

Feb | 2019

SANTA BARBARA RENTAL PROPERTY

news

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

The illustration depicts a vibrant, sunlit coastal town. In the foreground, a white picket fence stands in front of a row of colorful, multi-story buildings with pinkish-orange facades and white trim. A large, bold red sign with a silver border is mounted on the fence, displaying the text "STATEWIDE RENT CONTROL" in white, sans-serif capital letters. The background features stylized, colorful mountains in shades of blue, yellow, and orange. Several palm trees of different heights are scattered throughout the scene, some with birds perched on them. Power lines with wooden poles cross the sky. The overall style is graphic and modern.

**STATEWIDE
RENT
CONTROL**

Finding Common Ground on Rent Control page 13

- Property Tax Abatement Incentive
- Expanding Costa-Hawkins Eligibility
- Options for Tenant Protections
- Rent Control on Single Family Rentals
- Building Capacity
- "Anti-Gouging" Cap



Community Partners for over 35 Years

Flood After Fire: The Increased Risk



- Any water damage to property caused by an outside source is covered by flood insurance.
- 60% of disasters involve flooding.
- You're at a 25% greater risk for flood, if you're near wildfires.
- Mudflow is included in the scope of Flood Insurance.
- 25% of floods occur in moderate-to-low risk areas.
- Disaster assistance is NOT insurance. It's a loan and requires repayment.

(Photos/facts retrieved from National Flood Insurance Program and FEMA)

REDUCE YOUR RISK

BUY FLOOD INSURANCE

Most homeowners policies do not cover flood damage. Flood is the most costly natural disaster and the average flood loss is \$37,000.

PREPARE NOW

Buy flood insurance! It typically takes 30 days to go into effect, so act now! In the meantime, gather supplies and reinforce your home against damages.

PLAN AHEAD

Plan evacuation routes and itemize your possessions inside and outside of your home.



Did you know?

Contact us for your Flood Quote today!

4213 State St. Suite 205

Santa Barbara, CA 93110

Phone: (805) 563-0400

billterryinsuranceagency.com



SANTA BARBARA RENTAL PROPERTY news



SANTA BARBARA AREA'S RESOURCE FOR RENTAL PROPERTY OWNERS, MANAGERS & SUPPLIERS

February 2019

SBRPA OFFICE

Mon-Fri • 9am-5pm

Closed for lunch 12-1pm

123 West Padre Street, Suite D
Santa Barbara, CA 93105

www.sbrpa.org

Phone: (805) 687-7007

Fax: (805) 687-9708

Credit Check: (805) 687-7045

Toll Free Credit Check: 1-877-687-7045

SBRPA 2018 OFFICERS

President James Carrillo, CPM®

1st Vice President Janet M. Eastman, CPM®

2nd Vice President Betty L. Jeppesen, Esq.

Treasurer William B. Brace, CPM®

Board of Directors

Chris Agnoli

James Carrillo, CPM®

Janet M. Eastman, CPM®

Joyce Hulsebos

Danielle Holzer-Burkitt

Robert Kooyman, CPM®

Michelle Roberson

Jeremy Bassan

Harold Goodman

Executive Director

Laura G. Bode

Editor

Janet M. Eastman, CPM®

Graphic Design

Darkblade Enterprises

Calendar	5
SBRPA President's Message.....	7
Code of Ethics/Mission Statement	11
Finding Common Ground on Rent Control	13
CalRHA New Preident Welcome.....	22
CalRHA Presidents Message	23
Sacramento Report	25
Attorney's Corner	27
Santa Barbara Happenings.....	31
Directory of Advertisers.....	34

Articles appearing in this magazine are presented as a public service and may not reflect the opinion of the publisher, its board of directors or its members.

Products and services advertised herein are not warranted, expressly or impliedly by the publisher or by its board of directors. No investigation has been conducted to ascertain the quality of the products and services advertised herein. The publisher takes no responsibility should the quality of the products and services not be as advertised.

The Rental Property News Magazine is published monthly by the Santa Barbara Rental Property Association, Inc. Editorial / advertising offices are located at 55 Hitchcock Way, Suite 110, Santa Barbara, CA 93105. Phone (805) 687-7007, Fax (805) 687-9708. Subscription is included in the annual membership dues.

CENTRAL COAST PAVING

Commercial & Residential
Parking Lots & Driveways

- Asphalt Paving
- Seal Coating
- Concrete
- Chip Seal
- Patching & Crack fill
- Striping



805 665 3292

WWW.CCPAVE.COM

License Number : 1022233

CALENDAR

Tue.-Wed., April 2-3, 2019 California State Legislative Meetings

Sacramento, CA

For those of you interested in state legislative affairs, join us April 2-3 in Sacramento. On the first day, SBRPA's lobbyists will brief us on status of currently pending legislation. On the second day a group of SBRPA members will lobby our SBRPA Legislators. For more information, contact Laura Bode at 805-687-7007 or laura@sbrpa.org.



Photos from prior Legislative Days

Welcome to our new members:
Ginger Smith-Hugo, Dan Edwards,
Susan & Jon Jorgensen

FEBRUARY 2019						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
2	3	4	5	6	7	8
			Economic Forecast Mtg			9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	1	2

Note Date Change

~~Tuesday, April 30, 2019~~ **Monday, April 29, 2019**

SBRPA FAIR HOUSING SEMINAR

SBAOR, 1415 Chapala St., SB 93101

Save the date for our Fair Housing Seminar, an SBRPA Certificate Class taught by Denise Cato, CEO Fair Housing Council of Orange County. Sign up for a review of Fair Housing Laws and Best Practices for Fair Housing Compliance and Success. (See page 16 for more information).

ROGERS, SHEFFIELD & CAMPBELL, LLP



ANNOUNCEMENT

Grokenberger & Smith, P.C. has merged with Rogers, Sheffield & Campbell, LLP.

Since 1973, Rogers, Sheffield & Campbell, LLP, has provided sophisticated legal advice to Central Coast businesses and individuals. Learn more by visiting rogerssheffield.com

Real Estate	Civil Litigation	Condominium & HOA
Estate Planning	Landlord-Tenant	Family & Divorce
Business & Tax	Probate, Wills & Trusts	
Construction	Wine & Agricultural	

SBRPA Members can call with questions regarding areas of practice, and are billed at a "Preferred Client" rate if they decide to retain the firm for Landlord-Tenant matters.

152 E. Carrillo Street, Santa Barbara, CA 93101 rogerssheffield.com
t 805.965.7746 **f** 805.845.2356 **e** david@rogerssheffield.com



Raymond Arthur Appleton

Land Use Planner & Permit Agent

CELL: (805) 895-1414

133 E. De La Guerra St., #259 • Santa Barbara, CA 93101
Email: permitplanners@earthlink.net
www.PeritPlanners.net

Darkblade Enterprises
printing & graphics

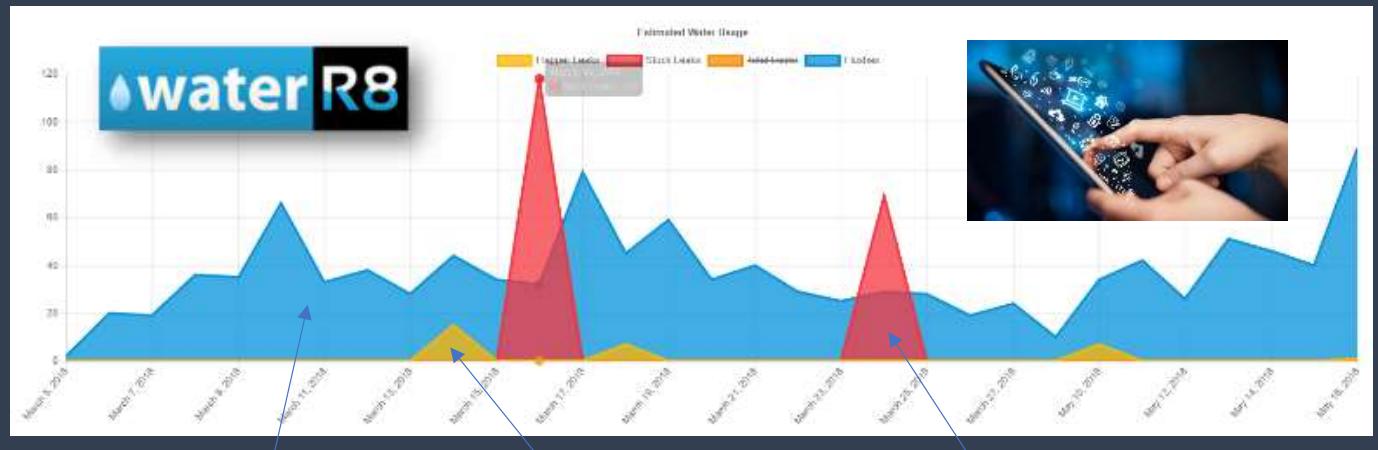
805-284-5992

SAVE 15% to 30% ON YOUR WATER BILL!

