

## Gentrification by Fire

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The West's new climate is exacerbating housing inequality in the quintessentially blue state of California

Climate change and its most extreme consequences are pushing up the price of homes throughout much of the American West, as fires and flooding carve into existing housing stock and restrict the amount of land suitable for future building.

Over several harrowing weeks in October 2017, the Tubbs Fire swept over this city's eastern hills to destroy about 5,600 homes, an estimated 5 percent of the region's already threadbare housing stock. Twenty-two people died in the flames.

It was the first mega-fire of California's new mega-fire era, a flashing red light along the West's path into a new climate. The Tubbs Fire was also the start of a new kind of economic gentrification, one caused by the increasingly harmful effects of climate change, the higher costs of rebuilding and insuring homes in fire-prone areas, and a housing stock diminished by fire and flooding.

The results have undermined California's push to build more affordable housing, a goal set by Gov. Gavin Newsom and the rest of a state Democratic leadership, whose political ethic has made a priority of narrowing the gap between rich and poor, an imbalance particularly pronounced in the nation's most populous state.

The Newsom administration has failed repeatedly to meet the state's housing goals. In recent months, the governor has sharply criticized cities for submitting housing plans that he does not believe will address affordability, the crux of the problem that is most visible in the state's large and growing homeless population.

The challenge has echoes in other Western states facing the same changing climate and housing shortages, as the spread of the fire threat from a climate in rapid flux has curtailed the number of safe

places to build between the Rockies and the Pacific Ocean.

The rise of the mega-fire is the result of a changed climate marked by sudden shifts from wet to dry. Wet winters, including this extraordinary one, feed the sun-hardened soil and nourish foothill grass, chaparral, pine forests and other flora. In recent years, rain-soaked winters have then turned rapidly to searing springs and summers, transforming the new growth into tinder-dry fuel. The result, amplified by stiff seasonal winds, has been overwhelming fires both in backcountry forests and once-immune urban areas.

The pattern is most pronounced in California, where, since Tubbs glowed orange in the east, the state has endured fire and flooding almost annually on historic scales.

In the past five years, nearly 25,000 homes and other buildings across the state, from the backwoods of Paradise to the canyons of Malibu, have been destroyed by massive fires, with tens of thousands more badly damaged. Thirteen of the 20 largest wildfires in California history have occurred over that time.

Many of the victims have been left without adequate insurance or financial means to rebuild. Those who remained are in large part the well-off and the well-insured, a trend helping remake and re-sort communities across the state by rich and poor.

The median price of a home in Sonoma County, where Santa Rosa is the seat of government, has risen by more than 25 percent since the Tubbs Fire, according to recent monthly sales figures. That increase was even more precipitous before recent interest-rate hikes cooled the market. While no area of California has been immune from rising home prices, in recent years the fire-scorched region north of San Francisco has outpaced many other parts of California in escalating housing costs.

“Disaster of every kind is increasing inequality in this state,” said Chris Coursey, a Sonoma County supervisor who was mayor of this city of about 175,000 at the time of the Tubbs Fire. “It’s not a theory. It’s happening right in front of our eyes, to our neighbors and friends. And it’s absolutely our job, our imperative, to do something about it.”

How, where and even whether to build in California are questions challenging the Democratic political leadership and the courts. A report prepared last year by the state Department of Insurance predicted that, by the year 2100, an average of 77 percent more acres will burn annually across the state than today.

The first-of-its-kind report warns that insurance companies “may withdraw from offering insurance or raise premiums to levels that make policies unaffordable to those living in high-risk areas throughout the state. ... Hardest hit will be the most vulnerable, exacerbating already-growing social and financial inequalities.”

A different city rises

The gentrification by fire — or other natural disaster — works like this.

A fire sweeps over a city. Those who can least afford to weather the catastrophe leave, many never to return. Next, home prices rise sharply because of the precipitous decline in supply. Finally, the new housing that emerges is invariably more expensive than the older stock it has replaced, along with higher fire insurance rates due to demonstrably higher risk.

In Santa Rosa, seasonably cool on a recent winter morning, the cycle played out on the city’s scorched eastern edges, appearing as a patchwork of newly finished houses and promising works in progress.

As wispy white clouds skimmed low over the hills, Carl Siemering and his platoon of backhoes grinded around in the mud along Blue Ridge Trail Road, marked by rising concrete foundations and just-cleared lots awaiting construction.

“It’s all stucco and metal,” said Siemering, surveying the low, modern home he is building that was designed by Bruce A. Lee, a sought-after Wine Country architect regularly featured on cable’s HGTV.

The 3,000-square-foot designer home will have a view west toward the Pacific and south toward the city center. The price: \$2.5 million, at least twice what the house that previously occupied the lot was worth. That owner left, one of the underinsured property owners driven away by the higher cost of rebuilding to meet new fire-safety standards.

