

SANTA BARBARA RENTAL PROPERTY **news**

CALIFORNIA'S CENTRAL COAST RESOURCE FOR RENTAL PROPERTY OWNERS, MANAGERS & SUPPLIERS

DECEMBER ANNUAL MEETING



GUEST SPEAKER
Kate Bell
Capitol Advocacy

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President's Message



Betty L. Jeppesen Esq. • Attorney at Law and Real Estate Broker

October has been a busy month for SBRPA. Betty, our President, and Director Michelle Roberson have been giving weekly classes on new housing laws. In lieu of a President's message, Betty is making available her notes from the first session: AB 1482 and Just Cause. Michelle's notes from the second class, COVID-19 Tenant Relief Act 2020 (AB 3088 start on page 24. Zoom recordings as well as handouts for all sessions are available on our website, www.sbrpa.org.

This is the first of four October Quick Learning Lunches co-sponsored by SBAOR (the Santa Barbara Association of Realtors) and SBRPA on new housing laws.

Week 1, 10/6/2020: AB 1482 & Just Cause

What are the ONLY reasons an owner can terminate a tenancy?

AB 1482 was signed into law last October and became effective January 1, 2020. It is known as the Tenant Protection Act of 2019. It impacts 4.6 million California households which is 40% of total households.

AB 1482 is now a part of certain sections of the Civil Code having to do with residential tenancies.

This law brings rent control to all of California and puts a cap on rent increases with certain exceptions. Specifically, AB 1482 prohibits an owner of residential rental property from, over the course of any 12-month period, increasing the rent more than 5% plus the percentage change in CPI (Consumer Price Index).

The applicable CPI is either the regional CPI as published by the U.S. Bureau of Labor Statistics or if there is no regional index available, the California CPI for All Consumers, All Items, as determined by the California Department of Industrial Relations. These numbers



Photo: Seattle Times
Assemblyman David Liu & Governor Gavin Newsom

can be found on the California Department of Industrial Relations website at www.dir.ca.gov/OPRL/CAPriceIndex.htm. Simply Google the California Department of Industrial Relations and you will be directed to the right area.

Last year, for Santa Barbara, that CPI was 3.34%. Which meant that the highest amount of rent increase could be 8.34%. This April 1st, the CPI was only 1%. This means that the rent increase cannot be more than 6%. In no event is the annual increase to exceed 10%. You may increase the rent twice in one 12-month period but the CUMULATIVE rent increase must not exceed the 5% plus CPI rent cap.

Could you have increased the rent before AB 1482 became effective? No. For this reason, the bill was made retroactive to March 15,

How do you calculate the rent increase? You take the Base Rent which is the lowest gross rental rate charged for the rental unit at any time during the 12 months prior to the effective date of the rent increase and increase it only as we just stated by 5% plus the CPI. And, the CPI is the change from April 1 of the prior year to April 1 of the current year for the area in which the property is located.

Many landlords who would not normally raise rents each year, are beginning to be diligent about annual rent increases due to these limitations.

Once a rental property is completely vacant, the landlord/owner may increase the rent to market value. But, a desire to raise the rent beyond the rent cap is not a permissible basis on which to terminate the tenancy under this Bill.

AB 1482 prohibits an owner of residential real property from terminating a tenancy without "just cause" when the tenant has lawfully occupied the premises for 12 months or longer. If a tenant is added during that 12-month period, it increases to 24 months.



Continued on page 7



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President's Message from page 5

Under AB 1482, if the owner evicts a tenant without just cause, the owner is liable for payment to the tenant the sum of one month's rent either by direct payment to the tenant within 15 calendar days of service of the notice or by waiving the last month's rent in writing prior to that rent becoming due. I recommend waiving the last month's rent in writing since there is no guarantee that the tenant will actually vacate and if the tenant holds over, then the owner will have paid money and still face an unlawful detainer proceeding. Caveat, stay tuned for other laws affecting the amount of the relocation costs.

This law is effective until January 1, 2030. Ten years.

Are any properties exempt? Yes.

[Units that are exempt from both just cause and the rent cap:](#)

- Units that can be individually sold, if the owner is NOT a corporation, a real estate investment trust (REIT), or a limited liability corporation (LLC) in which one member is a corporation, AND if the tenant has received written notice that the unit is exempt in the form and manner required by AB 1482. This includes single family homes on their own lot as well as condominiums. However, it does NOT include multiple single-family homes on the same lot.
- Housing built within the last 15 years, including Accessory Dwelling Units (ADU's). Since this law is effective for 10 years, this is a rolling 15-year period. So, you count back 15 years from the year you are in. For example, on January 1, 2020, this would apply to construction for which an occupancy permit was issued on January 1, 2005 or later. On January 1, 2021, this will apply to construction for which an occupancy permit was issued on January 1, 2006 or later.
- A duplex in which the owner occupies one of the units at the beginning of the other unit's tenancy and the owner continues to occupy one of the units. Housing restricted by deed, regulatory restrictions, or other recorded document limiting the affordability to low or moderate income households.
- Mobile homes.
- Certain dormitories.



Mobile homes and certain dormitories are exempt from both Just Cause and the Rent Cap

[Units that are exempt ONLY from the rent cap:](#)

Housing units that are subject to a local rent control ordinance that restricts the rent to less than 5% plus CPI.

[Units that are exempt ONLY from just cause:](#)

- Single-family, owner-occupied residences where the owner rents up to two bedrooms or units, including ADU's and junior accessory dwelling units (JADU's).
- Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner, if the owner lives at the property as their principal residence.
- Housing provided by a nonprofit hospital, Church, extended care facility, licensed extended care facility for the elderly, or an adult residential facility.
- Hotels.

What Notice is Required?

Beginning July 1, 2020, all new rental agreements must contain the language about whether the property being rented is subject to the provisions of 1482 or whether it is exempt.

Our second subject today:

What are the only permissible reasons to evict a tenant?



First, it should be noted as we stated earlier that the "just cause" requirement begins 12 months after a tenant has occupied the rental premises. This means ALL tenants in the unit. If someone moves in during those 12 months, this time frame changes to 24 months.

"Just cause" applies to both month-to-month as well as fixed-term lease renewals.

"At fault" reasons includes failure to pay rent although this reason has been severely cut back by other laws such as AB3088, the federal CDC Order and Governor Newsom's Executive Orders as well as local ordinances all of which we will be discussing in the next 3 Quick Learning Classes. At this point, you can assume that you cannot evict a tenant for non-payment of rent until February 1, 2021 provided the tenant gives you a COVID-19 hardship Declaration and pays at least 25% either monthly or in a lump sum by January 31, 2021 unless your rental property is exempt.

The owner must provide a NOTICE TO QUIT with a legally permissible cause for ending the tenancy. This will be either "at fault" or "no fault".

Continued on page 9

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At-fault Causes for Termination of Tenancy:

- Failure to pay rent BUT only after the time-period we just discussed mandated by other state, federal or local laws.
- Breach of a material lease/rental agreement term like subletting.
- Nuisance. The two types of nuisance are private nuisance and public nuisance. A private nuisance is a civil wrong; it is the unreasonable, unwarranted, or unlawful use of one's property in a manner that substantially interferes with the enjoyment or use of another individual's property, without an actual trespass or physical invasion to the land. A public nuisance is a criminal wrong; it is an act or omission that obstructs, damages, or inconveniences the rights of the community.

Most landlords are dealing with a private nuisance.

- Criminal activity on the property. I highly recommend that you get police reports to substantiate the criminal activity.
- Refusing the owner access. This can be either to make necessary or agreed repairs following the required written notice under Civil Code section 1954 properly served. OR, it can be refusing to give the owner access to show the property to prospective purchasers with the real estate agent or owner him or herself if it is for sale by owner (referred to as FSBO) again following the proper COVID-19 safety requirements. It should be noted here that another reason for eviction is the sale of the property to a buyer actually intending to occupy the property him or herself. This must be stated in the purchase agreement.

- Using the premises for unlawful purposes. Again, police reports are highly recommended to document this.
- Failure to deliver possession such as when an employee who lives on site fails to vacate their unit after their employment has been terminated or the tenancy has ended through some other legal means and the tenant refuses to deliver possession to the landlord.

What are "No-fault" Causes for Termination of Tenancy?

- Intent by the owner or owner's close relative to occupy the unit.
- Withdrawal of the rental property from the rental market entirely.
- When the owner is complying with a local ordinance, court order or other government entity resulting in the need to vacate the property.
- Intent to demolish or substantially remodel the rental unit. What does substantially remodel mean? It means that the remodel will make the unit untenable for at least 30 days.


This is an overview of AB1482. As stated, there are other California laws recently enacted such as AB3088 aka the COVID-19 Tenant Relief Act of 2020 to be discussed next week, other state laws discussed in week 3 of our classes and finally local ordinances to be discussed in the 4th and final week of our classes. To give you an indication of the complexity of these intertwining laws, Santa Barbara City Attorney, Ariel Calonne, on September 18th, just a couple of weeks ago, issued a 57-page Supplemental Report on AB 3088's Impacts on the Temporary Eviction Moratorium Ordinance (TEMO) currently in effect here in Santa Barbara.



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CALENDAR

NAA's APT Virtual Nov. 4-6, 2020, Dallas TX



Due to the continuing restrictions posed by the COVID-19 pandemic, NAA's annual education conference & exposition will be virtual.

For the first time, NAA is providing you the chance to experience "Apartmentalize" via APTvirtual! Now you can connect online—because there are some big challenges to tackle this year.

<https://www.naa.org/aptvirtual/registration>
(see page 33 for more details)

NOVEMBER 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
Daylight Savings Ends 1	2	3 VOTE ELECTION YEAR	4	5 NAA APT Virtual	6	7
8	9	10 Full House Class	11	12	13	14
15	16	17	18	19	20	21
22	23	24 Full House Class	25	26 Thanks Giving	27	28
29	30					

Full House Marketing Classes Tue mornings, Nov.



Register: www.rebeccarosario.com/training-tuesdays.html

- 11/10: Feeling Left Out? NAA Apartmentalize Recap
- 11/24: What are we really looking for?

Participation is complimentary, though they suggest you mail a small donation to SBRPA's Education programs, at SBRPA, 123 W. Padre Street #D, Santa Barbara, CA 93105.
(see page 41 for more details)

Don't forget to send in your logos and Thank You' statements for the December magazine. Remember, all our advertisers get a free business size ad See pages 48-49 for ideas.

Happy
Thanksgiving



We encourage you to keep updated on our local industry news by reading our MailChimp notices and visiting our website at www.sbrpa.org.

If you have not received our MailChimp emails and wish to, please send a note to admin@sbrpa.org with your current email address in the Subject line.

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SBRPA DECEMBER ANNUAL MEETING AGENDA

December 15, 2020 🌿 12:00 noon- 12:45 pm



The farther backward you can look, the farther forward you can see.
— Winston Churchill

12:00 NOON – 12:05 PM

LOOKING BACK: 2020

SBRPA President, Betty Jeppesen

Please mark your calendars and join us Wednesday, December 15, 2020 at 12:00 noon for our annual meeting. Zoom meeting ID: 861 0318 4409. Links, passcodes, and other connection details will be provided on our website.



12:05 PM – 12:35 PM

LOOKING AHEAD 2021

Guest Speaker: Kate Bell, Capitol Advocacy

Taxes. Kate Bell, a partner with Capitol Advocacy, has lobbied in the state for over 15 years and is recognized as one of Sacramento's most effective lobbyists on tax, procurement, and general business issues.

Taxes. Kate has won several multi-million-dollar settlements, tax refund claims, and new business incentives before the State Board of Equalization, CA Dept. Tax & Fee Administration, Franchise Tax Board and the Governor's Office of Business & Economic Development.

Procurement. Kate has assisted with large state contracts in the aerospace, education, healthcare, public safety, and technology sectors.

Lobbyist. She has worked with several industries including: aerospace, aviation, cybersecurity, education, housing, information technology, mental health, retailers, restaurants, and non-profits.



