



# Climate Resilience and Disaster Recovery Financing Districts

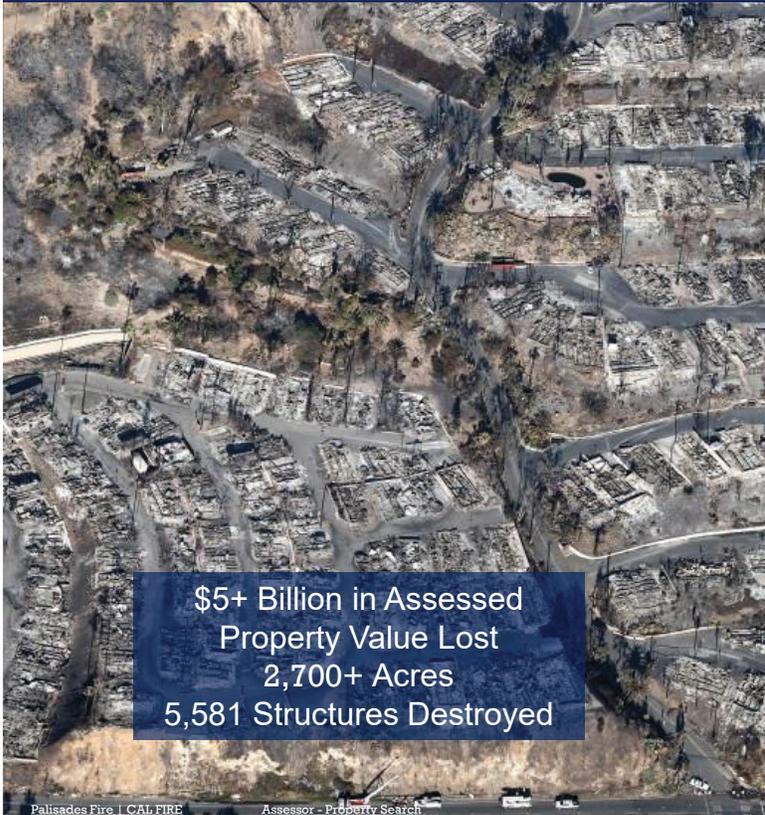
## SCAG Regional Council Presentation

March 5, 2026



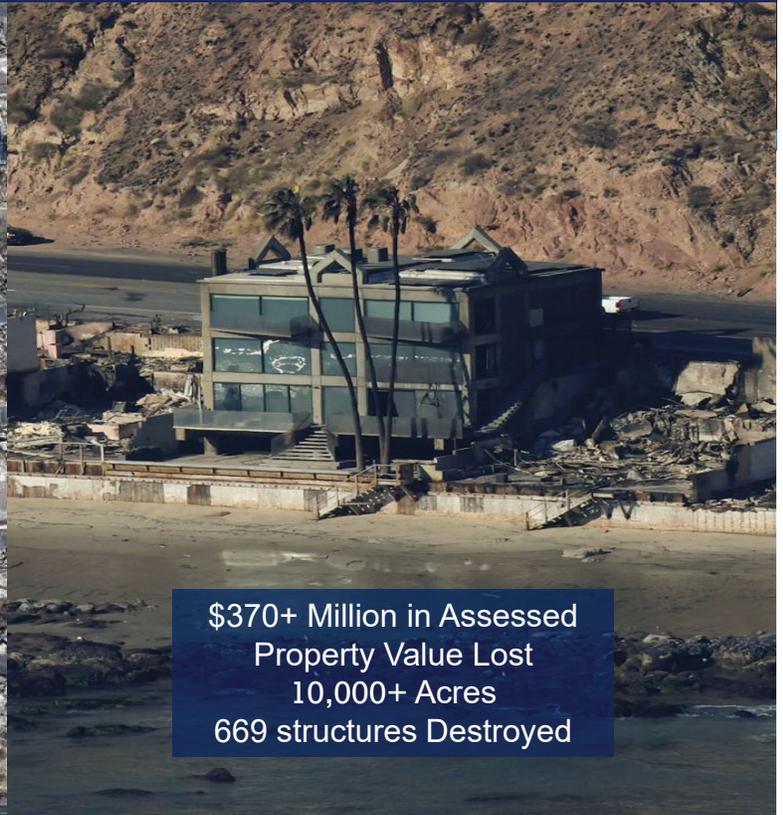
Prepared by:  
Kosmont Companies

### Pacific Palisades & Brentwood



\$5+ Billion in Assessed  
Property Value Lost  
2,700+ Acres  
5,581 Structures Destroyed

### Santa Monica Mountains



\$370+ Million in Assessed  
Property Value Lost  
10,000+ Acres  
669 structures Destroyed

# Who Are The Players In The Recovery Effort?

## Public Sector



Technical  
Advisory

## Private Sector

- Property Owners
- Developers/Contractors
- Utilities (public & private)
