



# Chief Executive Office.

## COUNTY OF LOS ANGELES

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### CHIEF EXECUTIVE OFFICER

Fesia A. Davenport

June 6, 2025

To: Supervisor Kathryn Barger, Chair  
Supervisor Hilda L. Solis  
Supervisor Holly J. Mitchell  
Supervisor Lindsey P. Horvath  
Supervisor Janice Hahn

From: Fesia A. Davenport  
Chief Executive Officer

### **REPORT BACK ON FEASIBILITY OF WAIVING CERTAIN PERMIT FEES TO EXPEDITE POST-FIRE REBUILDING (ITEM NO. 61-A, AGENDA OF MAY 6, 2025) AND ON DEFERRING PERMITTING FEES FOR RESIDENTS IMPACTED BY THE JANUARY 2025 FIRES (ITEM NO. 8, AGENDA OF MAY 27, 2025)**

On May 6, 2025, the Board of Supervisors (Board) adopted a motion directing the Chief Executive Officer (CEO), in coordination with Directors of Regional Planning (DRP), Public Works (PW), Public Health (DPH), and Fire to report back in 30 days with a revised evaluation of the feasibility of waiving certain fees for applicable permits, with the implementation of technological and streamlining tools. On May 27, 2025, the Board further directed the CEO to incorporate provisions on a plan to defer all fees for County Permitting Departments and identify revenue source(s) to cover the cost of all departmental fee waivers. This report back covers the CEO's response to both Board motions.

### **BACKGROUND**

Recent rebuilding efforts in other California jurisdictions were examined as comparative case studies for how waiving permitting fees were handled.

#### City of Santa Rosa (2017)

In the wake of the Tubbs Fire, which destroyed over 2,800 Santa Rosa homes in October 2017, the City of Santa Rosa (City) stood up a permit center; scaled up staffing to meet customer demand; relaxed planning and design requirements in impacted areas; waived discretionary planning permit fees, temporary housing



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permit fees, and demolition fees; and implemented a pre-approved plan program for faster permit review times.<sup>1</sup> The City was able to expedite the permitting process by approving a \$9 million contract to outsource its fire-related permitting process.<sup>2</sup> To help cover the costs of processing rebuild permits, the City continued to assess plan check review and inspection fees.<sup>3</sup> To date, 2,190 parcels have completed structure rebuilds, with 186 parcels pending or in construction, and 32 parcels with permits under review.<sup>4</sup>

#### City of Malibu (2018)

The Woolsey Fire in November 2018 damaged or destroyed over 2,000 structures. To facilitate a faster rebuild, the City of Malibu waived all city fees for like-for-like rebuilds,<sup>5</sup> excluding those requiring a Coastal District Permit.<sup>6</sup> Waived fees included those for planning, septic systems, accessory dwelling units (ADUs), hardscaping and landscaping. Fee waivers were time-limited for five years through November 2023 and were extended three years through June 2026. As of October 2023, approximately \$5.22 million<sup>7</sup> in fees were waived or refunded. To date, 198 certificates of occupancy have been issued, with 103 permitted structures under construction.<sup>8</sup>

#### City of Los Angeles (2025)

As a result of the Palisades Fire, which damaged or destroyed over 5,300 parcels within city limits, the City of Los Angeles is considering waiving rebuild-related fees. On April 25, 2025, Mayor Bass issued Emergency Executive Order 7<sup>9</sup> to suspend the collection of plan check and permit fees in support of a motion by Councilwoman Park,<sup>10</sup> which the City Council adopted on February 18, 2025.<sup>11</sup> Following the issuance of the Executive Order, the City of Los Angeles' Chief Administrative Officer (CAO) estimated the cost to cover Palisades Fire rebuilding fees to be \$70 -

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<sup>1</sup> <https://www.srcity.org/2674/Resilient-City-Zoning>

<sup>2</sup> <https://www.pressdemocrat.com/article/news/sonoma-county-post-fire-reconstruction-permit-fees-reduced-but-fire-victim>

<sup>3</sup> <https://www.northbaybusinessjournal.com/article/industry-news/santa-rosa-moves-to-cut-time-cost-for-rebuilding-after-wildfires/>

<sup>4</sup> <https://santarosa.maps.arcgis.com/apps/dashboards/07e39ea4077c42a883430a9f60103bc2>

<sup>5</sup> Waivers were limited to homeowners who used the site as their primary residence prior to the fire.

