

Date of Hearing: June 8, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 1229 (Allen) – As Amended April 9, 2026

SENATE VOTE: 29-9

SUBJECT: Coastal resources: coastal development permits: disaster exemption

SUMMARY: Establishes limitations on the existing Coastal Act exemption for rebuilding after a disaster.

EXISTING LAW:

- 1) Requires any person wishing to perform or undertake any development in the coastal zone, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, to obtain a coastal development permit (CDP). (Public Resources Code (PRC) 30600)
- 2) Requires each local government lying, in whole or in part, within the coastal zone to prepare a local coastal plan (LCP) for that portion of the coastal zone within its jurisdiction. (PRC 30500)
- 3) Exempts specified emergency work projects from CDP requirements. (PRC 30600 (e))
- 4) Further provides that the replacement of any structure, other than a public works facility, destroyed by a disaster up to 110% of the structure's footprint does not require a CDP, among other exemptions. (PRC 30610)

THIS BILL:

- 1) Provides that the CDP exemption for the replacement of a structure destroyed by a disaster by up to 110% of the structure's footprint does not apply to the replacement of a structure proposed by an applicant who was not listed as the property owner of record immediately preceding the disaster, if replacement of the 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;
 - 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 by the California Coastal Commission (Coastal Commission);
 - e) Be incompatible with the public trust, as applicable, or occupy, fill, or encroach upon state tide and submerged lands; and,

- f) Block, impede, or restrict public access to or along the coast in a manner not present prior to the disaster.
- 2) Provides that if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made.

FISCAL EFFECT: The Senate Appropriations Committee determined this bill has negligible state costs pursuant to Senate Rule 28.8.

COMMENTS:

1) **Author's statement:**

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.

- 2) **CDP disaster exemption.** The Coastal Act exempts rebuilding after a disaster from CDP requirements and allows redevelopment up to 10% beyond the footprint of the previously existing building (for a total of 110% of the original structure). This exemption was added to the Coastal Act in 1979, three years after the enactment of the Coastal Act.

Following the 2018 Woolsey Fire, many homes in the Malibu coastal zone were rebuilt under the Coastal Act disaster-replacement exemption framework. Local rebuilding guidance referenced the ability to rebuild “like-for-like” up to 110% of the prior structure without a full coastal CDP process if the replacement remained substantially conforming.

- 3) **Los Angeles fires.** On January 7, multiple mega fires erupted in Los Angeles (LA) and were fanned by the Santa Ana Winds blowing at hurricane force speeds, spreading embers and igniting structure fires miles beyond the limits of the active fires. The LA fires burned an area nearly the size of Washington, D.C. and damaged or destroyed more than 16,000 structures, according to CAL FIRE. AccuWeather projected damage and economic losses at more than \$250 billion.

According to the Coastal Commissionⁱ, the LA fires destroyed 4,537 structures and damaged 810 structures in the coastal zone. More than 700 homes were destroyed in Malibu alone – 300 of which were beachfront properties along Pacific Coast Highway.

In response to the LA fires, Governor Newsom issued Executive Order (EO) N-4-25 on January 12, 2025, exempting reconstruction of properties substantially damaged or destroyed in the LA wildfires from California Environmental Quality Act and the Coastal Act to accelerate redevelopment. The Coastal Commission subsequently issued guidance that suggested rebuilds are subject to the Coastal Act exemption provisions and procedures. The Governor doubled down on the Coastal Act exemptions with a February 2025 EO N-20-25 by saying all rebuilds of primary structures and facilities up to 110% of the existing footprint and accessory dwelling units are exempt from the Coastal Act *entirely*, and further redirected the Coastal Commission to stop issuing guidance or attempting to enforce permitting requirements that conflict with EO N-4-25 as well as another EO issued on January 16, 2025, to streamline the building of accessory dwelling units to assist in creating more temporary housing.

- 4) **Rebuilding after the fires.** Residents have had to face difficult choices on how to proceed after the fires in deciding whether to rebuild, particularly given delays in insurance payouts, increased prices of building materials and labor, underinsurance, and the trauma of the wildfire.

Further, permitting has created a bottleneck for many rebuilds. The Associated Press reported that fewer than a dozen homes had been rebuilt in LA County one year after the fires. Another report specifically said only 7 homes had been completed in some affected areas by early 2026. All of these complications have led many in the community to sell their property.

The author notes that some reports have found that approximately 40% of lots sold in both Palisades and Eaton communities were sold off to investors and speculators, raising significant community concern. New Zealand construction firm Zuru Tech has spent more than \$65 million purchasing 16 scorched beachfront lots along the Pacific Coast Highway in Malibu to rebuild. Instead of traditional on-site construction, the luxury, high-end prefabricated homes will be built at the company's automated factory in China and then put down on the Malibu parcels.

While the Governor's EO exempting the Coastal Act completely applies to all 2025 LA fire rebuilds, the Coastal Act disaster rebuild exemption, which will apply to future disasters not covered by the Governor's EOs, is designed to help homeowners quickly restore their primary residences after catastrophic events by streamlining the rebuilding process. However, as California Coastal Protection Network notes, this exemption also allows third-party developers and investors to purchase disaster-damaged coastal properties, often at below market value, and rebuild without complying with any provisions of the Coastal Act.

- 5) **This bill.** SB 1229 provides that the CDP exemption for the replacement of a structure destroyed by a disaster does not apply to the rebuild if the rebuild would encroach upon a lateral or vertical public access easement or deed restriction; encroach upon an open space easement or deed restriction that has been recorded or offered for dedication; be located within an environmentally sensitive area or within a required buffer area adjacent to an environmentally sensitive area; be sited within a bluff setback established by a certified LCP

or by the Coastal Commission; be incompatible with the public trust or occupy, fill, or encroach upon state tide and submerged lands; and/or, lock, impede, or restrict public access to or along the coast in a manner not present prior to the disaster.

The intent is to prevent exploitative redevelopment of coastal land under new ownership that would bypass review under the Coastal Act.

- 6) **For future consideration.** This Legislature may wish to consider applying these limitations on the CDP disaster rebuild exemption irrespective of property ownership. Rough estimates indicate there are roughly 2 million (if not more) pre-1977 structures in the coastal zone; these are structures – homes, businesses, public facilities – built before the enactment of the Coastal Act and, therefore, before there were CDP requirements. Should a disaster destroy any structure in the coastal zone that was not sited with current CDP considerations in mind, the Legislature may wish to clarify that *any* rebuild should not encroach on sensitive environmental areas, sensitive habitats or tidelands; be sited within a bluff setback; block public access, and so on.

REGISTERED SUPPORT / OPPOSITION:

Support

California Coastal Protection Network
Sierra Club
Sonoma Land Trust
Surfrider Foundation

Opposition

None on file

Analysis Prepared by: Paige Brokaw / NAT. RES. /

ⁱ [ED Report](#)