Council Agenda Report

City Council Meeting
06-22-26
Item 7.A.

To: Mayor Silverstein and the Honorable Members of the City Council

Prepared by: Rob DuBoux, Assistant City Manager

Approved by: Joseph D. Irvin, City Manager

Date prepared: June 3, 2026 Meeting date: June 22, 2026

Subject: Malibu Disaster Recovery District

RECOMMENDED ACTION: 1) Adopt Resolution No. 26- 38, declaring the City's intention to establish the Malibu Disaster Recovery District (MDRD) and establishing the MDRD governing Public Financing Authority (PFA); and 2) Appoint two members and one alternative member from the City Council to the PFA and discuss the approach for appointing one or two members of the public to the PFA.

FISCAL IMPACT: No additional appropriation is required for adoption of the Resolution of Intention or establishment of the MDRD governing Public Financing Authority. If ultimately formed, the MDRD would create the opportunity to utilize property tax increment financing to fund targeted recovery, infrastructure, and resilience investments within the eastern portion of the City, potentially including allocation of property tax increment from the County of Los Angeles if the County elects to participate. Further fiscal analysis will be prepared as part of the Infrastructure Financing Plan, including projected tax increment revenues, potential bonding capacity, administrative costs, grant and other funding opportunities, and the potential impact of allocating a portion of future City property tax increment to the MDRD rather than to the City's General Fund. The Infrastructure Financing Plan will be presented to the Public Financing Authority for future public review and consideration.

STRATEGIC PLAN IMPLEMENTATION: This item supports the City's 2025-2028 Strategic Plan Goal 2: Drive Economic Recovery and Restore Lost Revenue and Strategic Plan Goal 3: Advance Infrastructure Resilience

Goal 2: Drive Economic Recovery and Restore Lost Revenue
Objective 2.1: Recover lost sales, hotel, and transaction tax revenue to pre-disaster levels to restore the City's ability to deliver high quality services.

Strategy: The MDRD would support economic recovery by creating a financing structure tied to rebuilding and reinvestment within the disaster-impacted area and by positioning the MDRD to pursue grants, bonds, and other outside funding sources for recovery and infrastructure projects.

Goal 3: Advance Infrastructure Resilience
Objective 3.1: Develop and fund a comprehensive Infrastructure Resilience Plan
Emergency Evacuation: Increase alert warning, and evacuation capabilities.
Strategy: The proposed MDRD would create a potential long-term financing mechanism to support eligible infrastructure and resilience projects in the disaster-impacted area, including projects related to coastal wastewater infrastructure, water storage and fire flow, coastal resilience, emergency power, telecommunications reliability, and other recovery-related infrastructure improvements.

DISCUSSION: On January 7, 2025, a fire broke out in Pacific Palisades, north of Pacific Coast Highway (PCH) in between Temescal Canyon Road and Palisades Drive. The fire spread west, affecting areas within the jurisdiction of City of Los Angeles, County of Los Angeles, and the City of Malibu. The fire combined with a historic Santa Ana Wind event and power outages. On January 8, 2025, the Acting Director of Emergency Services (Acting City Manager) proclaimed the existence of a local emergency. The City Council ratified the proclamation at the January 15, 2025, City Council meeting.

On January 7, 2025, Governor Newsom declared a State of Emergency. This proclamation covered Los Angeles and Ventura counties due to the impacts of Palisades Fire and associated windstorm conditions. The declaration ordered all relevant state agencies and personnel to assist with the emergency response and recover efforts. On January 8, 2025, a Federal Disaster Declaration was made.

The Palisades Fire resulted in significant impacts to the eastern portion of Malibu, resulting in substantial rebuilding efforts, infrastructure restoration, and long-term economic recovery needs. In addition, the affected area will require continued investment in public infrastructure, public safety, coastal resilience, and other improvements that support recovery and reduce the risk of future disasters. A Disaster Recovery District (DRD) provides a potential financing strategy to dedicate future property tax increment generated from rebuilding and reinvestment within the disaster-impacted area to be used towards eligible infrastructure, resilience, and recovery projects. This type of financial plan provides a method of achieving the City's Strategic Plan Goal 2: Drive Economic Recovery and Restore Lost Revenue and Goal 3: Advance Infrastructure Resilience.

