

Resolution No. 17 – 005

A resolution of the Rent Control Board of the City of Santa Monica recommending that the City Council consider ways to provide, or to arrange for, low-cost financing for owners who require it to undertake city-mandated earthquake retrofitting.

The Rent Control Board of the City of Santa Monica (“The Board”) resolves as follows:

WHEREAS, the City Council of the City of Santa Monica has enacted Santa Monica Municipal Code (“SMMC”) Chapter 8.58, to establish administrative and general requirements to ensure compliance with and facilitate implementation of the retrofit requirements set forth in Chapters 8.60, 8.64, 8.68, 8.72, 8.76, 8.80 of this Code. (Ord. No. 2537CCS § 1, adopted 3/28/17); and

WHEREAS, SMMC Chapter 8.58 and its related city ordinances require owners of specified building types to bring those buildings into conformity with earthquake retrofitting requirements by specified dates; and

WHEREAS, some of the buildings subject to the new earthquake retrofitting requirements—particularly so-called “soft story” apartment buildings—are subject to the Rent Control Law set forth in Santa Monica City Charter (“SMCC”) Article XVIII; and

WHEREAS, persons who own buildings that might be subject to SMMC Chapter 8.58 and its related ordinances have asked the Board to consider allowing them to pass through some or all of their earthquake-retrofitting costs to their tenants as a surcharge on their rents; and

WHEREAS, SMCC Section 1800 requires the Board to administer the Rent Control Law in such a way that landlords will receive no more than a fair return; and

WHEREAS, SMCC Section 1801, subdivision (k) and Section 1804, subdivision (b) limit rents to a unit’s base rent, as adjusted for inflation as specified in SMCC Section 1805 subdivisions (a) and (b), or as increased under SMCC Section 1805(e) only to the extent necessary to ensure a fair return; and

WHEREAS, in view of SMCC Sections 1801, 1804, and 1805, it does not appear that the City Charter confers on the Board the legal authority to permit landlords of rent-controlled units to pass through to their tenants any amount of their earthquake-retrofitting costs, but merely to increase rents upon a showing that the landlord is unable to achieve a fair return—and then only to the extent necessary to achieve such a return; and

WHEREAS, the Board can neither expand its authority nor contract its responsibilities under the City Charter; and

WHEREAS, the Board understands that building owners, tenants, and the City Council agree that ensuring that earthquake retrofitting occurs as expeditiously as possible is in the public interest,

NOW THEREFORE BE IT RESOLVED that the Rent Control Board of the City of Santa Monica recommends, that the City Council consider ways to provide for, or to arrange for, low-cost financing for owners who require it to undertake city-mandated earthquake retrofitting.

PASSED, APPROVED, AND ADOPTED this 7th day of December, 2017.



Steve Duron, Chair

ATTEST:



Lonnie Guinn,
Board Secretary