

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0100-00438-0034

Date: September 14, 2023

To: The City Council

From: Matthew W. Szabo, City Administrative Officer 

Subject: **DISASTER ASSISTANCE TRUST FUND ANNUAL FINANCIAL REPORT FOR
THE FISCAL YEAR ENDED JUNE 30, 2023**

Recommendation

That the City Council note and file the Disaster Assistance Trust Fund Annual Financial Report for the fiscal year ended June 30, 2023.

Summary

In accordance with Chapter 3, Division 8, Article 9.6, Section 8.72.1 (J) of the Los Angeles Administrative Code, the Office of the City Administrative Officer (CAO) prepared and submits herewith the required annual financial report regarding the Disaster Assistance Trust Fund (DATF) for the fiscal year ended June 30, 2023.

The DATF is administered by the CAO. All grant funds received for disaster relief public assistance and hazard mitigation assistance programs are deposited in the DATF. During Fiscal Year 2022-23, the CAO administered twenty (20) active disaster recovery programs and two (2) hazard mitigation grants. Total revenues received during Fiscal Year 2022-23 amounted to \$96,933,303, including \$960,273 in interest earned on the fund balance. The interest amount is rounded to the nearest dollar.

Transfers and expenditures in the amount of \$96,543,703 were made for the purposes set forth in the grant programs during Fiscal Year 2022-23.

Fiscal Impact Statement

There will be no impact on the General Fund or other City funds as a result of adoption of the recommendation of this report.

MWS:AW:03240005c

Attachments

**DISASTER ASSISTANCE TRUST FUND
ANNUAL FINANCIAL REPORT TO THE CITY COUNCIL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

CITY OF LOS ANGELES

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

MATTHEW W. SZABO, CAO

Patricia J. Huber, Executive Officer

Submitted by:

Melissa C. Krance
Chief Administrative Analyst

Annie Wang
Sr. Administrative Analyst II

The Office of the City Administrative Officer (CAO) is required to prepare and submit an annual report to the Los Angeles City Council on the results of operations of the Disaster Assistance Trust Fund (DATF), in accordance with the provisions of the Los Angeles Administrative Code (LAAC), Section 8.72.1 (J).

BACKGROUND

In December 1990, the DATF was created by Ordinance No. 166519, adding Section 8.72.1 (J) to Article 9.6 of Chapter 3 of Division 8 of the LAAC to meet accounting requirements for federal and state disaster assistance programs. The DATF designated as “Fund 872” in the City’s Financial Management System is a Special Revenue Fund.

The primary enabling legislation for these disaster assistance programs are the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), Public Law (P.L.) 93-288 and the California Disaster Assistance Act (CDAA). Title 44, Code of Federal Regulations, Part 206 implements PL 93-288. California Code of Regulations, Title 19 implements the CDAA.

SUMMARY

The CAO administered twenty (20) active disaster recovery programs and two (2) hazard mitigation grants in Fiscal Year 2022-23, as follows:

Disaster Recovery Programs:

- 2009 Station Fire;
- 2010 January Winter Storms;
- 2013 July Inyo Storms;
- January 2017 Storms;
- Late January 2017 Storms;
- California La Tuna Fire FMAG;
- Creek Fire- Los Angeles FMAG;
- Skirball Fire FMAG;
- Creek/Skirball Fire;
- Woolsey Fire;
- Mid-February 2019 Storms;
- Saddleridge Fire FMAG;
- Saddleridge Fire;
- Getty Fire FMAG;
- COVID-19 Pandemic;
- 2022-2023 Early Winter Storms;
- August 2022 Storms;
- California Severe Winter Storms, Flooding, Landslides and Mudslides;
- California Severe Winter Storms, Straight-line Winds, Flooding, Landslides, and Mudslides; and
- 2023 February-April Storms

Hazard Mitigation Grants:

- Emergency Power- Fire Station No 046; and
- City of Los Angeles Hazard Mitigation Plan Review and Update

The total aggregate amount of federal and state disaster assistance grants received during Fiscal Year 2022-23 is \$96,933,303 (Schedule 1). During Fiscal Year 2022-23, the DATF earned \$960,273 in interest on the fund balance (Schedule 2). This amount is included in the \$97,893,576 total receipts from all sources. The interest income amount is rounded to the nearest dollar.

