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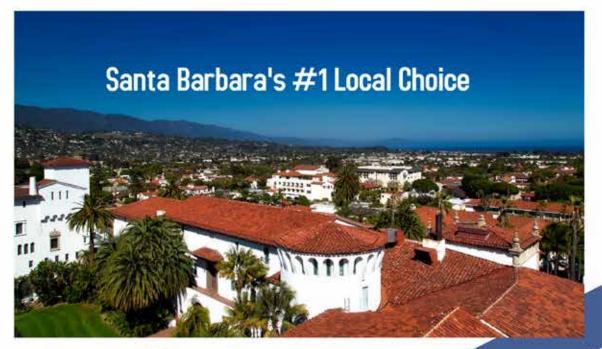
State Rent Control Bill AB 1482 Page 19











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May 2019

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Tuesday, May 7, 2019 9:00am - 11:00am UCSB Spring Property Provider Meeting UCSB San Clemente Center (use parking lot 50)



Tentative schedule:

- · IV Foot Patrol (updates)
- UCSB Alcohol & Drugs
 (Naxolone distribution and training)

For more information contact:

Jessie Long, Rental Service Coordinator
University and Community Housing Services
jclong@housing.ucsb.edu 805-893-4371

NEW DATE & Location

Tuesday, June 4, 2019 10:00am - 12 noon SBRPA North County Fair Housing Seminar Santa Maria Radisson, 3455 Skyway Drive, Santa Maria

The North County Fair Housing Seminar will be jointly sponsored by the County of Santa Barbara Legal Aid Foundation and SBRPA. Our Guest Lecturer will be Chandra Carr of the SB Legal Aid Foundation.

RSVP to *programs@sbrpa.org*. For more information, see page 27.

Wednesday-Thursday, June 26-27, 2019 NAA National Apartmentalize Conference

Colorado Convention Center, Denver, Colorado

Come to the Apartment Industry's premier event. New this year is NAA's "20 in their Twenties" event scholarship, to recognize the 20 best & brightest property management professionals in the rental housing industry.

For more information:

www.aagaonline.com/events/naa_apartmentalize



MAY 2019							
SUN	MON	TUE	WED	THU	FRI	SAT	
			1	2	3	4	
5 CINCO MAYO	6	7 UCSB Spring Provider Mtg	8	9	10 Ofc closed Strategic Planning Mtg	11	
12	13	14	15	16	17	18	
19	20	21 Ofc closed at 1:00 PM BOD Mtg	22	23	24	25	
26	27 Ofc closed memorial DAY	28	29	30	31 Ofc closed start Summer hours		

OFFICE CLOSURES -- May 2019

May 10, Fri., SBRPA Stragetic Planning Meeting May 21, Tue., half-day from 1:00PM, BOD Meeting May 27, Mon., Memorial Day Holiday May 31, Fri., start of SBRPA summer hours

NOTE: Beginning Friday, 5/31/2019 the office will be closed on Fridays throughout the summer.

Welcome New Members!

Krista Blake, Helga Morris, Anthony & Martha Morales, Chris Clarke, Kevin & Janis Pettijohn, Toni Hearn, and Jennifer Birchim

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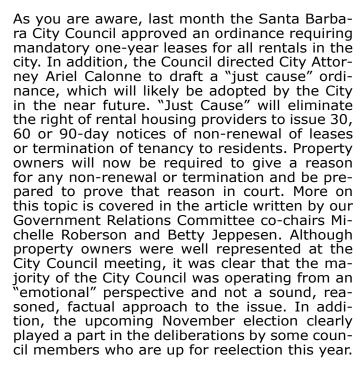


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SBRPA President's Message

James Carrillo • CPM®, SBRPA President



We are very grateful for the outstanding work done by Michelle Roberson and Betty Jeppesen, Andy Alexander and Krista Pleiser of the Santa Barbara Board of Realtors and Fred Sutton of the California Apartment Association. They spent countless hours honing our arguments against "just cause" and met many times with council members leading up to the meeting on April 16th. Their dedication and loyalty to the Santa Barbara business community is much appreciated.

In November of 2018, California voters rejected a ballot initiative that would have brought back rent control. This, however, has not kept rent control proponents from introducing new bills in the legislature this year that not only seek to reintroduce rent control, but to implement "just cause" across the state. SBRPA has been working closely with the California Rental Housing Association (CalRHA) and our lobbyists at Capitol Advocacy to track and offer amendments to those bills that do not fall off the calendar and continue to make their way through the legislature. AB 36 (Bloom) and AB 1399 (Bloom) both seek to bring back rent control and were heard in the Assembly Housing Committee in late April. SBRPA is on record as opposing both those bills.

On April 2nd and 3rd, CalRHA held its annual Legislative Day in Sacramento where members of

all ten associations making up CalRHA gathered to meet with state legislators to dis-

cuss the bills of concern to our members. SBRPA was represented by Steve Battaglia (member of the Board of Directors of CalRHA along with Rob Kooyman), Danielle Holzer, and me. We had productive meetings with our Assembly member Monique Limon and a representative from Hannah Beth-Jackson's office, among others. As noted, Sacramento is in the middle of a "bill overload" with many bills in the process that would be detrimental to property owners. Some of those bills include:

AB 1481 (Bonta) Tenancy termination: just cause

AB 1482 (Chiu) Tenancy: Rent caps (Would impose rent caps on property owners)

AB 1697 (Grayson) Housing: Tenancy termination: just cause

AB 724 (Wicks) Rental property data registry

SB 329 (Mitchell) Discrimination: housing: source of income (Would require owners to accept Section 8 vouchers)

These are just some of the bills wending their way through Sacramento at this time that would adversely affect property owners. For a complete list of the bills in process, feel free to call the SBRPA office and the list will be e-mailed to you. Our job as advocates on behalf of property owners will never end. It ebbs and flows, and this year is going to be a tumultuous year in the state legislature. We will continue to fight on your behalf.



Raymond Arthur Appleton
Land Use Planner & Permit Agent

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MISSION STATEMENT

We are the go-to organization for our members, suppliers, and the rental housing community. Santa Barbara Rental Property Association

CODE OF ETHICS

We, the members of the Santa Barbara Rental Property Association, recognize our duty to the public and to those individuals who choose to reside in rental housing. Being ever mindful of the increasing role of the rental housing industry in providing homes, we have united ourselves for the purpose of improving the services and conditions of the rental housing industry. Therefore, we adopt this Code of Ethics as our guide in dealing with all people.

- We conduct ourselves in an honest and ethical manner at all times to better the communities of which we are a part.
- We comply with all laws and regulations applicable to the rental housing industry.
- We respect the rights and responsibilities of our residents and diligently respond to their requests.
- We believe that every resident is entitled to the quiet enjoyment of a safe and habitable residence.
- We strive to conserve natural resources and to preserve the environment.
- We believe in the value of contracts and their enforcement.
- We believe in the importance of continuing education for rental housing owners, managers, and residents.
- We maintain an equitable and cooperative relationship among the members of this association and with all others who may become a part of this industry in order to further the interest of all members of this association.



Santa Barbara City's **NEW "TENANT PROTECTION" ORDINANCES**

Start Date estimated: July 2019

In 2 months, the City of Santa Barbara will begin new regulations that will dramatically change the rental property business.

