



Palisades Fire Disaster Recovery District (DRD) Analysis Summary

October 9, 2026

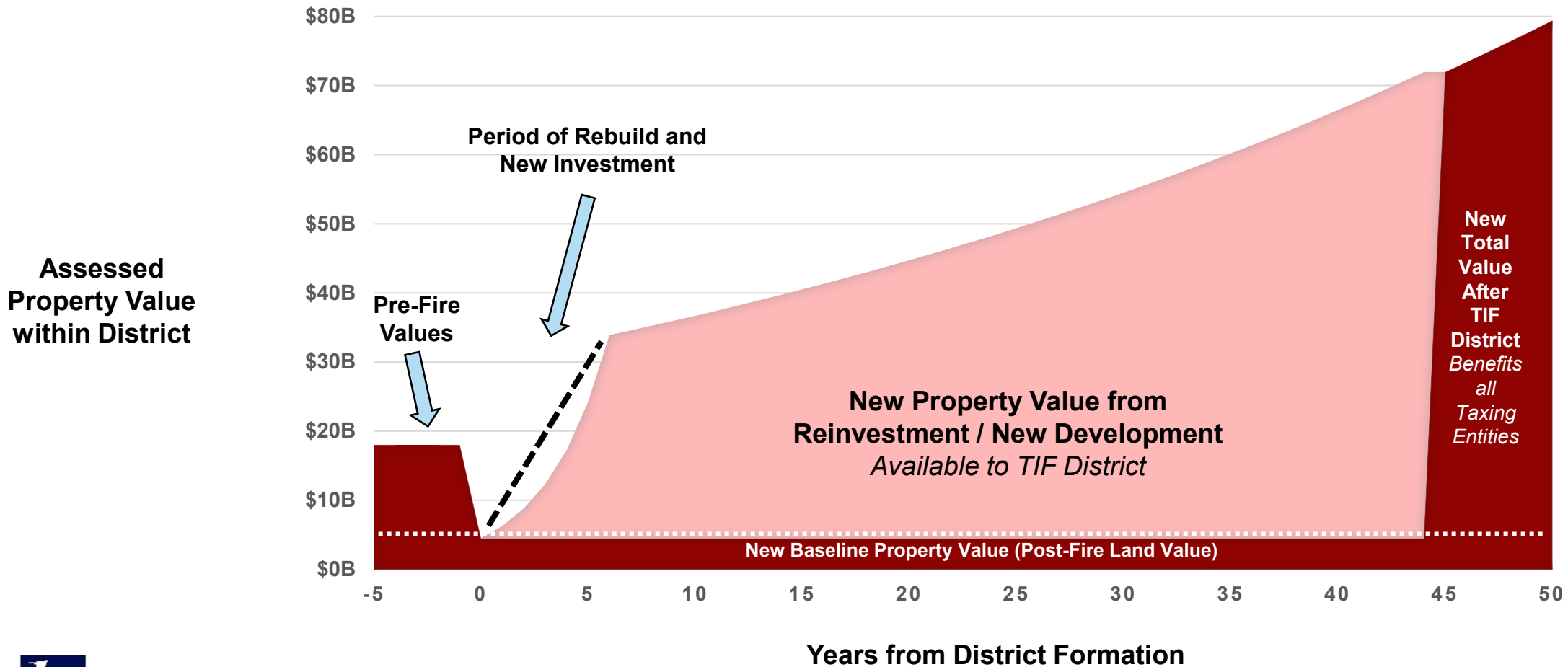
**Prepared by:
Kosmont Companies**

Summary of DRD Feasibility Analysis Findings

- a) TIF District Boundary Mapping – Preliminary Boundary of ~2,790 Acres
- b) Evaluation of Assessed Value Loss and Rebuild Potential – ~\$5.0 billion or 23% loss
- c) Projected TIF Revenue Capacity – Up to \$4.3 billion present-value
- d) Potential Investments to Support Recovery / Rebuild / Resilience – Water / Sewer / Road / Other
- e) Potential Next Steps – County Partnership Discussions, Consider Resolution of Intention

