



SUMMARY REPORT

Agenda Date: 10/22/2019

To: Board of Supervisors

Department or Agency Name(s): Permit Sonoma

Staff Name and Phone Number: Jane Riley 565-7388

Vote Requirement: Majority

Supervisory District(s): All

Title:

9:30 AM -Extend and Revise Chapter 40 (Sonoma Complex Fire Disaster Recovery)

Recommended Action:

Hold a public hearing. After the public hearing is closed, find that the proposal is exempt from CEQA and adopt an ordinance (CR) revising and extending specified portions of Chapter 40 for two years.

Executive Summary:

Following the October 2017 Sonoma Complex Fire, the Board of Supervisors adopted multiple urgency and long-term ordinances to assist recovery. Many of these ordinances are contained within Chapter 40 of the Sonoma County Code, titled Sonoma Complex Fire Disaster Recovery, which is set to expire on December 31, 2019 unless extended by the Board of Supervisors. Permit Sonoma recommends extending most provisions in Chapter 40 for an additional two years because incentives to facilitate recovery are still critically needed. The recommended modifications to the Chapter are outlined within this report and in the attached *Summary Table of Changes to Chapter 40*.

The Sonoma County Planning Commission reviewed the proposal on 5 September 2019, and recommended adoption of the ordinance on a 4-0-1 vote. The audio recording of the Planning Commission meeting is available [here. <file:///S:/AGENDA/PC/Audio%20files/2019%20audio%20files/09-05-2019%20Audio/09-05-2019%20Audio.mp3>](file:///S:/AGENDA/PC/Audio%20files/2019%20audio%20files/09-05-2019%20Audio/09-05-2019%20Audio.mp3)

The Commission did not change or suggest modifications to the Chapter beyond those proposed by staff. During preparation of the recommended revisions to Chapter 40, staff consulted with the Fire Recovery Ad Hoc, the Office of Recovery and Resiliency, the Larkfield block captains group, Rebuild Northbay and the North Bay Association of Realtors.

Discussion:

The recommended action:

1. Extends specified recovery provisions for an additional two years to facilitate the rebuild effort;
2. Discontinues provisions allowing recreational vehicles as interim housing outside of burn areas, but continue allowing interim use of RVs as housing in burn areas;
3. Continues to prohibit new short-term (vacation) rentals within the burn area; and

4. Removes provisions that have been completed or no longer serve a function.

Each of these amendments is discussed below and summarized in the attached *Summary Table of Changes to Chapter 40*. Additional details about each of these provisions is available in the Planning Commission staff report.

Extend Recovery Provisions. As of September 2019 12.8% of homes lost in the Sonoma Complex Fire have been rebuilt and completed; another 45% have approved rebuild plans with permits issued; and 6.8% are in the plan review process. The status of the remaining 36% remains in flux; such lots may be rebuilt upon, sold, or left vacant. Staff is pleased to report that all schools and day care centers that needed temporary relocation have been completed.

While the rate of rebuilding within the 2 year time frame is high compared to state and federal averages some property owners have chosen not to rebuild and have sold their lots (8% as of December 2018, according to the Press Democrat). Many have left the area; according to census data Sonoma County suffered a population loss of 3,300 after the fires.

Fire survivors who have chosen to rebuild have experienced delays for several reasons, including because of the absence of available contractors and materials stemming from other wildfire rebuilding efforts across the state. Other reasons for delay include outstanding insurance claims, high construction costs, and delays due to the rain this winter and spring. And with most insurers terminating Additional Living Expense benefits this month, many fire survivors will be left without insurance money to cover the rental housing needed until their rebuild is complete.

Secondary housing displacement has further exacerbated the need for Chapter 40 provisions. The recovery provisions of Chapter 40 apply to displaced persons who suffered a direct loss of their home in the 2017 fires. While the initial displacement from the fires continues to be an important factor because of the delays in rebuilding, continued or secondary displacement has become an additional factor. The diagram below illustrates staff's experience of how market demand for housing following a disaster results in secondary displacement of residents. Changes to Chapter 40 are proposed to ensure that persons secondarily displaced have access to interim housing solutions.



