Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Hi, Staff, Mayor and Council:

By now you've heard plenty from me on this topic, so I'll keep this form of public input brief and point to the draft ordinance that so many of us have been working on that is shaped both from so many lived experiences of tenants and community members right here as well as policy best practices from throughout the state.

I'll highlight just some of the proposed changes to the current ordinance that so many of us are concerned about below.

I'll add on a personal note, that as my fiancé, family, friends, neighbors, and I make plans for our future, we often increasingly ask ourselves, *what will Santa Barbara look like, even if we can afford to keep living here?* And I wonder how we, collectively and individually will feel if we don't get this right.

While I'm so proud of how far this important effort has come — years going on decades long — I'm alarmed at how off track the city's draft ordinance is currently.

Stanley Tzankov

Rent Board

Authority

We need a rent board to be public, accessible, and transparent — where, if a landlord or tenant has a problem, they can come to a regular, public rent board meeting. Currently the proposed rent board seems to have limited authority and would only meet once a year.

Composition

The composition of the rent board as drafted — notably having tenants be a minority — is unacceptable.
This is simply out of touch: why would we sideline the insight, concerns, and lived experiences of the very group, tenants, that a tenant protection ordinance aims to shape and enforce?

This is an issue of equity: this board is meant to right the imbalance of influence and power between property owners and renters, an imbalance we've certainly seen throughout this long process.

And, finally, it's an issue of democracy: tenants make up 60% of the population, the city and our board should reflect that.

No Exemptions Beyond State Law

This was the Council direction voted on before. More importantly, state law is already riddled with exemptions; we simply should not leave behind any renters or rental units from the program beyond that.

The City not exempting people with housing choice vouchers is a great start!

On landlords with fewer units

There are effective, well vetted, and legally guaranteed appeals processes and a right to fair return that is baked into any ordinance. In the rare situation, for example, where a property owner with limited assets might own one unit, is on a fixed income, and has a major expense come up like replacing the roof that prohibits them from a fair right of return, there would be a process that would address this issue. This is well vetted and modeled in other places.

On Deed-Restricted Affordable Housing Exemptions

Since so many new housing authority buildings and any buildings built after 1995 are exempt, the concerns we have are about buildings like the senior buildings in the headlines, like the Battistone Foundation buildings that were built a long time ago and have outdated, weirdly structured covenants. We've heard arguments that tenants in deed restricted affordable housing are already rent controlled, but they are based off of area median income (AMI), which is highly volatile and can spike a tenant's expenses much more than the consumer price index (CPI).

Why Exempt Anyone from Tenant Protections?

Finally, why should exclude tenants in deed restricted buildings from the suite of other protections in the ordinance? Right now, just cause does not apply to any of these properties, but it can and should apply to them. Protections like anti-harassment protections and just cause eviction protections should apply to all tenants. A tenant should be able to go down to an office locally, an accessible public rent board, instead of being sent to either the federal Housing Urban Development office or a limited staffed office. Why would we discriminate against some of the folks who most need access to a rent board and tenant protections by excluding them?

Rental Registry

Currently something like 20,000 buildings won't be included in the registry. If we exempt government subsidized restricted, single-family homes, or those built after 1995, we would be doing our city a huge disservice. Why we would choose to close our eyes to the clarity of what rental housing stock we have as a city is concerning as an idea and alarming as is written in our current draft. Concerns about complexity are counterintuitive as including every unit seems much simpler than a complex formula of who to exempt. Cost concerns do not seem relevant as the program is all self-funded and the estimate is roughly $7 per month per unit for landlord and tenant alike, with many municipalities offering fee waivers.

Fix Related Anti-Displacement Protections

For tenant protections and anti-displacement to work well, good policy requires all three "legs" of the three-legged stool to work: rent stabilization works only if just cause eviction protections and safety and habitability are all addressed.

That means that we absolutely need to strengthen our just cause, anti-harassment, and Ellis Act eviction protections as we address rent stabilization.

For example, currently, the rent freeze covers owner-occupied duplexes, but just cause doesn’t. One of the Tenants Union members got a rent increase during the freeze that was illegal, and after the tenant refused to pay, they then got an eviction notice. If we don’t pay attention to addressing just cause, we risk seriously allowing tenants to fall through the loopholes that bad actors will certainly continue to exploit.

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Dear Councilmembers,

My name is Abby Cunniff and I am a postdoctoral researcher at UCSB. I am a renter and I feel incredibly grateful to live in beautiful Santa Barbara.

I'm writing to you today to encourage you to pass a strong rent stabilization ordinance for Santa Barbara. This historic ordinance will represent a massive step forward for coastal California and for midsize cities struggling with housing affordability. There are a few specific changes that I urge you to amend in the current draft of the ordinance.

Including the provisions to make sure there is a fair and powerful rent board is an essential component of making this provision function. From 2017-8, I lived in Galway, Ireland, where I became quite familiar with the Rental Tenancies Board. I helped my friend file a case against our shared landlord who withheld her deposit without sufficient reason. She brought her concerns forward through adjudication proceeding and won back her deposit. Having this type of rental board that can manage disputes and offer immediate relief is invaluable, especially in a city with such a high percentage of tenants. This type of board can change the common practices of landlords in a city, by enforcing housing law and giving a voice to tenants who can often feel powerless in these situations. In order to do all of this, the proposed Rental Board must include 5 members, three of whom are tenants and two of whom are non-tenants and have the power to issue its own regulations and direct its own administrator.

I also encourage you to not allow for any additional exemptions from the ordinance, especially not duplexes or deed-restricted units. In Santa Barbara, many duplexes are being rented and operated as multi-family apartments and must be regulated in the same way. This loophole must be closed so that this Rent Stabilization Ordinance helps keep as many local residents as possible in their homes.

The Rent Stabilization Ordinance should also include a rental registry, so that tenants can have a clear idea of the rental market in Santa Barbara. This will only allow for greater transparency and enforcement of housing law and will also make the market fairer and more accessible. As it stands currently, there is no way to know what the average rent or number of available units are at any given time. Because the city does not have any context for the worsening problems its residents are facing, the housing crisis continues to grow unabated. A rental registry is a clear and necessary component of a strong rent stabilization ordinance, as it will level the playing field and allow for easy and straightforward enforcement of the rent cap.

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I am so impressed by all the hard work done by city council and residents that I've seen over the past year. I am extremely optimistic for the future of Santa Barbara and I know that a Rent Stabilization Ordinance with a Rental Board, rental registry, and without exceptions will be crucial in ushering in a new era of affordability and vibrant community.

Thank you very much,

Abby

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Abby Cunniff

July 10, 2026

Subject: Public Comment – Rent Stabilization Ordinance and Additional Amendments to the Municipal Code Concerning Taking Rental Property Off the Market

To the Mayor and City Council:

The following is a list of some of the concerns regarding the Proposed Rent Stabilization Ordinance:

1. The limit on rent increases (once the rent freeze ends) of 60% of CPI or 3% whichever is less is a confiscatory taking and does not allow for the reasonable rate of return on investment as guaranteed by the Constitution. Just to be clear, this is NOT CPI plus this amount. This would be it. Many people seem confused by this because they cannot believe that the City Council would consider anything so low.

Any cap on rent increases that is lower than CPI can NEVER generate a fair rate of return because it does not even keep up with the cost-of-living increase.

This rent cap FAILS to reflect the real operating costs of a rental property.

2. The base rent reference of the rent on December 15, 2025 from which you would be allowed to increase rents by even this measly amount does not allow housing providers to get back the year of the Tenant Protection Act ("TPA") they would have been able to charge during the rent freeze. That money is simply GONE.
3. Tying habitability to the annual rent adjustment and ability to raise rents in general should not be included in the ordinance because it is already addressed by statute in terms of an offset to rent damages.
4. The Rent Registry is fraught with problems. It violates the Constitutional Right to Financial Privacy. The 14th Amendment to the US Constitution under Due Process protections recognizes an individual's right of privacy to information pertaining to them. California Civil Code section 1798.1 provides that: "The Legislature declares that the right to privacy is a personal and fundamental right protected by Section 1 of Article 1 of the Constitution of California and by the United States Constitution and that all individuals have a right of privacy in information pertaining to them."
5. It is proposed to include information on ALL rentals not just those that are not exempt. It seeks information that is not public record.

6. The system is based on subjective standards with no real definitions.
7. The “hearing officer” definition for appeals reveals that the people hearing the petitions and making the decisions are biased and not neutral because the Program Administrator is appointing the hearing officer and is not an independent judge, attorney, or mediator agreed upon by the parties.
8. The hearing officers are granted significant authority with limited if any guidance.
9. There is a huge cost to run this program and the City Council appears set on housing providers shouldering the entire cost. It states that 50% could be collected from tenants but since it is not defined as “rent” how can housing providers do so? Is the City with its budget deficit going to be able to pay? Also, the City is taking money to fight SBRPA’s lawsuit from the Housing Fund instead of using the money from the Housing Fund to provide housing.
10. The additional requirements for taking a rental unit off the market violates an area of law preempted by the Ellis Act. Forcing housing providers who take their rental units off the market to keep them off the market for a period of five years (a requirement that runs with the land so that it would apply to a new owner) is an unconstitutional taking of private property rights.
11. Throughout these ordinances, there is an uneven, to say the least, allocation of rights and responsibilities.
12. The entire process has been rushed to meet an artificial target date of January 1, 2027. This is allegedly based on an “emergency” but the “emergency” need for housing has been going on for decades; so, how is it more of an emergency now?

Sincerely,

Betty L. Jeppesen

Betty L. Jeppesen
President, Board of Directors
Santa Barbara Rental Property Association

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Mayor Rouse & Members of the Council,

As I write to you today, I do so while again displaced from my home for the third time in eight months – and now indefinitely under a City "Unsafe for Occupancy" red-tag, and "Stop Work Order" (SWO). As a result of my landlords negligence and pattern of hostility towards me, I am now "functionally homeless", and unable to return to the home I have loved and fought for, over the last three years.

The egregious and prolonged attack on my home and tenancy, that I am to share with you, the cumulative harms I endured for months – Escalated *after* I prevailed against my landlords in court, for their unlawful and bad faith attempt to evict me through misuse of the Ellis Act.

My lived experience exposes an inherent weakness in the City's Just Cause Ordinance, under shadowed by a potentially *perverse incentive*. Although the scope of work qualified for a lawful termination of my tenancy based on substantial renovation, that did not take place - Because had it, I would have been entitled to important statutory protections, including the right to reoccupy my home at my previous rent once the work was complete.

Instead, I remained a *tenant-in-name* only while enduring repeated displacement, prolonged uninhabitable conditions, and months of uncertainty, as my tenancy existed legally but not functionally. **Whether intentional or not, this demonstrates a dangerous loophole: without mandatory Tenant Habitability Safety Plans, construction itself can become a mechanism of displacement without triggering the protections that accompany a lawful substantial renovation termination.**

Last November, I had to literally flee my home after prolonged water intrusion, caused by owner neglect and deferred maintenance, resulted in mushrooms emerging from my ceiling, releasing toxic spores throughout my living space, causing severe illness and making it unsafe for me to remain.

Then again, in January, as repairs to cure the code violation commenced and seven layers of a hundred year old rotten roofing was torn-off, sending clouds of toxic black dust and debris through my unprotected windows, while I was inside, covering my living space and belongings in a layer of black grime – I again fled.

I was then given less than 48 hours' notice to clear out my living room, which was simultaneously demolished under the cover of the permitted roof work. The room remained demolished for three months under a City Stop Work Order after the demolition was discovered to be unpermitted. During this entire time, I lived between what was left of my home and at the mercy of neighbors, in what was clearly a strategic attempt to force abandonment through constructive eviction tactics.

My home was restored only to semi-habitability because I required major surgery. Even then, there was no communication, collaboration, or meaningful effort to engage in the interactive process regarding my disability-related Reasonable Accommodation requests. Work recommenced with no guidance as to what to expect, how I or my belongings would be safeguarded, or the anticipated scope and duration of the work.

I lived behind a containment barrier on the other side of the demolition, only to learn shortly thereafter that the building lacked necessary framing components – *as well as an actual foundation*, and has therefore been deemed structurally unsafe. Today, I remain disabled and displaced while the fate of my home awaits the findings of a structural engineer. This has been one of the most dehumanizing and cumulatively traumatic experiences of my life.

My experience is far from unique. It exposes a dangerous loophole and demonstrates what can happen when there are no enforceable standards governing major construction in occupied homes. **This ordinance must also recognize the incentives it creates. Where substantial renovation would preserve a tenant's right to return at their existing rent, construction may instead proceed while the tenancy technically remains intact, but under conditions so disruptive or unsafe that the tenant is effectively forced out.**

In the absence of mandatory Tenant Habitability Safety Plans, stronger tenant protections may inadvertently increase the use of construction-related displacement as an alternative means of achieving vacancy. The result will be a corresponding rise in construction-related displacement, leading to more constructive evictions, prolonged habitability disputes, and costly enforcement actions. **Tenant Habitability Safety Plans are essential to closing this loophole. They must be built into this ordinance and enforced through the permitting process—not treated as an afterthought.** If Santa Barbara is committed to preventing displacement, these protections are not optional—they are essential.

Andrea Moore McCormick

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Dear City of Santa Barbara Council Members:

Rather than make comments about the rent stabilization ordinance specifics, I'm attaching here a couple of charts to illustrate why an entirely different approach - the tenant subsidy model - is much more fair to all parties involved, and advances the cause of both tenants and housing providers alike. The tenant subsidy model has been implemented successfully in other areas and has shown to be more beneficial to both tenants and housing providers. To see the reasons why, please review the comparison chart which is the 1st attachment. The 2nd attachment is a financial example of how the tenant subsidy economics might play out in the city of Santa Barbara over time. An Excel version of the financial spreadsheet can be provided, in order to show different outcomes adjusted for different inputted variables.

There are many assumptions embedded in the financial example, which I'd be happy to explain in a separate conversation. The upshot is that for a relatively modest investment spread throughout the housing provider community, in an alternative tenant-subsidy model, the tenants who need their rents to be capped would still receive the same or greater relief in the rent they pay, and all the potential significant negative consequences of the rent stabilization ordinance could be avoided.

Thank you for your consideration of this alternative approach.

Ken Switzer

EFFECTS AND CONSEQUENCES MATRIX	Rent Stabilization / Rent Control Measures	Tenant Subsidy Alternative (more beneficial for all parties)
Rent effect on existing low-income and very-low-income tenants	Low rent caps for these lower-income tenants	Caps rents in similar amount for these lower-income tenants
Rent effect on future low-income and very-low-income tenants (For example, children of local lower-income residents, employees who want to live closer to work here)	Since existing tenants will be highly motivated not to leave their current apartments, very few apartments will become available for future tenants, and by supply and demand these few available apartments which turn over will be at higher rents	With the tenant rent subsidy alternative, this disadvantageous distortion of the rental pricing and availability of apartments turning over, will go away for future lower-income tenants
Rent effect on existing moderate-income tenants	Low rent caps for moderate-income tenants	Lower rent caps but not as much, rent cap is more relative to need for moderate-income tenants
Rent effect on future moderate-income tenants (For example, children of local residents, employees who want to live closer to work here)	Same as above - since existing tenants will be highly motivated not to leave their current apartments, very few apartment will become available for future tenants, and by supply and demand these few available apartments which turn over will be at higher rents	Same as above, with the tenant rent subsidy alternative, this disadvantageous distortion of the rental pricing and availability of apartments turning over, will go away for moderate-income tenants
Rent effect on existing for high-income tenants	Low rent caps for high-income tenants, effectively a subsidy (paid by housing providers) for people who don't need it, very unfair	High-income tenants rents can increase, but only up to AB 1482 state rent cap rules
Effect on condition of apartments	With no financial incentive or wherewithal to do anything other than the minimum for health and safety repairs, literally no housing providers are likley to make any condition improvements to the interiors or exteriors of apartments. This immutable economic reality will result in continuing dated-ness of apartments, and a lower standard of living for tenants	Housing providers will continue to have the capacity to make improvements to properties if they feel it makes competitive financial sense, which often is the case (other than for a few housing providers who choose not to)
Effect on curb appeal of apartments	Same as above - no financial incentive to improve the curb appeal of apartments, resulting in increasingly unattractive exterior appearance of apartment properties throughout Santa Barbara	Same as above - housing providers will invest in the exterior appeal of their properties, in order to attract tenants
Financial fairness to landlords in general	Limits ability for housing providers to make a fair rate of return, and lowers property values due to artificially low rents and lack of interest from investors to purchase apartments in Santa Barbara. Estimate loss of property value is 15%-25% due to proposed possible rent stabilization measures; this property value loss has already taken effect due to the rent freeze and reluctance of buyers to invest in Santa Barbara apartments. This loss of asset value affects only approximately 3% of the population of Santa Barbara, essentially a targeted tax on wealth for only a tiny percentage of the population (and not necessarily the most wealthy of the population), and which was not voted on by the public.	Housing providers can continue to gradually raise rents per AB 1482 (as much as the rental market will let them) to allow for repairs and to offset inflationary effects of insurance, repair, utilities, etc. of apartment ownership. No unfair loss of value, or non-proportional wealth taxation.
Financial fairness to housing providers who have voluntarily kept rents low over the years to work with their tenants	These more atruistic and tenant-friendly housing providers are the ones who are most affected relatively by the loss in property value and operational income, as described above	Housing providers can continue to gradually raise rents per AB 1482 (as much as the rental market will let them) to allow for repairs and to offset inflationary effects of insurance, repair, utilities, etc. of apartment ownership
Legal risk to City	If the proposed rent stabilization / rent control ideas are enacted, the City of Santa Barbara will likely face years of expensive legal challenges, which will affect City finances. There is a decent likelihood of the City losing some or all of the legal arguments in the court system; AB 1482 was carefully designed to be more legal-proof by providing a reasonable path to rent increases up to market rents while still preventing large one-time rent increases. (Note that the provision in AB 1482 for allowing re-set to market rents after substantial renovation is a clause also meant to avoid a legal challenge to "taking" of real estate; the City faces legal risk from the substantial renovation further restriction as well)	No legal risk or cost to City of Santa Barbara for taking of real estate or for other legal reasons, since housing providers are able to proceed under AB 1482
Effect on incentives to build new housing	While the proposed rent stabilization measures would not apply to new construction, developers are now very spooked to build in the City of Santa Barbara for 2 reasons: 1) the future re-sale value of their new apartments could be affected later due to the eventual sunset-ing of the new/newer-construction exemption, and 2) given the relatively drastic measures the City Council may be taking compared to most other municipalities in California, there is a fear that new or newer-construction apartments could be targeted in a rent control measure later. Developers do not want to take the risk of several years and tens of millions of dollars of investment, only to have the rules potential change down the road which wipes out the capital they risked.	With the tenant rent subsidy alternative, this disincentive to build new apartments goes away
Effect on overall housing supply	Potential new housing supply will drop for the reasons described above. Furthermore, the availability of existing apartments to come up for rent will come down significantly as well, as described further above. The overall effect on housing supply will be dramatically negative	With the tenant rent subsidy alternative, the negative consequences to housing supply will go away
Effect on local employers	Due to the lack of housing apartments turning over as explained above, and the higher rents for those few apartments which come available, this will make it harder for employers to recruit and retain their employees in Santa Barbara	With the tenant rent subsidy alternative, these negative consequences for employers will go away
Effect on local blue-collar jobs	The lack of incentive to provide improvements to existing apartments, as well as the chlling effect on the development of new apartments, will mean a reduction in work for local tradespeople and landscapers	With the tenant rent subsidy alternative, these negative consequences for local blue-collar jobs will go away

SUBSIDY ANALYSIS BY PROGRESSIVE YEARS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Number of Apartment Housing Units	17,000	17,000	17,000	17,000	17,000
Percentage of Units Below Market Rent	60%	55%	50%	45%	40%
Number of Units Eligible for Subsidy	10,200	9,350	8,500	7,650	6,800
VERY-LOW INCOME TENANTS ANALYSIS					
Percentage of Eligible Units With Very-Low-Income Tenants	20%	20%	20%	20%	20%
Number of Units Eligible for Very-Low-Income Subsidy	2,040	1,870	1,700	1,530	1,360
Average Current Rent for Very-Low Income Tenants	$2,000	$2,160	$2,333	$2,519	$2,721
Average Rent Increase Under AB 1482 for Very--Low-Income Tenants (assume 5%+3% = 8% allowed)	$160	$173	$187	$202	$218
Assistance Formula for Very-Low-Income Tenants	80%	80%	80%	80%	80%
Subsidy Per Very-Low-Income Tenant	$128	$138	$149	$161	$174
Rent Increase Paid by Very-Low-Income Tenants	**$32**	**$35**	**$37**	**$40**	**$44**
Percentage Rent Increase Paid by Very-Low-Income Tenants	**1.6%**	**1.6%**	**1.6%**	**1.6%**	**1.6%**
Rent Increase Paid by Very-Low-Income Tenants in Relation to CPI as "CPI +/-" (assume 3% CPI)	**-1.4%**	**-1.4%**	**-1.4%**	**-1.4%**	**-1.4%**
Rent Increase Paid by Very-Low-Income Tenants in Relation to CPI as "% of CPI" (assume 3% CPI)	**53%**	**53%**	**53%**	**53%**	**53%**
Total Citywide Subsidy for Very-Low-Income Tenants	$261,120	$258,509	$253,809	$246,702	$236,834
LOW INCOME TENANTS ANALYSIS					
Percentage of Eligible Units With Low-Income Tenants	20%	20%	20%	20%	20%
Number of Units Eligible for Low-Income Subsidy	2,040	1,870	1,700	1,530	1,360
Average Current Rent for Low-Income Tenants	$2,200	$2,376	$2,566	$2,771	$2,993
Average Rent Increase Under AB 1482 for Low-Income Tenants (assume 5%+3% = 8% allowed)	$176	$190	$205	$222	$239
Assistance Formula for Low-Income Tenants	60%	60%	60%	60%	60%
Subsidy Per Low-Income Tenant	$106	$114	$123	$133	$144
Rent Increase Paid by Low-Income Tenants	**$70**	**$76**	**$82**	**$89**	**$96**
Percentage Rent Increase Paid by Low-Income Tenants	**3.2%**	**3.2%**	**3.2%**	**3.2%**	**3.2%**
Rent Increase Paid by Very-Low-Income Tenants in Relation to CPI as "CPI +/-" (assume 3% CPI)	**0.2%**	**0.2%**	**0.2%**	**0.2%**	**0.2%**
Rent Increase Paid by Low-Income Tenants in Relation to CPI, "% of CPI" (assume 3% CPI)	**107%**	**107%**	**107%**	**107%**	**107%**
Total Citywide Subsidy for Low-Income Tenants	$215,424	$213,270	$209,392	$203,529	$195,388
MODERATE INCOME TENANTS ANALYSIS					
Percentage of Eligible Units With Moderate Income Tenants	30%	30%	30%	30%	30%
Number of Units Eligible for Moderate-Income Subsidy	3,060	2,805	2,550	2,295	2,040
Average Current Rent for Moderate-Income Tenants	$2,400	$2,592	$2,799	$3,023	$3,265
Average Rent Increase Under AB 1482 for Moderate-Income Tenants (assume 5%+3% = 8% allowed)	$192	$207	$224	$242	$261
Assistance Formula for Moderate-Income Tenants	30%	30%	30%	30%	30%
Subsidy Per Moderate-Income Tenant	$58	$62	$67	$73	$78
Rent Increase Paid by Moderate-Income Tenants	**$134**	**$145**	**$157**	**$169**	**$183**
Percentage Rent Increase Paid by Moderate-Income Tenants	**5.6%**	**5.6%**	**5.6%**	**5.6%**	**5.6%**
Rent Increase Paid by Very-Low-Income Tenants in Relation to CPI as "CPI +/-" (assume 3% CPI)	**2.6%**	**2.6%**	**2.6%**	**2.6%**	**2.6%**
Rent Increase Paid by Moderate-Income Tenants in Relation to CPI, "% of CPI" (assume 3% CPI)	**187%**	**187%**	**187%**	**187%**	**187%**
Total Citywide Subsidy for Moderate-Income Tenants	$176,256	$174,493	$171,321	$166,524	$159,863
TOTAL CITYWIDE SUBSIDY - MONTHLY	$652,800	$646,272	$634,522	$616,755	$592,085
TOTAL CITYWIDE SUBSIDY - ANNUAL	$7,833,600	$7,755,264	$7,614,259	$7,401,060	$7,105,018
HOUSING PROVIDER SUBSIDY PER UNIT - MONTHLY	**$38.40**	**$38.02**	**$37.32**	**$36.28**	**$34.83**
HOUSING PROVIDER SUBSIDY PER UNIT - ANNUAL	$460.80	$456.19	$447.90	$435.36	$417.94

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To, The city of Santa Barbara staff,

I'm a hair stylist working here in the city, and like so many other renters, I'm getting really stressed about how fast rents are rising. I've been following the draft ordinance that the tenant groups sent over, and I really appreciate all the work being done on this.

Since you're working through the details, I wanted to share a few things that feel incredibly important to get right:

We need to cover everyone: The protections shouldn't have loopholes. All tenants and all rental units across the city need to be included, otherwise a lot of people are going to get left behind.

The Rent Board needs real tenant representation: I'm a bit worried about rumors that the board might not have a tenant majority. To be fair and actually work, the people running it need to be a majority of renters who actually live the reality of renting here.

It needs real teeth: A policy doesn't mean much if it can't be enforced. The Rent Board needs the actual authority and backing to hold people accountable when the rules are broken.

Thank you again for tackling this. Working professionals want to be able to stay and live in the communities we serve, and a strong ordinance will make a massive difference.

Best,

Carrie Brewington

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I'm speaking as a 69 year old Mom/no Pop landlord. I have a small almost hundred-year-old cottage that I inherited from my partner who died in 2020. He left me this property because he thought it would help take care of me. The rental is my only way to make a living. My Social Security is very small - my increase this year was just $26 a month. I also have a disabled son that I support and another son who had his work hours decreased and so I cover his health insurance for now.

The 2 bedroom has been well maintained, but not modernized. In the last few years I have replaced the furnace, hot water heater, all kitchen appliances. Gardening is a large part of my monthly cost too. In 2021 I legalized the adu/studio on the property (that cost me about $40,000). The two bedroom house with 1.5 baths, washer/dryer front and back yards rent at $4000 and the studio with an enclosed patio rents for $2250. I promised the studio tenant I would not raise her rent next year because in comparison the 2 bedroom is a much better deal at $4000.

Now my property insurance has told me I am in a "high-fire zone" and my policy has almost doubled. They did an inspection a couple weeks ago and will tell me what "hardening" I need to do. It is getting harder to take care of everything and scary that I might make a paper error and be taken to court.

I was a renter between 1980 and 1995 (when tenants had no rights). My son in Los Angeles is a renter (with a horrible corporate landlord) - I have compassion and believe that renters need to have rights and rents should be controlled - but what has been proposed for Santa Barbara is extreme for small landlords like me. I also think that landlords deserve some support. I have had a string of bad tenants that take advantage of me .The first tenants I had were a family that I wanted to give a break too - I told them "I know what it is like to struggle - just please don't take advantage of me. Two months after they moved in they needed breaks on their already very low rent, needed to pay later, needed to make a "payment plan" and finally couldn't pay at all. This went on 10 months when I finally needed to get a lawyer to help me out of the mess. That cost $18,000 in legal fees. The next two sets of tenants also took advantage of me. (Obviously I'm not cut out for this "career".). I finally finished paying off all my legal debt last year - hoping I won't need to go through lawyers again.

The last two tenants were nice enough, but talked me down on rent. The current person talked me down $350. She wrote a very sweet letter about all the ways she was going to help me - including gardening. Needless to say they did not live up to their promises at all. So this year I decided I needed to raise the rent 4% partly because gardening cost me a lot (I now do most of it myself because I can't afford as much as I need). I obviously was not able to make any increase because of the new ordinance and my rental, which was already below market and it is a big stress for me. At the end of the lease in February, one of the co-tenants stayed (month to month) and one left, so the new tenant got to slip in at the old rate. I'm wondering if future roommates can just keep passing the baton to a new tenant that keeps the rent low?

This new ordinance seems to be made to push mom and pops to sell their properties and incentivizes developers to tear down and build new housing because they will be exempt from the ordinance. This doesn't help small landlords OR tenants, just developers in my opinion. If it was really meant to be fair they would exempt Mom & Pops with small properties built before 1995. We are the ones often with higher maintenance costs and taking and some of us are actually trying to keep nice places for tenants.

I love my job of taking care of my property, yard and tenants. I take pride in being a good, responsive and caring landlord. It gives me a purpose in life at this age and I really don't want to loose it. But it is also a lot of work and stress, and not to be allowed to make enough to pay my own living expenses with any small profit I make doesn't feel right. Times are hard for everyone, and this includes landlords. All our expenses are going up too - both business and personal. I'm afraid I won't be able to keep up.

Also, the problem for me is that I lowered the rent for the last 3 years, so my unit is hundreds of dollars cheaper per month according to the comps that I have seen (I've been keeping a chart of new rentals). The current rent my 2 bedroom is $4000 (and has been since June 2023). At the current cpi, I could only raise the rent $64 next January! At that rate my property will always be way below market rate and I will not be able to keep the property. I am getting older and more overwhelmed (especially with all these changes) and wanted to get a property manager, especially because the rules get more complicated every year - but I can not afford a property manager.

I feel you need to make an exclusion for the smallest "Mom and Pops, The larger landlords can better absorb the reduction in rents, while the smaller ones like me may be driven out of business, which will hurt tenants who rely on us to be a little more humane. It was a large corporate landlord's misdeeds that started the entire movement against all landlords that we see now. And likely their properties are post 1995 and thus excluded from the rent control. It feels unfair for the smallest (and oldest) landlords.

Thanks for listening,

Maggie Connolly

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Dear Mayor Rowse and Members of the City Council,

Thank you for the opportunity to comment on the proposed Residential Rent Stabilization Ordinance and Just Cause amendments. I am a Senior Associate at Radius Commercial Real Estate in Santa Barbara, where I work on multifamily sales and valuations across the South Coast. On July 8, my colleague Steve Golis and I presented to local housing providers on the ordinance's fair-return provisions and its effect on property values. Both presentations are attached as part of this comment, with sources cited on each slide.

My central concern is that the fair-return process, as drafted, will not be usable in practice.

Section 26.90.050(E) entitles a housing provider to maintain base-year net operating income adjusted by CPI. To understand how that works, we built a model of the calculation directly from the ordinance text, and on June 29 I asked the City Attorney's Office to confirm whether we had read it correctly. The Office respectfully declined to review or opine on the calculation. I understand the constraints on the Office, but the result is that no one — including professionals who underwrite these buildings daily — can currently confirm what a compliant fair-return petition looks like. A small housing provider without legal or accounting help has little realistic chance of navigating one.

Other cities' experience bears this out: Santa Monica reported zero fair-return petitions filed in 2023 and 2024 across roughly 27,600 controlled units, and Los Angeles County has approved one of 63 applications since 2020. A constitutional protection that is almost never used is not functioning as intended.

The petition process matters more here because of the cap formula. At 60% of CPI with a 3% ceiling, a 0% floor, and no banking, allowable increases will trail operating costs. Insurance premiums rose roughly 77% from 2019 to 2024, and the City's own rate studies schedule water and sewer increases of roughly 10% per year through 2028. Because operating expenses are typically about 40% of gross rent, a 10% expense increase requires roughly a 4% rent adjustment just to keep income flat — more than the cap allows in its best year. In our model of a typical 12-unit building, net operating income declines even when the full allowable increase is taken, which forces ordinary owners into the petition process described above.

The market has already responded. Our dataset of 57 closed Santa Barbara sales of five or more units shows cap rates up roughly 189 basis points since 2022, and first-half closings falling from nine in 2024 and nine in 2025 to four this year. Most troubling, the ordinance rewards vacancy: a five-unit building on Garden Street sold in January — three weeks into the freeze — at one of the highest per-unit prices in our dataset after being delivered 100% vacant through tenant buyouts. An ordinance that makes an empty building worth more than an occupied one is working against its own goals.

As the Council refines these ordinances ahead of the July 28 hearing, I respectfully ask that you:

- Publish a standard fair-return worksheet and methodology, so petitions can be prepared and decided objectively, on a set timeline, without requiring professional representation.
- Preserve the exemption for owner-occupied duplexes and seriously consider exempting 1–4 unit properties.
- Provide balanced representation of housing providers, tenants, and neutral members on the Rent Stabilization Board.
- Reexamine the program fee — approximately $154 per unit per year, only half of which may be counted as an operating expense in a petition.
- Continue engaging with housing providers before adopting the final ordinances.

I appreciate your consideration and would welcome the opportunity to walk City staff through our fair-return model or the transaction data behind the attached materials.

Sincerely,

Jack Gilbert
Radius Commercial Real Estate | www.radiusgroup.com

FAIR RATE OF RETURN

Cutting Through the Chaos

The one number the rent freeze can't legally touch.

GOLIS TEAM
Leading the way in multifamily.

Jack Gilbert · Radius Commercial Real Estate

You have a **constitutional right.**

Rents can be frozen. Your fair return cannot. Technically.

(That's the good news. Hold onto it.)

So what's a “fair return”?

Your 2025 operating profit (NOI) — **kept whole against inflation.**

Keeps pace with inflation

Your base-year NOI rises with CPI

NOT market rent

It won't reset you to today's rents

NOT getting rich

Just — not going backwards

Translation: in real dollars, you shouldn't earn less than you did in 2025.

The whole formula, in one breath

Your 2025 NOI ▶ **grown by inflation (CPI)** ▶ **= the NOI you're OWED**

Today's NOI comes up short of that number? **That shortfall is your case.**

"There's no actual legal definition of fair return." *— the City's own rent-control consultant, to Council (April 2026)*

The law, word for word

> “ A landlord has the right to obtain a net operating income equal to the base year net operating income **adjusted by the change in the Consumer Price Index from the base year to the current year, which shall be presumed to be a fair rate of return.** ... nothing in this Section prevents the hearing officer or Rent Stabilization Board from granting a rent increase that is necessary to meet constitutional requirements.
>
> - SBMC §26.90.050(E)

Net operating income = gross rental income minus operating expenses. (§26.90.050.H)

Base year (§26.90.020)	The 2025 calendar year. After a granted annual or fair-return increase, the base year for the next petition becomes the year that was the 'current year' in the prior petition.
Gross rental income (§H.1-2)	Gross rents at 100% occupancy, plus all other income received for use or occupancy. EXCLUDES sub-metered gas/electric/water, refuse & sewer pass-throughs, laundry, storage, and 'pet rent.'
Operating expenses - INCLUDE (§H.3)	Reasonable operation & maintenance; management; landlord-paid utilities; property taxes (base- & current-year assessments only); license & registration fees; documented landlord labor (<=5% of gross); qualifying attorneys' fees; up to 50% of the registry fee.
Operating expenses - EXCLUDE (§H.4)	Capital improvements (recovered separately, per Section 26.90.060); mortgage principal/interest & debt service; depreciation; penalties; land lease; political & lobbying payments; reimbursed costs; master-metered utilities; unreasonable increases since the base year.

Why only 60%? (Their words — not mine.)

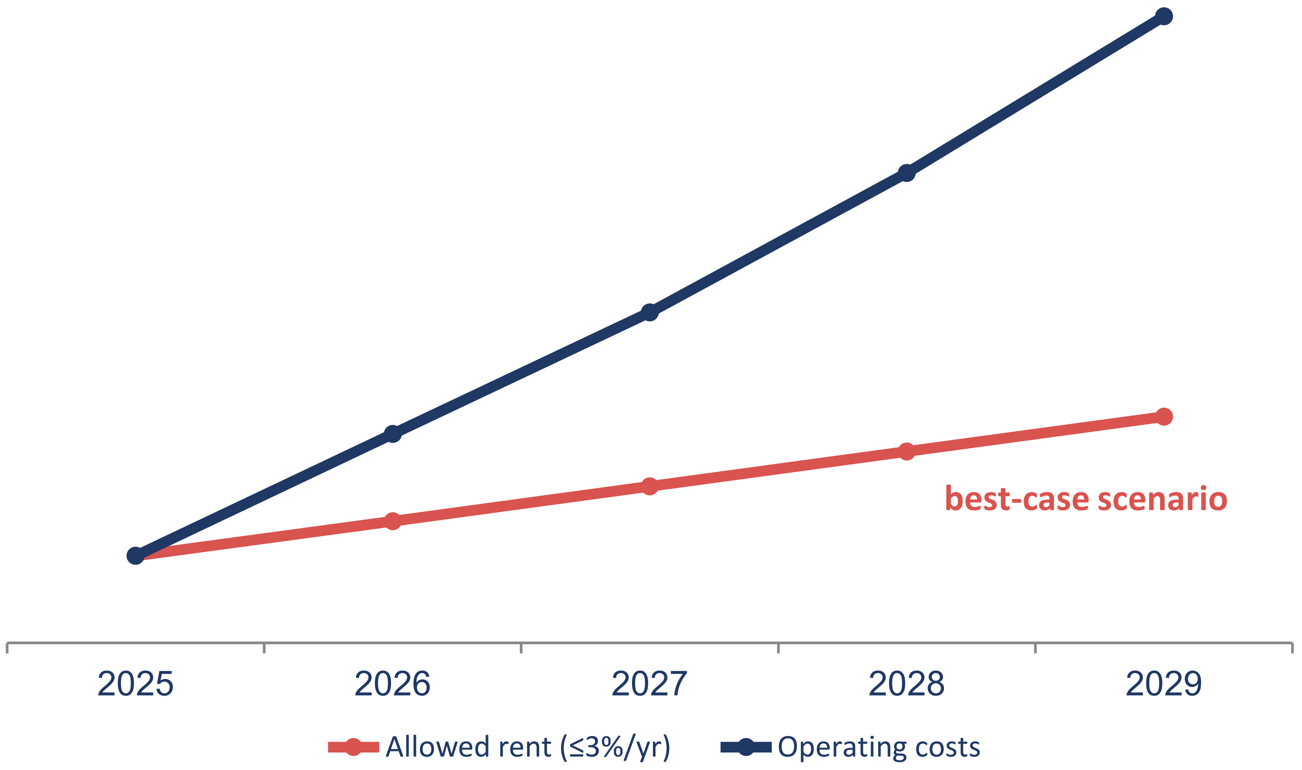
> “ And the reason for 60% of CPI is that CPI in itself 40% of that is already housing. And so we don't want to count housing twice. And that is what we would be doing if we put it at 100% of CPI
>
> *— Councilmember Wendy Santamaria, 4/7/26*

> “ I knew that the 60% was the lowest number that was legally defensible from the research and … fully expected that that number would be negotiated upward or talked about differently… but something had to go in there as a placeholder.
>
> *— Councilmember Kristen Sneddon, 4/7/26*

Spoiler: ***the placeholder stuck.***

Why the gap exists

Your rent is capped at 3%. Your costs didn't get the memo.



INSURANCE

+77%

2019–24; +79% in a CA metro in one year — while rent rose 1.3%

SANTA BARBARA WATER + SEWER

~10% / yr

every year, locked in through 2028

YOUR RENT CAP

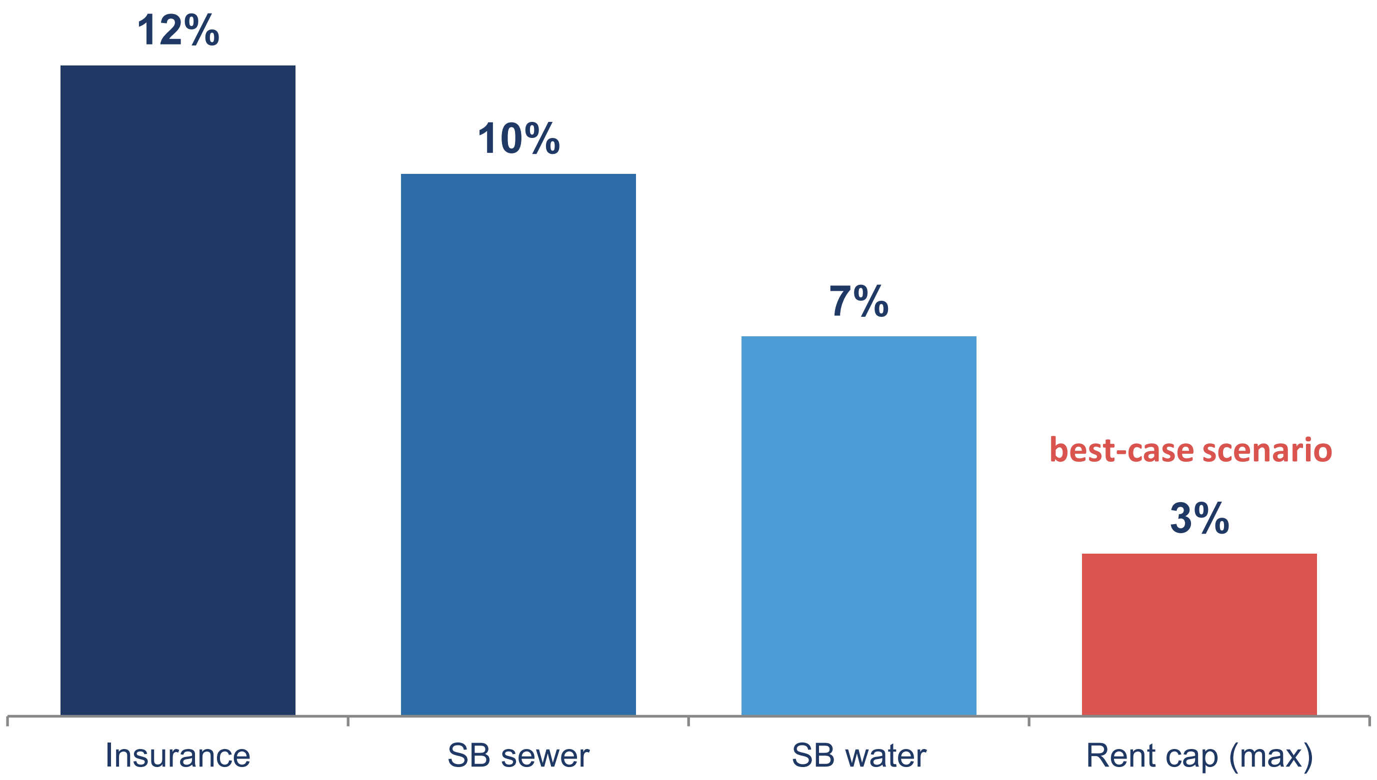
≤ 3%

60% of CPI, capped at 3%

Sources: NAA Premium Pulse; Marcus & Millichap; City of SB Water/Wastewater Rate Studies.

One of these is your rent cap.

Cost increases per year — vs. the most your rent is allowed to rise.



TOTAL OVER 2019–24, THAT'S ABOUT:

Insurance ≈+77% · sewer ≈+73% · water ≈+65%

vs. your cap: **3% / yr (at maximum)**

"Catch-up" math: +10% costs → only +6% rent

Every $1 of rent splits into:

NOI ~60¢ | **Exp ~40¢**

A 10% cost jump is real, but it does not mean rent has to rise 10%. It lands on only the roughly 40¢ of every rent dollar that goes to expenses, so total rent only has to rise about 4% just to break even, and closer to ~6% to maintain NOI w/ CPI adjustment. Same dollars, smaller share of a bigger base. The cap covers 3% at maximum.

Bars = per-year (annualized) increases (insurance 2019–24; SB water & sewer FY21–FY28); cumulative totals at right. The +79% is one CA metro's insurance in a single year (2023). Sources: NAA Premium Pulse; Marcus & Millichap; City of Santa Barbara rate studies.

12-unit building over two years

How we get to the $54 and $147, straight from the rent roll.

+$54 /unit/mo

the 2027 cap (+2.1%); 2026 was frozen at 0%

+$147 /unit/mo

what a fair-return petition adds on top

~$21,100 a year

the full increase, across all 12 units

A peek at the rent roll:

Unit type	#	Base (2025)	2027 (+2.1%)	Fair rent +5.7%	Increase
1BR / 1BA	4	$2,000	$2,042	$2,158	+$116
2BR / 1BA	4	$2,600	$2,655	$2,806	+$151
2BR / 2BA	4	$3,000	$3,063	$3,237	+$174
Building avg	**12**	**$2,533**	**$2,587**	**$2,733**	**+$147**

Base 2025 to fair, annualized over 2025-2027: **~3.9% a year** (+7.9% total, about $28,800 a year).

Current here is 2027 - a fair-return petition on these numbers is filed in 2028. (Whether a 2027 filing could instead reach the 2026 freeze year is unclear.)

Under the hood: the actual numbers

The same 12-unit building — base year vs. today. 📷 *Take a picture.*

Operating snapshot	2025	Current (2027)	Δ
Gross rental income (incl. other)	$370,800	$378,680	+2%
Property taxes	$42,000	$43,697	+4%
Insurance	$18,000	$21,780	+21%
Water / sewer / utilities	$16,000	$17,978	+12%
Repairs & maintenance	$22,000	$24,025	+9%
Management & payroll	$28,000	$30,139	+8%
Admin & registry	$2,000	$3,066	+53%
Total operating expenses	**$128,000**	**$140,685**	**+10%**
Net Operating Income	**$242,800**	**$237,995**	**−2%**

THE FAIR-RETURN RESULT

WHAT A FAIR RETURN REQUIRES

Base-year NOI (2025)	$242,800
Fair NOI (full CPI, +6.7%)	**$259,119**
Current NOI (today)	$237,995
You're short each year	**$21,100**

A PETITION RECOVERS IT ALL

Per unit, per month	+$147 (+5.7%)
Across all 12 units	**$21,100 a year**

Your current (2027) rents already include the +2.1% cap; 2026 was frozen at 0% and NOI still fell. A fair-return petition (filed 2028, on these 2027 numbers) recovers the full $21,100 over current rents.

Rents rose ~2%; costs ~10% — so NOI FELL. Growth from real data: insurance (NAA / M&M); water & sewer (City of SB rate studies); taxes (Prop 13, 2%); labor (BLS). Admin's +53% jump is the new 2027 registry fee - about $154 per unit per year; the landlord pays the full fee, up to 50% countable (§26.90.050.H.3.h).

So I asked the City to check my math.

A real email — to the City Attorney's office, June 29, 2026.

To: **Santa Barbara City Attorney's Office**   Re: Fair-return (MNOI) calculation

We built a working model of the fair-return calculation — straight from §26.90.050. Before we walk any property owner through it, **could you confirm we've read the ordinance right — or tell us what we're missing?** 20 minutes, at your convenience.

— Jack, Radius

One simple question: did we read your own ordinance correctly?

Their answer:

“

I need to respectfully decline to review or opine on your specific calculation tool.

— John Doimas, City Attorney, City of Santa Barbara (June 2026)

We asked if we'd read their ordinance right. **They declined to say.**

(We're welcome to submit it as public comment — same as everyone else.)

Even the City won't confirm what its own “fair return” means.

There's the right…

…and then there's the rent board.

Every increase runs through a board with full discretion.

“I don't really want to call it a rent freeze… it's just a very temporary moratorium on increases.” — Councilmember Kristen Sneddon

Let's see how that's worked out everywhere else.

What actually happens elsewhere

0

fair-return petitions filed in Santa Monica — in 2023 AND 2024 (of 27,600 units)

8 / 328

Oakland petitions even cited “fair return” — and most were tenants

1 / 63

applications approved in L.A. County since 2020

“A right you can't use is just a really well-written suggestion.”

Sources: Santa Monica & Oakland rent-board annual reports; LAist public-records data.

Thank you

Rent control is coming. We can’t avoid it.

But we can hand you the blueprint.

1. **Know your number.**

   We built the fair-return calculator.

2. **Document your 2025 base year — now.**

   It's the anchor for every future petition.

3. **Keep someone in your corner who reads the fine print.**

GOLIS TEAM
Leading the way in multifamily.

GolisTeam@radiusgroup.com

RADIUS® Commercial Real Estate

Cheers.

Steve and me, hanging out with our favorite City Council members.

Thanks for listening — and have a great day.

RENT CONTROL & CAP RATES

The Current Impact — and What May Lie Ahead

What the market has already decided — while City Hall is still deciding.

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Steve Golis · Radius Commercial Real Estate

The only math slide. I promise.

A cap rate is the building's annual income ÷ its price — the market's mood ring. Same building, same $50,000 of annual income — watch what happens to the price.

AT A 4% CAP

$1,250,000

what $50,000 of NOI is worth

AT A 5% CAP

$1,000,000

same income — $250,000 gone

AT A 6% CAP

$833,000

same income — a third of the value gone

Every one-point rise in cap rates ≈ a 20% haircut to value. Not one dollar of income changed.

Keep that in your pocket — the next fifteen slides are made of it.

Let’s start in 2022 — the good old days

3.39%

average cap rate on South Coast apartment sales in 2022 — a level the local year-end report called “unprecedented.”

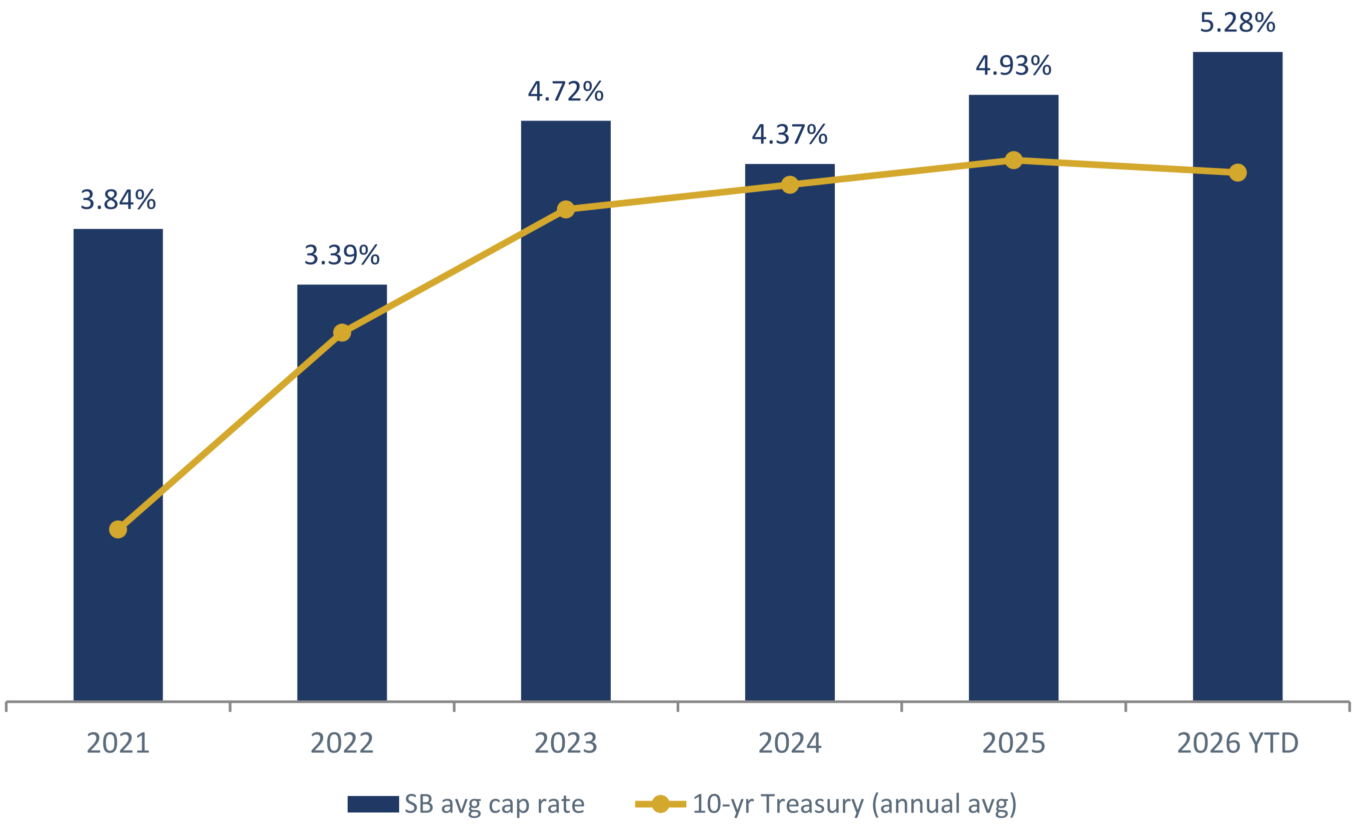
$503,176	average price per unit — an all-time high
18.5×	gross rent multiplier — also unprecedented
$141M	volume across 20 sales — buyers lined up
≈1.5%	10-yr Treasury entering 2022 — the free-money era

The lowest cap rates in America, priced in a near-zero-rate world. Buyers paid 30× gross for the privilege of owning here — and said thank you.

Sources: Hayes Commercial Group, 2022 Q4 South Coast year-end report (apartment sales table); U.S. Treasury / FRED, 10-year constant-maturity yield.

Four years later, the market has re-voted

Average cap rate on closed Santa Barbara multifamily sales, 5+ units (bars) vs. the 10-year Treasury (line)



SINCE THE 2022 TROUGH

+189 bps

of cap-rate expansion in four years

SAME INCOME, TODAY'S CAP RATE

–36%

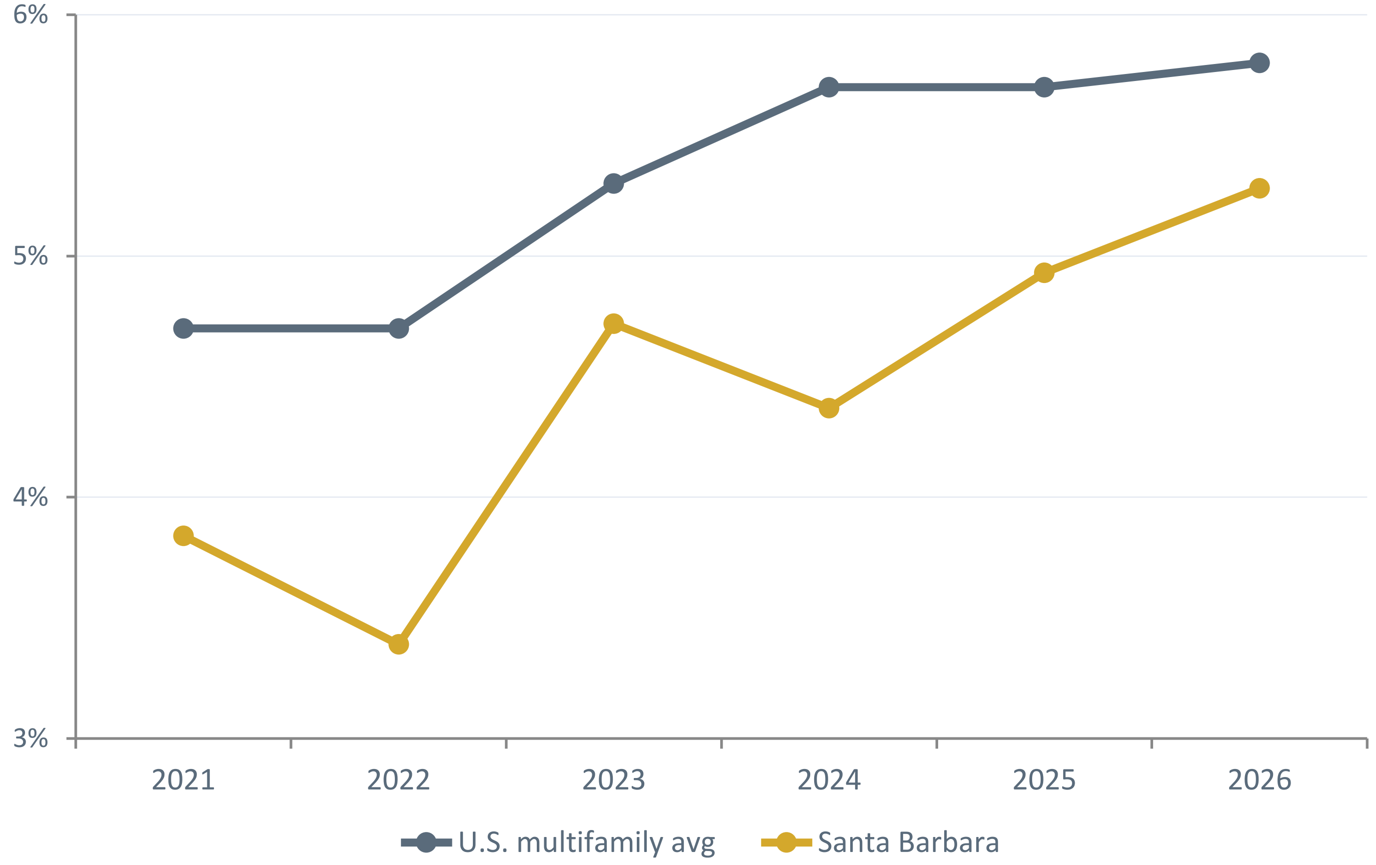
implied change in value on an identical NOI

(2026 YTD = four closings — small sample. Why so few? That's Truth #5.)

Sources: Hayes Commercial Group (2021–2022); Radius Group closed-sale dataset — 57 Santa Barbara multifamily sales (5+ units), 2023–2026 YTD, CoStar-verified; U.S. Treasury / FRED, 10-yr constant-maturity annual averages (2026 = YTD).

The Santa Barbara premium is shrinking

"But cap rates rose everywhere." True — and not the point. Santa Barbara vs. the U.S. multifamily closed-sale average (MSCI-RCA):



THE SB PREMIUM — HOW FAR BELOW NATIONAL CAP RATES WE TRADE

2022: **−131 bps**

2026: **−52 bps**

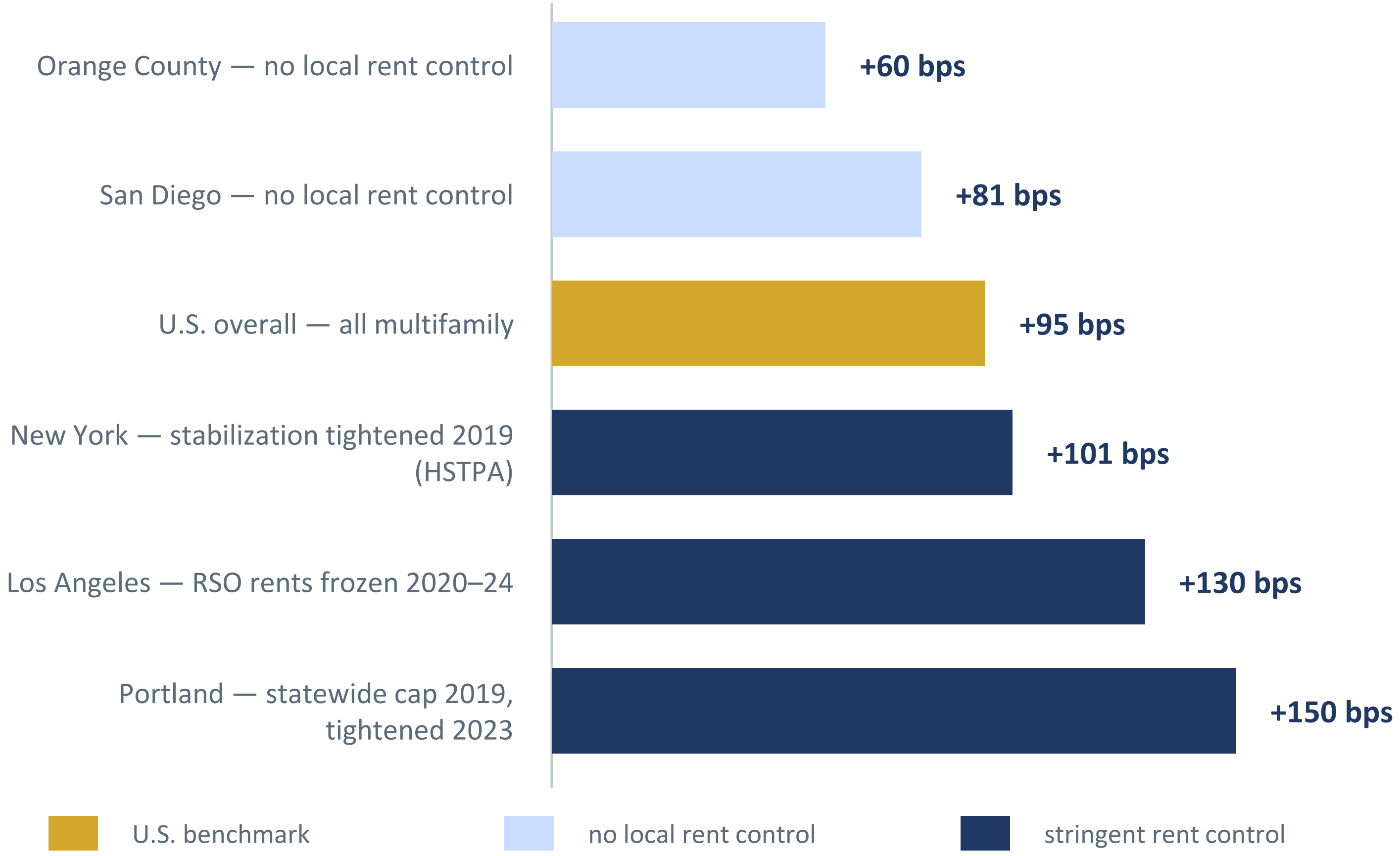
The premium buyers always paid for scarcity, sunshine and stability — the thing that made Santa Barbara "Santa Barbara" — has eroded by 60%.

Interest rates explain the tide. They don't explain why our premium is draining out of the harbor.

Sources: NAA Apartment Market Pulse / MSCI Real Capital Analytics — U.S. multifamily (apartment) closed-sale averages, annual; Hayes Commercial Group; Radius dataset.

The market bills politics by the basis point

Multifamily-only cap-rate expansion, Q2 2021 → Q1 2026 (CoStar Multi-Family): metros that imposed or tightened rent control vs. metros without it



MINNEAPOLIS–ST. PAUL

mid-4s → 6.25–7.0%

within three years of St. Paul's rent-control vote (passed 2021, effective 2022 — rolled back May 2025 after construction fell 80%). Their cap: 3%. Sound familiar?

NEW YORK CITY

7%+ vs sub-5%

asking cap rates on rent-stabilized buildings (regulated since 1969, tightened 2019) vs. free-market product. Same city — two asset classes.

Same source, same five years: metros that imposed or hardened rent control this cycle moved 100–150 bps. Coastal California without it moved 60–80. That spread is the price of politics.

Sources: CoStar Multi-Family Data Export (as-of Q3 2026) — U.S. 5.63% → 6.58%; San Diego 4.31% → 5.12%; New York 5.79% → 6.80%; LA / Portland / Orange County prints via Kidder Mathews quarterly multifamily reports (CoStar data), Q2 2021–Q1 2026; Northmarq; Ariel Property Advisors via Forbes. Corroboration: MSCI-RCA U.S. multifamily closed-sale average +90 bps (4.9% → 5.8%) over the same window.

It’s still profitable… increased in value because it’s a constrained market. And where the wealth generated in this property comes from is not from the rents. It’s from the increased value of the property just by existing over time.

— Councilmember Kristen Sneddon, December 16, 2025 — the night the rent-freeze baseline was set

Respectfully: buildings don’t gain value “just by existing.” They gain value because buyers believe the income can grow.

That belief is the thing that just got frozen. You’ve seen the last three slides.

What 57 closed sales since 2023 are telling us

Five uncomfortable truths from the transaction record. Not a model. Not a forecast. Receipts.

1. **Vacant beats occupied.** *Yes, you read that right — the empty building wins now.*
2. **Value-add is on life support.** *The 2022 darling is 2026's hardest sell.*
3. **Turnkey is the new trophy.** *Nothing to fix, nothing to freeze.*
4. **"Exempt" is the new amenity.** *Post-1995 buildings, ADUs, density — outside the cap's reach.*
5. **Capital is quietly heading for the exits.** *And that, oddly enough, is where the opportunity is.*

Truth #1 — The most valuable tenant is no tenant

When rents are frozen in place, in-place rents are frozen into the price.

1410 GARDEN STREET

5 units · built 1976 · sold January 30, 2026 — three weeks into the rent freeze

Delivered 100% vacant — the seller bought every below-market tenant out (cash-for-keys) before going to market.

$3,350,000 **$670,000 / unit**

A top-five per-unit price out of all 57 sales since 2023 — achieved with zero income in place, mid-freeze.

WHY THE EMPTY BUILDING WINS

- Vacant: the buyer underwrites market (or renovated) rents from day one.
- Occupied: yesterday's rents are now tomorrow's rents, forever.
- Even 2–3 vacant units out of ten changes your entire buyer pool.

Cash-for-keys used to be Plan B. Under this ordinance, it's the business plan.

Sources: Radius closed-sale dataset / CoStar. Sale marketed for redevelopment.

Truth #2 — Value-add is on life support

333 E. Carrillo St + 1011 Laguna St — 18 units, classic value-add: deferred maintenance, rents well below market.

$6.9M

where we launched — a high-4 cap, priced like 2022's hottest profile

$5.8M

where the market finally engaged — now under contract

–16%

the repricing of "upside" in a frozen-rent world

Two years ago this profile had the deepest buyer pool in town: buy it tired, renovate, bring rents to market. **Under a 60%-of-CPI cap — call it ~2% a year — rents 25% below market never catch up.** The "upside" column of the pro forma is now a rounding error with a rent board attached.