<sup>6</sup> Coastal District Permits are required for more complex rebuilds in Coastal Zones. The entire City is in a Coastal Zone.

<sup>7</sup> <https://www.malibucity.org/AgendaCenter/ViewFile/Item/6371?fileID=55216>

<sup>8</sup> <https://malibupermits.ci.malibu.ca.us/WoolseyRebuildStats.aspx>

<sup>9</sup> <https://mayor.lacity.gov/sites/g/files/wph2066/files/2025-04/EO%207%20-%20Emergency%20Executive%20Order%20-%20Suspending%20Collection%20of%20Plan%20Check%20and%20Permit%20Fees.pdf>

<sup>10</sup> [https://clkrep.lacity.org/onlinedocs/2025/25-0006-s57\\_msc\\_1-24-25.pdf](https://clkrep.lacity.org/onlinedocs/2025/25-0006-s57_msc_1-24-25.pdf)

<sup>11</sup> [https://clkrep.lacity.org/onlinedocs/2025/25-0006-S57\\_caf\\_2-18-25.pdf](https://clkrep.lacity.org/onlinedocs/2025/25-0006-S57_caf_2-18-25.pdf)

\$86 million.<sup>12</sup> Since the CAO's report to the Budget and Finance Committee on May 8, 2025, the Los Angeles City Council has yet to review the necessary City Administrative Code amendments.

### COST ESTIMATION OF PERMITTING DEPARTMENT FEES

The collective impact of the Eaton and Palisades Fires was devastating, with over 7,400 residences and 170 businesses in unincorporated areas damaged or destroyed. The following counts are assumed in the rebuild permitting and inspection fee calculations.

	Eaton Fire		Palisades Fire <sup>13</sup>	
	Residential	Commercial	Residential	Commercial
<b>In Fire Hazard Severity Zone</b>	2,296	0	651	31
<b>Not in Fire Hazard Severity Zone</b>	4,482	143	0	0
Total Units	6,778	143	651	31

Based on these figures and assuming a 100 percent rebuild, the estimated costs of fee waivers for residential and commercial rebuilds are noted below. The residential rebuild estimates only include fees for single-family homes, and excludes any fees for ADUs, retaining walls, grading, garages, or additional structures.

<sup>12</sup> [https://ens.lacity.org/cao/cao\\_budget\\_memo/caocao\\_budget\\_memo2925188787\\_05082025.pdf](https://ens.lacity.org/cao/cao_budget_memo/caocao_budget_memo2925188787_05082025.pdf)

<sup>13</sup> All structures damaged or destroyed by the Palisades Fire in the unincorporated areas in the City of Palisades are considered to be in a Coastal Zone.

	Eaton Fire		Palisades Fire		Departmental Cost Total
	Residential	Commercial	Residential	Commercial	
DRP <sup>14</sup>	\$11,000,694	\$204,347	\$1,056,573	\$44,299	\$12,305,913
PW <sup>15</sup>	\$94,465,732	-	\$16,282,630	-	\$110,748,361
Fire <sup>16</sup>	\$14,746,044	\$421,135	\$1,753,794	\$115,559	\$17,036,532
DPH <sup>17</sup>	\$588,280	-	\$160,440	-	\$748,720
Total	\$120,800,750	\$625,482	\$19,253,437	\$159,858	\$140,839,526

The cost to waive all rebuilding fees and inspection costs in the unincorporated areas of the Eaton Fire-affected area is about **\$120 million**, and about **\$20 million** for rebuilding in unincorporated areas of Palisades Fire-affected areas; a total estimated residential and commercial cost of **\$140 million** for both fire burn areas.

However, recent rebuilding statistics show that approximately 60 percent<sup>18</sup> of original homeowners are expected to rebuild, which would reduce the total residential cost to about **\$84 million** for both areas.

<sup>14</sup> These estimations assume all properties will be rebuilt as *not like-for-like*. If assuming 100% like-for-like rebuilds, the total cost to DRP would be an estimated \$11.2 million.

