

Los Angeles fires survivors face arduous federal aid process, delayed payouts

Isla Anderson, Evan Winters, Kimie Saito, Jacob Crosse
17 January 2025

After over 10 days of intense firefighting, the Palisades and Eaton fires continue to rage in Los Angeles County. The Palisades Fire has burned some 24,000 acres and is currently 31 percent contained, while the Eaton Fire has scorched 14,000 acres and is at 65 percent containment.

Twenty-seven deaths have been officially linked to the blazes, and 31 people, including many elderly, remain missing. Cadaver dogs and forensic teams are searching through the rubble to identify human remains. Over 10,000 structures have been destroyed thus far, the vast majority being single-family residences in the foothills north of Pasadena and northwest of Santa Monica.

The devastation left behind in the wake of the Palisades and Eaton fires is comparable to the destruction of New Orleans by Hurricane Katrina in 2005. The fires have already caused an estimated \$275 billion in property damage, over double the financial burden left behind by Katrina, far surpassing the annual budget for FEMA aid at a paltry \$20 billion per year.

Since the beginning of the two wildfires, over 150,000 Angelenos have been forced to evacuate at a moment's notice with virtually no support from the city, state, or federal governments. Many have been forced to flee to the homes of friends and families, hotels and Airbnbs, if they can afford them, or to one of a handful of emergency shelters set up by the Federal Emergency Management Administration (FEMA). However, only 569 public shelter beds have been opened to the public, leaving most wildfire victims effectively homeless.

Similar to the victims of Katrina, Lahaina and other climate change-powered disasters, victims of the Palisades and Eaton fires have largely been left to fend for themselves as insurance companies and FEMA have

placed bureaucratic barriers between them and financial aid. FEMA is offering one-time payments of \$770 to uninsured victims of the LA wildfires to pay for “things like water, baby formula and prescriptions.”

These payments are a pittance for those who have lost everything, and there is little indication that more aid is on the way. Uninsured homeowners are being offered up to \$43,600 in housing aid by FEMA and an additional \$10,000 from the California State Supplemental Grant Program. Victims are also potentially eligible for up to \$500,000 in loans through the Small Business Administration. These grants will hardly be enough to make residents whole when the average cost of a home in Altadena exceeds \$1.2 million, according to Zillow.

Before the fires several national for-profit insurance companies, including State Farm, Allstate and Farmers Insurance, either stopped offering home insurance or have fled from California entirely. An analysis by CBS News this week found that 1,600 policies in the Pacific Palisades were dropped by State Farm in July. CBS also found that State Farm canceled insurance for over 2,000 additional homes and businesses in the Los Angeles neighborhoods, including Brentwood and Monte Nido. A recent analysis from the *San Francisco Chronicle* found that between 2019 and 2024, more than “100,000 Californians” lost their home insurance.

Even insured victims of the fires are struggling. The average time between filing a “complicated” insurance claim and receiving payment is between 12-18 months. Homeowners forced off of private fire insurance have been forced to enroll in the California Fair Access to Insurance Requirements Plan, or FAIR Plan, which provides basic fire insurance at exorbitant rates. But these high premiums are not enough to cover all the

claims expected to be filed by those nominally covered under the FAIR Plan. In an interview with *Fortune*, Jaime Court, president of Consumer Watchdog, warned that California homeowners could expect an additional \$1,000—\$3,700 surcharge to keep the insurer solvent.

Altadena, the community most affected by the Eaton Fire, is a predominately working and middle class neighborhood. The average household income in Altadena is around \$150,000, roughly equivalent to the income of two full-time LAUSD teachers.

Mario, a Hollywood resident whose mother's house was damaged by the Eaton Fire, spoke to reporters from the WSWS about his frustrations with the recent Los Angeles Fire Department budget cuts and Los Angeles Police Department (LAPD) budget increases. The city of Los Angeles cut the LA Fire Department by \$17.4 million, effective January 1, 2025.

Mario thought it was “crazy” that the LAPD budget had increased, while the LAFD was cut. “It seems like the police are getting more than what they necessarily need. ... It seems like a money grab.

“I can't get housing myself,” Mario said after speaking to FEMA officials. “Capitalism has turned into a really sad affair.”

WSWS reporters also spoke to Steve and his wife outside the Pasadena Convention Center on Friday. Together they own three properties, including a local business that supports developmentally disabled adults in Altadena.

Steve noted that their house was “completely destroyed,” but that they were not the only ones.

“It is heart-wrenching to know so many people in this area, friends and families that were affected,” Steve said, adding, “There are so many people that are not insured or are underinsured or don't have the full coverage or no coverage at all.”

Steve's wife observed that many buildings “are not occupied. They're just sitting there.”

Steve added, “Million-dollar homes and they're sitting there empty. You know, people just own them. And when you go throughout even here in Pasadena, LA, all over the place, there are buildings that are owned, paid for, you know, they're part of some trust or hedge fund. ... All they're doing is parking money.”

The so-called “housing crisis” in California, a state

controlled by the Democratic Party, is entirely a product of capitalism. A sane and centrally planned economy, built with the needs of the working class in mind, would not feature hundreds of thousands of vacant homes in a time of crisis.

Enough housing exists in Los Angeles to house the entire homeless population, including those recently displaced by the wildfires. According to UCLA, 318,000 housing units sat vacant in the greater Los Angeles Metropolitan area as recently as 2018, more than enough units to house every displaced person. Eminent domain should be utilized to seize vacant housing units from speculators and investors and instead given to people displaced by the LA wildfires.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact