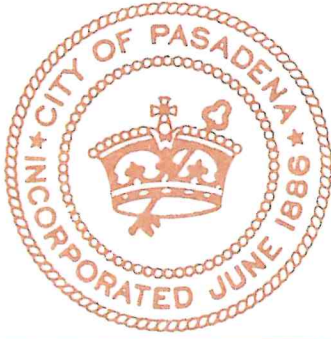




Agenda Report

August 17, 2026

TO: Honorable Mayor and City Council

THROUGH: Economic Development & Technology Committee (June 16, 2026)

FROM: Planning & Community Development Department

SUBJECT: EXPANSION OF THE EATON FIRE REBUILD PERMIT FEE WAIVER PROGRAM TO INCLUDE PERMIT FEES FOR REPAIRS TO ELIGIBLE STANDING HOMES RELATED TO SMOKE, SOOT, ASH OR WATER DAMAGE

RECOMMENDATION:

It is recommended that the City Council:

- 1) Find that the recommended fee reductions are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines under the common sense exemption per Section 15061(b)(3). This exemption applies because the action involves only the waiver of City plan check and permit fees for eligible fire-related repairs and does not authorize any physical construction activity beyond what previously existed;
- 2) Adopt a resolution amending the Fiscal Year (FY) 2027 General Fee Schedule to reduce or waive various Plan Check and Permit Fees for repairing eligible standing homes damaged in the Eaton Fire;
- 3) Direct the City Attorney to prepare within 30 days an ordinance to amend Title 4 of the Pasadena Municipal Code (PMC) to exempt qualified repairs of eligible residential structures damaged by the Eaton Fire from the City's fees for Construction Tax; and
- 4) Direct staff to include the fees in the same recovery efforts being done for the existing program.

ECONOMIC DEVELOPMENT & TECHNOLOGY COMMITTEE RECOMMENDATION:

On June 16, 2026, the Economic Development & Technology Committee (EdTech) recommended the City Council approve the proposed expansion of the fee reductions for standing homes with documented damage from the Eaton Fire as follows:

1. Waive plan check and building permit fees collected into the Building Fund (204) and the General Fund (101) with a total estimated cost of \$100,000.

The reductions outlined above would apply to projects that meet all of the following (eligible sites):

1. *Located Within a Mandatory Evacuation Order or Evacuation Warning Area*
Eligibility would extend to standing homes within officially designated evacuation zones.
2. *Owner-Occupied at the Time of the Eaton Fire*
The property must have been owner-occupied as of January 7, 2025, consistent with the existing program. For multi-family sites, only owner-occupied units are eligible for fee waivers.
3. *Documented Fire-Related Smoke or Ash Damage*
Applicants must submit a professional report verifying fire-related smoke or ash damage. Examples of acceptable documentation include:
 - o Licensed contractor assessments;
 - o Industrial hygienist or environmental testing reports;
 - o HVAC contamination assessments;
 - o Insurance adjuster findings; and
 - o In some cases, dated photos showing condition of the area to be repaired 'before' and 'after' the fire may also be accepted.
4. *Repairs Limited to Restoring Pre-Fire Conditions*
Fee waivers apply only to repairs necessary to restore the home to its pre-fire condition. Elective remodels or expansions are not eligible.

Staff is supportive of the expanded program and proposed eligibility criteria for standing homes. Standing home repairs are generally smaller in scope than full rebuilds, requiring nominal permit fees or in some instances, such as soot removal, no city permits for the remediation. Based on the permits analyzed for Table 1, staff anticipates average waived fees of \$150 to \$2,000 per property, depending on repair type and valuation. An itemized list of the fire repair permits is included as Attachment C, which totals just over \$51,000. Staff is proposing a total program budget of \$100,000 for fee waivers for standing homes to be funded by the Building Fund. There is no cost to the General Fund for the proposed expanded fee waivers.