A single toilet leaking only 5 minutes per hour equates to 15,000 gallons of water wasted every month!



The SII Dashboard provides a powerful customer user interface that is highly intuitive and informative, displaying actionable data at your fingertips!



Total Flushes

Flapper Leak

Stuck Open Leak

Not only has our water bill dropped significantly, but with our weekly reports we have been able to repair new problems immediately before they can become costly.
– Jim Whilt, Santa Barbara

Ask us about our early indoor flood warning systems with 24/7 monitoring!

Call: Valerie Watson at: 888-893-6493
valerie.watson@sensor-industries.com

SBRPA President's Message

James Carrillo • CPM®, SBRPA President

It is difficult to believe that one year has already passed since the double tragedies of the Thomas Fire and the Montecito Mudslides. While there are no words that can assuage the pain of the hundreds of victims of these tragedies, we are heartened by the resilient spirit of the Santa Barbara community and all of its neighbors. We truly are in this together.

In our January message we noted the importance of engagement with SBRPA as a means of making our voice heard in Santa Barbara and beyond. Your voice is needed now more than ever. Gregg Hart has taken the oath as a Santa Barbara County Supervisor, meaning that our local City Council has another vacancy. Every seat on the City Council is important to the owners and managers of multifamily properties in Santa Barbara. Whoever gets appointed to fill the seat of Gregg Hart will likely be another swing vote on a council that will have a significant impact on the values of rental properties in Santa Barbara. To that end, SBRPA has initiated a Government Resources Committee headed by Michelle Roberson of Sierra Property Management. Michelle will be reporting to our membership on a regular basis and, at times, enlisting the help of our members in making our voice heard at City Hall. Please consider adding your time, talent and even treasure to our efforts to protect the property owners and managers of rental properties in Santa Barbara.

In addition, Steve Battaglia of our Board has joined the PAC Committee and is helping lead the efforts to advocate for issues and candidates helpful to our membership. Please consider a regular contribution to the SBRPA PAC, as they work on our behalf in Santa Barbara and Sacramento. A delegation from SBRPA will be visiting Sacramento in early April to meet with our legislators and discuss the pending bills of most importance to our members and our industry.

Please note that in March, as part of our Programs and Education, SBRPA will again be conducting our Annual Property Management 101 classes in Santa Barbara and Santa Maria. Jim O'Neil and Karen

Mims will again lead both classes to help us kick off 2019. Plan on attending, as there have been several changes to laws in 2019 that could affect how we all do business.

Finally, SBRPA is happy to welcome Harold Goodman to the Board of the Rental Property Association. Harold is a long time Santa Maria landowner and rental owner and is the principal of Santa Maria Properties. Harold's expertise with the local market in North County will prove invaluable as we expand our services and resources in the Santa Maria and San Luis Obispo markets. We appreciate Harold's generous commitment to our Association and look forward to an even stronger Association with his help.

PS: Happy Valentine's Day from SBRPA!

Beach House Inn
(805) 966-1126

Call us for your "Staycation"

Furnished Apartments
Free Parking & Wifi
Kitchens
Dog Friendly

During your
• Fumigation
• Remodeling
• New Floors
• Water Damage

TheBeachHouseInn.com



EMERGENCY SERVICES • WATER DAMAGE MITIGATION • MOLD REMEDIATION • BOARD-UP & TARPING
FIRE & SMOKE DAMAGE • CONTENTS RESTORATION • COMPLETE RECONSTRUCTION
CATASTROPHE RESPONSE • AND MUCH MORE



WWW.CALLASR.COM



WATER DAMAGE RESTORATION



FIRE DAMAGE RESTORATION



MOLD REMEDIATION



PROPERTY RECONSTRUCTION



INFECTION PREVENTION



CONTENTS CLEANING

Restoring lives... One Property at a Time.

ASR Property Restoration is your local industry expert for 24/7 emergency services that includes: mitigation, restoration, deferred maintenance, construction, water damage, mold, smoke, fire, odor, sewer and bio-hazards.

EMERGENCY RESPONSE LINE



877-988-1040

24 HOURS A DAY, 365 DAYS A YEAR



DKI



FIRE



WATER



SEWER



MOLD

CARPETS
VINYL

DRAPE
BLINDS

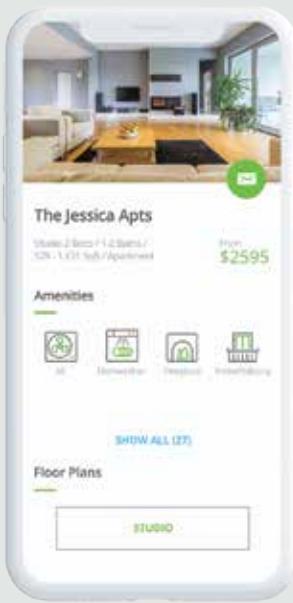
JODY'S WINDOWS AND FLOORS

(805) 637-6343

JODYSWINDOWSANDFLOORS@GMAIL.COM

CONTRACTOR'S LICENSE #854700 • FAX (805) 564-2959

A refreshingly **simple** way to manage your properties



"You can't go wrong with Yardi Breeze. It will make your life so much easier!"

– Joni, GF Property Management Group



Property management software for smaller portfolios

See for yourself at YardiBreeze.com | 888.571.5344



Single Family | Multifamily | Commercial



SPECIALIZING IN COMMERCIAL AND RESIDENTIAL PROPERTY



Santa Barbara's Oldest Full-Service Property Management Company



Laura Lerman

Commercial & Residential
Property Manager
BRE California Salesperson
License #0141837

Call Today to See
How We Can Meet Your
Commercial and Residential
Property Management Needs

805.963.5945

thelaurelco.com • 146 E. Carrillo, Santa Barbara, CA 93101



BRE California Brokers
License #0075349

SPECTRUM

Realty of Santa Barbara
"There is no substitute for experience"

PROPERTY MANAGEMENT

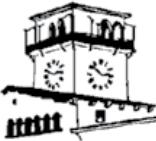
- Strict rent collecting policy
- Fast tenant turnaround
- Obtain competitive bids and get YOUR approval
- Careful tenant screening
- On call 24 hours / 7 days a week
- No conflict of interest with "In-House" maintenance
- Easy to read monthly statements
- In business over 30 years
- Member SBRPA / IREM CPM candidate

*We increase cash flow and control expenses
to maximize property value.*

Call today for a free consultation

Andy Sillers, Broker
(805) 681-6268

SPECTRUMREALTY.COM



Tower Property Management

Placement or Full Management
Properties For Rent
View our Web Page

307 E. Ocean Ave. • Lompoc, CA 93436
Phone (805) 740-0023 Fax (805) 736-7359
www.towerpm.com

SAN ROQUE REALTY



"A Friend on Your Side"®

Ed Fuller

Broker/Owner
GRI, ABR, BPOR, SRES, e-Pro, GREEN
Selling Santa Barbara Real Estate Since 1979
Office 805.687.1551 Cell 805.570.6988
55 Hitchcock Way Suite 202
Santa Barbara, CA 93105
CalDRE Lic #00661695
Ed@SanRoqueRealty.com

TG The
Towbes
Group®



Proudly Partnering With Local Businesses
For Over 60 Years

www.towbes.com • (805) 962-2121 •



SBRPA 2018 OFFICERS

President James Carrillo, CPM®
1st Vice President Janet M. Eastman, CPM®
2nd Vice President Betty L. Jeppesen, Esq.
Treasurer William B. Brace, CPM®

BOARD OF DIRECTORS

Chris Agnoli
James Carrillo, CPM®
Janet M. Eastman, CPM®
Joyce Hulsebos
Danielle Holzer-Burkitt
Robert Kooyman, CPM®
Michelle Roberson
Jeremy Bassan
Harold Goodman

Executive Director

Laura G. Bode

MISSION STATEMENT

We are the go-to organization for our members, suppliers, and the rental housing community.

Santa Barbara Rental Property Association

CODE OF ETHICS

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

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



Battaglia Commercial
REAL ESTATE

Select Sale History

Units		List Price
6	Grover Beach	\$1,199,000
12	Santa Maria	\$2,700,000
13	Santa Barbara	\$5,499,000
44	Lompoc	\$2,550,000
24	Solvang	\$2,700,000
143	Visalia	\$9,075,000
7	Los Olivos	\$1,749,000
16	Santa Maria	1,595,000
11	Santa Barbara	2,250,000
26	Arroyo Grande	2,550,000
16	Grover Beach	\$1,665,000

Serving Apartment Investors
Carpinteria to Paso Robles

Experienced Brokerage Services
1031 Tax Deferred Exchanges
Targeted Marketing Campaigns

*Providing exceptional service
and expert representation...
it's what I do.*



Steven R. Battaglia ~ DRE 01318215

805.688.5333 ~ www.BattagliaRE.com ~ steve@BattagliaRE.com

MAILBOXES
commercial & residential



1010 East 62nd Street
Los Angeles, California 90001-1598

Contact us for a free quote or catalog!

