

# DEAN DENNIS, JAY HAWKINS, DAVID HITCHCOCK, STEPHEN J. KAUFMAN, RANDALL S. LEFF AND DAN SHEA SHARE INSIGHTS ON REBUILDING LOS ANGELES

The **Rebuilding Los Angeles** roundtable is produced by the LA Times Studios team in conjunction with Buchalter; Ervin Cohen & Jessup LLP; Hill Farrer; Kaufman Legal Group; Objective, Investment Banking & Valuation; and PNC Bank.



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In the wake of the recent devastating fires, Los Angeles faces the immense challenge of rebuilding homes, businesses and communities. To help those affected navigate this complex process, we turned to six experts of diverse specialties to discuss critical considerations, from insurance claims and contract negotiations to zoning regulations and government

aid. Whether you're a business owner, investor or homeowner, this roundtable will provide essential guidance on establishing a smooth path to recovery.

Join us for an insightful discussion on the strategies that can help rebuild and strengthen our city.

## Q: HOW DOES THE RECOVERY PROCESS INFLUENCE A POST-DISASTER ECONOMY?

### A: HAWKINS

Wealth disparities and insurance availability can play a large role in post-disaster economies. Wealthier residents and businesses often rebuild more quickly while lower-income residents may take insurance payouts, or cash buyouts, and move elsewhere. Those without financial safety nets often face prolonged recovery periods, forced relocation or even permanent displacement. Disadvantaged individuals and businesses struggle to regain stability, whereas wealthier ones emerge stronger through rebuilding efforts. This unequal recovery process can exacerbate existing economic inequalities within the affected community.

## Q: HOW CAN WE STREAMLINE PERMITTING PROCESSES TO ACCELERATE REBUILDING WHILE MAINTAINING SAFETY?

### A: HITCHCOCK

Los Angeles County, the city of Los Angeles and the city of Pasadena should expedite permitting for modular and prefabricated housing, mirroring the streamlined process established for accessory dwelling units (ADUs). By pre-approving certain architectural designs and modular structures, these jurisdictions could significantly reduce permitting and inspection timelines, accelerating reconstruction efforts. Several promising steps have already been taken to facilitate rebuilding. The city of Pasadena now offers virtual planning consultations for property owners affected by the fires, enabling them to meet with planning and zoning officials remotely, eliminating the need for in-person visits. Additionally, Governor Newsom has temporarily suspended permitting and review requirements under the California Environmental Quality Act (CEQA) and the California Coastal Act, further easing regulatory barriers to reconstruction.

### A: DENNIS

The city, county and legislature are talking about streamlining California's oppressive regulatory structure that has been intentionally designed, over the years, to go slow and put up barriers. That is all good. But what the city and county really need are bodies – people who are authorized to process and approve plans and permits on an accelerated basis. Last week, Mayor Bass indicated the city had hired additional planning and building and safety personnel. But she didn't say how many. Five? Ten? The city needs something like a hundred new people. There are private planning firms, retired planners and trained personnel all over this country. They should be brought in, paid for living expenses, paid good salaries and empowered to make decisions and get things moving. A marginal increase in the same city and county processes is going to be frustratingly complicated and slow. There needs to be an entirely different way of looking at permitting.

### A: KAUFMAN

Los Angeles has long been a symbol of bureaucratic inefficiency when it comes to residential and commercial development. The wildfire recovery effort presents us with an opportunity to reassess outdated laws and streamline regulations to balance legitimate environmental, growth and safety concerns with practical solutions for developing sustainable communities. Since some communities will be starting from scratch, undertaking safety measures such as burying power lines and providing greater ingress and egress will be essential first steps in the rebuilding effort. Requiring the use of more fire-resistant building materials in the construction process – particularly in the hillside areas – should be a pre-requisite, but we must make these resources readily available to homeowners and ensure that this requirement does not slow down the rebuilding process.

