From:	Missy Zeitsoff
To:	Santa Barbara City Council
Subject:	Fwd: The Fire and Police Commission is useless. All that reinvention and it is the same. What have they done? Nothing but listen, ask a few questions. I was on it earlier for one term. Just my opinion. A visionary old timer sees a step by step to our S...
Date:	Wednesday, September 16, 2026 12:56:30 PM

.

---------- Forwarded message ---------
From: **Missy Zeitsoff** <missyzeitsoff@gmail.com>
Date: Tue, Sep 15, 2026, 5:17 PM
Subject: The Fire and Police Commission is useless. What have they done? Nothing but listen, ask a few questions. I was on it earlier for one term. My opinion. An old timer sees a step by step to our surveillance and finally a loss of all privacy. Council cannot keep up with data and hacking and glitches. Ai is a terror. Reject ALL types of surveillance at this time. I happen to know that even Section 8 tenants are a part of Yardi Systems software for HA. No data is SAFE. CHIEF GORDON IS A BIT TOO EAGER TO SOLVE A FEW CRIMES. TAKE A PAUSE. NOT EVEN BIFURCATE LIKE ERIC SUGGESTED.
To: Oscar Gutierrez <ogutierrez@santabarbaraca.gov>, Meagan Harmon <mharmon@santabarbaraca.gov>, Kristen Sneddon <ksneddon@santabarbaraca.gov>

From: Darlene
To: Holly Perea; City Clerk; Caroline Paine; OHSCommunityConcerns@hss.sbcounty.gov
Cc: Anna Almendrala; adam.poe@usw.salvationarmy.org; sbhh-shelter-admission@usw.salvationarmy.org; Alejandra Olvera; admin@cossart-dalylaw.com; answers@hud.gov; Michaela Brodeur; Belen Gonzalez; Jett Black-Maertz; bradley@sbact.org; BARInfo@dca.ca.gov; Pathways to Safety International; Clean SB Program; Dedra Clark-McGee; CES@countyofsb.org; clark@nshmlaw.com; desiree.reyes@citynet.org; development@sbnbcc.org; Diana Ortiz; ER@countyofsb.org; editor@pasoroblespress.com; HCD Participant Feedback; Chris from Candace Owens; Sarah Gorman; Oscar Gutierrez; goodsamshelter@gmail.com; LRC Help; hello@dignitymoves.org; info@dvsolutions.org; info@sbact.org; info@calmatters.org; info@victims.ca.gov; Johnson, Todd; LRSdirector; mpetersen@sbrm.org; membership@calmatters.org; newsroom@thetribunenews.com; ombudsman@dhs.nyc.gov; OCRA.FDLRC@disabilityrightsca.org; OVW.GFMD@usdoj.gov; HSA_Homeless_Programs@smcgov.org; Kai Roldan; resourceandreferral@lahsa.org; realbaronpodcast@gmail.com; safehaven@care4paws.org; tips@calmatters.org; Wilmary Torres; timothy@nshmlaw.com; kate@calmatters.org; Kcahoon@goodsamaritanshelter.org; kenya@homebaseccc.org; LACoCBoard@lahsa.org; vwhite@kthomelessalliance.org; Darlene
Subject: Subject : This is >>>>My Hail Mary: What is the purpose of a homeless shelter ...IF I DON"T USE MY VOICE,THEY WILL USE MY SILENCE (to tell my story)
Date: Wednesday, September 16, 2026 1:21:55 PM

Dear Mayor, City Council Members, and everyone on this thread,

This is my Hail Mary.

It is going to start raining soon, and I am still unsheltered.

Not because I did too many drugs and lost my house and my job.

Not because I want to be out here.

I am out here because I left an abusive relationship.

I don't pretend to have all the answers about why people stay in abusive relationships for so long. I can only tell you what happened to me.

First, you see the red flags. You try to correct them. You try to make things better. When that doesn't work, you try to speak up.

Then the first blow to the face happens.

Then comes the isolation.

And before you know it, years have gone by.

Yes, I feel stupid for allowing a man to dominate my life for so long. But I wasn't stupid enough to stay forever.

There came a point when I was numb. I felt like I didn't even care if I died.

Then one day, I grabbed a small bag, grabbed my dogs, and left.

I left almost everything behind.

I didn't have a perfect plan. I didn't know exactly what I was going to do.

I just knew I had to get out.

I came to Santa Barbara Rescue Mission because I needed safety. I believed that was what a shelter was for.

And somehow, I went from escaping an abusive home to being removed from the place I went for safety.

Now I am outside with my two dogs, facing another night without stable shelter.

And I keep asking myself a question I never thought I would have to ask:

Should I have stayed?

I don't want to believe the answer is yes.

But when I ask for help, I hear that people are concerned about my safety—but they can't take two dogs.

I ask what happened at the Mission, and I still don't have the clear answer I have been asking for.

I ask what rule I violated.

I ask what procedure was followed.

I ask why I was removed and why I was banned indefinitely.

I ask what process exists to review that decision.

And I keep reaching dead ends.

At some point, you begin to wonder whether the message is:

Because I am homeless, my voice doesn't matter.

Because I am homeless, maybe I am expected to accept whatever happens to me.

Because I am homeless, maybe I am supposed to be grateful for whatever help I am offered and remain silent when something feels wrong.

Because I have two dogs, maybe my safety doesn't matter as much.

I know that isn't what people want to believe.

But that is what this experience is beginning to feel like.

I am struggling to eat.

I haven't been able to shower normally.

I am not sleeping.

I worry about my safety every night.

I worry about my dogs.

And while I am trying to survive day by day, I am also trying to get someone to simply answer a question:

Why was I banned indefinitely from the Santa Barbara Rescue Mission?

I am not asking you to automatically take my side.

I am asking you to take my question seriously.

Look at the documentation.

Look at the timeline.

Look at the circumstances surrounding my removal.

Look at the complaint I made before I was removed.

Look at what happened afterward.

And tell me what the actual process was.

If I did something wrong, tell me what it was.

If a rule was violated, show me the rule.

If a procedure was followed, explain the procedure.

If there is an appeal or review process, tell me what it is.

And if I cannot return to the Mission, then please help me find an actual safe alternative for me and my two dogs.

Please don't let “we can't take two dogs” become the end of the conversation.

I am still a human being.

I still deserve dignity.

I still deserve to be heard.

I still deserve to understand decisions that directly affect whether I have somewhere safe to sleep.

And I am asking you to remember something else:

Not every person experiencing homelessness has the ability to keep making phone calls, writing emails, documenting dates, attending meetings, and standing up for themselves.

Some people will simply disappear into the system.

Some will stay silent because they are afraid that speaking up will cost them the little shelter or assistance they have.

I don't want my silence to be used to make this problem disappear.

If I don't use my voice, who will?

So this is my Hail Mary.

I am asking the Mayor, City Council, the City, the organizations serving people experiencing homelessness, and everyone reading this:

Please don't just tell me you are concerned about my safety. Help me find safety.

Please don't just tell me you care. Help me understand what happened.

Please don't let my homelessness make me invisible.

I escaped one situation because I finally found the courage to leave.

I don't want to spend the rest of my life wondering whether leaving was the biggest mistake I ever made.

I left because I wanted to live.

Please help me find a way to do that.

Respectfully,

Darlene

{ PS A Hail Mary pass is a very long forward pass in American football, typically made in desperation, with a very small chance of achieving a completion. Due to the difficulty of a completion with this pass, it makes reference to the Catholic "Hail Mary" prayer for strength and help.}
So I'm throwing it out there hoping for a miracle.......

From:	Larry Behrendt
To:	Mike Jordan
Cc:	Kelly R. McAdoo; Kelly Gordon; Nicole Grisanti; Randy Rowse; Wendy Santamaria; Oscar Gutierrez; Kristen Sneddon; Eric Friedman; Meagan Harmon; ipaige18@gmail.com; City Clerk
Subject:	ALPRs and AI
Date:	Thursday, September 17, 2026 10:14:46 AM

Councilmember Jordan,

As you doubtless remember, the conversation at Tuesday's City Council meeting grew heated when you asserted that ALPR technology does not utilize artificial intelligence (AI).

More specifically: you asked SBPD Chief Gordon if the Department utilized AI to pull information from the State DMV based on data it collected from its Flock ALPR system. Chief Kelly answered that the process of querying the DMV does not involve the use of AI by the Department. You then concluded that AI is not integral to the ALPR systems being considered by the City, and questioned those who raised concerns about the dangers of AI in the context of ALPR technology.

By its nature, modern ALPR technology employs AI. Compare ALPRs to what is available from an ordinary CCTV camera. With CCTV, someone monitors the camera in real time (or reviews recorded footage from the camera) and analyzes the available images. With an ALPR system, this kind of human monitoring is not necessary. Instead, the ALPR system performs the analysis and records license plate information into a database where it can be queried by an operator without ever having to review the images captured by the camera.

Of course, most ALPR systems employ more sophisticated AI that what I've described above. Some systems go beyond merely recording license plate numbers and also track the movement of vehicles. They automatically record not only the license plate number but also other information such as the make, model and color of the vehicle.

You can verify the integral nature of AI in modern ALPR systems by consulting the Verkada website. Verkada's official ALPR product documentation says that "LPR ... utilizes artificial intelligence and computer vision technology to identify and record license plate images in near real time." Verkada further states that its system employs cameras "with edge-based processing, and all computation takes place on the camera itself." https://docs.verkada.com/docs/video-security-guide-license-plate-recognition.pdf. (see the Overview) This makes clear, Verkada's cameras are not merely recording images; they are utilizing AI to extract data from those images before the image ever reaches the end user. And as Chief Gordon explained, Verkada's back-end software employs additional AI capability.

As confirmation of the reliance of ALPR systems on AI, Flock Safety's online literature describes its system as providing "AI-powered search and alerts." https://www.flocksafety.com/products/license-plate-readers. ALPR vendor ACTi states that "automatic license plate recognition (ALPR) is a technology based on artificial intelligence that reads the license plate numbers of the vehicles appearing in the captured image." https://www.acti.com/technologies/automatic-license-plate-recognition.

In case you're suspicious of the way ALPR vendors describe this technology, consider this from Car and Driver Magazine: "ALPRs are AI-powered cameras that automatically track specific cars." https://www.caranddriver.com/news/a70792616/automated-license-plate-reader-explainer/. Or this statement from the DHS: "Advances in machine learning, computer vision, and artificial intelligence (AI) have made ALPR systems more affordable and more effective." https://www.dhs.gov/science-and-technology/saver/automatic-license-plate-readers.

You are technically correct that older ALPR systems may have automatically read license plates without using what we'd consider to be AI. But that's certainly not the case today. As the Center for Democracy and Technology puts it: "While law enforcement agencies have used ALPRs for over a decade, a wave of AI upgrades and the explosive growth of private networks have turned ALPRs into something far more powerful: a near-ubiquitous permanent record of where tens of millions of law-abiding drivers go every day." https://cdt.org/insights/cdt-issue-brief-automated-license-plate-readers-alprs/.

I hope you now understand that, whatever you may conclude about the costs and benefits of ALPR systems, concern about ALPRs does truly go hand-in-hand with concern over AI.

Larry Behrendt

Indivisible Santa Barbara

From: Daniel Zia
To: City Clerk
Subject: Opposition to Short-Term Rental Ordinances — Project No. CITY2026-00001, October 6, 2026 Hearing
Date: Friday, September 18, 2026 4:52:03 PM

Dear Mayor and Members of the City Council,

My name is Daniel Zia. I am the founder, CEO, and Lead Broker-Associate of Zia Group at eXp Realty. Over the past twenty years, our team has had the privilege of helping more than 1,200 families navigate real estate decisions across South Santa Barbara County.

I am writing in opposition to the proposed Short-Term Rental Ordinances for Title 30 and Title 28, including the Local Coastal Program Amendment for Title 28, set for introduction on October 6, 2026. I respectfully ask the Council to reject the ordinances as drafted, and I ask specifically that short-term rentals continue to be allowed in the coastal zone.

Let me begin by honoring the intent behind this work. Protecting long-term housing, preserving neighborhood character, and looking out for residents are good and right goals, and I am grateful for the effort the Council and staff have invested. My opposition is not to the intent. It is to the conclusion that these ordinances will achieve it, and to the significant costs they will impose on residents, small businesses, and visitors along the way.

The City has not shown what this will cost

At the Planning Commission hearing on these ordinances, staff were unable to provide a current count of short-term rentals operating in the City, and were unable to provide any projection of the effect on transient occupancy tax revenue. Commissioners asked for that analysis before final action. To my knowledge, it has still not been produced.

Before this Council adopts anything, I ask that staff be directed to prepare and publish a fiscal impact analysis addressing, at minimum:

1. The projected annual change in transient occupancy tax revenue to the City.
2. The projected change in visitor spending at local restaurants, retailers, and service businesses.
3. The number of units the City expects to convert to long-term housing as a result of these ordinances, and the evidence supporting that expectation.
4. The full cost of the licensing, inspection, complaint-response, and enforcement program the ordinances create.
5. The expected effect on average nightly lodging rates within the City.

Amending the Local Coastal Program is a consequential and difficult-to-reverse step. It should not be taken on an assumption. It should be taken on a number.

The housing benefit is unlikely to materialize

Across Santa Barbara County, I have personally watched dozens of families suffer real financial harm when short-term rental rules tightened after they had already made life-changing decisions. Not one of those families was a large institutional investor. Every one of them was someone you would recognize: parents who wanted to be near their children and grandchildren part of the year, young professionals, and families passionate about hospitality who were trying to make the numbers work so they could stay in this area.

Here is the part I most want the Council to hear. In the cases I know personally, not one of those properties converted to long-term housing. The reason is structural. The overwhelming majority of short-term rental owners want to retain some personal use of the property, which is precisely why they did not choose a long-term tenancy in the first place. Take away the short-term option and the typical outcome is a sale or a mostly empty second home, not a new rental for a local family. No housing is created. The transient occupancy tax is simply lost.

Residents lose something they actually use

Short-term rentals in this city are not only for tourists. They are where a resident's parents stay for a week. They are where the out-of-town half of a wedding party stays. They are where a family of seven stays because no hotel room holds them, and where families gather for a holiday, a graduation, or a memorial. A hotel room is not a substitute for a kitchen, a yard, and enough beds under one roof.

If the Council intends to remove that option from most of the city, I ask that it state on the record what alternative it is offering residents and their visiting families. If the answer is hotels, the Council should say so plainly, and should be prepared to address what that costs a family of five visiting for four nights.

Local businesses lose, and only the largest hotels win

Guests in short-term rentals shop at neighborhood markets, eat at neighborhood restaurants, and hire local cleaners, handymen, and service providers. That spending is distributed across small businesses rather than captured inside a single large property. Reducing the supply of these stays moves that money out of our neighborhoods.

I also believe these ordinances will meaningfully reduce total lodging supply in a market where demand is not falling. The predictable result of constrained supply is upward pressure on nightly rates. I cannot tell you the precise magnitude of that increase, and neither can the City, because the analysis has not been done. What I can say with confidence is that the clearest beneficiaries of a tighter lodging market are the large hotel operators, and the clearest losers are visiting families of ordinary means and the small businesses that serve them.

The coastal zone deserves particular caution

This concern is sharpest in the coastal zone, which is why I ask the Council to preserve short-term rentals there. In 2021, the Court of Appeal affirmed an injunction against the City's enforcement of a coastal-zone short-term rental ban on the ground that the City lacked the required Coastal Act authorization, and the City adopted an interim coastal enforcement policy in response. Affordable visitor accommodation and public access to the coast are central concerns of the Coastal Act and of the Coastal Commission.

I urge the Council not to forward to the Coastal Commission an ordinance that eliminates whole-home short-term rentals from the A, E, R-1, and R-2 coastal zones without a serious, documented analysis of the effect on lower-cost visitor access to our coastline.

Enforce hard against bad operators instead

I am not asking the Council to do nothing. The complaints residents bring to you are about conduct, not existence. Noise at midnight. Cars filling a block. Twenty people where the permit allows eight. An absentee owner and a phone number nobody answers. Those are enforcement failures, and enforcement can solve them.

The City has already drafted most of the machinery. These ordinances contain escalating civil fines, complaint response deadlines, platform accountability, and non-renewal for repeat violators. I ask the Council to keep every one of those tools, strengthen them, and make them the primary instrument, rather than attaching them to a prohibition that removes the responsible operators along with the irresponsible ones. Specifically, I would support and encourage:

1. Mandatory licensing and registration for every short-term rental in the City, with the license number required in every advertisement and listing, and immediate enforcement against any unlicensed listing.
2. A true three-strikes policy. One verified violation brings a written warning and a fine. Two verified violations within twelve months triggers a suspension hearing. Three within twelve months means revocation, with a multi-year bar on that owner holding any license anywhere in the City.
3. Steep, escalating, per-day fines set high enough to deter rather than to be absorbed as a cost of doing business, with authority to disgorge the revenue earned on any night a property operated in violation. A fine smaller than a weekend's rent is not a deterrent.
4. A named local responsible agent for every property, reachable twenty-four hours a day and required to respond to a complaint within thirty minutes, with failure to respond treated as a violation in its own right.
5. A published complaint hotline and a public dashboard showing complaints and verified violations by property, so neighbors can see that the City is acting and the Council can see which properties are the actual problem.
6. Good-neighbor notification, so that adjacent property owners receive the license number and the responsible agent's contact information at issuance.
7. Full platform accountability, including mandatory delisting within a set number of days of any revocation, and per-day fines for listings that remain up.
8. Annual renewal conditioned on a clean enforcement record, and transient occupancy tax paid in full and on time.
9. An enforcement program funded out of license fees, fine revenue, and transient occupancy tax, so that the City is not asked to absorb the cost of policing the industry.
10. An annual public report to the Council showing licenses issued, complaints received, violations verified, fines collected, licenses revoked, and transient occupancy tax generated, so that the next policy decision rests on data rather than anecdote.

Built this way, the policy removes the bad actors quickly and permanently, protects the neighborhoods that are genuinely affected, keeps the transient occupancy tax and the visitor spending here in Santa Barbara, preserves an affordable option for the families who come to see their relatives, and maintains a competitive check on hotel pricing.

I will be out of the country on October 6 and am unable to address the Council in person. I would otherwise be there to speak to these points directly, and I respectfully ask that this letter be entered into the record and given the same consideration as public comment. Thank you for your service to this city. I am glad to make myself available to the Council or to staff, before or after the hearing, on any of the points above.

Respectfully,

Daniel Zia
CEO and Broker-Associate, Zia Group at eXp Realty
DRE #01710544
(805) 637-7148
daniel@ziagroup.com

From:	Cassandra Ensberg
To:	Santa Barbara City Council; Holly Perea
Subject:	Re: letter to SB Council Mtg 9.21.2026 Items 11 and 12
Date:	Tuesday, September 22, 2026 4:15:33 AM
Attachments:	Sometimes there is only one option REV FINAL.pdf

Good early morning.
Attached is revised letter that includes important item #5 that should be on the priority list.
Thank you - I hope you have the time to read.
Best,
Cass Ensberg

Cassandra Ensberg, Artist, FAIA Architect, LEED AP
805 455 8332
https://www.10westgallery.com/cassandra-ensberg
https://cass-ensberg.squarespace.com/
http://ensbergjacobsdesign.com/

What we do matters. - I work to serve the Santa Barbara community through volunteerism and by promoting collaboration in development to promote and preserve Local Art & History, the Natural World, & Santa Barbara Style Poetic Beauty in our Built Environment!

On Mon, Sep 21, 2026 at 6:15 PM Cassandra Ensberg <cassejd@gmail.com> wrote:

> Good evening,
> Please see attached letter to council for Council meeting tomorrow Sept 21, 2026
> Specifically to Items 11 and 12
> Thank you,

> **Cassandra Ensberg, Artist, FAIA Architect, LEED AP**
> 805 455 8332
> https://www.10westgallery.com/cassandra-ensberg
> https://cass-ensberg.squarespace.com/
> http://ensbergjacobsdesign.com/
>
> *What we do matters. - I work to serve the Santa Barbara community through volunteerism and by promoting collaboration in development to promote and preserve Local Art & History, the Natural World, & Santa Barbara Style Poetic Beauty in our Built Environment!*
>
> *This message is intended only for the individual named and may contain confidential information. If you are not the addressee, please respond via email to notify us that you have received this email by error, and please delete all email and contents permanently.*

Sometimes There is Only One Option

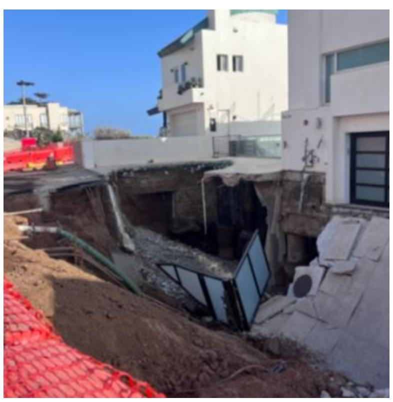
To: Santa Barbara Mayor and City Council *Revised* September 22, 2026*

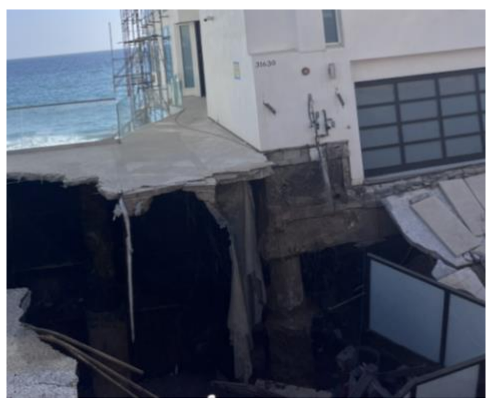
Honorable Mayor & Council,

Recently, working in the garden, I twisted my ankle. Within 2 hours I couldn't walk! My only option was to lay down and elevate the ankle with a pack of ice. 24 hours later after promptly addressing it, I was up walking normally again.

I believe that Santa Barbara is in one of these situations now. Being "low on funds" is foreign to us and it seems like we don't want to believe it. I think we should believe it and act swiftly to fix it. **In my humble opinion, our finances and emergency funds must be addressed and restored before we can move forward with anything else – the critical one option.** That is what I was taught and how I was raised.

Insufficient emergency funds put the community in a vulnerable position at the worst possible time. October is just a few days away bringing high fire season and El Niño to our door. Just last week, we saw this devastation in southern California. These are photos my son sent me from a site he inspected in Malibu. All the money in the world cannot fix this anytime soon.





To reiterate - I believe we must recognize the situation and put laser focus on the following:

1. **The One Option - Restoration of city contingency funds** – stop spending and all income put to restoration of the emergency funds as quickly as possible.

Then what?

