

Q&A Santa Barbara City Rent Freeze

City Council adopted a temporary rent freeze while it develops a permanent rent stabilization program. This Q&A explains how the ordinance works and what it means for rents moving forward.

Q1 *Is this rent control?*

The City adopted a temporary rent freeze as an interim step while developing a permanent rent stabilization (rent control) program. The freeze is intended to remain in place until a permanent program is adopted or the ordinance expires.

Q2 *What changed with the Just Cause Eviction Ordinance?*

If an owner withdraws rental units from the market (Ellis Act):

- All units on the property must be withdrawn together, and
- The property cannot be re-rented for five years.
- Additional procedural requirements and timelines now apply.

Q3 *When will the rent freeze take effect?*

The rent freeze takes effect on February 26, 2026, which is the operative date of the ordinance. Starting on that date:

- No further rent increases may be imposed for covered rental units.
- The freeze remains in effect until December 31, 2026, or until a permanent rent stabilization ordinance takes effect, whichever occurs first.

Q4 *How long does the rent freeze last?*

The ordinance expires on December 31, 2026, or earlier if a permanent rent stabilization ordinance becomes operative. However, if a permanent rent stabilization ordinance is not adopted, the rent freeze could be extended.

Q5 *Are rents being rolled back?*

No. Existing rents are not being reduced or rolled back. Tenants continue to pay their current rent. However, the ordinance retroactively affects how rent history is treated going forward. Lawful rent increases taken after December 16, 2025 may affect future rent increases under a permanent rent stabilization program.

Q6 *Who does the rent freeze apply to?*

All residential rental units EXCEPT:

- Newer housing with a certificate of occupancy on or after February 1, 1995
- Owner-occupied properties where the owner lives on site and rents out part of the home, in some cases
- Government-subsidized or deed-restricted affordable housing, where rents are already regulated
- Units exempt under the Costa-Hawkins Rental Housing Act
 - Separately Alienable (units with their own title, not apartments) - Single-family homes & Condo's
 - The exemption doesn't apply if the property is owned by a corporation, trust, or LLC with a corporate member.

Q7 *How does this affect future CPI-based rent increases?*

Lawful rent increases taken before the ordinance existed may delay when future CPI-based increases can be taken, sometimes for multiple years.

Q8 *What about rising costs for owners?*

Operating costs are not frozen. Insurance, utilities, taxes, labor, and maintenance continue to rise even while rent increases are restricted or delayed.

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Q9 What happens if I raised the rent between December 16, 2025 and the effective date of February 26, 2026?

Your rent increase is not rolled back and the tenant continues to pay the current rent. However, the increase is treated differently for purposes of future rent increases. Under the ordinance:

- December 16, 2025 is the City's reference date for rent history.
- Any rent increase that was lawful and implemented after December 16, 2025, but before February 26, 2026, does not reset the base rent.
- Instead, the amount of that increase will be counted against future rent increases authorized under a permanent rent stabilization program, if and when one is adopted.

Under Santa Barbara's rent freeze ordinance, rent increases taken after December 16, 2025 but before the effective date are not rolled back, but they may be counted against future allowable increases under a permanent program. This means the structure of the permanent rent-control formula will directly affect timing and magnitude of future increases.

EXAMPLE - The chart below assumes:

A base rent of \$2,000 | A lawful \$100 increase taken before the rent freeze | Current CPI of ~2.7%

Year 1

- 3% CPI increase = \$60
- Entire amount offset by prior \$100 increase → no increase allowed

Year 2

- Another \$60 CPI accrues
- Remaining \$40 offset → still no increase allowed

Year 3

- Prior \$100 increase fully absorbed
- Housing provider may now take the full CPI-based increase for that year (e.g., \$60), subject to program rules

Rent Control Rule	Annual CPI / Cap	How Much Increase per Year	When Provider Can Take Full Allowed Increase
60% of CPI	2.7% CPI → 1.62% effective	~\$32/year	Year 3 (after ~2 years of CPI accrual)
2% cap	2% cap	\$40/year	Year 3 (after ~2 years of CPI accrual)
2% + CPI	2% + 2.7% = 4.7% total	~\$94/year	Year 2 (after ~1 year of accrual)
3% cap	3% cap	\$60/year	Year 3 (after ~2 years of accrual)
3% + CPI	3% + 2.7% = 5.7% total	~\$114/year	Year 2 (after ~1 year of accrual)

Q10 Is there more coming?

Yes. The City has formally committed to developing a permanent rent stabilization program in 2026, which may include:

- Long-term rent caps
- A rent registry
- A rent board
- New enforcement mechanisms

This is for reference purposes only. Please check with each municipality for specific ordinance language and consult an attorney for legal issues.

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