State and Local Executive Orders Suspend Time-Consuming Permitting and Review Requirements for Rebuilding Los Angeles

Article By:

Whitney Hodges

Lauren K. Chang

In light of the ongoing devastation wrought by the numerous wildfires plaguing Los Angeles County, California Governor Gavin Newsom has declared a <u>state of emergency</u>^[1] and taken immediate action in an attempt to allow Angelenos to rebuild efficiently and effectively. One such action was the issuance of <u>Executive Order (EO) N-4-25</u> on January 12th to temporarily suspend two time-intensive environmental laws.^[2] In response, the City of Los Angeles Mayor Karen Bass issued her own executive order (<u>Emergency Executive Order No. 1</u> [LA EEO1]) just one day later to "clear the way for Los Angeles residents to rapidly rebuild the homes they lost."^[3]

EO N-4-25 will, in short, suspend the permitting and review requirements under the California Environmental Quality Act (CEQA) and Coastal Act for victims of the recent fires in Los Angeles County in order to promote the restoration of homes and businesses. In addition to confirming the waiver of CEQA review, LA EEO1 waives local discretionary review processes. These fires, which – as of the date of publication – have resulted in the destruction of more than 12,000 structures, in the midst of an undeniable housing crisis in California. These executive orders are a step in the right direction to recoup the housing stock lost over the past two weeks.

EO N-4-25

The executive order issued by Governor Newsom:

- Suspends CEQA review and Coastal Act permitting related to the reconstruction of properties substantially damaged or destroyed in the wildfires. The structures eligible for this suspension must be in the substantially same location and shall not exceed 110% of the footprint and height of properties and facilities that were *legally* established and existed immediately before the fires.
 - This suspension means that applications to rebuild homes, businesses, and other structures will not have to comply with laws that are notorious for extensive approval timelines, restricting land development and proposed uses, and subject to appeals

and litigation, all of which could tie up a project indefinitely.

- Directs state agencies to identify additional permitting requirements, including provisions of the California Building Code, that can safely be suspended or streamlined to accelerate rebuilding and make it more affordable.
 - These state agencies, including Department of Housing and Community Development (HCD), the Office of Land Use and Climate Innovation, the Office of Emergency Services (OES), and the Department of General Services (DSG), need to report to the Governor within 30 days on other permitting requirements that could "unduly impede" efforts to rebuild properties damaged in the fire, updating the report every 60 days to identify other requirements acting as barriers.
 - HCD will coordinate with local governments to recommend procedures to establish rapid permitting and approval processes to expedite the reconstruction or replacement of residential properties, with the ultimate goal of issuing all necessary permits and approvals within 30 days.
- Extends protections against price gouging under Penal Code section 396(b)-(c) on building materials, storage services, construction, emergency clean-up and other essential goods and services associated with repair and reconstruction to January 7, 2026, in Los Angeles County.
- Commits the executive branch to working with the Legislature to identify statutory changes that can help expedite rebuilding while enhancing wildfire resilience and safety.
- Allows property owners to transfer the base year value of property that is substantially damaged or destroyed by the disaster to the rebuilt property, which could offer a significant tax savings.

While EO N-4-25 has been heralded as "really positive" and "as an admission we can safely build housing without [the constraints of these two intensive environmental laws]" by industry leaders, including the California Building Association,^[4] questions regarding the implementation of this order remain. For example, the order states that eligible projects must be substantially the same size and location, but leaves the door open as to whether the use can change. Would the order still apply if the redevelopment changed the use from single-family to a single-family home with an accessory dwelling unit (ADU) or denser residential or commercial uses?

Additionally, EO N-4-25 is silent on the rebuilding or repair of infrastructure supporting the projects eligible for application of the executive order. If infrastructure cannot be installed quickly to support the other redevelopment, it is possible the success of such eligible redevelopment is hindered by the inability to utilize the new structures due to lack of services and access. Moreover, redevelopment projects under EO N-4-25 will still need to comply with local zoning and permitting ordinances. Therefore, redevelopment projects may still need to obtain discretionary approvals (i.e., conditional use permit, coastal development permit, site plan review), which are time- and resource-consuming even without the application of CEQA or the Coastal Act. Lastly, the state executive order creates a tension with Local Coastal Programs (LCP) for applicable areas (i.e., Malibu), which are at risk of being decertified by the California Coastal Commission if the local governments approve building plans contrary to approved LCPs.

Additionally, as of late, one of the most popular issues subject to CEQA challenges has been wildfire danger. EO N-4-25 will likely be at odds with recent case law that sets the requirements for analyzing a project's impacts on evacuation routes and wildfire risk, including <u>People of the State of California</u> <u>ex rel Rob Bonta Attorney General v. County of Lake</u> (2024) ___ Cal.App.5th ___. Given CEQA's requirements for a fire risk analysis and the trend of recent caselaw, local governments – in order to avoid liability imposed by the courts – may be hard-pressed to approve projects without some sort of discretionary consideration given to the redevelopment's impacts on fire risk and evacuation routes.

