

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: January 8, 2026

TO: Honorable Members of the City Council

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No.: 25-0342
Assignment No.: 25-08-0627

SUBJECT: Report on the impact of fire-related emergency declarations on workforce regulation policies

SUMMARY

This report is presented in response to a Motion (Rodriguez – Park) that raised the concern that emergency declarations at the local, state, and federal level related to the January 2025 Los Angeles area wildfires, although they are intended to expedite reconstruction, “may have an unintended consequence of suspending policies regarding workforce regulations,” for example, local hire and apprenticeship training requirements. The Motion instructed the Chief Legislative Analyst (CLA) to “provide an analysis of the local, state, and federal emergency declarations related to the wildfires and their impact on established workforce regulations when public funds are being utilized.” The Council adopted the Motion’s recommendations on July 30, 2025, and this report presents the requested analysis.

As discussed in more detail below, this report finds the following:

1. The largest share of publicly-funded recovery work undertaken so far, debris and hazardous waste removal, was exempt from many City and State workforce regulations, not due to emergency declarations, but because the work was funded entirely by the federal government, and therefore not subject to regulations that impact work receiving State or City funding.
2. The only workforce regulation directly impacted by the current emergency declarations is the City’s First Source Hiring Ordinance (FSHO)¹, which applies to personal or professional services work (construction contracts are excluded) awarded by contract with the City or work funded by a City loan or grant. The Ordinance specifically provides an exception for “Contracts awarded under urgent or emergency circumstances.” The suspension of the FSHO in emergencies could potentially impact City contracting for personal or professional services related to City reconstruction projects, but not construction contracts themselves, because they are not covered by the FSHO.

RECOMMENDATION

NOTE and FILE this report.

BACKGROUND

The City of Los Angeles and State of California have a network of ordinances and labor codes that together establish a framework of workforce regulations that apply to publicly-funded projects. These regulations are intended to go beyond baseline State and City laws (such as

¹ Article 18 of the Los Angeles Administrative Code

minimum wage laws) with the intention of leveraging publicly-funded projects to create additional benefits for local residents.

Significant amounts of publicly-funded work either has been or will be completed as part of the fire recovery. Major types of completed or anticipated work related to recovery from the Palisades Fire that could involve at least some public funding (City, State, or federal) include debris removal, clearing debris basins, restoration of utilities, rebuilding public facilities, such as the Palisades Park and Recreation Center and the Palisades Branch Library, and road and street repairs.

The City of Los Angeles, Los Angeles County, and the State of California issued emergency declarations in response to the January 2025 wildfires. The federal government issued a Major Disaster Declaration. These declarations remain in effect as the region recovers. The purpose of this report is to examine whether any of these emergency declarations impact the workforce regulations that would normally govern publicly-funded work.

DISCUSSION

Table 1 summarizes the City, State, and federal workforce regulations that potentially apply to work on wildfire recovery projects.

Table 1. Overview of workforce regulations

Regulation	Jurisdiction	Key provisions	What contracts are covered?	Impacted by emergency declarations?	Comment
First Source Hiring Ordinance	City of LA	Candidate outreach/opportunities for local residents	City contracts	Yes	"Contracts awarded under urgent or emergency circumstances" are exempt. FSHO does not apply to construction contracts.
Public Infrastructure Stabilization Ordinance (PISO)/Los Angeles Project Labor Agreement (PLA)	City of LA	Candidate outreach and workforce opportunities, including apprenticeship for local residents	City contracts	Limited potential impact.	Provisions of the PISO-mandated LA Project Labor Agreement allow Department of Public Works (DPW) to hire consultants to provide specialized inspection services on PLA-covered projects. The PISO does not apply to non-PLA covered projects.
Living Wage Ordinance	City of LA	Minimum wages and benefits	City contracts	No	
California Labor Code, Division 2, Part 7	State of California	Minimum/prevaling wages/benefits, Apprenticeship	State-contracted construction work. Does not apply to FEMA-funded projects	No	
Davis-Bacon Wage Statute	Federal	Minimum/prevaling wages/benefits	Federal contracts	Yes	Emergency response work is exempt from the Davis-Bacon Wage Statute.