BACKGROUND:

Staff was asked to present an update on the Eaton Fire Fee Waiver Program to the Economic Development and Technology Committee and to include potentially expanding the program to include repairs for standing homes. On March 17, 2026, staff provided the overview, including information on potentially expanding the program to include standing homes with documented damage. The current program, approved by the City Council on August 25, 2025, waives all City plan check and permitting fees for repairing or reconstructing red-tagged structures on eligible single-family properties. This includes not only fees for reconstructing a red-tagged house and garage, but also fees for rebuilding or repairing other fire-damaged structures on the property such as pools, covered patios, walls, and fences. Fees not waived include the Construction and

Demolition (C&D) Waste Management Deposit (which were reduced to a flat fee of \$1,000), fees related to water service charged by Pasadena Water and Power, and fees imposed by outside agencies such as the Pasadena Unified School District or the Los Angeles County Sanitation Districts, annual property tax assessments or fees for new structures that did not exist prior to the Eaton Fire. A summary of the existing program is provided in Table 2 of this report.

At the March 17, 2026 EdTech meeting, staff presented information on permit records from January 7, 2025, through February 2026 to identify typical costs for fire-related repairs citywide. This summarized list of fire-repair related permits as outlined in Table 1 is not comprehensive, but it provides an overview of the types of repairs that have been needed following the fire and their associated permit fees. Some fees appear higher because additional work, such as remodels, were completed at the same time as the repairs. Fees also vary based on project size, fixture counts, and valuation.

Table 1 – Overview Permit Fees for Fire-Related Repairs January 2025- April 2026

Scope of Repairs	Estimated Fees*
Replace insulation and/or drywall	\$143 – \$665
Replace fire-damaged water heater	\$159
Change out AC condenser, furnace and ductwork	\$189 – \$345
Re-roof	\$290 – \$546
Repair fire-damaged siding or stucco	\$499 – \$514
Repair demising wall between condo units	\$1,352
**Large scope repairs (insulation, drywall, roof, windows, stucco, etc.)	\$3,227 – \$10,608

* Rounded to the nearest dollar

**These permits were more often associated with a larger remodel being done because of fire repair, so the fee range is higher

Staff also completed a review of the fee waiver programs by other jurisdictions affected by the fires and found that there is no consistency in how each agency is structuring their fee waiver programs- some include repairs and some do not:

- Los Angeles City (includes Pacific Palisades) – Waives both plan check and permit fees for all structures from residential to commercial, regardless of rebuild/repair scale, only up to the amount attributed to 110% of the original footprint. The program runs for three years with a \$90 million cap on waived fees.
- Los Angeles County (includes Altadena) – Defers plan review and permit fees for eligible owner-occupied sites containing a house directly destroyed by the fires. Scope of the rebuild can include the garage and a new Accessory Dwelling Unit (ADU) where the owner will temporarily occupy while the replacement primary house is built. Does not waive fees for repair permits or construction and demolition deposit fees. No deadline or cap on funding specified. Although called a ‘fee deferral’ there is no plan to require repayment.
- Malibu – Waives Planning and building permit fees for projects rebuilding or repairing eligible owner-occupied single-family and duplex structures only. Fee waivers are limited to damaged or destroyed structures (only like-for-like or like-

for-like plus 10%), replacement or upgrade of onsite wastewater treatment systems, seawalls or other permitted infrastructure as required by the City, temporary water tanks or other suppression mechanism, damaged or destroyed accessory structures, hardscaping, and landscaping. Fee waiver application submittal deadline is June 30, 2028.

- Sierra Madre – No fees are being waived.
- Pasadena– Waives City plan check and permitting fees for repair or reconstruction on eligible single-family or condominium sites that contain a red-tagged structure and were owner-occupied at the time of the fire. The rebuild must comply with the City's Rebuilding Ordinance, including like-for-like (plus 10% or 200 square feet) limits, can be a relocated, prefabricated, or modular home which may exceed these limits up to the maximum floor area allowed by zoning, provided all other like-for-like requirements are met. Fees not waived include the reduced \$1,000 C&D deposit, Pasadena Water and Power Department fees, non-city fees, and fees for new structures.

Staff was asked to return with a proposal for consideration to expand the fee waiver program to cover the cost of City permits for fire-related repairs to properties that were not red-tagged. This would expand the program beyond rebuilding to "repairing". Staff was instructed to determine eligibility criteria for the program expansion, including a boundary for where eligible sites can be located and requirements for the eligible types of repairs.

