

**Submitted Written Testimony of David A. Schwarz**  
**Chairman, Rebuild Committee, Pacific Palisades Community Council**  
**Before the U.S. Senate Special Committee on Aging**  
**Field Hearing on: “Forgotten After the Flames: Stories from the Palisades Fire”**  
**Thursday, November 13, 2025, at 9:00 a.m. Pacific Time**  
**Pacific Palisades, California**

Chairman Scott and Senator Johnson, thank you for the opportunity to discuss the impacts of the Palisades Fire on our family and my neighbors, and to propose a way forward to rebuild our community within our lifetimes. Palisadians have substantial reason to doubt that the City is up to this task, which is one reason why I appreciate your decision to visit Pacific Palisades so that you can see first-hand the magnitude of the devastation and better understand the enormity of rebuilding our schools, homes, businesses, and community.

My name is David Schwarz. I am Chairman of the Rebuild Committee of the Pacific Palisades Community Council (“PPCC”), an NGO created over fifty years ago to advocate for Palisadians. I am appearing here today in my personal capacity, as PPCC has not yet taken an official position on aspects of what I’m going to discuss today.<sup>1</sup>

Until January 7th, my family lived in the Huntington Palisades, which is bounded by Sunset Boulevard and the cliffs overlooking the Pacific Ocean. Although most of my neighbors’ homes were destroyed, by some miracle ours survived. Because we are located in the epicenter of the burn zone, the thermal damage and toxic metal contamination renders our home presently unsafe to inhabit.

After he toured our devastated community on January 24, 2025, President Trump said this: “We’re going to get it fixed — *though we’ll get it permanently fixed so it can’t happen again.*”<sup>2</sup> Gavin Newsom told us that “California is organizing a Marshall Plan to help Los Angeles rebuild faster and stronger.”<sup>3</sup> Ten months into this crisis, Palisadians are losing hope. The City can’t take charge of the rebuild. To date, the Governor has chosen not to exercise his extraordinary emergency powers to assume responsibility of a public works project rivaling the scale of the Hoover Dam. And neither the City nor the State has the financial resources to tackle this problem.

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<sup>1</sup> I am also a Partner in the Business Trial Practice Group of Sheppard Mullin Richter & Hampton LLP, with specialization in constitutional and administrative law. My professional biography may be accessed at <https://www.sheppardmullin.com/dschwarz>. The views expressed in my testimony today are mine, and do not necessarily reflect the views of Sheppard Mullin, its clients, or my partners.

<sup>2</sup> ‘We’re going to get it fixed’, Trump vows to help LA after touring wildfire zone | FOX 11 Los Angeles, at <https://www.foxla.com/news/president-donald-trump-visit-la-wildfire-areas-friday>.

<sup>3</sup> <https://www.gov.ca.gov/2025/01/13/governor-newsom-proposes-billions-in-new-funding-for-l-a-firestorm-response-and-recovery/>.

Without jumpstarting reconstruction, vacant lots and unoccupied houses will give license to squatters, petty crime, and vandalism. Without fire resiliency infrastructure improvements, the cost and availability of insurance will remain a huge barrier to obtaining construction financing or home mortgages. Without insurance, many people will refuse to reinvest in a designated Very High Fire Hazard Severity Zone. Without new home and commercial rebuilding, the property tax base will remain stagnant. Without federal support, the Palisades will remain America's most visited disaster tourist destination and an embarrassment to the host country of the 2028 Summer Olympic Games in LA.

I am going to say something that may buck the orthodoxy around federal disaster recovery appropriations: Do not write the City or the State a blank check. Do not pump billions of dollars in unearmarked block grants for infrastructure reconstruction or hazard mitigation. To expedite reconstruction, leverage private sector innovation and investment, and to restore accountability over spending, Congress should insist on four clear, measurable, and necessary conditions before it releases another dollar of federal infrastructure reconstruction assistance.

