

President's Message

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On October 14, 2025, Councilmembers Kristin Sneddon and Wendy Santamaria requested that the Council agendaize an Ordinance Adding Chapter 2.690 to Title 26 of the Santa Barbara Municipal Code related to rent stabilization and the development of a work plan to fund and administer a Rent Stabilization Program.

What does that mean?

These two members of the city council want to start a program to stabilize rents in Santa Barbara without concern about the rising expenses for the housing providers here. Our insurance costs are out of sight. Labor and materials to keep our properties up to code are out of sight. If a property is purchased, the prices and consequently the property taxes are out of sight. Notably, the Housing Authority and the properties managed by the City are EXEMPT from all of these onerous laws. So, it appears that the City Council wants to do away with private ownership and have only government owned and managed properties.

Rents under these proposed amendments would be limited to 60% of CPI for our area. As you know, CPI is the Consumer Price Index and relates to the cost of living. The proponents of these amendments state that they do want the housing providers to get a "fair rate of return" and so they will be allowed to appeal to the Rent Stabilization Board which they want to establish. My argument would be that since CPI represents the cost of living then allowing only 60% of that for rent increases can NEVER provide a fair rate of return. It doesn't even keep up with the increase in the cost of living. In addition, the cost of administering such a program is as-

tronomical. Where is this money coming from? The housing providers will provide it of course.

No other industry is being burdened like the housing industry with all of these demands, restrictions and rules.

The normal course is for two council members to bring forward a proposal which is then studied and analyzed by the staff. Sneddon and Santamaria claimed that they were just trying to save the City money and staff time by working up the entire amendment with "pro bono" attorneys and tenant advocates. Notably, NO housing providers were involved or consulted. This proved too much even for tenant advocate herself, Megan Harmon, who voted against the amendment stating that it lacked transparency.

In response to this proposed amendment, SBRPA and SBAOR jointly drafted an opposition letter and submitted it to the City Council prior to their meeting on the 14th. A copy of this letter begins on page 9. The matter will come back again for review; so, please stay tuned; stay vigilant and make your voices heard.

Happy Thanksgiving to you all.

Betty L. Jeppesen, President



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October 14, 2025

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

RE: Subject: Request from Councilmembers Santamaria and Sneddon to Agendize Consideration of an Ordinance Adding Chapter 26.90 to Title 26 of the SBMC Related to Rent Stabilization and Development of a Work Plan to Fund and Administer a Rent Stabilization Program

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. As one of the leading organizations in the South Coast primarily focused on housing, we oppose the amendments to the above-mentioned Municipal Code sections. The Santa Barbara Rental Property Association (SBRPA) is the premiere organization for housing providers, suppliers, and the rental housing community. SBRPA has an obligation to the community at large, and nowhere is this more evident than in our collaboration with the Housing Authority of the City of Santa Barbara, the County of Santa Barbara Housing Authority, and organizations like Transition House. Both the City and County Housing Authorities are members of SBRPA, which allows us to provide mutually beneficial services to each other that keep our organization strong and helps the Housing Authority grow its inventory of affordable housing in their geographic areas.

SBAOR and SBRPA request you reject this proposal.

We share your goal of a more affordable and stable housing market and we care deeply about Santa Barbara's future. Our members include small housing providers, property managers, and REALTORS® who live and work here. We support fair treatment for tenants, always. But the draft ordinance copies regulatory models from other jurisdictions that have not increased supply and would require Santa Barbara to set up a costly, permanent rent-board bureaucracy, diverting millions annually into administration rather than housing production, preservation, or targeted renter assistance.

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In 2017 when this conversation first started, then City Attorney Ariel Calonne stated that it would take multiple-millions of dollars to create the program with another \$2-\$5 million per year to sustain.

City	Population	Rental Stock	FY2017 Budget	Full-time Employees
Santa Monica	92,000	27,542	\$5,181,693	25
Berkeley	121,000	19,093	\$5,243,029	22
Richmond	108,565	10,469	\$2,425,355	7

(Source: Management Partners, 2017)⁹⁵

The cities in which this ordinance was copied have the current budgets:

- **San Francisco Rent Board:** \$13.8M (FY24-25); \$14.46M (FY25-26); ~50 FTE.
- **Berkeley Rent Board:** public documents and local reporting show ~\$9.0M+ yearly, with two-year totals near \$17M across FY25–26.
- **Richmond Rent Program:** \$3.59M (FY25-26)
- **Santa Monica Rent Control:** ~\$5 million (est.)

