



**BOARD OF SUPERVISORS  
AGENDA LETTER**

**Agenda Number:**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** CEO  
**Department No.:** 012  
**For Agenda Of:** November 7, 2023  
**Placement:** Departmental  
**Estimated Time:** 20 Minutes  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5

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**TO:** Board of Supervisors

**FROM:** Department Director(s) Contact Info: Mona Miyasato, County Executive Officer  
Wade Horton, Assistant County Executive Officer  
Paul Clementi, Budget Director

DocuSigned by:  
*Mona Miyasato*  
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**SUBJECT: 2023 Winter Storms Disaster Recovery Cashflow Needs**

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**County Counsel Concurrence**

As to form: N/A

Other Concurrence: CEO Budget

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

It is recommended that the Board of Supervisors:

- a) Receive an update on the Winter 2023 Storms and their impacts;
- b) Approve the budget revision BJE #0009331 for \$24,544,700 for Public Works Transportation and Community Services Parks 2023 Winter Storms Disaster Recovery Projects (Attachment A); and
- c) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA), because pursuant to section 15378(b)(5) of the CEQA Guidelines the actions consist of organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment.

**Summary:**

This item is on the Board of Supervisor’s agenda in order to appropriate funding for recovery projects related to the January - March, 2023 severe storm events (2023 Winter Storms). The appropriation request of \$24,544,700 is comprised of the following sources:

- \$14 million (General Fund) was set-aside in a reserve with the adoption of the current year budget in a Disaster Recovery fund balance for this anticipated use.
- \$1.18 million is Roads Fund Balance from the Southern California Edison Thomas Fire settlement.

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- \$9.4 million (General Fund) is now being requested to further augment these funds. This funding will be sourced from the year-end surplus discussed with the Board on September 12, 2023.

This report requests appropriation of these funds at this time for several Transportation and Parks division projects including repairing San Miguelito Canyon Road, Gibraltar Road, Santa Rosa Road, Santa Rosa Park, Cachuma Lake floating restroom, Nojoqui Falls group site, and Goleta Beach pedestrian infrastructure. Federal Emergency Management Agency (FEMA) reimbursement has not yet been approved but staff has submitted Initial Damage Estimates, completed project groupings of damages, and is currently awaiting FEMA damage inspections while compiling supporting cost documentation for project eligibility review. However, even if the damages are approved for FEMA funding, reimbursement for events of this magnitude takes years, hence the need to fund these recovery projects now with local dollars so that work can continue.

### **2023 Winter Storm Repair Require Significant Local Funding**

The January - March 2023 severe storm events involved heavy rain and high winds that resulted in storm surge, flooding, landslides, debris flows, ground saturation, snow, and high flow releases from local reservoirs throughout the County. Initial damage estimates across all County departments exceeded \$100 million. Two separate Presidential Disaster Declarations were issued for 2023 Winter Storms, and the County's applications have been approved under both for all categories of FEMA Public Assistance. While staff is currently pursuing FEMA reimbursement, receipt of funds will likely take years.

The recommended budget revision (Attachment A) provides the Public Works Transportation Division with \$23.6 million and Community Services Parks Division with \$955,000 to continue to repair damages from 2023 Winter Storms this Fiscal Year. A list of the damage sites that will be funded by the General Fund, pending FEMA reimbursement, are included for Public Works Transportation (Attachment B) and Parks (Attachment C). Some of the major transportation projects include repairing San Miguelito Canyon Road, Gibraltar Road, and Santa Rosa Road. The Parks projects consist of Santa Rosa Park Retaining Wall, Cachuma Lake Restroom, Nojoqui Falls group site, and Goleta Beach infrastructure.

The recommended actions will provide the Transportation and Parks divisions cashflow from the General Fund for the work to be performed through this fiscal year, estimated at \$23.4 million, in addition to \$1.18 million of Roads Fund Balance from a transfer of Southern California Edison settlement funds at the close of last fiscal year. Departments will draw-down funds through the fiscal-year on a monthly basis based on actual costs incurred. Timing of FEMA reimbursement is difficult to estimate and will likely be over multiple years. Therefore, additional General Fund cashflow could be needed next fiscal year to fund disaster cost recovery projects.

### **Emergency Needs Will Likely Continue with Limited Available Resources**

In September 2023, staff reported a year-end General Fund surplus of \$27.2 million and indicated that identified needs exceeded this level of revenue. In the first four months of the fiscal year, 60% (\$16.3 million) of that surplus has been allocated to other imminent, priority needs, such as the emergency flood control actions in the Santa Maria River and the disaster recovery actions in this report. Typically, year-end surplus is saved and used for next year's needs - capital projects, one-time initiative or Board priorities. However, in the coming year, with the continued disaster recovery efforts and the potential for El Nino storms this winter, more emergency funding may be needed and fewer other projects funded

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absent new resources. These issues will be discussed in December when the five-year forecast and Board budget priorities for the coming year are presented.

