



City of Santa Barbara

TENANT/LANDLORD TASK FORCE (TLTF)

MINUTES

NOVEMBER 16, 2017

3:00 P.M.
Housing Authority Conference Room
706 Laguna St
Santa Barbara CA

CALL TO ORDER: Facilitator John Jostes called the meeting to order at 3:02 p.m.

ROLL CALL:

<u>Tenant Interests</u>	<u>Landlord Interests</u>	<u>Council Liaisons</u>	<u>Facilitator</u>
Jerry Morales	Laura Bode		John Jostes
Frank Rodriguez	Tommy Thompson		
Petra Lowen	Andy Alexander		
			<u>City Staff</u>
			Sue Gray, CD Business Manager

CHANGES TO THE AGENDA: None

CONSENT:

1. Approval of October 26, 2017 Minutes

The Task Force unanimously approved the previous meeting's minutes, as amended.

PUBLIC COMMENT – The following people spoke during public comment:

Rick Lang, appraiser who analyses apartment buildings for a living, spoke regarding his belief that landlords are a vulnerable population as well as tenants because 60% of the rents collected go towards mortgage.

SUBJECT ITEMS

2. Subcommittee Recommendations regarding Joint Protection and Accountability Initiative

Facilitator Jostes set the context for the discussion and summarized the dynamics of the subcommittee meeting with Laura Bode and Frank Rodriguez. The subcommittee meeting was oriented toward seeking greater common ground on the issues of just cause eviction and inspections by looking beyond the concerns of both parties and instead focusing on fairness, equity and accountability from both the landlord standpoint and tenant standpoint. There was a pretty clear impasse regarding just cause eviction, so the facilitator reframed the thinking to focus on the positive aspects that each of the caucus representatives are trying to achieve regarding protections of both landlords and tenants, including some degree of accountability. The intention was to find some common ground that both Frank and Laura could feel as comfortable as they could. Both parties left the meeting equally cautious about moving forward with this recommendation. The subcommittee ended up with a Joint Protection and Accountability Initiative that was expected to have a greater

chance of support by the full committee than the more polarized issue of Just Cause Eviction. Jostes indicated that he crafted new wording for an initiative that was representative of the discussion, and circulated it to Laura and Frank for review, refinement and ultimate agreement.

Frank Rodriguez indicated that the line in the sand was very clear and just cause was not aligned to flourish in the conversation. His constituency, CAUSE, believes that just cause eviction is a necessary and appropriate policy, given the current housing situation in Santa Barbara. He indicated that while he remained strongly supportive of some form of just cause eviction, he thought the wording of the subcommittee recommendation was a starting point that he could support, especially the accountability. Laura Bode had nothing to add at this point.

The discussion among members of the full Task Force was largely supportive of the approach, but landlord interests remained concerned about the explicit reference to bulleted points within the draft recommendation because they felt they were too prescriptive. Andy Alexander indicated that it is hard, if not impossible, for the Board of Realtors to get behind any form of a mandatory one year lease, even with the qualifying provisions of the draft recommendation. He termed the recommendation 'just cause lite' and indicated a preference for something that allowed a landlord to rent a property for 3 months or shorter. He was also concerned with the process of going through a City facilitator for notices or evictions. Laura added that having a non-binding impartial entity puts an impediment in the way to protect against unfair evictions. Tommy expressed that the "Devil is in the details" and suggested removing the reasons for evictions and removing the length of the lease. He said that he is not afraid of going to a one-year lease; however, it is not standard. Petra added that if there is a mandatory lease, it should be one-year, with exceptions. Frank asked to remove the last paragraph and continue with this under the mandatory lease section. Jerry expressed his desire for something stronger, and he feels that there is truly a need for just cause to protect the working class earning \$10 - \$15 per hour and unable to afford being evicted based on judgements.

