

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

0100-00438-0031

Date: October 2, 2020

To: The City Council

From: Richard H. Llewellyn, Jr., City Administrative Officer 

Subject: **DISASTER ASSISTANCE TRUST FUND ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Recommendation**

That the City Council note and file the Disaster Assistance Trust Fund Annual Financial Report for the fiscal year ended June 30, 2020.

**Summary**

In accordance with Chapter 3, Division 8, Article 9.6, Section 8.72.1 (J) of the Los Angeles Administrative Code, the Office of the City Administrative Officer (CAO) prepared and submits herewith the required annual financial report regarding the Disaster Assistance Trust Fund (DATF) for the fiscal year ended June 30, 2020.

The DATF is administered by the CAO. All grant funds received for disaster relief public assistance and hazard mitigation assistance programs are deposited in the DATF. During Fiscal Year 2019-20, the CAO administered fourteen (14) active disaster recovery programs. Total revenues received during Fiscal Year 2019-20 amounted to \$6,911,060, including \$300,008 in interest earned on the fund balance.

Transfers and expenditures in the amount of \$5,091,257 were made for the purposes set forth in the grant programs during Fiscal Year 2019-20, including grant reimbursements received in prior fiscal years that were not previously transferred.

**Fiscal Impact Statement**

There will be no impact on the General Fund or other City funds as a result of adoption of the recommendation of this report.

*RHL:HS:03210008c*

Attachments

**DISASTER ASSISTANCE TRUST FUND  
ANNUAL FINANCIAL REPORT TO THE CITY COUNCIL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**CITY OF LOS ANGELES**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

**RICHARD H. LLEWELLYN, JR., CAO**

Patricia J. Huber, Executive Officer

Submitted by:

Melissa C. Krance  
Chief Administrative Analyst

Heather Smith  
Sr. Administrative Analyst I

The Office of the City Administrative Officer (CAO) is required to prepare and submit an annual report to the Los Angeles City Council on the results of operations of the Disaster Assistance Trust Fund (DATF), in accordance with the provisions of the Los Angeles Administrative Code (LAAC), Section 8.72.1 (J).

## **BACKGROUND**

In December 1990, the DATF was created by Ordinance No. 166519, adding Section 8.72.1 (J) to Article 9.6 of Chapter 3 of Division 8 of the LAAC to meet accounting requirements for federal and state disaster assistance programs. The DATF designated as "Fund 872" in the City's Financial Management System is a Special Revenue Fund.

The primary enabling legislation for these disaster assistance programs are the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), Public Law (P.L.) 93-288 and the California Disaster Assistance Act (CDAA). Title 44, Code of Federal Regulations, Part 206 implements PL 93-288. California Code of Regulations, Title 19 implements the CDAA.

## **SUMMARY**

The CAO administered fourteen (14) active disaster recovery programs in Fiscal Year 2019-20, as follows:

### Disaster Recovery Programs:

- 2009 Station Fire;
- 2010 January Winter Storms;
- 2013 July Inyo Storms;
- January 2017 Storms;
- Late January 2017 Storms;
- California La Tuna Fire;
- Creek Fire- Los Angeles;
- Skirball Fire;
- Creek/Skirball Fire;
- Woolsey Fire;
- Mid-February 2019 Storms;
- Saddleridge Fire;
- Getty Fire; and
- COVID-19 Pandemic

The total aggregate amount of federal and state disaster assistance grants received during Fiscal Year 2019-20 is \$6,611,052 (Schedule 1). During Fiscal Year 2019-20 the DATF earned \$300,008 in interest on the fund balance (Schedule 2). This amount is included in the \$6,911,060 million total receipts from all sources.

During Fiscal Year 2019-20, transfers to City departments, proprietary departments, and the General Fund totaled \$5,091,257 (Schedules 3 - 4). These are reimbursements for emergency and facility repair costs incurred by departments and allowed by federal and state agencies. The DATF reimbursed a total amount of \$218,818 to the General Fund in

Fiscal Year 2019-20 for the CAO's administrative costs. The balance of \$4,872,439, reimbursed the Reserve Fund. Transfers include receipts from prior years not transferred in those fiscal years due to timing differences between receipt of funds and collection of required documentation and interest earned on the fund balance.

The Federal Emergency Management Agency (FEMA) applied an administrative allowance to each Project Worksheet (PW) approved prior to November 13, 2007 based on a sliding scale of percentages up to a maximum of 3.5 percent applied to the net eligible costs. However, effective November 13, 2007, FEMA no longer pays an administrative allowance based on the associated expense percentages as allowed under the Stafford Act. The Disaster Mitigation Act of 2000 (PL 106-390) amended the Stafford Act by adding Section 324 "Management Costs." For events on or after November 13, 2007 the recovery of project costs are based on management cost rates established by FEMA. The State of California Office of Emergency Services (CalOES) applies a fixed administrative allowance of ten percent to the state share of approved PWs. The administrative allowance is intended to help with the costs of requesting, obtaining and administering federal and state disaster assistance grants. Typical items that fall under the category of administrative allowance include costs for audits, consultants, bookkeepers, grant administrators, legal services and executive management. The DATF received \$200,609 in federal and state administrative allowances in Fiscal Year 2019-20. This amount is included in the \$6,911,060 million total receipts from all sources.