HOW: First, a new MANDATORY ONE-YEAR WRITTEN LEASE REQUIREMENT will go into effect. This will be followed shortly thereafter with a new JUST CAUSE ordinance. (In cities that implement Just Cause, RENT CONTROL follows quickly thereafter.)

Just Cause means you can no longer decide not to renew a lease or go month-to month. Tenants can choose to stay as long as they want, unless you have grounds to terminate. If you have grounds to terminate under the new "Just Cause" laws, you can also give tenants notice to move -- however, the City will require you to pay tenants to move. Last week the City Council proposed you will pay 3 to 4 months' rent -- plus an additional \$3,000 for special categories of tenants such as low- and medium-income tenants, seniors over 60 and the physically handicapped. To summarize:

Any tenant that you have 60 days from now will be able to stay in the rental unit until you:

- 1. Have legal grounds to evict; or
- 2. You have a "just cause" and pay them to leave.

The JUST CAUSE ordinance will be written in the next couple months. This article gives you all the information we have at this time. SBRPA'S Government Relations Committee (grc@sbrpa.org) will contact you again when we learn more about the ordinances - and what you can do.

BACKGROUND

After hours of testimony, on Tuesday, April 16, 2019, the Santa Barbara City Council rejected the past two years of compromise and negotiations conducted by the Council's Tenant-Landlord Task Force. Instead of honoring the



agreement to take all of the Task Force's hardnegotiated recommendations, the Council instead approved:

- 1. Mandatory One Year Written Leases (going into effect @ end of July 2019)
- 2. Just Cause with Tenant Displacement Assistance.

The final language of the Just Cause ordinance has not yet been written. Below is what is currently being considered. This could change in next couple months. We will be actively engaged with the City Attorney and Ordinance Committee while it is being written.

WHO will be affected?

City Council members suggested that all rentals, even single-family homes, be regulated.

WHEN will this go into effect?

Earliest -- Perhaps 4-5 months. However, it will cover all the tenants to whom you have already offered mandatory written leases in July 2019.

WHAT is Just Cause?

JUST CAUSE basically provides tenants with the same protections already provided by state law for tenants with leases. A tenant can only be asked to move during their lease term for specific legal reasons such as non-payment of rent. nuisance, illegal use or breach. SBRPA owners believe in protecting tenants' legal rights. We already provide written leases. So . . .

WHY are we opposed to Just Cause?

I. DIFFICULTY & EXPENSE OF "PROBLEM TENANT"

As an owner or manager, your job is to make sure the rights of all your tenants are respected. Have a "problem tenant" that your other tenants are complaining about - Noise - Drugs - Gang activity? You can no longer simply decide not to renew their lease. You will now be forced to renew unless you can prove a "Just Cause".

The Remedy Now:

Do not renew the lease or serve a monthto-month tenant with a 30, 60, or 90-day notice of termination of tenancy.

The Remedy Under "Just Cause":

Gather evidence, 3rd party witnesses, pay attorney, go to court. "Just-cause" makes it very difficult and expensive to remove tenants who have no regard for their neighbors, destroy the property, or are involved in illegal activity. As a result, communities suffer the consequences.

II. LANDLORD MUST RENEW - OR PAY TENANT TO MOVE

Except for "eviction" causes, all other "just causes" for not renewing a lease (e.g. renovation, personal use, demolition) could require that the **Landlord pay the tenant to move**. How much? The Santa Barbara City Council discussed Landlord paying tenants **3 to 4 months' rent -- plus an additional \$3,000** for special categories of tenants such as low and medium income tenants, seniors over 60 and the physically handicapped.

III. JUST CAUSE --> RENT CONTROL

Just cause leads to rent control. Every city that has adopted a Just Cause ordinance has subsequently implemented a Rent Control ordinance, with the exception of San Diego, which currently has Just Cause, but no rent control yet.

WILL WE BE ABLE TO STOP RENT CONTROL?

Why are we suddenly in this situation in Santa Barbara? *The new members of the City Council!* Sneddon, Gutierrez, Friedman and Harmon all voted for Just Cause. The only Councilman who voted AGAINST Just Cause - Randy Rowse - unfortunately cannot seek re-election this Fall because of term limits. Four seats are up for election this November. We need to identify and vote for candidates who will represent and respect the rights of property owners from: District 1 (Eastside), District 2 (Mesa), District 3 (Westside), and District 6 (downtown).

District 1: Councilman Jason Dominguez will run for a second term.

District 2. Longtime Santa Barbara Planning Commissioner Michael Jordan is expected to run for the spot vacated by Rowse.

District 3: Councilman Oscar Gutierrez won a special election for the seat in 2018 and will try to be re-elected this fall.

District 6: Councilwoman Meagan Harmon is expected to run for the seat.

Here is map of Santa Barbara's districts, or you can find your district at:

https://santabarbara.maps.arcgis.com/apps/webappviewer/index.html?id=71f4bb397bd24bf7bcf8a80d6bf968ce



Please help us speak the voice of Santa Barbara's hardworking rental property owners to mitigate the potential damage to all of us from the City's unnecessary and unfair Just Cause ordinance.

JUST CAUSE OVERVIEW

The Santa Barbara City Council is in the process of developing a *JUST CAUSE* ordinance for <u>ALL UNITS</u> in the City. Below is an example of JUST CAUSE in San Francisco. (Thanks to The San Francisco Tenants Union for the following information, with links from their website with instructions to Tenants on how to fight Just Cause.)

"JUST CAUSES" that **do NOT require** relocation payment by Landlord:

- 1. Nonpayment of rent, habitual late payment, or frequent bounced checks.
- 2. Breach (violation) of a term of the rental agreement that has not been corrected after written notice from the landlord.
- 3. Nuisance or substantial damage to the unit (waste), or "creating a substantial interference with the comfort, safety, or enjoyment of the landlord or other tenants in the building."
- 4. Illegal use of the unit.
- 5. Termination of the rental agreement and the tenant refuses to execute a written extension for materially the same terms.
- 6. The tenant has, after written notice to cease, refused the landlord access to the unit as required by law.
- 7. Unapproved subtenant (approval can be either stated or implied) is the only person still remaining in the unit (subtenant holding over).

"JUST CAUSES" **REQUIRING** Relocation Payment by Landlord:

Tenants who are not allowed to renew for the causes below, have a right to a relocation payment by the Landlord. The Santa Barbara City Council discussed Landlords paying tenants **3 to 4 months' rent --- plus an additional \$3,000** for special categories of tenants such as low and medium income tenants, seniors over 60 and the physically handicapped.

- Move-in of the landlord or a close relative of the landlord. See SF Tenants Union description of "Move-in of the landlord" cases.
- 2. Sale of a unit which has been converted to a condo. Seniors and permanently disabled tenants cannot be evicted for condo conversions. Tenants have a right to a 1-year lease or 120 days with relocation payments.
- Demolition or removal of the unit from housing use. See SF Tenants Union description of SF Demolition² policy.
- 4. Capital improvements or rehabilitation. (The tenant has the right to re-occupy the unit once the work is completed at the prior rent and the tenant has a right to relocation payments.)
- 5. Ellis Act. Withdrawal from rental housing use all of the units in the building or a unit detached from another structure on the same lot (e.g. a cottage). Senior (age 62) and disabled tenants must receive a one-year notice of eviction. All other tenants must receive 120 days' notice. See SF Tenants Union description of SF Ellis Act evictions.³
- 6. Lead abatement.
- 7. "Substantial rehabilitation" of a building that is essentially uninhabitable.

