

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: April 30, 2019

CAO File No. 0220-05584-0000

Council File No. 18-0600-S18

Council District: --

To: The Public Safety Committee  
The Energy, Climate Change, and Environmental Justice Committee

From: Richard H. Llewellyn, Jr., City Administrative Officer

Aram Sahakian, General Manager - Emergency Management Department

Reference: Fiscal Year 2018-19 Adopted Budget Recommendation dated May 15, 2018

Subject: **SPECIAL STUDY REPORT – CLIMATE CHANGE PLANNING AND MITIGATION  
EFFORTS RELATIVE TO THE MAINTENANCE OF CITY CREDIT RATINGS;  
HAZARD MITIGATION FUNDING; AND, EMERGENCY MANAGEMENT  
DEPARTMENT EDUCATIONAL EFFORTS**

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### RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Direct the Emergency Management Department (EMD) to prepare and maintain a current Federally-approved Local Hazard Mitigation Plan;
2. Direct the City Administrative Officer (CAO) to enhance the departmental notification of the availability of hazard mitigation funding opportunities including appropriate notification follow-up, and provide departmental staff training on the hazard mitigation application process, on an as-needed basis.

### SUMMARY

During the Fiscal Year 2018-19 Budget deliberations, the Emergency Management Department (EMD), with assistance from the City Administrative Officer (CAO), was instructed to report back to the Public Safety Committee and to the Energy, Climate Change, and Environmental Justice Committee on whether the City engages in adequate climate change planning and mitigation to maintain its credit ratings. In its report, the EMD was instructed to include the amount of hazard mitigation funds that has been received by the City during the last five years; projects that have been funded with those funds; the amount for which the City has been eligible; and, identification of any barriers in receiving hazard mitigation funds. The EMD was also instructed to include how much of EMD's educational efforts are focused on the possible impacts of climate change.

## BACKGROUND

### Climate Change Mitigation Efforts and City Credit Ratings

In April 2015, the City initiated the “Sustainable City pLAn” (<http://plan.lamayor.org>), which provides a 20-year framework on how the City intends to prepare for and mitigate the effects of climate change. The Sustainable City pLAn (the “Plan”), employs the following five strategies: integrating sustainability and climate resiliency efforts; reducing the impact of Los Angeles’s urban heat island effect; safeguarding buildings through seismic retrofits; helping individual citizens become prepared; and, ensuring Los Angeles’s preparedness for all natural disasters.

The City’s commitment in mitigating the effects of severe weather events and natural disasters is made transparent to credit agencies through the Sustainable City pLAn and is also emphasized in Appendix A - City of Los Angeles Information Statement (Appendix A), which is one of the financial documents that the CAO discloses to credit agencies. Appendix A provides statements discussing known and unknown risks, uncertainties, and other factors that may impact the City, and includes a statement for climate change which is provided below.

#### **Appendix A – City of Los Angeles Information Statement, dated July 2, 2018**

*The change in the earth’s average atmospheric temperature, generally referred to as “climate change”, is expected to, among other things, increase the frequency and severity of extreme weather events and cause substantial flooding. The City’s Sustainable City pLAn (the “Plan”), released in 2015, provides a 20-year framework intended to both prepare for climate change and mitigate its effects on the City’s economy, infrastructure and communities. The Plan sets forth several actions that may be taken by the City, including improving emergency response functions and disaster preparedness, reducing air and water pollution, and managing rising temperatures in urban environments. In addition, the City has begun construction of a series of groundwater remediation projects to reduce the City’s reliance on imported water as drought conditions continue, is exploring the use of specially designed “cool roofs” to manage the effect of rising temperatures in urban environments, and is testing the effects of “cool pavement” (a special coating applied to city streets) to manage urban temperatures. The City continues to explore various other adaptive actions within the framework established by the Plan.*

*The City cannot predict the timing, extent, or severity of climate change and its impact on the City’s operations and finances. Also, additional actions to address climate change may be necessary and the City can give no assurances regarding the impact of such actions on the City’s operations and finances.*

Source: Office of the City Administrative Officer

Moody’s Investors Service, a leading provider of credit ratings, research and risk analysis, states, “Effective climate risk preparation is a credit positive that sheds light on how a city manages

infrastructure vulnerabilities, current and future capital costs, mitigation of potential economic impacts and the risk of population loss resulting from climate change.”<sup>1</sup> To date, no rating agency has identified the City’s policies towards climate change as a credit negative.