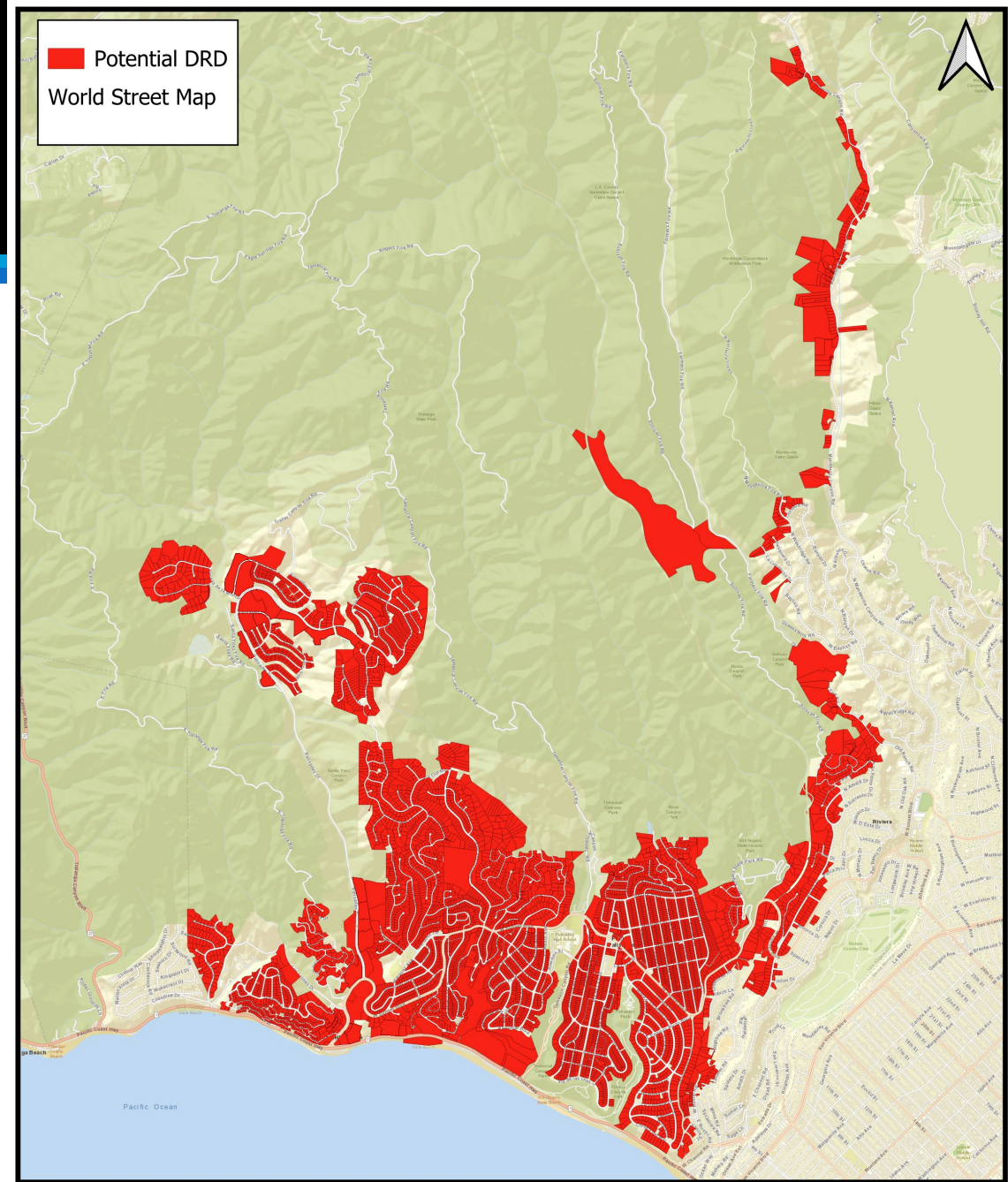
TIF in the Post-Fire Rebuild Context

Focused Public Investment is Needed to Return to Pre-Fire Values



Potential Palisades Fire TIF District Boundary

- 8,940 parcels
- **2,790 acres** (0.9% of Citywide acreage)
- Approx. **\$16.3 billion** in post-fire assessed value (1.9% of Citywide assessed value)
- 5,581 destroyed and affected structures
- DRD may fund improvements outside of the DRD boundary



Source: <https://geohub.lacity.org/>
<https://www.fire.ca.gov/what-we-do/fire-resource-assessment-program/fire-perimeters>

0 0.5 1 mi

Pre- and Post-Fire Assessed Values

	Pre-Fire Assessed Values (2024-2025)	Post-Fire Assessed Values (2025-2026)	Change (Dollars)	Change (Percent)
Proposed TIF District Boundary	\$21.3 B	\$16.3 B	(\$5.0 B)	(23.4%)
<i>Ref: As % of City</i>	2.6%	1.9%		

