



## **The State of the City – 12/13/22**

Today is my last day as the Mayor for the City of Santa Rosa - when I pass the gavel tonight, Santa Rosa will have survived its first Millennial Mayor. I can't tell you how much it has meant to me to be able to serve the City I love so much. Santa Rosa is my home. It's where I was born, where I fell in love, and where my wife and I intend to start our family. And while serving hasn't always been easy - four wildfires, a pandemic, civil unrest, floods and a minor earthquake since I took office - this experience has reinforced my belief that public service matters and that a well run local government can increase the quality of life for the people we work for.

It has also confirmed for me that, while state and federal legislators might shape the framework we work within, it's up to city councils to accelerate implementation of innovative policies. I have always viewed policy development as an iterative process - I would rather try something that ends up not working than to never try anything at all. Indeed, I have prided myself on taking on issues and challenges that have lingered, sometimes for decades, without the care and attention they deserved. I'm grateful to have worked with a Council that not only allowed it, but fully embraced tackling hard issues.

And while the challenges our City faces have largely dictated our Council priorities, each Mayor also has a chance to emphasize additional areas of concern and interest. For me, it was and continues to be: rising economic inequality, generational poverty, and climate change. These interests dovetailed and supplemented many of our broader Council goals: housing for all, reducing homelessness and its impacts, community health and safety, economic and community vibrancy, sustainable infrastructure, and organizational excellence. I was particularly interested in the impact that these issues have on Santa Rosa's children and seniors.

I can't thank our City team enough. We have 1,300 dedicated, hard working, and exhausted employees who genuinely care about the people they serve. As a Council and as a community we have asked a lot of you. Please know that I see you, and I'm grateful for every single one of you and your commitment to this City.

To my colleagues and our community, I'm proud to deliver to you a report on the state of the City. It is by no means comprehensive, but it outlines the breadth of work underway to make Santa Rosa a place we all can be proud to call home.

Warmly,

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Chris Rogers  
Mayor  
City of Santa Rosa

### **Fiscal health of the City**

Jerry Brown was a notorious fiscal hawk and famously said: “Fiscal discipline is not the enemy of our good intentions but the basis for realizing them.” He added, “It’s cruel to lead people on by expanding good programs, only to cut them back when the funding disappears. This isn’t progress. It’s not even progressive. It’s an illusion.”

Since the Tubbs fire, Santa Rosa has been in crisis mode. Coupled with rising pension and healthcare costs, our City has lurched from one budget to another, often making difficult cuts to programs and positions critical for our community. After years of careful planning, in 2022 Santa Rosa was able to adopt its first balanced budget in six years. In addition, we also adopted a fiscal stability policy. With the renewal of Measure O (Measure H on the 2022 ballot), an expected economic downturn will be blunted through proper planning and management, and we will carefully manage every dollar we receive.

This year, City Council created a Section 115 pension stabilization fund and seeded it with \$10 million from the PG&E settlement funds. In fiscal year 2021-2022, CalPERS’ return on investment was -6.1%, which will negatively impact the city’s balance sheet beginning in 2024-2025. The implementation of the Section 115 pension stabilization account has prove prudent, but critical, as it will allow us to smooth the unfunded accrued liability amortization.

While Santa Rosa’s funding level for our pensions dipped as low as 68.03% in 2018-2019, we are slowly building it back and are just under 70% for this fiscal year. And though the unfunded amount we owe will continue to increase through the 2030-2031 fiscal year (reaching a peak of roughly \$44.7 million), our funded status is also expected to increase to 81%. This fiscal year, our unfunded liability payment was nearly \$30 million, and projections show it will continue to grow until 2030-2031, after which it will then drop steadily as newer employees covered by PEPRAs continue to take over and as the City continues to implement our fiscal stability policy.

In addition, the City created a vehicle replacement fund for our Fire equipment, which previously tended to be one-off funding for larger apparatus. The Council appropriated \$2.7 million as initial dollars in the fund.