- Service Providers
- Civic Organizations
- Non-Profits/Philanthropic

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# Infrastructure Is The Path To Recovery

1

Assess damage, fund/conduct clean-up and prioritize recovery areas based primarily on infrastructure delivery

Ongoing

2

Identify infrastructure costs and installation timing (roads, sewer, water, utilities) and **Create Disaster Recovery District (TIF District)**

In Process

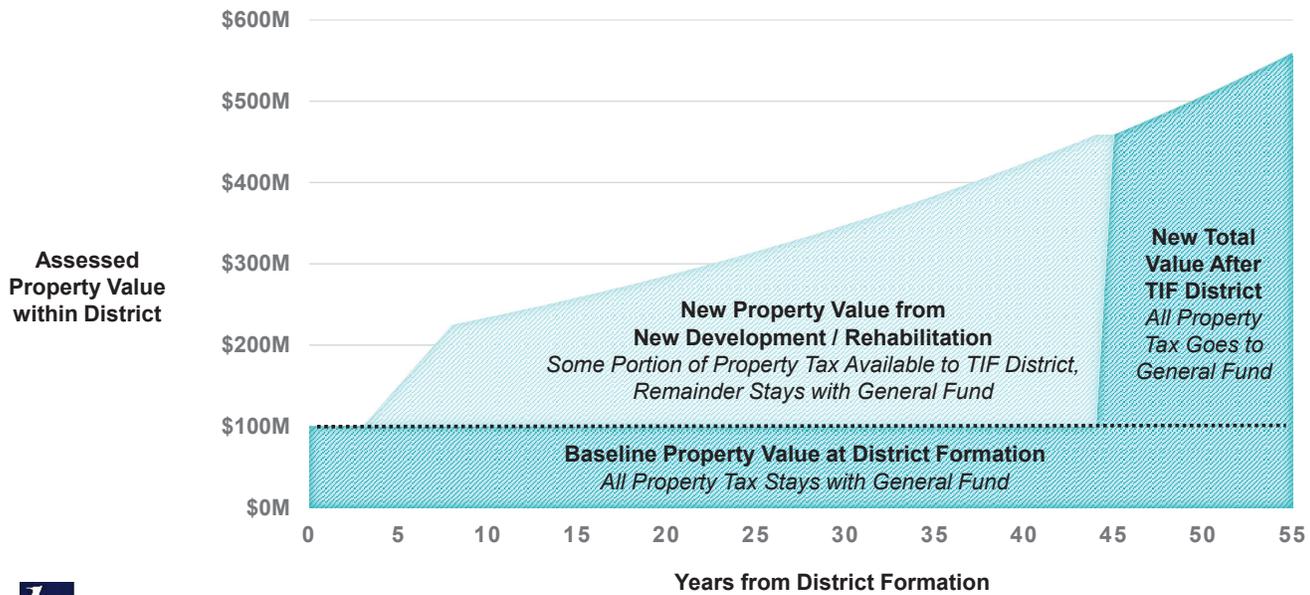
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Arrange and deploy early funding for infrastructure and community improvements that enable return of housing and business