The schedules on the following pages provide the summary and detail of receipts and transfers in the DATF during the fiscal year, presented in the following order:

Schedule 1	Grant Receipts
Schedule 2	Detail of Interest Received
Schedule 3	Transfers to Departments/Expenditures
Schedule 4	Percentages of Transfers by Department or Fund
Schedule 4	Percentages of Transfers by Disaster Event

**2019-20 GRANT RECEIPTS**

Disaster assistance grant funds received from the Federal Emergency Management Agency(FEMA) for the following events:

Woolsey Fire	\$ 356,934
California La Tuna Fire Fire Management Assistance Grant (FMAG)	187,337
Creek Fire FMAG	3,277,158
Skirball Fire FMAG	1,362,969
<i>Total FEMA grant funds received</i>	<u>\$ 5,184,398</u>

Disaster assistance grant funds received from the State of California for the following events:

Woolsey Fire	\$ 56,834
Woolsey Fire (California Disaster Assistance Act (CDAA) only)	10,674
Mid-February Storms	83,111
Creek Fire FMAG	901,219
Skirball Fire FMAG	374,816
<i>Total State grant funds received</i>	<u>\$ 1,426,654</u>

Summary:

Total Grant Funds Received from FEMA	\$ 5,184,398
Total Grant Funds Received from the State of California	1,426,654
Total Federal and State Grant Funds Received	<u>6,611,052</u>
Add: Interest earned on DATF Balance	300,008
<b>Total Receipts from all Sources</b>	<u><b>\$ 6,911,060</b></u>

Amounts rounded to the nearest dollar

## SCHEDULE NO. 2

## 2019-20 DETAIL OF INTEREST RECEIVED

<u>Period</u>	<u>Amount Received</u>
July 2019	\$ 32,382.34
August 2019	11,024.23
September 2019	28,820.47
October 2019	21,654.37
November 2019	12,319.41
December 2019	32,782.52
January 2020	26,639.48
February 2020	14,978.27
March 2020	32,202.22
April 2020	24,630.90
May 2020	21,958.65
June 2020	40,615.42
Total	<u>\$ 300,008.28</u>

## 2019-20 TRANSFERS TO DEPARTMENTS/EXPENDITURES

<u>Event</u>	<u>Department/Fund/Purpose</u>	<u>Amount Transferred</u>	<u>Total</u>
Administrative Allowances Allocation to the CAO	City Administrative Officer/ General Fund Reimbursement	\$ 218,818	\$ 218,818
1994 Northridge Earthquake	Non-Departmental - General/ Reserve Fund	3,037,898	3,037,898
2005 January Storms	Non-Departmental - General/ Reserve Fund	273,775	273,775
Legislative Pre-Disaster Mitigation Grant for Window Safety Film on City Hall East	Non-Departmental - General/ Reserve Fund	60,767	60,767
Interest Earned on Fund Balance	Non-Departmental - General/ Reserve Fund	1,500,000	1,500,000
Total transfers			<u>\$ 5,091,257</u>

Amounts rounded to the nearest dollar

## SCHEDULE NO. 4

## 2019-20 PERCENTAGES OF TRANSFERS BY DEPARTMENT OR FUND

<u>Department or Fund</u>	<u>Amount Transferred</u>	<u>Percent of Total</u>
City Administrative Officer	\$ 218,818	4.30%
Non-Departmental- General / Reserve Fund	4,872,439	95.70%
Total	<u>\$ 5,091,257</u>	<u>100.00%</u>

## PERCENTAGES OF TRANSFERS BY DISASTER EVENT

<u>Disaster Event</u>	<u>Amount Transferred</u>	<u>Percent of Total</u>
Administrative Allowances	\$ 218,818	4.30%
1994 Northridge Earthquake	3,037,898	59.67%
2005 January Storms	273,775	5.38%
Legislative Pre-Disaster Mitigation Grant for Window Safety Film on City Hall East	60,767	1.19%
Interest Earned on Fund Balance	1,500,000	29.46%
Total	<u>\$ 5,091,257</u>	<u>100.00%</u>

Amounts rounded to the nearest dollar

## Sources:

Statement of Revenue and Expense June 30, 2020

Statement of Condition of Appropriation-Detail June 30, 2020

CAO Cash Receipts and Disbursements Ledger June 30, 2020