



# Council Agenda Report

To: Mayor Pierson and the Honorable Members of the City Council

Prepared by: Lisa Soghor, Assistant City Manager

Approved by: Reva Feldman, City Manager

Date prepared: February 3, 2021 Meeting date: February 22, 2021

Subject: Woolsey Fire Fee Waiver Program

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**RECOMMENDED ACTION:** Consider whether to extend the fee waiver deadlines for residents rebuilding property damaged or destroyed by the Woolsey Fire.

**FISCAL IMPACT:** To date, the City has waived a total of \$3,622,986 in fees. An additional \$585,656 in fees have been refunded for a total of \$4,208,642 in uncollected fees. There remains another approximately \$211,000 in potential refund liability from eligible projects that have approved fee waivers but have not yet requested a refund. Finally, there are property owners currently in the building plan check process that are eligible to have their fees waived through June 30, 2021. These fee waivers are estimated to bring the total of uncollected fees to \$5.8 million.

Further fiscal impact will depend on direction from the City Council.

**WORK PLAN:** This item was included as item 2a in the Adopted Work Plan for Fiscal Year 2020-2021.

**DISCUSSION:** On June 24, 2019, the Council adopted Resolution No. 19-30 waiving permit fees in Fiscal Year 2019-2020 for like-for-like and like-for-like plus 10% Woolsey Fire primary residence rebuilding. The Council also approved the refunding of any of these permit fees already paid. On February 24, 2020, the Council adopted Resolution No. 20-10 superseding and replacing Resolution No. 19-30. The Council extended and revised the City's fee waiver program. On June 22, 2020, the Council adopted Resolution No. 20-32 superseding and replacing Resolution No. 20-10. The updated fee waiver requirements state that an application for fee waivers must be received by December 30, 2020; all required Planning Department applications for the project must

be deemed complete by December 30, 2020; all required building permits must be pulled by June 30, 2021; and no fees will be waived beyond June 30, 2021.

To date, the City has waived a total of \$3,622,986 in fees. An additional \$585,656 in fees have been refunded for a total of \$4,208,642 in uncollected fees. There remains another approximately \$211,000 in potential refund liability from eligible projects that have approved fee waivers but have not yet requested a refund. Finally, there are property owners currently in the building plan check process that are eligible to have their fees waived through June 30, 2021. These fee waivers are estimated to bring the total of uncollected fees to \$5.8 million.

On January 11, 2021, City Council directed staff to bring back at the mid-year budget a review of the fiscal impact of extending fee waivers for certain fees related to the rebuilding of structures that were damaged or destroyed by the Woolsey Fire.

On February 1, 2021, the Administration and Finance (A&F) Subcommittee discussed the fee waivers and asked for additional information regarding the details of the waivers, including homes that were submitted originally as like-for-like or like-for-like plus 10% and then submitted applications for additions. The A&F Subcommittee recommended that staff bring back the fee waiver issue at the February 22, 2021 Council meeting. On February 8, 2021, the City Council reiterated that staff should bring the fee waiver item to the February 22, 2021 meeting.

Of the 322 applications received to rebuild destroyed and damaged structures, 218 qualified for fee waivers, meaning they were owner-occupied as primary residences at the time of the Woolsey Fire. Of these 218 properties, 33 submitted applications for major rebuilding of damaged or destroyed structures and subsequently submitted applications for additional work. Fees totaling \$565,315 were waived for the rebuilding of these structures. Fees totaling \$482,188 were paid for the additional work.

Of the 33 projects that fall into this category, 18 are for the rebuilding of the single-family residence on a property. The remaining projects are for auxiliary structures on the property. Of the 18 single-family homes, the additional work did not reach the threshold of requiring Planning Commission review in all but one case. For the 18 homes, fees in the amount of \$280,864 were waived. Fees totaling \$299,712 were paid for the additional work.

Options for consideration include:

Option 1 - Extend Deadline: The fee waivers could be extended as is for another six-month period by moving the existing deadlines to June 30, 2021 and December 31, 2021, respectively. This extension could be made for a longer period at the Council's discretion. Since approximately 200 of the damaged and

destroyed properties have not come through the process, the most conservative estimate would be that there would be another \$3.6 million in fee waivers from this option.

Option 2 - Extend Deadline for Destroyed Primary Residence Structure Only: The fee waiver program had been extended to all primary residences that had damaged or destroyed structures. The Council could limit any further extension of fee waivers to property owners that had destroyed primary residence only. This will exclude those properties with damaged or affected structures or for any accessory structures or other improvements. The number of properties in this category is 154, so potential fee waivers would total \$2,772,000.

Option 3 - Extend Deadline for Parcels in the Pipeline: The Council could extend the fee waiver to property owners that have submitted an extension to submit a Planning Verification for an in-kind or in-kind plus 10% rebuild but have not yet submitted the project and/or those that have been approved for a fee waiver application but have not yet submitted a rebuild project. This category contains approximately 50 properties, so potential fee waivers could total \$900,000.

