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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION**

THE SANTA BARBARA  
APARTMENT ASSOCIATION, INC.,  
d/b/a SANTA BARBARA RENTAL  
PROPERTY ASSOCIATION, a  
California nonprofit mutual benefit  
corporation; TERESA PATINO, an  
individual; JKRK, L.P., a California  
limited partnership; 3442 RICHLAND,  
LLC, a California limited liability  
company; and 1501 SB, LLC, a  
California limited liability company,

Petitioner and Plaintiffs,

v.

CITY OF SANTA BARBARA, a  
municipal corporation; CITY  
COUNCIL OF THE CITY OF SANTA  
BARBARA; and DOES 1 through 20,  
inclusive.

Respondents and Defendants.

**Case No. 2:26-cv-03602**

**COMPLAINT FOR PRELIMINARY  
INJUNCTION AND  
DECLARATORY RELIEF;  
VERIFIED PETITION FOR WRIT  
OF MANDATE**

**[42 U.S.C. § 1983; 28 U.S.C. § 2201;  
CAL. CODE CIV. PROC. § 1085]**

1 Petitioner and Plaintiff THE SANTA BARBARA APARTMENT ASSOCIATION,  
2 INC., d/b/a SANTA BARBARA RENTAL PROPERTY ASSOCIATION  
3 (“SBRPA”), Ms. Teresa Patiño (“Ms. Patiño”), JKRK, L.P. (“JKRK”), 3442  
4 Richland, LLC (“3442 Richland”), and 1501 SB, LLC (“1501 SB”) (collectively,  
5 “Plaintiffs”)<sup>1</sup> allege as follows:

6 **GENERAL ALLEGATIONS/NATURE OF THE CASE**

7 1. This action arises out of two rent control ordinances (collectively, the  
8 “Ordinances”) introduced by Defendant City Council of the City of Santa Barbara  
9 (“City Council”) on January 13, 2026, and sequentially adopted by Defendant City  
10 of Santa Barbara (“City of SB”) on January 27, 2026.

11 2. The first ordinance, entitled “Establishing a Temporary Rent Increase  
12 Moratorium During the Preparation, Consideration, and Potential Adoption of a  
13 Permanent Rent Stabilization Program” (“Rent Freeze Ordinance”) retroactively  
14 prohibits *any* form of rent increase for the most economically burdened residential  
15 rental properties in the City of Santa Barbara. The Ordinance was adopted on  
16 January 27, 2026, and is slated to remain active through at least the 2026 Calendar  
17 Year. The Rent Freeze Ordinance violates the Takings Clause of the 5th  
18 Amendment of the United States Constitution, as applied to the states by the 14th  
19 Amendment of the United States Constitution. A true and correct copy of the Rent  
20 Freeze Ordinance is attached hereto as **Exhibit A** and is incorporated herein by  
21 reference.

22 3. The second ordinance, “Amending the Santa Barbara Municipal Code  
23 by the Addition of Section 26.50.100 Relating to Additional Requirements for Just  
24 Cause Evictions for the Purpose of Permanently Removing a Unit from the Rental  
25 Market,” (“Just Cause Eviction Amendments”) confronts Plaintiffs with a Hobson’s  
26 Choice when managing their property — evict all tenants from the property, or  
27

28 <sup>1</sup> SBRPA seeks relief by Writ of Mandate and is, therefore, a “Petitioner,” but is referred herein as  
“Plaintiff” for simplicity. The same is true of Defendant-Respondent, referred to as “Defendant.”

1 none. The Amendments also “lock-out” all withdrawn rental units from the rental  
2 market for *five years* from the date of last eviction. The Just Cause Eviction  
3 Amendments are preempted by the Ellis Act. A true and correct copy of the Just  
4 Cause Eviction Amendments is attached hereto as **Exhibit B** and is incorporated  
5 herein by reference<sup>2</sup>.

6 4. In addition, Defendant City Council abused its discretion in  
7 introducing and adopting the Ordinances and failed to technically comply with its  
8 own Charter. Councilmembers Harmon, Santamaria, Sneddon, and Gutierrez —  
9 each of whom voted in favor of the Ordinances — recklessly hastened the  
10 legislative process. Despite the Council majority rejecting the proffered  
11 “emergency” findings, the Ordinances were hastily and unreasonably enacted  
12 because of a pretextual agenda not reasonably based on the facts presented to the  
13 Council. Such process was rife with personal and political bias that epitomized  
14 arbitrary and capricious reasoning. The Ordinances continue to have widespread  
15 impact on Plaintiffs, and based on numerous economic studies are likely to  
16 negatively impact both the availability and habitability of affordable rental housing  
17 supply in the City of Santa Barbara. Plaintiff SBRPA seeks and is entitled to a Writ  
18 of Mandate.

19 5. Neither of the two ordinances provide a mechanism for affected  
20 property owners to apply for, or obtain, (1) a variance based on economic hardship  
21 or emergency circumstances, or (2) appeal any findings by the City of SB  
22 concerning economic hardship or emergency circumstances. The practical  
23 economic realities of affected rental property owners — whose pocketbooks are  
24 impacted by inflation, high property taxes, increasing insurance premiums,  
25 unpredictable international and domestic policies, and now legal costs — have *no*  
26 means of obtaining relief based on individual circumstances under the Ordinances.

27 \_\_\_\_\_  
28 <sup>2</sup> Plaintiffs are informed and believe that the draft ordinance presented was signed without  
changes.

1 The omission of such procedure is a staggering violation of Plaintiffs’ property and  
2 due process rights under the United States Constitution.

3 **JURISDICTION AND VENUE**

4 6. The claims alleged in this action arise out of federal law, including the  
5 Fifth and Fourteenth Amendments of the United States Constitution and 42 U.S.C.  
6 § 1983. Accordingly, jurisdiction is appropriate under 28 U.S.C. §§ 1331 and  
7 1343(a)(3). This Court has pendent jurisdiction over the California claim under 28  
8 U.S.C. § 1367.

9 7. Venue is proper in the U.S. District Court for the Central District of  
10 California under 28 U.S.C. §§ 1391(b)(1) and (b)(2). Defendants conduct business  
11 and reside within the Central District of California and a substantial part of the  
12 events giving rise to the claims set forth herein occurred in this district.

13 **PARTIES**

14 8. Plaintiff The Santa Barbara Apartment Association, Inc., d/b/a Santa  
15 Barbara Rental Property Association (“SBRPA”) is a nonprofit organization under  
16 section 501(c)(6) of the Internal Revenue Code. More than one-thousand  
17 individuals and entities are dues-paying members who own, manage, and provide  
18 services to more than 23,000 rental housing units in Santa Barbara. SBRPA brings  
19 this challenge on behalf of itself and its affected owner-members.

20 9. Plaintiff Ms. Teresa Patiño is an individual rental property owner who  
21 resides in the State of California.

22 10. Plaintiff JKRK, L.P. (“JKRK”) is a California limited partnership and  
23 rental property owner.

24 11. Plaintiff 3442 Richland, LLC (“3442 Richland”) is a California limited  
25 liability company and rental property owner.

26 12. Plaintiff 1501 SB, LLC (“1501 SB”) is a California limited liability  
27 company and rental property owner.

28 13. Defendant City of Santa Barbara (“City of SB”) is a municipal

1 corporation located in Santa Barbara County in the State of California.

