modified, conforms with and is adequate to carry out the LCP's Land Use Plan. The motions and resolutions to do so – there are two each – 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 was therefore April 7, 2026. On March 12, 2026, the Commission extended the action deadline to April 7, 2027. Thus, the Commission has until that time to take a final action on this LCP amendment.

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EXHIBITS

Exhibit 1: Proposed LCP Amendment

1. MOTIONS AND RESOLUTIONS

Staff recommends that the Commission, after public hearing, certify the proposed LCP IP amendment only if it is modified. The Commission needs to make two motions on the IP amendment in order to act on this recommendation, where the amendment needs to first be denied as submitted, and then approved if modified, to complete the staff recommendation. To do so, Staff recommends a **YES** vote on both motions below.

A. Deny the IP Amendment as Submitted

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in rejection of the Implementation Plan amendment 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 1 (Deny as Submitted): *I move that the Commission reject LCP Implementation Amendment Number LCP-2-PAC-25-0079-2 as submitted by the City of Pacifica, and I recommend a yes vote.*

Resolution to Deny: *The Commission hereby denies certification of LCP 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 Implementation Plan Amendment as submitted does not conform with, and is inadequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan Amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Plan Amendment as submitted.*

B. Certify the IP Amendment with Suggested Modifications

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in certification of the Implementation Plan Amendment with suggested modifications and the adoption of the following resolution and the findings in this staff report. The motion to certify with suggested modifications passes only by an affirmative vote of a majority of the Commissioners present:

Motion 2 (Approve if Modified): *I move that the Commission certify LCP Implementation Amendment Number LCP-2-PAC-25-0079-2 as submitted by the City of Pacifica if it is modified as suggested in this staff report, and I recommend a yes vote.*

Resolution to Certify: *The Commission hereby certifies LCP Implementation Amendment Number LCP-2-PAC-25-0079-2 as submitted by the City of Pacifica, if modified as suggested, and adopts the findings set forth below on grounds that the Implementation Plan Amendment with the suggested modifications conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan Amendment if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially*

lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

2. SUGGESTED MODIFICATIONS

The Commission hereby suggests the following modifications to the proposed LCP amendment, which are necessary to make the requisite Land Use Plan consistency findings. If the City of Pacifica accepts the suggested modification within six months of Commission action (i.e., by February 12, 2027), by formal resolution of the City Council, the modified amendment will become effective upon the Executive Director's reporting to the Commission that this acceptance has been properly accomplished. Where applicable, underlined text shows proposed text to be added, and ~~crossed-out~~ text shows text to be deleted by the Commission.

1. Eliminate Primary Residency Requirements

a. Delete Sec. 9-4.4901(m) as follows:

~~*(m) "Primary residence" means a residence where a Person resides, full-time, for more than six months out of the year. Primary residence shall not include an accessory dwelling unit or a Junior accessory dwelling unit.*~~

b. Delete Sec. 9-4.4903(c) as follows:

~~*c. Each Operator Operating a Short-term Rental shall have their Primary Residence at the Site of the Short-term Rental. To prove Primary Residency, the Operator Person must provide at least three forms of documentation to the Administrator evidencing that the Site of the Short-term Rental is their Primary Residence for more than six months of the year. A State or Federally issued identification card must be one of the documents provided, and others may include, but are not limited to, proof of homeowner's tax exemption, voter registration card or certificate, or proof of vehicle registration.*~~

c. Delete Sec. 9-4904(vii) as follows:

~~*vii. The Operator shall provide documentation required by section 9-4.4903(c) that the Site is the Operator's Primary Residence;*~~

d. Modify Sec. 9-4.4905(t) as follows:

(t) Short-term Rentals shall not be concurrently used for any commercial Event (such as a corporate retreat or conference), and shall not be used for any non-commercial Event that is likely to result in a violation of traffic, parking, noise, or other standards regulating the residential use and character of the neighborhood. Home occupations conducted by the operator ~~primary resident~~ compliant with the City's home occupation ordinance are allowed; provided that parking and all other requirements for both the Short-term Rental and the home occupation are met;

2. Eliminate 60-Night Unhosted STR Limit

a. Modify Sec. 9-4.4905(v) as follows:

(v) Unhosted Short-Term Rentals. The following additional operation requirements shall apply only to Unhosted Short-term Rentals:

~~i. An Unhosted Short-term Rental shall be Operated no more than 60 nights per year, commencing on October 31st of each year and ending October 30th of each year.~~

ii. Minimum Stay. Unhosted Short-term Rentals shall have a minimum two consecutive night stay for Short-term Renters.

iii. Unhosted Short-term Rentals are prohibited in Multi-family development units.

