

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

SB 658 (Pérez)
Version: April 10, 2025
Hearing Date: April 22, 2025
Fiscal: Yes
Urgency: No
ME

SUBJECT

Real property impacted by the 2025 Eaton or Palisades Fires: notification of owner's intent to sell.

DIGEST

This bill requires Los Angeles County to develop a process for specified nonprofit and governmental organizations to notify the County of their interest in purchasing real property impacted by the Eaton and Palisades fires. This bill provides that real property owners in the fire area may notify the County or these organizations of their intent to sell their property.

EXECUTIVE SUMMARY

The Governor proclaimed a state of emergency to exist in Los Angeles County and Ventura County on January 7, 2025 due to fire and windstorm conditions that caused multiple fires, including the Eaton and Palisades fires.

This bill requires Los Angeles County to develop a process for qualifying nonprofit organizations and governmental organizations to notify the County of their interest in purchasing specified types of real property located within the area impacted by the Eaton or Palisades fires. The bill requires the county to maintain a list of the qualified organizations on their website. The bill also specifies that owners of property in the area of the fire may notify the County or a qualified organization of the owner's intent to sell the property. The provisions of the bill are in effect for six years following the expiration of the last declared disaster or state of emergency resulting from the Eaton or Palisades Fires.

The bill is sponsored by California Community Land Trust Network, Inclusive Action for the City, and Rise Economy. The Committee received no timely opposition. Should SB 658 pass out of this Committee it will next be heard in the Senate Local Government Committee.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Provides that any person, regardless of their citizenship status, may take, hold, and dispose of property, real or personal, within this state. (Civ. Code § 670.)

Existing California Executive Order N-26-25 extends prior Executive Orders, until July 1, 2025, that temporarily prohibit unsolicited offers to purchase property in fire-affected areas for less than the fair market value of the property prior to the emergency in order to protect homeowners, business property owners, and faith leaders from unscrupulous individuals who seek to profit from fires, including the Eaton and Palisades fires.

This bill:

- 1) Requires Los Angeles County to develop a process for qualifying nonprofit organizations and governmental organizations to notify the County of their interest in purchasing specified types of real property located within the area impacted by the Eaton or Palisades fires, referred to as the “2025 Los Angeles Fire Impact Area.”
- 2) Defines the 2025 Los Angeles Fire Impact Area as the zip coded within the fire perimeter of the Eaton or Palisades Fires, as determined by the Department of Forestry and Fire Protection’s disaster assessment maps.
- 3) Defines “declared disaster” or “state of emergency” as including: a state of emergency or disaster declared by the federal government; a state of emergency proclaimed by the Governor, as specified; and a local emergency proclaimed by a local governing body or official, as specified.
- 4) Defines “real property” as: a single-family residential property; a multifamily residential property; a mobilehome park; a manufactured housing community; a mixed-use residential and commercial property; and a commercial property.
- 5) Provides that an owner of real property located within the 2025 Los Angeles Fire Impact Area may send the County of Los Angeles or a qualified entity a notice of the owner’s intent to sell the property.
- 6) Requires Los Angeles County to develop a process by which organizations may notify the County of their interest in purchasing real property pursuant to this bill and requires the County to maintain an up to date listing on their website of all organizations that have submitted a notification to the County.
- 7) Specifies which types of organizations may submit notification to the County as a qualified entity.

- 8) Provides that the provisions of the bill are in effect for six years following the expiration of the last declared disaster or state of emergency resulting from the Eaton or Palisades Fires.
- 9) Includes findings and declarations regarding the devastation caused in the fires and severe windstorm conditions in January 2025.

COMMENTS

1. Author's statement

According to the author:

In the wake of the aforementioned wildfires, there are growing community concerns about the post disaster threat that looming developers' pose on vulnerable community property owners amidst rebuilding efforts. As residents are evaluating paths forward to rebuild their homes and the greater community, reports have emerged of developers' representatives approaching residents with unsolicited and quick low cash offers for their property.¹ These interests are preying on people at their most vulnerable whom are seeking relief from to rebuild their lives. SB 658 aims to compliment ongoing and potentially future efforts towards community preservation in the Eaton and Palisades fire impacted areas. Specifically SB 658 establishes a central system where specified government and nonprofit organizations interested in purchasing property in the impacted area for community preservation, are connected to local residents interested in purchasing their property and wanting to contribute to community preservation.