2 14. Defendant City Council is the City's governing legislative body. The  
3 City Council is comprised of seven members: Randy Rowse, Wendy Santamaria,  
4 Mike Jordan, Oscar Gutierrez, Kristen Sneddon, Eric Friedman, and Meagan  
5 Harmon.

6 15. Plaintiffs are ignorant of the true names and capacities of Defendants  
7 sued herein as DOES 1 through 20 and therefore sue Defendants by such fictitious  
8 names. Plaintiffs are informed and believe, and on that basis allege, that each of the  
9 fictitiously named Defendants is in some manner responsible or liable for the events  
10 and happenings referred to herein, and that each such fictitiously named Defendant  
11 caused injury and damage to Plaintiffs as alleged in this Complaint/Petition.

12 Plaintiffs will amend or seek leave of court to amend this Complaint/Petition to  
13 allege the true names and capacities of such fictitiously named Defendants when  
14 the same are ascertained.

15 16. On information and belief, at all relevant times, Defendant City  
16 Council and all City Officials named or referenced by Title herein were the agent  
17 acting on behalf of Defendant City of SB, and all actions alleged herein were done  
18 within the ordinary scope and course of such agency or employment.

19 **FACTS**

20 17. On October 14, 2025, councilmembers Santamaria and Sneddon  
21 moved to introduce a novel rent control ordinance without public notice, nor notice  
22 to their fellow councilmembers. Their actions sparked a cascade of community  
23 concern, and panic for some property owners, and established their agenda to adopt  
24 a rent control ordinance as quickly as possible.

25 18. During the hearings that followed, public comments from concerned  
26 property owners that were directed to the City of SB and the City Council fell on  
27 deaf ears. At times, some of the councilmembers laughed, shook their heads, or  
28 rolled their eyes at the concerns of distressed commenters, demonstrating an

1 impenetrable bias. Reliable economic data was flippantly disregarded, and the  
 2 adoption of the Ordinances relied on speculation, anecdotal evidence, and “gut  
 3 feeling.” On the admission of Mayor and Councilmember Rowse, City Council put  
 4 the cart before the horse while they vowed to smooth out the “details” *ex post facto*.  
 5 Owners, tenants, and even City Council, remain confused about the scope and  
 6 application of the Rent Freeze Ordinance, the impacts of which are now felt by the  
 7 entire city.

8 **Defendant councilmembers Santamaria and Sneddon’s October 2025 “surprise”**  
 9 **rent control ordinance set the tone for an arbitrary and capricious process.**

10 19. At the October 14, 2025 City Council meeting, councilmembers  
 11 Santamaria and Sneddon proposed an “Ordinance adding Chapter 26.90 to Title 26  
 12 of the Santa Barbara Municipal Code related to Rent Stabilization.” On information  
 13 and belief, Santamaria and Sneddon drafted such Ordinance without transparency  
 14 or collaboration with the public or other councilmembers. The Proposed Ordinance  
 15 was introduced as a potential model for a permanent rent stabilization ordinance,  
 16 yet its introduction sparked the “temporary” Rent Freeze Ordinance adopted on  
 17 January 27, 2026. Sneddon stated “[i]n an effort to save staff time and [city] money,  
 18 councilmember Santamaria and myself worked with pro bono attorneys to develop  
 19 a starting point. . . to develop an ordinance . . . .”<sup>3</sup> On information and belief, they  
 20 contracted with outside counsel and developed the Proposed Ordinance without  
 21 City Council’s approval, in violation of Section 518 of the Charter of the City of  
 22 Santa Barbara, which requires City Council approval. The proposal caused rental  
 23 property owners to scramble for clarity about the City’s policy direction and incited  
 24 calls for due diligence before adopting an ordinance. A true and correct copy of the  
 25 Proposed Ordinance entitled “An Ordinance Adding Chapter 26.90 to Title 26 of  
 26

27 <sup>3</sup> City of Santa Barbara – City TV (@Citytv18), *City Council – October 14, 2025*, YOUTUBE  
 28 (Oct. 14, 2025 @ 3:50:22), accessible at <https://www.youtube.com/live/gka6ai5GhAc> [hereinafter  
*Oct. 14th Meeting*.]

1 the Santa Barbara Municipal Code Related to Rent Stabilization” is attached hereto  
2 as **Exhibit C** and is incorporated herein by reference.

3 20. On October 14, 2025, a myriad of legitimate concerns about the long-  
4 term effects of rent control and the importance of due diligence were pushed aside  
5 and ignored. In response to comments about researching the downstream economic  
6 impacts, Santamaria stated “[f]rankly, we don’t have the money for a consultant.  
7 And as much as we need public input, it’s still not fiscally responsible for us to  
8 throw money at yet another consultant to come back and tell us what we already  
9 know, because we are already living it.”<sup>4</sup> Yet approximately one month *after* the  
10 effective date of the Rent Freeze Ordinance, Defendant City Council voted 4–3 to  
11 approve a contract to hire a consulting firm to advise on a rent control ordinance.

12 21. The lack of transparency was obvious and received pushback from  
13 fellow councilmembers. For example, Harmon stated that “the submission of a fully  
14 developed ordinance. One that was written behind closed doors, created without  
15 public input, and without a single public conversation as to the policy specifics  
16 between and amongst the seven of us . . . putting forth a full ordinance and asking  
17 that it be agendized — whatever the real intent — seems almost destined to pit  
18 community members against one another in ways that were totally foreseeable. [...]  
19 I’m just begging us to be a little more thoughtful, a little more inclusive, a little  
20 more focused in developing a rent stabilization policy moving forward.”<sup>5</sup> Despite  
21 the secrecy of the drafting process, and lack of public input, Defendant City  
22 Council voted 4–3 to move the agenda forward.

23 22. Defendant City Council affirmatively voted “[t]hat Council consider  
24 the request from councilmembers Santamaria and Sneddon to consider an  
25 Ordinance Adding Chapter 26.90 to Title 26 of the Santa Barbara Municipal Code  
26 Related to Rent Stabilization and Development of a Work Plan to Fund and  
27

28 <sup>4</sup> Oct. 14th Meeting, at 3:38:28.

<sup>5</sup> Oct. 14th Meeting, at 4:16:45.

1 Administer a Rent Stabilization Program and determine whether to place the item  
 2 on a future agenda for full discussion,” despite widespread concern about a rushed  
 3 and opaque process from within City Council, and the public at large. The Motion  
 4 passed 4–3, however, Mayor and Councilmember Rowse, who with two fellow  
 5 councilmembers voted “No,” summarized the hasty process. “I’m not willing to go  
 6 forward with this because . . . this cake got taken out of the oven way too quickly.”<sup>6</sup>  
 7 And in conversation with other councilmembers on the record, Santamaria  
 8 proposed, “no more doing things behind closed doors, I think we can all agree on  
 9 that, right?”<sup>7</sup>

10 **The City Administrator introduced the idea of a temporary rent control ordinance**  
 11 **without a formal motion or “Emergency” declaration by City Council, instead**  
 12 **citing calls for urgency from only select councilmembers.**

13  
 14 23. On October 14, 2025, Sneddon, Santamaria, and Harmon strongly  
 15 opined about their preference to accelerate a rent control ordinance. “Rent  
 16 stabilization is coming. And it’s coming sooner rather than later,” said Harmon,  
 17 “[I’m] hardly able to stomach any more [conversations about rent control]. [...] I  
 18 definitely don’t like the idea of another year going by.”<sup>8</sup> Santamaria decried “no  
 19 more delays,”<sup>9</sup> and Sneddon said “I’m here for [rent control] in whatever format it  
 20 needs to come in.”<sup>10</sup> Sneddon later moved “to begin the work plan on rent  
 21 stabilization and to come back *before the end of the year.*”<sup>11</sup>

22 24. On December 16, 2025, the Senior Assistant to the City Administrator,  
 23 Barbara Andersen, introduced the idea of a rent freeze moratorium on the record,  
 24 doing so without a declaration of an “Emergency” by City Council. On information

25 \_\_\_\_\_  
 26 <sup>6</sup> Oct. 14th Meeting, at 4:29:26.

