

2018

ANNUAL REPORT



Santa Monica Rent Control Board

- Status of Controlled Rental Housing
- Impact of Market-Rate Vacancy Increases
- Impact of the Ellis Act
- Departmental Overviews



CONTENTS



OFFICE / PUBLIC COUNTER
1685 Main St., Room 202
Santa Monica, CA 90401

TELEPHONE
(310) 458-8751

WEBSITE
www.smgov.net/rentcontrol

EMAIL
rentcontrol@smgov.net

FACEBOOK
[www.facebook.com/
santamonica-rentcontrol](http://www.facebook.com/santamonica-rentcontrol)

INTRODUCTION	2
NEW DEVELOPMENTS IN 2018	4
ADMINISTRATION	5
STATUS OF CONTROLLED RENTAL HOUSING	7
IMPACT OF MARKET-RATE VACANCY INCREASES	10
IMPACT OF THE ELLIS ACT	22
PUBLIC INFORMATION DEPARTMENT	33
HEARINGS DEPARTMENT	37
LEGAL DEPARTMENT	44
APPENDIX	50



PRODUCED BY STAFF OF THE RENT CONTROL AGENCY
TRACY CONDON – EXECUTIVE DIRECTOR

INTRODUCTION

In 2018, the Santa Monica City Council established a framework of priorities to focus city resources on specific outcomes. The priority that encompasses the work we do within the Rent Control Agency is to nurture an inclusive, diverse and affordable local economy. While the Rent Control Board and its administrative agency operate independently under the City Charter, the rent control law we administer is a primary instrument for achieving the shared objective of housing affordability. The challenge to maintain an inclusive and diverse community increases each year as vacant rental units command rents that only more affluent households can afford. The rent control law is a fundamental stabilizing force that ensures limited rent increases for existing tenants and provides eviction protections so residents can remain in their homes and continue to contribute to the community that has made Santa Monica a world-renown place.

The Board addressed several high-profile issues in 2018 and engaged the community in their consideration. The year began with public hearings on how the Board might address property owners' concerns related to complying with the City's strengthened seismic retrofitting requirements. Seismic safety is essential to ensure the safety of tenants and protect the housing supply, but retrofitting work can be costly. The Board listened to several property owners interested in sharing retrofitting costs with tenants. The rent control law does not provide authority for this type of direct cost pass-through, but it does guarantee that owners are entitled to make a fair return and provides a mechanism for owners to obtain rent increases if expenditures result in the owner no longer receiving a fair return. On behalf of property owners, the Board advocated for the City Council to identify low-cost loans or grants to assist owners who need help in completing City-mandated seismic safety retrofitting of their rental buildings.

With seismic retrofitting work getting underway and Santa Monica's strong real estate and rental housing market stimulating renovations and upgrades, issues relating to construction impacts on tenants remained another focus for the Board. The Agency's Hearings Department addressed these issues by holding dozens of hearings and issuing rent reduction decisions in response to tenant complaints that construction work was being performed unreasonably and was interfering with the quiet enjoyment of their housing and amenities.

The robust local real estate market emerged as another issue. The Board heard from many tenants that the amounts of long-established pass-throughs of voter-approved property-tax-related assessments were dramatically on the rise. To inform the Board's consideration of the issue, the Agency analyzed recent property sales, taxes and pass-through amounts to assess how increases in property values impacted the total rent tenants may have to pay. The Board sought to educate and solicit input from the public with a campaign that included online surveys, a dedicated webpage, advertisements, and email blasts. This topic was of great interest to a broad cross-section of the community, and the Board's discussion of this topic generated significant public involvement, often resulting in the Council Chamber being full for these meetings.

Public participation in Board meetings remained high when Proposition 10 qualified for the statewide November ballot. Proposition 10 would have repealed The Costa-Hawkins Rental Housing Act, the primary effect of which has been vacancy decontrol. (See the *Impact of Market-Rate Vacancy Increases* section in this report for information on the effects of vacancy decontrol.) The Board heard from many landlords and tenants on what

impacts they foresaw locally. The Board spent several meetings considering the best way to establish rents for new tenancies, should Proposition 10 pass. Ultimately, the referendum did not pass statewide, but Santa Monica residents and property owners had engaged in a healthy exchange of ideas.

On the administrative front, the Agency built on the introduction in 2017 of online filing of tenancy registration forms by implementing digitized workflow processing of these forms. This has improved processing efficiency and expedited the updating of thousands of market-rate rents registered annually. The Agency also continued to take major steps toward replacing its legacy property and rent-tracking database. Assisted by staff of the City's Information Systems Division, the Agency developed a detailed scope of work, issued a Request for Proposals (RFP) mid-year and conducted in-depth interviews with potential solution providers. The year ended with a short list of potential partners and anticipation of a signed contract in early 2019. Initial system rollout will likely occur in late 2019. The new system will include a web-based self-service portal that will allow property owners to independently check the registration status of their properties and manage ownership and contact information.

The annual general adjustment to rents (effective September 1, 2018) was 2.9%, with a maximum increase of \$60 for all rents \$2,052 or above. Tied to the Consumer Price Index for the Greater Los Angeles Metropolitan Region, the increase was the second highest in the past 12 years.

Various sections of this report, particularly the *Impact of Market-Rate Vacancy Increases* and *Impact of the Ellis Act*, reveal serious challenges toward the goal of sustaining Santa Monica as a place that is affordable to all. As they have since the end of the 2008 recession, median rent levels for new tenancies have not only outpaced the increases that are allowed with annual general adjustments but have set new record highs for units of all sizes.