3. 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, open space 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 and further from the coast, 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) through its LCP since 2018 when the Commission first certified LCP Implementation Plan (IP) STR provisions. Those provisions included a (non-CDP) STR permit process; a prohibition against STRs in accessory dwelling units (ADUs), trailers, and storage sheds/garages; payment of transient occupancy taxes (TOT) to the City; and "good neighbor" policies (such as guest safety requirements and noise regulations).

In 2024 the Commission certified additional STR provisions that refined the initial provisions from 2018 while also placing additional limits on STRs. Specifically, the 2024 amendments added a cap of 150 maximum STRs (whether hosted or unhosted rentals,¹ between which the LCP did not differentiate) throughout the City (both in and out of the coastal zone);² added junior ADUs (JADUs) to the types of housing where STRs were prohibited; established an STR permit renewal window of October 1st to October 31st annually, allowed the City to revoke STR permits that were not renewed; and created a waitlist for STR permits if the cap had been met.

Following the 2024 LCP changes, the City continued to pursue additional STR refinements, and has regularly engaged both STR supporters and detractors, including

¹ Where an 'unhosted STR' is a whole house/unit rental where the operator is not present, and a hosted STR is a partial house/unit rental (e.g., a room) where the operator is on site and also staying at the time.

² The 150 STR cap equates to approximately 1% of the City's total housing units.

through City Planning Commission and City Council meetings and study sessions. The City indicates that the concerns that have primarily been raised locally relate to alleged inappropriate STR operations (e.g., excessive noise, improper/inadequate trash disposal, loss of on-street parking, etc.) but also indicates that local STR operators push back on these preconceptions about their operations, including where such operators express a willingness to follow stringent ‘good neighbor’ policies to address such concerns. The City also indicates that it believes that STRs are leading to a degradation of certain neighborhoods (e.g., over-saturation) and taking up housing that could be used for longer term residential use. Ultimately, the City decided to address such concerns through a series of additional operational requirements, as well as through further STR limitations overall, as discussed below.

B. Proposed LCP Amendment

The proposed amendment would add further STR restrictions and requirements in the IP, including the following:

- Requiring an STR operator to reside at the residence full time for more than six months of the year (a “primary residency requirement”)
- Requiring an STR operator to be a living human being (a “natural person requirement”)
- Requiring STR operators to only have an ownership interest in one STR within the City at a time
- Limiting unhosted stays to at most 60 nights per year (hosted stays are unlimited)
- Prohibiting unhosted rentals in multi-family residential settings
- Requiring at least a two consecutive night minimum stay for unhosted rentals
- Establishing parking, signage, occupancy, and visitor guidelines (including related to noise and trash)
- Limiting visitors and allowed visitation times (applied to visitors who are not party to an STR booking)
- Adding safety inspection requirements, as well as standards and procedures for STR permit application, issuance, and revocation
- Requiring STRs to include exterior signage identifying the unit as an STR, and providing contact information

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 highlighting affordable housing as a sensitive coastal resource. 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.*

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-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 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 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.*

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 verbatim into the LUP as LUP policies, 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 30211. *Development shall not interfere with the public's right of access to the sea...*

Section 30212(a). *Public access from the nearest public roadway to the shoreline and along the coast shall be provided in new development projects except where: (1) it is inconsistent with public safety, military security needs, or the protection of fragile coastal resources, (2) adequate access exists nearby, or (3) agriculture would be adversely affected.*

