



# Rent Control News

## Voters Simplify Method for Calculating Rent Increases

On November 6, the voters of Santa Monica passed Measure GA, simplifying the Rent Control Board's method for determining the annual rent increase (known as the General Adjustment or GA).

### What Will Change?

The new formula will be a simple calculation: 75% of the annual change in the regional inflation rate (as measured by the federal government), rounded to the nearest one-tenth of a percent. To protect against hyperinflation or deflation, the GA can never be less than 0% or greater than 6%. It will only be as high as 6% if the inflation rate is 8% or higher. The inflation rate has not exceeded 8% since 1981, and has done so only four times in the past 50 years.

### What Will Remain the Same?

The Board can still apply a fixed dollar-amount maximum increase after holding a public hearing. For example, in 2012 the GA increase was 1.54% or \$26, whichever was less.

### Why Is This Methodology Better?

Before passage of Measure GA, the Board used a complex formula to determine the General Adjustment, occasionally requiring consultants to help assess property owners' annual expenses.

This expenditure of funds and staff time usually yielded the same result that would have been reached by using a simple, inflation-based formula. For example, in 2012 under the old law, the GA was 1.54% with a ceiling of \$26. Since the inflation rate in 2012 was 2%, under Measure GA the increase would have been 1.5%, a difference of just 0.04%.

The new methodology will not require outside consultants to aid the Board in its calculations. It is expected to save money, staff time, and provide greater transparency in the GA-calculation process.



## New Smoking Law Affects All Santa Monica Apartments & Condominiums

The Santa Monica City Council recently passed a law with new rules on smoking for all multi-unit housing. Local law already prohibits smoking in indoor and outdoor common areas of residential buildings, including balconies and patios and any area within 25 feet of any door, window or vent. The new law will extend the smoking ban to individual units.

Starting November 22, 2012, every unit that becomes vacant will be designated a non-smoking unit. All landlords and condo HOAs must conduct a survey of current occupants. Tenants will designate their units as either "smoking" or "non-smoking." Owners must begin their survey by January 21, 2013. Tenants have until February 20, 2013 to respond. Property owners will be required to inform all tenants and potential tenants of the designations for all the units on the property. If a property is already 100% non-smoking, the designation process is not required.

A current occupant may continue to smoke inside their own unit if they designate their unit as a "smoking" unit. It is important to note that tenants cannot be evicted for violations of this ordinance unless they signed a rental agreement that prohibits smoking.

## Santa Monica Rent Control Board

1685 Main Street, Room 202, Santa Monica, CA 90401

**Commissioners:** Todd Flora, Marilyn Korade-Wilson, Robert Kronovet, Ilse Rosenstein, William Winslow

**Administrator:** Tracy Condon **Newsletter Editor:** Sonia M. Quiñones

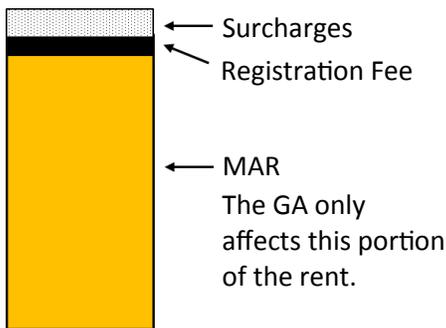
*Rent Control News* is published by the Rent Control Board of the City of Santa Monica

# New to Santa Monica?

## What You Need to Know About Rent Increases

Newer tenants whose rents are increasing for the first time can be surprised when owners demand not just the annual increase allowed by the Rent Control Board, known as the General Adjustment (GA), but also the allowable surcharges including the \$13 rent control registration fee plus certain property-tax-related surcharges. Because many owners do not charge (or explain) these surcharges at the start of the tenancy, when they are implemented later many tenants wonder: "What is the legal rent increase for a Santa Monica rent-controlled unit?"

### Components of the Legal Rent



### How Rent Can Be Increased

Rent control limits how much the Maximum Allowable Rent (MAR) can increase. However, the MAR is only one component of the total legal rent tenants may be required to pay. Owners who pay the annual rent control registration fees on time and are otherwise in compliance with the Rent Control Law may add \$13 per month to the rent to recover the registration fee. They may also include certain property tax assessments, which vary in total amounts from property to property.

In other words, even though the Rent Control Board limited this year's increase to 1.54% and set a \$26 maximum, this limit only applied to the MAR portion of the legal rent. Tenants who are charged the registration fee and surcharges for the first time may experience a lawful increase to their overall rent well above \$26.

### Catching Up with Previously Authorized Rent Increases

A tenant's rent may also increase significantly when an owner implements increases from past years that he or she previously refrained from

collecting. That is allowed because each year's general adjustment increases a unit's MAR whether or not a property owner collects the higher MAR. In other words, owners may "bank" increases and impose them at a later time. While property owners can't increase a tenant's rent retroactively, it is lawful to serve a tenant with several years' worth of increases for future rent as long as proper written notice is given.

Tenants who have questions about whether they are being charged a lawful total rent should contact the Rent Control office.

## New Smoking Law

*(Continued from page 1)*

### Q: How is the law enforced?

A: Mostly by communication. But if a person persists in smoking in a non-smoking unit after getting a written notice to stop, they can be taken to small claims court for damages starting at \$100 and going as high as \$500.

### Q: Are property owners required to enforce the law?

A: No. They are only required to conduct the survey, distribute the results to current and potential new tenants, and keep updated lists available.

### Q: Can a tenant be evicted for violating this law?

A: No. But a tenant can be evicted if the lease prohibits smoking.

### Q: Where can I get help with quitting?

A: Go to [nobuttts.org](http://nobuttts.org), or call 1-800-NO-BUTTS.