2. The Eaton and Palisades fires

In early January 2025, extremely dry conditions and high winds in Los Angeles resulted in two of the worst wildfires in state history. The Palisades fire, which started on January 7th, burned a total of 23,448 acres and damaged or destroyed almost 8,000 structures in the Pacific Palisades and Topanga State Park area of west Los Angeles.² That same day, other fires also broke out in the greater Los Angeles area: the Eaton and Hughes fires. The Eaton fire consumed 14,021 acres and damaged or destroyed more than 10,000 structures, including significant portions of the city of Altadena.³ About half of all properties in both cities were destroyed, and both fires together tragically took the lives of 29 civilians and injured a dozen firefighters. All told, the January wildfires in Los Angeles were some of the most destructive wildfires in state history.

¹ Tracey Leong and Missael Soto "'Altadena not for sale.' Residents protest against displacement post wildfires," (Feb. 17, 2025) <https://www.nbclosangeles.com/news/local/altadena-not-for-sale-protest-wildfires/3634584/>.

² CalFire, "Palisades Fire," (March 27, 2025) <https://www.fire.ca.gov/incidents/2025/1/7/palisades-fire>.

³ CalFire, "Eaton Fire," (March 4, 2025) <https://www.fire.ca.gov/incidents/2025/1/7/eaton-fire>.

Beyond the significant human toll, the fires have also had a significant financial toll on residents and communities where they burned and throughout Southern California. Real estate losses have been estimated to be as high as \$30 billion, and just under 13,000 households were displaced by the Palisades and Eaton fires.⁴ An estimated 9,592 single family homes and condominiums, 678 apartment units, 2,210 duplex and bungalow courts, and 373 mobilehomes were either heavily damaged or destroyed.

All of this significant destruction displaced thousands of homeowners and tenants alike, so much so that rents and occupancy rates throughout the greater Los Angeles area spiked after the fires. Reports of landlords engaging in unlawful price gouging of tenants, prospective tenants, and short-term rentals abounded.⁵ The displacement of so many individuals and families caused significant stress on Los Angeles and the surrounding area's already strained and insufficient housing supply. Many displaced residents are struggling to find adequate temporary shelter, a reality that is exacerbating Los Angeles' ongoing housing and homelessness crisis.

Governor Newsom declared a state of emergency, put into place protections against price gouging, and issued an executive order prohibiting landlords in Los Angeles from evicting tenants for violating their leases by providing shelter in their unit for residents displaced by the fires. The governor also issued executive orders aimed at promoting and streamlining the construction of temporary shelters and the rebuilding of structures destroyed by the fires. The author provided the Committee with several news reports regarding predatory land purchasing attempts after the Eaton fire and growing community concerns about the post disaster threat that looming developers pose on vulnerable community property owners amidst rebuilding efforts.⁶ According to the author, who represents the area impacted by the Eaton fire, "residents are evaluating

⁴ Doug Smith and Sandhya Kambhampati, "Real Estate losses from fires may top \$30 billion, from old mobile homes to \$23-million mansions," Los Angeles Times (Feb. 21, 2025) <https://www.latimes.com/california/story/2025-02-21/real-estate-losses-from-palisades-and-eaton-fires-top-30-billion#:~:text=Los%20Angeles%20Housing%20Department%20records,the%20city's%20rent%20stabilization%20ordinance>.

⁵ Dawn Chmielewski, "Los Angeles homeowners face price gouging after wildfires," Reuters (Jan. 17, 2025) <https://www.reuters.com/world/us/displaced-los-angeles-homeowners-face-price-gouging-after-wildfires-2025-01-17/>.

⁶ Daniel Martinez, "These Altadenans want everyone to know their homes are not for sale," LAist (Mar. 29, 2025) <https://laist.com/news/altadena-not-for-sale-fair-oaks-burger-rally>; Mary O'Keefe, "Altadena is Not for Sale," Crescenta Valley Weekly (April 10, 2025) <https://www.crescentvalleyweekly.com/news/04/10/2025/altadena-is-not-for-sale/>; Amanda Del Cid Lugo, "Altadena residents sift through calls to sell – but the soul is not for sale," Los Angeles Public Press (Feb. 12, 2025) <https://lapublicpress.org/2025/02/altadena-real-estate-not-for-sale-eaton-property/>; Dani Anguiano, "'I want to preserve our legacy': Black families in Altadena fear displacement after fire" (Jan. 19, 2025) <https://www.theguardian.com/us-news/2025/jan/19/altadena-displacement-black-families>; Kiara Alfonseca, "Concerns about gentrification hang over LA community's destruction," ABC News (Jan.15, 2025) <https://abcnews.go.com/US/altadenas-diverse-history-risk-la-fires-continue-burn/story?id=117674462>

