

Santa Barbara Happenings



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Santa Barbara Residents Protest Fractional Housing

San Francisco-based company Pacaso markets itself as “the modern way to buy and own a second home.” Pacaso sells fractional interests of homes to out of town buyers looking to have a second home. Each owner has the right to stay at the home for 44 days in the year, but not more than 14 in a row. Pacaso currently manages a fractional ownership home located at 1131 Las Alturas Road in Santa Barbara, along with three other properties in Santa Barbara and Montecito which have generated controversy over neighborhood compatibility.

Mayor Randy Rowse and Executive Director Rob Fredricks of the Housing Authority of the City of Santa Barbara have stated that fractional interest homes are harmful to communities like Santa Barbara that have such a shortage of housing. Fractional interest properties take housing out of the inventory for tenants, and locals looking to buy are getting beat out by multimillion dollar companies and investors who will pay hundreds of thousands above the listing price.

Timeshares, which are in some ways similar to fractional ownership as tenants-in-common, in residential neighborhoods are not allowed in Santa Barbara and many other communities because of the hotel-like behavior and commercial activity that follows. Last November, the Las Alturas home had already generated noise complaints from neighbors.

One of the owners of 1131 Las Alturas Road argued that fractional interest properties might actually be helpful the housing situation: rather than eight owners buying vacation homes in Santa Barbara, they are only taking one house off the market.

Mayor Rowse has asked the City Attorney to see if there is a way to block this type of arrangement or put an ordinance in place to manage this new type of fractional ownership. Residents have taken matters into their own hands and have placed “No Pacaso” signs around the neighborhood.

Santa Barbara County’s New \$1.4 Billion Spending Plan and Budget Update

The Santa Barbara County Board of Supervisors approved a \$1.4 billion budget for the 2022-2023 fiscal year. This marks the fourth year in a row that the budget includes no reductions in services. Approximately one-third of the budget is from state and federal funds, one-third from service charges, and one-third from growing local taxes including property tax, sales tax, and transient occupancy tax.

Funding received from the federal government will be split with \$45.2 million allocated toward health and human services and \$17.6 million to replacing the public safety radio system. Capital improvement projects are planned for the Santa Maria Health Care Center, Lompoc Health Care Center, Veteran’s Memorial Building, Cachuma Lake Recreation Area, Arroyo Burro Beach, Lookout Park, and Goleta Beach Park.

The update reported that while sales tax, transient occupancy, and property transfer tax are all higher than expected for the current fiscal year, cannabis cultivation and cannabis retail taxes are coming in at about \$10.8 million compared to the projected \$19 million.

The Board of Supervisors also directed staff to develop and propose budget policy for consideration in December 2022 that addresses a long-term fiscal plan regarding overtime costs and overhire ability.

Large UCSB Housing Project Approved

The UC Regents recently approved a new 540-unit residential project on UCSB’s campus. It will be used to house university employees and will include 180 for sale townhomes ranging in size from two to four bedrooms, 360 rental apartments ranging in size from one to three bedrooms, along with retail and parking space. The project will require reconfiguration of Ocean Road along with a series of bike paths and pedestrian pathways that create the border between campus and Isla Vista.

This comes after the City of Goleta filed suit against

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the University for breaching the Long-Range Development Plan by not increasing housing while continuing to increase the student population.

Santa Barbara City Council to Move Forward with a Program on Commercial Vacancies Along State Street.

In a June meeting the council agreed to direct staff to work on a commercial vacancy ordinance to address the dozens of vacant storefronts on State Street and in the central business district. City leaders have been considering a commercial vacancy tax to encourage property owners to find companies to rent their spaces. The vacant spaces are unattractive to tourists and are sometimes magnets for members of the homeless population to loiter. It's unclear what form the program will take.

Editor's note: Get rid of the parklets and open State Street to vehicle traffic again. The "no" price parklets prevent people from seeing the commercial and retail spaces currently vacant, and the "mall" created by lack of auto traffic is a fading institution in those parts of America with good weather.

Proposal for Additional Santa Barbara Hotel Tax Revenue to Be Put Towards Subsidized Housing

Santa Barbara's City bed tax revenues are projected to bring in around \$31 million, \$4 million higher than the budgeted \$27.2 million for this fiscal plan. Rob Fredericks, executive director for City of Santa Barbara Housing Authority, is hoping to persuade City Councilmembers to set aside \$5.1 million for affordable housing.

Fredericks also proposed a 2% hotel bed tax increase in partnership with the Housing Authority, to construct affordable housing with the excess revenue. One councilmember suggested a .25% sales tax bump instead which could generate \$7 million a year in revenue, but increase costs for locals.

Santa Barbara City Council to Temporarily Halt New Hotel Development While City Tackles Housing Issues

The Santa Barbara City Council voted in favor of a draft urgency ordinance temporarily banning new hotel development until the City articulates a specific plan explaining how it will meet its regional housing needs allocation. The State of California has required the City to add 8,000 new housing units by 2031. The proposed urgency ordinance was presented by City Planner Renee Brooke who said allowing additional hotel development to

continue may make it more difficult for the City to meet its regional housing needs allocation. The ordinance would not apply to the hotels that were recently approved and/or are currently pending approval. Mayor Randy Rowse and Councilmember Alejandra Gutierrez voted against the Ordinance.

Editor's note: This may come as a surprise to State legislators, but not everyone can live in Santa Barbara. Some folks will have to live elsewhere. There is limited land available between the beach and the mountains, and the State housing requirements are forcing Santa Barbara to become an undesirable big, high-rise city like those areas of coastal Los Angeles County that people are now fleeing.

Affordable Housing Project Receives Positive Reviews

The affordable housing project located on the corner of Carrillo and Castillo Street has reached a new milestone in the process of getting the 63-unit project approved. The new project has enjoyed support from members of the Historic Landmarks Commission and is aimed at working professionals with moderate incomes. The project is still in the pre-application conceptual phase and the Housing Authority is working with local residents on the design.



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