

BUDGET AND FINANCE COMMITTEES' REPORT relative to proposed rate adjustments for building permit and inspection fees, Board of Building and Safety Commissioners (BBSC) fees, and Residential Property Report fees.

Recommendations for Council action:

1. AUTHORIZE the Department of Building and Safety (DBS) to take the necessary steps to implement the recommended fee updates to the Los Angeles Municipal Code (LAMC) and any associated Code sections to update the fees, including but not limited to adjustments for building permit and inspection fees, BBSC fees and Residential Property Report fees, as shown in revised Attachment A, List of Fees and Recommended Changes of the LADBS report dated February 24, 2026.
2. REQUEST the City Attorney to prepare and present Ordinances to institute rate adjustments for building permit and inspection fees, BBSC fees, and Residential Property fees to more accurately align with full cost recovery associated with providing building and safety services, as shown in revised Attachment A (List of Fees and Recommended Changes) and Attachment B (Building and Safety User Fee Study) of the DBS report dated February 24, 2026, with fees to be adopted in multiple phases.
3. INSTRUCT the DBS to report back to the Budget and Finance Committee with a report on the DBS' proposed phasing for fee adjustments, and information relative to identifying funds or an existing contract vehicle to look at benchmarking the City's fees against other Los Angeles County non-contract cities.

Fiscal Impact Statement: The BBSC reports that the changes proposed in the User Fee Study attached to said BBSC report are for Enterprise Fund services, and do not impact the General Fund. Approval of the recommended changes to fees in said User Fee Study report will ensure full cost recovery for building permit and inspection-related services funded by the Enterprise Fund. The DBS estimates a net annual revenue increase of \$42 million to the Enterprise Fund as a result of the proposed user fee updates.

Community Impact Statement: None submitted

#### SUMMARY

At a Special meeting held on June 4, 2026, your Budget and Finance Committee considered the DBS reports, dated February 6, 2026 and February 24, 2026, proposed rate adjustments for building permit and inspection fees, BBSC fees, and Residential Property Report fees. DBS representatives presented an overview of the matter, introduced proposed amended recommendations, and answered questions from the Committee. Councilmember Yaroslavsky introduced a Motion, seconded by Commissioner Blumenfield, to amend the DBS' second amended recommendation to strike the language relative to the DBS' discretion to evaluate the order in which the fees are adopted; and, to instruct the DBS to report back to the Committee with a report on the proposed phasing for fee adjustments and information relative to identifying funds or an existing contract vehicle to benchmark the City's fees against other Los Angeles County non-contract cities. After discussion and having provided an opportunity for public comment, the Committee moved to approve the DBS' amended recommendations, as amended by Councilmember Yaroslavsky's Motion, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	ABSENT
McOSKER:	ABSENT
HERNANDEZ:	YES

AXB  
26-0163\_rpt\_bfc\_06-04-26

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**