Regulation	Jurisdiction	Key provisions	What contracts are covered?	Impacted by emergency declarations?	Comment
Service Contractor Worker Retention Ordinance	City of LA	Worker retention	City contracts	No	
Division of Occupational Safety and Health (Cal/OSHA) Wildfire Smoke Protection	State of California	Worker safety	All contracts in state	No	Includes provisions related to protection from smoke, safety during power outages, fire cleanup and rebuilding safety.

One large category of work completed to date, the hazardous waste and debris removal work funded by Federal Emergency Management Agency (FEMA), was not subject to the City or the State's workforce regulations for government-funded projects (although it was subject to state worker safety requirements), not because of City or State emergency declarations, but because it was funded by the federal government, and no local or state funding was used. Work funded by the federal government is normally subject to some prevailing wage standards under the federal Davis-Bacon Wage Statute, but this statute explicitly exempts emergency response work, so this FEMA-contracted hazardous waste and debris removal work was exempt from federal prevailing wage rules as well.

The major workforce regulation from Table 1 that is impacted by City, State, or federal emergency declarations is the First Source Hiring Ordinance, which requires contractors to notify the City's Economic and Workforce Development Department (EWDD) prior to publishing employment opportunities and to interview qualified candidates referred by the City's EWDD-approved Referral Resources (these can include, for example, trade unions, community-based organizations, and City Work Source Centers); however, it does not apply to contracts awarded under urgent or emergency circumstances. Normally, this Ordinance applies only to contracts awarded by the City, and it does not apply to construction contracts. The potential impact of this emergency suspension on Palisades recovery work would be limited, given that construction contracts are exempt in any case, but it would impact any City contracts for personal or professional services work related to fire recovery.

Louisa Lund

Louisa Lund
Analyst

Attachments: 1. Motion (Rodriguez – Park)

SMT:MF:RP:LCL

PERSONNEL AND HIRING

PUBLIC WORKS

MOTION

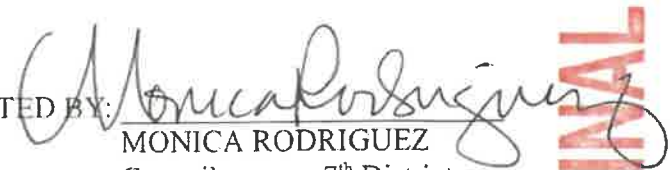
There are significant public resources being dedicated to the reconstruction of the Pacific Palisades in the wake of the catastrophic wildfires. The large-scale devastation of homes, commercial buildings, public structures and infrastructure is unlike previous disasters and is requiring a coordinated response from multiple government entities. This disaster is rightly being addressed with emergency declarations at the city, county, state and federal levels.

The emergency declarations are necessary to expedite reconstruction but may have an unintended consequence of suspending policies regarding workforce regulations. Policies such as local hire, and apprenticeship training may not be implemented consistently for reconstruction work associated with the Pacific Palisades.

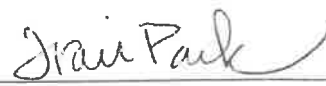
The City of Los Angeles has a long-standing practice of creating employment opportunities for our residents through policy initiatives. This is well documented by the City's Targeted Local Hire Program and Public Infrastructure Stabilization Ordinance. Utilizing public funds for the maximum benefit of the community should always be the priority. It is incumbent upon the City to use every public dollar to realize multiple goals from reconstruction, to job creation to supporting the local economy. As we continue to reinvest in the Pacific Palisades reconstruction, we must make sure the workforce is reflective of our City and that employment opportunities are prioritized for City residents.

I THEREFORE MOVE that the Council INSTRUCT the Bureau of Contract Administration, with the assistance of the Emergency Management Department, to report on the recruitment and hiring practices being used by the City and its contractors as part of the Pacific Palisades public components of the reconstruction. This report should differentiate between public and private reconstruction work and recommend incentives for private reconstruction efforts to encourage use of local labor and businesses.

I FURTHER MOVE that Council INSTRUCT the Chief Legislative Analyst to provide an analysis of the local, state and federal emergency declarations related to the wildfires and their impact on established workforce regulations when public funds are being utilized.

PRESENTED BY: 

MONICA RODRIGUEZ
Councilwoman, 7th District

SECONDED BY: 

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