



June 9, 2026

Councilmember Oscar Gutierrez, Chair
Councilmember Mike Jordan
Councilmember Kristen Sneddon
PO Box 1990
Santa Barbara, CA 93102

RE: Short-Term Rental Ordinances

Dear Chair Gutierrez and Councilmembers,

The Santa Barbara Association of REALTORS® (SBAOR) represents more than 1,200 REALTORS® across the South Coast who live and work in the communities they serve. Our members help families and businesses navigate housing and real estate decisions, and we work closely with local governments and community partners to advance practical, community-focused housing solutions. We share the City's goal of ensuring Santa Barbara remains a place where people can live, work, and thrive.

SBAOR supports the City's efforts to establish a clear and enforceable regulatory framework for short-term rentals and homeshares. We appreciate the substantial work undertaken by staff, the Planning Commission, and the Ordinance Committee to create a program that seeks to balance housing preservation, neighborhood compatibility, visitor accommodations, and enforcement.

We also appreciate several improvements made during the ordinance development process, including the removal of burdensome parking requirements that would have unnecessarily disqualified many properties, the elimination of the proposed insurance requirement, and the creation of a formal licensing structure that provides greater clarity for property owners and enforcement staff alike.

Regional Context

SBAOR was actively engaged in the development of the City of Goleta's original STR ordinance and worked collaboratively with local policymakers to help create a framework that balances neighborhood compatibility, property rights, tourism, and accountability. Since its adoption, we have consistently highlighted Goleta's approach as a model ordinance and a strong example of how thoughtful regulation can address community concerns while preserving reasonable opportunities for responsible property owners.

Importantly, Goleta's recent ordinance amendments focused on strengthening accountability through a Good Neighbor Policy and a three-strike enforcement framework rather than imposing broad new restrictions on all operators. We supported those changes because they were targeted, behavior-based, and directly connected to the concerns most frequently raised by residents.

Santa Barbara's proposal takes a significantly different approach. While we support many aspects of the City's efforts to establish a legal licensing program and improve enforcement, several proposed restrictions appear to extend beyond what neighboring jurisdictions have found necessary to address nuisance concerns or preserve housing opportunities.



Housing Outcomes Should Drive Policy Decisions

The City has stated that the primary purpose of the ordinance is to preserve housing opportunities for residents. SBAOR shares the belief that public policy should be evaluated based on measurable outcomes.

The Committee has spent considerable time discussing how many STRs may be eliminated under the proposed ordinance. We respectfully ask whether the City has similarly analyzed how many long-term housing units are expected to be created as a result.

For example:

- How many housing units are anticipated to return to the long-term rental market?
- What evidence supports those estimates?
- How many units may instead become second homes, seasonal residences, or otherwise remain unavailable to long-term renters?
- How will the City measure whether the ordinance successfully achieves its housing objectives?

The staff report estimates more than 3,200 potentially eligible STR and homeshare locations citywide under the proposed framework. However, it does not identify how many long-term housing units are expected to be created through the restrictions being proposed. Before adopting additional restrictions, we encourage the Committee to clearly identify the housing outcomes expected and establish metrics for measuring success.

One License Per Property Restriction

One provision that raises particular concern is the limitation of a property containing multiple residential units under common ownership to a single STR or Homeshare license.

This restriction appears to create unintended consequences for owner-occupied properties.

For example, under our reading of the ordinance, an owner who lives in one unit of a duplex and wishes to operate a homeshare in their primary residence would be prohibited from obtaining an STR license for the second unit, even if that second unit is otherwise eligible and located in an approved area. Likewise, an owner who operates an STR in one unit would be prohibited from obtaining a homeshare license in the unit they personally occupy.

Because owner occupancy is often viewed as one of the strongest forms of accountability and neighborhood oversight, we respectfully request clarification regarding whether this outcome is intentional and, if so, the policy rationale supporting it.

Ownership Structure Restrictions

The ordinance includes significant restrictions on ownership structures, including prohibitions affecting corporations, REITs, and certain limited liability company structures.

