

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 2, 2025

CAO File No. 0220-06305-0001

Council File No. 25-0006-S57

Council District: 11

To: The City Council

From: Matthew W. Szabo, City Administrative Officer



Reference: City Administrative Officer report dated May 7, 2025 (CF 25-0006-S57)

Subject: **FEASIBILITY OF WAIVING PLAN CHECK AND PERMIT FEES ASSOCIATED WITH RECONSTRUCTION OF PRIVATE PROPERTY DAMAGED IN THE JANUARY 2025 WILDFIRES - AMENDMENT TO FISCAL IMPACT**

RECOMMENDATION

That the Council amend the City Administrative Officer's report dated May 7, 2025 with the updated General Fund impact of \$86 million to \$278.35 million, not including the cost of borrowing, based on the draft ordinance presented by the City Attorney.

SUMMARY

This report amends the fiscal impact information in the City Administrative Officer (CAO) report dated May 7, 2025 relative to the feasibility of waiving plan check and permit fees associated with reconstruction of private property damaged in the January 2025 Wildfires. On June 23, 2025, the Ad Hoc Committee for LA Recovery (Committee) considered the May 7, 2025 CAO report together with the draft ordinance prepared by the City Attorney in response to the Park-Blumenfield motion.

The May 7, 2025 CAO report provided a General Fund impact estimate of over \$86 million based on the Los Angeles Department of Building and Safety (LADBS) initial damage assessment, number of affected properties, property size, and project type. The \$86 million estimate only included those fees collected by LADBS and "eligible projects" under the Mayor's Emergency Executive Order No. 1 (EEO No. 1), "Expedited Community Rebuilding and Recovery." The EEO No. 1 provides an expedited process for repairing, restoring, demolishing, or replacing property damaged in the January 2025 Wildfires for "eligible projects" defined as repair or rebuild projects within 110 percent of the original footprint and same use.

The draft ordinance presented by the City Attorney, however, encompassed fees not included in the initial LADBS estimate. In addition, the draft ordinance does not limit potential project scale increases thereby extending the waivers to projects that are not "eligible projects" under EEO No. 1. These factors would exponentially increase the initial estimate. As there is not a reliable method to

anticipate the scope increases that may be requested, the LADBS provided a sliding scale fiscal impact (Attachment 1) from 110 percent to a maximum project scale increase of up to 150 percent. Based on this sliding scale, the General Fund impact could be \$86 million to \$278.35 million.

It should be noted that this fiscal impact does not include any fees from the Los Angeles Department of Transportation (LADOT) and the Los Angeles Fire Department (LAFD). The LADOT does not anticipate any fiscal impact from the waiving of rebuild/repair fees. The LAFD was unable to provide an estimated fiscal impact due to the variable nature of the fees. Further, the estimate does not include the Los Angeles Unified School District (LAUSD) Impact Fee, which is collected by the LADBS and estimated at \$146,130,032, as the City cannot waive or suspend this fee.

The May 7, 2025 CAO report noted there is no need to waive impact fees such as the Arts Development Fee identified by the Park-Blumenfield Motion because there are already existing exemptions for rebuilding projects within 110 percent of original footprint and same use. For projects with scopes beyond rebuild or repair, the existing exemptions may not apply.

As of August 31, 2025, in accordance with the Mayor's Emergency Executive Order No. 7 (EEO No. 7) "Suspending Collection of Plan Check and Permit Fees," the LADBS has suspended \$3.75 million in permit fees (Attachment 2), comprised of 566 unique addresses. The LADBS is not currently tracking additional metrics on the nature of the repair/rebuild projects for suspended fees. It is important to note the total suspended fees increased month over month by almost 50 percent in the four months since the effective date of EEO No. 7.

FISCAL IMPACT STATEMENT

Should the City waive plan check and permit fees related to the repairs and rebuilding of structures that were damaged or destroyed during the January 2025 Wildfires, based on the current draft ordinance, the General Fund impact could be as high as \$278.35 million, not including the costs of borrowing.

FINANCIAL POLICIES STATEMENT

In order to comply with the City Financial Policies, the City Council needs to make a finding of public benefit to waive fees for services for individual users. Because the fees to be waived are for services funded through a source of funds generated by the collection of those fees, a General Fund appropriation would be required to prevent other service users from improperly subsidizing such fees.