<sup>15</sup> These estimations include plan check fees, energy calculation fees, and permit fees, which are calculated based on the square footage and valuation of the home. Estimates assume median 2,000 square footage for Eaton Fire rebuilds, and median 3,000 square footage for Palisades Fire rebuilds.

<sup>16</sup> These estimations include building and fire sprinkler plan check fees and building and fire sprinkler inspection fees. For structures in Fire Hazard Severity Zones, there is a fee associated with fuel modification; this estimation is based on the average of the cost for a structure above 2,500 square feet and a structure below 2,500 square feet.

<sup>17</sup> There are an estimated 385 properties with septic systems in the Eaton Fire area, and 105 in the Palisades Fire area. These estimates assume the highest cost of rebuild, where the home is built in a new location on the lot or with an increased number of bedrooms and needs a conventional septic system. The lowest estimate, assuming a near identical rebuild on the same foundation, same number of bedrooms and prior plans available, is \$447 per home, or \$219,030 for all unincorporated fees in both fire burn areas.

<sup>18</sup> Information from the Los Angeles County Rebuild and Long-Term Recovery Task Force.

The approximate rebuilding fees and inspection costs by department is below:

	<b>Eaton Residential Rebuild</b>		<b>Palisades Residential Rebuild</b>	
	OWTS <sup>19</sup> not needed	OWTS needed (uncommon)	OWTS not needed	OWTS needed (uncommon)
<b>DRP<sup>20</sup></b>	\$1,623	\$1,623	\$1,623	\$1,623
<b>PW<sup>21</sup></b>	\$13,937	\$13,937	\$25,012	\$25,012
<b>Fire<sup>22</sup></b>	\$2,176	\$2,176	\$2,694	\$2,694
<b>DPH<sup>23</sup></b>	\$0	\$1,528	\$0	\$1,528
Total	\$17,736	\$19,264	\$29,329	\$30,857

Home rebuilding estimates vary widely from \$300 to \$800 per square foot, due to high demand for building materials and labor. For a 2,000 square foot home, the rebuild cost range varies from \$600,000 to \$1.6 million,<sup>24</sup> with fees consisting approximately 1.3 - 3.3 percent of rebuild costs. "Homeowners with disaster losses not fully covered by insurance or other sources can apply for a loan from the U.S. Small Business Administration of up to \$500,000 to replace or repair their primary residence."<sup>25</sup>

### **Use of Permitting and Inspections Fees**

The fees generated from permitting and inspections identified below for the four permitting departments are used to fund the services, staffing, rental space, and operations of the One-Stop Centers.<sup>26,27</sup> These staff are key in providing one-on-

<sup>19</sup> Onsite Wastewater Treatment System (OWTS), also known as septic systems, are uncommon in the fire-affected areas, with an estimated 385 OWTS households in the Eaton Fire and 105 in the Palisades Fire affected areas. DPH fees only apply to homes in need of OWTS.

<sup>20</sup> These estimations assume a *not* like-for-like rebuild. If assuming like-for-like, the fee is \$1,452 per home.

<sup>21</sup> These estimations include plan check fees, energy calculation fees, and permit fees, which are calculated based on the square footage and valuation of the home. Estimates assume 2,000 square footage for Eaton Fire rebuilds, and 3,000 square footage for Palisades Fire rebuilds.

<sup>22</sup> These estimations include building and fire sprinkler plan check fees and building and fire sprinkler inspection fees. For structures in Fire Hazard Severity Zones, there is a fee associated with fuel modification; the average cost was calculated for homes both above and below 2,500 square feet.

<sup>23</sup> These estimates assume the highest cost of rebuild, where the home is built in a new location on the lot or with an increased number of bedrooms and needs a conventional septic system. The lowest end estimate, assuming a near identical rebuild on the same foundation, same number of bedrooms and prior plans available, is \$447 per home.

<sup>24</sup> This is a conservative estimate and may increase as tariffs and other economic factors materialize.

<sup>25</sup> <https://www.sba.gov/funding-programs/disaster-assistance/physical-damage-loans#id-home-and-personal-property-loans>

<sup>26</sup> In response to the January 2025 fires, permitting departments collaborated to stand up One-Stop Permit Centers in Altadena and Calabasas to better serve Eaton and Palisades Fire survivors rebuild efforts, respectively, in unincorporated areas. These Centers have been tailored to specifically serve these property owners.