Property owners who withdraw their residential rental units from the market, in pursuit of presumably more profitable alternatives, reduce the number of rental units and exacerbate an already tight rental housing market. As the *Impact of the Ellis Act* section shows, many owners who withdraw their units eventually return to the rental housing business. Over one-third of units once withdrawn were returned as rental housing subject to the rent control law, albeit sometimes on redeveloped properties or after five years, which allows owners to charge market rates. Nevertheless, since its passage in 1986, the Ellis Act has resulted in the net loss of 2,222 rental units in Santa Monica and the unfortunate displacement of thousands of tenants, some of whom will never be a part of the community again.

Keeping up with the dynamics of rent-controlled housing and planning for the future engages the staff of the Rent Control Agency. This report, including the departmental overview sections, provides highlights of the Agency's work during the year. It is important to remember that behind the statistics compiled here, virtually all the work of the Agency is performed to help individual owners and tenants. We take pride in explaining, administering and defending the law, and gain satisfaction in being a welcoming resource for the community.

As always, we welcome your thoughts on all that we do. Call, write or send us an email using contact information found on the Contents page. If you would like to stay in touch, apart from our regular mailings and newsletter, please sign up for electronic updates on our website or join us on Facebook.

*Tracy Condon
Executive Director
March 14, 2019*

NEW DEVELOPMENTS IN 2018

LIMITS ON PROPERTY-TAX SURCHARGES

After an extensive public process and outreach campaign, the Rent Control Board acted to phase out property-tax-related surcharges over time for many controlled units. The Board enacted Regulation 3120 after hearing from tenants that the escalating surcharges were becoming financially burdensome, making it more difficult for them to afford their rent.

The taxes at issue were primarily “voted indebtedness” taxes or fees that are directly related to the assessed value of a property. When a property sells or otherwise increases in value due to elective improvements, the property is reassessed, and the property taxes go up – sometimes significantly. Prior to passage of the regulation, most landlords were able to pass through these increased property-tax assessments as monthly surcharges on their tenants’ rents. Since its implementation on March 1, 2018, owners are now prohibited from adding these surcharges to the rent for any new tenancy, or on properties that are reassessed due to a sale or voluntary improvements.

Regulation 3120 also set limits on the amount of taxes that may be passed through in situations where surcharges are not barred. Effective September 1, 2018, the total monthly surcharges were capped at either the actual amount of a unit’s proportionate share of the taxes, four percent of the unit’s Maximum Allowable Rent (MAR), or \$35, whichever is less. Whenever taxes are passed through, the owner must have paid the tax and properly noticed the tenant (which includes providing the tenant with a copy of the property tax bill). The Board considered many factors when enacting this regulation including an owners’ ability to collect market-rate rents for new tenancies and the interests of tenants in being able to predict their monthly rent and subsequent increases.

ADDRESSING CORPORATE/SHORT-TERM RENTALS

In recent years, the supply of permanent housing has been negatively impacted as units are rented to corporations or other entities that then sublease them, or even rooms within units, for short-term rentals. Prompted by concerns that controlled rental units in Santa Monica are being used for purposes other than long-term residential use, the Rent Control Board clarified that rent-controlled units may only be used to provide long-term permanent housing for individual human beings, not corporations. Declarative of existing law, Regulation 2008, adopted at the Board’s August 2018 meeting, specifies that the practice of renting controlled units to corporations or to short-term visitors is contrary to the Board’s mission of protecting the existing housing supply.

INTRODUCTION OF WORKFLOW AUTOMATION FOR TENANCY REGISTRATION

Building on online tenancy registration introduced in 2017, the Agency implemented workflow automation to streamline the processing of tenancy registration forms. Replacing the manual, paper-based process with a digital solution has enabled the Agency to expedite the staff review process and reduce errors. The new system automatically checks for issues such as lapses of registration fee waivers granted to prior tenants or owners, exemption issues, and any limitation on an owner’s right to set a new base rent. The customized technology permits the exchange of information with the core rent tracking system without requiring data entry, thereby reducing the potential for human error. Once processing is complete, a customized letter including updated rental information is sent to each tenant, who can then validate the accuracy of information registered for his or her tenancy.

ADMINISTRATION

RENT CONTROL BOARD



Standing: Steve Duron, Todd Flora

Seated: Nicole Phillis, Anastasia Foster (chairperson), Caroline Torosis (vice-chairperson)

Rent Control Board Commissioners

2018

The Rent Control Board is composed of five elected commissioners, who are responsible for exercising the powers and performing the duties under Article XVIII of the City Charter. The Board typically meets once a month in the City Council Chambers at a scheduled public meeting. In 2018, the Board convened 16 regular meetings.

Three seats were contested in the November 2018 election. Commissioners Steve Duron and Nicole Phillis were re-elected, while Commissioner Todd Flora, who had already served two terms on the Board, did not run due to term limits. Naomi Sultan was elected to the third seat, and she joined the Board in December.

Agendas for upcoming Board meetings are available in the office of the Rent Control Agency, on the Agency's website at www.smgov.net/rentcontrol and via email for people who sign up for electronic communications. Board meetings are shown live on City TV and by webcast. An archive of agendas, minutes and videos of past meetings is also available on the Agency's website.

RENT CONTROL AGENCY

The Executive Director and Administration Department

The Executive Director, who is appointed by the Board, oversees the day-to-day functioning of the Rent Control Agency, including: developing a budget; overseeing personnel, contracts and purchases; as well as assisting the Board in conducting research and developing regulations to implement the rent control law. The Administration Department she oversees also provides direct support to the elected Commissioners by preparing agenda packages, scheduling Board meetings, archiving Board actions and processing correspondence for the Board.

The Administration Department also provides information technology and systems support to the Agency by maintaining the property database, website and software systems, as well as computer and peripheral electronic equipment. To enhance administrative efficiencies and to ensure cross-training, the Agency's administrative support positions are organized as an Office Support Team under the supervision of the Office/Budget Coordinator within the Administration Department.

