

Date of Hearing: April 13, 2026

ASSEMBLY COMMITTEE ON EMERGENCY MANAGEMENT

Rhodesia Ransom, Chair

AB 2385 (Petrie-Norris) – As Amended April 8, 2026

SUBJECT: Local reconstruction agencies

SUMMARY: This bill expands the ability of the plan, renamed disaster recovery plan, and ordinances a local government is already statutorily authorized to prepare in order to facilitate a fast and efficient recovery and reconstruction following a disaster, to cover the full span of the recovery process; specifies the elements that may be included in the contingency plan of action and organization; requires local general plans to be consistent with any adopted disaster recovery plan; requires the Office of Land Use and Climate Innovation and Office of Emergency Services (Cal OES) to provide assistance with plans and ordinances; and authorizes local governments to establish reconstruction agencies with broad powers, as specified. Specifically, **this bill:**

- 1) Refers to the plan a local government is authorized to prepare that facilitate a fast and efficient recovery and reconstruction following a disaster as a “disaster recovery plan.”
- 2) Authorizes the contingency plan of action and organization, required as part of the recovery plan and ordinances, to now cover the whole span of the recovery process.
- 3) Authorizes the contingency plan to also include, at a minimum: operational structure; roles and responsibilities for leadership and coordination; recovery priorities; mitigation strategies; identification of programs, resources, and funding mechanisms to be utilized within each phase of recovery; procedures to guide postdisaster decisionmaking and resource allocation; strategies to coordinate with departments, agencies, and organizations involved in recovery, as specified.
- 4) Authorizes the recovery plan and ordinances to include procedures for integration with state and federal recovery frameworks.
- 5) Authorizes the plan and ordinances to include the authority and proposed organization for establishment of a local reconstruction agency, as specified, instead of a local reconstruction authority.
- 6) Clarifies that climate resilience districts and enhanced infrastructure financing districts, as specified, classify as allowed local entities that may make a recovery plan and related organizational arrangements, as already authorized under current law.
- 7) Requires a local government’s general plan be consistent with, and reference, any adopted disaster recovery plan.
- 8) Requires the Office of Land Use and Climate Innovation, in consultation with stakeholders as specified, to assess the recovery and rebuilding needs of jurisdictions across the state and develop model ordinance language for local jurisdictions, as specified.

- 9) Requires Cal OES, in consultation with the Office of Land Use and Climate Innovation, to prepare guidance on disaster recovery plans, as specified.
- 10) Authorizes a local government to adopt an ordinance prior to a disaster, which could be invoked as soon as possible after a disaster, that establishes a local reconstruction agency to coordinate disaster recovery efforts in the areas impacted by the disaster.
- 11) Authorizes the ordinance allow the reconstruction agency the power to engage in any of the following activities:
 - a. sue and be sued;
 - b. adopt a seal;
 - c. make and execute contracts, as specified;
 - d. make, amend, and repeal bylaws and regulations, as specified;
 - e. acquire, as specified, property, as specified, interest in property, and any improvements on it;
 - f. dispose of assets;
 - g. issue or sell bonds;
 - h. incur and restructure debt;
 - i. accept financial assistance, as specified;
 - j. accept any other assistance, as specified, for related projects or reconstruction needs, as specified;
 - k. accept incremental tax revenues derived from local sales and use taxes, as specified, and utilize these revenues to finance or assist activities related to recovery from the disaster;
 - l. execute trust deeds or mortgages on properties owned or acquired;
 - m. prepare or cause to be prepared and carry out plans for the improvement, rehabilitation, recovery, and redevelopment of disaster-impacted areas, as specified;
 - n. make loans or provide funds or financial assistance to residents and businesses consistent with its purposes;
 - o. insure or provide for the insurance of any operations of the reconstruction agency against risks or hazards, as specified;
 - p. select, appoint, and employ permanent and temporary officers, agents, counsel, and employees as it requires, and determine their qualifications, duties, benefits, and compensation, as specified
 - q. contract with other governmental entities for the furnishing of any necessary staff services, as specified;
 - r. obtain, hire, purchase, or rent office space, equipment, supplies, insurance, or services;
 - s. authorize and pay travel expenses for individuals, as specified, engaging in official business;
 - t. disseminate information related to disaster recovery; and
 - u. prepare applications for various governmental programs and grants relating to disaster recovery, housing, and community development, and plan and carry out those programs and grants within its authority.

- 12) Requires a taxing entity that elects to dedicate incremental sales and use tax revenue or transactions and use tax revenue to a reconstruction agency to include in the ordinance establishing the reconstruction agency both of the following:
- a. The procedure by which the affected taxing entities will calculate the revenues derived from sales and use taxes and transactions and use taxes to be allocated to the reconstruction agency.
 - b. The decision process by which the affected taxing entity will determine the amount that will be dedicated to the reconstruction agency.

