

SANTA MONICA RENT CONTROL BOARD MEMORANDUM

TO: Santa Monica Rent Control Board

FROM: J. Stephen Lewis, General Counsel

FOR MEETING OF: June 11, 2020

RE: Administrative. Consideration of whether to amend Regulation 11200 subdivision (d) paragraph: (1) to clarify that a “business day” is any day that the Board is staffed and conducting business, regardless of whether City Hall is open to the public; and paragraph (7) to provide for the deferment of registration fee payments with respect to units occupied by tenants who were unable to pay rent due to a loss of income occasioned by COVID 19.

Subject Matter

- The Board will consider whether to amend Regulation 11200, subdivision (d) by:
- amending paragraph 1 to clarify that a “business day” is any day that the Board is staffed and conducting business, regardless of whether City Hall is open to the public; and
 - add a new Paragraph (7) to provide for the deferment of registration fee payments with respect to units occupied by tenants who were unable to pay rent due to a loss of income occasioned by COVID 19.

How this Item was Initiated

At its May 25 meeting, the Board directed staff to prepare for its consideration a proposed regulation that, if adopted, would allow owners of rent-controlled property to defer 2020 registration fee payments until December 1 of this year. Deferment would be permitted, per the Board’s direction, with respect to a controlled unit occupied by a tenant who, following the procedures set out in the City’s March 14 Emergency Order, did not pay rent due to an inability to pay stemming from a loss of income caused by COVID 19. The Board further specified that deferment would not be available to a property owner for whom the loss of rental income has been or will be compensated for by insurance or any government or government-supported program. Staff has drafted the new paragraph (7) to Regulation 11200, subdivision (d), in response to that direction.

When drafting these proposed regulatory amendments, staff realized that existing subdivision (d), paragraph (1) calls for registration fee payments to be made when the Board's offices are "open to the public." In view of the ongoing public-health emergency, it is unclear when City Hall, in which the Board's offices are located, will be open to the public, even though the Board's offices are fully staffed and fully functional. To avoid confusion over when registration fees are to be paid, staff on its own initiative has proposed an amendment to paragraph (1) to clarify that payment must be made if the Board's offices are in operation, regardless of whether they are physically accessible to the public. Staff recommends that the Board adopt this proposed amendment regardless of whether it adopts proposed new paragraph (7).

Discussion

- 1. Staff recommends that the Board amend paragraph (1) of Regulation 11200, subdivision (d), to clarify that registration fees must be paid regardless of whether City Hall is open to the public.**

Registration fees are due every year by no later than August 1. Under existing Regulation 11200(d)(1)(i), in years in which August 1 falls on "a day of the week when the Board's offices are closed to the public," fees must be paid "no later than the first day after August 1 that the Board's offices are open to the public." This year, August 1 falls on a Saturday, a day of the week when the Board's offices are never open to the public. The next business day is August 3. If this were any other year, we could confidently assert that that is the day by which Regulation 11200 requires that the fees be paid.

But this is not any other year. This year, City Hall—and by extension the Board's City Hall office—has been closed to the public since the middle of March as part of an effort to prevent the spread of COVID 19. Although it appears that the building may reopen to the public in the coming weeks, there is no guarantee that a worsening public health outlook won't lead officials to close it again in relatively short order. One hopes not. But, regardless of current plans and hopes, it is impossible to predict with any certainty whether the Board's offices will be "open to the public" on August 3, or, for that matter, any other specific date.

Registration fees, of course, fund the Board's regulatory operation, and that operation has continued regardless of City Hall's closure. After a brief adjustment period, the Board's functions have resumed, and are expected to continue at full capacity even if, as most public-health officials predict, the current pandemic waxes and wanes cyclically for some time. For the Board to be clear about its ability to provide services to controlled-property owners and renters, to say nothing of providing clarity to owners about their payment deadline, it is important that the payment deadline be fixed

and reliable. If the deadline is pegged to the first date after August 1 when City Hall is open to the public, the chronic uncertainty over when that will occur makes the deadline far from fixed and reliable; more like unknown and unknowable. To remedy this problem, staff recommends that the due date be decoupled from whether City Hall is, or is not, open to the public. Instead, staff recommends that Regulation 11200(d)(1) be amended as follows:

- (iA) For years in which August 1 falls on a day of the week when the Board's offices are closed ~~to the public~~, fee payments must be received in the Board's office, or mailed and postmarked, no later than the first business day after August 1 ~~that the Board's offices are open to the public~~. For purposes of this regulation only, the Board's offices are closed only when they are not staffed and not conducting business, regardless of whether the public is permitted to enter City Hall. Also for purposes of this regulation, the term "business day" excludes Saturdays, Sundays, all public holidays recognized by the City of Santa Monica, and every other Friday when City offices are closed in compliance with South Coast Air Quality Management requirements.

The entirety of Regulation 11200, including this amendment, is appended to the end of this staff report.

2. If the Board concludes that the public would be well served by permitting landlords to defer registration fee payments for units occupied by tenants who were unable to pay rent due to COVID 19, it could do so by adding a new paragraph (7) to Regulation 11200, subdivision (d).

As of the Board's May 25 meeting, it was unclear how many tenants were unable to pay rent due to a loss of income resulting from COVID 19. Staff has diligently attempted to survey both property owners and tenants to discover how many tenants and owners can report such a problem, but the community response was so limited that no conclusion could be drawn from it. Only a minority of those who did respond reported any COVID-related non payment. Assuming that those who have been most affected are the ones most likely to respond to such a survey, it appears likely that the percentage of units as to which COVID-related missed payments occurred is even smaller than suggested by the survey results.

In the weeks following the May 25 meeting, staff has spoken with persons who manage, or who work with those who manage, a significant number of controlled rental units. Those persons reported that, in their experience, only a very small percentage of tenants have asserted an inability to pay. Those persons also reported that any program for the deferment of registration fees would likely be more trouble in the form of keeping track of the units for which payments were deferred than it would be worth to them in the form of a de minimus financial benefit. During its budget discussion, in which the Board considered whether to ask for a registration-fee deferral proposal from staff, the

Board itself expressed these views, but directed staff to draft a proposed regulation so that it could be adopted if the need for it were revealed to be greater than was at that time thought.

In compliance with that direction, staff has drafted for the Board's consideration a new paragraph (7) to regulation 11200(d) that incorporates the following concepts:

- If a tenant was unable to pay rent during the COVID 19 declared emergency due to a loss of income caused by that emergency, and if the tenant notified the owner of that inability using the procedures provided for by the relevant emergency orders, the owner may defer payment of registration fees for the unit occupied by that tenant.
- The deferred payment will be due on December 1 of this year.
- If paid in full by December 1, no late fees or penalties will accrue.
- If not paid in full by December 1, late fees and penalties will accrue retroactively as though no deferment had been granted and the fee was late from its non-deferment due date.
- Deferment is not automatic, but must be approved by the Administrator upon proof of nonpayment in accordance with the regulation. That proof must consist of written notification of inability to pay from the tenant to the owner in conformity with the City's emergency order.
- An owner who has received compensation for unpaid rent from a policy of insurance, a government program, or a government-supported program, is not entitled to deferment.
- A request for deferment must be made by no later than July 24.
- With respect to any unit as to which fees were deferred, if the deferred fees are paid by December 1, the owner may impose the 2020 general adjustment prospectively, but may not seek payment for the increase during the months preceding December 1, nor the 30-day notice period following December 1.
- With respect to any unit as to which fees were deferred, if the deferred fees are paid by December 1, the owner may pass through to the tenant a portion of that payment prospectively, but may not seek payment for the pass-through amounts that could have been charged to the tenant during the period of deferment if the fees had been paid by August 3.

The full text of the draft regulation is incorporated into the redlined version of Regulation 11200 that is appended to the end of this staff report.