- Focus on areas within the declared fire disaster perimeter (SB 782 requires minimum 80% of district area)
- 4,683 “destroyed” structures (over 50% structure damage), ~53% of all structures
- Another 906 “affected” structures (between 1% and 50% structure damage), ~10% of all structures
- Lost value represents ~\$17M in annual property tax revenues to City General Fund
- FY 2026-2027 assessed value estimated at \$16.6B (only **1.6%** growth from FY 2025-2026)

Assessed Value Growth Assumptions

Base Case

	Acres	Parcels	FY 2026-2027 Base Year Assessed Value	Average Annual Growth	FY 2036-2037 Estimated Rebuild Assessed Value
Fire Damage Single Family Residential	1,051	4,399	\$6,033,088,317	9.48%	\$14,924,358,881
Fire Damage Multi-Unit Residential	154	1,105	\$894,616,273	9.48%	\$2,213,057,992
Fire Damage Commercial	35	58	\$358,703,584	9.48%	\$887,343,387
Fire damage Recreational/Government/ Miscellaneous	155	19	\$33,954,885	9.48%	\$83,995,934
Non-fire Damage Single Family Residential	1,130	2,441	\$8,214,977,718	3.00%	\$11,040,243,111
Non-fire Damage Multi-Residential	50	554	\$573,078,634	3.00%	\$770,169,763
Non-fire Damage Commercial	11	25	\$146,317,014	3.00%	\$196,637,832
Non-Fire Damage Recreational / Miscellaneous	19	9	\$40,202,790	3.00%	\$54,029,188
All types - No Data / Vacant	222	330	\$321,513,862	3.00%	\$432,087,745
Total	2,827	8,940	\$16,616,453,077	6.30%	\$30,601,923,833

Assessed Value Growth Assumptions

Faster Growth

	Acres	Parcels	FY 2026-2027 Base Year Assessed Value	Average Annual Growth	FY 2036-2037 Estimated Rebuild Assessed Value
Fire Damage Single Family Residential	1,051	4,399	\$6,033,088,317	13.63%	\$21,659,580,686
Fire Damage Multi-Unit Residential	154	1,105	\$894,616,273	13.63%	\$3,211,790,103
Fire Damage Commercial	35	58	\$358,703,584	13.63%	\$1,287,793,053
Fire damage Recreational/Government/ Miscellaneous	155	19	\$33,954,885	13.63%	\$121,902,504
Non-fire Damage Single Family Residential	1,130	2,441	\$8,214,977,718	5.05%	\$13,445,190,415
Non-fire Damage Multi-Residential	50	554	\$573,078,634	5.05%	\$937,939,410
Non-fire Damage Commercial	11	25	\$146,317,014	5.05%	\$239,472,362
Non-Fire Damage Recreational / Miscellaneous	19	9	\$40,202,790	5.05%	\$65,798,616
All types - No Data / Vacant	222	330	\$321,513,862	5.05%	\$526,211,421
Total	2,827	8,940	\$16,616,453,077	9.58%	\$41,495,678,570

TIF Revenue and Bonding Capacity Scenarios

Base Case

TIF Revenue Allocation Scenario	Annual Revenue In Year 5	Year 5 Accumulated Revenue + Bonding Capacity*	Annual Revenue In Year 10	Year 10 Accumulated Revenue + Bonding Capacity*	35-Year Present-Value @ 3% Discount Rate	50-Year Present-Value @ 3% Discount Rate
A) City 25%	\$3,729,000	\$41,020,000	\$9,192,000	\$120,689,000	\$268,917,929	\$447,073,000
B) City 50%	\$7,458,000	\$82,702,000	\$18,384,000	\$242,041,000	\$537,835,857	\$894,146,000
C) City 25% + County 25%	\$7,199,000	\$79,810,000	\$17,746,000	\$233,622,000	\$519,179,312	\$863,130,000
D) City 50% + County 50%	\$14,399,000	\$160,283,000	\$35,492,000	\$467,906,000	\$1,038,358,625	\$1,726,260,000

City and County allocations include allocations from standard "AB8" property tax, but do not include incremental property tax in-lieu of MVLF.

* Bonding capacity assumes Year 5 is first bond issuance for TIF District. "Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes \$25,000 admin charge, 150% debt service coverage. 6.0% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at \$350,000. Source: Kosmont Financial Services (KFS), registered municipal advisor.