Only time will tell if the Governor's Office will issue clarifications to EO N-4-25 that address these and other uncertainties.

LA EEO1

The executive order issued by Mayor Bass will:

- Coordinate debris removal from all impacted areas, mitigates for wet weather.
 - This will create task forces to develop a streamlined program for debris removal and mitigate risks from rain storms, uniting with the OES and other City, County, state and federal agencies.
- Clear the way to rebuild homes as they were.
 - This will establish a one-stop-shop to swiftly issue permits in all impacted areas, directs City departments to expedite all building permit review/inspections, bypasses state CEQA discretionary review, allows rebuilding "like for like" and waives City discretionary review processes. The City has already established a Disaster Recovery Center to serve individuals and families impacted by the fire in the Pacific Palisades, which is open 7 days a week from 9 a.m. to 8 p.m. at: 10850 Pico Boulevard, Los Angeles, California 90064
- Make 1,400 units of in progress housing units available.
 - LA EEO1 directs the Department of Building and Safety to issue temporary certificates of occupancy for 1,400 housing units currently in the pipeline across the City.
- Establish a framework to secure additional regulatory relief and resources.
 - This instructs all City departments to report back in one week with a list of additional relief needed from state and federal regulations and requirements, as well as state and federal funding needed for recovery.
- Expedite permit review and eliminate the discretionary review and other processes for "eligible projects." An eligible project is defined as one that repairs, restores, demolishes, or replaces a structure or facility substantially damaged or destroyed by wildfires that meets certain criteria, including: (i) the structure or facility is in substantially the same location as the original structure or facility; (ii) the structure or facility does not exceed 110% of the floor area, height, and bulk of the original structure or facility; (iii) maintaining the same use, intensity, and density of the original structure or facility, i.e., no new ADUs or changes of use; and (iv) obtaining building permits for repair or reconstruction within 7 years from the date of the order.
 - Building permit review timelines by all City departments (including Department of Water and Power) must be completed in 30 days from the submission of a "complete application."
 - Discretionary review processes are waived for eligible projects, including, but not limited to the Pacific Palisades Village Specific Plan and Pacific Palisades Village Design Review Board Guidelines. The City must review applications submitted using the streamlined ministerial review processes under Senate Bill 35 (SB 35) (Govt. Code § 65913.4). While ambiguous, it appears that while Mayor Bass is technically waiving discretionary permitting requirements, applicants may still have to file applications with the Planning Department and go through a "streamlined" entitlement process. In other words, the discretionary approvals would be processed ministerially and have the statutory review timelines for SB 35 projects, which would be 90 days from date of submittal for approval for projects less than 150 units and 180 days for projects greater than 150 units. In practice, these timelines are much longer given tribal notification requirements and preapplication forms and processes.Haul routes for

eligible projects shall be approved ministerially without noticing, hearings, findings, or appeals.Clarifies that eligible projects are exempt from requirements to obtain a Coastal Development Permit under Coastal Act section 30610(g).Application of the All-Electric Building Code (Ordinance No. 187714) does not apply to eligible projects.Demolition permits are not required for structures, improvements, or facilities substantially damaged or destroyed by the wildfires.

 Tiny homes, modular structures and mobile homes, are permitted for up to 3 years on the site during rebuilding.

Similar to the fires, State and local response to recent events is rapidly evolving. Sheppard Mullin will continue to provide updates as available. For more information or assistance, please contact us. Together, we can navigate this challenging period responsibly.

Listen To This Post

FOOTNOTES

[1] Such proclamation triggers, among other things, the enforcement of price-gouging restrictions. Please see <u>here</u> for an article with more information.

[2] Government Code § 8571 authorizes the Governor to suspend regulatory statutes during a state of emergency upon determining that strict compliance "would in any way prevent, hinder, or delay the mitigation of the effects of the emergency."

[3] LA EEO1 will only apply to projects within the City of Los Angeles, but not those destroyed outside the City's jurisdictional boundaries like those destroyed by the Eaton Fire in Altadena.

[4] Pat Maio, *Newsom suspends 2 environmental laws to jumpstart rebuilding in fire-damaged L.A. communities*, Los Angeles Daily News, January 12, 2025, <u>accessible here</u>.

Copyright © 2025, Sheppard Mullin Richter & Hampton LLP.

National Law Review, Volume XV, Number 15

Source URL:<u>https://natlawreview.com/article/state-and-local-executive-orders-suspend-time-consuming-permitting-and-review</u>