Phone: 1-800-624-5269

Fax: 1-800-624-5299

mailboxes.com
1-800-MAILBOX
SALSBURY INDUSTRIES
People Committed to Quality Since 1936®



**Order Factory Direct!
Volume Discounts!**



2019 is going to be a rough ride for housing providers in California.

The November election saw a blue wave roll through California, giving democrats supermajorities in both houses of the Legislature paving the way for all kinds of legislation to sail through Sacramento. Furthermore, housing has been a top agenda item for California legislators as well as a top campaign issue Governor Newsom.

Recently, we have learned from our contacts in Sacramento that Assemblyman David Chiu from San Francisco, who has a long history of introducing progressive housing legislation, will be introducing a statewide rent control bill. We understand that this bill may be modeled after the 2018 Rent Control policy brief by the

Terner Center for Housing Innovation at UC Berkeley, which outlines a cap on rents similar to the "anti-gouging" provision of the State of Emergency declaration that Santa Barbara County has been under since the Thomas Fire. That is all that we know at this point but more details will be available once the bill is introduced on the house floor.

The feeling in Sacramento is that the stars are aligned to see bills like this pass and be signed into law, so stay tuned.

Finding Common Ground on Rent Control

A Terner Center Policy Brief, May 2018

Terner Center for Housing Innovation, UC Berkeley

Introduction

California is in the throes of a serious housing crisis, with rising rents and displacement pressures touching a growing number of individuals and families throughout the state. According to the California Budget & Policy Center, more than half of California renter households (three million) are "rent-burdened," paying more than 30 percent of their income on housing.¹ Of those, 1.5 million pay more than 50 percent.² While many low-income renters have long faced housing cost burdens, these challenges are reaching higher up the income ladder as 35 percent of moderate-income California households now also face rent burdens.³ Punctuating these sobering statistics are the seemingly endless daily anecdotes of families receiving exorbitant rent increases and being forced to choose between their homes and their other daily needs.

There is a growing chorus calling for local and state policy action to provide relief and stymie this worsening crisis. One idea that has gained significant traction is the repeal of the Costa-Hawkins Rental Housing Act in order to pave the way for the expansion of rent control. Proponents of repeal see it as an effective way to provide protections against rising housing costs for renters. Recent research has found that households living in rent-controlled units are less likely to move (thus providing increased housing stability), and benefit from significantly lower rent payments over time.⁴

At the same time, new housing construction has not kept pace with population and job growth, and that shortfall in housing supply is a significant contributor to the spiraling increases in rents. In recognition of that imbalance, many adamantly oppose the effort to repeal Costa-Hawkins. Opponents cite concerns that a full repeal of Costa-Hawkins would result in a significant reduction in overall housing supply by suppressing new construction, forcing units out of the rental market entirely, and/or reducing housing quality. This position is supported by a significant body of literature showing that strict rent controls—which would become legal under a full repeal of Costa-Hawkins—constrain new housing supply and lead to the removal of existing units from the market.⁵

California clearly needs pathways to protect renters and create more long-term affordability without reducing the supply of rental housing. But to achieve these goals, the state will need to look beyond Costa-Hawkins and jurisdiction-by-jurisdiction rent control ordinances. To that end, this brief discusses two key potential policy ideas to achieve the goals outlined above, informed by both the Center's collective expertise and our participation in and facilitation of numerous related policy discussions over the past year.

The first policy proposal provides meaningful protection to all California renters, regardless of whether their community has any kind of rent control policy in place,

Continued on page 15



PROPERTY MANAGEMENT

Helping You Increase Your Bottom Line!

Residential • Commercial • Multi-Family

Sandpiper Property Management is an Accredited Residential Management Company (**ARM**)
with the Institute of Real Estate Management (**IREM**)



MARKETING

- Craigslist, Newspaper, our website
- Over 10 online rental websites
- Tenant locator services
- 24/7 Phone attendant
- Market to Students, Adults, Seniors

SETTING RENT AMOUNTS

- Full market survey for each vacancy
- Maximize monthly rent
- Minimizing vacancy period

MANAGEMENT

- Collect rents
- Bilingual staff
- Handle slow or non paying tenants
- Pay monthly expenses
- Produce monthly statements for owners
- Distribute monthly proceeds to owners
- Our experienced staff protect your asset
- Regular site inspections

24 HOUR MAINTENANCE

- 24/7 on call maintenance team
- Lic. & Bonded
- In house maintenance lowers expenses
- Budgeting for large capital expenses

SCREEN PROSPECTIVE TENANTS

- Credit and background check
- Employment verification
- Past landlord verification
- Prior eviction check and
- Face to face interview with all applicants

LIABILITY

- We confirm you have adequate insurance
- Current lawyer endorsed leases
- Mold, and lead disclosures used
- Conduct any necessary evictions

OUR RESULTS

- Annual portfolio occupancy rate consistently over 98%
- Consistently lowest maintenance expenses in the industry
- High client retention rate

Call **805-705-4744** for a free consultation.

1825 State Street, Suite # 106 Santa Barbara, CA. 93101

805-705-4744 • 805-563-2156 (fax)

www.SandpiperPropertyManagement.com

Rent Control from page 13

while the second seeks to increase the supply of below market rate (BMR) units across the state.

Specifically, the Terner Center proposes the state should adopt:

- A broad "anti-gouging" rent cap applied to all rental units statewide that would make it illegal to raise rents above specific amount, determined annually by formula.
- An incentive to developers of new and rehabbed rental buildings to include on-site BMR units in exchange for property tax relief.

Of all the potential policies the Terner Center explored, the two presented here emerged as the most likely to have a meaningful impact and garner the political support necessary to become reality. (Other proposals considered, which could inform discussions around a compromise that avoids the full repeal of Costa-Hawkins, are included in Appendix A for further consideration.)

In putting forth these policy ideas, the Terner Center is not suggesting that these proposals alone will solve the housing crisis in California. Price protections are only one piece of a comprehensive solution to protect tenants and alleviate the state's broader housing crisis. The policies proposed here are also not meant to preclude other potential protection policies at the state and local level (e.g., efforts to increase legal aid resources for low-income renters or to expand "just cause" eviction protections) nor should they supplant other efforts to increase housing supply, which is central to creating affordability over the long term.

Background on the Costa-Hawkins Rental Housing Act

The Costa-Hawkins Rental Housing Act was passed by the California Legislature in 1995 and places specific restrictions on how rent control ordinances can be enacted at the local level. The legislation:

- Exempts all single family homes, condominiums, and all units built after February 1, 1995;
- In cities that already had rent control policies in place, freezes the eligibility of units that can come under rent control at the age threshold in place when the ordinances were adopted (i.e., the only units in San Francisco that fall under rent control are those built prior to June 13, 1979); and
- Prohibits "strict" rent control (i.e., vacancy control) which requires rents to remain controlled even after a tenant moves out.

Of California's 482 municipalities, 15 jurisdictions--which together represent roughly 20 percent of the

state's housing units and one-quarter of its rental units--have passed some form of rent control. These include both "legacy" rent control cities with ordinances dating back to the late 1970s/early 1980s (such as San Francisco, Los Angeles, Berkeley and Santa Monica) and Bay Area cities such as Mountain View and Richmond that have only recently enacted ordinances.

There is movement to put rent control ordinances on the ballot this year in several cities, including Santa Ana, Long Beach, Pasadena and Sacramento. Meanwhile, some advocates have pushed for a full-scale, statewide repeal of Costa-Hawkins, which would allow cities to amend their existing rent control ordinances or adopt new versions without the restrictions required under Costa-Hawkins. (In a few cities, local rent control laws may not have been revised to reflect Costa-Hawkins. In these cases, the repeal of Costa-Hawkins could allow these pre-Costa-Hawkins laws to take effect immediately.)⁶

This effort began in earnest in 2017, when Assemblymembers Rob Bonta, Richard Bloom and David Chiu introduced Assembly Bill 1506 to repeal Costa-Hawkins. The bill did not receive a hearing during the 2017 session. In January of 2018, the bill did receive a hearing in the Assembly Committee on Housing and Community Development. After a very contentious debate, the bill failed to advance by a vote of three to two, with two members abstaining.

