



# Administration and Finance Subcommittee Agenda Report

Administration &  
Finance Subcommittee  
04-30-25

**Item  
3.A.**

To: Mayor Pro Tem Silverstein and Councilmember Stewart

Prepared by: Maureen Tamuri, Interim Planning Director

Approved by: Joseph D. Toney, Acting City Manager

Date prepared: April 28, 2025 Meeting date: April 30, 2025

Subject: Review of Proposed Planning Department Fees for Fiscal Year 2025-2026

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**RECOMMENDED ACTION:** Review the proposed Planning Department Fees for Fiscal Year (FY) 2025-26 and provide a recommendation to the City Council.

**FISCAL IMPACT:** There is no fiscal impact associated with the recommended action. Should fees be lowered or increased, there will be revenue impacts. The Report on Cost of Services (User Fee) Study by Matrix Consulting Group, Ltd. (Matrix), (August 2024) presented at the September 9, 2024, City Council meeting identified an annual Planning Department cost recovery deficit of \$1,033,474 under the current FY 2023-24 Fee Schedule. Any modification to the current fee schedule will result in either an increase or decrease to the projected deficit.

**STRATEGIC PRIORITY:** This item supports the Fee Schedule Update identified in the Adopted FY 2023-24 Strategic Priority Project List. It was not included in the Adopted FY 2024-25 Strategic Priority List as it was near the end of the project and was anticipated to be completed in the fall of 2024. The project has not quite reached completion.

**DISCUSSION:** At the September 9, 2024, City Council meeting, the City Council reviewed the draft Schedule of Fees and the August 2024 Report on Cost of Services (User Fee) Study by Matrix and had specific questions regarding development fees. After discussion with staff, the Council requested a workshop be set to understand the fees in the Planning and the Environmental Sustainability Departments.

On October 2, 2024, the City Council held a workshop to review city development fees. While the Council recommended no changes to the Environmental Sustainability Department fees for services, they requested the Planning Department to return with

recommended changes to allocate fee recovery cost adjustments towards larger more complex development projects, especially those which sought waivers, such as variances from code standards. Suggested fee modifications at full recovery cost in those instances have been highlighted in yellow (Attachment 1)

The Council also requested Staff to review for possible areas of fee reductions for smaller property improvements. Four fees have been identified for discussion of a reduction with the Committee. These have been highlighted in pink (Attachment 1).

Planning has also identified an additional area where cost savings to applicants could be achieved, which is the deferral of other Department reviews from the planning phase to the building phase. As briefly discussed in the Fee workshop of October 2, 2024, circulation of some planning applications through outside departments has grown over time and is a ripe area for process streamlining.

By way of example, Planning's simplest permit type, an Over-the-Counter (OTC), has experienced increased department reviews and costs over the past 15 years. By conditioning some of these department reviews to occur as a part of the building phase, cost and time savings for smaller projects can be realized. In late summer 2024, Los Angeles County Fire Department was the first outside Department the City worked with to defer reviews for small projects to the building permit phase.

A copy of planning staff's suggested fee adjustments aligned with the Council's direction to staff is provided as Attachment 1. A copy of the October 2, 2024, Fee Workshop presentation is provided as Attachment 2. Both documents to be reviewed in greater detail as part of the Subcommittee meeting.

#### New Rebuild Development Permit

When the City experienced three fires (Broad, Franklin, Palisades) resulting in the loss of over 750 homes and businesses, staff turned its focus to modifying the Local Coastal Program and Malibu Municipal Code (MMC) to streamline fire rebuilds. Within Ordinance No. 524, adopted March 12, 2025, is MMC Section 17.62.030 (Administrative Plan Reviews), which was revised to exclude fire rebuild structures. Those will now be processed as a "Rebuild Development Permit."

MMC Section 17.62.080 creates the Rebuild Development Permit (RDP) to allow new structures to be built within 110 percent of the primary development pad. Given that the Governor's Emergency Orders suspended Coastal Act permit requirements, the new permit will be used to process in kind and "like for like plus 10%" fire rebuilds seeking mechanized equipment on the beach, OWTS replacement, new seawalls to protect OWTS, new structures needed to meet state and local law, and minor improvements to driveways including retaining walls developed on slopes steeper than 3:1 but not allowed on 1:1 slopes.

Planning staff conducted a time and motion study for this new RDP fee, which is included as Attachment 3. This new fee type, among others previously reviewed by Matrix Consulting, is in green text. Staff established the amount of full recovery costs as \$1,288.

### Revenue

Staff's Planning fee proposal would offset lost revenue recovery from \$1,056,218, to approximately \$669,764, using the 2023 permit issuance data supplied by Matrix. Assuming that the City Council proceeds with a fee waiver program for the recent fire rebuilds that are like for like/plus 10%, there will be revenue losses both in Planning, Environmental Sustainability Department and Public Works Department.

### Expenditures

Staff did not propose any modifications to fees which are supported through consultant agreements with the City.

### ATTACHMENTS:

1. Proposed Planning Permit Fees for FY25-26 Detail Spreadsheet
2. October 2, 2024 Fees Workshop Presentation
3. User Fee Determination/Cost Analysis Worksheet – Rebuild Development Permit (RDP) dated April 14, 2025