Recommendation

Staff recommends that the Board hear from the public, deliberate, and decide whether it should amend Regulation 11200 to:

- Amend subdivision (d), paragraph (1) to say that annual registration fees are due no later than August 1 of each year or, if the Board's offices are not open on that day, the first day thereafter when the Board's offices are staffed and operational; and
- Add a new paragraph (7) to subdivision (d), to permit owners to defer payment of fees from the first day in August when the Board's offices are open to December 1, with respect to any unit occupied by a tenant who, in compliance with city procedures, notified the owner of the inability to pay rent due to a loss of income resulting from COVID 19.

11200. Registration Fee

- (a) Purpose. The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the regulation of controlled rental units in Santa Monica.
- (b) Amount of Registration Fee. The annual registration fee for each controlled rental unit in the City of Santa Monica, with the exception of those units which meet the criteria in Regulation 11201, shall be \$198.00 per fiscal year, payable by the landlord of each unit. The Board's fiscal year begins on July 1 of each calendar year and ends on June 30 of the next calendar year. Should the annual registration fee increase occasioned by this subsection be held invalid by a court of competent jurisdiction, it shall revert to \$174.96, which was the amount of the fee that last applied before the fee was increased.
- (c) Liability. The current landlord is jointly and severally liable, along with the former landlord or landlords, for payment of any unpaid registration fees and penalties owing for the controlled unit(s) for prior years. This requirement of joint and several liability is declarative of existing law and does not impose any new requirements or limit existing ones.
- (d) Deadline for Payment of Registration Fees
- (1) All registration fees are due and owing pursuant to this regulation as of July 1 of each year, and must be received in the office of the Rent Control Board, or mailed and postmarked, no later than August 1, of each year.
- (iA) For years in which August 1 falls on a day of the week when the Board's offices are closed to the public, fee payments must be received in the Board's office, or mailed and postmarked, no later than the first business day after August 1 ~~that the Board's offices are open to the public.~~ For purposes of this regulation only, the Board's offices are closed only when they are not staffed and not conducting business, regardless of whether the public is permitted to enter City Hall. Also for purposes of this regulation, the term "business day" excludes Saturdays, Sundays, all public holidays recognized by the City of Santa Monica, and every other Friday when City offices are closed in compliance with South Coast Air Quality Management requirements.
- (iB) The deadline set forth herein is subject to the exceptions as provided in ~~subsections (d)(2), (3) and (4), and (7) of this subdivision~~ and subsection (l) below.
- (2) Except in extraordinary circumstances, and at the discretion of the Administrator, no exceptions to, nor extensions of, the deadline set forth in subsection (1) above shall be granted.
- (3) If a landlord has been granted an exemption for a controlled rental unit by the Board which exemption lapses, the landlord shall pay prorated registration fees for the balance of the fiscal year in which the exemption lapsed. Such prorated fees are due at the start of the next calendar month following the lapse. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
- (4) If any registration fee waiver expires, the landlord shall pay prorated registration fees for the balance of the fiscal year in which the waiver expires. The prorated fees are

due at the start of the next calendar month following the expiration of the fee waiver. The fees are past due, or delinquent, if not paid in full within thirty (30) days.

- (5) If a unit is returned to the rental market pursuant to Chapter 16, the landlord shall pay registration fees for the balance of the fiscal year remaining thirty (30) days after the filing of the Notice of Intention to Re-Rent Withdrawn Accommodations for the subject property. Such prorated fees are due at the start of the next calendar month and are past due and delinquent if not paid in full within thirty (30) days.
- (6) If a newly constructed unit is offered for rent or lease and is subject to the Rent Control Law in accordance with Regulation 1631, the landlord shall pay registration fees for the balance of the fiscal year remaining after the unit is first offered for rent or lease. Such prorated fees are due at the start of the next calendar month and are past due and delinquent if not paid in full within thirty (30) days.
- (7) A landlord who received no income from a tenant-occupied unit during any month while the 2020 local COVID-19 eviction moratorium was in effect may defer payment of the registration fee for that unit December 1, 2020 in accordance with the terms of this paragraph.