Public Information Department

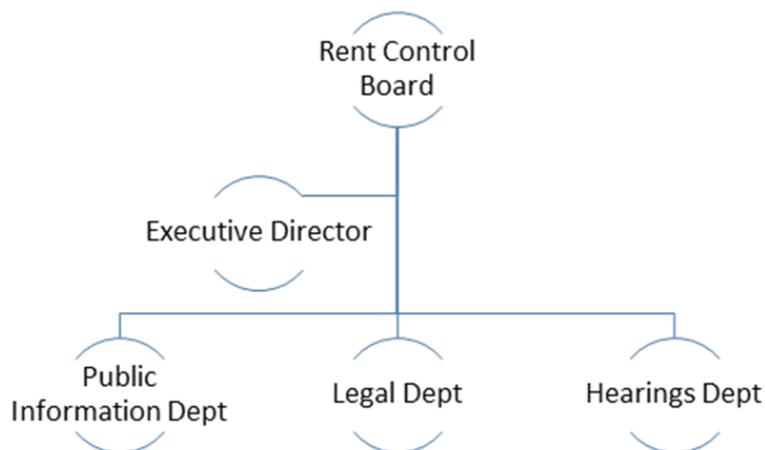
The Public Information Department responds to questions from the public about the rent control law and the history and current status of all controlled units. The department also informs the public about the Agency's services using a variety of media to reach the Agency's constituents. The department publishes subject-specific information sheets, semiannual newsletters and prepares annual reports on the state of the controlled housing stock for the Santa Monica City Council, and the *Impact of Market-Rate Vacancy Increases* and *Impact of the Ellis Act* reports. It also oversees ownership and tenancy registration, exemption monitoring, maintains the Agency's website content, and presents seminars for tenants, property owners, property managers, realtors and other interested members of the public throughout the year. Additional information is available in the departmental overview that begins on page 33.

Hearings Department

The Hearings Department is responsible for scheduling and holding hearings on tenant- and landlord-initiated petitions, conducting investigations, and issuing recommendations and decisions. The department also handles mediation of decrease and excess rent cases and mediates other types of disputes between property owners and tenants. Additional information on this department begins on page 37.

Legal Department

Overseen by the Board's General Counsel, the Legal Department advises the staff and Board regarding interpretations of the law and represents the Board in legal disputes to which the Board is a party. It prepares and presents staff reports on appeals of hearings and administrative decisions, as well as removal permit applications and exemption applications. It also drafts and updates regulations for Board consideration and adoption to implement the rent control law. Additional information on this department begins on page 44.



STATUS OF CONTROLLED RENTAL HOUSING

HOUSING STOCK

The rent-controlled housing stock in Santa Monica consists primarily of residential units that were rented at the time Santa Monica voters adopted the rent control law on April 10, 1979. Units that existed but were not rented at that time became controlled units upon rental. The total number of units subject to the law varies from year to year. This variation is due to fluctuations in the controlled status of units holding temporary use exemptions (for example, owner occupancy exemptions on properties of three-or-fewer-units), units granted removal permits, or units being withdrawn from the rental housing market pursuant to the Ellis Act. These units return to the controlled housing stock if an exemption lapses, a removal permit is not acted upon or if withdrawn units are returned to the rental market.

At the end of 2018, Board records indicated there were 27,445 residential rental units currently subject to the law. This was a net increase of 70 units compared to 2017. In the past 10 years, the number of controlled units has varied from 27,375 to 28,180. The number of controlled units at the end of 2018 was the same as was reported in 2006 and just two fewer than was reported in 2002.

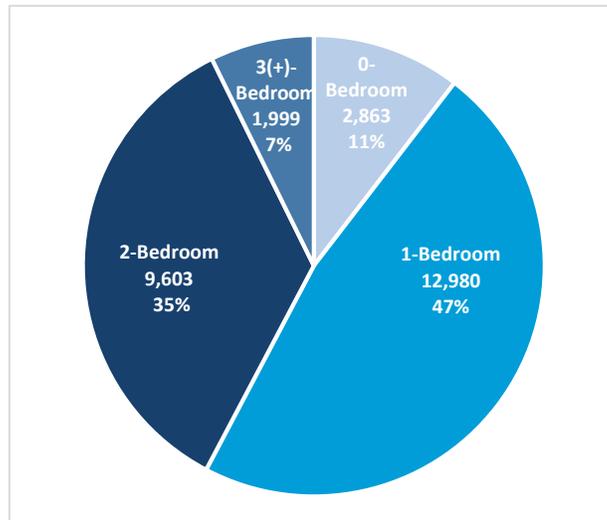
Assertions that the law's restrictions have driven owners to remove or withdraw nearly 10,000 units from the rental housing stock since rent control began are incorrect. In reality, the difference between the number of controlled units reported in 1979 and today is primarily attributable to exemptions that have been granted and rents that have been decontrolled. Units not currently counted as controlled include permanently exempt single-family dwellings (3,923 units); owner-occupied properties of three units or fewer and properties with other "use" exemptions (4,967 units); plus, a large number of single-family dwellings and condominiums that, while subject to the eviction protections under rent control, are owner-occupied or have decontrolled rents (3,653 units). As explained in the *Impact of the Ellis Act* part of this report, the withdrawal of 2,222 net units under the Ellis Act is significant but does not alone explain the fluctuation of controlled rental units over time.

A final category not included in the number of controlled units are pads at mobile home parks. There are 118 controlled mobile home park spaces in Santa Monica. They are not subject to the vacancy decontrol provisions of the Costa-Hawkins Rental Housing Act and therefore, are not included in the *Impact of Market-Rate Vacancy Increases* section that follows.

CONTROLLED UNITS BY TYPE

To better understand the rental housing market in Santa Monica, the Rent Control Agency keeps records by unit type: 0-bedroom, 1-bedroom, 2-bedroom and 3 (or more)-bedroom units. As shown in Figure 1 on the next page, nearly one-half of the 27,445 currently controlled units are 1-bedroom units. Two-bedroom units comprise the next largest segment and are more than one-third of the total. Together, 1- and 2-bedroom units comprise 82 percent of the controlled housing stock. Accordingly, the greatest number of tenants are living in 1- and 2-bedroom units, of which there were 22,583 units at year end.