During Fiscal Year 2022-23, transfers to City departments, proprietary departments, and the General Fund totaled \$96,543,703 (Schedules 3 - 4). These are reimbursements for emergency and facility repair costs incurred by departments and allowed by federal and state agencies. The DATF reimbursed a total amount of \$243,978 to the General Fund in Fiscal Year 2022-23 for the CAO's administrative costs. The balance of \$96,299,725 reimbursed the General Fund.

For Federal events, the recovery of project costs are based on management cost rates established by the Federal Emergency Management Agency (FEMA). The State of California Office of Emergency Services (CalOES) applies a fixed administrative allowance of ten percent to the state share of approved Project Worksheets (PW). The administrative allowance is intended to help with the costs of requesting, obtaining and administering federal and state disaster assistance grants. Typical items that fall under the category of administrative allowance include costs for audits, consultants, bookkeepers, grant administrators, legal services and executive management. The DATF did not receive any funds in federal and state administrative allowances in Fiscal Year 2022-23.

The schedules on the following pages provide the summary and detail of receipts and transfers in the DATF during the fiscal year, presented in the following order:

Schedule 1	Grant Receipts
Schedule 2	Detail of Interest Received
Schedule 3	Transfers to Departments/Expenditures
Schedule 4	Percentages of Transfers by Department or Fund
Schedule 4	Percentages of Transfers by Disaster Event

SCHEDULE NO. 1

2022-23 GRANT RECEIPTS

Disaster assistance grant funds received from the Federal Emergency Management Agency(FEMA) for the following events:

Late January 2017 Storms (see Note 1)	\$	(139,486)
Coronavirus Disease 2019		96,299,725
<i>Total FEMA grant funds received</i>	<u>\$</u>	<u>96,160,239</u>

Disaster assistance grant funds received from the State of California for the following events:

Late January 2017 Storms (see Note 1)	\$	(35,151)
Saddleridge Fire FMAG	\$	808,215
<i>Total State grant funds received</i>	<u>\$</u>	<u>773,064</u>

Summary:

Total Grant Funds Received from FEMA	\$	96,160,239
Total Grant Funds Received from the State of California		773,064
Total Federal and State Grant Funds Received		96,933,303
Add: Interest earned on DATF Balance		960,273
Total Receipts from all Sources	<u>\$</u>	<u>97,893,576</u>

Note 1: A refund of \$174,637 to CalOES, of which \$139,486 due to FEMA and \$35,151 is due to State of California, was processed during FY23 due to the overpayment of grant funds for the event FEMA 4305-DR-CA, Late January 2017 Storms.

Amounts rounded to the nearest dollar

SCHEDULE NO. 2

2022-23 DETAIL OF INTEREST RECEIVED

<u>Period</u>	<u>Amount Received</u>
July 2022	\$ 18,203.22
August 2022	83,795.62
September 2022	32,045.44
October 2022	37,388.00
November 2022	67,661.56
December 2022	19,565.14
January 2023	50,008.91
February 2023	51,810.47
March 2023	43,363.19
April 2023	59,276.54
May 2023	233,579.49
June 2023	263,575.76
Total	<u>\$ 960,273.34</u>

2022-23 TRANSFERS TO DEPARTMENTS/EXPENDITURES

<u>Event</u>	<u>Department/Fund/Purpose</u>	<u>Amount Transferred</u>	<u>Total</u>
Administrative Allowances Allocation to the CAO	City Administrative Officer/ General Fund Reimbursement	\$ 243,978	\$ 243,978
Coronavirus Disease 2019	Non-Departmental- General/Reserve Fund	96,299,725	96,299,725
Total transfers			<u>\$ 96,543,703</u>

Amounts rounded to the nearest dollar

2022-23 PERCENTAGES OF TRANSFERS BY DEPARTMENT OR FUND

<u>Department or Fund</u>	<u>Amount Transferred</u>	<u>Percent of Total</u>
City Administrative Officer	\$ 243,978	0.25%
Non-Departmental-General / Reserve Fund	96,299,725	99.75%
Total	<u>\$ 96,543,703</u>	<u>100.00%</u>

PERCENTAGES OF TRANSFERS BY DISASTER EVENT

<u>Disaster Event</u>	<u>Amount Transferred</u>	<u>Percent of Total</u>
Administrative Allowances	\$ 243,978	0.25%
Coronavirus Disease 2019	96,299,725	99.75%
Total	<u>\$ 96,543,703</u>	<u>100.00%</u>

Amounts rounded to the nearest dollar

Sources:

Statement of Revenue and Expense June 30, 2023

Statement of Condition of Appropriation-Detail June 30, 2023

CAO Cash Receipts and Disbursements Ledger June 30, 2023