NOTES:

- 1 Move-in of the Landlord http://www.sftu.org/omi/
- 2. Demolition Policy http://www.sftu.org/merger/
- 3. Ellis Act Evictions http://www.sftu.org/ellis/

Santa Barbara City Council One-Year Lease Ordinance (page 1 of 4)

ORDINANCE NO.

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING TITLE 26 OF THE SANTA BARBARA MUNICIPAL CODE BY ADDING CHAPTER 26.40 TO REQUIRE ONE-YEAR LEASE OFFERS TO RESIDENTIAL TENANTS

THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. Findings and Purpose. The City Council finds and declares as follows:

- Α. In December 2016, the City Council directed preparation of an analysis of potential strategies for residential tenant protections. This analysis was presented on March 21, 2017. The City Council then directed formation of a Tenant/Landlord Task Force (Task Force). On June 27, 2017, the City Council formed the Task Force and appointed representatives from the California Apartment Association, Central Coast Alliance for a Sustainable Economy (CAUSE), Housing Authority of the City of Santa Barbara, Restorative Community Network, Santa Barbara Association of Realtors, and Santa Barbara Rental Property Association. Membership also included an at-large landlord representative and an at-large tenant representative. Councilmembers Dominguez and Hart were appointed as City Council liaisons to the Task Force. Council directed the Task Force to consider and make recommendations on the following: Enhancement options for the City's Rental Housing Mediation Program; mandatory leases; safety inspections; just cause eviction; and other tenant protection alternatives (except rent control) as appropriate.
- B. After meeting five times, the Task Force made several recommendations which were supported by a majority vote. The final set of recommendations to Council was approved unanimously.
- C. The City Council thereafter directed that a "Joint Protection and Accountability Initiative" be heard by the Ordinance Committee to require landlords to offer tenants renewable leases with specified terms of at least one year (or less if the landlord demonstrates that the property is not available for a full year). If the landlord chooses not to renew the lease, the tenant can request a mandatory, non-binding, one-time conciliation meeting.
- D. The Ordinance Committee and City Council have found and determined that the residential rental housing market in Santa Barbara has experienced long-term low vacancy rates in part due to an ongoing housing shortage in the City and on the South Coast generally. As a result, residential tenants experience less security in their housing choices as a result of rapid rent increases or eviction without cause. This ordinance is necessary to protect the public health, safety and general welfare by reducing the displacement of tenants into a rental housing market which affords them few and expensive options.

Santa Barbara City Council One-Year Lease Ordinance (page 2 of 4)

SECTION 2. Title 26 of the Santa Barbara Municipal Code is amended by adding Chapter 26.40 which read as follows:

26.40.010 Mandatory Offer of Residential Lease.

- A. OFFER. If a tenant or prospective tenant wishes to rent a rental unit from a landlord and if the landlord wishes to rent the rental unit to the tenant or prospective tenant, the landlord must offer to the tenant or prospective tenant a written lease which has a minimum term of one year. The offer must be made in writing. The landlord's signing of a lease which has a minimum term of one year shall be considered an offer in writing.
- B. ACCEPTANCE. If the tenant or prospective tenant accepts the offer of a written lease which has a minimum term of one year, this acceptance must be in writing, dated and signed by the tenant. The tenant or prospective tenant's signing of a lease signed by the landlord which has a minimum term of one year will be considered an acceptance. The tenant shall bear the burden of proving that they accepted the lease offer.
- C. REJECTION. If the tenant or prospective tenant rejects the offer for a written lease which has a minimum term of one year, this rejection must be in writing and signed by the tenant on a dated single-page form which is either i) prepared by the city attorney and made available through the City's website, or ii) prepared by the landlord or tenant to communicate the rejection. On or after the date of the rejection is signed and delivered, the landlord and tenant or prospective tenant may then enter into an agreement, oral or written, that provides for a rental term of less than one year. The landlord shall have the burden of proving that the tenant rejected the lease offer.
- D. RENT. If the landlord and tenant enter into a written lease which has a minimum term of one year, such lease must set the rent for the rental unit at a rate or rates certain and these rates shall not be otherwise modified during the term of such lease.
- E. RENEWAL OF LEASES. If both the landlord and the tenant wish to continue the rental relationship, upon the expiration of the initial written lease which has a minimum term of one year, a lease shall be offered again in accordance with the procedures of this section:
 - 1. Leases with a term of one year shall be offered annually.
- 2. Leases with a term longer than one year shall be renewable at the expiration of each lease period for a minimum term of one year.
- 3. A landlord shall offer annually a written lease with a minimum term of one year to a tenant who rejected an initial offer of a written lease with a minimum term of one year but who has rented a unit from the landlord for a period of at least twelve months.
- F. NON-RENEWAL OF LEASES. If the landlord does not wish to continue the rental relationship, then at the time the landlord delivers notice of such termination, the tenant shall be offered a one-session conciliation meeting with the landlord using the Santa Barbara Rental Housing Mediation Board, if available, or a qualified mediator of mutual choice and provided at mutual expense. The results of any conciliation meeting

Santa Barbara City Council One-Year Lease Ordinance (page 3 of 4)

shall not be binding unless agreed to by the landlord and tenant. A tenant need not participate in a conciliation meeting. The remedies available under this Chapter shall not be affected by a tenant's inability or refusal to participate in conciliation.

- G. APPLICABILITY. This Section shall not apply to:
- 1. A unit which is rented on the effective date of this Ordinance, provided that:
- a. If the unit is rented subject to a written lease, when the lease in effect for such a unit expires, the ordinance codified in this Chapter shall then apply; and
- b. if the unit is rented without a written lease, within ninety days after the effective date of this Ordinance, the landlord shall offer a written lease to the tenant in accordance with this Section;
- 2. An owner-occupied unit that is rented to a tenant for less than one year; or
- 3. A rental unit occupied by a tenant who subleases that unit to another tenant for less than one year;
- 4. A rental unit where tenancy is an express condition of, or consideration for employment under a written rental agreement or contract, or
 - Lawfully operated vacation rentals.

26.40.020 Remedies.

- A. DEFENSE TO ACTION TO RECOVER POSSESSION. Failure of a landlord to comply with any of the provisions of this Chapter shall provide the tenant, for a period of one year from the date of the failure of the landlord to comply with this Chapter, with a defense in any legal action brought by the landlord to recover possession of the rental unit.
- B. DEFENSE TO ACTION TO COLLECT RENT. Failure of a landlord to comply with any of the provisions of this Chapter shall provide the tenant with a defense in any legal action brought by the landlord to collect rent increases made in violation of this chapter.
- C. INJUNCTIVE RELIEF. A tenant may seek injunctive relief on his or her own behalf and on behalf of other affected tenants to enjoin the landlord's violation of this Chapter.
- D. REMEDIES ARE NON-EXCLUSIVE. Remedies provided in this section are in addition to any other existing legal remedies and are not intended to be exclusive.