Disaster Recovery District
A DRD is a public financing district formed for the purpose of supporting recovery and rebuilding in an area substantially impacted by a declared disaster. The DRD does not itself rebuild private properties or replace the City's existing land use, permitting, public

works, or emergency management responsibilities. Rather, it creates a dedicated financing structure and public sector operating entity (DRD Public Financing Authority) through which eligible revenues generated within the disaster-impacted area can be reinvested into projects that support recovery, restore or replace damaged improvements, strengthen infrastructure, and reduce the risk of future disasters.

The proposed MDRD would be focused on the eastern portion of the City within the Palisades Fire perimeter. This area experienced significant damage and will require continued rebuilding, infrastructure restoration, and long-term resilience investments. The revenues generated by the district are restricted to eligible disaster recovery purposes. Eligible project categories within a DRD may include infrastructure restoration, utility improvements, transportation and evacuation-related improvements, water quality protection, coastal resilience, emergency communications, and other public improvements. These projects support the safe and timely recovery of the affected area. as well supporting economic recovery from a disaster

If formed, the MDRD would have a 50-year term and be governed by a Public Financing Authority comprised of City Council members and public members, consistent with applicable law. If the County consents to partnership with the City in the MDRD, a County Supervisor would also become part of the governing Public Financing Authority. The Public Financing Authority would be responsible for considering the Infrastructure Financing Plan, overseeing district revenues, approving eligible district expenditures, and carrying out the public financing functions of the district. The Infrastructure Financing Plan would serve as the primary planning and financing document for the MDRD and would identify the district boundary, eligible project categories, proposed revenue sources, projected revenues, and other required information.

If formed, the MDRD and its Public Financing Authority would be subject to the Brown Act, California Public Records Act, Political Reform Act, and applicable DRD noticing requirements. This includes publicly noticed meetings.

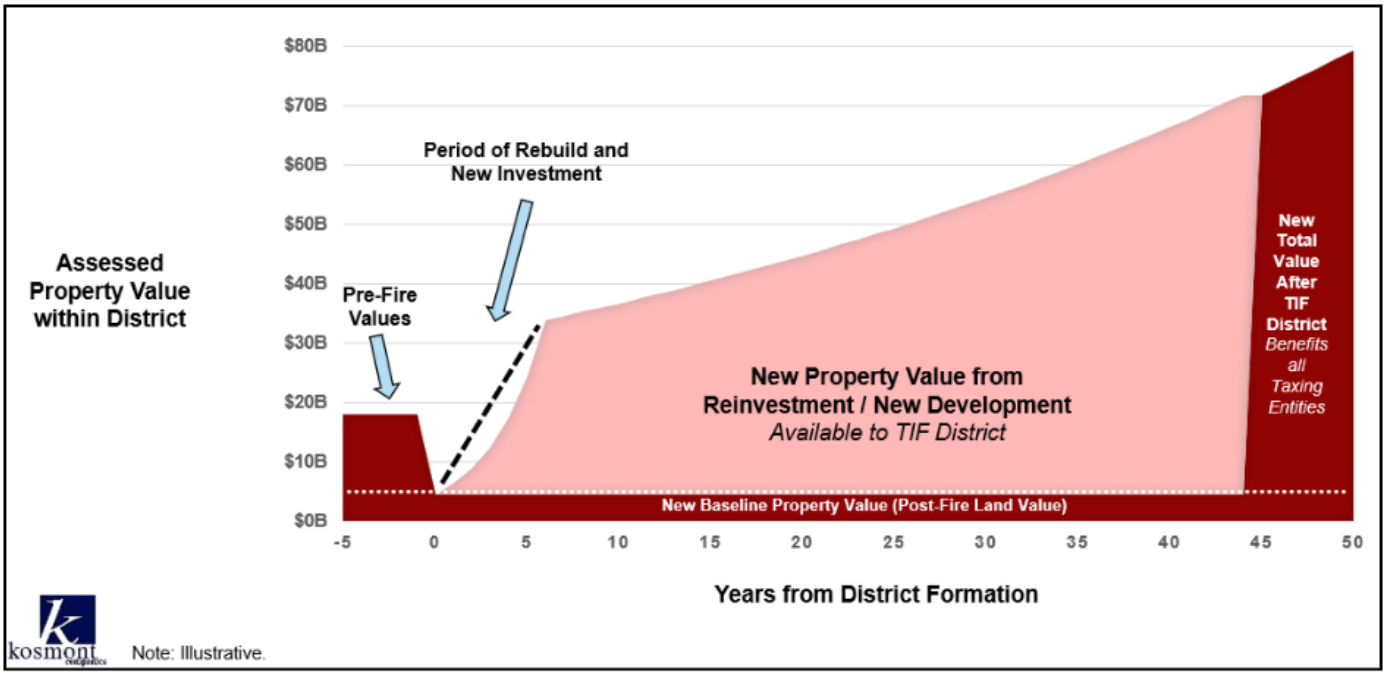
The action before the City Council is limited to consideration of a Resolution of Intention. The Resolution of Intention does not approve specific projects, issue bonds, or finally commit the City to a specific tax increment allocation. Instead, it initiates the MDRD formation process, identifies proposed boundaries and eligible project categories, establishes the Public Financing Authority, and directs preparation of the Infrastructure Financing Plan for future consideration.