2. **Preparedness** – everyone put focus on preventative measures of clearing gutters and drains, sand bagging, clearing away dead brush, and building personal contingency funds.
3. **Replacement of Fire Station 7 on Stanwood Drive followed by renovations of Station 3 on East Sola St.**
4. **Completion of the new police Station** now well underway (covered by Measure C funds) that will make police operations for public safety more efficient. In the future, the city can partner to create affordable housing at the site of the old police station.
5. ****Meet ADA - reinstate the ADA compliant MTD Accessible low platform bus up and down State Street – all day – every day.*** *Proper service for accessibility is long overdue.*

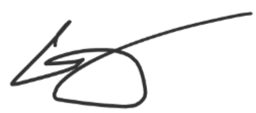
My sense of things is that we could all use a bit of a break and that great benefit could be had by **pausing and taking time to think before moving further with the following** (and probably more):

1. **Creation of a new Department of rental registry and rent stabilization**. This is a big lift to define, much less to develop and implement, an entire department given the current city staff is overloaded. We need to better understand the whole thing and come back in 2027.
2. **Relandscaping of Anacapa Street side of City Hall.** This is not an essential project right now. Let the gardeners give it a good rake to tidy it up until next year.
3. **Major infrastructure for resiliency and sustainability – including infrastructure capacity upgrades for new housing downtown.** All of this is very big, very expensive, disruptive, and will take a long time to realize. The city can benefit and be informed by the next few months. The spectrum of solutions can be more fully understood in terms of creativity, effectiveness, implementation, and funding by stepping back and taking time.
4. **Inclusionary Housing / In Lieu fees.** We are now seeing progress of affordable and market rate housing and there is great benefit to more collaborative work with our for-profit and our non-profit developers to arrive at the best solutions for both that will achieve **Affordable Housing and building of the Housing Trust Fund.**

Given time for the city to recover financially and manage the next few months, the community will have had time to “process” the proposed changes and be in a better place to consider and prioritize our next steps.

Fixing the budget is imperative and all else will follow.

To our community and all of you as our leaders, with thanks, gratitude, and sincerity,



Cassandra Ensberg, FAIA Architect & Artist

From: Ralph Nobbe
To: City Clerk
Subject: RSO objection
Date: Friday, September 18, 2026 10:58:04 AM

Some people who received this message don't often get email from ralphnobbe59@gmail.com. Learn why this is important

Greetings.
I am a small rental housing provider in Santa Barbara.
These comments are based upon a current family member's personal experience with rent control "stabilization" in New York City.
The Rent stabilization ordinance will have the following adverse impacts upon an already fragile the rental housing market. Similar impacts have been shown in numerous communities that have created a rent stabilization environment. Rent control is contrary to UCSB economic studies.

- landlords will defer maintenance leading to a decline in available rental inventory particularly given current inflation rates.
- duplexes and single family home rentals will be sold - reducing rental inventory
- current rental condos will be sold - further reducing rental inventory
- rent stabilized units will become illegally sublet at higher rents - defrauding the landlord.
- Younger Tenants will stay in their rent controlled units as their families grow - exceeding occupancy limits.
- New Santa Barbara arrivals will face a decline in number of rentals available to rent due to artificially created scarcity
- market rates will increase as inventory gets reduced - adversely impacting the rental market
- rental registry is an invasion of landlords privacy
- the rental board will include at least four members who must be tenants, with no designated landlord/property-manager seats - discriminating against landlords
- this regulation appears to exceed the scope of the City Council authority - it should be handled by voter referendum
- this Rent Control creates another costly bureaucracy and future employee expense in a city budget that is already in a significant deficit

Please reconsider this issue in the better interest of Santa Barbara.

Ralph Nobbe
[redacted]
ralphnobbe59@gmail.com

From:	Rob Fredericks
To:	Randy Rowse; Kristen Sneddon; Eric Friedman; Oscar Gutierrez; Mike Jordan; Wendy Santamaria; Meagan Harmon
Cc:	Kelly R. McAdoo; Alelia Parenteau; Barbara Andersen; Dan Hentschke; John Doimas; City Clerk
Subject:	Rent Stabilization Ordinance - Agenda Item #12 for 9-23-2026 Council Agenda
Date:	Saturday, September 19, 2026 12:23:12 PM
Attachments:	Housing Authority Comment Letter on RSO introduction -9-22-2026.pdf

Dear Mayor Rowse and City Council members:

Attached, please find the Housing Authority's comment letter regarding item #12 of the Council Agenda for Tuesday, September 23, 2026:

COUNCIL AGENDA ITEM #12: INTRODUCTION OF ORDINANCE AMENDING THE SANTA BARBARA MUNICIPAL CODE TO ESTABLISH RESIDENTIAL RENT STABILIZATION AND RESIDENTIAL RENTAL REGISTRY PROGRAMS

Rob Fredericks | Executive Director/CEO
Housing Authority of the City of Santa Barbara
808 Laguna Street Santa Barbara, CA 93101
rfredericks@hacsb.org | hacsb.org |
direct 805-897-1051| fax 805-564-7041
TTY English 866-660-4288 | TTY Spanish 866-288-1311

Satisfaction Survey
https://hacsb.wufoo.com/forms/z10vm3va0gs5acu

HOUSING AUTHORITY
OF THE CITY OF SANTA BARBARA
808 Laguna Street, Santa Barbara CA 93101

Phone (805) 965 – 1071 • **Fax** (805) 564 – 7041 • **TTY English** (866) 660 – 4288 • **TTY Spanish** (866) 288 – 1311 • *info@hacsb.org* • *www.hacsb.org*

September 19, 2026

Sent via email to Clerk@SantaBarbaraCA.gov

Mayor Randy Rowse and City Councilmembers
City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA. 93101

R: COUNCIL AGENDA ITEM #12: INTRODUCTION OF ORDINANCE AMENDING THE SANTA BARBARA MUNICIPAL CODE TO ESTABLISH RESIDENTIAL RENT STABILIZATION AND RESIDENTIAL RENTAL REGISTRY PROGRAMS

Dear Mayor Rowse and Councilmembers:

On behalf of the Housing Authority of the City of Santa Barbara, I strongly urge Council to include the Exemptions listed in Attachment 1 of the council agenda report. Reading through those exemptions, they make abundant sense to exclude from the Rent Stabilization Ordinance (RSO). For deed restricted affordable housing and qualifying Section 8 Housing Choice Voucher tenancies, we specifically request the revised language laid out below, including coverage of qualifying recorded affordability restrictions regardless of ownership.

We support the City's goal of improving housing stability and predictability for renters. Staff has clarified for us that the published ordinance reflects Council direction and has included possible exemption language in Attachment 1. I appreciate inclusion of Attachment 1 for consideration and hope that your Council makes the best policy decision for the community by adopting the specific requests proposed below.

Deed restricted affordable housing

As I have notedin previous communications, affordability in deed-restricted housing stays with the property regardless of transfer of ownership. Recorded covenants and regulatory agreements establish maximum rents, income eligibility and enforceable obligations lasting for decades, often 90 years. Rents are based upon a prescribed formula which includes a specified income category, household size assumptions and utility allowances, rather than 30 percent of each resident's actual income. The applicable program rules determine the maximum rents; residents in these deed restricted units are protected by those limits and ongoing public oversight.

A lower local cap can reduce a resident's rent increase. Council must also weigh what that reduction means for the long term operation of housing already committed to affordability. Our operating revenue pays for maintenance, insurance, reserves and resident services. Further restricting that revenue reduces our ability to preserve and develop affordable homes. It can also reduce residual receipts payments on City loans, limiting funds the City recycles into additional housing.

It is important to note that the State recognized the separate regulatory framework for affordable housing by excluding qualifying deed restricted units from the Tenant Protection Act's rent cap. Council should adopt that same policy distinction here.

We believe this exemption should apply to all qualifying affordable rental housing, including developments owned or operated by private entities. The recorded affordability obligation should determine eligibility. In a mixed development, only the restricted units should qualify. These properties remain subject to applicable habitability standards, program inspections and compliance oversight. The exemption should preserve residents' rights to safe housing and existing remedies.

Housing Choice Voucher Tenancies

Tenant Based Voucher assistance follows the household and provides housing subsidies so the tenant portion of the rent is generally just 30% of the household income as long as the contract rent charged by the owner is within the Housing Authority's approved Payment Standard for the unit size. The Housing Authority reviews proposed rents and increases against comparable unassisted units, considering location, condition, amenities and utilities. A payment standard determines the subsidy calculation; it does not authorize a landlord to charge that amount without rent reasonableness approval.

For a simplified example from our presentation, assume a fully eligible household has monthly adjusted income of $4,546, a $2,000 rent with all utilities included, and an applicable payment standard of $3,290. If its required contribution is 30 percent of adjusted income, the household pays about $1,364 and the subsidy covers about $636. An approved $100 rent increase, with income and other circumstances unchanged, increases the subsidy by $100 while the household's share of the rent remains the same. A local cap on that increase therefore would not lower this household's payment.

We also need landlords willing to navigate the voucher program's contracts, inspections and rent review. Additional uncertainty and administration can discourage participation, leave families with fewer housing choices and make it harder to lease a home before a voucher expires. It is important to note that the proposed exemption would only be in effect while the tenancy participates in assistance and meets its conditions. It would preserve applicable state rent limits and other tenant protections.

Other Jurisdictions which exclude Section 8 Vouchers from their RSO

We have identified seven cities whose local rent caps do not apply to units with Section 8 voucher holders. These are existing policy examples for Council's consideration. The dates below identify adoption or a verified subsequent amendment, not necessarily when the voucher exemption was first enacted.

Jurisdiction	**HCV local rent cap**	**RSO adoption / verified amendment**
Alameda	Exempt	Adopted Sept. 17, 2019 (Ord. 3250)
Baldwin Park	Exempt	Adopted Oct. 21, 2020; amended Dec. 17, 2025 (Ord. 1522)
Culver City	Exempt	Adopted Sept. 29, 2020; amended Jan. 12, 2026
East Palo Alto	Exempt	Voter adopted June 2010; effective Aug. 2010
Huntington Park	Exempt	Original effective Dec. 18, 2024; amendment effective Jan. 8, 2026 (Ord. 2025-14)
Ojai	Exempt	Adopted Mar. 28, 2023 (Ord. 937)
Pomona	Exempt	Permanent Ord. 4359 adopted Nov. 17, 2025; effective Jan. 1, 2026

Nearby Ojai separately exempts voucher units and housing with rents governed by deed restrictions or government or nonprofit contracts. Pomona also expressly identifies both categories under its permanent ordinance effective January 1, 2026.

Requested Ordinance Language

Whether Council adopts Attachment 1 in full or selects individual exemptions, we request the following provisions:

1. Rental units subject to an enforceable affordability covenant, regulatory agreement, deed restriction, or other recorded document that runs with the land and requires the units to be rented at rents affordable to very low-, low-, or moderate-income households according to affordability standards adopted by a local, state, or federal agency. This exemption applies regardless of whether the owner, lessor, operator, or manager is a public agency, nonprofit organization, or private entity, and only for the duration of the recorded affordability restriction. In a development containing both restricted and unrestricted units, this exemption applies only to the units subject to the recorded affordability restriction.

2. Rental units where the landlord is participating in a federally subsidized tenant-based rental assistance program, commonly referred to as Section 8, provided that: (a) the contract rent, including any proposed increase, has been approved as reasonable by the Housing Authority of the City of Santa Barbara under applicable program requirements; (b) the contract rent is equal to or below the payment standard established by the Housing Authority and applicable to the assisted household and rental unit; and (c) the housing assistance payment and tenant contribution are calculated in accordance with applicable program requirements, including any required utility allowance and proration of assistance. This exemption applies only while the unit is participating in the rental assistance program and satisfies these conditions.

We also request the following clarification: An exemption under this Section does not waive applicable state or federal law, enforceable affordability restrictions, or tenant protections established in other chapters of this Code.

The voucher exemption retains the proposed contract rent reasonable comparison requirements and subsidy calculations must still account for tenant paid utilities. The Housing Authority can assist staff with implementation and notices explaining the protections that continue to apply.

As our June letter emphasized, the City also has limited administrative resources. Applying a second rent oversight system to housing already governed by affordability restrictions would require staff time and program funding that could otherwise support enforcement where those protections are absent. Council should weigh the added benefit against the cost to both the City and affordable housing providers. Preserving those resources is part of preserving affordable homes.

Attached as Exhibit A is a comparison table which summarizes how market rate housing, voucher tenancies and deed restricted affordable housing differ in their rent setting and oversight requirements.

Rental registry participation, fee relief and bulk data submission

The Housing Authority is happy to provide its rental unit information for the City's registry. A complete inventory can support better housing policy, and we are prepared to cooperate. As a public entity providing the City's affordable housing, however, our agency should be expressly exempt from the registry fees. Those fees would draw from resources needed to maintain affordable homes and services provided to residents.

Section 26.100.020(D) prohibits passing registry fees through to residents of qualifying affordable housing. That protection does not exempt the provider from paying the fees imposed under subsection A. Please add the following to Section 26.100.020:

"The Housing Authority of the City of Santa Barbara shall be exempt from all rental registry fees imposed under this Section for rental units it owns, leases, operates, or manages in its capacity as a public affordable housing provider, including any component funding administration or enforcement of Chapter 26.90. This fee exemption does not excuse compliance with applicable rental registration and reporting requirements."

This request concerns our agency's affordable housing portfolio. It does not extend fee relief to an independent private landlord solely because the landlord accepts a voucher administered by the Housing Authority. The broader exemption from Chapter 26.90 for housing subject to recorded affordability restrictions should continue to apply regardless of public, nonprofit or private ownership.

Council should also require the registry platform to accept a CSV or XML file format which would allow the importing of several hundred units in one submission, for both initial registration and subsequent updates. Requiring staff to enter each unit individually would consume time without improving the information provided. A standard template, clear required fields, validation and an import confirmation would help both providers and City staff maintain accurate records.

We request the following provision be added in the appropriate section of the ordinance: "The City shall provide a bulk electronic submission method for initial registrations and subsequent updates, including import of comma-separated values (CSV) files containing records for multiple properties and rental units. The City shall publish a standard data template of required submission fields and provide validation results and confirmation of accepted records. A landlord shall not be required to reenter individually any record successfully submitted through that method."

For nearly 60 years, our agency has worked alongside the City as their affordable housing provider arm to help people obtain and keep a safe, affordable home. Our ability to sustain those homes matters just as much as our ability to build them. I respectfully ask Council to adopt these two exemptions, explicit registry fee relief for our agency, and a practical bulk reporting process so that the ordinance supports the programs our residents depend upon and preserves our capacity to serve the next household in need.

Sincerely,

HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA

ROB L. FREDERICKS
Executive Director/CEO

cc: Kelly McAdoo, City Administrator
Alelia Parenteau, Acting 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

HOUSING AUTHORITY
OF THE CITY OF SANTA BARBARA
808 Laguna Street, Santa Barbara CA 93101

Phone (805) 965 – 1071 • **Fax** (805) 564 – 7041 • **TTY English** (866) 660 – 4288 • **TTY Spanish** (866) 288 – 1311 • *info@hacsb.org* • *www.hacsb.org*

Exhibit A

How Rent and Affordability Are Governed

Feature	Unassisted market rate housing	Housing Choice Voucher tenancy	Deed restricted affordable housing
How rent is established	Owner sets rent, subject to applicable law.	Owner proposes rent; Housing Authority reviews and approves it.	Owner sets rent within applicable affordability limits.
Income eligibility	No affordable housing program requirement.	Program income eligibility requirements.	Income limits established by the applicable program or covenant.
Principal affordability protection	Applicable state and local rent limits.	Rental assistance calculated under program rules, plus rent reasonableness review.	Enforceable maximum rents established by recorded restrictions and program rules.
Resident's payment	Generally pays the full rent.	Pays the household share calculated under program rules – generally 30% of household income	Pays the restricted flat rent sent by formula in the affordability covenant
Continuing oversight	General landlord and tenant requirements.	Housing Authority rent review, inspections and assistance contracts.	Compliance monitoring by the City and enforcement under applicable agreements.
Duration of protection	As provided by applicable law.	While assistance continues.	For the term of the recorded affordability restriction.

From:	Robert Pearson
To:	Randy Rowse; Kristen Sneddon; Eric Friedman; Oscar Gutierrez; Mike Jordan; Wendy Santamaria; Meagan Harmon
Cc:	City Clerk; Kelly R. McAdoo
Subject:	NEEDED EXCEPTIONS for Rent Stabilization Ordinance - Agenda Item #12 for 9-23-2026 Council Agenda
Date:	Sunday, September 20, 2026 9:32:01 AM
Attachments:	Housing Authority Comment Letter on RSO introduction -9-22-2026.pdf

Honorable Mayor and Members of the City Council:

In appreciation of the considerable correspondence you receive, I will try to keep this short. Also, since retiring some 10 years ago as a long term (35 years) Executive Director of your Housing Authority, I have tried to keep my head down and allow the next generation of managers and experts guide and advise you on the development, operation and preservation of affordable housing in our community. Rob Fredericks has brilliantly filled that role. That said, I would be remiss as an expert and constituent NOT to weigh in when you are considering the adoption of a rent stabilization ordinance—and action I personally support (it's long overdue in my opinion) **PROVIDED you adopt needed exemptions.**

The needed exemptions and reasons for them are clearly laid out in Rob Fredericks letter to you of September 19, 2026, copy attached. I will not repeat them. To ignore the reasoning of YOUR EXPERTS (Rob Fredericks and his talented and hard working staff) who develop and **manage** the majority of affordable housing in our community would be a travesty; making unnecessary work for both City and HA staff and jeopardizing the financial stability of affordable housing you have both supported and funded. You will also create another reason for landlords in the community to say "NO to Section 8" when you have an opportunity to help them to say "YES" by an exemption to the ordinance. It's that simple.

Mr. Fredericks, in his letter, provided a list of California communities who have similar exemptions. I know the housing staff in most of those cities. They understand the problems NOT having the needed exemptions does or will create. Some had to go back and grant the exemptions AFTER their rent stabilization ordinances went into affect. Please get it right the first time.

Capital A affordable housing as described in Mr. Fredericks' letter is affordable by its very nature and intent. It does not need another regulatory hurdle to guarantee affordability. Doing so will cause unnecessary work, confusion and jeopardize overall operation. Developing and managing affordable housing is not for the faint of heart. It's difficult, highly competitive and comes with a host of regulatory compliance matters (federal, state and investor imposed) once built and/or operating. Do you really want to impose yet another layer and negatively impact what has heretofore been recognized as some of the best affordable housing in the Nation by State and Federal agencies as well as private foundations? Such recognition is the result of very hard work and commitment by talented staff on the development and management sides—experts you did not need to hire to get such results and advise like this on needed exemptions.

The need to chase and marry a variety of funding sources and live with their myriad of regulatory requirements on income and rent levels for every new affordable housing development and then establish the lowest common denominator on overlapping rules for funder compliance, helped drive me into retirement. Help your future generations of affordable housing developers and managers. Do not add another layer of rules on affordable housing in search of closing every possible gap such as mixed income households on Section 8. That is best fixed at the federal level. I can assure you the next Administration and a reasonable Congress will fix that one at the macro level. Regulatory rule changes at the federal level is a guaranteed fact of life. If you try to close all such gaps at a local level with this ordinance, it's akin to throwing the baby out with the bathwater and will bring unintended consequences.

Thank you for the opportunity to comment.

Rob Pearson
SB, CA 93103
[redacted]

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September 19, 2026

Sent via email to Clerk@SantaBarbaraCA.gov

Mayor Randy Rowse and City Councilmembers
City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA. 93101

R: COUNCIL AGENDA ITEM #12: INTRODUCTION OF ORDINANCE AMENDING THE SANTA BARBARA MUNICIPAL CODE TO ESTABLISH RESIDENTIAL RENT STABILIZATION AND RESIDENTIAL RENTAL REGISTRY PROGRAMS

Dear Mayor Rowse and Councilmembers:

On behalf of the Housing Authority of the City of Santa Barbara, I strongly urge Council to include the Exemptions listed in Attachment 1 of the council agenda report. Reading through those exemptions, they make abundant sense to exclude from the Rent Stabilization Ordinance (RSO). For deed restricted affordable housing and qualifying Section 8 Housing Choice Voucher tenancies, we specifically request the revised language laid out below, including coverage of qualifying recorded affordability restrictions regardless of ownership.

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Council should also require the registry platform to accept a CSV or XML file format which would allow the importing of several hundred units in one submission, for both initial registration and subsequent updates. Requiring staff to enter each unit individually would consume time without improving the information provided. A standard template, clear required fields, validation and an import confirmation would help both providers and City staff maintain accurate records.

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Sincerely,

HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA

ROB L. FREDERICKS
Executive Director/CEO

cc: Kelly McAdoo, City Administrator
Alelia Parenteau, Acting Deputy City Administrator
John Doimas, City Attorney
Dan Hentschke, Assistant City Attorney
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Exhibit A

How Rent and Affordability Are Governed

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Resident's payment	Generally pays the full rent.	Pays the household share calculated under program rules – generally 30% of household income	Pays the restricted flat rent sent by formula in the affordability covenant
Continuing oversight	General landlord and tenant requirements.	Housing Authority rent review, inspections and assistance contracts.	Compliance monitoring by the City and enforcement under applicable agreements.
Duration of protection	As provided by applicable law.	While assistance continues.	For the term of the recorded affordability restriction.

From:	Krista Pleiser
To:	Eric Friedman; Kristen Sneddon; Meagan Harmon; Mike Jordan; Oscar Gutierrez; Randy Rowse; Wendy Santamaria
Cc:	Dan Hentschke; Barbara Andersen; City Clerk
Subject:	SBAOR Comments re: Introduction of RSO
Date:	Monday, September 21, 2026 2:33:40 PM
Attachments:	SB CC - Intro of RSO 9-22-26.pdf

Greetings,

Attached are comments from the Santa Barbara Association of REALTORS® in regards to the Introduction of Ordinance Amending the Santa Barbara Municipal Code to Establish Residential Rent Stabilization and Residential Rental Registry Programs. Should you have any questions, please do not hesitate to contact us.

Krista Pleiser, MPP, RCE
Chief Government Relations Officer
Santa Barbara Association of REALTORS®
1415 Chapala Street | Santa Barbara, CA 93101
(805) 884-8609 (Direct) | (805) 963-3787 (Main)
kpleiser@sbaor.com
For more information please visit www.sbaor.org

Santa Barbara Association of REALTORS®

September 22, 2026

Mayor Randy Rowse
Councilmember Eric Friedman
Councilmember Wendy Santamaria
Councilmember Oscar Gutierrez
Councilmember Meagan Harmon
Councilmember Mike Jordan
Councilmember Kristen Sneddon
PO Box 1990
Santa Barbara, CA 93102

RE: Introduction of Ordinance Amending the Santa Barbara Municipal Code to Establish Residential Rent Stabilization and Residential Rental Registry Programs

Dear Mayor Rowse and Councilmembers,

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.

