

PACIFIC PALISADES COMMUNITY COUNCIL

Response to HUD's Notice on the Community Development Block Grant Disaster Recovery (CDBG-DR) Formula

Docket No. FR-6337-N-02 | Submitted September 14, 2026 | Adopted by the PPCC Board of Directors on [date]

P.O. Box 1131, Pacific Palisades, CA 90272 | info@pacpalicc.org | [phone] | pacpalicc.org Questions addressed: 1(a), 1(b), 1(c), 1(d), 2, 3, 4, 5, 6, 7, 8 and 9.

Introduction

The Pacific Palisades Community Council submits these comments on behalf of a community confronting an extraordinarily complex recovery following the January 7, 2025 Palisades Fire. The fire destroyed thousands of homes and structures, displaced much of our community, devastated businesses and commercial corridors, and exposed significant infrastructure vulnerabilities. CAL FIRE reports 6,845 structures destroyed and 975 damaged across the fire footprint.[1]. Reports and Inspection subsequent to the initial visual inspection have revealed a far greater scale of contamination and damage to standing homes, now estimated to be between 1000 to 3000 of those remaining homes in the Palisades.

PPCC has represented the community since 1973. Its mission is to protect and improve the quality of life in Pacific Palisades, to serve as a forum for the consideration of community issues, and to advocate to government on issues where there is broad community agreement, reflected in a two-thirds vote of its Board.[2] This comment was adopted by that vote on [date].

Twenty months into recovery, Pacific Palisades also faces extraordinarily high rebuilding costs, substantial insurance gaps, prolonged displacement, continuing economic disruption, and significant infrastructure and resilience needs. These circumstances demonstrate why HUD's CDBG-DR formula must look beyond initial physical-damage classifications and measure the resources actually required for people to return and communities to recover. There is still no CDBG-DR appropriation for the January 2025 Los Angeles fires,[3] and HUD is now writing, by regulation, the formula that will govern the next one.[4][5]

These comments reflect perspectives developed across a broad community recovery network, including residents, homeowners, renters, condominium and townhome communities, apartment and multifamily residents and owners, manufactured-home communities, businesses, neighborhood organizations, recovery organizations and civic partners. Through PPCC and the broader community recovery structure, these perspectives increasingly converge around a common principle: federal disaster recovery must measure what it actually takes for an entire community, and the people who make up that community, to return, rebuild safely and recover.

Recovery, however, cannot be measured simply by counting destroyed single-family homes.

Pacific Palisades is a community of homeowners and renters living in single-family homes, apartments, condominiums, townhomes, and manufactured housing communities. Each has experienced the disaster differently, and each faces different barriers to returning. A federal

recovery formula that adequately measures the rebuilding gap for a single-family homeowner may still fail an apartment resident, condominium owner, HOA, multifamily property, or manufactured-home community.

These are not secondary considerations. Restoring the full range of housing that existed on January 6, 2025 is essential to restoring the community itself.

The Palisades in brief

The fire's scale is clear, but community-level concentration matters as much as fire-wide totals. Three geographies appear in this comment, and each figure is labelled: **Pacific Palisades** means ZIP Code 90272, in the City of Los Angeles; the **Palisades Fire area** adds the City of Malibu and unincorporated Los Angeles County (Sunset Mesa and Topanga); the **January 2025 Los Angeles fires** means the Palisades and Eaton fires together (DR-4856-CA), which is how FEMA, SBA, LAEDC and the State report.

