



# Rent Control News

## Rent Board Amends Rent Decrease Regulations

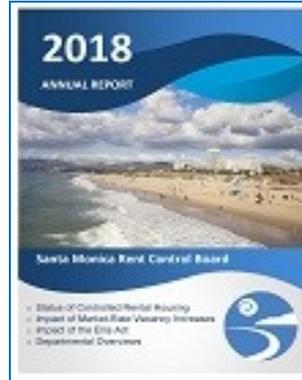
The rent control law allows tenants to petition the Board for a rent decrease if a property owner fails to make necessary repairs or reduces housing services and amenities. The purpose of the rent decrease is to incentivize owners to maintain their properties and to ensure that an owner does not achieve a “back door” rent increase by reducing services or maintenance. That is, they charge the same rent but provide less for it.

In April, the Rent Control Board modified how rent decreases are calculated when there has been a reduction of maintenance or housing services. The Board adopted Regulation 4203 after considering various approaches and receiving feedback from members of the community at its March 14th meeting and April 11th public hearing.

Previously, any rent reduction granted by the Board went into effect on the first rent payment at least 30 days after the decision was issued and was prospective only. This method did not provide any relief for the period of time the tenant lived with the deteriorated condition. With the new regulation, rent reductions will still go into effect prospectively, but for conditions that are proven to exist, the decrease amounts will be calculated from the date the petition was filed with the Board.

Before filing a petition for a rent reduction, tenants must still contact the owner in writing, stating what repairs are necessary and/or what housing services or amenities they want restored. Tenants should keep a copy of their written notice to the owner. If 30 days pass and any problem mentioned in the written notice still remains, tenants may make an appointment with the Rent Control Agency to file a Rent Decrease Petition.

## Highlights of the 2018 Annual Report



In March, the Rent Control Agency published the 2018 Annual Report, which provides a comprehensive look at the status of controlled rental housing in Santa Monica. The report has sections analyzing how the controlled housing stock has been affected by market-rate vacancy increases and Ellis Act withdrawals, as well as overviews of the important work of the Rent

Control Board and the four administrative divisions of the Agency. The full report is available on the Rent Control website.

Here are some interesting facts from the report.

- The Board adopted new regulations that prohibit the pass-through of property-tax related surcharges for tenancies that began on March 1, 2018 or later, or when there is a reassessment of the property's value due to sale or voluntary improvements on or after that date. Otherwise, surcharges were limited to actual prorated amounts, 4% of the rent, or \$35, whichever is less.
- At year-end, there were **27,445** residential rental units currently subject to the rent control law. (Additional units that have temporary use exemptions will become controlled if they no longer qualify for the exemption.)
- **71%** of units have been rented at market-rate rents at least once since January 1, 1999.
- **25%** of units are still occupied by tenants who moved in before January 1, 1999.
- **Almost a third** of tenants moved into their units within the last **three** years.
- Using HUD affordability standards, only a household with an income above **\$100,000** could afford a 1-bedroom or larger unit at the median rent set in 2018. (*cont.*)

**Santa Monica Rent Control Board** 1685 Main Street, Room 202, Santa Monica, CA 90401

Chairperson: *Caroline Torosis* Commissioners: *Steve Duron, Anastasia Foster, Nicole Phillis, Naomi Sultan*  
Executive Director: *Tracy Condon*

**Hemos preparado también una copia de este boletín en español. Para obtener esta versión traducida, llame a nuestra oficina al (310) 458-8751.**

## Tenant Relocation Benefits Get a Boost

The City Council recently increased both the permanent and temporary relocation benefit amounts in the City’s tenant relocation ordinance, which applies to all rent-controlled units. The increased benefits are intended to help mitigate the financial impacts of involuntary displacement and to keep pace with today’s costs. Although both ordinances provide for annual inflation adjustments on July 1<sup>st</sup> of each year, this was the first time since 2011 that the base amounts were reevaluated.

Additional information is available at <https://www.santamonica.gov/housing-tenant-relocation-fee>. Contact the City Attorney’s Office at (310) 458-8336 for questions about permanent relocation and the City’s Code Enforcement Division at (310) 458-4984 for questions about temporary relocation.