Next

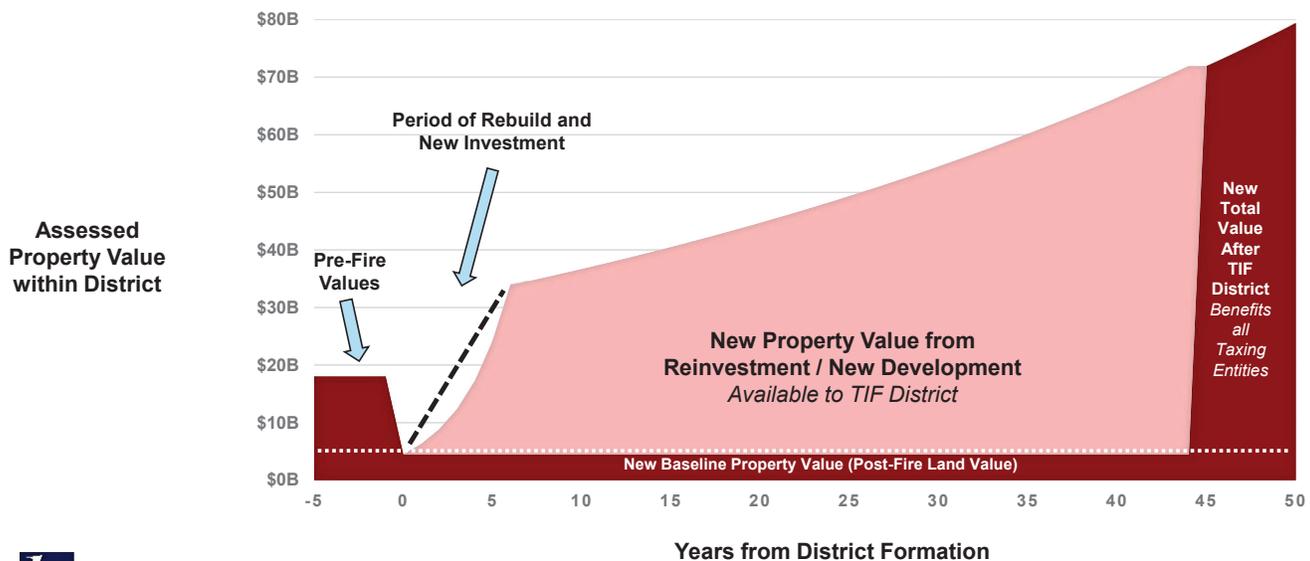
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# What is Tax Increment Financing (TIF) – Not a New Tax



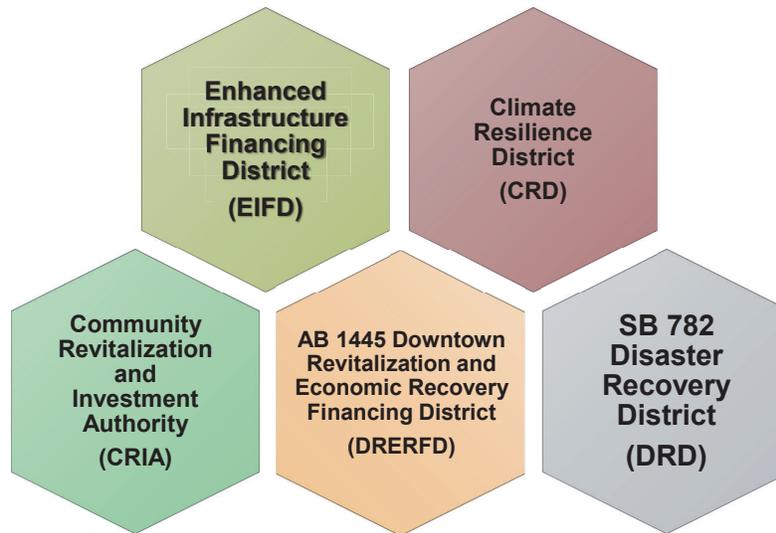
Note: Illustrative.