- **Fire area:** 6,845 structures destroyed and 975 damaged, of which 5,481 destroyed structures are in ZIP Code 90272, 721 in the City of Malibu and 634 in unincorporated county.[1][6]
- **ZIP 90272:** 3,999 single-family homes, 334 mobile homes in two parks and 85 multifamily buildings destroyed, roughly **half** of the ZIP Code's 9,291 housing units in a single day.[6][7]
- **Standing is not the same as habitable:** 44 percent of standing Palisades homes report damage that includes smoke and contaminants, on the order of 1,500 homes.[8]
- **ZIP 90272:** 58 commercial structures, 51 school structures across three public schools, six houses of worship and the branch library destroyed;[6] **both fires:** an estimated 24,990 to 49,110 job-years lost, many of them people who worked in Palisades homes, gardens, shops and restaurants.[9]
- **ZIP 90272:** 3,935 households, 9,540 people, whose primary homes FEMA records as destroyed (4,809 households and 11,532 people across the fire area).[10]
- **Three in four** Palisades survivors are still displaced; across both fires nearly 29,500 households were still navigating insurance claims in May 2026 and nearly 1,000 remained in FEMA temporary housing.[11][12]
- **Before the fire:** 8,357 occupied homes, 1,683 of them rented; roughly **half** of renter households rent-burdened; **one resident in four** aged 65 or older.[7][13]
- **Malibu and the Palisades:** median gap after insurance for total-loss households above \$1,000,000 (\$600,000 across both fires; FAIR Plan policyholders face the largest gaps of any insurer); 140 attainable condominium and townhome units lost as five associations dissolved; **no** CDBG-DR appropriation or allocation for DR-4856-CA as of September 2026.[11][14][3]

The Palisades is documenting its own disaster. Residents have built and maintain public tools HUD staff can use directly: the City's draft Long-Term Recovery Plan indexed project by project, with public comment, at projects.pali411.com;[15] PaliDash, a parcel-level explorer of damage, assessor and census data for both fires, including HUD's low- and moderate-income tracts;[16] Pali Builds, which reviews every permit application and issued permit in ZIP Code 90272 and publishes the counts monthly;[17] the Pali Rebuild Map, which plots the permit stage of every rebuilt parcel;[18] and Palistreets, where the community's Teen Advisory Council logs, photographs and geotags every pothole and road hazard so the City can fix the worst streets first and document the rest for federal recovery funding.[19] The localized data this comment asks HUD to use already exists here.

Our central recommendation, and how this comment is organized

Our central recommendation is straightforward:

$$\text{Remaining recovery gap} = (\text{reasonable cost of safe and resilient recovery}) - (\text{insurance actually available}) - (\text{FEMA, SBA and other assistance actually available}) - (\text{affordable financing realistically available})$$

Our answers follow HUD’s numbering. They rest on three principles drawn from our community’s experience, marked at the head of each answer: **A. Recognize all forms of housing, displacement and functional loss; B. Use localized, current data, measure the actual recovery gap and recognize concentrated catastrophe; C. Make resilience, a defined timeline and community-level transparency part of recovery.** Each answer closes with an action requested; the requests are collected in a single list before the conclusion.

Question 1(a). Housing need multipliers and a “destroyed” category

Principles A and B: recognize all forms of housing and functional loss; measure the actual recovery gap, locally

Create a “destroyed” category and recognize functional total loss

PPCC supports a separate “destroyed” category. HUD itself recognizes that disasters with large numbers of destroyed homes have materially different recovery needs than disasters dominated by repairable damage.[4] The category should include homes that remain standing but are rendered unsafe or uninhabitable by wildfire smoke, ash or toxic contamination when subsequent professional testing establishes functional total loss. PPCC/NORC and Purdue REBUILD findings demonstrate why a visual first-pass inspection can miss material interior impacts.[8][20] The current categories cannot tell the two apart: under the January 2025 methodology, “severe” means more than \$28,800 of FEMA-inspected real-property damage, so a \$30,000 repair and a total loss fall in the same category.[21]

HUD should permit later environmental testing, professional assessments and evidence of habitability to revise an initial damage classification. Damage should be measured by the reasonable cost of restoring a property to safe, habitable condition, not solely by what was visible immediately after the disaster.

Localized multipliers and reasonable rebuilding cost

PPCC supports moving away from a multiplier dependent on delayed SBA repair data, but the replacement must be geographically sensitive. HUD proposes disaster-type historic experience adjusted for geography, private-sector construction cost data and inflation.[4] PPCC recommends that localized current cost evidence be allowed to override a historical multiplier when reliable market evidence demonstrates a material difference. “Reasonable cost” should include current code and resilience requirements, including fire hardening, seismic work and site-specific hillside stabilization where legally or physically necessary. In the Palisades, insurers’ rebuild estimates average about \$462 per square foot, while local contractors’ budgets for code-compliant construction run as high as \$1,065.[22] “Reasonable cost” should also include the private infrastructure a rebuild now requires and insurers commonly exclude: sewer laterals and septic-to-sewer connections, water-service upgrades for required fire sprinklers, and sidewalk and driveway-approach repair, none of which a FEMA inspection sees.