12:35 PM – 12:45 PM

VOTE FOR 2021 BOARD

and approval of change in bylaws*

SBRPA Director, Charles Eckert III

Slate of Candidates:

Chris Agnoli
Michael Bruce
Michelle Roberson
Lori Zahn
Steve Battaglia



*NOTE: Proposed Bylaw modifications on page xx, will only take effect if we are approved for territory expansion.



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PROPOSED MODIFICATIONS TO SBRPA BYLAWS

The ByLaws subcommittee has reviewed the Association's By-Laws and has recommended certain changes to the Board of Directors which has agreed with the recommendations and are now being put forth to the general membership for ratification.

The changes proposed by the subcommittee included and revolved around the following issues:

We modified that territory to include any or all of the Central Coast as determined by the Board of Directors. As such, we also implemented a name change throughout the document from Santa Barbara Apartment Association, Inc. (SBAA) to the Pacific Coast Rental Property Association, Inc. (PCRPA).

We modified the name and definition of "Sponsoring Member" to "Business Partner member" to match up with the launch of our Business Partner program.

We updated our standing committees to include the Government Relations Committee which has been so influential with the City of Santa Barbara and we changed the Isla Vista Rental Property Committee to the Student Housing Committee so that it would cover more than just UCSB and we expand up the coast.

Lastly, We also made some minor grammatical modifications substituted the more commonly accepted gender neutral "their" instead of using "his" in reference to directors and officers.

- Steven Battaglia

ByLaws of the Santa Barbara Rental Property Association

I. Name, Purpose and Location

Section 1.01. Name. The name of this organization is the Pacific Coast Rental Property Association, Inc. (PCRPA), dba Santa Barbara Rental Property Association in Santa Barbara County, incorporated as a non-profit mutual-benefit association under the laws of the State of California. [Note: This name change will only be implemented if the National Apartment Association approves of our expansion application]

Section 1.02. Purpose. The purpose of the PCRPA is to provide a wide-range of specialized services and activities which members of the association may utilize to collectively address needs, interests, and issues of the rental housing industry in the Central Coastal Area of California as determined or defined from time to time by the Board of Directors (Territory) on a continuing basis and to advocate and promote high professional standards and sound business methods in the best interests of the rental housing industry.

II. Compliance with Local, State and Federal Laws

Section 2.01. Compliance. It is the express intent of SBRPA in conducting any and all of its affairs to comply fully with all local, state, and federal laws which pertain to an organization of this type.

III. Membership, Dues, and Termination

Section 3.01. Classification of Members. There shall be the following classifications of members.

(a) Regular Members. Regular Members shall consist of owners, operating lessors, and managers of rental properties located within the Territory

(b) Affiliate Members. Affiliate members shall consist of former Regular Members or of persons engaged in business within the Territory, which businesses derive their income from the transfer or operation of residential rental property such as escrow companies, title insurance companies, and real estate brokerages.

(c) Associate Members. Associate members shall consist of owners, operating lessors and managers of residential rental properties located outside the Territory.

(d) Business Partner Members. Business Partners members shall consist of individuals, partnerships, and corporations which support the Association by advertising in its magazine, purchasing its mail-out services, or otherwise providing financial support in exchange for Association services. Business Partners offer services and goods to Regular, Affiliate and Associate members. Business Partners are required to be

licensed and insured in the specific field of expertise they offer and must maintain high standards of professionalism and workmanship. .

(e) Honorary Members. Honorary members shall consist of those persons who have demonstrated a sustained and continuing interest in the residential rental industry and who have performed notable service on behalf of either that industry or the Santa Barbara Apartment Association.

Section 3.02. Eligibility for Membership. Regular Members of the PCRPA shall consist of those members who are admitted to regular membership by the Board of Directors in accordance with these by-laws. Owners, operating lessors and managers of apartment houses, multiple dwelling units, and/or other rental residential properties in the Territory shall be eligible for regular membership in the PCRPA.

Section 3.03. Group Membership. A regular membership may be taken in the name of two or more parties jointly, provided they are jointly interested in the property on which their membership is based. Either of any of the joint members may exercise all membership rights, except that joint membership shall be entitled to only one vote, and only one of the joint members may hold office in the association at any one time.

Section 3.04. Transferability of Membership. A member in good standing may, upon the sale of their property, transfer their membership to the purchaser of the property. The registration fee is transferable and future dues will be paid by the new member when they become due.

Section 3.05. Initiation Fees and Dues. Every person or group becoming a Regular Member of the PCRPA shall pay a registration fee and annual dues as determined by the Board of Directors. Membership in the PCRPA shall cease whenever a membership is three (3) months in arrears in the payment of dues or fees, whereupon all rights which such member has will cease automatically.

Section 3.06. Procedure for Admission to Regular Membership. A prospective member shall be admitted to the PCRPA as follows.

(a) An applicant for membership must submit an application to the Board of Directors , in writing, accompanied by one year's dues in advance;

(b) The application shall be reviewed at a meeting of the Board of Directors during the month following the

month of receipt of the application for membership, and either approved or disapproved at that meeting;

(c) Following review of the application, the applicant shall be informed by the Association Executive that their application has been accepted or rejected;

Section 3.08. The Fiscal Year. The fiscal year of the PCRPA shall be the calendar year (January 1 through December 31). Membership years in PCRPA shall commence upon the acceptance of the individual membership applications and fees and annual dues payments and shall continue for twelve (12) consecutive months thereafter in accordance with these by-laws.

Section 3.09. Termination of Membership.

(a) Resignation. Any Regular Member in good standing, whose dues are fully paid, may resign; their resignation shall be accepted at the next regularly scheduled meeting of the Board of Directors and shall be effective as of the date of resignation. Thereafter, the terminated member shall be entitled to none of the benefits of membership and shall not be entitled to a refund of any funds previously paid to the PCRPA.

(b) Termination for Non-Payment of Dues. Upon failure to pay all the PCRPA membership dues within three (3) months after the same have become due, membership shall automatically terminate and thereupon the member shall forfeit all rights and privileges of membership, provided a written notification of the delinquency was mailed to the member's address of record in question no later than thirty (30) days prior to the termination date. No member who has failed to pay all the PCRPA dues within thirty (30) days after the same has become due, as herein provided, shall be entitled to vote at any membership meetings, whether they be general or special meetings.

(c) Disciplinary Action. A member of the PCRPA may be suspended or expelled from membership for conduct in violation of, or derogatory to, the principles established by the articles of incorporation or by-laws of this association or the National Apartment Association (NAA), or the adopted policies of either this association or the NAA.

(1) Written charges of such conduct may be filed with the Secretary or First Vice-President by any dues-paying member. Upon receipt of such charges, the Secretary or First Vice-President shall transmit a copy thereof and a copy of the current by-laws by registered mail to the member against whom the charges have been

filed. The member shall have the opportunity of filing an answer to the charges, provided that any answer so made shall be filed within fifteen (15) days from the date the charges are transmitted to the member. If no answer is received within fifteen (15) calendar days, the charges shall be deemed admitted for purposes of this section. A copy of each such answer, if any, shall be forwarded promptly by the Secretary or First Vice-President to the complaining active member. The latter shall have the opportunity of filing a reply to the answer, a copy of which, if any, shall be transmitted to the Secretary or First Vice-President within ten (10) calendar days after the answer is mailed to the complaining active member.

(2) The Secretary or First Vice-President thereafter shall refer the written charges, the answer, and the reply thereto, to a committee appointed by the President consisting of three (3) members of the Board of Directors who shall investigate such charges as expeditiously as possible.

(3) The committee shall afford all parties to the controversy an opportunity to be heard, if they so desire. Thereafter, a committee shall file a written report setting forth its conclusions and recommendation with the Secretary or First Vice-President, who shall present the report to the Board of Directors at its next regular meeting, or a special meeting called for this purpose. The Board of Directors may either approve the report of the committee or direct such further investigation of the charges to be made as it determines necessary or desirable. The board shall then dismiss the charge, suspend the offending member for the period of up to one year, expel the offending member, or take other action the Board of Directors may deem advisable.

(4) The Secretary or First Vice-President shall notify the member against whom the charges have been filed and the member making the complaint of the action (as) taken by the Board of Directors.

(5) Action taken by the Board of Directors as set forth in sub-paragraph (3) above shall require a vote of two-thirds of a quorum of the Board of Directors. Any member of the Board of Directors, officer, or committee member, whose membership has been terminated, shall thereupon cease to hold office or committee membership in the PCRPA and the vacant office or committee membership shall be filled in accordance with these by-laws.

IV. Meetings of Members

4.01. Annual Meeting. There shall be an annual meeting of the members of the PCRPA held at such time and place as the Board of Directors may determine. At this meeting any proper business within the power of the members may be transacted.

4.02. Regular Meeting. In addition to the annual meeting, other meetings shall be held at times, dates, and places designated by the Board of Directors.

4.03. Special Meetings. A special meeting of members may be called by the Board of Directors, the President, or upon the request of five percent (5%) or more of the Regular Members submitted in writing to the principal office of the PCRPA. The request shall specify the date and time desired for the meeting, not less than thirty-five (35), or more than ninety (90), calendar days after receipt of the request, and shall also state the general nature of the business proposed to be transacted at the meeting.

A special meeting shall be set at a time and place designated by the Board of Directors on a date not less than thirty-five (35), nor more than ninety (90), calendar days after receipt of the request. Notice shall be given to all members entitled to vote at the meeting of the place, date, time, and of the general nature of the business to be transacted at the meeting, in the next regularly scheduled publication of the PCRPA. If there is no such publication scheduled for publication and distribution prior to the scheduled special meeting, then special written notice shall be given. No business other than that set forth in the notice may be transacted at the meeting.

4.04. Notice of Meetings. All notices of meetings of members, shall be mailed to the members' current addresses of record prior to said meetings and shall specify the place, date, and time of the meeting. Publication in the association's regularly scheduled monthly magazine shall fulfill the requirements of this section.

4.05. Record Date for Notice of Meeting of Members. Record Date for notice of Meeting of Members shall be the close of business on the business date preceding the day on which notice is given, and members as of the Record Date are entitled to notice of membership meeting.

4.06. Quorum – Membership Meetings. The presence in person, or by proxy if authorized by the Board of Directors, of five per cent (5%) of the votes authorized

for members entitled to vote at a duly called or held meeting of members constitutes a quorum for the transaction of business at the meeting. The number of members entitled to vote shall be determined as of the record date for notice. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote, shall be required to pass a motion representing an act of the members, unless the vote of a greater number is required by law. If a quorum attends a meeting, but some members withdraw from the meeting, leaving less than a quorum, the remaining members may continue to transact business; if any action is taken, it shall be approved by at least a majority of the number of members required for a quorum.

4.07. Voting. All Regular Members shall have equal voting rights and each Regular Member shall be entitled to cast one (1) vote, excepting the election of the Board of Directors of the PCRPA. In the election of the Directors of the PCRPA, each member shall have one vote for each vacant seat to be filled on the Board of Directors. There shall be no cumulative voting for any motion or directorship.

4.08. Assessments. No assessments shall be levied; however, the Board of Directors may solicit the membership for individual contributions to selected causes.

4.09. Voting by Proxy. Voting by proxy in membership meetings shall be governed by the provision of the California Corporations Code, or such other provisions of California law as is in effect at the time of voting.

V. Board of Directors

5.01. Corporate Powers. Subject to the limitations of these by-laws, the Articles of Incorporation, and the laws of the State of California, the activities and affairs of the PCRPA shall be conducted by, and all corporate powers shall be exercised by or under, the direction of a Board of Directors, all of whom shall be members in good standing.

5.02. Number and Qualification. The authorized number of directors of the PCRPA shall be thirteen (13) until changed by an amendment of the Articles of Incorporation or by an amendment of these by-laws adopted by the members. Each director of the PCRPA shall be a Regular Member of the PCRPA, and if a person ceases to be a Regular Member of the PCRPA he shall also cease to be a director of the PCRPA.

5.03. Nomination of Directors. The Board of Directors shall, at least sixty (60) days before each annual meet-

ing, or special meeting held in lieu of the annual meeting, submit to the general membership the names of those persons nominated by the committee to be directors for the ensuing year. Persons nominated may be any eligible member, ~~including, including~~ any director or officer who has held or who currently holds office, other than a director on the nominating committee. If the Board of Directors fails for any reason to appoint the committee within the time specified, it shall be the duty of the President to appoint the committee. Submission to the general membership of the names of those persons nominated may be accomplished by publication in the association's magazine at least thirty (30) days prior to the annual meeting.