26.40.030 **Definitions.**

The following words and phrases used in this Chapter shall have the meaning indicated, unless the context or usage clearly requires a different meaning.

- A. LANDLORD. An owner, lessor, or sublessor, or the agent, representative, or successor of any of the foregoing persons or entities who receives, or is entitled to receive, rent for the use and occupancy of any rental unit or portion thereof.
- B. RENT. The consideration, including any bonus, benefit, or gratuity demanded or received by a landlord for or in connection with the use or occupancy of a

Santa Barbara City Council One-Year Lease Ordinance (page 4 of 4)

rental unit and any separately charged amenities available to tenants such as parking, storage or other similar charges.

- C. RENT INCREASE. Any additional rent demanded of or paid by a tenant for a rental unit.
- D. RENTAL UNIT. A dwelling unit in the city of Santa Barbara with the land and appurtenant buildings thereto and all housing services, privileges, and facilities supplied in connection with the use or occupancy thereof, which unit is in a multiple-family dwelling (including a duplex) or boarding house. The term "rental unit" shall not include:
 - 1. A single-family dwelling;
- 2. Rooms or accommodations in hotels or boarding houses which are lawfully rented to transient guests for a period of less than thirty days;
- 3. Dwelling units in a condominium, community apartment, planned development or stock cooperative, or in a limited equity stock cooperative as defined in the California Business and Professions Code:
- 4. Dwelling units in which housing accommodations are shared by landlord and tenant:
- 5. Housing accommodations in any hospital, extended care facility, asylum, non-profit home for the aged, or in dormitories owned and operated by an institution of higher education, a high school or an elementary school;
- 6. Housing accommodations rented by a medical institution which are then subleased to a patient or patient's family;
- 7. Dwelling units whose rents are controlled or regulated by any government unit, agency, or authority, or whose rent is subsidized by any government unit, agency, or authority; or
- 8. Dwelling units acquired by the city of Santa Barbara or any other governmental unit, agency or authority and intended to be used for a public purpose.
- E. TENANT. A person or persons entitled by written or oral agreement to occupy a rental unit to the exclusion of others.
- SECTION 3. CEQA FINDINGS. The City Council finds and determines that this Ordinance is exempt from review under the California Environmental Quality Act because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

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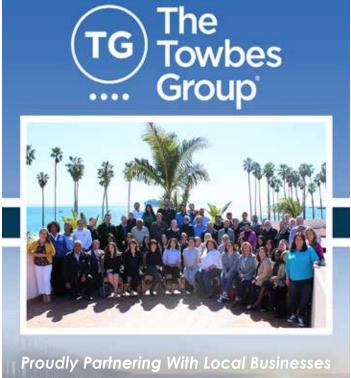
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California State Legislative Meetings

Sacramento, CA · April 2-3, 2019



SBRPA President Jim Carrillo, Director Danielle Holzer-Burkitt, and Director Steve Battaglia attended the Stage Legislative Meetings in Sacramento, CA.



The group photo at the 2019 State Legislative Affairs meeting.



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STATE RENT CONTROL BILL APPROVED BY ASSEMBLY'S HOUSING COMMITTEE

On April 25, 2019 a state-wide rent control bill was approved at its first committee hearing. On a 6 to 1 vote, the Assembly's Committee on Housing approved AB 1482 by the committee chairman, Assemblyman David Chiu, D-San Francisco. **The bill will now heads to the Assembly's Appropriations Committee.** Below is full text of bill.



Page 1

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

David Chiu, Chair AB 1482 (Chiu) - As Amended April 22, 2019

SUBJECT: Tenancy: rent caps

Date of Hearing: April 25, 2019

SUMMARY: Establishes a maximum allowable rent increase for housing. Specifically, this bill:

- 1) Establishes that an owner of residential real property in the state may not increase the rental rate for that property in an amount that is greater than 5 percent plus percentage change in cost of living more than the rental rate in effect for the immediately preceding 12 months, subject to the following:
 - a) The "percentage charge in the cost of living" is defined to meanthe percentage change from April 1 of the prior year to April 1 of the current year in the regional Consumer Price Index (CPI) for the region where the real property is located, as published by the United States Bureau of Labor Statistics. If a regional index is not available, the CPI for All Urban Consumers for all items, as determined by the Department of Industrial Relations, will apply.
 - b) Applies to partial changes in tenancy of a residential rental property where one or more of the tenants remains an occupant in lawful possession of the property;
 - c) Does not apply to new tenancies where no tenants from the prior lease remain an occupant in lawful possession of the property; and
 - d) Does not apply to the following residential rental properties:
 - Deed-restricted affordable housing for persons and families of very-low, low-, or moderate-income, as defined in Section 50093 of the Health and Safety Code;
 - Dormitories constructed and maintained in connection with any higher education institution within the state for use and occupancy by students in attendance at the institution; and,
 - iii. Housing subject to a local ordinance that imposes a maximum rental rate increase that is more restrictive than 5 percent plus CPI.
- 2) Applies to all rent increases occurring on or after March 15, 2019.
- Requires an owner to provide notice of any increase in the rental rate to each tenant in accordance with existing law.
- 4) Establishes that a landlord may not terminate a tenancy for the purposes of increasing the rent in an amount greater than that authorized by this section.
- 5) Creates a rebuttable presumption that, in the absence of a written statement from the landlord to the tenant showing cause for the termination of a tenancy, the termination is for the purposes of avoiding this section.

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AB 1482 Page 2

6) Requires that, on or before January 1, 2033, the Department of Housing and Community Development (HCD) must report to the Legislature regarding the effectiveness of this program. The report shall include, but not be limited to, the impact of the rental rate cap established in this bill on the housing market within the state.

EXISTING LAW:

- 1) Establishes rules and processes regarding the hiring of real property, including hiring of a dwelling unit for purposes of tenancy (Civil Code Sections 1940-1954.5).
- 2) Establishes the Costa-Hawkins Rental Housing Act, which authorizes an owner of residential real property to establish the initial and all subsequent rental rates for a dwelling or a unit if any of the following is true, as well as other specified reasons:
 - a) There has been a complete change in the tenancy;
 - b) It has a certificate of occupancy issued after February 1, 1995;
 - c) It is a condominium dwelling or unit that has not been sold separately by the subdivider to a bona fide purchaser for value, as specified;
 - d) It is a single-family home;

(Civil Code Sections Civil Code Sections 1954.50 to 1954.535 1940-1954.05)

3) Provides that upon the declaration of a state of emergency resulting from an earthquake, flood, fire, riot, storm, or natural or manmade disaster declared by the President of the United States or the Governor, or upon the declaration of a local emergency resulting from an earthquake, flood, fire, riot, storm, or natural or manmade disaster by the executive officer of any county, city, or city and county, and for a period of 30 days following that declaration, it is unlawful for a person, contractor, business, or other entity to sell or offer to sell any consumer food items or goods, goods or services used for emergency cleanup, emergency supplies, medical supplies, home heating oil, building materials, housing, transportation, freight, and storage services, or gasoline or other motor fuels for a price of more than 10 percent above the price charged by that person for those goods or services immediately prior to the proclamation of emergency (Penal Code Section 396(b)).