HUD should not presume that high rebuilding costs are caused by local regulatory barriers without evidence. The formula should distinguish avoidable regulatory delay from code-required life-safety and resilience measures that reduce future federal disaster losses.

HUD also asked how to assess whether a locality has acted consistently with HUD's State and Local Best Practices for Home Construction. Within days of the fire the State suspended CEQA and Coastal Act review for like-for-like rebuilds,[23] and the City of Los Angeles opened one-stop permit centers, an expedited permit path and a pre-approved standard-plan program.[24] Those are the actions HUD's best practices call for. What remains is labor, materials, hillside conditions and wildfire-resistant construction, which adds only 2 to 3 percent at construction under the IBHS Wildfire Prepared Home Plus standard; HUD should treat it as a reasonable cost, not a regulatory excess.[25]

Common-interest, multifamily and manufactured housing

Housing must be measured as a system, not merely as isolated units. A condominium or townhome owner cannot return if the association cannot rebuild the structure or common infrastructure. HUD should establish a distinct methodology for condominiums, townhomes, co-ops and small multifamily properties that accounts for master-policy gaps, common-area reconstruction, special assessments and project-level financing constraints. The formula should count housing units and displaced households rather than relying on parcel counts, which can materially understate losses in condominiums, apartment buildings and other multifamily properties. Rental multipliers should reflect unit type and localized replacement conditions rather than a blanket assumption that rental units are uniformly smaller or less costly to restore.

Housing recovery is constrained by collective and financial barriers. PPCC records identify 140 attainable units across five condominium and townhome associations lost as associations dissolved because reconstruction could not be financed. Common-interest owners can simultaneously face mortgages, temporary rent, property taxes, HOA dues and special assessments, while an association itself must finance common-area and structural reconstruction.

Owners of single-family rental homes fall between the programs. FEMA's Individual Assistance and the SBA home loan serve owner-occupants and renters; the CalAssist Mortgage Fund excludes investment properties;[26] the only SBA route for a landlord is a business loan on business terms; and the formula presumes landlords adequately insured unless the tenant is very low-income.[21] When those homes are not rebuilt, the community's rental stock does not come back, and the formula should count them.

Manufactured housing also warrants a distinct approach. HUD's January 2025 methodology already uses separate mobile-home multipliers; the issue is whether those figures reflect full installed replacement cost and whether the formula separately captures park-level roads, utilities, drainage and fire-protection infrastructure.[21] In Pacific Palisades the fire destroyed 334 mobile homes in the community's two coastal parks, Tahitian Terrace and Palisades Bowl, whose residents own their homes but not the land beneath them.[6][27]

Income, insurance and resources actually available

Income should remain an important factor, but the formula's current screens leave almost every destroyed home here uncounted, insured or not, and they do the same in Altadena. Under the

January 2025 methodology a fire-damaged owner counts toward unmet need only if uninsured and below the greater of national median income or 120 percent of area median income.[21] Applied to FEMA's own registration data, that screen counts 138 of the 2,579 owner-occupied homes FEMA records as destroyed in ZIP Code 90272, and 175 of 3,777 in Altadena's ZIP Code 91001.[10] It fails both communities. A quarter of our residents are 65 or older; many have modest incomes and a home that was their only asset, and cannot prudently borrow what a rebuild now costs.[7] Before the fire, roughly half of Pacific Palisades renter households were already rent-burdened and roughly four in ten were severely rent-burdened under ACS Table B25070.[13] Disaster survivors may then carry both the cost of the damaged property and temporary housing. FEMA's registrations record 1,358 renter households in the ZIP Code whose homes were destroyed, and renters who filed claims face a median gap of \$100,000 for belongings and temporary housing.[10][11]

PPCC supports the statute's requirement that not less than 70 percent of each grant benefit persons of low and moderate income,[5] and asks that benefit be measured at the disaster footprint, using tract-level data, rather than against county averages. Our renters, mobile-home residents and seniors are among the households that requirement protects; so are Altadena's. We do not speak for Altadena, whose organizations speak for themselves; we note only that HUD's own data shows the same screen failing both communities.