Concurrently, a statewide ballot measure was filed in October 2017 to put the repeal of Costa-Hawkins to the voters in November 2018. As of this brief, it appears as though the sponsors of the measure have obtained enough signatures to qualify the measure, named the "Affordable Housing Act." If approved, in addition to repealing Costa-Hawkins, any subsequent amendments to the Affordable Housing Act would require a two thirds majority vote by the state legislature.

Background on Rent Control

Proponents of the full Costa-Hawkins repeal and expansion of rent control believe that enacting stronger price protections is the most effective way to protect tenants and avoid displacement, which disproportionately affects lower-income tenants and renters of color. One study in New York—which has strict rent control laws—found that rent control does achieve those intended effects, providing residential stability for low-income households.⁷ In San Francisco, another study found that households living in rent controlled units were 20 percent more likely to stay in their homes, and benefited from between

Continued on page 17



Review of Fair Housing Laws & Best Practices for Fair Housing Compliance and Success



Denise Cato
CEO, Fair Housing Council of Orange County

Learn & review

- Protected Classes: All 17+ of them!
- History of Fair Housing: How we got here
- Fair Housing Laws: Federal, State & Local
- Best Practices for Compliance: Advertising; Leasing; House Rules; Maintenance
- Most Common reasonable accommodations and modifications for disabilities
- Hot Topics and Trends: ESAs, Marijuana, Hoarding, Illegal Immigrants, Sexual Harassment & More!
- Q&A with an Attorney



Monday, April 29, 2019 ~ 9:00AM-12:00PM

Santa Barbara Association of Realtors 1415 Chapala St., S.B., CA 93101

SBRPA Member: \$75 • Non-members: \$125

Please mail with payment to: SBRPA, 123 W. Padre St., #D, Santa Barbara, CA 93105. Call (805) 687-7007 or email programs@sbrpa.org with any questions.

Name _____ Phone _____ Billing zip _____

Email address _____

Mastercard Visa Card # _____

Expiration Date _____ Security Code _____



\$2,300 and \$6,600 per person each year in rent savings.⁸

On the other hand, the literature also suggests that strict rent controls—which would become legal under a full repeal of Costa-Hawkins—could constrain new housing supply, reduce investment in housing quality, lead to the removal of existing units from the market.⁹ There is also concern that, because rent control is rarely means-tested, the benefits don't always accrue to those who need it most.

A study in Cambridge, Massachusetts found that when rent control was expanded in 1970, "roughly 10 percent of the city's rent-controlled housing stock was converted to condominiums and moved out from under the grasp of the ordinance."¹⁰ Moreover, the subsequent removal of controls in 1995 resulted in a significant increase in property investments and a rise in housing quality.¹¹

Similar results have been found in California cities that instituted stricter versions of rent control prior to Costa-Hawkins. Specifically, occupied rental housing between 1980 and 1990 in the rent-controlled cities of Berkeley, Santa Monica, West Hollywood and East Palo Alto (which all had vacancy control, requiring rents to remain controlled even after a unit is vacated) declined by 5.9 percent, while adjacent cities without such controls saw their occupied rental housing increase by about 2 percent.¹² Even under Costa-Hawkins, rent control has been found to have a negative effect on overall supply. The San Francisco study cited above found that while it benefited those in controlled units, rent control "reduced rental housing supply by 15 percent, causing a 5.1 percent city-wide rent increase."¹³

Alternative Options for Tenant Protections

The challenge here is to find a way to extend meaningful protections to renters, without constraining new supply. To do this, the Terner Center examined a number of potential policies that could be the basis of strong protections in California without the negative consequences that accompany the type of strict rent control that would become legal under a repeal of Costa-Hawkins. Of the policies examined, two provide the most promise of creating new, broad renter protections to guard against the most egregious rent increases, as well as creating more BMR units to help expand the overall supply of affordable housing. The two proposals are described in the following sections.

"Anti-Gouging" Cap

During a declared disaster or state of emergency, California Penal Code 396 makes it a misdemeanor for a landlord to increase rents in excess of 10 percent from what was charged directly prior to the disaster

declaration. This statute was recently invoked in the context of the North Bay fires, which destroyed thousands of homes and created a dire shortage of housing in the region. One option would be to create a statewide statute that would make it illegal for any landlord of any property type to increase rents on an annual basis in excess of an amount determined by a formula as described below. This policy is intended to protect all California renters against the most egregious rent increases regardless of the unit that they rent, and regardless of whether their city has a rent control ordinance. (It would not preclude a locality from adopting its own rent control ordinance under the existing Costa-Hawkins requirements.)

The details of this policy are as follows:

- The cap would be enacted statewide and would remain in place (rather than only be invoked in the context of a disaster) to ensure predictability and stability for both renters and landlords over time. As a statewide policy, it would extend to jurisdictions without rent control under Costa-Hawkins, as well as units that are not currently controlled in cities that already have rent control (e.g. single-family rentals in Oakland).
- The ordinance would apply to all rental units, not simply the units eligible for rent control under Costa-Hawkins. The cap would not apply during a change of tenancy (i.e. the rent set for a new tenant is not subject to any cap).
- The cap would be based on the regional Consumer Price Index (where available, otherwise the state CPI would apply) plus an additional 5 percent. The total general increase (CPI+5 percent) could not exceed 10 percent in a given year, consistent with the current anti-gouging statute and many local rent control ordinances, unless the CPI itself went above 10 percent (which is possible in a very inflationary environment). In that scenario, the cap would be set at the CPI.
- The state and municipalities would be required to post allowable rent increase levels each year on their websites. Landlords would be required to supply that information to tenants when they sign their lease, and/or the parameters of the rent increase cap could be added to the standard California lease agreement.
- Enforcement would depend on tenants lodging complaints against owners who exceed the annual increase cap. Penalties could be modeled after the existing anti-gouging statute, which is as follows:

Continued on page 19

Danielle Holzer

FULL SERVICE MANAGEMENT
ONE TIME LEASING
PROPERTY MAINTENANCE

DMH PROPERTIES PROPERTY MANAGEMENT COMPANY

*Serving Santa Barbara,
Santa Ynez, & the North County*

805-331-3963

805-962-3707

DANIELLEHOLZER@DMHPROPERTIES.NET

DMHPROPERTIES.NET

336 NORTH CALLE CESAR CHAVEZ SANTA BARBARA, CA 93103

DRE LIC. # 01369548



BEAU BRUNNER PAINTING LIC. # 929377

Beau Anthony Brunner
OWNER
7464 Evergreen Dr.
Goleta, CA 93117

CELL: (805) 218-5251

FAX: (805) 685-0776

EMAIL: beaubrunnerpainting@gmail.com



Frederick Lang
Real Estate Appraiser
License #AG003428



(805) 886-4146

Since 1964

M
LIC.#005132

406 W. Figueroa St
SB, CA 93101

963-3117
689-8397

MENDEZ BUILDING SERVICES INC.

- Water Damage Specialists
- Carpet Steam Cleaning
- General Building Maintenance
- Wood Floor Refinishing & Repair

Rafael Mendez • www.mendezservices.com



THE LAW OFFICES OF
BETTY L. JEPPESEN

1528 STATE ST. • SB, CA 93101
(805) 450-1789
JEPPESENLAW@GMAIL.COM

- “A violation of this section is a misdemeanor punishable by imprisonment in a county jail for a period not exceeding one year, or by a fine of not more than ten thousand dollars (\$10,000), or by both that fine and imprisonment.”
- “A violation of this section shall constitute an unlawful business practice and an act of unfair competition within the meaning of Section 17200 of the Business and Professions Code. The remedies and penalties provided by this section are cumulative to each other, the remedies under Section 17200 of the Business and Professions Code, and the remedies or penalties available under all other laws of this state.”¹⁴
- If the state or local jurisdictions wanted to add provisions for waivers to the cap (e.g., to allow pass-throughs for certain costs like capital investments, to “bank” unused increases in prior years or in recovery years following a severe economic downturn) or to strengthen enforcement beyond tenant complaints, oversight capacity would first need to be established at the local and/or state level.