"Value-add" still works — it just requires the one thing the ordinance no longer allows: the value being addable.

Sources: Radius / Golis Team listing history, 2024–2026.

Truth #3 — Turnkey is the new trophy

Buyers now pay up for the building with nothing to fix and nothing to freeze: market rents, new systems, clean rent roll.

601 EUCALYPTUS AVE

6 units · sold March 2026 — mid-freeze

$458,333 / unit

4.97% cap · $2,750,000

Simple, clean 2BD/1BA product with nothing to fix. It closed — three weeks into the freeze — while value-add listings all over town sat.

706–708 E. HALEY ST

turnkey mixed-use · built 2016 · sold April 2026

$3,305,000

5.37% cap · 99% of asking

5 residential units + 3 commercial spaces, nothing left to renovate. Sold essentially at full price, mid-freeze.

The old rule: buy the worst building on the best block. The new rule: buy the building that needs nothing — and already charges market rent.

Sources: Radius closed-sale dataset / CoStar.

Truth #4 — "Exempt" is the new amenity

Covered = a Certificate of Occupancy before Feb 1, 1995. New construction, ADUs, condos and owner-occupied product live outside the cap — and buyers have noticed.

WHAT THE BUYERS WE'RE TALKING TO ARE HUNTING

NEW & NEWLY BUILT

Post-1995 C of O — outside the cap.

ADU POTENTIAL

Exempt income on a covered lot.

SPECIAL CIRCUMSTANCES

Density, condo maps, owner-user angles.

Full disclosure: too little exempt product trades here for a tidy chart — that's precisely the point. The scarcity is the demand.

Granite countertops used to sell buildings. The hottest amenity of 2026 is anything the ordinance can't touch.

Sources: City of SB permanent-ordinance public-review draft (June 10, 2026); Radius buyer activity, 2026.

Truth #5 — Capital is quietly heading for the exits

First-half closings, 5+ unit sales in the City of Santa Barbara:

9	**9**	**4**
H1 2024	**H1 2025**	**H1 2026**

The freeze took effect February 26, 2026 — and it shows.

And it isn't for lack of product: plenty of 5+ unit buildings have come to market lately — and many are sitting, repricing, or falling short of the numbers they set out for. ***Too early for tidy year-over-year cap-rate charts — this thing just started. But we see every bid: believe me, we know exactly where buyers are landing versus where sellers are launching.***

Sellers are still pricing 2022. Buyers are pricing 2027. Escrow requires both to be wrong by the same amount.

The flip side: standoffs end. The buyers who show up during the chaos are the ones who look brilliant in five years.

Meanwhile, the people setting the rules…

“We don’t have the data. We don’t even know how many units we’re talking about.”

— Mayor Randy Rowse, January 13, 2026

“I feel a little bit like I’m making a decision in the void… it feels a little bit like guesswork, which I’m struggling with.”

— Councilmember Meagan Harmon, April 7, 2026 — on setting the rent-cap formula

The market doesn’t do guesswork. It just repriced — you’ve seen the invoice.

What may lie ahead

The calendar is set. The fine print is what buyers are already underwriting.

DEC 16, 2025 — Rents frozen at this date's level — the baseline.

FEB 26, 2026 — Freeze effective (passed 4–3). Sunsets Dec 31, 2026.

JUL 28, 2026 — Adoption hearing for the permanent ordinance — 20 days from today.

JAN 1, 2027 — SBMC Ch. 26.90 operative. The rent board era begins.

THE FINE PRINT BUYERS ARE PRICING

- **Cap = lesser of 60% of CPI or 3%** — 0% floor, no banking. Roughly one-third of the statewide AB 1482 cap.
- **~13,000 covered units** — more than half the city's rental stock.
- **Owner-funded program ≈ $2M / yr** — about $154 per unit, per year, in fees.
- **A 5–7 member rent board** — with wide discretion over your increases and petitions.

Expect two Santa Barbaras: exempt product priced like Santa Barbara — covered product priced like a regulated utility. New York already ran this experiment. Slide 6 shows the ending.

Sources: Ordinance 2026-6206; City of SB permanent-ordinance public-review draft (June 10, 2026); RSG fiscal analysis presented May 19, 2026.

The playbook until the dust settles

What we're telling every multifamily owner we work with:

1. **Know which bucket you're in.** Vacant, turnkey, exempt, or covered value-add — the spread between buckets is now 20%+ of your value.

2. **Mine the exemptions.** ADUs, added density, new components, owner-user angles: the upside the ordinance can't reach.

3. **Paper your 2025 base year — now.** Rents, expenses, everything. It anchors every future petition. Jack will show you exactly why in a minute.

4. **Price to the market that exists.** Selling? Price to 2026, not 2022. Buying? The standoff is your friend.

Want the data behind any slide? **GolisTeam@radiusgroup.com**

The market has already done the math.

Up next: Jack — who built the spreadsheet, sent the math to the City, and asked them to check it.

(Spoiler: they "respectfully declined.")

Thank you — and may your C of O be forever post-1995.

Leading the way in multifamily.

Steve Golis · Radius Commercial Real Estate · GolisTeam@radiusgroup.com

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

Public Comment re: Proposed Residential Rent Stabilization Ordinance & Just Cause Amendments

I am a Realtor currently working with a widow whose 4 rental units are now too much for her to manage. She wants to sell them, and the existing rules are so already difficult to navigate. When she and her husband bought these rentals, having tenants in place was considered a bonus to potential buyers. Now you get less for your properties if tenants are in place!

This widow is having to consult an attorney to see how to navigate City actions, and she is seeing the value of her property decline as many duplexes and triplexes are now on the market due to upcoming rent control and Just Cause changes. **It is possible that evicting her tenants now is her best choice, and it is terrible for her to consider this.** People do not want to keep their rentals any more, and their buyers, many who are not local, will charge maximum rent going forward.

ANOTHER CLIENT just contacted me to help them get into a condo because the place they rent is for sale. Many of these listings are from owners fleeing from impending rent control. **It is going to drive prices up if more tenants feel pressured to buy before any ordinances change.**

PLEASE CONSIDER:

• **The cumulative impact of the ordinances.** While each individual requirement may seem reasonable on its own, together they create a complex system of rent caps, petitions, hearings, registrations, disclosures, recording requirements, and administrative obligations that will be difficult for many small housing providers to navigate.

• **Protecting small housing providers.** Many of Santa Barbara's rental properties are owned by individuals and families, not large corporations. I encourage the City to consider exempting 1–4 unit residential properties and preserving the exemption for owner-occupied duplexes. These properties often represent the American Dream, allowing local families to become homeowners while providing much-needed rental housing.

• **Fair return should be practical.** The Constitution recognizes that housing providers are entitled to a fair return, but that protection should be realistic and accessible. If exercising that right requires expensive legal, accounting, or appraisal assistance, many owners simply will not be able to use it.

• **A balanced Rent Stabilization Board.** If the City is committed to fairness, the Board responsible for implementing the ordinance should include balanced representation from tenants, housing providers, and neutral public members.

• **A fair & transparent Rental Registry.** If all rental units must register with the City, the registry should collect only the information necessary to administer the ordinance, protect confidential information, and fairly allocate documentation responsibilities between housing providers and tenants.

As the City continues refining these ordinances, I respectfully ask that you:

• Preserve the exemption for owner-occupied duplexes and consider exempting 1–4 unit residential properties.

• Ensure the fair return process is objective, timely, and accessible.

• Create a balanced Rent Stabilization Board that fairly represents all stakeholders.

• Clarify and simplify the ordinance wherever possible to reduce unnecessary admin and public confusion!!!

• Limit the Rental Registry to necessary info only to protect the privacy of both housing providers and tenants.

• Continue engaging with housing providers before adopting the final ordinances.

I appreciate the opportunity to provide comments and encourage you to continue refining these ordinances to ensure they are fair, balanced, and workable for everyone they will affect.

Sincerely,

Sue Irwin

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
To the Members of the Santa Barbara City Council and Program Administration,

I am writing to submit my formal public comments regarding the proposed Residential Rent Stabilization Ordinance (Chapter 26.90) and the Just Cause/Ellis Act Amendments (Chapter 26.50).

While I understand the City's desire to address housing stability, I have deep concerns regarding the operational viability, complex bureaucracy, and unintended negative consequences that the current public review drafts will impose on Santa Barbara's housing providers and the broader local real estate market.

Specifically, I urge the City Council to refine the following restrictive elements before consideration or adoption:

- **Excessive Capital Improvement Restrictions:** Under Section 26.90.060, restricting pass-throughs to a maximum of 10% of monthly rent or $100—whichever is less—severely diminishes the financial feasibility of making major building upgrades. Necessary modernization, seismic retrofits, and accessibility upgrades will become cost-prohibitive, ultimately harming the quality of Santa Barbara's aging housing stock.
- **Unworkable Fair Return Framework:** The proposed rent cap of 60% of CPI or 3% (whichever is less) fails to account for real-world escalations in property insurance, utility costs, and labor. Excluding standard capital expenses, mortgage interest, and depreciation from operating calculations severely limits a constitutionally guaranteed fair return.
- **Disruptive Pre- and Post-Sale Disclosures:** The proposed addition of Section 26.50.110 forces invasive, legally burdensome disclosure requirements on property owners both before and after a property transfer. Mandating rigid legal text and actively discouraging tenants from signing standard escrow components like estoppel certificates injects unnecessary friction and chills property investment.
- **Impact on Local Housing Supply:** The cumulative burden of prohibiting a property sale as a lawful reason to end a tenancy, combined with severe 5-year rental market bans for property withdrawals under the Ellis Act (Section 26.50.100), strips private property owners of fundamental rights. This framework will inevitably drive small "mom-and-pop" landlords to remove their units from the long-term rental market altogether.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

My wife, myself and family of four children have been residents of our home in the West Beach area of Santa Barbara since 2011. Our children grew up here and went off to higher education. Our home has always been owner occupied, now with up to 2 extra spaces for tenants. When we became "empty nesters" we were approached by a Travelers Organization (Nurses, Teachers, Business Executives, etc.) who traveled into the area needing furnished spaces to live for typically 3-6 months. When Covid hit, our last Nurse tenant left in June 2020. We were then approached by a local business woman who was getting her business off the ground. She too planned to stay 3 months or less. She ended up staying through Covid, approximately 3 years. When she left she recommended another local business woman who has now been with us 2 years. We pride ourselves on keeping safe, well kept spaces for our tenants. We pay all utilities, landscape service and promptly do any and all repairs.

With the steady increase in all of our expenses, we are not able to keep up that level of service with the Rent Stabilization that is proposed/already in place. Our rents have always been below market so that we can help people have a place in Santa Barbara. We have security gates with a door code so that only residents enter. We are all close, feel like family and look out for each other.

We feel our only option now is to leave Santa Barbara just to make ends meet for ourselves. The result of this is the loss of 2 to 3 very viable, nice spaces to live in West Beach.

For these reasons, I believe the City must halt the swift adoption of these drafts and continue refining the ordinances. We need a fair, balanced, and workable solution that protects both tenants and private property rights, rather than an expansive and punitive bureaucratic program that discourages housing investment.

Thank you for your time and for incorporating these thoughts into the official public record.

Sincerely,

James

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Two comments received as follows:

Dear Mayor, Councilmembers (especially Eric Friedman), and City Staff:

I am a Santa Barbara resident and the owner of 2 residential rental properties – both with 2 units. I support the City's efforts to promote housing affordability and tenant stability. I submit these comments constructively, with the goal of helping the City craft an ordinance that is effective, legally sound, and balanced for all stakeholders while minimizing unintended consequences.

Most Santa Barbara rental housing providers are small-scale owners, individuals and families with one or a few properties, rather than large institutional investors. We depend on rental income to cover mortgages, taxes, insurance, maintenance, and reserves. Regulations that work for large corporations can create disproportionate burdens for small owners who lack diversified portfolios or access to institutional capital. I urge the City to keep these realities in mind.

Here's an analogy: Many people believe that food consumption is a human right. Pretend I own a small restaurant, run by my husband and myself. We have a tiny place near the beach. Our costs are skyrocketing, yet we try to maintain our staff by keeping our prices commensurate with our costs so we can afford to pay our employees a living wage while continuing to provide a delicious meal for our customers.. Now, our City Council wants to help us, by mandating that all customers have a right to eat the food that we provide. Our City Council determines that everyone has a right to eat, even at our restaurant. Our City mandates how much we can charge for the food we serve. We must post our weekly menus to the Food Stabilization Board website every month. We must pay a fee in order to do so. Our customers demand a steak and lobster dinner at a table with a view of the ocean. Our customers think this dinner should cost $10 each. We disagree, because our expenses mandate a higher cost, especially in Santa Barbara, where the costs to do business are very high. Yet, we are unable to petition for the ability to raise our prices to make a living wage after paying for all of these fees associated with owning a business in Santa Barbara. This is how our beloved City Council has written their stabilization ordinance. It is wrong, it is unconstitutional, and it will cause we well-intentioned mom and pop establishments to close our restaurant. Don't worry, though, there will surely be a Taco Bell that will be willing to provide you the finest meal imaginable, in our great city, for cents on the dollar, because you mandated it.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

These comments are not intended to oppose reasonable regulation. Instead, they highlight areas where the Draft Ordinance needs refinement to ensure it is legally defensible, administratively workable, respectful of constitutional rights, and unlikely to produce unintended negative consequences.

1. The cumulative financial burden on small landlords is not taken into account in the ordinance and therefore should be amended to prevent serious unintended consequences for tenants and small property providers:

- **60% CPI cap won't cover real cost increases —** Insurance, maintenance, utilities, and contractor costs regularly outpace general CPI. If allowable rent increases consistently lag actual operating costs over time, owners face a growing financial squeeze that threatens property upkeep and long-term viability. This should be adjusted to a fair and reasonable cap.
- **Small property providers are selling their residential rental properties** – These are the are very people that the vast majority of tenants prefer and are not the ones that have caused the major issues in the past. These units are being sold to corporations and large out of town investors. The large investors have the ability to hire full time attorneys and accountants to develop strategies to circumvent this ordinance without any regard to the effect on tenants. They also have the deep pockets to wait out the time it takes for rents to shoot up even more and has been shown in study after study. I am a small property provider and in the last 2 months alone, I have received 2 unsolicited offers from large investors to buy my duplexes. This ordinance should be modified to prevent this trend from accelerating.
- **Just cause + relocation + rent caps = stacked burden —** Santa Barbara already has a just cause eviction ordinance with mandatory relocation assistance obligations. This ordinance adds rent limits, registration fees, and compliance costs on top. The City has not analyzed the combined financial impact on small owners. It must do so before adding another regulatory layer.
- **No hardship exemption for small owners —** The ordinance has no mechanism for a small owner facing genuine financial hardship to seek temporary relief. Many California cities include such provisions — they don't undermine rent stabilization; they prevent the worst unintended consequences and help preserve the viability of small-scale rental housing.

2. Process and fairness concerns:

- **No meaningful fair return process —** California law requires rent regulation to provide a genuine opportunity for a fair return on investment. The petition process outlined will be expensive, slow, or procedurally complex and therefore is not a real remedy. The ordinance needs defined timelines, defined and affordable filing costs, independent hearing officers, and written findings. This needs to be included before this ordinance is passed otherwise it is subject to arbitrary rules established by a committee. This is even more troubling because the current committee composition discussed by Council members supporting rent control will be stacked in favor of tenants. The current process and informally discussed fees will make it more costly for a small property owner to file a request to increase rent than what will be recovered from the increase.

- **No mandatory review provision —** The ordinance has no requirement to evaluate whether it's actually working. Without it, the ordinance stays in place regardless of its real effects on tenants, owners, or housing supply. An annual review based on actual data should be included.

- **No sunset provision —** A 5-year sunset should be included. This will ensure that formal action is taken by the City Council with public input to continue.

3. The fee structure may be unconstitutional:

- **Landlords guaranteed to pay 100% —** If tenants are supposed to share the fee but landlords bear sole legal liability, landlords absorb the full cost whenever tenants don't pay. Under Jacks v. City of Santa Barbara, fee allocations must reasonably reflect who benefits from the program — and the Registry primarily benefits tenants.

4. The ordinance has unresolved constitutional conflicts:

- **Ellis Act conflict —** State law protects an owner's right to exit the rental market. Ongoing fees, penalties, or administrative obligations imposed after an owner invokes Ellis Act rights (Gov. Code § 7060) may be preempted. Withdrawal of all units for a period of 5 years if one unit is removed is excessive. The City must confirm the ordinance does not burden lawful exit from the rental market.

- **Takings Clause —** Rent limitations combined with Santa Barbara's existing just cause eviction and relocation assistance requirements may cumulatively reduce property values to a point constituting an uncompensated taking (U.S. Const. amend. V; Cal. Const. art. I, § 19). The City should publish a legal analysis before adoption.

- **Retroactive 2025 Base Rent violates due process —** Rents were frozen at 2025 levels without advance notice. Owners who charged below-market rent that year — to help a longtime tenant, during a vacancy, or for personal reasons — are permanently penalized for decisions made before any regulatory baseline existed. This raises both substantive and procedural due process concerns.

Thank you for considering these comments. I appreciate the City's work on this complex issue and believe that thoughtful revisions, grounded in a stronger evidentiary record and balanced protections will result in a more durable, equitable, and effective ordinance that serves both tenants and the broader Santa Barbara community.

I urge the Council to address the issues raised before final adoption.

Respectfully submitted,

James Carbone
Michelle Carbone

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Re: Comments on Proposed Rent Stabilization Ordinance

Thank you for the opportunity to comment on the proposed ordinance.

With my partner, I own a 1960 duplex (two 2- BR/ 1-BA units) on the Santa Barbara Westside. The property was inherited from my working-class Latino father-in-law. He purchased it as a way to have income in retirement and to provide for his family and future generations. One set of tenants have lived there for four years and the other for twenty-two years. We have prioritized providing housing long-term tenants over profit and the rents are $1200 to $1800 below what similar units on the Westside are advertised for rent. If the rent stabilization ordinance passes as proposed, only allowing for 60% of CPI or 3%, owning the property long term will not be sustainable. In order to continue the goal of creating and passing down generational wealth, we will need to sell the property and invest elsewhere. I doubt we will be the only property owners forced to do so and I suspect that the new owners will have profit as a top priority over maintaining long-term tenants.

Following are section specific comments:

Section 26.90.040.B: In order to allow property owners to keep up with costs and inflation, the allowable rent increase amount should at least be equal to 100% of the CPI. California law already limits rent increases in a way that protects tenants and allows owners to recover inflationary costs therefore I urge that the section be removed from the ordinance and allow following of California’s existing law.

Section 26.90.020 Definitions: The definition of Fair Return references “maintenance of net operating income (MNOI)” which is not defined and refers to an incorrect section. MNOI should be defined and not contain additional section references.

Section 29.90.050.D: the first sentence does not make sense. Further the entire section is confusing and should be rewritten in clear language.

Section 26.90.060.D: This should allow improvements made back through the initial implementation of the “rent freeze” by the Council. Property owners have had no mechanism to recoup improvement costs since then.

Section 26.90.070.B: Should state that deterioration of the rental due to tenant, including beyond ordinary wear and tear caused by tenant, is **not** cause for downward rent adjustment.

Section 26.90.120.B: The relevant Criminal Code section(s) should be listed or this section should be stricken.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
My general comments: I urge the Council to carefully consider to net value of enacting this ordinance. It is problematic and will likely lead to expensive litigation and much of the ordinance being found unconstitutional. As a resident of Santa Barbara, I would much rather have our tax dollars fund fixing streets and sidewalks, maintaining our beaches, libraries and parks, providing services to our youth and elderly and keeping the city safe and clean than paying expensive legal fees and court judgements.

On a day-to-day practical level this punishes all landlords instead of addressing the few bad actors. The small local landlords will be especially harmed by this ordinance. The language of the ordinance will cause misunderstanding between landlords and tenants which may inundate the Rental Housing Mediation Board and cause both landlords and tenants to incur legal fees. And I believe many tenants will be disappointed because if will not improve the housing market in the long term.

Thank you for considering my comments.

George Hopwood

Good afternoon (Barbara). Per your suggestion I am submitting input regarding the proposed RSO.

I would like to suggest that consideration be given to either waving or discounting registry fees for senior tenants and landlords under the proposed ordinance.

Also, not sure if the more common scenario of multiple parties renting individually in one home requires procedural clarification. The individual lease option (as was raised last night), to me, makes the most sense perhaps accompanied by a “room rate” in the registry formula when the landlord/tenant pays their fees.

Thx…. And I really benefited from your presentation last night at the RHMB meeting.

Scott Barash

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

Re: Public Comment on the June 10, 2026 Public Review Draft Residential Rent Stabilization Ordinance

Dear Mayor, Council Members, and City Staff:

Even though this is a letter that is being shared by a growing coalition of rental property owners, that I'm certain you're receiving many copies of, I feel it is important to add my name and send to you as well. I believe it's very well written and reflects the spirit of cooperation we bring with us to work with the City of Santa Barbara, in addressing housing needs in our most wonderful community.

My name is Tom Salman. I am a Santa Barbara resident and part owner of a small residential rental property. I appreciate the City's commitment to housing affordability and tenant stability, and I offer these comments in that same spirit — constructively, and with a genuine interest in seeing the City adopt an ordinance that works for everyone.

Most of Santa Barbara's rental housing providers are individuals and families, not institutional investors. We own one property, or a small handful of units, and we rely on rental income to cover mortgages, property taxes, insurance, maintenance, and reserves for future repairs. A policy that is easily manageable for a large corporation can have a very different — and far more serious — impact on an owner who has no institutional capital and cannot spread risk across a large portfolio. I ask that the City keep these realities in mind throughout this process.

Nothing in these comments should be read as opposition to reasonable regulation. They are offered to help the City craft an ordinance that is legally defensible, administratively workable, respectful of constitutional protections, and capable of achieving its housing goals without creating unintended consequences. My concerns fall into eight areas:

- Whether the proposed Rental Registry fee satisfies Proposition 26 and applicable California law;
- Whether the scope of required Registry disclosures adequately protects the constitutional privacy rights of housing providers;
- Whether adequate cybersecurity, data retention, and public records protections will be in place before sensitive information is compelled;
- Whether the proposed rent adjustment formula preserves a meaningful opportunity for housing providers to earn a fair and reasonable return;

- Whether the ordinance raises additional constitutional concerns under the Takings Clause, the Ellis Act, and due process principles — including the retroactive application of the 2025 Base Rent;
- Whether the ordinance provides sufficient procedural due process in its administrative hearing and appeals process;
- Whether the economic impacts on small housing providers — including the cumulative effect of the rent stabilization ordinance alongside the City's existing just cause eviction and relocation assistance requirements — have been adequately evaluated; and
- Whether the cumulative administrative burden has been fully considered and justified.

I respectfully ask the City to address these concerns, build out a more complete factual record where needed, and revise the ordinance before final adoption. Doing so will reduce legal uncertainty, strengthen public confidence, and put the City in a stronger position to achieve its housing objectives while avoiding unnecessary disputes and market disruption.

I. THE PROPOSED RENTAL REGISTRY FEE REQUIRES ADDITIONAL EVIDENTIARY SUPPORT UNDER PROPOSITION 26

A. The City Bears the Burden of Demonstrating the Fee Is Not a Tax

The Draft Ordinance proposes a mandatory Rental Registry funded by annual fees on housing providers. Under Proposition 26 (Cal. Const., art. XIII C, § 1(e)), it is the government — not the property owner — that bears the burden of establishing that a charge is a genuine regulatory fee rather than a tax requiring voter approval. The City should therefore develop and publicly release a complete administrative record showing how the proposed fee satisfies each applicable constitutional requirement before the ordinance is adopted.

B. The Fee Must Satisfy the Principles Discussed in Jacks v. City of Santa Barbara

The California Supreme Court's decision in Jacks v. City of Santa Barbara requires a reasonable relationship between the amount charged and the governmental activity the fee supports. The City should publicly demonstrate:

- How the total projected cost of administering the Rental Registry was calculated;
- The specific activities that Registry fees will fund;
- How costs were allocated among regulated housing providers, and why that allocation is reasonable;

- Why the proposed fee does not exceed the amount reasonably necessary to recover program costs.

C. A Detailed and Auditable Fee Study Should Be Released Before Adoption

The materials currently available for public review do not explain how the City's projected annual Registry budget was developed, or whether every proposed expenditure is properly recoverable through a regulatory fee. To build public confidence, the City should publish a detailed fee study itemizing:

- Direct personnel costs;
- Technology acquisition and maintenance;
- Database development;
- Inspection activities;
- Hearing administration;
- Legal support directly attributable to Registry administration;
- Overhead allocation methodology; and
- Projected program growth and reserve funds.

The study should also identify which expenditures are not being recovered through Registry fees — such as general governmental administration, broad housing policy development, public outreach unrelated to Registry operations, or litigation costs tied to defending the ordinance — and explain why. A transparent accounting will let the public evaluate whether the fee structure is properly tailored to the program's purposes.

D. Small Housing Providers Warrant Specific Consideration

As drafted, the ordinance appears to treat owners of a few rental units much like far larger providers. Many Santa Barbara properties are owned by individuals with limited administrative resources, no access to institutional financing, and operating economics that look nothing like those of a large property management company. I respectfully ask the City to evaluate whether reduced fees, simplified reporting, streamlined compliance procedures, or phased implementation would better reflect the realities of small housing providers while still meeting the City's regulatory goals.

E. The Fee Allocation Structure Creates a Constitutional Imbalance That Must Be Addressed

A particularly significant concern under Jacks v. City of Santa Barbara is whether the ordinance's fee allocation structure places the Registry's full financial burden on housing providers, even though the program is designed to benefit tenants.

If the Draft Ordinance contemplates that tenants share the cost of the Registry — through a 50/50 split or similar mechanism — but places sole legal responsibility for payment on housing providers, then landlords end up bearing the entire cost any time a tenant fails or refuses to pay their share. This is not a theoretical risk: tenants may dispute the charge, decline to pay, or simply be judgment-proof, leaving housing providers with no practical way to recover the shortfall.

Under Jacks, a regulatory fee must bear a reasonable relationship to the regulatory burdens created by the people who pay it. A fee structure that nominally splits the cost with tenants, but in practice guarantees that housing providers absorb 100 percent of it regardless of whether tenants pay, does not meet that standard. The Registry is presented as a program that primarily benefits tenants by stabilizing rents; if the party that benefits most bears little or none of the guaranteed cost while the regulated party bears all of it, the allocation is constitutionally suspect.

I respectfully ask the City to address this imbalance directly by (1) assigning the full fee obligation to housing providers and adjusting the amount to reflect that the program also serves purposes that benefit housing providers; (2) establishing a direct tenant billing mechanism administered by the City, so that housing providers are not made guarantors of tenant obligations; or (3) providing housing providers with a legally effective pass-through remedy — with defined collection procedures and consequences for nonpayment — that meaningfully shifts cost responsibility to tenants where the program design contemplates shared costs. Absent one of these approaches, the current structure may not survive scrutiny under Jacks and related California constitutional law.

F. Adequate Time for Public Review Should Be Provided

I respectfully ask that the completed fee study be released well in advance of any adoption hearing, to allow for meaningful review and comment. A robust public record — built before, not after, adoption — will strengthen the ordinance's legal foundation and public confidence in the City's process.

II. THE PROPOSED RENTAL REGISTRY RAISES SIGNIFICANT PRIVACY, DATA SECURITY, AND PUBLIC TRANSPARENCY CONCERNS

A. The City Should Clearly Demonstrate Why Each Category of Information Is Necessary

The Draft Ordinance would require housing providers to submit substantial personal and financial information to a centralized, City-administered Registry. California recognizes privacy as a fundamental constitutional right, and because participation would be mandatory, the City should demonstrate that the information collected is no broader than reasonably necessary to administer the program, and that less intrusive alternatives were considered. For each required data element, I respectfully ask the City to identify its specific purpose, how it will be used, who will have access to it, whether it will be shared with outside agencies or contractors, and how long it will be retained.

B. Cybersecurity Protections Must Be Established Before Participation Is Compelled

A centralized database containing sensitive information about thousands of rental properties and housing providers is an attractive target for increasingly sophisticated cyber threats. The City should publicly identify the safeguards that will be in place before compelling participation, including at minimum:

- Encryption of stored and transmitted data;
- Multi-factor authentication for authorized users;
- Role-based access controls limiting who may view sensitive information;
- Audit logs documenting access;
- Independent cybersecurity assessments and regular penetration testing;
- Incident response procedures; and
- Employee cybersecurity training and ongoing monitoring.

C. Data Breach Notification and Responsibility Should Be Clearly Addressed

The Draft Ordinance does not say how housing providers would be notified if Registry information were compromised. It should clearly identify who investigates a breach, the notification timeline, what information will be provided to affected individuals, what corrective action will be taken, and how the City will assist those whose information is disclosed without authorization.

D. Public Records Act Treatment of Registry Data Should Be Defined

Housing providers should not be left guessing whether personal information they are legally compelled to submit might later be disclosed through a public records request. The City should clearly identify which categories of Registry information will be treated as confidential, the statutory basis for that protection, the procedures the City will follow when responding to California Public Records Act requests involving Registry data, and whether housing providers will receive notice before potentially protected information is released.

E. Clear Data Retention and Disposal Policies Are Needed

The Draft Ordinance does not specify how long Registry information will be kept or when it will be securely destroyed. Retaining information indefinitely increases both administrative cost and cybersecurity risk. The City should adopt written policies covering retention periods, secure destruction methods, procedures for correcting inaccurate records, and periodic review of what information is still necessary.

F. A Comprehensive Privacy and Data Governance Policy Should Be Published Before Adoption

The Rental Registry is a significant new governmental program that would require housing providers to disclose information they would not otherwise share with the City. I respectfully ask that the City publish a comprehensive Privacy and Data Governance Policy before adopting the ordinance — one that addresses the information collected, the legal authority for collecting it, permissible uses, cybersecurity safeguards, records retention schedules, data sharing practices, Public Records Act procedures, and housing providers' rights to review and correct inaccurate information. Providing this framework before implementation will allow for meaningful public review and build confidence that sensitive data will be handled responsibly.

III. THE PROPOSED RENT ADJUSTMENT FORMULA AND BASE RENT FRAMEWORK RAISE FAIR RETURN AND ECONOMIC CONCERNS

A. The Proposed Annual Adjustment May Not Reflect Actual Operating Costs

The Draft Ordinance would cap annual rent adjustments at 60 percent of CPI, not to exceed 3 percent, absent additional relief through administrative procedures. Many of the costs small housing providers actually face — property insurance, utilities, maintenance labor, materials, contractor costs, compliance costs, and reserves for capital improvements — may rise at rates very different from this formula. If allowable adjustments consistently fall behind documented cost increases over time, some housing providers may struggle to maintain their properties, fund necessary repairs, or earn a reasonable return. I respectfully ask the City to explain the factual basis for this formula and to show how it concluded the formula will support financially sustainable operations over time.

B. The Fixed 2025 Base Rent Date May Produce Inequitable Results

A single historical date is administratively convenient, but it will not fairly capture every owner's circumstances. An owner may have voluntarily held off on rent increases to help a long-term tenant, gone through an extended vacancy, completed significant repairs before setting rent, rented below market for personal or economic reasons, or inherited an existing tenancy at an unusually low rate. Permanently locking in that historical rent may not accurately reflect the property's real long-term operating economics. I respectfully ask that the ordinance include a clearly defined procedure allowing housing providers to show that unusual circumstances affected their established Base Rent, and to request an individualized adjustment where appropriate.

C. A Meaningful Fair Return Process Is Essential

California courts have long held that rent regulation must leave housing providers a meaningful opportunity to earn a fair return on their investment. Whether this ordinance succeeds depends not only on the annual adjustment formula, but on whether the fair return process delivers timely, practical relief when it's warranted. I respectfully ask that the ordinance clearly establish objective evaluation standards, reasonable filing requirements, affordable filing costs, defined decision timelines, written findings, and meaningful administrative and judicial review. A fair return process that is overly complex, prohibitively expensive, or subject to indefinite delay is not a real remedy.

D. The Economic Analysis Supporting the Formula Should Be Made Public

The materials released so far do not explain how the 60 percent CPI formula and 3 percent cap were chosen, or whether other approaches were considered. Before adopting the ordinance, I respectfully ask the City to publish any studies, financial analyses, consultant reports, or economic modeling it relied on in selecting the adjustment formula, the Base Rent framework, and the anticipated long-term impact on Santa Barbara's rental housing market. If that analysis hasn't been done yet, I'd encourage the City to complete it before enacting permanent regulations affecting thousands of rental units.

E. Long-Term Housing Stability Depends on Financial Sustainability

Real housing stability requires both stable tenancies and a financially sustainable rental market. Small housing providers play an important role in maintaining Santa Barbara's housing supply, and policies that unintentionally undercut the financial viability of owning and maintaining rental housing risk discouraging reinvestment, accelerating deferred maintenance, or pushing owners out of the long-term rental market altogether. I respectfully ask the City to carefully weigh whether the proposed rent adjustment framework strikes the right balance between tenant stability and the financial sustainability needed to preserve the City's rental housing stock.

IV. THE ORDINANCE RAISES ADDITIONAL CONSTITUTIONAL CONCERNS THAT SHOULD BE ADDRESSED BEFORE ADOPTION

A. The Ordinance Must Be Consistent with the Ellis Act

California's Ellis Act (Gov. Code § 7060 et seq.) protects a rental property owner's right to exit the residential rental market, and it limits how far a local government can go in compelling owners to keep offering units for rent or conditioning that exit right in ways that effectively discourage its use.

Before adopting the ordinance, the City should clearly address whether any of its provisions — including ongoing registration fees, penalties, relocation obligations, or administrative requirements — would apply to, or impose costs on, owners who have initiated or completed the Ellis Act process. Provisions that effectively penalize the exercise of Ellis Act rights, or that create ongoing financial obligations for owners who have lawfully withdrawn units from the rental market, may be preempted by state law.

I respectfully ask that the City publish a legal analysis confirming that the ordinance, as drafted, does not conflict with the Ellis Act and will not be applied in a way that burdens the lawful exercise of state-protected withdrawal rights.

B. The Ordinance Must Not Effectuate an Uncompensated Regulatory Taking

The Takings Clauses of the United States and California Constitutions (U.S. Const., amend. V and XIV; Cal. Const., art. I, § 19) bar the government from imposing regulation that goes so far it amounts to a taking of private property without just compensation. The fair return doctrine discussed in Section III addresses one piece of this, but regulatory takings analysis is broader — it looks at the regulation's economic impact, how far it interferes with reasonable investment-backed expectations, and the character of the government action.

Rent stabilization ordinances are not automatically immune from takings challenges. Where the combined effect of rent limits, administrative requirements, registration fees, relocation obligations under the City's existing just cause eviction ordinance, and restrictions on an owner's ability to recover possession of their property pushes the investment's economic value below a constitutionally permissible threshold, a taking can be established.

I respectfully ask the City to publish a legal analysis evaluating whether the ordinance, considered together with the City's existing housing regulations, is consistent with Takings Clause principles — and to make that analysis available for public review before adoption.

C. Retroactive Application of the 2025 Base Rent Raises Substantive and Procedural Due Process Concerns

The Draft Ordinance sets a fixed Base Rent using rents in effect during 2025. That framework is retroactive by design: it permanently caps rent at a historical level that was set before any housing provider had notice it would become a regulatory baseline.

That raises two distinct constitutional concerns. First, as a matter of substantive due process, a regulation that permanently locks in a property owner's income at a historical level — without notice, and without regard to the owner's actual operating costs or investment expectations at the time that rent was set — may not bear a sufficient relationship to a legitimate government purpose to survive constitutional scrutiny. Second, as a matter of procedural due process, owners are entitled to adequate notice and a chance to be heard before the government imposes permanent, binding limits on their economic rights.

An owner who set a below-market rent in 2025 for personal, economic, or charitable reasons — with no idea the City would later freeze that amount as a permanent regulatory ceiling — has effectively lost any meaningful opportunity to adjust their conduct before the rule took effect. Applying that baseline retroactively, without individualized relief for owners who can show material prejudice, raises serious constitutional questions.

I respectfully ask the City to publish a legal analysis addressing these concerns, and to include in the ordinance a clearly defined petition process allowing owners to show that the 2025 Base Rent does not fairly reflect their property's operating economics — with a meaningful standard of review and a realistic path to relief.

V. THE ADMINISTRATIVE HEARING AND APPEALS PROCESS SHOULD INCLUDE ADDITIONAL PROCEDURAL SAFEGUARDS

A. Hearings Should Be Conducted by an Independent Decision-Maker

The Draft Ordinance would create a new administrative system to handle rent adjustments, petitions, fee disputes, compliance determinations, and enforcement actions. Because these decisions can carry real financial consequences for both housing providers and tenants, the City should clearly identify who will hear disputes and how impartiality will be maintained. I respectfully ask that contested matters — including fair return petitions, Registry fee disputes, and enforcement actions — be heard by an independent hearing officer or similarly neutral decision-maker. Separating investigative, enforcement, and adjudicative functions helps ensure decisions are made objectively and are seen as fair by everyone involved.

B. Clear Hearing Procedures Should Be Established

At minimum, the ordinance should spell out required notice periods before hearings; procedures for submitting documents and evidence; opportunities for both sides to present testimony; how credibility disputes will be resolved; whether hearings will be recorded; and the legal standards that will govern administrative decisions. Clearly defined procedures promote consistency and cut down on uncertainty for everyone involved.

C. Timely Decisions Are Essential

The Draft Ordinance should set reasonable timelines for acknowledging petitions, determining whether applications are complete, scheduling hearings, issuing written decisions, and resolving administrative appeals. Without predictable timelines, housing providers and tenants alike face prolonged uncertainty about their legal rights and financial obligations.

D. Written Decisions Should Explain the Basis for Determinations

Every decision issued under the ordinance should include written findings explaining the relevant facts, the evidence considered, the applicable provisions, and the reasoning behind the final determination. Written findings promote transparency, support consistent decision-making, and help affected parties understand why the City acted as it did.

E. Fee Disputes Should Be Subject to Administrative Review Before Collection

The ordinance should set out a clear administrative procedure allowing housing providers to challenge the calculation or assessment of Registry fees, penalties, or other charges before collection efforts begin. Giving owners a chance to seek review before enforcement promotes fairness and may reduce unnecessary litigation.

F. Appeal Rights Should Be Clearly Explained

The ordinance should clearly spell out what decisions may be appealed, applicable deadlines, required filing procedures, standards of review, and whether further judicial review is available under California law. Clear appeal procedures benefit housing providers and tenants alike by reducing confusion and encouraging orderly dispute resolution.

VI. THE ORDINANCE SHOULD BE SUPPORTED BY AN ADEQUATE EVIDENTIARY RECORD

A. Major Regulatory Decisions Should Rest on Clear Findings

The proposed Residential Rent Stabilization Ordinance is one of the most significant changes to Santa Barbara's rental housing regulation in decades. Public confidence grows when major policy decisions come with clear factual findings explaining why the chosen approach is necessary, how it was developed, and what outcomes the City reasonably expects it to produce.

B. The City Should Explain the Conditions the Ordinance Is Intended to Address

I respectfully ask the City to identify the evidence behind its conclusions, including the number of households experiencing rent increases the City considers excessive; the extent of involuntary displacement attributable to rent increases; trends in tenant turnover and vacancy rates; rental affordability data specific to Santa Barbara; and any other information showing that the proposed framework is properly tailored to local conditions.

C. The City Should Explain Why the Selected Policy Tools Were Chosen

For each major policy choice — the 60 percent CPI formula, the 3 percent cap, the Base Rent framework, the Rental Registry, annual fees, petition procedures, pass-through limitations, and enforcement mechanisms — I respectfully ask the City to explain why that provision was chosen, what alternatives were considered, and what evidence supports the conclusion that it will effectively achieve the City's objectives.

D. Potential Unintended Consequences Should Be Evaluated

Thoughtful policymaking weighs foreseeable unintended consequences as well as anticipated benefits. I respectfully ask the City to evaluate whether the ordinance could affect long-term investment in existing rental housing; maintenance and rehabilitation of older properties; participation by small housing providers; the availability and overall supply of long-term rental housing; the status of unpermitted or legally nonconforming units and the associated risk of tenant displacement; and administrative costs for both the City and regulated parties.

E. Supporting Studies and Alternative Approaches Should Be Disclosed

If the City has relied on consultant reports, economic analyses, financial models, legal memoranda, or housing market studies in developing the Draft Ordinance, I respectfully ask that those materials be made publicly available before final adoption. Meaningful public participation depends on access to the information behind major policy decisions. I also respectfully ask the City to explain whether it evaluated alternatives that might accomplish similar housing goals with fewer regulatory burdens — such as targeted rental assistance, incentives for preserving naturally affordable housing, programs encouraging voluntary long-term tenancies, or expedited permitting and zoning reforms to expand housing supply.

F. The City Should Evaluate Whether Income Targeting Would More Efficiently Achieve the Ordinance's Goals

As written, the Draft Ordinance would extend rent stabilization protections to all covered tenants regardless of income — a high-earning household in a stabilized unit gets the same protection as a lower-income household genuinely at risk of displacement. Universal application is simpler to administer, but it also directs a significant share of the regulatory burden, and its economic costs, toward protecting tenants who may not need protection.

I respectfully ask the City to explain whether it evaluated income-targeted or means-tested alternatives — such as limiting stabilization protections to households below a defined area median income threshold, or pairing universal stabilization with enhanced assistance for the most vulnerable tenants. Understanding whether such alternatives were considered, and why the current approach was preferred, would help the public evaluate whether the ordinance is properly calibrated to the problem it aims to solve.

G. The Ordinance Should Include a Mandatory Review and Sunset Provision

The Draft Ordinance does not appear to include a mandatory review period or sunset provision requiring the City to assess whether it is actually achieving its stated goals. For a regulatory program of this scope, that kind of provision isn't just good governance — it's essential accountability.

I respectfully ask that the ordinance require the City to conduct and publish a comprehensive review of its effects no later than three to five years after adoption — assessing whether it has reduced involuntary displacement; affected the overall supply, quality, and availability of rental housing; kept the fee structure appropriately calibrated; disproportionately burdened small housing providers; and whether any provisions should be amended, suspended, or repealed based on actual experience.

A sunset or mandatory review provision signals the City's commitment to evidence-based governance and provides an orderly way to adjust the framework if experience reveals unintended consequences. Leaving it out suggests that, once adopted, the ordinance will stay in place regardless of its actual effects — a result that should concern tenants and housing providers alike.

VII. THE ORDINANCE SHOULD MORE FULLY ADDRESS ITS IMPACT ON SMALL HOUSING PROVIDERS

A. The Cumulative Administrative Burden Warrants Careful Consideration

The Draft Ordinance creates several new administrative responsibilities: annual registration, recurring fees, reporting requirements, recordkeeping, notice compliance, participation in administrative proceedings, and ongoing monitoring of regulatory changes. Each requirement may look modest on its own, but together they add up to a significant increase in administrative responsibility — especially for owners who personally manage just a few units. I respectfully ask the City to estimate the anticipated annual time and financial cost of compliance for small housing providers and include that analysis in the administrative record.

B. The City Should Evaluate Potential Effects on Housing Supply

Preserving and expanding the long-term supply of rental housing should be a central goal of housing policy. I'd encourage the City to consider whether the cumulative financial and administrative obligations of the ordinance could influence ownership decisions — including selling rental properties, converting units to owner occupancy, reducing investment in rental housing, postponing improvements, or choosing not to acquire or develop additional rental housing. Understanding these potential market responses will help the City assess whether the ordinance is likely to advance its long-term housing goals.

C. The Ordinance Should Include Provisions Specifically Designed for Small Housing Providers

Many California jurisdictions recognize that owners of a few rental units operate under very different conditions than institutional landlords. I respectfully ask the City to consider whether the ordinance should include reduced annual registration fees for small housing providers, simplified reporting requirements, streamlined petition procedures, additional technical assistance, extended implementation periods where appropriate, and other accommodations that ease unnecessary burdens without compromising the ordinance's goals.

D. Mandatory Registration May Inadvertently Displace the Tenants the Ordinance Is Designed to Protect

One of the most significant, and least examined, risks in the Draft Ordinance is its potential impact on unpermitted and legally nonconforming rental units. Like many California cities, Santa Barbara has a meaningful number of units operating outside the formal permitting framework — pre-code accessory dwelling units, garage conversions, in-law units, and similar arrangements. These units frequently house lower-income tenants at below-market rents, often through longstanding informal tenancies.

Mandatory registration puts owners of such units in a difficult position. Registering an unpermitted unit could expose the owner to code enforcement action, permit violations, required retrofitting costs, or demands to legalize or remove the unit entirely. Faced with that prospect, many owners will rationally decide it's safer to end the tenancy and take the unit off the market before the registration deadline. The result would be the involuntary displacement of the very tenants — often long-term, lower-income residents — that rent stabilization is meant to protect.

This isn't a hypothetical concern. Experience in other jurisdictions that rolled out rental registries without addressing unpermitted units shows that mandatory disclosure can trigger exactly this outcome. The City shouldn't assume existing code enforcement discretion is a sufficient safeguard; a structured registration program creates systematic pressure that ad hoc enforcement doesn't.

I respectfully ask that before adopting the ordinance, the City:

- Conduct and publish an analysis estimating the number of unpermitted or legally nonconforming rental units that would be subject to the Registry;
- Evaluate the likely behavioral response of owners of such units to mandatory registration;
- Assess the risk of tenant displacement from registration-driven unit removal;
- Consider whether a safe harbor, amnesty period, or deferred registration pathway could encourage legalization instead of displacement; and
- Determine whether the ordinance should explicitly address unpermitted units in a way that prioritizes preserving existing tenancies over triggering their termination.

Leaving this issue unaddressed before adoption risks producing an ordinance that, in practice, shrinks the supply of affordable rental housing and displaces vulnerable tenants — the opposite of what it's meant to do.

E. The Ordinance Should Be Evaluated in Light of the City's Existing Just Cause Eviction and Relocation Assistance Requirements

Santa Barbara has already enacted a just cause eviction ordinance with mandatory relocation assistance obligations, which impose significant financial burdens on housing providers in their own right — burdens that exist alongside, and compound, the requirements of the proposed rent stabilization ordinance.

The City shouldn't evaluate the rent stabilization ordinance in isolation. The combined effect of rent limits, mandatory registration fees, compliance and administrative costs, just cause eviction restrictions, and relocation assistance obligations is the real regulatory burden that housing providers — particularly small owners working with thin margins — will face. A provider managing just a few units may find that the cumulative weight of these overlapping frameworks makes continued rental operations economically untenable, even if no single requirement would be a problem on its own.

I respectfully ask the City to prepare and publish an analysis of the cumulative financial impact on small housing providers of the proposed rent stabilization ordinance considered together with the existing just cause eviction and relocation assistance requirements. That analysis should model the combined effect across a range of typical ownership scenarios — including properties with long-term tenants at below-market rents, recently acquired properties, and properties with significant deferred maintenance needs — and should be made publicly available before adoption.

F. The Ordinance Should Establish a Financial Hardship Exemption for Small Housing Providers

The Draft Ordinance does not appear to include any mechanism allowing a housing provider to seek temporary relief from rent limitations based on demonstrated financial hardship. That gap matters most for small owners who, unlike institutional investors, can't absorb extended periods of below-market returns by reallocating resources across a larger portfolio.

Many California rent stabilization ordinances include a financial hardship or temporary exemption process that lets owners demonstrate, through verified financial documentation, that strict application of rent limits would prevent them from maintaining the property, meeting debt service, or earning a minimally adequate return. Provisions like this don't undermine rent stabilization — they guard against its most severe unintended consequences and help preserve the long-term viability of small-scale rental housing.

I respectfully ask that the ordinance include a clearly defined financial hardship petition process for small housing providers, with objective standards, reasonable filing requirements, defined timelines, and written findings. A provision like this would meaningfully reduce the risk that the ordinance pushes small housing providers out of the rental market, and would strengthen the long-term durability of the regulatory framework.

G. Plain-Language Guidance on Exemptions Should Be Provided

The Draft Ordinance contains several exemptions and references to state law that may be hard for individual property owners to interpret without legal help. To improve compliance and reduce confusion, I respectfully ask the City to publish plain-language guidance explaining which properties are exempt, how owners can verify exempt status, what documentation may be required, procedures for resolving exemption disputes, and examples showing how common ownership situations will be treated.

VIII. SUMMARY OF REQUESTED REVISIONS

For the reasons discussed above, I respectfully ask the City Council to consider the following revisions before adopting the proposed Residential Rent Stabilization Ordinance.

A. Increase Transparency and Strengthen the Evidentiary Record

- Publish the complete fee study supporting the proposed Rental Registry fee structure.
- Demonstrate that the Registry fee allocation does not unconstitutionally shift the full financial burden to housing providers — in particular, address the risk that landlords will bear 100 percent of the fee cost when tenants fail to pay their share, contrary to the principles of Jacks v. City of Santa Barbara.
- Publish a legal analysis confirming the ordinance does not conflict with the Ellis Act, and will not impose fees, penalties, or ongoing obligations on owners who have lawfully withdrawn units from the rental market.
- Publish a legal analysis evaluating whether the ordinance, considered alongside the City's existing just cause eviction and relocation assistance requirements, is consistent with applicable Takings Clause principles.

- Address the substantive and procedural due process concerns raised by retroactive application of the 2025 Base Rent, and ensure a meaningful individualized petition process is available to owners who can demonstrate material prejudice.
- Publish any consultant reports, economic analyses, fiscal studies, legal analyses, or housing market studies relied upon in developing the ordinance.
- Explain the factual basis for the 60 percent CPI formula, the 3 percent annual cap, and the Base Rent framework.
- Publish an analysis evaluating anticipated impacts on housing providers, tenants, and the long-term supply of rental housing.
- Prepare and publish a cumulative financial impact analysis evaluating the combined effect of the rent stabilization ordinance and the City's existing just cause eviction and relocation assistance requirements on small housing providers.
- Explain whether income-targeted or means-tested alternatives were evaluated, and why universal application was chosen over approaches more precisely calibrated to households at genuine risk of displacement.
- Include a mandatory review and sunset provision requiring a comprehensive evaluation of the ordinance's effects within three to five years of adoption.
- Establish a financial hardship petition process for small housing providers, with objective standards, defined timelines, and written findings.
- Allow sufficient time for meaningful public review and comment after these materials are released.

B. Strengthen Privacy and Cybersecurity Protections

Before requiring mandatory Registry participation, the City should adopt clear written policies addressing what information will be collected and why each element is necessary; who may access Registry information; cybersecurity standards, encryption, and access controls; independent cybersecurity testing; breach notification procedures; data retention schedules; procedures for correcting inaccurate records; and protection of confidential information from inappropriate public disclosure.

C. Evaluate and Address Economic Impacts

The City should prepare and publish an analysis evaluating the cumulative financial impact of the ordinance on small housing providers; the risk that mandatory registration will cause owners of unpermitted or legally nonconforming rental units to terminate tenancies and remove units from the rental market — displacing the very tenants the ordinance is designed to protect; anticipated effects on property maintenance and reinvestment; potential impacts on long-term rental housing supply; and administrative compliance costs. The City should also evaluate whether a safe harbor or amnesty period for unpermitted units could encourage legalization rather than displacement.

D. Strengthen Fair Return Protections

The ordinance should clearly establish a fair return process that is timely, transparent, and practically accessible — including objective evaluation standards, reasonable filing requirements, affordable costs, defined decision timelines, written findings, and meaningful opportunities for administrative and judicial review.

E. Improve Administrative Procedures and Due Process

The ordinance should clearly establish independent administrative decision-makers; transparent hearing procedures; defined notice requirements; written findings; predictable timelines for hearings and appeals; procedures for reviewing disputed fees before collection; and clearly defined appeal rights. The City should also consider simplified reporting requirements, reduced filing burdens for small housing providers, clear guidance documents, and reasonable implementation timelines.

F. Continue Meaningful Public Engagement

Given the significance and complexity of the proposed ordinance, I'd encourage the City to keep engaging with tenants, housing providers, neighborhood organizations, housing professionals, and other community members before adopting final regulations. A transparent, collaborative process will produce a better ordinance and broader public confidence in its implementation.

IX. CONCLUSION

Thank you for the opportunity to comment on this important proposal.

I recognize the City faces real challenges in promoting housing affordability and stability, and I appreciate the effort that elected officials, City staff, tenants, housing providers, and community members have put into this process.

The proposed Residential Rent Stabilization Ordinance is one of the most consequential regulatory changes to affect Santa Barbara's rental housing market in decades. For it to achieve its goals durably and fairly, it needs to rest on a thorough evidentiary record, be carefully evaluated for its economic and administrative impacts, and be implemented with appropriate procedural safeguards.

Throughout these comments, I've tried to identify where additional analysis, clarification, or revision would strengthen the ordinance. The concerns are real, but they're also addressable. A fee structure that holds up under Proposition 26 and Jacks; a legal record confirming compliance with the Ellis Act and the Takings Clause; due process protections for owners whose rents were frozen without prior notice at a 2025 baseline; an honest accounting of the cumulative burden this ordinance places on small housing providers already subject to the City's just cause eviction and relocation assistance requirements; privacy and cybersecurity protections in place before sensitive data is collected; a candid evaluation of the risk this ordinance poses to tenants in unpermitted units; a financial hardship process that prevents the worst unintended consequences for small owners; and a mandatory review provision that holds the City accountable to the outcomes it has promised — none of these asks are unreasonable, and every one of them would produce a better ordinance.

Santa Barbara benefits from a diverse rental housing community that includes tenants, nonprofit providers, affordable housing organizations, individual property owners, and larger institutional owners. Long-term housing stability depends on policies that encourage continued investment in safe, well-maintained rental housing while providing reasonable protections for tenants. Those goals aren't in conflict — but getting there requires getting this ordinance right.

I respectfully urge the City Council to take the time needed to carefully weigh the issues raised during the public review process, strengthen the administrative record where appropriate, and revise the ordinance before adoption. Thoughtful refinements now will produce a more durable, effective, and broadly supported ordinance than moving forward before these important questions have been fully addressed.

Thank you again for your consideration of these comments and for your service to the Santa Barbara community.

Respectfully submitted,

Thomas Salman

Nethery Family, LLC

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

Re: Public Comment on the June 10, 2026 Public Review Draft Residential Rent Stabilization Ordinance

Dear Mayor Rowse, Santa Barbara City Council Members and City Staff,

My name is Alyson Nethery. My two sisters and my husband and I are a small, independent property owner of one eight-unit residential building in the City of Santa Barbara.

On behalf of my family, I am writing to express my strong opposition to the proposed permanent Rent Stabilization Ordinance (RSO) as it is proposed. While I appreciate the City's commitment to housing affordability and tenant stability, this local policy as proposed will harm independent housing providers, and eventually reduce the quality and availability of local housing.

I urge you to vote against this ordinance as it stands based on the following critical issues that are of great concern to my family:

- **3% / 60% CPI Cap:** This limited rent increase does not allow for a reasonable rate of return, as CPI plus this amount might allow. A cap like this on rent increases will never generate a fair rate of return. The proposed cap (60% of CPI or 3%, whichever is lower) does not account for the rapidly rising costs that small property owners face, especially in an expensive City such as Santa Barbara. Property insurance and taxes, utility rates, and contractor fees for routine maintenance, as well as property improvements, are rising far faster than 3% annually. This restriction makes it financially unsustainable (especially since we have never raised our rents on a regular basis) to maintain a 106 year old residential building such as ours, plus build a reserve for future repairs. This will eventually reflect in the safety and comfort of our tenants when we can no longer afford to maintain our building.
- **Complicated Rental Registry:** Forcing small property owners to register details with a mandatory Rental Registry creates administrative red tape for owners. We manage our property ourselves, we do not have the ability or finances to hire a technical or legal team to assist us with this complex registry. Nor should we have to take our time and energy to navigate the minutiae of it. The Rent Registry also violates the Constitutional Right to Financial Privacy, it requests information that is not public record. As retirees, it is frightening to know that our private information (our tenant's as well!) may be available to be scrutinized, leaving all of us even more vulnerable to possible scammers, hackers. and fraud. There exists another conflict with the Registry. If owners of unpermitted units are also required to register, they are facing code

violation enforcement, costly fines, possibly demolition of the units. Or, make the difficult decision to remove these units from the market, displacing the tenants.

- **Impartial? Rent Stabilization Board:** Creating an entirely new (and possibly not impartial) seven- member bureaucratic board adds municipal overhead to an issue already regulated by California's strict statewide tenant protection laws (AB 1482). In addition, the Program Administrator of this board, who will then appoint the "hearing officer" (the decision maker on petitions and appeals), will not be an independent judge, attorney, or a mediator agreed on by all parties, therefore a person who may or may not be neutral, and may wield power without much guidance.
- **The costs are significant to run the program as it is proposed:** At approximately two million dollars to run this program yearly, it appears that City Council would like the entire cost to fall on the housing providers. $154 per unit yearly was estimated by city staff to achieve cost recovery for the program. The ordinance states that 50% could be recouped from tenants (if they are willing to "opt" in to this 50%). But how does that work if the 50% is not considered "rent". How can this be collected, by a separate invoicing? Burdensome to both the tenant and the landlord, and who could blame tenants if they refused to be a part of this. Can the City Council with its huge budget deficit help with this program? It appears that they have their own financial burdens, and never ending requests for more funding from the city.
- **Harm to Independent Small Property Owners:** Unlike large corporate firms, small independent property owners depend on predictable rental income to pay local mortgages, utilities, property taxes, and to fund necessary capital improvements, maintenance, or repairs. Independent property owners are not able to spread out their losses over many units, as larger corporations or REIT's are able to do. Without dependable income and the ability to make improvements, ultimately this ordinance will force the small owners to exit the market, which will then shrink the affordable rental supply.
- **More Housing:** If the City wants more people to be able to move into Santa Barbara with affordable housing, it is up to the City to fast track positive ways to increase that housing. The geography of Santa Barbara ultimately limits the amount of area available, as does the yearly fluctuation of available water. But if the City wants to encourage more people, it needs to continue to ease the red-tape and soften the permitting processes, zoning regulations, and make available more tax incentives for builders, encouraging more creative housing. This is where City Council should be

focusing their efforts, rather than confiscating control of the small, privately owned existing rental housing.

We will not embrace this ordinance as it exists, but we are not opposed to the City Council crafting a more reasonable Rent Stabilization Ordinance, an ordinance "that is legally defensible, administratively workable, respectful of constitutional protections, and capable of achieving its housing goals without creating unintended consequences". Pushing the RSO through as it exists will cause far reaching consequences that will not be what the City Council intended for the tenants or the independent property owners of Santa Barbara.

I respectfully ask the City to please revise the RSO, "to build out a more complete factual record where needed, and revise the ordinance before final adoption. Doing so will reduce legal uncertainty, strengthen public confidence, and put the City in a stronger position to achieve its housing objectives while avoiding unnecessary disputes and market disruption."

My family is facing an alarming future with this proposed ordinance as it stands. We are weighing our option to "cut and run", to sadly sell what was meant to assist my family in their retirements. My husband and I worked hard, and yes have also struggled, to live in Santa Barbara. What can this City Council do to help make this less detrimental for the "Mom and Pops"? I'm pleading you to revise the RSO as it is currently proposed.

Thank you very much for reading this,

Alyson Nethery and family

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Mayor Rowse & Members of the Council,

I am writing as a constituent and as a tenant in her third year of a volatile housing conflict rooted in the Ellis Act. I am deeply concerned about the fundamental flaws in the draft Ellis amendment to our Just-Cause Ordinance. Out of necessity for my own survival, I have had to become intimately familiar with the State's Ellis Act legislation, not as a legal professional, but as a tenant whose very home and survival, has depended on understanding it. I have lived its consequences and have fought to ensure fidelity to State Law both in the courtroom and on this council floor. **As drafted, our Ellis provisions will harm tenants, penalize small property-owners, and accelerate the loss of Santa Barbara's Naturally-Occurring Affordable Housing (NOAH).**

The City Attorney's Office has framed rent stabilization and the Ellis Act as "separate issues." Yet the proposed Ellis amendments are derived from portions of State Law that apply *specifically and only* to rent-controlled jurisdictions, demonstrating that the two are more closely intertwined than that characterization suggests. The Ellis Act is often portrayed as a landlord-rights statute, but it is actually a carefully balanced statutory framework that pairs an owner's right to withdraw rental housing with corresponding protections for displaced tenants and the preservation of affordability. **The Legislature recognized that if property owners retain the constitutional right to exit the rental housing business, displaced tenants require corresponding protections to prevent withdrawals from becoming a mechanism for permanently circumventing rent stabilization.** The two are not separate systems; they are parts of the same legislative bargain. Santa Barbara's proposal imports selected provisions from that bargain while leaving others behind.

The proposed Ellis ordinance borrows selectively from Government Code incorporating a five-year withdrawal restriction, but without the accompanying statutory protections governing what happens, if and when withdrawn units are returned to the rental market. These statutory provisions were designed to both protect tenants from unjust displacement for profit, and preserve affordable housing stock and are an essential component of any meaningful community stabilization plan. **The State's legislative structure reflects a deliberate balance between an owner's right to exit the rental business and corresponding obligations designed to ensure accountability to displaced tenants, preserve affordability and to prevent permanent deregulation of rent-regulated housing. The City's draft incorporates the landlord's exit mechanism, but omits key provisions that preserve that balance when withdrawn units return to the rental market.**

I am hard-pressed to see this as a mere technical drafting "oversight", nor do I find it credible that these omissions were allowed in the spirit of being "more protective" than State Law. **The consequences are profound. The ordinance, as drafted, will determine whether Ellis withdrawals remain a temporary exit from the rental market or become a permanent pathway to tenant displacement, deregulation, and the continued erosion of Santa Barbara's remaining Naturally Occurring Affordable Housing (NOAH).**

So what then, was the purpose of including the five-year withdrawal restriction in the absence of any regulatory mechanism to ensure the rights of displaced tenants, and preserve affordability upon the eventual return to the rental market?

Under the State's statutory scheme, the five-year regulatory window is not merely a waiting period: It is a five-year period during which rent regulation continues to attach to the unit, if the withdrawn units return to the rental market, by current or subsequent owner. The City's draft imports the timeline while omitting the provisions that give that timeline its purpose. A five-year waiting period, standing alone, does not stop deregulation - It merely postpones the moment it happens.

The State coupled Ellis withdrawal rights with re-rental rights, rent restrictions, notice requirements, and enforcement mechanisms because it recognized that otherwise the Ellis Act can and would be used to displace tenants for profit, and remove rent-stabilized housing from the regulated market permanently.

As drafted, this ordinance regulates the timing of deregulation, but not deregulation itself. By imposing an absolute five-year prohibition on returning withdrawn units to the rental market - without preserving the accompanying rent regulation that exists under the State's framework - the ordinance creates an economic advantage for well-capitalized investors and developers. Unlike many small "mom and pop" owners, they are far better positioned to acquire withdrawn properties, absorb years of carrying costs, and wait for the restriction to expire before returning units to the market at whatever rate the market will bear. **The result is not simply tenant displacement; it is the gradual, permanent transformation of Santa Barbara's Naturally Occurring Affordable Housing (NOAH) into unaffordable market-rate housing, irreversibly altering our housing landscape, forever.** The decisions you make here stand to shape our community to the detriment of both working tenants and small, local, property owners, for generations.

The justice and fairness of a policy cannot be measured solely by the process through which an ordinance is adopted. It must also be measured by the community that ordinance impacts and leaves behind. **Is this the true spirit and legacy of "THE SANTA BARBARA WAY" - One**

that places the interests of speculative investment above community stewardship and the preservation of *our* remaining Naturally Occurring Affordable Housing (NOAH)?

Dear Members of the City Council and Rent Stabilization Board,

Thank you for the opportunity to provide comments on the proposed Residential Rent Stabilization Ordinance and Just Cause amendments.

We are local small business owners and have owned and operated multiple residential rental properties in Santa Barbara for the past ten years. We live in this community, our tenants are our neighbors, and we have a direct, long-term stake in Santa Barbara's future. We are not an out-of-town investment fund; we are the kind of small, local housing provider these ordinances will affect most directly.

After reviewing the draft ordinances, I believe several provisions should be revised before adoption. The City has emphasized creating a fair and balanced program, and I respectfully ask that the final ordinances better reflect those principles.

Why rent control will not solve Santa Barbara's housing challenges

Santa Barbara's housing shortage is driven by geography and regulation — limited buildable land, coastal development constraints, and a slow entitlement process — not by existing landlords charging market rents. Rent control does not add a single new unit of housing; it only redistributes who benefits from the units that already exist, and it does so in ways that tend to backfire:

- The best available research on rent control's real-world effects — including the widely cited Stanford study of San Francisco's 1994 rent control expansion (Diamond, McQuade & Qian, 2019) — found that rent control reduced the rental housing supply by roughly 15%, as owners converted units to condominiums, tenancies-in-common, or owner move-ins rather than continue renting under price caps. The result was less rental housing and, citywide, higher rents than would otherwise have existed.
- Capping rents reduces owners' ability to fund maintenance, upgrades, and seismic or safety improvements, which over time degrades the quality and safety of the housing stock.
- Rent control protects tenants who already have a unit but does nothing for the students, young families, and workers still searching for one — it favors incumbency over availability at the exact moment Santa Barbara needs more units, not a frozen allocation of existing ones.