Financing the Malibu Disaster Recovery District

By capturing future property tax increment revenue generated within the MDRD as rebuilding occurs, the MDRD would create a sustainable, ongoing revenue stream dedicated to eligible recovery, infrastructure, and resilience projects. This financing mechanism would not increase taxes for property owners within the MDRD boundaries.

Instead, it would allow a ***portion*** of future property tax growth generated by rebuilding and reinvestment within the disaster-impacted area to be reinvested back into that area.

The following exhibit illustrates how tax increment financing may operate in a post-disaster rebuild context. After district formation, the post-fire assessed value within the DRD becomes the baseline value. Property tax revenues generated from that baseline value continue to be distributed to the City, County, and other taxing entities in the same manner as before. As properties are rebuilt and new investment occurs, increases in assessed value above that baseline may generate future tax increment revenue that can be allocated to the DRD for eligible recovery, infrastructure, and resilience projects. The exhibit is illustrative only and does not represent a guaranteed revenue projection.



The MDRD would not receive all increased property tax revenues generated within the district. Rather, it would receive only the portion of incremental property tax revenue approved by the City and any other participating affected taxing entities.

Based on Los Angeles County Auditor-Controller data, the City's average share of the property tax revenue allocated within the proposed MDRD boundary is approximately 7.0%, and the City also receives the equivalent of approximately 1.2% in property tax in lieu of motor vehicle license fees, for a combined City-related share of approximately 8.2%, or about 8.2 cents of each property tax dollar analyzed for the proposed MDRD area.

By comparison, the County General Fund share averages approximately 25.0%, or about 25 cents of each property tax dollar analyzed within the proposed MDRD boundary. The

County's share would not be available to the MDRD unless the County elects to participate and agrees to allocate a portion of its future property tax increment to the district. Because the County's share is larger than the City's share, County participation would significantly increase the revenue available for eligible recovery and infrastructure projects.

The Resolution of Intention anticipates that up to 75% of the City's future property tax increment revenue generated within the MDRD may be allocated to the district (no portion of the existing property tax from within this area). The exact allocation amount would be identified in the Infrastructure Financing Plan and considered at a future duly noticed public meeting. If the County of Los Angeles elects to participate in the MDRD, a portion of the County's incremental property tax revenue could also be allocated to the district, further increasing the amount of funding available for eligible recovery and infrastructure projects.

The proposed DRD boundary includes parcels located within the Palisades Fire perimeter in the eastern portion of the City. Approximately 1,412 properties are located within the proposed boundary, of which more than 50% experienced significant damage or destruction of existing structures. Based on data from the Los Angeles County Auditor-Controller, the assessed value within the proposed MDRD boundary declined from approximately $4.29 billion before the fire to approximately $3.31 billion after the fire, a reduction of approximately $990 million, or 23%. As rebuilding occurs and assessed values recover, the MDRD would allow a portion of that future revenue growth to be dedicated to public improvements and recovery projects within the disaster-impacted area.

