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Chief Executive Office.

COUNTY OF LOS ANGELES
Kenneth Hahn Hall of Administration
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ACTING CHIEF EXECUTIVE OFFICER
Joseph M. Nicchitta

"To Enrich Lives Through Effective and Caring Service"

November 18, 2025

**ADOPTED**
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

33 November 18, 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:

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

**ADOPT A RESOLUTION OF THE BOARD OF SUPERVISORS APPROVING THE LOS ANGELES COUNTY'S PARTICIPATION IN THE UNINCORPORATED SANTA MONICA MOUNTAINS WILDFIRE DISASTER RECOVERY FINANCING DISTRICT (THIRD DISTRICT) (3-VOTES)**

## SUBJECT

Approve a resolution authorizing the Los Angeles County's (County) participation in the Unincorporated Santa Monica Mountains Wildfire Disaster Recovery 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 of Supervisors' (Board) 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 Third Supervisorial District, two other Supervisors, and two members of the public.

## 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 Unincorporated Santa Monica Mountains area following the devasting Palisades Fire in January 2025. The devastation to the overall community was extensive and severe, and resulted in the destruction of numerous structures including homes, businesses, and public

infrastructure. Infrastructure projects to be funded by the District include the rebuilding and replacement of destroyed infrastructure including 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, 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 infrastructure in the various communities of the Unincorporated Santa Monica Mountains 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.

Typically, a proposed EIFD will appear on two Board agendas, at the beginning and end of the adoption process. According to the expedited process of SB 782, the proposed Disaster Recovery District will only come to your Board once. The Chief Executive Office (CEO) will provide your Board with a report consistent with the requirements of Board Policy No. 3.106 for evaluating EIFDs. That report will confirm that the District's Infrastructure Financing Plan (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 Board Policy No. 3.106 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. Board Policy No. 3.106 did not anticipate disaster recovery projects that are focused on infrastructure projects that will assist in rebuilding primarily single-family residential neighborhoods 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. On October 21, 2025, your Board adopted a resolution to establish, form, and participate in the Altadena Wildfire Recovery Infrastructure Financing District, which included a directive to the CEO to provide amendments to the existing Board Policy No. 3.106 on Evaluating Tax Increment Financing Districts to address best practices and appropriate policies for disaster-related infrastructure financing districts for the Audit Committee's consideration within 180 days.

Once the infrastructure projects are complete, funds will revert to the County General Fund. An initial analysis was presented to the County's Community Services Cluster on October 22, 2025.

## FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The law authorizing the 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 signed by the Governor on October 10, 2025. SB 782 allows for a new type of tax increment financing district: Disaster Recovery District. The Unincorporated Santa Monica Mountains 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 and maximize the amount of future property tax revenues going to the District.

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 up to 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 your Board and two members of the public appointed by your 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 the CEO and its consultant at a later date by April 15, 2026, or sooner, 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 infrastructure damaged or destroyed in the Palisades 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 No. 3.106 on Tax Increment Financing Districts. Initial analysis was presented to the Community Services Cluster on October 22, 2025, and the CEO will provide a written report to your Board prior to the adoption of the District's IFP by its PFA. Therefore, the CEO recommends that your Board approve the resolution for the County's participation in the Unincorporated Santa Monica Mountains 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 Budget and Operations Management Branch – Municipal and Unincorporated Area Services.

Respectfully submitted,



Joseph M. Nicchitta

Acting Chief Executive Officer

JMN:JG:MRM
RM:cg

Enclosures

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

**ENCLOSURE**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ESTABLISH THE PROPOSED UNINCORPORATED SANTA MONICA MOUNTAINS WILDFIRE DISASTER RECOVERY 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 signed by the Governor on October 10, 2025. SB 782 is an urgency statute which took 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, 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; and

**WHEREAS,** the Governor of California declared a state of emergency in response to the January 2025 wildfires in the Unincorporated Santa Monica Mountains area known as the "Palisades Wildfire" on January 7, 2025; and

**WHEREAS,** this resolution, consistent with the EIFD Law and CRD Law, as amended by SB 782, creates the Unincorporated Santa Monica Mountains Wildfire Disaster Recovery Financing District ("Unincorporated Santa Monica Mountains District"); and

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

**WHEREAS,** the proposed Unincorporated Santa Monica Mountains 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 Unincorporated Santa Monica Mountains District that were damaged or destroyed in the wild fires and will promote economic development both within and outside the Unincorporated Santa Monica Mountains 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 Unincorporated Santa Monica Mountains 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 Palisades Fire disaster caused damage to the area within the boundaries of the Unincorporated Santa Monica Mountains District so prevalent and so substantial that the physical and economic burden created by the Palisades 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 the portion of the Unincorporated Santa Monica Mountains within the Unincorporated Santa Monica Mountains District was in place from January 8th to approximately January 27th. Further, the Pacific Coast Highway and SR-27 remained closed until May 23rd, which created a significant burden on the residents in the area.