27 <sup>7</sup> Oct. 14th Meeting, at 4:32:35.

28 <sup>8</sup> Oct. 14th Meeting, at 4:22:15.

<sup>9</sup> Oct. 14th Meeting, at 4:32:35.

<sup>10</sup> Oct. 14th Meeting, at 4:11:52.

<sup>11</sup> Oct. 14th Meeting, at 4:46:24.

1 and belief, such a suggestion was outside the scope of her authority. Ms. Andersen  
 2 stated that her office would “be the A-team . . . as we shepherd this process  
 3 through, [] *with the sense of urgency you’ve conveyed to all of us.*”<sup>12</sup> At such time,  
 4 no measure had been passed to consider a temporary rent control ordinance. Ms.  
 5 Andersen, however, proposed the Rent Freeze Ordinance as a “temporary” measure  
 6 to restrict rent increases given the time it will take to develop a permanent  
 7 ordinance.<sup>13</sup>

8 **The public was deprived of a fair legislative process.**

9  
 10 25. On December 16, 2025, virtually all comments about the potential  
 11 detrimental economic impact of the Ordinances were brushed aside by  
 12 councilmembers Gutierrez, Santamaria, Sneddon, and Harmon.

13 26. Commenters, including SBRPA and several of its members, voiced  
 14 concern about the detrimental economic impacts of rent control. Studies were  
 15 presented to the Council from credible economic journals and newspapers, such as  
 16 the *Wall Street Journal*, about the negative long-term impacts of rent control on a  
 17 city’s housing and rental markets. “Mom-and-Pop” owners raised concern about the  
 18 concrete economic impact of the proposed ordinances on their expected return on  
 19 investment. Commenters shared real-life examples of unexpected financial burdens,  
 20 such as medical bills for treating a terminal illness or a \$200,000 unforeseen  
 21 construction project. Each of these events required the commenters to raise their  
 22 tenants’ rents, in many cases from an existing below-market rate.

23 27. But the majority of Defendant City Council ignored and stonewalled  
 24 such comments and declared that the time to debate the specifics of rent control  
 25 policy is *after* the Rent Freeze Ordinance is adopted. “There are going to be plenty

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 27 <sup>12</sup> City of Santa Barbara – City TV (@Citytv18), *City Council – December 16, 2025*, YOUTUBE  
 28 (DEC. 16, 2025), accessible at <https://www.youtube.com/live/UyOUAB3PZUE> [hereinafter *Dec. 16th Meeting*]

<sup>13</sup> *Dec. 16th Meeting*, at 3:11:15.

1 of future opportunities to consider and debate the specifics [of the policy],”<sup>14</sup> said  
2 Harmon. “[The Rent Freeze Ordinance] is gonna [*sic*] preserve the state of play as  
3 we move to develop [a permanent ordinance]. Giving all parties some . . . breathing  
4 room to step back and consider these issues thoroughly and thoughtfully.”<sup>15</sup> Rather  
5 than debate the specifics of the policy, Santamaria simply stated “[I am] very much  
6 in favor of [a rent increase moratorium]. I’d hope that we could bring this back as  
7 soon as possible. I know our staff mentioned possibly even in January, which I  
8 think would be helpful.”<sup>16</sup>

9 28. At the end of the session on December 16, 2025, Friedman raised  
10 concern about the lack of candor and responsiveness to the commenters. “Some of  
11 the comments I heard. It feels like they’re just completely ignored . . . and it felt  
12 like this is gonna [*sic*] get railroaded through. . . . [A]t this point, it feels like  
13 everything that was said about trying to find common ground, a lot of that was just  
14 discounted by some of the comments . . . .”<sup>17</sup> Santamaria, who voted in favor of the  
15 Ordinances, shook her head and rolled her eyes at the comment.

16 **The adoption of the Rent Freeze Ordinance and Just Cause Eviction**  
17 **Amendments was arbitrary and capricious.**

18 29. The Rent Freeze Ordinance and Just Cause Eviction Amendments  
19 were formally introduced on January 13, 2026, and adopted two weeks later, on  
20 January 27, 2026. Such actions were arbitrary and capricious. On the record, these  
21 actions were based on anecdotal experience and “gut feelings,” rather than  
22 supported by credible data.

23 30. At the December 16, 2025 meeting, one topic of discussion was  
24 whether to “exclude” certain rental units from the Rent Freeze Ordinance. Harmon  
25 stated that she is generally not inclined to exclude certain properties. “[I]f there is a  
26

27 <sup>14</sup> Dec. 16th Meeting, at 5:17:20.

28 <sup>15</sup> Dec. 16th Meeting, at 5:19:59.

<sup>16</sup> Dec. 16th Meeting, at 6:36:07.

<sup>17</sup> Dec. 16th Meeting, at 7:01:24.

1 justification for that, I'm open to considering it. But I guess if we're asking for gut  
 2 reactions, well, that's my gut reaction."<sup>18</sup> Sneddon said "because there is the ability  
 3 to have rent increases by petition, by process, and I think that because there is that,  
 4 would be, that ability, we don't have to have blanket exemptions."<sup>19</sup> Yet a manner  
 5 to adjust rents is absent from the Rent Freeze Ordinance.

6 31. The most significant glossed-over detail was a variance procedure for  
 7 individualized rent adjustments to ensure each property owner is guaranteed a  
 8 reasonable rate of return on their investment. During sessions on the introduction  
 9 and adoption of the Ordinance, no council member moved to include a variance  
 10 procedure, despite discussion about the importance of including one. Even those  
 11 who voted in favor of the Rent Freeze Ordinance spoke *in favor* of including a  
 12 variance procedure. Santamaria, for example, was particularly adamant about  
 13 including a robust appeals process. On December 16, 2025, she talked about the  
 14 *need* for a strong and effective appeals process in at least five separate comments.  
 15 ("[T]here is a way to keep owners protected with a balanced approach. That  
 16 balanced approach is a robust appeals process.")<sup>20</sup> And Sneddon cited the variance  
 17 procedure to support her decision against exemptions. Nevertheless, the Rent  
 18 Freeze Ordinance was adopted absent any variance procedure or appeals process.

19 32. Sneddon misapplied irrelevant, anecdotal evidence to support her  
 20 economic analysis of the Ordinances. She cited her "lived experience" and increase  
 21 in fair market value of a single unit of property from 1972 until 2024.<sup>21</sup> After  
 22 showing attendees a line chart of her childhood apartment measuring  
 23 "profitability," she opined "I know that property values go up, even if you're doing  
 24 nothing. Even if you're not renting it out. So the rent that you're receiving is on top  
 25 of the profit of that property doubling, tripling in value . . . so, [that profit] literally  
 26

27 <sup>18</sup> Dec. 16th Meeting, at 5:22:22.