5.04. Nomination Committee Report. The Nominating Committee shall make its report at the regular annual meeting, which shall be held in accordance with these by-laws. After the report of the committee is received, other nominations, if any, shall be received from the floor.

5.05. Election of Directors. At the annual meeting, or at any special meeting held in lieu of the annual meeting, the election of the directors shall be held. The names of those persons ~~receiving~~ ~~thereceiving~~ the highest number of votes for the vacancies to be filled shall be the directors of the association for the following two (2) years. Election of the directors shall be by voice vote, or if requested, by written ballot. If by ballot, each Regular Member of the PCRPA attending the meeting shall be furnished with a ballot on which are listed the names of all persons nominated to be a director. All directors shall hold office until the respective successors are elected, except in the case of the resignation, death, disability or removal of a director. Directors may be removed, at any time, with or without cause, by a majority of a quorum of the Board of directors at a meeting held for that purpose.

5.06. Vacancy. A vacancy in the Board of Directors caused by death, resignation, disability or removal shall be filled by a majority vote of the remaining directors.

5.07. Meetings of the Board of Directors. Meetings of the Board of Directors shall be held at such times and locations as may be designated by the board. Any meeting, regular or special, may be held without the physical presence of some or all directors through conference telephone or similar communications equipment, as long as all directors participating in the meeting can hear and address one another. Special meetings of the Board of Directors may be called at

any time by the president, First Vice-President, Secretary, or any five (5) directors. Notice of the time and place of any special meeting of the Board of Directors shall be given to each director with a minimum of four days' notice by first class mail, or forty-eight (48) hours' notice delivered in person or by telephone or telegraph at the director's address of record. The notice must specify the purpose of the meeting and no business other than that specified may be transacted at such special meeting. The presence of a majority of the board constitutes a quorum for the transaction of business at its meetings.

5.08. Action without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote by the Board of Directors. Such written consent shall be filed with the minutes of the Board of Directors.

5.09. Adjournment. A majority of the directors present, whether or not a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than seventy-two (72) hours, notice of the adjournment shall be given to the directors who were not present at the time of adjournment. Notice shall be provided as though the re-scheduled meeting were a special meeting in accordance with Section 5.07.

5.10. Assumption of Office. The elected directors shall assume office at the time of their election. The term of office for members of the Board of Directors shall be two (2) years, five or more members of the board being elected during each year.

5.11. Resignation of a Director. Any director may resign by written notice to the President, the Secretary, or the Board of Directors.

VI. Officers

6.01. Elected Officers. The elective officers of the PCRPA shall be President, First Vice-President, Second Vice-President, Secretary, and Treasurer. A person may not hold two or more offices.

6.02. Appointed Officers. The association may have such other officers, who need not be directors, as may be appointed by the Board of Directors.

6.03. Election of Officers. The officers shall be chosen annually by the Board of Directors, which shall include newly elected directors, at the first meeting of the

Board of Directors following the election of the Board of Directors. Each officer shall hold their office until ~~he~~ they shall resign, be removed by the Board of Directors, or otherwise disqualified to serve, or until their successor shall be elected. All officers shall be elected for a term of one (1) year.

6.04. Qualifications of Officers. No individual shall serve as a PCRPA elected or appointed officer unless such officer is a Regular Member of the PCRPA.

6.05. Removal and Resignation. Any officer may resign from their office. Their resignation shall be effective as of the date of resignation. Any officer may be removed, at any time, with or without cause, by a majority of a quorum of the Board of Directors at a meeting held for that purpose.

6.06. Filling of Vacancies. Any vacancy caused by death, resignation, or removal of any officer may be filled by election by a majority of a quorum of the Board of Directors. Any such appointment shall exist only until the next annual meeting of the PCRPA.

6.07. Duties of the Officers.

(a) President. The President shall serve as the chief executive officer of the PCRPA and shall preside at meetings of the membership and of the Board of Directors; shall represent the PCRPA and act in its name, performing all other duties as are necessarily incident to the office, or as may be prescribed by the Board of Directors; shall appoint all standing committees and any special committees that the association shall from time-to-time authorize, and shall fill any vacancies in these committees; shall have the power to give non-members the floor to address meetings of the members, if there is no objection from a majority of the members present; and shall exercise all other powers and perform all other duties not in conflict with these by-laws, which may be acted upon or by the PCRPA.

(b) First Vice-President. The First Vice-President shall take the place of and perform the duties of the President at any time that the President is unable to act. Unless the board votes otherwise at the time officers are elected, the First Vice-President shall succeed to the office of President. The First Vice-President shall oversee the administrative functions of the association.

(c) Second Vice-President. The Second Vice-President shall take the place of and perform the duties of the President at any time that the President and First Vice-President are unable to act. Unless the board

votes otherwise at the time officers are elected, the Second Vice-President shall succeed to the office of the First Vice-President. The Second Vice-President shall oversee the administrative function of the association publications.

(d) Secretary. The Secretary shall keep and safeguard all records of the PCRPA, including minutes of all meetings of the membership and of the board of all financial records. He shall attend to all membership correspondence, collect dues on behalf of the association and turn them over to the Treasurer, and shall perform all duties and provide reports required by the PCRPA or the Board of Directors.

(e) Treasurer. The Treasurer shall oversee the handling of all PCRPA funds and shall cause safeguards and prudent policies to be implemented for financial procedures, deposits, and investments in accordance with the policies of the Board of Directors. The Treasurer shall also render a complete statement of the PCRPA's accounts and financial affairs and such other financial reports as the Board of Directors may require, including year-end statements as are required, which year-end statements shall be completed on or before March 1 or each year. The Treasurer shall receive all funds of the association and give receipt for them, and shall pay over any funds incidentally collected for any political action committee within one month of receipt by the association. Monies of the PCRPA shall be paid out of any depository only on withdrawals or checks signed by the President or First Vice-President and counter-signed by the Treasurer. Records not required for day-to-day use by the Treasurer shall be delivered to the Secretary to safeguard.

VII. Committees

7.01. Standing Committees. The President shall appoint the chairperson or Board of Directors Liaison member of the following standing committees to consist of at least two members each: membership, magazine, ~~government~~, government relations, education and programs, membership, student housing and business partners. . All standing committees shall be appointed at the board meeting next following the election of officers. Each committee shall consist of at least one member of the Board of Directors, who shall be the chairperson of that committee or the Board of Directors Liaison member of that committee.

7.01.01. Membership Committee. The Membership Committee shall be responsible for increasing the membership of the Association and encouraging the attendance of the members at the meetings. It shall

also accept applications for membership and submit them to the Board of Directors for approval.

7.01.02. Government Relations Committee. The Government Relations Committee shall stay informed of, track, and inform the Board of Directors on housing related issues that come before the cities or county; maintain a relationship with elected city and county officials; and coordinate with other local groups and associations that advocate for housing and/or property rights.

7.01.03. Magazine Committee. The Magazine Committee shall be responsible for publishing the Association's magazine and distributing copies to the members.

7.01.04. Education and Programs. The Education and Programs Committee shall provide a meeting place for the regular meetings of the association. The meetings shall be held at an establishment that will provide a dinner at reasonable cost to members.

7.01.05. Member Benefits. The Member Benefits Committee shall be responsible for insuring that the widest range of benefits to members of the association is made available to them. In so doing, the committee's responsibilities include determining which benefits may be attractive to members, investigating any proposed new benefit to insure the perceived benefit is valuable and formulating a plan to facilitate the understandability and availability to members of the benefits of the association.

7.01.06. Student Housing Committee. The Student Housing Committee shall be responsible for improved communication between student housing property owners and the association, and increasing association membership.

~~7.01.07 Business~~ 7.01.07 Business Partners Committee: The Business Partners Committee shall be responsible for increasing the membership of business partners, creating events to educate the general membership on services, tradespeople and improvements that benefit the general membership.

7.02. Ad Hoc Committees. Ad Hoc committees may be established by the board. The president shall appoint members to any Ad Hoc committee created by board action.

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VIII. Indemnification

8.01. Indemnification. The PCRPA shall indemnify every director, member of a committee of the PCRPA, officer or employee of the PCRPA, their heirs, executors, and administrators, against all liabilities and all expenses, (including attorney fees) reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of their being or having been a director, member of a committee, officer, or employee of the PCRPA. No indemnification shall be provided in relation to matters as to which he shall be finally adjudged in an action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of their duties to the PCRPA. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which a majority of the entire Board of Directors of the PCRPA, after having received the opinion of counsel, shall by resolution determine that the person to be indemnified did not commit a breach of duty. The foregoing right of indemnification shall not be exclusive as to other rights to which such director, members of a committee, officer, or employee may be entitled.

IX. Books, Records and Reports

9.01. Annual Reports to Members. Each year, each member shall be notified of the member's right to receive the annual financial report of the PCRPA in accordance with Section 9.03.

9.02. Maintenance and Inspection of Corporate Records. A copy of the PCRPA's articles of incorporation and by-laws, as amended to date, shall be maintained at the principal office of the PCRPA and shall be open to inspection by any Regular Member at all reasonable times during office hours

9.03. Maintenance and Inspection of Other Corporate Records. The PCRPA's books and records of account and minutes of the proceedings of its membership meetings and board of directors' meetings shall be kept at the principal office of the PCRPA. The minutes shall be kept in written form and the books and records of account shall be kept either in written form or in any other form capable of being converted into written form. The minutes and books and records of account shall be open to inspection by Regular Members in accordance with the California Corporations Code.

9.04. Who May Inspect. Any right of inspection by a director or Regular Member stated in these by-laws includes the right to inspect in person, or by agent or attorney. Any record request for inspection shall be made available in written form, on reasonable notice, if not maintained in written form.

X. Membership Benefits

10.01. Benefits. The Board of Directors may, from time to time, authorize the establishment or sponsorship of programs intended to provide benefits for members, and for this purpose may contract with outside organization. Should such programs accrue to the PCRPA a portion of any charge for such services or goods, the Board of Directors may determine that all or a part of such funds shall be distributed to all members and participants whose dues were paid at the close of the year for which the charge was made and have continued to be paid through the date of distribution; alternatively, the Board of Directors may approve retention of the funds by the association to be used to fulfill the purpose of the PCRPA.

XI. Rules of Order

11.01. Rules of Order. The latest edition of Robert's Rules of Order shall be the authority for establishing meeting procedures of the PCRPA when not in conflict with these by-laws, the articles of incorporation, or local, state or federal laws.

XII. Amendments

12.01. Amendments of Bylaws. These by-laws may be amended by a majority vote of members entitled to vote at any meeting where a quorum of voting members is present. It may also be amended by a majority vote of the members of the Board of Directors, at which a quorum of Board is present at a meeting of the Board of Directors. Any amendment made or proposed by the Board of Directors may be over-ridden by a majority vote of the members entitled to vote at a membership meeting of members. Any amendment to be proposed to the membership shall be published in the PCRPA magazine or publication at least thirty (30) days prior to such meeting.

XIII. Dissolution

13.01. Dissolution. The PCRPA does not contemplate pecuniary gain or profit to the members thereof and is organized solely for non-profit purposes. Upon the dissolution of the PCRPA, after paying or adequately providing for the debts and obligations of the PCRPA, the remaining assets shall be distributed to a non-profit fund, foundation, or corporation in California which is organized and operated exclusively for educational and/or scientific purposes and which has established its tax exempt status under the internal revenue code; provided, however, that if such dissolution shall occur in connection with an event other than liquidation, then the assets of the PCRPA shall be distributed to the entity charged with performing the functions and fulfilling the purposes enumerated in section 1.02 of Article I.

XIV. Adoption

14.01. These by-laws were adopted by the Board of Directors at its regular monthly meeting and replace in their entirety all by-laws of this corporation previously adopted.