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.*

Thus, the LCP's LUP requires protection and maximization of public recreational access opportunities, including requiring minimization of impacts to such public recreational access areas and uses, and promotes recreational uses and access to the sea (see, for example, LUP Policies LD-G-1, PR-I-1, PR-I-2, PR-G-1, and ER-I-41, and incorporated LUP Coastal Act Sections 30210, 30211, and 30212). Relatedly, the LUP more generally directs that a variety of visitor accommodations be prioritized over other types of use and development, and that lower cost accommodations in particular be protected and provided within the coastal zone (see, for example, incorporated LUP Coastal Act Sections 30213 and 30222 and LUP Policy LD-I-6). Furthermore, the LUP directs that public recreational access be protected and expanded in a way which reduces the impacts on public street parking availability; prevents against overuse by the public of any particular area; ensures that the time, place and manner of public access protects residential privacy; and continues to protect certain neighborhoods that are popular visitor destination points (see, for example, LUP Policies PR-G-26, PR-G-3, PR-G-2, and incorporated LUP Coastal Act Section 30253(e)).

With respect to housing, the Pacifica LUP similarly mirrors Coastal Act policies, where incorporated LUP Section 30222 instructs that the use of lands suitable for visitor-serving facilities that enhance public recreational access opportunities shall be prioritized over private residential and general industrial/commercial uses (but not over agriculture or coastal-dependent industry). The LUP also identifies low and moderate income as a sensitive coastal resource (although it does not include provisions past that to implement such a designation). Thus, the LUP recognizes the importance of both 'protected' (e.g., deed restricted) affordable housing and other more 'naturally occurring' affordable housing types (such as multi-family housing and ADUs/JADU).

Consistency Analysis

STR Background Context

STRs, like any other type of overnight accommodation, play an important role in implementing public recreational access requirements by providing an opportunity for those who live beyond the reach of a day trip (or for those who just want to have a longer stay) to access all the access and recreational pursuits the coast here has to offer (e.g., coastal hikes, beach trips, sightseeing, surfing, fishing, etc.). More specifically, STRs provide a unique type of visitor-serving accommodation, especially for larger families and groups. This is particularly the case in Pacifica where there are only 330 hotel and motel rooms, and the STR market (up to 150 STRs per the current LCP) provides an important part of the overall overnight accommodations mix.

At the same time, STRs must be balanced with the LUP provisions that regulate the time, place, and manner of access to guard against overuse, as well as those that protect coastal workforce and affordable housing opportunities. Therefore, to find LUP consistency, the Commission must determine the appropriate balance of regulation that protects against overuse while still maximizing public recreational access opportunities in Pacifica. This is consistent with Coastal Commission guidance to local governments going back over a decade that 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 potential adverse impacts on coastal

communities.³ Such balance may take the form of good neighbor requirements to guard against noise, trash, and other neighborhood impacts; STR limits to address issues of oversaturation or overuse in particular blocks, communities, or entire jurisdictions (e.g., buffers between individual STRs, disallowances in certain neighborhoods, and percentage caps on total residences in a community); and prohibitions on STRs within protected housing types (e.g., affordable housing). This balanced approach has been reflected in past Commission actions, where although each locality has its own unique STR, housing, community character, coastal resource, LUP, 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 and Coastal Act/LUP consistent balance, including a recognition of the heated debates and tough choices that are often part of local and Commission deliberations when crafting such STR regulations. Therefore, the body of Commission actions on STR LCP amendments vary in policy and other outcomes due to unique circumstances in each case but have all included the premise of balancing at their core.⁴

More recently, there has also been a push on behalf of STR proponents and opponents alike to categorize STRs as either lower or higher cost, in large part to determine if the Coastal Act (and here the LUP) protections for lower cost visitor facilities apply. However, although the Commission has a long established and long applied methodology for identifying lower cost hotel rooms, it has not developed nor applied a methodology for determining whether any particular STR is lower cost. The difficulty lies in the product itself, where individual STRs can be vastly different from one another in terms of what they offer and how many people can be accommodated, whereas double-occupancy hotel rooms are less so, and more easily compared. Pro-STR and anti-STR groups draw different conclusions, with, for example, groups like Better Neighbors Los Angeles (BNLA) suggesting that STRs are predominantly higher cost, and groups like Pacifica for Responsible Tourism (PRT) suggesting the opposite, both basing their conclusions on comparisons with hotel/motel lodging. However, it is difficult to compare the cost of STRs with hotels and motels because although STRs can have significantly higher daily rates than many hotels, STRs typically have multiple bedrooms, as well as indoor and outdoor common space areas, and can accommodate more people. In addition, STRs typically have kitchen facilities, which can reduce costs by allowing for the preparation and storage of food instead of having to purchase food for each meal.⁵ The variability in the facilities and amenities provided by STRs make it challenging to

³ See, for example, the Commission's original 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.