TIF Revenue and Bonding Capacity Scenarios

Faster Growth

TIF Revenue Allocation Scenario	Annual Revenue In Year 5	Year 5 Accumulated Revenue + Bonding Capacity*	Annual Revenue In Year 10	Year 10 Accumulated Revenue + Bonding Capacity*	35-Year Present-Value @ 3% Discount Rate	50-Year Present-Value @ 3% Discount Rate
A) City 25%	\$6,012,000	\$66,166,000	\$16,352,000	\$211,054,000	\$581,586,553	\$1,120,667,000
B) City 50%	\$12,023,000	\$132,994,000	\$32,703,000	\$422,771,000	\$1,163,173,106	\$2,241,333,000
C) City 25% + County 25%	\$11,606,000	\$128,358,000	\$31,569,000	\$408,083,000	\$1,122,824,753	\$2,163,586,000
D) City 50% + County 50%	\$23,212,000	\$257,378,000	\$63,138,000	\$816,828,000	\$2,245,649,505	\$4,327,171,000

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Eligible Improvements under Senate Bill 782

GSC 62313.(f) A district established pursuant to this section shall limit the use of its revenue to only the following:

- (1) The purpose of acquiring, demolishing, removing, relocating, repairing, restoring, rehabilitating, or replacing buildings, low- and moderate-income housing, facilities, structures, or other improvements, in accordance with applicable laws, which are within the district, and which have been damaged or destroyed by the disaster, which are unsafe to occupy, or which are required to be acquired, demolished, altered, or removed because of the disaster.
- (2) The purpose of mitigating the risk of a future disaster, including, but not limited to, both of the following:
 - (A) Water and energy resource access and availability during emergencies and natural disasters.
 - (B) Undergrounding and hardening of electrical lines and other utilities.
- (3) The purpose of supporting economic recovery from a disaster, including, but not limited to, all of the following:
 - (A) Residential and commercial reconstruction.
 - (B) Prevention of displacement.
 - (C) Low-interest construction loans.
 - (D) Capital access programs for small businesses.
 - (E) Workforce development and job training programs.
 - (F) Affordable housing development pursuant to the provisions of Section 53398.52

Potential Projects for Funding in Palisades Fire TIF District

Potential projects are derived from the City-commissioned Infrastructure Restoration Plan (IRP) prepared by AECOM, which supports the City's broader Pacific Palisades Long-Term Recovery Plan (LTRP):

- **Dry Utilities:** Electric Power Infrastructure and Delivery; Gas Utilities; Telecommunications Utilities
- **Wet Utilities:** Potable Water; Wastewater; Stormwater
- **Public Buildings, Parks, and Other City Facilities:** Street, hardscape, and wall restoration projects
- **Streets, Hardscapes, and Walls:** Permanent roadway and slope restoration; Street signage; Revetments; Tree replacement projects; Pavement and surface repair locations

Regional and Communitywide Significance

- Housing: Rebuild of **6,200+ housing units**
- Job creation, wages:
 - **2,360 permanent jobs** (indirect, indirect, induced) in the City and County, related **~\$147M** in annual wage income
 - **94,600 temporary construction-related jobs*** in City and County, **\$7.9B** in related wage income
- Acceleration of development and related fiscal revenues:
 - **\$1.42 billion** in present value **fiscal benefit** restored for CITY general fund over 50 years, net of tax increment allocation to DRD, net of estimated fiscal expenditures
 - **\$1.26 billion** in present value **fiscal benefit** restored for COUNTY general fund over 50 years, net of tax increment allocation to DRD, net of estimated fiscal expenditures
- Catalyze economic development and attract other money (e.g., grants, private sector, philanthropy)

Roadmap for Disaster Recovery District Formation

Pursuant to SB 782 (approved 10/10/2025)

Date	Task
Oct 2025 – June 2026	a) Analysis and discussion among City staff and elected officials, other relevant stakeholders b) Final determination of TIF district boundaries, targeted projects, governing Public Financing Authority (PFA) Board composition
July – Sept 2026	c) Staff / consultants prepare summary materials (including draft Infrastructure Financing Plan framework) for presentation to City Council Subcommittee(s)
Oct / Nov 2026	d) City Council / County BOS considers Resolution(s) of Intention (ROI) to form TIF district, establish PFA board, and direct the preparation of the more refined Infrastructure Financing Plan (IFP) (DRD statute requires ROI by City as lead agency within two years of Governor's disaster declaration)
Dec 2026 – Feb 2027	e) Staff / consultants prepare more refined draft IFP and discuss with other City/County departments, revise accordingly
March 2027	f) PFA holds public meeting to consider resolution approving IFP and forming the TIF district

Potential Next Steps

- Continued discussions regarding contents of IFP
- Discussions with County regarding DRD partnership
- City / County consideration of Resolution(s) of Intention

THANK YOU
Questions?

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