In April 2019, Fitch Ratings upgraded the City’s rating from AA- to AA and Kroll Bond Rating Agency also increased the City’s rating from AA to AA+, in light of strong fiscal management.

### **Hazard Mitigation Assistance Funding (HMA)**

The Hazard Mitigation Assistance Grant Program began on January 31, 1989, through a Federal executive order in the aftermath of the collapse of a major dike at Quail Creek Reservoir in the State of Utah. The program has expanded since its inception and funds are mainly distributed among the following three grants: the Hazard Mitigation Grant Program; the Pre-Disaster Mitigation Grant Program; and, the Flood Mitigation Assistance Grant Program.

Recipients must have a Federally-approved Local Hazard Mitigation Plan (LHMP) to be eligible for grant funding. The City did not have a Federally-approved LHMP from July 10, 2016 through January 25, 2018. Consequently, the City was ineligible to receive any grant funding during this time. The issue has since been resolved; the City’s current LHMP was approved by the Federal Emergency Management Agency (FEMA) on January 26, 2018 and is set to expire on January 25, 2023. The LHMP must be updated and approved by the FEMA every five years.

#### *Hazard Mitigation Grant Program*

The main objective of the Hazard Mitigation Grant Program (HMGP) is to ensure that, following a major disaster, mitigation efforts are implemented to reduce the future risk to life and property during the reconstruction process. The HMGP is authorized by Section 404 of the Stafford Act, 42 U.S.C. 5170c. The Stafford Act provides the legal authority for the Federal government to provide assistance to States during declared major disasters and emergencies.

HMGP funding is provided when there is a Federal major disaster declaration in response to a request from the State’s Governor. The amount of HMGP funding provided is subject to a sliding scale formula outlined in Title 44 of the Code of Federal Regulations (CFR) Section 206.432(b). According to the statute, funding will be provided based on the estimated aggregate grant amount of expenses such as the repair, restoration, and replacement of damaged facilities; debris removal; Federal assistance to individuals and households; emergency grants to assist low-income migrant and seasonal farmworkers; and, crisis counseling assistance and training.

The City has not received any HMGP grant funding during the past five years. Consequently, no City projects have been completed with HMGP grant funding.

#### *Pre-Disaster Mitigation Grant Program*

The main objective of the Pre-Disaster Mitigation Grant Program (PDM) is to assist States and territories, Federally-recognized tribes, and local communities in implementing a sustained

