



Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R25-0589
November 20, 2025

REPORT RE:

DRAFT ORDINANCE AMENDING ARTICLE 9 OF CHAPTER I, ARTICLE 7 OF CHAPTER V, AND ARTICLE 1 OF CHAPTER VI OF THE LOS ANGELES MUNICIPAL CODE TO TEMPORARILY INCREASE THE CURRENT “ONE-STOP PERMIT CENTER” SURCHARGE FEE PROVISIONS TO CONTINUE TO HELP PAY FOR THE DEVELOPMENT AND IMPLEMENTATION OF A CITYWIDE DEVELOPMENT SERVICES SYSTEM KNOWN AS BUILDLA

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. 15-0316

Honorable Members:

This Office has prepared and now transmits for your consideration, approved as to form and legality, the enclosed draft ordinance. This draft ordinance amends Article 9 of Chapter I, Article 7 of Chapter V, and Article 1 of Chapter VI of the Los Angeles Municipal Code to continue a temporary increase of the current “One-Stop Permit Center” surcharge fee provisions to help pay for the development and implementation of a citywide development services system known as BuildLA.

Background and Summary of Ordinance Provisions

In 2015, the City Council requested the City Attorney to draft an ordinance to effectuate a recommended increase to the One-Stop permit Center Surcharge (Surcharge) from 2 percent to 3 percent to fund the BuildLA Project (Project)

On October 25, 2017, the City Council approved Ordinance No. 184548 (BuildLA Ordinance), which became effective December 11, 2016.

The BuildLA Ordinance increased the Surcharge until the City Administrative Officer (CAO) determines the Surcharge had recovered \$21.76 million to fund the Project. The Project Team has concluded the cost of the Project is expected to exceed the 2016 estimate of \$21.76 million.

On April 12, 2024, a motion (Harris-Dawson – Rodriguez) was introduced to request the City Attorney to draft an ordinance to align the Surcharge with the current budget and timeline of the BuildLA Project.

The motion explained the BuildLA Project is a multi-departmental effort to establish a centralized portal and an electronic planning and permitting solution that improves delivery of development services through an automated, centralized, and simplified workflow. The BuildLA Project is funded by the Development Services Trust Fund derived from the Surcharge on permits for the design, construction, and equipping of the City's Development Services Centers and their functional support services. The intent of the temporary Surcharge increase is full cost recovery of the BuildLA Project. The estimated cost recovery estimate will exceed the 2016 cost estimate due to logistical changes in developing the BuildLA Project.

On July 25, 2024, the Planning and Land Use Management (PLUM) Committee waived consideration of the motion. On July 31, 2024, the City Council held a hearing and adopted the motion.

Our Office has consulted with the Project Team, including Bureau of Engineering, Department of Building and Safety, Department of City Planning, Fire Department, Department of Transportation, and City Administrative Officer.

On January 21, 2024, the Bureau of Engineering (BOE) submitted interdepartmental correspondence to the CAO explaining history of the BuildLA Project and the current BuildLA Project budget and timeline. BOE set forth the total allocations from Fiscal Year 2017–2018 to the present and estimated allocations to Fiscal Year 2028–2029. BOE explains that the initial \$21.76 million cost allocation to developing and implementing the BuildLA Project has occurred and estimates the total cost to complete the BuildLA Project will be \$55,639,723.

Charter Findings Not Required

The enclosed draft ordinance relates to a fee for certain applications and clearances, and activities already within the authority of the Departments of Building and Safety, Transportation, Fire, Public Works, and Planning, and is not a land use ordinance. For this reason, the enclosed draft ordinance is not subject to approval by the City Planning Commission pursuant to Charter Section 558.

CEQA Findings

The California Environmental Quality Act (CEQA) does not apply to continuing administrative activities or organizational activities of government that will not result in specific direct or indirect physical changes in the environment, or to the creation of government funding mechanisms or other governmental fiscal activities that do not commit to any specific project that may result in potentially significant environmental impacts. Public Resources Code Section 21065 and State CEQA Guideline Section 15378(b). The enclosed draft ordinance establishes fees to support the enterprise-wide Development Services Centers and costs for BuildLA. On that basis, the draft ordinance is not subject to CEQA.

Notice Requirements

Because the enclosed draft ordinance would continue a fee, notice of its proposed adoption should be given in accordance with the provisions of California Government Code Sections 66018 and 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 a publication, and there must be a least five days intervening between the first and second publications, not counting the dates of publication.

Council Rule 38 Referral

A copy of the draft ordinance was sent, pursuant to Council Rule 38, to the Department of Building and Safety, Department of City Planning, Department of Public Works, Department of Transportation, and Fire Department, with a request that all comments, if any, be presented directly to the City Council when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney K. Lucy Atwood at (213) 978-8248. A member of this Office will be present 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:KLA:jr
Transmittal