   The Palisades Fire profoundly disrupted life in the community and resulted in the destruction of many structures, including homes, businesses, and critical infrastructure. 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 Unincorporated Santa Monica Mountains 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 the Unincorporated Santa Monica Mountains District 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 Palisades Fire, the need for the District is significant, 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 Unincorporated Santa Monica Mountains District shall take place on or about April 15, 2026. 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 Unincorporated Santa Monica Mountains District;

4. Pursuant to Government Code section 53398.51.1, as the participating taxing entity in the proposed Unincorporated Santa Monica Mountains District, the County of Los Angeles will have membership in the governing body of the Unincorporated Santa Monica Mountains 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 will prepare the IFP in accordance with District Law;

6. The IFP will be presented to the governing body of the Unincorporated Santa Monica Mountains District on or about April 15, 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 Unincorporated Santa Monica Mountains District, consistent with the IFP approved by the governing body of the Unincorporated Santa Monica Mountains District;

8. The governing body of the Unincorporated Santa Monica Mountains 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 Unincorporated Santa Monica Mountains District will hold a public meeting for the establishment of the proposed Unincorporated Santa Monica Mountains District and approval of the IFP;

10. This resolution obligates the County of Los Angeles to contribute incremental tax revenue to the Unincorporated Santa Monica Mountains District to be used consistent with the IFP approved by the governing body of the Unincorporated Santa Monica Mountains District, which may be amended as provided by law;

11. This Resolution provides the Board of Supervisor's approval to establish the proposed Unincorporated Santa Monica Mountains District. The approval of the IFP is contingent upon the approval by the governing body of the Unincorporated Santa Monica Mountains District;

12. The Board of Supervisors further declares that, pursuant to Government Code Section 53398.51.1, should another taxing entity agree to participate as a taxing entity, then the PFA membership shall be modified in accordance with Government Code Section 53398.51.1;

13. This Resolution forming the Unincorporated Santa Monica Mountains District shall take effect immediately upon its approval by the Board of Supervisors of the County of Los Angeles; and

14. The County CEO, Auditor-Controller, or their designees may access and review the Unincorporated Santa Monica Mountains District's records upon request for any purpose.

The foregoing resolution was on the 18th day of November 2025, adopted by the Board of Supervisors of the County of Los Angeles.

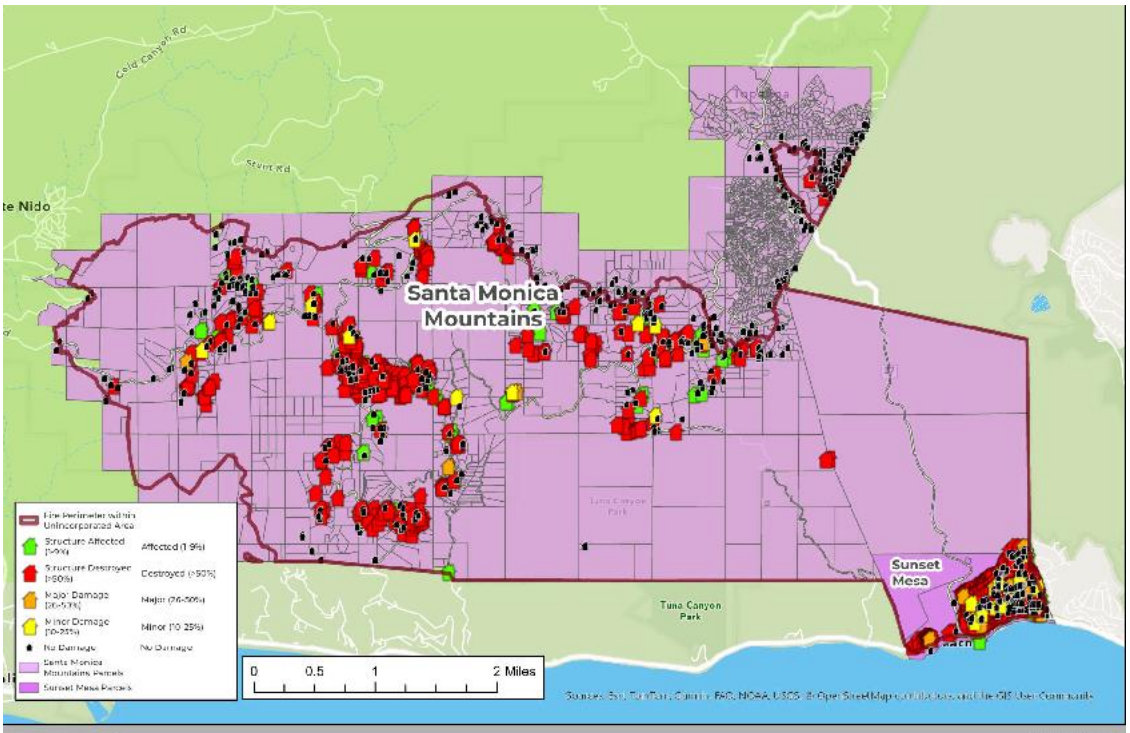
EDWARD YEN
Executive Officer
Board of Supervisors of
the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM

DAWYN R. HARRISON
County Counsel

By _____
Deputy County Counsel




Draft Boundary