Across Highway 101, a few miles away from the city’s hilly eastern edge, Ravi Nanjangud lost his Coffey Park home where, with his wife, he had raised two children. While his insurance company covered the loss of household items and some of the house itself after the Tubbs Fire, the settlement fell far short of what the business consultant needed to rebuild.

He was unable to secure a federal emergency loan to help with the effort. So he sold the burned-out lot for about \$150,000 to a building company and settled outside Boston, which he says is less expensive than the city he left.

“Everything became more expensive after the fire,” said Nanjangud, now in his early 50s. “I miss California every day. But I still have a lot of friends there, and all of them say the costs just keep rising.”

While Newsom and the liberal legislature have made clear that housing construction, primarily the affordable kind, is their chief priority, they have not taken on the specific issue of how or even whether to build in high-risk zones. The state’s goal is to build 2.5 million homes and apartments by 2030, nearly half of them affordable to a shrinking middle class and those lower on the economic scale.

That goal, elusive for years, has been made more difficult as the climate shifts in a way that has made an ever smaller proportion of land safe for construction. The burden to meet the affordable housing targets falls primarily on local governments, such as Sonoma County’s, where almost every year fire and flooding are undermining efforts to attain it.

Jennifer Gray Thompson lives in Sonoma County and is the co-founder and chief executive of After the Fire, a nonprofit formed at the time of the Tubbs Fire, which helps communities across the West navigate the challenges of rebuilding.

Her work originally focused on the region most affected by the Tubbs Fire and several simultaneous blazes. But it quickly expanded to work across four counties, including Butte, where the Camp Fire burned down the city of Paradise a year after Tubbs. Paradise, a city of poorer residents, many of them retirees, is far behind Santa Rosa in rebuilding.

“I have yet to see a community become less expensive after a fire,” Thompson said.

In most regions, despite the high risk of a future fire, residents want to rebuild and local governments are reluctant to stop them, given their property rights and the emotional stress many have already endured. But, as fire season turns into a year-round threat, lawmakers have begun to debate whether rebuilding is the right answer in every case.

“And my answer to those asking that question about whether those whose homes burned should be

allowed to rebuild was always the same,” Thompson said. “Just point out what underpass you would like these people to live under.”

#### How to build back safer

The concerns arise everywhere, although much of the discussion centers on the areas where Siemering and many other builders are working now, known as the Wildland-Urban Interface. The zone skims the rural, oak-and-manzanita-edged limits of many built-out California cities. (Planners created an acronym, WUI, which slipped into the local vernacular as “woo-ee,” often used in everyday conversation.)

In rebuilding in fire-prone areas, new construction materials, “defensible” minimalist buffers around homes, and other sometimes-expensive new measures have been required, bumping up the costs to homeowners.

For the first time, the state announced last fall that it would begin requiring insurance companies to discount the premiums of homeowners who take such steps. But whether the discounts will be enough to make neighborhoods affordable is doubtful.

According to U.S. Census figures, Sonoma County’s population was 500,000 in 2015, two years before Tubbs tore through its largest city and surrounding land. Today 15,000 fewer people live in Sonoma — a result, at least in part, of a post-fire exodus. Many who left were the underinsured and the elderly, according to city and county officials here.

Compounding problems, the now-higher costs of housing have discouraged many new residents from moving in, especially young ones.

A recent survey of public school teachers, for example, found that the reason new teachers rarely stay more than five years in Sonoma County is because of high housing costs.

“So will it only be rich people who get to live in the wild places?” said Amy Bach, executive director of United Policyholders, a national advocacy group for insurance policyholders that is based in San Francisco.

To accelerate housing construction, state officials have recently increased the number of affordable

homes that counties must meet in their housing plans. But the new targets have only complicated rebuilding in the fire areas.

Tennis Wick, Sonoma County's director of permitting, said the county met its obligation to build more than 500 homes inside designated growth areas. Those areas were as close as possible to transit centers and as far as possible from fire risk.

The state now wants the county to build more than 3,000 additional homes in its next housing plan. This would probably mean building deeper into the fire-vulnerable zones, Wick said, and in ways that run counter to another state goal of seeking to cut down on long car commutes.

"So I'm caught in this accordion of regulations," Wick said. "One arm of the state says build outside the cities. And then another arm of the state concerned by vehicle miles says build within the cities."

"And these tell us, don't build in the Wildland-Urban Interface," Wick said. "So that's a further constraint on an agency that's trying to find where it's going to build thousands of units outside of urban centers."

The new state pressure comes as the attorney general and state courts have intervened to overrule county-level land use decisions, stopping approval of large-scale home construction projects because of wildfire threat. But there was little discussion after Tubbs of refusing homeowners able to rebuild the right to do so. For one, it would have required a historically expensive government buyout of private property.

