

## **REPORT OF THE CHIEF RECOVERY OFFICER**

**April 10, 2025**

We have appreciated the opportunity to serve the people of the City of Los Angeles and, particularly, the brave and resilient residents of Pacific Palisades, in the aftermath of the devastating fire that destroyed much of this wonderful community as well as Altadena.

In summary, there has been an overwhelmingly positive "off to the races in record time" response to this disaster, with enormous credit to the Army Corps, FEMA, State OES, City leaders as well as the city workforce.

Appointed by Los Angeles Mayor Karen Bass, the Chief Recovery Officer's activities focused on overall recovery and rebuilding priorities to set in motion over the first 90 days. Our initial scope, while modified, included a written summary of our observations at the end of 90 days.

Throughout, our focus has consistently been on embracing anyone with great ideas to help move the recovery forward. To date, we have met with over 1,000 stakeholders who hopped on "the bus to yes." The road forward started with the coordination between FEMA, the Army Corps of Engineers, CA Office of Emergency Services, LAFD, LAPD and the National Guard, the County of Los Angeles and the City of Los Angeles meeting to map out a tentative schedule and game plan.

### **Site Clearances**

At the federal level, the work of FEMA, the EPA, and the Army Corps of Engineers has been tremendous. All home sites received environmental clearance ahead of schedule. The lot clearing has begun in earnest, providing many Palisades residents the hope that they can rebuild their lives and return to the community they hold dear.

However, questions linger regarding the removal of hazardous waste. The US EPA and CA DTSC commenced on January 28, 2025 and did an excellent job in completing this work before the end of February for those lots that were accessible. We observed the process and shared our thoughts on many items, including the danger of residents visiting their burnt homes early.

The Army Corps of Engineers commenced the Private Party Debris Removal on February 12, 2025, after activating their prime contractor ECC. The Corps is doing an excellent job led by General Kelly, Colonel Swenson and Colonel Sousa. We understand that they are way ahead of schedule and will be completing their work by the end of this summer. Bob Fenton of FEMA has been excellent at providing guidance to the myriad questions as to what is reimbursable and what isn't. Our collaboration led to our team providing identifying and helping to secure alternative staging areas.

We also dedicated significant time and effort assisting impacted residents who sought clarification as to what was eligible for removal and what wasn't. This included features like pools and basements. In addition, we met with the owners of condominiums, apartment buildings and retail and office properties to assist them with their questions regarding Private Property Debris Removal and under what scenarios FEMA and Cal OEM would look favorably

on including them in the program. We met with commercial and retail owners to see how we could be helpful to them.

As has been raised among various stakeholders, we believe there needs to be a clear protocol established regarding confirmation sampling of hazardous contaminants. For example, a consensus position among top federal, state and local agencies needs to be established for soil sampling, air quality sampling and water quality sampling. The current soil removal policy of excavating 6 inches of soil 3 to 5 feet from the ash footprint is due to a concern there may already be legacy contamination. Many of the officials do not feel they should be funding the removal of pre-existing contaminants.

### **ULI/UCLA/USC Report**

On January 17, 2025, there was a meeting hosted by the Ziman Center at the UCLA Anderson School of Management with approximately 50 government, development, engineering, academic and elected leaders to develop a potential path forward for the recovery and rebuild. This group identified the work streams that needed to be addressed to rebuild all of the impacted areas.

In follow-up to that seminal meeting, the Urban Land Institute, under Lew Home's leadership along with leaders at UCLA and USC, assembled some of the best minds to address each workstream related to the rebuilding process. We were very involved with this effort and support its findings. Rather than rehashing the results of this important report, it should be viewed as a First Edition that is a template going forward for the new Chief Recovery Officer.

We believe core aspects of this report should become the City's playbook. That comprehensive report provides a vital foundation upon which to build, with insightful research and recommendations on vital topics, including:

- Hazardous Waste and Debris removal
- Streamlining the rebuild, including building permit self-certification program
- Insurance challenges and recommendations
- Vertical rebuilding/Builders Alliance
- Labor and Supply Chain Challenges
- Financial Strategies for Rebuilding
- Rebuilding Resilient Infrastructure

The leaders for each of the workstreams should be engaged to work with City leaders across the departments to help accelerate work in these complementary and important areas.