Throughout the conversation, there were suggestions that the wording be amended to provide a more open-ended approach. Wording changes were suggested by Jostes to reflect these concerns and then put to a straw poll. The straw poll resulted in support from all but Andy Alexander, who indicated that even with the revised wording, he and his organization could not support the proposed recommendation. Given the support by a majority of members, the recommendation was placed in the package of recommendations to be formally considered later in the meeting (Attachment 1 with revisions).

- 3. Subcommittee Recommendations regarding Health and Safety Inspection Fund**
Facilitator Jostes introduced this recommendation by noting that the Subcommittee discussed whether there might be the opportunity to earmark funds awarded by the resolution of health and safety lawsuits for the express purpose of funding health and safety inspections by the City's Building Department of rental units that were red- and/or yellow-tagged. Laura Bode expressed her strong support for this type of budget augmentation because it would improve living conditions of affected tenants. Sue Gray explained that while such an approach might be well intentioned, current State law

precludes such an approach because the County District Attorney's office receives 50% of such awards and the remainder of any award is required to be placed in the general fund and not subject to earmarking as suggested. The wording of the proposed recommendation to the full task force reflected these constraints.

There was general agreement that the approach, while theoretical, might be supported. The main concern of several landlord representatives on the task force was that the inspections be complaint driven, rather than a broader approach. With revisions to the wording of this recommendation to reflect the discussion, the proposal received unanimous support to be placed in the full package of Task Force recommendations for action later in the meeting (Attachment 1 with revisions).

4. Additional Information on Tenant Displacement and Relocation Assistance for further Task force consideration.

Sue Gray walked the committee through the provisions of Santa Barbara County Ordinance Chapter 44. The Task Force was asked if they would like to consider amending their previous tentative agreement regarding Tenant Displacement and Relocation Assistance, to include a provision for assistance mirroring the County ordinance for displaced residents due to repairs required to bring unit into Health & Safety Code Compliance (red tag/yellow tag). The Task Force declined an amendment.

5. Final Task Force Recommendations:

John Jostes introduced this item by referring back to the direction given by the City Council to the Task Force. In reviewing the table of Points of Tentative Agreement, he noted that there were a number of points of tentative agreement that received a consensus, another set of recommendations that could not garner a majority, and still others which needed some clarification because a Task Force member was absent the day certain provisions were reviewed. He then led the group through a review of those recommendations where abstentions were recorded to get clarification where specific task force members stood on the various recommendations. The following clarifications were noted:

- Affirmative recommendations were indicated by Jerry Morales for all recommendations under 1. (mediation and education initiatives) in the table;
- Laura Bode requested that Item 1.C. iv. (Information packets) reference a short-form rental agreement "summary", so as to avoid potential liability issues;
- Jerry Morales indicated his support for recommendations under 2. (Mandatory leases) and his opposition to recommendation 3.A (City-wide fee-based inspection program);
- Tommy Thompson indicated his support for recommendation 3.B. (Anaheim inspection program);
- Laura Bode and Tommy Thompson clarified their positions on 4.A. (Just Cause Eviction) registering their opposition to that element; and,
- Tommy Thompson indicated his support for 5.A. (tenant Displacement and Relocation Assistance).
- The straw polls taken earlier in the meeting on a Joint Protection and Accountability Initiative (Item 4.B.) and a Separate/Supplemental Fund to support inspections (Item 3.C.) were added to the list of points of tentative agreement.

Facilitator Jostes then reviewed the full package of points of tentative agreement and indicated to the group that the full package would be put up to a formal vote as a single item, while noting that those other items that didn't receive a majority of support would not be included in the final package. Both he and Sue Gray indicated that the Council Agenda Report (CAR) on the Task Force recommendations would discuss those items that did not receive support, but focus on those aspects of the package that did receive support. John indicated that the CAR would also list out the individuals voting patterns as well on the package of recommendations. He then asked for additional comments from the Task Force before proceeding to a vote on the proposed package. Frank Rodriguez reiterated his strong support for Just Cause Eviction, but indicated he would support the full package.