⁴ See, for example LCP amendments LCP-4-STB-17-0086, LCP 3-STC-17-0073-2-Part B, A-5-DPT- 22-0038, LCP-6-SAN- 21-0046-2, LCP-1-TRN-22-0034-1, LCP-4-MAL-20-0083-2, LCP-2-HMB-21-0078-2, LCP-3-MAR-24-0002-1, LCP-3-MCO-24-0039-1, LCP-6-ENC-23-0041-1, LCP-6-DMR-0048-2, LCP-4-SBV-25-0043-1, and LCP-3-SCO-25-0049-2-Part B.

⁵ For example, in a study conducted in Monterey County it was found that families of four could save up to \$267 per day by cooking their own meals (Sarah Jenkins, Kiki Patsch, and Dr. Philip D. King, 2025, "Monterey County Overnight Accommodation Market Analysis").

accurately compare the cost versus the value of STRs to hotel rooms or other types of more standardized overnight accommodations.

As a result, the Commission has recognized that while some STRs can likely be considered lower cost, especially when shared by families or larger groups, they are simply not homogenous enough to make any sort of blanket proclamations on either end of the spectrum. As such, STRs are probably best understood as something that provides for more choices in the overnight accommodations market to meet various travelers' needs, but are not appropriately described explicitly as either lower or higher cost. That said, despite questions regarding how they should be categorized, the continued popularity of STRs demonstrates they meet a demand not satisfied by traditional overnight accommodations. Importantly, the Commission need not draw a conclusion one way or the other regarding categorizing STRs as lower or higher cost, and therefore does not need decide whether LUP Policy LD-I-6 and Coastal Act Section 30213 apply, because that question is only whether additional LUP protections for STRs are applicable given the LUP already clearly requires maximizing public access and recreation opportunities of all types, including STRs.

Finally, the proposed amendment should also be viewed through an environmental justice lens, including consideration of how restrictions will impact Pacifica's workforce and inland communities visiting Pacifica. With respect to the workforce, Pacifica's visitor-serving economy relies on workers who require reasonably affordable and readily available workforce housing.⁶ Lengthy commutes from more affordable inland areas places a burden on these workers and prevents them from contributing to the civic life of the community they work in. Equitably protecting Pacifica as a visitor destination implicitly requires that affordable and workforce housing also be appropriately accommodated and protected for longer term and less transient use.

In addition, Inland communities often have less opportunities to enjoy and visit the coast and they face higher costs to do so compared to people who live closer to the coast. There is a growing body of body of literature that shows in many parts of California, those who live nearest the coast tend to be wealthier, older, and more likely to be white than those who live further inland.⁷ The demographics of Pacifica are consistent with this trend.⁸ As a result, those living near the coast generally enjoy easier access to coastal public recreational opportunities compared to those living further away who tend to face longer travel times and higher transportation costs, including in some cases an

⁶ 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.

⁷ The *Reineman et al* study (2016) is informative on this point, stating: "As our results demonstrate, economically disadvantaged and minority residents in general live further from coastal access points than wealthy and white residents. Thus, in order to visit and benefit from the state's public trust tidelands, these groups must travel further to reach the coastline; increased travel distance increases travel cost, compounding the burden and inequities inherent in the distribution of access points."