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Finally, the City has developed exceptional relationships with our state and federal partners, which has allowed us to receive crucial reimbursements and earmarks, including (among other things):

- \$4.3 million in reimbursements for costs accrued to address the homeless crisis during the pandemic
- \$6 million in state funding for the relocation of fire station 8
- \$1 million for the construction of a “hot” emergency operations center and \$1.052 million for our new inRESPONSE program through secured earmarks
- \$1.5 million for water efficient appliances
- \$5 million for the new Roseland library (with our local library partners)
- \$14 million for our water flood wall project at the treatment plant
- \$19.4 million in the Water Resource Development Act to modernize our water and wastewater infrastructure

Santa Rosa has completed our buildings, parks, and infrastructure deferred maintenance assessments and we have begun working through the identified needs. We also brought in a new operator for the Bennett Valley Golf course and are working to stabilize that enterprise fund.

### **Addressing poverty and economic inequality**

As I mentioned at the start, I have been particularly interested in advancing policies that cut at the heart of generational poverty – especially as the world reopens from the COVID-19 pandemic. Often, we treat the symptoms of poverty without addressing the root causes. But over the last two years, Santa Rosa has launched the most comprehensive package of poverty reduction programs in the City’s history:

- We launched a guaranteed basic income pilot program using the American Recovery and Reinvestment Act dollars to help many low income families meet their basic needs
- We allocated \$1 million to forgive low income water accounts that were in arrears from the pandemic
- We created a “baby bonds” program that will ensure that all low income children born in the city have a savings account that they can use later in life for technical and higher education
- We believe that mobile homes are the last bastion of affordable housing for many seniors in our community, so we bolstered our mobile home rent control ordinance in the hope that it will help keep vulnerable seniors on a fixed income from slipping into homelessness



- We know that home ownership can be an important path to the middle class for our low income families, so we started a first time home buyer assistance program
- We created a two-part childcare program: first to stabilize existing childcare providers who were hit particularly hard by the pandemic, and second to expand capacity by helping entrepreneurs to create new childcare facilities
- We expanded our tenant-based rental assistance program
- We increased the minimum wage – beginning January 1, 2023, minimum wage in Santa Rosa will rise to \$17.06
- Finally, we launched new tools to support small businesses still struggling from the COVID-19 pandemic

## **Public Safety**

### Fire

Calls for service in the City of Santa Rosa continue to rise, and we recognize a need to increase our staffing ratios to better meet the need. In 2022, Santa Rosa fire has thus far responded to 28,115 calls for service (up 2,000 from 2020).

Whether we intended to or not, Santa Rosa has become an international leader in fire recovery and fire prevention/response. Santa Rosa passed a five-year vegetation management plan and has been diligently chipping away at that plan. This year, our department launched a Fire Ready program and conducted several prescribed burns to protect high-fire areas of our city. Key vegetation management sites include:

- Parktrail and Vietnam Vet Trail
- Frances Nielsen Ranch Park
- A Place to Play
- Kawana Springs
- Youth Community Park
- Diane Way & Hazelwood
- Southwest Park
- Skyhawk
- Upper Brush Creek
- Nagasawa Park

We have installed new remote automated weather stations that allow Santa Rosa to better pre-position our fire fighters during our protracted fire season and allow for earlier detection and response if a fire does break out. Additionally, the department has been paving the way for our



transition from Nixle to Civic Ready. We also purchased two type 3s, two type 6s and seven type 1 fire engines.

This year, we were able to acquire two important sites: the new location of the repositioned fire station 5 (Fountaingrove) and the new land for a repurposed fire station 8 (Roseland). Both sites will provide for a better standard of coverage for their respective areas. Coupling station 8 with a library and community center will create an incredible asset for an area of town that our Council has committed to supporting. The community engagement and design process for this facility is already underway. Additionally, the City and the County have initiated conversations with the goal of annexing the Moorland area into the City limits as well.

Behind the scenes, our team has been very busy working with the County on their request for proposals for advanced life support system for emergency operations area 1. In 2022, 64% of the calls for service our fire fighters have responded to are medical/EMS (18,026 calls total).

Finally, when Santa Rosa needed it the most, we had public safety personnel from across the world come to our aid through the mutual aid system. I am always so proud to see us return the favor when others need it as well. This year, our team responded with strikes teams to the Mountain and Mosquito fires.