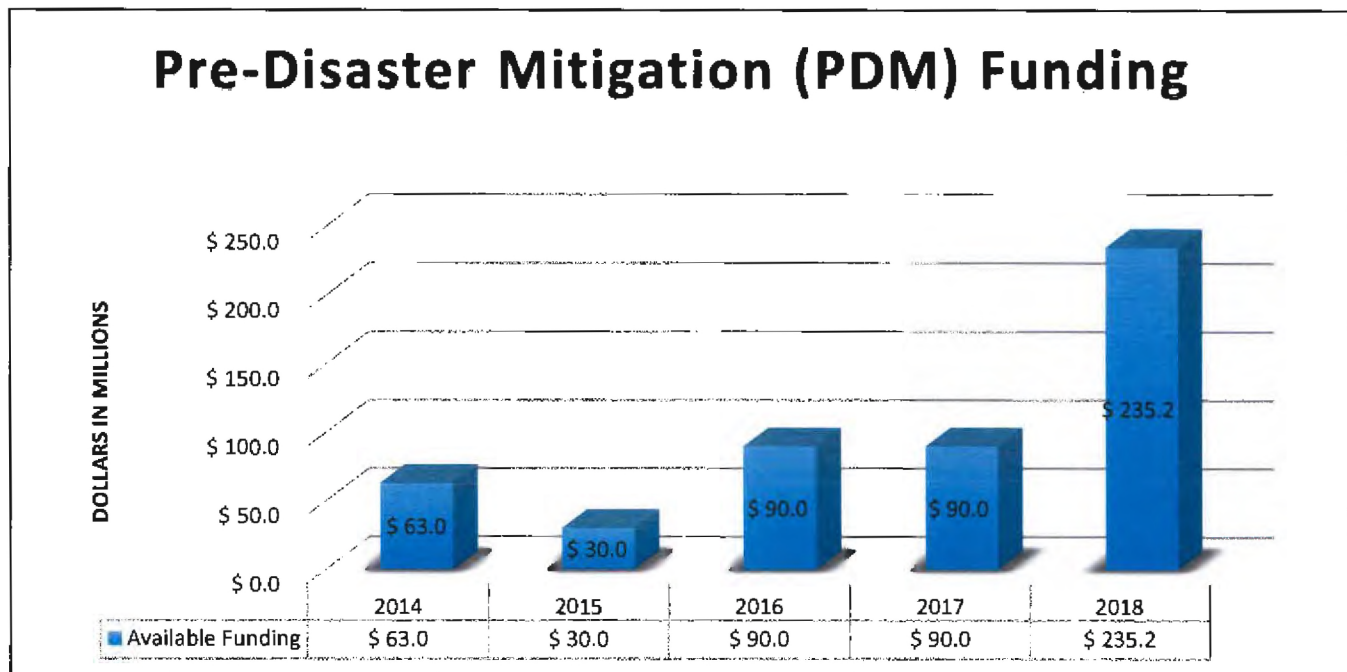
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<sup>1</sup> Moody’s Investors Service, “Local Government – U.S.: Cities’ Heightened Focus on Mitigating Climate Risk is Credit Positive,” January 17, 2019.

pre-disaster natural hazard mitigation program. Funding for this program reduces the reliance on Federal funding in future disasters by reducing the risk of damage to the population and structures from future natural hazard events. The PDM is authorized by the Stafford Act, 42 U.S.C. 5133.

Funding provided through the PDM is determined on an annual basis by Congress every Fiscal Year (FY). Federal funding that was distributed for each FY during the past five years is provided in the graph below. Local governments are considered sub-applicants and must apply through the applicant's state, territory or Federally-recognized tribe.

The City has not received any PDM grant funding during the past five years.