Fig 1 | Controlled Rental Units by Unit Size

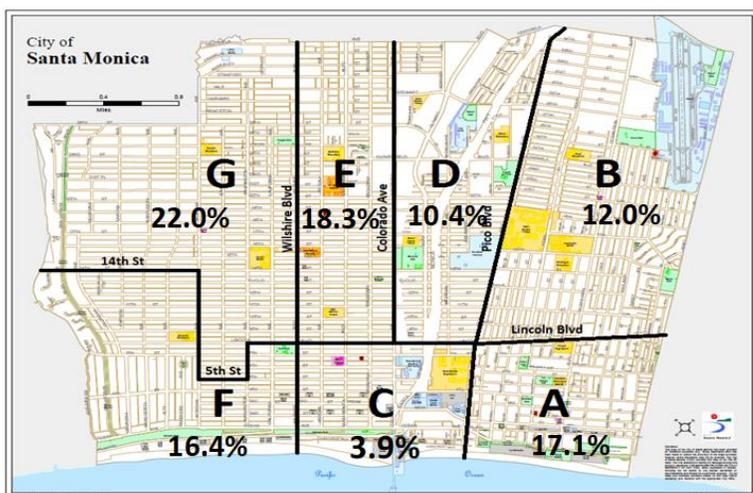


Three or more-bedroom units are the fewest in number with just about 2,000 units of this size. While there are about half as many more studios than 3(+)-bedroom units - 2,863 units, they too are a relatively small segment of the universe. Even though the count is higher for studios than 3(+)-bedroom units, a greater number of tenants likely live in 3(+)-bedroom units, which can accommodate more people.

MAPPING THE CITY

In addition to tracking units by their size, the Rent Control Agency segments the city into seven areas that roughly parallel the city’s neighborhoods and census tracts. The Agency reports rental trends by neighborhoods, identified as City Areas A through G in the map below, Figure 2. These areas are referenced throughout the *Impact of Market-Rate Vacancy Increases* and the *Impact of the Ellis Act* reports that follow.

Fig 2 | Controlled Rental Properties by City Area

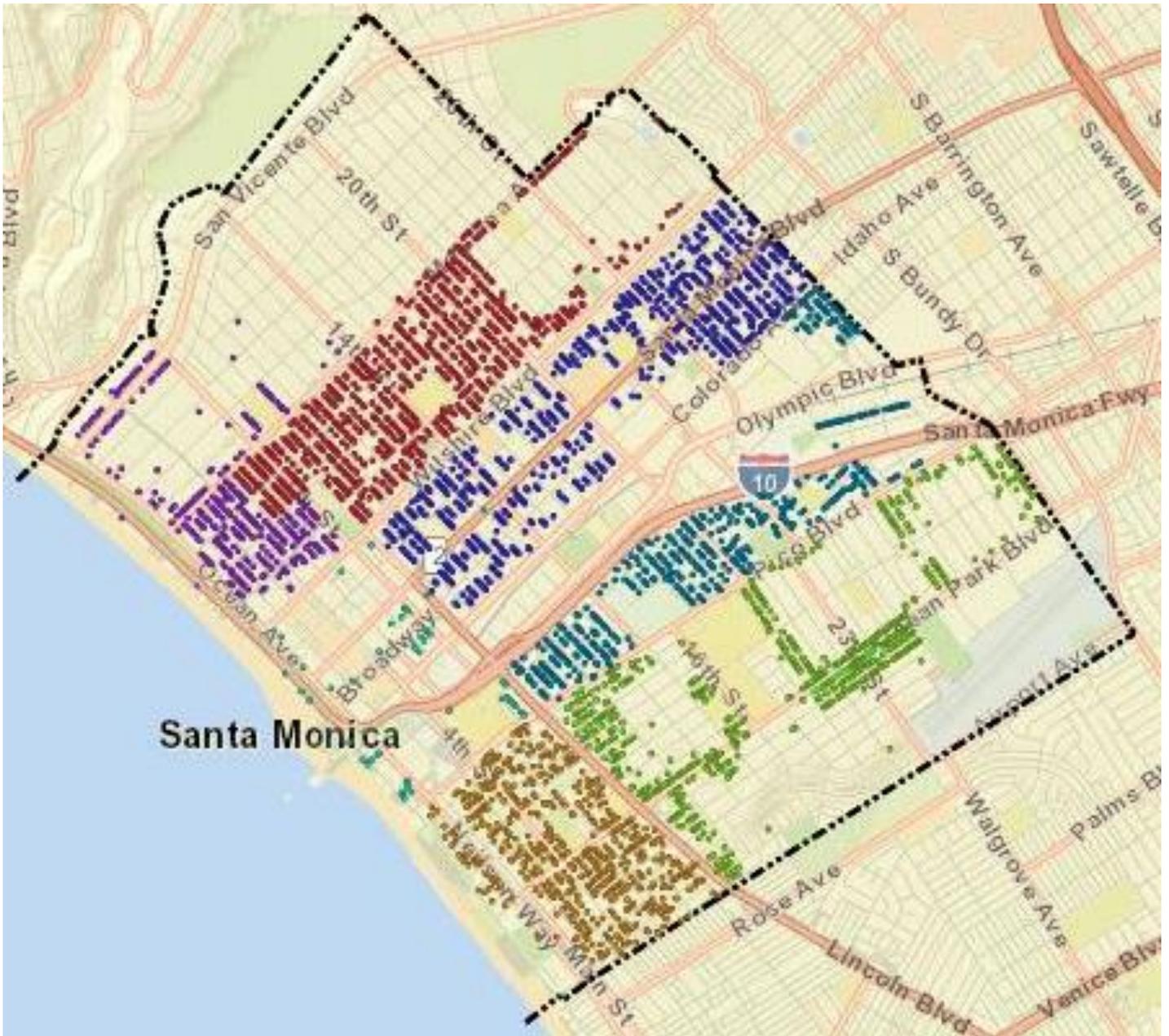


City Area	Controlled Units as of 12/31/18	Change from 12/31/17
A	4,702	+6
B	3,288	-13
C	1,061	-4
D	2,849	-7
E	5,018	+38
F	4,500	+2
G	6,027	+48
Total	27,445	+70

The map above also shows the percentage of controlled rental units in each area as of December 31, 2018. While there are significant differences in the number of controlled units in each area, the share of each area’s units tends to vary little from year to year. The adjoining table quantifies by city area the number of units subject to the law at the end of 2018.