#### inRESPONSE

Santa Rosa's mental health response to public safety calls successfully launched and has been busy. This year, the program has seen 2,170 calls and has diverted 1,229 calls away from Santa Rosa Police and an additional 401 calls away from Santa Rosa Fire. Santa Rosa has successfully expanded the program to two teams and added response hours. inREPOSE will celebrate its first full year of operations at an event on January 19, 2023.

#### Police

Like many cities, Santa Rosa began experiencing an increase in crime following the COVID-19 stay at home orders. Of particular concern has been an increase in gang activity, the prevalence of "ghost guns", and homicides. To date, 10 homicides have taken place in Santa Rosa over the last year. In 2022 we have seen:

- 31% decrease in shootings
- 55% increase in firearm arrests
- 75% increase in guns seized – 175% in ghost guns

SRPD also conducted its first, very successful, gun buyback program.

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We also know that our officers in the department have been overworked and under staffed. City leadership has put a particular emphasis on recruiting and filling vacant police officer positions – and we are seeing some success. In 2022, we were able to reduce overtime by 2,421 hours, a much needed reprieve for our officers. We still have a lot of work to do bolstering our staffing levels in our police department to meet the expected response times of our residents.

Over the last few years, Santa Rosa and other cities in California have seen an unprecedented spike in sideshow activity – car events where participants block off intersections and perform dangerous stunts. This year, SRPD developed a regional response that coordinates public safety resources and takes a more aggressive approach to addressing sideshows. By responding faster and in a more coordinated way, SRPD has been able to better control the events before they grow too big.

In 2022, more than 100 participating vehicles were impounded. Additionally, the City Council passed a new sideshow ordinance that gives police officers additional tools for addressing the health and safety concerns presented by the sideshow activity. The City Attorney has likewise been authorized to take participants to court and hold them accountable for the cost of the damage done to our city infrastructure by the organizers and participants. The response from the City has been very clear: sideshows are not welcome here. And thus far, the steps appear to be working, as we have seen a significant reduction in sideshow activity.

Following the Black Lives Matter protests and the City's response, significant steps have been taken to repair relationships with our community. This year, Santa Rosa hired the OIR group as our new independent auditor overseeing complaints, we implemented the recommendations of the 8 can't wait campaign, launched implicit bias training for the department, and have implemented police reforms passed down from the legislature (AB 392, SB 230, and AB 481, specifically). Santa Rosa has also been working with SEED collaborate on three comprehensive diversity, equity, and inclusion plans – one for police, one for fire, and one for the rest of the city staff.

## **Housing**

Santa Rosa has historically had a hard time getting projects built. In recent memory, we have had a pro-housing City Council who has been willing to try new things to get projects across the finish line. Unfortunately, there's an economic reality we face: it's just as expensive to build in Santa Rosa as it is in places like San Francisco, but the rents are lower. Developers often struggle to get the financing they need because there are few comparables in the area, making the market appear riskier to investors.

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In 2016 Santa Rosa passed our Housing Action Plan, which consisted of five components:

1. Increase inclusionary affordable housing
2. Achieve "Affordability by design" in market-rate projects
3. Assemble and offer public land for housing development
4. Improve development readiness
5. Increase affordable housing investment and partnerships

We did an analysis of our inclusionary housing policy and found that the vast majority of affordable units were being built using the "in-lieu" fee. That is to say, developers of market rate projects weren't including the units in their buildings, rather, they would pay a fee and build whatever penciled out. That fee goes into a fund that is then dolled out for projects looking to add affordable housing units through a funding of notice availability process (NOFA). The vast majority of affordable units had traditionally been created through this process. We revamped the in-lieu process to make it easier for projects to include affordable units in their initial design.

Over the last five years, most of the City's work has been on affordability by design - we have streamlined the approval process, significantly lowered the impact fees (particularly on housing units in downtown), and finished our downtown specific plans to allow more flexibility for developers, eliminated height limits, and changed how fees were assessed so that they were "per square foot" rather than "per door" creating an incentive to build smaller units. We eliminated impact fees above three stories to incentivize building up rather than out. Our Fire Marshal has eliminated our backlog of pending projects in plan check review. Santa Rosa's team has also launched new data tools to make it easier for prospective developers to move through the process and for the public to track our progress.