### Permanent Relocation

Permanent relocation assistance is a fee landlords are required to pay to tenants who are forced to permanently move out of their homes due to no fault of their own. The most common reason for these evictions are the landlord or a close relative is moving into the rental unit (owner-occupancy) or the landlord is taking the building off the rental market (Ellis Act). The relocation fees are based on the number of bedrooms in the unit and are increased for units occupied by seniors, tenants with disabilities or households with minor children.

The current permanent relocation fees are:

UNIT TYPE	RELOCATION FEE	SENIOR, DISABLED OR MINOR TENANT
<ul style="list-style-type: none"> <li>Bachelor/Single</li> <li>1 Bedroom</li> <li>2 + Bedrooms</li> </ul>	<ul style="list-style-type: none"> <li>\$15,020.51</li> <li>\$20,705.13</li> <li>\$28,810.26</li> </ul>	<ul style="list-style-type: none"> <li>\$15,712.82</li> <li>\$22,089.74</li> <li>\$30,682.05</li> </ul>

The amounts above must be paid to all eligible tenants who move out after February 21, 2019, even if the landlord filed for an Ellis Act withdrawal or served a notice of eviction before February 21, 2019. Low-income tenants who are evicted for no-fault reasons may qualify for affordable housing through either the City’s Housing Division or Community Corporation of Santa Monica.

### Temporary Relocation

Temporary relocation assistance pays tenants’ living expenses when they are forced to vacate their unit temporarily due to fumigation, code violations that render the unit uninhabitable, or extensive repair work.

For relocation of five days or less, the landlord has the option of temporarily placing a tenant in a safe and sanitary hotel/motel, paying per diem money for housing and expenses or providing alternate comparable housing. For relocation of six days or more, the tenant must be given per diem money or alternate comparable housing. While the amount for housing reimbursement was recently increased, the fees for other temporary expenses were not changed.

The current temporary relocation fees are:

HOUSING	• \$292.13 PER DAY
MEALS	• \$31 PER PERSON
PET BOARDING	<ul style="list-style-type: none"> <li>\$55 PER DAY - DOG</li> <li>\$30 PER DAY - CAT</li> </ul>
LAUNDRY	• \$1 PER DAY IF NORMALLY PROVIDED

## New State Law Expands Rights to Electric Vehicle Charging

The City of Santa Monica has seen an exponential increase of citizens driving electric vehicles (EV) in the past few years. Since 2015, State law has prohibited owners of non-rent-controlled properties from refusing to grant a tenants’ written request to have an EV charging station installed at a parking space leased to them, provided certain conditions are met.

Rent-controlled properties were exempt from this law, but an amendment effective January 1, 2019 extended tenants’ rights to install EV chargers to rent-controlled properties with five or more parking spaces. Landlords are not required to provide additional parking spaces for this purpose, and tenants have extensive obligations under the law, including paying the landlord all of the costs associated with installing the charging station and maintaining a \$1,000,000 general liability insurance policy naming the landlord as an additional insured. The insurance requirement has been a deterrent for some tenants, and the legislature is currently considering changing that requirement.



## CPI Determines Annual Rent Adjustment

The annual General Adjustment (GA) for rent-controlled units in Santa Monica is based primarily on the increase in the Consumer Price Index or CPI. The CPI measures changes in the price of goods and services purchased by the average urban household over a one-year period. It is essentially a measure of inflation.

Since 2013 when Santa Monica voters changed how the GA is calculated, the yearly increase has been set by taking 75% of the CPI for the greater Los Angeles area for the 12-month period ending as of March each year. On April 10th, the Bureau of Labor Statistics announced that the change in the CPI during the recent period was 2.7%.

The Board will officially announce the basis for the GA at their May 9th meeting, applying the formula to this change in the CPI: 75% of 2.7% equals 2.02%, which rounds to 2.0%. The Board may decide to set a dollar-amount ceiling on the 2.0% GA but only after holding a public hearing at their planned June 13th meeting.

With proper written notice, owners may implement the approved GA as of September 1, 2019 for tenancies that began before September 1, 2018, provided the unit otherwise qualifies for an increase. Rent Control will mail information to all tenants and property owners in late June explaining this year's increase along with an explanation of any surcharges that may be included in tenants' rents.