**Background:**

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC Section 5121 et seq. Authorized FEMA Public Assistance for federally declared disasters. The categories of damages eligible for FEMA Public Assistance are:

- Category A Debris Removal
- Category B Emergency Protective Measures
- Category C Roads & Bridges
- Category D Water Control Facilities
- Category E Buildings & Equipment
- Category F Utilities
- Category G Parks, Recreation and Other

Eligible categories of work must further comply with the requirements of 2 CFR Part 200 to be eligible for reimbursement. Such regulatory requirements include, without limitation, cost principals, procurement, and audit requirements. FEMA generally reimburses 75% of project costs, although for the January 2023 storm event 100% reimbursement was authorized for Category A and B projects completed within the first 60-days. The California Disaster Assistance Act provides additional State financial assistance for 75% (or 18.75% of the 25% local match after FEMA's 75% reimbursement) of local recovery costs for Category A – G recovery projects when the governor issues a State disaster declaration. State CalOES verifies that federal requirements are met before approving reimbursement and reimbursements are typically the subject of a future audit by the Office of Inspector General.

The Public Works Transportation Division and Community Services Parks Division are the two departments that incurred the most significant damages from 2023 Winter Storms. Staff from both departments have been working relentlessly to complete repair work, using both County staff and resources as well as bidding and contracting out work per FEMA requirements. However, budgeted resources in each department are nearly exhausted such that additional funding is required to continue work. FEMA reimbursements are not anticipated to start coming in until December of this year for Emergency Protective Measures at the soonest, and will likely take several years for larger permanent repair projects which are the subject of this Board letter.

As part of the FY 2023-24 budget development process, \$14 million was set-aside to serve this need. The Budget Revision attached to this board letter as Attachment A transfers those appropriations to the Public Works Transportation Division. An additional \$9.4 million of prior-year unallocated General Fund is also recommended to be made available to Public Works Transportation and Community Services Parks. Roads Fund Balance from a transfer of Southern California Edison settlement funds at close of last fiscal year in the amount of \$1,183,500 is also included in the Budget Revision to fund work completed during the First Quarter of this Fiscal Year.

The recommended actions will provide the Transportation and Parks divisions cashflow from the General Fund for the work to be performed through this fiscal year estimated at \$23.4 million, in addition to \$1.18 million of Roads Fund Balance from a transfer of Southern California Edison settlement funds at the close of last fiscal year. Departments will draw-down funds through the fiscal-year on a monthly basis based on

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actual costs incurred. Timing of FEMA reimbursement is difficult to estimate. Therefore, additional General Fund could be needed next fiscal year to fund disaster cost recovery projects.

**Fiscal and Facilities Impacts:**

Not budgeted. The attached BJE allocates General Fund totaling \$23,361,200 and Roads Fund Balance totaling \$1,183,500 towards Public Works Transportation and Community Services Parks disaster recovery projects. The General Fund funding is available from the Disaster Set-Aside (\$14,000,000), and prior year unallocated fund balance (\$9,361,200). The available Roads Fund Balance is from a transfer of Southern California Edison settlement funds at close of last fiscal year.

With this action, and other priority funding needs approved in first four months of this fiscal year (such as the Santa Maria River emergency actions), \$10.9 million of the \$27.2 million of year-end surplus will be remaining for next year's capital projects, imminent one-time needs or further emergencies that may arise this fiscal year.

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund	\$ 23,361,200.00		
State			
Federal			
Fees			
Other:	\$ 1,183,500.00		
Total	\$ 24,544,700.00	\$ -	\$ -

**Narrative:** Staff is currently working with FEMA and CalOES to maximize cost recovery for these projects. Project ineligibility is always possible, however, the disaster projects comprising the \$23,361,200 of General Fund recommended for approval in this board letter have been vetted by CEO staff along with the County's Disaster Cost Recovery Consultant, Ernst & Young, and have every indication to be eligible for FEMA (75%) and CalOES (18.75%) reimbursement. If the costs for Transportation and Parks disaster projects listed in Attachment B and C are fully reimbursed, 93.75% of the funds, or \$21,901,125, will return to the General Fund likely over several years. The 6.25% local match for the General Fund floated projects totals \$1,460,075.

**Attachments:**

Attachment A – BJE 0009331  
 Attachment B – PW Transportation Division List of Projects  
 Attachment C – CSD Parks Division List of Projects

**Authored by:**

Ted Teyber, Principal Analyst, County Executive Office

**CC:**

PW Transportation – Julie Hagen  
 CSD Parks – Jill Van Wie