## Q: WHAT IMPACT WILL THE WILDFIRES HAVE ON L.A.'S HOUSING MARKET AND

## INFRASTRUCTURE? WHAT IS NEXT FOR DEVELOPERS, CONSTRUCTION AND BROKERAGE FIRMS?

### A: LEFF

While wildfires pose significant challenges, they also present an opportunity to reimagine and expand housing within the existing landscape. By embracing innovative, forward-thinking solutions, we can develop more resilient and sustainable communities. In terms of infrastructure, new construction will incorporate advanced fire-resistant materials, underground utilities and modernized landscape design to mitigate future risks. Additionally, a more robust and readily deployable fleet of firefighting aircraft will be essential for rapid response. Technological advancements will also play a crucial role, with emerging innovations designed to enhance fire prevention and protection at the individual home level.

### A: SHEA

The recent wildfires will reshape the housing market, pushing demand – and prices – higher in neighboring, lower-risk communities. Along with an overwhelming desire to recapture a feeling of normalcy, I suspect buyers will increasingly prioritize safety, leading to shifts in real estate trends. Rebuilding will be a long and complex process, with supply chain disruptions and labor shortages, among other things, slowing progress. Developers and construction firms will face rising costs and the accelerating adoption of fire-resistant materials and evolving city planning. Brokerage firms will adjust their strategies, focusing more on properties in lower-risk areas to meet shifting buyer preferences. Meanwhile, insurance companies will continue to reassess their exposure – leading to rising premiums or reduced coverage in high-risk zones. While these obstacles pose difficulties for homeowners and businesses, they also present an opportunity to rebuild with greater resilience and long-term sustainability in mind.

**A: KAUFMAN**

Housing was already Los Angeles’ most pressing issue before the fires. Now the fires have exacerbated the affordable housing crisis. Displaced residents are straining an already tight market, pushing rental demand higher and forcing many to look for alternative housing farther and farther from their communities, jobs, schools and support networks. Those who ultimately want to rebuild may lack the financial resources to do so, facing rising labor and material costs even with the benefit of an expedited rebuilding process. Beyond the financial burden, rebuilding a house is not the same as rebuilding a community – businesses and essential services may take much longer to return. This underscores the need for creative solutions to support both recovery and long-term affordability.

**A: HITCHCOCK**

The devastation caused by the fires has further strained an already tight housing market, forcing many families into cramped rentals or out of the region entirely due to a lack of viable local alternatives. This necessitates the immediate reconstruction of critical utility infrastructure – water, sewer, electrical and telecommunications – all of which were either destroyed or severely compromised. Beyond mere restoration, government rebuilding efforts should prioritize modernization, such as cost-effective water storage tanks that could serve dual purposes: emergency water reserves for hillside communities and “hydroelectric batteries” when integrated with abundant solar energy. To enhance accessibility and reduce car-dependent commutes in Altadena, officials might explore extending a light rail line from the Gold Line station at Lake Avenue and the 210 Freeway to Altadena Drive, following the historic Pacific Electric Red Car route.

**Q:WHAT ARE THE LONG-TERM ECONOMIC CONSEQUENCES OF A MAJOR DISASTER?**

**A: HAWKINS**

There are positive and negative economic outcomes following a disaster. Possible long-term consequences can be attributed to a decline or shift in population. Current individuals and businesses who lack the necessary funds to rebuild will relocate elsewhere and prospective residents and businesses may be deterred to relocate in a high-risk area. There is also a possibility of reduced property value and lower tax revenue. Some areas may struggle to attract new investments due to the perceived risks. However, areas that rebuild effectively can eventually experience economic growth, especially if infrastructure is modernized during reconstruction. Disasters can sometimes lead to economic revitalization when rebuilding efforts bring in new jobs, updated infrastructure and better planning.

**Q:WHAT ROLE SHOULD THE PRIVATE SECTOR PLAY VERSUS GOVERNMENT AGENCIES IN REBUILDING?**

**A: SHEA**

The private sector should play a critical role in rebuilding efforts in partnership with public agencies, as well as affected property and business owners. Public agencies should focus on setting policies, allocating resources and providing oversight, while private firms – particularly those in essential services such as environmental remediation, waste management, engineering – should drive execution to achieve meaningful outcomes that meet the needs of community members. Leveraging the efficiency of the private sector in such a partnership would enable the strategic deployment of capital and accelerate recovery efforts, ensuring sustainable, long-term solutions that foster economic revitalization and community resilience. Effective collaboration between the public and private sectors is essential for rebuilding our community.