Date _____

Betty Jeppesen, President

Lori Zahn, Secretary

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ANNOUNCEMENT

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Michelle Roberson
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OCTOBER QUICK LEARNING LUNCHES

Week 2, 10/14/2020: COVID-19 Tenant Relief Act

Presented by SBRPA Director Michelle Roberson, Attorney at Law. This is the second of four October Quick Learning Lunches co-sponsored by SBAOR (the Santa Barbara Association of Realtors) and SBRPA (the Santa Barbara Rental Property Association).

Covered Period:

AB 3088, the California Tenant Relief Act (TRA) 2020 covers the payment of rents impacted due to COVID-19 related financial distress between March 1, 2020 through January 31, 2020.

Notices:

1. Notice of Rights to Tenants
2. 15-day Notice to pay rent (Protected Period)
3. 15-day Notice to pay rent (Transitory Period)
4. Blank Declaration
5. High Income Tenant Notice



Notice of Rights to Tenants

- Required to give to all tenants delinquent on rent during Covered Period before providing any 15-day notice
- If they owed rent between March 1, 2020 through August 31, 2020, the notice must have been served by September 30, 2020
- The Notice includes very specific language and must be provided in 12 point font

15-day Notice to pay rent (Protected Period)

- 15 days, excluding Saturdays, Sundays, and other judicial holidays.
- The Notice must still state the amount of rent demanded and the date each amount became due.
- Advise that the tenant, in very specific language that they cannot be evicted for failure to comply with the notice if the tenant delivers a signed declaration of COVID-19-related financial distress to the landlord on or before the notice expires.

15-day Notice to pay rent (Transitory Period)

- Similar notice as Protected Period (15-days, rents due, notice of rights)
- Add new language: Notice must also notify tenant that they must pay an amount of rent that is equal to at least 25% during the transitory period by January 31, 2020.

Notes: Tenants that have received a notice to pay or quit for rents due during the transition time period must also pay an amount of rent that is equal to at least 25% of each rental payment that came due or will come due during this period by January 31, 2021. Should they have made a rental payment of this amount by January 31, 2020 for rents due during the transition period and provided the necessary Declaration, then the tenant may not be evicted for non-payment of rent during the covered period.

Blank Declaration

- All the notices above must also include a blank declaration.
- The language requires tenants sign under penalty of perjury that they were financially impacted by COVID-19.

Notes: recap the notices required in addition to blank declaration.

What happens to the rent owed during Protected Period?

- If the Declaration is returned, landlord may go to small claims court no matter how much rent is owed during the covered period;
- Landlord must wait at least until March 1, 2021.
- Local jurisdictions may have ordinances to extend this period one additional year.

Notes: The landlord may collect the rent through small claims under new Code of Civil Procedure section 116.223, which gives the smalls claims court jurisdiction in any action for recovery of COVID-19 rental debt under the Tenant Act, regardless of the amount demanded. These claims may not be brought prior to March 1, 2021 and is in effect through February 1, 2025.

Courts Could Only Evict Prior to February 1, 2021

1. The tenant was guilty of the UD prior to March 1, 2020;
2. The tenant failed to comply with the requirements of 1179.03 after receiving notice;
3. The tenancy was terminated for an at-fault reason,
4. No fault just cause under 1946.2 (2)(b), other than intent to demolish or substantially remodel, unless it necessary to maintain compliance with certain laws governing the habitability of residential units;
5. The owner entered into a contract or sale with a buyer that intends to occupy the property and certain requirements are satisfied.

Notes: The landlord is also precluded from recovering any COVID-19 rental debt in connection with any award of damages, unless the tenant failed to comply with the requirements under the Tenant Act.



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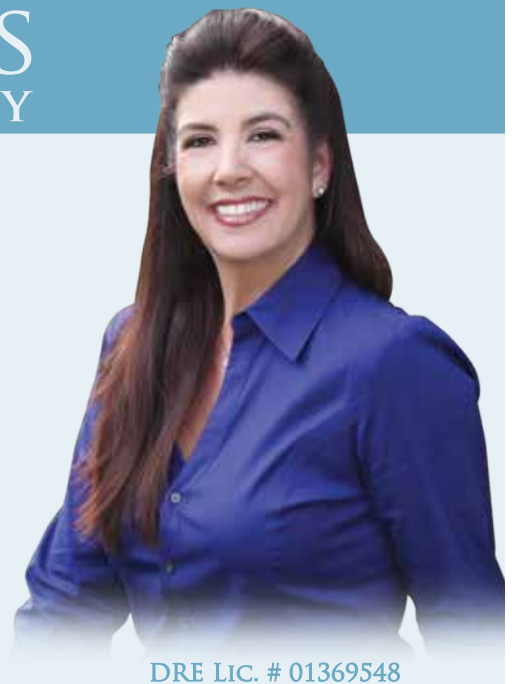
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CalRHA 2020 Housing Legislation



Lindsay Gullahorn, Capitol Advocacy

October 12, 2020

The door is finally closed on the 2020 California Legislative session, which was as chaotic as the year 2020 itself. Governor Newsom met his September 30 bill signing deadline with a 13% veto rate – slightly lower than his 16.5% veto rate in 2019. This year can hardly be compared to 2019, however. In his first year in office, Newsom signed 1,016 bills and vetoed 201. In 2020, only 428 made it to his desk out of the 2,223 bills introduced, 372 of which were signed and 56 were vetoed.



Governor Gavin Newsom

COVID-19 wreaked havoc on the Legislature, resulting in extended recesses, compressed deadlines and remote voting. Legislative leaders and policy committee chairs urged members to reduce their bill packages to only those measures that were pertinent to the pandemic or otherwise critical. Not every bill signed by the Governor met that criteria, but many of the enacted bills either address the impacts of COVID-19, the wildfires, or other pressing issues. As Newsom put it in his final bill action press release, he signed "hundreds of bills to address both the immediate needs of these concurrent emergencies (wildfires and COVID-19) and the long-term issues that have affected generations of Californians."

Renter protections and housing affordability fall into the "long-term issue" category and are an ongoing priority for the Governor and Legislature. Below is a list of CalRHA's priority bills this year and corresponding outcomes:

AB 828 (Ting)
Temporary moratorium on foreclosures and unlawful detainer actions; COVID-19

Status: DEAD

CalRHA Position: OPPOSE

AB 828 would have implemented a statewide moratorium on evictions and foreclosures and was introduced shortly after the Shelter in Place order was instituted early in the spring. Specifically, it would



Assemblymember Phil Ting

have created a duplicative statewide moratorium on evictions related to COVID-19 and established a court-ordered, blanket reduction of rent by twenty-five percent during, and after, the COVID-19 State of Emergency. It also would have created an unlevel playing field for owners of ten or more properties, assuming that those owners would not suffer economic hardships under certain circumstances. Conversely, many larger rental properties have additional expenses. Owners of rental properties large and small are negatively impacted by the COVID-19 outbreak and struggling to stay afloat. However, the proposed definition of "material economic hardship" in AB 828 denies the court the ability to assess the economic hardship to rental housing providers.

CalRHA engaged on the bill early and lobbied the Legislature and Governor's Office regarding our concerns, urging policymakers to consider renter assistance instead. Our efforts were successful and the bill was never heard in committee.

AB 1436 (Chiu)
Tenancy: rental payment default; mortgage forbearance; state of emergency; COVID-19

Status: DEAD

CalRHA Position: OPPOSE

AB 1436 would have given tenants 5 months from the end of the state of emergency for COVID-19, or 12 months after April 1, 2021 (whichever comes first) to repay back owed rent. Amendments to this bill were taken in late April to include mortgage forbearance that was included in Assemblymember Monique Limon's bill earlier this year, AB 2501, which failed on the Assembly Floor. The addition of forbearance resulted in fierce opposition from the California Bankers Association, who helped kill Limon's bill earlier this year. Despite the fact that 1436 remained the Assembly's priority bill for housing this year, it died on the Senate Appropriations Committee Suspense file as a hostage due to SB 1410 being held in the Assembly.



Assemblymember David Chiu

Continued on page 29

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AB 1703 (Bloom)
Residential real property; sale of rental properties; right of first offer

Status: DEAD

CalRHA Position: OPPOSE

AB 1703 would have imposed a statewide right of first-refusal (ROFR) mandate on rental property owners. CalRHA argued that this bill would have resulted in less development because investors will not have a clear path to exit their investment. We were opposed to the bill and were successful in ensuring it was never heard in committee.



Assemblymember
Richard Bloom

AB 2406 (Wicks)
Homeless Accountability and Prevention Act; rental registry online portal

Status: DEAD

CalRHA Position: OPPOSE

AB 2406 would have required all property owners who accept any federal or state funds related to COVID-19 to provide very specific information to an online rental registry portal. A similar bill failed last year. CalRHA opposed AB 2406 this year from the beginning and was instrumental in killing it. It was held on the Assembly Appropriations Committee Suspend File.



Assemblymember
Buffy Wicks

AB 2501 (Limón)
COVID-19: homeowner, tenant, and consumer relief

Status: DEAD

CalRHA Position: OPPOSE

AB 2501 would have enacted the COVID-19 Homeowner, Tenant, and Consumer Relief Law of 2020. Among other things, it would have required a mortgage servicer to automatically extend a 180-day forbearance for delinquent mortgage payments during the COVID-19 emergency. Mortgage servicers would be prohibited from assessing accruing or applying fees or penalties during this time. It would have also prohibited a fee for a deferred deposit transaction from exceeding 5% of the face amount of the check and provides relief for consumers who can't make their car payments. It was opposed by the California Bankers Association and died on the Assembly floor in June.



Assemblymember
Monique Limón

AB 3088 (Chiu)
Tenancy; rental payment default; mortgage forbearance; state of emergency; COVID-19

Status: SIGNED BY GOVERNOR

CalRHA Position: NO POSITION

The eviction moratorium instituted via Executive Order in the spring expired in September, so the Legislature rushed to pass a bill, AB 3088, at the end of session to provide temporary relief while a more permanent solution is being negotiated. Governor Newsom worked with Assembly and Senate Leadership and a number of stakeholders to craft AB 3088. CalRHA was approached by the Governor's office to solicit input on this language and we were a part of crafting the bill, and though we did not obtain all of our asks, we did receive a number of them. AB 3088 was the product of negotiations between the Governor, Legislature, and stakeholders and it received no opposition.

Specifically, this bill creates two separate repayment periods as they relate to unlawful detainers; 1) A protected period from March 1, 2020 until August 31, 2020. Rent is due for this period, and property owners are required to provide a written form declaration to renters informing them that rent is due but they cannot be evicted if they attest that they have a COVID-19 financial hardship. CalRHA asked for documentation and means testing to be required, and the final bill requires those who make 130% of AMI to provide additional proof of hardship. 2) This includes a transitional period from September 1, 2020 until January 31, 2021 during which a renter who has not made rental payments cannot be evicted so long as they pay 25% of their rent either monthly or in the aggregate by January 1, 2021. Initially, this provision would have applied through May 31, 2021, but CalRHA successfully lobbied to shorten this time period.

AB 3088 also states that, until February 1, 2025, a small claims court has jurisdiction in any action for recovery of a COVID-19 rental debt, regardless of the amount demanded. This provision of the bill also exempts a claim to recover a COVID-19 rental debt from the prohibition on filing more than 2 small claims actions. Rental housing owners can still file a lawsuit in the civil division of the Superior Court. In addition, this bill allows evictions to protect health and safety and also allows evictions that began prior to March 1, 2020 to proceed. CalRHA was successful in obtaining a limited preemption for rent moratoriums that were passed at the city or county level. Any local rent moratoria measure, however delineated, that occurs between August 19, 2020, and January 31, 2021, shall have no effect before February 1, 2021.