Santa Rosa's Accessory Dwelling Unit (ADU) policy changes were some of the most extensive in the state, and appear to be what Sacramento based much of their ADU legislation on. Many project approvals now go straight to the zoning administrator for speedy approval and are not seen by the Planning Commission or the City Council unless there is a neighborhood appeal.

After the City completed an analysis of our excess parking – fewer than 40% of parking spots are used on a given day - we designated a number of downtown spots as "surplus", such as the White House lot. That's the first step in the state's Housing and Community Development process of making those lots available for affordable housing projects. Our new Downtown Specific Plan is having the intended effect of catalyzing housing projects in our City core.





We are in the process of finishing one of the few enhanced infrastructure finance districts (EIFD) in the state for our downtown core. This will align with a federal opportunity zone designation and allow for better utility readiness. Our EIFD should be up and running next year.

Finally, we recognize that we live in a housing ecosystem and need to also focus on regional partnerships. In the aftermath of the 2017 Tubbs fire, we created the Renewal Enterprise District (RED), a joint partnership between the City and the County, and funded it with \$20 million in initial investments. The RED is using that money to leverage additional state and federal funds for projects. We also have revamped our voucher program (launching our "Housing Heroes" program) to help get people into housing.

When I came on Council in 2016 we had just finished an analysis with the infill developers on the top things Santa Rosa needed to do to attract significant housing investment. We have met almost everything on the list. The only thing we haven't achieved yet is a marquee "catalytic" project being built. This year, we launched a "developer roundtable" series, where we met with infill developers, affordable housing developers, market rate developers, downtown developers, and many more to better understand the barriers they face. These meetings have helped inform policy discussions for the City.

While the table has been set, Santa Rosa seems to always run into larger economic issues that delays these catalytic projects - currently, we are concerned with the spike in interest rates that has added millions of dollars to projects that we have already approved.

Even still, Santa Rosa has been a state leader in building housing. In 2022, we have completed 400 housing units, 1,756 are under construction, another 770 have been approved and have had their permits issued, and an additional 1,154 are under review right now. That's 3,680 units of housing - by far the most in over a decade for the city. For affordable housing, specifically, we have completed 143 units in the last 12 months, have 345 currently funded and under construction, 278 fully funded and awaiting their permits, and 347 approved but looking for more funding. We also have 101 units being refurbished into affordable units. Notable projects include the Linda Tunis senior apartments, Caritas Village, and the site formerly known as Journey's End. The Cannery in Railroad Square has also secured permits.

This year we also started regulating vacation rentals, having passed an emergency ordinance earlier this year to cap and implement regulations and overconcentration restrictions on existing short term rentals (STR) in Santa Rosa. Currently, staff has processed 282 permits for STRs: 141 non-hosted and 33 hosted STR permits have been issued (174) while another 82 have been in review. 8 were denied and 18 were withdrawn. Since implementation, there have been





196 code enforcement cases, with 82 citations issued and \$29,000 in penalties. In 2023, we will bring forward a comprehensive short term rental policy for consideration and approval.

In 2023, we will continue outreach and work on our General Plan update as well as the anticipated completion of our housing element. I would really encourage the public to engage on this process. The General Plan sounds mundane, but it will drive the decisions of future councils. Ask yourself “what do I want Santa Rosa to become”, and then realize that if it’s not in that plan, it’s unlikely to happen.

### **Homelessness**

Homelessness has been a particular focus for Sonoma County policy makers throughout the pandemic. Since 2011, we have seen a significant decline in overall individuals experiencing homelessness – from 4,539 to 2,893 earlier this year. Even still, 2022 saw a 5% increase in our annual point in time count over our 2020 numbers (2021’s count was cancelled due to COVID-19) and the problem is much more visible than it was in years past. Santa Rosa represents the largest share of the county’s homeless population with 1,658 individuals. 68% of people identified lived in Sonoma County at the time that they became homeless, and 32% are newly/first time homeless.

In 2022 we were able to expand capacity at Sam Jones Hall, saw the ribbon cut for Caritas Village, and launched our Housing Heroes partnership with the County to link voucher holders to available rental units. We completed our five-year homeless services strategic plan, and have better aligned the City’s efforts with those of the Countywide Continuum of Care. We created new parameters for quickly opening warming centers on cold nights and utilized it for the first time just a few weeks ago.