SBAOR has participated extensively throughout this process and appreciates staff's continued engagement with stakeholders and consideration of public comments. However, the September Introduction Draft contains significant new provisions, removes protections and exemptions contemplated in earlier drafts, and leaves numerous substantive and administrative questions unresolved.

Our concern is not limited to the proposed rent cap. The ordinance creates an entirely new regulatory system governing rental housing in Santa Barbara, including a citywide registry, annual fees, property-provider and tenant petition proceedings, capital-improvement approvals, fair-return proceedings, temporary-relocation requirements, a new Rent Stabilization Board, extensive notice requirements and significant enforcement consequences.

The scope and cost of this program have also grown considerably. City staff now estimates that a fully implemented program will require **seven to nine full-time equivalent positions and at the minimum $2 million to $2.4 million in annual expenditures.** Staff further states that the original estimate of approximately **$154 per unit will "increase significantly."** The City is simultaneously requesting $500,000 in start-up funding and proceeding with implementation before completion of the fee study, an approach the staff report itself acknowledges is "not best practice."

These costs will ultimately affect property providers, tenants and City taxpayers. Before creating a regulatory program of this magnitude, Council should ensure that its requirements are necessary, clearly defined, administratively workable, appropriately balanced and capable of being understood and implemented before significant consequences for noncompliance take effect.

Accordingly, SBAOR requests that the Council address the following provisions before adopting the ordinance.

SBAOR's Priority Requests
Before adopting the ordinance, SBAOR requests that the City Council:

1. Restore meaningful exemptions for small and owner-occupied rental properties.
2. Reconsider the 60% of CPI formula, establish a reasonable minimum Annual General Adjustment and retain the August 1st through July 31st adjustment cycle already used under state law.
3. Ensure that fair return and capital improvement procedures are clear, affordable and realistically accessible to small property providers.
4. Establish objective standards for tenant petitions, reductions in housing services, notice requirements and opportunities to correct alleged violations.
5. Guarantee representation for property providers or property managers on the Rent Stabilization Board.
6. Limit the rental registry to information the City can demonstrate it needs, avoid duplicating existing City records and ensure that exempt properties pay only for the cost of collecting and maintaining their data.
7. Complete the fee study and provide the full program budget before finalizing the registration fee or implementing the program.
8. Provide standardized City forms, official translations, clear regulations and a meaningful education period before enforcement begins.
9. Limit serious enforcement consequences to material violations and provide a reasonable opportunity to correct inadvertent errors.
10. Require future changes in state law to return to Council for public review rather than allowing the ordinance to expand automatically.

These priority requests are summarized here for Council's consideration. The remainder of this letter provides the ordinance references, practical concerns and specific amendments supporting each request.

1. Section 26.90.010 – Exemptions
SBAOR remains concerned by the removal of exemptions contemplated in earlier versions of the ordinance. The Introduction Draft generally applies Chapter 26.90 to residential rental units unless they qualify for the limited exemptions specified in the ordinance.

We continue to believe that meaningful exemptions are appropriate, particularly for smaller and owner-occupied rental properties. These properties operate differently from large, professionally managed rental complexes. Many are owned and personally managed by individuals who live on the property, rely on the rental income for retirement or personally perform the maintenance and administrative work. They should not automatically be treated identically under a permanent rent-control program. The removal of previously contemplated exemptions this late in the process also deserves a clear explanation. Property providers who followed the ordinance's development reasonably relied on the City's earlier representations concerning which properties might be exempt. Before adopting a materially broader ordinance, Council should publicly discuss why those exemptions were removed and what effects that expansion will have on Santa Barbara's smaller rental-property providers.

SBAOR requests that Council restore meaningful exemptions for small and owner-occupied rental properties before adoption and explain the policy basis for removing the exemptions contemplated in earlier drafts.

2. Section 26.90.020 – CPI Definition and Adjustment Period

The proposed CPI methodology would replace the rent-adjustment cycle that Santa Barbara property providers already use under state law with a separate City calendar. Under California's statewide rent-cap framework, the applicable CPI adjustment for Santa Barbara County runs from **August 1st through July 31st**. Property providers have already structured their notices, compliance practices and rent-increase calculations around that cycle.

The proposed ordinance instead calculates an adjustment for the calendar year, creating another set of dates property providers must understand and track. Because rental agreements begin and renew throughout the year, not solely on January 1st, this change could create unnecessary confusion without providing a clear benefit to tenants, property providers or the City.

The proposed calculation also creates a significant delay between the period in which inflation is measured and the period in which the resulting adjustment may be used. Consequently, the allowable adjustment may not reflect the economic conditions or operating costs that property providers face when it takes effect.

SBAOR requests that the City retain the existing August 1st through July 31st adjustment cycle unless staff can identify a compelling administrative or policy reason to change it. Maintaining the familiar cycle would simplify compliance, reduce opportunities for inadvertent error and avoid creating a second rent-adjustment calendar applicable to the same properties.

If the City retains the proposed calendar-year system, it should provide worked examples addressing:

- Tenancies beginning or renewing at different times during the year;
- A rent increase imposed shortly before or after a new annual adjustment becomes effective;
- The interaction between the calendar-year adjustment and the once-per-12-month limitation;
- The consequences of not using an adjustment during the applicable calendar year; and
- Which CPI period controls when a tenancy's 12-month eligibility date overlaps two adjustment years.

3. Section 26.90.040 – Annual General Adjustment

SBAOR continues to oppose an Annual General Adjustment limited to **60% of CPI or 3%, whichever is less**. This formula prevents rents from keeping pace with inflation even before considering the ordinance's additional restrictions. Of equal concern, the proposed ordinance provides **no minimum annual adjustment**. If CPI is negative, the allowable adjustment is zero, regardless of increases in insurance, utilities, maintenance, labor, materials, property taxes, regulatory fees and other operating expenses.

A low or negative CPI does not mean the cost of owning, maintaining and operating rental housing has stopped increasing. Moreover, CPI measures changes across a broad range of consumer expenses and does not necessarily reflect the costs associated with rental-property operations. A minimum adjustment is not inconsistent with rent stabilization. Several California jurisdictions expressly incorporate a floor into their rent-control formulas. The City of Los Angeles provides a **1% minimum**; Culver City and Mountain View provide a **2% minimum**; and Alameda and Baldwin Park provide a **1% minimum when CPI falls below 1%**. These jurisdictions recognize that a regulatory ceiling designed to protect tenants from unusually high inflation can be paired with a reasonable floor recognizing that property operating costs rarely remain static.

The absence of a floor becomes particularly consequential because the ordinance also prohibits banking unused annual adjustments. An owner who does not use an available adjustment during the applicable year permanently loses it. Likewise, a zero adjustment during a low or negative CPI year cannot be recovered later, even if costs continued to rise during that period.

The proposed calendar-year limitation, prohibition on banking and once-per-12-month restriction may also conflict in practice. A property provider's eligibility to impose an adjustment depends on the timing of the last increase, but the adjustment must apparently be used within a specific calendar year. Owners whose rental cycles do not align with the City's calendar could therefore have a shorter opportunity to use an adjustment or potentially lose it altogether.

SBAOR requests that Council:

- Reconsider the proposed 60%-of-CPI formula;
- Establish a reasonable minimum Annual General Adjustment;
- Retain the existing August 1st through July 31st adjustment cycle;
- Allow reasonable banking of unused adjustments; and
- Clarify how the annual adjustment period, once-per-12-month limitation and prohibition on banking interact.

At a minimum, staff should explain why the proposed formula includes a 3% ceiling to address periods of higher inflation but provides no corresponding floor when CPI is unusually low or negative.

4. Section 26.90.050: Fair Return

The fair return process is among the ordinance's most consequential and complicated provisions. Although the ordinance recognizes a property provider's right to seek a fair return, that right may have little practical value if exercising it requires an expensive, time consuming and intrusive administrative proceeding.

The property provider bears the burden of establishing entitlement to an adjustment. The ordinance also begins with presumptions that the property's **2025 net operating income** and established base rent provided a fair return. That presumption may not reflect the actual financial condition of every property. A single calendar year can include vacancies, deferred work, unusually high or low expenses, insurance changes, major repairs or other circumstances that make it unrepresentative. The ordinance should not presume that 2025 produced a constitutionally adequate return without providing a clear and accessible method for demonstrating otherwise.

For many small property providers, pursuing a petition could require assembling years of income and expense records, obtaining professional assistance and opening the property's financial operations and business records to administrative review. The process should not be so burdensome that only large or professionally managed property owners can realistically use it.

Incorrect cross reference
The definition of "Fair return" states that it is determined using the standard outlined in Section 26.90.060. However, Section 26.90.060 governs capital improvements. The fair return standard is contained in Section 26.90.050. **SBAOR requests that this cross reference be corrected before adoption.**

Unrepresentative base year conditions
The ordinance allows the presumption that 2025 was representative to be rebutted in specified circumstances. These include unusually high or low operating expenses, reduced rents, temporary vacancies for construction or repairs, prior rent patterns and other exceptional circumstances established by regulation. However, several significant situations are not expressly addressed, and the provision relies partly on undefined "exceptional circumstances" that may later be established through regulations.

SBAOR requests that the ordinance or implementing regulations expressly address:
1. Significant increases or changes in insurance coverage.
2. Property tax reassessments.
3. Extraordinary repairs or other unusual expenses.
4. Unusual vacancies or uncollected rent.
5. Changes in utility obligations.
6. Properties acquired during or near the base year.
7. Properties first placed into rental service during or near the base year.
8. Owner performed labor.
9. Other circumstances that may make 2025 unrepresentative.

Property providers should not have to wait until after the ordinance takes effect to learn whether these common circumstances qualify as exceptional.

Owner performed labor
Section 26.90.050(G)(3)(f) permits documented owner performed labor to be compensated at reasonable hourly rates. However, the amount is generally limited to **5% of gross income** unless the property provider demonstrates that greater services were performed for the benefit of residents. Many small property providers personally handle management, maintenance, landscaping, repairs, bookkeeping, tenant communications and regulatory compliance. A larger operator would deduct the cost of paying employees or contractors for the same work. Limiting an owner's labor merely because the owner performs it personally may undervalue a legitimate operating expense and disproportionately affect small property providers. **SBAOR requests that the City identify the factual or economic basis for the 5% limitation and explain why properly documented owner labor should be treated differently from comparable work performed by a paid employee, manager or contractor.** Documented owner labor should be valued at a reasonable market rate rather than subjected to an arbitrary percentage limitation.

Property taxes
The ordinance permits consideration of property taxes attributable to assessments in the base year and current year but expressly excludes property taxes attributable to assessments in any other year.

At the same time, other operating expenses may be averaged or adjusted using information from the years immediately before or after the base year. The reason for treating property taxes differently is unclear. Historical property tax information may be necessary to determine whether the designated base year was representative, particularly following a reassessment, ownership change, correction or unusual assessment. **SBAOR requests that the City explain the basis for excluding relevant property tax information from other years and allow its consideration when necessary to establish a representative comparison.**

Undefined and subjective standards
The fair return provisions repeatedly rely on terms such as "reasonable," "unreasonable," "significantly," "disproportionate" and "exceptional circumstances." These terms may determine whether an expense is recognized, whether a base year may be adjusted and whether a property provider receives a constitutionally adequate return. Yet the ordinance provides little objective guidance concerning how those terms will be applied. **SBAOR requests that the ordinance or implementing regulations establish objective standards and examples so that similar properties and expenses are treated consistently.**

Timing of an approved adjustment
Section 26.90.050(I) provides limited relief if a hearing officer or the Rent Stabilization Board takes more than 120 days to determine an allowable increase, provided the property provider did not request, cause or contribute to the delay. Section 26.90.050(J) further provides that an approved adjustment becomes effective only after the property provider gives written notice pursuant to state law. However, the ordinance does not fully explain how an approved fair return adjustment interacts with the once per 12-month limitation, the Annual General Adjustment or other rent adjustment restrictions.

The City should also clarify how delayed increases will be calculated and recovered when administrative processing exceeds 120 days.
SBAOR requests clear examples showing when an approved fair return adjustment may take effect, whether it may be imposed in addition to an Annual General Adjustment and how relief for administrative delay will be calculated.

Required examples and simplified procedures
The maintenance of net operating income formula is difficult for an average property provider to understand from the ordinance alone. **SBAOR requests that the City publish detailed numerical examples showing how fair return petitions would be calculated**, including examples involving increased insurance, utilities, property taxes, owner labor, vacancies, unusual base year expenses and properties acquired near the base year.

The City should also develop a simplified procedure for smaller properties and claims based on readily documented cost increases. A constitutional safeguard should be practically accessible without requiring every applicant to retain legal, accounting or economic experts.

Before adoption, SBAOR requests that Council ensure the fair return process:
1. Uses a representative base year.
2. Provides objective standards for adjusting an unrepresentative base year.
3. Recognizes documented owner labor at a reasonable value.
4. Allows consideration of relevant historical property tax information.

5. Establishes clear decision and implementation deadlines.
6. Addresses relief when City processing delays occur.
7. Includes a streamlined and affordable process that small property providers can realistically use.

5. Sections 26.90.060 and 26.90.100: Capital Improvements
SBAOR supports maintaining and improving Santa Barbara's rental housing. However, the proposed capital improvement process may make necessary investment unnecessarily complicated, time-consuming and expensive.

A property provider seeking a capital improvement pass through must first obtain approval of a Capital Improvement Plan. The property provider must then file a separate petition seeking approval of the rent adjustment. For a small property provider, this could require preparing extensive documentation, completing two City processes, waiting for approval and potentially defending the request through administrative hearings and appeals before recovering even a portion of the cost.

Definition and limitations on eligible improvements
Section 26.90.020 defines a capital improvement as an improvement, addition or major repair that benefits tenants, has a useful life of at least five years and is required by federal income tax law to be amortized over its useful life. The definition excludes normal or routine maintenance, repairs and replacements. It also excludes work performed to correct a notice of violation or another government notice ordering repairs, as well as improvements completed before December 31, 2025.
Section 26.90.060(B) further limits eligible work to 11 specified categories. SBAOR's concern is therefore not the absence of a definition, but the narrow scope of the definition and eligible work. These limitations may exclude substantial and necessary investments that preserve rental housing or extend its useful life. A major replacement can be essential and costly even when it replaces an existing component rather than adding something new.

Several eligible categories also require the improvement to affect "all or substantially all" of a building. This may exclude significant work completed in one unit or one portion of a property, even when that work provides a lasting benefit and satisfies the other requirements of a capital improvement.
The exclusion of work performed in response to a government order also deserves reconsideration. Work does not become less expensive or less beneficial to tenants merely because a public agency requires it. The ordinance should distinguish between conditions caused by a property provider's failure to perform ordinary maintenance and substantial improvements required to satisfy new standards, address newly discovered conditions or preserve safe housing. **SBAOR requests that the City review and expand the list of eligible improvements, clarify the meaning of "all or substantially all," and allow recovery for substantial replacements and government required work unless the condition resulted from the property provider's failure to perform ordinary maintenance.**

Timing and eligibility
The ordinance excludes improvements completed before December 31, 2025. It also requires a capital improvement petition to be initiated within two years after completion of the improvement. Projects often span multiple years and may involve design, permitting, deposits, material purchases, inspections and construction occurring at different times. The ordinance does not clearly explain when an improvement is considered "completed," particularly when work is completed in phases or requires final government approval. **SBAOR requests clear examples showing how the timing provisions apply to**

projects begun in 2026 and completed in 2027, projects completed in phases and projects awaiting final inspection or approval.

Capital Improvement Plans when no pass through is requested
Section 26.90.100(A) requires a Capital Improvement Plan when either the property provider intends to seek a pass through or the work will temporarily relocate or evict a tenant. This means a property provider must complete the plan process solely because temporary relocation is necessary, even when the property provider does not intend to seek a rent adjustment. Necessary repairs and improvements may sometimes require a tenant to leave a unit temporarily for safety or practical reasons. That circumstance alone should not automatically require the same process used to evaluate a request to pass project costs through to tenants. **SBAOR requests that the City explain why temporary relocation alone should trigger the full Capital Improvement Plan process and establish a simplified procedure when the property provider is not seeking a pass through.**

Frequency limitation
Section 26.90.100(B) generally prohibits a property provider from applying for a Capital Improvement Plan for the same property or rental units more than once every 24 months. Although limited exceptions are provided for disasters, events outside the property provider's control and certain health or safety conditions, the restriction may prevent a property provider from addressing separate projects that arise during the same 24-month period. For example, a planned roof project and a later plumbing or electrical project may be unrelated but still necessary. Property providers should not be required to predict every improvement that may become necessary over the next two years when submitting the first plan. **SBAOR requests that the City permit separate applications for distinct projects when the need for the later work was not reasonably known when the earlier application was submitted.**

Amortization and cost recovery
The proposed recovery is limited and spread over the useful life of the improvement. Property providers need examples showing whether the process allows recovery of the actual approved cost and how financing expenses, interest, application fees and administrative costs will be treated. **SBAOR requests numerical examples using improvements costing $10,000, $25,000 and $50,000.** Each example should identify the applicable useful life, allowable interest, monthly pass through, portion allocated to each unit and total amount the property provider may ultimately recover. The City should also explain what happens when a tenant does not pay an approved pass-through. If the property provider's only remedy is a separate small claims action, the practical value of obtaining City approval may be significantly diminished.

Requested changes
SBAOR requests that the City:
1. Expand and clarify the categories of eligible improvements.
2. Clarify the meaning of "all or substantially all."
3. Recognize substantial replacements and government required work when the underlying condition was not caused by a failure to perform ordinary maintenance.
4. Clarify project eligibility and all applicable filing deadlines.
5. Provide examples for projects spanning more than one year or completed in phases.
6. Establish a simplified plan process when temporary relocation is necessary but no pass through will be requested.

7. Permit separate plans for distinct projects arising within the same 24-month period.
8. Provide a streamlined process for clearly documented improvements.
9. Explain how an approved pass through may be enforced if a tenant refuses to pay it.

The ordinance should encourage continued investment in Santa Barbara's aging rental housing. It should not make replacement of essential building systems so difficult that property providers delay necessary work or remove rental units from the market.

6. Section 26.90.100: Temporary Relocation

The temporary relocation provisions deserve further public discussion before adoption. The draft establishes daily payments of **$150 per household for lodging, plus $30 per occupant for meals**, when displacement lasts fewer than 30 days. These payments are required in addition to the cost of the underlying repair or improvement. For a household of four displaced for 29 days, the required payments would total **$7,830**. That calculation consists of $4,350 for lodging and $3,480 for meals. It does not include construction, permits, professional services or other project expenses. The financial impact can therefore be substantial, particularly for a small property provider addressing an unexpected habitability problem.

Basis for the payment amounts

The ordinance establishes temporary relocation payments of $150 per household per day for lodging and $30 per occupant per day for meals. However, the ordinance and accompanying materials do not explain how these amounts were determined. **SBAOR requests that the City identify the data, methodology and comparable programs used to establish these payment amounts before they are incorporated into the ordinance.**

Extensions and delays outside the property provider's control

The ordinance addresses extensions by requiring additional daily relocation payments whenever displacement lasts longer than stated in the property provider's notice. Those additional payments must be made weekly in advance. However, the ordinance does not appear to distinguish between delays caused by the property provider and delays resulting from permitting, inspections, contractor availability, concealed conditions, weather, material shortages or other circumstances outside the property provider's control. In each situation, the financial obligation continues automatically for every additional day. **SBAOR requests standards addressing delays outside the property provider's control.** The City should also clarify whether the property provider may satisfy the obligation by directly providing suitable accommodations or paying reasonable documented expenses.

Payment when the tenant remains responsible for rent

A tenant who accepts relocation payments remains obligated to pay the lawful rent during the displacement period. A tenant who declines relocation payments does not owe rent until returning to the unit. The City should provide examples showing how these provisions operate in practice, including when the displacement begins or ends in the middle of a rental period and when the tenant disputes whether suitable accommodations were available.

Relationship to the capital improvement process

The ordinance requires a Capital Improvement Plan whenever the work results in temporary relocation, even if the property provider does not seek a pass through. The City should establish a simplified process for temporary relocation associated with necessary repairs or improvements when no rent adjustment is requested. Required relocation expenses should also be recognized as part of the cost of completing an approved capital improvement. Excluding those expenses would understate the actual project cost.

Incorrect cross reference
Section 26.90.100(D)(1) states that the temporary relocation payments are set out in Section 26.90.130(G)(3). Section 26.90.130 governs hearing officers and does not contain a subsection G. The payment amounts appear in Section 26.90.100(D)(3). **SBAOR requests that this cross reference be corrected before adoption.**

7. Section 26.90.070: Tenant Petitions and Reductions in Housing Services
SBAOR does not oppose an appropriate process for addressing legitimate reductions in housing services. However, the ordinance needs clearer and more objective standards before a tenant petition may result in a rent reduction.

The definition of “Housing services” is broad. It includes repairs, maintenance, painting, lighting, heating and air conditioning, utilities, internet and telecommunications, refuse collection, elevators, window coverings, storage, parking, common areas, recreational facilities, occupancy rights, pet rights, access rights and furnishings. The ordinance also defines a reduction, suspension or termination of a housing service as a rent increase unless accompanied by a corresponding reduction in rent. Not every change or interruption should justify a formal rent reduction. Plumbing repairs, temporary internet outages, construction related parking restrictions and short-term common area closures may be unavoidable or necessary to maintain the property.
The ordinance should distinguish a material and continuing reduction in housing services from a temporary, minor or unavoidable interruption.

Notice and opportunity to correct
Sections 26.90.070(A) and (B) require a tenant petition to describe how the property provider received reasonable notice and an opportunity to correct the alleged condition. However, the ordinance does not define:

1. The required form of notice.
2. The information the notice must contain.
3. When the notice is considered received.
4. How much time constitutes a reasonable opportunity to investigate and respond.
5. What constitutes a reasonable effort to correct the condition.
6. When a condition is sufficiently serious to justify immediate relief.

A formal petition should not be the first time a property provider receives adequate information about the alleged condition. **SBAOR requests objective notice and correction standards so that property providers, tenants and hearing officers apply consistent rules.**

Objective standards
The ordinance repeatedly relies on terms such as “reasonable,” “substantially” and “loss in rental value.” Those terms are not adequately defined. When such language determines rent reductions or financial liability, the ordinance or its implementing regulations should provide objective standards.

