

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 21, 2025

CAO File No. 0100-00633-0004

Council File No. 25-0006-S18

Council District: All

To: The Council

From: Matthew W. Szabo, City Administrative Officer



Reference: Council File No. 25-0006-S18

Subject: **INITIAL COST ESTIMATES FOR JANUARY FIRE AND WINDSTORM EVENT**

RECOMMENDATIONS

That City Council note and file as this report is provided for informational purposes only.

SUMMARY

As a result of the January Fire and Windstorm event that began on January 7, 2025, the City has incurred costs associated with emergency response as well as having had numerous facilities and public infrastructure damaged in the event. To address the impacts of the incident, a Presidential Declaration was received, which allows the City to be reimbursed for all eligible costs and damages under the Federal Emergency Management Agency (FEMA) Public Assistance (PA) Program. This is the program that provides State and local jurisdictions with financial support to recover from major disasters. Under this program, the typical cost share is 75 percent from FEMA with the local jurisdiction responsible for the remaining 25 percent of costs. We would note that subsequent to the original Presidential Declaration, there was a supplemental action where the City will be reimbursed at 100 percent for 180 days for emergency protective measures (emergency response activities) and debris removal in the public right of way. While this reimbursement rate applies only to these two categories, the City remains eligible for reimbursement for all approved categories of recovery work once approved by FEMA. Throughout the process, the City will work with our local California Governor's Office of Emergency Services (CalOES) and FEMA representatives to facilitate the receipt of reimbursements.

In accordance with FEMA's process, the City submitted its Initial Damage Estimate (IDE), via the County and State, to FEMA totaling \$358 million in estimated emergency response costs, infrastructure/structural damages and debris removal. Details by Department are provided in Attachment 1 to this report and summarized below:

Emergency Protective Measures (response) – \$6.6 million

Infrastructure/structural damage to City facilities and equipment – \$350 million

Debris removal – \$1.2 million (primarily wind related)

The IDE reflects costs reported in the initial days of the event, January 7, 2025, through January 10, 2025. Although we submitted our IDE, per FEMA's process, it is understood that the information provided is a preliminary estimate only and for an event that is ongoing as of the writing of this report. Further, once the City is able to enter the fire damaged areas, additional damage to City facilities and infrastructure may be identified. Validation of all these estimated amounts will be required as we continue through the PA recovery process. Key things to note:

- Response costs will increase as we continue to deploy resources both in the field and to staff the Emergency Operations Center (EOC). While the attachment shows the amounts for those departments that have reported costs, other departments may have costs in this category that have not yet been reported as staffing needs can change over the course of an event.
- Not all of our response costs will be reimbursable as FEMA reimburses us for extraordinary costs, i.e. overtime, meaning regular time for response staff is not covered. Until we are able to collect and review payroll data for the event, it is difficult to estimate the amount of this category that will not be reimbursed, although all eligible reimbursable expenses should be at the 100 percent rate as noted above.
- Infrastructure or structural damage to City facilities estimates are not based on field assessments and may not represent all damaged infrastructure or facilities. As field assessments are conducted in the coming days and weeks, these numbers will be refined and finalized into discrete projects with CalOES and FEMA as discussed in more detail below.
- Debris removal during this time period was predominantly for wind-related damages such as downed trees and tree limbs. Once we begin debris removal in the public right-of-way in fire-damaged areas, this is expected to increase significantly. We are not able to provide a reasonable estimate at this time.

Given the ongoing nature of our response we have used the first three days of emergency response cost data (January 7-9) to project estimated costs through January 17, 2025 at approximately \$24 million as shown in Attachment 2. We continue to work with Departments on their cost submissions and can provide updated information once the event ends and we can begin validating the information submitted to date. This will allow us to better determine how much of this is for eligible overtime expenditures and emergency response equipment and supplies.

Additionally, in Attachment 3, we provide a high-level summary of the areas of greatest infrastructure damage listed by Department.

In terms of next steps, subsequent to submitting our IDE, the City has formally submitted its request for PA through the FEMA portal. In addition, we have submitted our application for California Disaster Assistance Act (CDAA) funds to CalOES, which will offset 75 percent of the City's 25 percent cost share for those costs not covered by the 100 percent FEMA reimbursement. If approved, the CDAA funds will reduce the overall City's share to 6.25 percent although these funds are also on a reimbursement basis.

This Office (CAO) is already working with CalOES and FEMA to begin the longer term recovery process. This will begin with an initial orientation for all City Departments that we expect to have in the next couple of weeks. This will be led by the CAO and CalOES before we have our initial Recovery Scoping meeting with FEMA. Preliminarily, we anticipate that the Recovery Scoping meeting will be held in late-February (dependent upon conclusion of event). From there, we will work with FEMA and CalOES on the development of the specific projects which are grouped into specific FEMA-defined categories:

CATEGORY	
A	Debris Removal
B	Emergency Protective Measures
C	Roads and Bridges
D	Water Control Facilities/Debris Basins
E	Buildings and Equipment
F	Utilities
G	Parks, Recreational & Other Facilities

Once the Recovery Scoping meeting is held, we will then work with FEMA, CalOES and the appropriate Departments to define the scope of work for specific projects and their elements. This will include field visits to physically assess the damaged facilities and infrastructure to validate that it was from the event and eligible for reimbursement. It is important to note that FEMA PA assistance is to restore what was damaged, not provide additional improvements or enhancements. Category B, Emergency Protective Measures, is where our response costs are covered although this may also include the procurement of equipment associated with that response as well. The development of these various project scopes will take some time given the scope of damage.