Likewise, an insurance policy, settlement or loan approval is not necessarily cash available for reconstruction. Among total-loss survivors the median gap after insurance is \$600,000, and above \$1,000,000 in Malibu and Pacific Palisades; survivors insured through the California FAIR Plan face the largest gaps of any insurer.[11] Before the fire, State Farm had non-renewed 1,626 of 2,342 policies in ZIP Code 90272.[28] Governor Newsom documented continuing problems with delayed release of insurance proceeds held by mortgage servicers.[29] HUD should deduct insurance only when proceeds are actually accessible for eligible recovery work and should permit provisional assistance where claims remain pending or disputed, subject to later reconciliation.

ACTION REQUESTED 1. Create a distinct "destroyed" multiplier and expressly permit reclassification to functional total loss based on subsequent environmental testing, professional assessment and documented remediation/reconstruction cost.[4][8][20]

2. Use disaster-type multipliers as a starting point, adjusted by localized private-sector cost data, inflation, property type, required resilience work and required private infrastructure (sewer laterals, septic-to-sewer connections, water-service upgrades for fire sprinklers, sidewalk repair); create an evidence-based override where local costs materially exceed the default.[4]

3. Count housing units and displaced households, not merely parcels; treat condominiums, townhomes, apartments, multifamily properties and manufactured-home communities on equal terms; use rental multipliers responsive to unit type and local conditions; and create project-level/common-infrastructure factors where recovery depends on shared structures or systems.[4][21]

4. Define "available resources" as funds actually accessible for recovery; permit provisional awards where insurance or other assistance is unresolved; reconcile later to prevent duplication of benefits; measure low- and moderate-income benefit at the disaster footprint.[29]

Question 1(b). Economic revitalization

Principle C: make resilience, a defined timeline and community-level transparency part of recovery

PPCC does not support a flat economic-revitalization percentage derived solely from housing unmet need. HUD notes that historic planned CDBG-DR economic-development spending has

ranged from 0 to 7 percent, with a median of 2 percent.[4] That spending history does not establish that actual economic loss equals 2 percent of housing loss. In a walkable urban community, displacement can remove the customer base from neighborhood businesses for years even when individual storefronts survive or reopen. CAL FIRE inspections record 58 commercial structures destroyed in ZIP Code 90272.[6]

The loss reached well beyond the people who lived here. The people who worked here, in homes, gardens, care, shops and restaurants, lost their livelihoods along with the buildings; LAEDC estimated the employment loss across both fires at 24,990 to 49,110 job-years.[9] LAEDC/LA County DEO tracking of the Los Angeles wildfire economy separately measures employment, job postings, localized spending and rebuilding progress, illustrating the availability of economic indicators independent of housing damage.[30]

ACTION REQUESTED Use a disaster-type economic-revitalization baseline as a floor or initial estimate, not a cap, and permit upward adjustment using localized employment, business-closure, taxable-sales/spending, job-posting and commercial-occupancy data.[4][30]

Question 1(c). Infrastructure

Principle C: make resilience, a defined timeline and community-level transparency part of recovery

PPCC does not support calculating infrastructure need solely as a percentage of housing unmet need. HUD reports that planned infrastructure spending in prior major CDBG-DR appropriations ranged from 9 to 31 percent, with a median of 22 percent, evidence of substantial variation across disasters.[4] Wildfire infrastructure needs are particularly dependent on topography, utility configuration, transportation constraints and the concentration of destruction.

The Palisades Fire exposed vulnerabilities involving water/fire-flow capacity, electrical and communications infrastructure, evacuation access, hillside conditions and PCH. Caltrans confirms widespread fire and storm damage to state assets on PCH and related recovery work.[31] The Pacific Palisades Community Council Infrastructure Committee also meets regularly with LADWP representatives to identify and address infrastructure hurdles affecting rebuilding.

