

RSO UPDATE AS OF THE SEPTEMBER 22, 2026 SANTA BARBARA CITY COUNCIL MEETING

Dear SBRPA Members,

The Santa Barbara City Council met on September 22 for over 5-hours discussing the Rent Stabilization Ordinance with many members expressing frustration and confusion over the current draft.

As Mayor Rowse stated, the discussion items should have been brought up months ago.



There were very few members of the public in attendance and only a handful of speakers including on-line. This shows how important it is to show up and be heard.

There was only one person besides myself who spoke up against the removal on July 28th of the exemption for duplexes in which the owner has resided in one half since the inception of the tenancy of the tenant in the other half. I know this exemption is very important to many of my clients and its removal will cost them a lot of money and hardship.



Mike Jordan brought up concerns about who can bring a petition. Is it only the tenants listed in the agreement or are there suddenly 4 others who want to file?

He also wanted clarification on whether just non-exempt units need to register.

All rental units will now have to register whether they are exempt or not. The exempt units will pay less than the non-exempt units but ALL rental units will now pay a fee. If you do not register, you will not be allowed to advertise, raise rents or bring an action for possession or rent. There will be one year to come into compliance but beginning January 1, 2028, enforcement will begin against those units who have not registered.



Megan Harmon stated categorically that she could not vote for the RSO unless the deed restricted and Section 8 Housing units were exempt from the ordinance.



Eric Friedman requested to know the cost of a petition which was stated at \$13,950 with a fair rate of return petition costing \$27,000 and taking approximately 120 days from beginning to end.

He expressed concern over half a million dollars from the general fund and suggested that it should be a ballot measure instead so that all the voters would have a say.



Kristin Sneddon expressed concern about personal information required for registering a unit such as the number of people residing in every unit and their personal information.

After a discussion of how a fair rate of return would be determined, which anticipated the involvement of an economist for the landlord, she suggested changing the rent increase from 60% of CPI or 3% whichever was lower to a straight 3% but the Council did not want to go backward.

Only the Housing Authority letter to the City Council was discussed and only the wording by the Housing staff was added to the exemptions.

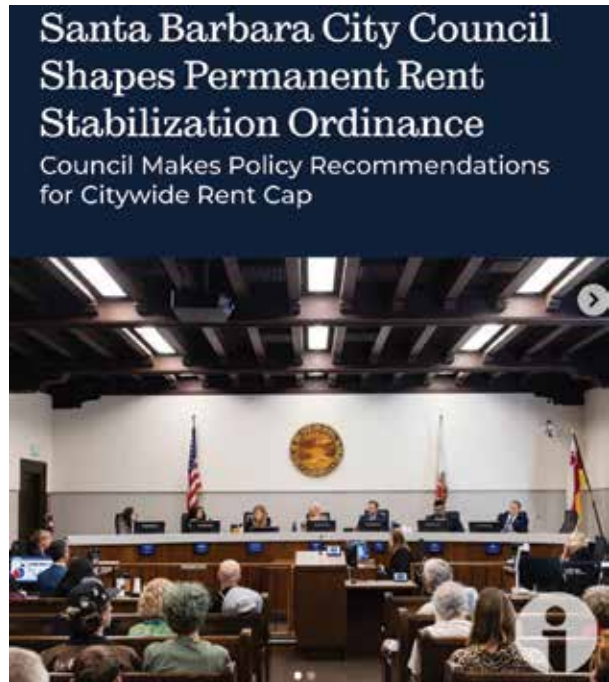
RSO Update, continued



In a surprising move, **Wendy Santamaria** suggested holding off on the vote on the RSO until a study had been completed regarding the actual cost of this program.

But, it was shot down by the others stating that it 9 years to get this far; and Sneddon stating that she wanted to see this happen while she was still on the City Council.

Santamaria also wanted to add to the Board requirement that out of the 4 members who must be renters in the City of Santa Barbara, one must be a "senior" renter.



SB Independent Instagram post, 9/23/2026
https://www.instagram.com/p/DW66p_gDJgH/

Note from Betty: In case this went unnoticed, the Rent Stabilization Board is now comprised of 4 members who must all be renters in the City of Santa Barbara plus 3 others for a total of 7. And, there was a deletion of ANY landlord members or at large members. How fair a resolution are housing providers going to get from a Board that has no housing providers and 4 tenants who render a decision by a 4-vote verdict?!