A roll call vote was then taken on the full package (Attachment 2), and the set of recommendations to City Council passed unanimously.

6. Concluding Remarks and Adjourn

Sue Gray indicated to the Task Force that the Council Agenda Report would be prepared in the coming weeks and forwarded to the City Council for action at its January 30, 2018. She indicated it was premature to indicate whether the item would be considered at a time certain or taken in sequence. John indicated that he would prepare a set of draft meeting minutes and circulate them to each member of the Task Force for approval in the coming weeks, so that a set of finalized minutes could be included in the City Council packet.

Having concluded its business within its prescribed timeframe, the Task Force was dissolved and the meeting adjourned.

The meeting was adjourned at 5:46 p.m.

Subcommittee Recommendation to Tenant Landlord Task Force

Laura Bode, Landlord Representative

Frank Rodriguez, Tenant Representative

November 9, 2017, approved as amended November 19, 2017

The TLTF Subcommittee on Inspection Programs and Just Cause Eviction met on November 1, 2017 and agreed to the following recommendation to the full Tenant Landlord Task Force:

1. Recommend adoption of a 'Joint Protection and Accountability Initiative' to simultaneously protect landlords from bad tenant behavior while providing good tenants with fair and accountable treatment over time.

This initiative would require the landlord to offer the tenant the use of renewable leases with specified terms of at least one-year (less if the landlord demonstrates that the property is not available for a full year), which will provide stability, accountability and predictability to both tenants and landlords. It would give landlords the flexibility to terminate a lease at any time for the following reasons (already provided by State law including, but not limited to the following):

- Nonpayment of rent;
- Continued breach of lease provision(s), after written notice to cease;
- Tenant refusal to lease extension upon expiration of prior lease;
- Refusal of reasonable access to property;
- Continued illegal activity, after written notice to cease; or,
- Continued disorderly/nuisance behavior, after written notice to cease.

Should disputes arise between landlord and tenant over the lease renewal or extension, those disputes would be subject to a one-time conciliation meeting, facilitated by the Santa Barbara Rental Housing Mediation Program staff or other neutral third party, in an attempt to identify a mutually agreeable solution to the issue(s) in question.

Such an initiative would provide tenants with certainty that they would have a written lease over at least a one-year period. This is consistent with the City Council's direction to the Task Force for recommendations regarding mandatory leases. This approach would

provide explicit assurances to landlords that bad behaviors, as articulated by state law, are grounds for eviction. By instituting a requirement for a one-year written lease, both parties would be held accountable to the fair, explicit, and equitable treatment as embodied within written leases consistent with state law. Flexibility for both tenants and landlords would be integrated into this initiative during the lease renewal process through the conciliation process and standard noticing procedures regarding renewal or non-renewal processes already in force. The goal of such a conciliation meeting would be to articulate the needs and interests of both landlords and tenants to determine whether there are extenuating circumstances that could be resolved to benefit both parties.

Such a program would also preclude the need for the Task Force to take a formal position on Just Cause Eviction because the provisions of this initiative address the underlying interests that are embodied by the desire for such an ordinance. It would also offer a non-ballot box approach with considerably less cost and uncertainty than the initiative process.

2. Recommend investigating the establishment of a separate or supplemental fund to support inspection and remediation of health and safety violations in Santa Barbara rental housing stock.

This recommendation entails setting up a fund to be specifically applied to [complaint-driven](#) inspections pertaining to substandard health and safety conditions. It would potentially support the Task Force's tentative agreement to adopt an inspection program focused on violators, rather than city-wide on all landlords. It could require an ordinance establishing a rental housing inspection program, and Council approval for the creation of a special fund and its expenditures.