The evidence is public. The State's six-agency analysis found that hydrant pressure was lost because demand ran at about four times normal and the system's main line was at capacity.[32] AECOM's reports for the City put six undergrounding projects at about \$664 million and found many local streets narrower than fire code allows.[33] The City's draft Long-Term Recovery Plan lists 61 recovery projects, 52 of them unfunded or only partly funded, among them the rebuilding of the branch library.[34][15] The fire destroyed 51 school structures across three public schools and six houses of worship,[6] Caltrans has eight emergency projects on PCH worth more than \$48 million,[31] and local streets are failing under reconstruction traffic, as the community's own hazard map shows street by street.[19] The natural fabric is infrastructure too: the City's plan treats street trees as "distributed systems that provide stormwater management, heat mitigation, and energy demand reduction," its Urban Forestry Division found most of the 4,398 fire-damaged street trees it assessed viable with monitoring or pruning, and six of the plan's tree, canopy and natural-resource projects, from a neighborhood tree inventory to tree-utility interface standards, are unfunded.[34][15]

CDBG-DR should permit restoration to a resilient standard where the disaster demonstrated that pre-disaster infrastructure was insufficient for safe recovery. Recreating a demonstrated vulnerability should not be treated as the federal definition of successful recovery.

ACTION REQUESTED Use a disaster-type infrastructure baseline only as a starting point and permit adjustment through a documented needs assessment; define infrastructure recovery as “restore-and-improve,” and expressly include fire-flow/water capacity, strategic utility undergrounding, emergency communications, evacuation/transportation improvements, slope stabilization, preservation and restoration of the tree canopy and the natural systems that hold slopes and manage stormwater, and critical public facilities where supported by evidence.[4][5][31]

Question 1(d). Extraordinary circumstances

Principle C: make resilience, a defined timeline and community-level transparency part of recovery

PPCC strongly supports reserving authority for the Secretary to use alternative data or methods in extraordinary circumstances. HUD cites its 2018 adjustment for homes made inaccessible by lava as an example.[4] Standing-but-uninhabitable homes, collective HOA failure, manufactured-home park infrastructure and extreme localized rebuilding conditions are analogous examples of losses that a standard formula may not capture.

ACTION REQUESTED Adopt a transparent extraordinary-circumstances process with published criteria, a mechanism for grantees and affected communities to submit evidence, and written explanation of any alternative methodology used.[4]

Question 2. Rural and Tribal areas

Principle B: use localized, current data and recognize concentrated catastrophe

PPCC supports separate metropolitan, non-metropolitan and Tribal thresholds, but recommends that each category also recognize concentration of loss at the smallest reliable geography.[4] A national formula should not solve one geographic distortion by creating another. Rural and Tribal communities may experience catastrophic loss with small absolute counts; metropolitan neighborhoods may experience catastrophic concentration that disappears when averaged across a county of millions.

ACTION REQUESTED Use separate metropolitan, non-metropolitan and Tribal thresholds, combined with a concentration test based on share of housing/business stock damaged within a ZIP code, census tract, Tribal geography or comparable reliable local unit.[4][5]

Question 3. Targeting the most serious needs: the “catastrophic” standard

Principle B: use localized, current data and recognize concentrated catastrophe

HUD should use a two-track catastrophic standard: a disaster qualifies based on either (1) a sufficiently large absolute number of homes or businesses with major-high, severe or destroyed unmet need, or (2) an exceptionally high concentration of such loss within a small geography. HUD is already considering both concepts, and the ROAD to Housing Act requires criteria that “shall consider the presence of a high concentration of damaged housing or businesses that individual, State, Tribal, and local resources could not reasonably be expected to address without additional Federal assistance.”[4][5] Twenty months of an insured community still three-quarters displaced is what that sentence describes.

This approach prevents a catastrophic neighborhood-scale loss from disappearing statistically inside a very large metropolitan county while also protecting smaller rural and Tribal communities whose absolute numbers may be modest but whose proportional loss is devastating.