**First**, the Governor must create an *Independent* Pacific Palisades Community Reconstruction Authority (the "Authority") to oversee the distribution of federal and state infrastructure funding. Governor Newsom has the power to create this Authority under the California Emergency Services Act ("CESA"), [Cal. Gov. Code § 8550 et seq.](#) He should exercise that executive power, much as New York Governor George Pataki did after 9/11. Governor Pataki knew that ceding control over the World Trade Center reconstruction to the State Legislature would lead to a political negotiation over every aspect of the rebuild and would cause needless delays. So he bypassed Albany, created the Lower Manhattan Development Corporation ("LMDC"), and appointed a board of directors that did *not* include even one elected local or state official, thus making its decisions less susceptible to political pressures and agency capture.

**Second**, Governor Newsom must delegate to that Authority certain of his emergency powers to coordinate rebuilding logistics, including traffic, security, supply chain management, facilities construction, and street improvement sequencing within the reconstruction zone. The Authority must also be given the power to accelerate the pace of rebuilding, including by cutting through contradictory or burdensome permitting requirements or by providing safe harbor protections from some of California's most punitive public works wage and hour or hiring regulations.

**Third**, while the Authority needs to be independent from City Hall, it must be accountable to residents *and* to the federal government to safeguard against mission creep or co-optation by interest groups. There has to be strings attached to each tranche of federal funding so that the Authority will remain focused on the economic and infrastructure needs of Palisades residents and business owners. This means Sacramento and Washington have to reach agreement on the composition of the Authority's board of directors.

**Fourth**, Palisadians should not be asked to repair the damage to their streets, sewers, or utilities after being so grievously let down by their elected and public safety officials. This does *not* mean that the City and Palisades residents – the long-term beneficiaries of fire resiliency infrastructure *improvements*, such as undergrounding power lines – would be unwilling to co-

invest alongside the federal government, including through long-term bonds backstopped by tax increment financing, special property tax assessments, federal loans, or loan guarantees.

One more top level consideration: ***We are running out of time.*** Governor Newsom has about 12 months left in his administration during which he can do much that is substantial. If Congress is going to condition funding on implementation of these obvious and necessary steps, the discussions should not be left for Governor Newsom's successor to resolve.

The U.S. Army Transportation Corps has a motto: "Nothing Happens Until Something Moves." This rebuild needs to get moving, now. That's what my neighbors have been saying at every one of the innumerable town halls and "listening tours" conducted by our elected officials. Those officials should be listening to the current occupant of 1600 Pennsylvania Avenue, who understands what it takes to manage a construction project of this size and complexity.

Forty years ago, President Trump took over the stalled renovation of the Wollman Rink in Central Park, completing in four months (and under budget) what New York City failed to accomplish in six years. He showed how private enterprise could run circles around government bureaucracy, and New Yorkers loved it. The Trump Organization then reclaimed blighted Columbus Circle by recreating the Gulf + Western Building. And he created Riverside South, now home to over 10,000 people on a former West Side rail yard site. This past April, the Trump Administration took over the New York Penn Station overhaul by withdrawing the Metropolitan Transportation Authority from leading the reconstruction project in order to "drive efficiencies, reduce costs, and deliver results faster than traditional government-led projects."<sup>4</sup> We need – desperately – an infusion of the can-do audacity that drove these projects across the finish line.

As far as we know, neither Mayor Bass nor Governor Newsom has asked President Trump how he would resurrect the Palisades. So, Mr. President – we're asking. Bring us your ideas, your impatience with the status quo, and your willingness to set aside the business-as-usual federal disaster relief playbook – so we can fix the Palisades so this "so it can't happen again."

**1. The damage caused by the Palisades Fire goes far beyond the loss of thousands of homes and businesses.**

The Palisades Fire burned 23,448 acres (37 square miles), killed 12 people, and destroyed 6,837 structures, making it the most destructive fire in the history of the City of Los Angeles. These statistics do not convey the full extent of the damage caused to the remaining 3,000 structures impacted by soot, ash, vegetative char, toxic metals (such as lead, lithium, and chromium), and other carcinogens. According to one estimate, one million pounds of lithium-ion power walls or car batteries were scraped from damaged home sites. No one can accurately predict long-term impacts from the toxic metals they left behind.

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<sup>4</sup> <https://www.transportation.gov/briefing-room/trumps-transportation-secretary-sean-p-duffy-takes-control-penn>.