Otherwise, similar circumstances could produce different outcomes depending on the hearing officer or Board reviewing the matter. **SBAOR requests objective standards addressing materiality, duration, notice, opportunity to correct, circumstances outside the property provider's control and the method used to calculate a rent reduction.**

Amount and duration of a rent reduction
The ordinance does not explain how the City will determine the monetary value of a particular housing service. For example, if one parking space is temporarily unavailable, the City should identify how its value will be calculated and whether the reduction ends automatically when access is restored. A temporary loss of service should not create an indefinite reduction in rent. The City should clarify:

1. Whether a reduction may be applied retroactively.
2. What date controls if the parties dispute when notice was received.
3. Whether the reduction ends automatically when the service is restored.
4. Who bears the burden of proving restoration.
5. Whether the property provider must file a separate petition to restore the lawful rent.
6. How responsibility is determined when the interruption results from a utility provider, government agency, natural event or other third party.

SBAOR requests worked examples showing how rent reductions would be calculated for common situations and how the lawful rent would be restored after the issue is corrected.

Overpayment remedies
Section 26.90.070(C) allows a hearing officer or the Rent Stabilization Board to order repayment of an overcharge within 30 days or authorize the tenant to withhold a portion of future rent until the overpayment is recovered. If the property provider fails to repay the amount within 30 days, the tenant may determine the amount withheld from future rent until the overpayment is recovered. The ordinance should provide clearer controls governing tenant withholding, accounting and disputes over whether the ordered amount has been fully recovered. Leaving the amount of each withholding payment to the tenant may create additional disputes and make it difficult to determine the lawful amount due. **SBAOR requests that any withholding schedule be established in the administrative order, with a clear accounting of the amount, duration and date on which the lawful rent resumes.**

8. Section 26.90.090: Rent Stabilization Board
The proposed composition of the Rent Stabilization Board is not balanced. The ordinance establishes a seven member Board and requires that at least four members be tenants of rental housing in the City. It does not require even one member to be a rental property owner or property manager.

This is particularly significant because the Board is not merely advisory. It will hear appeals from hearing officer decisions, adopt regulations governing petition procedures, establish hearing procedures and make recommendations regarding the Rent Stabilization Program. The Board may review disputes involving operating expenses, maintenance, insurance, financing, capital improvements, construction, property management and regulatory compliance. Property providers and property managers have direct experience with these subjects and should have guaranteed representation on a body responsible for interpreting and administering these rules.

A majority tenant requirement also means that tenants are guaranteed control of the Board while the people who own, maintain and operate rental housing are guaranteed no representation. **SBAOR requests guaranteed representation for property providers or property managers on the Rent Stabilization Board.** At a minimum, Council should explain why one side of the rental relationship is guaranteed a majority while the other side is not guaranteed a single seat.

Appeal standard

The Board generally reviews a hearing officer's decision based on the existing record but may elect to conduct a new hearing or consider additional evidence for good cause. The ordinance should define the standard the Board will apply when reviewing a hearing officer's findings and explain when a new hearing or additional evidence will be permitted. Parties should know whether the Board is reviewing for legal error, substantial evidence, abuse of discretion or making its own independent determination. **SBAOR requests clear and consistent standards governing Board appeals before the petition process begins.**

Judicial review deadline

Section 26.90.090(E) requires judicial review of a final Board decision to be commenced within 30 days after notice of the final decision is given. "Commenced" appears to mean that the affected party must file a court action challenging the decision within that period. It does not merely require requesting a hearing date or notifying the City of an intent to seek review.

This is a significant deadline. An affected party may need to retain legal counsel, review the written decision and administrative record, identify the legal grounds for review and prepare a court petition within 30 days. The proposed deadline is also shorter than the 90-day filing period generally recognized in Chapter 1.30 of the Santa Barbara Municipal Code for certain petitions challenging City administrative decisions.

The ordinance does not clearly state whether the 30-day period begins when notice is mailed, electronically transmitted or actually received. That distinction is important because delayed delivery could substantially reduce the time available to seek judicial review. **SBAOR requests that the City explain the basis for reducing the judicial review period to 30 days, provide a reasonable filing period and clearly state that the period begins upon documented receipt of the final decision.**

9. Chapter 26.100: Rental Registry

The City has repeatedly stated that a rental registry is necessary because it does not currently have comprehensive data about Santa Barbara's rental housing stock. SBAOR understands the value of accurate information for evaluating housing conditions and making informed policy decisions. However, a registry created primarily to collect data should be designed around the specific information the City actually needs. Before imposing a new annual registration requirement on nearly every rental property, the City should identify:

1. What information it currently possesses through the Business License Tax program, property records, permit records and other City databases.
2. What information is missing from those sources.
3. How each item required by the registry will be used.
4. How frequently the information must be updated to remain useful.
5. Which information is necessary for general housing data and which information is necessary only to administer the rent control program.

The ordinance requires registration of nearly all residential rental units, including single family homes, condominiums, newer construction and other properties exempt from the rent cap. Only units within an owner-occupied dwelling where the owner and tenants share common facilities are excluded. If exempt properties are included to provide the City with a complete picture of its rental housing stock, the registration requirements and fees for those properties should be limited to the actual cost of collecting and maintaining that data. Exempt properties should not be required to finance portions of the rent control program that do not apply to them. **SBAOR requests that the City clearly identify the data it needs, determine what information is already available, explain how every required data point will be used and limit the obligations imposed on exempt properties to those reasonably necessary for maintaining accurate rental housing information.**

Tenant information

The registry requires the number of tenants and the move in date of current tenants but expressly prohibits collection of personal information concerning tenants or occupants. This creates an incomplete record of the tenancy. A property provider must identify the number of tenants but cannot identify the individuals who are parties to the rental agreement or authorized to occupy the unit. Basic tenant information may be relevant when determining which rental agreement applies, who is entitled to occupy the unit, when a tenancy began and whether a later dispute involves an original tenant or a subsequent occupant.

The ordinance already requires property providers filing petitions to submit a separate confidential list containing tenant names and mailing or email addresses. The City has therefore recognized that tenant identifying information may be necessary for program administration and can be maintained confidentially. **If the City believes a comprehensive registry is necessary, SBAOR requests that it explain why the registry requires extensive property and rent information but excludes basic information identifying the parties to the tenancy.** Any tenant information collected should be confidential, protected from general public disclosure and limited to legitimate program administration.

Amendments and inadvertent errors

The ordinance requires an amendment within 30 days following an ownership change, a change in management or authorized agent, an address change or the rental of a unit following a vacancy. All forms must be complete and accurate, and the property provider must declare under penalty of perjury that the information is true and correct. The ordinance should provide a reasonable correction process for inadvertent errors or omissions. A property provider attempting to comply should receive notice of a deficiency and an opportunity to correct it before penalties or restrictions apply. **SBAOR requests a clear correction period for inadvertent registry errors and a distinction between good faith mistakes and intentional misrepresentations.**

Consequences of noncompliance

Beginning January 1, 2028, an inaccurate or incomplete registration can prevent a property provider from advertising a unit, demanding or accepting rent, pursuing a rent adjustment or commencing a no-fault eviction. These are severe consequences for what may be an administrative mistake. The ordinance states that registration must be accurate but does not establish whether every error, regardless of materiality, triggers the same restrictions. **SBAOR requests that enforcement be limited to material**

violations and that property providers receive notice and a reasonable opportunity to correct registration deficiencies before losing the right to collect rent or exercise other legal rights.

10. Section 26.90.020: Written, Oral and Implied Rental Agreements
The ordinance defines a “Rental agreement” as an agreement that may be oral, written or implied. SBAOR believes this moves in the wrong direction. Santa Barbara already requires property providers to offer a written one year lease. A written agreement creates a record of the parties, rent, housing services, occupancy rights, responsibilities and other terms of the tenancy. That record becomes even more important under the proposed ordinance. City staff, hearing officers and the Rent Stabilization Board may have to determine:

1. The lawful rent.
2. The identity of the tenants.
3. Which housing services were included.
4. Which utilities were included.
5. Whether parking, storage, pets or additional occupants were authorized.
6. Whether a service or term later changed.

Those determinations become significantly more difficult when the underlying agreement is oral or implied. The ordinance also defines a tenant as someone entitled under a rental agreement to occupy the unit. If the agreement may be oral or implied, disputes may arise over who qualifies as a tenant and which individuals have enforceable occupancy rights.
SBAOR requests that the ordinance rely upon written rental agreements wherever legally permissible. The City should explain why an increasingly complex regulatory system should simultaneously rely on undocumented oral or implied terms. At a minimum, the ordinance should establish how a hearing officer will determine the terms of an oral or implied agreement and which party bears the burden of proving those terms.

11. Section 26.90.110: Notices, Disclosures and Required Languages
The ordinance creates extensive notice and disclosure obligations. Property providers should not be expected to draft documents carrying significant legal consequences without standardized City forms. The City should provide legally compliant forms for every notice and disclosure required by the ordinance, including:

1. Notice that a unit is subject to the ordinance.
2. Notice that a unit is exempt.
3. Notices accompanying rent increases.
4. Capital Improvement Plan notices.
5. Temporary relocation notices.
6. Petition notices.
7. Registry notices following an ownership or management change.
8. Any required language concerning tenant rights or program procedures.

SBAOR requests that the ordinance expressly require the City to develop and publish standardized forms before the corresponding obligations become enforceable.

Volume of required materials
When offering the lease required under Chapter 26.40, a property provider must give a prospective tenant:

1. Written notice that the unit is subject to the ordinance.
2. A current copy of the ordinance.
3. A current copy of all implementing regulations.
4. A current copy of any City brochure explaining the ordinance.

These requirements could involve a substantial volume of material that may change over time. The ordinance allows electronic delivery only if the prospective tenant has internet access and provides written consent. The property provider must document that the tenant was offered a choice and record the tenant's decision. **SBAOR requests that the City create a single standardized notice and acknowledgment form, maintain all required materials in one current online location and allow property providers to satisfy the disclosure requirement by providing the City approved notice and link without separately reproducing the ordinance, regulations and brochures.** Property providers should not be responsible for determining whether they have located the latest version of every ordinance, regulation and brochure.

Definition of prospective tenant
Section 26.90.110(D) defines "Prospective tenant" to include any person entitled to receive an offer of a lease under Chapter 26.40, including an existing tenant. Using the term "prospective tenant" to include an existing tenant is confusing. Existing tenants should be identified directly rather than included within a term that ordinarily describes someone considering a future tenancy. **SBAOR requests that the City revise the terminology so the ordinance clearly identifies when notices must be provided to applicants, new tenants and existing tenants.**

Written demand and three-day deadline
A property provider must retain proof of compliance and file it with the Program Administrator within three days of a written demand. The ordinance does not specify:

1. How the written demand will be delivered.
2. When the three-day period begins.
3. Whether the three days are business days or calendar days.
4. Whether additional time is provided when the demand is sent by mail.
5. What consequences apply if the records are produced shortly after the deadline.

Although the definition section states that "Day" means calendar day, the ordinance should make the deadline and method of delivery clear within this requirement. Three calendar days may be particularly difficult when a demand is mailed, received before a weekend or directed to a property provider who is temporarily unavailable. **SBAOR requests a reasonable response period and clear rules governing delivery and receipt of a written demand.**

Translation requirements
California Civil Code Section 1632 already establishes translation requirements when a residential rental agreement is negotiated primarily in Spanish, Chinese, Tagalog, Vietnamese or Korean. The statute identifies the covered languages, the circumstances triggering translation and the documents that must be translated.

The proposed ordinance creates a broader and less objective requirement. It requires notices in English and Spanish, or another language that the property provider knows or "reasonably should know" the tenant understands. The ordinance does not explain what facts would establish that a property provider reasonably should have known that a tenant understood another language. It also does not identify which notices must be translated into that additional language or who is responsible for ensuring the translation accurately states City law. **SBAOR requests that the City align its translation requirements with the objective standards established under state law or clearly explain why a broader local requirement is necessary. If the City requires notices in additional languages, the City should provide official translations of every required notice and specify the circumstances that trigger their use.**

12. Section 26.90.120: Compliance and Enforcement
The ordinance imposes significant consequences for any violation, making clarity, standardized forms and education essential. Section 26.90.120 authorizes criminal and civil enforcement, private civil actions, damages, injunctive relief and recovery of costs and attorney fees where permitted by law. Most concerning, Section 26.90.120(E) provides that a property provider's failure to comply with **any requirement** of the ordinance may be asserted as a complete affirmative defense in an unlawful detainer action or any other action to recover rent or possession of a covered rental unit.

This language does not distinguish between a material violation affecting the tenant and a minor administrative mistake. As written, an inadvertent notice error, missed deadline or incomplete form could potentially be asserted as a complete defense to an otherwise lawful action to recover rent or possession. The consequences of a violation should be proportionate to its seriousness. A technical mistake unrelated to the underlying dispute should not eliminate a property provider's right to collect lawful rent or recover possession. **SBAOR requests that Section 26.90.120(E) be limited to material violations directly related to the rent or possession at issue. The ordinance should also provide notice and a reasonable opportunity to correct first-time or inadvertent administrative violations before significant penalties or loss of rights may apply.**

Private enforcement
The ordinance permits any aggrieved person to bring a civil action for damages arising from any violation of the chapter or a final administrative order. The ordinance should define who qualifies as an "aggrieved person" and clarify whether a private action requires actual injury. Without clear limits, minor administrative errors could produce litigation even when no tenant suffered harm. **SBAOR requests that private enforcement require a material violation and a demonstrated connection between the violation and the harm alleged.**

Good faith compliance
The ordinance creates a new and complicated regulatory system. Property providers will need to understand rent calculations, notices, registration requirements, petition procedures, capital improvement rules, relocation obligations and changing regulations. A property provider making a good faith effort to comply should not face the same consequences as someone who knowingly or repeatedly violates the law. **SBAOR requests a good faith compliance provision, a reasonable correction period and graduated enforcement that distinguishes inadvertent errors from intentional or repeated violations.**

13. Sections 26.100.010 and 26.100.020: Registry Fees and Program Costs
The size and cost of the proposed program have increased materially during development of the ordinance. The September staff materials estimate that a fully implemented program will require **seven to nine full-time equivalent positions and annual expenditures of approximately $2 million to $2.4 million.** Staff also states that the earlier preliminary estimate of approximately **$154 per unit will increase significantly** as additional program and petition costs are incorporated into the fee.
The final fee has not been determined. Property providers are therefore being asked to evaluate a permanent regulatory program without knowing what they will be required to pay each year.

The ordinance requires a registry fee for every registered rental unit. For units subject to the rent cap, the fee will also include costs associated with implementing, administering, monitoring and enforcing the rent control program. This distinction is important. If exempt properties are charged a registry fee to support general data collection, that fee should be limited to the actual cost of registering and maintaining information for those properties. **SBAOR requests that the fee study and a complete program budget be presented before the fee structure is finalized. The City should identify the cost assigned to general registry administration separately from the additional cost assigned to administration and enforcement of the rent control program.**

Fee pass through
After timely payment, a property provider may pass through no more than 50% of the annual registry fee in 12 equal monthly installments. The amount must be separately itemized and is not treated as rent for purposes of calculating a rent increase. The property provider must pay the full fee to the City but has no assurance that the permitted tenant portion will actually be recovered. If the tenant does not pay the pass through and the tenancy ends, the unpaid amount may not be assessed to the tenant.
The fair return provisions also recognize only up to 50% of the annual registry fee as an operating expense. This appears to assume that the remaining 50% will be recovered from the tenant, even though recovery is not guaranteed. **SBAOR requests that the full fee be recognized as a property operating expense unless and until the property provider actually receives the tenant portion. The ordinance should not treat an unpaid amount as though it has been recovered.**

Petition fees
City staff has indicated that the costs of processing property provider and tenant petitions will be incorporated into the annual registration fee. This is one reason the earlier preliminary estimate of approximately $154 per unit is expected to increase. However, Section 26.90.080(D) separately states that property providers filing petitions are responsible for any applicable program fees established by Council resolution and that a petition will not be accepted if the property provider is delinquent on required fees. This creates uncertainty about whether property providers could be required to pay both an annual registration fee that funds petition processing and a separate fee when filing a fair return or capital improvement petition. **SBAOR requests that the City clarify whether any separate petition fee may be charged. If petition processing is funded through the annual registration fee, Section 26.90.080(D) should be revised so property providers are not charged twice for access to the petition process.**

Future cost increases
The ordinance allows the registration fee, late charges and penalties to be established by future Council resolution. Given the projected size of the program, property providers need transparency regarding how costs will be controlled and how future fee increases will be justified. **SBAOR requests annual public reporting of program expenditures, staffing, petition volume, fee revenue, reserves and the allocation of costs between general registry functions and rent control administration.**

14. Section 26.90.030(C): Future Changes in State Law
Section 26.90.030(C) provides that a property provider may establish the initial rent following a lawful vacancy, "subject only to limitations of California statute." This language appears to tie the scope of Santa Barbara's vacancy rules to future changes in state law. If the Costa Hawkins Rental Housing Act is amended, repealed or replaced, the effect on this provision is unclear.

SBAOR strongly objects to structuring today's ordinance so that a future change in state law may automatically expand Santa Barbara's rent control program without a new public process or an affirmative decision by the City Council. No one knows what state law will look like in the future. Costa Hawkins may remain unchanged, be amended, be partially invalidated or be replaced with an entirely different statutory framework. Each possibility could have different consequences for Santa Barbara. The appropriate ordinance under today's state law may not be the appropriate ordinance under a future law that does not yet exist. **SBAOR requests removal or amendment of any language that could automatically expand the application of the ordinance following a future change in state law. Any such change should return to Council for public review, stakeholder input and an affirmative policy decision.** The ordinance should be written for the law that exists today. A future change in state law should begin a new policy discussion, not silently alter the meaning or reach of an ordinance adopted under different legal circumstances.

15. Implementation and Education
The permanent ordinance is scheduled to become operative on January 1, 2027. Although the registry deadlines occur later, the substantive rent control requirements begin on January 1, 2027. Before that date, the City must establish the program, appoint the Board, retain hearing officers, adopt regulations, develop forms, prepare translations, create administrative procedures and educate thousands of property providers and tenants.

This is not simply a matter of distributing a brochure. Property providers must understand the new rent calculation, Annual General Adjustment, notice requirements, tenant petitions, fair return petitions, capital improvement procedures, temporary relocation obligations and enforcement provisions before they can reasonably be expected to comply. Many important standards will be established later through regulations adopted by the Program Administrator or Rent Stabilization Board. Property providers cannot be educated about rules that have not yet been written. The implementation schedule should also account for the time necessary to:

1. Publish all required forms and official translations.
2. Provide numerical examples and written guidance.
3. Train City staff and hearing officers.
4. Establish petition and appeal procedures.
5. Create a public education program.
6. Give property providers sufficient time to review the final rules and update their practices.

SBAOR requests that enforcement of the new requirements be delayed until all regulations, forms, translations, guidance and administrative procedures have been published and property providers have received a meaningful education and implementation period.

Reliance on future regulations

The ordinance delegates numerous substantive and procedural details to future regulations. These include petition requirements, exceptional circumstances affecting the base year, registry procedures, additional registry information and Capital Improvement Plan procedures. Council is therefore being asked to adopt the ordinance before many of the rules governing its operation have been written. **SBAOR requests that the principal implementing regulations be presented for public review before enforcement begins and that material requirements affecting property rights, financial liability or access to remedies be established by ordinance rather than left entirely to future administrative action.**

16. Technical and Editorial Corrections

The draft contains cross reference and citation errors that should be corrected before adoption. These include:

1. The definition of “Fair return” refers to Section 26.90.060, which governs capital improvements, rather than Section 26.90.050.
2. Section 26.90.100(D)(1) refers to relocation payments in Section 26.90.130(G)(3), but Section 26.90.130 governs hearing officers and contains no subsection G. The relocation amounts appear in Section 26.90.100(D)(3).
3. Section 26.90.080(T) refers to Code of Civil Procedure Section 1094.5 as part of the “Civil Code.”
4. Section 26.90.090(D) refers to Section 26.90.80 rather than Section 26.90.080.

These errors may appear minor, but incorrect citations create confusion in a regulatory program where compliance carries significant consequences. **SBAOR requests a comprehensive legal, cross reference and editorial review of the ordinance before adoption.**

17. Additional Definition and Interpretation Issues

Several definitions and operative provisions require clarification because they determine which properties and individuals are subject to the ordinance.

Rental units without a certificate of occupancy

The definition of “Rental unit” states that a unit may qualify as a rental unit whether or not it has a valid certificate of occupancy for use as rental housing. The City should explain how this provision interacts with building, zoning, habitability and code enforcement requirements. A property provider could be required to register a unit and comply with the RSO even though another City division does not recognize the unit as lawful rental housing. The ordinance should not create conflicting obligations or imply that registration under the RSO legalizes an otherwise unauthorized unit. **SBAOR requests that the City explain the purpose and effect of including units without a valid certificate of occupancy and clarify how registration information may be used by other City departments.**

Meaning of delivery
Section 26.90.030(F) provides that a violation occurs upon "delivery" of a notice or demand for a prohibited rent increase. The ordinance does not define delivery. It is unclear whether a notice is delivered when it is mailed, electronically transmitted, personally served or actually received by the tenant. This distinction is important because the ordinance establishes a violation based on delivery of the notice, even before the proposed increase takes effect or any payment is collected. **SBAOR requests that the City define delivery and clarify when a notice or demand is considered delivered for purposes of establishing a violation.**

Definition of tenant
The ordinance defines a tenant as a person entitled under a rental agreement to occupy a rental unit. Because a rental agreement may be oral, written or implied, disputes may arise over who qualifies as a tenant and who may file a petition, receive notices or participate in an administrative proceeding. The registry separately requires the number of tenants but prohibits collection of identifying information. The City should ensure that the terms "tenant," "occupant" and "party to the rental agreement" are used consistently throughout the ordinance. **SBAOR requests clarification of who qualifies as a tenant, particularly when additional occupants are not identified in a written rental agreement.**

Conclusion
SBAOR recognizes that the City Council has directed staff to develop a permanent rent control program. Our purpose in submitting these comments is to ensure that Council fully understands the practical, financial and administrative consequences of the ordinance before it becomes law.

The September Introduction Draft is not limited to restricting annual rent increases. It creates a comprehensive regulatory system governing registration, fees, notices, petitions, property finances, capital improvements, temporary relocation, housing services, administrative hearings, appeals and enforcement.
Many of these provisions remain unclear, rely on standards that have not yet been defined or defer important requirements to future regulations. At the same time, even an inadvertent violation may carry significant consequences for a property provider's ability to collect rent or recover possession of a unit. The financial structure also remains incomplete. The final registration fee has not been determined, the fee study is not complete and staff now estimates that the program will require annual expenditures of approximately $2 million to $2.4 million and seven to nine full time equivalent positions.

