

# Santa Barbara Happenings



Terry A. Bartlett – Reetz, Fox & Bartlett LLP

## Increased Downtown Parking Fees Rejected

The Santa Barbara City Council recently rejected a staff proposal to raise parking fees and lower free parking time downtown. The rejected proposal attempted to limit free parking time to 15 minutes in surface lots and lower free parking time in parking garages from 75 to 60 minutes while also raising hourly rates. City council members realized that the changes would discourage people from going downtown when they rejected the proposal. Now reopen State Street to vehicles.



(image Noozhawk.com)

## Santa Barbara County Will Ask Voters to Increase Hotel Tax on November Ballot

The Santa Barbara County Board of Supervisors voted to add measures to increase the Transient Occupancy Tax (TOT) on the November ballot. Santa Barbara, Carpinteria, Buellton and Solvang are all considering increases. In Santa Barbara, the proposed increase is 2% (from 12 to 14%). These increases would affect hotels, motels and short-term rentals. The measure is opposed by the South County Chamber of Commerce, Visit Santa Barbara, Visit Santa Ynez and members of the hotel industry who point out that the annual vacancy rate in Santa Barbara County is already 30% and higher taxes could potentially lower revenue by making hotel rooms too expensive for potential patrons.

## City of SB Presses Criminal Charges Against Landlord

The lack of affordable rentals, a backlog of new housing, untenable rent increases (up to 10% per year) and renovations are causing a housing crisis in Santa Barbara.

In April, the Santa Barbara Tenants Union hosted a tenants panel in Santa Barbara's West Beach area and in May they held one in Isla Vista. At

these meetings, tenants discussed their experiences being evicted from properties that had recently been acquired by new owners.



(image Independent.com)

against property owner, James Knapp of Koto Group, by the City Attorney's Office. No word on how the landlords can improve their properties while tenants remain in occupancy.

## City of Santa Barbara Plans New Sales-Tax Measure for November Ballot

The Santa Barbara City Council is considering raising sales tax by a half-cent. Currently, sales tax in Santa Barbara is 8.75%. A half-cent increase would bring it to 9.25%. The increase is intended to help offset the City's budget deficit and pay for rising construction and personnel costs.

The last increase in sales tax was 1% and occurred in 2017. It was intended to fund infrastructure and city services such as programs that help the homeless.

## Renters and Owners Live in Separate Economies

A recent study released by the Federal Reserve shows that renters are generally doing much worse than homeowners in the current economy. According to the study, 1 in 5 renters have fallen behind on their rent at some point within the last year and renters are much more likely than homeowners to not be able to pay their utilities.

Since the pandemic, rents have gone up considerably (nearly 20% nationwide) while many homeowners refinanced their loans during the pandemic and were able to save money and invest it. This has led to a very different financial experience for owners and renters.

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## The 2024-25 Proposed County Budget is a Failure

County supervisors, years ago, promised to address the significant shortfall in maintaining our roads, parks, and buildings by spending an additional 18% per year in increases from discretionary revenue (revenue that is not bound by state and federal mandates). As a result, the county went from spending \$1 million per year on maintenance to \$15 million from their general fund monies. Other funds to maintain infrastructure come from federal and state gas taxes and SB1 funds. 2024 marks the first of five years in a row that the County is planning on renegeing on their promise to add the 18% funding. This will doom their commitment to catch up on over \$500 million in existing road maintenance shortfalls.

Instead, the budget proposes to increase spending on its staff. When did staff raises become a higher priority than public safety and infrastructure? The budget also proposes to spend the money on things like racial justice grants (\$275k), a new County DEI Coordinator (\$100k plus?), \$2.4 million for electric vehicle infrastructure, and over \$1 million on a climate action plan. I guess you can get away with it that when it's all "other people's money".

All in all, the county budget grew by over \$100 million in the last year, meaning out of a \$1.6 billion budget, the County will fail to maintain crumbling roads and other county infrastructure. This failure will cost dearly in future years when roads must be replaced, rather than merely repaired.

## Nonprofit Corruption: A Frequently Overlooked Problem

Non-profit organizations, organized around causes that are for the public good, are often overlooked as sources of corruption. This is due not only to their alignment with community values but also the implication that they are not organized primarily for the financial gain (i.e. "non-profit"). Unfortunately, non-profits can and often are manipulated by people who due to the lack of oversight are able to direct large sums of money and/or undermine the non-profit's cause.

A recent article in The Journal of American Affairs discussed a few recent instances of non-profit corruption being exposed on the west coast. From millions of dollars in mismanaged funds by ex-felons at a Seattle non-profit (the Freedom Project) to the CEO of San Francisco's non-profit, United Council of Human Services, spending money on cars, jewelry and apartments for her

friends, to the Tenants and Owners Development Corporation (another San Francisco non-profit) spending money to lobby against the development of affordable housing (their purported cause) in order to receive larger government subsidies, many instances of exploitation and dishonesty have been exposed.

One recent instance of this kind of corruption in Santa Barbara occurred recently when an accountant for an Orcutt softball non-profit plead guilty to embezzling \$51,000.

Many of these issues are due to lax hiring practices (hiring people without proper qualifications) and giving them access to money from the government or generous private donors, and the cover of good cause.

## Affordable Housing in Santa Barbara

Housing is defined as affordable when it takes up only 30% of a person's income after that income is compared to area median income and the number of people in the household are considered. This means that a one-person household making \$50,000 per year in an area where the area median is \$35,000 and paying \$1,250 per month in housing costs would be doing well while the same person in the same area making the same amount of money but raising three children would be burdened by spending the \$1,250 per month on housing.

In Santa Barbara, extremely low income is less than 30% (\$42,000/yr. for a family of four) of the area median income, very low is less than 50% (\$70,000/yr.), low is less than 80% of area median (\$112,000/yr.) and moderate is less than 120% of area median income (\$120,000/yr.).



(image Noozhawk.com)

75% of low-income renters here spend more than half of their salary on rent and nearly half of those who live here are renters. The average rent in the area has increased about 30% in the last 3 years, according to the Santa Barbara Foundation's study.

*Terry A. Bartlett is a real estate, housing, and landlord-tenant attorney at Reetz, Fox & Bartlett LLP in Santa Barbara.*