### Highlights of the 2019 Annual Report (cont.)

- The median rents for units of all sizes hit record highs in 2018. The median rents for 1- and 2-bedroom units, which together comprise 82% of the housing stock, were **\$2,395** and **\$3,200**, respectively.
- The net number of units withdrawn from the rental housing market under the Ellis Act since the California Legislature enacted it in 1986, is **2,222**. Almost **900** units that were once withdrawn from the rental housing market have been returned to the controlled housing stock.
- **62** units were withdrawn from the rental housing market under the Ellis Act in 2018. The same number of units were returned to rent control that year, for a **net loss of zero units**.
- Tenants filed **97** rent decrease petitions for the removal of amenities or lack of maintenance. Thirty-seven percent of these petitions were fully resolved in mediation.
- Tenants filed **19** excess rent or non-registration complaints, **77%** of which were fully resolved in mediation.
- The average amount of **63** buyout offers reported in 2018 was **\$54,611**. Buyouts occur when a tenant voluntarily agrees to move out of a unit in exchange for a cash payment. All buyout agreements must be reported to the Rent Control Agency.

*The full 2018 Annual Report is available online!*



### Electronic Communication & Online Registration

In an effort to raise public awareness on rent control issues, the Agency is ramping up its efforts to disseminate information electronically via email. Tenants and property owners who are interested in receiving from the Agency announcements, invitations to events, and Rent Control Board agendas are encouraged to sign up for email updates. Sign up or register using the links in the blue Quick-links box on the Agency's homepage.

**REMINDER: Owners may register new tenancies online.** When a tenancy registration form is submitted, the owner is emailed a copy of the registration form confirming its receipt by the Agency.

## Upcoming Seminars

The Rent Control Agency presents several free seminars throughout the year. The following seminars will be presented at:

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

### Tenant Seminar

May 8 | Wednesday | 9:30am—Noon

Designed for tenants, this seminar provides an overview of the services available through the Rent Control office, how rent and amenities are defined, the protections against eviction; and the remedies available for excess rent, lack of maintenance, and loss of amenities.

### Calculating the Annual Rent Increase

July 16 | Tuesday | 6:30pm – 9:00pm  
*(tentative date)*

Designed for owners and managers, this seminar provides an overview of how to calculate and notice the 2019 general adjustment and surcharges. One-on-one assistance is available to help calculate and complete rent increase notices.



### Please register

for any seminar you would like to attend by sending an email to **rentcontrol@smgov.net** or by calling **(310) 458-8751**.

Check our website for calendar updates. [www.smgov.net/rentcontrol](http://www.smgov.net/rentcontrol)



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### Rent Control Board

1685 Main Street, Room 202  
Santa Monica, CA 90401



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

# INFO



**Public Counter:** 1685 Main St., Room 202  
M-Th / Alternate F: 8:00-4:30



**Telephone:** (310) 458-8751  
M-Th: 7:30-5:30 / Alt F: 8:00-5:00



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



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



**www.facebook.com/santamonica Rent Control**

## TENANTS

The amount in the circle at left is the MAR for your unit, per Rent Control records. **If you moved in recently, our records may still list the MAR for the previous tenancy. In most cases, owners may reset the rent with each new tenancy.** In addition to the MAR, an owner may pass-through to tenants half (\$8.25 per month) of the registration fee Rent Control charges for each unit.

\*For tenancies that began before March 1, 2018 and on properties not sold or reassessed since then, owners may also add surcharges based on the property tax bill. With the fee and surcharges, the legal rent for your unit may be \$8.25 to \$43.25 higher than the MAR shown. If the message is "Tenant Call," or if you have questions about your MAR, fees or surcharges, please call Rent Control.

## OWNERS

By early July, Rent Control will send owners a report listing the MARs in our records for every rental unit on each property they own. If you are an owner, the circle at left should not include a MAR. If a MAR is listed, please call Rent Control.

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## Inside the Spring 2019 issue:

***Rent Decrease Process Amended ...  
Highlights of the 2019 Annual Report ...  
2019 General Adjustment ...  
Tenant Seminar is May 8th ...***

**Para obtener una traducción de este boletín en español, vea el aviso con las instrucciones correspondientes en el interior de este boletín.**