FISCAL EFFECT: Unknown

COMMENTS:

Purpose of the Bill: According to the author, "AB 1482 would protect nearly 15 million Californians from large unforeseen rent increases without diminishing property owners' ability to make a fair return on their investment. Renters shouldn't have to choose between paying rent and keeping a roof over their heads or feeding their families. AB 1482 takes the choice off the table and makes it easier for renters to stay in their neighborhoods."

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AB 1482 Page 3

Background: The cost of housing in California is the highest of any state in the nation. Additionally, the pace of the change in the cost of housing has far outstripped that in other parts of the county. In 1970 housing costs in California were 30 percent more expensive than the U.S. average; now housing costs are 250 percent more expensive. While incomes have increased over that period, they have done so at a much slower pace than housing cost. Only 28 percent of households can buy the median priced home. Over half of renters and 80 percent of low-income renters are rent-burdened, meaning they pay over 30 percent of their income towards rent. Research by Zillow from 2018 found that some areas with a high percentage of rent-burdened households experienced a rapid increase in homelessness, and areas where high rents are combined with high poverty experienced triple the homelessness rate of the average community.

According to the Terner Center for Housing Innovation at UC Berkeley, California has approximately 16.6 million renters living in about 5.7 million rental units. Of those, 1.9 million renters live in the states approximately 700,000 rent-controlled units. The other 14.7 million Californians do not live in the five million housing units that are not subject to any controls regarding the amount of rent increases sought upon the completion of a lease.

About the Consumer Price Index (CPI): CPI is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. It is measured monthly by the U.S. Bureau of Labor Statistics (BLS). CPI is available for the state of California, as well as for several of the state's metropolitan regions, including Los Angeles-Long Beach-Anaheim, San Francisco-Oakland-Hayward, San Diego-Carlsbad, and as of 2017, Riverside-San Bernardino.

Over the past 25 years the CPI in California have averaged approximately 2.5 percent. However, CPI fluctuates year-to-year and region-to-region, based on macro- and local economic conditions.

Controls on Price-Gouging: This bill would create a cap on the potential annual rent increase a property owner can charge a tenant. The cap would be five percent of the lowest rent from the previous year plus the percentage change in the cost of living, as measured by CPI. The bill specifies that the cap could never exceed ten percent, which is the standard for price gouging for housing and other goods established by the State in 1872 in Penal Code Section 1872. This bill would apply to nearly all of the five million units not subject to rent control, excluding dormitories and deed-restricted affordable units. It would only apply to units with existing tenants.

The idea for anti-rent gouging came to the fore through the Terner Center's May 2018 policy brief "Finding Common Ground on Rent Control". According to that report, Itis policy is intended to protect all California renters against the most egregious rent increases regardless of the unit that they rent, and regardless of whether their city has a rent control ordinance." Many of the measures in the proposed bill reflect what was included in the Terner Center policy brief, including the CPI+5 percent cap.

In February of 2019, Oregon passed the nation's first statewide antient gouging statute (Senate Bill 608). The Oregon law establishes the rent cap at CPI+7%. Importantly, the Oregon law provides "just cause" eviction protection for all renters after one year oftancy. Previous to the passage of this statute, setting maximum rent increases was illegal in Oregon.

Financial Implications for Property Owners: Analysis of BLS data provides a projection of the impact of the proposed rent cap on property owners. This analysis considered the San Diego-

(page 4 of 7)

AB 1482 Page 4

Carlsbad metropolitan area, where no jurisdictions have rent control. In the period between 2007-2017, the median increase in contract rent in that region was 2.9 percent, including a low in 2010 of -0.02 percent and a high in 2017 of 5.41 percent. During that period, the average allowable annual rent increase under a rent cap of CPI+5 percent was 7.1 percent. As such, on average the allowable rent increase with the proposed cap was 145 percent higher than the actual increase. In 2017, when the regional median increase in contract rent was at its highest, the proposed rent cap (at 8.01 percent) exceeded the actual median increase by 48 percent.

The analysis also looked at the cumulative implication of the proposed rent cap. Adjusting to 2017, the median contract rent in the San Diego-Carlsbad metropolitan area in 2007 was \$1,297 per month. In 2017 it was \$1,506 per month, an increase of 16.1 percent. A property where the rent had been increased by CPI+5 percent each year between 2007 and 2017 would have been priced at \$2,132 per month, an increase of 64.4 percent. An analysis across all of California showed similar results: an increase in actual rents of 15.6 percent between 2007 and 2017, but a potential increase of 68.2 percent utilizing the maximum allowed under the proposed rent cap.

Arguments in Support: According to SEIU, "A majority of California renters do not live in jurisdictions with local rent control laws, and state lawcurrently allows landlords to implement unlimited rent increases with very short notice to tenants. Increasingly, and predictably, this is causing renters to lose their homes and is driving our state's unprecedented homelessness." According to California YIMBY, "AB 1482 does not impose rent control, but simply guards against the most drastic and disruptive rent increases in places where tenants have no other protections." According to the State Building and Construction Trades Council, 'The bill seeks to balance the needs of renters with those of property owners by enabling a fair return similar to other business investments."

Arguments in Opposition: According to the California Apartment Association and California Chamber of Commerce, "AB 1482, along with a dozen other bills that target the rental housing industry, would create a huge disincentive to invest in rental housing at a time when California so desperately needs more homes. Study after study has demonstrated that price controls end up crippling the commodity that is controlled, including housing. There may be a short-term reduction in the price of rent-controlled units, but over the mid to long run, controlling rental prices decreases inventory as property owners remove units from the market, and construction of new rental housing slows. As rental units dwindle in a city or region, working-class families, seniors, and others in need experience the most harm." They note that specifically, this bill would make property financing more difficult, stop new housing construction, cost taxpayers more, benefit the wealthiest residents, create a slippery slope, and impose rent control.

Related Legislation:

AB 36 (Bloom) (2019): Enables local jurisdictions to apply rent control to units more than ten years old and/or single-family homes owned by a person who owns up to two units in the jurisdiction. This bill is pending hearing in this committee.

AB 1481(Bonta) (2019): Prohibits evictions without just cause stated and requires relocation assistance for terminated leases. This bill is pending hearing in the Assembly Committee on Judiciary.

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AB 1482 Page 5

AB 1697 (Grayson) (2019): Prohibits evictions without just cause for tenants with at least twelve months occupancy, and requires relocation assistance for terminated leases. This bill is pending hearing in the Assembly Committee on Judiciary.