⁸ Per 2020 Decennial [United States Census data](#), the City of Pacifica is indeed wealthier, whiter, and older than the rest of California.

overnight stay, further increasing the cost of their coastal access.⁹ In fact, over 60% of California families perceive that a visit to the coast of California is inaccessible, particularly due to the high costs of parking and overnight stays.¹⁰ For these reasons, the reduction in access opportunities expected by the City's proposal would be expected to have oversized impacts on those least able to absorb additional costs. With this in mind, the ways in which the proposed STR provisions will further restrict public recreational access opportunities are only amplified when considered through an environmental justice lens. At the same time, the proposed modifications to the proposal will serve to protect multi-family and other naturally affordable housing types which are most likely to serve as workforce housing.

Proposed STR Changes Expected to Reduce STR Availability

The LCP's current STR provisions provide standards designed to ensure STRs are appropriately operated and regulated (including through existing certified 'good neighbor' provisions, and a process for licensing and compliance). These provisions include a 150 STR cap citywide (equating to roughly 1% of housing stock in the City), where that cap was based on historical STR activity in the City at the time. The City's proposed amendment would add additional restrictions on STRs. The most substantive of these proposed changes are the proposed limit on unhosted stays to a maximum of 60 nights per year (while having no limits for hosted stays), and the primary residence requirement (requiring all STR operators, whether offering unhosted or hosted rentals, to live in the residence for at least six months of the year). Together, those proposed provisions mean that the allowance for unhosted STRs will be severely curtailed, as units that were formerly available for rental 365 days per year will be limited to 60 days. Specifically, this translates into a decrease in potential overnight STR stays from the currently allowed 55,000 unhosted rental nights to 9,000 unhosted rental nights under the proposed provisions, an over 85% reduction. In addition, the cap on STRs applies to all STRs – whether they are unhosted or hosted. Thus, with implementation of the proposed amendment, there are likely to be far fewer than 150 unhosted STRs. As it relates to the primary residency requirement, the City's intent is to ensure that more of its STR stock is also used for long-term housing. On this point it is worth noting that the City's owner-occupied housing rate is nearly 70%.¹¹ In other words, the City actually already has a relatively high percentage of owner-occupied housing units as compared to other coastal communities. When faced with even lower levels of owner occupancy recently, the Commission found that a 40% owner occupied housing rate was sufficient evidence of owner occupation in response to potential concerns that STR provisions should be further ratcheted down in terms of residency requirements because there

⁹ The *King/Jenkins* (2020) study states as follows: "Access to the resources and opportunities associated with California's coast is not distributed fairly among California's diverse population. Often, those who can afford to spend the least to visit the coast must spend the most as lower-income communities inland face the highest travel costs and accommodation burdens."

¹⁰ Christensen, Jon., and Phillip King. 2017. Access for All: A New Generations Challenges on the California Coast

¹¹ Where the owner-occupied housing unit rate for 2020-2024 was identified as 67.7% according to the United States Census Bureau (see United States Census Bureau Quick Facts, Pacifica, California).

weren't enough primary residents.¹² This high rate of occupancy seems to indicate that the majority of homes are owner occupied in Pacifica, at least partly addressing the City's concern regarding this issue. Additionally, similar to the proposed 60-night cap, a primary residence requirement would affect the availability and operation of unhosted rentals, requiring that unhosted rentals be occupied by the owner for six months of the year. Therefore, rentals which were previously available 365 days a year would now only be available for half of the year, cutting the available nights of unhosted rentals by 50% compared to the existing LCP through these provisions alone, which would be a significant reduction in this type of overnight accommodation.¹³

The City has already implemented these regulations outside the coastal zone, providing a glimpse into their potential effects. Since implementing the regulations in late 2025, the number of STRs in the City dropped roughly in half (going from 145 down to 75, with 41 in the coastal zone),¹⁴ with a nearly 40% drop in the coastal zone and a nearly 60% drop outside of the coastal zone, where the latter appears to be concentrated in unhosted STR reductions. This almost immediate drop in STRs translates into a fairly significant loss in overnight accommodations available overall within the City, especially because STRs make up a significant portion of that market.¹⁵ Implementing these regulations within the coastal zone would be expected to lead to even further STR market contraction, leading to a significant loss of overnight accommodations in Pacifica's coastal zone.