It therefore must be presumed that, in addition to the structural damage associated with exposure to extreme heat, virtually all HVAC/mechanical systems, electronics and electrical systems, light fixtures and appliances are at risk of deterioration, oxidation, and corrosion due to the fire insults. The same holds true for drywall, attic and wall insulation, cabinetry, floors, weatherstripping, or any other soft or porous material that can absorb chemicals and toxic metals. Those who did not lose their homes face the uncertain and costly prospect of remediation which, in some cases, has required taking the house down to the studs.

## **2. The failure to better prepare for, anticipate, and respond to the January 7<sup>th</sup> fires.**

The Palisades is a Very High Fire Hazard Severity Zone. That means it is designated by the California Department of Forestry and Fire Protection (“CAL FIRE”), as having a greater risk for life and property loss from wildfires, based on factors like vegetation, topography, and weather. Fires in these zones start easily from all causes and can spread rapidly with high intensity, making them very difficult to control. No one – least of all our firefighters and elected officials – should be unfamiliar with the dangers presented by a wildfire in the Palisades.

Second, most every Angeleno knows that the maximum danger of wild fires comes in December and January when the hot, dry Santa Anas hit their peak.<sup>5</sup> We need to know whether LAFD did all that it could to forward deploy personnel and equipment in anticipation of brush fires.

Third, we now know that the Palisades Fire was caused (allegedly) by arson; that LAFD had “suppressed” the fire in the early morning hours of New Year’s Day; but that the fire smoldered underground until it was reignited by high winds on January 7. This raises concerns that preventative efforts were not sufficient to monitor and interdict a known ignition source before it became uncontrollable.

Fourth, we need to better understand why fire fighters lacked the personnel, tools and infrastructure necessary to save more lives and homes. It is undisputed that much more could have been done. Days after the fire, a member of Engine Company No. 69 pointed out to me the smoldering debris of what once was a house directly across from the fire station. On four occasions, his crew saved that house after flying embers set the roof on fire. When it ignited a fifth time, they stood by helplessly – because they lost water pressure. This story can be replayed a hundred times as to other structures engulfed in the early morning hours of January 8. It is also consistent with the LA Department of Water and Power’s (“LADWP”) claim that

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<sup>5</sup> Raymond Chandler said in his 1938 short story “Red Wind” that the approaching violence of the Santa Ana winds would “curl your hair and make your nerves jump and your skin itch.” Joan Didion, who lived adjacent to the Palisades, wrote that no one needs to be told when the Santa Ana is due: “We know it because we feel it.” “The Santa Ana,” *The Saturday Evening Post* (August 26, 1967).

the City's water system had more water than required by the fire code. The problem, it explains, is that the water system "is not designed for wildfire protection."<sup>6</sup>

The failure of the hydrant systems is mentioned only once in LAFD's 70-page October 8, 2025 Palisades Fire After-Action Review Report, as one of several "secondary challenges" to LAFD's response.<sup>7</sup> While acknowledging "a loss of water in the elevated areas above Sunset Boulevard around 2000 hours" on January 7 (p. 48), the Report seeks to shift responsibility for the decreased water volume on homeowners who continued to operate their automatic sprinklers in hopes of saving their property. The Report acknowledges that siphoning swimming pool water was "highly effective" in structure defense, but that "[m]ultiple pools remained filled following the containment of the Palisades fire." (p. 63.) Thus, the most obvious and readily-available alternative source of water was never tapped – hundreds of pools, each containing 12,000 - 20,000 gallons of water – enough to save at least two to three homes.

### **3. The reconstruction of the Palisades demands innovative, market-driven private sector solutions that most municipal governments cannot deliver.**

When he toured our community on January 24, 2025, President Trump compared the damage to the destruction of World War II. He's right to make that comparison. Rebuilding the Palisades will require a military scale coordination of equipment, men, and material and logistical control over the reconstruction zone itself.

The Palisades is functionally no different from an island, accessible by four narrow surface streets, bordered by the Pacific Ocean to the west, mountains to the north, and bisected by Sunset Blvd. The January 7 evacuation debacle underscored the vulnerability of residents with only one means of egress. Supplying and deploying a small army of workers in a construction zone twice the size of Manhattan and with such unique topographical challenges will require the expertise of the Defense Logistics Agency and the common sense of a general contractor who (for example) will tell you that concrete in a cement truck starts to set within 120 minutes, and therefore cannot be stalled in a traffic jam on the Pacific Coast Highway.