EXISTING LAW:

- 1) Authorizes each city, county, or other local subdivision of the state, in conjunction with planning activities as specified, to prepare, prior to a disaster, plans and ordinances facilitating the expeditious and orderly recovery and reconstruction of the area under its jurisdiction, should a disaster occur and authorizes the plans and ordinances to include any of the following: (Government Code (Gov) Section 8877.5)
 - a. An evaluation of the vulnerability of specific areas under its jurisdiction to damage from a potential disaster, together with streamlined procedures for the appropriate modification of existing general plans or zoning ordinances affecting those areas after a disaster.
 - b. A contingency plan of action and organization for short-term and long-term recovery and reconstruction to be instituted after a disaster.
 - c. An ordinance, to be adopted prior to the disaster, which could be invoked as soon as possible after the event and which would provide necessary local authorization for activities designated under (a) and (b).
- 2) Authorizes the above plans and ordinances to include the authority and proposed organization for establishment of a local reconstruction authority with powers parallel to those of a community redevelopment agency, except that the reconstruction authority would be authorized to operate beyond the confines of designated redevelopment areas and would have financing sources other than tax increment sources. (Gov. Section 8877.5)
- 3) Authorizes any of the above plans or related organizational arrangements to be made separately or jointly by formal cooperative arrangements with other local entities. (Gov. Section 8877.5)
- 4) Requires each planning agency to prepare and the legislative body of each county and city shall adopt a comprehensive, long-term general plan for the physical development of the county or city, and of any land outside its boundaries, as specified. Chartered cities are required to adopt general plans which contain mandatory elements, as specified. (Gov. Code Section 65300)
- 5) Authorizes cities, cities and counties, and counties to create disaster councils, by ordinance, to develop plans for meeting any condition constituting a local emergency or state of emergency, including, but not limited to, earthquakes, natural or manmade

disasters specific to that jurisdiction, or state of war emergency. (Gov. Code Section 8610)

- 6) Under the California Emergency Services Act, establishes the California Office of Emergency Services (Cal OES) within the office of the Governor for the purpose of mitigating the effects of natural, manmade, or war-caused emergencies. (Government Code Section 8550)
- 7) Under the California Emergency Services Act, provides Cal OES to be responsible for the state's emergency and disaster response services for natural, technological, or man-made disasters and emergencies, including responsibility for activities necessary to prevent, respond to, recover from, and mitigate the effects of emergencies and disasters to people and property. (Government Code Section 8585)
- 8) Under the California Disaster Assistance Act, requires the Director of Cal OES to provide financial assistance to local agencies for their personnel costs, equipment costs, and the cost of supplies and materials used during disaster response activities, incurred as a result of a state of emergency proclaimed by the Governor, subject to specified criteria. (Government Code Section 8680)

FISCAL EFFECT: Unknown. A fiscal committee has not yet analyzed this bill.

COMMENTS:

Double Referred: This bill was also referred to the Assembly Committee on Local Government, which has primary jurisdiction. Due to scheduling conflicts, this committee will hear the bill first and if approved, will be re-referred to the Committee on Local Government.

Author Statement: "In the immediate aftermath of a wildfire, flood, or earthquake, first responders and community members rise to the challenge in the face of devastation. But after the crisis subsides, in the months and years following a disaster, people are often left navigating a complex web of insurance companies, disaster response agencies, and financial lenders. AB 2385 will provide local governments with a legal framework that they can modify to fit their needs that helps them prepare for the inevitable disaster. Communities recover best when they plan for recovery before disaster strikes."

Equity Statement: "This bill gives local governments the tools they need to recover after a natural disaster. As such, it doesn't give preferential treatment to, or discriminate against, any group of people based on their ethnicity, religion, disability status, etc.

It is possible that higher-resourced communities may use this bill more than lower-resourced ones, which could improve their recovery times. The bill's provisions requiring LCI and OES to provide technical assistance are designed to ameliorate the potential for this to occur by offering draft ordinances and guidance that local governments can rely upon regardless of resource availability. This bill could also promote equity by giving lower-resourced governments more options to raise revenue and bulk purchase property to recover from natural disasters. For example, a disaster reconstruction agency in Altadena could, compared to Palisades, protect its more disadvantaged community from speculation by protecting its community from commercial speculators."

California Office of Emergency Services: Cal OES serves as the state's leadership hub during all major emergencies and disasters. This includes responding, directing, and coordinating local, state and federal resources and mutual aid assets across all regions to support the diverse communities across the state. Cal OES also is responsible for developing and maintaining the State Emergency Plan and the Disaster Recovery Framework. Cal OES serves as the state's overall coordinator and agent to secure federal government resources through the Federal Emergency Management Agency. Cal OES also administers the California Disaster Assistance Acts funds and several federal emergency preparedness grant programs.

Disaster Recovery: In late 2019, Cal OES finalized the California Disaster Recovery Framework (CDRF) and accompanying Recovery Support Function (RSF) Annexes for long-term recovery. Similar to the organization of the Emergency Support Functions, the RSFs are led by a state coordinating agency, and in conjunction with the federal government, serve to coordinate recovery-specific resources and guidance to local and tribal communities impacted by disasters.