Source: Federal Emergency Management Agency PDM Grant Program Fact Sheet 2014-18

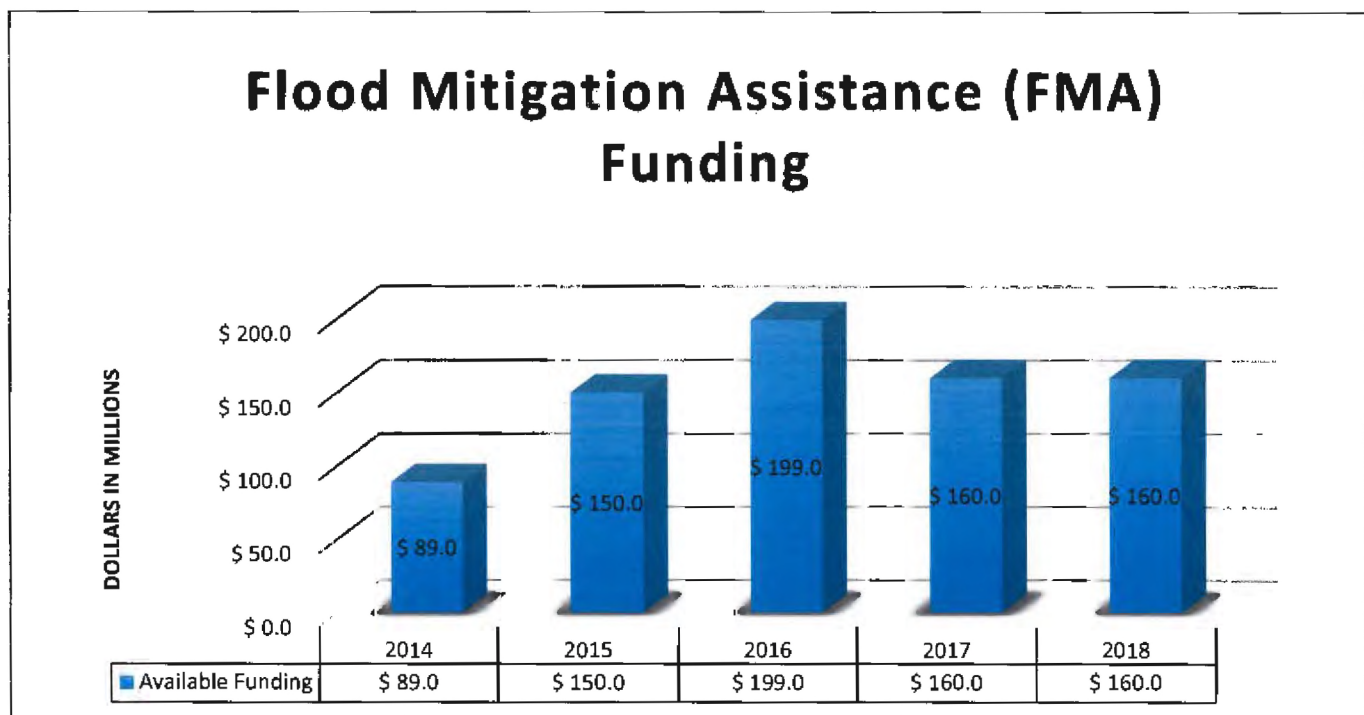
During 2008, 2009, and 2010, Congress provided additional PDM Grants under the Legislative Pre-Disaster Mitigation (LPDM) Grant program. The LPDM grants required a 25-percent cost share and the City received three LPDM grants during this time period totaling \$763,500 as follows:

- \$150,000 for a \$200,000 project for the Emergency Management Department (EMD) to update the City's Local Hazard Mitigation Plan as a part of the FY 2010 Federal Obligation;
- \$500,000 for a \$666,667 project for the Bureau of Sanitation to implement the 25<sup>th</sup> Street Drainage Improvement Project as a part of the FY 2009 Federal Obligation; and,
- \$113,500 for a \$151,333 project for the General Services Department (GSD) to apply Window Safety Film to City Hall East as a part of the FY 2008 Federal Obligation.

### *Flood Mitigation Assistance*

The main objective of the Flood Mitigation Assistance (FMA) is to reduce and eventually eliminate claims under the National Flood Insurance Program (NFIP). The FMA was created as a part of the National Flood Insurance Reform Act of 1994 and is authorized by Section 1366 of the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4104c.

Funding is made available through the National Flood Insurance Fund (NFIF) and appropriated by Congress on an annual basis. The funding that was distributed for each fiscal year during the past five years is provided below. Local governments are considered sub-applicants and must apply through the applicant's state, territory or Federally-recognized tribe.



Source: Federal Emergency Management Agency FMA Grant Program Fact Sheet 2014-18

The City has not received any FMA grant funding in the past five years and the last time the City was awarded FMA funding was in August 2011 in the amount of \$450,632 for a Department of Water and Power project to replace the debris basins at the Franklin Reservoir.

### *Barriers in Receiving HMA Funding*

The key barriers to the City receiving Hazard Mitigation funding over the past five years are:

- 1) As previously noted, the City did not have a Federally-approved Local Hazard Mitigation Plan (LHMP) in place from July 10, 2016 through January 25, 2018. The LHMP is a comprehensive strategy that addresses the potential impact of both man-made and natural disasters, including those involving climate change. A sub-applicant must have a current LHMP in place in order to receive any Hazard Mitigation funding. Since the City did not have a Federally-approved LHMP during this period, the City was ineligible to receive any Hazard Mitigation funding until the Plan

was updated and approved by the FEMA. To avoid a similar scenario, it is recommended that the EMD develop measures to ensure that the City retains a valid, Federally-approved LHMP, which must be updated and approved by FEMA every five years. The City's current Federally-approved LHMP is set to expire on January 25, 2023.