Before adopting the ordinance, SBAOR requests that the City Council:
1. Restore meaningful exemptions for small and owner-occupied rental properties.
2. Reconsider the proposed 60% of CPI formula and establish a reasonable minimum Annual General Adjustment.
3. Retain the August 1st through July 31st adjustment cycle already familiar under state law.
4. Create fair return and capital improvement procedures that small property providers can realistically use.
5. Establish objective standards for tenant petitions and reductions in housing services.
6. Provide guaranteed representation for property providers or property managers on the Rent Stabilization Board.
7. Clearly establish the data needed from the rental registry and limit fees for exempt properties to the cost of collecting and maintaining that data.

8. Provide all required forms, notices and official translations.
9. Limit serious enforcement consequences to material violations and provide a reasonable opportunity to correct inadvertent errors.
10. Complete the fee study and publish the full program budget before finalizing the fee structure.
11. Prevent future changes in state law from automatically expanding the ordinance without further public review and Council action.
12. Provide a meaningful education and implementation period before enforcement begins.
13. Correct the cross references, citation errors and ambiguities identified in this letter.

SBAOR asks the Council not to adopt an ordinance of this scope before these issues are resolved. At a minimum, the Council should direct staff to return with the necessary amendments, supporting data, fee information, implementing regulations and standardized forms before the ordinance becomes operative. Santa Barbara needs rental housing. The people who own, maintain and provide that housing must be able to understand the rules, comply with them and continue investing in the properties on which tenants depend.

Thank you for considering SBAOR's comments and requested amendments.

Sincerely,

Jennifer Berger

Jennifer Berger
2026 President

From:	Rachel Murphy
To:	City Clerk
Subject:	Public Comment - 9/22/26 City Council Meeting
Date:	Monday, September 21, 2026 3:23:21 PM
Attachments:	image.png 2026_9_21_RentStabilizationOrdinance_SBCityCouncil.pdf

Some people who received this message don't often get email from rachel@sbscchamber.com. Learn why this is important

Hello,

Please share the following public comment (attached and below) for the September 22 City Council meeting with the City Council, and to be added to the public record.

This public comment is from the Santa Barbara South Coast Chamber of Commerce, regarding agenda item 12 - "Introduction of Ordinance Amending the Santa Barbara Municipal Code to Establish Residential Rent Stabilization and Residential Rental Registry Programs."

Thank you for your assistance!

September 21, 2026
Mayor Rowse and Santa Barbara City Council
City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA 93101

RE: Introduction of Ordinance Amending the Santa Barbara Municipal Code to Establish Residential Rent Stabilization and Residential Rental Registry Programs

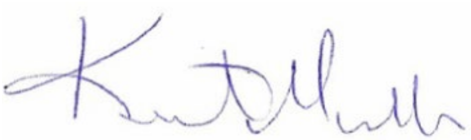
Dear Mayor Rowse and Santa Barbara City Councilmembers,

The Santa Barbara South Coast Chamber of Commerce proudly represents hundreds of businesses and thousands of jobs in the City of Santa Barbara. We recognize the severe affordability pressures renters face and strongly support the City's goal of improving housing feasibility, particularly for the local workforce.

The Chamber remains opposed to rent stabilization because it will not support the community in our current housing crisis. Robust evidence proves rent stabilization policies cause constraints on an already limited market, deterioration of housing supply, and raised costs for new renters. In particular, rent stabilization strongly disincentivizes new housing construction, therefore harming the City's progress towards its State-mandated goal of 8,001 new units by 2031.

While we do not align with the City on rent stabilization, the Chamber stands ready to collaborate with the City to ensure the ordinance is understandable for tenants and landlords, and to work together on economically viable solutions that encourage long-term investment, new construction, stability in the housing market, and progress towards the City's Housing Element goals.

Sincerely,



Kristen Miller
President & CEO - Santa Barbara South Coast Chamber of Commerce
Kristen@sbscchamber.com

RACHEL MURPHY | Public Policy Coordinator
SANTA BARBARA SOUTH COAST CHAMBER OF COMMERCE
(805) 967-2500 | Rachel@SBSCChamber.com

From: Kathleen Baushke
To: City Clerk
Subject: Comment on Council Meeting Agenda Item 12, 9-22-2026
Date: Monday, September 21, 2026 3:39:26 PM
Attachments: TranHouseCommentItem12Council9-22.pdf

Dear Friends,

Please find Transition House's comment on the Santa Barbara City Council's September 22, 2026, Agenda Item 12. Let me know if you need additional information.

Many thanks!

Kathleen

Kathleen Baushke, Executive Director
Transition House
425 E. Cota Street
Santa Barbara, CA 93101
Phone 805-966-9668, ext. 118
Fax 805-966-6331
www.transitionhouse.com

SANTA BARBARA
SOUTH COAST
CHAMBER OF COMMERCE
FROM GOLETA TO CARPINTERIA

805.967.2500
SBSCChamber.com
Mailing Address: 5662 Calle Real #204, Goleta CA 93117
Visitor Center: 120F State Street, Santa Barbara CA 93101

September 21, 2026

Mayor Rowse and Santa Barbara City Council
City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA 93101

RE: Introduction of Ordinance Amending the Santa Barbara Municipal Code to Establish Residential Rent Stabilization and Residential Rental Registry Programs

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Sincerely,

Kristen Miller
President & CEO - Santa Barbara South Coast Chamber of Commerce
Kristen@sbscchamber.com

From:	Gigi Rothstein
To:	City Clerk; Kelly R. McAdoo; Barbara Andersen; Dan Hentschke
Subject:	Written Comment September 22, 2026. Introduction of Residential Rent Stabilization Ordinance Chapters 26.90 and 26.100
Date:	Monday, September 21, 2026 3:25:53 PM

Dear Mayor Rowse and Councilmembers,

My name is Gigi Rothstein and I am a long-term Santa Barbara resident, a recent SBCC graduate, a past small business owner, and someone who has lived the housing crisis this ordinance is designed to address. I have followed this process from the beginning, submitting written comments, engaging with the community, and watching this Council work through 127 individual policy considerations with extraordinary care and public accountability.

Tomorrow is the moment this community has been working toward for two years. I write to express my strong support for introduction of Chapters 26.90 and 26.100 and to highlight several specific provisions that deserve Council's attention before adoption.

WHAT THIS DRAFT GETS RIGHT

The reduction of exemptions from nine to three, strictly aligning with Costa-Hawkins, is a landmark achievement that directly reflects Council direction and community input. The deletion of the owner-occupied duplex exemption that appeared in the earlier draft is exactly the kind of course correction this process was designed to produce. I want to specifically thank Councilmembers Santamaria, Sneddon, Harmon, and Gutierrez for holding firm on this through months of pressure.

The restructured Rent Stabilization Board with a tenant majority of at least four of seven members is a significant improvement over the previous draft. A board that reflects the community it serves is a board that can be trusted to enforce the ordinance fairly and consistently.

The Capital Improvement Plan process in Section 26.90.100 is perhaps the most important structural addition in this draft. Requiring pre-approval before filing a capital improvement petition, mandating tenant notice at application, establishing short-term relocation payments of $150 per household per day for lodging and $30 per occupant per day for meals, limiting disruption to business hours, and prohibiting exposure to toxic materials, these provisions directly address the displacement mechanism that has been weaponized against long-term tenants for decades. This is exactly what the community asked for.

The base rent anti-circumvention provision closing the loophole that some landlords were already exploiting during the temporary freeze is critical and I am grateful it was included.

The expanded definition of housing services, explicitly including HVAC, internet, telecommunications, refuse collection, and the right to keep pets, means that service reductions can no longer be used as a backdoor rent increase. That protection matters enormously to working families living in older housing stock.

ONE UNRESOLVED ISSUE REQUIRING COUNCIL ACTION

The deed-restricted affordable housing exemption remains an open question with Attachment

1 provided for Council consideration. I urge Council to resolve this in favor of inclusion rather than exemption.

Councilmember Santamaria stated clearly during the July 28th hearing that exempting units where landlords accept Section 8 vouchers would leave a gap too big for mixed-status families. The same principle applies here. Deed-restricted affordable housing units serve the most vulnerable tenants in our community, very low, low, and moderate income households who have the least ability to absorb unregulated rent increases or navigate displacement. The recorded affordability covenant that applies to these units does not eliminate the need for local enforcement protections, it makes those protections more important, not less.

Leaving this population outside the ordinance's protections because their housing is managed by a nonprofit or public agency does not serve the community's stated goals. I urge Council to include these units rather than create a gap that will be exploited.

ON BOARD MEETING FREQUENCY

Section 26.90.090 establishes that regular Board meetings are set by Board resolution rather than by ordinance. While I understand the administrative flexibility this provides, I want to flag that meeting frequency is critical to program accountability. A board that meets rarely is a board that cannot respond to emerging enforcement issues, cannot build institutional knowledge, and cannot maintain the public trust this program depends on.

I respectfully request that Council direct the Board, either through ordinance language or through formal Council resolution, to meet no less than quarterly during the program's first two years and at minimum every other month thereafter. The community that fought for two years to create this program will be watching to make sure it functions as designed.

ON THE BUDGET AND IMPLEMENTATION TIMELINE

The $500,000 Measure I allocation for startup costs is a reasonable and necessary investment. The approval of the Rental Housing Program Manager position on September 15th demonstrates that implementation is already moving forward with appropriate urgency. The January 1, 2027 operative date is achievable and the community is counting on Council to hold that line.

I want to acknowledge the extraordinary work of Barbara Andersen, Daniel Hentschke, and the City Attorney's Office in producing an ordinance that genuinely reflects Council direction and community input. The 41-page RSO Matrix, the 655 written public comments, the months of public hearings, all of it is visible in the quality and specificity of this introduction draft.

CLOSING

Two years ago Santa Barbara tenants began showing up to demand protection from a housing crisis that was hollowing out our community. Teachers, nurses, seniors, working families, and longtime residents stood in line to speak for two minutes at a time about what housing instability was doing to their lives and to this city.

Tomorrow Council has the opportunity to respond to that community with the strongest possible introduction of this ordinance. I urge you to introduce Chapter 26.90 and Chapter 26.100 without delay, resolve the deed-restricted housing exemption in favor of inclusion, and move forward with the urgency this community has earned and deserves.

Santa Barbara is watching. And for the first time in a very long time, we are watching with hope.

Respectfully submitted,

Gigi Rothstein

Santa Barbara Resident

From:	Annmarie Cameron
To:	Randy Rowse; Kristen Sneddon; Eric Friedman; Oscar Gutierrez; Mike Jordan; Wendy Santamaria; Meagan Harmon; Kelly R. McAdoo; Alelia Parenteau; Barbara Andersen; Dan Hentschke; John Doimas; City Clerk
Cc:	Rob Fredericks
Subject:	Rent Stabilization Ordinance - Agenda item #12 for Council Agenda
Date:	Monday, September 21, 2026 3:37:26 PM
Attachments:	image001.png Rent Stabilization Ord letter City of SB 9 21 26.pdf

Dear Mayor Rowse and City Council members:

Attached, please find a letter from the Mental Wellness Center providing comment regarding item #12 of the Council Agenda for Tuesday, September 22, 2026:

COUNCIL AGENDA ITEM #12: INTRODUCTION OF ORDINANCE AMENDING THE SANTA BARBARA MUNICIPAL CODE TO ESTABLISH RESIDENTIAL RENT STABILIZATION AND RESIDENTIAL RENTAL REGISTRY PROGRAMS

Annmarie Cameron
she/her
CEO
Mental Wellness Center
T 805.884.8440 main
F 805.884.8445 fax
mentalwellnesscenter.org

"We can't underestimate the power we have as individuals to provide the support that people need to transition from a place of pain to a place of possibility."

– Dr. Vivek Murthy, U.S. Surgeon General

Mental Wellness Center
FOR YOUTH, ADULTS, FAMILIES & COMMUNITY

Meet with Me

Mental Wellness Center

FOR YOUTH, ADULTS, FAMILIES & COMMUNITY

September 21, 2026
Sent via email to Clerk@SantaBarbaraCA.gov

The Honorable Randy Rowse, Mayor
Members of the Santa Barbara City Council
City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA 93101

RE: COUNCIL AGENDA ITEM #12: INTRODUCTION OF ORDINANCE AMENDING THE SANTA BARBARA MUNICIPAL CODE TO ESTABLISH RESIDENTIAL RENT STABILIZATION AND RESIDENTIAL RENTAL REGISTRY PROGRAMS

Dear Mayor Rowse and Councilmembers:

On behalf of the Mental Wellness Center (MWC), I am writing regarding the exemptions under consideration in Attachment 1 of the Council agenda report for the above item. MWC joins in and supports the September 19, 2026 comment letter submitted by the Housing Authority of the City of Santa Barbara (HACSB) urging Council to adopt the Attachment 1 exemptions, and we ask that Council add one further category: nonprofit-operated supportive housing serving individuals with serious mental illness.

For nearly 35 years, MWC has provided residential and behavioral health services to individuals living with serious mental illness in Santa Barbara. MWC owns and operates residential properties offering staffed, service-enriched housing to some of our community's most vulnerable members, with rents set to recover the actual cost of housing, staffing, and services — not to generate profit. A rigid rent cap applied without regard to that cost structure risks straining the sustainability of housing that keeps vulnerable residents stably housed and out of higher-cost institutional or emergency systems.

Requested Ordinance Language

"Rental units owned or operated by a nonprofit corporation exempt from taxation under Internal Revenue Code Section 501(c)(3) that provide staffed, service-enriched residential care to individuals with serious mental illness or other qualifying service-dependent conditions, where rents are set at a level intended to recover the actual cost of housing, staffing, and supportive services rather than to generate profit, and where the nonprofit operator maintains a contract or funding agreement with a public behavioral health or housing agency to provide such services. This exemption applies only for so long as the unit continues to be operated for this purpose, and does not waive applicable state or federal law or other tenant protections established elsewhere in this Code."

Thank you for your consideration of this request.

Sincerely,

Annmarie Cameron

Annmarie Cameron
CEO, Mental Wellness Center
cc: Kelly McAdoo, City Administrator; Alelia Parenteau, Acting Deputy City Administrator; John Doimas, City Attorney

THE WAY HOME
Transition House

September 21, 2026

Mayor Randy Rowse and
Councilmembers of the City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA. 93101
Submitted via email to Clerk@SantaBarbaraCA.gov

RE: September 22, 2026, Council Agenda Item #12: Introduction of Ordinance Amending the Santa Barbara Municipal Code to Establish Residential Rent Stabilization and Residential Rental Registry Programs

Dear Mayor Rowse and Councilmembers of the City of Santa Barbara,

Transition House is writing to you as a provider of affordable housing for formerly homeless families from our community. We own 36 permanent housing units located at three different sites. All were developed using funding from the City of Santa Barbara and all operate under affordability covenants. The projects were developed with HUD HOME funds, and one property contains project-based Section 8 vouchers. We also own another 10-unit complex purchased in part with City of Santa Barbara funds that we operate as a transitional housing program.

We wish to add our comments in agreement with those provided to you by Rob Fredericks of the Housing Authority of the City of Santa Barbara in his letter dated September 19, 2026, regarding the exclusions presented in Attachment 1 to the Ordinance Amending the Santa Barbara Municipal Code to Establish Residential Rent Stabilization and Residential Rental Registry Programs.

Mr. Fredericks pointed out valid concerns should the exemptions not be included that apply to our units as well. Therefore, Transition House supports the inclusion of exemptions presented in Attachment 1, along with the provisions suggested by HACSB in their letter to you that are found on pages 3 and 4. Transition House is also happy to participate in the rental registry, although we, too, would request an exemption as an affordable housing provider from paying the associated fees, if possible.

Transition House appreciates the opportunity to share our concerns. Please reach out if you have additional questions about our programs.

Very sincerely,

Kathleen Baushke
Executive Director

425 E. Cota St.
Santa Barbara, CA 93101
805-966-9668
transitionhouse.com

From:	Cassandra Ensberg
To:	Santa Barbara City Council; Holly Perea
Subject:	letter to SB Council Mtg 9.21.2026 Items 11 and 12
Date:	Monday, September 21, 2026 6:16:23 PM
Attachments:	Sometimes there is only one option FINAL.pdf

Good evening,
Please see attached letter to council for Council meeting tomorrow Sept 21, 2026 Specifically to Items 11 and 12
Thank you,

Cassandra Ensberg, Artist, FAIA Architect, LEED AP
805 455 8332
https://www.10westgallery.com/cassandra-ensberg
https://cass-ensberg.squarespace.com/
http://ensbergjacobsdesign.com/

What we do matters. - I work to serve the Santa Barbara community through volunteerism and by promoting collaboration in development to promote and preserve Local Art & History, the Natural World, & Santa Barbara Style Poetic Beauty in our Built Environment!

Sometimes There is Only One Option

To: Santa Barbara Mayor and City Council

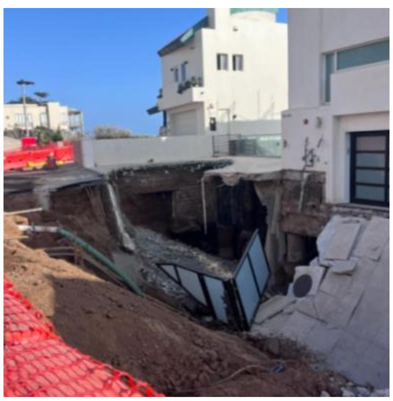
September 21, 2026

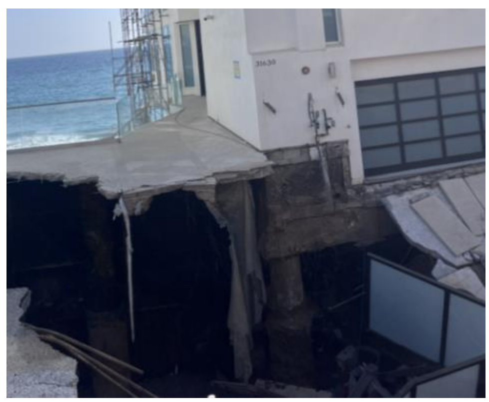
Honorable Mayor & Council,

Recently, working in the garden, I twisted my ankle. Within 2 hours I couldn't walk! My only option was to lay down and elevate the ankle with a pack of ice. 24 hours later after promptly addressing it, I was up walking normally again.

I believe that Santa Barbara is in one of these situations now. Being "low on funds" is foreign to us and it seems like we don't want to believe it. I think we should believe it and act swiftly to fix it. **In my humble opinion, our finances and emergency funds must be addressed and restored before we can move forward with anything else – the critical one option.** That is what I was taught and how I was raised.

Insufficient emergency funds put the community in a vulnerable position at the worst possible time. October is just a few days away bringing high fire season and El Niño to our door. Just last week, we saw this devastation in southern California. These are photos my son sent me from a site he inspected in Malibu. All the money in the world cannot fix this anytime soon.





To reiterate - I believe we must recognize the situation and put lazer focus on the following:

1. **The One Option - Restoration of city contingency funds** – stop spending and all income put to restoration of the emergency funds as quickly as possible.

Then what?

2. **Preparedness** – everyone put focus on preventative measures of clearing gutters and drains, sand bagging, clearing away dead brush, and building personal contingency funds.
3. **Replacement of Fire Station 7 on Stanwood Drive followed by renovations of Station 3 on East Sola St.**
4. **Completion of the new police Station** now well underway (covered by Measure C funds) that will make police operations for public safety more efficient. In the future, the city can partner to create affordable housing at the site of the old police station.

My sense of things is that we could all use a bit of a break and that great benefit could be had by **pausing and taking time to think before moving further with the following** (and probably more):

1. **Creation of a new Department of rental registry and rent stabilization**. This is a big lift to define, much less to develop and implement, an entire department given the current city staff is overloaded. We need to better understand the whole thing and come back in 2027.
2. **Relandscaping of Anacapa Street side of City Hall.** This is not an essential project right now. Let the gardeners give it a good rake to tidy it up until next year.
3. **Major infrastructure for resiliency and sustainability – including infrastructure capacity upgrades for new housing downtown.** All of this is very big, very expensive, disruptive, and will take a long time to realize. The city can benefit and be informed by the next few months. The spectrum of solutions can be more fully understood in terms of creativity, effectiveness, implementation, and funding by stepping back and taking time.
4. **Inclusionary Housing / In Lieu fees.** We are now seeing progress of affordable and market rate housing and there is great benefit to more collaborative work with our for-profit and our non-profit developers to arrive at the best solutions for both that will achieve **Affordable Housing and building of the Housing Trust Fund.**

Given time for the city to recover financially and manage the next few months, the community will have had time to “process” the proposed changes and be in a better place to consider and prioritize our next steps.

Fixing the budget is imperative and all else will follow.

To our community and all of you as our leaders, with thanks, gratitude, and sincerity,

Cassandra Ensberg, FAIA Architect & Artist

From:	Tara Brown
To:	City Clerk
Subject:	Measure I funds for El Niño, NOT Rental stabilization
Date:	Monday, September 21, 2026 7:53:38 PM

[Some people who received this message don't often get email from tara_brown_sb@yahoo.com. Learn why this is important at https://aka.ms/LearnAboutSenderIdentification]

Dear City Council Members,
How can you possibly approve $500,000 to start a NEW program of "rent stabilization " when there is no money?
Measure I was approved by voters for emergency response, disaster preparedness, and we are expecting an epic "El Nino".
Measure I funds must be saved for this winter storm, and NOT USED to start a NEW program.
We need the money for the unexpected—-rent control was NOT the voters' intention.
Safety first.
It is unconscionable to do otherwise!
PLEASE
Tara Brown

From:	Kenneth Trigueiro
To:	Randy Rowse; Kristen Sneddon; Eric Friedman; Oscar Gutierrez; Mike Jordan; Wendy Santamaria; Meagan Harmon
Cc:	Kelly R. McAdoo; Alelia Parenteau; Barbara Andersen; Dan Hentschke; John Doimas; City Clerk
Subject:	Rent Stabilization Ordinance - Agenda Item #12 for 9-22-2026 Council Agenda
Date:	Tuesday, September 22, 2026 11:57:40 AM
Attachments:	Housing Authority Comment Letter on RSO introduction -9-22-2026.pdf

RE: COUNCIL AGENDA ITEM #12: INTRODUCTION OF ORDINANCE AMENDING THE SANTA BARBARA MUNICIPAL CODE TO ESTABLISH RESIDENTIAL RENT STABILIZATION AND RESIDENTIAL RENTAL REGISTRY PROGRAMS

Dear Mayor Rowse and Members of City Council,

Founded in 1970, People's Self-Help Housing (PSHH) is one of the longest-serving nonprofit affordable housing organization on the Central Coast. With a mission of building homes and providing services to strengthen communities and change lives, PSHH serves low-income households, families, seniors, veterans, farmworkers, those living with disabilities and the formerly homeless. PSHH has a presence in Santa Barbara, owning and operating multiple properties, and managing over 2,200 deed restricted affordable rental units along the Central Coast.