Annual changes to the number of units in any area are primarily due to changes in exemption status of properties and Ellis activity. Figure 3 geographically depicts the density and location of controlled properties in each city area.

Fig 3 | GIS: Controlled Rental Properties by City Area



IMPACT OF MARKET-RATE VACANCY INCREASES

INTRODUCTION

The rent control law was enacted by Santa Monica voters in 1979. For the next 20 years, rent levels for most controlled units were pegged to rents in effect in 1978 plus annual increases authorized by the Rent Control Board. This was true even when units were vacated, and new tenants moved in. This system, known as “vacancy control,” applied to all units subject to the rent control law. With the passage of the Costa-Hawkins Rental Housing Act by the California State Legislature, vacancy decontrol became the norm for rent-controlled jurisdictions across the state. This change in state law means that rents for most new tenancies begun on or after January 1, 1999 are no longer tied to the rent in effect in 1978. Since 1999, owners have been able to establish rents for new tenancies at “market rates,” meaning that initial rents may be whatever amount the market will bear. This report quantifies impacts on rents in Santa Monica over the past 20 years resulting from the loss of vacancy control.

To be clear, vacancy decontrol does not mean units are not subject to the rent control law. Just as with “long-term” units (units occupied by tenants who moved in before vacancy decontrol took effect in 1999), newly set rents are recontrolled and are subject to rent control’s annual increase limits. The rent control law equally protects long-term tenants and those who moved in at market rates. The primary difference is the amount of rent these different groups of tenants typically pay. Initial rents for new tenancies have been rising, as existing tenants move, and apartments are rented at market rates. New tenants are starting their tenancies paying rent levels that are not only significantly higher than rents paid by long-term tenants, but in many cases, higher than the rents paid by market-rate tenants who rented their units just one or more years earlier.

SHARE OF LONG-TERM AND MARKET-RATE CONTROLLED HOUSING STOCK

Each year, this report looks at how many controlled units are rented at long-term rates versus market-rates. As depicted in Figure 4 below, following 20 years of vacancy decontrol, 71.2 percent of all rent-controlled units have now been rented to people paying market-rate rents. The share of units with long-term tenants dropped to 25.4 percent of the total. In 2018, 505 units were registered as having been rented at market rates for the first time.

Fig 4 | Controlled Rental Units by Type – 2018

	# of Controlled Units 2017	# of Controlled Units 2018	Change from 12/31/17
\$0 MAR	193	155	-38
Long-Term	7,355	6,962	-393
Restricted	139	143	+4
Housing Choice	631	623	-8
Market-Rate	19,057	19,562	+505
Total	27,375	27,445	+70

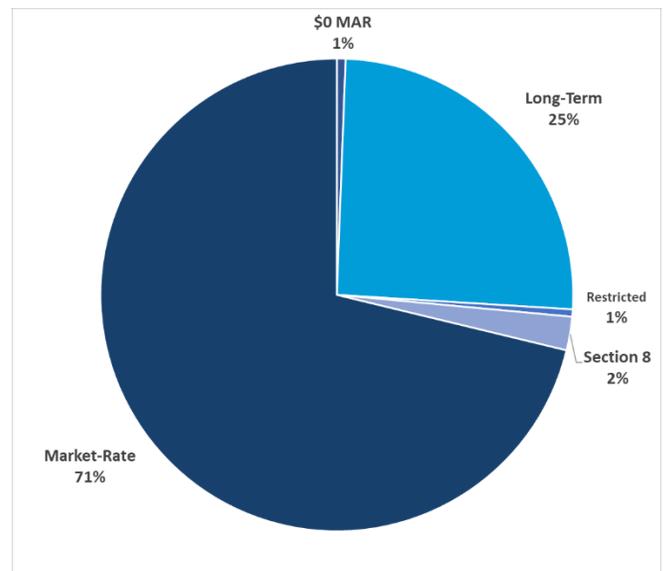


Fig 5 | Controlled Rental Units by Type – 1999 to 2018*



*The Rent Control Agency only began segmenting controlled units by the five categories indicated above in 2015. Early Agency reports did not distinguish those units with \$0 MARs, those in the Housing Choice program or those with restricted rents.

As represented in Figure 5, the share of units rented at market rates has increased as long-term tenants vacate and those units are rerented. In 2018, 393 units formerly occupied by long-term tenants either were rerented to market-rate paying tenants, were withdrawn under the Ellis Act or otherwise became exempt. The number of long-term tenancies lost was higher than in 2017 when 361 long-term tenancies were lost. The 393 long-term units lost in 2018 represented 5.3 percent of the housing stock that had been occupied by long-term tenants at year-end 2017. The rate at which long-term units are being lost has increased slightly over the past three years. From 2015 to 2016, 2.6 percent of then-remaining long-term units were lost, and from 2016 to 2017, 4.7 percent were lost. As detailed later in this report, escalating rents for new tenants make staying in place for existing tenants a relative value – whether tenants moved in before 1999 or since then.