Assemblymember
David Chiu



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Santa Barbara (NEW)	11 Studios	\$3,350,000
Isla Vista (In Escrow)	4 Units	\$2,950,000
Lompoc	Commercial	\$ 695,000

SOLD

Santa Barbara	3 Units	\$1,325,000 (Seller)
Goleta	4 Units	\$1,650,000 (Buyer/Seller)
Goleta	4 Units	\$1,550,000 (Seller)
Isla Vista	2 Units	\$1,630,000 (Seller)
Goleta	4 Units	\$1,637,000 (Seller)
Santa Barbara	7-Unit Boarding House	\$1,970,000 (Seller)
Isla Vista	2 Units	\$ 826,500 (Buyer)
Santa Barbara	2 Units	\$1,485,000 (Buyer)
Santa Barbara	5 Units	\$1,550,000 (Buyer)
Santa Barbara	4 Units	\$1,840,000 (Buyer)
Isla Vista	Rental/Development	\$1,450,000 (Buyer/Seller)
Santa Barbara	12 Units	\$4,650,000 (Seller)
Santa Barbara	5-Unit Compound	\$1,825,000 (Buyer/Seller)
Montecito	4 Units	\$2,500,000 (Buyer)
Isla Vista	2 Units	\$1,290,000 (Seller)
Santa Barbara	11 Units	\$2,170,000 (Buyer)
Santa Barbara	2 Units (Beach)	\$2,000,000 (Seller)
Isla Vista	9 Units	\$2,960,000 (Buyer/Seller)
Isla Vista	4 Units	\$2,075,000 (Seller)

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AB 3088 passed the Legislature on the last night of session and was sent to the Governor, who signed it immediately upon receipt. It went into effect immediately. This was done just before the Judicial Council's eviction moratorium was set to expire.

Shortly after AB 3088 was enacted, the federal Centers for Disease Control and Prevention issued a public health order on September 2 that places a moratorium on evictions for tenants who provide a declaration that they are unable to pay rent and meet certain other requirements. Tenants still owe the rent and are subject to eviction if they don't pay the amount owed in full by December 31, 2020.

The Newsom Administration does not plan to issue specific guidance or written clarification that AB 3088 preempts the CDC order. The Judicial Council has stated that the CDC order may protect tenants who are not covered by AB 3088, but that it is not clear whether the federal order applies in California, or how it applies to individual cases. According to the Judicial Council, "a court may determine eventually that it does apply, at least for those tenants not protected by state law, so a tenant unable to pay rent may want to provide the landlord with a declaration under the CDC order if they can do so."

AB 3088 is intended as a stopgap measure to give legislators and stakeholders more time to negotiate a longer-term solution. It will provide relief until January 31, 2021. Negotiations will continue on this over the Fall and we expect a new proposal to be introduced when the Legislature reconvenes in January 2021.

SB 1190 (Durazo)

Tenancy; termination

Status: **SIGNED BY GOVERNOR**

CalRHA Position: **OPPOSE**

SB 1190 would have authorized tenants to terminate a lease in the event that they or an immediate family member were a victim of a crime. Though the enforcement provisions of AB 1482 from last year were removed from this bill, CalRHA remained opposed to SB 1190. While we opposed this bill since introduction, we were successful early in the Summer in removing provisions that would allow for AB 1482 enforcement. Ultimately, this bill passed the Legislature and was signed by the Governor. We lobbied the Governor's office and requested a veto, but he signed the bill along with a package of 15 housing related bills, stating that the bill package "follows on (his) signature on August 31st of AB 3088, the strongest statewide protections in America to prevent millions of evictions and foreclosures for tenants and property owners who have suffered economic impacts from COVID-19."



Senator
Maria Elena Durazo

SB 1410 (Caballero)
COVID-19 emergency: tenancies

Status: **DEAD**

CalRHA Position: **OPPOSE UNLESS AMENDED**

SB 1410 was the Senate pro Tem's top priority in the housing space. It would have required property owners to offer a "tenant-owner COVID-19 eviction relief agreement" and would have provided a tax credit for owners that defer rent due to the COVID-19 pandemic. SB 1410 was a hostage held by the Assembly due to the Senate holding AB 1436 (Chiu), so it was held on the Assembly Appropriations Committee Suspense File and died.

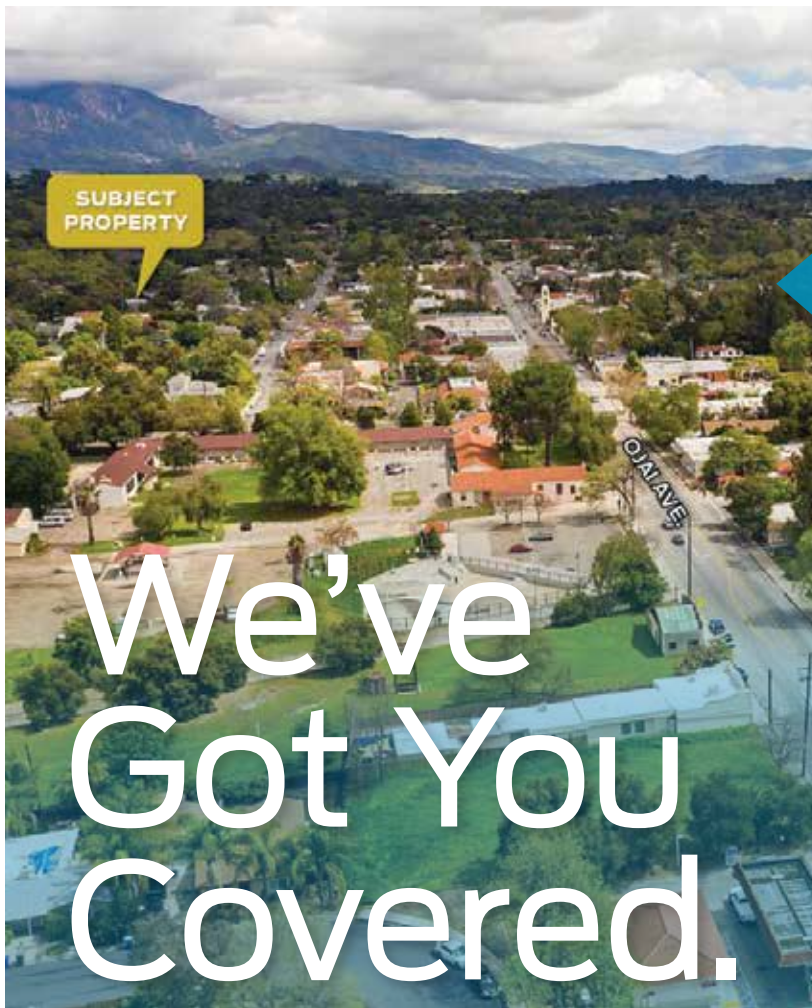
Looking Ahead. The history books aren't written yet, but Governor Newsom's second year in office was certainly historical and will be written about for years to come. It's too soon to tell how favorably he will be remembered but he was able to accomplish much compared to the Legislature. While the legislative session ground to a halt for an extended period because of COVID-19, Newsom led by Executive Order. In addition to the shelter-in-place order and eviction moratorium, Newsom's Executive Orders gave healthcare providers certain flexibilities, provided financial assistance to Californians and businesses, allowed the state to procure personal protective equipment and other medical supplies, and expanding telehealth services – just to name a few.

Newsom was praised at the beginning of the pandemic for his swift response in shutting down the state, but was the target of some criticism early in the summer when he allowed for some economic re-opening resulting in COVID-19 spikes. His engagement with the Legislature remained limited until the end of the legislative session, which occurred while wildfires ravaged the state. Certain stakeholder groups and legislators are urging the Governor to call a special session this fall to address pressing issues like wildfires, COVID-19, and even housing, but that possibility fades as we approach the General Election and the swearing in of new legislators in early December.

Given the reduced bill load this year, lawmakers will be eager in 2021 to reintroduce bills that were tabled this year—in addition to new proposals in response to the pandemic and other problems the state is facing. Remote voting was not particularly successful this year, so we expect to see changes to that process in 2021. The outcome of the Presidential Election will have a trickle-down impact on what legislation is introduced next year, as well as the budget process. In 2021, renter relief proposals will almost certainly surface. CalRHA will continue advocate for rental property owners and their tenants, and to build our presence as a significant voice in the housing space both at the legislative, executive and regulatory levels.



Senator
Anna Caballero



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National Apartment Association

November 4-6, 2020



(The following is from the NAA website)

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Matchmaking: Strike up 1:1 or small-group conversations with participants matched specifically to your shared interests. Try Speed Networking or set up Virtual Braindates around a topic, issue, or goal.

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Make connections that will see you through times of great change and challenges. Register at:
<https://www.naahq.org/aptvirtual/registration>

The schedule encompasses a variety of topics: Affordable Housing, Career Development, COVID-19, Human Resources, Independent Rental Owners, Industry Trends, Fair Housing, Marketing, Operations, and Technology to name a few.

For a full schedule with dates and times, go to:
<https://www.naahq.org/aptvirtual/schedule>

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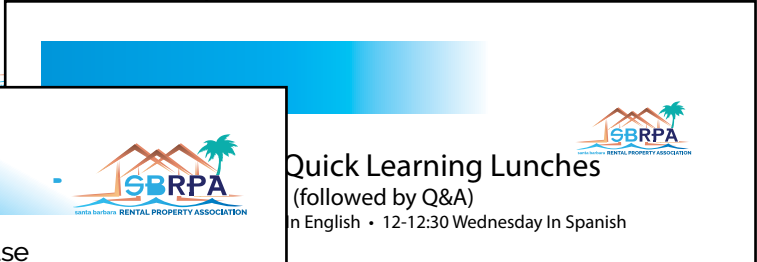
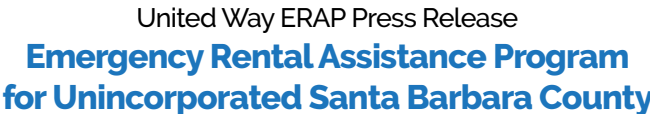


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To help keep everyone updated on the rapidly changing rental housing market, SBRPA is using MailChimp to send members emails. If you are NOT receiving emails: 1. check your spam folder, 2. if not in your spam folder, please notify us by emailing admin@sbrpa.org. Put **your email address** in the subject line.

- Tue, September 22nd 11:49 AM
Tuesday Morning Online Marketing Classes
- Thu, October 1st 1:15 PM
SBRPA Quick Learning Lunches

- Tue, October 6th 7:44 PM
SB County Emergency Rental Assistance
- Thu, October 15th 12:30 PM
No on Prop 21 Reminder

United Way ERAP Press Release
Emergency Rental Assistance Program for Unincorporated Santa Barbara County



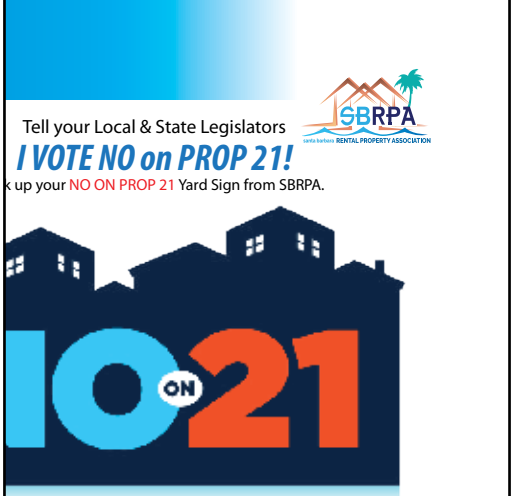
Santa Barbara County has an Emergency Rental Assistance Program.

Eligible applicants must have:

1. Experienced a loss or reduction of income due to COVID-19;
2. Household income at or below 80% Area Median Income (which is \$66,750 for household of 1, \$95,300 for household of 4); and
3. Eligible applicant households must reside in Unincorporated County (includes but are not limited to Burton Mesa, Casmalia, Cuyama, Eastern Goleta Valley, Gaviota, Isla Vista, Los Alamos, Los Olivos, Montecito, Orcutt, Santa Ynez, Summerland, and Vandenberg Village).

The program provides the lesser of actual monthly rent or \$1,000 per month for up to 3 months, (max \$3,000 per household.) Landlords are encouraged to make payment arrangements with tenants for unpaid rent.

Required documentation includes proof of loss or reduction of income due to COVID-19, such as employer letter, employer address, date of



Tell your Local & State Legislators
I VOTE NO on PROP 21!
Pick up your **NO ON PROP 21** Yard Sign from SBRPA.

