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COUNTY OF LOS ANGELES

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Chief Executive Officer
Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

October 14, 2025

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**ADOPT A RESOLUTION OF THE BOARD OF SUPERVISORS APPROVING THE COUNTY'S
PARTICIPATION IN THE ALTADENA WILDFIRE RECOVERY INFRASTRUCTURE FINANCING
DISTRICT (FIFTH DISTRICT) (3-VOTES)**

SUBJECT

Approve a resolution authorizing the Los Angeles County's (County) participation in the Altadena Wildfire Recovery Infrastructure Financing District (District).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the enclosed Resolution is not subject to the provisions of the California Environmental Quality Act (CEQA) for the reasons stated in this letter;
2. Adopt the enclosed Resolution to provide the Board's approval to establish, form, and participate in the District; and
3. Authorize the establishment of the governing board—Public Financing Authority (PFA) for the District. The PFA's membership will consist of the Supervisor from the Fifth Supervisorial District, two other Supervisors, and two members of the public.
4. Direct the Chief Executive Office (CEO) to prepare amendments to Board Policy No. 3.106 on Evaluating Tax Increment Financing Districts that address best practices and appropriate policies for disaster-related infrastructure financing districts and submit the amendments to the Audit Committee for consideration within 180 days.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the District is to fund public infrastructure projects and other programs to assist in the rebuilding of the Altadena unincorporated area following the devastating Eaton Fire in January 2025. The devastation to the overall community was extensive and severe, and resulted in the destruction of 9,400 structures including homes, businesses, schools, and government facilities. Infrastructure projects to be funded by the District include the rebuilding and replacement of destroyed County facilities, roads, water, sewer, storm drains, utility undergrounding projects, and other allowable projects.

According to recent legislation [Senate Bill (SB) 782], the District can use its revenue for 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.

Other purposes may include mitigating the risk of a future disaster, including water and energy resource access and availability during emergencies and natural disasters; undergrounding and hardening of electrical lines and other utilities; and supporting economic recovery from a disaster (residential and commercial reconstruction, affordable housing development, prevention of displacement, low-interest construction loans, capital access programs for small businesses, and workforce development and job training programs).

Implementation of Strategic Plan Goals

These actions support the County's Strategic Plan North Star 3 — Realize Tomorrow's Government Today — by strengthening our internal controls and processes while being cognizant of efficiency to continue good stewardship of the public trust and fiscal responsibility.

FISCAL IMPACT/FINANCING

According to existing law, it typically requires one to two years to adopt an Enhanced Infrastructure Financing District (EIFD) or Climate Resilience District (CRD). Recognizing that the rebuilding of Altadena will be dependent on the repair and replacement of critical infrastructure, SB 782 authorized an expedited adoption process for Disaster Recovery Districts. The use of the current Assessor's roll as the base year of the project will maximize the property tax received by the District as the Assessor has completed many fire-related reassessments.

Upon completion of the Infrastructure Financing Plan (IFP), the Chief Executive Office (CEO) will provide the Board with a report consistent with the requirements of Board Policy No. 3.106 (Board Policy) for evaluating EIFDs. That report will confirm that the District's IFP is consistent with current law, including the County's contribution of a share of its future property tax increment within the project area up to 90 percent, the funding of infrastructure projects will stimulate development consistent with County regulations, and there will be a time limit and a dollar cap on the amount of tax increment received by the District. The 90 percent contribution is consistent with the other EIFD adopted in an unincorporated area.

A requirement of the Board Policy on EIFDs is that any rental housing proposed for the project area allocate a minimum of 20 percent of all units for affordable housing. Typical EIFDs construct new units on underdeveloped sites, and the County has required the 20 percent for new development.

The Board Policy did not anticipate disaster recovery projects that are focused on infrastructure projects that will assist in rebuilding residential and commercial structures that were destroyed in the disaster. Because the District will be focused on infrastructure and other programs to assist in the rebuild, it is appropriate for the District to decide whether and to what level to require affordable housing targets. Directive 4 requires the CEO to provide amendments to the existing Board Policy No. 3.106 on Evaluating Tax Increment Financing Districts.

Once the infrastructure projects are complete, funds will revert to the County General Fund. An initial analysis was presented to the County's Economic Development Policy Committee on September 18, 2025.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The law authorizing creation of EIFDs, California Government Code Section 53398.50, et seq, took effect in 2015. EIFDs include: 1) a 45-year time limit after the first bond issuance; 2) the voluntary contribution of property tax increment and/or property tax in lieu of Vehicle License Fees by the County General Fund for tax increment financing; 3) a cap on the County's contribution; and 4) governance of the EIFD by a separate PFA with members appointed by the County.

