

Create a Los Angeles County Resilience District to Mitigate Future Disaster Impacts

Preparedness saves money. The U.S. Chamber of Commerce reports that every dollar invested in disaster prevention saves $13 in avoided damages, cleanup, and lost economic activity. However, it's hard to convince voters to tax themselves to reduce the impact of some future disasters – to purportedly save money tomorrow by spending money today.

Funding for disaster recovery and resilience in general is facing challenges. The Trump Administration has all but eliminated FEMA's prevention programs. Congress has blocked disaster relief and resilience funding for California. Most funding that has been deployed has focused on the emergency response and short term recovery. Where will prevention dollars come from?

Yet, nearly every Los Angeles County voter (95%) views wildfire as a major concern, according to a recent poll. Another poll suggests that 81% of Los Angeles County residents view wildfires as a crisis. A large majority of voters across the partisan divide agree that the problem is getting worse. Another recent poll indicates that 63% of California adults want the state and local governments to do more to address wildfires.

In Sacramento, thanks to 2024's Proposition 4 and other initiatives, there are a few limited programs designed to curb wildfires, floods and heatwaves, but these resources are meager compared with the scale of the problem.

Recommended Action

Philanthropy can play a catalytic role by helping to launch a Los Angeles County Resilience. Philanthropic support can be most impactful in building coalitions, engaging communities, and

providing public education to help voters evaluate the measure.

The creation of a Los Angeles County Resilience District would sequester dollars from being used for other purposes and further provide greater transparency in matters of governance – a requisite for today's voters.

The dollars would go to projects protecting Angelenos from wildfire, flood, heat waves, and seismic events. A portion of the funds could be saved as a RiskReserve to speed future recovery efforts. If Los Angeles County developed a resilience district, it would better prepare the region from the shocks and effects of a changing climate. With such a fund, Los Angeles could further enjoy an economic advantage, helping the region's workforce and infrastructure become more resilient and reliable.

To win the climate district and revenue measure at the ballot, cost-saving, economic arguments will be key. In California, if revenue measures are placed on the ballot by elected officials, voters must then approve the measure by at least 66.6% of the total vote. By contrast, if revenue measures are placed on the ballot by petition, then revenue measures can enter into law if approved by only 50.01% of total votes cast.

Expected Impact

A quarter-cent sales tax in Los Angeles County would yield $600 million per year, funding important mitigation measures – dramatically reducing the threat to Angelenos from wildfire, flood, heat and seismic events.

Timeline

The Los Angeles County Resilience District would need to be developed in four stages. The first stage entails developing a coalition of supporters as well as developing the actual code creating the district, and defining what the resilience district would fund. Moreover, for voters to have faith in ballot measures, it's essential that the measure's scope of activities are well defined. This first stage would entail extensive public engagement as well as polling and message development. The first stage can be supported by philanthropy via grants to local nonprofits.

The second stage entails winning legislation in Sacramento thereby allowing Los Angeles County to raise its sales tax above the 2% limit. This effort would be considered lobbying and therefore off-limits to most philanthropies and nonprofit organizations. Attorneys have advised, from this stage forward, one would need to establish a separate 501(c)(4) social welfare organization to accept contributions and make expenditures in support of the measure.

The third stage is to gather signatures from Los Angeles County registered voters. The number of signatures required to qualify a County initiative measure is approximately 250,000, yet due to the likelihood of faulty signatures, an additional 25% buffer is advisable.

The fourth stage is the electoral campaign. Philanthropies and nonprofits can engage in developing

position-neutral educational events related to the initiative; however, it's important to note that if a "yes" position is adopted, those activities would be considered lobbying.

Notional Budget

Budget estimations for this recommendation require a phased approach, with certain components more suitable to philanthropic support. In order to stand up a resilience district measure for the November 2028 ballot, the process must begin in the near future.

The first stage entails extensive public organizing and strategic negotiations, the development of communications assets, capped with a legal statutory description of the resilience district and the revenue measure. This stage would last 8-10 months and is estimated to cost $400,000 – which could largely be supported by philanthropic dollars.

The second stage entails working with the California legislature, which would cost an estimated $150,000 – for coalition building, lobbying assistance, and travel. Again, this stage could not be supported by philanthropic dollars.

The third stage – collecting ballot signatures – would cost approximately $1.5 million for signature gathering and another $100,000 for legal services and requires at least 9 months – with 180 days allocated to collect signatures and 30 days to validate them. The Los Angeles County Board of Supervisors sets a deadline to consolidate a measure with a regularly scheduled election 2 months prior to the election.

The fourth stage – the public campaign – will require educational programs, estimated at $250,000, which could be supported by philanthropy. An additional $2.6 million would be needed for partisan campaign literature, ad buys, communications, and campaign management, which cannot be supported by philanthropy. This stage should run concurrently with the previous two stages for maximum awareness raising and support gathering.

The estimated grand total for a ballot measure will use a mix of philanthropic and other funding sources, and will cost approximately $5,000,000.

Evidence from Reports

Multiple reports identify the need for sustainable, dedicated funding mechanisms for resilience investment:

- ULI recommends developing "innovative financial programs" including Climate Resilience Districts (CRDs) and Enhanced Infrastructure Financing Districts (EIFDs) as tax increment financing tools that specifically fund climate adaptation and resilience projects, with installation of tax basis at declared disaster emergency adjusted value to maximize TIF yield
- McKinsey & Company recommends "public-private reinsurance partnerships" and establishing backstop mechanisms for extreme losses, along with layered risk-sharing structures where the state covers the most extreme losses
- The State of California's task force promotes developing "a network of regional resilience strategies eligible for regional grants and regulatory relief"
- The Blue Ribbon Commission calls for launching "a 'LA Resilient Rebuilding and Reconstruction Fund' Philanthropic Campaign" and establishing "partnerships to coordinate and leverage funding to accelerate rebuilding"