**A: KAUFMAN**

Public-private partnerships are vital to rebuilding Los Angeles. This job is simply too big for the government to handle on its own. Therefore, it is essential that leaders from the private sector work with government officials to provide expertise and capital to help fund the rebuilding efforts. However, the participants must be aligned on shared goals to avoid these joint efforts from becoming tools for private interests. In my nearly three decades of involvement with government, I have seen how self-

interest can lead to blame and division, undermining opportunities to benefit the public. A number of business and community leaders already have formed groups to help with the rebuilding effort. It remains to be seen whether they can work together to develop long-term solutions for rebuilding our communities or whether it will devolve into a finger-pointing exercise.

**A: LEFF**

While agencies such as the L.A. Planning Department, the California Environmental Quality Act and the Coastal Commission will continue to play a critical role in the rebuilding process, their focus must shift toward efficiency and collaboration rather than unnecessary obstruction. By streamlining their operations and processes – bolstered by strategic support from local, state and federal leadership and funding – these agencies can drive meaningful progress. This approach would not only enhance California’s economic competitiveness but also uphold the highest standards of environmental and safety protections. The private sector has the capacity to be highly attuned to the needs of affected communities, leveraging its resources to facilitate financing and redevelopment efforts that not only restore but enhance these communities, making them safer and more resilient. Given that the essence of business lies in understanding and responding to consumer needs, private enterprises are uniquely positioned to grasp the priorities, aspirations and concerns of local residents. Ideally, a synergistic partnership between the public and private sectors would foster a revitalized environment that authentically reflects and serves the community’s identity and long-term well-being.

**Q:HOW WILL THE ROLE OF THE FEDERAL GOVERNMENT AFFECT THE WILDFIRE RECOVERY EFFORTS?**

**A: KAUFMAN**

Effective collaboration between federal, state and local governments is essential to rebuilding L.A. and preventing future disasters. The federal government plays a critical role in cleanup, rebuilding and addressing the climate issues underlying these wildfires. Leadership must start in D.C., with cooperation at all levels of government to clean up toxic waste, implement a recovery plan and provide resources for the rebuilding effort. Political finger-pointing only hinders progress and erodes public trust and does nothing to advance efforts to rebuild our communities. While long-term climate action from Washington seems unlikely, this disaster offers the President an opportunity to shine by supporting the wildfire recovery efforts. Time will tell whether he rises to the occasion or undermines those efforts by gutting federal agencies like FEMA and EPA that are essential to our recovery effort.

**Q:HOW IS THE FINANCIAL SERVICES INDUSTRY HELPING BUSINESSES AND INDIVIDUALS IN NEED?**

**A: SHEA**

The financial services industry is playing a vital role in helping businesses and individuals access guidance, capital and other essential resources. While Objective specializes in sell-side M&A and valuation advisory, we are committed to supporting the broader community, particularly in times of significant need. We have been actively assisting business owners in their discussions with bankers, wealth managers and other financial professionals to develop creative capital solutions, access government assistance programs and support employee well-being. By providing financial and strategic support, our industry is helping businesses navigate this uncertain and evolving landscape, ultimately aiming to accelerate recovery.

**Q:WHAT ARE LAW FIRMS AND ACCOUNTING FIRMS DOING TO HELP BUSINESSES AND INDIVIDUALS IN NEED?**

**A: DENNIS**

Beginning the day after the fire, major disaster law firms began circling like vultures to sign up clients for suits against Edison, LADWP and others. But right now, fire victims don’t need that from lawyers. What individuals and businesses need is a steady advisor to help them over critical hurdles, like understanding their insurance policy that was written by insurance

companies in a confusing format that most people never even tried to read when they purchased it. It just went in a drawer and premiums were paid every year with little mind paid to it. To avoid being taken advantage of, individuals and businesses need to push back against an overly eager adjuster to get what they deserve. At Hill Farrer, we immediately formed a Disaster Relief Team with lawyers equipped to handle the immediate, day-to-day questions.