- 2) The City is considered a sub-applicant for the PDM and FMA grants, while the State of California acts as the applicant. As the primary applicant, the State of California compiles and prioritizes all requests from sub-applicants prior to submission to the Federal government for approval. The Federal government then reviews the requests and prioritizes projects from applicants that have received the least amount of HMGP funding. Although the City has not received any amount of HMGP funding, the State of California, which is the applicant, regularly receives funding. The prioritization by the Federal government to agencies that receive the least amount of funding would not apply to the City, as it is considered a sub-applicant. Given this prioritization process, PDM and FMA grant awards are challenging for the City to obtain.
- 3) City departments have not been proactive in seeking these grant opportunities. This may be a result of the fact that the City was ineligible to apply for any HMA funding from July 10, 2016 through January 25, 2018. The CAO routinely disseminates information regarding HMA funding whenever there are grant funding opportunities and the CAO encourages departments to take advantage of these grant opportunities.

#### *HMGP Sub-application Process*

The process to obtain HMGP funding begins when FEMA or the California Governor's Office of Emergency Services (Cal OES) releases notification of an HMGP funding opportunity. Once this information is received, the CAO distributes the notice and funding opportunity to departments. Departments must then submit a Notice of Intent (NOI) to Cal OES if it is determined to have any qualifying projects. Cal OES reviews the NOIs and upon approval, departments are invited to submit a sub-application. Cal OES performs another round of reviews for the submitted sub-application and forwards qualified sub-applications to FEMA for final review. HMGP funding will then be provided to departments based on final approval by FEMA.

As of May 2018, the Cal OES had five active opportunities for HMGP funding: DR-4301, DR-4305, and DR-4308 for winter storms occurring in 2017; DR-4344 for wildfires in 2017; and, DR-4353 for wildfires and debris flows in 2017. As the administrator of these grants, the City Administrative Officer notified City departments of the available grant awards. The table on the following page provides a listing of City departments that submitted a NOI to apply for the aforementioned HMGP funding opportunities.

**2018 HMGP Departmental Notices of Intent**

City Department/Bureau	Number of NOIs Submitted	NOIs invited to submit sub-applications	Number of NOIs Denied	Total Cost of NOIs Submitted	Total Cost of NOIs Approved
HOUSING & COMMUNITY INVESTMENT DEPARTMENT	7	7	0	\$ 28,000,000	\$ 28,000,000
	NOI Submitted:	(7) Los Angeles Seismic Retrofit Grant Program			
INFORMATION TECHNOLOGY AGENCY	1	1	0	\$ 1,000,000	\$ 1,000,000
	NOI Submitted:	(1) Los Angeles Early Earthquake Warning System			
LOS ANGELES DEPARTMENT OF WATER AND POWER	3	2	1	\$ 27,590,000	\$ 27,350,000
	NOI Submitted:	(1) Long Valley Dam Condition Assessment; (1) Elizabeth Tunnel Seismic Enhancement Project, Phase One; (1) Century Trunk Line 1 Replacement Project			
LOS ANGELES FIRE DEPARTMENT	4	4	0	\$ 1,214,100	\$ 1,214,100
	NOI Submitted:	(4) Backup Power Workgroup			
MAYOR'S OFFICE	1	1	0	\$ 1,000,000	\$ 0
	NOI Submitted:	(1) Los Angeles Seismic Retrofit Grant Program			
PW -ENGINEERING	4	3	1	\$ 3,009,000	\$ 2,009,000
	NOI Submitted:	(1) Holly Drive & Bryn Mawr Rockfall Mitigation Project; (1) Nichols Canyon Road Sidehill Project; (1) Mulholland Drive Bulkhead Project; (1) La Tuna Canyon Rd. Slough Wall & Rail			
PW -SANITATION	3	3	0	\$ 13,346,777	\$ 11,761,000
	NOI Submitted:	(1) Burwood Avenue Figueroa Drain; (1) Oakdale Redwig Storm Drain; (1) Donald C. Tillman Water Reclamation Plant berm mitigation to FEMA Standards			
<b>TOTAL</b>	<b>23</b>	<b>21</b>	<b>2</b>	<b>\$ 75,159,877</b>	<b>\$ 71,334,100</b>