Local disaster recovery plans developed prior to a disaster enable jurisdictions to effectively direct recovery activities and expedite a unified recovery effort. Since disasters are locally driven, pre-disaster recovery planning at the local level is imperative. The CDRF provides a structure for the locals to follow. In addition, local recovery plans should create the operational construct for each of the three (short term, intermediate, and long term) recovery phases and determine which programs will be needed for each recovery phase, as they apply to their area. However, not all local governments have the capability or capacity to develop a formal recovery structure consistent with the CDRF, but Cal OES recommends all local governments at least undertake basic recovery planning steps.

Pre-disaster planning performed in conjunction with community development planning helps to establish recovery priorities, incorporate mitigation strategies in the wake of an incident, and identify options and changes to be considered or implemented after an incident. Post-disaster community recovery planning serves to integrate the range of complex decisions in the context of the incident and provides the foundation for allocating resources.

Federal Guidance On Recovery Planning: Recent federal guidance from FEMA, recommend States and local jurisdictions prioritize three areas in disaster recovery planning: (1) disaster housing planning; (2) state disaster recovery coordinator; and (3) disaster financial management policies and procedures. FEMA provides a Pre-Disaster Recovery Planning Guide to help states prepare for recovery by developing pre-disaster recovery plans that follow a process to engage members of the whole community, develop recovery capabilities, and create an organizational framework for recovery efforts. It is strongly recommended that states establish a State Disaster Recovery Coordinator (SDRC), as an effective pre-disaster recovery plan and process is crucial to help recipients prepare for major disaster incidents, recover effectively, and enable state leadership to better organize and identify gaps in the state's recovery capabilities.

Local Emergency Ordinances: Local emergency ordinances provide local governments with the legal authority and structure to expedite recovery efforts. The CDRF provides the Model Pre-Event Recovery Ordinance, as drafted by the American Planning Association, as a resource for

locals.¹ Additionally, this document provides draft ordinance language. APA notes that a recovery ordinance should include the following:

1. Be adopted by local governing body action, if possible, before a disaster happens, as well as periodically updated and amended, as needed.
2. Authorize establishment and maintenance of a local recovery management organization, coordinated closely with the local emergency management organization.
3. Direct the preparation of a pre-event short- and long-term recovery plan in concert with the local emergency management organization and community stakeholder organizations.
4. Establish emergency powers by which the local government staff can take extraordinary action to protect public health, safety, and welfare during post-disaster recovery.
5. Identify methods for local government to take cooperative action with other entities to assure full access to all external financing resources as well as to facilitate recovery.
6. Specify the means for consulting with and assisting citizens, businesses, and community stakeholder organizations during recovery planning and implementation.

Redevelopment: Article XVI, Section 16 of the California Constitution authorized the Legislature to establish redevelopment agencies (RDAs) as a tool to eliminate blight using tax increment financing. This framework allowed local governments to designate project areas, issue bonds to finance improvements, and repay that debt using increases in property tax revenues generated within those areas. Following the passage of Proposition 13, RDAs became a significant source of funding for local infrastructure and housing, eventually diverting billions in property tax revenues annually. RDAs were also used to support disaster recovery, with state law allowing for accelerated timelines to adopt and implement redevelopment plans in areas impacted by declared disasters.

In 2011, the state eliminated RDAs through ABX1 26 and ABX1 27 and, following the Supreme Court's California Redevelopment Association v. Matosantos decision, all RDAs were required to dissolve by February 1, 2012. Since then, the Legislature has authorized successor entities, including enhanced infrastructure financing districts (EIFDs), Community Revitalization and Investment Authorities (CRIAs), affordable housing authorities (AHAs), and Climate Resilience Districts (CRDs). These retain the core concept of tax increment financing, but operate with more limited authority.

Related Legislation:

SB 549 (Allen, 2025) would remove the authority for a subset of enhanced infrastructure financing districts (EIFDs) to receive sales and use tax revenue and authorizes Los Angeles (LA) County to establish a Resilient Rebuilding Authority (RRA). (Failed passage in the Assembly Committee on Local Government)

Arguments in Support: According to the League of California Cities, "Under existing law, the Disaster Recovery Reconstruction Act of 1986 allows cities and counties to prepare plans and

¹ [Model Pre-Event Recovery Ordinance](#)

ordinances prior to a disaster to facilitate recovery and reconstruction. These plans may include the creation of a local reconstruction authority with powers similar to those previously granted to community redevelopment agencies. However, redevelopment agencies were dissolved in 2012, and many jurisdictions could benefit from proactive tools to structure recovery and rebuilding efforts after a disaster. AB 2385 would modernize these provisions by renaming these planning efforts as “disaster recovery plans” and requiring that a city or county’s general plan be consistent with and reference any adopted disaster recovery plan...As California continues to face increasingly severe wildfires, floods, earthquakes, and other climate-driven disasters, local governments need effective tools to respond quickly and rebuild communities safely and efficiently. AB 2385 would help ensure that cities and counties can plan ahead and coordinate recovery efforts in a structured and transparent manner when disasters occur.”

REGISTERED SUPPORT / OPPOSITION:**Support**

League of California Cities

Opposition

None on file.

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