Santa Barbara has roughly 23,200 rental units (\approx 60% of the city's 38,500 households). Even a “small” rent board modeled on other cities would cost between \$3 million and \$6 million per year which would need to be funded through new per-unit fees or taxes on local housing providers. Those are recurring, not one-time costs. They require staff attorneys, hearing officers, investigators, outreach teams, rent registries, and IT systems, creating a permanent bureaucracy with escalating annual expenses.

Setting up a new rent board would divert staff, funds, and administrative capacity from these priorities to create a costly regulatory agency that adds no housing. This proposal would create a costly, permanent bureaucracy that diverts millions in city resources away from urgent priorities like housing production, infrastructure, and homelessness response and toward a redundant administrative program that does nothing to build or preserve homes. Every dollar and staff hour spent on rent-board hearings or registries is a dollar taken from actual housing creation and community services.

Santa Barbara already has extensive rent stabilization measures in place. Over the past decade, both the City and the State have enacted multiple layers of tenant protection laws, many with overlapping provisions and permanent enforcement mechanisms. Since 2017, Santa Barbara property providers have been subject to ongoing rent control and just cause measures, including:

- State Tenant Protection Act of 2019 (AB 1482) – 5% + CPI rent cap and statewide just cause.
- Santa Barbara City – Removed the *sunset date* from AB 1482 locally, making rent caps and just cause *permanent*.
- Mandatory One-Year Lease Ordinance.
- Just Cause & Relocation Ordinance.
- Substantial Remodel Restrictions.
- City and State COVID-19 Eviction Moratoriums.
- Security Deposits Limited to One Month's Rent.
- AB 1482 Amendments (2024) – Added penalties, attorney's fees, and new enforcement mechanisms.
- Screening Fee Limits and Credit Report Mandates.
- Photo Documentation Rules for Security Deposit Deductions.
- Unlawful Detainer Answer Period Extended to Ten Days.

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In total, over 55 tenant-related bills have been passed statewide in the 2024–25 legislative cycle alone. Each new rule adds compliance complexity and cost—especially for local “mom-and-pop” owners who operate just a few units.

It’s important to remember that rent control backfires. Rent control is short-sighted and reduces the rental stock, maintenance deferment, and a loss of rental units for new low- to moderate- renters who would need a rent-controlled unit.

- **Costs get baked into housing:** Annual fees, registration, compliance audits, and litigation risk raise operating costs, especially for small local providers who don’t have in-house counsel or scale. In addition, local utilities are on a path of steep increases, and insurance premiums in California have seen double-digit hikes. Capping annual rent changes below inflation while core operating costs rise faster pushes small providers out, consolidating the market into fewer, larger owners. Over time, that means fewer local owners and more corporate consolidation, the opposite of what residents want.
- **Supply stalls:** Rent control regimes historically reduce rental supply over time as units are withdrawn, conversions increase, and small owners exit. That leads to lower vacancy, higher asking rents for new tenants, declining maintenance, and loss of mom-and-pop owners and an influx of corporations. It slows maintenance, modernization, and new ADU or small-plex creation, shrinking future supply.
- **Administrative focus over housing outcomes:** Dollars that could go to permitting, infrastructure, rehabilitation, or targeted vouchers get locked into permanent administrative overhead such as legal, hearings, enforcement, and IT, without adding a single new home. The budgets from cities that this ordinance is based upon make that clear.

There are a number of actions the City can/are taking that will actually help housing instead of creating a well-documented public policy that fails. To create more desperately needed housing, the City needs to have fast, by-right approvals for code-conforming additions (ADUs, duplex/plex conversions) and adaptive re-use to boost supply quickly. To help renters now the City should look at targeted, means-tested renter relief (emergency assistance, shallow subsidies) that helps households without distorting future supply. For current and future renters, the City should investigate incentives for long-term tenancy stability (e.g., tax/cost offsets for owners who keep rents stable for income-qualified households). In addition, the City should look towards your own anti-harassment & habitability enforcement using existing code tools, without a costly rent board bureaucracy.

Santa Barbara can protect renters and preserve local housing without importing the most expensive parts of other cities’ rent control systems. Given the multi-million-dollar annual price tag and the risk of accelerating corporate buy-ups and housing scarcity, we urge you to **vote NO** on the rent stabilization ordinance and the proposed rent board.

Sincerely,



Summer Knight
SBAOR 2025 President



Betty Jeppesen
SBRPA 2025 President

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