- Small, local owners are the least equipped to absorb the added legal, accounting, and compliance costs these ordinances impose. The more likely outcome is that long-time local families sell to larger institutional buyers, consolidating ownership away from the very "mom-and-pop" providers the City says it wants to protect.

For these reasons, I'd encourage the Council to look at policies that actually expand supply — streamlined permitting, ADU incentives, and reduced entitlement timelines — rather than rent caps that risk shrinking the rental stock further.

My additional concerns with the draft ordinances include:

- **The cumulative impact of the ordinances.** While each individual requirement may seem reasonable on its own, together they create a complex system of rent caps, petitions, hearings, registrations, disclosures, recording requirements, and administrative obligations that will be difficult for many small housing providers to navigate.

- **Protecting small housing providers.** Many of Santa Barbara's rental properties are owned by individuals and families, not large corporations — mine included. I encourage the City to reconsider the proposed ordinances. These properties often represent the American Dream, allowing locals to become owners while providing much-needed rental housing.

- **Fair return should be practical.** The Constitution recognizes that housing providers are entitled to a fair return, but that protection should be realistic and accessible. If exercising that right requires expensive legal, accounting, or appraisal assistance, many owners simply will not be able to use it.

- **A balanced Rent Stabilization Board.** If the City is committed to fairness, the Board responsible for implementing the ordinance should include balanced representation from tenants, housing providers, and neutral public members.

- **A fair and transparent Rental Registry.** If all rental units, including exempt units, must register with the City, the registry should collect only the information necessary to administer the ordinance, protect confidential information, and fairly allocate documentation responsibilities between both housing providers and tenants.

As the City continues refining these ordinances, I respectfully ask that you:

- Preserve the exemption for owner-occupied duplexes, 1-4 units and seriously consider exempting residential properties owned by local small business owners.

- Ensure the fair return process is objective, timely, and accessible.

- Create a balanced Rent Stabilization Board that fairly represents all stakeholders.
- Clarify and simplify the ordinance wherever possible to reduce unnecessary administrative burdens.
- Ensure the Rental Registry is limited to information necessary to administer the program and protects the privacy of both housing providers and tenants.
- Continue engaging with local housing providers before adopting the final ordinances.

I appreciate the opportunity to provide comments and encourage you to continue refining these ordinances to ensure they are fair, balanced, and workable for everyone they will affect.

Sincerely,

Christopher Prather

Local Santa Barbara Housing Provider

July 9, 2026

City Council of Santa Barbara

Subject: Public Comment on the Proposed Residential Rent Stabilization Ordinance and Just Cause Amendments

Thank you for the opportunity to provide comments on the proposed Residential Rent Stabilization Ordinance and Just Cause amendments.

After reviewing the draft ordinances, I believe several provisions must be revised. The City has emphasized creating a fair and balanced program, and I respectfully ask that the final ordinances better reflect those principles.

Most Santa Barbara landlords are small-scale owners, individuals and families with one or a few properties, rather than large institutional investors. They depend on rental income to cover mortgages, taxes, insurance, maintenance, and reserves. Regulations that work for large corporations can create disproportionate burdens for small owners who lack diversified portfolios or access to institutional capital. Landlords' private property is not the City of Santa Barbara's "housing inventory." The City does not own these rental properties and should have very little say in how privately owned properties are used by tax paying citizens. I urge the City to keep these realities in mind.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

These comments are not intended to oppose reasonable regulation. Instead, they highlight areas where the Draft Ordinance needs refinement to ensure it is legally defensible, administratively workable, respectful of constitutional rights, and unlikely to produce unintended negative consequences. **My primary concerns fall into eight categories:**

• Whether the proposed Rental Registry fee complies with Proposition 26 and applicable California law;

• Whether the scope of required Registry disclosures adequately protects housing providers' constitutional privacy rights;

• Whether sufficient cybersecurity, data retention, and public records protections are in place before sensitive information is compelled;

• Whether the proposed rent adjustment formula provides a meaningful opportunity for a fair and reasonable return;

• Whether the ordinance raises additional constitutional concerns under the Takings Clause, Ellis Act, and due process principles, including the retroactive use of 2025 rents as the Base Rent;

• Whether the administrative hearing and appeals process provides adequate procedural due process;

• Whether the cumulative economic impacts on small housing providers, especially when combined with the City's existing just cause eviction and relocation assistance rules, have been properly evaluated; and

• Whether the overall administrative burden has been fully considered and justified.

I respectfully ask the City to address these issues, develop a stronger factual record where needed, and revise the ordinance before final adoption. Doing so will reduce legal risks, increase public confidence, and better achieve the City's housing goals.

I. THE PROPOSED RENTAL REGISTRY FEE REQUIRES ADDITIONAL SUPPORT UNDER PROPOSITION 26

The Draft Ordinance creates a mandatory Rental Registry funded by annual fees on housing providers. Under Proposition 26, the City bears the burden of proving that the charge is a legitimate regulatory fee rather than a tax.

A. Compliance with Jacks v. City of Santa Barbara

The City must demonstrate a reasonable relationship between the fee amount and the costs of the specific governmental activities it funds (Jacks v. City of Santa Barbara). Before adoption, the City should publicly release a detailed fee study showing:

• How total projected Registry costs were calculated;

• The specific activities funded by the fees;

• The methodology for allocating costs among providers; and

• Confirmation that the fee does not exceed reasonable program costs.

The study should itemize direct personnel, technology, database, inspection, hearing, and legal costs, as well as overhead allocation, while clearly excluding non-recoverable general government expenses.

B. Consideration for Small Housing Providers

The ordinance should evaluate reduced fees, simplified reporting, or phased implementation for small owners who lack the resources of large property management companies.

C. Fee Allocation Concerns

If the program design contemplates any cost-sharing with tenants, the ordinance should not place the full legal and practical burden of collection on housing providers. Landlords should not effectively guarantee tenant payments. The City should either (1) assign the full fee to providers and adjust the amount accordingly, (2) implement direct City billing to tenants, or (3) create an effective pass-through mechanism with clear collection remedies. Otherwise, the structure risks failing constitutional scrutiny under Jacks.

D. Public Review Period

The completed fee study should be released well in advance of any adoption hearing to allow meaningful public comment.

II. PRIVACY, CYBERSECURITY, AND DATA GOVERNANCE CONCERNS

The Registry requires submission of substantial personal and financial information. Because participation is mandatory, the City must demonstrate that each data element is necessary and that less intrusive alternatives were considered.

Before compelling participation, the City should establish and publish:

• Strong cybersecurity measures (encryption, multi-factor authentication, role-based access, audit logs, penetration testing, etc.);

• Clear data breach notification and response procedures;

• Policies on Public Records Act treatment of Registry data, including notice to providers before disclosure; and

• Data retention schedules and secure destruction protocols.

A comprehensive Privacy and Data Governance Policy should be released for public review before adoption.

III. RENT ADJUSTMENT FORMULA AND FAIR RETURN

A. Annual Adjustment Limitations

Limiting increases to 60% of CPI (capped at 3%) may not keep pace with actual operating cost increases (insurance, utilities, maintenance, compliance, etc.). The City should explain the factual basis for this formula and demonstrate that it will allow sustainable property maintenance and a reasonable return over time.

B. 2025 Base Rent Issues

Fixing the Base Rent to a single historical year can produce inequitable results for owners who delayed increases, experienced vacancies, made improvements, or inherited below-market tenancies. The ordinance should include a clear process for individualized adjustments in such cases.

C. Fair Return Process

A meaningful, accessible fair return petition process, with objective standards, reasonable timelines, affordable fees, written findings, and appeal rights is essential.

D. Supporting Analysis

The City should publish any economic modeling or studies supporting the chosen formula and Base Rent framework.

IV. ADDITIONAL CONSTITUTIONAL CONCERNS

• Ellis Act Compatibility: The ordinance must not impose ongoing fees, penalties, or obligations on owners who lawfully withdraw units under the Ellis Act. A legal analysis confirming compatibility should be published.

• Takings Clause: A combined legal and economic analysis should evaluate the ordinance together with existing just cause and relocation requirements.

• Due Process and Retroactivity: Retroactive application of the 2025 Base Rent raises substantive and procedural due process concerns. Owners should have a meaningful opportunity to petition for relief where the frozen rent does not reflect actual circumstances.

V. ADMINISTRATIVE HEARING AND APPEALS PROCEDURES

Contested matters should be heard by independent decision-makers. The ordinance should include clear procedures for notice, evidence submission, timely decisions, written findings, pre-collection review of disputed fees, and appeal rights.

VI. NEED FOR A ROBUST EVIDENTIARY RECORD

The City should:

• Document the specific local conditions the ordinance addresses;

• Explain the rationale for major policy choices and alternatives considered;

• Evaluate potential unintended consequences (e.g., reduced housing supply, deferred maintenance, impacts on small providers and unpermitted units);

• Consider income-targeted alternatives; and

• Include a mandatory review and sunset provision (3–5 years) with a comprehensive evaluation of outcomes.

VII. IMPACT ON SMALL HOUSING PROVIDERS AND UNPERMITTED UNITS

The City should analyze the cumulative administrative and financial burden on small owners, including interactions with existing just cause and relocation rules. Special accommodations (reduced fees, simplified processes) for small providers are warranted.

Mandatory registration also risks displacing tenants in unpermitted or nonconforming units. The City should study this risk and consider safe harbors or amnesty programs to encourage legalization rather than removal of units. A financial hardship exemption for small providers should be added.

VIII. SUMMARY OF KEY REQUESTED REVISIONS

• Publish detailed fee study, legal analyses (Ellis Act, Takings, due process), economic impact studies, and cumulative burden analysis.

• Strengthen privacy, cybersecurity, and data policies.

• Improve fair return and hardship petition processes.

• Add procedural safeguards and accommodations for small providers.

• Include review/sunset provision and evaluate impacts on unpermitted units.

• Provide sufficient time for public review of new materials.

IX. CONCLUSION

Thank you for considering these comments. I appreciate the City's work on this complex issue and believe that thoughtful revisions, grounded in a stronger evidentiary record and balanced protections will result in a more durable, equitable, and effective ordinance that serves both tenants and the broader Santa Barbara community.

I urge the Council to address the issues raised.

My greatest concerns include:

The fact that privately owned property should not be subject to barriers thrown up by the City of Santa Barbara City Council that are now leading to very unfair and illegal practices placed upon Landlords.

The cumulative impact of the ordinances. While each individual requirement may seem reasonable on its own, together they create a complex system of rent caps, petitions, hearings, registrations, disclosures, recording requirements, and administrative obligations that will be difficult for many small housing providers to navigate.

Protecting small housing providers. Many of Santa Barbara's rental properties are owned by individuals and families, not large corporations. I encourage the City to consider exempting 1–4 unit residential properties and preserving the exemption for owner-occupied duplexes. These properties often represent the American Dream, allowing local families to become homeowners while providing much-needed rental housing.

Fair return should be practical. The Constitution recognizes that housing providers are entitled to a fair return, but that protection should be realistic and accessible. If exercising that right requires expensive legal, accounting, or appraisal assistance, many owners simply will not be able to use it.

A balanced Rent Stabilization Board. If the City is committed to fairness, the Board responsible for implementing the ordinance should include balanced representation from tenants, housing providers, and neutral public members.

A fair and transparent Rental Registry. If all rental units, including exempt units, must register with the City, the registry should collect only the information necessary to administer the ordinance, protect confidential information, and fairly allocate documentation responsibilities between both housing providers and tenants.

As the City continues refining these ordinances, I respectfully ask that you:

Preserve the exemption for owner-occupied duplexes and seriously consider exempting 1–4 unit residential properties.

Ensure the fair return process is objective, timely, and accessible.

Create a balanced Rent Stabilization Board that fairly represents all stakeholders.

Clarify and simplify the ordinance wherever possible to reduce unnecessary administrative burdens.

Ensure the Rental Registry is limited to information necessary to administer the program and protects the privacy of both housing providers and tenants.

Continue engaging with housing providers before adopting the final ordinances.

I appreciate the opportunity to provide comments and encourage you to continue refining these ordinances to ensure they are fair, balanced, and workable for everyone they will affect.

Sincerely,

Susan Pate

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Dear Mayor and Members of the Santa Barbara City Council:

Thank you for the opportunity to provide comments on the proposed Residential Rent Stabilization Ordinance and Just Cause amendments.

I would first like to offer a perspective that I do not believe has received enough consideration: **our entire community benefits from tenants.**

Providing opportunities for rental housing in Santa Barbara should not be viewed solely as the responsibility of housing providers because the entire community benefits from the people who live and work here.

I was a tenant for many years, and I understand firsthand the importance of having a place to call home. Everyone in the community benefits when tenants have housing because they are often the very people we rely upon at a doctor's appointment, in a restaurant, in the emergency service industry, and in countless other professions. Whether you have a home to rent out or not, everyone enjoys the benefit of every person's contribution to our community, including those who are tenants. However, only those who have found a way to purchase housing and are able to offer it for a tenant to occupy are asked to undertake these increasingly stringent and extensive legal responsibilities and ordinances, while the rest of the community also benefits from the services provided by the people they house.

These individuals are not just "tenants." They are our neighbors, our friends, our workforce, and an essential part of the Santa Barbara community. Every resident benefits from their contributions, whether or not they own rental property or ever rent a home themselves.

Because the benefits of having a strong rental workforce and these vital community members are shared by everyone, why should only one group have to shoulder all of the extensive and increasingly difficult hoops to jump through, when the fact is these people help all of us, and we want to help them? I believe the responsibility for supporting rental housing should also be shared more broadly by the community.

Since housing is a shared community benefit, preserving and encouraging rental housing should be a shared community responsibility.

Today, however, much of that responsibility falls upon the relatively small number of housing providers who are willing to make homes available for rent. A housing provider may also be a retired couple, a teacher, a firefighter, a small business owner, or even a nurse. Simply because someone owns a rental home should not mean they alone bear a disproportionate share of the responsibility for housing a workforce that benefits all of us.

For that reason, I encourage the City to think beyond regulations alone and consider community-wide solutions that encourage people to make their homes available for rent, and recognize rental housing as a community-wide issue that deserves community-wide solutions.

Every one of us depends upon people who rent homes. Whether we live in the City or elsewhere in Santa Barbara County, they may also be our nurses, teachers, caregivers, police officers, firefighters, restaurant employees, grocery clerks, construction workers, landscapers, retail employees, hospitality workers, and countless others who help us and make our community function each day. They may care for our families, educate our children, respond in emergencies, repair our homes, prepare our meals, and provide the services that enrich all of our lives.

1. Community Housing Benefit: One recommendation I would like you to consider would be a community housing fund supported through broad community participation. For example, if every household contributed approximately $100 annually to a dedicated housing fund, the combined resources could provide meaningful assistance to qualified tenants in the low- and middle-income ranges who demonstrate financial need. If a qualified tenant could afford $3,500 per month but the market rent is $4,000, the fund could help bridge that gap. It could be called, for instance, "Section 10." This fund could also help support affordable and workforce housing initiatives and provide a tremendous benefit for people in Santa Barbara.

According to 2025 estimates, there are approximately 163,901 housing units in Santa Barbara County. If each housing unit contributed $100 annually, the fund could generate approximately $16.4 million each year to help support the very people who help keep our community thriving.

2. Incentives for Housing Providers: In addition to broader community participation, I also believe that, to encourage more housing and provide tenants with numerous opportunities to find suitable homes with a variety of bedroom sizes and housing configurations, housing providers should receive meaningful incentives for continuing to offer rental housing.

One idea is to consider a reduction in property taxes or a similar financial incentive for a qualified housing provider who chooses to rent a home to others. The offset would help cover the multitude of issues, including continually escalating fire insurance premiums, higher contractor and labor costs, increasing prices for maintenance materials and supplies, ongoing repairs and upkeep associated with providing rental housing, including rising property taxes, and the extensive legal, administrative, and operational responsibilities that make it difficult, and for some people, impossible to be a housing provider.

These incentives would not simply be a subsidy or special benefit. They would recognize that housing providers are performing a valuable service that benefits the entire community. They would also encourage more homeowners to continue renting their properties rather than withdrawing them from the rental market because the financial burden and regulatory requirements have become too great. It could also provide such an increase in rental homes, that the burden of finding housing would lessen, giving tenants more choices and encouraging more competitive rental rates.

3. Protect Small Housing Providers: Some "Mom and Pop" small housing providers and single-family homeowners bought their homes, for example, 25–30 years ago, with the hope that someday, if they needed income in retirement or had to move into assisted living or a nursing home, the home they steadfastly held onto and paid to maintain all those years would finally help support them in their later years.

That is a fair choice they made, and we should continue to encourage homeownership. I respectfully ask the City to consider additional protections for smaller housing providers, such as those with one to four rental homes, to receive exemptions or modified requirements under the ordinance. For many of these individuals, their rental property represents decades of hard work, savings, maintenance, and financial planning. We do not want these homes to leave the rental market because it becomes too costly or too regulatory burdensome to continue being a housing provider.

I support efforts to expand housing opportunities and assist tenants to find housing, and also those who genuinely need help. I also support the construction of additional affordable and workforce housing.

My hope is that you will consider the bigger picture, and that the final ordinance will balance meaningful tenant protections with policies that encourage homeowners to continue providing additional much-needed rental housing while recognizing that the responsibility for housing our workforce is enjoyed by, and should be shared by, the entire community, not placed primarily upon those who happen to own rental property.

Providing rental housing is a benefit to everyone. The issue is not whether tenants deserve housing stability—they do. The question is whether the entire cost of achieving that important community goal should be borne by one group alone. Housing providers make that benefit possible by opening their homes to others and accepting significant financial, legal, and personal responsibilities. In doing so, they provide a valuable service that the entire community enjoys and thrives upon. For that reason, our policies should encourage and preserve rental housing by inspiring more homeowners to make

their homes available for rent, rather than placing an ever-increasing burden on those who are willing to undertake the responsibilities of providing housing for others.

I hope this perspective becomes part of the conversation as you work toward a fair and balanced ordinance. I sincerely appreciate the time, effort, and thoughtful consideration you are giving to this important issue.

Sincerely,

Sherry Lawson

ADDENDUM #1 -

After reviewing the draft ordinances, I believe several provisions should be revised before adoption. The City has emphasized creating a fair and balanced program, and I respectfully ask that the final ordinances better reflect those principles.

- **Tenants benefit everyone, and we want to benefit tenants.**
- **Housing providers make that possible.**
- **Because the entire community benefits from tenants having housing, the responsibility should be shared more broadly by the community.**
- **Encourage the creation of a modest community-wide housing stability fund, supported by broad community participation, to help benefit tenants and strengthen Santa Barbara's housing opportunities.**
- **Importantly, public policy should encourage, not discourage, people from becoming housing providers.**

My greatest concerns include:

- **The cumulative impact of the ordinances**. While each individual requirement may seem reasonable on its own, together they create a complex system of rent caps, petitions, hearings, registrations, disclosures, recording requirements, and administrative obligations that will be difficult for many small housing providers to navigate.
- **Protecting small housing providers**. Many of Santa Barbara's rental properties are owned by individuals and families, not large corporations. I encourage the City to consider exempting 1–4 unit residential properties and preserving the exemption for

owner-occupied duplexes. These properties often represent the American Dream, allowing local families to become homeowners while providing much-needed rental housing.

- **Fair return should be practical.** The Constitution recognizes that housing providers are entitled to a fair return, but that protection should be realistic and accessible. If exercising that right requires expensive legal, accounting, or appraisal assistance, many owners simply will not be able to use it.
- **A balanced Rent Stabilization Board.** If the City is committed to fairness, the Board responsible for implementing the ordinance should include balanced representation from tenants, housing providers, and neutral public members.
- **A fair and thought-out Rental Registry.** If all rental units, including exempt units, must register with the City, the registry should collect only the information necessary to administer the ordinance, protect confidential information, and fairly allocate documentation responsibilities between both housing providers and tenants.

As the City continues refining these ordinances, I respectfully ask that you:

- Preserve the exemption for owner-occupied duplexes and seriously consider exempting 1–4 unit residential properties.
- Ensure the fair return process is objective, timely, and accessible.
- Encourage contribution or assessment of a only $100 each, which would benefit Santa Barbara and all of its residents by helping Tenants.
- Create a balanced Rent Stabilization Board that fairly represents all stakeholders.
- Clarify and simplify the ordinance wherever possible to reduce unnecessary administrative burdens.
- Ensure the Rental Registry is limited to information necessary to administer the program and protects the privacy and confidentiality of both housing providers and tenants.
- Continue engaging with housing providers before adopting the final ordinances.

I appreciate the opportunity to provide comments and encourage you to continue refining these ordinances to ensure they are fair, balanced, and workable for everyone they will affect.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Dear City Council members and Mayor,

I would like to respectfully submit the following information in regard to the final RSO.

I am a housing provider and am helping other "mom and pop" low-income seniors who are housing providers.

It seems to many of us that the proposed RSO will end up exempting many of the main landlords who have caused all the problems, the wealthy ones and corporations who are raising rents too high, etc.

It looks like the RSO burden will mainly fall upon the "good" landlords, who almost never raise rents, and are the only ones willing to give tenants a break on requirements etc.

Many of us smaller providers feel we will be forced out of business by this, or too afraid of all the requirements and liabilities to continue.

Your compassion for tenants and especially in making extra protection for senior tenants, is much appreciated. We would respectfully ask if you would please consider also extending the same compassion and extra protection for low-income senior housing providers.

These providers are a vulnerable population, some with below poverty level incomes. Many live on the same property as their tenants and if they lose the rentals they will also lose their homes.

"Mom and Pops" are not so much worried about not being able to raise rents, even though their older places can be prohibitively expensive to keep up. The problem is the rent registry and all the paperwork and fees, many new rules that seem anti landlord, and the possible criminalization if an elderly person becomes overwhelmed by all the new rules and paperwork and would make a paperwork mistake.

This causes stress that in this population could lead to severe health problems.

I know one senior landlord who became so terrified of getting a new tenant due to the factors I've mentioned above she was shaking uncontrollably while showing her apartment. Another senior I know comes from a family of holocaust survivors, and this registry is creating terror for her, as her relatives also had to get on registry lists, where personal information was later misused and used against them.

Losing these housing providers would do much harm to the rental market as they provide a very valuable service not provided by other types of housing providers.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

Could you please consider exempting from some of these requirements the elderly, those with low income, the disabled, and those who live on the same property as their tenants? Specifically, we smaller landlords ask that you please consider exempting us from the rental registry.

The paperwork, the process, the security of our sensitive information, and the monetary fee that will be levied, is excessively burdensome to many of us.

Thank you for considering my comments, and I thank you in advance for your compassion for these elderly housing providers.

Best regards,

Kate Ledbetter

I am writing in support of a strong rent stabilization ordinance and tenant protection from eviction.

The landowner class will not moderate their greed without guidance from governance.

The system of real estate profits growing every year is not sustainable, Santa Barbara's housing prices make it unaffordable to working class families.

For the 12 years over my 40 year career In Santa Barbara I used many alternatives to afford living in the city limits in a garage, in a boat, in vehicles. It is not a new problem and as you know the housing challenges have only expanded. What percent of workers in nursing homes and public schools will choose to work here as I did.

Put meaningful limits on excessive rent increases.

Create a tenant-centered Rent Board with real authority and accountability Increase transparency through a public database of rental housing in Santa Barbara Strengthen protections that help working families, seniors, students, and long-time residents remain in our community.

Beth Anderson

Resident of Carpinteria.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

To: The Honorable Mayor and Members of the Santa Barbara City Council

Attn: Santa Barbara City Staff

Cc: L. Capps, S. Carbajal, G. Hart, J. Kyriaco, M. Limon, P. Perotte, L. Reyes-Martin, J. Smith and SBTU

Re: Public Comment on the Draft Rent Stabilization Ordinance (RSO)

I spent considerable time thinking about how I wanted to respond to the City's call for public comment on the proposed Rent Stabilization Ordinance. I considered writing only four words: **"I support the RSO."** While that statement remains true, I believe it is equally important to explain ***why*** I support it with the hope that my comments are read.

Based on the public draft, Santa Barbara's ordinance is too modest because it:

- Exempts many newer properties,
- Allows higher annual rent increases than some established programs,
- Has a narrower scope of covered units,
- Draft appears to be silent on Section 8 Voucher Holders,
- Has a new administrative framework that has not yet been tested,
- Lacks decades of case law and enforcement experience,
- Offers fewer tenant protections than cities with mature rent boards.

In other words, Santa Barbara City Council is proposing **a floor—not a ceiling—for tenant protections. I recommend SB City Council to adopt the ordinance and strengthen before final adoption.**

Santa Barbara is one of the most beautiful cities in America. It is also one of the most expensive places to live. We are a community whose economy depends heavily on tourism, hospitality, education, health care, and countless service workers. Yet many of the people who make this city function can no longer afford to live here.

Our rents are simply too damn high.

The proposed Rent Stabilization Ordinance represents an important first step toward protecting residents from displacement while allowing reasonable rent adjustments. The City has developed this ordinance after months of research, public meetings, and community input, with the public comment period remaining open through July 10, 2026. If adopted, it is expected to take effect on January 1, 2027.

I strongly support adoption of the Rent Stabilization Ordinance. However, I respectfully urge the City Council not to view this draft as the finish line. Communities across the country have demonstrated that stronger tenant protections are both workable and necessary. Santa Barbara has the opportunity to become a statewide leader by adopting one of the strongest and most equitable rent stabilization ordinances in the nation.

Santa Barbara is not reinventing the wheel. Many major cities have successfully implemented rent stabilization or rent control policies for decades.

New York City's rent stabilization system has protected millions of tenants from excessive rent increases while providing stability for working families and seniors.

San Francisco and Oakland have long maintained rent stabilization ordinances that limit annual rent increases for many older rental units and provide important protections against displacement.

Washington, D.C. also limits annual rent increases for covered properties while allowing landlords to receive fair returns on their investments through carefully structured regulations.

Even Boston, although Massachusetts voters repealed rent control in 1994, has renewed conversations about rent stabilization because housing affordability has once again reached crisis levels. Communities across the country continue to recognize that when housing costs dramatically outpace wages, government has a legitimate role in preventing displacement and preserving stable neighborhoods.

Santa Barbara's proposed ordinance follows many of the same principles as these established programs. It generally applies to older rental housing while exempting newer construction and certain other categories, recognizing the need to balance tenant protections with continued housing investment.

The experiences of New York City, San Francisco, Oakland, and Washington, D.C. demonstrate that effective rent stabilization includes meaningful limits on annual rent increases, strong enforcement mechanisms, transparent oversight, and special protections for seniors, persons with disabilities, and long-term residents. ***Santa Barbara should aspire to these best practices—not settle for the minimum.***

Also, I respectfully recommend that the City establish an independent Rent Stabilization Board to oversee implementation, hear appeals, and ensure transparent administration of the ordinance. The Board should include representatives from the disabled community, the elderly community, the extremely low-income community, the student community, and the billionaire community to reflect the broad range of stakeholders affected by housing policy. To avoid placing additional demands on the City's General Fund, the ordinance should expand the developer fee to cover the cost of administering the Board and/or authorize a **0.01%** assessment on each property owner's annual property tax bill dedicated solely to funding the Board's operations and enforcement responsibilities.

Critics often argue that rent stabilization alone cannot solve a housing shortage. They are correct—it cannot. Santa Barbara absolutely needs more housing of every type. But building additional housing and protecting existing tenants are not mutually exclusive goals.

We can and must do both.

Without reasonable rent stabilization, many of our residents face impossible choices every month.

Young physicians, nurses, medical technicians, teachers, and other professionals who graduate from our city college and universities often cannot afford to begin their careers here; they frequently leave because they simply cannot secure affordable housing.

Perhaps most heartbreaking are our elderly and disabled neighbors who survive on fixed retirement incomes established decades ago. Many are trying to live on retirement benefits calculated from wages earned in the 1960s and 1970s. They are forced to choose between paying rent, buying groceries, or purchasing life-saving medications. No member of our community should have to make those choices.

Housing is not merely a financial issue—it is a public health issue, an economic issue, and a moral issue. Yet that prosperity exists alongside workers, seniors, and disabled residents who fear losing the homes they have occupied for years.

Santa Barbara is unlike almost any other city in California, home to extraordinary wealth. We are fortunate to have many residents who have achieved remarkable financial success, including billionaires whose philanthropy has benefited our community in countless ways. We are an international tourist destination with extraordinary wealth, yet thousands of the people who sustain our economy struggle simply to remain housed. The physicians, nurses, firefighters, teachers, caregivers, hospitality workers, restaurant employees, farm workers, nonprofit staff, and retirees who make this community function should not be priced out by unchecked rent increases. ***If Santa Barbara is willing to lead the nation in***

environmental stewardship, historic preservation, and philanthropy, it should also lead the nation in protecting housing stability.

We must do better.

Also, I respectfully recommend that the Rent Stabilization Ordinance expressly protect Housing Choice Voucher (Section 8) tenants. Many of Santa Barbara's lowest-income seniors, people with disabilities, veterans, and working families rely on federal rental assistance to remain housed. While California law prohibits discrimination based on lawful source of income, the City's ordinance should reinforce those protections by making clear that voucher holders are entitled to the same rights, stability, and protections against displacement as all other covered tenants. Explicitly recognizing Housing Choice Voucher participants would help ensure equitable enforcement and demonstrate Santa Barbara's commitment to preserving housing opportunities for residents with the greatest economic need.

A thriving city cannot exist if only the wealthiest residents can afford to remain. The people who care for our patients, educate our children, prepare our meals, work our farms, maintain our businesses, and support our tourism economy deserve the opportunity to live in the community they serve.

I respectfully urge the City Council to adopt a **STRONG** Rent Stabilization Ordinance while strengthening its tenant protections before final approval. Santa Barbara should establish a model ordinance that other communities aspire to emulate—not merely one that catches up with policies adopted decades ago elsewhere. This ordinance will not solve every housing challenge facing Santa Barbara, but it is a meaningful and necessary step toward creating a more stable, equitable, and sustainable community.

We have the resources, the compassion, and the civic responsibility to do better. With one of the highest concentrations of wealth in the country, we should also be known as a community that refuses to leave working families, elderly, and people with disabilities behind. An adoption of a strong Rent Stabilization Ordinance would protect tenants from excessive rent increases while preserving a healthy rental housing market.

History will remember whether we chose to protect homes or simply protect the status quo.

Thank you for your leadership and for considering the voices of residents during this important public process.

Respectfully submitted, Mrs B.
SBTU Member

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

Subject: Public Comment – Proposed Residential Rent Stabilization Ordinance & Just Cause Amendments

To the Members of the Santa Barbara City Council and Program Administration,

I am writing to submit my formal public comments regarding the proposed Residential Rent Stabilization Ordinance (Chapter 26.90) and the Just Cause/Ellis Act Amendments (Chapter 26.50).

While I understand the City's desire to address housing stability, I have deep concerns regarding the operational viability, complex bureaucracy, and unintended negative consequences that the current public review drafts will impose on Santa Barbara's housing providers and the broader local real estate market.

Specifically, I urge the City Council to refine the following restrictive elements before consideration or adoption:

- **Excessive Capital Improvement Restrictions:** Under Section 26.90.060, restricting pass-throughs to a maximum of 10% of monthly rent or $100—whichever is less—severely diminishes the financial feasibility of making major building upgrades. Necessary modernization, seismic retrofits, and accessibility upgrades will become cost-prohibitive, ultimately harming the quality of Santa Barbara's aging housing stock.
- **Unworkable Fair Return Framework:** The proposed rent cap of 60% of CPI or 3% (whichever is less) fails to account for real-world escalations in property insurance, utility costs, and labor. Excluding standard capital expenses, mortgage interest, and depreciation from operating calculations severely limits a constitutionally guaranteed fair return.
- **Disruptive Pre- and Post-Sale Disclosures:** The proposed addition of Section 26.50.110 forces invasive, legally burdensome disclosure requirements on property owners both before and after a property transfer. Mandating rigid legal text and actively discouraging tenants from signing standard escrow components like estoppel certificates injects unnecessary friction and chills property investment.
- **Impact on Local Housing Supply:** The cumulative burden of prohibiting a property sale as a lawful reason to end a tenancy, combined with severe 5-year rental market bans for property withdrawals under the Ellis Act (Section 26.50.100), strips private property owners of fundamental rights. This framework will inevitably drive small

"mom-and-pop" landlords to remove their units from the long-term rental market altogether.

I am an 80 year old woman, sole owner/operator of a four unit rental building. I occupy one unit myself and three others are rented. The building was constructed 1960's. I purchased it in 1991. Since that time I have done major renovations. Re-roofed twice, remodeled all bathrooms and kitchens. Re-paved the parking lot, improved the landscaping. Re-painted the building twice, and naturally all units have been re-painted multiple times.

My entire income is from the rents plus small social security payments. If the proposed Ordinances are passed, I would no longer be able to continue providing high quality rental apartments for my tenants.

For these reasons, I believe the City must halt the swift adoption of these drafts and continue refining the ordinances. We need a fair, balanced, and workable solution that protects both tenants and private property rights, rather than an expansive and punitive bureaucratic program that discourages housing investment.

Thank you for your time and for incorporating these thoughts into the official public record.

Sincerely,

Ritva Hiltunen

one more suggestion (possibly a regulation and not ordinance but passing along anyways). All termination notices should be required to be submitted to the city through the rental registry portal. While city staff cannot make determinations around legality of such notices, they can use the information submitted to mail information to the tenants units about their rights.

From

Amanda Cobb

On Jul 9, 2026, at 21:01, Amanda Cobb <amandacobb31@gmail.com> wrote:

Dear City of Santa Barbara Staff and City Council,

Thank you for providing the opportunity to give feedback on the Rent Stabilization Ordinance draft. I am a former Santa Barbara tenant who relocated due to increasing rental costs in the City. **I now work for the City of Mountain View's Rent Stabilization Division** (however I am only providing these comments on behalf of myself).

While living in Santa Barbara, I experienced steep rent increases annually as well as an unlawful eviction threat. In the face of this eviction threat with no legal basis, **the only resource I was able to find in the City was the Santa Barbara Tenants Union.** SBTU members volunteer countless hours to fight for tenants, and I urge the City Council to listen to their demands to improve the draft. SBTU members know more than anyone what challenges renters face on a daily basis.

Only speaking for myself and not on behalf of the city of mountain view, here are a few pieces of the SBTU suggestions that I want to highlight.

A. Exemptions:

I urge you to **remove the duplex exemption from the ordinance.** In the City of Mountain View, our Rent Stabilization ordinance covers properties with 3+ units. Our ordinance has a duplex exemption that **has caused countless administrative headaches.** While exempting duplexes sounds like it is just allowing small properties to be exempt, in reality, this often looks like exempting some units within a property and not others. For example, my old Santa Barbara apartment complex consists of three buildings on one parcel. Technically two of those buildings are duplexes because they only contain two units, despite being on a property with over 8 units. **Administratively, this ends up being quite challenging for staff to implement, as it will leave many properties "half covered."** This creates challenges in providing accurate information to tenants and landlords about coverage, and creates confusion for tenants who may not understand that their unit is or is not covered.

C. Fair Return and Rent Adjustment Petitions

I support the suggestion of SBTU to remove the fixed right to fair return and allow discretion of a hearing officer. Tenant initiated petitions allow for hearing officer discretion, and it only makes sense that landlord initiated petitions should do the same. There are always going to be unexpected circumstances that arise, and it would be to your benefit to allow for discretion that can take this into account.

II. Rental Registry

I support the idea that all units should have to register despite coverage. It is impossible to get a full picture of the rental landscape without data on rent prices for covered and non covered units. The city of mountain view does not have this currently but it would benefit our programming greatly. All of our tenant and landlord mailers on our programs, workshops, any regulation updates, etc... all come from the rent registry. **Being able to reach non-covered units so we can still provide resources (such as information about the mediation organization we work with, legal aid resources, city workshops, etc...) would be a massive asset to our division.** We do require covered units to provide the SBTU suggested information: who owns the unit, year built, occupancy/vacancy status, date of last rent increase, date of start of annual year lease, how much rent is being charged.

III. Rent Board

This is not listed in the SBTU suggestions, however I encourage you to consider adding a requirement that **all members of the Rent Board reside in Santa Barbara**, just like any other committee. The City of Mountain View does have this requirement and it benefits the effectiveness of the Rental Housing Committee (our version of a rent board). Additionally, **our committee is able to issue regulation around implementation of Rent Stabilization, leading to far more effective regulation and administrative procedures.** Because of the ability to take regulation amendments to the Rental Housing Committee, I was able to quickly suggest amendments to regulations around the program I run, fixing unclear language. I urge you to add this to the language as suggested by SBTU.

D. Family Move In

The city of Tacoma (Washington) has regulation around eviction prevention during the school year for families with school aged students and teachers, showing that this is a legally defensible addition that I would strongly suggest!

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F. Utilities

At the City of Mountain View, I manage the transition from Ratio Utility Billing to incorporation of non-submetered utilities into rent. I strongly support this SBTU addition. **Transitioning away from RUBS is commonplace amongst many jurisdictions with Rent Stabilization (**Mountain View, Santa Monica, and others already are doing this, with many more considering making the transition as identified at a Rent Stabilization forum I recently attended). Non-submetered utilities are not based on tenant usage. Including this provision in the ordinance will make this transition more feasible later, as jurisdictions without explicit language to back them up may struggle to implement this later.

Additional Ideas:

This is likely regulation and not Ordinance, however the following two items are effective parts of the mountain view program that I would encourage you to consider in the future:

1. Require all landlords to provide an information sheet in English and Spanish about rent increase caps, eviction protections, and information about getting in contact with the Division. This is to be provided during every rent increase as well as at the start of any tenancy.

I appreciate the time reading all of this, and once again, encourage you to

2. Housing Help Center: Every first and third thursday, we operate a housing help center at the office from 6-8pm. The legal aid organization we partner with, affordable housing providers, and a non profit who provides social services and rental assistance are all present.

Thank you for your time! I really appreciate the consideration.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
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While I understand the City's desire to address housing stability, I have deep concerns regarding the operational viability and unintended negative consequences that the current public review drafts will impose on Santa Barbara's housing providers and the broader local real estate market.

Specifically, I strongly urge the City Council to refine the following restrictive elements before consideration or adoption:

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My husband is disabled and we rely on rental income for retirement. We have owned our property for over 40 years and have always managed it ourselves and charged a very fair rate. I believe we should have the right the improve the property whenever and however is needed. We should also have the right to sell the property if and when necessary as we age.

For these reasons, I believe the City must halt the swift adoption of these drafts and continue refining the ordinances. We need a fair, balanced, and workable solution that protects both tenants and private property owner rights, rather than an expansive and punitive bureaucratic program that discourages housing investment.

Thank you for your time and for incorporating these thoughts into the official public record.

Sincerely,

Sabrina Beane

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Dear City of Santa Barbara Staff and City Council,

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While living in Santa Barbara, I experienced steep rent increases annually as well as an unlawful eviction threat. In the face of this eviction threat with no legal basis, **the only resource I was able to find in the City was the Santa Barbara Tenants Union.** SBTU members volunteer countless hours to fight for tenants, and I urge the City Council to listen to their demands to improve the draft. SBTU members know more than anyone what challenges renters face on a daily basis.

Only speaking for myself and not on behalf of the city of mountain view, here are a few pieces of the SBTU suggestions that I want to highlight.

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Additional Ideas:

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I appreciate the time reading all of this, and once again, encourage you to

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Thank you for your time! I really appreciate the consideration.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
To the City of Santa Barbara staff,

As a constituent and resident, I am submitting these comments regarding the draft Rent Stabilization and Just Cause ordinances. I base these comments on my experience living in Santa Barbara and navigating our local rental market, which too often forces working-class residents to choose between housing and survival. The current draft ordinance contains loopholes that undermine our community's needs, and I join many others in demanding the following essential changes.

Required Revisions to the Rent Stabilization Ordinance

- **Remove Unnecessary Exemptions:** Strike the exemptions for duplexes and deed-restricted units, as state law does not require them.
- **Stop Capital Improvement Passthroughs:** Prohibit corporate, REIT, and landlords owning five or more units from passing capital improvement costs to tenants.
- **Protect Vulnerable Tenants:** Families using public benefits or earning less than 80% of the Area Median Income must be exempt from capital improvement costs.
- **Mandate Safety and Relocation:** Require an approved Tenant Safety Plan, a clear timeline, and relocation assistance before any capital improvement work can begin.
- **Restore Hearing Officer Discretion:** Remove the fixed "right" to a fair return and allow for flexible decisions that consider all proven expenses.
- **Improve the Rental Registry:** Require all rental units to register, excluding only owner-occupied home shares. The registry should track key data like rent amounts and increase dates while protecting tenant privacy by excluding identifying or tax information.
- **Strengthen the Rent Board:** Create a five-member board with a tenant-majority to ensure quorum and grant it enforcement oversight to direct program administration.

Required Amendments to the Just Cause Ordinance

- **Consistency is Key:** Just Cause exemptions must be aligned with the Rent Stabilization Ordinance so that all protected tenancies are also protected from eviction.
- **Remove Eviction Loopholes:** Strike the exemptions for duplexes, deed-restricted units, "new" construction, and "separately alienable" properties.

- **Guarantee Relocation Assistance:** Ensure no-fault displacement assistance meets local ordinance minimums plus any state/federal requirements.
- **Ellis Act Protections:** Standardize state law language regarding the right to return at regulated rent if a unit is returned to the market.
- **Limit Family Move-In Evictions:** Limit these evictions to one unit per property and prohibit them against students, school staff, the elderly, disabled tenants, and first responders during the school year.
- **Set Clearer Standards for "At-Fault" Evictions:**
    - **Non-Payment:** Only allow eviction for debts exceeding one month of fair market rent. Landlords cannot refuse third-party assistance to force an eviction.
    - **Lease Breach:** Requires proof of "substantial actual injury" and a written warning with a reasonable right to cure.
    - **Subleasing & Family:** Prohibit evictions for adding family members or reasonable subleasing.
    - **Nuisance:** Limit this to substantial damage or threats to safety; never classify victims of domestic violence or crime as a nuisance.

The community demands that you incorporate the amendments found in the redlined version of the draft ordinance at https://bit.ly/REDLINEDRSO into the public record. We will not be satisfied with an ordinance that leaves these loopholes open or undermines our goals.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
To the Members of the Santa Barbara City Council and Program Administration,

Although I am not a renter and do not have a property to rent, I have friends who are struggling as renters, and property owners who are struggling with the options to improves their property and maintain a decent income appropriate for their property, or are out rightly misusing this option. Thus, I am writing to submit my formal public comments regarding the proposed Residential Rent Stabilization Ordinance (Chapter 26.90) and the Just Cause/Ellis Act Amendments (Chapter 26.50).

While I see the volatility of housing market in Santa Barbara and understand the City's desire to address housing stability, I have deep concerns regarding the operational viability, complex bureaucracy, and unintended negative consequences that the current public review drafts will impose on Santa Barbara's housing providers and the local real estate market.

Specifically, I urge the City Council "not to throw the baby out with the bathwater" and refine the ordinance in a mutually beneficial way for both the renters and the property owners. Particularly, the following restrictive elements needs major revisions before consideration or adoption:

- **Excessive Capital Improvement Restrictions:** Under Section 26.90.060, restricting pass-throughs to a maximum of 10% of monthly rent or $100—whichever is less—severely diminishes the financial feasibility of making major building upgrades. Necessary modernization, seismic retrofits, and accessibility upgrades will become cost-prohibitive, ultimately harming the quality of Santa Barbara's aging housing stock.
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- **Impact on Local Housing Supply:** The cumulative burden of prohibiting a property sale as a lawful reason to end a tenancy, combined with severe 5-year rental market

bans for property withdrawals under the Ellis Act (Section 26.50.100), strips private property owners of fundamental rights. This framework will inevitably drive small "mom-and-pop" landlords to remove their units from the long-term rental market altogether.

Based on these reasons, I believe the City must halt the swift adoption of these drafts and continue refining the ordinances. We need a fair, balanced, and workable solution that protects both tenants and private property rights, rather than an expansive and punitive bureaucratic program that discourages housing investment.

Thank you for your time and for incorporating these thoughts into the official public record.

Sincerely,

Kiumarss Nasseri

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Stabilization Ordinance & Just Cause Amendments

To the Members of the Santa Barbara City Council and Program Administration,

I am writing to submit my formal public comments regarding the proposed Residential Rent Stabilization Ordinance (Chapter 26.90) and the Just Cause/Ellis Act Amendments (Chapter 26.50).

While I understand the City's desire to address housing stability, I have deep concerns regarding the operational viability, complex bureaucracy, and unintended negative consequences that the current public review drafts will impose on Santa Barbara's housing providers and the broader local real estate market.

Specifically, I urge the City Council to refine the following restrictive elements before consideration or adoption:

Excessive Capital Improvement Restrictions:

Under Section 26.90.060, restricting pass-throughs to a maximum of 10% of monthly rent or $100—whichever is less—severely diminishes the financial feasibility of making major building upgrades. Necessary modernization, seismic retrofits, and accessibility upgrades will become cost-prohibitive, ultimately harming the quality of Santa Barbara's aging housing stock.

Unworkable Fair Return Framework:

The proposed rent cap of 60% of CPI or 3% (whichever is less) fails to account for real-world escalations in property insurance, utility costs, and labor. Excluding standard capital expenses, mortgage interest, and depreciation from operating calculations severely limits a constitutionally guaranteed fair return.

Disruptive Pre- and Post-Sale Disclosures:

The proposed addition of Section 26.50.110 forces invasive, legally burdensome disclosure requirements on property owners both before and after a property transfer. Mandating rigid legal text and actively discouraging tenants from signing standard escrow components like estoppel certificates injects unnecessary friction and chills property investment.

Impact on Local Housing Supply:

The cumulative burden of prohibiting a property sale as a lawful reason to end a tenancy, combined with severe 5-year rental market bans for property withdrawals under the Ellis Act (Section 26.50.100), strips private property owners of fundamental rights.

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This framework will inevitably drive small "mom-and-pop" landlords to remove their units from the long-term rental market altogether.

The proposed language is unduly harsh and restrictive of property owners rights. Buildings often need repair and too often that requires more than $100 a month. Further, tenants are often holding over more and more impeding the rights of owners to re-let and/or sell their property. To preclude a right of a property owner from selling is unconscionable.

For these reasons, and others, I believe the City must halt the swift adoption of these drafts and continue refining the ordinances. We need a fair, balanced, and workable solution that protects both tenants and private property rights, rather than an expansive and punitive bureaucratic program that discourages housing investment.

Thank you for your time and for incorporating these thoughts into the official public record.

Sincerely,

Jacqueline Anker

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

Dear Mayor, Councilmembers, and City Staff:

My name is Leila and I am a Santa Barbara resident and the owner of a small residential rental property. I support the City's efforts to promote housing affordability and tenant stability. I submit these comments constructively, with the goal of helping the City craft an ordinance that is effective, legally sound, and balanced for all stakeholders.

Most Santa Barbara rental housing providers are small-scale owners—individuals and families with one or a few properties—rather than large institutional investors. We depend on rental income to cover mortgages, taxes, insurance, maintenance, and reserves. Regulations that work for large corporations can create disproportionate burdens for small owners who lack diversified portfolios or access to institutional capital. I urge the City to keep these realities in mind.

These comments are not intended to oppose reasonable regulation. Instead, they highlight areas where the Draft Ordinance needs refinement to ensure it is legally defensible, administratively workable, respectful of constitutional rights, and unlikely to produce unintended negative consequences. **My primary concerns fall into eight categories:**

• Whether the proposed Rental Registry fee complies with Proposition 26 and applicable California law;

• Whether the scope of required Registry disclosures adequately protects housing providers' constitutional privacy rights;

• Whether sufficient cybersecurity, data retention, and public records protections are in place before sensitive information is compelled;

• Whether the proposed rent adjustment formula provides a meaningful opportunity for a fair and reasonable return;

• Whether the ordinance raises additional constitutional concerns under the Takings Clause, Ellis Act, and due process principles, including the retroactive use of 2025 rents as the Base Rent;

• Whether the administrative hearing and appeals process provides adequate procedural due process;

• Whether the cumulative economic impacts on small housing providers—especially when combined with the City's existing just cause eviction and relocation assistance rules—have been properly evaluated; and

• Whether the overall administrative burden has been fully considered and justified.

I respectfully ask the City to address these issues, develop a stronger factual record where needed, and revise the ordinance before final adoption. Doing so will reduce legal risks, increase public confidence, and better achieve the City's housing goals.

I. THE PROPOSED RENTAL REGISTRY FEE REQUIRES ADDITIONAL SUPPORT UNDER PROPOSITION 26

The Draft Ordinance creates a mandatory Rental Registry funded by annual fees on housing providers. Under Proposition 26, the City bears the burden of proving that the charge is a legitimate regulatory fee rather than a tax.

A. Compliance with Jacks v. City of Santa Barbara

The City must demonstrate a reasonable relationship between the fee amount and the costs of the specific governmental activities it funds (Jacks v. City of Santa Barbara). Before adoption, the City should publicly release a detailed fee study showing:

• How total projected Registry costs were calculated;

• The specific activities funded by the fees;

• The methodology for allocating costs among providers; and

• Confirmation that the fee does not exceed reasonable program costs.

The study should itemize direct personnel, technology, database, inspection, hearing, and legal costs, as well as overhead allocation, while clearly excluding non-recoverable general government expenses.

B. Consideration for Small Housing Providers

The ordinance should evaluate reduced fees, simplified reporting, or phased implementation for small owners who lack the resources of large property management companies.

C. Fee Allocation Concerns

If the program design contemplates any cost-sharing with tenants, the ordinance should not place the full legal and practical burden of collection on housing providers. Landlords should not effectively guarantee tenant payments. The City should either (1) assign the full fee to providers and adjust the amount accordingly, (2) implement direct City billing to tenants, or (3) create an effective pass-through mechanism with clear collection remedies. Otherwise, the structure risks failing constitutional scrutiny under Jacks.

D. Public Review Period

The completed fee study should be released well in advance of any adoption hearing to allow meaningful public comment.

II. PRIVACY, CYBERSECURITY, AND DATA GOVERNANCE CONCERNS

The Registry requires submission of substantial personal and financial information. Because participation is mandatory, the City must demonstrate that each data element is necessary and that less intrusive alternatives were considered.

Before compelling participation, the City should establish and publish:

• Strong cybersecurity measures (encryption, multi-factor authentication, role-based access, audit logs, penetration testing, etc.);

• Clear data breach notification and response procedures;

• Policies on Public Records Act treatment of Registry data, including notice to providers before disclosure; and

• Data retention schedules and secure destruction protocols.

A comprehensive Privacy and Data Governance Policy should be released for public review before adoption.

III. RENT ADJUSTMENT FORMULA AND FAIR RETURN

A. Annual Adjustment Limitations

Limiting increases to 60% of CPI (capped at 3%) may not keep pace with actual operating cost increases (insurance, utilities, maintenance, compliance, etc.). The City should explain the factual basis for this formula and demonstrate that it will allow sustainable property maintenance and a reasonable return over time.

B. 2025 Base Rent Issues

Fixing the Base Rent to a single historical year can produce inequitable results for owners who delayed increases, experienced vacancies, made improvements, or inherited below-market tenancies. The ordinance should include a clear process for individualized adjustments in such cases.

C. Fair Return Process

A meaningful, accessible fair return petition process—with objective standards, reasonable timelines, affordable fees, written findings, and appeal rights—is essential.

D. Supporting Analysis

The City should publish any economic modeling or studies supporting the chosen formula and Base Rent framework.

IV. ADDITIONAL CONSTITUTIONAL CONCERNS

• **Ellis Act Compatibility**: The ordinance must not impose ongoing fees, penalties, or obligations on owners who lawfully withdraw units under the Ellis Act. A legal analysis confirming compatibility should be published.

• **Takings Clause**: A combined legal and economic analysis should evaluate the ordinance together with existing just cause and relocation requirements.

• **Due Process and Retroactivity**: Retroactive application of the 2025 Base Rent raises substantive and procedural due process concerns. Owners should have a meaningful opportunity to petition for relief where the frozen rent does not reflect actual circumstances.

V. ADMINISTRATIVE HEARING AND APPEALS PROCEDURES

Contested matters should be heard by independent decision-makers. The ordinance should include clear procedures for notice, evidence submission, timely decisions, written findings, pre-collection review of disputed fees, and appeal rights.

VI. NEED FOR A ROBUST EVIDENTIARY RECORD

The City should:

• Document the specific local conditions the ordinance addresses;

• Explain the rationale for major policy choices and alternatives considered;

• Evaluate potential unintended consequences (e.g., reduced housing supply, deferred maintenance, impacts on small providers and unpermitted units);

• Consider income-targeted alternatives; and

• Include a mandatory review and sunset provision (3–5 years) with a comprehensive evaluation of outcomes.

VII. IMPACT ON SMALL HOUSING PROVIDERS AND UNPERMITTED UNITS

The City should analyze the cumulative administrative and financial burden on small owners, including interactions with existing just cause and relocation rules. Special accommodations (reduced fees, simplified processes) for small providers are warranted.

Mandatory registration also risks displacing tenants in unpermitted or nonconforming units. The City should study this risk and consider safe harbors or amnesty programs to encourage legalization rather than removal of units. A financial hardship exemption for small providers should be added.

VIII. SUMMARY OF KEY REQUESTED REVISIONS

• Publish detailed fee study, legal analyses (Ellis Act, Takings, due process), economic impact studies, and cumulative burden analysis.

• Strengthen privacy, cybersecurity, and data policies.

• Improve fair return and hardship petition processes.

• Add procedural safeguards and accommodations for small providers.

• Include review/sunset provision and evaluate impacts on unpermitted units.

• Provide sufficient time for public review of new materials.

IX. CONCLUSION

Thank you for considering these comments. I appreciate the City's work on this complex issue and believe that thoughtful revisions—grounded in a stronger evidentiary record and balanced protections—will result in a more durable, equitable, and effective ordinance that serves both tenants and the broader Santa Barbara community.

I urge the Council to address the issues raised before final adoption.

Respectfully submitted,

Leila

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Thank you for the opportunity to provide comments on the proposed Residential Rent Stabilization Ordinance and Just Cause amendments.

After reviewing the draft ordinances, I believe several provisions should be revised before adoption. The City has emphasized creating a fair and balanced program, and I respectfully ask that the final ordinances better reflect those principles.
My greatest concerns include:
The cumulative impact of the ordinances. While each individual requirement may seem reasonable on its own, together they create a complex system of rent caps, petitions, hearings, registrations, disclosures, recording requirements, and administrative obligations that will be difficult for many small housing providers to navigate.

Protecting small housing providers. Many of Santa Barbara's rental properties are owned by individuals and families, not large corporations. I encourage the City to consider exempting 1–4 unit residential properties and preserving the exemption for owner-occupied duplexes. These properties often represent the American Dream, allowing local families to become homeowners while providing much-needed rental housing.

Fair return should be practical. The Constitution recognizes that housing providers are entitled to a fair return, but that protection should be realistic and accessible. If exercising that right requires expensive legal, accounting, or appraisal assistance, many owners simply will not be able to use it.

A balanced Rent Stabilization Board. If the City is committed to fairness, the Board responsible for implementing the ordinance should include balanced representation from tenants, housing providers, and neutral public members.

A fair and transparent Rental Registry. If all rental units, including exempt units, must register with the City, the registry should collect only the information necessary to administer the ordinance, protect confidential information, and fairly allocate documentation responsibilities between both housing providers and tenants.

As the City continues refining these ordinances, I respectfully ask that you:

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Preserve the exemption for owner-occupied duplexes and seriously consider exempting 1–4 unit residential properties.

Ensure the fair return process is objective, timely, and accessible.

Create a balanced Rent Stabilization Board that fairly represents all stakeholders.

Clarify and simplify the ordinance wherever possible to reduce unnecessary administrative burdens.
Ensure the Rental Registry is limited to information necessary to administer the program and protects the privacy of both housing providers and tenants.

Continue engaging with housing providers before adopting the final ordinances.

I appreciate the opportunity to provide comments and encourage you to continue refining these ordinances to ensure they are fair, balanced, and workable for everyone they will affect.

Sincerely,

--

Avi Becker

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Five comments received as follows:

Dear Mayor, Councilmembers, and City Staff:

My name is Michelle Beardsmore. I am a Santa Barbara resident and the owner of a small residential rental property. I support the City's efforts to promote housing affordability and tenant stability. I submit these comments constructively, with the goal of helping the City craft an ordinance that is effective, legally sound, and balanced for all stakeholders.

Most Santa Barbara rental housing providers are small-scale owners—individuals and families with one or a few properties—rather than large institutional investors. We depend on rental income to cover mortgages, taxes, insurance, maintenance, and reserves. Regulations that work for large corporations can create disproportionate burdens for small owners who lack diversified portfolios or access to institutional capital. I urge the City to keep these realities in mind.

These comments are not intended to oppose reasonable regulation. Instead, they highlight areas where the Draft Ordinance needs refinement to ensure it is legally defensible, administratively workable, respectful of constitutional rights, and unlikely to produce unintended negative consequences.
My primary concerns fall into eight categories:

• Whether the proposed Rental Registry fee complies with Proposition 26 and applicable California law;

• Whether the scope of required Registry disclosures adequately protects housing providers' constitutional privacy rights;

• Whether sufficient cybersecurity, data retention, and public records protections are in place before sensitive information is compelled;

• Whether the proposed rent adjustment formula provides a meaningful opportunity for a fair and reasonable return;

• Whether the ordinance raises additional constitutional concerns under the Takings Clause, Ellis Act, and due process principles, including the retroactive use of 2025 rents as the Base Rent;

• Whether the administrative hearing and appeals process provides adequate procedural due process;

• Whether the cumulative economic impacts on small housing providers—especially when combined with the City's existing just cause eviction and relocation assistance rules—have been properly evaluated; and

• Whether the overall administrative burden has been fully considered and justified.

I respectfully ask the City to address these issues, develop a stronger factual record where needed, and revise the ordinance before final adoption. Doing so will reduce legal risks, increase public confidence, and better achieve the City's housing goals.

I. THE PROPOSED RENTAL REGISTRY FEE REQUIRES ADDITIONAL SUPPORT UNDER PROPOSITION 26

The Draft Ordinance creates a mandatory Rental Registry funded by annual fees on housing providers. Under Proposition 26, the City bears the burden of proving that the charge is a legitimate regulatory fee rather than a tax.

A. Compliance with Jacks v. City of Santa Barbara

The City must demonstrate a reasonable relationship between the fee amount and the costs of the specific governmental activities it funds (Jacks v. City of Santa Barbara). Before adoption, the City should publicly release a detailed fee study showing:

• How total projected Registry costs were calculated;

• The specific activities funded by the fees;

• The methodology for allocating costs among providers; and

• Confirmation that the fee does not exceed reasonable program costs.

The study should itemize direct personnel, technology, database, inspection, hearing, and legal costs, as well as overhead allocation, while clearly excluding non-recoverable general government expenses.

B. Consideration for Small Housing Providers

The ordinance should evaluate reduced fees, simplified reporting, or phased implementation for small owners who lack the resources of large property management companies.

C. Fee Allocation Concerns

If the program design contemplates any cost-sharing with tenants, the ordinance should not place the full legal and practical burden of collection on housing providers. Landlords should not effectively guarantee tenant payments. The City should either (1) assign the full fee to providers and adjust the amount accordingly, (2) implement direct City billing to tenants, or (3) create an effective pass-through mechanism with clear collection remedies. Otherwise, the structure risks failing constitutional scrutiny under Jacks.

D. Public Review Period

The completed fee study should be released well in advance of any adoption hearing to allow meaningful public comment.

II. PRIVACY, CYBERSECURITY, AND DATA GOVERNANCE CONCERNS

The Registry requires submission of substantial personal and financial information. Because participation is mandatory, the City must demonstrate that each data element is necessary and that less intrusive alternatives were considered.

Before compelling participation, the City should establish and publish:

• Strong cybersecurity measures (encryption, multi-factor authentication, role-based access, audit logs, penetration testing, etc.);

• Clear data breach notification and response procedures;

• Policies on Public Records Act treatment of Registry data, including notice to providers before disclosure; and

• Data retention schedules and secure destruction protocols.

A comprehensive Privacy and Data Governance Policy should be released for public review before adoption.

III. RENT ADJUSTMENT FORMULA AND FAIR RETURN

A. Annual Adjustment Limitations

Limiting increases to 60% of CPI (capped at 3%) may not keep pace with actual operating cost increases (insurance, utilities, maintenance, compliance, etc.). The City should explain the factual basis for this formula and demonstrate that it will allow sustainable property maintenance and a reasonable return over time.

B. 2025 Base Rent Issues

Fixing the Base Rent to a single historical year can produce inequitable results for owners who delayed increases, experienced vacancies, made improvements, or inherited below-market tenancies. The ordinance should include a clear process for individualized adjustments in such cases.

C. Fair Return Process

A meaningful, accessible fair return petition process—with objective standards, reasonable timelines, affordable fees, written findings, and appeal rights—is essential.

D. Supporting Analysis

The City should publish any economic modeling or studies supporting the chosen formula and Base Rent framework.

IV. ADDITIONAL CONSTITUTIONAL CONCERNS

• **Ellis Act Compatibility**: The ordinance must not impose ongoing fees, penalties, or obligations on owners who lawfully withdraw units under the Ellis Act. A legal analysis confirming compatibility should be published.

• **Takings Clause**: A combined legal and economic analysis should evaluate the ordinance together with existing just cause and relocation requirements.

• **Due Process and Retroactivity**: Retroactive application of the 2025 Base Rent raises substantive and procedural due process concerns. Owners should have a meaningful opportunity to petition for relief where the frozen rent does not reflect actual circumstances.

V. ADMINISTRATIVE HEARING AND APPEALS PROCEDURES

Contested matters should be heard by independent decision-makers. The ordinance should include clear procedures for notice, evidence submission, timely decisions, written findings, pre-collection review of disputed fees, and appeal rights.

VI. NEED FOR A ROBUST EVIDENTIARY RECORD

The City should:

• Document the specific local conditions the ordinance addresses;

• Explain the rationale for major policy choices and alternatives considered;

• Evaluate potential unintended consequences (e.g., reduced housing supply, deferred maintenance, impacts on small providers and unpermitted units);

• Consider income-targeted alternatives; and

• Include a mandatory review and sunset provision (3–5 years) with a comprehensive evaluation of outcomes.

VII. IMPACT ON SMALL HOUSING PROVIDERS AND UNPERMITTED UNITS

The City should analyze the cumulative administrative and financial burden on small owners, including interactions with existing just cause and relocation rules. Special accommodations (reduced fees, simplified processes) for small providers are warranted.

Mandatory registration also risks displacing tenants in unpermitted or nonconforming units. The City should study this risk and consider safe harbors or amnesty programs to encourage legalization rather than removal of units. A financial hardship exemption for small providers should be added.

VIII. SUMMARY OF KEY REQUESTED REVISIONS

• Publish detailed fee study, legal analyses (Ellis Act, Takings, due process), economic impact studies, and cumulative burden analysis.

• Strengthen privacy, cybersecurity, and data policies.

• Improve fair return and hardship petition processes.

• Add procedural safeguards and accommodations for small providers.

• Include review/sunset provision and evaluate impacts on unpermitted units.

• Provide sufficient time for public review of new materials.

IX. CONCLUSION

Thank you for considering these comments. I appreciate the City's work on this complex issue and believe that thoughtful revisions—grounded in a stronger evidentiary record and balanced protections—will result in a more durable, equitable, and effective ordinance that serves both tenants and the broader Santa Barbara community.

I urge the Council to address the issues raised before final adoption.

Respectfully submitted,

Michelle Beardsmore
John Beardsmore
Shaun Beardsmore
Loy Beardsmore
Jeff Beardsmore

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Thank you for the opportunity to provide comments on the proposed Residential Rent Stabilization Ordinance and Just Cause amendments.

After reviewing the draft ordinances, there are several provisions that should be revised before adoption in the spirit of representing ALL Santa Barbara citizens. The City has emphasized creating a fair and balanced program, and I respectfully ask that the final ordinances better reflect those principles.

My greatest concerns include:

- **The cumulative impact of the ordinances.** While each individual requirement may seem reasonable on its own, together they create a complex system of rent caps, petitions, hearings, registrations, disclosures, recording requirements, and administrative obligations that will be difficult for many small housing providers to navigate.
- **Protecting small housing providers.** Many of Santa Barbara's rental properties are owned by individuals and families, not large corporations. I encourage the City to consider exempting 1–4 unit residential properties and preserving the exemption for owner-occupied duplexes. These properties often represent the American Dream, allowing local families to become homeowners while providing much-needed rental housing.
- **Fair return should be practical.** The Constitution recognizes that housing providers are entitled to a fair return, but that protection should be realistic and accessible. If exercising that right requires expensive legal, accounting, or appraisal assistance, many owners simply will not be able to use it.
- **A balanced Rent Stabilization Board.** If the City is committed to fairness, the Board responsible for implementing the ordinance should include balanced representation from tenants, housing providers, and neutral public members.
- **A fair and transparent Rental Registry.** If all rental units, including exempt units, must register with the City, the registry should collect only the information necessary to administer the ordinance, protect confidential information, and fairly allocate documentation responsibilities between both housing providers and tenants.