ANALYSIS:

EdTech Meeting of June 16, 2026

On June 16, 2026, staff recommended the EdTech Committee expand the fee waiver program to include standing homes with documented Eaton Fire damage. Staff noted that several residents reported significant smoke and ash infiltration including contamination of HVAC systems, insulation, attics, and interior surfaces. These properties are commonly referred to as 'standing homes'. Impacts to standing homes were not captured in the City's initial red, yellow and green tag assessments. Because these 'standing homes' were not red tagged, they are not eligible under the current fee waiver program despite experiencing fire-related damage making the house unlivable until remediation or permitted repairs are completed.

In March 2026, the California Department of Insurance (CDI) released its *Smoke Claims and Remediation Task Force Report*, which found that standing homes located within wildfire evacuation zones frequently sustain substantial smoke and ash damage even when they remain structurally intact. Examples of such damage include attic and insulation contamination, HVAC system contamination, interior smoke infiltration requiring removal of finishes, ash accumulation requiring specialized remediation, corrosion of mechanical and electrical components, etc. The CDI report also cites concerns voiced by many fire survivors that smoke and ash infiltration in standing

homes can cause long term habitability, health, and mechanical system impacts. These concerns also align with those reported by Pasadena residents.

In the absence of a defined 'ash zone', CDI's report discusses methods for identifying impact zone classifications to assess smoke impacts, and one method is to utilize evacuation zones as a reliable indicator of exposure severity. The Evacuation Order Zones, Evacuation Warning Zones and Eaton Fire Perimeter (as mapped by Los Angeles County's Geographic Information Systems) covered all properties north of the 210 and 134 freeways.

The locations of fire repair permits issued in Pasadena are all located within the official Eaton Fire Evacuation Order area or Evacuation Warning Zones, which coincides with CDI's report that houses within and adjacent to the fire perimeter are generally the most impacted by wildfire smoke (Attachment B). If the City is to consider expanding the existing fee waiver program to include standing homes, staff's recommendation would be to implement a requirement that eligible houses must be located within either the official Eaton Fire Evacuation Order or Evacuation Warning Zones.

Staff also reviewed additional data sources to assess whether the eligibility area should extend beyond the official Evacuation Order and Warning zones. These sources included the locations of closed water and electric service accounts from Pasadena Water and Power and the locations of red-, yellow-, and green-tagged sites. All of the sites for closed accounts and tagged properties were also found to be within the same evacuation zones and therefore did not provide justification for expanding the boundary (Attachment B).

Proposed Eligibility Criteria

In addition to the requirement that the property must be located within either the officially designated Evacuation Order or Evacuation Warning Area, staff recommends expanding the program to include standing homes that meet all of the following criteria:

1. *Located Within a Mandatory Evacuation Order or Evacuation Warning Area*
Eligibility would extend to standing homes within officially designated evacuation zones.
2. *Owner-Occupied at the Time of the Eaton Fire*
The property must have been owner-occupied as of January 7, 2025, consistent with the existing program. For multi-family sites, only owner-occupied units are eligible for fee waivers.
3. *Documented Fire-Related Smoke or Ash Damage*
Applicants must submit a professional report verifying fire-related smoke or ash damage. Examples of acceptable documentation includes:
 - Licensed contractor assessments;
 - Industrial hygienist or environmental testing reports;
 - HVAC contamination assessments;
 - Insurance adjuster findings; and

- In some cases, dated photos showing condition of the area to be repaired ‘before’ and ‘after’ the fire may also be accepted.

4. *Repairs Limited to Restoring Pre-Fire Conditions*

Fee waivers apply only to repairs necessary to restore the house to its pre-fire condition. Elective remodels or expansions are not eligible.

Example of Eligible Repair Types

Based on the City’s review of fire-related repair permits (Table 1), eligible repairs may include:

- insulation and drywall replacement;
- HVAC cleaning, replacement, or ductwork remediation;
- roof repair or replacement due to ember or ash exposure;
- siding or stucco repair;
- window or door replacement due to heat or smoke damage; and
- interior material removal and replacement due to contamination.

