**TOPICS // RESILIENCE AND SUSTAINABILITY** 

# Rebuilding in the Aftermath of L.A.'s Unprecedented Urban Fires, Amid an Already Pressing Housing Crisis

By <u>Jack Skelley</u> January 17, 2025













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Amid widespread concern about the ability and means to adequately rebuild, proposals flourish. Addressing the need for them, ULI Los Angeles Chair Ryan Altoon says, "ULI Los Angeles has long prioritized housing as a pillar of equitable and sustainable urban development. Now, producing new housing—and replacing the thousands of homes lost—requires innovative solutions while maintaining best practices. Our commitment to housing accessibility must prioritize responsible land use and resilient communities, especially in the face of extreme climate realities."

Los Angeles, already suffering a severe affordability crisis—one of the worst in the nation—now faces an even more extreme housing shortage. Thousands of housing units were incinerated in simultaneous urban wildfires. The result is an instant surge of displaced people, with skyrocketing rents further escalating the numbers of the unhoused.

As of this writing, exact numbers of newly homeless people remain uncertain. The number of structures lost is rising but <u>estimated to be</u> more than 12,000. The largest fires are not 100 percent contained, and hot gusts still threaten a region suffering zero rainfall.

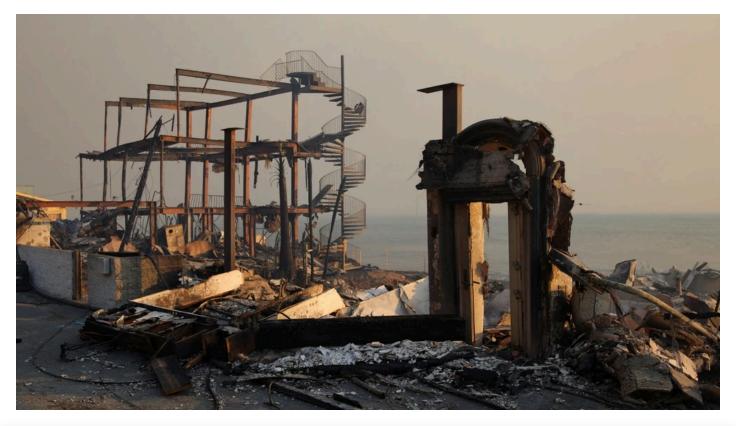
The two largest conflagrations have been the Palisades Fire in West Los Angeles and the Eaton Fire in Altadena/Pasadena (not incorporated into the city of Los Angeles), which are lower-density neighborhoods. <u>Although many famous TV and movie locations burned in Hollywood</u>, multifamily structures went largely untouched.

#### Rebuilding proposals abound

Los Angeles Mayor Karen Bass and California Governor Gavin Newsom have announced expedited permitting and waiving of building restrictions to help mitigate the housing crisis. At the same time, immediate grass-roots efforts to rebuild sprang up, including flurries of victims' GoFundMe

#### Gabriel and Hartman-Glaser's rebuilding proposals include:

- Centralizing state and local approval processes under a single entity
- Harmonizing cleanup efforts on a scale that considers whole neighborhoods
- Creating a registry for labor resources brought in from other regions
- Involving "at-scale" homebuilders—ones adept at neighborhood planning in the redevelopment process.



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or other temporary residences for as long as three years

Regarding areas outside the burn zones, Bass ordered that 22 multifamily developments, with a total of 1,400 units currently awaiting inspector approvals, receive temporary certificates of occupancy. This order aims to bring desperately needed housing to fire victims—and everyone else—wanting homes in an already constricted and costly rental and sales market.

#### **Building at scale**

Among L.A.'s larger affordable housing developers is <u>Weingart Center Association</u>, led by CEO and retired state senator Kevin Murray. The nonprofit's developments include high-density towers. Many of them are "permanent supportive" developments, which include services for the unhoused, such as medical and mental health care, job training, and financial guidance.

"Our approach is to build at the scale needed," Murray said. "You can't solve the homeless or affordable housing problem with only smaller affordable projects, although every unit helps."

Murray notes that, last year, the Los Angeles City Council approved new zoning codes aimed at increasing density. This new upzoning program is the <u>Citywide Housing Incentive Program</u> (CHIP).

"Most of the new codes allow more density in certain corridors," Murray says. "We should take advantage of that, and of the mayor's commitment to expedited reviews. These [approaches] better allow us to build at scale, and quickly."

Some observers have criticized CHIP for <u>steering dense housing away from politically powerful</u>

<u>single-family neighborhoods</u>, such as Pacific Palisades, which is also one of the most affluent

communities. But Murray who grow up in what locals call "the Palisades" says urgent density goals.

immediately make it more expensive to build, a factor that was already at play.

"We have absolutely pledged against gouging," Burton says. "But expect a Hunger Games-style competition for building materials and furnishings—including items such as washers and dryers—that will drive up prices. We need some kind of rebuilding authority to attack this [problem] in a significant way. And we need to use our strength as a region to create these homes. It will require an unprecedented effort, and the kinds of national experts who worked on disasters such as hurricanes Katrina and Sandy."



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Rurton endorses actions by Governor Newsom and Mayor Rass' executive order as "a great start"

reporter Don Lee, lumber is the single biggest component of homebuilding materials—about 15 percent of construction costs: "Southern California builders use wood for framing homes that's sourced mostly from Canada and the Pacific Northwest." With Canada being the largest foreign supplier of lumber for the U.S. market, Trump tariffs "could set off new waves of inflation in homebuilding."

#### Zombie projects, homeownership tenure

Many other constraints to rebuilding exist, apart from zoning restrictions, slow permitting, and high materials costs. Even with unprecedented demand, the city is pockmarked with "zombie projects"—blighted lots where developments were approved and land cleared, but construction has halted.

Craig Lawson, president of land-use consultants <u>Craig Lawson & Co., LLC</u> and a member of the ULI Los Angeles Advisory Board, lists additional reasons for the sector's faltering: lack of available land parcels, high cost of land, high interest rates, high taxes, and one other that's not usually considered: homeowners who don't move out and make room for new buyers.

Lawson says that, according to a Redfin analysis of Census Bureau data, "Los Angeles leads the nation with an average median homeownership tenure of 18.7 years. This is significant, when so few homes are built." In 2024, the city of Los Angeles issued only 8,706 residential unit permits versus 11,311 issued in 2023, a drop of 23 percent, according to Hilgard Analytics. "There are no easy answers, but we need to do more to encourage existing homeowners to move out of their large homes [and] into smaller townhouse or condo units," he says.

Ultimately, according to ULI's Altoon, these new homes should be more resilient, especially in fireprone areas.



Wildfire Resilience



### **Jack Skelley**

Jack Skelley writes about urban design, architecture, and real estate. He is president of JSPR, Public Relations, Writing & Marketing. He serves on the advisory board and management committee of ULI Los Angeles and writes frequently for *FORM* and *Modern Luxury*, publications for which he is a contributing writer.

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