As the City continues refining these ordinances, I respectfully ask that you:

- Preserve the exemption for owner-occupied duplexes and seriously consider exempting 1–4 unit residential properties.

- Ensure the fair return process is objective, timely, and accessible.
- Create a balanced Rent Stabilization Board that fairly represents all stakeholders.
- Clarify and simplify the ordinance wherever possible to reduce unnecessary administrative burdens.
- Ensure the Rental Registry is limited to information necessary to administer the program and protects the privacy of both housing providers and tenants.
- Continue engaging with housing providers before adopting the final ordinances.

I appreciate the opportunity to provide comments and encourage you to continue refining these ordinances to ensure they are fair, balanced, and workable for everyone they will affect.

Sincerely,

Bri Johnson

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

The proposed limit on annual rent increases to 3% is much too low. Presently the limit is 9% per year (COLA plus 5% rule of thumb). At 3% increase per year on the rent it makes no sense for individuals like me to continue to own rental property in Santa Barbara. If I sell and invest the money, I can earn between 8-12% in the market. With a rental increase of only 3%, possibly below COLA, it's not going to keep up with the increases in all regular costs of upkeep on the house (which all increase yearly also). And, without a fair return, many rental property owners will simply sell, which would change the rental rate of that property up to what the market will bear! In addition, allowing only a 3% raise in rents will also end up with property owners not reinvesting in renovations in their rental properties which again will lead to decaying rental properties.

Thank you,

Lauren Cumberbatch

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Dear Mayor, Members of the City Council, and City Staff,

Thank you for the opportunity to provide public comment on the proposed Residential Rent Stabilization Ordinance and the related Just Cause and Ellis Act amendments.

I am writing as someone who has spent his entire professional life in the Santa Barbara housing market. My real estate team and I have helped more than 1,200 clients buy and sell homes in Santa Barbara and the surrounding communities. Because of that, I have had thousands of conversations over the years with homeowners, tenants, first-time buyers, retirees, investors, local families, and small property owners.

I care deeply about this community, and I understand why the City wants to help tenants and protect people from displacement. Santa Barbara is an incredibly expensive place to live. A lot of families are under real pressure, and I do not want to minimize that. Housing affordability is a serious issue, and I think most reasonable people agree that we need to keep working on solutions.

But I strongly believe rent control is the wrong solution for Santa Barbara.

The general sentiment from every client I have spoken with about this issue has been against rent control. That does not mean people lack compassion for tenants. It means they understand that housing providers are already dealing with rising costs, more regulation, more risk, and more uncertainty. Adding another major layer of regulation will not create more housing. It will make people less willing to provide long-term rental housing.

I have also spoken with real estate agents and housing professionals in other cities where rent control has been adopted. The feedback I hear is almost always negative. They talk about small owners leaving the rental market, properties becoming harder to maintain, landlords getting buried in bureaucracy, rental inventory shrinking, and the market getting more strained over time. I do not want Santa Barbara to walk into the same problems.

We are already seeing property owners leave Santa Barbara, or seriously consider leaving the Santa Barbara rental market, because the existing tenant-protection rules have become too burdensome, too uncertain, and too one-sided. I hear this repeatedly from owners who are not trying to be unreasonable or predatory. They are simply exhausted by the growing risk, cost, regulation, and lack of flexibility involved in providing rental housing here.

The City should take that seriously. If owners are already choosing to sell, owner-occupy, leave units vacant, or avoid long-term rentals because of the current regulatory environment, adding rent control on top of the existing tenant ordinances will only accelerate that trend. This is not theoretical. It is already happening.

More regulation will not magically create more rental housing. It will push more small owners to conclude that providing long-term rental housing in Santa Barbara is no longer worth the risk.

One of the biggest concerns I have is that this ordinance seems to treat all landlords the same. But in Santa Barbara, many rental properties are not owned by big corporations. They are owned by regular local families, retirees, small investors, and mom-and-pop property owners. Many of these people own one duplex, one triplex, one fourplex, an ADU, a condo, or a former family home.

A lot of them are not making huge profits. Some are barely covering their costs.

A small property owner still has to pay for the mortgage, property taxes, insurance, repairs, maintenance, utilities, landscaping, accounting, legal compliance, and property management. They have to pay for plumbing, roofing, electrical work, termite repairs, painting, appliances, sewer lines, pest control, and all the unexpected things that come up when you own real estate.

None of those costs are capped. Insurance is not capped. Labor is not capped. Materials are not capped. Property taxes are not capped. Contractors are not capped. The City is not capping the owner's expenses, but this ordinance would cap the owner's income.

That is a serious problem.

When income is capped but expenses keep rising, something has to give. In the real world, one of the first things that suffers is maintenance.

If a property owner has less money available, they are going to be more cautious about improvements. They may delay repairs. They may patch a roof instead of replacing it. They may hold off on new windows, updated plumbing, landscaping, flooring, appliances, paint, or other improvements. Some owners will still do their best, but the financial pressure will be real.

Over time, that means rental properties become more worn down. They become less updated. In some cases, they become substandard.

That does not help tenants. Tenants deserve safe, clean, well-maintained housing. But well-maintained housing requires money. If the City limits the income side while the expense side keeps rising, it should not be surprising when maintenance starts to suffer.

Another major concern is that rent control will push many property owners to sell. If a small owner looks at rent caps, registration requirements, notices, hearings, petitions, compliance rules, potential penalties, and future uncertainty, many will simply decide it is not worth it anymore.

When they sell, there is no guarantee the property stays in the long-term rental market.

A rented condo may be sold to someone who wants to live in it. A duplex may be bought by an owner-user. A small rental property may be purchased by someone who plans to renovate, occupy, or change the use where legally allowed. Even if the property remains housing, it may no longer remain long-term rental housing.

That means the City could end up reducing the very rental supply it is trying to protect.

Santa Barbara already has a housing shortage. We do not have enough rental housing, ownership housing, workforce housing, entry-level housing, or middle-income housing. It makes no sense to adopt a policy that gives small property owners more reasons to leave the rental market.

That is what concerns me most. Rent control may sound like a tenant-protection policy, but if it causes owners to sell, reduces long-term rental supply, discourages future rental investment, and makes existing properties harder to maintain, it will tighten the housing market even more.

It will make the problem worse, not better.

I am also concerned about the amount of bureaucracy this ordinance would create. When you add together the rent cap, rental registry, required disclosures, hearings, petitions, notices, board oversight, administrative fees, just cause rules, and penalties, it becomes a lot for an ordinary property owner to navigate.

A large institutional owner may be able to hire attorneys, accountants, compliance staff, and property managers to deal with all of this. A small local owner often cannot. A retired couple with one rental property should not need a lawyer to understand whether they can adjust rent, recover costs, serve a notice, or make a reasonable decision about their own property.

The fair return process is especially important. I understand that property owners are supposed to have the right to a fair return, but that right only matters if it is actually usable. If an owner has to hire an attorney, accountant, appraiser, or consultant, and then wait months for a decision, many small owners will not use the process at all.

A right that is too expensive or too complicated to exercise is not much of a right.

If the City moves forward, the fair return process needs to be simple, objective, timely, and affordable. Owners should be able to document legitimate increases in insurance, taxes, repairs, maintenance, utilities, and required capital improvements without being forced into an expensive legal process.

I also have concerns about the Rental Registry. If the City requires rental units to be registered, including exempt units, the registry should be simple and limited only to information that is truly necessary. It should protect private information for both tenants and owners. It should not become an invasive database or another way to penalize people for technical paperwork mistakes.

The Rent Stabilization Board also needs to be balanced. If the City is committed to fairness, the Board should include meaningful representation from tenants, housing providers, and neutral public members. It should not be dominated by one point of view. The Board should also have clear limits on its authority. Major housing policy decisions should remain with the elected City Council.

At the bigger-picture level, I believe this ordinance is focused on the wrong side of the problem. Santa Barbara's housing crisis is primarily a supply problem. We need more housing. We need more ADUs. We need more small multifamily housing. We need more workforce housing. We need more creative pathways to ownership. We need faster permitting, less red tape, and more incentives for people to keep properties in the long-term rental market.

Rent control does not create one new unit of housing.

It does not reduce insurance premiums. It does not reduce the cost of repairs. It does not make construction cheaper. It does not make financing easier. It does not encourage owners to build more rental housing. It does not help a young family find a home if the available rental supply continues shrinking.

Instead, it puts more burden on the people providing rental housing. And when you make it harder, riskier, and less financially viable to provide rental housing, fewer people will do it.

If the City is determined to move forward, I would respectfully ask that the ordinance be significantly revised before adoption. At a minimum, I would ask the City to:

- Preserve the exemption for owner-occupied duplexes.
- Seriously consider exempting 1–4 unit residential properties.
- Create strong protections for small mom-and-pop housing providers.

- Make the fair return process simple, objective, timely, and affordable.
- Allow legitimate increases in insurance, taxes, maintenance, repairs, utilities, and capital improvements to be meaningfully considered.
- Limit the Rental Registry to only what is truly necessary.
- Protect private information for both tenants and owners.
- Avoid extreme penalties for paperwork mistakes or technical violations.
- Create a balanced Rent Stabilization Board with fair representation from tenants, housing providers, and neutral public members.
- Limit the Board's authority so major policy decisions remain with the City Council.
- Provide a grace period and education-first approach before penalties are imposed.
- Require a detailed economic impact analysis before adoption.
- Evaluate how this ordinance will affect long-term rental supply.
- Continue engaging directly with small housing providers, real estate professionals, and local owners before moving forward.

Opposing rent control does not mean ignoring the housing crisis. It means recognizing that the wrong policy can make the crisis worse.

Tenants need stability. I agree with that. But housing providers also need a financially realistic path to own, maintain, and operate rental housing. A healthy housing market requires both.

If the City creates a system that treats housing providers as the problem rather than as essential participants in the solution, I believe the long-term result will be less trust, less investment, fewer rentals, and more pressure on an already strained housing market.

Santa Barbara should be encouraging responsible local ownership, not discouraging it. We should be making it easier to provide long-term rental housing, not harder. We should be protecting tenants without pushing small owners out of the market. And we should be solving the supply problem, not creating new reasons for owners to sell or remove properties from the rental pool.

For these reasons, I respectfully urge the City Council not to adopt the proposed Residential Rent Stabilization Ordinance and Just Cause amendments in their current form. I believe the current proposal is too broad, too burdensome, and too likely to create serious unintended consequences.

Santa Barbara needs thoughtful, balanced, practical housing policy. This ordinance, as drafted, does not meet that standard.

Thank you for your time, your service, and your consideration.

With gratitude,

Daniel Zia

Dear SB City Council:

In 2024, my two brothers and I inherited a home on Olive St. in Santa Barbara that was owned by our father and step-mother since the early 1990s. The downtown property has a front house that has been rented the whole time, and a rear unit/granny flat, where our parents stayed regularly on the weekends & vacations for over 30 years, and which is also now rented out. The front house has been rented to the same couple for over 20 years. We realized that their rent was basically never raised - we think this was because our parents liked the couple as they are stable and quiet, and having peace-of-mind was important to our parents. We have begun renting the rear house at a market rate. While our parents addressed necessary repairs on the houses, they didn't do any major renovations - their philosophy was "if it isn't broken, don't fix it." This has left the houses, especially the front house which is older, in need of some major renovation.

I oppose a number of provisions in the presently proposed rent control ordinance.

1. Under section **26.50.100** of the Ellis Act amendment, there is a proposed limit to the use of property for rental purposes for 5 years upon improvements being made. This makes absolutely no sense. The front unit on our property needs some serious renovations. This proposal seems to say that, if we were to renovate the front unit, we will have to stop renting the back unit also for 5 years. This is absurd and insane. We are individual owners of this property; if we make renovations on one of the houses, we will already be losing the rent from that house while we do it. To also lose the rent from the other house on the property is completely irrational! During all the work, we will still need to pay property taxes, homeowner's insurance, and for regular upkeep of the property (gardening, etc...), in addition to the cost of the renovation. Not allowing us to keep renting out the back house while we renovate the front house would be

prohibitively costly and punitive. We simply won't undertake any needed renovations and we will only respond when things break. This proposal will cause many people, like ourselves, to choose not to do renovations. This will lead to decaying rental properties.

2. The proposed limit on annual rent increases to 3% is much too low. Presently the limit is 9% per year (COLA plus 5% rule of thumb). At 3% increase per year on the rent it makes no sense for individuals like my brothers and I to continue to own rental property in Santa Barbara. If we sell the house and invest the money, we can earn between 8-12% in the market. With a rental increase of only 3%, possibly below COLA, it's not going to keep up with the increases in all regular costs of upkeep on the house (which all increase yearly also). And, without a fair return many rental property owners will simply sell, which would change the rental rate of that property up to what the market will bear! In addition, allowing only a 3% raise in rents will also end up with property owners not reinvesting in renovations in their rental properties which again will lead to decaying rental properties.
3. Section **26.90.050** is too complicated with a high bar of success and it should be liberalized. Even with a couple of years of 9% raises in the rent for our front unit (3 bedrooms), it is still far below market at $2800/month. For new owners of rental properties, such as my brothers and I, there should be a simple process to prove a substantially below-market rent and submit an application to be allowed either a one-time significant increase or a waiver to permit higher annual increases for a number of years until the rent comes up to near market value. It also appears that we will need an attorney to even apply, which is prohibitively expensive!

We understand the need for some common-sense rent control measures. However, these need to be balanced with allowing reasonable returns and upkeep of rental properties for the property owners - especially individual owners such as my brothers and I. We are not a large landlord, corporation or hedge fund!

I hope you will take this feedback into consideration. Thank you.

Sincerely,

Evelyn Cumberbatch

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
RE: 30-Day Public Comment Period- Rent Stabilization Ordinance

Full Language recommendations: Redlined Draft Ordinances

Dear Mayor, City Council and Santa Barbara City Staff

CAUSE is a base-building organization committed to social, economic, and environmental justice for working-class and immigrant communities throughout California's Central Coast. We build grassroots power through community organizing, leadership development, coalition building, civic engagement, policy research, and advocacy. Our work spans housing justice, workers' rights, environmental justice, immigrant rights, civic participation, and educational equity, recognizing that these issues are deeply interconnected.

For over a decade, CAUSE has worked alongside tenants, students, educators, workers and coalition partners to advance housing justice in the City of Santa Barbara by advocating for rent affordability, strong protections against displacement and eviction, and long-term housing stability. Through our organizing, we regularly hear from families whose children experience repeated school disruptions due to housing instability, workers forced to commute long distances because they can no longer afford to live in the communities they serve, seniors living on fixed incomes, and mixed-status immigrant families who face barriers to maintaining stable housing.

Our work also includes supporting community members experiencing or at risk of homelessness by advocating for policies that prevent displacement before it occurs. Research consistently demonstrates that excessive rent increases and no-fault evictions are among the leading drivers of homelessness in California. Preventing displacement is not just a housing policy, it is an education policy, a public health strategy, and an investment in the long-term stability of our local workforce and economic vitality.

While the City has continued to work to develop a comprehensive Rent Stabilization Ordinance (RSO), renters have continued to remain vulnerable to illegal rent increases during the temporary rent freeze and to no-fault evictions, risking irreparable harm if protections within the ordinance are weakened. Stable affordable housing is essential for children's educational success, workforce retention, community health, and preventing homelessness.

Below are CAUSE's recommendations in alignment with those of the Santa Barbara Tenant Union, our base and our coalition partners. We support strong tenant protections that effectively prevent displacement and promote long-term housing stability:

Just Cause for All:

Ensure every tenant protected by the Rent Stabilization Ordinance also receives Just Cause eviction protections by removing exemptions beyond those required by state law and strengthening protections against no-fault and harmful eviction practices.

- **Strengthen Relocation Protections:**

  Require meaningful relocation assistance for all no-fault displacements, Tenant Safety Plans for temporary relocation due to major repairs, and preserve tenants' right to return following Ellis Act withdrawals.

- **Maintain Strong Rent Stabilization:**

  Retain the annual rent adjustment at **60% of the Consumer Price Index (CPI)** and provide a transparent, case-by-case Fair Return petition process instead of broad exemptions or guaranteed increases.

- **Limit Capital Improvement Pass-Throughs:**

  Prevent unnecessary rent increases by limiting pass-through costs, requiring hardship protections, and ensuring low-income households are not displaced by improvement costs.

- **Create a Comprehensive Rental Registry:**

  Require registration of all rental units, with limited owner-occupied exceptions, to improve transparency, enforcement, and public accountability.

- **Establish a Tenant-Centered Rent Board:**

  Create an independent Rent Board with a majority of tenant representatives and meaningful authority to oversee implementation, hear appeals, adopt regulations, and ensure consistent enforcement of the ordinance.

We would like to acknowledge the efforts of City staff and Council to move forward with a rent stabilization ordinance. This public comment period provides an important opportunity to hear directly from more of your constituents who are directly impacted by Santa Barbara's ongoing housing affordability crisis. We believe this can only strengthen the ordinance so that it provides meaningful protections for the tenants who keep our community thriving. Stable housing is the foundation of healthy families, educational success, workforce retention, and homelessness prevention. This ordinance represents an opportunity to create lasting protections that keep people housed while ensuring a fair, transparent, and accountable system for both tenants and housing providers.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

Thank you for your leadership and commitment to addressing our housing affordability crisis. CAUSE stands ready to continue working collaboratively with the City, community, and coalition partners to advance a strong, equitable, and legally sound Rent Stabilization Ordinance that protects tenants, prevents displacement, and strengthens the long-term stability of our community.

In community,

Ana Arce
Policy Advocate, CAUSE

Jennifer Hernandez
Associate Policy Director, CAUSE

Dear SB City Council:

I have owned a home in SB for 21 years, and recently inherited another downtown along with my 2 siblings. The downtown property has a front unit and a rear unit/granny flat, both are rented.

My father who owned the downtown property only rented the main house and rented to the same couple for 20 years before he died. During that time, he did not raise the rent. Since 2021, we have gradually raised the rent on the front house, but it is still under market. We began renting the rear house also at market rates.

I have 3 main issues with the proposed rent control ordinance:

1) The proposed limit under section **26.50.100** of the Ellis Act amendment to rental use of the downtown property for 5 years upon improvements being made is utterly harsh. From what it seems to say, if we were to renovate the front unit (and it needs it) we would also have to take the back unit of the rental market, and not re-rent either for 5 years! That is SIMPLY DRACONIAN! We are not a corporation looking to maximize profit at any expense, we are individuals who happen to own a rental property. It is a legacy which provides income in our later years, not an investment business. If we were to renovate, we would offer the existing tenants a way back in once the work was done. Forcing us to take the rear unit off the market is first of all ridiculous and punitive. The 5 years is ridiculous and punitive. The whole section seems to be a taking under the 5th amendment of the US Constitution. You must rethink this proposed rule.

2) The proposed limit on annual rent increases is way, way too low. Currently one can raise the rents about 9% per year with the COLA plus 5% rule of thumb. If anything, an increase equal to COLA should be considered a minimum proposal because otherwise we'd be losing money relative to market rates. I get that "rent control" means some limit to increases, but 3% is simply too low to be practical, especially for individual owners like us. Without a fair return many people will simply sell, which would snap the rental rate of that property right up to what the market will bear!

3) Finally, the section **26.90.050** should be liberalized. I read the section as quite complicated and with a high bar to success. As mentioned, our front unit is far below market at $2800/month for a 3 br unit. Such owners should be able to show comps or something and have a simple process to get a waiver to permit higher annual increases. It appears we will need an attorney to even apply, which is onerous.

Thank you,

Guy Cumberbatch

Re: Proposed Residential Rent Stabilization Ordinance

Dear Mayor and Members of the City Council,

As a Santa Barbara real estate broker for more than 46 years, I have spent my career working with homeowners, rental property owners, tenants, and investors throughout our community. I appreciate the City's desire to improve housing affordability and stability for renters. However, I believe one provision of the proposed ordinance will ultimately work against that goal.

The ordinance limits annual rent increases to **60% of the Consumer Price Index (CPI), with a maximum increase of 3%.**

The problem is simple.

The actual cost of owning and maintaining rental property does not increase at only 60% of inflation.

Insurance premiums, property taxes, construction costs, labor, utilities, building materials, and regulatory compliance have consistently increased faster than general inflation. If inflation averages 4% over the next decade, operating costs could rise nearly **48%**, while landlords would be allowed to increase rents by only about **27%**.

That growing gap compounds every year.

Eventually, owners must defer maintenance, postpone improvements, petition the City for financial relief, or leave the rental housing business altogether. None of these outcomes help tenants or improve housing affordability.

Over the past 46 years, I have watched housing markets rise and fall, regulations come and go, and one lesson has remained constant: when the economics of maintaining rental housing no longer work, the housing itself ultimately suffers.

Housing is preserved not by making it less valuable to own, but by making it worthwhile to maintain. Policies that gradually make rental housing financially unsustainable will inevitably reduce investment in the very housing our community is trying to preserve.

I respectfully ask the Council to reconsider the proposed annual rent adjustment formula before adopting this ordinance. I also encourage the City to commission an independent economic analysis to determine what level of annual rent adjustment is actually necessary to keep pace with the real costs of owning and maintaining rental housing in Santa Barbara. A policy of this significance should be based on objective economic data that balances the needs of both tenants and housing providers.

Thoughtful public policy should protect tenants while also ensuring that responsible property owners can continue investing in safe, well-maintained housing for decades to come.

Thank you for your consideration.

Respectfully,

Bill Urbany
Real Estate Broker
Berkshire Hathaway HomeServices California Properties

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

1. Annual Rent Cap (60% of CPI, up to 3%)

Why I disagree:

- A fixed cap may not reflect the actual cost of owning rental property. Insurance, property taxes, maintenance, labor, utilities, and repairs often increase faster than inflation.
- When operating costs outpace allowable rent increases, landlords may postpone maintenance or capital improvements.
- Small "mom-and-pop" landlords are affected more than large institutional investors because they have less financial flexibility.
- Artificially limiting rents can discourage investment in new rental housing, reducing future supply and potentially worsening affordability.

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2. Mandatory Rental Registry

Why I disagree:

- It creates another layer of government bureaucracy with ongoing administrative costs.
- Landlords must spend additional time and money complying with reporting requirements.
- Registration fees and compliance costs are ultimately reflected in higher housing costs.
- Much of the information required is often already available through county assessor, tax, and business records.

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3. Rent Stabilization Board

Why I disagree:

- It creates another government agency funded by taxpayers or landlord fees.
- Decisions affecting private property may be made by appointed officials rather than through existing legal processes.
- Additional hearings and regulations can slow routine business decisions.

- Increased regulation may discourage property owners from remaining in the rental market.

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4. New Petition Process

Why I disagree:

- Obtaining approval for reasonable rent adjustments may become lengthy, expensive, and uncertain.
- Property owners may need attorneys or consultants to navigate the process.
- Delays can prevent owners from responding to legitimate increases in operating expenses.
- Increased administrative burdens consume resources that could otherwise be invested in maintaining properties.

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5. New Enforcement and Compliance Requirements

Why I disagree:

- More inspections, paperwork, and reporting requirements increase operating costs.
- Significant penalties for technical mistakes can create unnecessary legal risk.
- Compliance costs disproportionately impact small property owners with only one or two rental units.
- Those increased costs are likely to reduce investment in rental housing or eventually be reflected in rents.

Overall Position

You might summarize your position like this:

"I support policies that protect tenants from unfair treatment, but I do not believe these proposals address the root cause of high housing costs. The fundamental issue is an insufficient housing supply. Additional regulations, rent caps, and administrative requirements increase the cost and complexity of providing rental housing, discourage investment, and may ultimately reduce the availability of quality rental units. Instead, we should focus on streamlining permitting, encouraging new housing construction, reducing unnecessary regulatory barriers, and creating incentives that expand housing choices while preserving the rights of both tenants and property owners."

That position is generally consistent with arguments made by many housing economists, property owner groups, and some policymakers. At the same time, supporters of these measures argue they provide stability for tenants facing rapidly rising rents and help prevent displacement in high-cost markets. The debate largely centers on whether stronger regulation or increased housing supply is the more effective long-term solution.

Anthony Bordin | **Associate Sales Manager**

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
To the Santa Barbara City Council and Planning Commission,

I am writing as a property owner in Santa Barbara to formally submit my comments in opposition to the two ordinances currently open for public comment: the proposed Rent Control (Rent Stabilization) Ordinance and the proposed Just Cause / Ellis Act Amendments. I understand the comment period closes Friday, July 10, 2026, and I respectfully ask that this letter be entered into the public record.

I recognize and share the City's concern about housing affordability. However, I believe both ordinances as drafted would create significant unintended consequences for property owners and, ultimately, for the rental housing supply they are meant to protect. I outline my specific concerns below.

I. Proposed Rent Control (Rent Stabilization) Ordinance

1. The rent cap does not reflect actual cost growth.

The ordinance ties annual rent increases to 60% of CPI, capped at 3%. This formula assumes that owner operating costs rise slowly and in step with general inflation. In practice, the specific costs owners face, property insurance, property taxes, maintenance, and capital repairs, have frequently risen well above 3% per year in Santa Barbara, particularly insurance premiums in recent years. A cap this rigid can force owners to operate units at a loss or defer necessary maintenance, which harms tenants as much as owners over time.

2. The rental registry and Rent Stabilization Board add cost and administrative burden without a funding offset.

A mandatory registry requires ongoing recordkeeping and reporting, and a new Rent Stabilization Board introduces another layer of local government with its own administrative and enforcement costs. These costs are typically passed through to owners via fees, and indirectly to tenants via reduced housing investment, without a clear plan for how they will be funded or how compliance burdens will be kept proportionate to the size of the rental operation.

3. The new petition process increases legal exposure for good-faith owners.

A formal petition process gives tenants a structured avenue to contest rent increases. Even when an increase is fully justified by rising costs, owners may face legal costs, delays, and uncertainty defending it. This changes the risk calculus of owning rental property in the City, particularly for smaller owners without in-house legal support.

4. Rent control has a documented history of reducing rental supply.

Experience in other rent-controlled California markets, including parts of Los Angeles and San Francisco, shows that owners often respond to rent caps by selling to owner-occupants, converting units to condominiums, or exiting the rental market entirely through mechanisms like the Ellis Act. The net effect in those markets has frequently been a smaller rental housing stock over time, which runs counter to the stated goal of preserving affordable rental housing in Santa Barbara.

II. Proposed Just Cause / Ellis Act Amendments

1. Removing sale of property as just cause for termination restricts a fundamental property right.

An owner's ability to sell their property with vacant possession is a basic incident of ownership. Requiring an existing tenancy to survive a change in ownership can suppress the property's marketability and value, since many buyers, particularly owner-occupants, specifically seek vacant properties. This effectively narrows the pool of potential buyers and may depress sale prices for affected owners.

2. New pre-sale and post-sale disclosure requirements add friction and liability to routine transactions.

Mandatory disclosures at both the pre-sale and post-sale stages increase the legal review required for what might otherwise be a straightforward transaction, and they create new grounds for disputes or claims if a disclosure is later found incomplete or inaccurate. This adds cost and risk to every affected sale in the City.

3. Additional local Ellis Act requirements risk conflicting with state law.

The Ellis Act is a state law that already establishes a clear framework for owners who wish to exit the rental business. Layering additional local requirements on top of that framework creates legal uncertainty for owners and exposes the City to the risk of legal challenges on preemption grounds, which could ultimately cost the City resources to defend.

4. The cumulative effect discourages investment in rental housing.

Taken together, these amendments make it harder to sell, exit, or otherwise manage rental property in Santa Barbara. When it becomes more difficult and legally complex to hold or dispose of rental property, owners are less likely to invest in maintaining or expanding that housing stock, which works against the City's own affordability goals rather than advancing them.

III. Suggested Alternative Approaches

Rather than placing the primary regulatory and financial burden on individual property owners, I would encourage the City to consider approaches that address affordability by expanding supply and targeting assistance directly to those who need it, such as:

- Incentives and streamlined permitting for new housing construction and accessory dwelling units

- Targeted rental assistance or subsidy programs funded through broader tax mechanisms rather than owner-borne caps and fees

- Voluntary landlord partnership programs that offer incentives (e.g., tax benefits) in exchange for below-market rents, rather than mandatory caps

I appreciate the City's effort to address a genuinely difficult issue, and I hope these comments are useful as the Council and Planning Commission weigh the tradeoffs of these proposals. I would appreciate written confirmation that this comment has been received and entered into the public record.

Thank you for your time and consideration.

Sincerely,

Wendy Orbas Wyman

Hi,

I rent rooms in my home and a JADU. 3% is low. 5% sounds more reasonable, especially for those of us who haven't been raising rents even 3% for many years.

thank you

Sandra Castellino

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Mayor and Councilmembers.

My name is John Coons, and I own a small rental property in Santa Barbara.

Places like Santa Barbara California are very desirable. There is a limited supply of housing between the mountains and the ocean. Market forces of supply and demand make this area expensive. Adding more laws and layers of lawyers between housing providers and renters, makes owning rentals more expensive, and will put more and more small landlords out of business.

I ask you to carefully reconsider the impacts of capping rent increases at 60% of CPI or 3%.

With inflation fluctuating, a 3% hard cap makes it incredibly difficult to absorb the rapidly rising costs of property insurance, utility hikes, emergency repairs, and regular maintenance. Small independent housing providers operate on thin margins. If we cannot maintain a fair return, the quality of our aging housing stock will decline, and independent owners will be forced to sell to large institutional corporations. If the city proceeds, I urge you to adjust the cap to at least 100% of CPI to make the workload and financial burden manageable for everyone involved.

Stick to the state AB 1482 exemptions. Don't make it more complicated as to local exemptions being different.

Thank you.

John Coons

I am opposed to this ordinance on every level. I have some specific concerns:

1. You are requiring private companies and private citizens to provide financial information. This is a violation of my right to financial privacy. We hold our property in an LLC, a private corporation not subject to the financial disclosures of a publicly traded company. The requirement to provide this information has been challenged in federal litigation. Do you have the money in your budget to defend against a lawsuit on financial privacy?

2. You are further requiring private citizens to provide personal information. This is a threat to my personal safety. What is to prevent a disgruntled tenant from attacking me once they know where I live? This also applies to my siblings who co-own the property with me.

3. People in public office, judges, and police officers, who are given some protection from personal attack by keeping their residences private, may also own rental properties and would be subject to the same disclosure requirements as I am.
    - Will you give them a pass to protect them?
    - How can you give them a pass and not give me one as well? Is my life not as valuable as theirs?
    - Is this not an instance of disparate treatment – a form of discrimination?
4. You are requiring us to give you information which will be held in a database which could be accessed by the broader public.
    - What information in the registry would be considered public records under the California Public Records Act?
5. If you succeed in collecting this information, what will you do to protect it? Specifically:
    - Which fields will be publicly accessible?
    - Which fields are exempt from disclosure?
    - Will owner mailing addresses be confidential?
    - Will LLC members be disclosed?
    - Will rent histories be disclosed?
    - **What cybersecurity standards will be used?**
    - **What liability does the city assume if a breach occurs?**
6. This is not just a problem for housing providers. Tenants can be affected, too. One of the strongest examples comes from Berkeley's rent registry website. A reported security vulnerability allegedly exposed sensitive renter information for tens of thousands of units, including names, email addresses, phone numbers, and Section 8 status. According to reports**, the exposure existed for months before being addressed**. (Reddit). In your attempt to help tenants, are you creating a risk for them? Do they know you are exposing them to this risk?
7. The city should collect only the minimum information necessary to administer the ordinance and should demonstrate why each category of requested information is necessary - a common privacy-law principle known as **data minimization.**

8. You are requiring housing providers to pay for the rent registry. There are some problems with this, including that the fee structure may be unconstitutional:

    - No fee study released — The City must prove the Registry fee is a regulatory fee — not a tax requiring voter approval (Prop. 26). No public analysis shows how costs were calculated or allocated. This analysis must be released and reviewed before adoption.

    - Landlords guaranteed to pay 100% — If tenants are supposed to share the fee but landlords bear sole legal liability, landlords absorb the full cost whenever tenants don't pay. Under Jacks v. City of Santa Barbara, fee allocations must reasonably reflect who benefits from the program — and the Registry primarily benefits tenants.

    - Small owners treated the same as corporations — A family owning one rental property faces the same fee and compliance burden as a large property management company. The City should evaluate reduced fees and simplified requirements for small housing providers.

9. Rent control will benefit everyone who rents in the city – even those who have more than enough financial ability to pay market rate rents and even those who sit on the City Council who are renters themselves – a conflict of interest, in my opinion. This is unfair to the housing providers who end up subsidizing wealthy people.

If rent control is going to happen in Santa Barbara, there is a right way to do it. Rushing to complete the process before the council majority is termed out is not the right way. It would be better to focus the city's time, energy and money on increasing housing supply and funding a sustainable rental assistance program so that those who truly need help will get it.

Denise Mann

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
David Sullins

June 5, 2026

Email: RSO@santabarbaraca.gov, Santa Barbara City Council Members.

Re: Public Comment on the June 10, 2026 Public Review Draft Residential Rent Stabilization Ordinance

Dear Mayor, Councilmembers, and City Staff:

My name is David Sullins. I am a Santa Barbara resident and the local owner of residential rental properties, primarily single family house properties but also one 12 unit older apartment building in the heart of downtown. I appreciate the City's commitment to housing affordability and tenant stability, and I submit these comments in that same spirit—constructively, and with a genuine interest in seeing the City adopt an ordinance that works for everyone.

Many of Santa Barbara's rental housing providers are individuals and families, not institutional investors. We rely on rental income to pay mortgages, property taxes, insurance, maintenance, and reserves for future repairs. Policies manageable for large corporations can have profoundly different consequences for owners who lack institutional capital and cannot spread risk across large portfolios. I ask that the City keep those realities in mind throughout this process.

These comments are not offered in opposition to reasonable regulation. They are offered to help the City develop an ordinance that is legally defensible, administratively practical, respectful of constitutional protections, and capable of achieving its housing goals without producing unintended consequences. The concerns I raise fall into eight areas:

1. Whether the proposed Rental Registry fee satisfies Proposition 26 and applicable California law;

2. Whether the scope of required Registry disclosures adequately protects the constitutional privacy rights of housing providers;

3. Whether adequate cybersecurity, data retention, and public records protections will be in place before sensitive information is compelled;

4. Whether the proposed rent adjustment formula preserves a meaningful opportunity for housing providers to earn a fair and reasonable return;

5. Whether the ordinance raises additional constitutional concerns under the Takings Clause, the Ellis Act, and due process principles—including the retroactive application of the 2025 Base Rent;

6. Whether the ordinance provides sufficient procedural due process in its administrative hearing and appeals process;

7. Whether the economic impacts on small housing providers—including the cumulative effect of the rent stabilization ordinance alongside the City's existing just cause eviction and relocation assistance requirements—have been adequately evaluated; and

8. Whether the cumulative administrative burden has been fully considered and justified.

I respectfully ask that the City address these concerns, develop a more complete factual record where needed, and revise the ordinance before final adoption. Doing so will reduce legal uncertainty, strengthen public confidence, and position the City to achieve its housing objectives while minimizing avoidable disputes and market disruptions.

I. THE PROPOSED RENTAL REGISTRY FEE REQUIRES ADDITIONAL EVIDENTIARY SUPPORT UNDER PROPOSITION 26

A. The City Bears the Burden of Demonstrating the Fee Is Not a Tax

The Draft Ordinance proposes a mandatory Rental Registry funded through annual fees on housing providers. Under Proposition 26 (Cal. Const., art. XIII C, § 1(e)), the burden falls on the government—not the property owner—to establish that a charge qualifies as a regulatory fee rather than a tax requiring voter approval.

Accordingly, the City should develop and publicly release a complete administrative record demonstrating how the proposed fee satisfies each applicable constitutional requirement before the ordinance is adopted.

B. The Fee Must Satisfy the Principles Discussed in Jacks v. City of Santa Barbara

The California Supreme Court's decision in Jacks v. City of Santa Barbara requires a reasonable relationship between the amount charged and the governmental activity the fee supports. The City should publicly demonstrate:

- How the total projected cost of administering the Rental Registry was calculated;
- The specific activities that Registry fees will fund;

- How costs were allocated among regulated housing providers, and why that allocation is reasonable;
- Why the proposed fee does not exceed the amount reasonably necessary to recover program costs.

C. A Detailed and Auditable Fee Study Should Be Released Before Adoption

The materials available for public review do not yet explain how the City's projected annual Registry budget was developed or whether all proposed expenditures are appropriately recoverable through regulatory fees. To build public confidence, the City should publish a detailed fee study that itemizes:

- Direct personnel costs;
- Technology acquisition and maintenance;
- Database development;
- Inspection activities;
- Hearing administration;
- Legal support directly attributable to Registry administration;
- Overhead allocation methodology; and
- Projected program growth and reserve funds.

The study should also identify which expenditures are not being recovered through Registry fees—such as general governmental administration, broad housing policy development, public outreach unrelated to Registry operations, or litigation costs related to defending the ordinance—and explain why. A transparent accounting will help the public evaluate whether the fee structure is appropriately tailored to the program's purposes.

D. Small Housing Providers Warrant Specific Consideration

The Draft Ordinance appears to treat owners of a few rental units similarly to substantially larger providers. Many Santa Barbara properties are owned by individuals with limited administrative resources, no access to institutional financing, and very different operating economics than large property management companies. I respectfully request that the City evaluate whether reduced fees, simplified reporting, streamlined compliance procedures, or phased implementation would better reflect the realities of small housing providers while still achieving the City's regulatory objectives.

E. The Fee Allocation Structure Creates a Constitutional Imbalance That Must Be Addressed

A particularly significant concern under Jacks v. City of Santa Barbara is whether the ordinance's fee allocation structure imposes the full financial burden of the Registry on housing providers, even where the program is designed to benefit tenants.

If the Draft Ordinance contemplates that tenants share in the cost of the Registry—whether through a 50/50 fee split or similar mechanism—but places sole legal responsibility for payment on housing providers, then landlords bear the entire cost whenever a tenant fails or refuses to pay their share. This is not a theoretical concern: tenants may dispute the charge, refuse payment, or simply be judgment-proof, leaving housing providers with no practical means of recovery.

Under Jacks, a regulatory fee must bear a reasonable relationship to the regulatory burdens created by those who pay it. A fee structure that nominally assigns part of the cost to tenants but in practice guarantees that housing providers absorb 100 percent of the fee—regardless of whether tenants pay—does not satisfy that standard. The Registry is presented as a program that primarily benefits tenants by stabilizing rents. If the party primarily benefiting from the program bears little or none of its guaranteed cost while the party regulated by it bears all of it, the allocation is constitutionally suspect.

I respectfully request that the City address this imbalance directly by (1) assigning the full fee obligation to housing providers and adjusting the fee amount to reflect that the program serves regulatory purposes that benefit housing providers as well as tenants; (2) establishing a direct tenant billing mechanism administered by the City, so that housing providers are not made the guarantors of tenant obligations; or (3) providing housing providers with a legally effective pass-through remedy—with defined collection procedures and consequences for non-payment—that meaningfully shifts cost responsibility to tenants when the program design contemplates shared costs. Absent one of these approaches, the current structure may not survive scrutiny under Jacks and applicable California constitutional law.

F. Adequate Time for Public Review Should Be Provided

I respectfully request that the completed fee study be released sufficiently in advance of any adoption hearing to allow meaningful review and comment. A robust public record—developed before, not after, adoption—will strengthen the ordinance's legal foundation and improve public confidence in the City's process.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

II. THE PROPOSED RENTAL REGISTRY RAISES SIGNIFICANT PRIVACY, DATA SECURITY, AND PUBLIC TRANSPARENCY CONCERNS

A. The City Should Clearly Demonstrate Why Each Category of Information Is Necessary

The Draft Ordinance would require housing providers to submit substantial personal and financial information to a centralized City-administered Registry. California recognizes privacy as a fundamental constitutional right. Because participation would be mandatory, the City should demonstrate that the information collected is no broader than reasonably necessary to administer the program, and that less intrusive alternatives have been considered. For each required data element, I respectfully request that the City identify its specific purpose, how it will be used, who will have access to it, whether it will be shared with outside agencies or contractors, and how long it will be retained.

B. Cybersecurity Protections Must Be Established Before Participation Is Compelled

The Registry would create a centralized database containing sensitive information about thousands of rental properties and housing providers—an attractive target for increasingly sophisticated cyber threats. The City should publicly identify the safeguards that will be in place before compelling participation, including at minimum:

- Encryption of stored and transmitted data;
- Multi-factor authentication for authorized users;
- Role-based access controls limiting who may view sensitive information;
- Audit logs documenting access;
- Independent cybersecurity assessments and regular penetration testing;
- Incident response procedures; and
- Employee cybersecurity training and ongoing monitoring.

C. Data Breach Notification and Responsibility Should Be Clearly Addressed

The Draft Ordinance does not specify how housing providers would be notified if Registry information were compromised. The ordinance should clearly identify who investigates a breach, the notification timeline, what information will be provided to affected individuals, what corrective actions will be taken, and how the City will assist those whose information is disclosed without authorization .

D. Public Records Act Treatment of Registry Data Should Be Defined

Housing providers should not be left to speculate whether personal information submitted under legal compulsion might later be subject to disclosure through a public records request. The City should clearly identify which categories of Registry information will be treated as confidential, the statutory basis for that protection, the procedures the City will follow when responding to California Public Records Act requests involving Registry data, and whether housing providers will receive notice before potentially protected information is released.

E. Clear Data Retention and Disposal Policies Are Needed

The Draft Ordinance does not specify how long Registry information will be retained or when it will be securely destroyed. Collecting information indefinitely increases both administrative costs and cybersecurity risk. The City should adopt written policies addressing retention periods, secure destruction methods, procedures for correcting inaccurate records, and periodic review of what information remains necessary.

F. A Comprehensive Privacy and Data Governance Policy Should Be Published Before Adoption

The Rental Registry represents a significant new governmental program requiring housing providers to submit information they would not otherwise disclose to the City. I respectfully request that the City publish a comprehensive Privacy and Data Governance Policy before adopting the ordinance. That policy should address the information collected, the legal authority for collecting it, permissible uses, cybersecurity safeguards, records retention schedules, data sharing practices, Public Records Act procedures, and the rights of housing providers to review and correct inaccurate information. Providing this framework before implementation will allow meaningful public review and build confidence that sensitive data will be managed responsibly.

III. THE PROPOSED RENT ADJUSTMENT FORMULA AND BASE RENT FRAMEWORK RAISE FAIR RETURN AND ECONOMIC CONCERNS

A. The Proposed Annual Adjustment May Not Reflect Actual Operating Costs

The Draft Ordinance would limit annual rent adjustments to 60 percent of CPI, not to exceed 3 percent, unless additional relief is granted through administrative procedures. Many operating expenses faced by small housing providers—including property insurance, utilities, maintenance labor, materials, contractor costs, compliance costs, and reserves for capital improvements—may increase at rates that differ significantly from this formula. If allowable rent adjustments consistently lag documented cost increases over time, some housing providers may face growing difficulty maintaining properties, funding necessary repairs, or earning a reasonable return. I respectfully request that the City explain the factual basis for selecting this formula and demonstrate how it concluded the formula will permit financially sustainable operations over time.

B. The Fixed 2025 Base Rent Date May Produce Inequitable Results

A single historical date is administratively convenient, but may not accurately reflect every housing provider's circumstances. An owner may have voluntarily delayed rent increases to assist a long-term tenant, experienced an extended vacancy, completed significant repairs before setting rent, rented below market for personal or economic reasons, or inherited an existing tenancy at an atypically low rate. A permanently fixed historical rent may not fairly represent that property's long-term operating economics. Accordingly, I respectfully request that the ordinance include a clearly defined procedure allowing housing providers to demonstrate that unusual circumstances affected their established Base Rent and to request an individualized adjustment where appropriate.

C. A Meaningful Fair Return Process Is Essential

California courts have long recognized that rent regulation must provide housing providers a meaningful opportunity to obtain a fair return on their investment. The effectiveness of this ordinance depends not only on the annual adjustment formula but on whether the fair return process provides timely and practical relief when warranted. I respectfully request that the ordinance clearly establish objective evaluation standards, reasonable filing requirements, affordable filing costs, defined timelines for decisions, written findings, and meaningful opportunities for administrative and judicial review. A fair return process that is overly complex, prohibitively expensive, or subject to indefinite delay is not an effective remedy.

D. The Economic Analysis Supporting the Formula Should Be Made Public

The public materials released to date do not appear to explain how the 60 percent CPI formula and 3 percent cap were selected, or whether alternative approaches were considered. Before adopting the ordinance, I respectfully request that the City publish any studies, financial analyses, consultant reports, or economic modeling it relied upon in selecting the adjustment formula, the Base Rent framework, and the anticipated longterm financial impacts on Santa Barbara's rental housing market. If such analyses have not been completed, I

encourage the City to prepare them before enacting permanent regulations affecting thousands of rental units.

E. Long-Term Housing Stability Depends on Financial Sustainability

Housing stability requires both stable tenancies and a financially sustainable rental market. Small housing providers play an important role in maintaining Santa Barbara's housing supply. Policies that unintentionally reduce the financial viability of owning and maintaining rental housing may discourage reinvestment, accelerate deferred maintenance, or prompt owners to exit the long-term rental market entirely. I respectfully request that the City carefully evaluate whether the proposed rent adjustment framework appropriately balances tenant stability with the long-term financial sustainability needed to preserve the City's rental housing stock.

IV. THE ORDINANCE RAISES ADDITIONAL CONSTITUTIONAL CONCERNS THAT SHOULD BE ADDRESSED BEFORE ADOPTION

A. The Ordinance Must Be Consistent with the Ellis Act

California's Ellis Act (Gov. Code § 7060 et seq.) protects the right of rental property owners to exit the residential rental market. The Ellis Act expressly limits the ability of local governments to compel owners to continue offering units for rent or to impose conditions on the exercise of that right that effectively deter its use.

Before adopting the ordinance, the City should clearly address whether any of its provisions—including ongoing registration fees, penalties, relocation obligations, or administrative requirements—would apply to, or impose costs upon, owners who have initiated or completed the Ellis Act process. Provisions that effectively penalize the exercise of Ellis Act rights, or that create ongoing financial obligations for owners who have lawfully withdrawn units from the rental market, may be preempted by state law.

I respectfully request that the City publish a legal analysis confirming that the ordinance, as drafted, does not conflict with the Ellis Act and will not be applied in a manner that burdens the lawful exercise of state-protected withdrawal rights.

B. The Ordinance Must Not Effectuate an Uncompensated Regulatory Taking

The Takings Clauses of the United States and California Constitutions (U.S. Const., amend. V and XIV; Cal. Const., art. I, § 19) prohibit the government from imposing regulations that go so far as to constitute a taking of private property without just compensation. While the fair return doctrine discussed in Section III addresses one dimension of this concern, regulatory takings analysis is broader and considers the economic impact of the regulation, the extent to which it interferes with reasonable investment-backed expectations, and the character of the governmental action.

Rent stabilization ordinances are not categorically immune from takings challenges. Where the cumulative effect of rent limitations, administrative requirements, registration fees, relocation obligations under the City's existing just cause eviction ordinance, and restrictions on the owner's ability to recover possession of property reduces the economic value of the investment below a constitutionally permissible threshold, a taking may be established.

I respectfully request that the City publish a legal analysis evaluating whether the ordinance, considered in combination with existing City housing regulations, is consistent with applicable Takings Clause principles—and that this analysis be made available for public review before adoption.

C. Retroactive Application of the 2025 Base Rent Raises Substantive and Procedural Due Process Concerns

The Draft Ordinance establishes a fixed Base Rent using rents in effect during 2025. This framework operates retroactively: it permanently caps rent at a historical level that was set before housing providers had any notice that those rents would become a regulatory baseline.

This raises two distinct constitutional concerns. First, as a matter of substantive due process, a regulation that permanently fixes a property owner's income at a historical level—without notice and without regard to the owner's actual operating costs or investment expectations at the time that rent was set—may not bear a sufficient relationship to legitimate governmental purposes to survive constitutional scrutiny. Second, as a matter of procedural due process, owners are entitled to adequate notice and an opportunity to be heard before the government imposes permanent, binding limitations on their economic rights.

An owner who set rent at a below-market level in 2025 for personal, economic, or charitable reasons—without any awareness that the City would later freeze that amount as a permanent regulatory ceiling—has been deprived of a meaningful opportunity to conform their conduct to the regulatory framework before it took effect.

Applying that baseline retroactively, without individualized relief for owners who can demonstrate material prejudice, raises serious constitutional questions.

I respectfully request that the City publish a legal analysis addressing these concerns and that the ordinance include a clearly defined petition process allowing owners to demonstrate that the 2025 Base Rent does not fairly reflect the operating economics of their property—with a meaningful standard of review and a realistic opportunity for relief.

V. THE ADMINISTRATIVE HEARING AND APPEALS PROCESS SHOULD INCLUDE ADDITIONAL PROCEDURAL SAFEGUARDS

A. Hearings Should Be Conducted by an Independent Decision-Maker

The Draft Ordinance would establish a new administrative system governing rent adjustments, petitions, fee disputes, compliance determinations, and enforcement actions. Because these decisions can have significant financial consequences for both housing providers and tenants, the City should clearly identify who will hear disputes and how impartiality will be maintained. I respectfully request that contested matters—including fair return petitions, Registry fee disputes, and enforcement actions—be conducted by an independent hearing officer or similarly neutral decision-maker. Separating investigative, enforcement, and adjudicative functions helps ensure that decisions are made objectively and are perceived as fair by all parties.

B. Clear Hearing Procedures Should Be Established

At a minimum, the ordinance should specify required notice periods before hearings; procedures for submitting documents and evidence; opportunities for both parties to present testimony; how credibility disputes will be resolved; whether hearings will be recorded; and the legal standards that will govern administrative decisions.

Clearly defined procedures promote consistency and reduce uncertainty for everyone participating in the process.

C. Timely Decisions Are Essential

The Draft Ordinance should establish reasonable timelines for acknowledging receipt of petitions, determining whether applications are complete, scheduling hearings, issuing written decisions, and resolving administrative appeals. Without predictable timelines, housing providers and tenants may face prolonged uncertainty regarding their legal rights and financial obligations.

D. Written Decisions Should Explain the Basis for Determinations

Whenever the City issues a decision under the ordinance, that decision should include written findings explaining the relevant facts, the evidence considered, the applicable provisions of the ordinance, and the reasons supporting the final determination. Written findings promote transparency, facilitate consistent decision-making, and allow affected parties to understand the basis for the City's actions.

E. Fee Disputes Should Be Subject to Administrative Review Before Collection

The ordinance should establish a clear administrative procedure allowing housing providers to challenge the calculation or assessment of Registry fees, penalties, or other charges before collection efforts begin. Providing an opportunity for administrative review before enforcement promotes fairness and may reduce unnecessary litigation.

F. Appeal Rights Should Be Clearly Explained

The ordinance should clearly explain what decisions may be appealed, applicable deadlines, required filing procedures, standards of review, and whether further judicial review is available under California law. Clear appeal procedures benefit both housing providers and tenants by reducing confusion and encouraging orderly resolution of disputes.

VI. THE ORDINANCE SHOULD BE SUPPORTED BY AN ADEQUATE EVIDENTIARY RECORD

A. Major Regulatory Decisions Should Rest on Clear Findings

The proposed Residential Rent Stabilization Ordinance represents one of the most significant changes to Santa Barbara's rental housing regulation in decades. Public confidence is strengthened when major policy decisions are accompanied by clear factual findings explaining why the chosen approach is necessary, how it was developed, and what outcomes the City reasonably expects it to achieve.

B. The City Should Explain the Conditions the Ordinance Is Intended to Address

I respectfully request that the City identify the evidence supporting its conclusions, including the number of households experiencing rent increases the City considers excessive; the extent of involuntary displacement attributable to rent increases; trends in tenant turnover and vacancy rates; rental affordability data specific to Santa Barbara; and any other information demonstrating that the proposed framework is appropriately tailored to local conditions.

C. The City Should Explain Why the Selected Policy Tools Were Chosen

For each significant policy choice the 60 percent CPI formula, the 3 percent cap, the Base Rent framework, the Rental Registry, annual fees, petition procedures, pass-through limitations, and enforcement mechanisms—I respectfully request that the City explain why the provision was selected, what alternatives were considered, and what evidence supports the conclusion that the approach will effectively achieve the City's objectives.

D. Potential Unintended Consequences Should Be Evaluated

Thoughtful policymaking includes evaluating not only anticipated benefits but also reasonably foreseeable unintended consequences. I respectfully request that the City evaluate whether the ordinance could affect longterm investment in existing rental housing; maintenance and rehabilitation of older properties; participation by small housing providers; the availability and overall supply of long-term rental housing; the status of unpermitted or legally nonconforming units and the associated risk of tenant displacement; and administrative costs for both the City and regulated parties.

E. Supporting Studies and Alternative Approaches Should Be Disclosed

If the City has relied upon consultant reports, economic analyses, financial models, legal memoranda, or housing market studies in developing the Draft Ordinance, I respectfully request that those materials be made publicly available before final adoption. Meaningful public participation requires access to the information underlying significant policy decisions. I also respectfully request that the City explain whether it evaluated alternatives that might accomplish similar housing goals with fewer regulatory burdens—such as targeted rental assistance, incentives for preserving naturally affordable housing, programs encouraging voluntary long-term tenancies, or expedited permitting and zoning reforms to increase housing supply.

F. The City Should Evaluate Whether Income Targeting Would More Efficiently Achieve the Ordinance's Goals

The Draft Ordinance as written would extend rent stabilization protections to all covered tenants regardless of income. A high-earning household in a stabilized unit receives identical protection to a lower-income household genuinely at risk of displacement. While universal application simplifies administration, it also directs a significant regulatory burden—and the associated economic costs—toward protecting tenants who may not need protection.

I respectfully request that the City explain whether it evaluated income-targeted or means-tested alternatives, such as limiting stabilization protections to households below a defined area median income threshold, or pairing universal stabilization with enhanced assistance programs focused on the most vulnerable tenants. Understanding whether such alternatives were considered, and why the chosen approach was preferred, would assist the public in evaluating whether the ordinance is appropriately calibrated to the problem it is designed to solve.

G. The Ordinance Should Include a Mandatory Review and Sunset Provision

The Draft Ordinance does not appear to include a mandatory review period or sunset provision requiring the City to evaluate whether the ordinance is achieving its stated objectives. For a regulatory program of this scope and consequence, such a provision is not merely good governance—it is essential accountability.

I respectfully request that the ordinance include a requirement that the City conduct and publish a comprehensive review of the ordinance's effects no later than three to five years after adoption. That review should assess whether the ordinance has reduced involuntary displacement; whether it has affected the overall supply, quality, and availability of rental housing; whether the fee structure remains appropriately calibrated; whether small housing providers have been disproportionately burdened; and whether any provisions should be amended, suspended, or repealed in light of actual experience.

A sunset or mandatory review provision signals the City's commitment to evidence-based governance and provides an orderly mechanism for adjusting the regulatory framework if experience reveals unintended consequences. Its absence suggests that once adopted, the ordinance will remain in place regardless of its actual effects—a result that should concern both tenants and housing providers.

VII. THE ORDINANCE SHOULD MORE FULLY ADDRESS ITS IMPACT ON SMALL HOUSING PROVIDERS

A. The Cumulative Administrative Burden Warrants Careful Consideration

The Draft Ordinance establishes several new administrative responsibilities, including annual registration, payment of recurring fees, reporting requirements, maintenance of records, compliance with notice requirements, participation in administrative proceedings, and ongoing monitoring of regulatory changes. Each requirement may appear modest individually. Collectively, however, these obligations represent a significant increase in administrative responsibility—particularly for owners who personally manage only a few rental units.

I respectfully request that the City estimate the anticipated annual time and financial cost of compliance for small housing providers and include that analysis in the administrative record.

B. The City Should Evaluate Potential Effects on Housing Supply

An important objective of housing policy should be preserving and expanding the long-term supply of rental housing. I respectfully encourage the City to consider whether the cumulative financial and administrative obligations imposed by the ordinance could influence ownership decisions, including selling rental properties, converting units to owner occupancy, reducing investment in rental housing, postponing improvements, or choosing not to acquire or develop additional rental housing. Understanding these potential market responses will help the City evaluate whether the ordinance is likely to advance its long-term housing objectives.

C. The Ordinance Should Include Provisions Specifically Designed for Small Housing Providers

Many California jurisdictions recognize that owners of a few rental units face different operational realities than institutional landlords. I respectfully request that the City consider whether the ordinance should include reduced annual registration fees for small housing providers, simplified reporting requirements, streamlined petition procedures, additional technical assistance, extended implementation periods where appropriate, and other accommodations that reduce unnecessary burdens while preserving the ordinance's policy objectives.

D. Mandatory Registration May Inadvertently Displace the Tenants the Ordinance Is Designed to Protect

One of the most significant and underexamined risks in the Draft Ordinance is its potential impact on unpermitted and legally nonconforming rental units. Santa Barbara, like many California cities, has a meaningful number of rental units that operate outside the formal permitting framework—accessory dwelling units built before current codes, garage conversions, in-law units, and similar arrangements. These units frequently house lower-income tenants at below-market rents, often in longstanding informal tenancies.

Mandatory registration creates a serious dilemma for owners of such units. Registering an unpermitted unit may expose the owner to code enforcement action, permit violations, required retrofitting costs, or demands to legalize or remove the unit entirely. Faced with that prospect, many owners will rationally conclude that the safest course is to terminate the tenancy and take the unit off the rental market before the registration deadline. The result would be the involuntary displacement of the very tenants—often long-term, lower-income residents—that rent stabilization is intended to protect.

This is not a hypothetical concern. Experience in other jurisdictions that have implemented rental registries without addressing unpermitted units has demonstrated that mandatory disclosure requirements can trigger exactly this outcome. The City should not assume that existing code enforcement discretion is a sufficient safeguard; structured registration programs create systematic pressure that ad hoc enforcement does not.

I respectfully request that before adopting the ordinance, the City:

- Conduct and publish an analysis estimating the number of unpermitted or legally nonconforming rental units that would be subject to the Registry;
- Evaluate the likely behavioral response of owners of such units to mandatory registration requirements;
- Assess the risk of tenant displacement resulting from registration-driven unit removal;
- Consider whether a safe harbor, amnesty period, or deferred registration pathway could encourage legalization rather than displacement; and
- Determine whether the ordinance should explicitly address the treatment of unpermitted units in a manner that prioritizes preserving existing tenancies rather than triggering their termination.

Failing to address this issue before adoption risks producing an ordinance that, in practice, reduces the supply of affordable rental housing and displaces vulnerable tenants—an outcome directly contrary to the ordinance's

stated purposes.

E. The Ordinance Should Be Evaluated in Light of the City's Existing Just Cause Eviction and Relocation Assistance Requirements

Santa Barbara has already enacted a just cause eviction ordinance that includes mandatory relocation assistance obligations. That ordinance imposes significant independent financial burdens on housing providers—obligations that exist alongside, and are compounded by, the requirements of the proposed rent stabilization ordinance.

The City should not evaluate the rent stabilization ordinance in isolation. The combined effect of rent limitations, mandatory registration fees, compliance and administrative costs, just cause eviction restrictions, and relocation assistance obligations represents the true regulatory burden that housing providers—particularly small owners operating with thin margins—will face. A housing provider managing a few rental units may find that the cumulative obligations of these overlapping regulatory frameworks make continued rental operations economically untenable, even if no single requirement would be problematic on its own.

I respectfully request that the City prepare and publish an analysis of the cumulative financial impact on small housing providers of the proposed rent stabilization ordinance considered together with the existing just cause eviction and relocation assistance requirements. That analysis should model the combined effect across a range

of typical ownership scenarios—including properties with long-term tenants at below-market rents, properties recently acquired, and properties with significant deferred maintenance needs—and should be made publicly available before the ordinance is adopted.

F. The Ordinance Should Establish a Financial Hardship Exemption for Small Housing Providers

The Draft Ordinance does not appear to include any mechanism allowing a housing provider to seek temporary relief from rent limitations based on demonstrated financial hardship. This gap is particularly significant for small owners who, unlike institutional investors, cannot absorb extended periods of below-market returns by reallocating resources across a large portfolio.

Many California rent stabilization ordinances include a financial hardship or temporary exemption process that allows owners to demonstrate, through verified financial documentation, that strict application of rent limitations would prevent them from maintaining the property, meeting debt service obligations, or earning a minimally adequate return. These provisions do not undermine rent stabilization—they protect against its most severe unintended consequences and help preserve the long-term viability of small-scale rental housing.

I respectfully request that the ordinance include a clearly defined financial hardship petition process available to small housing providers, with objective standards, reasonable filing requirements, defined timelines, and written findings. Such a provision would meaningfully reduce the risk that the ordinance drives small housing providers out of the rental market and improves the long-term durability of the regulatory framework.

G. Plain-Language Guidance on Exemptions Should Be Provided

The Draft Ordinance contains several exemptions and references to state law that may be difficult for individual property owners to interpret without legal assistance. To improve compliance and reduce confusion, I respectfully request that the City publish plain-language guidance explaining which properties are exempt, how owners may verify exempt status, what documentation may be required, procedures for resolving exemption disputes, and examples illustrating how common ownership situations will be treated.

VIII. SUMMARY OF REQUESTED REVISIONS

For the reasons discussed above, I respectfully request that the City Council consider the following revisions before adopting the proposed Residential Rent Stabilization Ordinance.

A. Increase Transparency and Strengthen the Evidentiary Record

- Publish the complete fee study supporting the proposed Rental Registry fee structure.

- Demonstrate that the Registry fee allocation does not unconstitutionally shift the full financial burden to housing providers—in particular, address the risk that landlords will bear 100 percent of the fee cost when tenants fail to pay their share, contrary to the principles of Jacks v. City of Santa Barbara.

- Publish a legal analysis confirming the ordinance does not conflict with the Ellis Act, and will not impose fees, penalties, or ongoing obligations on owners who have lawfully withdrawn units from the rental market.

- Publish a legal analysis evaluating whether the ordinance, considered alongside the City's existing just cause eviction and relocation assistance requirements, is consistent with applicable Takings Clause principles.

- Address the substantive and procedural due process concerns raised by retroactive application of the 2025 Base Rent, and ensure a meaningful individualized petition process is available to owners who can demonstrate material prejudice.

- Publish any consultant reports, economic analyses, fiscal studies, legal analyses, or housing market studies relied upon in developing the ordinance.

- Explain the factual basis for the 60 percent CPI formula, the 3 percent annual cap, and the Base Rent framework.

- Publish an analysis evaluating anticipated impacts on housing providers, tenants, and the long-term supply of rental housing.

- Prepare and publish a cumulative financial impact analysis evaluating the combined effect of the rent stabilization ordinance and the City's existing just cause eviction and relocation assistance requirements on small housing providers.

- Explain whether income-targeted or means-tested alternatives were evaluated, and why universal application was chosen over approaches more precisely calibrated to households at genuine risk of displacement.

- Include a mandatory review and sunset provision requiring a comprehensive evaluation of the ordinance's effects within three to five years of adoption.

- Establish a financial hardship petition process for small housing providers, with objective standards, defined timelines, and written findings.

- Allow sufficient time for meaningful public review and comment after these materials are released.

B. Strengthen Privacy and Cybersecurity Protections

Before requiring mandatory Registry participation, the City should adopt clear written policies addressing what information will be collected and why each element is necessary; who may access Registry information; cybersecurity standards, encryption, and access controls; independent cybersecurity testing; breach notification procedures; data retention schedules; procedures for correcting inaccurate records; and protection of confidential information from inappropriate public disclosure.

C. Evaluate and Address Economic Impacts

The City should prepare and publish an analysis evaluating the cumulative financial impact of the ordinance on small housing providers; the risk that mandatory registration will cause owners of unpermitted or legally nonconforming rental units to terminate tenancies and remove units from the rental market—displacing the very tenants the ordinance is designed to protect; anticipated effects on property maintenance and reinvestment; potential impacts on long-term rental housing supply; and administrative compliance costs. The City should also evaluate whether a safe harbor or amnesty period for unpermitted units could encourage legalization rather than displacement.

D. Strengthen Fair Return Protections

The ordinance should clearly establish a fair return process that is timely, transparent, and practically accessible—including objective evaluation standards, reasonable filing requirements, affordable costs, defined decision timelines, written findings, and meaningful opportunities for administrative and judicial review.

E. Improve Administrative Procedures and Due Process

The ordinance should clearly establish independent administrative decision-makers; transparent hearing procedures; defined notice requirements; written findings; predictable timelines for hearings and appeals; procedures for reviewing disputed fees before collection; and clearly defined appeal rights. The City should also consider simplified reporting requirements, reduced filing burdens for small housing providers, clear guidance documents, and reasonable implementation timelines.