28 <sup>19</sup> Dec. 16th Meeting, at 6:00:22.

<sup>20</sup> Dec. 16th Meeting, at 6:27:55.

<sup>21</sup> Dec. 16th Meeting, at 5:56:13.

1 is on top of everything else.”<sup>22</sup> While failing to account for debt accrual, costs for  
2 maintenance and upkeep, taxes, insurance, or any other expenditures pursuant to a  
3 real property investment, Sneddon seemed to conclude that *all* property owners in  
4 the city recover on their investment because of “guaranteed profitability.”

5 33. Santamaria also relied on anecdotes and speculation to respond to  
6 historical data presented by SBRPA and its members before casting a vote in favor  
7 of the Ordinances. Speaking to the room, she said “I truly don’t buy the allegations  
8 that if we provide some breathing room to tenants [that] all of the sudden landlords  
9 won’t be repairing units, *because you weren’t doing it already.*”<sup>23</sup> She discounted  
10 the concerns of hundreds of rental property owners who showed up to comment on  
11 the Ordinances in an arbitrary manner. “Just put things in perspective. We’re  
12 talking about, you know, the allegations of ‘I’m just going to lose my building,’  
13 right? We’re talking about somebody ‘losing’ [demonstrating air quotes]. You’re  
14 not going to ‘lose’ it. But losing a second, third, fifth, tenth home.”<sup>24</sup>

15 34. Defendant City Council cited “housing affordability” as a primary  
16 driver behind the Ordinances. Such concern, however, was certainly pretextual.  
17 The Rent Freeze Ordinance exempts rental units that are protected under the Costa-  
18 Hawkins Act of 1995, including rental units that obtained a Certificate of  
19 Occupancy after February 1, 1995. In other words, the Rent Freeze Ordinance only  
20 applies to certain rental units 31 years or older. On information and belief, such  
21 older rental units make up most “affordable” housing units in the city of Santa  
22 Barbara. Plaintiffs are further informed and believe that such units are more likely  
23 to require repairs and maintenance and, thus, such units are the most at risk of being  
24 removed from the rental market, especially under the Rent Freeze Ordinance. On  
25

26 <sup>22</sup> *Dec. 16th Meeting*, at 6:07:15.

27 <sup>23</sup> City of Santa Barbara – City TV (@Citytv18), *City Council – January 13, 2026*, YOUTUBE  
28 (Jan. 13, 2026, 6:28:16), accessible at [https://www.youtube.com/watch?v=\\_YVSWamKzIw](https://www.youtube.com/watch?v=_YVSWamKzIw)  
[hereinafter *Jan. 13th Meeting*].

<sup>24</sup> *Jan. 13th Meeting*, at 6:30:20.

1 information and belief, the result of the Ordinances with respect to the affordable  
2 housing supply is more likely to *reduce* the number of affordable rental units in the  
3 City of Santa Barbara, given this higher risk of removal. Therefore, Defendant City  
4 Council’s blatant disregard to such public concerns gives rise to an inference that  
5 “housing affordability” was pretextual and that, ultimately, the adoption of the  
6 Ordinances was arbitrary, capricious, and not rationally related to the issue of  
7 housing affordability. Purportedly discussing housing affordability, Santamaria  
8 instead referred to broader political issues that have nothing to do with local  
9 housing affordability, stating “[t]here are I.C.E. kidnappings — and I’m gonna [*sic*]  
10 say it that way — in our community. People need, now more than ever, to be able  
11 to have a stable home and have a place to keep their children safe.”<sup>25</sup>

12 35. Defendant also failed to consider the degree to which the Rent Freeze  
13 Ordinance penalizes rental property owners whose annual rent adjustments are  
14 already subject to statewide limitations. *See, e.g.*, Tenant Protection Act of 2019,  
15 Calif. Civ. Code § 1947.12(a).

16 36. Defendant City Council recognized what was clear from the outset—  
17 no emergency exists that justifies or permits the enactment of a sweeping and  
18 overbroad ordinance that unduly impairs the real property rights of Plaintiffs. Thus,  
19 the Ordinances failed to garner the five votes required to pass an “Emergency”  
20 ordinance. The Ordinances instead were adopted by a narrow margin of 4–3.  
21 Ultimately, Harmon voted for the Ordinances because “to not [adopt them] is just  
22 simply something, not only that I could not get behind morally but also would  
23 challenge our ability to do good policymaking.”<sup>26</sup> Sneddon did so because “[m]y  
24 heart experience told me that [rent control] works.”<sup>27</sup>

25  
26 <sup>25</sup> City of Santa Barbara – City TV (@Citytv18), *City Council – January 27, 2026*, YOUTUBE  
27 (Jan. 27, 2026), accessible at <https://www.youtube.com/live/O-dtRagm8cE> [hereinafter *Jan. 26th Meeting*].

28 <sup>26</sup> *Jan. 13th Meeting*, at 6:25:26

<sup>27</sup> *Dec. 16th Meeting*, at 6:05:12.



1 reference.

2 39. On information and belief, after the Ordinances were adopted, the City  
3 Clerk did not fully comply with the technical publication requirements. Section 512  
4 of the City Charter requires the City Clerk “to publish each ordinance at least once  
5 in the official newspaper within 15 days of adoption.” On information and belief,  
6 neither Ordinance, nor their respective titles, were published in the *Santa Barbara*  
7 *Independent*, *Noozhawk*, *Santa Barbara News-Press*, or *Edhat*, and no alternative  
8 method of publication was voted on. A true and correct copy of Section 512 of the  
9 Charter of the City of Santa Barbara is attached hereto as **Exhibit D** and is  
10 incorporated herein by reference.

11 **The Rent Freeze Ordinance provides no mechanism for relief due to individual**  
12 **circumstances and, thus, violates the Takings Clause of the Fifth Amendment.**

13 40. Where a statute regulating rent increases provides “no meaningful  
14 mechanism” for a property owner to seek and obtain individualized relief from the  
15 statute’s generally applicable strictures, the statute is confiscatory on its face and,  
16 thus, an unconstitutional taking. *See Richardson v. City and Cty. of Honolulu*, 802  
17 F.Supp. 326, 334–37 (D. Haw. 1992).

18 41. The Rent Freeze Ordinance provides **no mechanism** for individual  
19 property owners to petition for, or obtain, a variance nor is there an appeals process.  
20 This means that **all** owners for whom the Rent Freeze Ordinance applies to are  
21 precluded from relief or rent adjustment based on economic hardship or special  
22 circumstances, regardless of their unique situation; even in an emergency.

23 42. Without such opportunity, Plaintiffs have no method of guaranteeing a  
24 reasonable rate of return on their investment, which is required by the United States  
25 and California Constitutions. *See Calif. Civ. Code § 1947.15(a)(1)*. It is black-letter  
26 law that such a blatant omission results in a confiscatory, unconstitutional Taking.

27 43. While the Rent Freeze Ordinance is described as “temporary,” it may  
28 be extended. However, even if it did absolutely expire at the end of 2026, on

1 information and belief, Plaintiffs’ ability to recover an expected return on their  
2 property in future years would be impacted by state law limiting the ability to raise  
3 rents in 2026 and beyond. Moreover, “if government action would qualify as a  
4 taking when permanently continued, temporary actions of the same character may  
5 also qualify as a taking.” *Ark. Game & Fish Comm’n v. U.S.*, 568 U.S. 23, 26  
6 (2012).

