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LAND USE MATTERS

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Land Use Matters provides information and insights into legal and regulatory developments, primarily at the Los Angeles City and County levels, affecting land use matters and new CEQA appellate decisions.



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City of Los Angeles Planning Department

Annual Increase to Planning Applications and Affordable Housing Linkage Fees

On July 1, 2024, the <u>annual increases</u> to the Planning and Land Use Fees and the Affordable Housing Linkage Fee (AHLF) became effective. The AHLF increased by 3% based on the Consumer Price Index for Urban Consumers (CPI-U) average for the 12-month period ending April 2024. The AHLF is based on the square footage of certain new market-rate residential and nonresidential development projects to generate local funding for affordable housing. The fee is due before building permits are issued.

The planning fees in Los Angeles Municipal Code (LAMC) <u>Sections 19.01–19.10 and 19.12</u>, and certain fees in LAMC <u>Chapter 1A, Article 15</u>, increased by 3.4% based on the CPI-U for the calendar year ending December 2024.

California Environmental Quality Act (CEQA)

<u>Citizens for a Better Eureka v. City of Eureka</u> (1st App. Dist., May 2025)

In this case, the petitioner unsuccessfully challenged the City of Eureka's use of a categorical exemption to provide CEQA clearance for the proposed redevelopment of a city-owned parking lot into affordable housing. The petitioner asserted that the city unlawfully applied a Class 12 CEQA exemption, which generally exempts the sale of surplus government property that is not located in a designated environmentally sensitive area.

The court of appeal affirmed the trial court's dismissal of the petition on the grounds that the petitioner failed to join as a "necessary party" the tribe that was contracted to develop the project. According to the court, the petitioner in a CEQA action "has a duty to add necessary parties." The tribe was necessary because it was identified in the agency's notice of exemption and received entitlements to develop the project. The court held that the statute of limitations barred joinder of the tribe since the tribe was not named in a lawsuit filed within the CEQA limitations period. The court further held that the tribe would be prejudiced if the action proceeded without it, because it would not be

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able to defend approval of the project, and if the petitioner succeeded, the tribe would be prevented from moving forward with the project.

Old Golden Oaks LLC v. County of Amador (3rd App. Dist., June 2025)

The court of appeal held that Amador County violated the Permit Streamlining Act by conditioning the completeness of an encroachment permit application on information not specified in the county's submittal checklist. The county's reliance on a catch-all provision in the checklist—allowing for "other information as may be required by the director"—failed to "specify in detail" the information needed, as required under the Act. Although the Act allows agencies to request environmental information during CEQA review, the court held that it prohibits agencies from deeming applications incomplete for omitting items not identified in the submittal checklist.

However, the court found that the county properly conditioned the completeness of its grading permit process on environmental information because the grading permit checklist adequately informed the applicant that the project was subject to CEQA. The developer had acknowledged CEQA's applicability, and the county had clearly identified CEQA compliance requirements across various code sections. The court rejected the developer's claim that all required information must be included in a single document, affirming instead that agencies may rely on "one or more lists" of information to meet statutory disclosure obligations for permit applications.

Center for Biological Diversity v. County of Los Angeles (2nd App. Dist., June 2025)

The court of appeal affirmed the trial court's decision to invalidate the County of Los Angeles' environmental impact report (EIR) and project approvals for the Centennial Specific Plan—a 12,000-acre mixed-use development at Tejon Ranch—based on the EIR's flawed treatment of greenhouse gas (GHG) emissions. The court held that the county violated CEQA by relying on California's cap-and-trade program to offset the project's downstream emissions from electricity, gas, and fuel consumption, even though the project is not a "covered entity" under that regulatory scheme. The court found this reliance faulty because the EIR repeatedly cited the program to claim that 96% of the project's unmitigated emissions would be offset, minimizing the project's climate impact in both the analysis and the county's CEQA findings.

The court rejected arguments from the project developer that the cap-and-trade program's offsets should count toward mitigating the project's emissions. It found this approach violated CEQA Guidelines Section 15126.4(c)(3), which requires GHG mitigation measures to provide "additional" reductions not otherwise mandated by law. By double-counting already-required reductions as project mitigation, the EIR improperly distorted its significance analysis. The court emphasized that, under CEQA, land use projects that are not directly regulated under cap-and-trade cannot rely on the compliance obligations of other entities to justify GHG impact findings.

Finally, the court found that the EIR's analysis was prejudicially misleading, noting that a "reasonable decisionmaker" or member of the public would have understood the EIR to mean that the cap-and-trade program effectively reduced the project's GHG emissions to zero in certain categories. That misunderstanding undermined the CEQA process by distorting both the severity of the environmental impact and the legitimacy of the county's statement of overriding considerations. Consequently, the appellate court upheld the trial court's order setting aside the approvals and directing the county to revise the EIR.



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