(A) Eligibility for deferred payment under this paragraph is not automatic; it is available only if requested by the landlord and approved by the Administrator. A landlord's request for delayed payment must be:

- (i) on a form provided by the Board,
- (ii) made under penalty of perjury, and include a sworn statement that the owner has not received, and does not anticipate receiving, compensation for the unpaid rent from any policy of insurance, government, or government-supported program;
- (iii) accompanied by a copy of the notification from the unit's tenant addressed to the landlord declaring the tenant's inability to pay monthly rent due to loss of income resulting from the COVID-19 health emergency, as provided for by the emergency order issued by the City Manager on March 14, 2020 and ratified by the City Council on March 19, 2020, including any supplements thereto; and
- (iv) delivered to the Board by no later than July 24, 2020.

(B) A landlord whose request for deferred payment of registration fees under this paragraph has been granted:

- (i) shall not be required to pay registration fees for that unit until December 1, 2020;
- (ii) shall not be subject to late fees if registration fees for the unit are paid in full by December 1, 2020, but if the fees are not paid by that date shall be subject to late fees retroactive to August 1, 2020;
- (iii) shall not be eligible to impose the 2020 general adjustment with respect to the unit as to which registration-fee payment has been deferred, unless all fees owing as to that unit have been paid in full by December 1, 2020;

(iv) shall not be eligible to pass through the amount permitted under subdivision (e) of this Regulation to the tenant of any unit as to which the registration-fee payment has been deferred, unless registration fees for that unit are paid in full by December 1, 2020, and may not thereafter seek payment from the tenant for the registration-fee pass-through that would have been permitted from September 1 through December 1, 2020. If deferred fees are paid in full at any time by or before December 1, 2020, the landlord may pass through to the tenant the monthly amount provided for by subdivision (e) from December 2020 through August 2021 as though the tenant has paid the amounts that the landlord could have charged to the tenants if fees had been paid in full by August 1, 2020.

(C) A landlord whose payment of registration fees is deferred under this regulation may not impose the 2020 general adjustment until December 1, 2020 and, even then, may do so only if the following two things are true:

- (i) The landlord paid registration fees on or before December 1, 2020; and
- (ii) The landlord timely served the tenant with legal notice that the fees have been paid and that the general adjustment will go into effect no sooner than 30 days after the fees were paid and the notice served.

(e) Registration Fee Pass-Through.

- (1) After timely paying all current and past registration fees and penalties for a property in accordance with subdivisions (b) and (d) above, the landlord may pass through to that property's tenants a registration-fee surcharge as permitted by Charter Section 1803(n). If implemented by the landlord, this surcharge may not exceed fifty percent of the fee actually paid by the landlord with respect to the affected tenant's unit, and must be charged in twelve equal monthly installments. This surcharge shall not apply to any controlled rental unit for which a fee waiver is in effect. As to any unit for which a fee waiver was in effect for only part of the applicable registration-fee year, the landlord may impose the registration fee surcharge only for those months when the waiver was not in effect, as permitted by paragraph (4) of this subdivision. A landlord may not pass through to tenants any previous year's registration fee, nor any penalty imposed by the Board due to the landlord's late payment of registration fees.
- (2) If a landlord does not pay the registration fees for any fiscal year by the deadline set forth in subdivision (d) above, that landlord is forbidden to pass through to tenants any portion of the registration-fee as provided by this subdivision for that fiscal year, unless authorized by the Administrator pursuant to subdivision (d)(2), above.
- (3) The rent increase provided by this subdivision may be implemented on September 1 of the year for which the landlord has timely paid registration fees pursuant to subdivision (d) above.
- (4) For any unit as to which the landlord pays a prorated registration fee under subdivisions (d)(3) or (4) above, the landlord may, immediately following the payment of those fees, give the affected tenant notice of the intent to impose the registration-fee surcharge permitted by this subdivision. The surcharge shall not exceed the

monthly amount that would have applied under paragraph (1) of this subdivision if the landlord had paid the registration fee for the entire year.

- (5) The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.

(f) Notice Requirements

A landlord shall notify each tenant in writing of a rent increase pursuant to this regulation.

The notice must comply with all requirements set forth in Civil Code Section 827. The notice must state that the landlord has paid the registration fee provided by this regulation on or before the deadline set forth in subsection (d)(1) above. If the landlord falls within the exceptions in subsections (d)(2), (3) and (d)(4), the notice must state that the landlord has paid the fee and must state the date on which such payment was made.

