

For California fire victims, it will be a long, tough road to rebuild

Los Angeles Times

The fires that tore through California in the past week have reduced homes to ash, upending lives and leaving thousands in sudden need of shelter. But beyond the immediate challenges of finding a place to live in a state with a perpetual shortage of housing, property owners could face a number of challenges in trying to rebuild.

Construction workers are in short supply. The costs of some materials are rising, thanks in part to President Trump's trade war.

"The individual homeowner just has a nightmare ahead," said John Mulville, Southern California regional director for real estate research firm Metrostudy.

In all, the still-burning fires in Northern and Southern California have destroyed more than 12,800 structures, swelling shelters and raising questions about whether it's smart to rebuild in areas prone to wildfires.

In Butte County, flames wiped out 9,800 homes as of Friday morning, according to the California Department of Forestry and Fire Protection. In the devastated town of Paradise, entire blocks have been pulverized and a tent city has cropped up in a vacant lot next to Walmart in nearby Chico.

The Woolsey fire, which torched Malibu and Thousand Oaks, has been less severe but still destroyed more than 600 structures.

Any loss of housing is a hit in a state that's seen the cost of living soar. By some estimates, developers need to double the amount of homes they build each year just to stabilize housing costs.

Experts say victims of the most recent fires could very well face hurdles similar to those experienced by survivors of last year's horrific blazes in Northern California. There, flames destroyed more than 8,000 structures, including 3,000 homes in Santa Rosa.

A Zillow analysis found that in the aftermath of those October fires, asking rent for vacant homes in Sonoma and Napa counties rose more quickly than areas nearby that were largely unaffected.

If someone has homeowners or rental insurance, their policy may cover rent on a new home for around

two years. But part of the problem in Santa Rosa was simply finding a place.

Jeff Okrepkie, whose rental home in the Coffey Park neighborhood was destroyed, said he made frequent calls to landlords only to find there were no vacancies or that he needed to make a decision within a day. Okrepkie, his wife and kids lived with family for two months before they finally found a rental through a friend.

“We were calling in every favor,” the 39-year-old commercial insurance specialist said. “We got a little lucky.”

Others had it worse, and reports surfaced of illegal rent gouging amid the desperation.

Today, rent growth has slowed in Sonoma and Napa counties to around 10% and 6%, respectively — a reduction of about two percentage points from the peak after the fires. Out of 3,000 homes destroyed in Santa Rosa, 55 have been fully rebuilt and 788 are under construction, said David Guhin, the city’s planning director.

Guhin said labor and material shortages delayed work, as did fights with insurance companies. In the beginning, some builders poached workers off other job sites. Today, the problem is finding concrete. “We are hearing five- to six- to seven-week backlogs to get concrete poured,” he said.

In some cases, people didn’t have insurance or their policies didn’t cover the entire cost to rebuild.

According to a recent survey from United Policyholders, two-thirds of the victims from last year’s fires reported being under-insured, and those people were under-insured by an average of \$317,000.

Guhin said some individuals even shelled out for architectural work, only to show plans to a builder and discover their insurance wouldn’t foot the bill to finish. “They walked away,” he said.

Still, Guhin and others said the rebuilding effort was made easier by Santa Rosa’s actions to expedite permits and preapprove models from some builders so victims wouldn’t have to go the custom-home route. Instead, they could turn to larger companies that typically get the job done sooner.

Malibu is also setting up a center to expedite permits. But regardless of city actions, those who lost homes in flat areas of Point Dume may have an easier time rebuilding than those who lived on hillsides. “Building on the flats, it’s just a lot easier,” said John Allen, vice president of Santa Rosa-based APM Homes, which has opened a design center next to Coffey Park. “The foundations can go in lickety-split.” Even before the fires, builders were competing for a limited supply of construction workers. The industry blames a prolonged reduction in immigrant labor and the lingering impact of the financial crash. The cratering of construction jobs sent skilled workers fleeing to other industries, and many haven’t returned. In recent years, as the economy recovered, demand for new homes increased. The result has been good news for workers: In the first nine months of this year, average hourly wages for non-supervisory employees in residential construction rose an average of 6.1% over a year earlier, compared with just

2.7% for all employees.

Material costs have also been on the rise, though. That's partly because demand increased as global economies improved. The Trump administration's tariffs on steel and lumber also played a role. It helps that lumber prices have plummeted from recent highs and are now below year-ago levels as some supply bottlenecks in Canada have been resolved. That's slowed the growth in building costs, said Kenneth Simonson of the Associated General Contractors of America. Still, prices for overall residential construction material and services jumped 6% in October from a year earlier. And Simonson said new tariffs on Chinese goods are likely to increase costs further. Not all insurance policies cover such increases.

Because the housing stock is smaller in a rural community such as Butte County, the squeeze on supply and resources will be worse than in hard-hit areas closer to Los Angeles, such as Malibu and Thousand Oaks, experts said. There are also fewer architects, plumbers and carpenters that can be called upon. When Chris Morano, 59, lost his home in Coffey Park in Santa Rosa last year, he and his husband, Eric, had to turn to a contractor hundreds of miles away in Tulare County to get their four-bedroom house rebuilt like they wanted, at a price their insurance would pay. The contractor even had to bring in workers from Southern California.

Today, the couple are living in Oregon as workers finish their home. But even when it's done, they're not certain to return. Morano worries that if he comes back, he won't be able to sleep without fearing he'll once again awaken to flames licking his neighborhood.

Times staff writers Matt Hamilton, Nicole Santa Cruz and Benjamin Oreskes contributed to this report.