

Temporary Rent Reductions

The Rent Control Board has received inquiries from property owners and tenants asking whether an owner may **temporarily** reduce a tenant's rent without changing the established Maximum Allowable Rent (MAR). The answer is YES - except if the discount is during the initial term of the tenancy. That's because the initial rent charged becomes the MAR. Any reduction in the rent within the initial term of the tenancy will reduce the MAR. For all other tenants, temporarily reducing the rent will not change the MAR nor will it change any other term of the original rental agreement.

Guidelines for entering into a temporary rent reduction agreement:

- Any reduction in rent is **voluntary** between an owner and tenant. Both parties must freely enter into the agreement to temporarily reduce the rent.
- When entering into a voluntary agreement to reduce the rent, the owner and tenant should state the agreement in writing.
- The terms could include:
 - (1) The amount of the temporary rent to be paid;
 - (2) The number of months the temporary rent will be paid;
 - (3) The date the agreement ends and the MAR to be paid when the temporary reduction ends; and
 - (4) An acknowledgment by the owner that when the voluntary agreement has ended and the rent goes back to the MAR, the owner cannot retroactively collect the rent which was waived during the agreement.

Agreements may be extended if both parties agree. When the term of the temporary agreement is over, the owner has the option of returning the rent to the full rent in effect before the reduction.

If you have any questions or concerns, please contact Rent Control at (310) 458-8751 or at RentControl@smgov.net.