Source: Office of the City Administrative Officer

As noted in the table above, 21 out of the 23 NOIs submitted for HMGP funding were invited to submit sub-applications. However, the City did not receive any HMGP funding as a result of the 21 approved NOIs. This is mainly attributed to the fact that 19 of the 21, or 90 percent, of the approved NOIs did not submit a sub-application. The two approved NOIs that did complete a sub-application are still pending review from FEMA/Cal OES.

The reasons as to why departments did not submit sub-applications are as follows:

- Sixteen of the approved NOIs did not complete a sub-application due to the department citing a lack of resources, such as the lack of time or staff to complete the sub-application;
- One of the approved NOIs did not complete a sub-application after it was decided that the project would be initiated by another department;
- One of the approved NOIs did not complete a sub-application since it was disqualified for starting the project before obtaining sub-application approval; and,

- One of the approved NOIs did not complete a sub-application since the proposed project was located on Federal land, thereby disqualifying the project.

To ensure that more City departments apply for HMGP funding, a formalized sub-application process, as illustrated in the Attachment, is recommended for implementation. There is currently no official process in place and the proposed HMGP application process will provide a step-by-step guideline for City departments to observe. The formalized HMGP process will provide two key improvements. First, the proposed HMGP application process will require a departmental Negative Reply submitted to the CAO whenever a HMGP funding opportunity is released. Currently, a Negative Reply is not required and by enacting this policy, City departments will be held more accountable with its engagement in the HMGP application process. Second, the proposed HMGP process emphasizes the need for City departments to work with the CAO when submitting HMGP funding sub-applications. This will reduce the number of sub-applications that are being denied due to the departments not adhering to HMGP sub-application guidelines.

In addition to the measures stated above, the CAO will offer HMGP sub-application process training at the request of individual City departments to address and alleviate the shortage of departmental staff resources, which is currently being cited as the primary obstacle in preventing City departments from submitting a timely sub-application after a NOI approval.

### **Emergency Management Department Educational Efforts**

The City of Los Angeles Emergency Management Department provides coordination and educational services to City departments and the public regarding emergency preparedness and response. This includes assessment of risks and hazards such as fires, floods and extreme weather events which may be affected by climate change and other environmental factors.

#### *City Department Preparedness*

EMD works with 49 City departments and agencies to coordinate emergency preparedness, planning, mitigation, response and recovery efforts in accordance with Division 8, Chapter 3 of the Los Angeles Administrative Code. This includes development, maintenance and updating of a wide range of emergency response plans. In addition to the City's Emergency Operations Plan (EOP) which provides broad guidance and areas of responsibility for City departments, EMD maintains a variety of hazard or function specific plan annexes. These include Extreme Weather, Fire, Flood, Tsunami and Earthquake plans that provide detailed department roles and responsibilities as well as procedures for coordination between departments. These hazard scenarios and events are taken into consideration for plan review and revision every two years per Federal grant funding requirements. EMD has taken the lead for the City to ensure these plans are kept up to date and accurate as new scientific information is made available.

EMD also coordinates Departmental Emergency Plans (DEPs) and Continuity of Operations Plans (COOPs) per Mayoral Executive Directive. These plans are reviewed and updated annually. Departments are tasked with developing specific operating procedures and contingency plans to ensure continued operations during disasters and emergencies that may impact its facilities, staff, communications and systems. These plans are developed by operating departments under EMD's guidance and address specific measures that would need to be taken to respond to and recover

from a variety of risks and hazards including those known to be impacted by climate change.