County officials place the estimated cost of such a buyout at \$5 billion — or five times Sonoma County's annual budget — assuming property owners agreed.

"And that did not include restoring the land to its natural state," Wick said. "So you could probably double it for litigation and restoration. We're talking about \$10 billion, so that wasn't very feasible."

The Tubbs Fire ignited on a mid-October evening, sweeping west on 80-mph winds, through weekend homes and resort hotels, upper-middle-class neighborhoods on the city's eastern edge and its commercial center. Pushed by gale-force winds, flames jumped six-lane Highway 101, embers hurtling miles in advance of the burn lines.

Much of the city around Coffey Park remained intact. But the core of the neighborhood and its nearly 1,400 homes were a well-defined ruin.

“We call it ‘the Godzilla effect,’” said Thompson, the head of the fire rebuilding nonprofit, referring to the precisely confined pattern of destruction, as if one giant foot stamped out a neighborhood.

For years the neighborhood had been the place for Sonoma County’s striving young families and college students, some of whom shared rooms in homes built in the 1980s.

Among the early arrivals was Thomas Schwedhelm, then a young officer with the Santa Rosa Police Department, and his family. He bought his first home along Coffey Park’s Shelbourne Way for \$114,000 in 1987 and years later, as he rose in the ranks, moved to another home in the same neighborhood.

That first home burned in the Tubbs Fire.

“That rebuilt house sold recently for \$700,000,” said Schwedhelm, who became Santa Rosa’s police chief before serving two terms on the city council. “I don’t know. Is \$700,000 middle class?”

Jeff Okrepkie, whose home was destroyed in the fire, has remained in Coffey Park. After playing a leading role in organizing the neighborhood’s resurrection, he was elected to the city council, taking the seat once held by Schwedhelm, who decided to retire last year.

But the neighborhood Okrepkie moved into a decade ago — and now represents — is unrecognizable.

“The people who moved in are not the same people who lived here before,” said Okrepkie, a father of two school-age kids who sells commercial insurance.

The place is much younger than it was before the fire; many of the elderly, mortgages paid off or intimidated by the rebuilding process, left to be closer to other family. But the young residents are also much wealthier than their predecessors, and a neighborhood once known for architectural uniformity is now a playground of custom homes.

Of Okrepkie’s neighbors at the time of Tubbs, one has moved to Oregon, the other to Costa Rica. “And the guy who just moved in across the street — head of sales for a big tech company,” Okrepkie said.

“The firemen and the teachers are no longer here.”

As a microcosm of life after Tubbs and the strain of rebuilding, there may be few more illustrative or extreme than Hansford Court. From his kitchen window that October evening, Tim Slater, nursing an after-work beer, watched the sky behind the steep hills in the middle distance glow a dark orange.

Fire, a big one most likely. But Slater, a charter airline pilot, knew it was miles away, and the strange wind, which blew a gale one minute and died to doldrums in the next, had him confused.

At 11 p.m., the Slater home lost power. Within minutes, Slater sat in his pickup in the cul-de-sac beeping out “S-O-S” in Morse code, to warn sleeping neighbors of the impending danger.

Lynne Stark-Slater, his wife of more than three decades, was pulling family pictures off the wall and putting them in plastic laundry baskets, flames in view now from the kitchen window. Then the Slaters were on the road to the home of Lynne’s mother, a safe distance away. Three hours later, the house they bought for about \$1 million nearly a decade earlier had burned to the ground.

“I thought we were really coming back,” said Stark-Slater, who is Sonoma County’s chief deputy public defender. “I was really thinking at the time what a pain it was going to be to put all these pictures back up.”

All that was left of 3935 Hansford Court was an aluminum canoe of Tim’s that Lynne had been trying to get rid of for years. Eighteen of the 19 homes on the street burned to the foundation.

“Yes, we’re way out in the woo-ee,” Lynne said. “But what do you do when the woo-ee is just seven minutes from the city center?”

Only seven of the 19 owners when the fire hit remain. Four couples have divorced since the fire. The first lot on the corner remains unbuilt, the casualty of a years-long insurance dispute.

The Slaters were adequately insured and have rebuilt a warm, comfortable home with a swimming pool out back, some custom fire protection designed by the handy Tim, who also turned a charred backyard walnut tree into a beautiful breakfast table in the couple’s kitchen.





The home is now worth in the range of \$2.4 million. But nothing is the same.

On the day the furniture was delivered to their rebuilt home, the Slaters were forced to evacuate because of the approaching Kincade Fire, which closed to within three miles of Hansford Court.

“Would I rebuild again? No,” Lynne said.

Tim agreed.

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