**A: HITCHCOCK**

As a real estate attorney and lifelong Pasadena resident, I have dedicated myself to understanding insurance claims and recovery to support friends and family who have lost their homes or suffered severe damage – offering my assistance pro bono. To me, this is the very least I can do for my community. My firm, Buchalter, has established a comprehensive disaster response platform, leveraging its legal expertise to guide clients toward essential services and external resources. This initiative addresses the critical need for information and advocacy in the aftermath of this devastating disaster. It has also been an invaluable resource in deepening my understanding of the complexities surrounding insurance claims and the rebuilding process.

**A: LEFF**

Professional service firms have the expertise and strategic acumen to collaborate effectively with local and state governments in streamlining policies and procedures. Their deep understanding of operational efficiencies positions them as invaluable partners in driving meaningful progress. When lawyers engage with local governments with openness and a shared commitment to innovation, they can cultivate a synergistic partnership – one that fosters the transparent exchange of knowledge and experience to establish a more efficient and responsive system.

**Q:WHAT FACTORS CONTRIBUTE TO A FASTER OR SLOWER RECOVERY?**

**A: HAWKINS**

Success in recovery varies by region, depending on local government support, pre-disaster economic conditions and lessons learned from past disasters. The speed of post-disaster recovery is influenced by various factors including regulatory hurdles, construction worker shortages and material availability, which can delay rebuilding efforts. The nature of the disaster, insurance coverage and socioeconomic factors also shape overall recovery timelines and outcomes.

**Q:WHAT LEGAL MECHANISMS CAN BE USED TO PREVENT REBUILDING IN HIGH-RISK FIRE ZONES?**

**A: KAUFMAN**

The effort to rebuild Los Angeles presents a vital opportunity for government and the private sector to work together to tackle systemic barriers, streamline processes and reassess outdated regulations that have long hindered the development of smart, affordable housing. It also presents an opportunity to rethink planning issues that may not have been apparent when these communities were developed decades ago. Legal professionals with expertise in environmental issues, real estate, government, transportation and infrastructure are uniquely positioned to work with public officials, developers and community leaders to craft new zoning laws that take into account our shifting landscape, limit density in hillside areas with limited access and eliminate potential hazards that contributed to this disaster.

**Q:HOW DOES THE AFTERMATH OF THE RECENT DEVASTATING WILDFIRES COMPARE TO THE NORTHRIDGE EARTHQUAKE OF 1994?**

**A: LEFF**

Before construction can commence in areas such as the Palisades or Altadena, the removal of debris containing hazardous materials must be prioritized. The government will bear responsibility for ensuring that this process is conducted safely and efficiently, engaging private contractors to carry out the removal. After the Northridge earthquake, governmental entities offered the contractors who were rebuilding damaged freeways incentives for early project completion. Incentivized by bonuses, the contractors significantly

accelerated completion. This principle should be applied in the aftermath of the fires to expedite rebuilding efforts. By strategically leveraging incentives, the government can motivate the private sector to complete debris removal and public infrastructure projects more efficiently, ensuring a swift and effective recovery.

**Q: IN YOUR OPINION, DO NATURAL DISASTERS REDUCE THE ATTRACTIVENESS OF LIVING OR SETTING UP A BUSINESS IN L.A.?**

**A: SHEA**

Everyone has their own breaking point. However, the vast majority of us Angelenos are happy here, choosing to focus on the many positives while working to mitigate the negatives. Our incredible climate, natural beauty and outdoor lifestyle make L.A. a magnet for people of all sorts. Beyond that, L.A.'s economy is immense, with industries like technology, aerospace, healthcare, entertainment/media, tourism and international trade offering endless opportunities. Businesses benefit from a huge consumer market and global access, which are very compelling as compared with other markets. At the end of the day, L.A.'s unbeatable weather, scenic views and high-energy business community make it a great place to call home.