The rebuild will drag on for years unless bold, innovative action is taken. That might include the construction of a cement batch plant or temporary worker housing within the fire zone or on adjacent state land, or siting a temporary wharf where Temescal Canyon meets PCH. It's been done before. The original site of the Port of Los Angeles "Mile Long Pier" was located right below the Palisades bluffs. There is no end to the creative suggestions put forward by our community.

Before any of these ideas can be implemented, the City first must candidly assess the magnitude of the challenges facing Pacific Palisades. This includes an independent water supply analysis so that residents can have confidence *before rebuilding* that the required enhancements

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<sup>6</sup> [Los Angeles wildfires: LADWP says it never ran out of water in Pacific Palisades during fire, so why did hydrants run dry? - ABC7 Los Angeles](#)

<sup>7</sup> See [https://ens.lacity.org/lafd/lafdreport/lafdlafdreport1864192431\\_10212025.pdf](https://ens.lacity.org/lafd/lafdreport/lafdlafdreport1864192431_10212025.pdf)

to water supply, along with other fire-hardening measures, are more than adequate to deal with future wildfires.

Second, the City cannot move forward without an infrastructure recovery plan and a base case for funding these fire resiliency improvements. While the City has been telling residents to submit their new home building plans, there has been little communication on how and when the City plans to replace damaged infrastructure, underground the overhead power, and to address water supply and distribution, let alone where it will obtain the funding for these large-scale projects.

Third, our residents rightly insist that state and local lawmakers do not make matters worse, including by delaying critical path decisions or by distracting from the already daunting challenges of rebuilding. Unfortunately, we have seen focus diverted by those who wish to use the crisis to advance other social agendas, ranging from climate change to affordable housing to promoting “equitable development” of areas impacted by disasters. Palisadians do not oppose workforce housing for those who are part of the “glue” of our community – teachers, nurses, firefighters, pharmacists, clergy, and mail carriers. We are, on the other hand, rightly concerned about the serious risks to public safety caused by overbuilding and congestion on our already narrow streets or difficult to access highlands and canyons. That risk increases every time the City grants an over-the-counter permit for split lot developments and multi-unit residences on postage stamp lots in some of our most densely populated neighborhoods.

#### **4. The City of Los Angeles will never be able to take effective charge of the rebuilding of the Palisades.**

While no city in America has the resources, skill set, and capacity to undertake a job this size without substantial state and federal support, the City has failed so far to take basic steps to assess the scope of the rebuild, let alone to prepare for the enormous logistical and planning challenges associated with the reconstruction of a burn zone twice the size of Manhattan.<sup>8</sup>

In late January, AECOM, the global engineering and construction firm, told Mayor Bass to immediately undertake this assessment and cost estimation for this multi-billion dollar undertaking. Inexplicably, this did not begin until mid-July, and won’t be completed until mid-November (when AECOM’s 120-day contract expires). AECOM’s scope of work does *not* include developing cost estimates for repairs or improvements to (e.g.) wet and dry utilities, roads, and water supply. Not accurately gauging the costs of reconstruction will continue to hamper the ability of the City and the State to engage with Congress in obtaining supplemental appropriations.

For example, there are about 95 miles of water main pipes in the Palisades, some of which dates back to the 1930s. LADWP recently began to replace 8,700 linear feet (or about 1.6 miles) of 90 year old cast iron pipe in parts of my neighborhood. Construction began in

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<sup>8</sup> This is not to say that local government can never rise to these challenges; rather, that ten months after the Palisades Fire, the City of Los Angeles has yet to show that it can. With coordinated state and federal support, the City of Santa Rosa successfully tackled proportionally larger burns from the 2017 Tubbs Fire. In the devastated Coffey Park neighborhood, 93 percent of the homeowners were able to rebuild.

July, 2025. Though estimated to take about 12 months, that timeline will likely slip. At this pace, it could take a *decade* for LADWP to replace the 13 miles of pipes which has *already* outlived its useful life. This fix won't address the remaining 80+ miles of aging water main pipes, including those already compromised due to land shifts and earthquake activity.