### **Community, Philanthropic and Stakeholder Innovation**

Beyond the great work of the ULI/UCLA/USC team, the response from many corners of our Southern California community has been extraordinary. History will show the value of the way we coordinated inclusive, intensive and mostly public "out of the gate" efforts by hundreds of organizations and thousands of community volunteers with their Councilmember, the Mayor's staff, and Mayor Bass directly.

Active participation in developing solutions has come not just within government, but from many privately-led initiatives, philanthropic support, community groups, and corporate leadership. As a result of these efforts and the activity on the ground in the Palisades, there is a feeling of almost unprecedented progress and growing optimism.

### **Obstacles to Overcome**

Yet, material hurdles remain which need to be addressed in order to meet the expectations of residents, businesses, community organizations, religious institutions, and others whose futures will be determined by decisions on core topics that must be addressed vigilantly by the City of Los Angeles.

As the Army Corps of Engineers begins the process to complete their mission and the recovery reaches a new phase, our concern is that the current momentum and feeling of optimism could easily give way to extraordinary challenges that could seriously impede the rebuild and recovery effort.

The ability of the City to lead on the issues described below will determine who stays and rebuilds, how long that will take, and what the experiences of local stakeholders will be as Phase 2 is completed and the rebuilding begins.

The timing to rebuild and reopen retail, the reality of truck and construction traffic, and the actual cost to rebuild (based on current and future variables) versus each person's insurance and other available proceeds (i.e., "the gap or shortfall") will be determinative of who stays and who leaves.

It is imperative that impacted homeowners have cost-effective solutions that can help address the projected financial shortfalls to rebuild. For example, alternative options to rebuilding custom homes are viable once homeowners understand the realities of these alternatives, including cost, design, and approvals.

The Builder's Alliance was formed by some of the largest public homebuilders who have supply chains they can bring to bear. This group includes production builders, semi-custom, and custom home builders. The idea is to develop a web portal that is, in essence, a one stop shop for selecting floor plans, elevations, obtaining insurance, mortgage options, and more.

There should also be physical space in the Palisades that would provide an alternative to those folks who don't want to use the portal.

While the City should have a more limited role overseeing the details of the vertical rebuilding, it is the absolute driving force for the rebuilding and financing of public infrastructure, along with permitting and inspections. Property owners' ability to secure Insurance will be dependent on what the City does to "harden" the area.

These are the types of interconnected workstreams identified in the ULI/UCLA/USC report, and which must be delivered as a unified package in order to be successful. Finally, the City needs to provide the public a realistic schedule for the completion of the infrastructure along with

whether residents will be saddled with additional taxes to pay for it. The longer it takes to complete the infrastructure, the less likely that residents will return.

### **Priority Issues to Address**

Three issues, described below, focus on certain priorities covered in the ULI/UCLA/USC report as well as by residents, philanthropic and other business leaders we met with over the past 90 days. These three issues are the difference between speed and delay. The faster the rebuild happens, the more residents and businesses will have opportunities to return. Decisions must be made, and authority must be given which includes accountability by the owner's representative, our successor, and the City's department heads.

- 1. The scope of the City's current or future owner's representative (or multiple representatives) should focus on community infrastructure, such as sewers, roads, sidewalks, water delivery systems, and resilient systems to deliver power safely.**

The City's outside owner's representative needs to take ownership in making sure the Infrastructure is completed on a timely basis. Department General Managers need to be accountable to the "Owners Rep." We have observed that, too often, each department follows its own path without the benefit of an overall manager to tie these activities together. The Owner's Rep would be that entity.

One of the strong suggestions we made since the beginning of our engagement was for the City to complete a thorough Damage Assessment of the infrastructure that serves the Pacific Palisades community. Completing the Damage Assessment and sharing it publicly is a top priority.

We believe strongly that the City should hire an "Owner's Rep" that focuses exclusively on the infrastructure needs, including damage assessment as well as cost and timeline to rebuild it to a modern standard. We recommend this happen immediately.

The firm must have expertise in engineering and disaster response to either evaluate or conduct an independent water supply analysis so that residents could have confidence *before rebuilding* that the required enhancements to water supply, along with other area hardening measures, are more than adequate to deal with future wildfires. It is also essential for LAFD and LADWP to be in agreement with a plan going forward.

Some believe the City has the in-house talent to complete the task, but we believe the existing staff is beyond full capacity with current tasks, and that an outside firm with this specialization is a far superior option. An infrastructure plan together with your base case on where the funding will come from should be completed as soon as possible.