Proposition 21, the Rental Affordability Act, is written to repeal the state's rent control laws by repealing the rent control laws currently in place under the Costa-Hawkins Rental Control Act. If passed, this new ballot initiative will:

- **Prevent landlords from charging market rent** by requiring landlords to limit rent increases upon vacancy.
- **Expand Rent Control** to include single-family homes and condominiums when more than 2 are owned, OR if title is held by a trust, LLC, or any other entity that is not a natural person. (Individuals who own no more than 2 homes are exempt.)
- **Require cities to opt-in to rent control** that would apply to rental units that are more than 15 years old with a maximum annual rent increase of 15% increase over three years.
- **REDUCE the value of your rental property** and your income.

Welcome to the New SBRPA Website

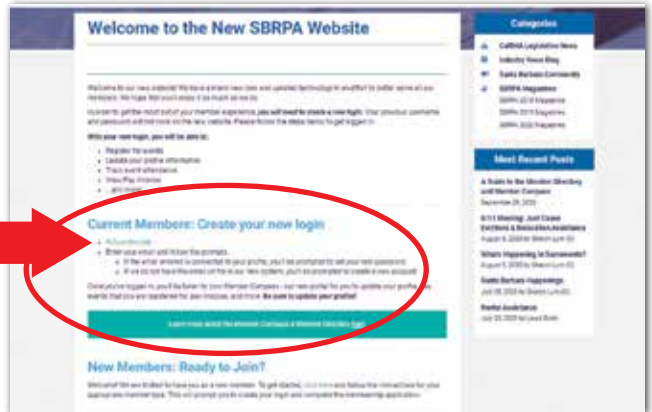
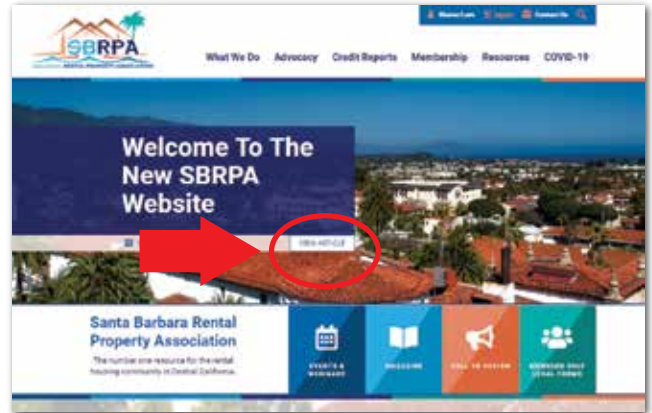
Next week we will be debuting a new website containing management software, which will allow us to more easily handle member registrations, events, marketing, and more.

When you see the new home screen (right), the first thing you need to do is Register and select a password. You can click on "View Article" for detailed instructions on how to complete the process. Note: Your existing Username and Password will NOT work on the new website.

When you get to the instruction page, look for the "Current Members" paragraph, which has a link to set up your new log-in.

You will be prompted to enter your email address and follow the prompts. We have put forth our best effort to load the most current membership list.

If the email entered is part of our membership list, you will be prompted to set a password. If the email is not in the system, you will be prompted to create a new account.



Current members should see a Login screen where you will be prompted to enter your email address, after which you will be asked for a (new) password.



If your name is not in the database, you will be offered a chance to reinput the information (in case you mistyped), or you can click on the "Create Account" button. Follow the instructions to set up a new account and if you have any questions, contact us at : admin@sbrpa.org.

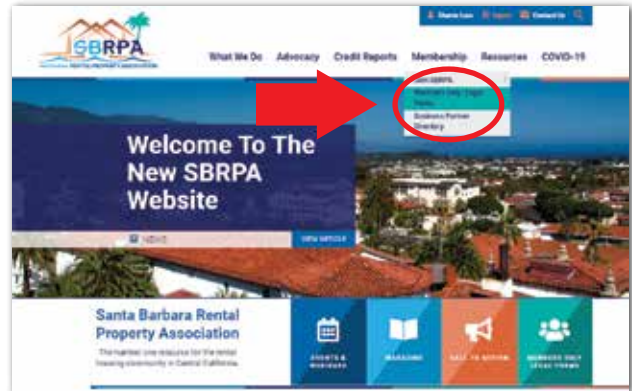
SBRPA Members Only – Forms & Documents

To find the Forms and Documents, look under [Membership](#) → [Members Only Legal Forms](#).

To make them easier to find, we have reorganized our documents into the following categories:

- Move-In
- Addendum
- Move-Out
- Notices
- Miscellaneous
- Local Documents & Forms
- TRA (Tenant Relief Act) Forms

NOTE: the numbering system is for internal use, you do not need to know the document number.



MOVE-IN DOCUMENTS & FORMS

- MI-001 Application to Rent
- MI-002 Credit Report/Tenant Screening Agreement
- MI-003 Receipt for Application Screening Fee
- MI-004 **Residential Rental Agreement**
- MI-005 Security Deposit Agreement
- MI-006 EPA Lead Pamphlet
- MI-007 Bedbug Addendum
- MI-008 Renter's Insurance Recommendation
- MI-009 Standard Initial Inspection Statement
- MI-010 Move-in/Move-out Checklist

RENTAL ADDENDUM DOCUMENTS & FORMS

- ADD-001 Addendum: General
- ADD-002 Addendum: Rules & Regulations
- ADD-003 Addendum: Covenants, Conditions & Restrictions
- ADD-004 Addendum: Asbestos Notification
- ADD-005 Addendum: Crime-Free
- ADD-006 Addendum: Flood Hazard
- ADD-007 Addendum: Guarantor
- ADD-008 Addendum: Mold Notification
- ADD-009 Addendum: Non-Smoking
- ADD-009a Addendum: Non-Smoking Instruction Sheet
- ADD-010 Addendum: Pets
- ADD-011 Addendum: Pool Rules
- ADD-012 Addendum: Satellite Dish/Antenna
- ADD-013 Addendum: Waterbed or Water-filled Furniture
- ADD-014 Addendum: Water Submeter

MOVE-OUT DOCUMENTS & FORMS

- MO-001 Step-by-Step Guide for Pre-moveout Inspection
- MO-002 Notice of Right to Require Initial Inspection (must give to tenant no more than 2 wks prior to move-out)
- MO-003 Standard Initial Inspection Statement (use only if you completed Initial Inspection)
- MO-004 Security Deposit Refund Form (Security Deposit must be returned to tenant within 21 days after move-out)
- MO-005 Transfer of Security Deposit
- MO-006 Move-in/Move-Out Checklist

TRA (Tenant Rellief Act) DOCUMENTS & FORMS

- TRA-001 TRA 15-Day Notice to Pay or Quit 2020
- TRA-002 TRA 15-Day Notice to Pay or Quit 2021
- TRA-003 TRA Notice of Rights
- TRA-004 TRA Notice of High Income Tenant
- TRA-005 TRA Declaration (to be signed by Tenant)

NOTICE DOCUMENTS

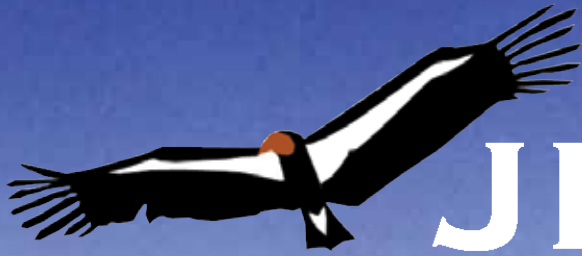
- NO-001 3-Day Notice to Quit
- NO-002 3-Day Notice to Quit or Pay Rent
- NO-003 3-Day Notice to Perform Conditions and/or Covenants or Quit
- NO-004 30-Day Notice to Resident(s) – Intent to Vacate
- NO-005 Notice of Intent to Vacate – Acknowledgement of Resident(s)
- NO-006 Notice of Conditional Acceptance
- NO-007 Notice of Denial to Rent (if you do a credit check & do NOT rent to them, you must provide this form stating reason the application was denied)
- NO-008 Notice of Right to Require Initial Inspection (Must give to tenant no more than 2 wks prior to Move-out)
- NO-009 Notice of Declaration of Service to Resident(s)
- NO-010 Notice of Termination of Tenancy
- NO-011 Notice of Belief of Abandonment — Real Property
- NO-012 Notice of Right to Reclaim Abandoned Property (worth less than \$700)
- NO-013 Notice of Right to Reclaim Abandoned Property (worth more than \$700)
- NO-014 Notice to Enter Dwelling Unit
- NO-015 Notice to Homeowner's Association (HOA)
- NO-016 Notice & Demand Regarding Dishonored Check
- NO-017 Notice & Demand Regarding Dishonored Check — Stop Payment

MISCELLANEOUS DOCUMENTS

- MISC-001 Change of Terms
- MISC-002 Maintenance and Repair Request
- MISC-003 Estoppel Certificate
- MISC-004 Daily Proration Table
- MISC-005 Landlord Verification/Rental Referral
- MISC-006 Offer to Rent
- MISC-007 Move-In Criteria, Example 1
- MISC-008 Move-In Criteria, Example 2

LOCAL DOCUMENTS & FORMS

- LOC-001 SBAOR: Santa Barbara 1-Yr Lease Offer Requirement
- LOC-002 Santa Barbara 1-Year Lease Rejection Form
- LOC-003 Santa Barbara Rental Housing Data Collection Form (Must be filed if you give 'Notice to Quit' in city of SB)
- LOC-004 AB 1482 EXEMPT
- LOC-005 AB 1482 SUBJECT
- LOC-006 AB 1482 FAQ
- LOC-007 COVID-19 Hardship Consideration: Santa Barbara City
- LOC-008 COVID-19 Hardship Consideration: Santa Barbara County
- LOC-009 COVID-19 Hardship Consideration: City of Lompoc
- LOC-010 COVID-19 Hardship Consideration: San Luis Obispo County



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SBRPA is pleased to present a series of three articles by Sarah Ettman for the Housing Authority of the City of Santa Barbara on Section 8 Housing. We will print one article in the next 3 issues of the SBRPA magazine, and will post them to our website.

1. *How Section 8 Works*
2. *Section 8, Landlord Benefits*
3. *Taking the Fear & Stigma out of Section 8*

Section 8 Housing Choice Voucher Program

HACSB Section 8 Housing Choice Voucher Program provides guaranteed, “pandemic-proof” tenant housing, sustainable landlord income and extra “perks”

As we enter the last quarter of 2020, six months into the COVID-19 pandemic which rages on, many Santa Barbara residents are bravely facing the strain of unprecedented challenges: reduced work hours, furloughs, layoffs, job and income loss, not to mention a loss in federal unemployment aid that currently show no signs of renewal by our legislators and state benefits that have been exhausted. Many families are forced to downsize from two to one income, with mothers, more often than not, sacrificing their jobs in order to care for young children at home due to unaffordable day care as well as manage their school age student’s online distance learning program. This economic downturn comes at a time when our residents are already stressed from coping with sky-high rents and a historically low inventory of clean, decent, affordable housing. These negative forces are breeding ground for a looming crisis just around the corner as we enter a new month when rent is due and tenants, even though they are protected by an open-ended eviction moratorium, have no way to pay for their mounting back rent.

According to the *PewTrust.org*’s Stateline blog, “Housing advocates fear a surge in evictions and homelessness. An estimated 19 million to 23 million renters risk being evicted by Sept. 30,



Photo by cottonbro from Pexels

according to the Aspen Institute.” “Eviction moratoriums, on their own, aren’t enough — they simply delay the inevitable as renters accrue debt and small landlords struggle to operate their properties without rental income,” Diane Yentel, president and CEO of the National Low Income Housing Coalition, told Stateline in an email. Eviction moratoriums, Yentel wrote, “must be paired with substantial and sustained rental assistance.” At least \$100 billion is needed to keep renters stably housed during and after the pandemic, she said.

Prior to the pandemic, and even more so right now, The Housing Authority of the City of Santa Barbara (HACSB) is actively engaged in addressing these daunting circumstances in our community through their landlord incentive program. The Section 8 Housing Choice Voucher Program is designed to attract, enroll and retain rental property owners and property management companies who want to achieve an economic boost by keeping their units occupied with a steady revenue stream. Their tenants are vetted and qualified by HACSB for rent assistance vouchers. In turn, tenants pay their rent portion based on their income; the remaining balance is the rent voucher subsidy amount, which is deposited on time, directly into the landlord’s account, guaranteeing the flow of monthly income.