7  
8 **Circumstances compel Plaintiff Teresa Patiño to raise below-market rental rates,**  
9 **but the Rent Freeze Ordinance precludes such remedial measures without**  
10 **exception, even in the circumstance of an emergency repair.**

11 44. In or around September 2013, Teresa Patiño purchased a duplex at  
12 1315 Blanchard Street, in the City of Santa Barbara (“Blanchard Property”) for  
13 approximately \$735,000. At the time of purchase, Ms. Patiño planned to rent each  
14 of the two, two-bedroom units as a retirement investment but did not anticipate the  
15 Blanchard Property would eventually become subject to a rent control ordinance  
16 thirteen years later. At the time of purchase, no local rent control scheme or  
17 ordinance had been discussed by the City Council nor enacted since the City of  
18 Santa Barbara became an American city in 1850. The Blanchard Property is  
19 currently subject to the Rent Freeze Ordinance, is not exempt, and Ms. Patiño is  
20 precluded by the Rent Freeze Ordinance from raising rents on the property.

21 45. Ms. Patiño currently rents each unit to two separate groups of tenants.  
22 On information and belief, Ms. Patiño charges at least one of the two groups, a  
23 family, below-market rent. However, such below-market rates are unsustainable in  
24 light of existing financial obligations, required capital improvements and repairs,  
25 and constantly changing economic conditions. For example, Ms. Patiño must make  
26 monthly mortgage and interest payments that, considering rising insurance  
27 premiums, property taxes, and general inflation, are increasingly hard to afford  
28 from the low rate of return she currently receives on the Blanchard Property.

1 Moreover, the Blanchard Property was built in or around 1930 and, on information  
2 and belief, is therefore more likely to require repairs to maintain habitability  
3 because the property is more susceptible to structural degradation, mold, and other  
4 required improvements, which may compound over time. Ms. Patiño is required by  
5 law to make such repairs, but she may not be able to afford to make such repairs  
6 under the existing rent structure that is frozen based on the Rent Freeze Ordinance.

7 46. In 2025, the gross rental income received from the Blanchard Property  
8 was approximately \$80,000. However, debt obligations and operating expenses on  
9 the property totaled approximately \$71,000. This resulted in a minuscule profit to  
10 Ms. Patiño of approximately \$8,900, a mere 1.2% annual return on investment.

11 Such a small return on investment is unsustainable — and unreasonable — under  
12 existing circumstances. From 2024 to 2025, Ms. Patiño’s insurance premiums rose  
13 32%; and property tax rates increased by approximately 2%. Ms. Patiño also  
14 forecasts further increases and substantial maintenance and repair costs in 2026.  
15 These factors compel Ms. Patiño to raise her generous, below-market rental rates on  
16 the Blanchard Property to fulfill an expectation of at least a 6% return on  
17 investment in 2026. But under the Rent Freeze Ordinance, Ms. Patiño is precluded  
18 from doing so. On information and belief, the Blanchard Property has decreased in  
19 value since the Rent Freeze Ordinance was adopted.

20 47. Ms. Patiño is precluded from petitioning for an economic hardship  
21 variance or filing an appeal under the Rent Freeze Ordinance. This means that she  
22 cannot request permission from Defendant City of SB to raise the rents on the  
23 Blanchard Property in accordance with California law or in the event of an  
24 emergency repair. Under present circumstances, she is *required* to raise rents on the  
25 Blanchard Property to maintain a safe and habitable premises for her tenants, and to  
26 ensure a reasonable rate of return on her retirement investment.

27 ///

28 ///

1                    **Plaintiff JKRK, L.P. pauses significant repair projects to ameliorate the**  
2                    **detrimental impact of the Rent Freeze Ordinance, yet an economic hardship**  
3                    **variance is still required to ensure a reasonable rate of return in 2026.**

4                    48. In or around July 2002, Plaintiff JKRK acquired 123 East  
5 Micheltorena Street, which is in the City of Santa Barbara (“Micheltorena  
6 Property”). The Micheltorena Property includes 16 units, including eight one-  
7 bedroom apartments and eight two-bedroom apartments. At the time of acquisition,  
8 JKRK did not anticipate a rent control ordinance in the City of Santa Barbara,  
9 including the Rent Freeze Ordinance, would prohibit raising rents during its  
10 ownership of the Micheltorena Property. Nevertheless, the Micheltorena Property is  
11 not exempt from the Ordinance, thus, JKRK is precluded from raising rents on the  
12 Micheltorena Property, despite historical practice of annually raising rents by a  
13 modest amount to offset increasing operating expenditures.

14                    49. The Micheltorena Property was built in 1955, and on information and  
15 belief, is therefore more likely to require constant maintenance, repairs, and  
16 improvements because many structural materials and components are increasingly  
17 susceptible to erosion and degradation over time. Without anticipating the Rent  
18 Freeze Ordinance in late-2025 or early-2026, JKRK planned significant repairs and  
19 improvements on the Micheltorena Property for the 2026 Calendar Year. JKRK  
20 also planned to raise rents within legal limits during 2026, including prior to filing  
21 this Complaint, to offset such expenditures. However, the projects — some of  
22 which are partially complete — are currently on hold because the Rent Freeze  
23 Ordinance precludes such offset.

24                    50. For example, in March of 2026, JKRK installed new windows in the  
25 majority of units, which cost more than \$76,000. But the remainder of the window-  
26 replacement project is currently paused because of an inability to ameliorate an  
27 additional expense of approximately \$65,000 by a slight increase in rental rates.  
28

1 Similarly, at least seven units need new balconies to comply with State law and  
2 insurance requirements, and to ensure safety of the premises. Several balconies  
3 have already been replaced at a cost of approximately \$30,000 each. However, the  
4 balcony-repair project is also paused because of the ordinance's restriction on  
5 raising rents, which prevents JKRK from offsetting such expense. Last, JKRK  
6 planned to replace the aging roof covering the property. Such replacement is  
7 estimated at approximately \$125,000 to \$135,000. With the other paused projects,  
8 JKRK is hesitant to move forward with the roof replacement because of an inability  
9 to offset such expenses because of the ordinance.

10 51. The Rent Freeze Ordinance increases the degree that the cumulative  
11 cost of such repairs, in combination with other required expenditures, outweighs the  
12 expected gross rental income in the Micheltorena Property in 2026. On information  
13 and belief, the total costs for such repairs would exceed \$400,000. Ordinarily,  
14 JKRK would increase the rental rates according to State law to offset the cost of  
15 such significant expenditures and attempt to obtain a positive rate of return, ideally  
16 a rate of approximately 10%. However, without an ability to raise rents under the  
17 Rent Freeze Ordinance, completing the repairs as planned would certainly result in  
18 a net negative return on investment in 2026 in light of current rental income  
19 projections. On information and belief, the value of the JKRK investment property  
20 has decreased since the Rent Freeze Ordinance was adopted.

