

Communication from Public

Name: Mark Smith

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Council File No: 25-0006-S57

Comments for Public Posting: Subject: Please Waive Building Permit Fees for Pacific Palisades Fire Victims. On the morning of January 7, 2025, thousands of Pacific Palisades residents woke up expecting an ordinary day. None of us chose to have our homes destroyed, our neighborhoods erased, or our lives abruptly upended by fire. Yet overnight, hardworking Los Angeles taxpayers lost everything and now face the prospect of being charged by their own city simply to rebuild what was taken from them. I am writing to urge you to rely on realistic assumptions, historical precedent, and long-term fiscal outcomes to support waiving building permit fees for Palisades residents. Mayor Bass issued an executive order on April 25, 2025, furthering a motion to waive plan check and permit fees for Angelenos rebuilding homes damaged or destroyed by the fires. The City Accounting Office (CAO) provided an estimate of \$86 million as the amount of potentially waived fees. That estimate included single-family homes and duplexes to be rebuilt within 110% of the original footprint. Over the summer, the CAO released a revised estimate projecting \$278 million in potential waived permit and plan check fees. The revised maximum estimate expanded the scope of eligible projects to include multifamily and commercial properties, and it assumed that all affected property owners would rebuild with projects constructed up to 150% of the original structure size. These assumptions drove the estimate dramatically upward but do not reflect how post-disaster rebuilding typically occurs. Experience from other large scale fire events in California shows a different pattern. A conservative assumption based on previous fires in California is that approximately 40% of properties are rebuilt, and that rebuilt homes are generally similar in size, not dramatically larger, due to insurance limits, financing constraints, zoning restrictions, and personal circumstances. As an example, condominiums and townhomes in almost all cases will be rebuilt like-for-like (per HOA requirements) and at least two HOAs, suffering 100-percent unit loss, are being sold and will not be subject to the waiver. Assuming universal rebuilding at the maximum allowable size significantly inflates the projected fee total beyond what is realistic. It is also important to note that the CAO's estimate is not a cost estimate, but rather a theoretical maximum revenue estimate. It represents the total fees the City

could collect under the most aggressive rebuilding assumptions. Viewed through this lens, the estimate actually demonstrates that the City stands to realize substantial net revenue from post-fire rebuilding, even if certain fees are waived. For example, if 40% of properties are rebuilt by original owners and the remaining 60% are sold and rebuilt at or near the maximum allowable size, the City would generate approximately \$166.8 million in permit and plan check fee revenue based on the CAO's own \$278 million estimate including waiving building permit fees for original owners who rebuild. This represents \$166.8 million in incremental revenue attributable solely to post-fire rebuilding and property turnover which is revenue that would not exist if the fire didn't happen. There are other reasons to waive permit fees and encourage rebuilding. Rebuilt homes restore the property tax base; new construction increases assessed values; sales, use, and utility taxes rise with renewed occupancy; long term economic activity resumes more quickly. There are also clear precedents for fee waivers after disasters. Waiving rebuilding fees after catastrophic events is not new, unusual, or fiscally reckless. It is a well-established practice throughout California and the nation following major disasters. For example:

- After the Woolsey Fire, local jurisdictions reduced or waived rebuilding and permitting fees to help residents return more quickly.
- Following the Camp Fire in Paradise, governments streamlined approvals and waived fees to avoid further financial harm to displaced residents.
- After the Northridge Earthquake, Los Angeles itself reduced and waived fees to accelerate recovery and stabilize affected communities.

These actions were taken because policymakers recognized the impact of long-term fiscal planning and this simple truth: disaster victims should not be penalized for events completely beyond their control. Residents who lost homes, duplexes, townhomes, or condominiums in the Palisades fire are taxpayers who have contributed to this City for years and often decades. They did not ask for their properties to burn, and they should not be burdened with additional fees at the moment they are most vulnerable.