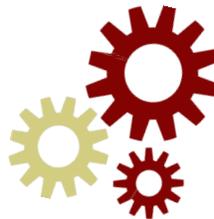
Additional deadlines and requirements are available online at [smconsumer.org](http://smconsumer.org).

## Zero Waste

A recent California statute (AB 341) requires all multi-family dwellings of 5 or more units to recycle.

This law took effect July 1, 2012.

The City of Santa Monica currently diverts 74% of discarded materials from landfills. We need your help to boost that number to 80%. To make achieving this goal easier, the City provides free recycling containers (95- and 300-gallons) to help residents go green. For more information about the City's various recycling programs, or for simple waste reduction tips, visit [www.smgov.net/r3](http://www.smgov.net/r3). You can also call the Resource Recovery and Recycling Division at (310) 458-2223.



## New Affordable Housing List for 2013

Community Corporation of Santa Monica (CCSM), a non-profit organization that provides affordable housing to residents with limited incomes, selects many of its tenants from a list of qualified candidates. CCSM creates a new list of interested applicants every year. Anyone on the 2012 list must reapply to be on the 2013 list. To get on the 2013 marketing list:

1. **Pick up an appointment card from CCSM** at 502 Colorado Ave., Community Room, Santa Monica, CA. Available from December 3–31, excluding December 14 and 28.  
Hours: Monday—Thursday, 8 am to 5pm.  
December 7, 21, 24 and 31: (8 am—noon).
2. **Attend a mandatory seminar in January.**  
CCSM representatives will help applicants complete a required questionnaire. You will not be allowed to attend the seminar without an appointment card.

CCSM will notify qualified applicants when vacancies become available that match a household's size and income level. For more information call CCSM at (310) 394-8487 or visit [www.communitycorp.org](http://www.communitycorp.org).

### Rent Control Welcomes Returning Board Member, Ilse Rosenstein, and New Board Member, Christopher D. Walton

Ilse Rosenstein was elected to a 4-year-term on the Board after being appointed to complete the term of Commissioner Chris Braun who resigned in 2011. She believes the protections provided by the Rent Control Law contribute to the diversity, stability and well-being of Santa Monica residents.

Christopher Walton has been a Santa Monica resident for 27 years and he credits the City's Rent Control Law for making that possible. As a volunteer tenant attorney, he works to apply the rule of law fairly and believes that his education and experience will enable him to make valuable contributions to the Rent Control Board.

Mr. Walton and Ms. Rosenstein join current board members Todd Flora, Marilyn Korade-Wilson and Bill Winslow. The Rent Control Board thanks Robert Kronovet for his service on the Board.

## Upcoming Seminars

**March 5, Tuesday, 9:30 am – noon**

### Owning Rental Property in Santa Monica

At this seminar, owners and managers learn the basics of the Santa Monica Rent Control Law and how to avoid common pitfalls. Topics include rents, amenities, maintenance, eviction limitations, restrictions on change of use, and services available through the Rent Control office.

**May 7, Tuesday, 6:30 – 9 pm**

### Tenant Seminar

This seminar is designed for tenants to learn what services are available through the Rent Control office such as how rent and amenities are defined, the eviction protections under the law, and what remedies are available for issues related to rents, amenities, and maintenance.

**July 9, Tuesday, 6:30 – 9:00 pm (6:15 pm check-in)**

### Calculating the Annual Rent Increase (For Owners)

A quick overview of how to calculate and notice this year's general adjustment and surcharges. One-on-one assistance is available to help you calculate and complete rent increase notices. Limit: Help provided for one (1) property per owner.

**October 15, Tuesday, 9:30 am – noon**

### Rental Property Maintenance Seminar

A joint presentation with the City's Code Compliance Division. Topics include: required maintenance and repair, how and where to file a complaint, temporary relocation of tenants during repairs and issues related to habitability.



#### All seminars are held at:

Santa Monica Main Public Library  
601 Santa Monica Blvd.  
Multipurpose Room, 2nd Floor

#### Please register for any seminar you would like to attend.

Call (310) 458-8751 or send an email to [rentcontrol@smgov.net](mailto:rentcontrol@smgov.net).

**INFO**



**Website:** [www.smgov.net/rentcontrol](http://www.smgov.net/rentcontrol)



**Telephone:** (310) 458-8751



**Email:** [rentcontrol@smgov.net](mailto:rentcontrol@smgov.net)



**www.facebook.com/santamonica-rentcontrol**



**TENANTS**

The amount shown in the circle at left is the MAR (Maximum Allowable Rent) for your unit, per Rent Control records. The legal rent for your unit is the MAR plus allowable surcharges. Surcharges typically add \$13 to \$60 (more for condos) to your rent. If you have questions about your MAR, allowable surcharges, or any rent control topic, please call an Information Analyst at (310) 458-8751.

**OWNERS**

Each July, owners receive a report listing the MAR that is listed in Rent Control's records for every rental unit on their property or properties. If you are an owner, the circle at left should not include a MAR. If a MAR is listed, please call Rent Control at (310) 458-8751.

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## Inside the Fall 2012 issue . . .

*Voters simplify method for calculating rent increases*

*The City's new smoking restrictions*

*CCSM affordable housing list reopens*

### Rent Control Office Hours

Rent Control is closed every other Friday. Please call before coming to be sure it's a Friday we're open.

### Information by Phone: (310) 458-8751

Monday through Thursday, 7:30 am—5:30 pm  
On alternate Fridays, 8:00 am—5:00 pm

**Public Counter: 8:00 am—4:30 pm**



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1685 Main Street, Room 202  
Santa Monica, CA 90401

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