

President's Message

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THE NEW CPI FOR RENT INCREASES:

It's here. June 12th, the new CPI for our area was announced at 3.8 percent. That means that you add that to 5 percent resulting in a maximum allowable rent increase for increases beginning August 1, 2024 and later until next year's April CPI is announced. Remember that the maximum rent increase is the local CPI plus 5 percent or 10 percent whichever is LESS.

This takes effect immediately because it affects rent increases commencing on or after August 1st and since you have to give at least 30 days' notice of a rent increase, it is here now. So, the rent increase has gone down from 9.2 percent to 8.8 percent.

This seems odd since all of our expenses have gone up. One would think that the CPI or "Cost of Living Index" would have gone up as well. But that is not what has been announced. (See page 15)

THINGS THAT CAN TRIP YOU UP AND COST YOU A LOT OF MONEY CONCERNING TERMINATIONS OF TENANCY:

Other reminders for non-exempt properties located within the city limits of Santa Barbara include that you must offer a one-year Lease to existing tenants every year on or about the anniversary date of their move-in. A signed, one-year Lease will be your proof that you offered it. Otherwise, you must have the tenant sign and date a One-Year Lease Offer Rejection form. If the tenant refuses both the Lease offer and the request to sign the rejection form, please be sure that you document this by a confirming letter to the tenant that he/she was offered the one-year Lease on such and such a date and refused to sign it as well as refusing to sign the rejection form. YOU have the burden of proof that you following this mandate and if you cannot prove it, then the tenant has an affirmative defense to an Unlawful Detainer action for one year.

A tricky requirement is to file with the Public Works Department at the time you serve it on the tenant a copy of your Notice of Termination to take a property off the market. In addition, the Notice of Termination must state what you intend to use it for

and the lot on which the unit is located.

Santa Barbara Municipal Code Section 26.50.070 provides as one of the Just Cause No Fault Reasons for Terminating a tenancy:

The owner seeks in good faith to recover possession to permanently withdraw the rental unit from the rental market. The notice of termination must be filed with the Community Development Department when it is given to the tenant and must specify the intended use of the unit and the lot on which the rental unit is located.

As late as June 12th when I checked, the Public Works Department is not set up to take in these forms. I was told the issue is still "in flux" and therefore the Rental Mediation Section of the Public Works Department is taking the forms for now.

Another tough area to decipher is the right to re-rent and as you can see it is not just after a remodel but rather after any no-fault just cause eviction:

26.50.055 Right to Re-Rent Following No-Fault Just Cause Eviction

A. The provisions of this section are additional to the rights to re-rent provided to tenants under subsections (b)(2)(A)(vi) and (b)(2)(D)(iv) of Civil Code Section 1946.2 as adopted by Section 2 of Chapter 290 of 2023 California Statutes.

B. A qualified tenant subject to a no-fault just cause termination of tenancy shall have a right of first refusal to re-rent the rental unit or a comparable new rental unit at the same property for a period of two years following the termination of tenancy, provided that the tenant has kept the owner notified of the tenant's contact information according to the notice provided under Section 26.50.040(D).

C. An owner seeking to rent a unit to which a person has a right of first refusal to re-rent under subsection (B) shall:

1. Have given the supplemental notice required by Section 26.50.040(D).
2. Offer each qualified tenant having a right

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of first refusal with respect to a unit a rental agreement in compliance with Section 26.40.010 of this Code. The offer shall be in the form of a written lease and shall remain open for acceptance for a period of not less than 30 days.

3. Establish the rental price in accordance with Civil Code § 1954.53 when applicable. (Ord. 6139, 1/23/2024)

Remember that you have to state in the termination notice that the tenant is entitled to relocation assistance AND what that amount is.

Finally, remember that Chapter 26 of the Santa Barbara Municipal Code has its own provision for attorney fees to a prevailing tenant; so, even if your rental agreement has no provision or a limited provision for attorney fees, the tenant can collect from you their actual attorney fees should they prevail.

As always, we thank you for your membership, your participation and your valuable input.

I hope you have an enjoyable Summer. Happy 4th of July.

Betty L. Jeppesen, President SBRPA



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