If the Council does not extend the fee waiver program, no fees will be waived after June 30, 2021.

Should the Council decide to extend the deadlines, staff will bring back a resolution with the new deadlines for Council adoption at the March 8, 2021 Regular meeting.

ATTACHMENTS: Resolution No. 20-32

RESOLUTION NO. 20-32

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU SUPERSEDING AND REPLACING RESOLUTION NO. 20-10; DIRECTING THE CITY MANAGER TO WAIVE CERTAIN FEES RELATED TO THE REBUILDING OF STRUCTURES THAT WERE DAMAGED OR DESTROYED BY THE WOOLSEY FIRE ON A PROPERTY USED AS A PRIMARY RESIDENCE; AND FINDING THE ACTION TO BE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

The City Council of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. Recitals.

- A. The 2018 Woolsey Fire destroyed at least 488 single-family homes in Malibu.
- B. In the public interest of encouraging the rebuilding of homes in the City that were lost in the Woolsey Fire, the City desires to waive certain planning and building permit fees related to the rebuilding structures that were damaged or destroyed by the Woolsey Fire.
- C. The waiving of fees will only be applicable to owners of properties that are being rebuilt as a like-for-like or like-for-like plus 10% rebuild and were used as a primary residence by such owners as of November 8, 2018.
- D. Property owners requesting a waiver of fees must demonstrate primary residency with an active voter registration, a valid driver's license or other government-issued identification card with the address of the property that was destroyed by the Woolsey Fire acceptable to the City Manager and file an affidavit with the City on the form specified by the City Manager.
- E. Building permits eligible for fee waiver shall include grading, foundation, building, plumbing, mechanical, electrical and Onsite Wastewater Treatment System (OWTS) permits.
- F. The City cannot waive permit fees required by other agencies including, but not limited to, the County of Los Angeles and the State of California.
- G. On June 24, 2019, the City Council adopted Resolution No. 19-30 authorizing the waiving of fees from November 8, 2018 through June 30, 2020.
- H. On February 24, 2020, the City Council adopted Resolution No. 20-10 authorizing the waiving of certain fees related to the rebuilding of structures that were damaged or destroyed by the Woolsey Fire on a property used as a primary residence. The City Council now desires to modify and replace Resolution No. 20-10 as herein described.

SECTION 2. Action.

The recitals above are adopted and, based thereon, the City Council directs the City Manager to waive the necessary planning and building permit fees for projects rebuilding a like-for-like or like-for-like plus 10% structures that were damaged or destroyed by the Woolsey Fire where the property owner demonstrates to the satisfaction of the City Manager that the property was used as the primary residence by the property owner on November 8, 2018, subject to the following

requirements and limitations:

- (1) an application for waiver is received by December 30, 2020,
- (2) all required Planning Department applications for the project are deemed complete by December 30, 2020,
- (3) all required building permits are pulled by June 30, 2021 (fees will have to be paid for any building permit pulled after June 30, 2021, before it will be issued),
- (4) all fees associated with post-approval revisions to the project's Planning Department approval or building permit issuance will be charged in accordance the City's Adopted Fee Schedule.
- (5) in no case shall any fees be waived after June 30, 2021, and
- (6) fee waivers are not transferable. If a waiver is obtained, a Certificate of Occupancy will only be issued to the property owner who filed the affidavit establishing primary residence at the time of the Woolsey Fire with the City. All fees that were waived must be paid to the City before a Certificate of Occupancy will be issued to an owner other than the one listed on the fee waiver.

This resolution supersedes and replaces Resolution 20-10.

SECTION 3. Environmental Review.

The Council finds that the adoption and implementation of this resolution is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the Ordinance may have a significant effect on the environment, section 15064(e) which exempts purely economic regulations, and Public Resources Code Section 21080(b)(4) regarding actions to mitigate or prevent an emergency.

SECTION 4. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

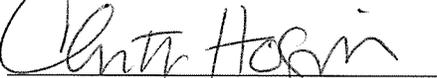
PASSED, APPROVED, and ADOPTED this 22<sup>nd</sup> day of June 2020.

  
KAREN FARRER, Mayor

ATTEST:

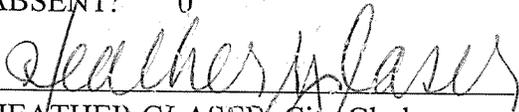
  
HEATHER GLASER, City Clerk  
(seal)

APPROVED AS TO FORM:

  
CHRISTI HUGIN, City Attorney

I CERTIFY THAT THE FOREGOING RESOLUTION NO. 20-32 was passed and adopted by the City Council of the City of Malibu at the regular meeting thereof held on the 22<sup>nd</sup> day of June 2020 by the following vote:

AYES: 5 Councilmembers: Mullen, Peak, Wagner, Pierson, Farrer  
NOES: 0  
ABSTAIN: 0  
ABSENT: 0

  
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HEATHER GLASER, City Clerk  
(seal)