Subject: Please Waive Building Permit Fees for Pacific Palisades Fire Victims

Dear Councilmember [Last Name],

On the morning of January 7, 2025, thousands of Pacific Palisades residents woke up expecting an ordinary day. None of us chose to have our homes destroyed, our neighborhoods erased, or our lives abruptly upended by fire. Yet overnight, hardworking Los Angeles taxpayers lost everything and now face the prospect of being charged by their own city simply to rebuild what was taken from them. I am writing to urge you to rely on realistic assumptions, historical precedent, and long-term fiscal outcomes to support waiving building permit fees for Palisades residents.

Mayor Bass issued an executive order on April 25, 2025, furthering a motion to waive plan check and permit fees for Angelenos rebuilding homes damaged or destroyed by the fires. The City Accounting Office (CAO) provided an estimate of \$86 million as the amount of potentially waived fees.¹ That estimate included single-family homes and duplexes to be rebuilt within 110% of the original footprint.

Over the summer, the CAO released a revised estimate projecting \$278 million in potential waived permit and plan check fees. The revised maximum estimate expanded the scope of eligible projects to include multifamily and commercial properties, and it assumed that all affected property owners would rebuild with projects constructed up to 150% of the original structure size. These assumptions drove the estimate dramatically upward but do not reflect how post-disaster rebuilding typically occurs.

Experience from other large-scale fire events in California shows a different pattern.² A conservative assumption based on previous fires in California is that approximately 40% of properties are rebuilt, and that rebuilt homes are generally similar in size, not dramatically larger, due to insurance limits, financing constraints, zoning restrictions, and personal circumstances.³ Assuming universal rebuilding at the maximum allowable size significantly inflates the projected fee total beyond what is realistic.

It is also important to note that the CAO's estimate is not a cost estimate, but rather a theoretical maximum revenue estimate. It represents the total fees the City could collect under the most aggressive rebuilding assumptions. Viewed through this lens, the estimate actually demonstrates that the City stands to realize substantial net revenue from post-fire rebuilding, even if certain fees are waived.

For example, if 40% of properties are rebuilt by original owners and the remaining 60% are sold and rebuilt at or near the maximum allowable size, the City would generate approximately \$166.8 million in permit and plan check fee revenue based on the CAO's own \$278 million estimate including waiving building permit fees for original owners who rebuild. This represents \$166.8 million in incremental revenue attributable solely to post-fire rebuilding and property turnover which is revenue that would not exist if the fire didn't happen.

¹ <https://www.latimes.com/california/story/2025-07-17/six-months-after-palisades-fire-mayor-karen-bass>

² <https://www.latimes.com/homeless-housing/story/2025-09-30/rebuilding-california-after-major-wildfires>

³ <https://www.sfchronicle.com/projects/2025/california-home-insurance-underinsured/>

There are other reasons to waive permit fees and encourage rebuilding. Rebuilt homes restore the property tax base; new construction increases assessed values; sales, use, and utility taxes rise with renewed occupancy; long-term economic activity resumes more quickly.

There are also clear precedents for fee waivers after disasters. Waiving rebuilding fees after catastrophic events is not new, unusual, or fiscally reckless. It is a well-established practice throughout California and the nation following major disasters.

For example:

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These actions were taken because policymakers recognized the impact of long-term fiscal planning and this simple truth: disaster victims should not be penalized for events completely beyond their control.

Residents who lost homes, duplexes, townhomes or condominiums in the Palisades fire are taxpayers who have contributed to this City for years and often decades. They did not ask for their properties to burn, and they should not be burdened with additional fees at the moment they are most vulnerable.

Traci Park, our Councilwoman, supports waiving these fees because she sees the devastation firsthand. I respectfully ask Councilmembers from other districts to pause and consider what you would want for your own constituents if a fire, earthquake, or flood struck your neighborhood tomorrow.

Los Angeles is one city. We are all Angelenos. In times of tragedy, we should support one another just as other California communities have done. We shouldn't compound loss with additional financial barriers. Waiving rebuilding fees is not about subsidizing one area of Los Angeles; it is about restoring what was lost.

For these reasons, I respectfully ask you to make your decision considering realistic rebuilding assumptions, lessons learned from prior disasters, and the City's long-term fiscal health and to vote in favor of waiving rebuilding plan check and permit fees for all affected Pacific Palisades residents.

Thank you for your consideration and for your service to our city.

Respectfully,

Name

Address