A notice which does not contain a statement of compliance with subsection (d) of this regulation shall be deemed improper, and the landlord shall be required to re-notice each tenant with an appropriate statement. Any landlord who fails to properly notice a tenant in a controlled rental unit will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.

(g) Delinquent Registration Fees

Registration fees will be considered delinquent if not received on or before the deadlines as provided in subsection (d)(1) above, or within thirty (30) days following the lapse of an exemption or the expiration of a fee waiver, whichever is applicable:

- (1) A late charge shall be assessed in an amount equal to four percent (4%) of the unpaid balance of registration fees and penalties, including the unpaid balance of registration fees and penalties remaining from prior years, for each month after the due date, until the entire balance owed is paid.
- (2) A landlord may not increase rent for any controlled rental unit pursuant to any Board approved general or individual rent adjustments until payment has been made of all registration fees and penalties owed for the controlled rental unit(s).
- (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica. The administrator may, for good cause, permit the acceptance of an application or petition notwithstanding nonpayment of fees. Such acceptance may be subject to reasonable conditions, including, but not necessarily limited to partial payment of fees owing.

(h) Registration Fee Waiver for Landlord-Occupied Unit.

- (1) Landlords may apply for a registration fee waiver for one (1) unit each, if that unit is occupied by the landlord(s) as his/her principal place of residence. A unit may be considered landlord-occupied for the purpose of qualifying for a registration fee waiver only if the landlord(s) occupying the unit own(s) at least twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.

- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) An application for a registration fee waiver must be filed on the form provided by the Rent Control Board with the required documentation. Upon determination of eligibility for this fee waiver, the Board shall notify the landlord of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of the refund or credit may be calculated on a prorated fiscal year basis, commencing with the month of determination of eligibility for the fee waiver.
- (4) A landlord-occupied fee waiver expires automatically when the landlord no longer owns or occupies the unit as his/her principal place of residence.

(i) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for any controlled rental unit participating in, or occupied by a tenant receiving a rent subsidy under, a Federal and/or State funded subsidy program which is restricted to very low or low-income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of the registration fees pursuant to this subsection shall either submit to the Board documents which establish a unit's or tenant's participation in a rent subsidy program, or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed. Upon determination of eligibility for this fee waiver, the Board shall notify the landlord of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of refund or credit shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (3) A fee waiver for a tenant receiving a rent subsidy under, or for a unit participating in, a government funded rent subsidy program expires automatically upon termination of participation in such program. If the fee waiver is based upon the occupancy of the unit by a tenant receiving a rent subsidy, a fee waiver will also expire automatically if such tenant no longer occupies the unit.

(j) Registration Fee Waiver for Units Occupied by Very Low-Income Senior Citizens or Very Low-Income Disabled Citizens

- (1) The Board shall grant a waiver of the registration fee for a controlled rental unit, which is rented to a very low-income senior or a very low-income disabled citizen upon application by such tenant. For purposes of this regulation, very low income is defined as 60% of median income for Los Angeles County, determined by the U.S. Department of Housing and Urban Development, adjusted for household size. However, no registration fee waiver shall be granted to a very low-income senior or very low-income disabled person if he or she occupies a unit on a property which is wholly or partially owned by any of the following:
 - (A) his or her child, parent, grandparent, brother, sister, father-in-law, mother-in-law, son-in-law, and/or daughter-in-law;

- (B) a partnership, limited or otherwise, of which his or her child, parent, grandparent, brother, sister, father-in-law, mother-in-law, and/or daughter-in-law is a partner;
- (C) a limited liability company, of which his or her child, parent, grandparent, brother, sister, father-in-law, mother-in-law, and/or daughter-in-law is a member;
- (D) a closely held corporation, of which his or her child, parent, grandparent, brother, sister, father-in-law, mother-in-law, and/or daughter-in-law is a shareholder.