<sup>27</sup> DPH staff time for one-on-one consultations at the One Stop is covered by FEMA grants.

one consultations, plan reviews and over-the-counter services in wildfire impacted areas. Revenue generated from fees are anticipated to help cover some of these costs; these additional costs, however, are currently not built into existing fee structures. The annual costs are an estimated \$25 million.

DRP - Fees are used to cover project review tasks, including counseling, code and policy review, field investigation, report preparation, public noticing and hearing-related work.

PW – Fees are used to cover plan and document screening; agency referrals and comparisons; plan review; inspections; permit processing; data tracking and reporting; communications and community engagement; and office overhead. Since the 2025 fires, fees have also helped fund new pilots to fast-track permitting, like the Pre-Approved Design Plan Pilot and Self-Certification Pilot Programs.

Fire – Fees cover the cost of reviewing plans and completing required field inspections.

DPH – Fees cover the costs of reviewing plans and completing any required field inspections. DPH is only involved in residential home rebuilds when the property is served by an onsite wastewater treatment system (OWTS) or a septic system.

## **OPTIONS FOR FEE REDUCTIONS, DEFERRALS, AND/OR WAIVERS**

### Fee Reductions

PW is considering a fee reduction for those who choose to participate in either the Pre-Approved Plan Pilot Program or the Self-Certification Pilot Program, as these voluntary pilots are designed to reduce plan check times. Homeowners can choose which pilot they would like to participate in.

### *Archistar users*

On May 19, 2025, the County's fiscal intermediary executed a contract with Archistar, an Artificial Intelligence (AI) tool that can pre-screen site and building plans to check for code requirements. Once implemented, this voluntary service will be offered to rebuilding customers free-of-charge. Property owners using Archistar can reduce review time and/or cycles, if flagged issues are addressed prior to submittal. Archistar functionality is being implemented in phases, starting with zoning, and then to building and safety plan screens. Fee reductions could be tied to Archistar use prior to first submission, but additional analysis is needed to better understand how the use of Archistar might impact fee calculations.

### Fee Deferral or Waivers

If collection of all or part of departmental fees were deferred or waived, a funding source would need to be identified, as departments are not in a position to absorb these costs. Options to explore include: 1) developing a program to bill insurance companies on behalf of residents to recoup these costs if covered by insurance, 2) using one-time funding from any year-end fund balance remaining, if available, and/or 3) deferring funding for previously approved programs or projects to prioritize funding for this purpose.

#### *Insurance Billing to Recover Costs Deferred*

In response to the January 2025 Fires, the Private Property Debris Removal (PPDR) Program,<sup>28</sup> a voluntary debris removal program for affected homeowners operated by the US Army Corps of Engineers (USCOE), waived debris removal costs, and collected insurance details in its application process. If property owners are insured and have sufficient coverage for debris removal, their insurance will be charged after the program is complete. The application window closed on April 15, 2025, with about 90 percent participating, and 10 percent opting out for private debris removal. It is unknown what percentage of costs have been recouped.

A voluntary debris removal program was also offered to homeowners following the Woolsey Fire in 2018, with PW working with the California Governor's Office of Emergency Services (CalOES), where homeowners were encouraged to provide insurance information for cost recovery. The total State cost for the debris removal project was about \$120 million, but only 17 percent (\$20 million) of the total cost was estimated to be covered by insurance. Of that \$20 million, \$12.6 million (10.5 percent of the total cost) was collected as of June 2025 from 616 insured properties.