Attachment 1: Estimated Repair/Rebuild Fees

Attachment 2: LADBS Repair/Rebuild Fees Suspended as of August 31, 2025

Estimated Repair/Rebuild Fees

Single Family	Like for Like	+10% Sq. Ft.	+20% Sq. Ft.	+30% Sq. Ft.	+40% Sq. Ft.	+50% Sq. Ft.	Maximum Fiscal Impact
Plan Check Fees	\$22,001,588.81	\$23,424,069.50	\$24,821,703.16	\$26,219,525.68	\$27,684,771.02	\$29,083,131.64	
Permit Fees	\$46,998,336.69	\$49,576,914.93	\$52,121,095.26	\$54,655,832.59	\$57,321,515.91	\$59,870,982.81	
Total	\$68,999,925.50	\$73,000,984.43	\$76,942,798.42	\$80,875,358.27	\$85,006,286.93	\$88,954,114.45	

Duplex	Like for Like	+10% Sq. Ft.	+20% Sq. Ft.	+30% Sq. Ft.	+40% Sq. Ft.	+50% Sq. Ft.	Maximum Fiscal Impact
Plan Check Fees	\$214,324.50	\$230,703.75	\$246,762.75	\$263,142.00	\$279,200.25	\$295,579.50	
Permit Fees	\$462,599.25	\$492,375.00	\$521,621.25	\$551,442.00	\$4,060,690.50	\$4,960,508.25	
Total	\$676,923.75	\$723,078.75	\$768,384.00	\$814,584.00	\$4,339,890.75	\$5,256,087.75	

Multi-Family	Like for Like	+10% Sq. Ft.	+20% Sq. Ft.	+30% Sq. Ft.	+40% Sq. Ft.	+50% Sq. Ft.	Maximum Fiscal Impact
Plan Check Fees	\$3,023,292.50	\$3,308,435.00	\$3,577,362.50	\$3,849,155.80	\$4,121,901.30	\$4,393,692.30	
Permit Fees	\$4,687,020.50	\$14,457,100.80	\$24,061,364.90	\$33,699,586.20	\$43,408,836.10	\$53,079,901.40	
Total	\$7,710,313.00	\$17,765,535.80	\$27,638,727.40	\$37,548,742.00	\$47,530,737.40	\$57,473,593.70	

Commercial	Like for Like	+10% Sq. Ft.	+20% Sq. Ft.	+30% Sq. Ft.	+40% Sq. Ft.	+50% Sq. Ft.	Maximum Fiscal Impact
Plan Check Fees	\$2,133,721.03	\$2,307,781.87	\$2,481,842.70	\$2,655,900.61	\$2,829,958.53	\$3,004,025.19	
Permit Fees	\$2,572,463.24	\$3,033,177.69	\$3,687,817.49	\$4,342,157.01	\$4,996,796.81	\$5,651,433.68	
Total	\$4,706,184.28	\$5,340,959.56	\$6,169,660.19	\$6,998,057.63	\$7,826,755.34	\$8,655,458.88	

Accessory Dwelling Unit		Maximum Fiscal Impact
Plan Check Fees	\$10,139,029.05	
Permit Fees	\$23,143,400.70	
Total	\$33,282,429.75	

Grading		Maximum Fiscal Impact
Plan Check Fees	\$17,169,031.22	
Permit Fees	\$8,696,227.23	
Total	\$25,865,258.45	

Swimming Pool		Maximum Fiscal Impact
Plan Check Fees	\$941,962.96	
Permit Fees	\$1,432,911.38	
Total	\$2,374,874.34	

Retaining Wall/Shoring		Maximum Fiscal Impact
Plan Check Fees	\$2,054,749.64	
Permit Fees	\$2,487,657.12	
Total	\$4,542,406.76	

Apt/Comm - Mech, Elec, Plumb, Fire Spr		Maximum Fiscal Impact
Plan Check Fees	\$1,590,332.13	
Permit Fees	\$1,314,882.28	
Total	\$2,905,214.42	

Fees Collected by Other Departments		Maximum Fiscal Impact
Bureau of Engineering	\$7,559,123.00	
Bureau of Sanitation	\$478,947.00	
Bureau of Street Services	\$14,663,597.00	
Department of City Planning	\$24,540,669.00	
Housing Department	\$1,802,462.00	
Total	\$49,044,798.00	

Total Maximum Estimated Repair/Rebuild Fees	
Total	\$278,354,236.50

**Suspended Repair/Rebuild Fees from
May 2, 2025 to August 31, 2025**

Month	Amount of Suspended Fees
January 2025*	\$ 836.06
February 2025*	\$ 2,106.22
March 2025*	\$ 2,106.22
April 2025*	\$ 1,260.74
May 2025	\$ 337,807.87
June 2025	\$ 664,976.07
July 2025	\$ 1,098,092.82
August 2025	\$ 1,644,627.98
Total	\$ 3,749,707.76

*Amounts prior to May 2, 2025 were retroactively waived