A small number of units with no registered rental history are identified in the figures above as “\$0 Maximum Allowable Rent (MAR)” units. These 155 units are presumed to be owner- or relative-occupied or are not used for a residential rental purpose. The number of units not being used for a residential rental purpose has been dropping rapidly in the past few years, with about 44 percent of 0-MAR units turned to rental use between 2016 and 2017 and about 20 percent of the remaining units turned to rental use from 2017 to 2018. Owners renting these units for the first time may be capitalizing on once non-income producing units at a time when market-rate rents are setting records.

Also shown in Figures 4 and 5 are units identified as “restricted.” This designation indicates that the property owner may not be entitled to set a market-rate rent for the unit when it is next rented. The reasons for these restrictions are evictions for owner occupancy, outstanding building code violations or units rerented within five years of being withdrawn under the Ellis Act.

Another segment on the chart identifies units being rented by tenants participating in the Housing Choice Voucher Program, also known as the Section 8 program. Units occupied by tenants with Housing Choice vouchers remain subject to the rent control law, but the rents are governed by federal contracts. From 2017 to 2018, there was a net reduction of eight units holding these registration fee waivers. Agency records of units participating in the Housing Choice program are based solely on registration fee waivers applied for by owners. There may be more actual units in the program because some owners do not always apply for a registration fee waiver.



REGISTRATION FEE WAIVERS

In addition to units granted fee waivers for participation in the Housing Choice Voucher Program, the Rent Control Agency may approve waivers of rent control registration fees for units occupied by owners, affordable housing units subsidized by HUD (HOME/Tax Credit), or units occupied by very-low-income tenants who are senior or disabled people. There are also fee waivers for condominiums and single-family dwellings for which rent level restrictions have been lifted pursuant to the Costa-Hawkins Rental Housing Act.

While most of the units granted fee waivers will be billable units if their status changes, the fee waivers for certain separately sold condominiums and single-family dwellings are permanent. Figure 6 shows the number of fee waivers of each type that were active in 2018, along with the changes since 2017.

Fig. 6 | Registration Fee Waivers by Type – 2017-2018

Type of Fee Waiver	As of 12/31/17	As of 12/31/18	Change from 12/31/17
Housing Choice	631	623	-8
Low-income senior	236	209	-27
Low-income disabled	86	72	-14
Owner-occupied	2,118	1,941	-177
HOME/Tax Credit Units	191*	190	-1
Total (Potentially Billable)	3,262	3,035	-227
Condominiums / Single-family dwelling	1,551	1,712	+161
Total Fee Waiver Units	4,813	4,747	-66

* A typo in the 2017 Annual Report reported this as 181.

The change in the number of low-income senior fee waivers since the full implementation of vacancy decontrol 20 years ago shows far fewer senior tenants qualifying for the waiver. At the end of 1998, 791 tenants held senior fee waivers. As the table above shows, there were only 209 senior fee waivers as of December 31, 2018, a reduction of about 75 percent since 1998.

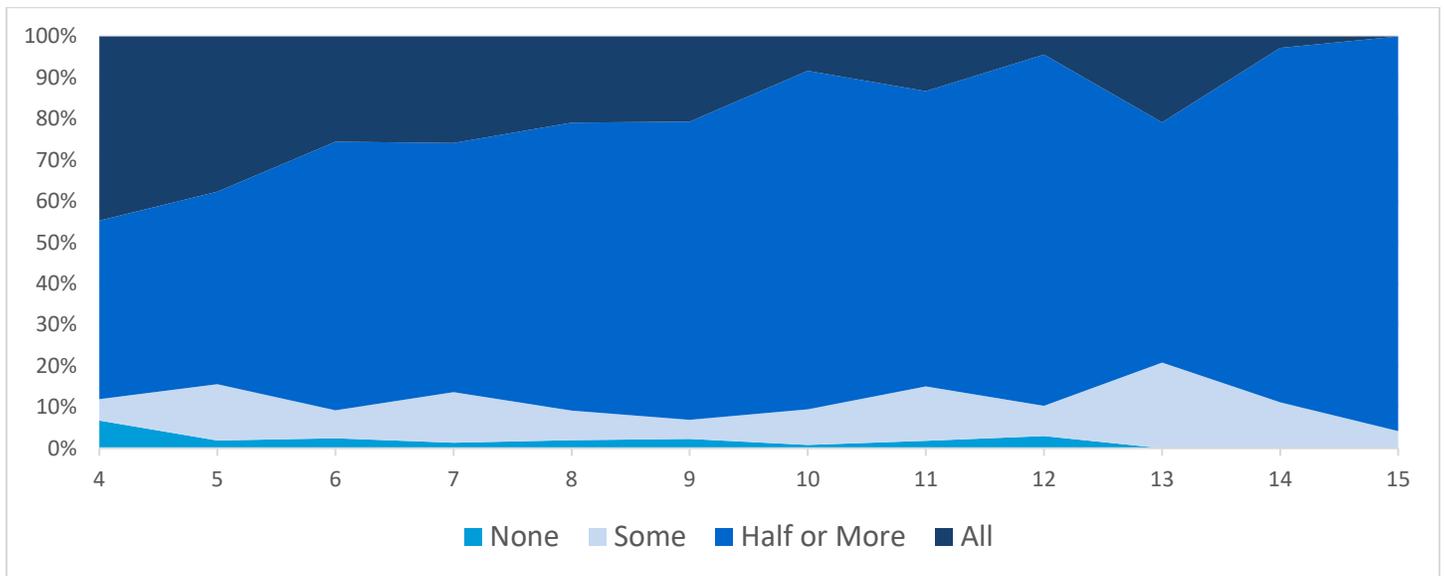
In 2018, the Agency contacted a number of TORCA condominium owners to advise them of how the law applies to their units if they are rented. The notification also informed owners who occupy their TORCA units of the opportunity to file for a single-family dwelling fee waiver. Many of these owners (or former owners) had owner-occupied fee waivers which explains the reduction in owner-occupied fee waivers and the increase in single-family dwelling fee waivers.