We are in support of the City's intent to ensure rent affordability and stability for Santa Barbara residents. Under the amending ordinance before you under item 12, we believe the exemptions listed in Attachment 1 to the staff's agenda report are important for including. Specifically, properties that are controlled by not-for-profit organizations or public agencies and subject to a long-term recorded covenant or deed restriction requiring the housing units be rented at affordable rates according to household incomes are protected for that purpose.

Furthermore, we have reviewed and are in agreement with recommendations made to you by the Housing Authority of the City of Santa Barbara (attached) and urge you to consider the requested ordinance language.

Kenneth Trigueiro
CEO & President
1060 Kendall Rd
San Luis Obispo,
CA 93401
Office (805) 540-2453

HOUSING AUTHORITY
OF THE CITY OF SANTA BARBARA
808 Laguna Street, Santa Barbara CA 93101

Phone (805) 965 – 1071 • **Fax** (805) 564 – 7041 • **TTY English** (866) 660 – 4288 • **TTY Spanish** (866) 288 – 1311 • *info@hacsb.org* • *www.hacsb.org*

September 19, 2026

Sent via email to Clerk@SantaBarbaraCA.gov

Mayor Randy Rowse and City Councilmembers
City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA. 93101

R: COUNCIL AGENDA ITEM #12: INTRODUCTION OF ORDINANCE AMENDING THE SANTA BARBARA MUNICIPAL CODE TO ESTABLISH RESIDENTIAL RENT STABILIZATION AND RESIDENTIAL RENTAL REGISTRY PROGRAMS

Dear Mayor Rowse and Councilmembers:

On behalf of the Housing Authority of the City of Santa Barbara, I strongly urge Council to include the Exemptions listed in Attachment 1 of the council agenda report. Reading through those exemptions, they make abundant sense to exclude from the Rent Stabilization Ordinance (RSO). For deed restricted affordable housing and qualifying Section 8 Housing Choice Voucher tenancies, we specifically request the revised language laid out below, including coverage of qualifying recorded affordability restrictions regardless of ownership.

We support the City's goal of improving housing stability and predictability for renters. Staff has clarified for us that the published ordinance reflects Council direction and has included possible exemption language in Attachment 1. I appreciate inclusion of Attachment 1 for consideration and hope that your Council makes the best policy decision for the community by adopting the specific requests proposed below.

Deed restricted affordable housing

As I have notedin previous communications, affordability in deed-restricted housing stays with the property regardless of transfer of ownership. Recorded covenants and regulatory agreements establish maximum rents, income eligibility and enforceable obligations lasting for decades, often 90 years. Rents are based upon a prescribed formula which includes a specified income category, household size assumptions and utility allowances, rather than 30 percent of each resident's actual income. The applicable program rules determine the maximum rents; residents in these deed restricted units are protected by those limits and ongoing public oversight.

A lower local cap can reduce a resident's rent increase. Council must also weigh what that reduction means for the long term operation of housing already committed to affordability. Our operating revenue pays for maintenance, insurance, reserves and resident services. Further restricting that revenue reduces our ability to preserve and develop affordable homes. It can also reduce residual receipts payments on City loans, limiting funds the City recycles into additional housing.

It is important to note that the State recognized the separate regulatory framework for affordable housing by excluding qualifying deed restricted units from the Tenant Protection Act's rent cap. Council should adopt that same policy distinction here.

We believe this exemption should apply to all qualifying affordable rental housing, including developments owned or operated by private entities. The recorded affordability obligation should determine eligibility. In a mixed development, only the restricted units should qualify. These properties remain subject to applicable habitability standards, program inspections and compliance oversight. The exemption should preserve residents' rights to safe housing and existing remedies.

Housing Choice Voucher Tenancies

Tenant Based Voucher assistance follows the household and provides housing subsidies so the tenant portion of the rent is generally just 30% of the household income as long as the contract rent charged by the owner is within the Housing Authority's approved Payment Standard for the unit size. The Housing Authority reviews proposed rents and increases against comparable unassisted units, considering location, condition, amenities and utilities. A payment standard determines the subsidy calculation; it does not authorize a landlord to charge that amount without rent reasonableness approval.

For a simplified example from our presentation, assume a fully eligible household has monthly adjusted income of $4,546, a $2,000 rent with all utilities included, and an applicable payment standard of $3,290. If its required contribution is 30 percent of adjusted income, the household pays about $1,364 and the subsidy covers about $636. An approved $100 rent increase, with income and other circumstances unchanged, increases the subsidy by $100 while the household's share of the rent remains the same. A local cap on that increase therefore would not lower this household's payment.

We also need landlords willing to navigate the voucher program's contracts, inspections and rent review. Additional uncertainty and administration can discourage participation, leave families with fewer housing choices and make it harder to lease a home before a voucher expires. It is important to note that the proposed exemption would only be in effect while the tenancy participates in assistance and meets its conditions. It would preserve applicable state rent limits and other tenant protections.

Other Jurisdictions which exclude Section 8 Vouchers from their RSO

We have identified seven cities whose local rent caps do not apply to units with Section 8 voucher holders. These are existing policy examples for Council's consideration. The dates below identify adoption or a verified subsequent amendment, not necessarily when the voucher exemption was first enacted.

Jurisdiction	HCV local rent cap	RSO adoption / verified amendment
Alameda	Exempt	Adopted Sept. 17, 2019 (Ord. 3250)
Baldwin Park	Exempt	Adopted Oct. 21, 2020; amended Dec. 17, 2025 (Ord. 1522)
Culver City	Exempt	Adopted Sept. 29, 2020; amended Jan. 12, 2026
East Palo Alto	Exempt	Voter adopted June 2010; effective Aug. 2010
Huntington Park	Exempt	Original effective Dec. 18, 2024; amendment effective Jan. 8, 2026 (Ord. 2025-14)
Ojai	Exempt	Adopted Mar. 28, 2023 (Ord. 937)
Pomona	Exempt	Permanent Ord. 4359 adopted Nov. 17, 2025; effective Jan. 1, 2026

Nearby Ojai separately exempts voucher units and housing with rents governed by deed restrictions or government or nonprofit contracts. Pomona also expressly identifies both categories under its permanent ordinance effective January 1, 2026.

Requested Ordinance Language

Whether Council adopts Attachment 1 in full or selects individual exemptions, we request the following provisions:

1. Rental units subject to an enforceable affordability covenant, regulatory agreement, deed restriction, or other recorded document that runs with the land and requires the units to be rented at rents affordable to very low-, low-, or moderate-income households according to affordability standards adopted by a local, state, or federal agency. This exemption applies regardless of whether the owner, lessor, operator, or manager is a public agency, nonprofit organization, or private entity, and only for the duration of the recorded affordability restriction. In a development containing both restricted and unrestricted units, this exemption applies only to the units subject to the recorded affordability restriction.

2. Rental units where the landlord is participating in a federally subsidized tenant-based rental assistance program, commonly referred to as Section 8, provided that: (a) the contract rent, including any proposed increase, has been approved as reasonable by the Housing Authority of the City of Santa Barbara under applicable program requirements; (b) the contract rent is equal to or below the payment standard established by the Housing Authority and applicable to the assisted household and rental unit; and (c) the housing assistance payment and tenant contribution are calculated in accordance with applicable program requirements, including any required utility allowance and proration of assistance. This exemption applies only while the unit is participating in the rental assistance program and satisfies these conditions.

We also request the following clarification: An exemption under this Section does not waive applicable state or federal law, enforceable affordability restrictions, or tenant protections established in other chapters of this Code.

The voucher exemption retains the proposed contract rent reasonable comparison requirements and subsidy calculations must still account for tenant paid utilities. The Housing Authority can assist staff with implementation and notices explaining the protections that continue to apply.

As our June letter emphasized, the City also has limited administrative resources. Applying a second rent oversight system to housing already governed by affordability restrictions would require staff time and program funding that could otherwise support enforcement where those protections are absent. Council should weigh the added benefit against the cost to both the City and affordable housing providers. Preserving those resources is part of preserving affordable homes.

Attached as Exhibit A is a comparison table which summarizes how market rate housing, voucher tenancies and deed restricted affordable housing differ in their rent setting and oversight requirements.

Rental registry participation, fee relief and bulk data submission

The Housing Authority is happy to provide its rental unit information for the City's registry. A complete inventory can support better housing policy, and we are prepared to cooperate. As a public entity providing the City's affordable housing, however, our agency should be expressly exempt from the registry fees. Those fees would draw from resources needed to maintain affordable homes and services provided to residents.

Section 26.100.020(D) prohibits passing registry fees through to residents of qualifying affordable housing. That protection does not exempt the provider from paying the fees imposed under subsection A. Please add the following to Section 26.100.020:

"The Housing Authority of the City of Santa Barbara shall be exempt from all rental registry fees imposed under this Section for rental units it owns, leases, operates, or manages in its capacity as a public affordable housing provider, including any component funding administration or enforcement of Chapter 26.90. This fee exemption does not excuse compliance with applicable rental registration and reporting requirements."

This request concerns our agency's affordable housing portfolio. It does not extend fee relief to an independent private landlord solely because the landlord accepts a voucher administered by the Housing Authority. The broader exemption from Chapter 26.90 for housing subject to recorded affordability restrictions should continue to apply regardless of public, nonprofit or private ownership.

Council should also require the registry platform to accept a CSV or XML file format which would allow the importing of several hundred units in one submission, for both initial registration and subsequent updates. Requiring staff to enter each unit individually would consume time without improving the information provided. A standard template, clear required fields, validation and an import confirmation would help both providers and City staff maintain accurate records.

We request the following provision be added in the appropriate section of the ordinance: "The City shall provide a bulk electronic submission method for initial registrations and subsequent updates, including import of comma-separated values (CSV) files containing records for multiple properties and rental units. The City shall publish a standard data template of required submission fields and provide validation results and confirmation of accepted records. A landlord shall not be required to reenter individually any record successfully submitted through that method."

For nearly 60 years, our agency has worked alongside the City as their affordable housing provider arm to help people obtain and keep a safe, affordable home. Our ability to sustain those homes matters just as much as our ability to build them. I respectfully ask Council to adopt these two exemptions, explicit registry fee relief for our agency, and a practical bulk reporting process so that the ordinance supports the programs our residents depend upon and preserves our capacity to serve the next household in need.

Sincerely,

HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA

ROB L. FREDERICKS
Executive Director/CEO

cc: Kelly McAdoo, City Administrator
Alelia Parenteau, Acting 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

HOUSING AUTHORITY
OF THE CITY OF SANTA BARBARA
808 Laguna Street, Santa Barbara CA 93101

Phone (805) 965 – 1071 • **Fax** (805) 564 – 7041 • **TTY English** (866) 660 – 4288 • **TTY Spanish** (866) 288 – 1311 • *info@hacsb.org* • *www.hacsb.org*

Exhibit A

How Rent and Affordability Are Governed

Feature	Unassisted market rate housing	Housing Choice Voucher tenancy	Deed restricted affordable housing
How rent is established	Owner sets rent, subject to applicable law.	Owner proposes rent; Housing Authority reviews and approves it.	Owner sets rent within applicable affordability limits.
Income eligibility	No affordable housing program requirement.	Program income eligibility requirements.	Income limits established by the applicable program or covenant.
Principal affordability protection	Applicable state and local rent limits.	Rental assistance calculated under program rules, plus rent reasonableness review.	Enforceable maximum rents established by recorded restrictions and program rules.
Resident's payment	Generally pays the full rent.	Pays the household share calculated under program rules – generally 30% of household income	Pays the restricted flat rent sent by formula in the affordability covenant
Continuing oversight	General landlord and tenant requirements.	Housing Authority rent review, inspections and assistance contracts.	Compliance monitoring by the City and enforcement under applicable agreements.
Duration of protection	As provided by applicable law.	While assistance continues.	For the term of the recorded affordability restriction.

From:	Rent Stabilization Ordinance
To:	City Clerk
Subject:	FW: Rent Bureaucracy Not Needed
Date:	Tuesday, September 22, 2026 12:02:31 PM

Barbara Andersen
Senior Assistant to the City Administrator
CITY OF SANTA BARBARA, City Administrator's Office
(805) 564-5302 | bandersen@SantaBarbaraCA.gov

-----Original Message-----
From: ljohnson 2036.net <ljohnson@2036.net>
Sent: Tuesday, September 22, 2026 10:52 AM
To: Rent Stabilization Ordinance <rso@santabarbaraca.gov>
Subject: Rent Bureaucracy Not Needed

[You don't often get email from ljohnson@2036.net. Learn why this is important at https://aka.ms/LearnAboutSenderIdentification]

Rent Control does not add housing.

Rent Control discourages property renting.

California already has statewide rent Control.

Santa Barbara is already spending over the SB City Budget. City of Santa Barbara doesn't need and has no money for additional Bureaucracy.

Linda Johnson
3667 Rockcreek, the Street that is crumbling
[redacted]

From:	Rent Stabilization Ordinance
To:	City Clerk
Subject:	FW:
Date:	Tuesday, September 22, 2026 12:02:45 PM

Barbara Andersen
Senior Assistant to the City Administrator
CITY OF SANTA BARBARA, City Administrator's Office
(805) 564-5302 | bandersen@SantaBarbaraCA.gov

-----Original Message-----
From: Adrian Malin <adrian.malin@gmail.com>
Sent: Monday, September 21, 2026 2:42 PM
To: Rent Stabilization Ordinance <rso@santabarbaraca.gov>
Subject:

[You don't often get email from adrian.malin@gmail.com. Learn why this is important at https://aka.ms/LearnAboutSenderIdentification]

I'm writing to you from Los Angeles to warn you guys and let you know implementing your own local RSO is one of the worst long-term things you can do for your rental housing market.

Adrian Malin
[redacted] Phone
Fax
Adrian.Malin@Gmail.com

From:	Rent Stabilization Ordinance
To:	City Clerk
Subject:	FW: Please, reconsider, in some way, some how, RSO
Date:	Tuesday, September 22, 2026 12:02:55 PM

Barbara Andersen
Senior Assistant to the City Administrator
CITY OF SANTA BARBARA, City Administrator's Office
(805) 564-5302 | bandersen@SantaBarbaraCA.gov

From: margie sullivan <margientim@yahoo.com>
Sent: Monday, September 21, 2026 1:41 PM
To: Rent Stabilization Ordinance <rso@santabarbaraca.gov>
Subject: Please, reconsider, in some way, some how, RSO

Dear Mayor and members of the City Council,

Please look at trying to make decisions which not only affect your indidual district, but also all who live in the city of Santa Barbara, and those who live in the surrounding areas. I fear our city will change with what you are doing to the older properties which will be affected by rent stabilization. These properties are part of the charm of Santa Barbara.

My husband and I, in our late 80s, depend on the income from our Victorian building where we have kept our rents below market and had good relationships with our tenants. We have indeed had major repairs in the last 5 years. And, I must share that we have been badly "burned" twice by tenants whom took great advantage of us. In court cases, while we pay for a lawyer, they have nothing "in the game." And court cases go on endlessly.... with no rent collected.

Also, I must say that at the meetings I have listened to online, or attended, I have been shocked at the language and lack of courtesy of some of the speakers. I will close simply saying my heart truly goes out to some of the tenants, but why punish those of us who are great housing provideers with all the burdens of a rent stabilization ordiance voted on by just you few people

Sincerely, Marjorie Sullivan

From:	Rent Stabilization Ordinance
To:	City Clerk
Subject:	FW: Agenda Item 12 – Residential Rent Stabilization and Residential Rental Registry Ordinance
Date:	Tuesday, September 22, 2026 12:03:08 PM

Barbara Andersen
Senior Assistant to the City Administrator
CITY OF SANTA BARBARA, City Administrator's Office
(805) 564-5302 | bandersen@SantaBarbaraCA.gov

From: SHERI Gardner <sheri@kpemp.com>
Sent: Monday, September 21, 2026 11:18 AM
To: Rent Stabilization Ordinance <rso@santabarbaraca.gov>
Subject: Agenda Item 12 – Residential Rent Stabilization and Residential Rental Registry Ordinance

Dear Santa Barbara Board members,

I have previously submitted letters outlining detailed grounds for my opposition to this **rent stabilization ordinance**.

To respect your time, I will not restate my past points. However, I want to reiterate my steadfast opposition to this measure. This ordinance is detrimental to landlords and tenants alike, and its passage will ultimately harm our entire community.

As a lifelong resident who was born and raised here, I urge you to reject this ordinance and protect the stability of our local housing community. Thank you for your time and your consideration if this critical matter.

Sincerely,
Sheri C Gardner

From: Rent Stabilization Ordinance
To: City Clerk
Subject: FW: Public comment - Agenda Item 12 – Residential Rent Stabilization and Residential Rental Registry Ordinance
Date: Tuesday, September 22, 2026 12:03:19 PM

Barbara Andersen
Senior Assistant to the City Administrator
CITY OF SANTA BARBARA, City Administrator’s Office
(805) 564-5302 | bandersen@SantaBarbaraCA.gov

From: Melanie Rogers <melbeemusic@yahoo.com>
Sent: Monday, September 21, 2026 10:08 AM
To: Rent Stabilization Ordinance <rso@santabarbaraca.gov>
Subject: Public comment - Agenda Item 12 – Residential Rent Stabilization and Residential Rental Registry Ordinance

> You don't often get email from melbeemusic@yahoo.com. Learn why this is important

Dear Mayor Rowse and Members of the Santa Barbara City Council,

This comment is in regards to Agenda Item 12 – Residential Rent Stabilization and Residential Rental Registry Ordinance.

Please ***do not*** implement this ordinance. It may seem like a good idea in the short-term to help tenants, but in the long-run it will cause bigger problems for the rental market in Santa Barbara. Rent stabilization ordinances have failed in most, if not all, other cities that have tried them. Please learn from the past mistakes of others - this ordinance is a big mistake. The negative ramifications will take a few years to start to show, but they will come, and both landlords and renters, and the city itself, will be worse off because of it. When things start to go south, landlords will get blamed for not maintaining their properties or having to sell their properties to big, impersonal corporations that don't care about their tenants, but it will be this ordinance (and you for implementing it) that is truly to blame.

I'll say it again: please stop this tragic mistake from happening before it even starts. We need a better housing solution in Santa Barbara, but this is **NOT** it.

Thank you,
Melanie

From: Rent Stabilization Ordinance
To: City Clerk
Subject: FW: Stop micromanaging private property - you are in way over your heads NO rent control
Date: Tuesday, September 22, 2026 12:03:30 PM

Barbara Andersen
Senior Assistant to the City Administrator
CITY OF SANTA BARBARA, City Administrator's Office
(805) 564-5302 | bandersen@SantaBarbaraCA.gov

From: J.M. Livingston <canatus@gmail.com>
Sent: Monday, September 21, 2026 9:56 AM
To: Rent Stabilization Ordinance <rso@santabarbaraca.gov>
Subject: Stop micromanaging private property - you are in way over your heads NO rent control

NO RENT CONTROL. Not a single proponent for this micromanaged "rent control" has demonstrated a lick of business experience or sense. You are way in over your heads on this issue. Please back off! Nothing good can come from this. Private property is not your city council plaything. It is a sacred fundamental cornerstone our shared American experience. Horrific how out of touch you are on this issue. Stop handing over all new high rise multi-unit housing to UCSB as well. Again, what are you people thinking?

From:	Rent Stabilization Ordinance
To:	City Clerk
Subject:	FW: Stabilization and Registry
Date:	Tuesday, September 22, 2026 12:03:38 PM

Barbara Andersen
Senior Assistant to the City Administrator
CITY OF SANTA BARBARA, City Administrator's Office
(805) 564-5302 | bandersen@SantaBarbaraCA.gov

From: Jay R Braun <jrlmb.ci@gmail.com>
Sent: Monday, September 21, 2026 9:44 AM
To: Rent Stabilization Ordinance <rso@santabarbaraca.gov>
Subject: Stabilization and Registry

The famous quote ("In many cases rent control appears to be the most efficient technique presently known to destroy a city—except for bombing") is widely attributed to the Swedish economist Assar Lindbeck.

Please revise or abandon the proposed costly & draconian ordinances.

Thank you for the opportunity to voice our opinion.

J. R. Braun

From: Megan Grindstaff
To: Sarah Gorman
Cc: City Clerk; Alex Entrekin
Subject: Public Comment 9/22, Agenda Item 12; Request to Publish 3 Documents
Date: Tuesday, September 22, 2026 1:22:31 PM
Attachments: HUD Shortfall Memo 11.17.2025
HACSB_2024 Audit Findings.pdf
HACSB_2025 Audit Findings.pdf

Good Afternoon Ms. Gorman,

I intend to give public comment at today's city council meeting with regard to agenda item 12 (rent stabilization ordinance). I would like to submit the attached three (3) documents so that they may be part of the public record along with my comment.

I will also bring hard copies of each document for Mayor Rowse, councilmembers, and city staff. Please let me know if there are other steps I should take.

Best,
Megan
--
Megan E. Grindstaff (she/her)
California Center for **Movement Legal** Services
Managing Attorney
www.movementlegal.org

Phone: 805-826-3526 | email: mgrindstaff@movementlegal.org
3655 S Grand Ave #250, Los Angeles, CA 90007

• t: (615) 309-8959
• f: (909) 825-9900
• 4068 rural plains circle #180
• franklin, tn 37064

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Board of Commissioners
Housing Authority of the City of Santa Barbara
Santa Barbara, CA

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the aggregated discretely presented component units and the combining schedules of business-type activities of Housing Authority of the City of Santa Barbara as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 26, 2024. The financial statements of the aggregated discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting
In planning and performing our audit, we considered Housing Authority of the City of Santa Barbara's internal control over financial reporting (internal control) a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Santa Barbara's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the City of Santa Barbara's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as **Finding 2024-001** that we consider to be significant deficiencies.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether Housing Authority of the City of Santa Barbara's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and question costs as **Finding 2024-001.**

Housing Authority of the City of Santa Barbara's Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on Housing Authority of the City of Santa Barbara's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Housing Authority of the City of Santa Barbara's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Housing Authority of the City of Santa Barbara's control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Smith Marion & Co

November 26, 2024

• t: (615) 309-8959
• f: (909) 825-9900
• 4068 rural plains circle #180
• franklin, tn 37064

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Board of Commissioners
Housing Authority of the City of Santa Barbara
Santa Barbara, CA

Report on Compliance for Each Major Federal Program; and Report on Internal Control over Compliance in Accordance with the *Uniform Guidance*

Independent Auditors' Report

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited Housing Authority of the City of Santa Barbara's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Housing Authority of the City of Santa Barbara's major federal programs for the year ended March 31, 2024. Housing Authority of the City of Santa Barbara's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Housing Authority of the City of Santa Barbara complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2024.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Basis for Opinion on Each Major Federal Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal* Regulations *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Housing Authority of the City of Santa Barbara and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Housing Authority of the City of Santa Barbara's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Housing Authority of the City of Santa Barbara's federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Housing Authority of the City of Santa Barbara's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Housing Authority of the City of Santa Barbara's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Housing Authority of the City of Santa Barbara's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Housing Authority of the City of Santa Barbara's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Santa Barbara's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters
The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as **Finding 2024-002**. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on Housing Authority of the City of Santa Barbara's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Housing Authority of the City of Santa Barbara's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and question costs as **Finding 2024-002**, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on Housing Authority of the City of Santa Barbara's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Housing Authority of the City of Santa Barbara's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Smith Marion & Co

November 26, 2024

Section I — Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified
Internal controls over financial reporting:	
Material weakness(es) identified	Yes
Significant deficiency(ies) identified	None Reported
Noncompliance material to financial statements noted	Yes

Federal Awards

Internal control over major federal programs	
Material weakness(es) identified	No
Significant deficiency(ies) identified	Yes
Type of auditors' report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	No

Identification of major federal programs:

ALN(s)	Name of Federal Program or Cluster
14.881	**Moving to Work Demonstration Program**

Dollar threshold used to distinguish between type A and type B programs:	$ 1,565,281
Auditee qualified as a low-risk auditee	Yes

Section II — Financial Statement Findings

2024-001 **Internal Controls over Significant Account Balances** — SD

Criteria The Financial Data Schedule (FDS) unaudited submission is a significant internal control over financial reporting. HUD and the auditors rely on the unaudited submission as the unaudited financial reporting of the agency.

