

California Appellate Court Overturns CEQA Challenge to The True Life Companies' Housing Development

Second District Court of Appeal Clarifies Timeline for CEQA Challenges

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A California Court of Appeal has ruled in a published decision in *Guerrero et al. v. City of Los Angeles (TTLC Los Angeles El Sereno, LLC, et al., Real Parties in Interest)* that a CEQA challenge to Sheppard Mullin client The True Life Companies' planned single-family, small lot subdivision project was filed after the statute of limitations ran. The opinion will allow the 42-unit housing project to move forward consistent with city approvals after years of planning efforts.

Background on the Case

TTLC Los Angeles – El Sereno, LLC and The True Life Companies, LLC (“TTLC”) proposed to subdivide an undeveloped hillside in Northeast Los Angeles and construct 42 single-family homes (“Project”). The City of Los Angeles (“the City”) determined that all potentially significant impacts could be mitigated to a less-than-significant level, and prepared a mitigated negative declaration (“MND”) for the Project.

In March 2020, the City prepared a MND for the project and its Deputy Advisory Agency approved the vesting tentative map for the subdivision, under its authority pursuant to the State Subdivision Map Act and City regulations. Under the express authority of the Map Act, the approval was conditioned on subsequent rezoning to allow the small lots as approved in the map. The City filed a Notice of Determination (“NOD”), triggering a 30-day statute of limitations period under CEQA. Project opponents filed their lawsuit on July 16, 2021, which the trial court determined to be timely because it was filed within 30 days of a third NOD and ruled for the opponents on the merits. The City and TTLC appealed.

On appeal, the Court of Appeal agreed with the City and TTLC that the applicable statute of limitations had expired before the lawsuit was filed because it began to run from the filing of the first NOD. The Court of Appeal noted that CEQA approval occurs and environmental review must be completed when the agency makes the earliest firm commitment to a project, not when it issues its last discretionary approval.

Because the Petitioners missed the statute of limitations to challenge the initial Project approval, and made no argument that subsequent or supplemental environmental review was required for the entitlements approved in the latter stages, the Court of Appeal found the lawsuit to be untimely and remanded with instructions for the trial court to dismiss the petition.

The Sheppard Mullin team included partners Whitney Hodges and Todd Lundell and special counsel Brooke Miller. The TTLC team was led by Executive Vice President Aidan Barry.

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Practice Areas

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Land Use Litigation

Litigation

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