DISPERSION OF MARKET-RATE UNITS

Excluding single-family dwellings and properties with three or fewer units that may qualify for exemption, 90 percent of properties subject to the rent control law are properties with 4- to 15-units. As noted above, long-term tenants continue to occupy about 25 percent of controlled units, but that does not mean one-quarter of property owners have not benefitted from vacancy decontrol and higher rental incomes. As shown in Figure 7 on the next page, the vast majority of properties have units that have been rented at market rates. The top two bands indicate that, by the end of 2018, on average owners of 89 percent of properties in the 4- to 15-unit range had rented half or more of their units at market rates. Represented by the small band at the bottom of Figure 7, just 2.9 percent of properties in this building size range (67 of 2,340 properties) had no registered market-rate rents. As with the properties shown here, on most large properties with 16 or more units, half or more of the units have been rented at market rates.

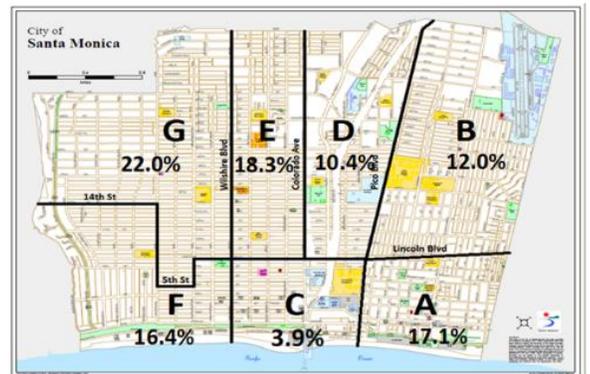
Fig 7 | Share of Market-Rate Rentals by Property Size (4-15 Units)



Units rented at market-rate rents are common throughout all city areas. As shown in Figure 8 below, the highest percentage of units rented at market rates are in City Area C, downtown, and the lowest percentage is in City Area D, along the Pico Blvd. corridor.

Fig 8 | Share of Market-Rate Rentals by City Area

City Area	Market-Rate Units as of 12/31/17	% at Market Rates	Market-Rate Units as of 12/31/18	% at Market Rates
A	3,244	69%	3,306	70%
B	2,277	69%	2,311	70%
C	795	75%	814	77%
D	1,738	61%	1,782	63%
E	3,552	71%	3,661	73%
F	3,083	69%	3,197	71%
G	4,368	73%	4,491	75%

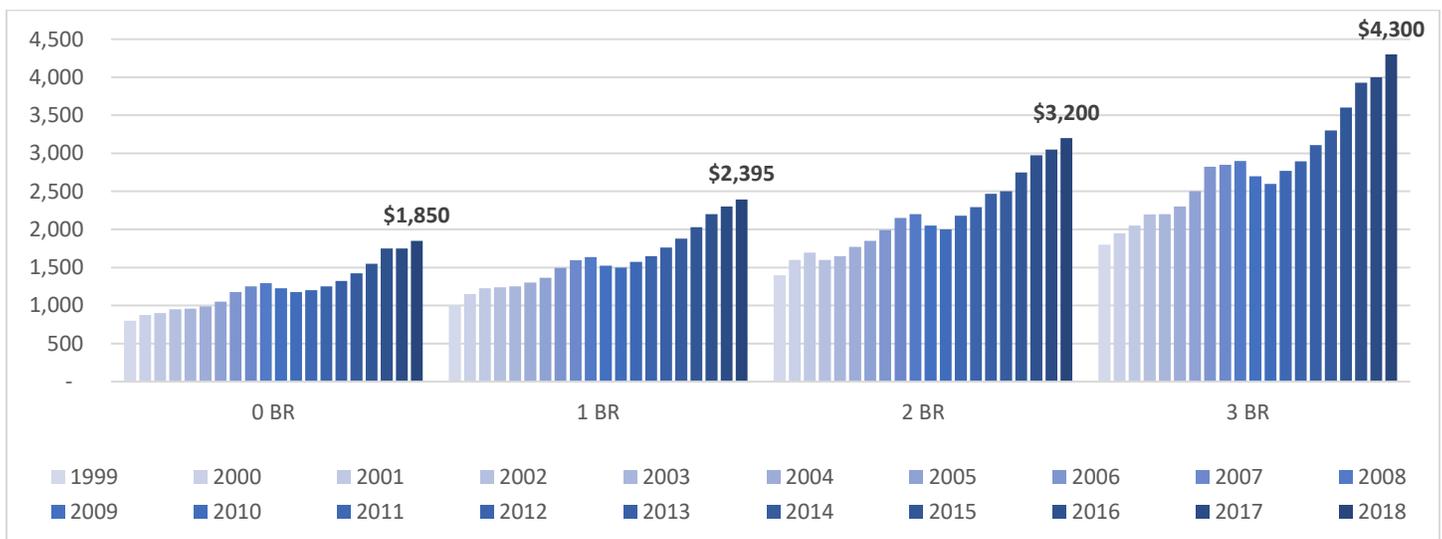




Since vacancy decontrol began in 1999, median initial rental rates for units of all sizes have been rising, except for temporary downturns during the recession in 2009 and 2010. Since recovery began, median initial rents have set new records annually, as seen in Figure 9 below. While a modest reduction of 1.4 percent was initially reported for studios in 2017, as more tenancies were registered, that perceived softening was erased. Initial median rents for studios were flat from 2016 to 2017 but increased 5.7 percent last year. Annual percentage increases for the past few years are shown in Figure 10. The median rent paid for tenants moving into a studio last year was \$1,850, which was \$100 higher than for a similarly sized unit a year earlier. The median price means half of the units were rented at amounts above \$1,850, and half were rented for less than that amount.