The gate should count physical loss. HUD's example in the notice, "major-high or severe damage with unmet needs," would carry the formula's insurance and income screens into eligibility: on FEMA's registrations for ZIP Code 90272 it would count about 870 units against 4,333 destroyed homes, because 2,380 of the 2,579 destroyed owner-occupied homes were insured.^[10] The determination should instead count housing units destroyed or with major-high or severe damage regardless of insurance, income or FEMA registration, using FEMA and state structure-level inspections (CAL FIRE inspected every Palisades structure within about four weeks), and measure concentration against occupied housing units in a ZIP Code, census place or contiguous tracts, never at county scale; four Palisades census tracts lost between a third and two thirds of their housing units on FEMA's registrant data alone.^[10] As a starting point, PPCC would support a scale test of 1,500 such units and a concentration test of one home in five with a 500-unit floor, back-tested by HUD against every declaration since 2011. Insurance and income belong in the allocation, not the gate.

ACTION REQUESTED Adopt an "absolute loss OR concentrated loss" catastrophic test that counts physical loss without regard to insurance or income, with concentration measured against pre-disaster occupied housing/business stock in the smallest reliable geography, and with thresholds published and back-tested.^{[4][5]}

Question 4. Metropolitan, non-metropolitan and Tribal thresholds

Principle B: use localized, current data and recognize concentrated catastrophe

Thresholds should reflect actual local conditions rather than broad averages. Metropolitan areas are not internally uniform. HUD already uses Small Area Fair Market Rents to recognize sub-metropolitan rental-market variation; Pacific Palisades ZIP Code 90272 is treated as a distinct SAFMR geography.^[35] The same principle supports localized disaster analysis. A different metropolitan threshold must mean a different count, never a bigger geography: the two January 2025 fires destroyed about 16,000 structures, under half of one percent of Los Angeles County's housing units and roughly half of ZIP Code 90272's.^{[1][6][7]}

ACTION REQUESTED Maintain distinct metropolitan, non-metropolitan and Tribal thresholds, index dollar thresholds to relevant construction-cost changes, and apply a consistent share-of-community concentration test using ZIP-code, census-tract, Tribal geography or comparable localized evidence when broader averages materially dilute concentrated loss.^{[4][5][35]}

Question 5. Updating the housing damage definitions

Principle A: recognize all forms of housing, displacement and functional loss

Yes. The minor-low through severe thresholds were developed for Hurricane Sandy and should be modernized for disaster types where damage is not well measured by water depth or visible structural loss.^[4] Wildfire smoke, ash and toxic contamination can make a standing home unsafe while leaving it outside conventional severe-damage definitions. The formula should be hazard-neutral enough to measure functional habitability and reasonable remediation/reconstruction cost. The dollar bands themselves should be indexed: the \$28,800 ceiling for "severe" dates from 2013, and a "destroyed" band belongs above it.^[21] California is

about to set the first statewide standards for testing and remediating smoke contamination (AB 1642), and HUD's categories should be able to recognize a home that fails them.[36]

ACTION REQUESTED Update damage definitions by disaster type; index the dollar bands to construction costs; add "destroyed"; recognize functional total loss; and allow post-disaster testing and revised classifications when reliable evidence establishes greater damage than the initial inspection captured.[4][8][20]

Question 6. Grantee capacity and the appropriate jurisdiction

Principle C: make resilience, a defined timeline and community-level transparency part of recovery

Capacity should be measured objectively rather than presumed solely from governmental level. The ROAD to Housing Act authorizes grants to states, units of general local government and Indian tribes based on capacity and concentration of damage.[5] Relevant criteria should include prior federal grant-management performance, staffing, procurement and financial systems, ability to launch programs quickly, local data capacity, demonstrated coordination with affected communities, and the share of the jurisdiction directly affected.

Where a local government contains a highly concentrated disaster area and can demonstrate adequate capacity, direct allocation can improve accountability and responsiveness. Where a state is the grantee, HUD should require transparent suballocation or program-level reporting sufficient for affected communities to see what portion of the award addresses their documented unmet need. Pacific Palisades already publishes its own damage, census and permit data (see page 2); community-level reporting by any grantee should meet at least that standard.