## TIF in the Post-Fire Rebuild Context *Focused Public Investment is Needed to Return to Pre-Fire Values*



Note: Illustrative.

# TIF District Alternatives



# DRD Fundamentals

- SB 782 (Perez) approved October 10, 2025 as urgency statute, taking effect immediately
- Accelerates the formation process of an “emergency” CRD, streamlining process if focused within a disaster recovery area
- District revenue would be focused on:
  - Repairing or replacing damaged structures (infrastructure, residential and commercial buildings, affordable housing, other)
  - Mitigating the risk of a future disaster
  - Supporting economic recovery from a disaster

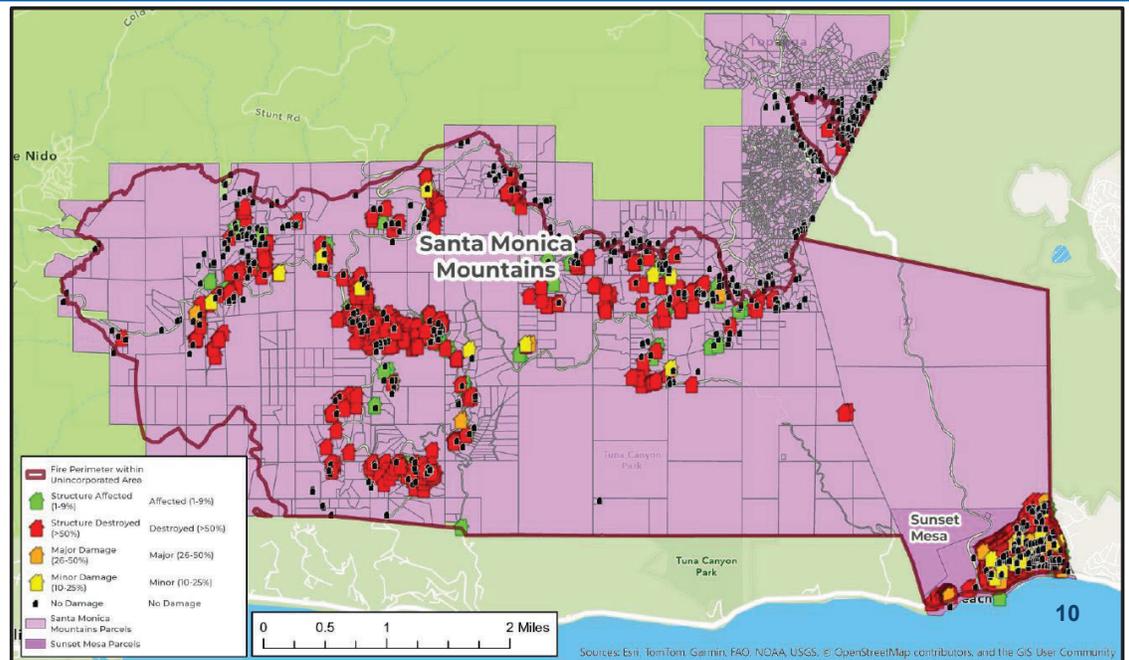
# Comparison of TIF District Alternatives