Finally, although the City's intent with the proposal is to increase longer term housing opportunities, there is little evidence to suggest that the additional proposed restrictions would create such housing opportunities in Pacifica, especially affordable housing opportunities. While the City hopes that fewer STRs will lead to more long-term housing, there is no mechanism to mandate that property owners will rent or sell their properties for longer term residential use if they can't pursue STRs. Additionally, although the LUP

¹² In the City of Encinitas LCP STR case from February 2026, where the rate (there based on primary residence tax exemptions) was 40% for residential properties in the coastal zone.

¹³ 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. This was affirmed 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. Pacifica's primary residence requirement creates a similar distinction and is therefore vulnerable to successful legal challenge on constitutional grounds.

¹⁴ Of the 41 STRs remaining in the coastal zone, the City estimates that 29 (or over 70%) are unhosted, and 12 are hosted, whereas outside the coastal zone the mix is roughly the opposite, with 26 (or over 75%) hosted rentals and just 8 unhosted rentals, showing the regulation's effect on unhosted rentals has been oversized. Overall, the current mix is fairly even when both inside and outside the coastal zone STRs are counted, with the City estimating a total of 38 hosted STRs and 37 unhosted STRs in the City altogether.

¹⁵ When the 330 hotel and motel rooms available citywide are understood next to the 150 STRs allowed citywide, and where each such STR comes with multiple rooms as a general rule, it is clear that STRs are a significant component of the overall accommodations market in Pacifica, and can be considered the majority of it.

identifies low and moderate income housing as a priority, there is currently no evidence to suggest that the housing stock in question is affordable even should it be converted to permanent housing. The neighborhoods in which STRs operate are relatively expensive, particularly in the coastal zone given their highly desirable location near the coast.¹⁶ Should an STR cease operating, there is no evidence that that residential unit would be available for rent or purchase at a rate affordable for a low- or moderate-income household. Importantly, current STRs in the coastal zone equate to about 0.025% of the City's housing stock.¹⁷ Thus, even if all STRs currently operating in the coastal zone were converted to permanent housing, the increase in housing stock would not make a meaningful difference.

It is also illustrative to consider the overall share of residential units that would be allowed for STR use when taking into account the City's STR limits. 150 STRs are allowed (although currently only 75 are operating) out of a community with roughly 15,000 housing units. Thus, throughout the City the allowable number of STRs constitutes just 1 percent of residential units overall, which the Commission found was an appropriate balance when the 150 cap was certified in June 2024 (see LCP-2-PAC-23-0023-1).¹⁸ Additionally, with the 60-night per year restriction, an STR operator who wishes to rent their home as an unhosted STR would not be able to also rent their home for longer term housing during the remaining 10 months, creating a binary choice, effectively leaving the house empty for most of the year or removing it as an STR. There are, however, measures that can appropriately put safeguards in place to avoid impacting more affordable housing options, as the City's proposal does by prohibiting unhosted STRs in multi-family dwelling buildings to help ensure the continued availability of multi-family units for longer-term residential uses. In addition, the proposed amendment prohibits STRs in ADUs and JADUs, retaining these 'more affordable by design' units as potential more affordable housing resources as well.

In sum, there are significant and complex challenges impacting housing availability and affordability, but there is little evidence showing that the proposed STR regulation in Pacifica would be a significant driver to create more housing. 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. However, there is little evidence that the proposed STR provisions will lead to any affordable housing, which is the type of housing protected under the LUP, or significantly affect housing availability more broadly.

¹⁶ The median home price in Pacifica is \$1.3 million, and the median rental price for a 2-bedroom unit is \$3,650 per month (as of July 2026, via zillow.com). These homes are generally not financially accessible to low and moderate income purchasers and renters, which fact can be reasonably presumed to extend and apply to such residences that are used as STRs, even more so in the coastal zone where costs to rent and buy are generally even higher on a relative basis.

¹⁷ Based on current STR numbers, where there are 41 coastal zone STRs, or 0.025% of the City's overall housing stock.

¹⁸ 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 a low of 1% in Half Moon Bay to 15% in Trinidad, all the way up to 50% in certain Marin County coastal areas (like the over 350 allowed STRs in Dillon Beach and Seadrift), and even 100% in some places (e.g., the 255 units in the Seabluffe area of Encinitas west of Highway 101).