**A: HAWKINS**

Natural disasters of any kind can significantly diminish the appeal of establishing a business or residence in the region. The immediate aftermath often involves widespread destruction of infrastructure, homes and commercial properties, leading to substantial financial losses. The increased frequency and severity of natural disasters can also lead to higher insurance premiums and, in some cases, the unavailability of coverage. This financial strain can deter individuals and businesses from settling in high-risk areas. On the other hand, a quick and successful rebuild that enhances the appeal of the affected region could potentially make it attractive to new residents and businesses, despite the recent natural disaster.

**Q: WHAT ARE SOME OF THE MISTAKES THAT SOME BUSINESSES ARE MAKING?**

**A: DENNIS**

Everyone is very energized and eager right now to make things happen. But we have seen businesses firing off in all different directions in the hope some efforts will bear fruit. But to be successful, it is important to have a little patience and a plan, and, for a recovery of this immense scale, strong leaders. I am encouraged by the private initiatives being put forth by Mark Walters, Magic Johnson and Casey Wasserman's L.A. Rises and Rick Caruso's Steadfast L.A. These are all smart, L.A. loyalists who know how to get things done and have the resources and connections to make it happen. Businesses should get behind them and let them lead. It's our best chance.

**A: SHEA**

There are numerous mistakes to avoid, the most common being delayed communication with stakeholders – employees, customers and partners. Trust can quickly erode in these situations and create overall uncertainty. Timely updates, on the other hand, provide transparency and support relationship continuity. Another common mistake is a lack of financial resilience. Businesses need to establish financial reserves and secure flexible credit options to ensure long-term stability when the unthinkable happens. An additional mistake – and thankfully much less common – is neglect of employee well-being. Owners are wise to provide support, flexible work arrangements and mental health resources to foster a committed workforce in times of trouble.

**Q: HOW CAN WE ADDRESS LABOR SHORTAGES AND SUPPLY CHAIN ISSUES THAT MAY SLOW REBUILDING EFFORTS?**

**A: HITCHCOCK**

Homeowners should explore modular and prefabricated (prefab) homes as viable solutions to ongoing labor shortages and supply chain disruptions. Constructed in offsite manufacturing facilities, these homes offer a streamlined alternative to traditional construction, minimizing

delays caused by limited local contractor availability and material shortages. Their controlled production environment enhances efficiency, cost-effectiveness and quality, making them a practical choice for rebuilding efforts.

**A: HAWKINS**

To address this challenge, businesses and local governments should diversify their suppliers and build redundancies into their supply chain, like investing in alternate commute routes or maintaining extra warehouse space to stockpile critical materials. These redundancies will ensure disaster areas are positioned with enough support to overcome any additional challenges that may arise, especially when it comes to a dwindling supply of labor. Labor shortages delay reconstruction timelines, increase costs and aggravate housing and infrastructure issues. Skilled laborers are often in short supply during a disaster recovery period, particularly when local workers have been displaced or when damage to commute routes limits their ability to reach job sites.

**Q: HOW CAN WE ENSURE THAT REBUILDING EFFORTS DO NOT LEAD TO DISPLACEMENT AND GENTRIFICATION?**

**A: HITCHCOCK**

We must reassure those who have lost their homes that while the rebuilding process is lengthy, there is no need to make rushed decisions under pressure. It is far too early for discouragement, and thoughtful, informed choices will lead to more sustainable recovery. Equally important is ensuring that homeowners are not overwhelmed by bureaucratic obstacles. The permitting process must be streamlined, particularly for those seeking to rebuild their homes as they were. Additionally, government resources such as FEMA and the Small Business Administration (SBA) offer grants and loans to underinsured or uninsured homeowners and businesses, providing essential financial support to facilitate reconstruction.

**Q: WHAT CAN BE DONE TO SUPPORT SMALL BUSINESSES AND LOCAL ECONOMIES IN THE RECOVERY PROCESS?**

**A: DENNIS**

It sounds a bit trite but get out and support the businesses that remain. Most people do not have a family foundation or cannot make a major contribution to the Red Cross or other relief agencies. God bless those who do and can. But most of us just need to make a conscious effort to support each other. Drive the extra miles to patronize those remaining restaurants and businesses that are struggling right now just to survive. Think about what you can do, even in a small way; then do it. Cumulatively, the impact is enormous.