Previous Legislation:

AB 1506 (Bloom et al.) (2018): Would have repealed the Costa-Hawkins Rental Housing Act. This bill died in this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Alliance of Californians for Community Empowerment (co-sponsor)

California Rural Legal assistance Foundation (co-sponsor)

PICO California (co-sponsor)

Public Advocates (co-sponsor)

Western Center on Law and Poverty (co-sponsor)

Abundant Housing LA

AFSCME Local 3299

Alliance for Community Transit - Los Angeles

American Civil Liberties Union of California

Asian Americans Advancing Justice - California

Asian Americans and Pacific Islanders for Civic Empowerment Education Fund

Asian Pacific Environmental Network

Bay Area Legal Aid

Bend the Arc: Jewish Action Southern California

California Alliance for Retired Americans

California Calls

California Conference Board of the Amalgamated Transit Union

California Conference of Machinists

California Labor Federation

California Renters Legal Advocacy and Education Fund

California Rural Legal Assistance Foundation

California Teamsters Public Affairs council

California YIMBY

Central Coast Alliance United for a Sustainable Economy

Central Valley Empowerment Alliance

Chan Zuckerberg Initiative

Coalition for Humane Immigrant Rights

Congregations Organized for Prophetic Engagement

Corporation for Supportive Housing

Courage Campaign

Drug Policy Alliance

EAH Housing

East Bay for Every One

East Bay Housing Organization

Engineers and Scientists of CA, IFPTE Local 20, AFL-CIO

Enterprise Community Partners

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AB 1482

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Esperanza Community Housing Corporation

Faith in Action Bay Area

Faith in the Valley, Stanislaus

Gamaliel of California

Hamilton Families

Hillcrest Indivisible

House Sacramento

Housing California

Hunger Action Los Angeles

Indivisible SF

Indivisible: San Diego Central

Inlandboatmen's Union of the Pacific

KIWA

Korean Resource Center

LA Forward

LA Voice

Latino Coalition for a Healthy California

Latinos United for a New America

Law Foundation of Silicon Valley

Leadership Counsel for Justice and Accountability

Legal Services for Prisoners with Children

Mayor Eric Garcetti

Mission Neighborhood Centers

Monument Impact

National Association of Social Workers, California Chapter

National Union of Healthcare Workers

Non-Profit Housing Association of Northern California

Oakland Tenants Union

Orange County Civic Engagement Table

Orange County Congregation Community Organization

Planning and Conservation League

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Sacred Heart Community Service

San Francisco Foundation

SEIU California

SOMOS Mayfair

Southern California Association of Non Profit Housing

State Building and Construction Trades Council

Strategic Actions for a Just Economy

TechEquity

Tenderloin Neighborhood Development

Thai Community Development Center

The Kennedy Commission

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The Public Interest Law Project Transform UAW Local 2865

UC Davis Bulosan Center for Filipino Studies

UNITE HERE, Local 19

United Food and Commercial Workers, Western States Council

United Teachers Los Angeles

Unite-Here, AFL-CIO

Utility Workers of America

Venice Community Housing Corporation

Viet Vote SD

Working Partnerships USA

YIMBY Action

Support If Amended

Bay Area Council
Building Industry Association of the Bay Area
Community Legal Services in East Palo Alto
Housing for All Burlingame
Oakland Chamber of Commerce
One San Mateo
Related California
SPUR
Youth United For Community Action

Opposition

AMVETS

California Apartment Association California Association of Realtors

California Business Properties Association

California Business Roundtable California Chamber of Commerce

California Council for Affordable Housing California Mortgage Bankers association California Rental Housing Association

Prometheus

Southern California Rental Housing Association

Analysis Prepared by: Steve Wertheim / H. & C.D. / (916) 319-2085

Thursday, April 25, 2019

Contact: Governor's Press Office (916) 445-4571

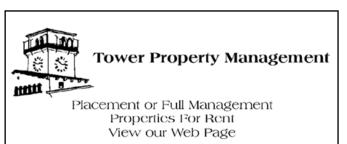
Governor Newsom Statement on Assembly Housing Vote

SACRAMENTO April 25, 2019 – Governor Gavin Newsom issued the following statement on the Assembly Housing and Community Development Committee's vote to move forward toward creating a renter protection package:



"The California Dream is in peril if our state doesn't act to address the housing affordability crisis. The cost of housing – both for homeowners and renters – is the defining quality-of-life concern for people across this state. Housing costs and rising rents threaten to erode our state's long-term prosperity. Families shouldn't be forced to live hours from where they work. Vulnerable residents – seniors, families with small children and people on a fixed income – shouldn't have to live in constant fear of eviction. And people across this state shouldn't be forced to spend their whole paycheck to keep a roof overhead. But that's increasingly the case throughout California.

"I am grateful that members of the Assembly voted today to continue moving forward on one piece of the housing affordability solution – creating a renter protection package. I look forward to continuing this important conversation as proposals move through the legislative process."



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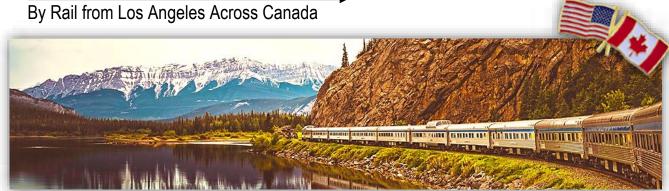


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No charge for this seminar. Our thanks to the County of Santa Barbara & the Legal Aid Foundation for sponsoring the cost.

[&]quot;The information provided at this seminar does not, and is not intended to, constitute legal advice; instead, all information, content, and materials are for general informational purposes only."

Two Grand Rail Journeys



This July you're invited to join Rental Property owners on a grand scenic rail journey starting right in Los Angeles and continuing into the Canadian Rockies and across Canada. There is even an exciting optional extension to visit Niagara Falls in all its splendor. The tour starts on July 17th in Los Angeles at Grand Central Station, where you will board the famous Coast Starlight train for a 2-day scenic trip up the coast to Seattle in sleeper roomette accommodation.

After an overnight in Seattle, we'll cruise through the San Juan Islands on the Victoria Clipper Jet Catamaran sailing right into the harbor of beautiful Victoria, British Columbia. This starts a 3-night stay in the historic Empress Hotel located on the harbor front of this fairytale city. Victoria is the hometown of one of Stewart Tours founders, Mark Stewart, so even if you have been to the city before, we will be featuring touring that you might not have done before. We'll visit a famous Canadian castle, explore off-the-beaten path areas by rickshaw, explore the city on foot with an amazing walking tour guide, visit areas of Vancouver Island that tourist don't normally see and see famous Butchart Gardens from a different perspective.

After exploring Victoria, we'll cross the Canadian Gulf Islands by Super Ferry to Vancouver where one of the most legendary trains in the world awaits us, the historic Canadian. Experience four nights on the Canadian as it travels the famous route across Canada to Toronto. This historic train with its vintage cars and white tablecloth service will be something to remember. Via Rail installs super dome Skyline cars on the train from Vancouver, this allow all the glory of the Canadian Rockies to spill in for the best viewing experience. This is not a day train like the Rocky Mountaineer, this is a chance to sleep on the train, in your own private room with picture window, as the train gently rolls on through the night. Enjoy this social experience crossing thousands of miles of amazing scenery.

After arriving in Toronto, we have an optional add-on package to visit spectacular Niagara Falls that includes a hotel with rooms overlooking the falls. This optional package is the full Niagara experience from behind the falls to high above it. Join us on this amazing train tour this July leaving right from Los Angeles and only a short flight home! For more information, call **1.866.944.3036** or visit **www.StewartTours.com.** Talk to your tax advisor about the possible tax benefits of Association Travel. **July 17-26, 2019 from \$6,749pp.**







Critical Time in the Legislature

As we have reported earlier, our defeat of Prop 10 last fall has prompted significant blow back in the legislature. At this writing we are approaching the deadline for bills to pass their policy committees. Among the key bills we are engaged in, and there are many more than these, there are two bills to enact statewide just cause eviction, one to undercut Costa Hawkins, one to impose a statewide rent cap, one to mandate owners take Section 8 tenants, another to create a statewide rental registry, still another to allot more public moneys to eviction defense lawyers and one to prevent owners from inquiring about the criminal record of an applicant. We are supporting a number of bills, including several to streamline the development process, one to increase the renters' tax credit and another to provide a tax credit incentive for owners who opt to accept Section 8 tenants.