(2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older or must be a "disabled individual" as defined below. In addition, the tenant's gross household income shall not exceed the following 60% of median income for Los Angeles County determined periodically by the U.S. Department of Housing and Urban Development. The income limits shall be calculated using 60% of median income for a family of four, adjusted for household size as follows:

Number of persons	1	2	3	4	5	6 or more
Factor	.7	.8	.9	base	1.08	1.16

For the purposes of this section "gross household income" shall include the income every member of the household received during the preceding calendar year including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, gifts, interest, capital gains and inheritances. "Gross household income" shall include the amount of any withdrawal of cash or assets from an investment. In addition, "gross household income" shall include an amount equal to 5% of the value of the household's total assets valued from \$100,000 to \$200,000, in addition to the actual income earned by the asset. "Gross household income" shall also include an amount equal to 10% of the value of the household's total assets valued from \$200,000 to \$300,000, in addition to the actual income earned by the asset.

If the senior or disabled person's household owns total assets valued at \$300,000 or more, he or she is not eligible for the registration fee waiver authorized by this subparagraph.

If requested by the Board, the tenant shall annually provide appropriate documentation of gross household income and all assets owned by members of the household, including, if necessary, third-party income verification, consistent with the relevant portions of Board regulation 17304.

- (3) A "disabled individual" shall mean any person who has a long-term physical impairment or who presently has a mental impairment, either of which substantially limits one or more major life activities.
- (4) A "physical impairment" means any long-term physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: neurological; musculo-skeletal; special sense organs; respiratory, including

speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic or lymphatic; skin; or endocrine. A "physical impairment" may include but is not limited to such diseases as permanent orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, cancer, heart disease, diabetes, drug addiction and alcoholism.

- (5) A "mental impairment" means any present mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional illness, and specific learning disabilities.
 - (6) "Substantially limits" means that the impairment has been shown to affect the individual's ability to secure employment.
 - (7) "Major life activities" means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving educational or vocational training.
 - (8) Application for determination of eligibility for fee waiver under this section must be made on a form provided by the Board. The application on the basis of disability must include one of the following:
 - (A) A declaration from a licensed physician stating that the tenant suffers from a long-term physical impairment or a present mental or physiological disorder and that such impairment or disorder substantially limits the individual's ability to secure employment.
 - (B) Proof that the individual tenant is a recipient of social security disability income or social security supplemental security income (SSI) for the blind or disabled.
 - (9) Upon determination of eligibility for fee waiver as provided by this subsection, the Board shall notify the landlord of the unit for which the fee waiver is granted and refund a portion of the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
 - (10) Upon the granting of a registration fee waiver as provided under this section, the landlord will cease charging the tenant the monthly prorated registration fee.
 - (11) Fee waivers provided for under this section shall expire whenever the tenant for whom the application was granted vacates the unit or no longer meets the applicable qualifications.
 - (12) Tenants who have received fee waivers under this regulation, or Regulation 11016(j) may renew the fee waiver yearly without filing a complete new application provided that they cooperate with the Board in verifying continued eligibility.
- (k) Notice of Expiration of Fee Waiver. A landlord who has been granted a fee waiver for landlord occupancy, very low-income senior tenants, very low-income disabled tenants or government funded rent subsidy program must notify the Board within thirty (30) days of any change in the conditions upon which such fee waiver was based.
- (l) Earthquake Damaged Units. The landlord of any residential rental unit that is currently deemed uninhabitable as a result of the January 17, 1994 "Northridge" earthquake, or its

immediate aftershocks, shall not be obligated to pay registration fees for any unit deemed uninhabitable.

- (1) "Deemed uninhabitable" means that the subject unit(s) is currently red- or yellow-tagged by the City of Santa Monica Department of Building and Safety.
- (2) Upon a determination by the City Building and Safety Department that the subject unit(s) is habitable (i.e. green-tagged), the landlord shall pay prorated registration fees for the balance of the fiscal year that such unit(s) is determined to be habitable. Such prorated fees are due at the start of the next calendar month following the habitability determination. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
- (3) The landlord may pass through any prorated fees consistent with subsection (e) above, provided proper notice is given to the tenants pursuant to Civil Code section 827 and subsection (f) of this Regulation.