Recommendation Package
Tenant Landlord Task Force

Direction from Santa Barbara City Council:

“Direct the Tenant Protection Task Force to consider and make recommendations to Council on the following: **enhancement options for the City’s Rental Housing Mediation Program; mandatory leases; safety inspections; just cause evictions;** and **other tenant protection alternatives** (except rent control), as appropriate”.

Topic/Recommendation	Alexander (L)	Thompson (L)	Bode (L)	Rodriguez (T)	Lowen (T)	Morales (T)	Agreement
1. Enhanced Rental Housing Mediation Program and Education Initiatives							
A. Use the City’s Business Licensing process to the greatest degree feasible for landlord education regarding: <ul style="list-style-type: none"> i. City’s Rental Housing Mediation Program ii. Importance of rental agreements versus no agreement iii. Tenant and landlord rights and responsibilities iv. Minimum habitability safety standards 	Y	Y	Y	Y	Y	Y	Yes 6/0
B. Enhance public sector [City & Housing Authority of the City of Santa Barbara (HACSB)] and private sector [Santa Barbara Rental Property Association (SBRPA), California Apartment Association (CAA), Santa Barbara Board of Realtors (SBAOR), etc.] efforts and initiatives to develop education programs and distribute information packets regarding best practices for landlords and tenants. *Jointly develop sponsored website content containing ‘Top Ten’ most important tools for avoiding rental housing misunderstandings and conflicts including:	Y	Y	Y	Y	Y	Y	Yes 6/0

Topic/Recommendation	Alexander (L)	Thompson (L)	Bode (L)	Rodriguez (T)	Lowen (T)	Morales (T)	Agreement
<p>Housing Authorities, SBAOR, SBRPA, CAUSE, Casa de la Rasa, and Legal Aid.</p> <p>The City Rental Housing Mediation Program should collaborate with other agencies and organizations to develop a framework for implementing a “Written Lease Support Structure” that builds on the implementation steps articulated above under #1 C i-vii.</p> <p>SBAOR and SBRPA commit to include specific language in rental agreements regarding the City’s Rental Housing Mediation Program (including phone number).</p>							
<p>3. Health and Safety Inspections and Remediation</p>							
<p>A. Consider developing an inspection program similar to the Anaheim inspection program (no fees)</p>	N	Y	N	Y	Y	Y	Yes 4/2
<p>B. Establish a separate or supplemental fund to support offender-driven inspections and remediation of health and safety violations in Santa Barbara rental housing stock</p>	Y	Y	Y	Y	Y	Y	Yes 6/0
<p>4. Just Cause Eviction</p>							
<p>A. Establish a “Joint Protection and Accountability Initiative” that would require the landlord to offer the tenant the use of renewable leases with specified terms of at least one-year (less if the landlord demonstrates that the property is not available for a full year). If the landlord chooses not to renew the lease, the tenant can request a mandatory non-binding one-time conciliation meeting.</p>	N	Y	Y	Y	Y	Y	Yes 5/1
<p>5. Other Tenant Protection Alternatives</p>							
<p>A. Tenant Displacement and Relocation Assistance – Mass Evictions Develop and adopt an ordinance that requires monetary relocation assistance</p>	Y	Y	Y	Y	Y	Y	Yes 6/0

Topic/Recommendation	Alexander (L)	Thompson (L)	Bode (L)	Rodriguez (T)	Lowen (T)	Morales (T)	Agreement
<p>to multi-unit tenants who face eviction in certain situations (“Tiered Approach”). The ordinance to be applied in R-3 and R-4 zones but not in single family or R-2 zones, specifically as follows:</p> <ul style="list-style-type: none"> • 1 to 5 units: No displacement assistance • 6-14 Units: No monetary assistance, but notice that non-binding (first meeting required) mediation is required. • 15 units and above: 4 times the median advertised rental rate or \$5,000, whichever is greater. <p>Increase 30-day and 60-day notification requirements to 90-day notification where more than 10 individuals (or tenants?) are displaced.</p>							