Second, the observable dysfunctionality in planning the recovery has been exacerbated by the City's lack of transparency, as well as the tendency of Mayor Bass to shift blame or to take credit for the disaster recovery successes of state or federal agencies. Then there are documented instances where the Mayor's office has exaggerated the pace of recovery efforts – which she claims “is on track to be the fastest in modern California history”<sup>9</sup> – by inflating the number of new home construction permits. This failure to provide complete, accurate, and timely information is, as I have told the Mayor's staff, a self-inflicted wound that erodes public confidence.

For example, in August, the Mayor reported that more than 380 “rebuilding plans” have been approved. In fact, as of July 31, only 104 new builds had been approved since the Palisades Fire. Even that number overstates the pace of permitting, since about three-quarters of these are for “like-for-like” construction, meaning that these building applications were based on plans already approved by the City. As of October 7, 2025, the City claims to have issued 711 permits for 393 unique addresses. At this pace, it could take the better part of a decade to permit new constructions for each of the 6,800+ residences destroyed by the Palisades Fire.

Third, it is still not clear who at City Hall has the authority and responsibility to lead this massive project. Steve Soboroff, the “Chief Recovery Officer” appointed by Mayor Bass in February, didn't last 90 days, which we later learned was the term of his contract – hardly a sign of confidence in the value of hiring an outside expert with substantial project development experience. Mayor Bass has yet to name a successor, reinforcing the public's perception that the Mayor is unwilling to vest real responsibility in the position; or, that no one with the required experience is interested in a short-term contract, especially for a role without any clearly-delineated remit.

There are also systemic problems that stand in the way of moving the recovery forward. LA's governance structure is by design diffuse, muddled, and balkanized to such a degree that decisive action and sustained follow-through by this Mayor, even in the face of a crisis, is not easy. In contrast to cities with strong mayor governance structures, such as New York, Philadelphia, or Chicago, the LA Mayor has little authority even when it comes to responding to emergencies; by law, her emergency orders sunset every 30 days, unless ratified by the City Council.<sup>10</sup>

These governance issues are dwarfed by the City's lack of resources to tackle a rebuild of this size. The City is currently operating with a one billion dollar budget deficit for FY 2025-

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<sup>9</sup> <https://mayor.lacity.gov/news/mayor-bass-issues-new-executive-actions-further-streamline-palisades-rebuilding>,

<sup>10</sup> See LA Administrative Code, [Sec. 8.27. Powers of Mayor and Council](#), [https://codelibrary.amlegal.com/codes/los\\_angeles/latest/laac/0-0-0-33515](https://codelibrary.amlegal.com/codes/los_angeles/latest/laac/0-0-0-33515).



2026. It cannot even commit to waive plan check and construction permit fees for those Palisades residents who want to rebuild their homes – fees which could approach \$100,000 for each new construction – because the City depends on that revenue to fund other City operations.

In the face of the enormous financial commitment required to repair and restore roads, gas and power lines, sewers and hydrants, schools, and sidewalks, the City Council approved in August 2025 a \$2.6+ billion — \$5.9 billion when borrowing costs are included – expansion and modernization of the L.A. Convention Center, which one Council Member condemned as both fiscally irresponsible and unrealistic in light of the stated goal of completion in time for the 2028 Olympic Games. According to the City Administrative Officer, the cost to tax payers will be \$100 million per year from the General Fund (*after* projected revenue from the project) for the next *three decades*, which will require cuts to public safety and other vital infrastructure investments.<sup>11</sup> With this sort of profligate borrowing, it is no wonder why Palisadians are angry about the continued diversion of their property tax assessments and skeptical that the City has any real interest in rebuilding their community.

**5. Unless Congress places certain conditions on disaster recovery appropriations, including the creation of an Independent Community Reconstruction Authority, Pacific Palisades likely won't be rebuilt in my lifetime.**

As any opinion pollster will tell you, Americans overwhelmingly believe the federal government should be largely responsible for managing disaster response and recovery. In a recent (June 2025) national survey conducted by NORC, large majorities (74%) of all those asked responded that the federal government should play a “major” role in rebuilding communities affected by natural disasters. This consensus cuts across party lines: 79% of those who identify themselves as Democrats (or who lean Democratic) and 71% of Republicans (or who lean Republican) strongly believe the federal government must assume significant responsibility for this job.

