

SENATE THIRD READING

SB 1229 (Allen)

As Amended April 9, 2026

Majority vote

SUMMARY

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

Major Provisions

- 1) Provides that the coastal development permit (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 local coastal program (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.

COMMENTS

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.

In response to the 2025 Los Angeles (LA) fires, Governor Newsom issued multiple executive orders (EO) exempting reconstruction of properties substantially damaged or destroyed in the LA wildfires from the California Environmental Quality Act and the Coastal Act to accelerate redevelopment.

While the Governor's EOs exempting the Coastal Act 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 the 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.

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.

Arguments in Support

The Nature Conservancy writes in support that SB 1229 would preclude new property owners from using the rebuild exemptions in the Coastal Act if the replacement structure would encroach on public access easements or otherwise impede public access to the coast in a manner inconsistent to prior development, or be located in environmentally sensitive habitat areas, within a bluff setback, or on state tidelands or the public trust. In doing so, SB 1229 would allow communities impacted by disasters to rebuild their homes in an efficient and expeditious manner, while protecting sensitive habitats, coastal ecosystems and preserving public access.

Arguments in Opposition

The City of Del Mar is particularly concerned that homeowners who have relied upon development rights established through a certified LCP may face questions regarding their ability to rebuild after a disaster solely because ownership changed hands after the disaster event. The City of Del Mar believes that properties developed consistent with a certified LCP should continue to be eligible for redevelopment consistent with that certified LCP, regardless of subsequent ownership. As drafted, the legislation may create uncertainty regarding whether future owners of property that has been lawfully developed pursuant to a certified LCP can rebuild following a disaster.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, the Commission anticipates its implementation costs to be minor and absorbable. By creating additional duties for a local government in reviewing CDPs and exemption requests, this bill imposes a state-mandated local program. However, these local costs are likely not reimbursable by the state because local agencies have general authority to charge and adjust planning and permitting fees to cover planning mandates. Accordingly, most local governments in the state with certified LCPs charge fees to recover the cost of processing CDP applications, including staff review, environmental review, public notices, hearings, and permit issuance. Some jurisdictions charge a fee for a request for a determination that a project is exempt from CDP requirements (or otherwise not

considered "development" requiring a CDP) while others process certain exemption requests without charge or include them within other planning review fees.

VOTES

SENATE FLOOR: 29-9-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Ochoa Bogh, Seyarto, Strickland, Wiener

ABS, ABST OR NV: Niello, Valladares

ASM NATURAL RESOURCES: 9-4-1

YES: Bryan, Connolly, Garcia, Haney, Kalra, Pellerin, Schultz, Wicks, Zbur

NO: Ellis, Alanis, Hoover, Macedo

ABS, ABST OR NV: Muratsuchi

ASM APPROPRIATIONS: 8-3-4

YES: Wicks, Arambula, Caloza, Fong, Mark González, Krell, Pacheco, Solache

NO: Hoover, Dixon, Ta

ABS, ABST OR NV: Calderon, Pellerin, Sharp-Collins, Tangipa

UPDATED

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CONSULTANT: Paige Brokaw / NAT. RES. /(916) 319-2092

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