F. Continue Meaningful Public Engagement

Given the significance and complexity of the proposed ordinance, I respectfully encourage the City to continue engaging with tenants, housing providers, neighborhood organizations, housing professionals, and other members of the community before adopting final regulations. A transparent and collaborative process will produce a better ordinance and broader public confidence in its implementation.

IX. CONCLUSION

Thank you for the opportunity to provide comments on this important proposal.

I recognize that the City faces difficult challenges in promoting housing affordability and stability, and I appreciate the effort that elected officials, City staff, tenants, housing providers, and community members have devoted to this process.

The proposed Residential Rent Stabilization Ordinance represents one of the most consequential regulatory changes affecting Santa Barbara's rental housing market in decades. For it to achieve its goals durably and equitably, it must be supported by a thorough evidentiary record, carefully evaluated for its economic and administrative impacts, and implemented with appropriate procedural safeguards.

Throughout these comments, I have identified areas where additional analysis, clarification, or revision would strengthen the ordinance. The concerns are real, but they are also addressable. A fee structure that withstands constitutional scrutiny under Proposition 26 and Jacks; a legal record confirming compliance with the Ellis Act and the Takings Clause; due process protections for owners whose rents were frozen without prior notice at a 2025 baseline; an honest accounting of the cumulative burden this ordinance places on small housing providers already subject to the City's just cause eviction and relocation assistance requirements; privacy and cybersecurity protections in place before sensitive data is collected; a candid evaluation of the risk this ordinance poses to tenants in unpermitted units; a financial hardship process that prevents the most severe unintended consequences for small owners; and a mandatory review provision that holds the City accountable to the outcomes it has promised—none of these asks are unreasonable, and all of them will produce a better ordinance.

Santa Barbara benefits from a diverse rental housing community that includes tenants, nonprofit providers, affordable housing organizations, individual property owners, and larger institutional owners. Long-term housing stability depends on policies that encourage continued investment in safe, well-maintained rental housing while providing reasonable protections for tenants. Those goals are not in conflict—but achieving them requires getting this ordinance right.

I respectfully urge the City Council to take the time needed to carefully consider the issues raised during the public review process, strengthen the administrative record where appropriate, and revise the ordinance before adoption. Thoughtful refinements now will produce a more durable, effective, and broadly supported ordinance than moving forward before important questions have been fully addressed.

Thank you again for your consideration of these comments and for your service to the Santa Barbara community.

Respectfully submitted,

David Sullins

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
To: Santa Barbara City Staff

From: Concerned Constituent/ Senior Advocate

Date: 07/05/2026

Dear City Staff,

I am writing to submit a formal public comment regarding the Draft Rent Stabilization Ordinance (RSO).

While I strongly support the implementation of the 2027 RSO, the current draft leaves a critical loophole regarding "substantial remodel" evictions that threatens to systematically displace fixed-income seniors across the City of Santa Barbara.

Our city's elderly population relies heavily on stable, predictable housing costs. Many seniors live in older, multi-family complexes that lack permanent federal or state LIHTC deed restrictions. Instead, they rely on localized, long-term tenancies or private charitable models.

When these properties face aging infrastructure, routine capital cycles, or ownership transitions, seniors become acutely vulnerable to no-fault evictions under the guise of mandatory structural renovations.

Under current Just Cause regulations, a landlord's only obligation during a substantial remodel is a flat relocation payment, typically equal to three months of the tenant's current rent.

In Santa Barbara's hyper-competitive housing market, this creates an immediate pathway to homelessness.

A senior forced out with a small, flat payout is thrust into a market with near-zero affordable vacancies, where market-rate units vastly exceed their fixed monthly income.

Landlords and entities are not legally mandated to cover this massive rent differential. To ensure that the 2027 RSO provides absolute, measurable housing security for all aging residents and prevents displacement before it happens, I urge the City Council to strengthen the final framework with the following city-wide policy amendments:

(1) Mandate a Rent Differential Subsidy: Require landlords who temporarily displace tenants for structural renovations to either provide a comparable local unit at the tenant's current rent rate, or fully subsidize the financial difference of a temporary market-rate vacancy until the construction is completed and the tenant can return.

(2) Escalate Relocation Assistance for Vulnerable Populations: Amend the ordinance to triple or quadruple the mandatory relocation payout specifically for seniors (aged 62+), disabled individuals, and extremely low-income households to offset the true, modern cost of displacement.
(3) Establish a Vacancy Rate Emergency Trigger: Implement a clause that bans no-fault "substantial remodel" evictions entirely during periods when the local affordable housing vacancy rate sits below a critical safety threshold of 2%.
(4) Exempt Seniors on Fixed Incomes from Capital Improvement Rent Hikes:

Landlords must be explicitly prohibited from passing the costs of structural modernizations, building overhauls, or deferred maintenance onto seniors living on fixed incomes. Landlords should not be permitted to use the "Fair Return" petition process to out-price vulnerable elderly tenants under the guise of infrastructure updates.

Santa Barbara's senior citizens cannot survive a regulatory framework that permits them to be priced out of their community through structural loopholes. The city must intervene to codify strict, transparent standards that protect our most vulnerable neighbors.

Sincerely,

A Concerned Santa Barbara Constituent.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Re: My Proposed Residential Rent Stabilization Ordinance —

Priority Recommendations.

Dear City Administrator and Honorable City Council Members,

I urge the City to adopt a strengthened version of the proposed Residential Rent Stabilization Ordinance that maximizes tenant protections while minimizing legal risk and ensuring administrability. Below I summarize the highest-priority changes that should be added or tightened before the ordinance is finalized, explain why each is essential, and propose immediate next steps for implementation. Key priorities (in order). Additionally I have attached a vital part of the ordinance Governance.

1. Add Just-Cause Eviction and Anti-Harassment Protections

Rent limits without eviction protections are easily circumvented by no-fault evictions, owner move-ins, or harassment. Include a clear list of permissible grounds for termination; strict documentation and minimum occupancy requirements for owner move-ins; an explicit anti-harassment prohibition with administrative remedies (rent rollback, penalties) and expedited complaint procedures. This preserves housing stability and prevents displacement that would undermine the ordinance's purpose.

2. Create Robust Enforcement and Tenant Remedies

Without meaningful enforcement, violations will continue. Tenants need accessible remedies. Add administrative authority to investigate and subpoena, graduated fines for intentional/repeated violations, a private right of action with fee-shifting to prevailing tenants, statutory damages for willful violations, and treble damages for bad-faith evasion. Allow the City to record liens for unpaid penalties. This deters noncompliance and makes enforcement feasible for low-income tenants.

3. Flip Coverage Default and Narrow Exemptions to Explicit State Preemption

The draft's broad entity and unit-type exemptions create large loopholes. Maximize coverage by default and limit exemptions strictly to explicit state preemption. Require landlords claiming exemptions to prove them to the City Attorney within a fixed timeframe. This extends protections broadly while respecting state law.

4. Tighten Capital Improvement Pass-Throughs and Ban New Recurring Fees

Landlords can use fees and pass-throughs to raise effective rent beyond caps. Require strict eligibility for pass-throughs (habitability/safety only), tenant notice and majority non-objection or Board approval for large pass-throughs, amortization limits, and a prohibition on new recurring fees unless grandfathered. Cap administrative add-ons. This prevents stealth rent increases and preserves affordability.

5. Strengthen Vacancy and Anti-Renoviction Protections

"Renovictions" and contrived vacancies are common evasion tactics. Add vacancy registration, documentation requirements for substantial rehab, presumptions of evasion where vacancy follows harassment or minor work, and remedies including rollback and penalties. Respect Costa-Hawkins and Ellis Act but create administrative hurdles to deter abuse. This reduces displacement and gaming of vacancy rules.

6. Require Meaningful Relocation Assistance for No-Fault Displacements

Displaced tenants need compensation to avoid homelessness or housing instability. Require minimum relocation payments (e.g., six months' rent for low-income tenants; three months for others) or comparable replacement housing; give the Board authority to adjust amounts. Consider a City fund or fee mechanism to ensure payment. This provides a real deterrent to no-fault evictions and helps displaced households.

7. Establish a Comprehensive Rental Registry and Public Reporting

Data is essential for enforcement and transparency. Require mandatory registration within 90 days of enactment and upon tenancy changes; include owner contact, rent history, and unit characteristics; publish quarterly anonymized reports and an enforcement dashboard. Penalize failure to register. This enables monitoring, complaint triage, and evidence for petitions.

8. Tighten Fair-Return Petition Procedures

Landlords must be able to seek constitutional relief, but petitions should not be a loophole for large, unjustified increases. Require audited financials, rent rolls, and itemized expenses; tenant notice within 7 days of filing; tenant standing to participate and subpoena documents; independent audit for petitions seeking increases above a threshold (e.g., 10%). Place the burden of proof on the landlord for extraordinary increases. This balances constitutional protections with transparency and tenant oversight.

Implementation recommendations

- Immediate City Attorney review. Direct the City Attorney to vet coverage language, exemptions, and fair-return mechanics against Costa-Hawkins, Ellis Act, and takings jurisprudence.

- Phase in program elements. Adopt core protections (coverage, cap, just cause, enforcement) at enactment and delegate detailed rules (pass-throughs, petition forms, registry fields) to the Program Administrator and Rent Stabilization Board.
- Fund enforcement and outreach. Budget for program staff, IT for the registry, and tenant outreach (including legal aid partnerships) before the ordinance becomes effective.
- Plan for relocation assistance funding. Identify a funding source (e.g., targeted fee, landlord contribution, or general fund allocation) if the City will require or subsidize relocation payments.
- Public communication. Prepare clear tenant and landlord notices, FAQs, and translated materials explaining rights, obligations, and how to file complaints.

Closing

Adopting these prioritized changes will make the ordinance durable, enforceable, and effective at preserving affordable housing in Santa Barbara. Thank you for the opportunity to include my observations in the draft ordinance and to submit my recommendations.

Gina Rodarte Quiroz

Santa Barbara County Resident District 3

Proposed Governance Amendments to the Santa Barbara Rent Stabilization Ordinance

Section 1. Purpose

The purpose of this Chapter is to administer the Rent Stabilization Ordinance in a fair, impartial, transparent, and efficient manner that protects the rights of tenants and property owners while ensuring due process, accountability, and public confidence in the administration of this Chapter.

Section 2. Independence of the Rent Board

(a) The Rent Board shall act independently and shall administer this Chapter without favor toward landlords, tenants, or any other special interest.

(b) Members shall discharge their duties solely upon the evidence presented and the applicable law.

(c) No member shall seek or accept direction from any private individual, advocacy organization, or public official regarding the disposition of any pending matter.

Section 3. Separation of Functions

(a) No person who investigates an alleged violation shall participate in adjudicating that same matter.

(b) No employee responsible for enforcement shall advise the Board regarding the merits of any pending case.

(c) Legal counsel advising the Board shall not simultaneously represent enforcement staff in the same proceeding.

Section 4. Independent Hearing Officers

(a) Evidentiary hearings shall be conducted by independent Hearing Officers appointed by the City.

(b) Hearing Officers shall possess demonstrated experience in administrative law, landlord-tenant law, or dispute resolution.

(c) Hearing Officers shall issue written Findings of Fact and Conclusions of Law.

(d) The Rent Board shall review Hearing Officer decisions only upon appeal and shall apply the standards of review established by this Chapter.

Section 5. Due Process

All parties shall receive:

1. Written notice of proceedings;
2. Reasonable access to evidence;
3. Opportunity to present witnesses and documentary evidence;
4. Opportunity to rebut evidence presented by the opposing party;
5. A written decision stating findings of fact and conclusions of law;
6. Notice of all appeal rights.

Section 6. Ethics and Conflicts of Interest

(a) Members shall comply with all applicable provisions of California law governing conflicts of interest.

(b) Members shall disclose any actual or potential conflict prior to participating in any matter.

(c) Members with a financial or personal interest shall recuse themselves.

(d) Annual ethics training shall be mandatory.

Section 7. Required Training

Before participating in hearings, each Board member shall complete training regarding:

• California landlord-tenant law

• Administrative due process

• Fair housing requirements

• Public meeting laws

• Ethics and conflicts of interest

• Evaluation of evidence

Annual continuing education shall thereafter be required.

Section 8. Transparency

The Board shall:

(a) Publish all agendas in accordance with the Brown Act;

(b) Publish written decisions, redacted as necessary to protect confidential information;

(c) Maintain publicly accessible regulations, forms, and procedures;

(d) Publish annual reports summarizing Board activities.

Section 9. Annual Performance Report

The Annual Report shall include:

• Number of registered rental units;

• Number of complaints received;

• Number of petitions filed;

• Median processing time;

• Number of hearings conducted;

• Number of appeals;

• Compliance rates;

• Annual revenues and expenditures;

• Administrative cost per case;

• Program performance measures adopted by the Board.

Section 10. Independent Audit

Every three years an independent financial and operational audit shall be conducted.

The audit shall evaluate:

• Financial accountability;

• Administrative efficiency;

• Compliance with ordinance requirements;

• Timeliness of case processing;

• Program effectiveness.

The audit shall be presented to the City Council during a public meeting.

Section 11. Ex Parte Communications

Board members shall not discuss the merits of any pending adjudicative matter outside a noticed public proceeding.

Any inadvertent ex parte communication shall be publicly disclosed prior to the commencement of the hearing.

Section 12. Public Rulemaking

The Board may adopt administrative regulations only after:

(a) Public notice;

(b) Opportunity for written public comment;

(c) Public hearing;

(d) Publication of the final regulation.

Administrative regulations shall not conflict with this Chapter.

Section 13. Periodic Review

Every five years the City Council shall conduct a public review of the effectiveness of this Chapter, including:

• Housing stability;

• Housing supply;

• Administrative performance;

• Fiscal sustainability;

• Public satisfaction;

• Recommendations for amendment.

The Rent Board shall submit recommendations but shall not determine continuation of the ordinance.

Section 14. Judicial Review

Any final administrative decision shall be subject to judicial review pursuant to applicable California law.

Nothing in this Chapter shall limit any rights otherwise provided by state law.

Section 15. Code of Conduct

The Board shall adopt a written Code of Conduct governing:

• Professional behavior;

• Civility;

• Confidentiality;

• Impartiality;

• Public trust;

• Ethical responsibilities.

Violation of the Code may constitute grounds for censure or removal as provided by law.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
TO: Santa Barbara City Council

I am writing to comment on the Draft Rent Stabilization Ordinance.

Specifically, I am opposed to Section 26.90.040 that says:

"The annual general adjustment will be equal to 60% of annual percentage change in the Consumer Price Index or 3%, whichever is less."

How is this sustainable? If rent increases cannot match expense increases, landlords will eventually leave the business. It is a business, after all.

This limit on rent increases is short sighted and will negatively affect the quality and size of Santa Barbara's rental housing inventory.

Mark Turner

I apologize for writing again but I forgot something important that you need to take into consideration and that is insurance. Of course it is mandatory that I have it. Please do a little research for our area and see how much the rates are going up. Now with the rent stabilization ordinance I can't get any relief from these increases. Add in utilities which I cover for two of my properties and you can see that your .6 of CPI doesn't make sense.

Thanks for considering this additional comment.

Kathleen A. McGuire

Santa Barbara resident and landlord

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
I am writing to advocate for several programs which I am familiar with by way of renting to their clientele.

These 4 charitable entities have one common purpose; finding and maintaining housing for their clients. Once the recipients are housed they each continue in caseworker mode, working to maintain what they have achieved for the clients and their program.

New Beginnings. A Santa Barbara County program which relocates clients from cars and vehicles into regular housing. This program negotiates rents, including annual increases. They also tract their renter's behaviors toward the property and neighbors and advocate for the renters as well, taking renter input, making inspections and making sure the property remains to standards.

Good Samaritans. This program operates similar to New Beginnings but has a more diverse clientele and act as caseworkers far more closely.

Partners in Housing is again more closely related to the Good Samaritans, negotiating rents, checking housing standards while eventually working to leave the clients self-sufficient. They step back in if need arises and remain concerned and on hand in perpetuity.

Santa Barbara City Housing Authority. I have dealt with other HA's and ours is the very best. It is remarkable how well this local program is and how pro-active and efficient a program like this can be run. It is a real Santa Barbara asset. No other organization is tougher than our HA, both on initial rents and later annual increases. They have posted Rent Standards, annual inspections (which I love) and are deeply involved with property conditions and renter behaviors.

All these programs, (except HA, which runs a list) contact me several times a month asking about openings. They have funding but cannot find willing landlords. Their clientele carries stigmas I think for some landlords, which I do not share. Their work and management in ongoing issues more than offsets the troubles which also come with housing the homeless, the car dwellers and the stabilized but fragile medical mental cases.

I advocate that they be exempted, including any costs which inevitably finds their funding. The benefits of a rent cap or registry board oversight is simply a duplicated effort after their work. And attracting more landlords who will bring their units to be managed by these social benefit programs instead of the City proposed program, is a moment of great gain for them all.

They have the funding. They cannot get enough housing, and all these programs compete for the same units in addition to the open market.

New Beginnings tries to pay most of the rent and having the prior car dweller pay the last $500 to $1000 or so, case by case. Last month, in June 2026, they paid full for all their renters, regardless of each renter's prior agreements. They again notified us they will be sending full payment for July 2026 for all renters. While other clients remain in cars and vans waiting for more landlords to come on board, they are using up their funding while it is made available to them. (Diego 805-971-0272)

These charity-based programs and government funded housing sources need your help by exempting them. They are damaged by possibly being included in these unneeded repetitious services. And would also be truly enhanced by excluding them.

Thanks, David

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Hi there,

I am emailing about the RSO ordinance because I want to once again share my story about how the rental mediation board is not neutral and favors landlords. I am concerned that the proposed setup of the new rental stabilization board is too similar to the setup of the rental mediation board and will result in the same issues.

When my neighbors and I had issues with our landlord in 2024, the rental mediation board met with us to discuss what services they could offer. They told us they were a neutral board and that they helped tenants and landlords resolve issues - that everyone always "left happy."

The main issue at hand, was our landlord claimed our apartments needed to be renovated, which we agreed with, but we were not able to get a timeline on when the repairs would be completed. We were hoping this was something the rental mediation board could assist with. Our goal in this process was to reach a clear and agreed-upon timeline so that any necessary repairs and remodeling could be completed without delay or disruption.

All we wanted was to stay in our homes and to live around the construction as many other construction workers were doing at the time. There were a number of construction workers living on the property during construction and if they could live there - we couldn't understand why we couldn't live there too.

We asked the rental mediation board if they had every mediated a compromise between the landlord and the tenant where the tenant got to return to their home, and out of the thousands of cases they've handled they told us that they've only handled 1 case where the tenant stayed in their apartment but "that also ended happily because he left a few months into his lease."

They repeatedly said everyone would leave happily and on their own accord but what was painfully obvious was "their accord" referred to the landlord's accord. It didn't matter what we wanted. It didn't matter what rights we had technically under the law - specifically under California Civil Code section 1946.2, also known as the Tenant Protection Act of 2019. Under this law, landlords must state a “just cause” to terminate a tenancy. One of the limited “no-fault” just causes is the need to perform substantial repairs that require the tenant to vacate. However, section 1946.2(b)(2)(D) includes a critical requirement: if the tenant is displaced for substantial repairs, the landlord must inform the tenant in writing that they may re-occupy the unit once repairs are completed, and the tenant has a right of first refusal to return.

I was never offered the right to return and the rental mediation board didn't care to help. They just wanted me and my neighbors out of our homes. They didn't care if that meant some of us would leave the community and Santa Barbara all together.

The reason the rental mediation board doesn't work is because a board with 1/3 landlords, 1/3 homeowners and 1/3 renters. Homeowners aspire to be landlords (if they aren't already using loopholes to be landlords in other cities or parts of town). They aren't aligned with renters and the city isn't made up of 1/3 landlords, 1/3 homeowners and 1/3 renters.

The city is made up of 60% of renters and we deserve a rent board that reflects that.

Please do not just make another rent mediation board that does nothing. With the new rental mediation board, please make it a reflection of the city's people. It should be made up of 60% of renters and act as a true place of enforcement on landlords that repeatedly break the law across the city.

Thank you.

Best,
Corina Svacina

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
July 1, 2026

Dear Mayor, City Council and City Administrator,

Thank you for your service to our City.

Re: Additional Just Cause and "Ellis Act" Amendments_PUBLIC REVIEW DRAFT 6/10/26

ORDINANCE NO. AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING THE SANTA BARBARA MUNICIPAL CODE BY AMENDMENT OF SECTIONS

26.50.070 AND 26.50.100 AND ADDITION OF SECTIONS 26.50.110 AND 26.50.120 RELATING TO JUST CAUSE FOR RESIDENTIAL EVICTIONS

"Page 8 of Draft. #2. If a tenant is at least ***62 years of age or disabled,*** *and has lived in their rental unit for at least one year prior to the date of delivery to the City of the notice of termination, then the date of termination for the rental unit shall be extended to one year after the date of delivery to the City..."*

Comment: This is a good amendment as well as the underlying understanding that retirees and senior citizens may be at the time of their life where they won't easily be able to go back to work to earn more money or pivot in their life plan or retirement plan. This can impact their housing, retirement resources as well as that of their family and healthcare.

Re: PUBLIC REVIEW DRAFT June 9, 2026,

SECTION 1. Title 26 of the Santa Barbara Municipal Code is amended to add Chapter 26.90 as follows: CHAPTER 26.90. RESIDENTIAL RENT STABILIZATION Section 26.90.010 Application.

Page 1-2.

"A. This Chapter applies to all residential rental units in the City except:

1. Rental units for which a certificate of occupancy was issued (or final inspection on a building permit

application for construction of the unit was completed) on or after ***February 1, 1995."***

Comment Regarding

"A. 1": This State of California has a rolling date of 15 years from the date of completion. **How long will the February 1, 1995 date last for** the City of Santa Barbara? If this is not indefinitely, then the date should be disclosed with the public given ample time to consider and make comments.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Comment:

Text should be added to A. 1. "…..on or after February 1, 1996. If at the time the new Just Cause Amendments and/or Rent Stabilization Ordinances are put into place and the age of the owner of the unit is at least 62 years or disabled; then the exception shall be applicable until the death of the owners or sale of the unit.

CHAPTER 26.90. RESIDENTIAL RENT STABILIZATION Section 26.90.010 Application.

A. This Chapter applies to all residential rental units in the City ***except*******:*

*2. Rental units that are alienable separate from title to any other dwelling unit or are a subdivided interest in a subdivision, as specified in subdivision (b), (d), or (f) of Section 11004.5 of the California Business and Professions Code.*** This exception does not apply to any of the following:*

a. A rental unit where the preceding tenancy has been terminated by the owner by notice pursuant to California Civil Code Section 1946.1 or has been terminated upon a change in the terms of the tenancy noticed pursuant to California Civil Code Section 827; PUBLIC REVIEW DRAFT June 10, 2026 2

*b. A condominium dwelling or unit that has not been sold separately by the subdivider to a bona fide purchaser for value.****

c. The owner of the rental unit is any of the following: i. A real estate investment trust, as defined in Section 856 of the Internal Revenue Code. ii. A corporation. iii. A limited liability company in which at least one member is a corporation.

***Comment as to 2 and 2b:

Restate in this section that if at the time the new Just Cause Amendments and/or Rent Stabilization Ordinances are put into place, the unit is not specified in subdivision (b), (d), or (f) of Section 11004.5, and the owner is at least 62 years of age or disabled; then the exception shall be applicable until the death of the owners or sale of the unit. Probably not saying this legally and correctly but something should be stated so it is not confusing.

Other Comments as to the remainder of Rent Stabilization:

Along with the protection of the vulnerable tenants in Santa Barbara, we as a City need to continue to protect vulnerable true **mom and pop landlords** whose entire retirement, finances and health care plan could be in jeopardy otherwise. Are they seniors in their 2 story and need to be in their 1 story because of mobility issues? Can they put their parents in one unit so they can take care of their parents toward the end of life. Can their own children move into their unit next door on their lot to care for their parent landlord toward the end of life? Can they reasonably and quickly sell one of their units on their subdivided lot to finance their turn in assisted care living? Cancellation of landlord and other insurances, massive increase in pricing of insurance, 67% increase in construction costs from 2016-2026, construction and repair labor shortages, cost of attorneys for consultation or needs related to landlord tenant disputes; can devastate a mom and pop landlord.

It is disappointing to see the City embroiled in expensive **lawsuits like that filed by the law firm Capello and Noel on behalf of Landlords;** when our City resources could be spent toward other great needs**.** Perhaps the City Council's asks are too great, the rent increase formula too limiting, and ordinances too cumbersome and costly so as to impede the preservation and investment into tenant housing in Santa Barbara. **The City Council should work hard right now to find a medium ground with Landlords in the lawsuit.**

In my lifetime and in my decades of related employment; I have seen both sides of the Rent Control arguments and outcomes, particularly as it pertains to Santa Monica, CA. There are truths on both sides.

I hope while we give protection to vulnerable people on both sides of the equation and that we do so within the context of "civil discourse". While coming to a solution it is important for the City of SB community to lead by example, focus on the education of our youth and help to equip them for what is to come and the skills they may need in life to care for and house themselves. It is important to our younger generations to have hope.

Thank you for your time and consideration.

Kathleen Dagg, Resident of Santa Barbara, CA

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Dear Mayor Rowse, Councilmembers Friedman, Jordan, Santamaria, Sneddon, Harmon and Gutierrez:

I write to you today to express my, as you might have guessed, extreme opposition to the Santa Barbara Rent Stabilization Ordinance that will achieve nothing besides rent "stabilization," and as written will have profound, transformative and lasting damage to all landlords, real estate investors in rental properties, rental property conditions, and the availability of rental unit stock itself.

In the very short term, this misguided, fact- and history-bare ordinance may momentarily provide stabilized rents for Santa Barbara residents, but will predictably create degrading buildings, impoverished landlords, and accelerate the selling off of existing rental units. These effects of rent control have been universal, well known, long-acknowledged and tremendously corrosive in every location that they have been tried.

As the Federal Reserve Bank of St Louis states (Feb 12, 2024), "Microeconomics textbooks depict these rental price ceiling policies as causing supply to fall and demand to increase, leading to a shortage in the market. Suppressing the return on rental property investment does little to incentivize investors to increase the supply, or quality, of housing. Such policies may lead to a permanent change in the housing supply mix, pushing housing supply into the owned market and out of the rental market, and will make renting less affordable in the long term."

The Brookings Institute in 2018 wrote, "Research examining how rent control affects tenants and housing markets offers insight into how rent control affects markets. While rent control appears to help current tenants in the short run, in the long run it decreases affordability, fuels gentrification, and creates negative spillovers on the surrounding neighborhood. Caps on rents lead landlords to sell their rental properties to owner occupants so that landlords can still earn the market price for their real estate, as the return on their investments and assets consistently fail to meet real costs and market conditions."

The National Multifamily Housing Council has, as one of its key precepts, an essay titled "The High Cost of Rent Control." In it is stated "The profound economic and social consequences of government intervention in the nation's housing markets have been documented in study after study, over the past twenty-five years. Nevertheless, a number of cities around the country continue to impose rent controls, usually with the stated goal of preserving affordable housing for low- and middle-income family. Rent control does not advance this important goal. To the contrary, rent control has actually reduced both the quality and quantity of available housing. Those who advocate rent regulation have ignored the basic laws of economics that govern the housing markets, treating privately owned, operated and developed rental housing as if it were a "public utility." In doing so, they harm not only housing providers, but also, in the long run, the consumers they intend to serve.

When a community artificially restrains rents by adopting rent control, it tells builders not to make new investments and tells current providers to reduce their investments in existing housing, *creating the perverse consequence of reducing, rather than expanding, the supply of housing.*"

Now, to the specifics of Santa Barbara's proposed "Rent Stabilization Ordinance."

1) Section 26.90.040 states that landlords can raise rents no more than 60% of the Consumer Price Index, or 3% of existing rents, annually. **WHY ARE LANDLORDS A PERSECUTED CLASS, THAT THEY ARE PENALIZED ON ALL COSTS OF INFLATION, MATERIALS, LABOR, TAXES, INSURANCE AND MORTGAGES?** Are there any other segments of our industries that are likewise handcuffed to lower-than-inflation prices that they can charge? Why not? The math simply doesn't "math," and its seems that landlords current and future are targeted unfairly simply by offering people a place to live.

2). Public Registry: All private information on landlords *must now be entered into a public registry, for all to see and judge* - Ownership history, Rents, Assets, Tax Base. And a landlord MUST publish this information in this public registry, or face charges of FRAUD - and be prevented from renting out their properties, prevented from pursuing eviction of deadbeat tenants, and prevented from advertising their properties. **WHY MUST LANDLORDS EXPOSE ALL THEIR PRIVATE INFORMATION TO THE PUBLIC WHEN THEY CANNOT EVEN CHECK A POTENTIAL TENANT'S FINANCES OR RENTAL HISTORY**, to help them assess a tenant's ability to afford the rent? The question is - why would any landlord be foolish enough TO CONTINUE OFFERING THEIR PROPERTIES FOR RENT? Again - incredibly one-sided, persecutional and insanely unfair.

3) Section 26.90.070: Tenants may petition for lower rents, oppose their evictions simply by citing any dispute with the landlord or lack of repair or improvement not to their approval, or the rent calculation behind the rents they are charged. **ONE COMPLAINT BY AN ADVERSARIAL TENANT CAN HALT EVICTION PROCEEDINGS AND FORCE THE PROPERTY OWNER INTO THE COURTS.** Here we are again — incredibly one-sided, persecutional and insanely unfair.

4) Mortgage interest and property depreciation are *excluded from calculated expenses* — resulting in real losses to the land owner of upwards of 10-15% annually at current interest and depreciation rates. The ordinance provides a “right of petition” by the landowner, but the lawyering costs, time loss and aggravation are an undue burden placed upon this select group of individuals and is a prime disincentive for anyone to continue providing rental units to the public. **WHY ARE LANDLORDS BEING PERSECUTED IN THIS WAY, DIFFERENTLY FROM ANY OTHER INDUSTRY IN THE REGION?** Once again - One-sided, persecutional and insanely unfair.

5) Capital improvement cost pass-alongs are impeded by the ordinance’s cap of $100/month or 10% of the existing rent. This calculation removes the incentive for any land owner to make needed and desirable repairs and improvements to their properties; our family has a small house in Colorado that we inherited, and we just spent $12,000 upgrading the HVAC system and adding air conditioning. At the suggested rate of return that this ordinance offers, *it would take us a full decade to recoup this cost.* Under Colorado’s sensible rental laws, we instead were able to charge $200/month more, to reflect this significant improvement in our property, cutting the investment recoupment to a mere five years. Happy tenants - happy landlords.

Now, to the anecdotal - my family’s own experience with California’s terrible rent control and building regulations. We upgraded our family home in Encino in 2018, adding a second story to our home’s footprint. During that time, we rented a house in Santa Monica, and a distressed four-plex property across the street, at 21st St and Santa Monica Blvd, a highly-desirable location, caught my eye. Two of the units were boarded up, and a high chain link fence surrounded the property. I investigated and it turned out that the remaining two units had frozen rent rates. When an average one bedroom apartment in such a fine location could draw $3,000, $3500 per month - *one unit was earning only $480 per month, frozen at 1978 rates.* The other was earning $1100, *frozen at 1992 rates.* So, with complete logic, the landlord was simply waiting them out, until the renters died or moved, before they intended to sell it to a large developer who would instead build a multistory condo building and make MILLIONS, overnight, selling to new owners. *Et voila - the owner never repaired his building, pulled two units off the market and was letting the place rot rather than continue being ensnared in Santa Monica’s insane rent control policies.* This happens every day across that slowly-rotting city, whose entire nature is being changed as a result of their socialist rent control policies.

When we *did* return to our home in Encino, we thought briefly of renting it out and moving - but our realtor warned us against it, citing these very same incentive-killing policies and restrictions. “Liz, you guys don’t want to run the risk of having your family homestead taken from you, all the tenants would need to do is stop paying rent, you couldn't evict them without thousands and thousands of dollars in lawyer fees, court costs, incredible effort - and by then they likely would claim squatter's rights and you would lose everything!" Simply insane. *So we sold our family home of almost 30 years, because of these same socialist confiscatory, unfair and disincentivizing policies that Santa Barbara is now considering.*

WHAT SANTA BARBARA IS REFUSING TO ACKNOWLEDGE IS THAT IT ISN'T THE LANDLORDS WHO ARE THE PROBLEM - IT IS THE DRACONIAN BUILDING CODES AND POLICIES THAT HAVE CREATED THIS HOUSING SHORTAGE TO BEGIN WITH. Also in our Encino home remodel, we were subjected to a doubling of property taxes, and *insane building requirements that added nearly $100,000 to the remodeling cost.* The worst element? Despite not adding a single square inch to our roof footprint, we were forced to install a "rainwater capture and treatment system" that required *FOUR large sump pumps and over 600 feet of new plumbing, a "catchment pond" of gravel, sand, filtration material that would filter the rainwater to DRINKING WATER QUALITY, only to dump it into the gutter outside our property.* THIS WAS INSANE BUT WE HAD TO COMPLY. Total costs? $48,000, and a giant new electrical draw (yay environmentalism) and an enormous amount of plastic piping, trenching, cement, and so forth. Again: INSANE.

No wonder no new housing is being built in this mad, mad, mad regulatory environment.

THESE SOCIALIST BUILDING POLICIES ARE CREATING THE HOUSING SHORTAGE - AND SANTA BARBARA'S PROPOSED "SOLUTION" IS TO INSTEAD TURN ON THE SMALL CLASS OF INDIVIDUALS WHO OFFER WHAT LITTLE HOUSING REMAINS FOR THE PUBLIC.

I am astonished that you Councilmembers who support these corrosive ordinances, and your staff, either do not know all this, or purposefully ignore the deep, old and widespread evidence of these terrible policies.

It's like the old Leftist saying - "Socialism/Communism is awesome - it just hasn't been implemented CORRECTLY." I wonder if the Councilmembers think, as apparently all Liberal/Leftist politicians do these days — that you are simply smarter than all throughout history, and YOU won't be subject to reality, economics, and history?

I am just appalled to see dangerous ideas like this "Rent Stabilization Ordinance" coming to fruition here. We currently live in our true dream house, in Goleta (next up on the Socialist drawing board regarding these issues), which we worked for four decades to be able to afford, and into which we have invested every extra penny we've been able to save. We *were* thinking of renting it out while we go to Virginia to help with our grand babies who are due in a few months — but as my husband and I both instantly agreed — **WE WOULD RATHER SELL OUR**

DREAM HOME — AGAIN — RATHER THAN RENT IT OUT UNDER THESE CONFISCATORY POLICIES, ACCEPT SUCH RISK AND HEADACHES, AND POTENTIALLY LOSE IT ALTOGETHER.

None of this is news. None of this is a surprise. None of this is unpredicted.

DO WHAT IS THE ONLY REALISTIC AND LOGICAL THING THAT WILL SOLVE SANTA BARBARA'S HOUSING CRISIS — LOOSEN YOUR DRACONIAN BUILDING REGULATIONS AND ALLOW HOMES TO BE BUILT SENSIBLY AND AFFORDABLY.

Thank you,

Elizabeth Crawford

Dear Honorable Mayor Rowse and City Council Members,

I am a longtime Santa Barbara resident and owner of a pre-1995 triplex near downtown. I paid **$1,510,000** for this property as my first multifamily investment to provide quality housing for tenants while building retirement income. Current total rents are **$6,617 per month** (well below the ~$8,650 market potential), with my mortgage payment alone at **$9,359 per month**. I support reasonable tenant protections, but the draft as written creates unsustainable economics that will harm housing quality and supply.

Key Concerns:

- The rent cap is too low. The proposed formula (60% of CPI or 3%, whichever is less) will frequently deliver increases well below inflation and rising costs. My total rents are currently $6,617/month versus market potential of ~$8,650/month. At 5% annual growth I projected break-even in 7–10 years; under this cap it extends to 20+ years. This is unsustainable.

- Significant decline in my property's market value. Under the rent restrictions and adjusted buyer underwriting (current income with limited growth and higher risk), the value of my triplex could drop substantially — potentially into the $900,000–$1,100,000 range (or lower), representing a material loss from the $1.51 million I paid. Broader studies and local analyses show rent stabilization can reduce values of affected properties by 10–25%+ or more due to capped income potential.

- No adequate carve-out for under-market rents. Properties with long-term stable tenants paying significantly below market (like mine) need a practical mechanism for reasonable catch-up adjustments to avoid penalizing responsible landlords.

• The appeal/fair return process is inadequate for financed properties. The vast majority of multifamily properties are purchased with loans. Debt service is a major real cost, yet the draft explicitly excludes mortgage principal and interest from NOI and fair return calculations. The petition process is also complex, time-consuming, and burdensome for small owners.

• Ongoing legal challenges and costs to the city. Property owners have already filed a federal lawsuit against the temporary rent freeze, arguing it constitutes an unconstitutional taking under the Fifth Amendment without just compensation. The city has set aside $400,000 to defend against it. A similar permanent ordinance risks additional litigation, taxpayer expense, and uncertainty.

Recommendations:

• Set a flat 5% annual rent increase cap. This provides predictability for tenants while allowing landlords to cover rising costs and maintain properties. This compromise would most likely reduce ongoing legal challenges and costs for the city too.

• Add a clear carve-out or expedited process for significantly under-market properties (e.g., >20–25% below comps).

• Revise fair return standards to include/weight debt service or actual cost of capital, and streamline petitions for faster, lower-cost access.

These changes would better balance tenant stability with the need for well-maintained rental housing. I am available to provide more details or discuss further. Thank you for your service and for this public comment opportunity.

Sincerely,

Richard Buie

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Hi Everyone,

I have spent some time reflecting on Tuesday night's City Council hearing and wanted to share my thoughts with you. Please forgive the length of this message, but the developments are troubling and warrant your attention.

As always, please email me and I will remove you from any future correspondence.

- **Passthroughs**
  - I was a surprised to hear CM Harmon say that she did not know about passthroughs after making rent control her top priority for the past several years. Even a cursory review of rent stabilization programs in other jurisdictions would reveal that passthroughs are among the most complex and heavily regulated components of any RSO.
  - I offer this 18-page application and this 19-page rule package for pass through regulations from the City of Los Angeles as evidence. These programs are expensive and cumbersome to implement (by the landlord and city) and are rife with limitations (e.g. only 50% of the improvement can be recovered, maximum reimbursement amount per tenant is $55/month for 72 months). In practice, this benefits larger landlords that have the staffing and resources to navigate the bureaucracy, while hurting smaller, local landlords who don't.
  - Several CMs suggested that passthroughs should ***not be*** statutory and instead should be granted at the discretion of an RSO board based on a landlord's "need." I profoundly disagree with this assertion. As an example, that would punish a landlord who responsibly funds reserves, maintains his or her property, has satisfied and paying tenants and would reward a bad actor who does none of those things resulting in a poor financial situation. Passthroughs must be established up front and approvals then made ministerially and without discretion.
- **ADUs**
  - There was some discussion about "older ADUs." It was difficult to determine whether staff was simply confused in how they phrased the question or whether the question intentionally obscured a critical discussion. Had the issue been framed as I outline below, I suspect the deliberation would have been far more robust:

        - The main issue that I've seen with ADUs in RSO-jurisdictions is that when you construct a new ADU on a lot with a primary residence that was constructed prior to the RSO cut-off date (in this case 1995 or basically all homes in Santa Barbara) then the **ADU is *exempt*** from local rent control (still subject to AB1482) but then the ***primary residence then becomes subject to RSO.***

        - I don't t know if this particular policy is planned in Santa Barbara, but I suspect this is likely. This would be a major disincentive to new ADU construction and would be a slap in the face to any homeowner who recently constructed an ADU only to later find that their primary residence is subject to RSO if it is ever rented.

        - ***This is a possibility that the entire single-family homeowner community in Santa Barbara should be made aware of.***

- **Ellis Act Provisions**

    - There was some commentary regarding the Ellis Act. This is a sophisticated nuance that goes well beyond the Council's stated purposes of stabilizing rent increases. And I think there were some basic misunderstandings as some of the commentary from CMs suggested that a landlord could remove a unit from the market under the Ellis Act and then simply re-rent it. No, this is not how the Ellis Act works. Under the State Ellis Act, if you remove an RSO unit, you cannot re-rent it for five years unless you do so at the original level. If re-rented within ten years, the unit is subject to first right of refusal by the original tenant. And in all cases, the units remain under the RSO. I am not aware of any scenario where removing a unit for multiple years only to return it under RSO makes financial sense, and I have never seen it done.

    - The suggestion by the CMs is that Ellis provisions at the State level be incorporated into the to-be-developed RSO code at the local level and then (I assume) bolstered and expanded. I am deeply concerned about where this could lead. Here are a few examples of what I've seen in other jurisdictions:

        - **RSO runs with the land** - The State Ellis act allows for RSO units to be demolished to make way for new, non-RSO housing. I suspect that CM's in support of RSO will push for regulations that indefinitely tie RSO to the land itself and thus any new future units. This is an insidious disincentive to the production of new housing and a major impediment to the eventual replacement of antiquated housing stock.

- **Replacement units in new construction** - In some jurisdictions, demolishing an RSO building triggers requirements to replace units with deed-restricted affordable housing matching the size, bedroom count, and income levels of prior tenants. These regulations are extraordinarily onerous. See this astounding list of regulations and forms from the City of LA.

- **Relocation Assistance** - While not required under state Ellis law, some cities impose relocation payments that amount to substantial windfalls for tenants, at extreme cost to landlords who are otherwise lawfully exercising their State rights. These fees can be tens of thousands of dollars. Here is a link to relocation fees in San Francisco, for example.

- **Rental Registry**
  - Even a modest attempt by the CMs at familiarizing themselves with RSO regulations in other municipalities would suggest that this is completely unnecessary at the levels discussed in the hearing. For years the City of Los Angeles had their own, internal list of properties subject to RSO. The landlord didn't have to do anything aside from pay a simple annual invoice. No reporting rents, bedrooms, etc.
    - It is unclear why Santa Barbara believes it needs a far more invasive and expensive registry to launch a fledgling program when a basic, city maintained list sufficed Los Angeles for decades.
    - These registries often begin with basic information but inevitably expand to include rents, rent increases, move-in dates, bedroom counts, parking, utilities, and other data. This information is used primarily for enforcement and oversight, requiring significant staffing and ongoing costs by the City and landlord. Ask any property manager in Los Angeles how much time and expense they now spend keeping the city registry up to date. (It's a lot due to a cumbersome and unintuitive software system with constantly changing data and reporting requirements.)
- **Cost**

  - The Mayor and opposing CMs touched on cost of implementing the program. The RSO-supporting CMs did not talk about this important issue at all despite the fact that (as the Mayor suggested) similar programs in comparably sized cities cost upwards of $6 million annually to administer.
  - At some point, these costs will almost certainly be shifted to landlords as through per-unit fees, which will then themselves become the subject of passthrough debates.
  - Why is there not a formal cost and fee study to support the creation of the RSO program? Santa Barbara has routinely conducted such studies. For example, here is an economic study conducted for new zoning. Why can't a similar economic study be conducted here before embarking on a multimillion dollar RSO program?

- **State of Emergency**
  - Covid was the event that I believe emboldened the City Council and other agencies to utilize states of emergencies to advance their policy goals.
  - As an example, the Los Angeles County Board of Supervisors recently declared a state of emergency due to seasonal rains (there was no flooding) for the purposes of further extending rent control protections to ***newly constructed*** housing that is supposed to be exempt from rent control under AB1482.
  - In another example, and while we are all sympathetic to fire victims, Los Angeles County established an eviction moratorium for people impacted from the fires. Anecdotally, it's been reported to me that several families moved into new apartments in nearby cities. Fortunately, despite the loss of their housing maintained their jobs (e.g. how would they have passed a credit screening), but were able to self-report a qualifying loss of income, and thus promptly stopped paying rent on their newly rented apartments. Again, leaving the landlords to shoulder months of lost rent.
  - In yet another example, the City of Los Angeles allowed for 0% increases (no increases at all) in rent from March 2020 through January 31, 2024 due to COVID, extending well beyond the period when people were back to work, and then didn't allow for any catch up provisions after that and merely reverted to the 3% annual rate.

  - ***The concern is not whether emergencies exist, but how frequently emergency powers are invoked and extended. Fire? Freeze rents. Storms? Extend the eviction moratorium. Rising sea levels? Extend again. This pattern should concern anyone operating housing in California.***

- **Thoughts and Call to Action**
  - I found some of CM Santamaria's deliberation to be deeply troubling:
    - CM Santamaria's comments regarding the rental registry were particularly difficult to hear. In discussing the documentation that might be required, she appeared to trivialize standard tenant screening practices used by landlords. Paraphrasing her remarks, she suggested that landlords need not be concerned because ***their*** credit reports would not be collected as part of the registry (as if the use of tenant credit reports were inherently problematic). It is unclear to me how such commentary serves any constructive purpose, other than to needlessly antagonize property owners.
    - She further trivialized a $75,000 repair cost by suggesting (again paraphrasing her remarks) that landlords can simply get a loan for this amount. No, many landlords cannot simply take out a loan for a $75,000 repair on short notice and this is almost always a cash expense. I don't mean to pick on CM Santamaria, but it is difficult to hear deliberations that reflect such a fundamental lack of understanding of the finances of operating multifamily real estate and lack of appreciation for the allocation of our capital. This also offers a troubling preview of how the further development of the RSO process here might unfold.
  - I want to reiterate the urgency of the public records requests I previously shared. The City has still not provided the requested documents regarding outside groups and pro-bono attorneys influencing behind-the-scenes policy decisions. Links are here and here. As the examples above illustrate, many of the most consequential policy details are often developed outside of public hearings under the influence of outside groups and pro-bono attorneys. Public records are one of the few tools available to us to understand and respond to these deliberations before legislation appears with minimal notice.

- If you would like these records to be made public, please email clerk@santabarbaraca.gov with an email like this:

  - *Dear City Clerk,*

I am writing to formally request the release of all documents pertaining to Public Records Act Requests PRR-2025-00445 and PRR-2025-00396. These requests relate to publicly available records that document any influence exerted by outside groups or attorneys in the drafting of the rent control ordinance.

The continued withholding of these records denies the public critical insight into the origins of the ordinance and the external factors influencing decisions made within our community. This withholding not only restricts our right to access public information, but also undermines the fundamental rights guaranteed by the California Public Records Act (CPRA) and the California Constitution, which enable citizens to meaningfully participate in public deliberations on significant policy matters.

I respectfully request that these documents be released without further delay.

- I encourage you to research these issues I've outlined above yourselves, discuss them with other housing providers, and share this information broadly.

Respectfully,

Julio

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
To: RSO@SantaBarbaraCA.gov

Cc: Clerk@SantaBarbaraCA.gov

Hello Mayor Rowse and Councilmembers,

Thank you for the opportunity to comment on the Draft Rent Stabilization Ordinance and the related Just Cause / Ellis Act amendments now out for public review. I am writing as an owner-occupant with an ADU and rented bedrooms, and as part of a family that also provides housing through a small, family-run LLC. My goal is not to oppose tenant protections, but to ask for a more balanced approach that recognizes both the real cost of providing housing and the City's own role in creating today's scarcity.

The current proposal would cap annual rent increases at 60 percent of CPI or 3 percent (whichever is lower), prohibit banking, and layer this on top of a permanent Just Cause framework. In theory, that sounds modest. In practice, for older Santa Barbara housing, a 2–3 percent cap often does not keep up with the true costs that make a unit habitable: property taxes based on current purchase prices, fast-rising insurance premiums, HOA dues or special assessments where applicable, and the replacement of roofs, plumbing, electrical systems, windows, water heaters, flooring, and appliances in 50- to 70-year-old buildings. These major costs do not arrive in neat 3 percent increments; they come in unpredictable spikes. A long-term cap with no banking means small owners never catch up after those shocks.

Renters understandably see only the rent check and the visible condition of the unit. They may not see reserves being set aside for the next roof, sewer line, or panel upgrade, or the strain of absorbing another double-digit insurance increase. Saying this is not an attack on tenants. It is a reminder that if policy ignores these realities, it risks under-maintenance, disinvestment, or forced exits by exactly the small providers who are currently housing many local residents.

At the same time, Santa Barbara and the State have actively encouraged ADUs and small-scale rentals as part of the housing solution. Homeowners were told, in effect, "build an ADU, rent your spare rooms, help the city with housing, and stabilize your own finances." Many of us did exactly that. We live on site, rent an ADU and a limited number of bedrooms, and in some cases house our own family members in another property while renting out a couple of additional rooms. Under the draft ordinances, however, once those spaces are rented, there is a real fear that owners may lose reasonable flexibility to sell, to adjust family living arrangements, or to respond to job loss, health changes, or caregiving needs without entering a complex legal process or an Ellis-type withdrawal that bans future rentals for years.

This concern is heightened where properties are held in a family LLC or trust. Many small owners were advised by accountants and attorneys to use LLCs for basic reasons: liability protection, estate planning, privacy, and pass-through tax treatment. That does not make us institutional landlords. But the draft framework often treats any entity ownership the same as a corporate portfolio owner, which can strip away exemptions that were meant to distinguish between a family-run duplex or house with an ADU and a large commercial operator.

The housing affordability crisis in Santa Barbara did not begin with “greedy landlords.” It grew over decades from policy choices: strict height and density limits, slow and expensive permitting, a long history of “no-growth” sentiment, limited raw land, water constraints, and major institutional demand from UCSB and others that was not matched with timely on-campus housing. Those decisions helped preserve much of what makes Santa Barbara beautiful and desirable, but they also created a chronic shortage of units. When supply is tightly constrained by design, every existing home becomes more contested and expensive. A rent cap alone cannot fix that; at best it manages symptoms on one side of the ledger.

I respectfully ask the Council to answer the following questions before adopting the ordinance:

• How will the City treat an owner-occupied single-family home with an ADU and a small number of roommates for purposes of coverage, exemption, and registry obligations under Chapter 26.90?

• Will the City create a specific exemption or alternative track for owner-occupied homes with ADUs and limited room rentals, especially where the owner lives on-site and the property serves mixed family and rental purposes?

• How will the City treat family-run LLCs or trust-owned LLCs that were created for liability and estate-planning reasons, rather than for institutional investment purposes?

• Why should a family-managed property held in an LLC be regulated the same way as a corporate or large-scale landlord when the practical reality is fundamentally different?

• What lawful path will exist for a small owner to sell an owner-occupied home with an ADU or rented rooms when a future buyer wants family occupancy but the seller cannot lawfully guarantee vacancy at closing?

• How does the City intend to avoid discouraging future ADU construction by creating a framework in which owners may later feel trapped by the very units they were encouraged to build?

With that in mind, I respectfully ask the Council and staff to:

• Clearly differentiate owner-occupied homes with an ADU and a small number of rented bedrooms from large, non-resident operators. These properties should have a tailored path under rent stabilization and Just Cause, not automatic treatment as if they were corporate portfolios.

• Clarify how family-run LLCs and trust structures will be treated when they were created for basic legal and tax reasons, not to avoid tenant protections. A family that followed standard professional advice should not automatically be lumped in with institutional owners.

• Build into the program a realistic recognition of cost: allow for banking or some other method that lets small owners recover from large, necessary expenses (insurance shocks, major system replacements) over time, instead of being permanently locked into a lag below true cost growth.

• Pair any permanent rent cap and eviction rules with serious supply-side measures: streamlined approvals for infill and ADUs, a stronger push for institution-provided housing where appropriate, and a candid review of how height, density, and parking rules could be adjusted to add units without losing the character the community values.

Santa Barbara can and should protect tenants from unfair evictions and unreasonable rent hikes. But it should do so in a way that keeps small, local housing providers in the system, maintains aging buildings safely, and does not punish the homeowners who answered the call to build ADUs and rent spare rooms. That requires recognizing the City's own role in creating scarcity and writing rules that respond to causes, not just symptoms.

Thank you for considering these comments and for the work you are doing on this complicated issue.

Respectfully Kelly Ary

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Dear Mayor and Councilmembers,

As a long-time resident, I know Santa Barbara needs housing policies that genuinely protect tenants while preserving the older, modest rental homes that working families rely on. Unfortunately, the Rent Stabilization Ordinance, as drafted, places the heaviest burdens on the very properties that make up our naturally affordable housing stock. By regulating only pre-1995 units, limiting cost recovery for essential maintenance, imposing substantial administrative fees, and creating a registry that many vulnerable tenants will avoid, the ordinance risks accelerating the loss of the housing it seeks to preserve.

At the same time, the diversion of Housing Trust Fund dollars and the likely underestimation of administrative costs raise serious concerns about long-term fiscal sustainability. The Council's divided 4–1–2 vote has already prompted significant concern among property owners, and several large real estate firms have begun holding informational meetings to assess the ordinance's impacts. When organizations with substantial resources and broad client networks begin mobilizing, it is a clear indication that the community may pursue the referendum or initiative processes available under California law. This underscores the need for a more balanced and broadly supported approach before the City adopts a policy with such far-reaching consequences.

Solution

Santa Barbara has recent experience with the risks of creating new administrative structures without clear cost controls. The Sustainability Department was originally presented as a consolidation of existing functions, yet in practice it required additional staffing and the rental of commercial office space, resulting in higher—not lower—ongoing costs. During testimony on the Rent Stabilization Ordinance, the City Administrator suggested that the program could be implemented by combining the Rental Housing Mediation Task Force and the Housing and Human Services Division. However, the ordinance contains no provisions that consolidate these departments or limit the creation of new positions.

To avoid repeating past mistakes, the ordinance should be amended to (1) cap administrative costs, (2) require independent fiscal reviews, (3) include a sunset clause, (4) dissolve the program if key provisions are overturned, (5) require use of existing staff before creating new positions, and (6) limit the scope of the registry and petition process. These amendments would ensure that the City does not create a permanent bureaucracy without accountability or fiscal discipline.

Proposed Amendments

1. **Add a Hard Cap on Administrative Costs** "Administrative costs for the Rent Stabilization Program shall not exceed the amount collected in annual program fees. Any increase in staffing, office space, software systems, or program expansion shall require a separate Council vote following publication of a fiscal impact analysis."

2. **Add Mandatory Independent Fiscal Reviews** "An independent fiscal and performance audit shall be conducted at the end of Year 1 and Year 3. Continuation of the program shall require a Council vote following public review of the audit."

3. **Add a Sunset Clause** "This ordinance shall sunset three years after adoption unless renewed by Council following a public hearing and fiscal impact review."

4. **Add a Dissolution Clause (If Litigation or Voter Action Limits Implementation)** "If any provision of this ordinance is enjoined, invalidated, or repealed by voter action such that the Rent Stabilization Program cannot be fully implemented, the Rent Stabilization Department and all associated staffing and administrative structures shall be dissolved within 180 days."

5. **Require Use of Existing Staff Before Creating New Positions** "To the maximum extent feasible, the City shall utilize existing staff from the Rental Housing Mediation Task Force and the Housing and Human Services Division before creating new positions."

6. **Limit the Scope of the Rental Registry** "The rental registry shall be limited to the minimum data necessary to administer this ordinance. Any expansion of required data fields or reporting obligations shall require a separate Council vote with a fiscal impact analysis."

7. **Limit Permanent Staffing for Petitions and Hearings** "The City shall utilize contracted hearing officers on an as-needed basis rather than hiring permanent staff unless authorized by a separate Council vote."

8. **Restrict Open-Ended Regulatory Authority** "The Administrator may adopt regulations only as expressly authorized by this ordinance. Any expansion of program requirements shall require Council approval."

Summary

These amendments implement the consolidation and cost-control principles referenced in public testimony, prevent uncontrolled administrative growth, protect the City from long-term financial obligations, ensure transparency and accountability, and provide a clear mechanism for dissolution if the ordinance cannot be fully implemented. They are constructive, realistic, and consistent with the City's fiscal responsibilities.

Sincerely,

Lisa Knox Burns

Dear Santa Barbara City Council and Rent Stabilization Program staff,

I'm a small local property owner writing during the public comment period on the draft Rent Stabilization Ordinance. I own a triplex at 1615 San Andres Street — not a REIT, not a corporation, not an out-of-town LLC. Just a Santa Barbara family with one small rental property on the Westside.

I want you to understand who this ordinance actually hits. I didn't buy this property to get rich. I bought it because it was the only way I could qualify for a loan at all — I couldn't afford a home to live in on my own, and the rental income from this triplex is what made the numbers work for the bank. This isn't a portfolio play for me. It's how my family got a foothold, period.

And let me put real numbers on it. I rent the two 2-bedroom units to long-term tenants — five-plus years each — for $2,500 and $2,800 a month. Market for a comparable Westside 2-bedroom is around $3,400, and citywide 2-bedroom averages have climbed even higher than that in 2026. So I'm renting roughly $900 and $600 a month under market — about $1,500 a month, $18,000 a year, that I've chosen not to charge. The house on the property tells the same story: below market, same tenants, and zero vacancy since I bought it 11 years ago.

I kept rents there on purpose, because I'd rather have good, long-term tenants who feel at home than chase every last dollar and churn people out. That's the exact kind of housing stability this ordinance says it wants. I've been providing it voluntarily, out of my own pocket, for years.

Which is precisely why this draft, as written, penalizes me.

The ordinance anchors every unit's permanent ceiling to the rent in effect on December 16,

2025. For owners who already pushed their rents to market, that's fine — they're locked in at the top. But it freezes me at my below-market numbers forever, with only about 3% a year on top. Multiply my restraint across the years I've owned this place, and the base-rent freeze doesn't just cap me — it locks in tens of thousands of dollars a year of below-market rent as my permanent ceiling, on the one property my family depends on to stay afloat. I can never reasonably catch up without doing the one thing I've spent years avoiding: pushing rents hard, or turning over the tenants I've worked to keep.

Think about the incentive that creates. The draft rewards the landlords who maximized their rents and punishes the ones who showed restraint. And it sends every owner in my position the same message: raise your rents now, before January 2027, or lose the ability forever. That's the opposite of stability — and it's bad for the very tenants you're trying to protect.

I don't believe that's what Council intends. So here's a fix:
Allow a one-time adjustment toward market for units that were demonstrably below market on the base date — through a simple petition or a capped catch-up — so owners aren't permanently penalized for having kept rents low. Or build in a "banking" provision that lets owners who held rents down phase in the gap over time. Either approach still protects tenants from sudden spikes, while removing the perverse penalty on responsible owners.

And please note: as written, the fair-return petition won't solve this. It presumes the base-year income was already fair, which just bakes my below-market rents right back in.

I'd genuinely like to keep being the kind of landlord this city wants. Please don't write the ordinance so that the responsible thing becomes the thing that costs me. Fix the base-rent penalty, and you'll keep good actors like me on the side of this program instead of pushing us to raise rents just to protect ourselves.

Thank you for reading, and for the work going into this.

Sincerely,
Ben Sample

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

I have a number of specific questions regarding the Rent Stabilization document. My overriding concern is that the procedures and calculations are too complicated for the average person. Also, it seems that to have any issue addressed—for instance, an adjustment for a capital improvement or a request for an amendment to the base year fair rate of return—a landlord would have to go through the unwieldy petition process and pay a fee. I may have missed it, but do tenants have to pay a fee to file a petition?

Anne-Marie Castleberg

1. Base Year

Base year for the purposes of making fair return determinations under Section 26.90.050 means the 2025 calendar year. If the rent for a covered rental unit is increased because of a general annual adjustment under Section 26.90.040 or a fair return adjustment under Section 26.90.050, then the base year for any subsequent petition under Section 26.90.050 shall be the year that was considered the "current year" in the immediately preceding petition.

What happens when the base-year P&L is negative due to either a capital improvement or delayed maintenance? Or P & L very widely over years?

2. **Capital Improvement**

"Capital improvement does not include an improvement completed before December 31, 2025."

Why? The money was spent assuming there would be rent increases to help the improvements pay off.

In one duplex, in 2025 we spent a significant amount of money improving a bathroom that had been badly damaged by an unreported leak.

In the same unit, in the previous year, we spent close to $100,000 fixing and updating a kitchen that had not been touched for at least 30 years, and probably longer. Why are these expenses not taken into consideration?

Will installation of new flooring count as a capital improvement? How much paperwork and time will be necessary to claim that? The cost was $15,000. If the depreciation period is 27.5 years, that equals approximately $545 per year, or $45 per month. Can the base rent be increased by $45 per month in perpetuity?

3. Fair ROI

Fair return. Fair return means an economic return on property as determined by using the maintenance of net operating income (MNOI) standard outlined in Section 26.90.060.

What happens when the base-year P&L is negative due to either a capital improvement or delayed maintenance?

Looking at the history of our three rentals, the P&L has varied widely over the last five years, depending on what issues were being addressed, including maintenance issues and capital improvements. It does not seem correct to base the ROI on just one year.

Also, the calculation seems extremely complicated. I am 83 years old and a widow. Am I supposed to hire an accountant just to comply with these regulations?

4. Rent Increase

A rent increase of 0.6% of COLA is too low and will not keep up with the rising costs of services, supplies, maintenance, and related expenses.

Anne-Marie Castleberg

Hi,

I would also like to suggest adding a vacancy tax to commercial spaces. The rent is extraordinarily high leading to vacancies. I believe this is because the landlords use the vacancies to write off substantial losses to offset their taxes. To revitalize State St, we should have a substantial vacancy tax on these commercial spaces to encourage landlords to lower rent and get these builds occupied. The revenue collected could help offset the costs associated with the renovations on State St.

I don't think anything is more important for revitalizing State St than getting these storefronts occupied. The car vs no car debate is irrelevant. The rent needs to be lowered and these empty storefronts need to be occupied. Half of the stores on State St should not be closed so that a few extremely wealthy landlords can pay less in taxes.

I would support adding this clause to the rent control bill. It is relevant to rent control.

Thank you!
Melissa G Wolf

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
On Thu, Jun 11, 2026, 7:08 PM Melissa G Wolf <missgord@gmail.com> wrote:

Hello,

I would like to submit the following comments:

1) I believe that the rental registry is not necessary to achieve the goal of rent control. The state successfully implemented rent control through the Tenant Protection Act without the creation of a statewide rental registry. I believe it would be far less costly and far more efficient to simply pass rent control. Landlords should be required to notify tenants in writing that the unit is subject to rent control, and tenants can submit any violations to the city through a portal. I am concerned that the rental registry will be difficult to implement, extremely costly/burdensome, and I believe that precedent proves that it is not necessary.

2) I think that we should treat small landlords slightly differently from corporations or large landlords. When landlords live in their community, they are more invested in it. They are more likely to make repairs or upgrades to their properties, build relationships with their tenants, and keep rent more affordable. Small landlords are also less able to absorb the cost of maintenance, repairs, and insurance since they are not able to spread these costs across multiple units and revenue streams.

I believe rent control beyond the statewide Tenant Protection Act is still warranted, but I don't think that it should be as low for 60% of CPI for small landlords. I propose that small landlords (e.g., those that own 5 or fewer rentals) be restricted to increases of 120% of CPI or 5%, whichever is less. I think that we want to encourage more local ownership and less corporate ownership to build a stronger local Santa Barbara community. The last thing I think any of us want is for all of the rental properties to be owned by corporations or wealthy billionaires with lots of lawyers and no ties to the local community.

Thank you,

Melissa G Wolf

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Dear Mayor and City Council members,

I am submitting this comment on behalf of Victoria Street LLC, the owner of Victoria and Olive, a 16-unit apartment complex in Santa Barbara.

We recognize the importance of stable housing and responsible property ownership. We also believe that any rent-control ordinance must be carefully balanced so that it does not undermine the quality of Santa Barbara's existing apartment housing inventory.

We respectfully oppose several key provisions of the June 10, 2026 public review drafts of the Residential Rent Stabilization Ordinance and related Ellis Act and Just Cause amendments.

First, the proposed annual rent adjustment of 60% of CPI, capped at 3%, is too restrictive for older multifamily properties. Apartment owners face expenses that often rise faster than CPI, including insurance, utilities, maintenance, payroll, contractor labor, building-code compliance, property taxes, and financing costs. Any cap below actual inflation will rapidly reduce the income available to properly maintain buildings. That result is not good for landlords, tenants, or the City.

Second, the proposed base-rent structure is unfair because it uses the rent in effect on December 16, 2025 and then counts otherwise lawful rent increases made before January 1, 2027 against future increases. This has a retroactive practical effect and penalizes owners who complied with existing law. If the City adopts any rent-stabilization program, it should be applied prospectively and should not claw back or dilute lawful rent adjustments made before the ordinance becomes law.

Third, the fair-return petition process is too narrow and uncertain. It presumes that the 2025 base year provided a fair return and excludes important real-world ownership costs, including mortgage principal, interest, depreciation, land lease expenses, and capital improvements. A property can be financially strained even when a narrow net-operating-income formula suggests otherwise. The City should not require owners to enter a costly hearing process merely to prove that unavoidable expenses exceed an artificially low annual rent cap.