While this consensus strongly supports President Trump’s instinct to throw federal support behind lasting fire reconstruction efforts, it stands to reason that tax payers insist that financial assistance goes to those in need, and toward projects brought in on time, at budget, and with the goal of addressing the myriad failures which prevented the City from better protecting my neighbors.

To make this a reality, four things are necessary.

***First, the State must establish an Independent Pacific Palisades Community Reconstruction Authority*** with delegated responsibility to disburse state and federal reconstruction funds and to plan, coordinate, and monitor work streams for rebuilding community infrastructure. Even without considering the City’s failure to anticipate, prepare, and respond to this disaster, the federal government has no reason to believe that the City – and in particular LADWP, which is embroiled in litigation over its decision to drain the Santa Ynez

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<sup>11</sup> See Statement of LA Council Member Katy Yaroslavsky, reprinted at <https://www.torched.la/this-expansion-is-unrealistic-unaffordable-and-fiscally-irresponsible/>.



Reservoir prior to wild fire season – is up to the task. The enormity of these projects, which involve three separate political subdivisions, further underscores the need for a Palisades Reconstruction Authority.

Special purpose community districts have been a fixture of state governance in California for a century. They enable local control over the financing, construction, and maintenance of public facilities and public services, whether as a permanent form of governance or for temporary or limited purposes. The CESA gives the Governor “complete authority over all agencies of the state government and the right to exercise within the area designated all police power vested in the state” to address an emergency. Cal. Gov. Code § 8627.<sup>12</sup> That means the statutory procedures under existing law for the creation or functions of such a district can be modified or suspended by executive order. Thus, the Governor can use his emergency powers to temporarily bypass the normal legislative or voter-approved process to establish the Authority.<sup>13</sup>

The CESA also gives the Governor certain temporary powers to act where he determines that local government is inadequate to address circumstances giving rise to an emergency. It would be difficult to argue that, by creating the Authority *pursuant* to a delegated grant of legislative power, Governor Newsom materially impairs legislative functions, especially since the Legislature retains the power to withdraw that grant of authority by concurrent resolution terminating the state of emergency. Cal. Gov. Code § 8629. The California Court of Appeal recently reaffirmed the Governor’s broad authority under the CESA to act through executive order where the Governor determines that local authorities lack the jurisdiction, resources, or authority to respond to the emergency. *Newsom v. Superior Court (Gallagher)* (2021) 63 Cal.App.5<sup>th</sup> 1099, 63 Cal.App.5<sup>th</sup> 1099. As the Court explained, the CESA charges the Governor with the responsibility to *coordinate* the emergency plans and programs of all local, state, and federal agencies. This purpose, while broad, provides sufficient legislative guidance to the Governor to channel his discretion and to avoid any potential separation of powers issues.<sup>14</sup>

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<sup>12</sup> For a helpful summary by the California Legislative Analyst’s Office of the extensive powers delegated to the governor under the CESA, see “Improving Legislative Oversight of Emergency Authorities,” at <https://lao.ca.gov/Publications/Report/5029> (April 10, 2025).

<sup>13</sup> Governor Newsom has already exercised his emergency powers to suspend CEQA review and California Coastal Act permitting for reconstruction of properties substantially damaged or destroyed by the Palisades and Eaton Fires, and to streamline construction and occupancy of temporary housing and accessory dwelling units (ADUs) on properties destroyed by the fires. See, e.g., [Governor Newsom issues executive order to fast-track temporary housing for Los Angeles firestorm area | Governor of California](#).