21 52. The Rent Freeze Ordinance further prevents JKRK from ensuring a  
22 rate of return of approximately 10% because there is no pathway to petition for an  
23 economic hardship variance or filing an appeal. This means that JKRK cannot  
24 request permission from Defendant City of SB to raise the rents on the  
25 Micheltorena Property in accordance with California law to ameliorate the  
26 significant expenses planned for 2026. On information and belief, such expenses  
27 would increase in the event of discovering further problems requiring fixing, or an  
28 emergency occurs that requires further work to repair. Under circumstances of

1 completing all of the planned repairs JKRR would be *required* to raise rents on the  
2 Micheltorena Property to maintain a safe and habitable premises for its tenants. On  
3 information and belief, under present circumstances, JKRR is entitled to a variance  
4 to ensure a reasonable rate of return on investment.

5 **The Rent Freeze Ordinance deprives senior owners of Plaintiff 3442 Richland**  
6 **LLC a reasonable expectation to supplement their social security income by**  
7 **obtaining a fair return on their investment, without recourse.**  
8

9 53. Plaintiff 3442 Richland LLC (“3442 Richland”) is owned by two  
10 senior citizens of Santa Barbara, who invested in 3442 Richland Drive (“Richland  
11 Property”) to provide rental housing and supplement their retirement income. The  
12 Richland Property includes seven apartment rental units. Without rental income, the  
13 owners, who are in their seventies, would be solely reliant on social security  
14 benefits. On information and belief, the owners also rely on such income to assist  
15 with paying the high price of medical bills to the extent that such costs are not  
16 covered through their insurance plans.

17 54. On information and belief, the Richland Property was built in 1965  
18 and purchased by 3442 Richland in 2005 for \$1,550,000. At the time of purchase,  
19 3442 Richland did not anticipate a rent control ordinance, such as the Rent Freeze  
20 Ordinance, would prevent otherwise lawful rental rate increases in 2026. However,  
21 the Rent Freeze Ordinance applies, and the Richland Property is not exempt from  
22 the ordinance, so 3442 Richland is precluded from raising rents on the property in  
23 2026.

24 55. The Richland Property is more than fifty years old. On information  
25 and belief, the property’s structural materials are more susceptible to degradation  
26 with time, and therefore, the property is more likely to require an emergency repair  
27 stemming from an aging component than a newer property. 3442 Richland is also  
28 informed and believes that the Richland Property is also more likely to require

1 costly routine maintenance and repairs to comply with laws and insurance  
2 requirements, and to maintain safe and habitable premises for the tenants, than a  
3 newer property. For example, 3442 Richland planned to conduct several repairs and  
4 improvements to the Richland Property in 2026, such as installing new windows,  
5 painting the exterior of the building, and installing a new roof. However, on  
6 information and belief, the costs of such repairs would exceed \$93,000. 3442  
7 Richland is further informed and believes that the cumulative expenses of such  
8 repairs, coupled with general inflation, rising insurance premiums, property taxes,  
9 utilities fees, and other routine expenditures, would result in a net negative income  
10 from the Richland Property in 2026. On information and belief, 3442 Richland  
11 plans to pause the commencement of such repairs while the Rent Freeze Ordinance  
12 is effective because of an inability to offset such expenditures with slight rental-rate  
13 increases.

14 56. 3442 Richland planned to raise rents for several units in 2026,  
15 including prior to the filing of this Complaint, to obtain an expected return on the  
16 property, but it is precluded from doing so under the Rent Freeze Ordinance. On  
17 information and belief, whether or not 3442 Richland commences repairs on the  
18 property, under the Rent Freeze Ordinance, it is deprived an opportunity to recover  
19 an expected return of approximately 7.5–9%, based on a 5% basic return plus  
20 estimated C.P.I.<sup>30</sup> Moreover, 3442 Richland cannot obtain a hardship variance to  
21 ameliorate the costs of its expenditures, or in the event of a sudden event requiring  
22 an emergency repair, an emergency variance, because the Rent Freeze Ordinance  
23 does not provide a procedure to apply for a variance or an appeal. 3442 Richland  
24 also cannot petition for a variance to guarantee a reasonable rate of return under the  
25 ordinance. If such pathway was available, 3442 Richland would apply for a

26 \_\_\_\_\_  
27 <sup>30</sup> Organisation for Economic Co-operation and Development (commonly referenced “OECD”) recently predicted that inflation for “G20” countries, including the United States, will reach 4% in  
28 2026. See OECD, TESTING RESILIENCE: OECD ECONOMIC OUTLOOK, INTERIM REPORT 5 (March 2026) (delineating inflation projections).

1 variance.

2 57. On information and belief, the substantial negative financial impact of  
3 the Rent Freeze Ordinance on the Richland Property will compound over time and  
4 diminish the value of the property. 3442 Richland is further informed and believes  
5 that the value of the Richland Property decreased since the Rent Freeze Ordinance  
6 was introduced.

7 **Plaintiff 1501 SB, LLC's Cap Rate for 2026 is substantially lower than expected**  
8 **under the Rent Freeze Ordinance, but an opportunity to counterbalance such**  
9 **effect without neglecting the property is a fool's errand under the Rent Freeze**  
10 **Ordinance.**

11  
12 58. Plaintiff 1501 SB, LLC ("1501 SB") purchased an eight-unit  
13 apartment building in 2019 for approximately \$4,100,000. The property is located  
14 in the City of Santa Barbara and is subject to the Rent Freeze Ordinance, is not  
15 exempt, and thus, 1501 SB is precluded from raising rents while the ordinance is in  
16 effect, against its will. On information and belief, 1501 SB typically raises rents on  
17 an annual basis in an amount less than the maximum allowable under California's  
18 Tenant Protection Act, which allows an increase of 5% plus C.P.I. to obtain a  
19 reasonable rate of return on the property. A reasonable rate of return is important  
20 because 1501 SB also remains vigilant about anticipated structural repairs,  
21 maintenance, and improvements, and prioritizes high-quality materials and  
22 aesthetics that contribute to Santa Barbara's historic Spanish-style architecture and  
23 its architectural reputation. 1501 SB typically accounts for modest rent increases in  
24 its annual budget to offset such predetermined repairs and improvements. But under  
25 the Rent Freeze Ordinance, 1501 SB is poised to make a negative income without  
26 an avenue for remediation, and on information and belief, the value of the property  
27 has decreased.

28 59. In 2026, 1501 SB projects an operating deficit of approximately

1 \$100,000 due to repairs, maintenance, improvements, and an inability to recuperate  
2 the expenses because of an inability to raise rent – its sole method of income related  
3 to the property. Some of the budgeted-for repairs are not necessarily required by  
4 law, but others are currently, or will be in the near future. For example, California  
5 Senate Bill 721 (“SB 721”), enacted in 2024–25, requires recurring safety  
6 inspections of “exterior elevated elements,” including balconies, decks, and/or  
7 stairways in certain multi-unit apartment buildings, including in 1501 SB’s  
8 property. Due to the novelty of such law, and a policy of strict compliance, 1501  
9 SB conducted its initial inspection by 2025, and budgeted \$175,000–\$250,000 in  
10 expenditure for preventive improvements for 2026. However, such cost is volatile,  
11 and could increase depending on several factors not discoverable until repairs have  
12 begun.

13 60. 1501 SB takes a “preventive” approach to property maintenance by  
14 making repairs and improvements before minor or catastrophic accidents occur,  
15 such as a leaky ceiling or balcony collapse, would happen. But the Rent Freeze  
16 Ordinance threatens such practice by holding 1501 SB’s ability to ensure a  
17 reasonable rate of return “hostage” throughout 2026, and perhaps beyond,  
18 especially without a pathway for remediation and in the event of a structural  
19 emergency.

