

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: DAVID GUHIN, DIRECTOR
PLANNING AND ECONOMIC DEVELOPMENT

SUBJECT: URGENCY ORDINANCES ADDING ZONING CODE SECTION 20-28.100, RESILIENT CITY (-RC) COMBINING DISTRICT, REZONING PROPERTIES TO THE -RC DISTRICT, AND PROHIBITING RENTAL HOUSING PRICE GOUGING

AGENDA ACTION: THREE ORDINANCES

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council adopt three urgency ordinances, (1) to amend Title 20 of the Santa Rosa City Code, to add Section 20-28.100, Resilient City (-RC) Combining District, to facilitate rebuilding and the implementation of resiliency initiatives in those parts of the City of Santa Rosa most severely impacted by the Tubbs and Nuns Fires (Fires) of October 2017, (2) to reclassify properties directly impacted by the Fires to add the -RC Combining District to the base zoning district of each property in the area, and (3) to impose a prohibition on rental housing price gouging following the Fires.

EXECUTIVE SUMMARY

Beginning on the evening of October 8, 2017, and continuing for days thereafter, a series of wildfire events damaged or destroyed thousands of residential and commercial structures within the City of Santa Rosa. On October 9, 2017, the City Manager, in his capacity as Director of Emergency Services, proclaimed the existence of local emergency in the City of Santa Rosa, which proclamation was ratified by the City Council on October 13, 2017. There is an urgent need to rebuild and repopulate those areas affected by the Fires. To facilitate and expedite the reconstruction process, staff has developed the Resilient City (-RC) Combining Zoning District, to be applied to the base zoning of each property most severely impacted by the Fires. In addition, City officials have been alerted to the possibility of price gouging of rental housing in the City. To address this issue, staff is recommending a prohibition on rental housing price gouging consistent with state law.

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The proposed –RC Combining District and prohibition on price gouging are urgency ordinances under Government Code section 36937(b) and Section 8 of the City Charter and would go into effect immediately upon enactment. Under the City Charter, five affirmative votes are necessary to adopt an urgency ordinance.

BACKGROUND

On October 8, 2017, and continuing for days thereafter, a series of wildfire events, identified as the Tubbs and Nuns Fires (Fires) burned over 90,000 acres in Sonoma County and damaged or destroyed approximately 3,000 homes and 100 commercial structures within the City of Santa Rosa.

On October 9, 2017, the City Manager, in his capacity as Director of Emergency Services, proclaimed the existence of local emergency in the City of Santa Rosa.

On October 9, 2017, the Governor of the State of California proclaimed a State of Emergency for Sonoma and other counties.

On October 10, 2017, President Donald J. Trump declared the existence of a major disaster in the State of California and ordered Federal aid to supplement State and local recovery efforts in the areas affected by wildfires, beginning on October 8, 2017.

On October 13, 2017 the City Council adopted Resolution No. RES-2017-201 ratifying the City Manager’s proclamation of the existence of a local emergency.

The Council has previously found that the City of Santa Rosa is experiencing a housing crisis, and prior to the Fires there existed a severe lack of rental housing that is affordable to lower and moderate income residents.

The housing units destroyed by the Fires increased the rental housing shortage by several orders of magnitude and also severely reduced the number of owner-occupied housing units in the City.

Destruction of housing units in other nearby cities and counties further exacerbates the ability of persons who live and work in the City of Santa Rosa and have been displaced by the Fires to relocate to other housing.

The Santa Rosa Zoning Code includes provisions for reconstruction of structures that are involuntarily damaged or destroyed by accident or natural disaster; however, it does not address streamlining and expedition of reconstruction.

ANALYSIS

Section 8 of the City Charter authorizes adoption of an interim urgency ordinance, to take effect immediately upon passage, when deemed necessary by the Council

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to preserve the public peace, health or safety. In addition, Government Code section 36937(b) allows the Council to adopt an ordinance to take effect immediately, if it is an ordinance for the immediate preservation of public peace, health or safety, and it contains a declaration of the facts constituting the urgency.

Resilient City (–RC) Combining District and Rezoning

A significant portion of residential and non-residential structures in northeast and northwest Santa Rosa were either destroyed or damaged in the October 2017 fires. In order to begin the process of rebuilding the community as quickly and efficiently as possible, measures need to be put into place immediately to assist property owners. The City desires to modify the building permit and planning entitlement processes to ensure that repair and reconstruction of damaged and destroyed structures is both efficient and expeditious.