In the short term, the CAO will begin working with Departments to determine any funding needs in the current fiscal year associated with expenditures for overtime or expenses that exceed the Departments' resources and will need to identify a funding solution for these costs. As with all major disasters, the City fronts the costs, which are then reimbursed through the PA process.

For the longer term, once project scopes to repair physical infrastructure, such as the rebuilding of recreation centers and parks, the library, and other infrastructure, are defined, we will then need to identify funding to front-fund the design and construction of these facilities. This will likely be accomplished through the annual budget process given the longer term nature of these types of projects. Until we develop the final project scopes with FEMA and the Departments, we do not know the timeline under which funds will be needed.

We would note that funding for the Department of Water and Power infrastructure will be

identified from their revenues, not the City's General Fund.

FISCAL IMPACT STATEMENT

There is an impact to the General Fund for an amount yet to be determined based upon final approval of both FEMA and CalOES CDAA reimbursable grants. In the short term, the General Fund will need to provide front funding and we continue to work with Departments to better define the scope of current year needs, which will be better known at the conclusion of the event.

MWS:PJH:00250001c

Attachments

Summary of Reported Expenditures as of January 10, 2025

Department	Total Reported Costs	Emergency Response (Field and Emergency Operations Center)*	Infrastructure/Structural Damage	Debris Removal
Los Angeles World Airports	20,200	20,200	-	-
Animal Services	39,564	39,564	-	-
Building and Safety	15,000	15,000	-	-
City Administrative Officer	13,200	13,200	-	-
City Attorney	22,313	22,313	-	-
Department on Disability	59,231	59,231	-	-
Emergency Management	67,031	67,031	-	-
General Services	236,861	236,861	-	-
Los Angeles Housing	720	720	-	-
Information Technology Agency	48,712	48,712	-	-
Water and Power	76,066,978	262,382	75,804,596	-
Los Angeles Fire Department	4,070,364	4,060,864	9,500	-
Los Angeles Police Department	1,291,174	1,240,574	50,600	-
Los Angeles Library	55,190,670	-	55,188,455	2,215
Personnel	13,050	13,050	-	-
PW - Contract Administration	6,000	6,000	-	-
PW - Engineering	28,800	28,800	-	-
PW - Sanitation	47,882,121	11,000	47,871,121	-
PW- Street Lighting	15,707,300	-	15,707,300	-
PW- Street Services	625,000	25,000	-	600,000
Recreation and Parks	156,080,000	-	155,680,000	400,000
Transportation	340,000	340,000	-	-
Zoo	210,000	-	-	210,000
Total Estimated	358,034,289	6,510,502	350,311,572	1,212,215

*Reflects reported response costs for period of Jan 7 - Jan 10 only. Other Departments may have responded since this initial time frame.

Emergency Protective Measures (Field and Emergency Operations Center Response)*

Department	Initial Response Period (January 7-9)	Ongoing Estimated Response Cost (January 10-17)	Total Estimated
Los Angeles World Airports	20,200	53,867	74,067
Animal Services	39,564	105,504	145,068
Building and Safety	15,000	40,000	55,000
City Administrative Officer	13,200	35,200	48,400
City Attorney	22,313	59,501	81,814
Department on Disability	59,231	157,949	217,180
Emergency Management	67,031	178,749	245,780
General Services	236,861	631,629	868,490
Los Angeles Housing	720	1,920	2,640
Information Technology Agency	48,712	129,899	178,611
Water and Power	262,382	699,685	962,067
Los Angeles Fire Department	4,060,864	10,828,971	14,889,835
Los Angeles Police Department	1,240,574	3,308,197	4,548,771
Personnel	13,050	34,800	47,850
PW - Contract Administration	6,000	16,000	22,000
PW - Engineering	28,800	76,800	105,600
PW - Sanitation	11,000	29,333	40,333
PW- Street Services	25,000	66,667	91,667
Transportation	340,000	906,667	1,246,667
Total Estimated	6,510,502	17,361,339	23,871,841

*Estimated based upon Department submissions as of Jan 10, 2025, which was primarily for activities done Jan 7-9).

Additional Departments may have responded since initial time frame; pending data submission

Types of Infrastructure Damaged*

Department of Water and Power	75,804,596
Distribution Stations damaged including equipment, wiring, etc. (3 locations)	2,330,000
Distribution system failures - misc \$1-\$2k responses for circuits, relays, ect system wide)	30,274,336
Distribution system in mobile home park was destroyed by the fire	25,143,260
LADWP Owned street and outdoor lights (approximately 7,000 in various locations)	18,057,000
Los Angeles Library	55,188,455
Pacific Palisades Library (structure and contents) was destroyed in the fire	55,000,000
Smoke, ashes, and dust in the HVAC filters 73 libraries affected, required charchol and primary filters	188,455
PW Sanitation	47,871,121
Emergency measures to keep facilities operational (vactor pumping, fence replacement, equipment for power outages)	428,924
Full replacment of stormwater structures (2 locations: Old Oak Road and Temescal Canyon)	13,000,000
Pumping plants (11 locations; full replacmentst to minor damage but field assesments needed)	34,442,197
PW Street Lighting	15,707,300
Street Lights damaged/destroyed due to winds and fire (number unknown; includes cost of banners)	15,707,300
Recreation & Parks	155,680,000
Recreation Centers (2 damaged both facilities and park amenities: Palisades and Rustic Canyon)	122,500,000
Park Amenities (12 parks)	32,180,000