	EIFD	CRD	DRD
<b>Authorizing Statute</b>	<ul style="list-style-type: none"> <li>SB 628 (2014)</li> </ul>	<ul style="list-style-type: none"> <li>SB 852 (2022)</li> </ul>	<ul style="list-style-type: none"> <li>SB 782 (2025)</li> </ul>
<b>Relative Advantages</b>	<ul style="list-style-type: none"> <li>Broadest list of eligible improvements</li> <li>Established precedent within County and State, incl. bonds</li> <li>Clear authority to fund affordable housing</li> <li>No qualification process</li> </ul>	<ul style="list-style-type: none"> <li>Authority to fund operations, in addition to capital and maintenance</li> <li>Authority to levy special tax or benefit assessment</li> <li>Explicit authority to hire staff</li> <li>No qualification process</li> </ul>	<ul style="list-style-type: none"> <li>Expedited formation timeline</li> <li>Authority to fund capital, maintenance, and operations</li> <li>Eligible activities include low-interest loans, training programs, and (private) residential and commercial reconstruction</li> </ul>
<b>Relative Disadvantages</b>	<ul style="list-style-type: none"> <li>Longer formation process</li> <li>Cannot fund operations</li> <li>No special tax authority</li> </ul>	<ul style="list-style-type: none"> <li>Longer formation process</li> <li>No clear authority to fund affordable housing or other non-climate projects</li> </ul>	<ul style="list-style-type: none"> <li>Qualification process (at least 80% "disaster" area)</li> <li>Least precedent</li> <li>No special tax authority</li> </ul>



# Los Angeles County Unincorporated Santa Monica Mountains Wildfire DRD

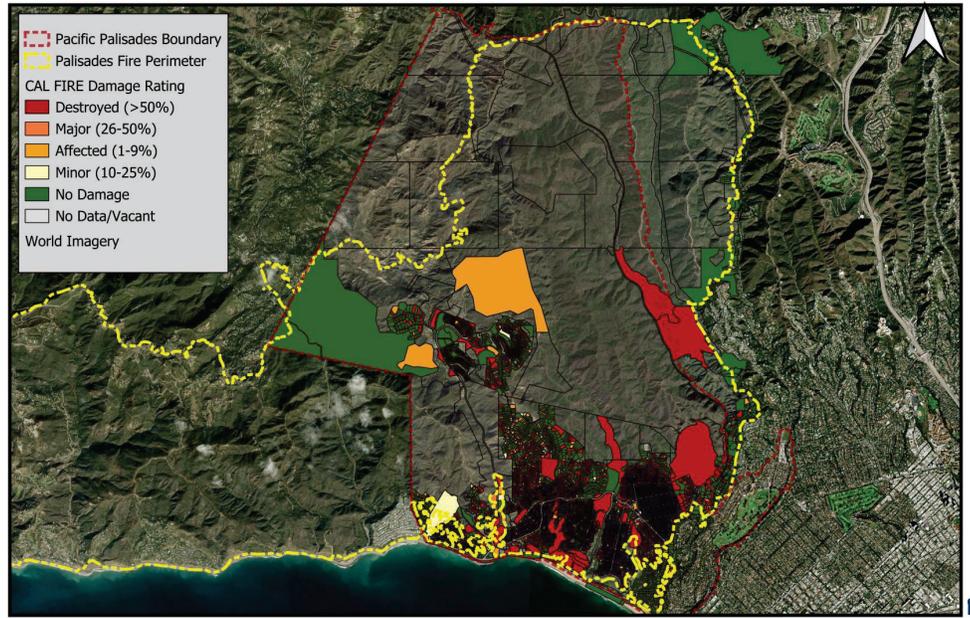
- **10,110 acres** (0.38% of Countywide acreage)
- **669 destroyed and affected structures\***
- Approx. **\$2.45 billion** in pre-fire assessed value
- Approx. **\$2.1 billion** in post-fire assessed value (0.1% of Countywide assessed value)
- **\$370 million** loss (15% loss)
- Preliminary estimates of **~\$185M** in present-value DRD funding capacity
- County Board of Supervisors Resolution of Intention in Dec. 2025; completion targeted in April/May 2026