EMD administers a comprehensive emergency management training and exercise program for the City. This includes training for Emergency Operations Center (EOC) responders, Department Operations Center (DOC) responders, emergency management staff and executives. In October of 2018, EMD hosted an extreme weather educational seminar for department executives and emergency managers. The session was attended by more than 200 individuals and provided an overview of climate change by scientific experts in the field and a review of City plans impacted by these changes by EMD staff. In coordination with the Mayor's Office of Public Safety (MOPS), EMD is designing an interactive table top exercise on climate change for department executives. EMD anticipates scheduling this exercise sometime this calendar year. EMD will then develop additional educational and planning programs regarding climate change that will build on this foundation.

EMD manages the City's EOC. The Department's training programs and annual exercises incorporate a variety of risk and hazard scenarios. Recent exercises have focused on brush fires and floods; hazards known to be impacted by climate change in terms of their frequency, severity and impact on public safety and the local economy and recovery. EMD will continue to use these programs as a means of ensuring our EOC and its responders are well trained and prepared to deal with climate change impacted threats and hazards.

EMD coordinates disaster mitigation and the City's Local Hazard Mitigation Plan, while post-disaster recovery efforts are driven by the CAO and EMD. The CAO focuses on public assistance while EMD emphasizes individual assistance for disaster victims and the operation of Local Assistance Centers (LACs) and Disaster Recovery Centers (DRCs) in concert with the County of Los Angeles, the State of California Governor's Office of Emergency Services (Cal OES) and the Federal Emergency Management Agency (FEMA). Many of these recovery efforts are in response to fires, floods, mudslides and debris flows, disaster scenarios known to be impacted by climate change.

### *Community Preparedness*

EMD is also responsible for educating residents and communities to prepare for disasters and emergencies. The Community Emergency Preparedness and Engagement Division (CPED) has developed and is implementing a comprehensive Ready Your LA Neighborhood (RYLAN) program to educate the public on steps they need to take to be prepared for the range of disasters that can impact the City of Los Angeles. This is a neighborhood-based program that guides community leaders in the development and exercising of community-based plans. Residents learn about the various hazards and threats facing Los Angeles and how they can develop basic steps to know their neighbors, assemble emergency supplies, draft communications plans for their family and complete other available training such as the LAFD Community Emergency Response Team (CERT) program that deals with first aid and other hands-on practices.

As a program, RYLAN addresses multiple hazards and scenarios. Residents need to be prepared to be self-sufficient for a week or longer as City first responders may not be able to reach them to provide services immediately following a disaster. EMD focuses on those hazards that can affect any community but emphasizes earthquakes, extreme weather, fires, floods and public health

scenarios. As EMD guides residents and neighborhoods through this process it emphasizes the impact that climate change is having on some of these hazards. For example, residents need to be prepared for brush fires which are increasing in frequency and severity. The same is true for extreme weather and flooding. As more severe weather events occur, so will the known risk of mudslides and debris flows in hillside communities that have experienced brush fires.

Through RYLAN and other helpful information posted on EMD's website (<http://ReadyLA.com>), residents are kept informed and up to date on the latest information on emergency preparedness, response, and recovery. As preparedness information is meant to be distributed before major events occur, EMD proactively utilizes its Facebook page, Twitter feed, and other social media platforms. EMD uses these platforms to share information with City residents and communities regarding climate change and its impact on disasters. Additionally, EMD utilizes these tools to provide real time information for specific or current emergencies, such as the Creek, Skirball, and Woolsey fires.

EMD works with more than 80 communities each year to develop RYLAN plans as well as the 99 Neighborhood Councils and numerous small businesses in the City to prepare for the full range of threats and hazards. EMD recognizes the impact of climate change on many of these threats and has incorporated preparedness and awareness into its program at the grass roots level.