Condition The Authority converted software's at the beginning of the fiscal year that did not go smoothly. The lengthy delay in the conversion caused several controls that had worked timely in the past to no longer work as the conversion took place, new controls had to be developed resulting in delayed bank reconciliation, financial reporting and FDS submission.

Context Bank reconciliation were not completed timely, several accounts were six months behind due to conversion delays. The FDS was completed on time however they failed update to the Moving To Work reporting that was implemented during the year.

Cause The conversion took several months longer than budgeted and also required several key controls be redesigned for new software.

Effect The unaudited FDS was significantly different from the final audited submission.

Recommendations We recommend the agency use an outside CPA firm and utilize the firm to assist them in year end close out and unaudited FDS submission in the next year.

Management Views Management agrees with finding. See Corrective Action Plan (CAP)

Section III Federal Awards Findings

US Department of Housing and Urban Development **Direct Award**

Internal Control	Significant Deficiency
N	Special Test and Provisions

Program Name **Housing Choice Voucher**

ALN(s) Number **14.871**

2024-002 **Housing Quality Standards Inspection/HQS Enforcement**

Questioned Costs None

Criteria The PHA must inspect the unit leased to a family at least bi-annually to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR §§982.405, 983.103)). Additionally, for units under HAP contract that fail to meet HQS, the PHA must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, the PHA must stop (abate) HAPs beginning no later than the first of the month following the specified correction period or must terminate the HAP contract. The owner is not responsible for a breach of HQS as a result of the family's failure to pay for utilities for which the family is responsible under the lease or for tenant damage. For family-caused defects, if the family does not correct the cited HQS deficiencies within the specified correction period, the PHA must take prompt and vigorous action to enforce the family obligations (24 CFR sections 982.158(d) and 982.404).

Condition During our audit, we identified three (3) failed HQS that did not receive a pass for several months and no rent abatment process was started or enforced during that time period.

Context The HQS population was 1,100 failed inspection. We selected a sample of 40 inspection and identified of those 40 reviewed 3 did not obtain a re-inspection pass within the Criteria noted above and no rent abatment process was enforce on landlord.

Cause The Authority staff did not want to jeopardize the tenants lease by enforcing the rent abatements and rather worked with the landlord over an extend period to resolve the failed inspection issues.

Effect The Authority is non-compliant with the federal regulations over this federal program, this could potentially result in operating and financial penalties.

Recommendations We suggest the Authority properly oversee compliance with regulations and enforce rent abatements if necessary to adherence to federal compliance requirements.

Management Views Management agrees with the finding, see Management's Corrective Action Plan.

Financial Statement Findings

Prior Year Findings Number	Findings Title	Status/Current Year Finding Number
N/A	There were no prior findings reported	N/A

Federal Award Findings and Questioned Costs

Prior Year Findings Number	Findings Title	Status/Current Year Finding Number
N/A	There were no prior findings reported	N/A

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Corrective Action Plans

Finding 2024-001

Corrective Action Plan.

Management agrees with the recommendation and plans to use an outside CPA firm to assist with year-end close-out as well as preparation and submission of the unaudited REAC reporting for fiscal year 2025. Although the issues described in the finding are, as noted, directly related to the extremely problematic transition to a new software system and, therefore, will not be repeated, management agrees that the use of a CPA firm to assist in year-end closing and unaudited reporting will enhance accuracy and improve internal control over the reporting process.

Finding 2024-002

Corrective Action Plan.

Management has implemented additional oversight and control to ensure that failed HQS inspections are followed up properly and timely including, when necessary, rent abatement.

Rob L. Fredericks
Executive Director/CEO

Robert D. Peirson
Finance Director

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Board of Commissioners
Housing Authority of the City of Santa Barbara
Santa Barbara, CA

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the aggregated discretely presented component units and the combining schedules of business-type activities of the Housing Authority of the City of Santa Barbara as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Santa Barbara's basic financial statements, and have issued our report thereon dated August 22, 2025. The financial statements of the aggregated discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting
In planning and performing our audit, we considered the Housing Authority of the City of Santa Barbara's internal control over financial reporting (internal control) a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Santa Barbara's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Santa Barbara's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Housing Authority of the City of Santa Barbara's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Housing Authority of the City of Santa Barbara's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Housing Authority of the City of Santa Barbara's Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on the Housing Authority of the City of Santa Barbara's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Housing Authority of the City of Santa Barbara's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Santa Barbara's control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Santa Barbara's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Smith Marion & Co

August 22, 2025

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Board of Commissioners
Housing Authority of the City of Santa Barbara
Santa Barbara, CA

Report on Compliance for Each Major Federal Program; and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Independent Auditors' Report

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the Housing Authority of the City of Santa Barbara's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Santa Barbara's major federal programs for the year ended March 31, 2025. The Housing Authority of the City of Santa Barbara's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Housing Authority of the City of Santa Barbara complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2025.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Basis for Opinion on Each Major Federal Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal* Regulations *Part 200*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Housing Authority of the City of Santa Barbara and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Housing Authority of the City of Santa Barbara's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Housing Authority of the City of Santa Barbara's federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Housing Authority of the City of Santa Barbara's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Housing Authority of the City of Santa Barbara's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Housing Authority of the City of Santa Barbara's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Housing Authority of the City of Santa Barbara's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Santa Barbara's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters
The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as **Finding 2025-001**. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on the Housing Authority of the City of Santa Barbara's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The Housing Authority of the City of Santa Barbara's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Question Costs as **Finding 2025-001**, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the Housing Authority of the City of Santa Barbara's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The Housing Authority of the City of Santa Barbara's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Smith Marion & Co

August 22, 2025

Section I — Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified
Internal controls over financial reporting:	
Material weakness(es) identified	No
Significant deficiency(ies) identified	None Reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major federal programs	
Material weakness(es) identified	No
Significant deficiency(ies) identified	Yes
Type of auditors' report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	No

Identification of major federal programs:

ALN(s)	Name of Federal Program or Cluster
14.881	**Moving to Work Demonstration Program**

Dollar threshold used to distinguish between type A and type B programs:	$ 1,703,510
Auditee qualified as a low-risk auditee	Yes

Section II Financial Statement Findings

No findings.

Section III Federal Awards Findings

US Department of Housing and Urban Development **Direct Award**

		Internal Control	Significant Deficiency
Program Name	**Moving to Work Demonstration Program**		
AL Number	**14.881**	N	Special Tests

2025-001 **HQS Enforcement**

Criteria HUD requires that all units under the Housing Choice Vouchers Program meet specific Housing Quality Standards (HQS). In cases of failed inspections, timely re-inspections are mandatory, and if compliance is not achieved, abatement of Housing Assistance Payments (HAP) or voucher cancellation is required.

Condition During the audit, it was noted that in seven (7) instances, a unit that failed its HQS inspection did not undergo a subsequent re-inspection or no inspection was documented. Consequently, the required abatement of HAP or cancellation of the housing voucher was not executed.

Context This finding represents a potentially systemic issue within the Housing Voucher Cluster program, as it was identified in seven (7) files tested out of a sample of eight (8) cases. It highlights a need for more rigorous enforcement and monitoring of HQS compliance.

Cause The non-compliance appears to stem from oversight or procedural lapses in the enforcement of HQS within the Housing Voucher Cluster program. This may be due to inadequate training, monitoring, or failure to adhere to established protocols.

Effect This non-compliance undermines the integrity of the Housing Choice Vouchers Program and may lead to tenants living in substandard conditions. It also represents a risk of improper use of federal funds and can impact the credibility and effectiveness of the program.

Recommendations Implement more stringent procedures for monitoring HQS compliance, including timely reinspection and enforcement of HAP abatement or voucher cancellation. Enhance training for staff involved in the HQS process to ensure a thorough understanding of compliance requirements. Establish a system of regular audits to identify and rectify lapses in HQS enforcement promptly.

Questioned Costs The exact monetary impact needs further investigation to determine the amount of HAP that should have been abated for the period of non-compliance.

Management Views The auditee acknowledges the deficiency in enforcing Housing Quality Standards (HQS) as highlighted in the finding. In response to this issue, the management commits to implementing a comprehensive Corrective Action Plan.

Financial Statement Findings

Prior Year Findings Number	Findings Title	Status/ Current Year Findings Number
2024-001	Internal Controls over Significant Account Balances (original finding #2024-001)	Cleared

Federal Award Findings and Questioned Costs

Prior Year Findings Number	Findings Title	Status/ Current Year Findings Number
2024-002	Housing Quality Standards Inspection/HQS Enforcement (original finding #2024-002)	Repeated 2025-001

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Management's Corrective Action Plan

Finding 2025-001

Corrective Action Plan.

Management has re-reviewed the policy and requirements for failed HQS inspections with staff and contracted inspectors to ensure understanding and reinforce the timelines and actions required to address deficiency corrections, follow-up inspections and enforcement, including rent abatement.

Further internal procedures implemented to ensure additional contractor oversight and post-repair audits to ensure that failed HQS inspections are remedied properly and timely.

Responsible Party: Andrea Fink, Housing Programs & Services Manager

Timeline: Full implementation of the CAP by 9/15/2025

This Corrective Action Plan has been reviewed and approved by:

Rob L. Fredericks (Aug 20, 2025 10:00:43 PDT)

Rob L. Fredericks
Executive Director/CEO

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:
Public Housing Agencies
Public Housing Directors
Regional Public Housing Directors

Notice PIH 2025-28

Issued: November 17, 2025

Expires: This notice remains in effect until amended, superseded, or rescinded.

Supersedes: Notices PIH 2011-28 and 2017-21 Attachment H

Cross References: Notices PIH 2011-28, 2013-28, 2014-25, 2016-09, 2017-21, 2018-26, and 2024-34

Subject: Cost-Savings Measures in the Housing Choice Voucher (HCV) and Project Based Voucher (PBV) Programs

I. PURPOSE

This notice provides a menu of options for public housing agencies (PHA), including Moving to Work (MTW) PHAs, that need to reduce housing assistance payment (HAP) expenses to prevent shortfalls. This notice also can be a reference for PHAs working with the Department of Housing and Urban Development's (HUD) Shortfall Prevention Team (SPT). This notice supersedes Notice PIH 2011-28 and Attachment H to Notice PIH 2017-21.[1]

II. BACKGROUND

Congress funds the HCV program annually through an appropriations act. HUD then obligates this funding to PHAs based on a calendar year (CY). PHAs are responsible for managing this funding and ensuring that program costs do not exceed the amount of federal funds available to them (including any HAP reserves, which is the Restricted Net Position and HUD-held reserves) for the CY.

HUD recommends PHAs monitor their HAP spending using HUD's Two-Year Tool, which can help PHAs identify whether they are projected to face a shortfall in federal funding. A shortfall is when a PHA is projected to have insufficient funds (including HAP reserves) to support all HCV participant families through the end of the CY. PHAs that are at risk of shortfall are encouraged to contact and consult with their local HUD Public Housing Field Office or the Shortfall Prevention Team.

[1] Attachment H to Notice PIH 2017-21 provided guidance on the requirement that PHAs must implement cost-savings measures before terminating any PBV HAP contract as a result of the Housing Opportunity Through Modernization Act of 2016 (HOTMA), Pub. L. 114–201, 130 Stat. 782, which was signed into law on July 29, 2016.

When a PHA faces a shortfall, the PHA has several options to reduce costs, which are described in this notice. In addition, MTW PHAs are encouraged to evaluate approved MTW activities for possible cost savings (e.g., reduce amounts obligated to activities like landlord incentives or deposit assistance). If a PHA's cost-savings actions are insufficient to prevent the termination of assistance to existing HCV and PBV families, HUD may provide available Shortfall Funding to those PHAs who have exhausted all other feasible cost-cutting measures. Requirements for Shortfall Funding are set annually in the HCV Funding Implementation Notice, which can be found on HUD's Public and Indian Housing Notices webpage.

III. PHA ACTIONS TO REDUCE HCV PROGRAM COSTS

The following non-exhaustive list of PHA cost-savings actions is divided into three categories: (1) standard regulatory compliance and sound program management practices that may also reduce program costs; (2) additional actions PHAs may consider to lower costs; and (3) further cost-savings actions that require HUD approval.

Potential cost saving measures in category 1 are current mandatory program requirements that, if used proactively, may assist in better managing HAP expenses. Cost-savings measures in categories 2 and 3 are optional, except when required by HUD prior to terminating HAP contracts (see Section IV) or as a condition of receiving Shortfall Funding.

These measures have varying degrees of effects on applicant and participant families. HUD recommends that the effect of each action be considered prior to implementation, particularly on assisted families. If an action adversely impacts program participants, such as by increasing a family's rent burden, HUD strongly recommends that the PHA first consider taking other actions having no or a lesser effect on families, including the use of administrative fee reserves to pay for HAP expenses.

A. Category 1: Standard Regulatory Compliance and Sound Program Management Practices

1. **Ensuring Correct Voucher Size.** PHAs must ensure the payment standard used to calculate the family share is based on the lower of the voucher size for which the family is eligible or the actual unit size leased.[2] For example, a single-member household living in a three-bedroom unit must have a zero- or one-bedroom payment standard, not a three-bedroom payment standard.[3] If the family composition changes after admission, the PHA must ensure the correct payment standard is used in calculating the family rent portion.

   In the PBV program, the PBV contract unit leased to each family must be appropriate for the size of the family under the PHA's subsidy standards.[4] If the PHA determines that a family is occupying a wrong-size unit for any reason, including following a change to the family composition, then the PHA must follow the requirements in 24 CFR 983.260 to offer the family continued housing assistance.

[2] 24 CFR 982.505(c)(1)
[3] 24 CFR 982.402(b)(1)
[4] 24 CFR 983.253(b)

PHAs may use data analytic tools available in their respective PHA software system, HUD's Inventory Management System/Public and Indian Housing (PIH) Information Center (IMS/PIC), or its successor system, to help detect and monitor over-subsidized households. A PHA's Form HUD-50058 Ad-Hoc Report in IMS/PIC and the PIC Drilldown Report in PIH's Tool of Tools may enable the PHA to monitor the factors that would indicate over subsidization and other improper payments.

Using the 50058 Ad-Hoc Report, PHAs can ensure that the voucher size and payment standard, or PBV unit size, are correct for each family and make corrections where necessary. PHAs are encouraged to review these reports on a regular basis (e.g., monthly or quarterly) to ensure families that do not have an approved reasonable accommodation for a larger unit size are not being mistakenly over-subsidized. See Notice PIH 2014-25 for additional information.

2. **Reviewing Payment Standards.** PHAs must review their payment standard amounts and schedule and adopt any updates to remain within the basic range of 90 to 110 percent of the applicable fair market rents (FMR) no later than 3 months following the effective date of the HUD-published FMR, which generally takes effect each Federal fiscal year on October 1. PHAs are not required to increase (or decrease) the dollar amount of their payment standards based on changes in applicable FMRs unless the change in FMR results in the PHA's payment standard being outside the basic range.[5] PHAs with current payment standards that will be below 90 percent of the new FMRs and that do not wish to increase their payment standards to contain costs must request HUD approval in advance (per the procedure in Section III.C).

   The Department recommends PHAs regularly monitor local market rent trends, leasing success rates, and rent burdens of the families they serve, all of which are important indicators of whether their payment standards are adequate. As a result of such reviews, PHAs may opt to lower (or raise) payment standards for all or some unit sizes.[6] In the tenant-based HCV program, a decrease in the payment standard applies immediately to all new admissions and all movers. For all other tenant-based HCV participants, a decrease in payment standard amounts may not be applied earlier than 2 years after the effective date of the decrease in payment standard, and the PHA must provide the family with at least 12 months' written notice of any reduction in the payment standard amount that will affect the family if the family remains in place.[7]

   The Department recommends PHAs experiencing HAP funding difficulties that have adopted increased exception payment standards under Notice PIH 2024-34 consider whether those exception payment standards are still necessary to help families lease units.

[5] 24 CFR 982.503(c)(3). For MTW PHAs, this is applicable except where an approved MTW waiver is in place to set payment standards outside the basic range.
[6] Payment standards do not apply to the PBV program, except to the extent that exception payment standards may impact a PHA's determination of the rent to owner for a PBV project (24 CFR 983.2(c)(7), 983.301(b)(1), (c)(f)(3)). See Section III.A.6 of this notice for information about PBV rent to owner cost savings.
[7] 24 CFR 982.505(c)(3)

PHAs may discontinue the use of exception payment standards without notification to HUD.

A Payment Standard Tool (PST) is available within the Tool of Tools on HUD's HCV Utilization Tools webpage. The PST allows PHAs to determine the impact of potential payment standard changes on both program costs and participant rent burden. Your local HUD Public Housing Field Office is available to provide training and assistance on this tool.

3. **Utility Allowances.**
   i. **Reviewing Utility Rates.** PHAs must review utility allowances at least annually.[8] PHAs may review their utility allowances more frequently to determine if they are higher than the typical cost. Changes in utility allowances may be applied immediately but not later than the next regularly scheduled reexamination of family income. A utility allowance category must be changed if there is an increase or decrease of 10 percent or more in the utility rate since the last time the utility allowance schedule was revised.[9]

   ii. **Ensuring Accuracy of Individual Utility Allowances**. As a reminder, PHAs must ensure that the utility allowance used to calculate the housing assistance payment for a tenant-based HCV is for the lesser of the size of dwelling unit leased by the family or the family unit size as determined under the PHA subsidy standards.[10] In cases where the unit size leased exceeds the family unit size as determined under the PHA subsidy standards as a result of a reasonable accommodation, the PHA must use the appropriate utility allowance for the size of the dwelling unit actually leased by the family.

   iii. **Implementing Utility Allowance Flexibilities.** PHAs may also maintain an area-wide, energy-efficient utility allowance schedule to be used for units that are in a building that meets Leadership in Energy and Environmental Design (LEED) or Energy Star standards,[11] which could result in cost savings. Additionally, the PHA may base its utility allowance payments on actual flat fees charged by an owner for utilities that are billed directly, but only if the flat fee charged by the owner is no greater than the PHA's applicable utility allowance for the utilities covered by the fee. If an owner charges a flat fee for only some of the utilities, then the PHA must pay a separate allowance for any tenant-paid utilities that are not covered in the flat fee. For more information, see 24 CFR 982.517(b)(2).

4. **Conducting Rent Reasonableness.** The PHA must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units and in

[8] 24 CFR 982.517(c)(1)
[9] 24 CFR 982.517(c)
[10] 24 CFR 982.517(d)
[11] 24 CFR 982.517(b)(2)(ii)

accordance with the HAP contract.[12] The PHA must ensure that owner rents do not exceed amounts charged for unassisted units in the same building or complex.[13] The initial rent and all rent increases must comply with any applicable State or local rent control limits.[14] As a cost-savings measure, PHAs do not have to wait until the HAP contract anniversary date to review and make adjustments to the owner rents, which may include reducing them if warranted.

In accordance with the HAP contract, the PHA must provide written notice to owners before reducing unreasonable rents.[15] Rents may be reduced as early as the first of the following month.

If the rent to the owner for a unit assisted with a tenant-based HCV is not reasonable as most recently determined by the PHA, the owner must reduce the rent to the reasonable amount determined by the PHA or the HAP contract must be terminated. In such cases, the family will be issued an HCV to find a new unit. Movers, like new participants, are subject to a PHA's current payment and subsidy standards.

In the PBV program, a single HAP contract may cover multiple units with different rents to owner (for example, one-bedroom units will have a different rent to owner than two-bedroom units). During the term of a PBV HAP contract, the rent to owner for each contract unit may not exceed the reasonable rent, except that in cases where the PHA has elected in the HAP contract to not reduce rents below the initial rent, the rent to owner shall not be reduced below the initial rent.[16] Therefore, if the rent to owner for any of the PBV contract units is not reasonable as most recently determined by the PHA, the PHA must reduce the rent for all such units to the reasonable amount except as provided in 24 CFR 983.302(c)(2). If the rent for any PBV contract unit is reduced below the initial rent, the owner may terminate the HAP contract,[17] and the PHA must issue each family residing in a contract unit a tenant-based HCV.[18]

Even if an owner's rent is reasonable, a PHA could request owners to voluntarily agree to a temporary rent reduction or defer rent increases to help the PHA avoid the termination of HAP contracts due to shortfalls in HCV funding.[19] It is the owner's option to agree to such measures. However, a PHA may not "freeze" rents due to insufficient funding when an owner requests an increase,[20] if the PHA determines the increased rent to be reasonable (and the PHA determines the increase is consistent with the provisions

[12] 24 CFR 982.507(b), 24 CFR 983.303. See Notice PIH 2020-19 and HUD's Rent Reasonableness Guidebook Chapter for more information.
[13] 24 CFR 982.507(d), 983.210(g), 983.301(e)
[14] 24 CFR 982.509, 983.305
[15] For requirements specific to the PBV program, see 24 CFR 983.302(d).
[16] 24 CFR 983.303(a), 24 CFR 983.302(c)(2)
[17] 24 CFR 983.206(d)
[18] The requirement that, subject to certain conditions, each assisted family may elect to use its tenant-based assistance to remain in the same project applies (24 CFR 983.206(b)).
[19] For the PBV program, the owner would effectuate the reduction or deferral by submitting a lower rent requested by the owner pursuant to 24 CFR 983.301(b)(3).
[20] For the PBV program, an owner request is not required if the HAP contract provides for automatic adjustment by an operating cost adjustment factor (OCAF) (24 CFR 983.302(b)(2)).

governing maximum rent in the case of PBV[21]) and the owner does not agree to defer a rent increase.