The City received two awards, totaling \$24.6 million, in Project Homekey funds for projects that will provide 90 units of interim and permanent supportive housing for persons experiencing homelessness. One project is the Gold Coin, “The Commons”, 50 units of permanent supportive housing; the second project is Caritas Village, 40 units of interim housing. Opened in March 2022, the Safe Parking Pilot Program provides up to 50 parking spaces for people living in vehicles and RVs with access to basic services plus housing-focused case management. As of October 2022, 115 individuals have been served through the program with 10 individuals exiting to permanent housing.

The City is still very interested in creating additional safe parking and safe camping sites, such as potentially at the fairgrounds or Vets Hall in partnership with the County of Sonoma.

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During 2022, in an effort to mitigate public health and safety impacts associated with large encampments, the City's Homeless Encampment Assistance Program (HEAP) shifted its approach to pro-actively address encampments by engaging individuals sooner and enforcing vehicle code violations, where appropriate and coupled with services such as the Safe Parking Pilot Program. To date, HEAP has resolved approximately 130 smaller encampments (fewer than 5 dwellings), and offering services and shelter to 190 individuals. Santa Rosa residents can report new encampments and track the City's progress addressing them on our newly launched encampment map.

This year, our Debris Removal Team was particularly active, clearing 2,304 cubic yards of trash and clutter in our public spaces.

Santa Rosa remains committed to reaching functional zero homelessness – we also remain committed to improving the quality of life for our residents by addressing the negative impacts homelessness has on our broader community.

## **Climate**

I often tell other communities: Santa Rosa has felt the sting of climate change, and we will do our part to reduce our greenhouse gasses.

This year, Sonoma County's Regional Climate Protection Authority released its updated greenhouse gas inventory, which tracks Sonoma County's emissions through 2020. Sonoma County has reduced its carbon impact by 23% from our 1990 baseline data, despite a 22% growth in population over the same time period. Santa Rosa saw a significant 51% reduction in building emissions and an 84% reduction in emissions from moving water. Unfortunately, emissions from transportation continue to represent the largest source in the county (58%) and have been particularly difficult to reduce (only down 2% in Santa Rosa).

Just yesterday, Santa Rosa cut the ribbon on our first zero emission buses, deploying our first four onto Santa Rosa's streets. Five more will roll out next year, and we have secured the funding for an additional six (and their associated infrastructure) by 2026. Those buses are more than half of the Santa Rosa fleet. This year, Santa Rosa secured \$4.5 million for this electrification effort and we anticipate being fully electric by 2040. We also received an additional \$25 million for greenhouse gas reduction efforts. These buses are also provide a significant benefit in creating a more resilient community – during a public safety power shutoff, one bus will be able to fully charge our community resource center for a week.



The City Council also reauthorized the UR free youth ridership program. In its first year (through June 1), 225,500 rides were taken by Santa Rosa's students. Youth ridership was up 23% from pre-pandemic levels and Santa Rosa's students now make up 25% of the total ridership on our public transit. Work still continues with the Sonoma County Transportation Authority's "future of transit" ad hoc that is diligently working to implement the recommendations of our transit integration study, better consolidating and coordinating Santa Rosa City Bus, Petaluma City Bus, and Sonoma County transit.

In July, Santa Rosa launched Bird scooters across our downtown as part of our micro-mobility strategy. In its first four months, 2,063 unique riders took 7,440 trips. Santa Rosa also completed its first class IV bike lanes near Ridgway and have submitted numerous grants to fund the implementation of our Bicycle and Pedestrian master plan, such as the 101 bike bridge that is anticipate to begin construction in the next 18-24 months.

Santa Rosa's population, specifically, has grown by 37% since 1990 and yet has reduced greenhouse gas emissions by 28%. That's a 58% reduction per capita. The average Santa Rosan has *half* the carbon impact of the average Californian and nearly *one-third* that of the average American.

