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RUBEN VIRAMONTES
EXECUTIVE OFFICER

City of Los Angeles CALIFORNIA



Council and Public Services Division
200 N. Spring Street, Room 395
Los Angeles, CA 90012
General Information - (213) 978-1133
FAX: (213) 978-1040

clerk.lacity.gov

KAREN BASS
MAYOR

October 9, 2026

Councilmember Katy Yaroslavsky, Chair
Budget and Finance Committee
Attn: Armando Bencomo

RE: COUNCIL FILE TRANSMITTAL – CF No. 25-0006-S38

On October 9, 2026, Ad Hoc Committee for LA Recovery considered a Community Investment Department report relative to an analysis assessing potential Disaster Recovery District (DRD) boundaries, feasibility, and fiscal impacts, and steps required to establish the DRD to support efforts within the Palisades Fire Disaster Area.

After consideration, the Ad Hoc Committee for LA Recovery moved to approve the following recommendations, as amended:

1. INSTRUCT the Office of the City Administrative Officer (CAO), with the assistance of the CID and other relevant City departments responsible for implementing potential DRD projects, to provide their report as previously instructed by Council on March 27, 2026, relative to the impact the DRD may have on Federal Management Agency (FEMA) reimbursements in the Palisades Fire Disaster Area, including whether there are improvements or projects that can be eligible for both FEMA funds and DRD revenues. This report should be provided in 10 days, prior to the Budget and Finance Committee's consideration of the Community Investment Department's report, dated October 5, 2026, and include the following additional analysis: (1) the percentage of tax increment to contribute to the proposed Palisades DRD; (2) prioritization of potential DRD projects; and (3) terms, contingencies, and guardrails for inclusion in the Infrastructure Financing Plan (IFP) Framework that support the Palisades recovery while preserving future property tax revenues for the General Fund and ongoing municipal services; (4) strategies and necessary IFP guardrails to fund infrastructure upgrades beyond pre-disaster conditions without jeopardizing pending FEMA Public Assistance reimbursements; (5) the legal and financial viability of utilizing DRD tax increment to reimburse the General Fund for waived rebuilding permit fees; and (6) the feasibility of establishing a dedicated funding priority or percentage set-aside for replacing low and middle-income affordable housing, including potential opportunities for acquisition, preservation and restoration of our mobile home community.
2. INSTRUCT the CID with the assistance of the CAO to complete the IFP framework outlining the proposed structure, major terms, conditions, financing parameters and other elements of the proposed DRD.

3. INSTRUCT the CID, with the assistance of the City Attorney and the CAO, to prepare a resolution of intention for potential consideration and adoption by the City Council to form the Pacific Palisades DRD, incorporating the terms, conditions, contingencies and other provisions recommended by the CAO.

This file is now transmitted to the Budget and Finance Committee.



Jason Lopez
Legislative Assistant
Ad Hoc Committee for LA Recovery
(213) 925-2208

AD HOC COMMITTEE FOR LA RECOVERY

<u>MEMBER</u>	<u>VOTE</u>
PARK	YES
McOSKER	YES
RODRIGUEZ	YES

JL 10.9.2026