CRDs, a type of EIFD, were established in 2022. SB 782 was approved by the legislature and presented to the Governor on September 9, 2025, and we anticipate that the Governor will sign the bill prior to your Board meeting on October 14, 2025. SB 782 allows for a new type of tax increment financing district: Disaster Recovery District. The Altadena District will be consistent with the requirements of SB 782, which allows for an expedited adoption process and some flexibility regarding the types of projects that qualify for funding. The expedited adoption is necessary for the District to establish the base year prior to rebuilding.

Because the project area is in a County unincorporated area, the County will be the sole participant in the District. If approved, the County will begin participating in the District and contribute 90 percent of its share of future property tax increment generated in the District project area. In accordance with the law, the County resolution will establish the District's PFA, which includes three designated representatives of the Board and two members of the public appointed by the Board. The County will also have the right to review the District's financial records and calculations to ensure that the County does not contribute more property tax increment than the amount required to fund the infrastructure projects.

The IFP will be presented to the PFA by CEO and its consultant at a later date, likely the first week in December in order to establish the base year of the project as 2025-26, and will include the provisions necessary for the County to begin participating in the District.

ENVIRONMENTAL DOCUMENTATION

The recommended actions are not a project, pursuant to CEQA, because they are an activity that is excluded from the definition of a project by Section 15378(b) of the State CEQA Guidelines. This proposed action is the creation of a government funding mechanism, a fiscal activity which does not involve any commitment to any specific project, that may result in a potentially significant physical impact on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The infrastructure projects will include the rebuilding of County facilities damaged or destroyed in the Eaton Fire, critical infrastructure projects (roads, water, sewer, storm drains, and utility undergrounding) by the Department of Public Works, and other projects authorized by the law (supporting economic recovery, low-interest construction loans, etc.).

CEO staff is working with a consultant and various County departments to ensure that the District is consistent with State Law and the County Board Policy on Tax Increment Financing Districts. Initial analysis was presented to the Economic Development Policy Committee on September 18, 2025, and CEO will provide a written report to the Board prior to the adoption of the District by its PFA. Therefore, the CEO recommends that the Board approve the resolution for the County's participation in the Altadena District.

CONCLUSION

Upon Board approval, please return two signed copies of the Resolution and two stamped copies of the adopted Board letter to the CEO.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fesia A. Davenport', with a stylized flourish at the end.

FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:MRM

RM:cg

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
LOS ANGELES TO ESTABLISH THE PROPOSED ALTADENA WILDFIRE RECOVERY
INFRASTRUCTURE FINANCING DISTRICT AND PUBLIC FINANCING AUTHORITY**

WHEREAS, pursuant to Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53398.50) (the "EIFD Law") the County of Los Angeles ("County") is authorized to establish an Enhanced Infrastructure Financing District ("EIFD"); and

WHEREAS, pursuant to Division 6 of the California Government Code (commencing with Section 62300) (the "CRD Law"), the County is authorized to establish a Climate Resilience District ("CRD"); and

WHEREAS, recognizing the benefits of expeditiously adopting a type of CRD focused on assisting in rebuilding critical infrastructure after a disaster, such as the devastating wildfires in the County of Los Angeles in January 2025, Senate Bill 782 (Perez) ("SB 782"), was approved by the legislature and presented to the Governor on September 9, 2025, and it is anticipated that the Governor will sign the bill prior to October 14, 2025. SB 782 is an urgency statute which will take immediate effect upon the Governor's signature; and

WHEREAS, in the event of a disaster for which the Governor has declared a statute of emergency, SB 782 allows the County to form and dedicate revenue to a special form of CRD to finance disaster recovery efforts, including repairing or replacing buildings, low- and moderate-income housing, facilities, structures, or other improvements within the CRD that have been damaged or destroyed by the disaster, mitigating the risk of a future disaster, or supporting economic recovery from a disaster;

WHEREAS, the Governor of California declared a state of emergency in response to the January 2025 wildfires in the Altadena area known as the "Eaton Wildfire" on January 8, 2025;

WHEREAS, this resolution, consistent with the EIFD Law and CRD Law, as amended by SB 782, creates the Altadena Wildfire Recovery Infrastructure Financing District ("Altadena District"); and

WHEREAS, the proposed boundaries of the Altadena District are in an unincorporated County area identified on a map entitled "Proposed Boundaries of the Altadena District," a copy of which is attached to this Resolution; and

WHEREAS, the proposed Altadena District will be used to finance the repair and replacement of certain needed public facilities and other projects related to the rebuild within the proposed boundaries of the Altadena District that were damaged or destroyed in the wild fires and will promote economic development both within and outside the Altadena District project area, thereby promoting public safety, commerce, revenues and public health, safety and welfare of the County; and