<sup>14</sup> Under California’s separation of powers doctrine, nothing prohibits the three branches of state government from sharing their coordinate powers, so long as the Governor does not usurp the core powers or functions of another branch or violate another provision of the California Constitution. The purpose of the doctrine of separation of powers “is to prevent one branch of government from exercising the *complete* power constitutionally vested in another [citation]; it is not intended to prohibit one branch from taking action properly within its sphere that has the *incidental* effect of duplicating a function or procedure delegated to another branch.” *Younger v. Superior Court* (1978) 21 Cal.3d 102, 117 (emphasis

There are other practical consideration favoring the creation of an Authority. The formation of a special district through the prescribed legislative process is expensive, cumbersome, uncertain, and takes time. Absent special legislation, it will require a petition drive by residents, followed by a study process and hearings before the LA City Local Agency Formation Commission (“LAFCo”), CEQA review and protest proceedings, and a vote by a majority of registered voters or property owners. Even if this process (which could take as much as 18-24 months) is truncated, it does not address the fact that the Palisades Fire was not contained within one political subdivision. While the majority of impacted property is within the City limits, it also destroyed homes in the City of Malibu and in unincorporated portions of the County of Los Angeles. This means that no single local government can create a special district for the entire burn zone which can exercise control over the entire rebuild. While a joint powers authority is a possible alternative, the creation of a JPA would also take time, and are almost invariably based on a power sharing arrangement among the city and county member entities with a board of directors dominated by elected officials. See generally Cal. Gov. Code § 6500 *et seq.*<sup>15</sup>

***Second, the Governor must delegate to the Authority certain of his emergency powers under the CESA***, including the power to make, amend or suspend any regulatory statute, rule, or regulation where strict compliance under existing law would prevent, hinder, or delay addressing the rebuilding efforts. Thus, the Governor has sweeping powers under the CESA to direct the rebuilding, including by:

- Committing state personnel, equipment, and appropriations to respond the emergency, including by making expenditures from any available state fund, Cal. Gov. Code § 8645;
- Directing procurement and pre-positioning supplies, materials, and equipment, Cal. Gov. Code § 8570(b);
- Using any property, services, and resources of the state to carry out the purposes of the CESA, *id.*, § 8570(c);
- Planning for, commandeering, or utilizing private facilities, services, property or personnel, *id.*, §§ 8570(i), 8572, subject to payment for that use.

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original). The manner by which Governor constitutes the board of directors or delegates the State’s power to distribute federal funds in no way invades a core power of the Legislature. While the Authority would need to be empowered to issue debt or to engage in other municipal financing vehicles, any special tax assessments would be subject to the state constitutional requirement of voter approval by the affected property owners, thus providing another check against the misuse of delegated power.

<sup>15</sup> There is no state-level agency or local agency with oversight responsibility for JPAs. Because they are self-governed as separate legal entities, the only oversight is from the member agencies (i.e., the City or County) that create the JPA, thus increasing the lack of accountability over the inherently political power-sharing structure.

The Governor may with the stroke of a pen delegate those powers to the Authority, with safeguards adequate to prevent the abuse of that delegated authority. This delegation could invest the Authority with primary responsibility over the logistics of the rebuild, including coordination and movement of equipment, supplies, and personnel, and the siting and construction of facilities for reconstruction operations, such as temporary worker housing and distribution hubs. There must be of necessity cooperation between state, county, and local governments and the newly-created Authority (and, more specifically, the construction firms it hires to supervise all day-to-day rebuild activities). Without the Governor's delegated powers to *direct* this collaboration, the prospects of the Authority's success will diminish substantially.

***Third, the Authority must have sufficient independence and operational autonomy alongside accountability to the federal government and the community over reconstruction management and disbursement of federal infrastructure financing.*** There is precedent for such a governance structure.

Within months following the destruction of the Twin Towers, New York Governor Pataki formed the Lower Manhattan Development Corporation ("LMDC"), initially constituted with an eight member board of directors chosen by Pataki and Mayor Giuliani, each appointing four directors, who served at their pleasure.<sup>16</sup>

The LMDC distributed about \$3 billion in federal reconstruction funds with one objective in mind: "to coordinate and encourage the infrastructure improvements that will trigger the private investment needed to sustain and enhance Lower Manhattan." It succeeded by focusing on a ***market-driven*** response to the economic and infrastructure needs of Lower Manhattan and the Port Authority, with input from community groups, business owners, and subject matter experts.

