



Ordinance Fact Sheet

September 15, 2025

TO: CITY COUNCIL

FROM: CITY ATTORNEY

**SUBJECT: AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA
EXEMPTING QUALIFYING EATON FIRE REBUILDS FROM
CONSTRUCTION TAX**

TITLE OF PROPOSED ORDINANCE

AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA EXEMPTING
QUALIFYING EATON FIRE REBUILDS FROM CONSTRUCTION TAX

PURPOSE OF THE ORDINANCE

The purpose of this ordinance is to exempt qualified Eaton Fire-damaged residential structure rebuilds from the City's Construction Tax. In addition to the qualification criteria approved by the Council on August 25, 2025, this ordinance requires payment of the construction tax if an owner sells their property to a non-family member prior to final building inspection. The fee and tax waivers are intended to assist homeowners who were directly impacted by the fire in rebuilding and keeping their families in the community, and therefore payment of the construction tax will be required if the property is sold to other buyers.

REASONS WHY LEGISLATION IS NEEDED

On January 7, 2025, the Eaton Fire began and caused significant damage to private property. The Eaton Fire damaged and destroyed 185 structures in Pasadena, a majority of which were single family homes and accessory structures. On August 25, 2025, the City Council approved the waiver of specified fees, reduction of deposits, and waiver of the construction tax for owners who are seeking to rebuild their single-family properties and condominium units that meet the qualifications set by Council.

This legislation is needed to amend the construction tax ordinance to implement this exemption.

09/29/2025
MEETING OF ~~- 9/15/2025 -~~

AGENDA ITEM NO. ~~- 9 -~~ 13

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED

The Planning and Community Development Department will implement this ordinance.

ENVIRONMENTAL DETERMINATION

The actions proposed herein is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061 of the State CEQA Guidelines. The City Council found on August 25, 2025, that it can be seen with certainty that there is no possibility the reduction of fees may have a significant effect on the environment. The adoption of an ordinance to effectuate this action was fully covered within that finding and is exempt from CEQA.

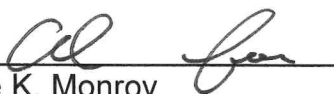
FISCAL IMPACT

The City's Construction Tax imposes a tax of 1.5% on the value of structures included in a building, swimming pool or similar permit. The waiver of the Construction Tax will reduce City revenue.

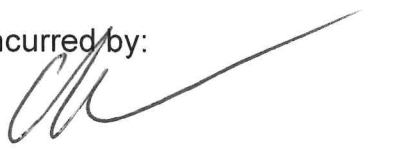
Respectfully submitted,


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FOR
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