Fourth, the capital-improvement pass-through provisions are too limited. The draft restricts eligible improvements and caps monthly pass-throughs at the lesser of 10% of current rent or $100 per month. A 16-unit apartment building can face major roof, plumbing, electrical, seismic, fire-safety, accessibility, energy-efficiency, and exterior-envelope costs. If owners cannot reasonably recover these costs, the ordinance will discourage needed reinvestment to properly maintain Santa Barbara's existing rental housing stock.

Fifth, the rental registry and enforcement provisions are disproportionate. We do not object to reasonable registration, but an administrative mistake should not prevent an owner from advertising a unit, accepting rent, filing a lawful petition, serving a lawful notice, or defending property rights. Penalties should be proportionate, curable, and focused on preventing intentional noncompliance rather than punishing owners for technical errors.

Sixth, the Ellis Act amendments impose excessive burdens on owners who may need to leave the rental business. The proposed all-units withdrawal requirement, five-year prohibition on residential rental use, recorded restrictions, detailed City filings, and possible one-year extension for certain tenants would make withdrawal extremely difficult even where an owner has legitimate business, estate, financial, or personal reasons. The City should not create procedures that functionally punish ownership or trap owners in the rental business.

We ask the City Council to revise the proposal before adoption. At a minimum, the ordinance should allow a higher annual adjustment that reflects actual operating costs, apply only prospectively, create a more practical and less costly fair-return process, allow reasonable recovery of necessary capital improvements, make registration penalties proportionate and curable, and ensure that Ellis Act procedures do not exceed what is necessary under state law.

Santa Barbara needs stable housing, but it also needs financially viable owners who can continue to maintain safe, attractive, and well-managed apartment buildings. A more balanced ordinance would protect tenants without discouraging responsible ownership from reinvesting to improve and elevate the quality of the City's existing housing supply.

Respectfully submitted,

Victoria Street LLC
Owner of the Victoria and Olive Apartments in Santa Barbara

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

Small unit landlords and owner occupied duplexes should be exempt, These rent freezes and controls really hurt us , it makes it impossible to continue renting We will remove our unit from the rental market if this craziness continues as other landlords we have spoken to So you’ll likely to loose more housing Inflation is running rampant and we were unable to raise the rent in our 1 unit This us unexpected The rent is being paid with dollars that are worth less and all expenses have gone up with inflation and it’s ridiculous not to get at least a 5% increase just to break even You have turned tenants into terrible people. All they do is attack their landlords now for this that and every little thing it’s become so stressful and awful to even have a tenant in our own property.

Isabella Solis

The Rent Registry Fee for Santa Barbara’s proposed Rent Stabilization has stipulations which show insincere the Regulations. The Proposal is extreme enough to challenge the Constitutionality that these Regulations will not impede the owners right to a fair gain on their investments.

There are examples of ‘Rules for Me, but not for Thee’.

The Rent Registry Fees and any subsequent fines from the Registry Board, or other Penalties are treated as such;

90.110 C Any required but unpaid rental registry fee and any penalty imposed by the provisions of this Section shall be deemed a debt to the City.

26.90.120 B The City Attorney shall seek recovery of costs, expenses, and attorney's fees as allowed by law.

Within the Proposal is the provision that 50% of the Registry costs can be passed on to the tenant. But note the terms for the landowner;

26.90.100 D [T]he amount must be separately itemized and shall not be considered part of the rent in calculating any rent Increase. Any pass-through unpaid by a tenant upon termination of a tenancy shall be absorbed by the landlord and not assessed to the tenant.

This is a disingenuous representation made to property owners. The added cost is not considered Rent, certainly more than enough for a Judge to rule as such with this language. It would therefore not cause an Unlawful Detainer if not paid or be collectable legally after the tenant moves away.

Also, is this to be due and collectable annually by the Registry from the landlord, but presume this will be charged to the tenant monthly? Or can the property owner collect from the renter when due and truly make the exchange a 3-way, pay and receive mandated-services transaction?

These provisions show the true intent of the Stabilization Board, which is designed to blame local property owners for what is the national phenomenon of a 4 decade housing deficit progression and an inordinant spike in material and services costs still resolving from Covid.

This Proposal can only be presented under the presumption that local Property Owners were supposed to extricate themselves from these national trends for the protection of renters and were to aborb the, agreed by all, exorbitant spikes in energy costs, service costs involving labor, all materials, doubling or more of required insurance costs and other labor expense increases. The disgust shown toward landlords is recorded as shown by Council member Santamaria.

Opposed.

Thanks, David Sullins

Rent Stabilization comment

A complex issue: **vacancy decontrol when renting to group**s.

Suppose a group of 5 person rents an apartment.

If one person vacates, does that constitute a vacancy?

If not, is a landlord required to accept a replacement resident,

without a vacancy rent adjustment?

If 4 persons vacate, does that constitute a vacancy?

If not, is a landlord required to accept 4 replacement residents,

without a vacancy rent adjustment?

If 4 persons vacate, and the 5th person finds 4 replacements,

then a month later the 5th person vacates, does that constitute a vacancy?

Steven Johnson

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Dear City Council Members and Staff,

I am writing to provide comments regarding the draft Rent Stabilization Ordinance currently under review. While I strongly support the city's goal of protecting tenants from displacement and ensuring housing stability, I believe the proposed hard cap of **3.0%** annually—calculated as the lesser of 60% of CPI or 3%—may inadvertently undermine the long-term habitability and financial viability of our older housing stock.

I respectfully recommend that the City Council consider raising the hard cap threshold from **3.0% to 3.5%**.

The Economic Rationale for a 3.5% Cap

The primary justification for this adjustment lies in the current and projected macroeconomic environment:

1. **Higher Long-Term Interest Rates:** The era of near-zero interest rates has ended. With long-term interest rates elevated, landlords face significantly higher costs for debt service, refinancing, and capital improvements. Unlike operating expenses, financing costs have structural rigidity; if rents cannot keep pace with these increased borrowing costs, investment in property preservation becomes mathematically impossible.
2. **Inflation Expectations:** Economic indicators suggest that while headline inflation may fluctuate, "sticky" inflation (particularly in housing, insurance, and construction materials) is likely to remain elevated above historical averages for the medium term. A rigid 3.0% cap fails to account for the potential that the Consumer Price Index (CPI) could consistently run slightly above 5% in coming years. In such a scenario, 60% of CPI would exceed 3%, triggering the hard cap and effectively forcing a real-terms rent cut for landlords.
3. **Maintenance of Pre-1995 Housing:** As noted in the draft analysis, this ordinance disproportionately affects units built before 1995. These buildings require more frequent maintenance due to aging systems. If rental income growth is capped below the rate of necessary capital reinvestment, the result will inevitably be deferred maintenance. This creates a "decay trap" where building conditions deteriorate precisely because the revenue stream is too constrained to fund repairs.

Why 3.5% Strikes the Right Balance

Increasing the cap to **3.5%** does not mean allowing unrestricted rent hikes. It simply provides a slightly larger buffer against the "inflation floor" created by modern economic conditions.

- **Tenant Protection:** Even at 3.5%, the ordinance remains one of the strictest rent stabilization models in California, offering robust protection against sudden, massive rent spikes.
- **Landlord Viability:** A 0.5% increase in the allowable cap acts as a critical safety valve. It allows landlords to recover a portion of the rising costs associated with high-interest financing and specialized labor, ensuring that owners are not forced to abandon their properties or cease essential upkeep.
- **Preventing Supply Shrinkage:** By ensuring a "fair return" that accounts for higher interest costs, the city reduces the risk of owners converting rental units to short-term rentals or exiting the market entirely, thereby preserving the existing supply of affordable housing.

Conclusion

The intent of rent stabilization should be to balance tenant security with the physical preservation of our housing inventory. A hard cap of 3.0% risks tipping the scale too far toward landlord insolvency for older buildings, especially in an economy defined by higher interest rates.

I urge the Council to adjust the proposed cap to **3.5%** to ensure that the program is sustainable for the next decade, protecting both the tenants who live in these units and the quality of the buildings themselves.

Thank you for your time and consideration of this feedback.

Sincerely,

Warren A Grimsley

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
To: Santa Barbara City Council / City Administrator's Office

Regarding: Public Review Drafts (June 10, 2026) – Residential Rent Stabilization & Just Cause Eviction Amendments

From: Karin McEvoy First-Time Homeowner & Independent Property Owner

Dear Honorable Mayor and Members of the City Council,

I am writing to express my strong opposition to the proposed Residential Rent Stabilization ordinance (Chapter 26.90) and the accompanying Just Cause Eviction amendments. As a first-time homeowner who has worked tirelessly to finally invest in our community, I urge the Council to vote **NO** on these measures.

The narrative behind this ordinance assumes all landlords are wealthy corporate entities, but that completely ignores everyday residents like me. I work six days a week to afford my home. The rent I collect from offering flexible, month-to-month housing does not even cover my primary mortgage, let alone the exorbitant property taxes I am required to pay.

Meanwhile, our city infrastructure is crumbling. The streets are so plagued with potholes that I am forced to pay out of pocket to get my car suspension adjusted twice a year. It is a massive double standard that the city expects me to fund a heavy-handed, expensive new administrative housing registry while failing to maintain basic public roads.

If these drafts pass, they will directly punish local, hard-working property owners by creating a punitive, overly bureaucratic environment. Specifically, I ask the Council to consider the following:

- **Forced "Forever" Tenancies:** By establishing highly restrictive "Just Cause" parameters, the city is effectively telling me that if I open my private home to a temporary or short-term tenant, I may be legally locked into a "forever" tenancy. I should have the right to choose the timeline for my own private property without being trapped by municipal overreach.
- **Excessive Red Tape for Small Owners:** Forcing a first-time single-family homeowner to register with a city database, pay annual fees, and insert hyper-specific statutory fine print into a lease treats mom-and-pop housing providers like corporate conglomerates.
- **Impractical Remodel Bans:** The proposed restrictions on substantial remodels—requiring independent contractor affidavits signed under penalty of perjury just to

upgrade a property—make it logistically and financially impossible for small owners to maintain aging structures.

- **The 5-Year Rental Ban Penalty:** Threatening an owner who chooses to take their home off the market with a recorded 5-year deed restriction does not protect tenants; it permanently locks private properties out of the city's available rental stock.

When you make it financially and legally dangerous for a hard-working, first-time buyer to rent out their home on a flexible basis, people will simply choose to leave their properties vacant or sell to the very corporations you claim to fight.

I urge the City Council to stop shifting the burden of the housing crisis onto middle-class homeowners who are already struggling to survive in California's economy. Please reject these drafts.

Thank you for your time and consideration.

Sincerely,

Karin McEvoy.

Hello,

I respectfully disagree with the cap on rent increases being less than the CPI, as mentioned in this statement in Section 26.90.040 Annual General Rent Adjustment, B:

"The annual general adjustment will be equal to 60% of annual percentage change in the Consumer Price Index or 3%, whichever is less. If the percentage change in the Consumer Price Index is negative, the annual general adjustment will be zero."

Everyone in society is impacted by inflation, as measured by CPI. When CPI goes up, so do wages (generally), which means renters can pay more (eventually).

We need to maintain a stock of rental units in perpetuity. Do **not** make this rent stabilization a punishment to landlords. There needs to be opportunity to both protect tenants and make it profitable and attractive to own and rent out property. There is room to make this a win-win, or at least not a total loss for landlords.

Thank you,
Nellie Hill

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Hi,

I live in SVMHP. This is my initial feedback.

Seniors have a difficult time paying rent. Pass-through costs take food our of mouths and unaffordable medications.

The RSO should be revised to make a clear distinction between real Capital Improvements and Capital Repairs. Repairing existing structures, replacing existing equipment, or anything that does not constitute a true Upgrade or Improvement should not be an allowable pass-through. Proper/Usable common area facilities and grounds are already part of the value of current rental costs.

Thanks,

Tom

Thank you for the opportunity to comment on the proposed Rent Stabilization Ordinance. As a property management professional working directly with both housing providers and tenants, I appreciate the City's efforts to address housing affordability and tenant stability. However, I am concerned that several provisions of the draft ordinance may create unintended consequences that could reduce housing opportunities for the very residents the ordinance seeks to help.

ANNUAL RENT ADJUSTMENT SHOULD BE A SIMPLE, PREDICTABLE STANDARD

The proposed annual adjustment of 60% of CPI or 3%, whichever is less, introduces unnecessary complexity and uncertainty for both owners and tenants.

A simpler approach would be to adopt a fixed annual cap of 3%, similar to the approach used in other jurisdictions, such as Oxnard. A fixed percentage is easier for tenants to understand, easier for owners to administer, and eliminates confusion associated with annual CPI calculations, publication dates, and changing allowable increases from year to year.

Predictability benefits everyone and reduces administrative burden for both the City and housing providers.

LIMITED RENT ADJUSTMENTS WILL INCREASE SCREENING REQUIREMENTS

One likely consequence of strict limits on future rent adjustments is that owners will become more conservative when evaluating applicants.

When landlords have fewer tools available to address future risk, they naturally place greater emphasis on:

• Credit scores

• Employment history

• Income verification

• Rental references

• Debt-to-income ratios

As a result, applicants with less-than-perfect credit, limited rental history, recent job changes, or other risk factors may face greater difficulty obtaining housing.

The ordinance may unintentionally reduce housing opportunities for marginal applicants and encourage stricter screening standards across the market.

HABITABILITY CLAIMS SHOULD REQUIRE DOCUMENTED NOTICE AND OPPORTUNITY TO CURE

The ordinance currently restricts rent increases when habitability issues exist. While all landlords should be required to maintain safe and habitable housing, the ordinance should clearly require documented evidence that:

• The tenant notified the landlord of the condition;

• The landlord was given reasonable access to inspect and repair the condition; and

• The landlord failed to respond within a reasonable timeframe.

In practice, repairs are often delayed because tenants do not submit maintenance requests, fail to schedule appointments, deny access, or repeatedly reschedule work.

Landlords should not lose the ability to implement lawful rent increases when delays occur for reasons outside of their control.

The ordinance should require objective documentation before restricting a landlord's right to increase rent.

TENANTS SHOULD SHARE MORE OF THE COST OF THE PROGRAM

The proposed ordinance creates an entirely new regulatory program that benefits both tenants and landlords. However, the draft places the majority of the financial burden on property owners.

The ordinance currently allows landlords to recover only 50% of the rental registry fee and further provides that any unpaid portion cannot be collected from tenants after a tenancy ends.

This structure is confusing, difficult to administer, and effectively shifts most of the program's cost onto housing providers.

The City should consider either:

• Allowing landlords to recover 100% of the registry fee through a transparent pass-through charge; or

• Funding a portion of the program through general revenues if the program is intended to benefit the broader community.

THE ORDINANCE SHOULD RECOGNIZE INCREASED OPERATING COSTS

Insurance, utilities, labor, maintenance, compliance costs, and property taxes continue to increase at rates that often exceed the proposed annual adjustment formula.

A rent stabilization program should allow owners to reasonably maintain and operate housing without requiring costly petitions and hearings simply to keep pace with rising expenses.

The City should ensure that the annual adjustment formula provides a realistic opportunity for owners to maintain their properties and continue investing in housing quality.

CONCLUSION

I support policies that promote housing stability and preserve rental housing. However, the ordinance should be revised to avoid unintended consequences that may reduce housing availability, increase applicant screening standards, discourage property investment, and create unnecessary administrative burdens.

I respectfully request that the City consider revisions to the annual adjustment formula, habitability standards, rental registry fee allocation, and other provisions that affect the long-term sustainability of Santa Barbara's rental housing stock.

Thank you for your consideration.

Sarah Ethington

Honorable Mayor and Members of the City Council,

I have previously submitted public comment on the proposed Rent Stabilization Ordinance. I am writing again, briefly, to address one specific item raised at the June 9 meeting: the composition of the Rent Stabilization Board.

I have read Councilmember Santamaria's comments as reported in the Santa Barbara Independent and Noozhawk — that because approximately 60 percent of Santa Barbara residents are renters, the majority of the Board should be renters as well. I want to explain, respectfully, why I believe that logic is wrong, and why the draft ordinance's current 2-2-3 composition (two tenants, two landlords, three with no financial interest) is the correct structure.

The Board Is Not a Legislature

The Rent Stabilization Board, as described in the draft ordinance, is not a representative body in the way the City Council is. It is a quasi-judicial and administrative body. Its job is to hear appeals of petition decisions, including fair-return petitions where individual landlords argue that the rent cap denies them a constitutionally required reasonable return. It approves implementing regulations. It adjudicates disputes between specific landlords and specific tenants.

The City Council is the body that represents the population of Santa Barbara. It is elected by residents — renters and homeowners alike — and it is where policy is set. That is the correct venue for population-proportional representation, and that is exactly where it already exists. Voters chose this Council.

The Board is a different kind of body. We do not seat juries by population share. We do not staff zoning appeals boards by population share. We do not pick judges by population share.

We pick adjudicators who can apply the rules neutrally to the people in front of them. Reflecting the population is the wrong principle for an adjudicative body.

Renter-Majority Boards Prejudge Every Contested Case

If the Board is seated 4-1-2 or 5-1-1 in favor of renters, every contested vote between a landlord and a tenant — including every fair-return petition where a landlord is arguing that the rent cap is denying them a reasonable return — is decided in favor of the renter position before the evidence is even heard.

That is not representation. That is structural prejudgment. And it is the kind of fact pattern that invites a due process challenge. Courts have repeatedly held that fair-return processes must provide a meaningful, neutral opportunity to be heard. Stacking the panel against the regulated party turns a quasi-judicial proceeding into a foregone conclusion.

The proposed 2-2-3 composition avoids this problem because it puts the swing votes in the hands of three neutral members whose job is to apply the law. That is how due process works. It is also how Berkeley, Santa Monica, West Hollywood, and Oakland — the peer cities your own consultant has cited throughout this process — have structured their rent boards. The 2-2-3 model is the California standard for a reason.

The “Reflect the Population” Logic Is Not Applied Consistently

If the principle is that City boards should mirror the population, that principle should apply to every City board. It does not. The Planning Commission is not seated by homeownership share. The Architectural Board of Review is not seated by population share. The Housing Authority Commission — by state law — is required to include landlord and tenant representation, not population-proportional representation.

The principle is being invoked selectively, only for the one body whose job is to adjudicate against landlords. That selective application is the giveaway. If “mirror the population” were the actual principle, it would apply to every appointed body in the City. It does not, because it is not actually the principle. It is an argument shaped to produce a specific outcome on a specific board.

Renters Are Not a Monolith

The framing assumes that every renter has the same interest, and that every landlord has the opposite interest. Neither is true. Many renters in Santa Barbara are also small landlords — they rent a unit from one owner and lease another to a tenant. Many renters live in units owned by family members. Many renters care about housing supply and are concerned that overly strict caps will reduce new construction and maintenance investment. Many renters in this city are not arguing for the strictest possible cap.

A 60 percent renter share in the population tells you nothing useful about how any particular renter would vote on any particular petition. It is a demographic statistic, not a policy preference. Treating it as if every renter holds one position and every landlord holds the opposite is not accurate, and basing a board structure on that assumption builds a faulty foundation into the program.

The Argument Proves Too Much

If population share is the correct measure of how a body should be seated, then the City Council itself — which writes the law that this Board would administer — should be approximately 60 percent renter. It is not. I do not believe Councilmember Santamaria is arguing that all policymaking bodies should be population-proportional in general. She is arguing it for this specific board, where the math produces a specific result.

That is the test of whether a principle is a principle or an outcome. If it only applies in one direction on one body, it is the latter.

The 60 Percent Figure Is Eleven Years Old

The 60 percent renter figure cited at Tuesday's meeting comes from the City's 2015 General Plan Housing Element, referenced in Ordinance No. 2026-6206. That is eleven-year-old data. If the City is going to make a structural decision about a permanent regulatory board based on a population number, the number should be current. The City has ample current data through Census, ACS, and its own permitting and rental registry preparations to update this figure.

I am not arguing the figure is wrong. I am arguing that an eleven-year-old number is a weak foundation for a permanent structural decision.

What I Am Asking

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
I am not asking the Council to give landlords a majority on the Board. I am asking the Council to keep the proposed 2-2-3 structure, which is what your draft ordinance already contains and what your peer-city research already supports.

Specifically:

One. Retain the 2-2-3 composition in the final ordinance — two tenants, two landlords or property managers, three members with no financial interest in rental housing. This is the California standard and reflects sound quasi-judicial design.

Two. Require that the three neutral members have demonstrated subject-matter expertise — finance, real estate law, housing policy, or related fields — so they can serve as competent neutral adjudicators rather than tiebreakers chosen for general public-at-large reasons.

Three. Require conflict-of-interest disclosures from all Board members consistent with the California Political Reform Act and the Santa Barbara Local Conflict of Interest Code, as the draft already provides.

Four. If the Council determines that updated population data should inform any part of the program, direct staff to publish current renter-versus-owner data from sources newer than the 2015 Housing Element before any structural change is considered.

Closing

I support tenant protections. I support a rent stabilization program that is fair, workable, and defensible. The 2-2-3 board composition in the draft ordinance is the right structure for the right reasons. Changing it to a renter-majority composition would not make the Board more representative — it would make it less neutral, more legally exposed, and structurally prejudiced against the regulated party in every contested case.

The Council represents the population. The Board adjudicates the cases. Those are two different jobs. They should be structured differently, and the draft ordinance correctly does so. Please keep it that way.

Respectfully,

Kelly Ary

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
To the City Council,

I would like clarification on how the proposed Residential Stabilization Ordinance will protect tenants who have already been asked to sign lease renewals containing rent increases scheduled to take effect on January 1, 2027.

Many tenants have signed lease renewals that include future rent increases set to begin on the same date the proposed RSO is expected to take effect. In some cases, these increases are significantly higher than the rent increase limits currently being considered by the City.

Without additional protections, this creates a potential loophole that could allow property owners or management companies to circumvent the intent of the ordinance by locking in higher rent increases before the RSO becomes effective.

I urge the Council to address this issue by ensuring that any rent increase scheduled to take effect on or after January 1, 2027, complies with the new ordinance, regardless of when the lease renewal was signed. Rent increase limits should be calculated based on the tenant's rent immediately before the increase was imposed, not on a higher amount established through a lease renewal executed before the ordinance took effect.

Additionally, if a property owner or management company attempts to impose a rent increase that exceeds the limits established by the RSO after its effective date, that action should constitute a violation of the ordinance and be subject to enforcement and penalties.

Without these protections, tenants may be denied the benefits of the ordinance through a timing loophole, undermining the purpose of the law and creating unequal protections for residents.

Thank you for your consideration.

-Valeria Duarte

To City Council,

Confirmation bias is the tendency to search for, interpret, and favor information that supports our existing beliefs while overlooking evidence that challenges them.

Many of the arguments against rent control are rooted in policies, studies, and economic experiments from the 1920s and 1940s—nearly 100 years ago—without fully considering how modern policy design and evidence have addressed many of those concerns. The fact is that investment has continued to pour into real estate, yet affordability remains terrible. The underlying causes of our housing shortage are deeper and more systemic.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

I believe the Residential Stabilization Ordinance being considered today is attempting to address many of these issues. However, a strong RSO must also include strong enforcement mechanisms and meaningful penalties for violations.

Tenant protections are only effective if there are real consequences for violating them. We have already witnessed management companies violating the current ordinance. They cannot be above the law. Penalties should be significant enough to deter noncompliance, not merely encourage it. The cost of violating the ordinance should never be less than the cost of complying with it.

The ordinance should also include a clear, accessible process for tenants to report violations and timely investigation of complaints. Tenants should not bear the burden of navigating a complicated system to enforce protections that already exist on paper.

Without meaningful penalties and accountability, tenant protections risk becoming promises that cannot be effectively enforced. Without enforcement, protections on paper become meaningless for the tenants who rely on them.

Thank you for your consideration.

-Valeria Duarte

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

I would like to forward my email below to the official RSO email address and include the full speech that I intended to give at city council on June 9th but was unable to, due to the 1 minute restriction for public comments.

I want to once again advocate for a rental board that's jurisdiction and power lies outside of pancake breakfasts and casual coffees. Hundreds of tenants and our allies have been participating in good faith for years — at City public comment like this, in focus groups, in specialty forums, and expensive housing studies commissioned by the city and yet our needs continue to come secondary to that of landlords.

Right now renters in Santa Barbara do not have a true mediation program that they can use to resolve issues with their landlords. You've heard it from me before and you heard it again today that the Rental Mediation Board doesn't help resolve issues. We need a Rental Stabilization Board that has the authority and the ability to fine landlords who repeatedly break laws.

We all agree that a mom and pop landlord that breaks the law once shouldn't be thrown in jail or fined but what about these mega property management companies that are repeatedly breaking the law across town, terrorizing tenants with illegal rent hikes, delayed maintenance, and other forms of harassment? Can we really not all agree that those landlords, who do this for a living and own thousands of units, should be held accountable?

If we want to effectively protect tenants and fight displacement as a community, we have to have a rental board that is truly neutral. It needs to be well-funded by the ordinance and it needs to have the city attorney's authority to enforce city and state property laws and renter protections.

Lastly, we should not be carving out exemptions for landlords except for those required by state and federal law. Landlords have very good lawyers and accountants and they will find plenty of loopholes within our current legal framework.

Thank you for your time and for listening to me even though I didn't bring y'all pancakes.

Corina Svacina

---------- Forwarded message ---------
From: **Corina Svacina** <corina.cartoons@gmail.com>
Date: Mon, Jun 8, 2026 at 3:13 PM
Subject: The draft Rent Stabilization Ordinance does not follow Council's direction

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
Dear Mayor and Council Members,

I am writing as a concerned constituent writing because the draft Rent Stabilization Ordinance release in early June is not acceptable in its current form because staff has not followed the city's directions.

The early Rent Stabilization Ordinance (RSO) draft that City staff released the first week of June includes some progress and many affordability protections — like an annual general adjustment limited to 60% of the consumer price index up to 3%, a $100 monthly limit on capital improvement pass throughs, and a prohibition on so-called “rent banking.” I recognize that it's taken thousands of pancakes in order to reach this point and I sincerely thank staff and city council for taking the democratic process so seriously.

However, many of your constituents (myself included) share my concern about how the initial draft needs significant additions and amendments to follow the Council’s direction and reflect policy best practices so that we can effectively protect tenants and fight displacement as a community.

There are larger issues around enforcement, rent adjustment language, capital improvement plans, and the proposed rent board’s lack of authority that we are concerned about. I am alarmed that the proposed ordinance diverges substantially from the City Council direction it was intended to carry forward. The draft introduces significant policy choices like exemptions not required by state law, capital improvement pass throughs for elective remodeling, and a proposed concept for a rent board with no meaningful oversight authority.

Hundreds of tenants and our allies have been participating in good faith for years — at City public comment periods, focus groups, forums, and in many additional community spaces. When the resulting draft departs from key directions previously provided by Council, it risks eroding trust in the public process that has required substantial time, trust, and engagement from residents across the city. We know we have come a long way together as a City in addressing this issue and look forward to continuing our work together for what is ultimately a broadly popular and painfully overdue set of tenant protections that significantly benefit our region’s health, economy, and environment.

Together, we are taking important steps forward to address a housing and affordability crisis only worsened by budget cuts at local, state, and federal levels and the rising cost of everything from groceries to gas. Everyone in our region – from our working families, seniors, and children to our local business owners, immigrants, and homeowners – deserve a stable housing landscape that meets our needs. Passing a RSO is an important piece of the puzzle in our region. But our city cannot afford to pass simply any old rent stabilization ordinance that just checks a box, but should meet the moment and pass community protections that honor the pride and thoughtfulness of the public and staff leading this process.

Our people are struggling. Every day tenants continue to deal with poor maintenance of properties and illegal rent increases from bad-actor landlords and major property companies like Meridian, Sandpiper and Wolfe Properties. People are forced to pack in tighter, work longer, commute farther, and make difficult decisions between basic necessities – with negative spillover effects felt deeply and widely beyond those immediately impacted. These current daily reminders — along with the countless untold stories of those already pushed out of our city — are painful examples of why our region continues to need an ordinance that reflects the urgency and severity of this crisis, the direction already provided by Council, and the policy best practices that are readily available to us.

Thank you for your care and attention to this important matter.

Best,

Corina Svacina

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026
City council and Mayor:

I am writing as a concerned constituent writing because the draft Rent Stabilization Ordinance release in early June is not acceptable in its current form.

As others have already emailed you all - you'll see all the many reasons why it's unacceptable. I'm instead emailing on these matters today, mostly due to the RAMPANT and continued law violations by local landlords (which you've heard all about at multiple Council meetings already).

Laws are pointless without enforcement (the landlord lobby wants to keep that status quo obviously). Multiple large management companies are breaking so many laws right now (as we all and you all have heard at multiple Council meetings) pressuring tenants to sign higher-rent leases that are NOT LEGAL. Based on the public-record SBRPA lawsuit against the City they are fully aware they're violating laws to bypass the freeze law: **"Landlords] will be forced to offer one-year leases at the 'frozen' rent amount, and are prohibited... from increasing rents during the lease term."** Everyone is very aware of all of this, in other words.

AN EFFECTIVE RENT BOARD IS NEEDED:

I want to address a few specific concerns about the draft ordinance before you tonight. These are great points shared by a resident: First, the exemptions leave the most vulnerable tenants unprotected.

The draft ordinance exempts single family homes, condos, townhomes, and all units built after 1995. In Santa Barbara, that's not a narrow carve-out, that's a substantial portion of the rental market, and it includes many of the units where working families, seniors, and long-term residents actually live. A teacher renting a house. A nurse in a condo. A family in a post-1995 apartment. None of them are covered.

If the goal of this ordinance is to protect the renters most at risk of displacement, the exemption structure as written fails them. I urge the Council to examine whether these exemptions are as broad as they need to be, or whether they were drawn to satisfy state law minimums rather than Santa Barbara's actual housing crisis.

Second, the ordinance has no mechanism to account for mortgage status. Public property records tell us who owns what. What they don't tell us, and what this program makes no effort to determine, is whether a landlord still carries a mortgage on a rental property or owns it free and clear.

This matters enormously. A landlord who paid off their mortgage years ago has fundamentally different carrying costs than one still servicing a loan. Their financial floor is completely different. Yet under this ordinance both are treated identically, and both can petition for the same hardship increases.

If we are serious about fair and evidence-based rent regulation, the rental registry should require landlords to disclose mortgage status as part of registration. That information already exists in public lending records in many cases. Using it would allow the petition process to distinguish genuine hardship from maximizing return on a fully paid asset.

Santa Barbara's renters deserve an ordinance with teeth, one that covers the people who actually need protection and makes decisions based on the full financial picture.

The rent stabilization board is proposed to be a board of seven people appointed by the City Council to provide oversight, hear appeals of petition decisions, and approve regulations. The proposed board would have two members who are rental tenants, two local landlords or property managers, and three members with no financial interest or ownership of rental housing.

Here's why this structure deserves scrutiny:

The balance problem: Two tenants versus two landlords sounds neutral, but the three "neutral" members are the swing votes on everything. Who appoints them? The City Council, which means the political composition of the Council at any given moment effectively controls the board's direction. That's not an independent oversight body, it's a political instrument.

The "no financial interest" standard is vague: What qualifies someone as having no financial interest in rental housing? A real estate attorney? A property manager's spouse? A developer? This needs a much tighter definition or it becomes a loophole.

Two tenants out of seven: In a city where renters are the majority, tenants get two seats out of seven. That's not proportional representation, it's a token presence. This is separate from the existing mediation board: This board will be separate from the existing rental housing mediation board. That means two parallel bodies potentially duplicating work and adding administrative cost.

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
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If you're already spending $2 million annually on the new rent stabilization program, which includes its own petition process, hearing officers, and an appeals board, what exactly is the mediation board still doing that justifies its separate existence and budget?

The case for consolidating:

Running two parallel bodies handling landlord-tenant disputes is administratively redundant. The mediation board was created to fill a gap that the new rent stabilization board would now largely cover.

Keeping both creates confusion about jurisdiction, which body handles what complaint? and adds unnecessary overhead at a time when the city is already drawing down emergency reserves.

The honest answer: Nobody has publicly made the case for why both need to exist simultaneously. That silence is itself worth questioning.

This is actually a strong fiscal argument that appeals across the political spectrum, conservatives worried about the $2M price tag and progressives who want the program to be sustainable and defensible. Consolidating the two boards could reduce administrative costs and streamline the process for both tenants and landlords.

The current board structure:

The Rental Housing Mediation Board has 15 members, five landlords, five homeowners, and five tenants. Currently there are 2 vacancies with terms expiring December 31, 2026.

Here's why this matters for tonight:

Notice the contrast, the existing mediation board has 15 members with equal thirds representing landlords, homeowners, and tenants. The proposed new rent stabilization board has only 7 members with just 2 tenant seats out of 7. That's actually a step backward in tenant representation compared to the body it would run parallel to, point to raise tonight, if the existing board already balances representation more equitably, why does the new board tilt away from tenants?

Summer Howatt

Renter, district 1

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
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Here are my suggestions, but understand I am not in favor of this ordinance whatsoever.

- Limit to three years. This should not be in perpetuity. Create a sunset provision in the ordinance.
- Document how much this will cost the city to administer and get budget approval first. Do not spend money we don't have. This could become immensely expensive to the city. Set a cap for not to exceed expenses.
- Allow passing of 50% of fees to all tenants including low and moderate income tenants.
- Allow passing through of routine maintenance costs to tenants.
- 60% of CPI is too aggressive and quite arbitrary. You recall this suggestion was just "thrown out" by Councilmember Santamaria with no thought or data. You could do more analysis in this area.

Define what "just cause" eviction protections exist.

Geoffrey Brown

Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

Dear Honorable Mayor, Members of the City Council, and City Staff,

Thank you for providing the draft of the new Rent Stabilization Ordinance. As a 40-year resident of Santa Barbara, a senior, and an advocate for older tenants, I urge the City to produce an RSO that protects our community's most vulnerable.

I previously attended a City-organized Focus Group where stakeholders shared strong, consensus-based recommendations. While City Staff was directed to incorporate these stronger public protections, I was disappointed to find that the current draft omits key provisions for Seniors.

I am writing to formally request that the following essential safeguards be integrated into the final Rent Stabilization Ordinance:

At-Fault Protections: Establish stronger "at-fault" protections regarding failure to pay rent or breach of lease, recognizing that seniors may occasionally fall behind due to age-related difficulties. No-Fault Evictions: Implement stronger "no-fault" eviction protections specifically tailored for seniors. Owner Move-In Protections: Expand owner move-in protections to cover the elderly, the terminally ill, the disabled, and tenants over 62 years of age with a minimum of three years of occupancy. Withdrawal Notice & Penalties: For displaced seniors over 62, require an additional one-year notice before withdrawal from the rental market. Furthermore, if a displaced elderly tenant is forced out and the unit is re-rented by the landlord within two years, the Rent Stabilization Program should institute civil proceedings for punitive damages. Right of First Refusal: Guarantee a stronger "Right of First Refusal to Reoccupy at the same rent" if a tenant is displaced due to market withdrawal. Successors in Interest: Ensure that all strong tenant protections extend to "successors in interest. "Relocation Assistance: Require higher relocation assistance for seniors displaced for "No-Fault Evictions."

I hope you will consider these crucial additions to ensure the final ordinance is a balanced and effective measure that serves both tenants and landlords.

Thank you for your time, leadership, and dedication to the Santa Barbara community.

Sincerely,

Rita Mills

Three hundred and twelve (312) comments received as follows:

As a constituent and resident of the City of Santa Barbara, I am submitting the following comments regarding the draft Rent Stabilization Ordinance and the amendments to the Just Cause Ordinance. I make these comments based on my experience living in Santa Barbara and navigating the local rental market.

The draft rent stabilization ordinance requires several changes in order to

1. Match the directives from our elected officials, and
2. Close loopholes that undermine the Rent Stabilization Ordinance.

Specifically, I join the many other constituents in requesting the following changes be made:

Proposed Rent Stabilization Draft Revisions

A. EXEMPTIONS (26.90.010)
    1. Current draft exceeds Council direction by including two exemptions that are not required by state law; strike through both:
        a. Duplex (26.90.010 3.)
        b. Deed Restricted Units (26.90.010 6.)

B. CAPITAL IMPROVEMENTS (26.90.060)
        a. Limits:
            1. Corporate/REIT owned CANNOT passthrough capital improvement costs
            2. Landlords owning 4 units or less CAN passthrough capital improvement costs
            3. Landlords owning 5 or more units CANNOT passthrough capital improvement costs
            4. Allow for Tenant Hardship Consideration
                a. Families using public benefits should NOT be forced to pay for capital improvements

b. Families earning less than 80% of AMI should NOT be forced to pay for capital improvements

b. Require Tenant Safety Plan approved prior to any Cap Improvement
   1. Notice of Capital Improvement must be delivered to the tenant before work begins or before passthrough may be approved
   2. Clear timeline of capital improvements
   3. Relocation assistance OR plans to be moved into an alternate unit during capital improvements

C. FAIR RETURN & RENT ADJUSTMENT PETITIONS (26.90.050)

1. Remove fixed "right" to fair return that removes discretion of hearing officer. (26.90.050)

2. Include presumptions that guide the hearing officer but allow for flexible decisions that include all proven expenses.(26.90.050 D.)

3. Same petition requirements for landlord and tenant on forms in English and Spanish.

II. RENTAL REGISTRY (26.90.100)

A. Require all rental units to register!

1. Draft only applies to "covered units". (26.090.100 B. *et seq*)

2. Strike through "covered" in 26.090.030 B. and change language to require that registration is only complete for "covered units" (26.090.100 B. 3.)

3. Register all units that are not the owner's primary residence sharing facilities (bathroom/kitchen) (i.e. home shares don't need to register)

4. Information that SHOULD be included in the registry: who owns the unit, year built, occupancy/vacancy status, date of last rent increase, date of start of annual year lease, how much rent is being charged

5. Information that SHOULD NOT be included in the registry, to avoid privacy issues: no identifying information of the tenant, no tax information about the property

III. RENT BOARD (26.90.090)

A. Five not seven members with three tenants and two non-tenants and two alternates, with one of each category. 5 members will make it easier to reach a quorum. (26.90.90 A.)

B. Enforcement Oversight:

1. Allow the rent board to issue regulations or procedures (such as those governing fair return petitions and the rental registry) "at the direction of" or "approved or directed by" the Rent Stabilization Board.

2. Program Oversight: The Board should be able to direct the program administrator to take action and oversee the program for the council and the people.

On the Just Cause amendments, the following changes need to be made:

I. Just Cause

A. EXEMPTIONS (26.50.030)

1. 26.50.030 (Just Cause Exemptions) copies Tenant Protection Act exemption language word-for-word, so the entire Chapter only applies to properties subject to the TPA.

2. 26.90 does not match, and any changes in exemptions must be compatible so that all tenancies protected by RSO also receive Just Cause protections from eviction.

3. JUST CAUSE FOR ALL (26.50.030)

a. Strike out the duplex exemption from 26.50.030 F.

b. Strike out Deed Restricted exemption from 26.50.030 I.

c. Remove "separately alienable" exemption from Just Cause 26.50.030 H.

d. Remove exemption for "new" construction (26.50.030

B. RELOCATION ASSISTANCE (26.50.020)

1. Temporary Relocation and Tenant Safety Plans for Renovations and Remodeling must be included

2. Permanent Relocation Increase

    a. All No-Fault Permanent Displacement is at a Minimum the amount determined by the Tenant Displacement Assistance Ordinance (Muni. Code Chapters 28.89 & 30.190)

    b. When local, state or federal law requires any additional relocation assistance, the amount of funds or type of services must be included in the notice of termination (Housing Crisis Act, Gov. Code Sec. 66300 et seq.)

C. ELLIS:(26.50.100)

1. Right to return with rent regulated if owner changes their mind after removing the unit from the market

2. Standard state law language within two, five and ten years as prescribed in Gov. Code 7060.2.

D. FAMILY MOVE-IN (26.50.070 2. a.)

1. Limit family move-in to only one unit per property.

2. Limits on owner/family move-in evictions of students, school staff and their families during the school year.

3. Limits on owner/family move-in evictions of elderly and disabled tenants.

4. Limits on owner/family move-in evictions of first responders and their families.

E. "AT FAULT" evictions should only be based on substantial, material violations that a tenant cannot cure. (26.50.070 1.)

1. Evictions for Non-Payment (26.50.070 1. a.):

    a. Only allow eviction for non-payment when the amount owing exceeds one month of fair market rent (no evictions for less than a month of fair market rent).

    b. Add rule clarifying that a landlord cannot refuse third party rental assistance and then evict.

2. Lease Breach (26.50.070 1. b)

    a. Higher Standard for Breach: To evict for a lease violation, the landlord must prove that the violation caused "substantial actual injury" to the landlord or other residents, that the tenant's conduct was "unreasonable," and that the violated term was non-trivial.

    b. Reasonable Right to Cure: Landlords must provide a written warning notice granting the tenant a reasonable amount of time to cure the lease violation before initiating eviction proceedings.

    c. Subleasing Protections: Landlords cannot evict a tenant for subleasing if the landlord unreasonably withheld the right to sublease. A landlord's refusal to allow a subtenant cannot be based on the proposed occupant's creditworthiness if that occupant will not be paying rent directly to the landlord.

    d. Protections for Families**:** Landlords are prohibited from evicting a tenant simply for adding a child, parent, grandchild, grandparent, sibling, spouse, or domestic partner to the household, as long as the total number of occupants does not exceed maximum lawful occupancy limits.

3. Nuisance, Waste, & Crime (26.50.070 1. c.-d.)

    a. Right to Cure within a Reasonable Time: Similar to lease breaches, a landlord must provide a written notice giving the tenant the opportunity to cease the damage, make satisfactory corrections, or pay reasonable repair costs.

    b. Limit to substantial damage or loss, or threats to the health or safety of other occupants of the Property or of the immediate neighbors of the property area.

    c. The fact that a tenant has been arrested not on the property or convicted of a crime in the past, been the victim of a crime, or contacted the police or other emergency services, in and of itself, should not be evidence of nuisance.

d. Conduct by a Tenant that is the result of their status as a victim of domestic violence, sexual assault, stalking, human trafficking, elder abuse, or another crime against the Tenant should never constitute nuisance under this Section, provided that the Tenant can provide documentation or other evidence consistent with protections afforded under state and federal law.

The amendments requested can be found in a redlined version of the Draft Ordinance by going to the following link: https://bit.ly/REDLINEDRSO. Please include the amendments in the redlined ordinance into the public record.

Thank you,

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Harper Bergquist
Gavin Spencer
Elijah Wright
Lourdes Trujillo
Jovian Watson Mollner
Arianna McDonald
Skylar Hafner
Rachel Sim
Mehul Patel
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Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

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Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
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Public Comment on Draft Rent Stabilization Ordinance and Just Cause Ellis Act Amendments Ordinance
Public Comment Period – June 10, 2026 to July 10, 2026

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Heaven Protsman	Jared Muscat	Grace Hazan
Alison	Kelsey Bardfield	Sherri Knarr
Max Golding	Steve Wahwell	

June 10, 2026

RE: Comments on Draft Rent Stabilization Ordinance and Additional Just Cause and “Ellis Act” Amendments

The Santa Barbara Association of REALTORS® (SBAOR) represents about 1,200 REALTORS® throughout the South Coast and our mission includes engaging in real estate related community issues affecting our members and/or their clients who are homeowners, housing providers, tenants, and commercial owners. As the leading organization in the South Coast primarily focused on housing, we appreciate the opportunity to provide comments on the Public Review Draft of the proposed Residential Rent Stabilization Ordinance and the accompanying amendments to Chapter 26.50 of the Santa Barbara Municipal Code.

Throughout this process, SBAOR has remained actively engaged by participating in stakeholder meetings, providing testimony, meeting with City staff and Councilmembers, and submitting written comments throughout the development of the ordinance. We recognize the significant time and effort invested by City staff, the Ordinance Committee, and the City Council in developing this proposal.

The purpose of this report is to provide a constructive, section-by-section review of the proposed ordinances. Our comments are intended to identify opportunities to improve clarity, consistency, transparency, administrative efficiency, and legal defensibility while preserving the City's stated policy objectives. Where we believe provisions are appropriate or accurately reflect existing state law, we have stated that no revisions are recommended. Where revisions are suggested, they are intended to improve implementation, reduce ambiguity, minimize unintended consequences, and promote fair and consistent administration for both housing providers and tenants.

SBAOR supports policies that promote stable housing, encourage long-term investment in the community, and provide clear, predictable rules for all participants in the housing market. At the same time, regulations affecting housing providers, tenants, and property rights should be carefully crafted to ensure they are practical to administer, legally sound, fiscally responsible, and capable of achieving their intended objectives without creating unnecessary administrative burdens or unintended consequences.

This report reflects that approach. Rather than simply identifying areas of disagreement, it provides specific recommendations and proposed ordinance language designed to strengthen the final ordinance. We respectfully submit these comments for the City's consideration and look forward to continuing to work collaboratively with the City throughout the adoption and implementation process.

Report Organization

To facilitate review, this report follows the organization of the Public Review Draft. Each section includes: (1) a brief summary of the proposed provision; (2) an SBAOR recommendation summary; (3) detailed analysis of specific issues; (4) policy questions for the City's consideration; and (5) supporting footnotes and legal references. This format is intended to provide City staff, the Ordinance Committee, and the City Council with a clear and efficient framework for evaluating each recommendation.

SECTION 26.90.010 – APPLICATION

Section Summary

Section 26.90.010 establishes which residential rental units are subject to the proposed Residential Rent Stabilization Ordinance and identifies those that are exempt. Because this section defines the ordinance's applicability, it establishes the scope of the City's rent stabilization program.

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Owner-Occupied Duplex Exemption	Retain the existing exemption.	Retain Existing Language
One-to-Four Unit Residential Properties	Exempt residential properties containing four or fewer dwelling units.	Add New Language
Transient Occupancy	Clarify consistency with California Civil Code Section 1940.1.	Clarify Existing Language
Exemption Notice	Correct the Municipal Code reference and provide a standardized exemption notice.	Clarify Existing Language

A. Owner-Occupied Duplex Exemption

SBAOR Analysis

SBAOR supports retaining the exemption for qualifying owner-occupied duplexes. Owner-occupied duplexes differ significantly from larger rental housing operations because the property owner resides on-site and is directly responsible for the management and maintenance of the property. These properties also provide an important opportunity for homeownership by allowing owners to offset housing costs with rental income.

Federal housing finance standards recognize one-to-four-unit residential properties as a distinct housing category. Fannie Mae and Freddie Mac both permit qualifying rental income from additional units to be considered when underwriting owner-occupied mortgages, recognizing the role these properties play in expanding homeownership opportunities.[1]

Retaining this exemption appropriately recognizes the unique characteristics of owner-occupied duplexes and should remain part of the ordinance.

Recommendation

Retain the owner-occupied duplex exemption without modification.

Policy Question for the City

What evidence demonstrates that owner-occupied duplexes present the same policy concerns as larger, non-owner-occupied apartment properties?

B. Residential Properties Containing One-to-Four Dwelling Units

SBAOR Analysis

SBAOR recommends exempting residential properties containing four or fewer dwelling units from the ordinance. Throughout the residential housing finance system, one-to-four-unit residential properties are consistently recognized as a distinct category from larger multifamily housing. Fannie Mae and Freddie Mac apply separate

[1] Freddie Mac, *Mortgages for 2–4 Unit Properties*; Fannie Mae Selling Guide, provisions governing one-to-four-unit residential mortgage underwriting and rental income qualification.

underwriting standards, appraisal requirements, reserve requirements, financing criteria, and rental income guidelines to these properties.[2]

This long-standing distinction recognizes that small residential properties are fundamentally different from larger commercial apartment developments. They typically have different ownership structures, financing methods, operational characteristics, and administrative capacity.

The proposed ordinance applies the same regulatory framework to a duplex or fourplex as it does to a large apartment community. SBAOR believes the ordinance should recognize the same distinction that already exists throughout the residential housing finance system.

Recommendation
Add an exemption for residential properties containing four or fewer dwelling units.

Policy Question for the City
What public policy objective is achieved by applying the same regulatory framework to a duplex, triplex, or fourplex as to a large apartment community?

C. Transient Occupancy

SBAOR Analysis
SBAOR supports the City's effort to prevent practices intended to circumvent California tenant protections. However, the ordinance should expressly state that the computation of the thirty-day occupancy period is intended to be consistent with California Civil Code Section 1940.1.

California law already prohibits lodging operators from requiring occupants to move rooms, check out, or re-register solely to prevent them from obtaining rights associated with longer-term occupancy.[3] This recommendation does not alter the City's proposed policy. It simply clarifies that the ordinance should be interpreted consistently with existing California law.

Recommendation
Clarify that the City's transient occupancy provisions are intended to operate consistently with California Civil Code Section 1940.1.

Policy Question for the City
Does the City intend to establish a local standard that differs from California Civil Code Section 1940.1? If so, what additional conduct is the City seeking to regulate?

D. Exemption Notice

SBAOR Analysis
Section 26.90.010(B) references Santa Barbara Municipal Code Chapter 26.20 in the required exemption notice. Because the proposed Rent Stabilization Ordinance creates Chapter 26.90, this appears to be a drafting error that should be corrected prior to adoption. SBAOR also recommends that the City provide a standardized exemption notice. An official City form would promote consistency, improve compliance, and reduce disputes regarding whether the required notice was properly provided.

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[2] Fannie Mae Selling Guide; Freddie Mac Seller/Servicer Guide, distinguishing one-to-four-unit residential properties from larger multifamily housing for underwriting, appraisal, financing, and reserve requirements.

[3] California Civil Code § 1940.1.

Recommendation
Correct the Municipal Code reference and publish a standardized exemption notice.

SECTION 26.90.020 – DEFINITIONS
Section Summary
Section 26.90.020 establishes the definitions that govern the interpretation and administration of the Residential Rent Stabilization Ordinance. Because these definitions determine how the ordinance is applied, they should be clear, internally consistent, and coordinated with existing provisions of the Santa Barbara Municipal Code. Well-defined terms reduce ambiguity, promote consistent administration, and minimize unnecessary disputes.

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Existing Municipal Code Definitions	Incorporate existing definitions by reference where identical definitions already exist in the Municipal Code.	Clarify Existing Language
Comparable Unit	Clarify objective comparison criteria.	Clarify Existing Language
Housing Services	Distinguish Housing Services from Optional Amenities by creating a new defined term.	Add New Language
Landlord	Clarify when a sublessor qualifies as a Landlord.	Clarify Existing Language
Rent	Clarify the treatment of optional amenities, fees, and charges.	Clarify Existing Language
Tenant	Clarify the distinction between tenants, authorized occupants, and successor tenants if those terms are used differently elsewhere in the ordinance.	Clarify Existing Language

<u>A. Existing Municipal Code Definitions</u>
SBAOR Analysis
Several terms defined in Section 26.90.020, including “Owner”, “Rent”, “Rental Unit”, “Substantial Remodel”, and “Tenant”, are already defined in Santa Barbara Municipal Code Section 26.50.070. Where the City intends these definitions to have the same meaning throughout the Municipal Code, duplicating the definitions creates an unnecessary risk that future amendments to one chapter could unintentionally create inconsistencies with another. Incorporating existing definitions by reference promotes consistency, simplifies future code maintenance, and reduces the likelihood of conflicting interpretations.

SBAOR recognizes that certain definitions may require modifications specific to the Residential Rent Stabilization Ordinance. However, where the City intends identical definitions to apply, the existing Municipal Code definitions should be incorporated by reference rather than repeated.

Recommendation
Incorporate existing Municipal Code definitions by reference wherever the City intends the definitions to be identical.

B. Comparable Unit
SBAOR Analysis
The definition of "Comparable Unit" is used throughout the ordinance when determining market conditions, relocation assistance, petitions, and other administrative decisions. However, the draft ordinance does not establish objective standards for determining whether one rental unit is comparable to another.

Without objective criteria, determinations may vary depending upon the decision-maker, resulting in inconsistent outcomes and unnecessary disputes.

Recommendation
Clarify the definition by establishing objective comparison standards.

C. Housing Services
SBAOR Analysis
The definition of "Housing Services" is broad and may unintentionally encompass products, services, or amenities that are voluntarily elected by a tenant and separately charged by a housing provider. Without additional clarification, disputes may arise regarding whether optional amenities become regulated components of rent or are subject to the ordinance's limitations. Examples may include premium parking spaces, storage units, electric vehicle charging, garage rentals, internet or cable packages, pet-related amenities, recreational facilities, or other optional products or services that are not required for occupancy of the rental unit.

SBAOR believes the ordinance should distinguish between housing services that are included as part of the tenancy and optional amenities that a tenant voluntarily elects to purchase.

Recommendation
Create a new defined term for "Optional Amenities" and clarify that optional amenities are not considered Housing Services unless they are included as part of the rental agreement without a separate charge.

Policy Question for the City
Should the ordinance distinguish between housing services included as part of the tenancy and optional amenities voluntarily elected by a tenant? If not, how does the City intend to distinguish between regulated housing services and separately purchased products or services?

D. Landlord
SBAOR Analysis
The definition of "Landlord" should clearly identify the individual or entity legally authorized to lease the rental unit and receive rent. As currently drafted, the inclusion of a "sublessor" may unintentionally encompass individuals who have entered into an unauthorized sublease or who otherwise lack legal authority from the Owner.

Without clarification, an unauthorized sublessor could arguably be treated as a Landlord under the ordinance, creating uncertainty regarding compliance obligations, notice requirements, and enforcement. The ordinance should make clear that only a sublessor acting with the Owner's authorization is considered a Landlord for purposes of this Chapter.

Recommendation
Clarify the definition of "Landlord" to specify that a sublessor is considered a Landlord only when the sublease is authorized by the Owner and the lease or rental agreement expressly authorizes the sublessor to lease the rental unit and receive rent.

Policy Question for the City
Should an unauthorized sublessor be considered a "Landlord" under the ordinance, with the authority to exercise

rights and assume responsibilities intended for the Owner or an authorized Landlord?

E. Rent

SBAOR Analysis

The definition of “Rent” is fundamental to the administration of the ordinance because it affects annual rent adjustments, petitions, capital improvement pass-throughs, and enforcement. As drafted, the definition broadly includes the total consideration charged or received for the use or occupancy of a rental unit. The ordinance should distinguish between rent paid for occupancy and optional amenities or services that are separately elected by the tenant. Without this distinction, uncertainty may arise regarding whether optional charges become subject to the ordinance's rent limitations.

Recommendation

Clarify the definition of “Rent” to distinguish rent from optional amenities and separately elected charges.

F. Tenant

SBAOR Analysis

The definition of “Tenant” generally mirrors the existing Municipal Code definition. However, later provisions of the ordinance distinguish among tenants, authorized occupants, successor occupants, and other individuals who may acquire rights under the ordinance based upon the length or nature of their occupancy.

To avoid inconsistent interpretation, the City should ensure that these terms are used consistently throughout the ordinance and that any individual who acquires rights under the ordinance is clearly identified.

Recommendation

Review the ordinance to ensure that the definitions of “Tenant”, “authorized occupant”, “successor tenant”, and similar terms are used consistently throughout the Chapter.

SECTION 26.90.030 & 26.90.040 – STABILIZATION OF RENTS AND ANNUAL GENERAL RENT ADJUSTMENT

Section Summary

Sections 26.90.030 and 26.90.040 establish the methodology for annual rent adjustments under the proposed Residential Rent Stabilization Ordinance. Together, these sections determine the maximum allowable annual rent increase, establish how the Annual General Rent Adjustment (AGRA) is calculated, and govern how and when annual rent increases may be implemented. Because these provisions directly affect the long-term financial sustainability of providing and maintaining rental housing, the annual adjustment methodology should reasonably reflect changing operating costs while providing predictable rent increases for tenants.

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Annual General Rent Adjustment Formula	Revise the AGRA formula to better reflect the costs of operating and maintaining rental housing and reduce reliance on Fair Return petitions.	Replace Existing Language
Minimum & Maximum Annual Adjustment	Establish a minimum annual adjustment and increase the proposed maximum annual adjustment.	Replace Existing Language
Banking of Unused Annual General Rent Adjustments	Expressly authorize banking of unused Annual General Rent Adjustments.	Add New Language

A. Annual General Rent Adjustment Formula

SBAOR Analysis

The proposed ordinance limits the Annual General Rent Adjustment to 60 percent of the percentage change in the Consumer Price Index (CPI), not to exceed three percent (3%) annually. While the Consumer Price Index is an appropriate benchmark for measuring general inflation, it does not necessarily reflect the actual costs associated with owning, operating, and maintaining rental housing. Housing providers continue to experience increases in insurance premiums, utilities, labor, building materials, maintenance, regulatory compliance, and capital replacement costs, many of which have historically increased at rates exceeding CPI.

A review of comparable California rent stabilization programs demonstrates that jurisdictions utilize a variety of methodologies to establish annual rent adjustments. Several jurisdictions permit a greater percentage of CPI, establish higher annual maximum adjustments, provide minimum annual adjustments, or authorize the banking of unused rent increases. These approaches recognize that maintaining existing rental housing requires operating income that keeps pace with changing costs.

Setting the Annual General Rent Adjustment too low shifts the burden of recovering ordinary operating cost increases to the Fair Return petition process. Fair Return petitions are intended to address extraordinary circumstances, not routine increases in the cost of operating rental housing. If the annual adjustment does not reasonably reflect ongoing operating expenses, both housing providers and the City can expect an increase in Fair Return petitions, resulting in additional administrative costs, longer processing times, and greater uncertainty for all parties.

Recommendation

Revise the Annual General Rent Adjustment methodology to more accurately reflect the costs of operating and maintaining rental housing while reducing unnecessary reliance on Fair Return petitions.

Policy Question for the City

What economic analysis supports limiting annual rent adjustments to 60 percent of CPI and a maximum increase of 3 percent, and what analysis has the City conducted regarding the impact this methodology may have on the number of Fair Return petitions filed each year?

B. Minimum and Maximum Annual Adjustment

SBAOR Analysis

The proposed ordinance establishes a maximum annual adjustment but does not establish a minimum adjustment during periods of low inflation. Housing providers continue to experience increasing operating expenses even when CPI growth is modest. Insurance premiums, labor costs, maintenance expenses, utilities, regulatory compliance obligations, and capital replacement costs do not necessarily fluctuate in direct proportion to general inflation.

Several California jurisdictions recognize this reality by establishing both minimum and maximum annual adjustments. For example, Alameda establishes an annual adjustment equal to 70 percent of CPI, with a minimum adjustment of 1 percent and a maximum adjustment of 5 percent, while Mountain View establishes an annual adjustment equal to 100 percent of CPI, with a minimum adjustment of 2 percent and a maximum adjustment of 5 percent. These approaches provide greater predictability while recognizing that the costs of maintaining rental housing continue to increase even during periods of relatively low inflation.[4]

[4] City of Alameda Rent Program, Annual General Adjustment regulations; City of Mountain View Community Stabilization and Fair Rent Act, Annual General Adjustment provisions.

Recommendation
Establish a reasonable minimum annual adjustment and increase the proposed maximum annual adjustment to better reflect the ongoing costs of providing rental housing.

C. Banking of Unused Annual General Rent Adjustments
SBAOR Analysis
The proposed ordinance does not expressly authorize housing providers to defer or "bank" unused Annual General Rent Adjustments. Many housing providers intentionally charge less than the maximum allowable increase in order to retain long-term tenants or respond to changing market conditions. If deferred increases are permanently forfeited, housing providers may instead be incentivized to impose the maximum allowable increase each year regardless of individual tenant circumstances.

Alameda's Rent Stabilization Ordinance expressly permits housing providers to bank unused Annual General Adjustments, demonstrating that this approach can be successfully administered within a California rent stabilization program.[5] Authorizing the banking of unused Annual General Rent Adjustments provides flexibility for housing providers while benefiting tenants who receive lower rent increases during years when market conditions permit.

Recommendation
Expressly authorize the banking of unused Annual General Rent Adjustments.

Policy Question for the City
Does the proposed ordinance unintentionally encourage housing providers to impose the maximum allowable annual rent increase each year by prohibiting the recovery of previously deferred increases?

SECTION 26.90.050 – PETITION FOR SPECIAL ADJUSTMENT: FAIR RETURN
Section Summary
Section 26.90.050 establishes the process through which a Landlord may petition for a rent adjustment exceeding the Annual General Rent Adjustment when necessary to obtain a Fair Return. The ordinance defines a Fair Return as an economic return determined using the Maintenance of Net Operating Income (MNOI) standard.[6] Because the MNOI methodology serves as the foundation for every Fair Return determination, the ordinance should clearly establish how that methodology is applied. A transparent, objective process benefits housing providers, tenants, and the City by reducing uncertainty, improving consistency, and minimizing disputes.

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
MNOI Methodology	Codify the methodology used to calculate MNOI within the ordinance.	Add New Language
Allowable Operating Expenses	Clearly identify the operating expenses included in the MNOI calculation.	Add New Language
Extraordinary Expenses	Clarify how extraordinary operating expenses are treated.	Add New Language
Base Year	Allow adjustment of an unrepresentative base year.	Add New Language

[5] City of Alameda Rent Stabilization Program Regulation, permitting the banking of unused Annual General Rent Adjustments.

[6] Santa Barbara Public Review Draft Residential Rent Stabilization Ordinance (June 10, 2026), § 26.90.020 (definition of "Fair Return") and § 26.90.050.

Subject	Recommendation	Drafting Action
Documentation	Adopt a standardized petition checklist.	Clarify Existing Language
Written Findings	Require written findings explaining the MNOI calculation and decision.	Add New Language
Petition Timelines	Establish objective timelines for processing petitions.	Clarify Existing Language

A. Maintenance of Net Operating Income (MNOI) Methodology

SBAOR Analysis

SBAOR supports the City's decision to use the Maintenance of Net Operating Income (MNOI) standard to evaluate Fair Return petitions. The MNOI standard is a recognized methodology that has been utilized in California rent regulation because it relies upon objective financial information rather than subjective judgment.[7] Several California jurisdictions, including Alameda, Mountain View, and Santa Monica, utilize objective financial standards or MNOI-based analyses when evaluating Fair Return petitions.[8]

However, while the ordinance defines Fair Return by reference to the MNOI standard, it does not establish the methodology used to calculate MNOI. As drafted, the ordinance leaves the most important component of the Fair Return analysis open to future interpretation. The methodology used to calculate MNOI should be codified within the ordinance rather than established solely through future regulations or administrative practice. Doing so would provide consistent standards for housing providers, tenants, the Program Administrator, Hearing Officers, and the Rent Stabilization Board. It would also reduce inconsistent decisions, improve transparency, provide greater predictability for applicants, and reduce the likelihood of unnecessary appeals and litigation.

Recommendation

Codify the methodology used to calculate the Maintenance of Net Operating Income within the ordinance.

Policy Question for the City

Because Fair Return is determined exclusively through the MNOI standard, why should the methodology itself not be codified within the ordinance so that all parties operate under the same objective standards?

B. Allowable Operating Expenses

SBAOR Analysis

The ordinance should clearly identify which operating expenses are included in the MNOI calculation. Without objective standards, similarly situated housing providers may receive different results depending upon the interpretation of individual decision-makers. At a minimum, the ordinance should identify the categories of operating expenses that may be considered when calculating MNOI. These include ordinary operating expenses such as property taxes, insurance, utilities paid by the housing provider, routine maintenance, repairs, professional management, accounting, legal services related to operation of the property, government fees, Rent Registry fees, Rent Stabilization Program fees, inspection fees, HOA dues, security services, replacement reserves, and other reasonable expenses directly associated with operating and maintaining rental housing. Providing objective standards within the ordinance will improve consistency while reducing disputes regarding allowable expenses.

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[7] *Fisher v. City of Berkeley*, 37 Cal.3d 644 (1984); *Pennell v. City of San Jose*, 42 Cal.3d 365 (1986); *Kavanau v. Santa Monica Rent Control Board*, 16 Cal.4th 761 (1997), recognizing that rent regulation must provide property owners with a constitutionally adequate opportunity to earn a fair return.

[8] City of Alameda Rent Program Regulations; City of Mountain View Community Stabilization and Fair Rent Act and implementing regulations; Santa Monica Rent Control Charter and Regulations.

Recommendation
Identify the categories of allowable operating expenses within the ordinance.

C. Extraordinary Operating Expenses and Base Year
SBAOR Analysis
The ordinance should also address extraordinary operating expenses and circumstances in which the designated Base Year does not reasonably reflect normal operating conditions. Examples include significant increases in insurance premiums, government-mandated improvements, environmental remediation, natural disasters, emergency repairs, prolonged vacancies, or other extraordinary events that materially affect operating income or expenses.

Similarly, a designated Base Year may not accurately represent normal operating conditions if it reflects extraordinary circumstances such as a natural disaster, inherited deferred maintenance, government-ordered closures, or other unusual events. Providing a mechanism to recognize extraordinary circumstances will improve the accuracy of the MNOI calculation while preserving the integrity of the Fair Return standard.

Recommendation
Permit adjustment of the Base Year when supported by objective evidence and clarify how extraordinary operating expenses are treated within the MNOI calculation.

D. Documentation Requirements
SBAOR Analysis
Housing providers should know at the outset what information is required to submit a complete Fair Return petition. Standardized documentation requirements improve administrative efficiency, reduce unnecessary requests for supplemental information, and provide greater certainty to all parties.