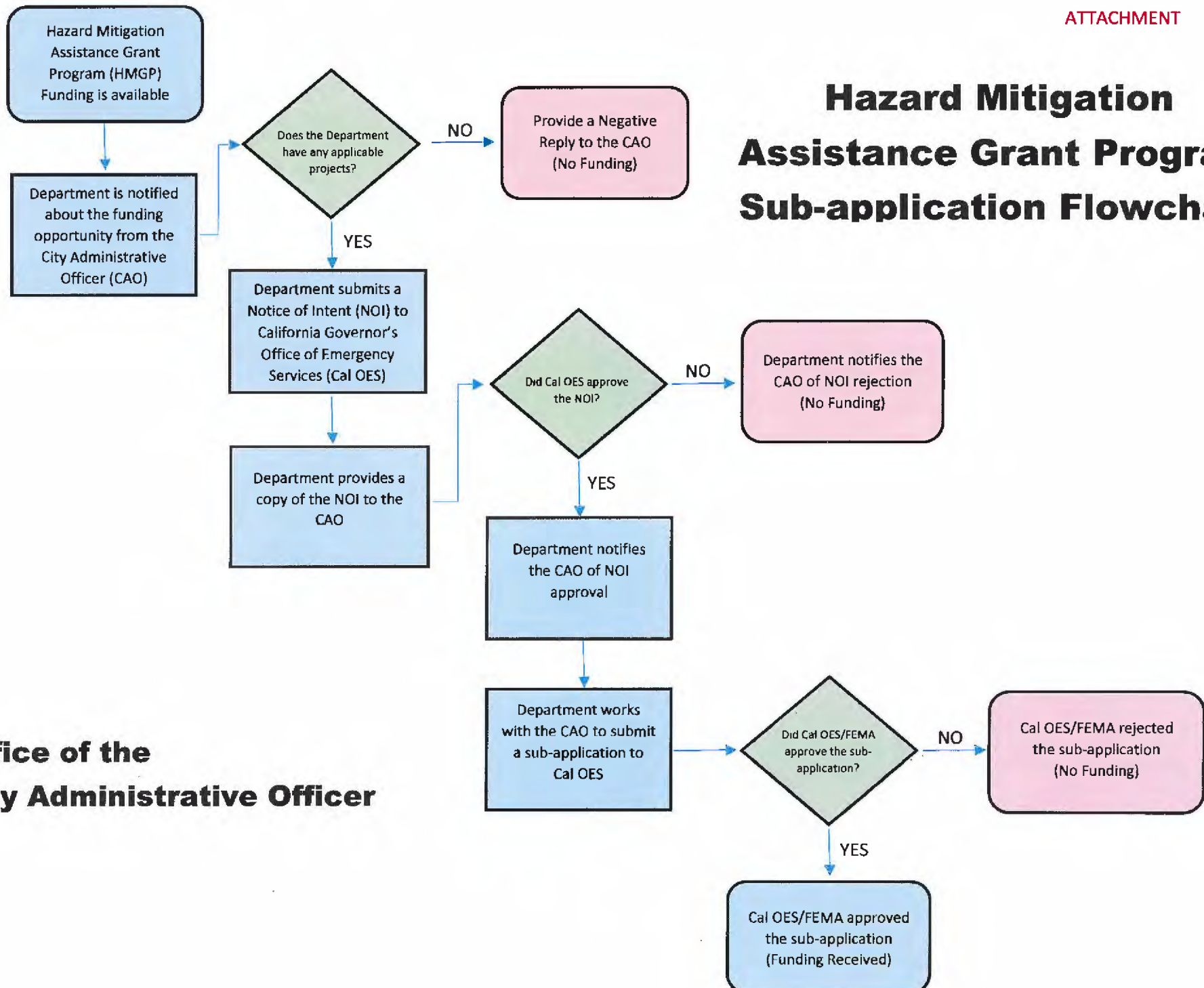
## **FISCAL IMPACT STATEMENT**

There is no direct impact to the General Fund by adopting the recommendations in this report. However, opportunities exist for the City to obtain additional grant funding for Hazard Mitigation-related projects, which would decrease the reliance on the General Fund in supporting these projects. The exact fiscal impact is unknown at this time as it is contingent upon several variables such as the amount of projects that are approved to receive Hazard Mitigation Assistance grant funding and the variance in cost of the proposed projects.

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Attachment

# Hazard Mitigation Assistance Grant Program Sub-application Flowchart



**Office of the  
City Administrative Officer**