It's also worth noting that Sonoma County is one of the only places in the world that can deliver 24/7 renewable and local energy for users. All Santa Rosa City buildings are now run on renewable energy. Vehicle to Grid and Vehicle to Building charging should be of particular focus in the future, as it will reduce the intermittency of renewable resources, could be an untapped source of funding, and will increase overall resiliency.

## **Drought**

In 2022, Santa Rosa used 14% less water than it did in 1990, despite a significant increase in population. On average, we use 99 gallons of water per day per capita.

This year, Santa Rosa passed and adopted a water demand offset (WDO) fee. Understanding the tension between the need to create housing and the severity of a more arid climate, the City Council passed the WDO that will require developers to offset their water usage through water efficiency programs.

Over the past three years, the Russian River Watershed has endured two of the driest years on record and has resulted in all-time-low water storage levels in our local reservoirs. In response to this intense period of drought, Santa Rosa City Council declared a water shortage emergency, instituted mandatory water conservation measures, and adopted a 20% communitywide

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100 Santa Rosa Avenue, Room 10  
Santa Rosa, CA 95404



reduction in water use in June 2021. A year and a half later, Santa Rosa has achieved a 19% reduction in water use. This accomplishment is attributed to the commitment of our community to pull together and conserve during this drought paired with the Santa Rosa Water team's dedication to helping customers find ways to save water every day.

Since June 2021, Santa Rosa Water has:

- helped customers convert 362,000 square feet of lawn to water efficient landscapes,
- delivered 22,000 water saving devices to customers,
- organized or attended more than 45 community events,
- hosted 20 water use efficiency workshops,
- responded to 1,200 reports of water waste,
- and provided more than 450 WaterSmart checkups of homes and businesses.

Santa Rosa recognizes that droughts are likely to increase in intensity in the future due to climate change. In addition to saving water during this existing drought, Santa Rosa Water has recently embarked on a study to identify opportunities to reduce vulnerability to water shortages and enhance long-term water supply reliability dubbed "Our Water Future". Over the coming year, Santa Rosa Water is meeting with a broad coalition of more than 19 stakeholders and holding community workshops to gather input on this important study.

### **Significant infrastructure projects**

This year we completed Phase II of the Colgan Creek restoration project, finished one mile of the Fulton Road improvement and widening project, passed the North Dutton Safety plan, approved funding for the new Hearn Overcrossing, completed the installation of a significant drain pipe project at Fulton and Piner, rebuilt three fire damaged parks (Parker hill, Rincon Ridge open space, and Francis Nielsen) and began work on another three (Fir Ridge, Nagasawa Park, and Rincon Ridge park). We worked on Colgan Creek neighborhood park and launched our fire damaged roadway landscaping project and finished the North Chanate sewer and water project.

### **Other quick updates**

- Santa Rosa has the Unum statue currently under construction, and is excited to welcome the Ruth Asawa Fountain back to Courthouse Square in 2023
- PLAY BALL! In 2022 the Santa Rosa Scuba Divers brought baseball back to Santa Rosa. In their inaugural season, the team went 22-31, losing in the first round of the playoffs.



- The City's Charter Committee finished their work evaluating and proposing changes to the City's bedrock legal document. Two ballot measures were placed before voters in November and were overwhelmingly approved.
- 3,043 units of housing have been rebuilt in the five years following the Tubbs fire. That now exceeds the 3,000 that were lost (2,281 of the 2,600 single family homes, 110 ADU's to replace the 26 destroyed by the fire, and more than 400 multi family homes to replace the 223 lost)
- 2022 saw a lot of new faces around City Hall. We welcomed our new City Manager Maraskeshia Smith, our new Assistant City Manager Daryel Dunston, and Lon Peterson, our Chief Communications and Intergovernmental Relations Officer. We also saw the promotions of John Cregan to SRPD Chief, Alan Alton as CFO for our City, Megan Basinger as Director of Housing and Community Services, Clare Hartman as Director of Planning and Economic Development, and Brian Tickner as the Director of IT.
- Today we also say goodbye to longtime Councilmembers and former Mayors John Sawyer and Tom Schwedhelm who head off into retirement.

We have a lot to be proud of in Santa Rosa, and I'm so grateful for having had the opportunity to work with this incredible staff and to have spent the last two years helping to lead such an amazing organization.