Recommendation
Require the Program Administrator to publish a standardized Fair Return petition checklist.

E. Written Findings and Petition Timelines
SBAOR Analysis
Every Fair Return determination should include written findings explaining the basis for the decision, including the MNOI calculation and the evidence relied upon. Written findings improve transparency, facilitate judicial review when necessary, and provide guidance for future applicants.

The ordinance should also establish reasonable timelines for determining petition completeness, scheduling hearings, issuing written decisions, and implementing approved rent adjustments. Predictable timelines benefit both housing providers and tenants while promoting efficient administration.

Recommendation
Require written findings and establish objective processing timelines.

SECTION 26.90.060 – PETITION FOR SPECIAL ADJUSTMENT: CAPITAL IMPROVEMENTS
Section Summary
Section 26.90.060 establishes the process through which a Landlord may petition for a rent adjustment to recover the cost of qualifying capital improvements. Capital improvements preserve existing housing, extend the useful life of residential buildings, improve health and safety, and ensure compliance with evolving federal, state, and local regulations. Because these petitions rely upon objectively verifiable expenditures rather than broader financial

analysis, the ordinance should establish clear eligibility standards, standardized documentation requirements, objective amortization schedules, and predictable cost recovery calculations.

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Eligible Capital Improvements	Expand and clarify the list of eligible capital improvements.	Replace Existing Language
Useful Life	Establish objective useful life schedules based on recognized standards.	Add New Language
Documentation Requirements	Standardize documentation required for all petitions.	Clarify Existing Language
Owner-Performed Labor	Clarify eligibility and valuation of owner-performed labor.	Clarify Existing Language
Objective Review Standard	Evaluate petitions using objective documentation rather than subjective necessity determinations.	Add New Language
Government-Mandated Improvements	Expressly recognize improvements required by law as eligible capital improvements.	Clarify Existing Language
Property Value	Clarify that an improvement does not become ineligible merely because it also increases property value.	Add New Language

A. Eligible Capital Improvements

SBAOR Analysis

Capital improvements are essential to preserving Santa Barbara's aging rental housing stock. Unlike routine maintenance or cosmetic repairs, capital improvements extend the useful life of a property, replace major building systems, improve habitability, increase safety, or ensure compliance with changing laws and building standards. The City's Housing Element recognizes the importance of preserving and reinvesting in the existing housing inventory, particularly given the age of much of Santa Barbara's housing stock.[9]

The draft ordinance identifies certain qualifying improvements but does not establish a comprehensive list of eligible improvements. A more complete list will provide certainty to housing providers, tenants, and decision-makers while reducing unnecessary disputes regarding eligibility.

Recommendation

Expand the ordinance to identify a comprehensive list of eligible capital improvements having an expected useful life greater than five years. Revise the ordinance to provide that eligible capital improvements include, but are not limited to:

Structural Systems

- Foundations
- Structural framing
- Seismic retrofits
- Retaining walls
- Structural steel repairs

Building Envelope

- Roof replacement

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[9] City of Santa Barbara, *2023–2031 Housing Element*, recognizing the importance of preserving and reinvesting in the City's existing housing stock.

- Exterior siding
- Windows
- Exterior doors
- Waterproofing systems
- Weatherproofing systems

Mechanical, Electrical and Plumbing Systems

- Plumbing replacement
- Sewer laterals
- Water service lines
- Electrical system replacement
- Electrical service upgrades
- Electrical panel replacement
- HVAC systems
- Boilers
- Central water heaters
- Mechanical systems

Life Safety Systems

- Fire sprinkler systems
- Fire alarm systems
- Emergency lighting
- Fire escapes
- Required life safety improvements

Environmental and Code Compliance

- Lead hazard remediation
- Asbestos abatement
- Mold remediation
- Environmental mitigation
- Stormwater compliance improvements
- Accessibility improvements required by law
- Improvements required to comply with federal, state, or local building, fire, health, environmental, or accessibility codes

Exterior Improvements

- Balconies
- Decks
- Exterior stairways
- Driveways
- Parking lots
- Sidewalks
- Drainage improvements
- Site retaining walls

Energy and Sustainability Improvements

- Solar energy systems
- Battery storage systems
- Electric vehicle charging infrastructure
- Water conservation improvements
- Energy efficiency improvements

Common Area Improvements

- Security systems
- Gates
- Exterior lighting
- Common area improvements serving multiple rental units

B. Useful Life and Amortization

SBAOR Analysis

The ordinance should establish standardized useful life schedules for qualifying capital improvements. Without objective standards, identical improvements may receive inconsistent amortization periods, resulting in unequal treatment among similarly situated housing providers. Objective useful life schedules should rely upon recognized authorities, including the California Revenue and Taxation Code, accepted engineering standards, and other objective references adopted by the City.[10]

Recommendation

Adopt standardized useful life schedules applicable to all qualifying capital improvements.

C. Government-Mandated Improvements

SBAOR Analysis

Many capital improvements are not discretionary. Housing providers are frequently required to undertake substantial improvements to comply with changes in federal, state, and local laws, regulations, permit conditions, or governmental orders. Examples include seismic retrofits, balcony safety repairs, accessibility improvements, environmental remediation, fire and life safety upgrades, stormwater compliance, and building code compliance. Because these improvements are required to continue lawfully operating rental housing, they should be expressly recognized as eligible capital improvements.

Recommendation

Expressly provide that improvements required by governmental action qualify for capital improvement recovery.

D. Documentation Requirements

SBAOR Analysis

Capital Improvement petitions should rely upon objective documentation rather than subjective determinations regarding whether an improvement was necessary. A standardized documentation checklist will improve administrative efficiency while providing predictability for both applicants and tenants.

Recommendation

Require a standardized Capital Improvement petition checklist.

E. Owner-Performed Labor

SBAOR Analysis

The ordinance should clearly address whether owner-performed labor is eligible for recovery. Many small housing providers personally perform construction, repairs, and project management to reduce costs and preserve aging housing. Without objective standards, owner-performed labor may be treated inconsistently, creating inequitable outcomes for similarly situated property owners.

[10] California Revenue and Taxation Code provisions governing depreciation classifications for real property improvements; recognized engineering useful-life standards.

Recommendation
Recognize owner-performed labor as an eligible project cost when supported by objective documentation.

<u>F. Objective Review Standard</u>
SBAOR Analysis
Unlike Fair Return petitions, Capital Improvement petitions should be administered using objective criteria. Numerous California jurisdictions evaluate Capital Improvement petitions through standardized documentation requirements, amortization schedules, and objective eligibility standards rather than broad discretionary review.[11]

The City's review should focus on whether the improvement qualifies under the ordinance, whether the documented costs are reasonable, and how those costs should be amortized. Once objective documentation has been provided, the review should not become a subjective determination regarding whether the improvement was "necessary."

Recommendation
Adopt an objective review standard for Capital Improvement petitions.

<u>G. Capital Improvements That Increase Property Value</u>
SBAOR Analysis
Many capital improvements simultaneously preserve the habitability of a property and increase its market value. These outcomes are not mutually exclusive. A new roof, upgraded plumbing, replacement windows, seismic retrofits, accessibility improvements, or a new electrical system all preserve the useful life of the property while also increasing its value. The incidental increase in property value should not disqualify an otherwise eligible capital improvement from cost recovery.

The purpose of a Capital Improvement petition is to encourage reinvestment in existing housing stock. Penalizing housing providers because an improvement also enhances property value would discourage investment in aging buildings and undermine the long-term preservation goals of the ordinance.

Recommendation
Clarify that a qualifying capital improvement does not become ineligible solely because it also increases the property's value or marketability.

Policy Questions for the City
1. Should the ordinance establish a comprehensive schedule of eligible capital improvements to improve consistency and reduce disputes?
2. Why should the City determine whether an objectively documented improvement was "necessary" when eligibility can be established through objective standards?
3. Should improvements required by governmental action be expressly presumed eligible for recovery?
4. Should the ordinance clarify that a qualifying capital improvement remains eligible for recovery even if it also increases the property's value or marketability?

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[11] Comparative review of capital improvement petition procedures and amortization schedules utilized by the Cities of Alameda, Mountain View, Hayward, and other California rent stabilization programs.

SECTION 26.90.070 – TENANT PETITION FOR DOWNWARD ADJUSTMENT

Section Summary

Section 26.90.070 establishes the process through which a Tenant may petition for a downward adjustment in rent based upon an alleged reduction in Housing Services. Because these petitions directly affect the contractual rent agreed upon by the parties, the ordinance should establish objective standards, measurable evidence, and clearly defined procedures. The ordinance should also encourage communication between the parties before a petition is filed, distinguish temporary interruptions from permanent reductions in Housing Services, and ensure that any downward adjustment is proportional to the demonstrated loss in the value or use of the Housing Service.[12]

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Objective Standards	Clearly define the circumstances that qualify for a downward adjustment.	Clarify Existing Language
Notice and Opportunity to Cure	Require written notice and an opportunity to restore the Housing Service before a petition may be filed, except in emergencies.	Add New Language
Material Reduction	Define what constitutes a material reduction in Housing Services.	Add New Language
Temporary vs. Permanent Conditions	Distinguish temporary interruptions from permanent reductions.	Add New Language
Supporting Documentation	Require objective evidence supporting the petition.	Clarify Existing Language
Restoration of Services	Restore the authorized rent once Housing Services have been restored.	Add New Language
Tenant-Caused Conditions	Clarify that Tenant-caused conditions are not eligible for a downward adjustment.	Add New Language
De Minimis Reductions	Exclude insignificant reductions that do not materially affect the tenancy.	Add New Language
Calculation of Downward Adjustment	Require any rent reduction to be proportional to the demonstrated loss.	Add New Language
Capital Improvement Projects	Clarify that temporary interruptions resulting from approved Capital Improvement projects do not automatically qualify for a downward adjustment.	Add New Language

A. Objective Standards

SBAOR Analysis

Tenant petitions should be reserved for material reductions in Housing Services that substantially affect the value or use of the tenancy. The proposed ordinance should establish objective standards governing when a downward adjustment is appropriate. Without clearly defined criteria, similar petitions may produce inconsistent outcomes, increase disputes between housing providers and tenants, and create uncertainty regarding administration of the ordinance.

A downward adjustment should be limited to circumstances involving a material and measurable reduction in Housing Services that are required under the rental agreement or otherwise provided as part of the tenancy.

[12] Santa Barbara Public Review Draft Residential Rent Stabilization Ordinance (June 10, 2026), § 26.90.020 (definition of "Housing Services") and § 26.90.070.

Recommendation
Clearly identify the circumstances under which a downward adjustment may be granted.

Policy Question for the City
Should the ordinance establish objective criteria to ensure that similar Tenant Petitions are decided consistently?

B. Notice and Opportunity to Cure

SBAOR Analysis
Many disputes involving Housing Services can be resolved without formal proceedings if the housing provider receives notice of the issue and an opportunity to correct it. Requiring written notice before filing a petition encourages communication, promotes voluntary compliance, reduces unnecessary petitions, and conserves City administrative resources. This requirement should not apply when emergency conditions exist or when the Landlord has previously received written notice of the same condition.

Recommendation
Require written notice before filing a Tenant Petition and establish an objective cure period.

C. Material Reduction in Housing Services

SBAOR Analysis
Not every inconvenience constitutes a reduction in Housing Services. The ordinance should distinguish between material reductions that substantially affect the tenancy and the ordinary inconveniences associated with operating, maintaining, and repairing residential property. Examples of material reductions may include the permanent loss of parking, storage, laundry facilities, recreational amenities, or other Housing Services expressly provided under the rental agreement.

Recommendation
Define "material reduction" within the ordinance.

D. Temporary Interruptions

SBAOR Analysis
Housing providers routinely perform maintenance, repairs, emergency work, and Capital Improvements necessary to preserve the safety, habitability, and long-term condition of rental housing. California law recognizes that landlords have an ongoing duty to maintain habitable premises, which necessarily includes performing repairs and maintenance that may temporarily affect the use of certain Housing Services.[13] Temporary interruptions associated with these activities should not be treated as permanent reductions in Housing Services.

Recommendation
Clarify that temporary interruptions do not constitute a reduction in Housing Services.

E. Supporting Documentation

SBAOR Analysis
Tenant petitions should be supported by objective evidence whenever reasonably available. Objective documentation improves the accuracy of petition determinations while reducing unnecessary disputes. Examples include photographs, written communications, governmental inspection reports, lease provisions, or other evidence demonstrating the alleged reduction.

[13] California Civil Code §§ 1941 and 1941.1 establish a landlord's obligation to maintain habitable premises while recognizing that repairs and maintenance may temporarily affect occupancy and use.

Recommendation
Require objective evidence supporting the petition.

F. Restoration of Housing Services

SBAOR Analysis
A downward adjustment should continue only while the qualifying reduction in Housing Services exists. Once the Housing Service has been restored, there should be an efficient administrative process allowing the previously authorized rent to be reinstated.

Recommendation
Provide an expedited procedure for restoring the authorized rent.

G. Tenant-Caused Conditions

SBAOR Analysis
A Tenant should not receive a downward adjustment when the alleged reduction in Housing Services results from the acts or omissions of the Tenant, members of the Tenant's household, or the Tenant's guests.

Recommendation
Clarify that Tenant-caused conditions are not eligible.

H. De Minimis Reductions

SBAOR Analysis
Minor inconveniences that have little or no measurable impact on the tenancy should not result in formal petitions. Recognizing only material reductions will improve administrative efficiency while preserving relief for legitimate claims.

Recommendation
Exclude de minimis reductions.

I. Calculation of the Downward Adjustment

SBAOR Analysis
The ordinance establishes when a Tenant may petition for a downward adjustment but does not establish how the amount of the adjustment should be determined. Without objective standards, identical reductions in Housing Services could result in significantly different rent reductions.

Recommendation
Require downward adjustments to be proportional to the demonstrated loss.

J. Capital Improvement Projects

SBAOR Analysis
Capital Improvement projects frequently require temporary interruption of parking, laundry facilities, recreational amenities, or other Housing Services. Necessary improvements should not be discouraged by automatically treating every temporary interruption as a compensable reduction in Housing Services.

Recommendation
Clarify that temporary interruptions associated with approved Capital Improvement projects do not automatically qualify for a downward adjustment.

Policy Questions for the City

1. Should the ordinance require written notice and an opportunity to cure before a Tenant Petition may be filed?
2. Should temporary interruptions be distinguished from permanent reductions in Housing Services?
3. Should "material reduction" be defined to improve consistency?
4. Should downward adjustments be proportional to the demonstrated loss?
5. Should Tenant-caused conditions and de minimis reductions be excluded from the petition process?
6. Should temporary interruptions associated with approved Capital Improvement projects be treated differently than permanent reductions?

SECTION 26.90.080 – PETITION PROCEDURES

Section Summary

Section 26.90.080 establishes the procedures governing petitions filed under the Residential Rent Stabilization Ordinance.[14] Because these procedures apply to Fair Return petitions, Capital Improvement petitions, and Tenant Petitions for Downward Adjustment, the ordinance should establish objective, transparent, and predictable administrative procedures that protect due process, promote consistency, encourage early resolution of disputes, and ensure timely decisions.

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Standardized Petition Forms	Require standardized petition forms and filing requirements.	Clarify Existing Language
Petition Completeness	Establish objective standards and timelines for determining petition completeness.	Clarify Existing Language
Notice Requirements	Clearly identify notice requirements for all parties.	Clarify Existing Language
Opportunity to Cure	Allow petitioners to correct deficiencies before dismissal.	Add New Language
Disclosure of Evidence	Require exchange of documents before the hearing.	Add New Language
Administrative Record	Provide parties access to the administrative record before the hearing.	Add New Language
Hearing Timelines	Establish objective deadlines for hearings and decisions.	Clarify Existing Language
Written Decisions	Require written findings supporting every petition decision.	Clarify Existing Language
Continuances	Establish objective standards for granting continuances.	Add New Language
Standard of Review	Require decisions to be based solely upon the administrative record.	Add New Language
Ex Parte Communications	Prohibit ex parte communications regarding pending petitions.	Add New Language
Electronic Filing	Require electronic filing and electronic service.	Add New Language
Voluntary Mediation	Authorize voluntary mediation before a formal hearing.	Add New Language
Consolidation of Related	Allow consolidation of petitions involving common issues.	Add New Language

[14] Santa Barbara Public Review Draft Residential Rent Stabilization Ordinance (June 10, 2026), § 26.90.080.

Subject	Recommendation	Drafting Action
Petitions		
Repetitive Petitions	Permit dismissal of repetitive petitions absent a material change in circumstances.	Add New Language

A. Standardized Petition Procedures

SBAOR Analysis

The ordinance should require standardized petition forms, filing instructions, and documentation checklists for each petition authorized under this Chapter. Standardized procedures improve consistency, increase transparency, and provide both housing providers and tenants with clear expectations regarding filing requirements.

Recommendation

Require standardized petition forms and publicly available filing instructions.

B. Petition Completeness

SBAOR Analysis

The ordinance should establish objective timelines for determining whether a petition is complete and provide petitioners with an opportunity to correct deficiencies before dismissal. Establishing clear deadlines promotes administrative efficiency and prevents unnecessary delays.

Recommendation

Establish timelines for completeness review and permit deficiencies to be cured.

C. Notice Requirements

SBAOR Analysis

The ordinance should clearly identify how notice is provided, what information must be included, and the applicable response deadlines. Uniform notice procedures protect due process while reducing procedural disputes.

Recommendation

Establish uniform notice requirements.

D. Disclosure of Evidence

SBAOR Analysis

All parties should have access to the evidence that will be considered before the hearing. Early disclosure promotes fairness, encourages settlement, and reduces unnecessary continuances.

Recommendation

Require pre-hearing exchange of documents.

E. Administrative Record

SBAOR Analysis

The Program Administrator should maintain a complete administrative record for every petition and provide both parties reasonable access to the record before the hearing. Maintaining a complete record promotes transparency and facilitates administrative and judicial review.

Recommendation

Require maintenance of and access to the administrative record.

F. Hearing Timelines

SBAOR Analysis

Objective timelines reduce uncertainty for all parties and encourage timely resolution of petitions.

Recommendation

Establish hearing deadlines.

G. Written Decisions

SBAOR Analysis

Every petition decision should include written findings identifying the evidence relied upon and the factual and legal basis supporting the decision. Written findings improve transparency, facilitate appellate review, and promote consistency among future decisions.

Recommendation

Require written findings.

H. Continuances

SBAOR Analysis

Continuances should be granted only under clearly defined circumstances to avoid unnecessary delay while ensuring fairness.

Recommendation

Establish objective standards governing continuances.

I. Standard of Review

SBAOR Analysis

Petition decisions should be based solely upon the evidence contained in the administrative record and the applicable provisions of this Chapter. Clearly defining the standard of review promotes consistency while reducing uncertainty regarding how petitions are evaluated.

Recommendation

Define the standard of review.

J. Ex Parte Communications

SBAOR Analysis

California administrative proceedings are founded upon the principle that decision-makers must remain impartial and avoid communications with one party regarding the merits of a pending matter outside the presence of the other party.[15] Prohibiting ex parte communications promotes public confidence in the integrity of the petition process.

Recommendation

Prohibit ex parte communications regarding pending petitions.

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[15] California Government Code §§ 11425.10–11425.60 (Administrative Adjudication Bill of Rights), establishing principles of impartiality, separation of functions, and restrictions on ex parte communications in California administrative proceedings.

K. Electronic Filing and Service

SBAOR Analysis

Electronic filing improves accessibility, expedites communication, reduces administrative costs, and provides greater flexibility for both housing providers and tenants.

Recommendation

Authorize electronic filing and electronic service while preserving the option for paper filing.

L. Voluntary Mediation

SBAOR Analysis

Many disputes may be resolved through voluntary mediation before a formal hearing, reducing costs for both parties while conserving City resources. Participation should remain entirely voluntary and should not delay hearing deadlines unless both parties agree.

Recommendation

Authorize voluntary mediation before a formal hearing.

M. Consolidation of Related Petitions

SBAOR Analysis

Related petitions involving common facts or the same Rental Unit should be eligible for consolidation when doing so promotes efficiency and avoids inconsistent decisions.

Recommendation

Authorize consolidation of related petitions.

N. Repetitive Petitions

SBAOR Analysis

The ordinance should discourage repetitive petitions involving issues previously decided unless the petitioner demonstrates a material change in facts or circumstances. This protects administrative resources while preserving access to the petition process when new circumstances arise.

Recommendation

Permit dismissal of repetitive petitions.

Policy Questions for the City

1. Should the ordinance establish objective timelines for processing petitions?
2. Should petitioners have an opportunity to cure deficiencies before dismissal?
3. Should the ordinance require pre-hearing disclosure of evidence?
4. Should decisions be based solely on the administrative record?
5. Should ex parte communications regarding pending petitions be prohibited?
6. Should the City authorize electronic filing and electronic service?
7. Should voluntary mediation be available before a formal hearing?
8. Should repetitive petitions be dismissed absent a material change in circumstances?

SECTION 26.90.090 – RENT STABILIZATION BOARD

Section Summary

Section 26.90.090 establishes the Rent Stabilization Board and defines its authority under the Residential Rent Stabilization Ordinance. Because the Board will exercise significant authority affecting housing providers, tenants, and the administration of the ordinance, the ordinance should establish clear qualifications, transparent decision-making procedures, conflict-of-interest protections, and defined limits on the Board's authority. The Board should administer the ordinance objectively, consistently, and within the authority granted by the City Council.[16]

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Board Purpose	Clarify that the Board serves an administrative and quasi-judicial function rather than an advocacy role.	Clarify Existing Language
Board Composition	Retain the proposed Board composition.	No Revision Recommended
Qualifications	Establish minimum qualifications and required training for Board members.	Add New Language
Conflict of Interest	Strengthen conflict-of-interest, recusal, and impartiality requirements.	Add New Language
Scope of Authority	Clearly define and limit the Board's authority.	Clarify Existing Language
Written Findings	Require written findings for Board decisions.	Add New Language
Public Transparency	Expand meeting transparency and public access to Board decisions.	Add New Language
Annual Reporting	Require an annual administrative report evaluating program operations and efficiency.	Add New Language
Legal Counsel	Clarify that the Board acts upon the advice of the City Attorney or other authorized legal counsel.	Clarify Existing Language

A. Purpose of the Rent Stabilization Board

SBAOR Analysis

The ordinance should clearly establish that the Rent Stabilization Board functions as an impartial administrative and quasi-judicial body responsible for implementing the ordinance adopted by the City Council. The Board's responsibility is to administer the ordinance consistently and objectively rather than advocate for the interests of housing providers, tenants, or any other stakeholder group. Clearly defining the Board's role will improve public confidence and reinforce that policy decisions remain the responsibility of the City Council.

Recommendation

Clarify the Board's administrative and quasi-judicial role.

B. Board Composition

SBAOR Analysis

SBAOR support the proposed composition of the Rent Stabilization Board. The proposed structure appropriately establishes a balanced decision-making body without allocating membership based upon the percentage of housing providers or tenants within the City's population. The Board will exercise significant quasi-judicial authority affecting property rights, contractual relationships, and housing operations. Maintaining a balanced composition helps preserve public confidence that decisions will be based upon the facts presented and the requirements of the ordinance rather than the interests of any particular stakeholder group. Appointments should continue to be based upon the qualifications established in the ordinance rather than demographic representation or stakeholder affiliation.

[16] Santa Barbara Public Review Draft Residential Rent Stabilization Ordinance (June 10, 2026), § 26.90.090.

Recommendation
Retain the proposed Board composition.

C. Qualifications and Training

SBAOR Analysis
Board members will make decisions affecting significant legal and financial interests. To promote consistent, informed, and legally sound decision-making, Board members should possess relevant experience or complete standardized training before participating in hearings. Ongoing education will also help ensure consistent application of the ordinance as state law and local regulations evolve.

Recommendation
Require minimum qualifications and mandatory training.

D. Conflict of Interest and Impartiality

SBAOR Analysis
Because the Board serves in a quasi-judicial capacity, its decisions must be based solely upon the evidence presented in each proceeding. Strong conflict-of-interest and recusal requirements protect the integrity of the Board and promote public confidence in its decisions. A Board member should not be disqualified merely because they have previously participated in the rent stabilization process as a housing provider or tenant. However, a Board member should not participate in any matter in which they have a personal or financial interest, prior involvement in the specific dispute, or other circumstances that would reasonably call their impartiality into question. Similarly, Board members should avoid publicly advocating for or against the outcome of a pending petition before the Board has rendered its decision. Doing so helps preserve the appearance and reality of impartial decision-making.

Recommendation
Strengthen conflict-of-interest, recusal, and impartiality requirements.

E. Scope of Authority

SBAOR Analysis
The ordinance should clearly define the Board's authority. The Board should administer and implement the ordinance adopted by the City Council but should not establish new substantive policy through administrative action.
Clearly defining the Board's authority protects the legislative role of the City Council while providing guidance regarding the limits of the Board's responsibilities.

Recommendation
Clearly define and limit the Board's authority.

F. Written Findings

SBAOR Analysis
Board decisions should include written findings identifying the factual and legal basis supporting every decision. Written findings improve transparency, facilitate judicial review, and promote consistency in future Board decisions.

Recommendation
Require written findings for all Board decisions.

G. Annual Administrative Reporting

SBAOR Analysis

The City Council should receive objective information regarding the administration of the Rent Stabilization Program to evaluate whether the program is operating efficiently and whether administrative improvements are warranted. The focus of the report should be on program administration rather than the volume of petitions filed, as the number of petitions alone is not an indicator of program effectiveness.

Recommendation

Require an annual administrative report.

Policy Questions for the City

1. Should the ordinance continue to provide a balanced Board composition rather than allocating seats based on demographic representation or stakeholder affiliation?
2. Should Board members complete standardized legal, ethics, and due process training before participating in hearings?
3. Should the ordinance require Board members to recuse themselves when impartiality could reasonably be questioned while allowing individuals with prior experience in the rent stabilization process to continue serving?
4. Should the Board's authority be expressly limited to administering the ordinance adopted by the City Council?
5. Should the City receive an annual administrative report focused on the efficiency and operation of the program rather than the number of petitions filed?

SECTION 26.90.100 – RENTAL REGISTRY

Section Summary

Section 26.90.100 establishes a Rental Registry to administer the Residential Rent Stabilization Ordinance. SBAOR recognize that a Rental Registry may be necessary to administer the ordinance; however, the registry should collect only the minimum information necessary to implement and enforce the ordinance. The registry should protect confidential information, minimize administrative burdens, reduce costs, avoid duplicative reporting requirements, and provide clear safeguards regarding how registry information may be collected, maintained, and used.[17]

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Registry Purpose	Clearly define the limited purpose of the registry.	Clarify Existing Language
Information Collected	Limit the registry to information necessary to administer the ordinance.	Replace Existing Language
Confidentiality	Strengthen protections for confidential information.	Add New Language
Tenant Privacy	Limit collection of tenant personal information.	Add New Language
Reporting Frequency	Require updates only when material changes occur.	Replace Existing Language
One-Time Registration for Exempt Units	Require exempt units to register only once unless exemption status changes.	Add New Language

[17] Santa Barbara Public Review Draft Residential Rent Stabilization Ordinance (June 10, 2026), § 26.90.100.

Subject	Recommendation	Drafting Action
Self-Certification of Exemptions	Allow owners to self-certify exemptions unless additional documentation is reasonably required.	Add New Language
Correction Period	Provide notice and an opportunity to correct registry deficiencies before penalties are imposed.	Add New Language
Duplicate Reporting	Eliminate duplicate reporting where the City already possesses the information.	Add New Language
Electronic Registration	Require an electronic filing system.	Add New Language
Registry Fees	Limit fees to the City's actual cost of administering the registry.	Clarify Existing Language
Data Security	Require safeguards protecting registry information.	Add New Language
Data Use	Limit use of registry information to administration of the ordinance.	Add New Language
Registry Review	Periodically review reporting requirements to eliminate unnecessary information.	Add New Language

A. Purpose of the Rental Registry

SBAOR Analysis

The Rental Registry should exist solely to administer and enforce the Residential Rent Stabilization Ordinance. It should not become a comprehensive inventory of rental housing or a mechanism for collecting information unrelated to administration of the ordinance. Clearly defining the registry's purpose reduces unnecessary administrative burdens while protecting the privacy interests of housing providers and tenants.

Recommendation

Clearly define the limited purpose of the registry.

B. Information Required

SBAOR Analysis

The registry should collect only the minimum information reasonably necessary to administer the ordinance. Collecting excessive information increases administrative costs, raises privacy concerns, and discourages compliance without improving program administration. The ordinance should specifically identify required information rather than authorizing the Program Administrator to expand reporting requirements administratively.

Recommendation

Limit registry information to information necessary to administer the ordinance.

C. Registry Information for Housing Providers and Tenants

SBAOR Analysis

The Rental Registry should serve as an objective administrative record that protects the rights of both housing providers and tenants. Maintaining current contact information for both parties improves communication, facilitates administration of the ordinance, and provides greater certainty when notices, petitions, or enforcement actions become necessary.

Requiring both housing providers and tenants to maintain their own contact information also helps avoid disputes regarding whether required notices were properly delivered or received. In matters involving alleged lease violations, petitions, or other enforcement actions, maintaining current information for both parties promotes fairness by reducing "he said, she said" disputes and providing the City with reliable contact information for all parties involved. Because each party is responsible for its own information, the registry is more likely to remain accurate over time while reducing disputes over whether outdated or incorrect information was provided by the other party.

Recommendation
Require both housing providers and tenants to maintain their own current contact information in the Rental Registry.

D. Confidentiality of Registry Information
SBAOR Analysis
The Rental Registry will contain personally identifiable information and confidential business information relating to both housing providers and tenants. The ordinance should clearly provide that this information will be maintained securely and protected from disclosure to the fullest extent permitted by California law.

Protecting registry information encourages participation in the program while safeguarding sensitive information from unnecessary disclosure. At the same time, the City should ensure that information necessary to administer petitions, provide notice, and enforce the ordinance remains available to authorized City staff and the affected parties.

Recommendation
Strengthen confidentiality protections while preserving the City's ability to administer the ordinance.

E. Reporting Requirements
SBAOR Analysis
Housing providers should update registry information only when material changes occur. Requiring annual reporting when no information has changed creates unnecessary administrative burdens while providing little additional administrative value.

Recommendation
Require updates only upon material changes.

F. Registration of Exempt Units
SBAOR Analysis
If exempt properties are required to register, the process should be as simple and efficient as possible. Requiring exempt housing providers to repeatedly submit information that does not change creates unnecessary administrative burdens without improving enforcement. Similarly, owners should be permitted to self-certify exemption status unless the City has a reasonable basis to question the claimed exemption.

Recommendation
Simplify registration for exempt properties.

G. Correction Period
SBAOR Analysis
Administrative errors occasionally occur during registration. Before penalties are imposed, housing providers should receive written notice identifying the deficiency and an opportunity to correct the information.

Recommendation
Provide notice and an opportunity to cure before penalties.

H. Duplicate Reporting

SBAOR Analysis

The City should avoid requiring housing providers to submit information already maintained in another City database. Eliminating duplicate reporting reduces administrative costs for both the City and housing providers while improving efficiency.

Recommendation

Eliminate duplicate reporting.

I. Registry Fees

SBAOR Analysis

Registry fees should be limited to the City's actual and reasonable cost of administering the registry and should not be used as a revenue source. California law generally requires regulatory fees to bear a reasonable relationship to the cost of the regulatory program.[18]

Recommendation

Limit registry fees to cost recovery.

J. Electronic Registration

SBAOR Analysis

The City should maintain a secure electronic registration system that allows housing providers to register, update information, and review submissions online while providing reasonable accommodations for individuals unable to use electronic filing.

Recommendation

Require electronic registration.

K. Data Security and Authorized Use

SBAOR Analysis

The City should adopt reasonable administrative, technical, and physical safeguards to protect registry information from unauthorized access or disclosure. Registry information should be used solely for administration and enforcement of the ordinance unless otherwise required by state law.

Recommendation

Strengthen data security and limit the use of registry information.

L. Periodic Review of Registry Requirements

SBAOR Analysis

Registry requirements should be periodically reviewed to ensure they remain necessary and do not impose unnecessary administrative burdens as the program evolves.

Recommendation

Require periodic review of registry reporting requirements.

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[18] California Constitution, Article XIII C, and Government Code §§ 66014–66016, requiring regulatory fees to bear a reasonable relationship to the cost of providing the regulatory service.

Policy Questions for the City

1. Should the Rental Registry be limited to collecting only the information necessary to administer the ordinance?
2. Should confidential business information and tenant personal information be protected to the fullest extent permitted by law?
3. Should exempt properties be required to register only once unless their exemption status changes?
4. Should owners be permitted to self-certify exemption status unless there is a reasonable basis to request additional documentation?
5. Should housing providers receive notice and an opportunity to correct registration deficiencies before penalties are imposed?
6. Should the City eliminate duplicate reporting requirements where information is already available through existing City records?
7. Should registry fees be limited to the City's actual administrative costs?
8. Should the City periodically review registry requirements to eliminate unnecessary reporting obligations?

SECTION 26.90.110 – RENTAL REGISTRY FEE

Section Summary

Section 26.90.110 authorizes the City to establish a Rental Registry Fee to fund administration of the Residential Rent Stabilization Ordinance. Before the City adopts either the ordinance or any associated fee, it should complete a comprehensive cost-of-service and fee study demonstrating the anticipated cost of implementing and administering the program. The study should be publicly available, evaluate multiple funding scenarios, and provide policymakers and the public with sufficient information to understand the financial impact of the proposed program.[19]

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Comprehensive Fee Study	Complete a comprehensive cost-of-service and fee study before adoption of the ordinance or establishment of any fee.	Replace Existing Language
Fee Study Transparency	Publicly disclose all assumptions and methodologies used to calculate the fee.	Add New Language
Public Review	Release the completed fee study for public review before adoption.	Add New Language
Multiple Funding Scenarios	Evaluate alternative funding models before selecting a fee structure.	Add New Language
Periodic Fee Review	Periodically reevaluate fees to ensure they remain proportional to actual program costs.	Add New Language
Annual Financial Reporting	Publish annual revenues, expenditures, and program costs associated with the Rent Stabilization Program.	Add New Language

<u>A. Comprehensive Cost-of-Service and Fee Study</u>

SBAOR Analysis

The proposed ordinance authorizes the City to establish a Rental Registry Fee without first determining the actual cost of administering the Residential Rent Stabilization Program. The Rental Registry Fee will fund substantially more than maintaining a registry. Depending upon the final ordinance, fee revenues may support staffing, hearing

[19] Santa Barbara Public Review Draft Residential Rent Stabilization Ordinance (June 10, 2026), § 26.90.110.

officers, Board administration, legal services, software systems, translation services, outreach, enforcement activities, petitions, appeals, records management, consultant services, and ongoing program administration. A comprehensive cost-of-service study should identify each anticipated component of the program, including staffing, hearing officers, legal services, technology, software licensing, translation services, Board administration, outreach, enforcement, appeals, records management, consultant services, indirect overhead, and appropriate operating reserves. Without understanding these costs, neither the City Council nor the public can evaluate whether the proposed fee is reasonable, whether the program is financially sustainable, or whether the administrative structure has been appropriately designed.

Recommendation
Complete a comprehensive cost-of-service and fee study before adoption of the ordinance and before establishing any Rental Registry Fee.

B. Fee Study Transparency
SBAOR Analysis
Housing providers, tenants, policymakers, and the public should understand how the proposed fee was calculated. The fee study should clearly identify the assumptions used to develop the proposed fee and allow meaningful public review before legislative action is taken.

Recommendation
Require public disclosure of the fee methodology. Require the fee study to identify, at a minimum:

- Anticipated staffing levels.
- Salary and benefit assumptions.
- Number of anticipated petitions and hearings.
- Hearing Officer costs.
- Legal services.
- Technology and software costs.
- Translation and outreach costs.
- Contracted services.
- Administrative overhead allocations.
- Reserve assumptions.
- Anticipated annual inflation adjustments.
- Any other assumptions used in calculating the proposed fee.

C. Public Review
SBAOR Analysis
Interested stakeholders should have sufficient time to review the completed fee study before the City Council considers adoption of the ordinance or the associated fee. Providing adequate time for public review promotes transparency, improves decision-making, and allows meaningful participation in the legislative process.

Recommendation
Release the completed fee study before legislative action.

D. Multiple Funding Scenarios
SBAOR Analysis
Before selecting a funding mechanism, the City should evaluate multiple funding models rather than assuming a single approach. Evaluating alternatives allows policymakers to compare administrative efficiency, equity, implementation costs, and long-term financial sustainability. It also provides the City Council with a clearer understanding of the fiscal impacts associated with different program structures.

Recommendation
Evaluate multiple funding scenarios before establishing the fee. Require the fee study to evaluate, at a minimum:

- A uniform per-unit fee.
- Tiered fees based upon portfolio size.
- No fees or reduced fees for exempt units that require only one-time registration, if applicable.
- Cost-sharing alternatives, if legally permissible.
- Other funding structures reasonably available to the City.

The fee study should explain the advantages, disadvantages, and projected financial impacts of each alternative.

E. Periodic Fee Review

SBAOR Analysis
Administrative costs will change over time as the program matures. Periodic review helps ensure that fees continue to reflect actual administrative costs and provides the City Council with an opportunity to evaluate the financial performance of the program.

Recommendation
Require periodic review of the Rental Registry Fee.

F. Annual Financial Reporting

SBAOR Analysis
The City Council and the public should receive annual information regarding the financial operation of the Rent Stabilization Program. Financial reporting promotes accountability, improves transparency, and provides policymakers with information necessary to evaluate whether program revenues and expenditures remain appropriately balanced.

Recommendation
Require annual financial reporting.

Policy Questions for the City

1. How can the City determine whether the proposed Rent Stabilization Program is financially sustainable without first completing a comprehensive cost-of-service and fee study?
2. Should the City Council adopt a permanent regulatory program before understanding its full implementation and long-term administrative costs?
3. Should the fee study be publicly released before the ordinance and any associated fee are considered for adoption?
4. Should the City evaluate multiple funding scenarios before selecting a single fee structure?
5. Should the City periodically review the fee to ensure it continues to reflect actual program costs?

Section 26.90.120 – Remedies and Enforcement

Section Summary
Section 26.90.120 establishes the enforcement mechanisms and remedies available under the Residential Rent Stabilization Ordinance. Because enforcement provisions may result in significant financial liability and affect property rights, the ordinance should provide clear standards, consistent procedures, proportional remedies, and meaningful due process protections. The City's enforcement program should prioritize voluntary compliance and correction of violations before punitive measures are imposed whenever appropriate.[20]

[20] Santa Barbara Public Review Draft Residential Rent Stabilization Ordinance (June 10, 2026), § 26.90.120.

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Compliance First	Prioritize education and voluntary compliance before penalties are imposed.	Add New Language
Progressive Enforcement	Establish a graduated enforcement process.	Add New Language
Notice and Opportunity to Cure	Require written notice and an opportunity to correct violations before enforcement.	Clarify Existing Language
Objective Enforcement Standards	Clearly define enforceable violations.	Clarify Existing Language
Proportional Remedies	Require penalties to be proportional to the violation.	Add New Language
Good Faith Compliance	Consider good faith efforts when determining penalties.	Add New Language
Repeat Violations	Distinguish between technical, repeated, and intentional violations.	Add New Language
Administrative Appeals	Clarify appeal rights and procedures.	Clarify Existing Language
Stay of Penalties	Suspend penalties while a timely appeal is pending.	Add New Language
Published Penalty Schedule	Publish a schedule of violations and penalties.	Add New Language
Published Enforcement Policies	Publish enforcement policies and administrative guidance.	Add New Language
Consistent Enforcement	Apply enforcement consistently to similarly situated parties.	Add New Language
Enforcement Reporting	Publish annual enforcement statistics to evaluate program administration.	Add New Language

A. Compliance Before Punishment

SBAOR Analysis

The primary objective of enforcement should be achieving compliance with the ordinance rather than imposing penalties. Many violations, particularly during implementation of a new regulatory program, will likely result from misunderstanding, administrative error, or evolving guidance rather than intentional misconduct. Encouraging voluntary compliance reduces unnecessary disputes, conserves City resources, and promotes long-term compliance.

Recommendation

Prioritize education and voluntary compliance before penalties.

B. Progressive Enforcement

SBAOR Analysis

Not every violation warrants the same response. The ordinance should establish a graduated enforcement process that reserves the most significant penalties for repeated or intentional misconduct.
A progressive enforcement model encourages compliance while ensuring penalties remain proportionate.

Recommendation

Adopt a graduated enforcement process.

C. Notice and Opportunity to Cure

SBAOR Analysis

Before penalties are imposed, the City should provide written notice describing the alleged violation, the factual basis supporting the allegation, the corrective action required, and the deadline for compliance.
Providing notice and an opportunity to cure promotes fairness and encourages voluntary compliance.

Recommendation
Require written notice and an opportunity to cure.

D. Objective Enforcement Standards
SBAOR Analysis
The ordinance should clearly identify conduct that constitutes a violation. Enforcement actions should be based solely upon violations expressly identified within the ordinance and not unpublished administrative guidance or informal interpretations.

Recommendation
Clearly define enforceable violations.

E. Proportional Remedies
SBAOR Analysis
Administrative remedies should be proportional to the nature, severity, duration, and impact of the violation. Penalty determinations should distinguish between technical violations, administrative errors, first-time violations, and intentional or repeated misconduct.

Recommendation
Require proportional enforcement.

F. Good Faith Compliance
SBAOR Analysis
Prompt corrective action and demonstrated efforts to comply should be considered when determining the appropriate enforcement response. Recognizing good faith compliance encourages cooperation while allowing the City to focus enforcement resources on more serious violations.

Recommendation
Recognize good faith compliance.

G. Repeat and Intentional Violations
SBAOR Analysis
The ordinance should distinguish between inadvertent violations and repeated or intentional violations.
Enhanced penalties should be reserved for situations involving repeated noncompliance, intentional misconduct, or fraud.

Recommendation
Differentiate enforcement based upon the nature of the violation.

H. Administrative Appeals
SBAOR Analysis
Any party subject to an enforcement action should have access to a clearly defined administrative appeal before penalties become final. Appeal procedures should clearly identify filing deadlines, hearing procedures, standards of review, and decision timelines.

Recommendation
Clarify appeal rights.

I. Stay of Penalties During Appeal

SBAOR Analysis

A party exercising its right to appeal should not continue to accrue penalties while a timely appeal is pending. Allowing penalties to accumulate during the appeal process may discourage parties from exercising their due process rights.

Recommendation

Stay penalties during a timely appeal.

J. Published Penalty Schedule

SBAOR Analysis

If administrative penalties are authorized, the City should publish a penalty schedule identifying violations, applicable penalties, and factors considered when determining penalty amounts. Transparent penalty schedules improve consistency and predictability while reducing the perception of arbitrary enforcement.

Recommendation

Publish a penalty schedule.

K. Published Enforcement Policies

SBAOR Analysis

Housing providers and tenants should understand how the ordinance will be administered before enforcement begins. Publicly available enforcement policies improve consistency, reduce uncertainty, and encourage voluntary compliance.

Recommendation

Publish enforcement policies.

L. Consistent Enforcement

SBAOR Analysis

The ordinance should be administered consistently across similarly situated housing providers and tenants. Consistent enforcement promotes fairness, reduces perceptions of selective enforcement, and strengthens public confidence in the program.

Recommendation

Require consistent application of enforcement standards.

M. Annual Enforcement Reporting

SBAOR Analysis

The City Council should receive objective information regarding how enforcement provisions are being administered. The purpose of the report is to evaluate program administration, identify recurring issues, and determine whether procedural improvements are warranted, not to measure success by the number of penalties imposed.

Recommendation

Require annual enforcement reporting.

Policy Questions for the City

1. Should compliance, rather than punishment, remain the primary objective of enforcement?
2. Should the ordinance establish a graduated enforcement process before penalties are imposed?
3. Should first-time administrative violations generally receive notice and an opportunity to cure?

4. Should penalties distinguish between technical, inadvertent, repeated, and intentional violations?
5. Should administrative penalties be stayed while a timely appeal is pending?
6. Should the City publish a penalty schedule and written enforcement policies before enforcement begins?
7. Should annual enforcement reporting evaluate the effectiveness and fairness of program administration?

<u>Section 26.90.130 – Hearing Officers</u>

Section Summary

Section 26.90.130 establishes the qualifications, appointment, authority, and responsibilities of Hearing Officers who will adjudicate petitions under the Residential Rent Stabilization Ordinance. Because Hearing Officers will exercise significant quasi-judicial authority affecting property rights and tenant rights, the ordinance should establish minimum qualifications, independence, due process protections, transparent procedures, and clear standards governing their appointment and decision-making.[21]

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Qualifications	Establish minimum professional qualifications for Hearing Officers.	Add New Language
Independence	Require Hearing Officers to remain independent and impartial.	Clarify Existing Language
Selection Process	Establish a transparent appointment process.	Add New Language
Training	Require continuing education regarding applicable law.	Add New Language
Scope of Authority	Clearly define the Hearing Officer's authority.	Clarify Existing Language
Standard of Review	Require decisions to be based solely upon the administrative record.	Add New Language
Written Decisions	Require written findings supporting every decision.	Clarify Existing Language
Decision Deadlines	Establish deadlines for issuing decisions.	Add New Language
Conflict of Interest	Strengthen disclosure and recusal requirements.	Add New Language
Ex Parte Communications	Prohibit ex parte communications.	Add New Language
Performance Review	Establish periodic performance evaluations.	Add New Language

<u>A. Qualifications</u>

SBAOR Analysis

Hearing Officers should possess demonstrated expertise in administrative law, landlord-tenant law, municipal law, or another relevant legal discipline. Because their decisions may substantially affect property rights, contractual obligations, and tenant protections, the ordinance should establish minimum professional qualifications rather than allowing appointments without relevant experience.

Recommendation

Establish minimum qualifications.

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[21] Santa Barbara Public Review Draft Residential Rent Stabilization Ordinance (June 10, 2026), § 26.90.130.

B. Independence and Impartiality

SBAOR Analysis

The Hearing Officer must function as an independent quasi-judicial decision-maker. Public confidence depends upon decisions being based solely upon the evidence presented and applicable law. The Hearing Officer should not advocate for either housing providers or tenants and should remain free from political influence regarding individual cases.

Recommendation

Strengthen independence requirements.

C. Appointment Process

SBAOR Analysis

The ordinance should establish a transparent process for selecting Hearing Officers. Clearly defined qualifications and appointment procedures promote confidence in the integrity of the adjudicative process.

Recommendation

Clarify appointment procedures.

D. Continuing Education

SBAOR Analysis

Housing law evolves regularly through legislation and court decisions. Continuing education helps ensure consistent and legally sound decisions.

Recommendation

Require continuing education.

E. Scope of Authority

SBAOR Analysis

The ordinance should clearly define the Hearing Officer's authority. The Hearing Officer should interpret and apply the ordinance, not create new policy or expand the ordinance through adjudication.

Recommendation

Clearly define authority.

F. Standard of Review

SBAOR Analysis

Petitions should be decided solely upon the evidence contained in the administrative record.
Clearly defining the standard of review promotes consistency and reduces uncertainty.

Recommendation

Define the standard of review.

G. Written Decisions

SBAOR Analysis

Every decision should contain sufficient findings to explain the factual and legal basis for the outcome. Written findings improve transparency, facilitate judicial review, and provide guidance for future cases.

Recommendation

Require written findings.

H. Decision Deadlines
SBAOR Analysis
Timely decisions provide certainty for both housing providers and tenants.

Recommendation
Establish decision deadlines.

I. Conflict of Interest and Ex Parte Communications
SBAOR Analysis
To preserve public confidence, Hearing Officers should disclose conflicts of interest, avoid ex parte communications, and recuse themselves whenever impartiality may reasonably be questioned. California administrative proceedings recognize the importance of impartial decision-makers and restrictions on ex parte communications.[22]

Recommendation
Strengthen impartiality requirements.

J. Performance Evaluation
SBAOR Analysis
The City should periodically evaluate Hearing Officer performance to ensure hearings are conducted efficiently, professionally, and in accordance with the ordinance. Performance evaluations should focus on administrative effectiveness, timeliness, professionalism, and adherence to due process, not on the outcomes of individual decisions.

Recommendation
Require periodic performance evaluations.

Policy Questions for the City
1. Should Hearing Officers be required to possess demonstrated expertise in landlord-tenant law, administrative law, or municipal law?
2. Should the ordinance expressly require Hearing Officers to remain independent and impartial?
3. Should Hearing Officers be prohibited from engaging in ex parte communications regarding pending petitions?
4. Should written decisions include findings of fact and conclusions of law?
5. Should the ordinance establish decision deadlines to provide timely resolution of disputes?
6. Should Hearing Officer performance be evaluated based on professionalism, timeliness, and adherence to due process rather than case outcomes?

Section 26.50.070 – Just Cause (Amendments)
Section Summary
The proposed amendments to Section 26.50.070 primarily update the City's Just Cause provisions to reflect recent amendments to California law, clarify procedural requirements, and establish additional documentation

[22] California Government Code §§ 11425.10–11425.60 (Administrative Adjudication Bill of Rights), establishing principles of impartiality and restrictions on ex parte communications in California administrative proceedings.

requirements for certain no-fault just cause evictions. SBAOR generally supports these amendments, which largely incorporate existing state law and improve procedural clarity.[23]

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Standardized City Forms	Require standardized forms for all filings required under Chapter 26.50.	Add New Language
Electronic Filing	Permit electronic submission of required notices and supporting documentation.	Add New Language
Administrative Consistency	Apply uniform filing procedures throughout Chapter 26.50.	Add New Language

A. Standardized City Forms

SBAOR Analysis

The proposed amendments require housing providers to submit various notices, statements, declarations, and supporting documentation to the City. Standardized forms would improve compliance, reduce administrative errors, and promote consistent administration of the ordinance for housing providers, tenants, and City staff.

Recommendation

Require standardized forms for all filings required under Chapter 26.50.

B. Electronic Filing

SBAOR Analysis

Housing providers should be permitted to submit required notices and supporting documentation electronically. Electronic filing improves administrative efficiency, reduces costs, creates a reliable record of compliance, and streamlines the administration of the ordinance for both the City and housing providers.

Recommendation

Authorize electronic filing.

C. Administrative Consistency

SBAOR Analysis

The amendments create multiple filing and documentation requirements throughout Chapter 26.50. Applying consistent administrative procedures, including filing deadlines, required documentation, and methods of submission, will reduce confusion, improve compliance, and promote uniform administration of the ordinance.

Recommendation

Apply uniform administrative procedures throughout Chapter 26.50.

Policy Questions for the City

1. Should the City provide standardized forms for all filings required under Chapter 26.50?
2. Should electronic submission of required notices and supporting documentation be permitted?
3. Should filing procedures be standardized throughout Chapter 26.50 to improve consistency and reduce administrative burdens?

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[23] Additional Just Cause and "Ellis Act" Amendments – Public Review Draft (June 10, 2026), proposed amendments to Santa Barbara Municipal Code § 26.50.070.

SECTION 26.50.100 – ADDITIONAL REQUIREMENTS AND LIMITATIONS APPLICABLE TO JUST CAUSE EVICTIONS TO PERMANENTLY REMOVE A RENTAL UNIT FROM THE RENTAL MARKET

Section Summary

Section 26.50.100 establishes the City's local procedures governing Ellis Act withdrawals, including filing requirements, limitations on withdrawal of rental units, additional requirements applicable to rent-controlled properties, and protections for senior and disabled tenants. SBAOR recognizes the City's authority to establish procedural requirements consistent with state law. However, several provisions would benefit from additional clarification to improve consistency, reduce disputes, and ensure efficient administration of the Ellis Act process.[24]

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Confidential Information	Clarify what tenant information remains confidential and who may access it.	Clarify Existing Language
Standardized Ellis Act Statement	Develop a standardized City form for the supplemental statement required under subsection D.1.	Add New Language
Verification of Senior or Disability Extension	Clarify documentation required to establish eligibility for the one-year extension.	Clarify Existing Language
Notice of Extension	Clarify when the one-year extension becomes effective and the City's role in acknowledging receipt.	Clarify Existing Language
Consistent Filing Procedures	Apply consistent filing procedures throughout the Ellis Act process.	Add New Language
Administrative Guidance	Publish guidance describing the Ellis Act withdrawal process and required filings.	Add New Language

A. Confidential Information

SBAOR Analysis

The ordinance appropriately provides that the supplemental statement filed with the City shall be treated as confidential information under the Information Practices Act.[25]

However, the ordinance does not clearly identify:

- who may access the information;
- whether tenants may inspect portions of the filing;
- how confidential information will be maintained; or
- whether portions of the filing may be redacted before disclosure.

Clarifying these procedures will protect both housing providers and tenants while reducing future disputes regarding access to confidential information.

Recommendation

Clarify confidentiality procedures.

<u>B. Standardized Ellis Act Statement</u>

SBAOR Analysis

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[24] Additional Just Cause and "Ellis Act" Amendments – Public Review Draft (June 10, 2026), proposed amendments to Santa Barbara Municipal Code § 26.50.100.

[25] *Id.*, subsection D.1, requiring the supplemental Ellis Act statement to be treated as confidential under the Information Practices Act.

Subsection D.1 requires owners to submit a detailed statement under penalty of perjury identifying rental units, tenants, and rents.[26] Providing a standardized City form will improve compliance, reduce administrative errors, and ensure consistent information is submitted for every Ellis Act withdrawal.

Recommendation
Develop a standardized Ellis Act filing form.

C. Verification of Senior or Disability Extension

SBAOR Analysis
The ordinance provides eligible senior and disabled tenants with a one-year extension if they notify the owner within sixty days of delivery of the Ellis Act notice.[27] The ordinance does not specify what documentation is sufficient to establish eligibility. Clarifying acceptable documentation will reduce uncertainty and promote consistent administration while protecting eligible tenants.

Recommendation
Clarify documentation requirements.

D. Notice of Extension

SBAOR Analysis
After receiving notice from a tenant claiming entitlement to the one-year extension, the owner must notify the City within thirty days.[28] The ordinance would benefit from clarifying when the extension becomes effective and confirming that the City's receipt of the notice is administrative in nature and does not constitute a determination regarding eligibility.

Recommendation
Clarify the City's administrative role.

E. Consistent Filing Procedures

SBAOR Analysis
The Ellis Act process requires multiple notices, statements, and filings with both tenants and the City.
Applying consistent filing procedures throughout Section 26.50.100 will improve compliance, reduce administrative burdens, and promote uniform administration.

Recommendation
Apply consistent filing procedures.

F. Administrative Guidance

SBAOR Analysis
Because Ellis Act withdrawals involve multiple statutory deadlines and procedural requirements, publicly available guidance would benefit housing providers, tenants, and City staff. Providing administrative guidance will improve compliance while reducing avoidable disputes.

Recommendation
Publish administrative guidance.

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[26] *Id.*, subsection D.1, requiring a supplemental statement under penalty of perjury identifying rental units, tenants, and rents.

[27] *Id.*, subsection D.2, establishing the one-year extension for qualifying senior and disabled tenants.

[28] *Id.*, subsection D.2(d), requiring the owner to notify the City within 30 days after receiving the tenant's claim of entitlement to the extension.

Policy Questions for the City

1. Should the ordinance more clearly identify what portions of the supplemental Ellis Act filing remain confidential?
2. Should the City develop a standardized form for the supplemental statement required under subsection D.1?
3. Should the ordinance identify documentation reasonably sufficient to establish eligibility for the one-year extension?
4. Should the ordinance clarify that the City's receipt of required filings is administrative and does not determine eligibility for statutory protections?
5. Should the City publish guidance describing the Ellis Act withdrawal process and filing requirements?

SECTION 26.50.110 – DISCLOSURE OF RIGHTS TO TENANTS BEFORE AND AFTER SALE OF RENTAL UNITS SUBJECT TO CHAPTER 26.50

Section Summary

Section 26.50.110 requires housing providers to deliver disclosures to tenants before and after the sale of rental property subject to Chapter 26.50. SBAOR supports ensuring tenants receive clear information regarding their rights and responsibilities; however, requiring transaction-specific disclosures each time a property is marketed or sold creates unnecessary administrative burdens and may result in repetitive disclosures without improving tenant understanding. A more effective approach would be for the City to develop a standardized **Tenant Rights and Responsibilities Guide** that is provided at the commencement of a tenancy and upon renewal of a lease.[29]

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Tenant Rights and Responsibilities Guide	Replace transaction-specific disclosures with a City-prepared Tenant Rights and Responsibilities Guide.	Replace Existing Language
Timing of Disclosure	Require the guide to be provided at the beginning of a tenancy and upon renewal of a lease, rather than before and after the sale of property.	Replace Existing Language
Standardized City Publication	Require the City to prepare and periodically update the guide.	Add New Language
Electronic Delivery	Permit electronic delivery of the guide when authorized by law or agreed to by the tenant.	Add New Language
Safe Harbor	Provide a safe harbor for housing providers that timely distribute the City's approved guide.	Add New Language

<u>**A. Tenant Rights and Responsibilities Guide**</u>

SBAOR Analysis

SBAOR supports providing tenants with clear information regarding their legal rights and responsibilities. However, requiring disclosures tied to the sale of a property creates unnecessary administrative requirements while providing information only to a limited group of tenants. A standardized **Tenant Rights and Responsibilities Guide**, prepared by the City, would provide consistent and comprehensive information to all tenants regardless of whether the property is sold during their tenancy. This approach promotes education, improves compliance, and ensures all tenants receive the same information.

[29] Additional Just Cause and "Ellis Act" Amendments – Public Review Draft (June 10, 2026), proposed Section 26.50.110.

Recommendation
Replace the transaction-specific disclosure requirement with a City-prepared Tenant Rights and Responsibilities Guide.

B. Timing of Distribution

SBAOR Analysis
Providing information when a tenant enters into or renews a tenancy is more meaningful than requiring disclosures only when a property is sold. This approach ensures that every tenant receives the same information regardless of whether ownership changes during the tenancy.

Recommendation
Remove disclosure and replace with Tenant Rights and Responsibilities Guide.

C. Standardized City Publication

SBAOR Analysis
To ensure consistency and accuracy, the City should prepare and maintain the guide rather than requiring individual housing providers to draft or update legal disclosures. The City is in the best position to revise the guide as laws change, ensuring tenants receive current and accurate information while reducing the administrative burden on housing providers.

Recommendation
Require the City to prepare and periodically update the guide.

D. Electronic Delivery

SBAOR Analysis
Permitting electronic delivery reduces administrative costs, improves recordkeeping, and reflects current leasing practices.

Recommendation
Permit electronic delivery.

E. Safe Harbor

SBAOR Analysis
Housing providers should be able to rely upon the City's approved guide without concern that subsequent revisions or formatting differences could result in allegations of noncompliance.

Recommendation
Create a safe harbor.

Policy Questions

1. Would tenants be better served by receiving a comprehensive Tenant Rights and Responsibilities Guide at the beginning of their tenancy rather than receiving disclosures only when a property is sold?
2. Should the City prepare and maintain a standardized guide to ensure tenants receive consistent and accurate information?
3. Should the guide be updated periodically by the City as laws change?
4. Should housing providers be permitted to distribute the guide electronically?
5. Should use of the City's approved guide provide a safe harbor for compliance?

SECTION 26.50.120 – RECORDATION OF NOTICE OF RESTRICTION ON REAL PROPERTY

Section Summary

Section 26.50.120 requires owners withdrawing rental units under the Ellis Act to record a Notice of Restriction on Real Property and would additionally require recording the tenant's Right of First Refusal. SBAOR supports recording notices required under state law to provide constructive notice of restrictions affecting real property. However, recording a tenant's Right of First Refusal is unnecessary, creates avoidable title complications, and places an administrative burden on future transactions. The City can administer and track Right of First Refusal obligations through its Rental Registry or other administrative records without recording additional encumbrances against the property.[30]

SBAOR Recommendation Summary

Subject	Recommendation	Drafting Action
Right of First Refusal	Eliminate the requirement to record a tenant's Right of First Refusal.	Replace Existing Language
Administrative Tracking	Track Right of First Refusal obligations through the City's registry or administrative records rather than recorded property interests.	Replace Existing Language
Title Clarity	Limit recorded documents to those required by state law or necessary to provide notice of restrictions affecting real property.	Clarify Existing Language

A. Recording the Right of First Refusal

SBAOR Analysis

SBAOR does not support recording a tenant's Right of First Refusal against the property. Unlike the Notice of Restriction required under the Ellis Act, a Right of First Refusal is an administrative obligation owed to a former tenant. Recording that right unnecessarily clouds title, complicates future transactions, and may create uncertainty for purchasers, lenders, escrow companies, and title insurers.

If a property owner later satisfies the Right of First Refusal requirement, there is no clear mechanism within the ordinance for removing or releasing the recorded interest. This could result in unnecessary title defects and additional legal or administrative costs long after the obligation has been fulfilled. Because the City already receives Ellis Act filings and maintains records regarding withdrawn rental units, recording the Right of First Refusal does not provide additional public benefit sufficient to justify the burdens imposed on property owners and future purchasers.

Recommendation

Eliminate the requirement to record a tenant's Right of First Refusal.

B. Administrative Tracking of Right of First Refusal

SBAOR Analysis

If the City determines that tracking compliance with the Right of First Refusal requirements is necessary, that objective can be accomplished through the City's administrative records rather than through recorded interests affecting title. The City already receives Ellis Act filings, maintains records regarding withdrawn rental units, and will administer a Rental Registry under the proposed ordinance. These existing administrative systems provide an appropriate mechanism for monitoring compliance without creating additional encumbrances on real property. Maintaining these records within the City's administrative system also allows updates to occur more efficiently than recorded instruments and avoids unnecessary complications during future property sales or refinancing.

[30] Additional Just Cause and "Ellis Act" Amendments – Public Review Draft (June 10, 2026), proposed Section 26.50.120.

Recommendation
Maintain Right of First Refusal information within the City's administrative records.

C. Title Clarity
SBAOR Analysis
Recorded documents should be limited to those necessary to provide constructive notice of restrictions affecting real property. Recording administrative rights or obligations that can be maintained through City records unnecessarily complicates title examinations, may delay or increase the cost of future property transactions, and creates uncertainty regarding when recorded interests may be released.
Maintaining clear title benefits housing providers, purchasers, lenders, title companies, and tenants while preserving the City's ability to administer and enforce the ordinance through its existing administrative records.

Recommendation
Limit recorded documents to those required by state law or necessary to provide constructive notice of restrictions affecting real property.

Policy Questions
1. Is recording a tenant's Right of First Refusal necessary when the City already maintains records regarding Ellis Act withdrawals and Right of First Refusal obligations?
2. Would maintaining Right of First Refusal information within the City's administrative records achieve the same objective without creating unnecessary title encumbrances?
3. Should recorded documents be limited to those required by state law or necessary to provide constructive notice of restrictions affecting real property?

CONCLUSION
SBAOR appreciates the opportunity to participate in the development of the proposed Residential Rent Stabilization Ordinance and the accompanying amendments to Chapter 26.50 of the Santa Barbara Municipal Code. We recognize the significance of this ordinance and the lasting impact it will have on housing providers, tenants, property owners, and the City's housing market for years to come.

Throughout this report, we have approached the proposed ordinances with the objective of providing constructive, practical recommendations rather than simply identifying areas of disagreement. Where provisions appropriately implement state law or promote fair administration, we have indicated that no revisions are recommended. Where we believe additional clarification or modification is warranted, our recommendations are intended to improve transparency, consistency, administrative efficiency, due process, and legal defensibility while preserving the City's underlying policy objectives.

Because this ordinance establishes an entirely new regulatory framework, its long-term success will depend not only on the policies it adopts but also on how effectively those policies can be administered. Clear standards, objective procedures, predictable timelines, transparent decision-making, and well-defined responsibilities benefit all participants in the housing market and reduce the likelihood of unnecessary disputes or litigation.

Several recommendations presented in this report are intended to strengthen the ordinance's implementation rather than alter its underlying policy direction. These include clarifying petition procedures, improving administrative processes, protecting confidential information, enhancing due process safeguards, increasing transparency, and ensuring that program costs and administrative responsibilities are clearly understood before implementation. These recommendations are intended to improve the effectiveness of the ordinance for housing providers, tenants, City staff, the Rent Stabilization Board, Hearing Officers, and future decision-makers alike.

SBAOR respectfully encourages the City Council to complete the remaining implementation work, including a comprehensive cost-of-service and fee study, development of administrative procedures, standardized forms, educational materials, and implementation guidance, before final adoption. Understanding how the program will operate in practice is essential to evaluating its long-term effectiveness, administrative feasibility, and fiscal sustainability.

Santa Barbara benefits when housing policies are clear, balanced, transparent, and predictable. We remain committed to working collaboratively with the City, City staff, housing providers, tenants, and the broader community to develop regulations that protect tenants, respect private property rights, encourage continued investment in housing, and promote a stable and healthy rental market.