Conversely, it is clear that the proposed provisions would lead to a decrease in public recreational access opportunities, a priority use under the LUP that is required to be maximized. Thus, this amendment, as proposed, does not achieve the balance the Commission seeks with STR provisions, and is inconsistent with the LUP. This is particularly the case as it relates to the most restrictive of the proposed provisions, namely the primary residency requirement and the 60-night limit for unhosted rentals. When evaluated against the legal standard of review, the proposed IP amendment is not consistent with and is inadequate to carry out the LCP LUP, including its incorporated Coastal Act provisions. Specifically, the proposed LCP amendment is inconsistent with LUP Policies LD-G-1, LD-I-6, PR-I-1, PR-I-2, PR-G-1, and ER-I-41, and incorporated LUP Coastal Act Sections 30210, 30211, 30212, 30213 and 30222.

Modifications Required for Approval

As described above, the main concerns raised with the City's proposed amendment relate to the primary residency requirement and the 60-night unhosted STR limit. Many of the other proposed provisions will not significantly reduce public recreational access opportunities, and are more common sense in their application, especially as it relates to the series of proposed 'good neighbor' type of provisions. In fact, the whole purpose of these types of good neighbor provisions is to ensure that STR operations appropriately blend into their residential setting, including in terms of noise, trash, and parking, which the City suggests is the basis for many STR opposition complaints in Pacifica. The proposed enforcement and revocation provisions would also provide appropriate 'teeth' to allow for bad actors in this respect to be disciplined (including the provisions for permit revocation if operators violate the rules two times in a year). Of course, much of the success of these programmatic provisions rests on the City's commitment to implement and enforce them, but the provisions themselves are strong enough in this respect that they can help ensure neighborhood compatibility, and where there are bad actors, they can be weeded out.

Thus, importantly, almost all of the City's proposal is adequate to carry out the LUP and approval of these provisions is consistent with and carries out the objectives of LUP Policy PR-G-3 (to prevent against overuse by the public of any particular area; LUP Policy PR-G-26 (to ensure adequate off-street parking to avoid impacting public street parking); LUP Policy PR-G-2 (to ensure that the time, place and manner of public access protects residential privacy); and incorporated LUP Coastal Act Section 30253(e) (to protect certain neighborhoods that are popular visitor destination points because of the characteristics of the neighborhoods themselves). This can form the starting point for an approvable amendment overall.

Among these proposed and approvable provisions, there are important safeguards against turning STRs into a form of major business operation. Specifically, requiring STR operators to be natural persons,¹⁹ and only allowing such individuals to have one

¹⁹ Opponents of natural-person requirements argue that such restrictions violate the Equal Protection Clause, relying on *Hignell-Stark v. City of New Orleans* (5th Cir. 2025) 154 F.4th 345, 353–356). There, the Fifth Circuit held that New Orleans lacked a rational basis for excluding corporations from STR permits because the City failed to identify a connection between an STR owner's legal form (i.e. a corporation) and guest behavior or neighborhood impacts. *Hignell-Stark*, however, is not binding on the Commission, and the Commission concludes that Pacifica's natural-person requirement could be

ownership interest in only one STR within the City at a time, helps to avoid the type of mass commercialization that has been raised as a concern in Pacifica. This will provide a meaningful barrier to corporate entities attempting to buy up large numbers of properties for the purposes of turning them into STRs. When combined with the already certified 150 cap on STRs, there are clearly adequate safeguards in Pacifica to protect against oversaturation, while still providing for an important STR market.

However, the primary residence requirement and the requirement that unhosted stays be limited to at most 60 nights per year cannot be found LUP consistent, as described above. Thus, both of these restrictions must be removed in order to find the required LUP consistency in this case (see **Suggested Modifications 1 and 2**). By removing these LUP-inconsistent restrictions, the modified IP amendment can be found consistent with the LUP, and specifically with LUP Policies LD-G-1, LD-I-6, PR-I-1, PR-I-2, PR-G-1, and ER-I-41, and incorporated LUP Coastal Act Sections 30210, 30211, 30212, 30213 and 30222.