The proposed –RC combining district would be applied to properties within the City of Santa Rosa limits that were most impacted by the Fires of October 2017. The district would be combined with any primary zoning district in place for each property. For example, a property within the impacted area that is currently zoned Single-Family Residential (R-1-6) would be zoned Single-Family Residential-Resilient City (R-1-6-RC), should the Council adopt the proposed ordinance.

The proposed combining district language includes specific locations, along with associated maps, that identify those areas where the –RC district would apply, which include the following:

- Coffey Park Area
- Highway 101 Corridor/Roundbarn Area
- Fountainview Area
- Fountaingrove Area
- Montecito Heights Area
- Oakmont Area

The –RC combining district provides for streamlining of the permit process and expedited review for reconstruction and repair of damaged or destroyed residential and non-residential structures. Included is a proposal to waive discretionary planning permit fees, as well as fees for demolition permits and temporary housing. The language also delegates the review authority of any required discretionary planning permits, such as Hillside Development and Design Review, to the Director of Planning and Economic Development.

In order to provide an opportunity for property owners to live on site while their homes are reconstructed, the proposed combining district would allow for temporary housing including trailers, recreational vehicles, manufactured homes,

tiny homes and other similar structures. There is also language that would allow the construction and occupancy of a new detached accessory dwelling unit (ADU) on site, prior to the construction of a single-family residence on the site; current regulations require that a single-family residence exist on site, or be constructed in conjunction with a new ADU. Such language would help to incentivize the construction of ADU's, while allowing another opportunity for housing on site while a main residence is being constructed.

Rental Housing Price Gouging

City officials have been alerted to the possibility of price gouging by persons offering housing for rent in the City of Santa Rosa. Price gouging may also include eviction of existing tenants of rental properties so landlords may take advantage of fire victims whose insurance companies may pay rental rates in excess of what was previously charged for existing tenants.

Penal Code Section 396 (“Section 396”) controls price increases for rental housing when a jurisdiction is under a declaration of emergency. As written, it applies for an initial period of thirty days after declaration of an emergency by the Governor and generally prohibits charging a price that exceeds by more than ten percent the price of an item before the declaration of emergency. On October 18, 2017, the Governor issued Executive Order B-43-17, which waives the thirty day limitation and provides that Section 396’s prohibition against price gouging will remain in effect until April 18, 2018.

Until the current state of emergency is terminated (or April 18, 2018, whichever occurs first), the proposed ordinance would generally prohibit any person from renting or leasing a hotel or motel room, or any dwelling unit, including a vacation rental unit, in the City for more than ten percent above the price charged immediately prior to the issuance of the City’s proclamation of the existence of a local emergency. The proposed ordinance also states that, it would be unlawful for any person to evict an existing tenant or terminate an existing lease or month-to-month rental agreement and subsequently rent or lease the same dwelling unit, including a vacation rental unit, in the City for more than the average retail price. Both of these instances would be unlawful unless the person can prove that the excess is directly attributable to additional costs resulting from the labor or materials necessary to provide the rental or in certain other limited circumstances.

For purposes of the proposed ordinance, the “average retail price” would be the rental price for the dwelling unit during the thirty (30) day period immediately preceding October 9, 2017.

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BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

FISCAL IMPACT

All costs that the City will incur in connection with adopting, implementing and enforcing regulations for the –RC combining district, as well as enforcement of the prohibition on rental housing price gouging, will be funded by the General Fund.

ENVIRONMENTAL IMPACT

Adoption of these urgency ordinances is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(3) regarding repairs and replacement work after a state-declared disaster and Section 21080(b)(4) regarding actions to mitigate or prevent an emergency, and CEQA Guidelines Section 15269(a) regarding maintaining, repairing, restoring, demolishing, or replacing property or facilities damaged or destroyed as a result of a disaster stricken area in which a state of emergency has been proclaimed by the Governor pursuant to the California Emergency Services Act, commencing with Section 8550 of the Government Code, and Section 15269(c) regarding specific actions necessary to prevent or mitigate an emergency.

ATTACHMENTS

- Three Ordinances

CONTACT

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