20 61. The property owned by 1501 SB was built in 1961. On information  
21 and belief, such property is more vulnerable to costly repairs because of decaying  
22 components when compared with newer buildings. Going on six years of  
23 ownership, 1501 SB experienced substantial, unexpected repairs costs due to the  
24 aging nature of the property and its components. Seventy-five percent of the units  
25 experienced plumbing emergencies because of eroding cast-iron pipes that, on  
26 information and belief, had not been upgraded or replaced since the building was  
27 constructed 65 years ago.

28 62. Some unexpected repairs at the property have also arisen out of routine

1 or abnormal tenant conduct. In another instance, a tenant flooded a second-floor  
2 apartment, causing substantial destruction of the apartment, and the ceiling, walls of  
3 the unit underneath. In addition to removing and replacing the water-damaged  
4 components, 1501 SB also bore the cost of relocating the tenant of the first-floor  
5 apartment for several weeks in one of Santa Barbara's hotels while repairs were  
6 made. In 2023–24, a unexpected gas leak and failing water heater required  
7 immediate replacement of the water heater systems and gas line infrastructure,  
8 which exceeded \$100,000 in total costs. Before the Rent Freeze Ordinance, 1501  
9 SB planned to offset some of the costs of these expenditures with a rent increase in  
10 2026, including before filing this Complaint, but is now precluded from doing so.

11 63. In 2025, Nationwide, 1501 SB's state-accredited insurer, left  
12 California and unexpectedly dropped coverage. Such event required 1501 SB to  
13 conduct an extensive search in a short window of time to obtain new insurance  
14 coverage. 1501 SB secured a non-accredited insurer, whose deductible is \$20,000  
15 more than the previous insurer. The property remains insured, however, on  
16 information and belief, insurance policy coverage prices are increasing, and the  
17 number of state-accredited insurers has decreased since 1501 SB took ownership in  
18 2019. If such trends continue in 2026, and a catastrophic event occurs with or  
19 without coverage, the costs required to fix the resulting damage could cause a  
20 financial setback that would further require an increase in rents to offset. In such  
21 event, 1501 SB would typically apply for relief from the Rent Freeze Ordinance,  
22 but as written, the ordinance does not include such option. Under current  
23 circumstances, without such unexpected expense, 1501 SB remains on track to  
24 recover nothing on their investment for 2026, in part, because the Rent Freeze  
25 Ordinance prevents it from raising its rent without an opportunity for recourse.

26 64. In 2024 and 2025, the Cap Rate for the property was 3.8% and 4.9%,  
27 respectively. In 2026, 1501 SB expected such rate to decrease slightly due to higher  
28 expenses but still expected a rate higher than what is obtainable under the Rent

1 Freeze Ordinance. Unless 1501 SB abandons its policy of strictly complying with  
2 state laws and insurance requirements, or its ideology of maintaining a high-quality  
3 property, foregoing its planned projects, there is no method under the ordinance to  
4 reduce the burden of the Rent Freeze Ordinance. And abandoning projects could  
5 expose 1501 SB to future liability, further diminishing their expected return, and  
6 increasing safety risk to the tenants.

7  
8 **The Just Cause Eviction Amendments are preempted by the Ellis Act.**

9 65. The Ellis Act generally prohibits a public entity from enacting an  
10 ordinance which compels a residential real property owner to offer or continue to  
11 offer accommodation in the property for rent. *See* Gov't Code § 7060 *et seq.* The  
12 Just Cause Eviction Amendments are in direct conflict with the Ellis Act because  
13 the amendments prevent Plaintiffs from removing less than all rental units in a  
14 particular rental property from the rental market. In effect, a rental property owner  
15 who wants to remove one or more rental units from the rental market, if the number  
16 of rental units they want to remove is less than the total number of rental units on  
17 the property, is restricted from doing so. This means that a rental property owner is  
18 faced with a Hobson's Choice to remove all rental units on the "property" from the  
19 market, or none of them, a stricter regime than prescribed by the Ellis Act, which  
20 only requires removal from the rental market of all "accommodations", defined as  
21 the residential units in a detached physical structure. (Gov't Code § 7060(b)(1); see  
22 also Gov't Code § 7060.7(d)(1). On information and belief, the result of  
23 maintaining a rental unit that an owner would have removed but for the Just Cause  
24 Eviction Amendments compels an owner to offer or continue to offer such property  
25 for rent. Such compulsion is in direct conflict with the Ellis Act's prohibition on  
26 ordinances which have such effect. The Just Cause Eviction Amendments are,  
27 therefore, preempted by the Ellis Act and are unenforceable.

28 66. The second Just Cause Eviction Amendment prohibits a converted

1 rental unit from reentering the rental market for a period of *five years*. Such  
 2 Amendment conflicts with the Ellis Act, and punishes rental property owners who  
 3 want to remove less than all properties from the rental market, or even those who  
 4 wish to remove all rental units for a period of less than five years. It functions as a  
 5 deterrent to removing any number of rental units from the market, for any period of  
 6 time, regardless of the owner's intentions for doing so. On information and belief,  
 7 this effectively prevents an owner from removing their rental units and, thus,  
 8 compels them to offer or continue to offer accommodation in the property for rent.  
 9 Such restriction is in conflict with the Ellis Act and is, therefore, preempted. *See*  
 10 *S.F. Apt. Assoc. v. City and Cty. of S.F.*, 207 Cal.Rptr.3d 684, 693 (2016).

### CAUSES OF ACTION

#### FIRST CAUSE OF ACTION

#### (Facial Violation of Takings Clause of the Fifth and Fourteenth

#### Amendments—

#### 42 U.S.C. § 1983)

16 67. All Plaintiffs reallege and incorporate herein by reference each and  
 17 every allegation as though fully incorporated herein.

18 68. Adopting a temporary rent control ordinance without a mechanism  
 19 from relief based on individualized circumstances, including emergencies or  
 20 economic hardship, cannot guarantee a reasonable rate of return on rental property  
 21 owners' investments. By doing so in the Rent Freeze Ordinance, Defendants  
 22 violated the Fifth Amendment of the United States Constitution, which prohibits the  
 23 taking of private property for public use without just compensation. *See Ark. Game*  
 24 *& Fish Comm'n v. U.S.*, 568 U.S. 23, 26 (2012) (“[I]f government action would  
 25 qualify as a taking when permanently continued, temporary actions of the same  
 26 character may also qualify as a taking.”).

27 69. An actual controversy has arisen and now exists between the parties  
 28 relating to these legal rights and duties for which Plaintiffs seek a declaration of

1 rights. *See* 28 U.S.C. § 2201. Plaintiffs further seek injunctive relief enjoining  
2 Defendant City of SB from enforcing its unlawful ordinance.

3 **SECOND CAUSE OF ACTION**

4 **(As-Applied Violation of Takings Clause of the Fifth and Fourteenth**  
5 **Amendments—**  
6 **42 U.S.C. § 1983)**

7 70. Property-owner Plaintiffs reallege and incorporate herein by reference  
8 each and every allegation as though fully incorporated herein.

9 71. The character of the Rent Freeze Ordinance is substantially motivated  
10 by private interests.

11 72. The Rent Freeze Ordinance decreases the value of each property-  
12 owner Plaintiffs' investments.