Guaranteed, 'pandemic-proof' rental income is just one of many landlord "perks" that come from being part of the HACSB Section 8 Housing Choice Voucher Program. Other benefits are:

- 🏠 \$500 signing bonus for new landlords leasing up a Section 8 participant with a City issued voucher
- 🏠 Available Section 8 unit damage protection; reimbursement to the owner of up to \$2000 for unpaid unit damages, rent, and related court costs Landlord would be eligible for vacancy loss or one full week of prorated rent, 2nd week at 50% if leasing up a HACSB Section 8 tenant being vacated by another HACSB Section 8 participant.
- 🏠 Referral bonus of \$100 to person referring a new landlord to the program (Section 8 participants not eligible)
- 🏠 Guaranteed prompt payment of the Housing Authority's portion of rent – the tenant pays a manageable portion of their income towards rent, thus the tenant is better able to pay rent on time
- 🏠 Owner maintains normal management rights and responsibilities
- 🏠 The Housing Authority inspects each unit annually and provides information on preventing damage
- 🏠 Special inspection available – owner requested inspections possibly prompted by health & safety concerns
- 🏠 Dedicated Housing Authority staff to answer questions when a housing case manager is not available.

Skip Szymanski, HACSB Deputy Executive Director/Chief Operating Officer says that, "Often property owners and management companies are not aware that the qualification process for their property is straightforward and takes place in a timely fashion. It takes just 5 easy enrollment steps." To apply and get approved, interested landlords must:

1. **Select the applicant you feel would be a great tenant from your property.** Ask them if they are already qualified for the Section 8 Rental Voucher program. If they are, great! Go to the next step. If they aren't, encourage them to apply: www.hacsb.org/section-8/
2. **Have your rental applicant fill out the "Request for Tenancy" form.** This simple, 1 page document is used by HACSB to determine what portion of rent the tenant will pay and the amount of the subsidized rent that is paid directly to the owner/rental property manager. The applicant can email it directly to HACSB or give it back to you for submission.
3. **Your request will be processed by HACSB within 24 hours during the business week.** If approved, you will be assigned a property case manager, who will inform you about what will be the amount of rent your new tenant will be responsible for and what amount will be your rental subsidy. You need to provide HACSB with:
 - W-9 Form
 - Proof of ownership for your rental unit (deed, recent property tax bill or recent mortgage bill)
 - Optional Direct Deposit banking form.
4. **Schedule a property inspection with HACSB during normal business work hours.** This usually takes place within 24 hours after your call for an appointment. Immediately after the inspection you will find out if your property has been approved for occupancy. If not, the inspector will inform you of what needs repair. Email or call HACSB for re-inspection. Once your property passes inspection, your new tenant can move in, as early as the same day.
5. **Complete your lease agreement with your new tenant** and submit the fully executed document to your HACSB case manager as soon as possible. This is required to add your property to the payment system and expedite your 1st rent subsidy payment. Your first rent subsidy payment will be issued during the 1st business day of each month, usually between the first Thursday–Monday of the month.



Photo sbhousingtrust.org

Rob Fredericks, HACSB Executive Director and CEO emphasizes that, "In a time when our health — which is threatened by a contagious life-threatening illness — is intertwined with the need for stability and security that comes from having a place to call home, our organization is working to ensure that individuals and families have the means to remain housed. No one should have to worry about being displaced and made homeless because they have lost their job and income due to COVID-19. Our program is a 3-way winning partnership between our organization, tenants that need and deserve to keep a decent roof over their head, and property owners who rely on sustainable rental income to maintain their property and livelihood. We encourage all property owners with available rental units to come forward, join us, work together to secure great tenants and enjoy all the benefits of the Section 8 Housing Choice Voucher Program."



Free Tuesday Morning Classes*

Thanks to our partnership with **Full House Marketing**, we can invite SBRPA members to their Tuesday morning online classes. They offer workshops and training to management companies, apartment communities and associations nationwide.

Here is a list of October-November classes. Please register at: www.rebeccarosario.com/training-tuesdays.html and choose the sessions you would like to attend.

- Nov. 10th, *Rebecca Rosario*: *Feeling Left Out? NAA Apartmentalize Recap*
- Nov. 24th, *Sarah Brooks-Harvey*: *What are we really looking for?*

You will receive a confirmation email from **Full House Marketing** with times plus an online link for each class. (If you don't see a confirmation email, check your spam.) Most classes begin at 8:30 a.m. EST so you can sit back and enjoy your morning coffee while you learn something new. Classes are conducted online using *GoToMeeting*.

New to *GoToMeeting*? It's easy to set up and use. Get the app now and be ready when your first meeting starts: <https://global.gotomeeting.com/install/308237269>. And don't worry if you are sipping your coffee in your p.j.s -- only the instructor is visible on screen.

* **NOTE:** Participation is complimentary, though they suggest you mail a small donation to SBRPA's Education programs, at SBRPA, 123 W. Padre Street #D, Santa Barbara, CA 93105.

SBRPA MEMBERSHIP APPLICATION



1. **FILL IN MEMBERSHIP APPLICATION, save form as PDF file.**
2. Mail with check to SBRPA, 123 West Padre St., Suite D, Santa Barbara, CA, 93105, or if paying by credit card or you wish to be invoiced, please email application to admin@sbrpa.org.

If you have difficulty completing the form, call the office for assistance at 805-687-7007 or admin@sbrpa.org.

We look forward to having you join the SBRPA community!

I hereby make application for Membership:

Name(s)

Mailing Address

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Street Address(es)	No. of Units
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<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
Total Units	<input type="text"/>

ASSOCIATION FEES: *How to calculate membership fees*

Registration Fee (First year only) \$ 25.00

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The Attorney's Corner

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Home Occupations in Santa Barbara County

Overview: Both the City and County can have specific zoning ordinances which limit or prohibit operating a business out of a residential property. Exceptions are provided for, so depending on where your property is located you should check applicable statutes. This article will focus on the Santa Barbara County Zoning Code and specifically the Montecito Land Use & Development Code. The following hypothetical facts will direct the discussion. The importance of knowing what is and is not permitted helps avoid a violation that can trigger County enforcement actions, and if not, then actions between landlord and tenant, or property owner and neighbors. Fines can be imposed by the County and while first designated as an "infraction," repeated violations can be treated as a misdemeanor, resulting in substantial fines and potential jail time. As between an owner and tenant, violations of law can provide a basis for termination of the tenancy.

Home Occupations that are permitted by the County are limited in nature, and generally constitute professional services that do not require equipment, employees, loud noises, chemicals or manufacturing. This is unsurprising as the intent of zoning regulations is to preserve the character of residential neighborhoods as quiet, peaceful and relaxing. Often times home businesses cause strife between neighbors, as the individual running the home business feels entitled to use their property as they see fit, and is naturally protective over their livelihood. Neighbors generally are averse to having a business in the area, even if it minimizes the impact to the residential nature of the neighborhood and residents' quiet use and enjoyment. As such, landlords that own adjoining properties or rent out multiple units on one parcel should be mindful that their duty to allow tenants the quiet use and enjoyment of their unit may require investigating and potentially terminating tenants operating home businesses that do not comply with County standards. Even where a home business is run in a way that complies with County regulations and has proper permits, a landlord still may have the option of terminating a lease if the lease provides only for residential use of the premises.

Hypothetical: Let's start with the Hypothetical Fact Pattern: An Owner rents to a Tenant family

a single-family residence and studio in Montecito, within an area designated as R-1/E-1 single-family residential zone. The rental agreement provides for "residential use" and limits occupants in the rental agreement to two adults and their minor children. The rental agreement prohibits any other use and contains a provision that the Tenant will comply with all laws, ordinances and statutes regarding use and occupancy of the property. The Tenant claims that he is entitled to a "home office" and that this does not violate the lease or the law. The Owner says that operating a business, with employees on site, that includes the care and maintenance of animals, goes beyond the "home office" concept and is a violation of law and the use provision in the lease giving rise to a right to terminate the lease. The Tenant does not have a permit for a home office.

Applicable Law: Santa Barbara County has adopted Chapter 35 to its Code of Ordinances, titled the Montecito Land Use & Development Code. The Code provides for criminal action and penalties for violation of zoning ordinances. The Code codifies "Home Occupations" at section 35.442.130, and states that its purpose is to prevent adverse effects on the residential enjoyment of surrounding residential properties. The Code requires that before commencement of a Home Occupation within a dwelling unit or artist studio, a Land Use Permit in compliance with section 35.472.110 must be issued, unless an exception applies. (Such exceptions, listed in subsection (E) of the above-referenced Code section, require strict compliance with additional requirements). The general standards for operating a Home Occupation include: 1) the conduct of business on-site should only be by the occupants of the dwelling and no employees are permitted; 2) no advertising shall be used identifying the location of the Home Occupation; and 3) vehicular traffic and parking shall not change the residential character of the neighborhood. In addition, the occupation must be conducted in only one room of the house (the garage may not be used), no structural alterations may be required as part of the occupation, the occupation cannot create any radio or TV interference, or create noise audible beyond the boundaries of the premises, nor may any smoke or odor be emitted as a result of the occupation.

An agreement or lease in violation of the law is unenforceable absent limited exceptions, and agreements that allow a Home Occupation that fails to comply with the specifics of the Code will not be enforced.

Discussion: Under these facts the home office in our hypothetical would not qualify for a permit and would be a violation of law. The violation of law would make the agreement, if it had been intended to allow home office use, unenforceable. (In our opinion). The use of employees violates the development standards and both neighbors and the Owner can object to the use. A three-day notice to cure or quit, or simply to quit, could be served to terminate the lease for a violation of law and the use provision. (In our opinion). The issue could arise as to whether defenses such as waiver (the intentional relinquishment of a known right) by the Owner or an equitable defense of estoppel (the policy of law that says one cannot lead another to think something is true and then later contradict it in litigation) could be used to defend against termination of the tenancy or even enforcement by the County. It is our opinion that under this hypothetical, the illegality of conduct cannot be waived, and equity would not aid a violation of law, whether an infraction or misdemeanor. The Tenant would have to vacate the residential unit and whether the Court would relieve the Tenant from a forfeiture of the lease and reinstate it would require extraordinary circumstances (such as a demand for reasonable accommodations on behalf of a disabled tenant).

Conclusion: Every fact pattern is different and differing circumstances can affect the outcome, but if a mixed use is contemplated by either an owner or tenant, then the lease should be specific and the relevant County Zoning Ordinances checked and confirmed. Insurance issues can also arise for the owner as many residential policies do not cover commercial/business use.

There is certainty in the law. That certainty is that if you have a dispute, a judge is going to make a decision. What a judge decides is less certain, but the odds are a judge is not going to enforce an illegal agreement or one that violates the health and safety purpose of the County Zoning Ordinances.

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 Soulages@rogerssheffield.com.

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World Health Organization Puts a Stop to the “Lockdowns are Needed” Narrative

After months of debate over whether or not lockdowns are necessary to protect public health and safety during the spread of COVID-19, the World Health Organization (WHO) recently urged leaders against reliance on lockdowns.

WHO representative Dr. Nabarro came out against the lockdowns due to the global economic harm that consequentially follows. The poorest regions are losing significant sources of income due to the lack of tourism and loss of jobs. Thousands of low wage workers with jobs deemed “non-essential” have been laid off.

According to the WHO, it is not sustainable to use lockdowns as a primary method of control over the Coronavirus. Attention needs to be shifted away from closures and towards organizing resources to keep the economy open and implementing widespread testing. We cannot keep shutting down our lives with repeated lockdowns, as it is detrimental to the health and growth of both society and the economy.

Santa Barbara Planning Commission Rejects Extended Lease for Paseo Nuevo Shopping Center

Prior to COVID-19, Paseo Nuevo owners approached Santa Barbara City Hall with a development agreement that would extend the mall’s lease by 28 years. The development agreement was intended to provide Paseo Nuevo Owners LLC long term lease security while providing the City with more financial investment.