After an initial motion failed, the Council voted on two split motions to:

- 1) Approve staff recommendation with the removal of "tourist housing" and fraternity and sorority housing and keeping the exemption for single family homes and condos except if they are owned by a corporation and
- 2) Adopt the exemptions provided by Rob Friedrichs in his letter to the Council. Staff will redraft the Ordinance and bring it back for the consent calendar next week.

This also emphasizes the importance of our referendum. We need signatures to get it on the ballot and we need money to do so. Please give generously to this endeavor. This Rent Stabilization Ordinance will affect all of you and all of your

friends and neighbors who own any kind of rental property at all. Please take note that even single family homes are no longer exempt if they are owned by a corporation.

Finally, the lawsuit concerning the Rent Freeze and the Amendments to the Ordinance for Removing Rental Property From the Market moves forward. We survived one Motion to Dismiss and have Responded to the Second Motion to Dismiss. All pleadings are in the hands of the District Court Judge and we are awaiting a decision. We will keep you informed.

Betty L. Jeppesen

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President

Comments to SB City Council during 9/22/2026 Meeting for RSO

Betty Jeppesen, SBRPA President

Good afternoon Mayor Rowse and Members of the City Council,

I am Betty Jeppesen and am the President of the Santa Barbara Rental Property Association with over 1,000 members.

The Council Agenda Report for today states that staff recommends the adoption of the proposed amendments to the Municipal Code: "to Preserve Affordable Housing and Protect Tenant AND LANDLORD Rights..."

But, there are no landlord rights in these amendments.

All of these amendments impose additional burdens on landlords and take away the few rights that landlords still have.

All decisions will be made by a rent stabilization board that will now be comprised of at least four members who are tenants of rental housing in the City. NO landlord or property manager seats are designated and no at-large, financial interest restrictions are stated. There is a four-vote threshold. How do you think landlords will fare in that sort of pseudo court?

Under Structural Reorganization, Section 26.90.100 which now relates to capital improvement plans now establishes A PRE-APPROVAL PROCESS that must be completed before a special rent increase petition may be filed for a capital improvement pass-through.

There is a limit of one plan application per property every 24 months. One wonders how limiting work on these aging properties will assist tenants.

Landlords will now have to pay tenants \$150 per day for lodging and \$30 per day for food with additional payments in advance as published by the City. There is a prohibition on approving any plan that would expose tenants to toxic or hazardous materials, including lead-based paint and asbestos. So, those would never be repaired.

Section 26.90.110 now creates an additional tenant disclosure package to be given with the annual one-year lease offer requirements. These notices must be given in English and Spanish "or in another language the landlord knows or reasonably should know the tenant understands. How is a Mom and Pop landlord supposed to comply with these translations?

Exemptions to this Ordinance have been reduced from 9 to 3 categories. Notably, duplexes in which the owner resides in one half since the inception of the tenancy were removed on July 28th. If you recall, it was asked why should these be exempt? Well, I will tell you why. Some owners could not afford to buy a rental unit but they were able to buy a duplex to supplement their social security if they rental out the other side. MANY of my elderly clients are in this situation and now you are eliminating their income.

Rent increase has been redefined and now includes any reduction, suspension, or termination of housing service, decrease of maintenance or deterioration of the unit without a simultaneous and corresponding reduction in rent. How is the value of any of this determined? It now includes heating, ventilation, and air conditioning, electricity, gas, internet, telecommunications, sewer, refuse, access rights and the right to keep a specified number of pets.

The rent registry will apply to all units. Those that are exempt have to be registered as exempt.

The cost will be about 2 to 2.4 million per year. It is anticipated that landlords will pay for this in fees. At the beginning, the start up costs will be taken from Measure I Flexible Housing and Homelessness Funds. Out of the million dollars in that fund, only \$100,000 will be left after the appropriations made this year. So, it is anticipated that there will be a measure I every year.

Failure to follow any of these rules to the strictest interpretation is a defense to an unlawful detainer for possession or rent.

I don't see any landlord rights here.