The City's consultant, Kosmont Companies, prepared preliminary revenue and bonding capacity estimates for the proposed MDRD. Depending on the pace of rebuilding and the level of City and County participation, the consultant estimates 50-year present-value revenue capacity over the life of the district as:

Contribution Model	City GF Contribution	County Contribution	Total Revenue
City 50%/County 16%	$37,724,763	$45,009,223	**$82,733,986**
City 75%/County 25%	$55,729,015	$69,260,421	**$124,989,436**

These estimates are determined by modeling a 10-year recovery of property value within the district area followed by 2% tax growth for the remainder of the life of the district. These estimates are preliminary and depend on several factors, including the final MDRD boundary, assessed value recovery, the City's final tax increment allocation, County participation, interest rates, bond market conditions, and the timing of any bond issuance(s).

As the Council evaluates the creation of the MDRD, it is important Council consider the impacts to the City's General Fund by diverting a subset of new property tax revenue to

the district as property taxes are the foundational revenue stream for the City's General Fund budget. Staff would also need to evaluate if any debt service would require General Fund contributions in the near-term if Council wished to fast-track projects before district revenue was realized.

Should the district be formed, the MDRD may use tax increment revenues on a pay-as-you-go basis as revenues are received, or it may issue bonds backed by future tax increment revenues if sufficient revenue is projected and legally pledged. Bonding could provide earlier funding for eligible projects, but the amount of bond proceeds would be based on projected annual revenues available for debt service, required debt service coverage, reserve requirements, interest rates, issuance costs, and investor acceptance of the revenue forecast. The consultant's preliminary bonding scenarios assume a first bond issuance in the fifth year of revenue following district formation.

In addition to tax increment revenues, the MDRD may apply for and receive grants, loans, contributions, and other funds from state, federal, local, philanthropic, and private sources. These funds may be used for eligible projects and, where allowed by the funding source, for related planning, administrative, or implementation expenses. Potential funding sources may include California Proposition 4 grants, State Water Board infrastructure funding programs, Caltrans transportation grants, federal infrastructure grants, and other public funding sources. While these sources are not guaranteed, the MDRD may strengthen the City's ability to compete for outside funding by demonstrating a coordinated recovery strategy, an adopted financing plan, and a local revenue source that could potentially be used as matching funds.

Accordingly, the proposed MDRD should be understood as a long-term financing tool rather than an immediate source of unrestricted funding. The amount and timing of available funding will depend on the pace of rebuilding, the amount of tax increment allocated by the City and any participating taxing entities, the availability of grants and other outside funding, and the feasibility of issuing bonds or using other financing tools.

Potential Projects

Eligible MDRD projects may include improvements that repair, restore, rehabilitate, or replace facilities, structures, utilities, infrastructure, or other improvements damaged or affected by the disaster. Eligible projects may also include improvements that reduce the risk of future disasters, support emergency access and communications, improve water and energy reliability, harden or underground utilities, and support residential, commercial, and economic recovery.

Potential projects could include:

- PCH Wastewater
- Telecommunication Undergrounding
- PCH Safety Improvement Projects

- Street and roadway restoration
- PCH Shoreline Protection and Coastal Resilience Project
- Water Storage Tank and Pipeline Project
- Flood control, stormwater, and debris-flow mitigation
- Fiber optic and emergency communications infrastructure
- Fire break and vegetation management improvements
- Emergency power and community resilience facilities
- Other eligible projects identified in the Infrastructure Financing Plan

At this stage, the City is not approving specific projects or committing funding to any individual improvement. Project priorities, cost estimates, funding sources, and implementation responsibilities would be evaluated as part of the Infrastructure Financing Plan and subsequent MDRD actions. Many projects may also require separate environmental review, permitting, interagency agreements, design approvals, construction contracts, and City Council or other agency approvals before implementation.

The Infrastructure Financing Plan and any subsequent MDRD formation actions would be considered at a future public meeting, providing an additional opportunity for public review and consideration of proposed project categories, revenue sources, and implementation priorities.