\* Affected meaning between 1% and 50% structure damage

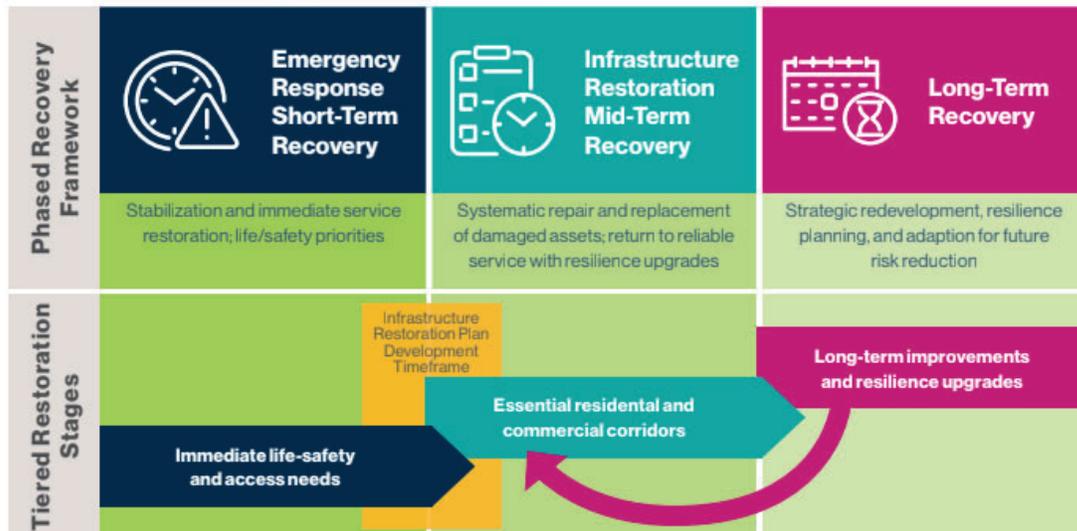
# Potential City of Los Angeles Palisades Fire DRD

- Current draft boundary is **2,790 acres** (0.9% of Citywide acreage)
- **5,581** destroyed and affected structures
- Approx. **\$21.3 billion** in pre-fire assessed value
- Approx. **\$16.3 billion** in post-fire assessed value (1.9% of Citywide assessed value)
- **\$5.0 billion** loss (23% loss)
- Preliminary estimates of **\$325M to \$1.26B+** in present-value DRD funding capacity
- Currently in City Council subcommittee discussion



# Palisades Public Infrastructure Restoration Plan

Figure ES.4: Framework for rebuilding adapted from FEMA classifications (FEMA, 2025)



Note: Additional reports address Wildfire Resistance and Logistics and Traffic Management  
 Source: AECOM Palisades Public Infrastructure Restoration Plan (February 2026)

# Common Themes in DRD Projects and Funding

- Repair of damaged water, sewer, and roadways
- Undergrounding and hardening of utilities
- Flood control and slope stability improvements
- Need to creatively recruit early funding from public, private, and philanthropic sources
- Evaluate and pursue joint venture efforts with various public agencies/districts if accretive to rebuild funding and implementation efforts.



## Putting DRD To Work

**Tax Increment (Ti) Is Not Front Loaded  
Ti Revenue Arrives After Private Investment Hits The Tax Rolls**

### **Palisades, Santa Monica Mountains Critically Need:**

- Immediate infrastructure repair (roads, water, utilities, sewer)
- Rebuilding of homes, commercial spaces, and public facilities
- Fire resilience and mitigation plans (hardening and safety)

### **Importance of Early Funding:**

- Funds infrastructure projects before initial TIF arrives
- Accelerates private investment which creates Tax Increment
- DRDs are preferred platforms to acquire Other Public Money (OPM) from state and federal funding resources
- DRDs can receive higher eligibility for certain grants