Based on a CPI + 5 percent model in the previous ten years, we can estimate how this cap could play out over time in different regions of the state:

	Annual Changes in the Consumer Price Index in California			
	% Change in CPI from Prior Year			
	State of California	San Francisco Region	Los Angeles Region	San Diego Region
2017	2.9%	3.2%	2.8%	3.0%
2016	2.3%	3.0%	1.9%	2.0%
2015	1.5%	2.6%	0.9%	1.6%
2014	1.8%	2.8%	1.3%	1.9%
2013	1.5%	2.2%	1.1%	1.3%
2012	2.2%	2.7%	2.0%	1.6%
2011	2.6%	2.6%	2.7%	3.0%
2010	1.3%	1.4%	1.2%	1.3%
2009	-0.3%	0.7%	-0.8%	0.0%
2008	3.4%	3.1%	3.5%	3.9%
2007	3.3%	3.3%	3.3%	2.3%
2006	3.9%	3.2%	4.3%	3.4%
CPI + 5%				
	State of California	San Francisco Region	Los Angeles Region	San Diego Region
	7.9%	8.2%	7.8%	8.0%
	7.3%	8.0%	6.9%	7.0%
	6.5%	7.6%	5.9%	6.6%
	6.8%	7.8%	6.3%	6.9%
	6.5%	7.2%	6.1%	6.3%
	7.2%	7.7%	7.0%	6.6%
	7.6%	7.6%	7.7%	8.0%
	6.3%	6.4%	6.2%	6.3%
	4.7%	5.7%	4.2%	5.0%
	8.4%	8.1%	8.5%	8.9%
	8.3%	8.3%	8.3%	7.3%
	8.9%	8.2%	9.3%	8.4%

Source: Terner Center analysis of Bureau of Labor Statistics Data on All Urban Consumers

Footnotes and the entire article, *Finding Common Ground on Rent Control*, Terner Policy Brief, is available on the SBRPA website, www.sbrpa.org.

DON'S HEATING + AIR CONDITIONING, INC

LIC#483508



Sprint Forward and beat the heat!
**Have your air conditioning system
serviced + checked**
OR
**Call today for a free estimate to
have a new air conditioning system-installed.**

Receive a free **nest** thermostat with
the purchase of any new air conditioning system.



CALL NOW (805)683-2233



Fire Water Mold Asbestos Lead Build-Back

**For Expert Fire, Water, and
Mold Damage Restoration.
Asbestos & Lead Removal.**

**Rapid Cost Effective
Build-Back. Call
Pearl Bay /
Rainbow**



(805) 966-1480

PearlBayCorp.com



**PEARL BAY
CORPORATION**
Serving Santa Barbara since 1978



**RAINBOW
INTERNATIONAL**
of Santa Barbara

License # 923073

HERMOSA PAINTING

Bob Ulmer

cell: 805.636.1087

bob@hermosapainting.com

1224 Bath St. #A Santa Barbara, CA 93101

**If you Manage It...
We're Unmatched in**



- Reliability
- Satisfaction
- Customer Service

If you're a property manager, contact MasterCare® for a customized Property Services Cleaning Quote. Let's get you started by using one of our four Special Value Offers* to give your clientele measurable value.

**Offer #1: Schedule 1 Cleanings, get a
2nd for 20% Off**

**Offer #2: Schedule 2 Cleanings, get a
3rd for 30% Off**

**Offer #3: Schedule 3 Cleanings, get a
4th for 40% Off**

**Offer #4: Schedule 4 Cleanings, get a
5th for 50% Off**

*Note: Scheduled cleanings must be of equal value



www.mastercarehomecleaning.com

We're Unmatched!

- We've Never Missed an Appointment!
- Your Satisfaction is Guaranteed!
- Staff of 27 Fully Trained Cleaning Techs
- Licensed, Bonded and Insured to \$2M
- Green Cleaning Products and Techniques
- We offer Carpet and Window Cleaning too!

(805) 683-1915



WELCOME TO 2019 PRESIDENT OF CALRHA Sid Lakireddy



SBRPA would like to join all members of the California Rental Housing Association (CalRHA) in welcoming its incoming president for 2019 Sid Lakireddy. Sid is the 3rd person to take the lead of the state-wide organization to which all SBRPA members belong and which focuses on statewide efforts to represent and advocate for rental property owners in Sacramento. Beginning this month, Sid will provide a monthly column presenting that statewide perspective.

Prior to launching Anchor Valley Partners (AVP), this year's CalRHA president founded Everest Properties in 2003 to manage develop, acquire and reposition real estate throughout Northern California. When Sid transferred ownership of Everest in 2012 to start AVP, Everest was managing in excess of 3,300 student beds and more than 200,000 square feet of commercial office and retail space within a one-mile radius of the University of California Berkeley. Within this portfolio, Sid led investment partnerships acquiring approximately 200 units and 600 student beds that he manages today under AVP's operation arm Square One Management. As a principal, Sid has also successfully completed commercial projects in and around UC Berkeley, including long-lease transactions with Cal. In total, he has completed over \$100 million in real estate acquisitions and investment partnerships. Sid serves on the Chancellor's Task Force for Student Neighbor Relations at UC Berkeley and is also the current President of the Berkeley Property Owners Association.

Sid has also returned to his roots in Merced by actively pursuing agricultural investments there. Since 2006, he has invested \$20 million in four almond and walnut farms, totaling almost 1,000 acres. In addition, since attending the groundbreaking ceremonies for UC Merced in 2005, Sid has developed a close relationship with the UC Merced administration and continues to be actively involved in the development of the campus. He currently owns 32 acres adjacent to the new campus and is working on a development that interfaces with the university's long-range plan to create a progressive LEED certified master-planned development. And finally, Sid is currently seeking final approvals on an approximately 120,000 square foot commercial use development adjacent to a UC teaching hospital in Merced.

Sid received a B.S. from St. Mary's College in Moraga, California, a Post-Baccalaureate in Finance from Columbia University in New York, and a J.D. from Santa Clara University in Santa Clara, California. He is a licensed real estate broker in the state of California and a member of the California State Bar.

For those of you interested in state legislative affairs, join us April 2-3 in Sacramento. On the first day, SBRPA's lobbyists will brief us on status of currently pending legislation. On the second day a group of SBRPA members will lobby our SBRPA Legislators. For more information, contact Laura Bode at 805-687-7007 or laura@sbrpa.org.



Sid Lakireddy

President's Message

My role as President of CalRHA has officially started and we are off to the races! Our goal is to build a vibrant association that delivers tangible results that impact what was once a disparate industry. But in order to do this, you need to have a team in place that is ready to roll up their sleeves and get to work!

Our association executive, Russell Lowery, has been hard at work helping us assemble this team. We began the process with several board members (including myself) who went to Sacramento and interviewed 12 different lobbying firms. Our first inclination was to hire just one lobbyist. But after some healthy debate, we decided a full team of lobbyists was more beneficial. We are proud to announce we have retained Capitol Advocacy of Sacramento for 2019.

Capitol Advocacy has a stellar reputation in the Capitol and will work hard for us. We are also fortunate to be coordinating with three other lobbyists in Sacramento retained by some of CalRHA's member associations.

So what does this mean for us?

This means that we are covering a larger swath of Sacramento politics than ever before. As a CalRHA member, you will have at least four lobbyists working for you in Sacramento. This is indicative of our industry maturing and becoming more thoughtful about the rental housing industry.

The challenge has been that with so many multi-family property owners that we always found it difficult to unify. We were left feeling like the ills of Sacramento would be addressed by someone other than us. I believe Assemblymember Chiu's bill AB 1506, and Prop 10 last year, has changed that. In a way, the challenges from last year has actually helped our industry. It helped galvanize us and forced us to realize that we are an industry worthy of being properly represented in the halls of the State Capitol.

We are an industry that rivals some of the tech titans when looking at the impact we have on California. But because we have so many shareholders – I mean stakeholders, we never acted like the large industry that we truly are. It's time to change that, and we are starting to do so.

Along with the hiring of Capitol Advocacy, we have also retained Elevate Public Affairs to help shine a light on our efforts and provide the necessary support our lobbyists have been asking for, many years. Elevate is known as a top-tier public affairs firm, and we should be proud to be working with them.

This past month has been about putting the team together to help tackle what promises to be a very busy year. I look forward to working with you.

– CalRHA President Sid Lakireddy

LEGISLATIVE UPDATE



Gov. Newsom has long been an advocate for affordable housing and has repeatedly called for a housing "Marshall Plan." His proposed Budget released on Jan. 10 includes a number of affordable housing proposals, including funding for local governments to "jump-start" housing development as well as funding for the development of housing for moderate-income households. It also expands the state's Housing Tax Credit Program. In total, the budget proposes \$7.7 billion across multiple state departments and agencies dedicated to housing and homelessness.

Newsom issued an Executive Order on housing on Jan. 15, following a housing roundtable. The EO requires the Department of General Services to create an inventory of all state-owned property to determine what properties can be developed on state lands to increase affordable housing. It also asks the Legislature to address rent costs post-Prop 10. CalRHA will be deeply involved in related discussions and negotiations with the Governor's office and Legislature.



Christos Celmayster

Partner

805.898.4388

christos@hayescommercial.com
BRE# 01342996

**Santa Barbara's native
multifamily expert.**

Call for a FREE ANALYSIS
of your property!



Thank you to all my clients and colleagues who made 2018 a successful and enjoyable year in apartment sales. I look forward to great things ahead in our local apartment market and to helping you with your real estate needs.

