

Santa Barbara Happenings



Terry A. Bartlett – Reetz, Fox & Bartlett LLP

Vaccinations



We encourage all eligible persons to get vaccinated. Vaccination is driving the COVID-19 positivity rate down and is pushing the virus off the front page

and the entire State toward a needed resurgence of economic activity.

The next step is now to persuade the vaccine hesitant of the long-run benefits of vaccination. Among them (stated generally): You are much less likely to spread the virus; if you get sick you won't die or go to the hospital; and you are making your co-workers safer. You are also helping society and the economy re-open and return to normal.

The number of vaccinated people would be higher if the public health authorities were competent. For example, telling people that they still have to mask and distance even after being vaccinated was a disaster, and the unnecessary pause on J&J vaccinations was a debacle. The good news is that the Centers for Disease Control have now said vaccinated people can resume activities without wearing a mask or socially distancing. One more benefit to getting fully vaccinated.

Home-Owners in Coastal Zone Re-Gain Control Over Their Property

On May 4th, the California Court of Appeals ruled in favor of Coastal Zone property owners' rights to use their property for short-term vacation rentals ("STVRs"). The City of Santa Barbara previously allowed for this use of property, charging a 12% hotel bed tax per rental, before implementing a ban on this activity in 2015. The lawsuit alleged that the ban, which was meant to allow for more affordable housing in the Coastal Zone, is a violation of the California Coastal Act that requires that the general public must have visitor serving uses within the Coastal Zone.

Officials feared that the higher rates charged for STVRs took away local affordable housing options. The City decided to create and implement a ban on STVRs in the Coastal Zone that has now been ruled as illegal.

Ordinance Awarding Hazard Pay to Grocery Workers Approved by Santa Barbara City Council

In an act of incompetency and at least a year too late, the Santa Barbara City Council passed a law requiring that grocery store employees who worked throughout the COVID-19 pandemic receive "hazard pay," a \$5 per hour wage increase for up to 60 days, to employees of grocery stores who have more than 300 employees nationally and at least one employee locally. Incredibly, the City Council only decided to act now after the COVID-19 virus has been tamed by abundant local vaccinations. This is what passes for leadership at City Hall these days.

More Local Government Burdens on Housing Development



In another effort to supposedly combat the affordable housing crisis in Santa Barbara, the Santa Barbara City Ordinance Committee supported a 15% inclusionary housing

requirement for housing projects outside of the central business district. This will require property owners with more than 10 residential units to offer 15% of their units at rental rates affordable to households at the moderate-income level (80% to 120% of Area Median Income).

With all of the talk about detrimental government-imposed restrictions and requirements over the past year, what is it that policy makers need to hear to learn that without proper incentive, burdensome requirements will only deter those working toward a solution, further exacerbating the problem? More regulation drives up prices and deters the creation of housing.

Continued on page 33

The Committee Chairman, Mike Jordan, the only one of three to oppose this new requirement, pointed out that creating a 15% inclusionary requirement would further strain developers and make projects infeasible.

In accordance with the recommendation of the City's Planning Commission, Jordan wanted to wait until reviewing the results of an economic feasibility study related to the Average Unit-Size Density program, building standards, and floor-to-lot-area-ratios, which will be completed in October to make a decision.

Jordan is right. It is basic microeconomics that if there is a shortage of a desirable asset, say housing, then the equilibrium of the asset will sit at a higher price point. So, the most effective way to combat this phenomenon, and drive the price point down, is to produce a larger supply, or in other words, provide more housing units. The best part about this process is that it happens naturally, without any government intervention.

So why is it that two thirds of this ordinance committee seem to think that Santa Barbara is some sort of exception to the rules of microeconomics and that disincentivizing (punishing) the developers who aim to solve the problem will somehow fix the shortage of housing in question?

A Solution to the Problem: Mayoral Candidate Randy Rowse

A potential light at the end of the tunnel can be seen with the upcoming Mayoral election in November.



Randy Rowse brings a distinguished level of experience to the table, having served on the City Council for almost 10 years, and more importantly, having run local favorite restaurant The Paradise Café for nearly forty years.

Rowse has been described as a moderate and prides himself upon making decisions based on the needs of the people and the local problems at hand without consulting parties to first consider their interests.

Rowse is clear that his campaign is about returning the focus of our City Council to local issues. He points out that the demands of political parties, outside labor organizations, and special interest groups have taken precedence recently on our City Council's agenda and that those interests

do not serve our City. Voters did not hire local representatives to hold forth on the world's problems. Our elected public servants are rightly tasked to shepherd tax dollars prudently and handle the day-to-day concerns of the community.

California State Legislature Jumps the Gun on Housing Requirements

The California Senate introduced two potential housing bills (Senate Bills 9 and 10) that threaten the character of all local neighborhoods.

SB 9 would allow two residential units of housing to be built on land currently zoned for a single-family residence with only the ministerial approval of local government. Current Accessory Dwelling Unit ("ADU") laws already allow two ADUs for each single-family residence, allowing one single family lot up to 6 possible units. The City will lose all discretionary control in determining what areas the housing is best suited for. The Eastside, for example, lacks the infrastructure to develop these numbers of units.

SB 10 would authorize local governments to allow up to 10 housing units on a single parcel of land, including areas zoned for single-family homes, as long as the area is considered "transit-rich" or "job-rich."

Both bills, if implemented, will cause high density, crowded housing. Neither of these bills take into account the necessary parking and other infrastructure upgrades. SB 10 is less worrisome because it is an "opt-in" bill, meaning that local governments may choose not to implement the bill. At this time of this writing, both bills are awaiting a hearing with the State Legislature's Appropriations Committee.

Governor Newsom Turns Tax Revenues into Cash Giveaway

Amid his impending recall election (or perhaps as a result of it), Governor Newsom announced a new plan that would give two-thirds of California residents an additional cash payment of at least \$600. The funds are available due to a recently discovered tax collection windfall. According to the press release, the State collected more than expected from the its wealthiest residents and that money will now be allocated to residents earning less than \$75,000 annually. \$600 does not go far when you do not have a steady income. No word no new jobs or job training for those out of work.