WHEREAS, also establish a Public Financing Authority ("PFA") to serve as the governing body of the proposed District and which will also be responsible for implementing the Infrastructure Financing Plan ("IFP") required under District Law; and

WHEREAS, the proposed Altadena Public Financing Authority shall be a legal, public entity separate from the County of Los Angeles, and shall establish bylaws and rules of procedure to govern its meetings; and

WHEREAS, pursuant to Government Code section 53398.51.1, the County of Los Angeles participating as the lone taxing entity, the membership of the PFA shall consist of three members of the Board of Supervisors and two members of the public chosen by the Board of Supervisors.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Los Angeles that:

1. The Board finds that the Eaton Fire disaster caused damage to the area within the boundaries of the Altadena District (unincorporated Altadena) so prevalent and so substantial that the physical and economic burden created by the Eaton Fire cannot reasonably be expected to be reversed or alleviated by private enterprise or government action, or both without the establishment of the District to assist redevelopment and recovery. The Governor declared a State of Emergency on January 7, 2025, and a mandatory evacuation order for all of Altadena was in place from January 8th to January 31st. The Eaton Fire profoundly disrupted life in the community and resulted in the destruction of 9,400 structures, including homes, businesses, schools, government facilities, and places of worship. Families who lost their homes continue to be displaced, and critical infrastructure (roads, water, sewer, storm drains, utilities, etc.) needs to be repaired or replaced to allow for the rebuild of homes and businesses.
2. Further, the Board finds:
 - (A) The Altadena District is proposed to be established under the terms of Division 6 of Title 6 of the California Government Code, as amended by SB 782, and the proposed District map of unincorporated Altadena is attached.
 - (B) Public facilities and projects included in the District may include: 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. In addition, projects may include those that mitigate the risk of future disaster (water and energy resource access during emergencies, and undergrounding of utilities), and projects that support economic recovery from a disaster, as described in Section 62313 (f)(3) of the California Government Code.
 - (C) Given the level of destruction created by the Eaton Fire, the need for the District is overwhelming, and the primary goal of the District is to fund infrastructure projects that will allow for the rebuilding of the community.
 - (D) Pursuant to Section 53398.68 of the California Government Code, incremental property tax revenue from the County of Los Angeles may be used to finance the activities described in this resolution. Commitment and contribution to the District of up to ninety percent of the County's portion of the ad valorem property tax increment and the County's available portion of the motor vehicle license fee revenues from within the boundaries of the District for the life of the District, subject to limits on tax increment contributions and time provided by law and this resolution.
 - (E) The County does not intend to include tax revenues derived from local sales and use taxes in its contribution to the District. Any consideration of the use of Bradley-Burns

or other sales and use taxes would require future Board of Supervisors and PFA approval.

(F) The public meeting of the governing board to consider adoption of the IFP for the Altadena District shall take place on or about December 10, 2025. The place of the public meeting is at the Kenneth Hahn Hall of Administration, 500 W. Temple Street, Los Angeles, CA 90012. Notice of the exact time and place of the meeting will be posted in advance.

3. The Board intends that the County of Los Angeles shall be the sole taxing entity to participate in the Altadena District;
4. Pursuant to Government Code section 53398.51.1, as the participating taxing entity in the proposed Altadena District, the County of Los Angeles will have membership in the governing body of the Altadena District as follows:
 - a. The member of the Board of Supervisors elected by the Supervisorial District containing the majority of the District territory, shall be one member of the PFA,
 - b. Two other Supervisors of the County of Los Angeles, as determined by the Board of Supervisors, and
 - c. two members of the public appointed by the Board of Supervisors;
5. The CEO, in consultation with a consultant retained by the CEO, will prepare the IFP in accordance with District Law;
6. The IFP will be presented to the governing body of the Altadena District on or about December 10, 2025 for approval, and will be consistent with Section 53398.63 which requires a map and legal description of the area, a description of the public infrastructure projects to be financed, and a financing section describing the amount and division of future property tax increment, project time and dollar limits;
7. By approving this resolution, consistent with District Law, the Board of Supervisors provides its approval for the future contribution of County General Fund share of property tax increment and motor vehicle license fees to the Altadena District, consistent with the IFP approved by the governing body of the Altadena District;
8. The governing body of the Altadena District shall post notice of its meeting at least 10 days prior to the meeting, and make available the IFP 30-days prior to its meeting;
9. The governing body of the Altadena District will hold a public meeting for the establishment of the proposed Altadena District and approval of the IFP;
10. This resolution obligates the County of Los Angeles to contribute incremental tax revenue to the Altadena District to be used consistent with the IFP approved by the governing body of the Altadena District, which may be amended as provided by law;
11. This Resolution provides the Board of Supervisor's approval to establish the proposed Altadena District. The approval of the IFP is contingent upon the approval by the governing body of the Altadena District;
12. This Resolution forming the Altadena District shall take effect immediately upon its approval by the Board of Supervisors of the County of Los Angeles; and

13. The County CEO, Auditor-Controller, or their designees may access and review the Altadena District's records upon request for any purpose.

