



May 19, 2026

Mayor Randy Rowse
Councilmember Eric Friedman
Councilmember Oscar Gutierrez
Councilmember Meagan Harmon
Councilmember Mike Jordan
Councilmember Wendy Santamaria
Councilmember Kristen Sneddon
PO Box 1990
Santa Barbara, CA 93102

RE: Supplemental Research to Inform Rent Stabilization Ordinance Development

Dear Mayor Rowse and Councilmembers,

The Santa Barbara Association of REALTORS® (SBAOR) represents about 1,200 REALTORS® throughout the South Coast and our mission includes engaging in real estate related community issues affecting our members and/or their clients who are homeowners, housing providers, tenants, and commercial owners. The Santa Barbara Rental Property Association (SBRPA) is the premiere organization for housing providers, suppliers, and the rental housing community. SBRPA serves the community at large, and nowhere is this more evident than in our collaboration with various organizations. As two of the leading organizations in the South Coast primarily focused on housing, below are our comments regarding the supplemental research and policy development associated with the City's proposed rent stabilization ordinance framework.

As the City moves toward implementation of a permanent rent stabilization program, we continue to have serious concerns regarding the cumulative structure and long-term impacts of the proposed framework. The City must evaluate the long-term consequences on housing availability, reinvestment, maintenance, and future renters attempting to enter Santa Barbara's already constrained housing market.

AB 1482 itself was the product of extensive statewide negotiations intended to balance tenant stability with preserving incentives for continued housing investment, reinvestment, and long-term operational sustainability. The State ultimately adopted a framework that reflected compromise between tenant advocates, housing providers, and policymakers in an effort to create balance within California's housing system.

Locally, housing providers and housing advocates have repeatedly attempted to engage in similar good-faith discussions through task forces, focus groups, stakeholder meetings, public comment, and individual conversations. However, many participants feel that while outreach opportunities were provided, the concerns, operational realities, and proposed compromises raised by housing providers have not meaningfully influenced the overall direction of the ordinance as the City moves substantially beyond the statewide framework established under AB 1482.

Housing providers are increasingly experiencing what feels like "death by a thousand cuts" through the cumulative layering of regulations, restrictions, fees, operating cost increases, and compliance burdens. Many property owners

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feel that each time they attempt to engage in negotiations or identify balanced solutions, the process ultimately moves toward additional restrictions with little meaningful adjustment based on stakeholder feedback. These concerns are further amplified as the City considers regulatory structures that move substantially beyond the balance and operational framework already established under statewide law.

We remain concerned with proposals that would impose rent caps more restrictive than California's statewide framework under AB 1482. The State has already adopted extensive tenant protections intended to balance housing stability with maintaining incentives for continued housing investment and operation. Moving substantially below the statewide standard increases operational strain while reducing flexibility for housing providers facing rising insurance, utility, labor, maintenance, and regulatory costs.

As the City continues developing the ordinance, we encourage consideration of additional flexibility and tailored treatment for housing types and ownership structures that may be disproportionately impacted by local regulation. This includes evaluating modified standards, relief mechanisms, or exemptions for small housing providers, owner-occupied multifamily properties, accessory dwelling units (ADUs), naturally occurring affordable housing providers already renting below market, newly rehabilitated rental units, and units participating in workforce or local housing partnership programs.

We also strongly encourage the City to ensure that the petition process is realistic, functional, and accessible in practice. During Council deliberations, Councilmembers characterized the petition process as the primary "compromise" being provided to housing providers within an otherwise robust ordinance framework. If the petition system is intended to serve as the primary mechanism for relief, then the process must function efficiently, predictably, and affordably in practice, not simply exist in theory. For example, if insurance premiums increase dramatically, if a property experiences significant utility or maintenance cost increases, or if a housing provider makes major investments into roofing, plumbing, electrical systems, safety upgrades, or substantial rehabilitation work, the process for seeking relief should not require lengthy, prohibitively expensive, or administratively unrealistic proceedings. The City should also consider standalone capital improvement petitions to support long-term reinvestment in Santa Barbara's aging housing stock.

Regarding the proposed rental registry, we have significant concerns regarding administrative burden, privacy implications, and ongoing compliance costs. As currently discussed, the framework places extensive reporting, documentation, and evidentiary obligations on housing providers while requiring little corresponding tenant-side verification or accountability. If the City intends the registry and ordinance framework to support *fair* enforcement and dispute resolution for all parties, the system should also include *balanced* occupancy and lease verification mechanisms. For example, if a housing provider must demonstrate that unauthorized occupants are residing in a unit, that short-term guests have effectively become permanent occupants, that repeated lease violations are occurring, or that individuals claiming tenancy protections are not lawful tenants under the lease, the City's system should contain reliable occupancy verification mechanisms rather than placing the entire evidentiary burden solely on the housing provider. A regulatory framework governing both sides of the housing relationship should not require only one party to provide documentation, reporting, and verification obligations.

We are additionally concerned about the projected cost of creating and sustaining the program. Staff estimates suggest the program may cost approximately \$2 million annually to administer. However, the City has not yet provided a comprehensive estimate regarding the full startup and implementation costs associated with establishing an entirely new regulatory and enforcement system, including staffing, technology infrastructure, rental registry creation, hearing administration, outreach, compliance systems, and potential legal expenditures.

We are also concerned that the scope of information being contemplated through the rental registry raises significant privacy concerns for both housing providers and tenants. Any system requiring the collection, storage,

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and administration of detailed personal, financial, tenancy, or occupancy information should be carefully evaluated to ensure it does not unnecessarily infringe upon the constitutional right to privacy protected under California law. These growing regulatory and financial burdens may also represent a tipping point for many small and “mom-and-pop” housing providers. The cumulative impact of rising operating costs, increasing regulations, registration fees, compliance requirements, and ongoing uncertainty is already causing many local property owners to reconsider whether they can continue operating rental housing in Santa Barbara.

We are increasingly hearing from housing providers who are choosing to sell properties, exit the rental market, defer reinvestment, or avoid future rental housing investment altogether. Ironically, many of these smaller local owners have historically provided naturally occurring affordable housing and below-market rents within the community. The City should carefully consider whether the cumulative burden of establishing and maintaining this program may unintentionally accelerate the loss of these local housing providers and the lower-cost rental housing they have traditionally supplied.

Those costs should not be borne exclusively by housing providers. If the City establishes a permanent rental registry and rent stabilization program, the associated administrative costs should be more broadly shared among the parties benefiting from the system, including shared fee structures and General Fund participation.

Finally, we urge the City to carefully consider whether the cumulative structure of the proposed ordinance may ultimately produce the opposite of its intended goals. Policies that reduce operational flexibility, increase uncertainty, and discourage reinvestment may unintentionally make it harder, not easier, for future tenants to find available, well-maintained housing in Santa Barbara.

Thank you for your consideration.

Sincerely,



Jennifer Berger
SBAOR 2026 President



Betty Jeppesen
SBRPA 2026 President