1. **Residential Use of Recreational Vehicles (RVs) and Manufactured Homes.** Chapter 40 includes limited allowances for the residential use of RVs and manufactured homes as interim housing. These provisions have been well utilized, with more than 160 permits issued for the placement of RVs and manufactured homes as interim housing. This allows fire survivors to remain on their home sites during the rebuild process. While the vast majority of RV permits were issued in the 8 months after the fires, Permit Sonoma has continued to issue permits at a reduced level in 2019. With most insurance coverage for temporary replacement housing ending in October, the Department anticipates an increase in demand for RV permits this fall. Staff recommends preserving the Chapter 40 interim RV housing provisions within burn areas. The existing seven temporary housing permits that have been issued outside of the burn area will be extended until December 31, 2021 under the proposed Chapter 40 extension; however, no new temporary housing permits will be accepted for placement outside of the burn area after December 31, 2019.
2. **Prohibition on New Vacation Rentals in the Burn Area.** Chapter 40 currently includes a provision to restrict new short term vacation rentals within the burn area. Immediately following the fires, the Board of Supervisors adopted an urgency measure prohibiting new vacation rentals county-wide in order to make more housing available to fire survivors. In its review of this action on January 23 of 2018, the Board chose not to extend the countywide prohibition because so many existing vacation rental owners had leased their properties to fire survivors. Instead, on October 23, 2018 the Board adopted a ban on new vacation rentals within the burn area only, to prevent the loss of residential lands and existing housing stock to visitor-serving uses, as provided in the General Plan Housing Element. The measure was also intended to reduce speculative investment in and development of lots in the burn area for the purpose of creating new visitor-oriented use.

Sonoma County continues to experience a housing crisis. As discussed above, many county residents who were directly or secondarily displaced by the fires have not yet been able to return to long-term homes. Permit Sonoma staff continue to receive frequent inquiries from investors interested in purchasing a lot within the burn area and developing a short-term vacation rental rather than a long-term residential unit. With affected neighborhoods still struggling to rebuild, staff recommends continuing the ban on new vacation rentals in the burn area. Hosted rentals would continue to be allowed, and investors could still purchase lots to build as residences and use them as long-term rentals until expiration of the ban.

The 53 existing, permitted vacation rentals that were lost to the fires are permitted to rebuild and operate as vacation rentals as long as they are not sold or enlarged.
3. **Chapter 40 provisions no longer needed.** As outlined in the *Summary Table of Chapter 40 Changes*, there are multiple provisions within Chapter 40 that were very short-term in nature and are no longer needed. For example, provisions to allow affected schools and day care centers to temporarily relocate to

industrial buildings can be discontinued because the necessary relocations have been completed. Other provisions, such as allowances for the placement of FEMA trailers, are no longer necessary because all temporary FEMA housing units have been placed.

Prior Board Actions:

During the October 2017 Sonoma Complex Fire, the Board of Supervisors adopted Resolution 17-0389 declaring a state of emergency and directing county staff to review and consider waivers to other regulations to further fire recovery and rebuilding. In the following weeks, the Board adopted multiple urgency and longer-term ordinances to assist recovery. Together these Ordinances formed Chapter 40:

- Ordinance No. 6210 on 10-24-17
- Ordinance No. 6212 on 10-31-17
- Ordinance No. 6213 on 11-7-2017
- Ordinance No. 6215 on 12-12-17
- Ordinance No. 6248 on 10-23-18

FISCAL SUMMARY

Narrative Explanation of Fiscal Impacts:

Not Applicable

Narrative Explanation of Staffing Impacts (If Required):

Not Applicable

Attachments:

Summary Table of Chapter 40 Changes

Draft Ordinance with Exhibit A

Planning Commission Staff Report dated 5 September 2019

Planning Commission Resolution 19-0008

Related Items “On File” with the Clerk of the Board:

Previously adopted ordinances related to fire recovery Nos. 6210, 6212, 6213, 6215 and 6248.