5. **Evaluating Entering New PBV HAP Contracts.** PHAs' PBV programs are funded with a portion of appropriated funding (budget authority) available under the PHA's voucher Consolidated Annual Contributions Contract (CACC).[22] Each PHA is responsible for determining the amount of budget authority that is available for PBVs and for ensuring that the amount of assistance that is attached to units is within the amounts available under the CACC.[23] Generally, a PHA in a shortfall may not issue new requests for proposals or undertake new selection processes, except for new PBV conversions under the Rental Assistance Demonstration. PHAs may cancel requests for proposals (RFP) or other selection processes that are underway but have not yet resulted in a proposal or project selection if the PHA determines it does not have budget authority available to pay the HAP for PBV contract units. A best practice is to include information in RFPs stating that factors outside the PHA's control may result in cancellation of the RFP. PHAs may also include a condition in the written notice of proposal or project selection[24] that allows the PHA to rescind the selection if the PHA determines it does not have sufficient budget authority. If a PHA has executed an Agreement to Enter into a HAP Contract (AHAP) covering a project, the PHA must execute a new PBV HAP contract if the owner completes the units and otherwise fulfills all AHAP terms. If a PHA subsequently needs to terminate a HAP contract in effect, the PHA would proceed as discussed in Section IV below.

6. **Determining PBV Rent to Owner.** PHAs determine the amount (within maximum limits)[25] at which they set the rent to owner at each PBV project, though the amount must not exceed the rent requested by the owner (if applicable)[26] or the reasonable rent.[27] A PHA's policy regarding the PHA-determined amount it will use to calculate rent to owner must be in the PHA's Administrative Plan.[28] The PHA's policy must establish the level at which the PHA will set the rent to owner for PBV projects by bedroom size and/or any criteria or methodology the PHA will use to determine any different rent amounts that

[21] 24 CFR 983.301, 983.302
[22] 24 CFR 983.5(b)
[23] 24 CFR 983.6(c)
[24] 24 CFR 983.51(f)
[25] Under the applicable regulation at 24 CFR 983.301, the PHA-determined amount must not exceed 110 percent of the applicable FMR (which may be the Small Area FMR in accordance with 24 CFR 888.113(c)(5) and (h)), minus any applicable utility allowance, with two exceptions. First, if an exception payment standard applies to the PBV project in accordance with 24 CFR 983.301(f), or 89 FR 65769 for projects comprised solely of units exclusively made available to HUD-Veterans Affairs Supportive Housing (VASH) families, and the project is not a tax credit project that meets the criteria of 24 CFR 983.301(c)(1), then the PHA-determined amount must not exceed the exception payment standard minus any applicable utility allowance. Second, if the project is a tax credit project that meets the criteria of 24 CFR 983.301(c)(1), then the PHA-determined amount must not exceed the tax credit rent minus any applicable utility allowance. There is no minimum PHA-determined amount; for example, the PHA-determined amount may be less than 90 percent of the FMR, the exception payment standard, or the tax credit rent, as applicable.
[26] The owner need not request an amount of rent to owner if the rent is redetermined by OCAF (24 CFR 983.302(b)(2)-(3)).
[27] 24 CFR 983.301(b)-(c)
[28] 24 CFR 982.54(a), 983.10(b)(19), 983.301(b)(1), (c)(2)(i)

will apply to different PBV projects or units, in accordance with program requirements. PHAs may change their Administrative Plan policies regarding the PHA-determined amount they will use to calculate rent to owner prospectively, with respect to any future PBV HAP contracts they may enter into, as a cost-savings measure.

As a reminder, changes to the PBV rent to owner have no effect on the tenant rent, which is the total tenant payment minus the utility allowance.[29]

PHAs may also consider whether to elect within PBV HAP contracts to not reduce rents below the initial rent to owner.[30] PHAs may be able to achieve cost-savings during the term of a PBV HAP contract if they preserve the option to reduce the rent to owner to a level lower than the initial rent to owner.

B. Category 2: Additional Actions PHAs May Consider to Lower Program Costs

1. **Reducing or Stopping Voucher Issuance to Applicants.**[31] PHAs may reduce or stop issuing turnover vouchers to new applicants.[32]

   Voucher issuance is not applicable to the PBV program,[33] under which the PHA attaches vouchers to specific units under a HAP contract.[34] Families are referred to PBV units for occupancy and are not issued a voucher. PHAs must make every reasonable effort to refer families for occupancy from a PHA-maintained waiting list and make final eligibility determinations for families selected from an owner-maintained waiting list within 30 calendar days.[35] PHAs are not permitted to stop filling vacancies in PBV units solely as a result of insufficient funding. Rather, when facing a shortfall that may impact funds for PBV units, the PHA must first take cost-savings measures, with termination of PBV HAP contracts being a last resort, as discussed in Section IV of this notice.

2. **Increasing the Minimum Rent.** PHAs may increase the minimum rent up to $50 (or higher for MTW PHAs with an approved MTW waiver to increase the minimum rent above $50).[36] The effective date for the increased minimum rent is dependent upon PHA policy.[37] PHAs could institute a policy for increases in family contribution to be effective immediately (i.e., once the change is adopted, it can be applied with an interim

[29] 24 CFR 983.353(b)(1). See 24 CFR 5.520(c)(1) for additional provisions regarding prorated assistance.
[30] 24 CFR 983.302(c)(2)
[31] Families seeking to move from PBV units with tenant-based HCVs are not applicants. After admission, and so long as the family is continuously assisted with tenant-based or PBV assistance from the PHA, a shift from tenant-based or project-based assistance to the other form of voucher assistance is not a new admission (24 CFR 983.3(b)).
[32] With respect to PHA eligibility for any available shortfall funding, HUD states the relevant requirements in its annual "implementation of federal fiscal year funding provisions for the HCV program" notice. PHAs should review the most recent notice for information on the requirement to reduce or stop voucher issuances to applicants and other relevant requirements with respect to eligibility for shortfall funding. For Federal fiscal year 2025, see Notice PIH 2025-13.
[33] 24 CFR 983.2(b)(1)
[34] 24 CFR 983.5(a)
[35] 24 CFR 983.254(a)
[36] 24 CFR 5.630(a)(2). See Notices PIH 2019-12 and 2001-41, or any successor notices, for minimum rent requirements for enhanced vouchers.
[37] 24 CFR 982.516(e)(1)

reexamination) rather than at the next annual reexamination. PHAs may choose to charge a lower minimum rent (including a minimum rent of $0) specifically for their HUD-Veterans Affairs Supportive Housing (VASH) program.[38]

3. **Stopping Portability Absorption.** A receiving PHA can always stop absorbing new portable families and elect to bill the initial PHA as a cost-savings measure. An initial PHA may also request that a receiving PHA absorb portable families for which the initial PHA is billed. This request may include asking the receiving PHA to retroactively absorb families for which the initial PHA was already billed and made payments. In these cases, the receiving PHA reimburses the initial PHA for payments made back to the effective date of the absorption but only for the current calendar year. Both the receiving PHA and initial PHAs must agree to this arrangement. Refer to Notice PIH 2016-09, Section 16.

   As a reminder, a receiving PHA cannot "absorb" a family into its HCV program until it executes a HAP contract on behalf of the family that moves to a new unit. If the family is not placed under a HAP contract for a new unit in the receiving PHA's jurisdiction, the receiving PHA cannot absorb the family.

4. **Reducing Subsidy Standards.** Subsidy standards are established by a PHA to determine the appropriate number of bedrooms and amount of subsidy (voucher size) for families of different sizes and compositions. PHAs may revise subsidy standards that exceed minimum HUD requirements to reduce voucher size eligibility.[39] Subsidy standards must be consistent with the space requirements, which provide that units assisted under the HCV or PBV program must have at least one bedroom or living/sleeping room for each two persons.[40]

   In the case of tenant-based HCVs, irrespective of any increase or decrease in the payment standard amount, if the family voucher size increases or decreases during the HAP contract term, due to change in family composition or change in PHA subsidy standard policy, PHAs may use the new voucher size to determine the payment standard amount for the family immediately but no later than the family's first regular reexamination following the change in eligible voucher size.[41]

   In the case of PBVs, if a PHA determines that a family is occupying a wrong-size unit following a change to the PHA's subsidy standards, then the PHA must follow the requirements in 24 CFR 983.260 to offer the family continued housing assistance in another unit.

C. Category 3: Further Cost Savings Actions that Require HUD Approval

1. **Denying Portability and Moves within the PHA Jurisdiction.** Under limited circumstances, PHAs may deny requests from families receiving tenant-based HCVs to

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[38] See 89 FR 65769 for more information.
[39] 24 CFR 982.402
[40] 24 CFR 5.703(d)(5). See Notice PIH 2016-02, or any successor notice, for subsidy standard requirements for enhanced vouchers.
[41] 24 CFR 982.505(c)(6)

move if the PHA does not have sufficient funding for continued assistance.[42] See Notice PIH 2016-09 for the requirements on when a PHA may deny a tenant-based HCV family's request to move and instances when a PHA must not deny a family's request to move, as well as other pertinent information related to moves and portability.
For PBV families, if continued tenant-based rental assistance, such as a tenant-based HCV, is not immediately available due to insufficient funding at the time the family is requesting to move with tenant-based rental assistance,[43] then the family must wait until funding is available, and the PHA must give the family priority to receive the next available opportunity for continued tenant-based rental assistance (regardless of where the family will move).

Once a family is eligible to move from a PBV unit with a tenant-based HCV,[44] PHAs may only deny the family's request to move until the next opportunity for continued tenant-based rental assistance is available.[45] First, the PHA must determine that: (1) no comparable tenant-based rental assistance that may be provided pursuant to the Administrative Plan is available, and (2) the PHA has insufficient funds to pay for and/or insufficient CACC unit authority to issue an additional tenant-based HCV without having to terminate assistance of current program participants during the current CY.

PHAs may make reasonable estimates when projecting whether there is sufficient funding available for the remainder of the CY to support the additional voucher that would be issued to a family exiting PBV (the family's current voucher would remain attached to the PBV unit for occupancy by a new family).[46] The PHA may factor in the following conditions:

- Pending rent increases that would affect the subsidy
- Attrition rate for families leaving the program
- Costs for vouchers issued to families from the waiting list but not yet leased

2. **Rescinding Vouchers Issued to Applicants.** PHAs may consider pulling back vouchers issued to applicants searching for housing that have not yet resulted in an executed HAP contract. The PHA must work with HUD's SPT and the local HUD Public Housing Field Office prior to pulling back outstanding vouchers, because of the detrimental effect this would have on impacted families. HUD recommends PHAs not consider pulling back vouchers unless they are in shortfall, and they have determined, in consultation with the HUD SPT, that this step is necessary to mitigate terminations of assistance.

3. **Request a Waiver to Apply Decreases in Payment Standards During the HAP Contract Term Immediately.** As explained above, while a reduced payment standard applies immediately to all households that are newly admitted or have moved, the application of the reduced payment standard is delayed for all other households. The

[42] 24 CFR 982.354(e)(1)
[43] 24 CFR 983.261
[44] 24 CFR 983.261
[45] 24 CFR 983.261(c)
[46] 24 CFR 983.5(a)(1)

delayed applicability of a lower payment standard is a regulatory, not statutory, requirement. PHAs experiencing financial difficulties and working with the SPT may request a regulatory waiver for good cause so that reduced payment standards may be applied immediately with notice to the family in accordance with their Administrative Plan policies. HUD will only consider waiver requests to apply reductions immediately as part of the action plan established by the SPT.

HUD recommends that PHA waiver requests to apply reductions immediately include the calculation used to arrive at the projected shortfall in funding and cost-savings measures the PHA has already taken or will take in the future as part of their good cause justification.

4. **Request Approval to Establish Payment Standards Below 90 Percent of the Applicable FMR.** The regulations allow PHAs to request approval from HUD to establish a payment standard below 90 percent of the applicable published FMR by following the requirements in 24 CFR 982.503(e), which are also described in Notice PIH 2024-34. However, HUD will not approve such payment standard amounts if the family share for more than 40 percent of the PHA's voucher participants exceeds 30 percent of monthly adjusted income unless it is necessary to prevent termination of program participants. This is a regulatory requirement. PHAs experiencing financial difficulties may request that HUD waive this requirement for good cause.

   In determining whether to approve a PHA's request to establish payment standards below the basic range, HUD will review and take into consideration the PHA's current rent burden and the impact of the proposed change on the PHA's participants. In addition, as a condition of the approval, HUD may require the PHA to raise payment standards and apply the new payment standard amounts immediately at such time that the PHA receives additional funding.

IV. TERMINATION OF ASSISTANCE DUE TO INSUFFICIENT FUNDING

As a last resort, PHAs may terminate HAP contracts for families assisted with tenant-based HCVs, in accordance with HUD requirements and their Administrative Plan (as discussed further below), if the PHA determines that funding under the CACC is insufficient to support continued assistance for families in the program.[47]

In the PBV program, consistent with the policies in the PHAs' Administrative Plans, PHAs have the option of terminating a PBV HAP contract based on insufficient funding only if:[48]

- The PHA determines in accordance with HUD requirements that it lacks sufficient HAP funding (including HAP reserves) to continue to make housing assistance payments for all voucher units currently under a HAP contract;
- The PHA has taken cost-saving measures specified by HUD;
- The PHA notifies HUD of its determination and provides the information required by HUD; and

[47] 24 CFR 982.454
[48] 24 CFR 983.206(c)(1)

- HUD determines that the PHA lacks sufficient funding and notifies the PHA it may terminate HAP contracts as a result.

For both tenant-based HCV and PBV HAP contracts, PHAs must notify HUD's SPT and local Public Housing Field Office prior to issuing notices of termination actions due to insufficient funding. The notice to HUD must be in writing and must include all measures taken to date to reduce or eliminate the shortfall and the number and date(s) of proposed termination. PHAs are encouraged to utilize alternative sources of unrestricted non-Federal funding that may be available to prevent the termination of rental assistance, consistent with the terms of Notice PIH 2013-28 and any subsequent HUD guidance on this matter.

Prior to terminating any HAP contract based on insufficient funding, the PHA must comply with the instructions from the SPT and local HUD Public Housing Field Office to implement all additional cost-savings measures other than termination of any tenant-based rental assistance or project-based voucher HAP contract. If a PHA implements all these cost-savings measures and still has insufficient funds to cover its housing assistance payments, then, upon written HUD approval, the PHA may choose to terminate payments under its tenant-based HCV or PBV programs.[49]

PHA termination policies due to insufficient funding must be included in the Administrative Plan. Such policies must describe how the PHA will determine which HAP contracts will be terminated, and the factors it considered in making this determination.[50] If the PHA chooses to have a policy to terminate a specific type of assistance first, such as tenant-based HCV or PBV, the policy must be in the PHA's Administrative Plan. PHAs with families enrolled in the PHA's Family Self-Sufficiency (FSS) program are encouraged to consider the impacts of terminating FSS families in their termination policy and make every effort to graduate FSS families prior to any termination or terminate with escrow disbursement in accordance with 24 CFR 984.303(k) if applicable. PHAs may seek a waiver to allow for escrow disbursement for families that do not meet the requirements in 24 CFR 984.303(k). PHAs are encouraged to consider policies that would minimize the impact of contract terminations on assisted families, such as terminating new PBV HAP contracts covering units that are not yet occupied first. Any PHA policies with respect to the resumption of assistance for the impacted families must also be included in the Administrative Plan.

V. REASONABLE ACCOMMODATIONS

Regardless of a PHA's adoption of policies to deny portability or moves within a PHA's jurisdiction or revision of payment standards or subsidy standards, PHAs must consider requests for reasonable accommodations that are necessary for a qualified individual with a disability to benefit from the program (in accordance with the Fair Housing Act, Section 504 of the Rehabilitation Act, title II of the Americans with Disabilities Act and HUD's implementing

[49] The requirement to implement cost-savings measures other than contract termination before terminating any HAP contract is a statutory requirement of HOTMA. HUD implemented this statutory provision by notice in Housing Opportunity Through Modernization Act of 2016: Implementation of Various Section 8 Voucher Provisions, 82 FR 5458, 5469 (Jan. 18, 2017). HUD provided guidance in Notice PIH 2017-21, Attachment H. Subsequently, HUD amended the PBV regulations at 24 CFR 983.206(c)(1) to codify this provision of HOTMA.

[50] 24 CFR 982.54(d)(26)

regulations at 24 CFR 100.204, 24 CFR 8.33, and 28 CFR 35.130). An individual with a disability can request a reasonable accommodation to any rules, policies, practices or services at any time.

The reasonable accommodation determination is made on a case-by-case basis. The PHA must grant the accommodation unless doing so would impose an undue financial and administrative burden to the PHA. The determination of undue financial and administrative burden must be made by the PHA or HUD on a case-by-case basis involving various factors, such as the cost of the requested accommodation, the financial resources of the PHA, the benefits that the accommodation would provide to the individual with the disability, and the availability of alternative accommodations that would effectively meet the individual's disability-related needs.

When a PHA denies a reasonable accommodation due to the reasons stated above, the PHA should discuss with the family whether there is an alternative accommodation that would effectively address the family's disability-related needs. If an alternative accommodation would effectively meet the family's disability-related needs and is reasonable, the provider must grant it. An interactive process in which the PHA and the family discuss the family's disability-related need for the requested accommodation and possible alternative accommodations is helpful to all concerned, because it often results in an effective accommodation for the family that does not pose an undue financial and administrative burden for the PHA.

VI. PHA PLAN REQUIREMENTS

Any measures referenced in this notice that constitute a significant amendment or modification[51] to the PHA Plan or MTW Plan, as determined by the PHA, are subject to the requirements of 24 CFR 903.13, 903.15, and 903.17, which include a public hearing and comment period.

VII. PHA REQUEST FOR REGULATORY WAIVER(S)

The regulatory waiver process of the Office of Public and Indian Housing requires PHAs to first send their request to the appropriate local HUD Public Housing Field Office; the field office then forwards the waiver request to the appropriate program office at HUD Headquarters along with a field office recommendation. If more than one cost-savings waiver is requested, which may be in a single submission, the PHA must demonstrate how both/all waivers are necessary to avoid a shortfall that would result in the termination of families. Each regulatory waiver request must identify the regulation from which relief is sought and present justification pursuant to 24 CFR 5.110. See Notice PIH 2018-16 for additional information.

VIII. FURTHER INFORMATION

For further information about this notice, PHAs may contact their local HUD Public Housing Field Office.[52] In addition, PHAs that are experiencing funding difficulties, or that believe they may experience funding difficulties in the future, should contact their local HUD Public Housing Field Office.

[51] 24 CFR 903.7(s)(2)
[52] Go to HUD's Local Office Directory to find your local HUD Public Housing Field Office contact.

IX. PAPERWORK REDUCTION ACT

The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3520). In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to a collection of information unless the collection displays a currently valid OMB control number. The information collection contained in this notice has been approved under the PRA OMB Control Number 2577-0169.

Benjamin Hobbs
Principal Deputy Assistant Secretary
Public and Indian Housing

From:	Rich Appelbaum
To:	Randy Rowse; Kristen Sneddon; Wendy Santamaria; Eric Friedman; Oscar Gutierrez; Meagan Harmon; Mike Jordan; City Clerk; Barbara Andersen
Cc:	Laurence Severance; Wayne Mellinger
Subject:	Item 12: Introduction of Ordinance Amending the Santa Barbara Municipal Code to Establish Residential Rent Stabilization and Residential Rental Registry Programs [Ordinance Introduction; Resolution
Date:	Tuesday, September 22, 2026 2:41:05 PM
Attachments:	CLUESB letter to City Council re RSO - 92226.docx

Dear Mayor Rowse, Council Members, and Ms. Andersen. CLUE-SB's Housing Justice Workgroup letter regarding today's discussion of the RSO is attached.

Many thanks for your consideration.

Best,

Rich Appelbaum

CLUE Santa Barbara
Clergy and Laity United for Economic Justice
1500 State Street, Santa Barbara, CA 93101
clue@cluesb.org

September 22, 2026

Mayor Randy Rowse	RRowse@SantaBarbaraCA.gov
Mayor Pro Tem/Councilmember Kristin Sneddon	KSneddon@SantaBarbaraCA.gov
Councilmember Wendy Santamaria	WSantamaria@SantaBarbaraCA.gov
Councilmember Eric Friedman	EFriedman@SantaBarbaraCA.gov
Councilmember Mike Jordan	MJordan@SantaBarbaraCA.gov
Councilmember Oscar Gutierrez	OGutierrez@SantaBarbaraCA.gov
Councilmember Meagan Harmon	MHarmon@SantaBarbaraCA.gov
Santa Barbara City Council Clerk	Clerk@SantaBarbaraCA.gov

Re: Item 12: Introduction of Ordinance Amending the Santa Barbara Municipal Code to Establish Residential Rent Stabilization and Residential Rental Registry Programs [Ordinance Introduction; Resolution

Dear Mayor Rowse and Councilmembers:

Clergy and Laity United for Economic Justice (CLUE-SB)' Housing Justice Workgroup reaffirms its support for the passage of the rent stabilization ordinance before you. We believe this ordinance, which has gone through many months of detailed review by stakeholders, is close to being finished. Yet it is not there yet.

There are a number of critical issues that need to be resolved, and these will take time to adequately address; the final ordinance should not be done in haste. The fee study also needs to be completed and analyzed, if we are to know exactly what the initial and final costs are likely to be required. This, in turn, may shape other aspects of the ordinance. While we understand that we all feel a sense of urgency, there is ample time to make sure that we get it right. It is critical that we produce an ordinance that will stand the test of time.

There are two specific issues that we wish to weigh in on at this point.

- We support the position of the Housing Authority in terms of exemptions, and agree that it should not be included under the RSO. Units can be part of the rental registry, given the need to have data on all rental housing in the city. Section 8 units should have access to the Rent Stabilization Board when habitability issues come up.

- We also urge that an alternative annual increase (to the proposed 60% CPI) be considered for the first year, while the results of the ordinance are evaluated and modifications can be made. One possibility is a straight 3% rent increase for the first year of the ordinance, which could then be adjusted to be more in keeping with the percentage CPI approach proposed in the current draft. This is lower than the current rate of inflation but higher than what is proposed in the ordinance. It would also lead to predictability during the first year.

Experience is often the best teacher, and can lead to changes which the city council can then use to modify the ordinance. With a full rental registry and a year's knowledge of actual appeals, adjustments can be made on the basis of hard data.

We have great appreciation for staff and City Council's tireless energy in the effort to make this work most effectively.

Respectfully submitted,

CLUE-Santa Barbara Housing Justice Workgroup, by:

/s/ Richard Appelbaum

/s/Laurence Severance

s/ Wayne Mellinger