Resolution of Intention and Next Steps

Procedurally, the next step in the MDRD formation process is City Council consideration of a Resolution of Intention. Adoption of the Resolution of Intention does not complete formation of the MDRD, approve the Infrastructure Financing Plan, authorize bonds, or approve specific projects. Rather, it initiates the statutory formation process, establishes the proposed framework for the MDRD, and directs preparation of the Infrastructure Financing Plan for future consideration**.**

Adoption of the City Council's Resolution of Intention would provide for the following:

1. **Proposed MDRD Boundaries.**
   The proposed MDRD would be focused on the eastern portion of the City within the January 2025 Palisades Fire perimeter, as shown in Exhibit A to the Resolution of Intention. This boundary is intended to focus the DRD on the disaster-impacted area and support use of the DRD statute pursuant to Government Code Section 62313(a)(1)(A).

2. **Eligible Projects and Activities.**
   The Resolution of Intention broadly identifies the types of eligible projects and activities that may be financed or assisted by the MDRD. These include projects that repair, restore, rehabilitate, or replace buildings, housing, facilities, structures, utilities, infrastructure, or other improvements damaged or affected by the disaster

as described in Government Code Section 62313(f)(3). Eligible projects may also include improvements that mitigate the risk of future disasters, improve water and energy resource access during emergencies, underground or harden utilities, and support residential, commercial, and economic recovery from the disaster.

3. **Use of Incremental Tax Revenue.**
   The Resolution of Intention anticipates that a portion (no more than 75%) of the City's future property tax increment revenue generated within the MDRD will be allocated to the MDRD. The Infrastructure Financing Plan (IFP) for the MDRD will specify the exact amounts which will be considered in a future City Council meeting. It is possible that the County of Los Angeles may participate in the MDRD, in which case, a portion of the County's property tax increment revenue will also be allocated to the MDRD.

4. **Establishment of the Public Financing Authority**
   The Resolution of Intention establishes a Public Financing Authority (PFA) to serve as the governing board of the MDRD. Consistent with the State regulations, the PFA membership is proposed to be initially comprised of three members of the City Council and two members of the public appointed by the City Council. If another taxing entity, such as the County of Los Angeles, ultimately elects to partner with the City in the MDRD, then the PFA would be revised in accordance with State regulations, such as to include two members of the City Council, one member of that taxing entity's legislative body (e.g., County Supervisor), one member of the public appointed by the City Council, and one member of the public appointed by the legislative of that taxing entity (e.g., County Board of Supervisors).

5. **Future Public Meeting on the Infrastructure Financing Plan.**
   The Resolution of Intention sets the time and place for a future public meeting on the MDRD Infrastructure Financing Plan to be conducted by the Public Financing Authority. The public meeting is tentatively scheduled for September 14, 2026.

Approval of the Resolution of Intention and appointment of the Public Financing Authority members would begin a series of activities that are expected to occur over the next several months. The following schedule outlines the key tasks and anticipated milestones in the formation process. Final formation actions are anticipated to occur within calendar year 2026.

Task	Target Date
Discussions with the County of Los Angeles to consider partnership in the MDRD	June - August 2026

County Board of Supervisors considers Resolution of Intention (ROI) to participate in the MDRD, if County agrees to partnership	July / August 2026
Preparation of the Infrastructure Financing Plan (IFP)	July – August 2026
MDRD PFA holds Public Meeting to consider approval of the IFP and formation of the MDRD	September 2026
Submit required filings for MDRD formation with State Board of Equalization (BOE)	October 2026

The Infrastructure Financing Plan referenced in the timeline above would serve as the primary roadmap for the DRD. It would identify the proposed district boundary, eligible project categories, proposed revenue sources, projected tax increment revenues, and other information required by law. A dedicated webpage will also be developed to provide information and resources for interested stakeholders.

CEQA REVIEW

The City Council's adoption of the Resolution of Intention and establishment of the MDRD PFA are exempt from the California Environmental Quality Act (CEQA) as they are actions solely related to the creation of a government funding mechanism and the administrative or organizational activities of the City. Therefore, these actions do not constitute a "project" pursuant to CEQA Guidelines Sections 15378(b)(4) and 15378(b)(5). Neither of these actions could result in a physical change in the environment because the City has not committed itself to any specific project(s) that could be funded by the MDRD. As a separate and independent ground, these actions are exempt from the requirements of CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that they will have a significant effect on the environment. However, future actions (such as the approval of infrastructure improvements using funding from the MDRD) will be subject to environmental review in accordance with CEQA.