All of these bills will be heard by May 3 and it will take a monumental effort to stop the most dangerous of the bills. A solid contingent of association members and leaders descended on the legislature in early April for our annual Leg Day with our Cal-RHA affiliates. We had many meetings with local legislators to explain why adding further regulation will do nothing but exacerbate the rental shortage and pointing out the pro supply and other market based incentive approaches that are the appropriate steps to take.

As we prepare for important upcoming hearings you will be asked to support our lobbying efforts by calling and/or emailing key members of the Assembly Housing Committee when AB 36(Bloom) which will undermine Costa Hawkins and SB 1482(Chiu) imposing a statewide rent cap will be heard on April 25. It is critical that local legislators hear directly from their constituents on these terribly dangerous bills. It is impossible to overstate the importance of all of our members responding to this call for action.

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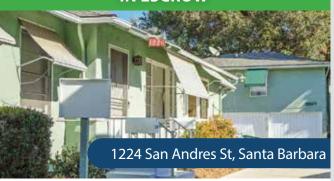
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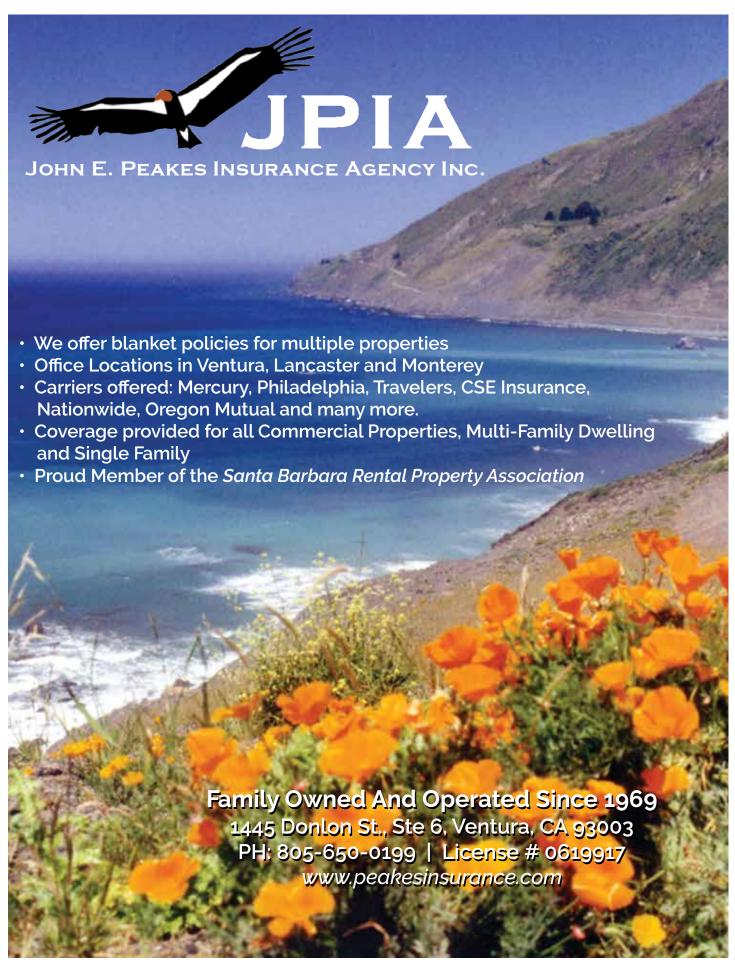
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The Attorney's Corner

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ATTORNEY FEES CLAUSES

Most form leases have an attorney fees provision. For many years it was considered an essential provision in any contract. Today, however, you should not simply accept the inclusion of such a provision in your contract or lease without evaluating whether it suits your needs and the goals of management.

Attorney fees provisions in California are made "mutual" by contract and statute. This means that the prevailing party is awarded its fees in litigation that are incurred in relation to the contract claims, however some attorney fees clauses are broad enough to allow for recovery of fees related to noncontract claims, such as negligence. Where an attorney fees clause is broad enough, and the lawsuit involves noncontract claims, there is some authority to the effect that fees can be awarded to a tenant even if an action is voluntarily dismissed by the landlord. In some cases, the language (most often seen in commercial leases) awards attorney fees whether or not the matter proceeds to a final judgement in litigation. At first such a "mutual" provision appears fair. But is it? Consider the following:

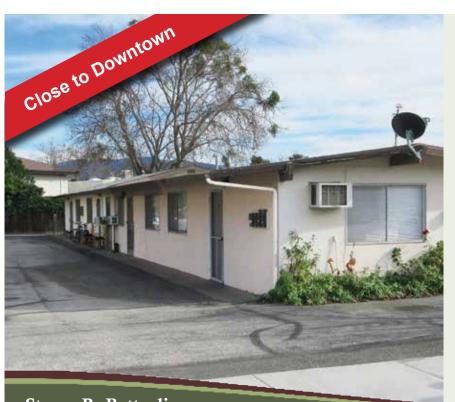
Collectability: When a landlord initiates litigation against a residential tenant, it is usually in the context of a non-payment of rent. The tenant is not usually as financially secure as the landlord, making collection efforts impracticable, if not unlikely. This translates into a one-sided attorney fees provision as a matter of practicality. If the landlord loses, he must pay. If the tenant loses, he may not "have" to pay, because it might be too difficult to try to actually recover the fees awarded. Tenants' attorneys can take advantage of this position and use it to leverage a beneficial settlement.

Moreover, if they recognize a broad attorney fees provision, they might be incentivized to add a cross-complaint with multiple claims to the litigation to inflate the potential attorney fees award. Knowing the tenant would not be able to actually pay a substantial fees award, the landlord might not want to take risks with a more expansive litiga-

tion that will necessarily generate higher fees, and thus feel pressure to settle.

Greater Liability of Landlord: As a practical matter, when you compare the obligations of the landlord to the obligations of the tenant, there is a greater probability that something will go wrong on the landlord's side rather than the tenant's side of the performance issue. Landlords have a continuing duty of providing habitable premises, repairs, maintenance of common areas, and security. In addition, if suit is brought by the landlord, the law requires the landlord to strictly comply with all procedural requirements in order to recover possession, including proper notice and proper service. Thus, if a defense is accepted or if some "procedural step"





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is missed, the tenant may prevail against the landlord, despite the fact that the tenant has not paid rent or has breached some other lease provision. The result would necessarily mean the tenant is the prevailing party and the landlord would owe him fees even though he has not paid rent or is in breach of some other provision of the lease! In short, it is the tenant who is most likely to benefit from an attorney fees provision.