SBAOR remains committed to serving as constructive partners throughout the continued refinement, adoption, and implementation of these ordinances and welcome the opportunity to continue working with the City to achieve practical, effective, and legally sound housing policies.

Thank you for your consideration of these comments and recommendations.

Sincerely,

Jennifer Berger

Jennifer Berger
SBAOR 2026 President

HOUSING AUTHORITY
OF THE CITY OF SANTA BARBARA
808 Laguna Street, Santa Barbara CA 93101

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June 25, 2026

Sent via email to RSO@SantaBarbaraCA.gov

City of Santa Barbara
City Council, City Administration Dept., and City Attorney

RE: ADDITIONAL COMMENTS ON REGARDING THE PROPOSED RENT STABILIZATION ORDINANCE SUBMITTED DURING 30 DAY PUBLIC REVIEW PERIOD

Dear City Council and City Staff members:

I write on behalf of the Housing Authority of the City of Santa Barbara to strongly urge the City Council to retain the exemption currently set forth in Section 26.90.010.A.6 of the draft Residential Rent Stabilization Ordinance ("RSO") for "*rental units owned, operated, or managed by a public agency or not-for-profit organization and subject to a recorded covenant or other restriction that requires renting the unit at rents affordable to low- or moderate income households*." This much needed exemption will support the City's goal of improving stability and predictability for renters, while ensuring effective administration of the City's stock of affordable housing, the vast majority of which is owned and/or operated by the Housing Authority.

Deed-restricted and otherwise regulated affordable housing projects under the low-income housing tax credit (LIHTC) and/or Section 8 and other tenant-based voucher programs are already governed by binding affordability covenants and regulatory agreements that cap rents by income level, impose long-term affordability requirements, establish minimum habitability standards with inspection obligations, and include other ongoing compliance requirements under public agency oversight. These developments are subject to legally binding rent limits tied to income levels, so layering an additional local rent cap would be not only duplicative, but counterproductive to the City's affordable housing goals.

As a preliminary matter, the RSO would impose a significant financial and administrative burden on the Housing Authority if these deed-restricted affordable housing developments are subject to its limitations on annual rent increases. LIHTC and Section 8 rental rates are already set far below the average fair market rent for residential rental units in the City. These rental rates are only allowed to be increased periodically pursuant to specific parameters calculated using the area median income established by HUD and/or State HCD. Further restricting the rate at which rent can be increased for these units will not improve the availability of affordable housing at lower rental rates in the City, but rather would reduce the Housing Authority's operating income, thereby reducing our ability to effectively manage and develop affordable housing projects in the City.

In addition, the proposed remedy in Sections 26.90.070 – 28.90.080 of the RSO for a tenant petition to adjust rent downward is also unnecessary for these deed-restricted affordable housing developments, all of which are already subject to habitability and compliance standards with mandatory periodic inspections to ensure the rental units are maintained in a habitable condition. Allowing Housing Authority tenants to seek to adjust rents downward for alleged habitability violations will impose an unnecessary administrative burden and expense on the Housing Authority when adequate habitability protections are already in place for these developments.

Of further concern is the proposal for a yet-to-be-determined rental registry fee currently proposed in Sections 26.90.100.B.3 and 26.90.110 of the RSO, which will further undermine the Housing Authority's available operational income for the management and development of these critical affordable housing projects.

Even though permitted under the restrictive covenants and applicable law, the Housing Authority often does not raise rents annually at its affordable housing developments, and frequently increases rents below those limits permitted in the recorded affordability covenants. Subjecting these deed-restricted units to the one-time annual increase set forth in Section 26.90.040.C of the RSO would ironically create an incentive for the Housing Authority to maximize annual increases, which is at odds with the ordinance's intended purpose. The City should allow the Housing Authority to operate its developments in accordance with its long-standing and proven track record, not impose additional and unnecessary limitations.

Notably, as I have explained in prior comment letters, in Section 8 voucher-assisted units, tenants pay approximately 30% of income and HUD caps total contract rents through payment standards and rent reasonableness determinations. A local rent cap would constrain operations without reducing the tenant's rent share of rental income. For mixed-status households, limiting the total contract rental rate similarly will not benefit tenants where the tenant portion, not the overall rent, drives what the household pays. There is simply no reason to impose a rent cap on Section 8 voucher-assisted units if the goal is to protect tenants.

Likewise, failure to exempt federally subsidized tenant-based assistance units will discourage landlord participation in these critical programs by adding another regulatory hurdle, thereby reducing available units, decreasing lease-up rates, and increasing risks of displacement for vulnerable households. An important guardrail for exempting Tenant Based Voucher rental assistance program is tenant-based Section 8 voucher units under lease would only remain exempt so long as the contract rent is equal to or below the Housing Authority's adopted payment standard.

The last RSO staff report estimates that a program affecting approximately 13,000 units with no exemptions beyond State law would cost about $2 million annually and require per-unit fees, with amounts to be determined following a fee study. Expending the City's limited administrative resources to oversee units already governed by affordability restrictions would dilute focus and increase costs without commensurate tenant benefit for the reasons discussed above. The added administrative costs of RSO compliance across hundreds of deed-restricted units, including the yet-to-be-determined fee, would burden affordable housing operations across the City, with no measurable benefit for tenants.

It is important to note that, when the State of California adopted the rent cap provisions of the Tenant Protection Act, currently set forth at Civil Code 1947.12, legislators specifically chose to exempt deed-restricted affordable housing because existing LIHTC policy already controls maximum rents on these units. The City should follow the State's wise implementation of this policy in adopting its own rent stabilization ordinance.

By including deed-restricted affordable housing within the RSO the City will merely end up penalizing the local affordable housing providers who do the most to keep the City's residential rental rates affordable. An additional unintended result will be the reduction over time in residual receipts payments made to the City on many of these deed restricted developments. These residual receipts payments are recycled to use for supporting the development of new deed restricted affordable housing. The City's affordable housing program, implemented largely by the Housing Authority, is functioning as best it can to serve the local population most in need and imposing the RSO on deed-restricted affordable housing is simply contrary to the purpose of the ordinance itself. You will end up with less affordable housing in the City, not more.

Sincerely,

HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA

ROB L. FREDERICKS
Executive Director/CEO

cc: Kelly McAdoo, City Administrator
Anthony Valdez, Deputy City Administrator
John Doimas, City Attorney
Dan Hentschke, Assistant City Attorney
Barbara Anderson, Senior Assistant to the City Administrator
Housing Authority Board of Commissioners

Anthony and Maria Dal Bello
510 Alston Road
Santa Barbara, CA 93108
bello510sb@gmail.com
805-451-8545

July 7, 2026
Email: RSO@santabarbaraca.gov

Re: Public Comment on the June 10, 2026 Public Review Draft Residential Rent Stabilization Ordinance

Dear Mayor, Councilmembers, and City Staff:

Our names is Anthony and Maria, Dal Bello. We are Santa Barbara residents and the owner of a small residential rental property. I appreciate the City's commitment to housing affordability and tenant stability, and I submit these comments in that same spirit —constructively, and with a genuine interest in seeing the City adopt an ordinance that works for
everyone.

Many of Santa Barbara's rental housing providers are individuals and families, not institutional investors. We own one property or a small portfolio of units. We rely on rental income to pay mortgages, property taxes, insurance, maintenance, and reserves for future repairs. Policies manageable for large corporations can have profoundly different consequences for owners who lack institutional capital and cannot spread risk across large portfolios. I ask that the City keep those realities in mind throughout this process.

These comments are not offered in opposition to reasonable regulation. They are offered to help the City develop an ordinance that is legally defensible, administratively practical, respectful of constitutional protections, and capable of achieving its housing goals without producing unintended consequences. The concerns I raise fall into eight areas:

- Whether the proposed Rental Registry fee satisfies Proposition 26 and applicable California law;
- Whether the scope of required Registry disclosures adequately protects the constitutional privacy rights of housing providers;
- Whether adequate cybersecurity, data retention, and public records protections will be in place before sensitive information is compelled;
- Whether the proposed rent adjustment formula preserves a meaningful opportunity for housing providers to earn a fair and reasonable return;
- Whether the ordinance raises additional constitutional concerns under the Takings Clause, the Ellis Act, and due process principles—including the retroactive application of the 2025 Base Rent;
- Whether the ordinance provides sufficient procedural due process in its administrative hearing and appeals process;
- Whether the economic impacts on small housing providers—including the cumulative effect of the rent stabilization ordinance alongside the City's existing just cause eviction and relocation assistance requirements—have been adequately evaluated; and
- Whether the cumulative administrative burden has been fully considered and justified.

I respectfully ask that the City address these concerns, develop a more complete factual record where needed, and revise the ordinance before final adoption. Doing so will reduce legal uncertainty, strengthen public confidence, and position the City to achieve its housing objectives while minimizing avoidable disputes and market disruptions.

I. THE PROPOSED RENTAL REGISTRY FEE REQUIRES ADDITIONAL EVIDENTIARY SUPPORT UNDER PROPOSITION 26

A. The City Bears the Burden of Demonstrating the Fee Is Not a Tax

The Draft Ordinance proposes a mandatory Rental Registry funded through annual fees on housing providers. Under Proposition 26 (Cal. Const., art. XIII C, § 1(e)), the burden falls on the government—not the property owner—to establish that a charge qualifies as a regulatory fee rather than a tax requiring voter approval. Accordingly, the City should develop and publicly release a complete administrative record demonstrating how the proposed fee satisfies each applicable constitutional requirement before the ordinance is adopted.

B. The Fee Must Satisfy the Principles Discussed in Jacks v. City of Santa Barbara

The California Supreme Court's decision in Jacks v. City of Santa Barbara requires a reasonable relationship between the amount charged and the governmental activity the fee supports. The City should publicly demonstrate:

- How the total projected cost of administering the Rental Registry was calculated;
- The specific activities that Registry fees will fund;
- How costs were allocated among regulated housing providers, and why that allocation is reasonable;
- Why the proposed fee does not exceed the amount reasonably necessary to recover program costs.

C. A Detailed and Auditable Fee Study Should Be Released Before Adoption

The materials available for public review do not yet explain how the City's projected annual Registry budget was developed or whether all proposed expenditures are appropriately recoverable through regulatory fees. To build public confidence, the City should publish a detailed fee study that itemizes:

- Direct personnel costs;
- Technology acquisition and maintenance;
- Database development;
- Inspection activities;
- Hearing administration;
- Legal support directly attributable to Registry administration;
- Overhead allocation methodology; and
- Projected program growth and reserve funds.

The study should also identify which expenditures are not being recovered through Registry fees—such as general governmental administration, broad housing policy development, public outreach unrelated to Registry operations, or litigation costs related to defending the ordinance—and explain why. A transparent accounting will help the public evaluate whether the fee structure is appropriately tailored to the program's purposes.

D. Small Housing Providers Warrant Specific Consideration

The Draft Ordinance appears to treat owners of a few rental units similarly to substantially larger providers. Many Santa Barbara properties are owned by individuals with limited administrative resources, no access to institutional financing, and very different operating economics than large property management companies. I respectfully request that the City evaluate whether reduced fees, simplified reporting, streamlined compliance procedures, or phased implementation would better reflect the realities of small housing providers while still achieving the City's regulatory objectives.

E. The Fee Allocation Structure Creates a Constitutional Imbalance That Must Be Addressed

A particularly significant concern under Jacks v. City of Santa Barbara is whether the ordinance's fee allocation structure imposes the full financial burden of the Registry on housing providers, even where the program is designed to benefit tenants.

If the Draft Ordinance contemplates that tenants share in the cost of the Registry—whether through a 50/50 fee split or similar mechanism—but places sole legal responsibility for payment on housing providers, then landlords bear the entire cost whenever a tenant fails or refuses to pay their share. This is not a theoretical concern:

tenants may dispute the charge, refuse payment, or simply be judgment-proof, leaving housing providers with no practical means of recovery.

Under Jacks, a regulatory fee must bear a reasonable relationship to the regulatory burdens created by those who pay it. A fee structure that nominally assigns part of the cost to tenants but in practice guarantees that housing providers absorb 100 percent of the fee—regardless of whether tenants pay—does not satisfy that standard. The Registry is presented as a program that primarily benefits tenants by stabilizing rents. If the party primarily benefiting from the program bears little or none of its guaranteed cost while the party regulated by it bears all of it, the allocation is constitutionally suspect.

I respectfully request that the City address this imbalance directly by (1) assigning the full fee obligation to housing providers and adjusting the fee amount to reflect that the program serves regulatory purposes that benefit housing providers as well as tenants; (2) establishing a direct tenant billing mechanism administered by the City, so that housing providers are not made the guarantors of tenant obligations; or (3) providing housing providers with a legally effective pass-through remedy—with defined collection procedures and consequences for non-payment—that meaningfully shifts cost responsibility to tenants when the program design contemplates shared costs. either: Absent one of these approaches, the current structure may not survive scrutiny under Jacks and applicable California constitutional law.

F. Adequate Time for Public Review Should Be Provided

I respectfully request that the completed fee study be released sufficiently in advance of any adoption hearing to allow meaningful review and comment. A robust public record—developed before, not after, adoption—will strengthen the ordinance's legal foundation and improve public confidence in the City's process.

II. THE PROPOSED RENTAL REGISTRY RAISES SIGNIFICANT PRIVACY, DATA SECURITY, AND PUBLIC TRANSPARENCY CONCERNS

A. The City Should Clearly Demonstrate Why Each Category of Information Is Necessary

The Draft Ordinance would require housing providers to submit substantial personal and financial information to a centralized City-administered Registry. California recognizes privacy as a fundamental constitutional right. Because participation would be mandatory, the City should demonstrate that the information collected is no broader than reasonably necessary to administer the program, and that less intrusive alternatives have been considered. For each required data element, I respectfully request that the City identify its specific purpose, how it will be used, who will have access to it, whether it will be shared with outside agencies or contractors, and how long it will be retained.

B. Cybersecurity Protections Must Be Established Before Participation Is Compelled

The Registry would create a centralized database containing sensitive information about thousands of rental properties and housing providers—an attractive target for increasingly sophisticated cyber threats. The City should publicly identify the safeguards that will be in place before compelling participation, including at minimum:

- Encryption of stored and transmitted data;
- Multi-factor authentication for authorized users;
- Role-based access controls limiting who may view sensitive information;
- Audit logs documenting access;
- Independent cybersecurity assessments and regular penetration testing;
- Incident response procedures; and
- Employee cybersecurity training and ongoing monitoring.

C. Data Breach Notification and Responsibility Should Be Clearly Addressed

The Draft Ordinance does not specify how housing providers would be notified if Registry information were compromised. The ordinance should clearly identify who investigates a breach, the notification timeline, what information will be provided to affected individuals, what corrective actions will be taken, and how the City will assist those whose information is disclosed without authorization.

D. Public Records Act Treatment of Registry Data Should Be Defined

Housing providers should not be left to speculate whether personal information submitted under legal compulsion might later be subject to disclosure through a public records request. The City should clearly identify which categories of Registry information will be treated as confidential, the statutory basis for that protection, the procedures the City will follow when responding to California Public Records Act requests involving Registry data, and whether housing providers will receive notice before potentially protected information is released.

E. Clear Data Retention and Disposal Policies Are Needed

The Draft Ordinance does not specify how long Registry information will be retained or when it will be securely destroyed. Collecting information indefinitely increases both administrative costs and cybersecurity risk. The City should adopt written policies addressing retention periods, secure destruction methods, procedures for correcting inaccurate records, and periodic review of what information remains necessary.

F. A Comprehensive Privacy and Data Governance Policy Should Be Published Before Adoption

The Rental Registry represents a significant new governmental program requiring housing providers to submit information they would not otherwise disclose to the City. I respectfully request that the City publish a comprehensive Privacy and Data Governance Policy before adopting the ordinance. That policy should address the information collected, the legal authority for collecting it, permissible uses, cybersecurity safeguards, records retention schedules, data sharing practices, Public Records Act procedures, and the rights of housing providers to review and correct inaccurate information. Providing this framework before implementation will allow meaningful public review and build confidence that sensitive data will be managed responsibly.

III. THE PROPOSED RENT ADJUSTMENT FORMULA AND BASE RENT FRAMEWORK RAISE FAIR RETURN AND ECONOMIC CONCERNS

A. The Proposed Annual Adjustment May Not Reflect Actual Operating Costs

The Draft Ordinance would limit annual rent adjustments to 60 percent of CPI, not to exceed 3 percent, unless additional relief is granted through administrative procedures. Many operating expenses faced by small housing providers—including property insurance, utilities, maintenance labor, materials, contractor costs, compliance costs, and reserves for capital improvements—may increase at rates that differ significantly from this formula. If allowable rent adjustments consistently lag documented cost increases over time, some housing providers may face growing difficulty maintaining properties, funding necessary repairs, or earning a reasonable return. I respectfully request that the City explain the factual basis for selecting this formula and demonstrate how it concluded the formula will permit financially sustainable operations over time.

B. The Fixed 2025 Base Rent Date May Produce Inequitable Results

A single historical date is administratively convenient, but may not accurately reflect every housing provider's circumstances. An owner may have voluntarily delayed rent increases to assist a long-term tenant, experienced an extended vacancy, completed significant repairs before setting rent, rented below market for personal or economic reasons, or inherited an existing tenancy at an atypically low rate. A permanently fixed historical rent may not fairly represent that property's long-term operating economics. Accordingly, I respectfully request that the ordinance include a clearly defined procedure allowing housing providers to demonstrate that unusual circumstances affected their established Base Rent and to request an individualized adjustment where appropriate.

C. A Meaningful Fair Return Process Is Essential

California courts have long recognized that rent regulation must provide housing providers a meaningful opportunity to obtain a fair return on their investment. The effectiveness of this ordinance depends not only on the annual adjustment formula but on whether the fair return process provides timely and practical relief when warranted. I respectfully request that the ordinance clearly establish objective evaluation standards, reasonable filing requirements, affordable filing costs, defined timelines for decisions, written findings, and meaningful opportunities for administrative and judicial review. A fair return process that is overly complex, prohibitively expensive, or subject to indefinite delay is not an effective remedy.

D. The Economic Analysis Supporting the Formula Should Be Made Public

The public materials released to date do not appear to explain how the 60 percent CPI formula and 3 percent cap were selected, or whether alternative approaches were considered. Before adopting the ordinance, I respectfully request that the City publish any studies, financial analyses, consultant reports, or economic modeling it relied upon in selecting the adjustment formula, the Base Rent framework, and the anticipated long-term financial impacts on Santa Barbara's rental housing market. If such analyses have not been completed, I encourage the City to prepare them before enacting permanent regulations affecting thousands of rental units.

E. Long-Term Housing Stability Depends on Financial Sustainability

Housing stability requires both stable tenancies and a financially sustainable rental market. Small housing providers play an important role in maintaining Santa Barbara's housing supply. Policies that unintentionally reduce the financial viability of owning and maintaining rental housing may discourage reinvestment, accelerate deferred maintenance, or prompt owners to exit the long-term rental market entirely. I respectfully request that the City carefully evaluate whether the proposed rent adjustment framework appropriately balances tenant stability with the long-term financial sustainability needed to preserve the City's rental housing stock.

IV. THE ORDINANCE RAISES ADDITIONAL CONSTITUTIONAL CONCERNS THAT SHOULD BE ADDRESSED BEFORE ADOPTION

A. The Ordinance Must Be Consistent with the Ellis Act

California's Ellis Act (Gov. Code § 7060 et seq.) protects the right of rental property owners to exit the residential rental market. The Ellis Act expressly limits the ability of local governments to compel owners to continue offering units for rent or to impose conditions on the exercise of that right that effectively deter its use.

Before adopting the ordinance, the City should clearly address whether any of its provisions—including ongoing registration fees, penalties, relocation obligations, or administrative requirements—would apply to, or impose costs upon, owners who have initiated or completed the Ellis Act process. Provisions that effectively penalize the exercise of Ellis Act rights, or that create ongoing financial obligations for owners who have lawfully withdrawn units from the rental market, may be preempted by state law.

I respectfully request that the City publish a legal analysis confirming that the ordinance, as drafted, does not conflict with the Ellis Act and will not be applied in a manner that burdens the lawful exercise of state-protected withdrawal rights.

B. The Ordinance Must Not Effectuate an Uncompensated Regulatory Taking

The Takings Clauses of the United States and California Constitutions (U.S. Const., amend. V and XIV; Cal. Const., art. I, § 19) prohibit the government from imposing regulations that go so far as to constitute a taking of private property without just compensation. While the fair return doctrine discussed in Section III addresses one dimension of this concern, regulatory takings analysis is broader and considers the economic impact of the regulation, the extent to which it interferes with reasonable investment-backed expectations, and the character of the governmental action.

Rent stabilization ordinances are not categorically immune from takings challenges. Where the cumulative effect of rent limitations, administrative requirements, registration fees, relocation obligations under the City's existing just cause eviction ordinance, and restrictions on the owner's ability to recover possession of property reduces the economic value of the investment below a constitutionally permissible threshold, a taking may be established.

I respectfully request that the City publish a legal analysis evaluating whether the ordinance, considered in combination with existing City housing regulations, is consistent with applicable Takings Clause principles—and that this analysis be made available for public review before adoption.

C. Retroactive Application of the 2025 Base Rent Raises Substantive and Procedural Due Process Concerns

The Draft Ordinance establishes a fixed Base Rent using rents in effect during 2025. This framework operates retroactively: it permanently caps rent at a historical level that was set before housing providers had any notice that those rents would become a regulatory baseline.

This raises two distinct constitutional concerns. First, as a matter of substantive due process, a regulation that permanently fixes a property owner's income at a historical level—without notice and without regard to the owner's actual operating costs or investment expectations at the time that rent was set—may not bear a sufficient relationship to legitimate governmental purposes to survive constitutional scrutiny. Second, as a matter of procedural due process, owners are entitled to adequate notice and an opportunity to be heard before the government imposes permanent, binding limitations on their economic rights.

An owner who set rent at a below-market level in 2025 for personal, economic, or charitable reasons—without any awareness that the City would later freeze that amount as a permanent regulatory ceiling—has been deprived of a meaningful opportunity to conform their conduct to the regulatory framework before it took effect. Applying that baseline retroactively, without individualized relief for owners who can demonstrate material prejudice, raises serious constitutional questions.

I respectfully request that the City publish a legal analysis addressing these concerns and that the ordinance include a clearly defined petition process allowing owners to demonstrate that the 2025 Base Rent does not fairly reflect the operating economics of their property—with a meaningful standard of review and a realistic opportunity for relief.

V. THE ADMINISTRATIVE HEARING AND APPEALS PROCESS SHOULD INCLUDE ADDITIONAL PROCEDURAL SAFEGUARDS

A. Hearings Should Be Conducted by an Independent Decision-Maker

The Draft Ordinance would establish a new administrative system governing rent adjustments, petitions, fee disputes, compliance determinations, and enforcement actions. Because these decisions can have significant financial consequences for both housing providers and tenants, the City should clearly identify who will hear disputes and how impartiality will be maintained. I respectfully request that contested matters—including fair return petitions, Registry fee disputes, and enforcement actions—be conducted by an independent hearing officer or similarly neutral decision-maker. Separating investigative, enforcement, and adjudicative functions helps ensure that decisions are made objectively and are perceived as fair by all parties.

B. Clear Hearing Procedures Should Be Established

At a minimum, the ordinance should specify required notice periods before hearings; procedures for submitting documents and evidence; opportunities for both parties to present testimony; how credibility disputes will be resolved; whether hearings will be recorded; and the legal standards that will govern administrative decisions. Clearly defined procedures promote consistency and reduce uncertainty for everyone participating in the process.

C. Timely Decisions Are Essential

The Draft Ordinance should establish reasonable timelines for acknowledging receipt of petitions, determining whether applications are complete, scheduling hearings, issuing written decisions, and resolving administrative appeals. Without predictable timelines, housing providers and tenants may face prolonged uncertainty regarding their legal rights and financial obligations.

D. Written Decisions Should Explain the Basis for Determinations

Whenever the City issues a decision under the ordinance, that decision should include written findings explaining the relevant facts, the evidence considered, the applicable provisions of the ordinance, and the reasons supporting the final determination. Written findings promote transparency, facilitate consistent decision-making, and allow affected parties to understand the basis for the City's actions.

E. Fee Disputes Should Be Subject to Administrative Review Before Collection

The ordinance should establish a clear administrative procedure allowing housing providers to challenge the calculation or assessment of Registry fees, penalties, or other charges before collection efforts begin. Providing an opportunity for administrative review before enforcement promotes fairness and may reduce unnecessary litigation.

F. Appeal Rights Should Be Clearly Explained

The ordinance should clearly explain what decisions may be appealed, applicable deadlines, required filing procedures, standards of review, and whether further judicial review is available under California law. Clear appeal procedures benefit both housing providers and tenants by reducing confusion and encouraging orderly resolution of disputes.

VI. THE ORDINANCE SHOULD BE SUPPORTED BY AN ADEQUATE EVIDENTIARY RECORD

A. Major Regulatory Decisions Should Rest on Clear Findings

The proposed Residential Rent Stabilization Ordinance represents one of the most significant changes to Santa Barbara's rental housing regulation in decades. Public confidence is strengthened when major policy decisions are accompanied by clear factual findings explaining why the chosen approach is necessary, how it was developed, and what outcomes the City reasonably expects it to achieve.

B. The City Should Explain the Conditions the Ordinance Is Intended to Address

I respectfully request that the City identify the evidence supporting its conclusions, including the number of households experiencing rent increases the City considers excessive; the extent of involuntary displacement attributable to rent increases; trends in tenant turnover and vacancy rates; rental affordability data specific to Santa Barbara; and any other information demonstrating that the proposed framework is appropriately tailored to local conditions.

C. The City Should Explain Why the Selected Policy Tools Were Chosen

For each significant policy choice—the 60 percent CPI formula, the 3 percent cap, the Base Rent framework, the Rental Registry, annual fees, petition procedures, pass-through limitations, and enforcement mechanisms—I respectfully request that the City explain why the provision was selected, what alternatives were considered, and what evidence supports the conclusion that the approach will effectively achieve the City's objectives.

D. Potential Unintended Consequences Should Be Evaluated

Thoughtful policymaking includes evaluating not only anticipated benefits but also reasonably foreseeable unintended consequences. I respectfully request that the City evaluate whether the ordinance could affect long-term investment in existing rental housing; maintenance and rehabilitation of older properties; participation by small housing providers; the availability and overall supply of long-term rental housing; the status of unpermitted or legally nonconforming units and the associated risk of tenant displacement; and administrative costs for both the City and regulated parties.

E. Supporting Studies and Alternative Approaches Should Be Disclosed

If the City has relied upon consultant reports, economic analyses, financial models, legal memoranda, or housing market studies in developing the Draft Ordinance, I respectfully request that those materials be made publicly available before final adoption. Meaningful public participation requires access to the information underlying significant policy decisions. I also respectfully request that the City explain whether it evaluated alternatives that might accomplish similar housing goals with fewer regulatory burdens—such as targeted rental assistance, incentives for preserving naturally affordable housing, programs encouraging voluntary long-term tenancies, or expedited permitting and zoning reforms to increase housing supply.

F. The City Should Evaluate Whether Income Targeting Would More Efficiently Achieve the Ordinance's Goals

The Draft Ordinance as written would extend rent stabilization protections to all covered tenants regardless of income. A high-earning household in a stabilized unit receives identical protection to a lower-income household genuinely at risk of displacement. While universal application simplifies administration, it also directs a significant regulatory burden—and the associated economic costs—toward protecting tenants who may not need protection.

I respectfully request that the City explain whether it evaluated income-targeted or means-tested alternatives, such as limiting stabilization protections to households below a defined area median income threshold, or pairing universal stabilization with enhanced assistance programs focused on the most vulnerable tenants. Understanding whether such alternatives were considered, and why the chosen approach was preferred, would assist the public in evaluating whether the ordinance is appropriately calibrated to the problem it is designed to solve.

G. The Ordinance Should Include a Mandatory Review and Sunset Provision

The Draft Ordinance does not appear to include a mandatory review period or sunset provision requiring the City to evaluate whether the ordinance is achieving its stated objectives. For a regulatory program of this scope and consequence, such a provision is not merely good governance—it is essential accountability.

I respectfully request that the ordinance include a requirement that the City conduct and publish a comprehensive review of the ordinance's effects no later than three to five years after adoption. That review should assess whether the ordinance has reduced involuntary displacement; whether it has affected the overall supply, quality, and availability of rental housing; whether the fee structure remains appropriately calibrated; whether small housing providers have been disproportionately burdened; and whether any provisions should be amended, suspended, or repealed in light of actual experience.

A sunset or mandatory review provision signals the City's commitment to evidence-based governance and provides an orderly mechanism for adjusting the regulatory framework if experience reveals unintended consequences. Its absence suggests that once adopted, the ordinance will remain in place regardless of its actual effects—a result that should concern both tenants and housing providers.

VII. THE ORDINANCE SHOULD MORE FULLY ADDRESS ITS IMPACT ON SMALL HOUSING PROVIDERS

A. The Cumulative Administrative Burden Warrants Careful Consideration

The Draft Ordinance establishes several new administrative responsibilities, including annual registration, payment of recurring fees, reporting requirements, maintenance of records, compliance with notice requirements, participation in administrative proceedings, and ongoing monitoring of regulatory changes. Each requirement may appear modest individually. Collectively, however, these obligations represent a significant increase in administrative responsibility—particularly for owners who personally manage only a few rental units. I respectfully request that the City estimate the anticipated annual time and financial cost of compliance for small housing providers and include that analysis in the administrative record.

B. The City Should Evaluate Potential Effects on Housing Supply

An important objective of housing policy should be preserving and expanding the long-term supply of rental housing. I respectfully encourage the City to consider whether the cumulative financial and administrative obligations imposed by the ordinance could influence ownership decisions, including selling rental properties, converting units to owner occupancy, reducing investment in rental housing, postponing improvements, or choosing not to acquire or develop additional rental housing. Understanding these potential market responses will help the City evaluate whether the ordinance is likely to advance its long-term housing objectives.

C. The Ordinance Should Include Provisions Specifically Designed for Small Housing Providers

Many California jurisdictions recognize that owners of a few rental units face different operational realities than institutional landlords. I respectfully request that the City consider whether the ordinance should include reduced annual registration fees for small housing providers, simplified reporting requirements, streamlined petition procedures, additional technical assistance, extended implementation periods where appropriate, and other accommodations that reduce unnecessary burdens while preserving the ordinance's policy objectives.

D. Mandatory Registration May Inadvertently Displace the Tenants the Ordinance Is Designed to Protect

One of the most significant and underexamined risks in the Draft Ordinance is its potential impact on unpermitted and legally nonconforming rental units. Santa Barbara, like many California cities, has a meaningful number of rental units that operate outside the formal permitting framework—accessory dwelling units built before current codes, garage conversions, in-law units, and similar arrangements. These units frequently house lower-income tenants at below-market rents, often in longstanding informal tenancies.

Mandatory registration creates a serious dilemma for owners of such units. Registering an unpermitted unit may expose the owner to code enforcement action, permit violations, required retrofitting costs, or demands to legalize or remove the unit entirely. Faced with that prospect, many owners will rationally conclude that the safest course is to terminate the tenancy and take the unit off the rental market before the registration deadline. The result would be the involuntary displacement of the very tenants—often long-term, lower-income residents—that rent stabilization is intended to protect.

This is not a hypothetical concern. Experience in other jurisdictions that have implemented rental registries without addressing unpermitted units has demonstrated that mandatory disclosure requirements can trigger exactly this outcome. The City should not assume that existing code enforcement discretion is a sufficient safeguard; structured registration programs create systematic pressure that ad hoc enforcement does not.

I respectfully request that before adopting the ordinance, the City:

- Conduct and publish an analysis estimating the number of unpermitted or legally nonconforming rental units that would be subject to the Registry;
- Evaluate the likely behavioral response of owners of such units to mandatory registration requirements;
- Assess the risk of tenant displacement resulting from registration-driven unit removal;
- Consider whether a safe harbor, amnesty period, or deferred registration pathway could encourage legalization rather than displacement; and
- Determine whether the ordinance should explicitly address the treatment of unpermitted units in a manner that prioritizes preserving existing tenancies rather than triggering their termination.

Failing to address this issue before adoption risks producing an ordinance that, in practice, reduces the supply of affordable rental housing and displaces vulnerable tenants—an outcome directly contrary to the ordinance's stated purposes.

E. The Ordinance Should Be Evaluated in Light of the City's Existing Just Cause Eviction and Relocation Assistance Requirements

Santa Barbara has already enacted a just cause eviction ordinance that includes mandatory relocation assistance obligations. That ordinance imposes significant independent financial burdens on housing providers—obligations that exist alongside, and are compounded by, the requirements of the proposed rent stabilization ordinance.

The City should not evaluate the rent stabilization ordinance in isolation. The combined effect of rent limitations, mandatory registration fees, compliance and administrative costs, just cause eviction restrictions, and relocation assistance obligations represents the true regulatory burden that housing providers—particularly small owners operating with thin margins—will face. A housing provider managing a few rental units may find that the cumulative obligations of these overlapping regulatory frameworks make continued rental operations economically untenable, even if no single requirement would be problematic on its own.

I respectfully request that the City prepare and publish an analysis of the cumulative financial impact on small housing providers of the proposed rent stabilization ordinance considered together with the existing just cause eviction and relocation assistance requirements. That analysis should model the combined effect across a range of typical ownership scenarios—including properties with long-term tenants at below-market rents, properties recently acquired, and properties with significant deferred maintenance needs—and should be made publicly available before the ordinance is adopted.

F. The Ordinance Should Establish a Financial Hardship Exemption for Small Housing Providers

The Draft Ordinance does not appear to include any mechanism allowing a housing provider to seek temporary relief from rent limitations based on demonstrated financial hardship. This gap is particularly significant for small owners who, unlike institutional investors, cannot absorb extended periods of below-market returns by reallocating resources across a large portfolio.

Many California rent stabilization ordinances include a financial hardship or temporary exemption process that allows owners to demonstrate, through verified financial documentation, that strict application of rent limitations would prevent them from maintaining the property, meeting debt service obligations, or earning a minimally adequate return. These provisions do not undermine rent stabilization—they protect against its most severe unintended consequences and help preserve the long-term viability of small-scale rental housing.

I respectfully request that the ordinance include a clearly defined financial hardship petition process available to small housing providers, with objective standards, reasonable filing requirements, defined timelines, and written findings. Such a provision would meaningfully reduce the risk that the ordinance drives small housing providers out of the rental market and improves the long-term durability of the regulatory framework.

G. Plain-Language Guidance on Exemptions Should Be Provided

The Draft Ordinance contains several exemptions and references to state law that may be difficult for individual property owners to interpret without legal assistance. To improve compliance and reduce confusion, I respectfully request that the City publish plain-language guidance explaining which properties are exempt, how owners may verify exempt status, what documentation may be required, procedures for resolving exemption disputes, and examples illustrating how common ownership situations will be treated.

VIII. SUMMARY OF REQUESTED REVISIONS

For the reasons discussed above, I respectfully request that the City Council consider the following revisions before adopting the proposed Residential Rent Stabilization Ordinance.

A. Increase Transparency and Strengthen the Evidentiary Record

- Publish the complete fee study supporting the proposed Rental Registry fee structure.
- Demonstrate that the Registry fee allocation does not unconstitutionally shift the full financial burden to housing providers—in particular, address the risk that landlords will bear 100 percent of the fee cost when tenants fail to pay their share, contrary to the principles of Jacks v. City of Santa Barbara.

- Publish a legal analysis confirming the ordinance does not conflict with the Ellis Act, and will not impose fees, penalties, or ongoing obligations on owners who have lawfully withdrawn units from the rental market.
- Publish a legal analysis evaluating whether the ordinance, considered alongside the City's existing just cause eviction and relocation assistance requirements, is consistent with applicable Takings Clause principles.
- Address the substantive and procedural due process concerns raised by retroactive application of the 2025 Base Rent, and ensure a meaningful individualized petition process is available to owners who can demonstrate material prejudice.
- Publish any consultant reports, economic analyses, fiscal studies, legal analyses, or housing market studies relied upon in developing the ordinance.
- Explain the factual basis for the 60 percent CPI formula, the 3 percent annual cap, and the Base Rent framework.
- Publish an analysis evaluating anticipated impacts on housing providers, tenants, and the long-term supply of rental housing.
- Prepare and publish a cumulative financial impact analysis evaluating the combined effect of the rent stabilization ordinance and the City's existing just cause eviction and relocation assistance requirements on small housing providers.
- Explain whether income-targeted or means-tested alternatives were evaluated, and why universal application was chosen over approaches more precisely calibrated to households at genuine risk of displacement.
- Include a mandatory review and sunset provision requiring a comprehensive evaluation of the ordinance's effects within three to five years of adoption.
- Establish a financial hardship petition process for small housing providers, with objective standards, defined timelines, and written findings.
- Allow sufficient time for meaningful public review and comment after these materials are released.

B. Strengthen Privacy and Cybersecurity Protections

Before requiring mandatory Registry participation, the City should adopt clear written policies addressing what information will be collected and why each element is necessary; who may access Registry information; cybersecurity standards, encryption, and access controls; independent cybersecurity testing; breach notification procedures; data retention schedules; procedures for correcting inaccurate records; and protection of confidential information from inappropriate public disclosure.

C. Evaluate and Address Economic Impacts

The City should prepare and publish an analysis evaluating the cumulative financial impact of the ordinance on small housing providers; the risk that mandatory registration will cause owners of unpermitted or legally nonconforming rental units to terminate tenancies and remove units from the rental market—displacing the very tenants the ordinance is designed to protect; anticipated effects on property maintenance and reinvestment; potential impacts on long-term rental housing supply; and administrative compliance costs. The City should also evaluate whether a safe harbor or amnesty period for unpermitted units could encourage legalization rather than displacement.

D. Strengthen Fair Return Protections

The ordinance should clearly establish a fair return process that is timely, transparent, and practically accessible—including objective evaluation standards, reasonable filing requirements, affordable costs, defined decision timelines, written findings, and meaningful opportunities for administrative and judicial review.

E. Improve Administrative Procedures and Due Process

The ordinance should clearly establish independent administrative decision-makers; transparent hearing procedures; defined notice requirements; written findings; predictable timelines for hearings and appeals; procedures for reviewing disputed fees before collection; and clearly defined appeal rights. The City should also consider simplified reporting requirements, reduced filing burdens for small housing providers, clear guidance documents, and reasonable implementation timelines.

F. Continue Meaningful Public Engagement

Given the significance and complexity of the proposed ordinance, I respectfully encourage the City to continue engaging with tenants, housing providers, neighborhood organizations, housing professionals, and other members of the community before adopting final regulations. A transparent and collaborative process will produce a better ordinance and broader public confidence in its implementation.

IX. CONCLUSION

Thank you for the opportunity to provide comments on this important proposal.

I recognize that the City faces difficult challenges in promoting housing affordability and stability, and I appreciate the effort that elected officials, City staff, tenants, housing providers, and community members have devoted to this process.

The proposed Residential Rent Stabilization Ordinance represents one of the most consequential regulatory changes affecting Santa Barbara's rental housing market in decades. For it to achieve its goals durably and equitably, it must be supported by a thorough evidentiary record, carefully evaluated for its economic and administrative impacts, and implemented with appropriate procedural safeguards.

Throughout these comments, I have identified areas where additional analysis, clarification, or revision would strengthen the ordinance. The concerns are real, but they are also addressable. A fee structure that withstands constitutional scrutiny under Proposition 26 and Jacks; a legal record confirming compliance with the Ellis Act and the Takings Clause; due process protections for owners whose rents were frozen without prior notice at a 2025 baseline; an honest accounting of the cumulative burden this ordinance places on small housing providers already subject to the City's just cause eviction and relocation assistance requirements; privacy and cybersecurity protections in place before sensitive data is collected; a candid evaluation of the risk this ordinance poses to tenants in unpermitted units; a financial hardship process that prevents the most severe unintended consequences for small owners; and a mandatory review provision that holds the City accountable to the outcomes it has promised—none of these asks are unreasonable, and all of them will produce a better ordinance.

Santa Barbara benefits from a diverse rental housing community that includes tenants, nonprofit providers, affordable housing organizations, individual property owners, and larger institutional owners. Long-term housing stability depends on policies that encourage continued investment in safe, well-maintained rental housing while providing reasonable protections for tenants. Those goals are not in conflict—but achieving them requires getting this ordinance right.

I respectfully urge the City Council to take the time needed to carefully consider the issues raised during the public review process, strengthen the administrative record where appropriate, and revise the ordinance before adoption. Thoughtful refinements now will produce a more durable, effective, and broadly supported ordinance than moving forward before important questions have been fully addressed.

Thank you again for your consideration of these comments and for your service to the Santa Barbara community.

Respectfully submitted,

Anthony Dal Bello
Maria Dal Bello

To Mayor and City Council

Recommendations to changes is the Proposed City of Santa Barbara Residential Rent Stabilization ordinance.

1. Page 5, Remove Capital Improvement does not include work performed due to correct Notice of Violation by a government agency ordering repairs. Reason for this request ie Fire or any other damages caused that may cause Violations by a government agency,
2. Page 13, item 3-D [Remove PROPERTY TAXES ATTRIBUTABLE TO ASSESSMENTS IN ANY OTHER YEAR SHALL NOT BE CONSIDERED WHEN CALCULATING OPERATING EXPENSES] All property taxes should be allowed as an operating expense at anytime during the term of the rental agreement.
3. Page 19, item J-A Increase the amount the amount of increase the landlord can charge tenants for pass through cost from 10% to 20% - ie. 10% of $5,000 is $50 20% of $5,000 is $100.00. These amounts are not sufficient to give landlords a reasonable amount of return on their investment.
4. Page 23, item D include TENANTS in this section. Landords and Tenants should be equally treated.
5. Page 31, item D-3 add [OF RECORD ON RENTAL AGREEMENT] Landlord may not have been notified of any other person may have moved into the rented unit after the tenants first moved in.
6. Page 33, item D remove [IN 12 EQUAL MONTHLY INSTALLMENTS.] This is just additional bookkeeping for landlords also the sentence of any pass-through upaid buy a tenant upon termination of a tenancy shall be absorbed by the landlord and not assessed to the tenant. This is not an equitable provision.

Anthony Dal Bello
510 ALSTON ROAD
Santa Barbara, CA. 93108
July 7, 2026

RONALD L. WOLFE & ASSOCIATES
INCORPORATED
REAL ESTATE

RONALD L. WOLFE, C.C.I.M.

173 CHAPEL STREET
SANTA BARBARA, CALIFORNIA 93111
TELEPHONE (805) 964-6770
FAX (805) 964-8047

July 10, 2026

Subject: Public Comment – Proposed Residential Rent Stabilization Ordinance & Just Cause Amendments

Dear City of Santa Barbara,

For approximately 35 years we have managed approximately 450 residential apartment units for multiple owners within the City of Santa Barbara. We would like to share the following concerns relative to the proposed rent stabilization program:

1. Mandatory Registration: We understand that approximately 7% of the cities/counties in California have housing controls that include mandatory registration. Few if any have been able to operate within their budgets and the added financial burden. Due to costs at least one city is actively considering abandoning the program. The concept of sharing this cost with residents is a nice idea, however, in reality it is unenforceable and more of an administrative hassle for housing providers than a fair sharing of costs.

2. Rental Caps: Santa Barbara is a high-cost area, reportedly to be 50% more than many other areas in the country. Much of the rental housing stock in Santa Barbara is over 50 years old, thus have higher costs to maintain. Typically, we see 45 percent to 55% percent plus of gross income spent for operating expenses including but not limited to maintenance, taxes, insurance, and supplies,– all of these expenses have increased significantly over the past years, specifically:
   a. Insurance: We consistently see at least a doubling, sometimes tripling or more of insurance costs. Additionally, particularly for older buildings, insurance companies are aggressively pursuing proactive loss prevention and requiring new roofs, plumbing inspections, very expensive electrical upgrades – in addition to State mandated balcony inspections and repairs. Proactive loss prevention and preventative maintenance is positive but expensive.
   b. City Utilities: You should be aware that over the past five years Tier 1 water billings have increased 6.42% per year, Sewer base costs 8.87 % per year, and costs for a two-yard trash container have increased 23% per year, presumably because costs exceeded income.

c. Maintenance and Landscaping expenses, both major costs, have also increased substantially, easily over 5% per year.

d. Why Limit to a cap on rent: In fairness, also consider a cap on utilities, gas, labor, appliances, supplies and some of the myriad of other expenses necessary to properly maintain a property. Limiting income without a reasonable way to address costs will result in less maintenance, and a degradation of the quality of housing impacted by this proposed ordinance, as written.

3. Enforcement: Rent Control Boards and their policies throughout the state are notoriously expensive and anti-property owner. We have already seen owners of smaller units selling their rental properties (condos) to users. A fair and reasonable Ordinance should work for all members of the community.

4. Proposed Fair Return Process: The concept of a Maintenance of Net Income Standard completely fails to recognize the variation of costs over the years as well as the significant impact of capital expenses required to maintain aging properties. This also hurts many compassionate owners who have units will below market rates and will never reach market due to the existing state rent controls which are much more realistic than ones being proposed in Santa Barbara. If net income were the existing standard many current units would be priced well above market.

5. Resident Protections: There may be some bad property owners, however, there are also very challenging residents. The proposed ordinance easily enables meritless claims for alleged violations of rental laws – with no downside. Property providers should have some of the same protections.

General Comments: Santa Barbara has had a very tight housing market for many years – this was created by government policies such as water, sewer, and building moratoriums, and current policies including the substantial delays in creating new housing. Property providers have not created a tight housing market.

Most, if not all of the housing policies have been the result of investors (generally from out of town) who identify properties where owners have let their properties decline relative to both rents and condition. With no sensitivity to the impact on residents in our market these investors have purchased and improved the properties negatively impacting lower income residents but positively improving what was or were rapidly becoming blighted housing. The response, strongly supported by outside pro tenant groups has been just cause eviction and relocation expenses – neither of which creates new housing.

Our experience is that most housing providers are fair, reasonable, and compassionate. They are part of the solution. Rent controls and the related programs provide short term benefits to a percentage of the community but create no new housing and discourage investment in housing solutions. Need to be fair, sustainable, and fiscally responsible for all members of the community.

Sincerely,

RONALD L. WOLFE & ASSOCIATES, INCORPORATED

RWolfe

Ronald L. Wolfe,
President

Rent Stabilization comment

SECTION 1.

Section26.90.100 Rental Registry

Rental Registry should apply to every rental unit in the City.

Costs of creation and ongoing maintenance of Rental Registry should be covered by the City's general fund.

Section D. Part 1.

"sent from the landlord to all tenants of each rental unit "

Add "Sending via email is acceptable."

Section 26.90.110 Rental Registry Fee

Section D

"Any pass-through unpaid by a tenant upon termination of a tenancy shall be absorbed by the landlord and not assessed to the tenant."

This language creates an incentive for a tenant to not pay pass-through costs.

SECTION 3.

"this Ordinance has no potential for resulting in physical change to the environment"

This assertion should be justified. The Ordinance may result in increased commuting to/from the City.

Date: July 9, 2026
To: Santa Barbara City Council (sent via email)
From: Rental Housing Mediation Board
Board Communication to City Council Ad Hoc Subcommittee

Dear Mayor Rowse and City Council Members:

As you continue to refine the details of the ordinance, we collectively thank you for supporting and preserving the Rental Housing Mediation Program (RHMP) and Board in its current structure and purpose, which is to assist tenants and landlords to resolve housing disputes with impartial staff and city council-appointed volunteer board mediators. We have reviewed the draft ordinance and offer the following comments:

1. <u>Ensure the community is informed about the option to mediate rental increase disputes</u>

Please ensure that any policies and procedures related to the Ordinance mention the option to pursue mediation of rent increases through the RHMP. We ask that the RHMP services be offered in any outreach materials and communications, as well as through the city website. Parties will appreciate the opportunity to resolve their rent stabilization disputes prior to taking the action outlined in the ordinance. Our staff and board have a long and impressive record of assisting parties in this specific issue, saving both time and expense. Currently, our staff is efficiently handling rent increase disputes in addition to their usual cases related to Termination of Tenancy, Habitability, and Security Deposits, among other important issues.

2. <u>Separate Staff to Support Rent Stabilization Board</u>

We also ask that you consider the impact of the Ordinance and Rent Stabilization Board on our staff and program. We would appreciate your consideration in preserving the current staffing level and scope of responsibility of the RHMP staff. As the Rent Stabilization Board and Program Administrator initiate their program, much of the community inquiries and requests for assistance will fall on the RHMP staff. We also understand that their work has been expanded to include enforcement responsibilities involving the temporary rent increase moratorium.

As the program evolves, having the same staff take on additional obligations will impact their ability to resolve rental housing disputes requiring immediate attention. While there is currently a focus on rent stabilization, other rental issues have not decreased. There is a risk that the public in need will go unassisted if staff are spread too thin causing more evictions and homelessness in our community.

Please remember that about 40 percent of the RHMP's caseload involves evictions.

Thank you for your consideration.

Heather Smith
Chair, Rental Housing Mediation Board
Attachments: Updated RHMP Fact Sheet and RHMB By-Laws

Rental Housing Mediation Program

WHAT IS RHMP?

The Rental Housing Mediation Program (RHMP) is a **free service** that provides confidential, and neutral mediation services to help resolve rental housing disputes between tenants and landlords. The Program was established by Santa Barbara City Council in **1976** (originated from a grassroots effort). It is comprised of 3-full time staff members (bilingual in Spanish) and 15 City Council Board appointed volunteer Board Mediator Members trained and in compliance with the California Dispute Resolution Programs Act - Statutes.

PROGRAM OBJECTIVES

The Program resolves tenant-landlord disputes out of court through the provision of neutral and accurate information on relevant local, state, and federal rules & regulations, staff consultations, and mediation services, which help to prevent homelessness and court evictions.

WHO IT SERVES?

Tenants and Landlords:

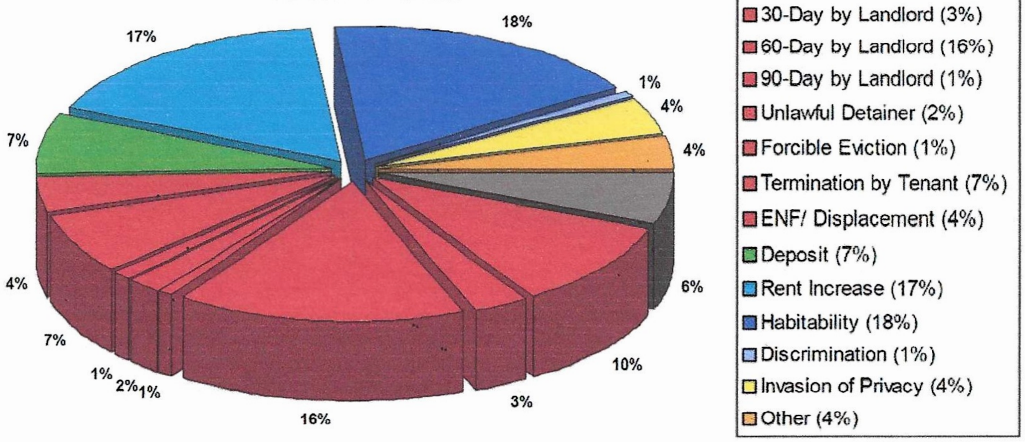
- City of Santa Barbara
- City of Goleta
- City of Carpinteria

SERVICES:

Staff Consultations
Mediation Services:
- ➢ Staff by Telephone
- ➢ Board Conducted

Sample Letters
Outreach & Education
Resources & Referrals

UNDUPLICATED SERVICE TOTALS: 1,273
FISCAL YEAR 2025-2026
SANTA BARBARA, GOLETA, & CARPINTERIA
TOTALS BY ISSUE



RED = Termination of Tenancy 43%

WHAT IS MEDIATION?

Mediation is a voluntary, and confidential process in which a neutral third party helps the disputants communicate to reach their own mutually devised agreements, distinguishing it from other forms of dispute resolution such as litigation, arbitration, or adjudication, where decisions are imposed by a third party. In some cases, mediation is mandatory per local law, in other cases both parties must agree to mediate.

WHY CHOOSE MEDIATION?

Mediation offers a neutral, unbiased process that helps parties communicate, stay engaged, and explore settlement options they couldn't develop on their own, leading to a fair and mutually agreed-upon resolution. Anything said during or pursuant to a mediation is confidential. All negotiations and writings must remain confidential and are not admissible in court, unless agreed to by the parties. Mediators can't testify. This confidentiality protects the parties' identities and keeps the dispute out of the public record.

BENEFITS OF MEDIATION

Allows Parties to be heard and understood
Uncovers interests driving the positions Amicable resolution avoids litigation
Prevention of Homelessness
Mediation can transform conflict into a positive outcome
Triple Win =Tenant, Landlord & the Community

WHAT ARE THE RENTAL HOUSING ISSUES?

- Termination Notices
- Mandatory Lease Offer
- Just Cause Eviction
- No Fault Eviction
- Relocation Assistance
- Unlawful Detainer
- Forcible Eviction
- Termination by Tenant
- Code Compliance/ Enforcement Displacement
- Security Deposit
- Rent Increase
- Habitability
- Discrimination
- Invasion of Privacy
- Other

CITY OF SANTA BARBARA

RENTAL HOUSING MEDIATION BOARD
BYLAWS

APPROVED BY THE CITY COUNCIL

RESOLUTION No. 15-062
Adopted and effective July 21, 2015

Prepared by the Rental Housing Mediation Board

Staffed by the Rental Housing Mediation Program

Andrea Bifano, Rental Housing Mediation Supervisor

RESOLUTION NO. 15-062

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING THE BYLAWS OF THE RENTAL HOUSING MEDIATION BOARD (FORMER RENTAL HOUSING MEDIATION TASK FORCE)

WHEREAS, in 1975 there was a grassroots effort to provide a forum for landlords and tenants to resolve rental housing disputes out of court;

WHEREAS, the grassroots effort led to the City of Santa Barbara Community Relations Commission to establish the Rental Housing Mediation Task Force (Task Force) in February 1976;

WHEREAS, the Task Force was initially staffed by volunteer mediators, but in 1978-79 the City began using its Community Development Block Grant administrative funds to pay for Rental Housing Mediation Task Force (RHMTF) Program staff;

WHEREAS, jurisdictions receiving Rental Housing Mediation services for their residents contract with the City for these services;

WHEREAS, the RHMTF Program has received additional support from City Human Services funds and from other sources;

WHEREAS, due to a significant reduction in Community Development Block Grant administrative funds, since July 2012, the RHMTF program has received City general funds to support staff services to City of Santa Barbara residents;

WHEREAS, the RHMTF Program currently functions under the City Community Development Department, Administration, Housing and Human Services Division;

WHEREAS, the Rental Housing Mediation Task Force currently functions as one of the City Council-appointed volunteer boards with support from RHMTF Program staff; and

WHEREAS, as one effect of this Resolution amending the By Laws, the Task Force has proposed to change its name from the Rental Housing Mediation Task Force to the Rental Housing Mediation Board.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA, THAT:

Section I. Purpose

The purpose of the Rental Housing Mediation Board is to provide mediation services to landlords, tenants, roommates, and neighbors in an effort to resolve disputes relating to rental housing.

Section II. Membership

A. Number of Members

The Rental Housing Mediation Board (Board) will consist of fifteen (15) member-mediators (variously referred to as Members or Mediators) appointed by the City Council of the City of Santa Barbara.

B. Board Member Categories:

At the time of appointment, an appointee to the Board shall meet the definition of at least one of the three categories below:

Tenant:	A Tenant Mediator must rent or lease his or her residence. A Tenant Mediator may not own residential property.
Homeowner:	A Homeowner Mediator must own his or her residence. A Homeowner Mediator may not own any other residential property.
Landlord:	A Landlord Mediator must own or manage residential properties for consideration or compensation, whether single or multiple units.

To the greatest extent possible, Board membership will be equally representative of the three (3) mediator categories. However, once appointed, a member is eligible to remain on the Board for his or her appointed term, even if the member has a change in his or her category. The majority of members must be residents of the City of Santa Barbara. Non-City resident members must reside in a jurisdiction which contracts with the Rental Housing Mediation Program for services.

C. Term of Membership

A term of office for a Mediator is four (4) years. The terms are staggered so that all terms do not expire in any one year. Members are appointed in accordance with the Guidelines for City of Santa Barbara Advisory Groups approved by resolution of the City Council.

D. Grounds for Removal

Members of the Board serve at the pleasure of the City Council of the City of Santa Barbara.

The occurrence of two (2) or more unexcused absences from meetings or mediation sessions within a period of one (1) calendar year may be reason for the Board to recommend that the City Council remove a mediator from the Board.

E. Recommendation for Removal

A recommendation to the Santa Barbara City Council for the removal of a Mediator from the Board must be made by a two-thirds ($^2/_3$) majority vote of the Board members present at the meeting.

Section III. Officers

Board officers shall consist of the following:

1. A Chair
2. A Vice Chair
3. A Secretary

A meeting of the Board shall be held between October and December of each year for the purpose of electing officers for a one year term. The term of office shall commence on January 1, following the election. Interim vacancies may be filled at any regular or special meeting of the Board. The removal of an Officer must be approved by a two-thirds ($^2/_3$) majority vote of the Board members present at the meeting.

Section IV. Duties of Officers

The Chair of the Board shall perform the following tasks:

1. Preside at all meetings.
2. Finalize meeting agendas in consultation with Rental Housing Mediation Program staff.
3. Handle all routine Board matters referred to the Chair by staff. However, the Chair shall not take any action that would otherwise require a vote of the Board.

The Chair may establish committees, and appoint Mediators to such committees with the approval of the Board.

The Secretary assists Rental Housing Mediation Program staff in taking the minutes of the Board. The Secretary shall assist the Chair as requested.

In the absence or unavailability of the Chair, the Vice Chair shall perform the functions of the Chair. In the absence or unavailability of the Chair and the Vice Chair, the Secretary shall perform the functions of the Chair. If all three officers are absent or unavailable, the Board member with the longest tenure of membership shall perform the functions of the Chair. If the longest tenure of membership on the Board is shared by more than one member, the member whose last name occurs earliest alphabetically shall perform the functions of the Chair.

Section V. Meetings of the Rental Housing Mediation Board

A. Meeting Schedule

Regular meetings shall be held on the second Thursday of the month at 5:30 p.m. (according to a schedule presented by the Board and Staff) in the David Gebhard Public Meeting Room located at 630 Garden Street, Santa Barbara, California 93101, unless otherwise noticed. All meetings of the Board shall comply with the Guidelines for the City of Santa Barbara Advisory Groups ("Guidelines") and the Ralph M. Brown Act.

B. Content of Agendas

At regular meetings, the Board Mediators may consider all matters pertaining to the mediation process and all matters related to the program goals and objectives, as stated in Section 1 of these By Laws. Rental Housing Mediation Program staff shall prepare the Board agenda as necessary to achieve the program goals and objectives. The Board may, by majority vote at a regular or special meeting of the Board, direct staff to place an item within the jurisdiction of the Board on a future agenda. In addition, any two Board members may request that an item be placed on a Board agenda by submitting a written request to the Secretary of the Board. The written request must, at a minimum, contain all of the following:

1. A substantive outline or summary of the information that will be presented to the Board; and
2. A concise statement of the specific action the Board will be asked to take on the item; and
3. A statement of the reasons why the requesting parties believe it is appropriate and within the jurisdiction of the Board to consider this subject matter and to take the requested action.

In order to improve mediation techniques and performance of Board Mediators, a prime order of business at each regular meeting shall be a discussion of recent mediations. Each Mediator involved with the mediation may report on the mediation and respond to questions by the Board.

C. Quorum and Voting

A quorum shall consist of a simple majority of all appointed Board Members (one-half plus one). A quorum must be established and maintained throughout the meeting in order to transact business. Unless otherwise provided for in these Bylaws, any action requiring a vote of the Board requires a simple majority (one-half plus one) of the Members present at the meeting to pass.

SECTION VI. Powers and Duties of the Rental Housing Mediation Board

A. Mediate Landlord/Tenant residential housing disputes.

B. Develop and implement methods and techniques to improve mediation skills of all Mediators.

C. Promote the services of the Board.

D. Review and discuss the Caseload of the Board.

E. Provide advice and recommendations to Rental Housing Mediation Program staff regarding the overall operation of the Board and program goals and objectives as determined by the City Council of the City of Santa Barbara.

F. Review and provide advice and recommendations to the Rental Housing Mediation Program staff on the gathering and publicizing of statistics. Review the Rental Housing Mediation Program statistical reports quarterly.

G. Provide training for all Board Mediators in open session while being as sensitive as possible to the confidentiality of the mediation participants.

H. Make recommendations to the City Council on how the City may best alleviate landlord/tenant tensions.

SECTION VII. Amendments to By-Laws

The Board may recommend amendments to these By Laws to the City Council. Recommendations for amendments to these By Laws shall be made in the following manner:

A. A proposed amendment may be placed on an agenda of the Board for consideration. After hearing a presentation regarding the proposed amendment and discussion of the proposed amendment, the Board shall vote whether to consider the proposed amendment for recommendation to the City Council.

B. If the Board votes to consider the amendment, the item shall be placed on the agenda of the next meeting of the Board which is at least 30 days after the meeting at which the Board voted in favor of consideration of the amendment.

C. At the next meeting of the Board which is at least 30 days after the meeting at which the Board voted in favor of considering a recommendation, the Board shall vote whether to forward a recommendation to the City Council regarding the proposed amendment.

D. Each recommendation to the City Council for a proposed amendment to these By Laws shall be approved by a majority of the Board. Each recommendation for a proposed amendment to these By Laws must be submitted to the Santa Barbara City Council for final approval.

RESOLUTION NO. 15-062

STATE OF CALIFORNIA)
)
COUNTY OF SANTA BARBARA) ss.
)
CITY OF SANTA BARBARA)

I HEREBY CERTIFY that the foregoing resolution was adopted by the Council of the City of Santa Barbara at a meeting held on July 21, 2015, by the following roll call vote:

AYES:	Councilmembers Dale Francisco, Gregg Hart, Frank Hotchkiss, Cathy Murillo, Randy Rowse, Bendy White, Mayor Helene Schneider
NOES:	None
ABSENT:	None
ABSTENTIONS:	None

IN WITNESS WHEREOF, I have hereto set my hand and affixed the official seal of the City of Santa Barbara on July 22, 2015.

Gwen Peirce

Gwen Peirce, CMC
City Clerk Services Manager

I HEREBY APPROVE the foregoing resolution on July 22, 2015.

Helene Schneider
Mayor

Alan & Connie Casebier
524 San Pascual St
Santa Barbara, CA 93102

Rent Control Exemption Request

Ref : Property at 522 San Pascual St, Santa Barbara, CA

Dear Council Members,

My wife and I are the owner and co-occupants of this Lower Westside property. On the 50 ' X 125 ' lot are two cottages, both are older than 100 years and while improved over the years, they are still "old".

My wife has enjoyed the 750 sq.ft. back house since 2010. It is small but with Santa Barbara's mostly agreeable weather we have outdoor space that we enjoy as well.

My single tenant has been enjoying the 526 sq.ft. front cottage for 6 years. Early on we encouraged him to enjoy putting in a garden and planting anything that appeals to him. This guy has an incredible green thumb, everything grows well and he always shares his tomato crop. Likewise, we share back avocados, mandarins and oranges.

We agreed that he could sublet to a single party if he wished to have his girlfriend in mind. Little did we realize the water bill would fly out of control with the additional tenant, the garden and in the home clothes washer. At the end of the first year, I offered him a two-year lease and a $100 rent reduction with the caveat that he take out a water account and pay the city for his use directly. He became the responsible water user. His girlfriend has since moved out but comes back to do her laundry.

The rental cottage has on street parking only, which is sacred space for many Lower Westside occupants, however, to lessen his space search after work we sometimes take the space in front of his cottage and message its availability for handoff. If that doesn't work, he has access to our long driveway even though it is inconvenient to move his car when we have a need to leave.

The tenant is a big user of delivery services. More than a few times a week, we are asked to retrieve the packages and place them in the back gated patio area. Of course, this goes both ways, when we have the same need.

What I am sharing is that when a property owner also lives in one of the units on multi-family property, (2-4 units) relationships and attitudes are bonded in ways that corporate managed properties and other owned investor properties cannot comprehend.

If the rent control issue takes effect and includes these bonded relationship properties, the city will have destroyed the best form of symbiotic rental relationships. Owners of this type of property are reluctant to increase rents because maintaining a quality tenant is a priority.

If the rent control issue takes effect and includes these bonded relationship properties, the city will have destroyed the best form of symbiotic rental relationships. Owners of this type of property are reluctant to increase rents because maintaining a quality tenant is a priority. This quality relationship allows the tenant to care about his co neighbor's welfare as the owner occupant cares about the tenants. maintain the property with pride of ownership in mind.

My appeal is that all owner occupied 2–4-unit properties must be removed from the control process because it will alter the enduring quality of this type of landlord/tenant relationship.

Sincerely,

Alan Casebier

Mobil Phone: 805-883-8636
Email: alan.casebier@gmail.com

Wide View 522 & 524 San Pascual St.

522 San Pascual St, Rental Cottage