The City Council has two primary options regarding the proposed Malibu Disaster Recovery District.

Option 1 — Adopt the Resolution of Intention and Proceed with MDRD Formation

Under this option, the City Council would:

a. Adopt the Resolution of Intention;
b. Establish the proposed Public Financing Authority;
c. Appoint the initial Public Financing Authority members; and
d. Direct preparation of the Infrastructure Financing Plan.

This option would not complete formation of the MDRD, approve specific projects, issue bonds, or commit the City to a final tax increment allocation. Rather, it would initiate the statutory formation process and allow the City, its consultants, and legal counsel to further evaluate the proposed district boundaries, eligible project categories, revenue projections, County participation, grant opportunities, and financing strategy.

This is the recommended option because it preserves the City's ability to create a dedicated financing mechanism to support long-term recovery, infrastructure restoration, and resilience improvements in the eastern portion of Malibu impacted by the Palisades Fire. Proceeding with the Resolution of Intention would also allow the City to continue discussions with the County of Los Angeles regarding potential participation in the MDRD and to develop the Infrastructure Financing Plan for future public review and consideration.

This option also includes fiscal and administrative considerations. To the extent the City ultimately allocates future property tax increment to the MDRD, that portion of future revenue growth would be dedicated to MDRD-eligible projects and would not be available for unrestricted use in the City's General Fund during the term of the allocation. Formation and operation of the MDRD would also require ongoing public meetings, administration, financial reporting, legal and consultant support, and coordination with affected taxing entities and other agencies.

Option 2 — Do Not Proceed with DRD Formation at This Time

Under this option, the City Council could not proceed with adopting the Resolution of Intention and the formation of the MDRD at this time. The City could continue to pursue other available recovery and infrastructure funding sources, including state and federal grants, loans, utility partnerships, interagency agreements, and other financing tools.

The primary benefit of this option is that future City property tax increment generated within the proposed MDRD boundary would continue to flow to the City's General Fund and would remain available for unrestricted City purposes. This would preserve maximum General Fund flexibility for Citywide services, operations, infrastructure, emergency response, public safety, maintenance, and other Council priorities. This option would also avoid the administrative, legal, financial, reporting, and governance responsibilities associated with forming and operating a separate Public Financing Authority.

However, not proceeding with the MDRD would also have drawbacks. This may limit the City's ability to create a long-term local funding source for major recovery needs, leverage County participation, support future bond financing, provide local matching funds for grants, or demonstrate a coordinated financing strategy for post-disaster recovery. Without the MDRD, recovery and infrastructure projects would need to rely on existing City resources, grants, loans, partnerships, or other funding mechanisms that may be limited, competitive, or uncertain.

ATTACHMENTS: Resolution No. 26-38

RESOLUTION NO. 26-38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU DECLARING ITS INTENTION TO ESTABLISH THE MALIBU DISASTER RECOVERY DISTRICT; ESTABLISHING A PUBLIC FINANCING AUTHORITY; AND AUTHORIZING CERTAIN OTHER ACTIONS RELATED THERETO

The City Council of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. Recitals.

A. Pursuant to Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53398.50) (the "EIFD Law"), the City of Malibu ("City") is authorized to establish an Enhanced Infrastructure Financing District ("EIFD").

B. Pursuant to Division 6 of Title 6 of the California Government Code (commencing with Section 62300) (the "CRD Law"), the City is authorized to establish a Climate Resilience District ("CRD").

C. Recognizing the benefits of expeditiously adopting a type of CRD focused on assisting in rebuilding critical infrastructure after a disaster, such as the devastating wildfires in the County of Los Angeles in January 2025, Senate Bill 782 (Perez) ("SB 782") was approved by the Legislature and signed by the Governor on October 10, 2025, adding Section 62313 to the Government Code ("DRD Law"). SB 782 is an urgency statute which took immediate effect upon the Governor's signature.