13 73. The Rent Freeze Ordinance deprives property-owner Plaintiffs an  
14 opportunity to obtain a reasonably expectable rate of return on their investment  
15 property while the ordinance remains effective.

16 74. An actual controversy has arisen and now exists between the parties  
17 relating to these legal rights and duties for which Plaintiffs seek a declaration of  
18 rights. *See* 28 U.S.C. § 2201. Plaintiffs further seek injunctive relief enjoining  
19 Defendant City of SB from enforcing its unlawful ordinance, and just  
20 compensation.

21 **THIRD CAUSE OF ACTION**

22 **(Violation of Due Process Clause of Fifth and Fourteenth Amendments**  
23 **42 U.S.C. § 1983)**

24 75. Plaintiffs reallege and incorporate herein by reference each and every  
25 allegation as though fully incorporated herein.

26 76. The deprivation of Plaintiffs' vested property and liberty rights, to set  
27 rents that provide a reasonable rate of return on their property, without notice or an  
28 opportunity to be heard, violates its rights to due process under the Fifth and

1 Fourteenth Amendments of the U.S. Constitution.

2 77. Defendants' adoption of the Rent Freeze Ordinance violates Plaintiffs'  
3 procedural due process rights insofar as such fails to provide any meaningful  
4 process for Plaintiffs to seek redress for the deprivation of their constitutional  
5 rights.

6 78. The Rent Freeze Ordinance does not rationally relate to the  
7 Ordinance's purported purpose, is discriminatory, arbitrary and capricious, and  
8 unfair.

9 79. An actual controversy has arisen and now exists between the parties  
10 relating to these legal rights and duties for which Plaintiffs seek a declaration of  
11 rights. *See* 28 U.S.C. § 2201. Plaintiffs further seek injunctive relief enjoining  
12 Defendant City of SB from enforcing its unlawful ordinance.

13 **FOURTH CAUSE OF ACTION**

14 **(Violation of Equal Protection Clause of Fourteenth Amendment**

15 **42 U.S.C. § 1983)**

16 80. Plaintiffs reallege and incorporate herein by reference each and every  
17 allegation as though fully incorporated herein.

18 81. Defendants' adoption of the Rent Freeze Ordinance violates the Equal  
19 Protection Clause of the Fourteenth Amendment by arbitrarily and  
20 unconstitutionally discriminating between a group of individuals (property owners)  
21 and another group of individuals (property lessors) without a rational basis.

22 82. An actual controversy has arisen and now exists between the parties  
23 relating to these legal rights and duties for which Plaintiffs seek a declaration of  
24 rights. *See* 28 U.S.C. § 2201. Plaintiffs further seek injunctive relief enjoining  
25 Defendant City of SB from enforcing its unlawful ordinance.

26 ///

27 ///

28 ///

**FIFTH CAUSE OF ACTION**

**(Declaratory Relief based on State Preemption—28 U.S.C. § 2201)**

83. Plaintiffs reallege and incorporate herein by reference each and every allegation as though fully incorporated herein.

84. The Ellis Act prohibits a municipal ordinance from compelling a rental property owner to offer or continue to offer accommodation for rent.

85. The Just Cause Eviction Amendments effectively compel rental property owners to offer or continue to offer accommodation of their rental units for rent in contradiction to the Ellis Act.

86. Plaintiffs are entitled to a declaration of its rights and legal obligations under California law with respect to the Just Cause Eviction Amendments.

87. An actual controversy has arisen and now exists between the parties relating to these legal rights and duties for which Plaintiffs seek a declaration of rights. *See* 28 U.S.C. § 2201. Plaintiffs further seek injunctive relief enjoining Defendant City of Santa Barbara from enforcing its unlawful ordinance.

**SIXTH CAUSE OF ACTION**

**(Writ of Mandate—Calif. Code Civ. Proc. § 1085)**

88. Petitioner SBRPA realleges and incorporates herein by reference each and every allegation as though fully incorporated herein.

89. California Code of Civil Procedure section 1085 authorizes Petitioner SBRPA to seek a Writ of Mandate to void the Rent Freeze Ordinance and to enjoin its enforcement based on prejudicial abuse of discretion or error of law.

90. In introducing and adopting the Rent Freeze Ordinance, Respondent City Council failed to fully comply with the technical requirements of the City Charter.

91. Respondent City of SB failed to fully comply with the technical requirements for publicizing the enacted Ordinance.

92. The Senior Assistant to the City Administrator exceeded her authority

1 by informally introducing a temporary rent control ordinance during a legislative  
2 session, which led to the introduction and adoption of the Rent Freeze Ordinance.

3 93. City Council's adoption of the Rent Freeze Ordinance was reckless,  
4 unfair, irrational, arbitrary and capricious, entirely without credible evidentiary  
5 support, and unrelated to the Ordinance's purported purpose.

6 94. Respondent City Council disregarded and ignored several credible  
7 studies that would have weighed against adopting the Rent Freeze Ordinance  
8 because such would have adversely affected their political interests in reelection.

9 95. Petitioner has a beneficial interest in immediately voiding the Rent  
10 Freeze Ordinance and enjoining its enforcement to prevent further violation of its  
11 Constitutional rights, as alleged above.

12 96. Petitioner does not have a plain, speedy, or adequate remedy in the  
13 ordinary course of law, therefore, writ relief is necessary to compel Respondents to  
14 correct their actions, which are unlawful, and enjoin Respondent City of SB from  
15 enforcing its unlawful ordinance.

16 97. Issuing a Writ of Mandate would serve the public interest, thus,  
17 Petitioner is entitled to its attorneys' fees under Calif. Civ. Code § 1021.5.

18 98. Petitioner is also entitled to its attorneys' fees under Gov't Code §  
19 800(a) because adoption of the Rent Freeze Ordinance was arbitrary and capricious,  
20 lacking any reasonable basis, and illegal.

21 **PRAYER FOR RELIEF**

22 WHEREFORE, Plaintiffs seek judgment and request relief against  
23 Defendants as follows:

24 99. A preliminary injunction enjoining enforcement of Rent Freeze  
25 Ordinance and Just Cause Eviction Amendments, and any similar rent control  
26 ordinance, whether temporary or permanent.

27 100. A declaratory judgment that the Rent Freeze Ordinance constitutes an  
28 unconstitutional taking under the United States Constitution and violates Plaintiff's

1 right to due process of law.

2 101. A declaratory judgment that the Just Cause Eviction Amendments are  
3 preempted under California law by the Ellis Act.

4 102. A declaratory judgment that Rent Freeze Ordinance and Just Cause  
5 Eviction Amendments are null and void and, thus, unenforceable.

6 103. Attorneys' fees and costs under 42 U.S.C. § 1988; Calif. Civ. Code §  
7 1021.5; Gov't Code § 800(a).

8 WHEREFORE, Petitioner seeks:

9 104. A writ of mandate striking down the Rent Freeze Ordinance as null  
10 and void for the reasons set forth above and/or ordering Respondents City of SB  
11 and City Council to rescind the Rent Freeze Ordinance.

12 105. For such further relief as the Court may deem just and proper,  
13 including just compensation based on unconstitutional taking for each individual  
14 plaintiff in an amount to be determined at trial.

15

16 Dated: April 3, 2026

Respectfully submitted,

17

CAPPELLO & NOËL LLP

18

19

By: /s/ A. Barry Cappello

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