paths forward to rebuild their homes and the greater community, reports have emerged of developers' representatives approaching residents with unsolicited and quick low cash offers for their property." The author notes that her constituents are being preyed upon during this incredibly vulnerable period of their lives. The author further notes that fire survivors have been approached by representatives of developers who have attempted to dissuade residents from rebuilding and instead accept their cash offers. The author explains that this predatory real estate speculation can disrupt the fabric of the impacted communities, drive up housing costs, and destabilize the community. The author highlights that in the Altadena community there is concern over predatory real estate speculation contributing to gentrification and permanent displacement of the historic Black community in the area.

3. What this bill does

This bill requires Los Angeles County to develop a process for qualifying nonprofit organizations and governmental organizations to notify the County of their interest in purchasing specified types of real property located within the area impacted by the Eaton or Palisades fires. The bill requires the county to maintain a list of the qualified organizations on their website. The bill also specifies that owners of real property in the area of the fire may notify the County or a qualified organization of the owner's intent to sell the property. The provisions of the bill are in effect for six years following the expiration of the last declared disaster or state of emergency resulting from the Eaton or Palisades Fires. The portion of the bill requiring the County to enact a process and develop and maintain a list are within the jurisdiction of the Senate Local Government Committee. This Committee's jurisdiction is limited to the provisions that allow real property owners to notify the County or a qualified organization about the owner's intent to sell the property. These provisions do not place any requirements on real property owners or real estate professionals. The bill simply codifies that owners of real estate in these fire areas can notify the County or an organization on the list about their intent to sell their property. Property owners are not required to do anything under this bill.

A sponsor of the bill, the California Community Land Trust Network, writes:

The California Community Land Trust Network has 34 established CLTs and 16 emerging CLTs. They collectively steward 1,700 permanently affordable Units for the benefit of 3,600+ residents across the state. We have impacted community land trusts in the fire area, and one of our CLT's board members lost her home in the Eaton disaster.

Real estate investment firms are seeking to buy distressed properties from fire victims who are currently overwhelmed by the overlapping hardships of bureaucratic hurdles, financial burdens, and the trauma of destruction, displacement, and profound loss.

California has an interest in preventing displacement and loss of community assets and culture following a disaster, and ensuring community-based organizations - such as community land trusts - have opportunities to acquire and hold property to increase access to affordable housing, homeownership opportunities, and community-serving small businesses.

SB 658 (Perez) would enable an owner of residential real property or fire-damaged commercial real property located within the 2025 Los Angeles Fire Impact Area to send the County of Los Angeles or a qualified entity a notice of the owner's intent to sell the property, thereby giving Community Land Trusts and others a chance to keep the property in community hands.

An analysis done by the Greenline Housing Foundation revealed that since the fires, approximately 7 out of 11 property sales have gone to speculative investor corporations - and this was while the Governor's Executive Order prohibiting unsolicited offers was still in place.

If land is lost to speculation, the communities harmed by these fires risk losing their unique assets and culture, which only exacerbates an already disproportionate impact on Black families who built generational wealth and created a sanctuary in Altadena after being redlined out of other parts of the region.

SUPPORT

California Community Land Trust Network (sponsor)

Inclusive action for the City (sponsor)

OPPOSITION

None received

RELATED LEGISLATION

Pending legislation:

SB 522 (Wahab, 2025) excludes, from the exemption to California's just-cause eviction protections for housing issued a certificate of occupancy within the last 15 years, housing that is built to replace a housing unit substantially damaged or destroyed by a disaster, as specified. SB 522 is currently on the Senate floor.

SB 610 (Pérez, 2025) provides for the responsibility of a landlord or management of a mobilehome park to repair or remediate damage that was the result of a disaster, and provides the remedies available to a tenant if the landlord does not, among other provisions. SB 610 is currently pending before this Committee.

AB 311 (McKinnor, 2025) authorizes a tenant to temporarily permit a person at risk of homelessness to reside in their unit, regardless of the terms of the tenant's lease, and includes in the definition of a person at risk of homelessness a person who is displaced as a result of a disaster in an area in which a state of emergency has been declared. AB 311 is in the Senate Rules Committee.

Prior Legislation: None known.