D. In the event of a disaster for which the Governor has declared a state of emergency, SB 782 allows the City to form and dedicate revenue to a special form of CRD to finance disaster recovery efforts, including repairing or replacing buildings, facilities, structures, or other improvements within the CRD that have been damaged or destroyed by the disaster, mitigating the risk of a future disaster, or supporting economic recovery from a disaster.

E. The Governor of California declared a state of emergency in response to the January 2025 wildfires, including portions of the City known as the "Palisades Wildfire," on January 7, 2025.

F. This Resolution, consistent with the EIFD Law and CRD Law, as amended by SB 782, creates the Malibu Disaster Recovery District ("MDRD").

G. The proposed boundaries of the MDRD are focused entirely within the Palisades Fire perimeter area in the eastern portion of the City as identified on a map entitled "Proposed Malibu Disaster Recovery District (DRD) Boundaries," a copy of which is attached to this Resolution as Exhibit A.

H. The proposed MDRD will be used to finance the repair and replacement of certain needed public facilities and other projects related to the rebuild within the proposed boundaries of the Malibu DRD that were damaged or destroyed in the wildfires and will promote economic development both within and outside the MDRD project area, thereby promoting public safety, commerce, revenues and the public health, safety and welfare of the City.

I. Pursuant to the DRD Law and CRD Law, the City Council is required to establish a Public Financing Authority ("PFA") to serve as the governing body of the proposed Malibu DRD and which will also be responsible for implementing the Infrastructure Financing Plan ("IFP") required under EIFD Law.

J. The proposed MDRD PFA shall be a legal, public entity separate from the City of Malibu, and shall establish bylaws and rules of procedure to govern its meetings.

K. This action is exempt from the California Environmental Quality Act ("CEQA") as an action solely related to financing and is not in-and-of itself a "project" pursuant to CEQA Guidelines Section 15378, since it does not result in a physical change in the environment because the City has not committed itself to fund any specific projects through the MDRD. Future actions, such as the funding and/or approval of infrastructure improvements using funding from the MDRD, will be subject to environmental review in accordance with CEQA.

SECTION 2. The City Council hereby declares its intention to establish the Malibu Disaster Recovery District, establishes the MDRD Public Financing Authority, and authorizes the following actions:

A. The above recitals are true and correct and incorporated into this Resolution by this reference.

B. The name proposed for the DRD is the "Malibu Disaster Recovery District (MDRD)."

C. The City Council finds that the Palisades Fire disaster caused damage to the area within the boundaries of the MDRD so prevalent and so substantial that the physical and economic burden created by the Palisades Fire cannot reasonably be expected to be reversed or alleviated by private enterprise or government action, or both, without the establishment of the MDRD to assist redevelopment and recovery. The Governor declared a State of Emergency on January 7, 2025. The Palisades Fire profoundly disrupted life in the community and resulted in the destruction of many structures, including homes, businesses, and critical infrastructure. Families who lost their homes continue to be displaced, and critical infrastructure, including roads, water, sewer, storm drains, utilities, and other facilities, needs to be repaired or replaced to allow for the rebuild of homes and businesses.

D. The MDRD is proposed to be established under the terms of Division 6 of Title 6 of the California Government Code, as amended by SB 782, and the proposed map of the MDRD is attached as Exhibit A.

E. Public facilities and projects included in the MDRD may include acquiring, demolishing, removing, relocating, repairing, restoring, rehabilitating, or replacing buildings, low- and moderate-income housing, facilities, structures, or other improvements, in accordance with applicable laws, which are within the district, and which have been damaged or destroyed by the disaster, which are unsafe to occupy, or which are required to be acquired, demolished, altered, or removed because of the disaster. In addition, projects may include those that mitigate the risk of future disaster, including water and energy resource access during emergencies and undergrounding of utilities, and projects that support economic

recovery from a disaster, as described in Section 62313(f)(3) of the California Government Code.

F. Given the level of destruction created by the Palisades Fire, the need for the MDRD is significant, and the primary goal of the MDRD is to fund infrastructure projects that will allow for the rebuilding of the community.