# What Is Proposition 4?

Approved By Voters In 2024: \$10 Billion For Statewide Climate Resiliency

## Possible Prop. 4 allocation opportunities applicable to fire recovery efforts:

1. \$ 415 million for coastal resilience
2. \$ 350 million for development shoreline flood management
3. \$ 185 million for local fire prevention/work force development
4. \$ 110 million for urban stormwater management projects
5. \$ 88 million to the Santa Monica Mountains Conservancy
6. Unallocated monies to be funded on a discretionary basis



<https://bondaccountability.resources.ca.gov/Home/Prop4Welcome>

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## Rebuilding The Highway May Be Best Source For Early Funding

The coastal communities are linked by PCH, which is a State HWY ...and its sinking

Oceanfront homes can't rebuild without additional collateral revetment for PCH

Significant erosion on both sides of PCH signals more damage to come from storms, mudslides and daily use

Caltrans financial participation in the rebuild could unlock and accelerate restoration and recovery

TIF enables local capitalization from initial loans that can match State funding

The three coastal communities/DRDs could join together and advocate for State's significant financial participation



THANK YOU  
Questions?



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## APPENDIX



# Detail on 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



## TIF Districts in Progress Statewide



Jurisdiction	Purpose
Artesia + L.A. County	Transportation and affordable housing
Barstow	Industrial and housing supportive infrastructure
Brentwood	Housing, employment, and transit-supportive infrastructure
Buena Park	Mall reimagination, tourism-supportive infrastructure
Calipatria (CRD)	Economic and climate resilience infrastructure
Carson + L.A. County	Remediation, affordable housing, recreation
Covina	Downtown housing and blended use supportive infrastructure
Downey + L.A. County	Transit-oriented development, affordable housing
Fresno	Downtown, housing and transit-supportive infrastructure
Humboldt County	Coastal mixed-use and energy supportive infrastructure
Inglewood + L.A. County (CRD)	Transportation and affordable housing
Imperial County	Renewable energy, housing and infrastructure
La Verne + L.A. County	Housing and transit-supportive infrastructure
Lakewood + L.A. County	Mall reimagination, smart streets, affordable housing
Long Beach	Economic empowerment and affordable housing
Los Angeles (Palisades, Downtown, other)	Affordable housing and transit-supportive infrastructure
Los Angeles County Santa Monica Mountains	Wildfire Recovery and Rebuild
Los Angeles County West Carson	Housing / bio-science / tech infrastructure
Madera County (3 Districts)	Water, sewer, roads and other housing infrastructure
Modesto + Stanislaus County	Downtown, housing, and recreation infrastructure
Mount Shasta	Rural brownfield mixed-use infrastructure
Napa	Downtown, housing, tourism supportive infrastructure
Norwalk + L.A. County	Affordable housing and infrastructure
Ontario	Airport-related, blended use, infrastructure
Palmdale + L.A. County	Housing, blended use, transit infrastructure
Pittsburg	Housing, commercial, and tech park infrastructure
Placentia + Orange County	Housing and TOD infrastructure
Rancho Cucamonga	Blended use and connectivity infrastructure
Redlands	Education related blended use, mall reimagination
Redondo Beach + L.A. County	Parks / open space, recreation infrastructure
Riverside County Thousand Palms	Housing, hospitality, medical supportive infrastructure
Sacramento County (Unincorporated)	Industrial / commercial supportive infrastructure
Salinas	Water, sewer, and other housing supportive infrastructure
Sanger	Commercial, hospitality, supportive infrastructure
Santa Cruz	Downtown, blended use, and climate resilience infrastructure
Santa Fe Springs + L.A. County	Housing and transit-oriented development infrastructure
Santa Rosa + County of Sonoma	Downtown investment, affordable housing, aging infrastructure
Scotts Valley + Scotts Valley Fire	Housing and mixed-use supportive infrastructure, fire facilities
Sebastopol + County of Sonoma	Housing, flood control, library, civic facilities
Sonoma County West (Unincorporated)	Housing, flood control, sewer, fire facilities
Yucaipa	Housing and commercial infrastructure



Fully Formed	In Formation Process	Under Evaluation
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