*Warmest Regards,
Christos Celmayster*

SOLD IN 2018



1153 Cameron St, Ventura

- Represented seller
- 2BD and a studio with two 1-car garages



712 W Anapamu St, Santa Barbara

- Represented seller
- Eight units near the Mesa and the beach



1045-1049 Elm Ln, Carpinteria

- Represented seller & buyer
- 18 updated units in an A+ location a block from Linden



310 Cuesta Del Mar, Ventura

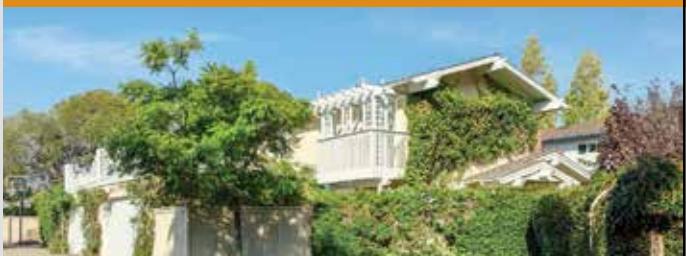
- Represented seller
- 4-unit stabilized income property



86 S Bryn Mawr St, Ventura

- Represented seller
- 10 units in excellent central location

AVAILABLE NOW



1369 Danielson Rd, Montecito

- Two luxurious 3BD/3BA units, each with a 2-car garage, laundry room, and private outdoor patio



JUST SOLD IN 2019

802-808 N Voluntario, Santa Barbara

- Represented buyer
- Two duplexes on two lots in Lower Riviera



Steve Carlson



Jonathan Arambel



After nearly 12 years of anticipation, Gavin Newsom is finally the Governor of California. After last year's primary in June - some would argue even sooner - it seemed a foregone conclusion that he would be the next governor. In light of the substantial amount of time he spent as the apparent winner long before taking the reins, Gavin was met with sky-high expectations.

On January 10, 2019, as an experienced Governor of 3 days, Governor Newsom released his proposed budget. At the normally quick press conference that follows the release, the Governor spent over an hour describing his priorities and funding decisions in granular detail. While taking questions from the press, he demonstrated a policy wonkiness that could not go unnoticed. Unsurprisingly, housing was a big aspect of the proposed budget. In his campaign the Governor stated a goal to nearly quadruple the state's housing production. To help now accomplish this goal, he has added \$2 billion in new funding for housing and homelessness initiatives to his proposal.

The carrot and stick

The proposal includes \$750 million as an incentive for local governments to increase housing production; \$250 million will be to help local governments develop plans on how to reach the new, higher short-term statewide goals developed by the California Department of Housing and Community Development (HCD). As local governments reach these new milestones, a total of \$500 million will be available to cities and counties for general purposes.

While the carrot approach is attractive, he also proposes a mighty stick should local governments not produce their fair share of housing. In his proposal, the Governor links housing production with transportation funding. If you don't build enough housing, you get less transportation money. This will likely be a big fight in the legislature as the proposal gets consideration.

Starting now

Outside of the budget proposal, Governor New-

som says he's already talking with the tech industry in Silicon Valley about businesses matching a state \$500M affordable housing allocation. He is also currently negotiating with business and labor leaders on updating the California Environmental Quality Act (CEQA). A week after Governor Newsom released his budget proposal, he signed two executive orders to inventory all excess properties owned by the state and put the list online so that the state can receive proposals for building affordable housing on those sites by September 30, 2019. He wants new units built on those sites within three years.

Is it all good news?

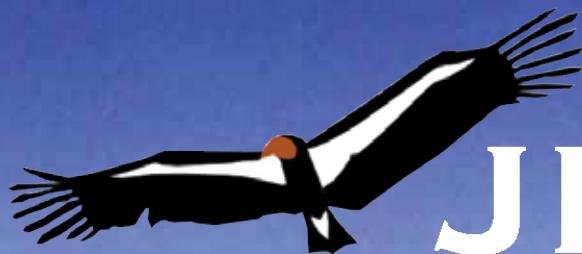
While he seems to be laser-focused on building more units as fast as possible, Governor Newsom is also focusing on helping California renters. He is currently having conversations with the industry on a potential rent cap amendment to Prop 10. The Governor has also said he supports charging businesses higher property taxes under Proposition 13 and the 2020 split roll initiative, but he prefers to use the initiative as leverage for broader tax reform.

Conclusion

Housing is and will continue to be a main topic of conversation this year. We also can't forget about the 2,000 plus pieces of legislation that will be introduced in the coming month. There won't be a shortage of apartment and housing issues for all of us to engage in as 2019 unfolds.

garden design

HENRY 805 682-1778
THEROMANTICGARDENCO.COM



JPIA

JOHN E. PEAKES INSURANCE AGENCY INC.

- We offer blanket policies for multiple properties
- Office Locations in Ventura, Lancaster and Monterey
- Carriers offered: Mercury, Philadelphia, Travelers, CSE Insurance, Nationwide, Oregon Mutual and many more.
- Coverage provided for all Commercial Properties, Multi-Family Dwelling and Single Family
- Proud Member of the *Santa Barbara Rental Property Association*

Family Owned And Operated Since 1969
1445 Donlon St., Ste 6, Ventura, CA 93003
PH: 805-650-0199 | License # 0619917
www.peakesinsurance.com

The Attorney's Corner



David M. Grokenberger, Esq. • Rogers, Sheffield & Campbell, LLP

ALTERNATIVE METHODS OF SERVING NOTICES TO PERFORM OR QUIT

The question was posed, "Can a lessor serve a notice to perform or quit or terminate a tenancy by serving the notice by email or fax transmittal?" The answer depends on the nature of the tenancy (whether commercial or residential) and the content of the lease document itself. **The short answer:** in a commercial lease, alternative methods of giving or dispensing with notice and service can be provided for in the lease which is binding on the lessor and lessee. In a residential lease, the contents of notice and method of service cannot be waived, and one must comply with statutory requirements or the notice is invalid and ineffectual to terminate the tenancy or to support an unlawful detainer.

The minimum notice required by statute for termination of a tenancy in residential property cannot be waived by a tenant, as any purported waiver thereof is against public policy and therefore void (See Civil Code 1953(a)(3)(4)). Basically, a tenant of residential property cannot be held to a purported waiver of either procedural or substantive rights protected by statute.

Statutory requirements for service of a notice to perform or quit are stated in Code of Civil Procedure section 1162. Service on a residential tenant of a notice to perform or quit can be effected in one of several ways: personal service, or if the tenant is absent from their residence or usual place of business, by leaving a copy with a person of suitable age and discretion at either place and mailing a copy to the tenant's place of business. If the tenant's place of residence and business cannot be located, or if a person of suitable age or discretion cannot be found, then service can be effected by a process called "post and mail." This involves affixing a copy of the notice in a conspicuous place on the property, delivering a copy to any person living there (if such person can be found), and then sending a copy in the mail, addressed to the tenant at the place where the property is situated.

Code of Civil Procedure section 1162 also specifies the manner in which service may be made on a commercial tenant. The code permits personal and substitute service (the "post and mail" described

above) as in a residential tenancy situation. However, in the commercial context, a lease provision can specify alternative methods of service and even dispense with notice requirements that must be met in a residential context. Specialized provisions regarding form and service of commercial notices should be reviewed before being used, but more options on service exist in the commercial context. In a mixed-use unit involving both residential and commercial use within a single rental unit there arises the question of how to treat the tenancy for purposes of what type of notice and service methods can be used. In such a situation, it is the safer course of action to comply with the residential notice and service requirements, as they are stricter.

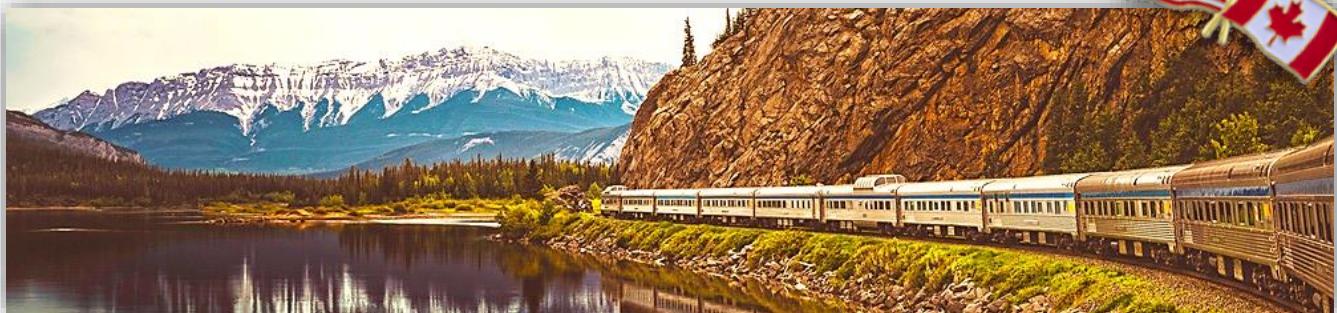
In a purely commercial context, notice and service of notice requirements can be dispensed with and waived, giving the lessor rights to immediate termination of the tenancy. Notwithstanding this provision for automatic termination in a commercial lease, a lessor of commercial property would still have to go through the unlawful detainer process if the commercial tenant does not vacate upon request, notwithstanding the language to the contrary in the commercial lease.