G. Pursuant to Section 53398.68 of the California Government Code, incremental property tax revenue from the City of Malibu and potentially the County of Los Angeles, subject to approval by the County Board of Supervisors, may be used to finance the activities described in this Resolution. The City's commitment and contribution to the MDRD shall be up to seventy-five percent (75%) of the City's portion of the ad valorem property tax increment and the City's available portion of property tax in lieu of the motor vehicle license fees from within the boundaries of the MDRD for the life of the MDRD, subject to limits on tax increment contributions and time provided by law and this Resolution.

H. The City does not intend to include tax revenues derived from local sales and use taxes in its contribution to the MDRD. Any consideration of the use of Bradley-Burns or other sales and use taxes would require future City Council and PFA approval.

I. The public meeting of the governing board to consider adoption of the IFP for the MDRD shall take place on or about September 14, 2026. The place of the public meeting is the City Hall City Council Chambers, 23825 Stuart Ranch Road, Malibu, CA 90265. Notice of the exact time and place of the meeting will be posted in advance.

J. The City Council hereby establishes the MDRD Public Financing Authority (PFA) to act as the governing board of the proposed DRD. The PFA shall be initially comprised of three members of the City Council and two members of the public appointed by the City Council. If another taxing entity, such as the County of Los Angeles, ultimately elects to partner with the City in the MDRD, then the PFA shall be revised in accordance with Government Code Section 53398.51.1, for example, to include two members of the City Council, one member of that taxing entity's legislative body, such as a County Supervisor or her designee, one member of the public appointed by the City Council, and one member of the public appointed by the legislative body of that taxing entity, such as the County Board of Supervisors.

K. The City did not have a former Redevelopment Agency and is thus not subject to Successor Agency prerequisites as it pertains to EIFD Law.

L. Staff will prepare the IFP in accordance with applicable EIFD Law, CRD Law, and DRD Law.

M. The IFP will be presented to the MDRD PFA on or about September 14, 2026 for approval, and will be consistent with Section 53398.63, which requires a map and legal description of the area, a description of the public infrastructure projects to be financed, and a financing section describing the amount and division of future property tax increment and project time and dollar limits.

N. By approving this Resolution, consistent with DRD Law, the City Council provides its approval for the future contribution of the City General Fund share of property tax increment and property tax in lieu of motor vehicle license fees to the MDRD, consistent with the IFP approved by the MDRD PFA.

O. The governing body (PFA) of the MDRD shall post notice of its meeting at least 10 days prior to the meeting and make available the IFP 30 days prior to its meeting.

P. The governing body (PFA) of the MDRD will hold a public meeting for the establishment of the proposed MDRD and approval of the IFP.

Q. This Resolution obligates the City of Malibu to contribute incremental tax revenue to the MDRD to be used consistent with the IFP approved by the governing body (PFA) of the MDRD, which may be amended as provided by law.

R. This Resolution provides the City Council's approval to establish the proposed MDRD. The approval of the IFP is contingent upon the approval by the governing body (PFA) of the MDRD.

S. The City Manager, Assistant City Manager(s), or their designees may access and review the MDRD's records upon request for any purpose.

T. If any section, subsection, phrase, or clause of this Resolution is for any reason found to be invalid, such section, subsection, phrase, or clause shall be severed from, and shall not affect the validity of, all remaining portions of this Resolution that can be given effect without the severed portion.

U. The City Clerk and all other officers and agents of the City are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution.

SECTION 3. This Resolution shall become effective immediately upon its passage and adoption.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED, APPROVED, and ADOPTED this 22nd day of June 2026.

BRUCE SILVERSTEIN, Mayor

ATTEST:

KELSEY PETTIJOHN, City Clerk
(seal)

APPROVED AS TO FORM:

THIS DOCUMENT HAS BEEN REVIEWED
BY THE CITY ATTORNEY'S OFFICE

TREVOR RUSIN, Interim City Attorney

EXHIBIT A

PROPOSED MALIBU DISASTER RECOVERY DISTRICT (DRD) BOUNDARIES



The Malibu DRD boundary is initially proposed as the area within maroon boundaries above, encompassing approximately 1,540 acres.