
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 1318 (Allen) - Coastal resources: local coastal program: coastal development permit: non-owner-occupied short-term rentals

Version: April 27, 2026

Urgency: No

Hearing Date: May 11, 2026

Policy Vote: N.R. & W. 5 - 1

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would require the California Coastal Commission to approve a coastal development permit (CDP) or local coastal plan (LCP) amendment submitted by a local government restricting or prohibiting non-owner-occupied short-term rentals if (1) the local agency made certain findings and (2) the commission determines that the permit or amendment strikes a reasonable balance between local housing needs and public access to the coast.

Fiscal Impact:

- The Coastal Commission estimates costs of about \$1 million per year for a period of about five years and \$340,000 annually thereafter (General Fund or special fund) to address additional workload and to review and analyze local government findings in order to determine whether proposed policies strike a “reasonable balance” between housing needs and public access to the coast. The Coastal Commission anticipates that this bill would likely initiate an immediate increase in the number of LCP amendments and CDP applications to prohibit non-owner-occupied short-term rentals, resulting in higher costs for a period of about five years that would eventually drop off.

Background: Development activities in the coastal zone generally require a CDP issued by the commission or by a local government with a LCP certified by the commission. Coastal Act policies are the standards the commission uses to determine the permissibility of proposed developments subject to its jurisdiction.

In 1977, the Coastal Act’s policy provisions included the protection of affordable housing. In implementing this policy, the commission prohibited the demolition of low- and moderate-income housing for reasons other than health and safety. The commission also included density bonuses and reduced parking requirements in their development guidelines to prioritize new affordable housing opportunities. Those guidelines were later revised to include in-lieu fees, land dedication, and housing credits in certain circumstances. In addition, the commission required that specified percentages of proposed housing units be set aside for low- and moderate-income households. For the four years between 1977 and 1981, the commission’s inclusionary housing program resulted in the approval of 5,000 affordable units. During that same time period, the commission also prohibited the demolition of more than 1,100 existing affordable housing units and collected approximately \$2 million in in-lieu fees for affordable housing. In 1981, SB 626 (Mello, Chapter 1007, Statutes of 1981) removed the commission’s authority to protect and provide affordable housing.

Short-term rentals have long been popular along the coast. Since the creation of online platforms, such as AirBnB and VRBO, that make readily-available and accessible obtaining a short-term rental of someone's home or a room in someone's home, the popularity and availability of non-hotel coastal short-term rentals have increased. Tourism is often an important contributor to local coastal economies.

The spread of short-term rentals in local communities has generated considerable controversy – particularly for non-owner-occupied or “unhosted” short-term rentals. Opponents report that once quiet, residential neighborhoods have become plagued by loud and disruptive parties at unhosted short-term rentals. Proponents argue that the ability to rent out their homes periodically makes their homes affordable or pays for much needed repairs and upkeep. Efforts by local jurisdictions to place limits on short-term rentals – both owner-occupied and non-owner-occupied – by local ordinance can be long, very fraught, and controversial undertakings.

In the coastal zone, a local ordinance implementing any requirements on short-term rentals does not go into effect until the commission issues a CDP or certifies a LCP amendment. Just as at the local jurisdiction level, the CDP or LCP amendment process at the commission for short-term rentals can be very controversial. Correspondence from the public associated with applications for short-term rental CDPs or LCP amendments can exceed 1,000 pages. Data obtained from the commission shows that it has approved or approved with modifications approximately 50 LCP amendments since 1992 implementing requirements on short-term rentals including both owner-occupied and non-owner-occupied rentals. When the commission approves a LCP amendment with modifications, those modifications may include mitigation for the loss of low-cost visitor accommodations, or provisions for off-street parking to reduce the impact on public access, among others.

Where there have been denials, such as in 2022 when Malibu's LCP amendment was denied, the basis, at least in part, was the impact the prohibition or severe restriction on non-owner-occupied short-term rentals would have on low-cost coastal accommodations. Some jurisdictions that were denied were subsequently able to obtain LCP amendments through the modification of the original submittal.

Recently, the commission has approved LCP amendments for Encinitas, Del Mar, Ventura, and Monterey County that authorize severe restrictions or prohibitions on non-owner-occupied short-term rentals.

Proposed Law: This bill would require the Coastal Commission to approve a CDP or LCP amendment submitted by a local government restricting or prohibiting non-owner-occupied short-term rentals, regardless of the availability of other visitor-serving accommodations to meet demand if the local agency made findings that it was necessary to address significant local housing needs and the commission determines that the permit or amendment strikes a reasonable balance between local housing needs and public access to the coast.

Related Legislation:

SB 1229 (Allen, 2026) would seek to limit the applicability of the CDP waiver for rebuilding a structure destroyed in a disaster to the property owner of record at the time of the disaster, as provided.

SB 963 (Laird, 2026) would provide additional deadlines for the commission's appeals process for local CDPs appealed to them, as provided.

SCR 136 (Laird, 2026) would recognize 50 years of coastal protection and affirm the state's longstanding commitment to protecting its coastal waters, as specified.

ACR 149 (Hart, 2026) would recognize 50 years of coastal protection and affirm the state's longstanding commitment to protecting its coastal waters, as specified.

SB 484 (Laird, Chapter 416, Statutes of 2025) requires the commission to identify coastal zone infill areas in three jurisdictions where the commission retains coastal development permitting authority for a 10 year categorical exclusion from that permitting requirement for residential housing projects comprised entirely of very low, low, and moderate income housing units, as provided.

SB 346 (Durazo, Chapter 751, Statutes of 2025) enacts the Short-Term Rental Facilitator Act of 2025, which permits local agencies to enact ordinances to require short-term rental facilitators to provide specified information on their platform's rentals to the local agency.

AB 2202 (Rendon, Chapter 510, Statutes of 2024) requires property owners and short-term lodging platforms to disclose cleaning tasks that guests must complete while staying at a place of short-term lodging to avoid an additional fee or penalty, as provided.

SB 272 (Laird, Chapter 384, Statutes of 2023) requires a local government in the coastal zone or within the San Francisco Bay to develop a sea level rise plan as part of either a LCP or a shoreline resiliency plan that includes certain information, including sea level rise adaptation strategies and recommended projects, requires local governments to comply by January 1, 2034, as specified, and prioritizes funding for implementation of sea level rise adaptation strategies in approved plans, among other things.

AB 500 (Ward, 2021) would have required local governments in the coastal zone to amend their local coastal programs by January 1, 2024, to provide streamlined permitting procedures for certain housing projects, including affordable housing units, as specified, among other things. *(This bill died on the Senate floor inactive file.)*

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