Given the flexibility of notice and service requirements in a commercial lease and the expanded use of email and fax in this "new age", commercial leases can adopt a procedure whereby notices required under the lease can be given by fax and/or email transmission and deemed served upon transmittal. If such a procedure is adopted in the commercial context, this method of service should also be tied to a mailing procedure. There is a presumption at law that what is "mailed is deemed received", but then again, the law takes away what it purports to give, and in this instance the presumption is rebuttable and can, by a denial and/or evidence that no mailing was made, be rebutted! Providing for an email or fax transmission with evidence of receipt and/or confirmation of receipt may solve that problem. Adding a mailing procedure to the service provision in the commercial lease is just an added element of protection to the process of giving notice and requiring performance.

Continued on page 29

Two Grand Rail Journeys

By Rail from Los Angeles Across Canada



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

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

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

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



In conclusion, statutory regulation of both the content and manner of service of notices that purport to terminate a tenancy for breach of contract exists and requires compliance, absent lease provision exceptions in a commercial lease. Alternative service provisions exist for termination of a month-to-month tenancy, and they should also be served by methods approved by statute. In residential situations, strict compliance is usually required, albeit admitted acceptance of improperly served notices can in some situations satisfy the statute. In our experience, it is far better to see a client comply with the specific requirements than risk being tied up in a procedure battle in a pending litigation case. In a commercial context, alternatives to the form of notice and service can be provided for in a written contract and given the use of email and fax, such additional methods of service should be considered.

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) 965-7746 or email David Grokenberger at David@rogerssheffield.com; Michael Brelje at Mike@rogerssheffield.com, or Scott Soulages at ssoulages@rogerssheffield.com.



MERIDIAN GROUP
Real Estate Management, Inc.



COMMITTED TO EXCELLENCE!

- Full Service Real Estate Management
- Commercial & Multi-Unit Residential
- Over 30 Years of Experience
- 24/7 Maintenance Service
- Online Application & Payment Options

ADDING VALUE TO YOUR INVESTMENT
Since 1999

Locally Owned and Managed by
Robert Kooyman, CPM® & Robert Ramirez
CA DRE License #01272282

5290 Overpass Road, Building "D"
Santa Barbara, CA 93111
P. (805) 692-2500 / F. (805) 692-5020
www.meridiangrouprem.com

Serving the Community Since 1993



Full service property management servicing
residential, commercial, and facilities.



5290 Overpass Rd. Bldg C, Santa Barbara CA 93111
Phone: 805-692-1520 Fax: 805-692-1420
Email: SPM@sierrapropsb.com

BRE No. 01995764
CSL No. 1008596

KEN SWITZER

BERKSHIRE HATHAWAY
COMMERCIAL DIVISION

SELLERS

- Custom targeted marketing program
- High-end professional representation
- Full outreach, online and traditional

BUYERS

- Thorough knowledge of value
- Custom financial analysis/scenarios
- Expert negotiation and service

INVESTMENT PROPERTY LISTINGS / RECENT SALES

FOR SALE

PASO ROBLES	54 UNITS	\$11,595,000
-------------	----------	--------------

SOLD

ISLA VISTA	RENTAL / DEVELOPMENT	\$1,450,000 (BUYER/SELLER)
SANTA BARBARA	12 UNITS	\$4,950,000 (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)
SANTA BARBARA	3 UNITS	\$1,240,000 (BUYER/SELLER)
SANTA BARBARA	2 UNITS (3-BR EACH)	\$1,285,000 (SELLER)
SANTA BARBARA	4 UNITS (BEACH)	\$2,800,000 (BUYER/SELLER)
SANTA BARBARA	3 UNITS	\$1,142,500 (SELLER)
ISLA VISTA	2 UNITS	\$1,052,500 (BUYER)
SANTA BARBARA	COMM. RETAIL	\$2,825,000 (SELLER)
SANTA BARBARA	5 UNITS	\$1,030,000 (BUYER/SELLER)
LOS OSOS	18 UNITS	\$2,050,000 (SELLER)
GOLETA	4 UNITS	\$1,289,000 (BUYER)
ISLA VISTA	SFR RENTAL	\$610,000 (SELLER)
GOLETA	4 UNITS	\$1,075,000 (SELLER)
ISLA VISTA	4 UNITS	\$1,895,000 (BUYER)
SANTA BARBARA	3 UNITS	\$830,000 (BUYER)

KSWITZER@BHHSCAL.COM
WWW.REALESTATESB.COM

KEN SWITZER
805-680-4622



BERKSHIRE HATHAWAY
HomeServices
California Properties
BRE# 01245644

Santa Barbara Happenings

Terry A. Bartlett • Reetz, Fox & Bartlett LLP

California Coastal Commission to Introduce Controversial Proposal

In the early part of this year the California Coastal Commission expects to release a proposal that will provide guidelines to local jurisdictions on how to combat the impacts of a potential sea level rise. The proposal - while not finalized - has several alarming ideas in it which significantly affect current and prospective coastal property owners.

These concerning ideas stem from the proposal's campaign for a "managed retreat." Instead of creating barriers to prevent potential loss of property at the cost of a receding beach line, the Coastal Commission's managed retreat would encourage local governments to maintain the beach line at the cost of coastal private property.

Two ways are suggested for accomplishing this: (1) Have local governments acquire private land near receding beachfronts by eminent domain (a forced purchase of private property by the Government); and (2) Require that future Coastal Development Permits have a condition that mandates the removal of structures if certain setbacks are ever violated.

With regard to eminent domain, the Coastal Commission suggests that local governments may be able to recoup the costs of eminent domain by buying certain beachfront properties and renting them out until they are damaged. The big question, assuming eminent domain is in fact ever used, will be how to establish the fair market value of the property (i.e. Is it the value that it was before the Commission determined that it was in harm's way or after?).

As for imposing conditions on projects, the Coastal Commission suggests that such conditions be expressly inserted in every deed involving the property so that future owners are bound by it. Practically speaking such a condition would significantly lower the fair market values of all land so encumbered.

The alternative to the managed retreat proposal is to start building sea walls that would protect property. The Commission is against this approach, because it would likely lead to the elimination of some sandy beaches.

Unsurprisingly, the Commission's stance and proposal have drawn significant backlash. Due to this initial backlash, a meeting date to discuss the proposal has not been set. However, if you are or intend to become an owner of beachfront property, you should pay attention to this proposal and voice your opposition at any opportunity that may arise. Public opposition so far has delayed this proposal, and the more opposition that is voiced the more likely that it may be able to derail the proposal altogether.

Debris Flow Net Emergency Permits Issued

Recently, the non-profit group Partnership for Resilient Communities has received the emergency permits needed to construct temporary steel nets designed to slow down potential debris flow events in the creek beds of Montecito. The nets will be constructed along the creek beds where potential debris flow events are projected to possibly occur. Specifically, two are set to go in at Cold Spring Creek, two are set to go in at San Ysidro Creek, and seven are set to go in at Buena Vista Creek, on private land.

The emergency permits will allow the nets to be erected and maintained for a one-year period. During this period, the Partnership for Resilient Communities will need to go through the standard permit process to allow for the nets to remain until the vegetation can sufficiently grow back.

As part of the emergency permit approval process, a \$2 million performance bond and/or letter of credit was mandated by Santa Barbara County and the California Department of Fish and Wildlife. This bond would be used to un-install the nets if/when the permit expired or the nets were no longer needed.

Due in part to this added bond requirement the Partnership for Resilient Communities must raise \$7 million in order to cover all the costs associated with installing and maintaining the nets. As of early January 2019, the Partnership for Resilient Communities had raised \$2.5 million. If they are unable to raise the full amount, they will have to prioritize installation of the nets in the most needed locations.



Continued on page 33

14-Unit Oak Park Apartment Complex For Sale



28 W. Pedregosa St., Santa Barbara | Offered at \$4,395,000

Rare opportunity to acquire an asset of this size located in the highly desirable Oak Park neighborhood in the heart of Santa Barbara near the Arts & Theater District! This beautiful 14-unit apartment complex is just one block to State Street, near Cottage Hospital, Alice Keck Memorial Gardens, Alameda Park, Opal, The Granada Theatre, The Arlington Theatre, Santa Barbara Public Market and so much more. Wonderful unit mix of 14 spacious units: (2) Studios and (12) 1BD/1BA apartments, common laundry room and quaint shared courtyard. Carport has a new roof and the driveway has just been resurfaced. The carport area has a new slurry covering, includes one parking space per tenant and a large storage area within each space. Terrific upside in rents that are below market.