**A: HITCHCOCK**

It is imperative that local residents prioritize supporting businesses within their communities. In the fire-impacted areas of Altadena, Pasadena and the Palisades, businesses are facing unprecedented challenges, with estimates suggesting that up to 40% of their customer base in northern Pasadena and Altadena has been displaced. Now, more than ever, these businesses rely on the patronage of local consumers to remain viable and sustain the economic stability of the region.

**A: LEFF**

California's current employment laws and regulatory environment are significant impediments to business growth. Instead of fostering entrepreneurship, the state has created an imbalance that encourages litigation and drives up costs for employers significantly. Approximately 40% of civil cases in the Los Angeles Superior Court are employment-related – far above the national average of 5% – and this burden on businesses stifles productivity and economic opportunity. The state must strike a better balance between protecting employees and enabling businesses to thrive. Closing loopholes and reducing litigation incentives could attract more small businesses and make California a much more viable place to do business.

**A: HAWKINS**

It's crucial to provide rapid access to capital so that businesses can have a safety net to meet immediate needs and plan for long-term recovery. Additionally, it's important that bureaucratic policies are streamlined, including the hurdles needed to get permits approved for

rebuilding. By reducing red tape and ensuring swift financial assistance, small businesses can more effectively resume operations and contribute to the revitalization of their communities.

**Q: WHAT IS THE LONG-TERM IMPACT OF THE WILDFIRES ON HILLSIDE COMMUNITIES?**

**A: KAUFMAN**

Those of us who live in the hillside communities of L.A. enjoy the illusion of living in the wilderness. We enjoy our morning hikes, share our communities with an occasional mountain lion and relish our city views – yet the comforts of urban life are just minutes away. But the recent wildfires have us thinking: What if we're next? Many of us who were spared this time around live in areas with the same environmental and planning challenges that fueled the Palisades and Eaton fires. Therefore, it's crucial that we take a strategic approach to hillside development and address the issue of climate change. Until we confront those issues, we must reconsider our lifestyle choices or live in fear of the next fire or mudslide. City planners and developers also may need to ask: Should we continue building in these vulnerable areas at all?

**Q: HOW DO WE INVOLVE RESIDENTS AND STAKEHOLDERS IN SHAPING A MORE SUSTAINABLE AND RESILIENT LOS ANGELES MOVING FORWARD?**

**A: LEFF**

It feels like small to medium-sized businesses are being left behind, with little focus or concern from government leaders. We need a united effort at the local, state and federal levels to prioritize sustainable communities. California's legislature, in particular, must actively engage with small businesses to help rebuild and restore these devastated areas. Leadership that brings us together is essential to creating lasting solutions. I'm working with our firm's clients and friends to provide a host of resources – legal and non-legal alike – to ensure those negatively impacted know who to turn to.

**A: DENNIS**

Lots of people, much smarter than I, have brilliant ideas about sustainability and resiliency. My thought is the need to have it done quickly. Studies and planning often take forever. Fire victims do not have forever. The leaders need to decide on a planning period for stakeholders to offer suggestions. Six months? A year? And then they need to stick to it. We can't do it all – or perfectly – but we can make progress in a relatively short timeframe with concerted effort. The worst insult to injury is to lose everything you loved and then be doubly screwed by the time and money it takes to recover. Everyone points to the rapid rebuilding of the 10 freeway after the Northridge earthquake spearheaded by Mayor Riordan. Things can happen when someone takes charge. Let's go!

**Q: WHAT ARE THE UNFORESEEN RIPPLE EFFECTS THAT A MAJOR DISASTER COULD CAUSE?**

**A: HAWKINS**

You can expect consequences to negatively ripple through the workforce, existing residents and neighboring communities. As a result of a business' ability to operate, local economies will see higher unemployment rates and reduced consumer spending. Insurance premiums could go up for other policyholders in the state, prompting some current residents and businesses to relocate due to higher homeowners' insurance. On an environmental front, neighboring communities may feel the impact of a disaster for months following the event. Pollution or damage to water systems or nearby parks facilities can create long-standing issues for residents and businesses who were not directly impacted by the disaster.