The current lease expires in 2065, and the proposed agreement would have extended the lease to 2093. If approved, Paseo Nuevo owners said they would have invested \$20 million on upgrades, agreed to new conditions regarding parks and trash collection, and agreed to make a one-time payment of \$200,000 to an unspecified homeless

program. The proposed agreement did not include specific plans for the Ortega Building, which was previously occupied by Macy’s and Nordstrom.

With all the changes affecting Downtown, the Planning Commission was hesitant to agree to 28 more years and ultimately rejected the proposed development agreement, citing that the terms should be better for the City and that some plans were in opposition with Santa Barbara’s historic character.

As of this writing, the agreement has been appealed back to the City Council who will make the final decision.

Goleta City Council Votes to Maintain Eviction Protections

After the statewide Tenant Relief Act (AB 3088) went into effect, Goleta City Council voted to keep its existing temporary moratorium on evictions rather than defaulting to state law. All other cities in Santa Barbara County (aside from Santa Maria) have set end dates for their ordinances and will be defaulting to the statewide Tenant Relief Act framework.

Goleta’s existing moratorium on evictions, passed on March 17, 2020, prohibits residential and commercial evictions for tenants who have suffered a COVID-19 related financial loss. Residential tenants must notify their landlord of their inability to pay rent within 7 days after rent is due, and commercial tenants must notify their landlord within 30 days after rent is due. The moratorium is in effect until the local emergency is terminated.

After deciding to keep the existing ordinance in effect, City Council directed staff to amend their ordinance so that it is in compliance with state law. The City must incorporate the statewide repayment start date of March 1, 2021 and end date of March 1, 2022 indicating when all deferred rent must be repaid. Though allowed, Goleta’s ordinance discourages property owners from filing a small

claims action against a tenant for nonpayment of rent until after the repayment period ends on March 1, 2022.

Councilmembers were divided on whether or not to require tenants to pay 25% of their rent every month, as is required in the Tenant Relief Act. At the time of this writing, an amended ordinance with the specified repayment terms is expected but has not yet been released.

Mission Produce (Think Avocados) Goes Public and Hopes to Spark Action in Others on Central Coast

Oxnard-based Mission Produce climbs to the region's third largest public company in the fresh produce industry after generating \$75 million from its recent initial public stock offering (IPO).

Mission Produce is a leading grower and distributor of Hass avocados. Net income for Mission Produce dropped in the first 9 months of the current fiscal year from \$70 million annually in prior years to \$10 million. Factors contributing to this decrease in net income include a smaller crop, a California avocado shortage, and a change in consumer consumption habits due to COVID-19.

On October 1, 2020, Mission Produce sold approximately 8 million shares at \$12 each, generating \$75 million in new capital. Shares peaked on the first day of trading at \$15.00 then closed on October 6 at \$12.10. Proceeds from the IPO will be targeted towards expansion, such as establishing a new office at the Oxnard headquarters and targeting the markets in Asia and Europe.

Globally, the avocado market is expected to grow at a compound annual growth rate of 5.9% from 2018 to 2026. New practices like vertical farming, hydroponics, and the farm-to-table movement could spark further interest from agricultural investors and lead to more public offerings for Santa Barbara companies that would be beneficial for companies, consumers, and investors.

Santa Barbara School Board Delays Reopening Until January 2021

While a number of local private schools are conducting in-person classes on their campuses, the Santa Barbara Unified School District

administration recently proposed a hybrid model for public schools to begin only part time in-person learning.

The proposed model was based on the state's colored tiers indicating the spread of the coronavirus. As of the date this writing, Santa Barbara County is in the red tier. The initial proposal included a shift to in-person learning, with a hybrid model for elementary campuses, on November 9, 2020 when the County is expected to be in the orange (less restrictive) tier. For middle school and high school campuses, in-person instruction was proposed to begin January 19, 2021 when the County is projected to be in either the orange or the even less restrictive gold tier.

The Santa Barbara School District Board of Education unanimously voted against this model and ultimately decided to wait until January 19, 2021 for schools to reopen for in-person learning.

Smaller Businesses Show Resilience but Monopolies Grow and Threaten

Earlier this year, the CEO of Sonos, a Santa Barbara audio product start up, testified before Congress as the House examined how to handle tech giants. Apple, for example, has a \$2 trillion market cap and greater capital reserves than many central banks. Smaller local companies like Sonos (with a market cap of approximately \$1.6 billion) are increasingly threatened by the Apples, Amazons, and Googles of the world.

In early October, a Congressional panel ruled that market dominance by the large companies in areas of technology, including hardware, software, and advertising was stifling competition. On October 7, Apple removed products from smaller companies such as Sonos and Bose from its online retail offerings. Sonos shares dropped 5%. Time for legislative action against the monopoly powers of the big tech companies. Competition is good, but requires a level playing field for all competitors.

Santa Barbara City Council Approves State Street Improvements

The Santa Barbara City Council voted unanimously to spend \$250,000 on improving the new State Street Promenade.

Key improvements include additional lighting to

increase safety at night and a large bike path running through the middle of the street. Walkers will be directed to the edges of streets and sidewalks.

The project will be funded with Measure C funds that would have previously gone towards general street maintenance. Big round of applause to State Street for showing us how creative solutions can help businesses when bureaucracy takes a back seat.

Goleta-Based Raytheon Brings Jobs to Goleta and the South Coast

Goleta-based Raytheon Intelligence and Space began hiring and will eventually fill over 100 new positions. Raytheon already employs approximately 1,400 people and specializes in software solutions, advanced sensors, and training. As of this writing, 60 positions still remain open.

Raytheon attributes its success in Goleta from its strong industrial base, strong STEM schools, and strong sense of community. Of the 1,400 current employees, many have been there for over 20 years. Keep Raytheon on your radar as they continue to grow.



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Share Your Story in our December Magazine

Thank those who have been there for you throughout this difficult year!

Our December magazine will feature a **THANK-YOU** to all the amazing workers who have been keeping us going during the pandemic. Want to thank or send a message to your staff or service people?

As our thanks to you – our sponsors – for your loyalty and support, each of you may have a business card size ad (3.5"W x 2"H) for FREE. We can insert your logo and a short message from you – perhaps a “thank you” to your employees or a shout out to your customers.

Please send a high resolution copy of your logo, along with your message to magazine@sbrpa.org. We suggest keeping the message brief (10 words or less) or maybe a list of those you wish to thank. If you prefer, you can send camera-ready art. Samples of business card ads below so you have an idea of how much space you have for your message.



A business card template for Hayes Commercial Group. On the left is a black and white portrait of a man in a suit. To the right is the Hayes logo, which consists of a stylized 'H' icon followed by the word 'Hayes' in a large, bold, blue font, and 'COMMERCIAL GROUP' in a smaller, grey font below it. Below the logo, the text 'Your Message Here' is written in a black, sans-serif font.



A business card template for Sandpiper Property Management. At the top, it says 'PROFESSIONALLY MANAGED BY' in small green letters. Below that is a green banner with the word 'SANDPIPER' in white, serif font, and a silhouette of a sandpiper bird. Underneath the banner is the text 'PROPERTY MANAGEMENT' in a green, serif font. At the bottom, the text reads: 'THANKS TO OUR PROPERTY MANAGERS: MR. JOHN WHITE, MS. HELEN SMITH, MR. ED JONES, (LIST OF NAMES HERE)' in a green, serif font.



A business card template for Central Coast Paving. The top left features the logo 'CENTRAL COAST PAVING' in a stylized, black, sans-serif font. The main image shows a yellow Case roller paving a road, with a worker in a yellow safety vest and white hard hat operating it. At the bottom, the text 'Thank You to all our Employees!' is written in a white, bold, sans-serif font against a dark blue background.



A business card template for Bill Terry Insurance Agency. The top left features the logo 'BT' in white letters inside a blue square. To the right of the logo, the text 'BILL TERRY' is in a large, blue, sans-serif font, and 'Insurance Agency' is in a smaller, blue, sans-serif font below it. Below the logo and text, the text 'Your Message Here' is written in a black, serif font.

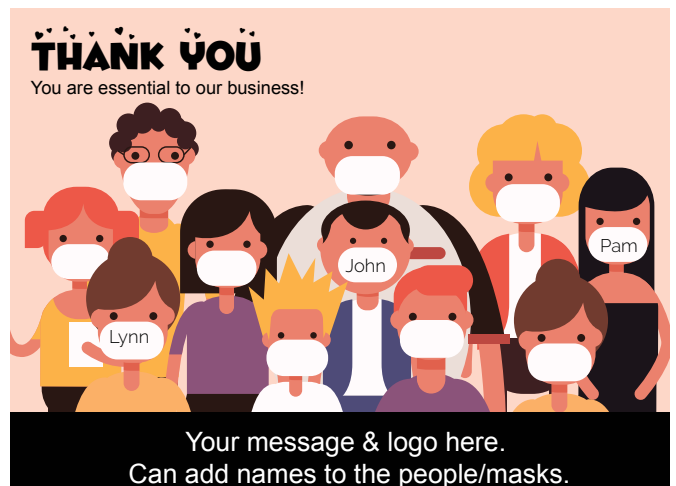
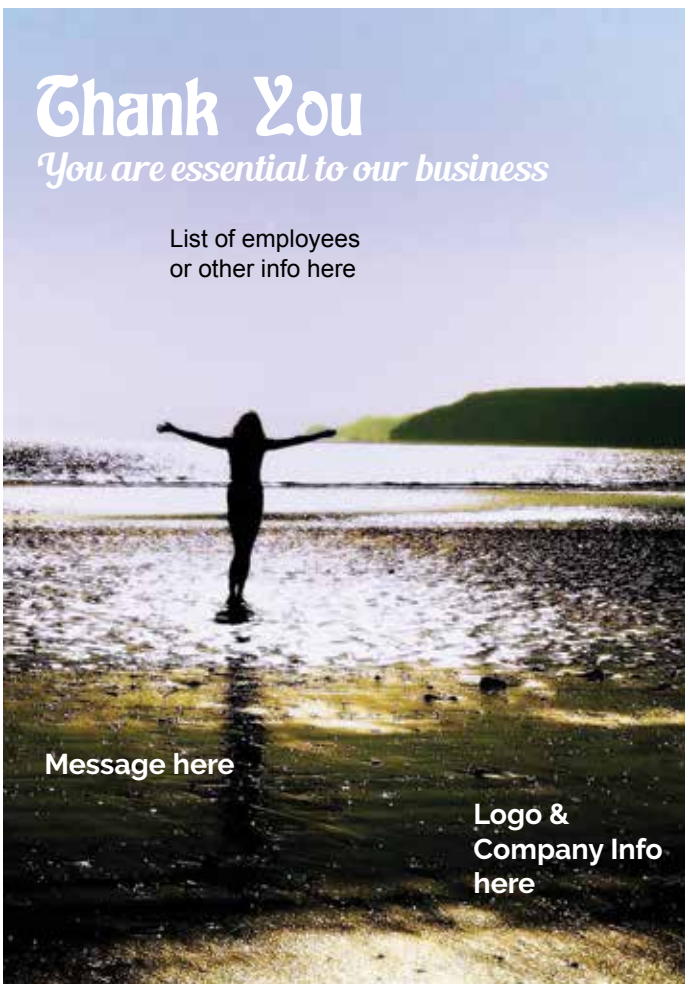


A business card template for YARDI breeze. The top center features a green logo consisting of a stylized cloud shape above three horizontal lines. Below the logo, the text 'YARDI® breeze' is written in a green, sans-serif font. At the bottom, the text 'We hope everyone is staying healthy & safe!' is written in a green, italicized, sans-serif font.



A business card template for RADIUS Commercial Real Estate. The top left features a blue circular logo with a white stylized 'R' shape. To the right of the logo, the text 'RADIUS®' is in a large, grey, serif font, and 'Commercial Real Estate' is in a smaller, grey, sans-serif font below it. At the bottom, the text 'THANK YOU MESSAGE HERE' is written in a blue, sans-serif font.

Need more space? We have put together a few templates in larger formats (full page, half page, and quarter page) where you can add your special message or include photos. These are priced at a **25% discount** and can be sized to fit the format you like (1/4, 1/2, FULL PAGE - \$33.75, \$67.50, \$135).



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