The foregoing resolution was on the __ day of _____ 2025, adopted by the Board of Supervisors of the County of Los Angeles.

EDWARD YEN
Executive Officer
Board of Supervisors of
the County of Los Angeles

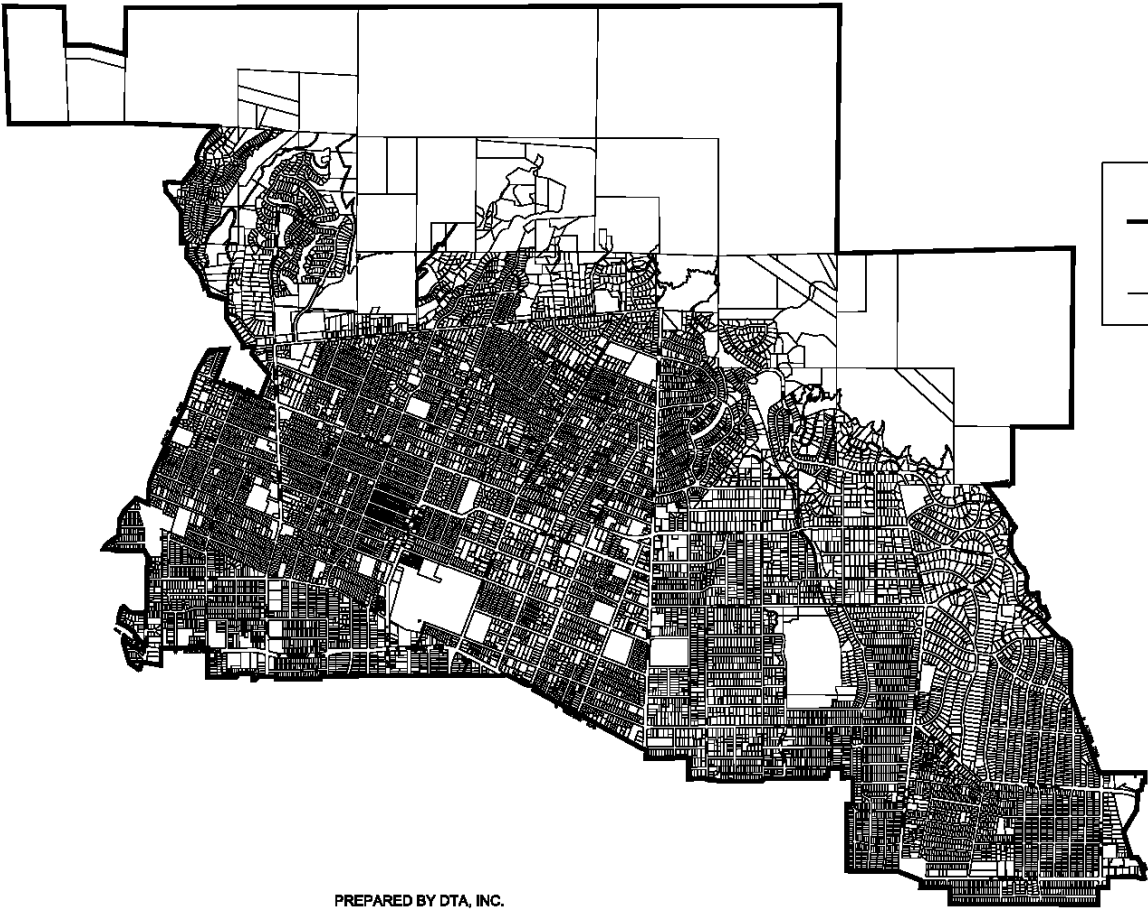
By _____
Deputy

APPROVED AS TO FORM

DAWYN R. HARRISON
County Counsel

By 
Deputy County Counsel

**PROPOSED BOUNDARIES OF
CLIMATE RESILIENCE DISTRICT
ALTADENA, COUNTY OF LOS ANGELES
STATE OF CALIFORNIA**



LEGEND

- Proposed Boundaries of Climate Resilience District (CRD) Altadena, County of Los Angeles, State of California
- Assessor Parcel Line

Reference is made to the Assessor Maps of the County of Los Angeles for a description of the lines and dimensions of each lot and parcel.

