

BUDGET AND FINANCE COMMITTEE REPORT relative to proposed adjustments to the Bureau of Street Services (BSS) Investigation and Enforcement Division permit and application fees.

Recommendations for Council action:

1. ADOPT the proposed adjustments to existing BSS Investigation and Enforcement Division permit fees, and ESTABLISH new permit and application fees, as recommended in the Board of Public Works (BPW) report dated March 25, 206, attached to the Council file.
2. REQUEST the City Attorney to prepare and present the necessary ordinances to amend applicable sections of the Los Angeles Municipal Code (LAMC) to reflect the recommendations in said BPW report and City Administrative Officer (CAO) report dated August 12, 2026, attached to the Council file, including Sections 62.45, 62.141, 62.146, 41.20, 62.80, 62.201 and any other relevant provisions, to effectuate the proposed fee adjustments and establishment of new fees, including an annual adjustment for inflation using the Consumer Price Index (CPI) for Urban Consumers published by the Bureau of Labor Statistics for the Los Angeles area.
3. AUTHORIZE the BSS to make technical, administrative, and procedural changes as necessary to implement the Mayor and City Council's intent.

Fiscal Impact Statement: The Board of Public Works (BPW) reports that approval of the recommendations in said BPW report is consistent with the City's financial policies, as the proposed permit fees are structured to recover the full cost of providing regulatory, inspection, and enforcement services associated with use of the public right-of-way. The revised fees apply primarily to commercially driven activities and are designed to ensure that all eligible administrative and operational costs are fully recovered. Based on historical permit activity, full cost recovery for Building Materials, Overloads, Special Events, Haul Routes and Water Discharge permit, which have together accounted for over 95 percent of Fiscal Year 2025 Investigation and Enforcement Division permit revenue, is projected to increase annual permit revenues from approximately \$2.3 million to approximately \$5.0 million, or an estimated \$2.8 million contribution to the General Fund. Absent adoption of the proposed fee adjustments, General Fund resources would continue to be required to subsidize the BSS's cost of administering these permits.

The CAO reports that the proposed new fee structure fully covers the cost of the overall permitting process based on the time and effort required to process the permit. Absent adoption of the proposed fee adjustments, General Fund resources would continue to be required to subsidize the BSS's cost of administering these permits. The BSS estimates an increase of \$2.8 million in annual revenue which will be received as revenue by the General Fund. The 2026-27 Budget assumes \$2.8 million in General Fund revenues from these fee increases. Actual receipts in 2026-27 will fall short of this amount as the fee will not be in effect for the full fiscal year.

Financial Policies Statement: The CAO reports that the recommendations in the report comply with City's Financial Policies in that the fees proposed in the CAO report are permissible under State law, support services where a group of beneficiaries who can pay the fee is identifiable, and meet but do not exceed the reasonable cost of providing the service.

Community Impact Statement: None submitted

SUMMARY

At its meeting on September 1, 2026, your Budget and Finance Committee considered the BPW report, dated March 25, 2026, and the CAO report, dated August 12, 2026, relative to amending applicable sections of the LAMC to effectuate the proposed fee adjustments and establishment of new fees, including an annual adjustment for inflation using the CPI for Urban Consumers published by the Bureau of Labor Statistics for the Los Angeles area. The Committee and representatives of the CAOs Office and BSS discussed the Special Event permit fees and requirements, cost recovery for services provided by the

involved City departments, and the inclusion of CPI adjustments in the proposed fee adjustments. After discussion and having provided an opportunity for public comment, the Committee moved to approve the recommendations contained in the BPW and CAO reports, 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:	ABSENT
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	YES
HERNANDEZ:	YES

AXB
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-NOT OFFICIAL UNTIL COUNCIL ACTS-