Contact the Golis Team for details.

Steve Golis

BRE 00772218

805.879.9606

sgolis@radiusgroup.com



Lori Zahn

BRE 01914851

805.879.9624

lzahn@radiusgroup.com



*The Radius Team. Monumental Results.
Every Time.*



RADIUS®
Commercial Real Estate & Investments

This prioritization will likely be necessary, since the nets must be installed by the middle of this month (February) or else the permits will expire.

County Board of Supervisors New Chairman Appointed

In January 2019 the Supervisor Steve Lavagnino assumed the role of Chairman of the Board of Supervisors from Supervisor Das Williams.

Lavagnino, who was first elected to the board in 2010, historically reported as a Republican; however, last year he changed his party affiliation to "decline-to-state." With this change and the addition of Gregg Hart, who ran unopposed for former Supervisor Janet Wolf's seat, the Board now consists of one Republican (Peter Adam), one decline-to-state (Steve Lavagnino), and three Democrats (Gregg Hart, Joan Hartmann, Das Williams).

In 2010, 20.35 percent of Santa Barbara County voters were decline-to-states; today, 26.94 percent are. Supporters believe Lavagnino remains a pro-oil, pro-law-and-order fiscal conservative.

Knowing who the Board members are and where they generally fall on many large issues can be vital to consider before taking on any projects that may require a vote from the Board of Supervisors.

Two New Buellton Hotels Receive Approval from Planning Commission

The Buellton Planning Commission gave the OK to a development proposal by SY Valley Vineyard Resorts to build two new four-story hotels on a parcel just north of Highway 246 between McMurray Road and Valley Vineyard Circle.

The hotels, slated to have a modern ranch architectural style, will each have a restaurant, a pool, and 107 guest rooms. However, the Planning Commission expressed reservations about the shared 4,400-square-foot meeting space and whether or not the proposed 222 parking spaces would be adequate for employees, hotel guests, and meeting space attendees.

Project proponents argued that most events would be attended by hotel guests, which would reduce the parking issues. The Commission did add a condition requiring temporary-use permits for outdoor events and considered the possibility of requiring a one-year review period to monitor outdoor events for noise and parking concerns.

The project is expected to come before the

Commission again in early 2019 to finalize some conditions related to the meeting space and parking.

Montecito Water District to Implement New Alert System in Early 2019

The Montecito Water District will soon begin using the Everbridge notification system to alert its customers to service outages or other issues. This is the same system that Santa Barbara County currently uses for Aware & Prepare emergency alerts and provides alerts similar to those received from the power company during an outage or repair.

The Montecito Water District's current out-of-date system requires employees of the District to individually look up customer account information and then call them. The Everbridge notification system can tailor its alerts to specific geographic areas and is able to contact customers through different methods including email, text, and robo-calls.

The District experiences between 20-30 water main breaks each year and estimates the first-year costs of the new system at \$5,758.



Sundance Press
Short Run Publication Printing

**Sundance Press is the proud printer of
The Rental Property News Magazine.**

**Call to see how we can help with printing your
newsletter, ad mailers or other short run publication.**

sundancepress.com
520.622.5233

Directory of Products & Services

INDEX OF ADVERTISERS

ASR Property Restoration.....	8
Battaglia Commercial Real Estate....	12
Beach House Inn	7
Beau Brunner Painting.....	18
Betty Jeppesen, Esq.....	18
Berkshire Hathaway – Ken Switzer.....	30
Bill Terry Insurance.....	2
Central Coast Paving	4
DMH Properties	18
Don's Heating & Air Conditioning	20
Frederick Lang R.E. Appraiser.....	18
Hayes Commercial Real Estate	24
Hermosa Painting	21
Jody's Windows & Floors.....	9
John E. Peakes Insurance Agency ...	26
MasterCare Home Cleaning Services .	21
Mendez Building Services	18
Meridian Group	29
Pearl Bay Corporation	21
Radius Group	32
Raymond Arthur Appleton.....	5
Rogers, Sheffield & Campbell, LLP.....	5
Salsbury Industries.....	12
Sandpiper Property Management	14
San Roque Realty	10
Sensor Industries	6
Sierra Property Management.....	29
Spectrum Realty.....	10
Stewart Tour	28
Sundance Press.....	33
The Laurel Company	10
The Towbes Group	10
Tower Property Management.....	10
Wash Laundry Systems	36
Yardi.....	9

ATTORNEYS AT LAW

**Betty L. Jeppesen,
Attorney At Law**
jeppesenlaw@gmail.com
(805) 450-1789

ROGERS, SHEFFIELD & CAMPBELL, LLP

www.rogerssheffield.com
(805) 963-9721
David @rogerssheffield.com

APPRAISERS

Frederick Lang, R.E. Appraiser
(805) 886-4146

CARPETS/FLOORING

Jody's Windows & Floors
(805) 637-6343

CLEANING/MAINTENANCE SERVICES

MasterCare Home Cleaning Services

www.MastercareHomeCleaning.com
(805) 683-1915

MENDEZ BUILDING SERVICES

www.mendezservices.com
(805) 963-3117

COIN-OPERATED LAUNDRY

Wash Laundry Systems
www.washlaundry.com
(800) 421-6897

HEATING/AIR

Don's Heating & Air Conditioning
donsheatingsb@gmail.com
805-683-2233

HOTEL/MOTEL

Beach House Inn
www.thebeachhouseinn.com
805-966-1126

INSURANCE

Bill Terry Insurance
www.billterryinsuranceagency.com
richard@billterryinsuranceagency.com
(805) 563-0400

**John E. Peakes
Insurance Agency Inc.**
www.peakesinsurance.com
cpeakes@peakesins.com
(805) 658-2423

MAILBOXES

Salsbury Industries
www.salsburymailboxcompany.com
(800) 624-5269

PAINTING

Beau Brunner Painting
www.beaubrunnerpainting.com
(805) 218-5251

Hermosa Painting
Bob.ulmer@verizon.net
(805) 952-3418

PAVING

Central Coast Paving
justin@ccpave.com
(805) 636-1200

PRINTING

Sundance Press
(520) 622-5233

PROPERTY MANAGEMENT

DMH Properties
danielleholzer@dmhproperties.net
(805) 962-3707

Meridian Group
www.meridiangrouprem.com
(805) 692-2500

Sandpiper Property Management
www.sandpiperpropertymanagement.com
(805) 705-4744

**Sierra Property Management**

spm@sierrapropsb.com

(805) 692-1520

Spectrum Realty

www.spectrumrealty.com

andy@spectrumrealty.com

(805) 681-6268

The Laurel Company

www.thelaurelco.com

(805) 963-5945

The Towbes Group

www.towbes.com

(805) 962-2121

Tower Property Management

www.towerpm.com

(805) 740-0023

REAL ESTATE**Battaglia Commercial****Real Estate**

www.battagliare.com

steve@battagliare.com

(805) 688-5333

Berkshire Hathaway**Ken Switzer**

www.realestatesb.com

kswitzer@bhhscal.com

(805) 680-4622

Hayes Commercial

www.hayescommercial.com

christos@hayescommercial.com

(805) 563-2111

Radius Group

www.radiusgroup.com

(805) 965-5500

San Roque Real Estate

ed@SanRoqueRealty.com

(805) 687-1551

RESTORATION & REMEDIATION**ASR**

www.asr-construction.com

(877) 988-1040

Pearl Bay Corporation/**Rainbow Intl. of SB**

www.PearlBayCorp.com

Get.Help@PearlBayCorp.com

(805) 966-1480

SOFTWARE**YARDI**

www.yardi.com

(805) 699-2040

WATER TECHNOLOGY**Sensor Industries**

www.sensor-industries.com

(888) 893-6493



PRSR STD
US POSTAGE PAID
PERMIT NO. 271
85719



WASH

800.777.1484 www.washlaundry.com/happy

Keep Your Residents Happy with a WASH Laundry Room

WASH laundry rooms offer the ultimate in convenience for your residents, with the latest technology-based amenities and unsurpassed service.

- 24/7 live answers to service calls.
- Electronic card systems for easy payment.
- Quick response to service calls — typically within 12 business hours.
- FIXLAUNDRY mobile app and online service portal.
- ENERGY STAR-rated machines and green practices that focus on conservation.
- Online laundry monitoring to see if machines are available or laundry is done.

The bottom line is that when your laundry room contract comes up for renewal, we want you to switch to WASH. WASH offers superior laundry equipment, and service and support that is unparalleled in the industry.