Capping of Attorney Fees: Some attorney fees provisions "cap" the amount of fees to be recovered in recognition of the above concerns. This cap mitigates the landlord's downside risk if a suit against a tenant goes wrong and the tenant ends up prevailing. While the cap goes both ways and would limit the fees the landlord could recover if he prevailed, such a situation might not be so bad for the landlord if he were going to have trouble collecting the fee award from the tenant anyway. How a landlord decides whether to include an attorney fees provision, whether it should be capped, and if so, the amount of the cap, is a business decision that involves consideration of what type of property is involved (i.e., will damages for unpaid rent or damage to the unit be substantial compared to attorney fees?), the type of tenants that rent (i.e. are the tenants likely to have the assets to pay a judgment that includes attorney fees?, are they likely to threaten counter-claims against the landlord or "dig in" and fight an unlawful detainer vs. avoid confrontation and vacate?), and the landlord's overall appetite for risk.

CONCLUSION

Know your lease and understand what it says. If you can't explain it, then the tenant is not likely to understand or follow its provisions. Attorney fee provisions are risky and should be evaluated for inclusion in your lease based on tenant composition, goals, and risk analysis.

The information contained in this article is not intended as legal advice for any specific situations or individuals, and as always, it is important to seek independent legal counsel as to your specific objectives and circumstances. If you have questions on these topics and/or need legal advice on these subjects, please call (805) 963-9721 or email David Grokenberger at David@rogerssheffield.com; Michael Brelje at Mike@rogerssheffield.com, or Scott Soulages at ssoulages@rogerssheffield.com.



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Santa Barbara Happenings





Santa Barbara City Council Dishonors the Agreement

On April 16, 2019, the Santa Barbara City Council voted 6-1 to pass a one-year mandatory minimum lease ordinance and instructed the City Attorney to draft a new ordinance that will include a just cause eviction component. This decision flies in the face of the unanimous recommendation of the Landlord Tenant Task Force that was created to address these issues.

On June 20, 2017, this Task Force was established to make recommendations to the City Council on Landlord Tenant reform. In 2018 they came back with a <u>unanimous compromise</u> that formed the basis of the ordinances (the mandatory 1-year lease ordinance and the relocation assistance ordinance) that were before the Council. Instead of respecting the process, and the blood, sweat and tears that went into it, the Council disregarded the compromise and introduced a just cause eviction component.

At the hearing it was apparent that emotion, and not logic, carried the day. During public comment, paid tenant advocates relayed a couple of tenant horror stories caused by one or two bad apple landlords. No statistics were given, showing why the ordinances before the Council would not work and/or why a just cause eviction ordinance was needed.

Despite this lack of statistical support, the City Council decided to disregard the compromise reached by the task force. Now, the City Attorney will be drafting a new ordinance that will include aspects from the compromise relocation assistance ordinance but will also include a just cause component. The silver lining, if there is one, is that the Council instructed the City Attorney to put this at the foot of his calendar.

What does all this mean for rent control (i.e. government control/regulation setting what landlords can be charge for rents)? As has been stated by the Santa Barbara Rental Property Association, and many others, just cause eviction is almost always the gateway to rent control.

It is important for property owners to be heavily engaged and involved in the drafting and revision of the new ordinance. Property owners must take note of how each City Council Member voted. The Councilmembers' votes and comments foreshadow how they are likely to vote on rent control.

The voting/comments of the Councilmembers were as follows:

Mayor Murillo-<u>for</u> (The Mayor made the motion to draft an ordinance that included a just cause component and has made comments indicating she would consider rent control. Her position will likely not change. Her seat is up for election in 2021.);

Councilmember Gutierrez- <u>for</u> (Councilmember Gutierrez followed Mayor Murillo and is expected do so in the future. His seat is coming up for election in November of this year.);

Councilmember Harmon- <u>for</u> (It was thought that Councilmember Harmon would be logical and rational in her decisions, but after delivering an emotional speech devoid of any reason or logic, it is apparent she is emotionally invested in this issue and not interested in the consequences of her decision. Her seat is up for election in November of this year.)

Councilmember Dominguez- for (Councilmember Dominguez appears open to logic on the issue and supported a competing motion that would have excluded the drafting of a just cause eviction ordinance. His seat is up for election in November.);

Councilmember Sneddon- <u>for</u> (Councilmember Sneddon appeared to not completely grasp the ordinances before her and how a just cause eviction ordinance would vary from those. Due to her confusion, it is possible that she could be persuaded against just cause, but unlikely since she appeared to be personally and emotionally invested in this issue. Her seat is not up for election until 2021.)

Councilmember Friedman- <u>for</u> (Councilmember condemned the Council for disrespecting the task force recommendation and then voted to do so. His seat is not up for election until 2021.)

Councilmember Rowse- <u>against</u> (Councilmember Rowse was a clear and refreshing voice of reason. Unfortunately, Rowse is termed out and must leave the Council this year. His seat is up for election in November of this year.)



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The best hope to stopping the rent control train is getting four Councilmembers elected in November who are opposed to it. It is incumbent on property owners who are opposed to rent control to make this their mission in the next elections.

City of Goleta Approves Ellwood Mesa Plan for Monarch Butterflies

Recently the City of Goleta City Council approved a plan aimed at increasing the monarch butterfly population on the Ellwood Mesa.

Up until February of this year, Ellwood Mesa had been closed altogether due to fears that dead Eucalyptus trees may fall and injure visitors. Despite visitors not having access the butterflies, the butterfly population is still down significantly from previous numbers. According to Anne Wells, the City's Advance Planning Manager, this past December the City had less than 0.5 percent of the peak population of butterflies it had in 2011. Apparently, government management of these resources has resulted in significant harm to the butterfly population.

This decline has led the City to develop and pass the Monarch Butterfly Habitat Management Plan. The goal of the plan is to manage the environment in a way that allows the butterfly population to be preserved and expanded. The plan will accomplish this goal by creating monitoring, research, and adaptive management programs along with natural resources management programs, and community outreach programs.

Santa Barbara City Council Gets Rid of Tiny Home Project

At a City Council Meeting in March 2019, the City Council voted to effectively discard the idea of creating additional housing for the Homeless near Carrillo Street and the 101 Freeway. The specific decision that the City Council made was to allocate the funds received from the State of California's Homeless Emergency Aid Program ("HEAP") to outreach programs instead of the construction of housing.

In mid-November 2018, the City of Santa Barbara Staff, along with the Housing Authority and a couple of non-profit agencies, introduced a proposal to the City Council to build 40 tiny homes for the homeless on the 1.3-acre parking lot at the corner of Castillo and Carrillo Streets.

However, the State threw a wrench in the plans of the City when it only awarded \$2 million of the \$6.5 million requested. For the past few months the City had been evaluating its options. The City Council has now decided that a better use for the \$2 million dollars is to partner with Cottage Hospital and City Net (a non-profit organization). The partnership

will aim to provide more outreach and health and wellness services to the homeless population.

Homelessness is a major factor in the decline of the State Street/Downtown Santa Barbara area.

Santa Barbara City Council Approves 76-unit Apartment Building Project

At the end of March 2019, the Santa Barbara City Council voted to approve a 76-unit apartment building project slated for the Capitol Hardware store location on Milpas Street in Santa Barbara. The vote was 5-2 with Councilmembers Dominguez and Sneddon dissenting.

The project has reignited tensions in Santa Barbara regarding the housing dilemma. It is no secret that there is a housing shortage. Yet many in Santa Barbara do not want development either.

Without development you are left with a toxic cocktail made up of a shortage of housing, an aging housing supply, and a younger generation without places to live. Development is needed, and less government regulation is the way to accomplish that, not more.

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