Conclusion

There is no 'one size fits all' STR approach to providing STRs in coastal California, and an appropriate balance must be found in each community that makes sense for both the 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 for what can be truly competing objectives at times. Ultimately, however, the Commission is tasked under the Coastal Act in reviewing proposed IP changes for consistency with the LUP and only the LUP.

In Pacifica, when focused on the key LUP consistency question, namely whether the proposal maximizes public recreational access opportunities, it is clear that changes are necessary to achieve LUP consistency. In addition, existing coastal access inequities that fall disproportionately on visitors that are not living on the coast may be exacerbated by several of the proposed STR provisions, which further support the conclusion that the proposal cannot be approved as submitted, including when viewed through an environmental justice lens. This is particularly the case in a jurisdiction like Pacifica that already has an STR cap in place, and where additional restrictions of the type proposed have the potential to impact the availability of coastal zone STRs altogether, particularly as it relates to unhosted STRs. Those impacts would only be exacerbated in Pacifica where STRs arguably are the predominant form of overnight accommodation in the City.

Thus, the Commission's suggested modifications when combined with the rest of the proposed provisions represent not only an LUP consistent version of the regulations, but also represent an appropriate balancing of competing objectives overall. The suggested modifications aim to reduce the likelihood of a substantial reduction in the availability of STRs in the coastal zone, protecting public access opportunities for all, including lower income and disadvantaged communities, while still allowing the

rationality related to legitimate governmental purposes. Specifically, the requirement supports individual and small-scale STR operators, limits the consolidation of STR permits by corporate entities, and reduces the risk that affiliated entities could be used to evade permit limits or concentrate control of the local STR market. Restricting permits to natural persons is a rational means of advancing those objectives.

community of Pacifica to implement its “good neighbor policies” and protect its community character. The result is a balance that makes sense for both a community and its visitors while remaining Coastal Act and LCP compliant.

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 California Code of Regulations (CCR) Sections 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, and has concluded that the proposed LCP amendment is expected to result in significant environmental effects, including as those terms are understood in CEQA, if it is not modified to address the coastal resource issues identified herein. Accordingly, it is necessary for the Commission to suggest modifications to the proposed LCP amendment to ensure that it does not result in significant adverse environmental effects. Thus, the proposed LCP amendment as modified will not result in any significant adverse environmental effects for which feasible mitigation measures have not been employed, consistent with CEQA Section 21080.5(d)(2)(A).

4. APPENDICES

A. Substantive File Documents²⁰

- LCP Amendment File for LCP-2-PAC-25-0079-2
- “A Balancing Act: Low-Cost Lodging and Affordable Housing along the California Coast.” Nicholas V. DiRago for Better Neighbors LA (2026)
- “America’s Housing Affordability crisis and the Decline of Housing Supply.” Edward Glaeser and Joseph Gyourko (2025).
- “Coastal Access Equity and the Implementation of the California Coastal Act.” Dan R. Reineman; Lisa M. Wedding; Eric H. Hartge; Winn McEnery; Jesse Reiblich. 36 Stan. Env’tl. L. J. 89, 108 (2016)

²⁰ Available for review in the Commission’s North Central Coast District office in San Francisco.

- “Monterey County Overnight Accommodation Market Analysis.” Sarah Jenkins, Kiki Patsch, and Dr. Philip G. King (2025)
- “Supply Constraints Do Not Explain House Price and Quantity Growth Across U.S. Cities.” Louie, Schuyler, John Mondragon, and Johannes Wieland. Federal Reserve Bank of San Francisco Working Paper 2025-06. <https://doi.org/10.24148/wp2025-06> (2025)
- “Unequal Access: Protecting Affordable Accommodations Along the California Coast.” Dr. Philip G. King and Sarah Jenkins (2020)
- “Access for All: A New Generations Challenges on the California Coast” Christensen, Jon., and Phillip King. (2017).

B. Staff Contact with Agencies and Groups

- City of Pacifica Planning Department
- Pacifica for Responsible Tourism
- Pacifica Homes Are Not Hotels
- AirBnB
- BNLA