Impacted residents are being told to commence design as soon as possible, but there is no communication on what the plan and timing to replace damaged infrastructure, underground the overhead power and to address water supply and distribution.

Given the City's procurement process, we are concerned the completion of the infrastructure rebuild could take two plus years. We totally understand the uncertainty of what

reimbursement levels FEMA will be able to commit to but there needs to be a plan that gets communicated to the public. The Mayor should consider an emergency order to expedite this process.

- 2. Given the unprecedented size and scope of the rebuild, and staffing constraints, it is vital for the City to outsource permits and inspections for fire impacted projects in the Palisades. This has been recommended by nearly every expert entity, including the AIA.**

The City needs to adopt a self-certification proposal. This is crucial to enable Los Angeles Department of Building and Safety (LADBS) to dramatically expand its capacity to a sufficient level in order to process in a timely manner the sheer number of permits that will be required.

We do not believe that LADBS can be expected to turn plans around in 30 days without outside assistance. The sheer volume is just too great. This priority is described in more detail in the ULI/UCLA/USC Report. Also, the City needs to have qualified outside expert inspectors perform the inspections and to locate those inspectors in the Palisades. There is not enough capacity within the City to handle this.

Separately, the vertical rebuilding of the Palisades will be a logistical challenge given the ingress and egress limitations of the Palisades. There are approximately 5,000 homes along with the commercial, schools and other impacted structures that need to be rebuilt.

If you assume 1,000 of the homes get rebuilt in Year 1, that equates to 10,000-15,000 construction workers. Aside from labor availability issues, we see an opportunity to build a Construction Worker Dispatch Center, along with temporary housing that would enable workers to avoid daily commuting, if they choose.

It would also make sense to quickly secure proposals to build a batch plant for the cement and concrete in the Palisades to limit the number of trucks on the greater transportation network. Other supply chain issues like the availability of transformers, switchgear and meters need to be planned for, so they don't become critical path stoppages. There is a Builders Alliance that will be addressing these issues, but they will need the City's assistance in permitting these uses.

- 3. We must continue to stress the importance of clear communication and quick decision-making among various departments, and with the public, the owner's rep and my successor in order to maximize opportunities and maintain momentum.**

The proposals for builder and insurance collaboratives, a temporary cement plant, a temporary worker dispatch facility and related housing, and pop-up retail are the kinds of creative thinking that will move the schedule along an expedited timeline and serve the needs of the community. These ideas should not be kicked down the road or overstudied: the City needs to act on them.

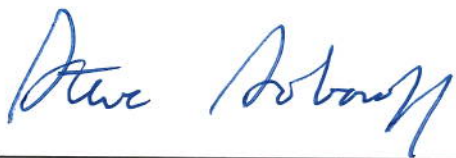
For example, we believe solutions for the soils and air quality testing are available. We believe that workforce housing for police officers, firefighters, teachers, nurses and those who work for Palisadians must be considered quickly. Two-story location opportunities, with housing, abound over many one-story retail shop buildings. This is the type of mixed-use development that will add to the community character of the Palisades.

Early in the recovery process, the City was presented with the opportunity to have a world-class company build a resident-focused App at zero cost. This app has shown great promise to deliver customizable answers and project management features to each resident on their phones, yet the City has sat on the proposal for this free service for 60 days, with no resolution in sight. Having an App that consolidates information from dozens of websites, from city departments that work in silos, and from disparate philanthropic efforts can bring great value to residents who will find great value having this innovative approach to problem-solving in their hands.

In isolated cases, the right type of synergy has shown promising results. Our collaboration with Rec and Parks, the Library, large retailers, and the YMCA has fast-tracked rebuilding plans. Even the effort to relocate Pacific Palisades High succeeded due to outstanding coordination between the LAUSD, the community, the City of Santa Monica, and the private sector which stepped up in an unprecedented way to make this move possible.

We greatly appreciate the support and partnership of Mayor Bass, Councilmember Park, County Supervisor Horvath, and the thousands of individuals (including James Olson who volunteered to staff us) and professional organizations, community groups, and experts from other catastrophes that have been supportive of and involved with our 90-day assignment. The passion and focus of these leaders, and the resilience and positive attitudes of the thousands of victims, give us optimism.

This approach to problem-solving must continue unabated, and the priority items described here are crucial going forward. Managing these fundamental issues well will be the difference between success and failure.



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Steve Soboroff



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Randy Johnson