We understand the City's interest in preventing large-scale commercial operators from circumventing the intent of the ordinance. However, many local property owners utilize LLCs for legitimate liability protection, estate planning, and family ownership purposes.

As currently drafted, it is unclear how many existing or future property owners may become ineligible due to ownership structure alone, regardless of whether the property otherwise complies with all operational standards and licensing requirements.

We respectfully request additional clarification regarding:

- How many existing operators would be impacted by these restrictions;
- Whether family-owned LLCs would remain eligible;
- How ownership structures would be verified and monitored over time; and
- What housing benefit is expected to result from these restrictions.

As with other provisions of the ordinance, we encourage the Committee to evaluate whether the anticipated benefits justify the additional complexity and administrative burden associated with implementation and enforcement.

Existing Operators and Transition Considerations

The ordinance acknowledges that hundreds of properties are currently operating as short-term rentals while only a small number possess formal City approvals.

Although we support bringing operators into compliance, we are concerned that responsible operators who have paid Transient Occupancy Taxes, complied with tax requirements, and operated without complaints may receive little consideration if they happen to be located outside the proposed license areas.

We encourage the Committee to evaluate whether additional transition measures should be considered for operators with demonstrated compliance histories, particularly where the City is relying upon zoning changes rather than behavioral violations as the basis for prohibiting future operation.

Housing Outcomes and Fiscal Considerations

The staff report estimates that implementation of the ordinance could substantially reduce legal STR activity and result in approximately \$2.0 to \$2.4 million in reduced annual Transient Occupancy Tax revenue.

We recognize that the Committee's primary focus is housing preservation rather than revenue generation. However, if the City is willing to forgo millions of dollars in recurring revenue and significantly reduce legal STR activity, policymakers and the public should have a clear understanding of the expected housing benefits.

The policy discussion should not be framed solely as housing versus STRs. STR-generated revenues currently support City services and could potentially support housing-related programs, affordability initiatives, housing production efforts, infrastructure improvements, or enforcement activities that directly advance the City's housing goals.

Before adopting one of the most restrictive STR programs on the Central Coast, we encourage the City to evaluate both sides of the equation: the anticipated housing benefit and the potential housing programs and investments that could otherwise be supported through STR-generated revenues.

Request for Ongoing Reporting

Finally, we recommend that the ordinance include annual public reporting regarding:

- Number of licenses issued;
- Number of homeshares versus STRs;
- Enforcement activity and violations;
- Complaint data;
- TOT revenues; and
- Any measurable impacts on housing availability.

Such reporting would allow future policymakers to evaluate whether the ordinance is achieving its stated objectives and make adjustments if necessary.

Recommendations

SBAOR respectfully recommends that the Ordinance Committee:

1. Clearly identify the housing outcomes expected from the proposed restrictions and establish metrics for measuring success.
2. Reevaluate the one-license-per-property restriction and its impact on owner-occupied properties.
3. Reevaluate ownership structure restrictions and ensure they are narrowly tailored to address specific policy objectives without unintentionally impacting family-owned and locally owned properties.
4. Consider additional transition accommodations for operators with demonstrated compliance histories.
5. Require annual reporting on licenses, enforcement activity, housing impacts, and tax revenues.
6. Review neighboring jurisdictions, including Goleta's recently updated ordinance, to identify opportunities for a more balanced regulatory framework.

SBAOR believes effective STR regulation should focus on accountability, enforcement, and measurable outcomes. The City of Goleta's ordinance demonstrates that it is possible to address neighborhood concerns through strong enforcement tools, Good Neighbor standards, and a three-strike framework without relying on extensive additional restrictions.

We respectfully encourage the Committee to continue refining the ordinance to ensure it remains balanced, data-driven, and focused on achieving measurable housing objectives. We believe that housing preservation, neighborhood compatibility, accountability, and responsible visitor accommodations can coexist within a thoughtful regulatory framework.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Berger". The signature is written in a cursive, flowing style.

Jennifer Berger, 2026 President