
THIRD READING

Bill No: SB 1229
Author: Allen (D)
Amended: 4/9/26
Vote: 21

SENATE NATURAL RES. & WATER COMMITTEE: 5-2, 4/7/26
AYES: Becker, Allen, Blakespear, Cabaldon, Stern
NOES: Seyarto, Grove

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SUBJECT: Coastal resources: coastal development permits: disaster exemption

SOURCE: Author

DIGEST: This bill prohibits the use of the coastal development permit exemption to rebuild a certain structure destroyed by a disaster if the property owner is not the property owner of record prior to the disaster and if certain additional conditions are met, such as being located in an environmentally sensitive area, as specified.

ANALYSIS:

Existing law:

- 1) Establishes the California Coastal Act of 1976 (Coastal Act) (Public Resources Code (PRC) §§30000 *et seq.*):
 - a) Establishes the California Coastal Commission (commission) in the California Natural Resources Agency.
 - b) Includes legislative findings and declarations that:
 - i) The coastal zone is a distinct and valuable natural resource of vital and enduring interest to all the people, the permanent protection of the state's natural and scenic resources is a paramount concern to present and future residents, and existing uses and future developments that are carefully

- planned and developed consistent with the Coastal Act are essential to the economic and social well-being of the people of the state (PRC §30001).
- ii) It is important for the commission to encourage the protection of existing and the provision of new affordable housing opportunities for persons of low and moderate income in the coastal zone (PRC §30604).
 - iii) The basic goals of the state for the coastal zone include to:
 - (1) Protect, maintain, and, where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and artificial resources;
 - (2) Ensure orderly, balanced utilization and conservation of coastal zone resources, taking into account the social and economic needs of the people of the state; and
 - (3) Maximize public access to and along the coast and maximize public recreational opportunities in the coastal zone consistent with sound resources conservation principles and constitutionally protected rights of private property owners, among other things (PRC §30001.5).
- c) Provides for the planning and regulation of development within the coastal zone, as defined.
- i) A person planning to perform or undertake any development in the coastal zone is required to obtain a coastal development permit (CDP) from the commission or local government enforcing a certified local coastal program (LCP) (PRC §30600).
 - (1) Development means, among other things, the placement or erection of any solid material or structure on land or in water. Structure means any building, road, pipe, flume, conduit, and electrical power transmission and distribution line, among other things (PRC §30106).
 - (2) The coastal zone means the coastal land and waters of California, and includes the lands that extend inland generally 1,000 yards from the mean high tide line, as specified, with various exceptions, including the San Francisco Bay (PRC §30103).
- d) Provides a CDP exemption for certain types of development including, among others:

- i) Improvements to existing single-family residences, as specified;
- ii) Improvements to structures other than a single-family residence or a public works facility that do not involve a risk of adverse environmental effect, affect public access, or involve a change in use contrary to the Coastal Act, as provided;
- iii) Maintenance dredging of existing navigation channels;
- iv) Repair or maintenance activities that do not result in an addition to or enlargement or expansion of the object of those activities, as specified;
- v) Temporary development, as provided;
- vi) The replacement of a structure other than a public works facility destroyed by a disaster provided that the replacement structure conforms to applicable existing zoning requirements, is for the same use as the destroyed structure, does not exceed either the floor area, height, or bulk of the destroyed structure by more than 10%, and is sited in the same location, as provided (PRC §30610).
- e) Defines “environmentally sensitive area” to mean any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem and which could be easily disturbed or degraded by human activities and developments (PRC §30107.5).

This bill:

- 1) Prohibits use of the CDP exemption for the replacement of a structure destroyed by a disaster where the structure conforms to existing zoning, is for the same use, sited in the same location, and is no more than 10% larger, as provided, if the property owner is not the property owner of record immediately preceding the disaster, and if the replacement structure would do any of the following:
 - a) Encroach upon a lateral or vertical public access easement or deed restriction.
 - b) Encroach upon an open space easement or deed restriction that has been recorded or offered for dedication, as provided.
 - c) Be located within an environmentally sensitive area or within a required buffer area adjacent to an environmentally sensitive area.

- d) Be sited within a bluff setback established by a certified LCP or the commission.
 - e) Be incompatible with the public trust, as applicable, or occupy, fill, or encroach upon state tide and submerged lands.
 - f) Block, impede, or restrict public access to or along the coast in a manner not present prior to the disaster.
- 2) Provides for reimbursement of mandated state costs, as provided, and makes additional minor technical amendments to statute.

Background

The catastrophic Palisades Fire started on the morning of January 7, 2025, and grew rapidly to over 15,000 acres over the first day driven by strong Santa Ana wind gusts and falling humidity. The fire destroyed or damaged almost 8,000 structures, and tragically resulted in the deaths of 12 people. According to the California Department of Forestry and Fire Protection, the fire burned 23,448 acres, and was not contained until January 31, 2025. Recent estimates by Redfin are that the Palisades Fire alone caused over \$50 billion worth of damage to residential property.

After a disaster, property owners may face multiple challenges when deciding whether to rebuild or sell their lot given delays in insurance payouts, underinsurance, and increases in labor and building materials costs. In the City of Malibu, the Palisades Fire destroyed 700 homes of which 300 were beachfront properties. As of early January 2026, only 22 building permits had been issued by Malibu to rebuild properties destroyed by the Palisades Fire. Some Malibu property owners opted to sell instead of rebuild, and some properties to the west of the Pacific Coast Highway have already been sold. According to Redfin, 44% of the burned lots in Malibu have been purchased by developers. This has raised concerns in the community. For example, developers from New Zealand have purchased 16 burned beachfront lots at a cost of nearly \$100 million and plan to build 16 luxury prefabricated homes to ship to California for installation. They anticipate completion by 2029.

In a series of six Executive Orders during and after the Palisades and Eaton Fires, Governor Newsom suspended the Coastal Act, the California Environmental Quality Act, sections of the California Building Standards Code, and sections of the California Energy Code for disaster rebuilds and repairs. These remain in effect.

[NOTE: See the Senate Natural Resources and Water Committee’s bill analyses for detailed background regarding this bill.]

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT: (Verified 4/20/26)

California Coastal Protection Network
Sierra Club California
Sonoma Land Trust
Surfrider Foundation

OPPOSITION: (Verified 4/20/26)

None received

ARGUMENTS IN SUPPORT: According to the author, “The devastating 2025 Palisades Fire destroyed approximately 10,000 homes and businesses in coastal areas, forcing residents to make difficult choices about whether and how to rebuild. The Coastal Act currently allows homes destroyed by disaster to be rebuilt without a new coastal development permit if the new structure is similar to the original. This exemption was intended to help homeowners quickly restore their residence after catastrophic events by accelerating the rebuilding process. Unfortunately, in practice, the exemption may be exploited by investors or developers interested in buying up properties at below-market value, with plans to redevelop them in ways that may limit public coastal access – all without review.”

“SB 1229 closes this loophole by ensuring speculative purchasers rebuilding after disaster cannot bypass the Coastal Act’s core resource protection and public access policies, while still prioritizing streamlined recovery for disaster victims as well as the preservation of our coastal environments and communities.”

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