ACTION REQUESTED Apply objective grantee-capacity criteria equally to eligible state, county, city and Tribal governments; publish a written allocation rationale addressing administrative capacity and concentration of damage; and require community-level transparency when the award is administered by a larger jurisdiction.[4][5]

Question 7. Other concentration criteria and minimum thresholds

Principle B: use localized, current data and recognize concentrated catastrophe

HUD should consider more than the count of damaged units. Concentration should include the percentage of local housing stock destroyed or functionally lost (in ZIP Code 90272, roughly half, and 5,481 of the fire's 6,845 destroyed structures sit in that one ZIP Code[6]); share of businesses closed or displaced; proportion of residents displaced; loss of attainable/multifamily housing; damage to critical infrastructure; duration of displacement, including the cost of securing a largely vacant burn area through a multi-year rebuild; and the gap between reasonable recovery cost and resources actually available.

ACTION REQUESTED Use a multi-factor concentration index and establish minimum allocations that are large enough to support a viable recovery program rather than awards whose administrative burden is disproportionate to their impact.[4][5]

Question 8. Mitigation percentage by disaster type

Principle C: make resilience, a defined timeline and community-level transparency part of recovery

PPCC supports the full 18 percent mitigation add-on the statute allows for catastrophic wildfire recovery, in addition to the housing estimate.[5] Wildfire mitigation may include structure

hardening, defensible space, strategic undergrounding, water/fire-flow improvements, slope stabilization, emergency-access improvements, and a managed, fire-resilient tree canopy and open-space vegetation regime that preserves the natural setting rather than clearing it. The rebuilding period is the most practical and cost-effective opportunity to reduce future loss, and mitigation resources should be sufficient to support community-wide resilience rather than isolated projects.

The research supports the full amount. The National Institute of Building Sciences finds that building to the wildland-urban interface code returns about \$4 for every \$1 spent nationally and more than \$6 in the most fire-prone locations.[37] Baylis and Boomhower find that homes built under California's 2008 wildfire code are about a third less likely to be destroyed at the same exposure, and that an unhardened neighbor within ten meters raises a home's risk.[38] The California Department of Insurance's March 2026 study with the NAIC, modeling about 30,000 homes in the Palisades and Eaton perimeters, finds that the Wildfire Prepared Home Plus standard cuts average annual loss by 35 percent for 2 to 3 percent more at construction.[25]

ACTION REQUESTED Set the wildfire mitigation add-on at the full 18 percent for catastrophic wildfire allocations, in addition to unmet housing need, and direct those resources toward evidence-based measures that materially reduce repetitive loss, protect critical infrastructure and support resilient rebuilding across the affected community.[5]

Question 9. Repetitive loss and critical infrastructure

Principle C: make resilience, a defined timeline and community-level transparency part of recovery

HUD should explicitly weight repetitive loss and critical infrastructure in the allocation formula. The statute directs particular focus to mitigation activities that reduce repetitive loss of property and critical infrastructure.[5] Critical infrastructure should include water/fire-flow systems, electric and communications networks, evacuation corridors, transportation routes, schools and other public facilities whose loss or failure materially impedes community recovery, together with the natural systems, burned slopes, watersheds and canopy, on which those facilities depend.

For Pacific Palisades, PCH is a concrete example of infrastructure whose condition affects access, evacuation and recovery; the U.S. Geological Survey mapped debris-flow hazard across the burn area in June 2025,[39] PCH was hit by debris flows in at least five storms and reopened only on May 23, 2025, and Caltrans documents extensive fire-related damage and eight emergency repair projects still under way.[31] The formula should account both for direct disaster damage and for demonstrated vulnerabilities exposed by the disaster where mitigation is necessary to prevent recurrence.

ACTION REQUESTED Create a critical-infrastructure/repetitive-loss factor that considers replacement cost, population served, redundancy, evacuation and life-safety function, duration of service disruption, prior disaster history and the cost-effectiveness of resilience improvements.[5][31]

Applying the improved formula to the January 2025 Los Angeles fires

Principle C: make resilience, a defined timeline and community-level transparency part of recovery

PPCC urges HUD to apply the improved methodology resulting from this rulemaking to the January 2025 Los Angeles fires (DR-4856-CA) when CDBG-DR funding becomes available. The

August 2026 notice states that HUD will continue using the January 2025 formula for 2023 and 2024 disasters until an updated formula notice or final rule is completed; the January 2025 Los Angeles fires are not part of that 2023 to 2024 allocation cohort.[4]

When funding is available for the January 2025 fires, HUD should use the most accurate methodology available rather than perpetuating legacy damage categories, multipliers or geographic screens. HUD should also operate on a defined allocation timeline: make a prompt provisional allocation using standardized damage triggers and the best data then available, followed by a formal reconciliation process as actual rebuilding costs, insurance proceeds and other recovery resources become known.[4][5] The statute also allows preliminary grants of up to \$5,000,000 before a catastrophic determination;[5] PPCC asks HUD to use that authority for DR-4856-CA as soon as the Fund holds money.