The board included CEOs of investment banks, lending institutions, public finance experts, the president of the Building and Construction Trades Council of Greater New York, community leaders, and commercial real estate developers. To head the board, Governor Pataki chose John Whitehead, former co-chairman of Goldman, Sachs & Co., who was widely regarded as one of Wall Street's elder statemen. Although lacking experience in building or city planning, he had a reputation for getting things done in New York and Washington, having served as Deputy Secretary of State during the Reagan Administration. Governor Pataki also appointed Roland Betts, chairman of Chelsea Piers, a Yale classmate and close friend of President George W. Bush, who became one of the rebuilding project's strongest advocates.<sup>17</sup>

The LMDC managed the effective distribution of billions of dollars by ensuring that federal funding would not be diverted from the immediate – and only – goal of rebuilding and revitalizing Lower Manhattan. The LMDC hired its own Integrity Monitor to establish controls to safeguard against fraud, corruption, cost abuse, safety, and environmental risks; to conduct budget review and monitoring, records review and compliance, and to investigate instances of

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<sup>16</sup> Paul Goldberger, [Up from Zero: Politics, Architecture, and the Rebuilding of New York](#). Random House Publishing Group (2004), at p. 42.

<sup>17</sup> *Id.*, at p. 45.

alleged construction, labor, and environmental fraud schemes, *independent* of the City. Over its lifetime, LMDC administered and disbursed billions in HUD Community Development Block Grant (CDBG) Disaster Recovery Assistance funds. Planned expenditures were documented in action plans, subject to public comment and approval by HUD. By statute, LMDC was required to submit to periodic review of its administration of federal funds by HUD's Office of Inspector General. Through nearly 20 separate reviews, not once did HUD find that LMDC failed to disburse funds in accordance with HUD guidelines, approved action plans, and applicable laws and regulations.

***Fourth, federal funding for long-term fire resiliency infrastructure improvements should be linked to community co-investment by residents, who stand the most to benefit by mitigating the risks of living in a Very High Fire Hazard Severity Zone.*** Palisadians should not be expected to pay for rebuilding or repairing roads, schools, or essential public utilities, particularly where the City failed to anticipate and prepare for known seasonal fire risks. But it will take billions of additional dollars in public investments to prepare for and mitigate against the certainty of a future wild fire. If property owners wish to incentivize commercial redevelopment, accelerate the pace of home reconstruction, and increase access to affordable home insurance – three necessary preconditions to rebuilding the community and restoring the property tax base – both the City and Palisades residents should support community reinvestment that is complementary to state and federal disaster relief. This may include tax increment financing<sup>18</sup> or even a marginal increases in property tax assessments for resiliency ***improvements***, such as undergrounding utilities or fiber optic cable, which over the long term will increase property values and grow the tax base.

### **Conclusion.**

In less than 1000 days, Los Angeles will host the 2028 Summer Olympic Games to over 10,000 athletes and more than five million visitors. This should be a capstone for the President's administration. It will be a national embarrassment if the major arteries of the City (leading in, out, and through West Los Angeles and the UCLA campus where athletes will be housed) are gridlocked by food trucks, construction vehicles, cement mixers, and other heavy equipment trying to get to one of the largest and dispersed building sites in America.

To take a page from California history: The 1906 San Francisco earthquake and fire leveled 80 percent of the city. In three years, San Francisco rebuilt over 2/3rds of the 28,000 buildings destroyed by the fires. By the time San Francisco hosted the Panama-Pacific International Exposition of 1915, the City had risen from the ashes, all due to an unprecedented rebuilding effort that mirrored the engineering feat celebrated by the Exposition – the completion of the Panama Canal.

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<sup>18</sup> Tax increment financing, or TIF, freezes property tax revenues to flow from a designated project area at a "base level" for the current year. A portion of the additional tax revenue in future years that otherwise would go into the General Fund is diverted into a separate pool, which can be used either to pay for infrastructure improvements directly, or to pay back bonds issued against the anticipated TIF revenue. California has long used TIFs to fund infrastructure construction and maintenance.

The Pacific Palisades can remain a cautionary tale of what happens when government fails in its most essential responsibilities to its citizens. Or it can showcase a record-time community-driven resurrection. None of this can happen without a shared vision between our community and the federal government on how to achieve this goal.

**- END -**