

Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R25-0562
NOV 17 2025

REPORT RE:

**DRAFT ORDINANCE AMENDING ARTICLES 2 AND 9 OF CHAPTER I AND
ARTICLES 11, 14, AND 15 OF CHAPTER 1A OF THE LOS ANGELES MUNICIPAL
CODE TO IMPLEMENT A COMPREHENSIVE FEE UPDATE OF PLANNING FEES**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 09-0969-S4

Honorable Members:

Pursuant to your request, this Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. The draft ordinance amends Articles 2 and 9 of Chapter I (Sections 12.37, and 19.00 through 19.19) and Articles 11, 14, and 15 of Chapter 1A of the Los Angeles Municipal Code (LAMC) to implement a comprehensive fee update of the Department of City Planning's (City Planning) application and appeal fees, as outlined in the fee schedules associated with the draft ordinance.

Background and Summary of Ordinance Provisions

On October 7, 2025, City Planning transmitted recommendations for various fee adjustments, updated fee schedules, along with a supporting fee study prepared by fee consultant NBS, dated October 3, 2025 (NBS Fee Study). (Attachments 1-3 to NBS Fee Study to 10/7/25 City Planning Report, dated 10/3/25 in C.F. 09-0969-S4.)

City Planning's recommendations are based on the City Council's May 20, 2025, directive to conduct a comprehensive fee study of planning case processing fees, and perform a review of the long-range planning activities eligible for funding through the General Plan Maintenance Surcharge (GPMS). (C.F. No. 25-0600.) Based on the NBS Fee Study and corresponding estimated costs of services, the draft ordinance proposes to comprehensively update City Planning's fees (Comprehensive Fee Update) to more accurately reflect the cost of project planning services based on new State laws, policies, and streamlining processes that have taken effect since the last comprehensive fee ordinance was adopted on December 27, 2021 (Ordinance No. 187,237).

The NBS Fee Study determined that City Planning expends an estimated \$18.8 million in long-range planning activities that are eligible for funding through the GPMS. The City currently recovers only \$7 million annually, resulting in a deficit of \$11.8 million in costs that are not being recovered. Therefore, as part of City Planning's recommendation, the draft ordinance seeks to increase the GPMS from seven percent (7%) to ten percent (10%), resulting in an additional \$3 million annually to offset the cost of these long-range planning activities.

On October 14, 2025, the Planning and Land Use Management Committee (PLUM) considered and concurred with City Planning's recommendation to: (1) adopt the Comprehensive Fee Update, with several case processing fees recommended at below full cost recovery; (2) increase in the GPMS from 7% to 10%; and (3) adopt a change in processing to directly deposit the Inspection and Field Compliance Verification fees into the Building and Safety Building Permit Enterprise Fund. PLUM further instructed the City Administrative Officer (CAO) to prepare a report evaluating the fiscal impact of the recommended fee update, and instructed the CAO and City Planning to provide fee options that would reduce the general fund subsidy to appeals.

On November 5, 2025, the CAO submitted a report outlining the fiscal impact of the Comprehensive Fee Update. The CAO concurred with City Planning's recommendations, with the following modifications: (1) full cost recovery of all Planning case processing fees studied in the 2025 NBS Fee Study; and (2) an increase of the GPMS from 7% to 15%.

The draft ordinance also addresses two additional cost reimbursement mechanisms: (1) City Planning's ability to recover hourly fees in excess of the average time estimated for applications that require unusually heavy commitments of department resources in excess of the average application fee (LAMC Section 19.00.F. of Chapter I, and Section 15.1.1.I. of Chapter 1A); and (2) the codification of the City's ability to seek indemnification from the applicant in the defense of claims arising out of the City's processing of project application, permit or entitlement requests filed under Chapter I, Chapter 1A, or Chapter IX of the LAMC (LAMC Section 19.00.G. of Chapter I, and Section 15.1.1.J. of Chapter 1A).

Finally, the draft ordinance also proposes to add a new administrative fee, the “Landscape and Site Design Approval and Verification Fee,” that will take effect and replace the current “Landscape Plan Approval as part of a Discretionary Approval” fee, if City Council adopts the Landscape and Site Design Ordinance. (C.F. No. 24-1399.) This new fee was analyzed as part of the NBS Fee Study, as well as part of the corresponding Landscape and Site Design Ordinance, and will apply to eligible by-right and discretionary projects and is listed in LAMC Section 19.04 of Chapter I and Section 15.3.2. of Chapter 1A.

Charter Findings Not Required

The enclosed draft ordinance strictly relates to an increase in an existing fee or a new fee in the fee schedule and is not a land use ordinance under City Charter Section 558. For this reason, this draft ordinance is not subject to approval by the City Planning Commission.

Fee Notice Requirements

Prior to adopting a new fee or increasing an existing fee, the City Council must conduct a public hearing concerning the matter, as required by Government Code Section 66016. Notice of the time and place of the meeting at which the hearing will be held, including a general description of the matter to be considered, must be published in accordance with Government Code Section 6062a. Those sections of State law require that prior to adoption of a new or increased fee a public hearing be held and notice of that hearing be published in a newspaper with two publications at least five days apart over a ten-day period. The notice period begins the first day of publication, and there must be at least five days intervening between the first and the second publications, not counting the dates of publication.

California Environment Quality Act (CEQA) Determination

This Office recommends that the City Council determine that the adoption of this ordinance does not constitute a “project,” as defined by CEQA pursuant to CEQA Guidelines Section 15378(b)(4), which states that a “project” does not include “[t]he creation of government funding mechanisms or other government fiscal activities which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.”

Furthermore, even if it were found to be a “project” under CEQA, this Office recommends that the adoption of this ordinance is exempt from CEQA based upon CEQA Guidelines Section 15061(b)(3), which states that a project is exempt from CEQA if “[t]he activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may

have a significant effect on the environment, the activity is not subject to CEQA.” If you concur, you must comply with CEQA by making this determination prior to or concurrent with your action on the ordinance.

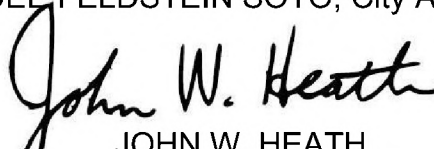
Council Rule 38 Referral

A copy of the draft ordinance was sent, pursuant to Council Rule 38, to the Department of Building and Safety, Bureau of Engineering, and City Planning with a request that all comments be presented directly to the City Council or its Committees when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Kimberly Huangfu at (213) 978-8257. A member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By 
JOHN W. HEATH
Chief Assistant City Attorney

JWH:KAH:jr
Transmittal