Consistent with the existing program, the City would waive building permit fees, plan check fees, and mechanical, electrical, and plumbing permit fees for these types of repairs. A summary of the existing Eaton Fire Fee Waiver Program and the proposed eligibility criteria to include eligible standing homes is in Table 2, for reference.

Table 2 – Summary of Existing Program Criteria and Expanded Program

Program Element	Current Fee Waiver Program (Adopted 2025)	Proposed Expanded Program (Standing Homes – 2026)
Eligible Properties	Only owner-occupied single-family houses or condos containing a red-tagged structure destroyed or severely damaged by the Eaton Fire.	Owner-occupied standing homes located within a mandatory evacuation order area or evacuation warning area during the Eaton Fire.
Eligible Work	Repair or reconstruction of red-tagged structures, including houses, garages, pools, patios, walls, and fences.	Repairs necessary to restore the house to pre-fire condition, including insulation, drywall, HVAC, roof, windows, stucco, and interior remediation.
Ineligible Work	Construction of new structures that did not exist prior to the fire; new ADUs; and, reconstruction of structures to other uses (i.e., conversions).	Elective remodels or expansions; and restoration of unpermitted structures or improvements.
Damage Type Covered	Structural damage requiring reconstruction or major repair of red-tagged buildings.	Smoke and ash-related damage documented through a professional report (e.g., HVAC contamination, insulation damage, interior smoke infiltration).

Rebuilding Ordinance Compliance	Required. Red-tagged structures must comply with the City's Rebuilding Ordinance, including like-for-like limits (plus 10% or 200 sq. ft.).	Not applicable. Standing-home repairs do not trigger the Rebuilding Ordinance because they involve repairs only and not reconstruction.
Documentation Required	Red-tag determination by the City's Building Official; reconstruction plans.	Professional assessment documenting fire-related smoke/ash damage (contractor, HVAC specialist, or insurance adjuster).
Owner-Occupancy Requirement	Must have been owner-occupied as of January 7, 2025.	Same requirement.
Sale/Ownership Restrictions	Properties sold or transferred after Jan. 7, 2025 are not eligible unless transferred to a family member.	Same restriction.
Fees Waived	All City plan check and permit fees for eligible reconstruction.	All City plan check and permit fees for eligible smoke/ash repair work.
Fees Not Waived	C&D Deposit; Pasadena Water & Power fees; fees charged by outside agencies.	Same fees not waived.
Estimated Cost per Property	Approx. \$49,123 in waived fees per eligible properties based on a 1,900 sq. ft. house (reduced to \$1,952 after waivers).	Estimated \$150–\$2,000 in waived fees per eligible property, depending on repair scope.

After receiving the staff presentation and discussion with various city staff about their fees, EdTech directed staff to expand the fees waived to include eligible standing homes as outlined in this report.

Fee Waiver Application Requirements

Owners requesting a waiver of fees must complete a Fee Waiver application form and demonstrate that the property destroyed by the Eaton Fire was their primary residence as of January 7, 2025. Fee waivers would be available to eligible sites as outlined in this report including those that have already paid their fees (a refund can be issued).

ENVIRONMENTAL ANALYSIS:

Find that the recommended actions are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines per Section 15061(b)(3). The reduction of plan check and permitting fees for the repair of standing homes damaged by the Eaton Fire is covered by the commonsense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to the provisions of CEQA. This exemption applies because the action involves only the

waiver of City plan check and permit fees for eligible fire-related repairs and does not authorize any physical construction activity beyond what previously existed.

FISCAL IMPACT:

Standing home repairs are generally smaller in scope than full rebuilds, requiring nominal permit fees or in some instances, such as soot removal, no city permits for the remediation. Staff is proposing a total program budget of \$100,000 for fee waivers for standing homes to be fully funded by the Building Fund which will cover the properties estimated to qualify for the program.

Respectfully Submitted,



JASON MIKAELIAN, AICP
Acting Director of Planning & Community
Development

Prepared by:



Guille Nunez
Principal Planner

Approved by:



MATTHEW E. HAWKESWORTH
Interim City Manager

Attachments (3):

- Attachment A – List of Red & Yellow-Tagged Sites
- Attachment B – Maps of Eaton Fire Perimeter and Evacuation Zones
- Attachment C – List of Fire Repair Permits