ACTION REQUESTED Apply the corrected methodology to DR-4856-CA when CDBG-DR funds become available; allocate on a defined timeline using provisional damage-based estimates; and provide a formal reconciliation process for material changes in documented unmet need; and use the statute's preliminary-funding authority as soon as the Fund is capitalized.[4][5]

Summary of PPCC's requests

1. **Q1(a).** A "destroyed" category with its own multiplier, and reclassification to functional total loss on later testing.
2. **Q1(a).** Localized, evidence-based multipliers; wildfire-resistant construction and required private infrastructure treated as reasonable cost.
3. **Q1(a).** Count housing units and displaced households, not parcels; equal treatment for condominiums, apartments and manufactured-home communities.
4. **Q1(a).** "Available resources" means funds actually accessible; provisional awards where insurance is unresolved; low- and moderate-income benefit measured at the footprint.
5. **Q1(b).** An economic-revitalization baseline as a floor, not a cap, adjustable on local data.
6. **Q1(c).** An infrastructure baseline as a starting point, adjusted by needs assessment; restore-and-improve as the standard.
7. **Q1(d).** A transparent extraordinary-circumstances process with published criteria.
8. **Q2, 4.** Separate metropolitan, non-metropolitan and Tribal thresholds, each with a small-geography concentration test.
9. **Q3.** An "absolute loss or concentrated loss" catastrophic test counting physical loss regardless of insurance or income, back-tested.
10. **Q5.** Hazard-neutral damage definitions with indexed dollar bands and a "destroyed" band.
11. **Q6.** Objective capacity criteria applied equally to all levels of government, with community-level transparency.
12. **Q7.** A multi-factor concentration index and minimum allocations large enough to run a program.
13. **Q8.** The full 18 percent mitigation add-on for catastrophic wildfire, in addition to housing need.
14. **Q9.** A critical-infrastructure and repetitive-loss factor.
15. **DR-4856.** Apply the corrected methodology to the January 2025 fires on a defined timeline; use preliminary-funding authority.

Conclusion

Pacific Palisades' experience demonstrates why the CDBG-DR formula must reflect the realities of catastrophic urban wildfire recovery. A home can be standing but uninhabitable. A

homeowner can have insurance or a loan approval and still lack the funds needed to rebuild. A condominium can remain individually owned while the building becomes financially impossible to reconstruct. Businesses can reopen while the customer base remains displaced. Infrastructure can be repaired while the vulnerability exposed by the disaster remains.

HUD should therefore measure what it will actually take to achieve safe, functional and resilient recovery for the entire community: all housing types and displaced households, businesses and commercial corridors, and the infrastructure on which recovery depends. The formula should use localized and current data, recognize functional and collective losses, move funding promptly, build resilience into recovery, reconcile allocations as better information becomes available, and provide affected communities transparent accounting of the need attributed to them and the resources deployed to address it. The measure of success should be whether housing is restored, residents can return, businesses can recover, and the community is safer and more resilient than it was before the disaster.

The standard proposed here is not written for the Palisades alone. It would serve Altadena on the same terms: under HUD's current screens only 175 of the 3,777 destroyed or severely damaged owner-occupied homes in Altadena's FEMA registrations would count.^[10] A formula that sees both communities is the one HUD should write. PPCC would welcome the opportunity to share its data and experience with HUD staff.

Respectfully submitted,

[Name], President, Pacific Palisades Community Council

[Name], Chair, PPCC HUD Working Group

Sources

Each entry below is a link to the source document, and the bracketed numbers in the text link to the same sources.

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