Based on self-reported data collected by Fire, roughly 95 percent of homeowners affected by the Eaton and Palisades Fires had homeowners' insurance.<sup>29</sup> However, our analysis determined that requiring property owners to assign their insurance proceeds, if any, to the County to pay for permitting fees is not a viable option. Unlike debris removal, property insurance policies generally do not have a separate category of coverage specifically for permitting fees. If the policyholder assigns their proceeds in lieu of paying permitting fees, the County would only be able to recover fees if there are any proceeds leftover after all debris removal and rebuild costs have been paid for. In nearly all cases, the costs of debris removal alone far exceeded the maximum coverage amount of protection in policies covering these types of losses. It is highly unlikely that any amount will be recoverable for

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<sup>28</sup> <https://file.lacounty.gov/SDSInter/bos/supdocs/202527.pdf>

<sup>29</sup> The County does not have estimates on the percentage of insured homeowners whose coverage includes permit fees.

permitting. Additionally, the insurance recovery process is carried out by a consultant, the costs for which are reimbursable by the Federal Emergency Management Agency (FEMA), but only for debris removal insurance recovery. The costs to recover proceeds for permitting fees are ineligible for FEMA reimbursement, resulting in significant costs incurred for what is likely very little recovery. In our experience with cost recovery efforts from the Woolsey Fire, insurers are typically reluctant to honor any assignment of proceeds, even when the assignment is required under the Stafford Act to avoid duplication of benefits. In the permitting fee context, many insurers will refuse to pay out directly to the County, which would require the County to invoice the homeowner seeking payment for deferred permit costs from insurance proceeds. This type of request largely goes unanswered, based on the County's insurance recovery experience with the Woolsey Fire.

*Explore Additional Curtailments and Deferral of Previously Approved Projects*

With the current economic outlook and the multiple pressures on the County budget, we are unable to identify new revenue to fund this effort. Given the foregoing, the most viable options to identify funding include: curtailments, redirection of previously allocated funding, and/or deferral or cancellation of previously approved projects. If the Board chooses this direction, the following options would need to be considered to address any revenue losses stemming from a fee deferral or waiver:

- 1) **Additional Curtailments:** Consider directing County departments to take curtailments to cover all or some of the costs. These curtailments would be in addition to the curtailments departments will be implementing in FY 2025-26;
- 2) **Redirection of Previously Allocated Funding:** Identify funding previously allocated for different purposes and redirect that funding to cover the revenue loss caused by any deferral or waiver of fees; and/or
- 3) **Defer Recently Approved Projects or Programs:** Consider deferring the funding for recently approved projects or programs.

Note: We would need to return to your Board with curtailment instructions and/or a list of projects or programs that have been approved to move forward, funding allocated, but program delivery has not yet started. This will have operational impacts but would help close the budget gap caused by the loss of revenue to the permitting departments without compromising their budgets.

These options represent a fiscally responsible strategy to maintain a balanced budget impacted by reduced revenue and increased expenditures. The Center for

Strategic Partnerships is engaging philanthropy in their interest to help cover some of these costs. We will report back to the Board on any commitments they are able to secure.

## **NEXT STEPS/RECOMMENDATIONS**

Our analysis found that:

- While the cost to defer or waive all rebuilding fees and inspection costs in the unincorporated fire-affected areas is \$140 million, recent experience has shown that the more likely total cost for residential rebuilds is about \$84 million for both fire-affected unincorporated areas;
- The individual permit fee costs to homeowners are roughly 1.3 – 3.3 percent of full building costs and unlikely to be cost-prohibitive for homeowners who otherwise have the means to rebuild;
- Departments may be able to reduce some fees with new pilot programs designed to reduce plan check times;
- Seeking cost recovery from insurance companies for permitting fees is not viable; and
- Since the County budget is under tremendous budgetary pressures, funding options include identifying additional curtailments and/or cancelling previously approved projects to claw back some or all of the funding allocated for prior purposes and redirecting the funding to this purpose.

Therefore, if the Board chooses to move forward with deferring or waiving partial or full permitting fees for a specified timeframe, we recommend:

- 1) Evaluating funding opportunities, such as additional curtailments and/or redirecting funding previously allocated from other programs to this purpose in a future budget phase;
- 2) Requesting the Auditor-Controller work with the permitting departments to conduct a 60-day fee study to identify any fee reductions that could be applied;
- 3) Limiting eligibility to those who used the property as their primary residence prior to the fire and who are rebuilding like-for-like; and
- 4) With additional time permitted, exploring other options for how homeowners can leverage additional funding options available to them.

Each Supervisor

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Should you have any questions or concerns, please contact me or Carrie Miller at (213) 262-7823 or [cmiller@ceo.lacounty.gov](mailto:cmiller@ceo.lacounty.gov).

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