The median rent paid for 1-bedroom units was also up about \$100 to \$2,395 as compared to \$2,300 in 2017. While this set a new record high, the rate of annual increase edged downward from 4.5 percent to 4.1 percent. More than half of the units registered with new tenancies in 2018 were 1-bedroom units. Rates increased for 2-bedroom units by about 5 percent to \$3,200, twice the previous year’s percentage rise. Across all unit sizes, average median initial rent increases were about 3% from 2016 to 2017, and 5.5% from 2017 to 2018. Translated to dollar terms, there was a \$75 increase in the median from 2016 to 2017 and a \$150 increase from 2017 to 2018 for the median priced 2-bedroom unit. The greatest median price increase was for 3(+)-bedroom units. The median initial rent for these units rose to \$4,300, up 7.5 percent.

Fig 9 | Median MARs by Number of Bedrooms



*Figures 9 – 20 exclude rentals at 1221 Ocean Ave., a luxury property with extraordinarily high rents that would distort median rents reported. Median rents for prior years may vary from previously reported amounts due to late registration of tenancies.

Fig 10 | Changes in Median MARs by Number of Bedrooms – 2016 to 2018

Year	0-Bedroom	1-Bedroom	2-Bedroom	3(+)-Bedroom
2016	\$1,750	\$2,200	\$2,975	\$3,926
	12.9%	8.4%	8.2%	9.1%
2017	\$1,750	\$2,300	\$3,050	\$4,000
	0.0%	4.5%	2.5%	1.9%
2018	\$1,850	\$2,395	\$3,200	\$4,300
	5.7%	4.1%	4.9%	7.5%



NEWLY ESTABLISHED MARKET-RATE RENTS IN 2018

The median initial rents by city area and unit size for the 3,199 units registered as rented in 2018 are shown in Figure 11. The number of units registered by the end of 2018 was about 19 percent higher than the 2,688 units that had been registered by the end of 2017. Each year, tenancies are registered for prior calendar years. Over the past five years, an average of 3,433 units were registered in each year.

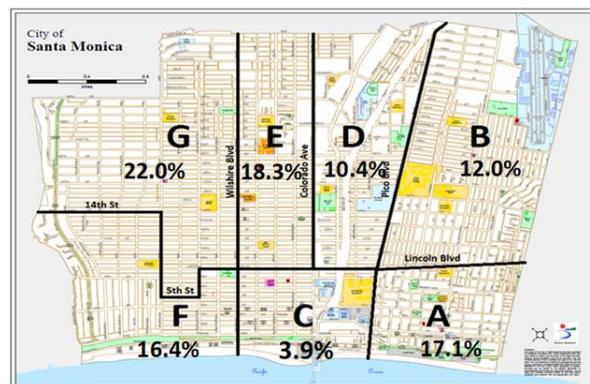
Median rent levels reported here and throughout this report are affected by the number of rentals in each category. In any individual city area, the number of units rented by number of bedrooms is relatively small, which results in significant variation in median rents.

The highest median rents for studios and 1-bedroom units were set in City Area C, downtown Santa Monica. While this area may be the most desirable for some people, it also has the fewest number of controlled units. The medians for studios and 1-bedroom units in City Area C reflect just 43 (studios) and 34 (1-bedroom) units rented there in 2018. More than ten times the number of 1-bedroom units were rented in City Area A. By median price, the most expensive 2-bedroom units were in City Area F north of downtown and along the coast. The median there was \$3,725 for a 2-bedroom unit. The lowest median rents for units of all sizes were found in City Area D.

Fig 11 | 2018 Initial Rents, Market-Rate Units by City Area*



* No 3-bedroom unit was rented in City Area C in 2018, so no median is reported here.





THREE-YEAR MEDIAN MARS BY CITY AREA

While Figure 11 shows newly set rent levels by city area and unit size, there may be a limited number of rentals in any given area from which to report. Similarly, there may be a limited number of rentals of units of a certain size. A three-year view of vacancy increases provides a broader perspective of rental rates because the selection set is larger.

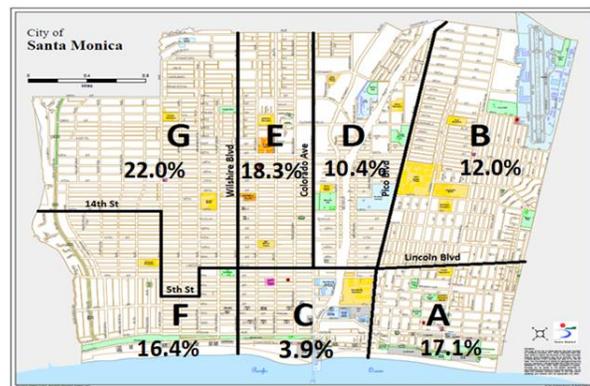
During the three-year period from the start of 2016 to the end of 2018, initial rents were set for 7,907 controlled units citywide. Many of these units rented more than one time during the period, but only the most recent rental is considered here. The median rents established over this period are shown below in Figure 12.

Pursuant to Rent Control Regulation 3304, the Agency may use this three-year review to establish a market-value rent for a unit when a decision is rendered that a tenant does not use that unit as his or her primary residence.

Fig 12 | 2016–2018 Median MARS, Market-Rate Units by City Area*



* Only one 3-bedroom units was rented in City Area C during the last three years, so no median is reported here.





CURRENT MEDIAN MARS – ALL UNITS

Once initial base rents are set and registered, the Agency tracks the Maximum Allowable Rent or “MAR” for each unit. While tenants are in place, rent increases are limited to the annual citywide general adjustment or individual adjustments granted through a petition process. Figure 13 shows the median MARs for all long-term units, all market-rate units and all controlled units, regardless of unit size. Figure 14 shows the current median MARs by city area and unit size for all controlled units, regardless of when the tenancies began. It also shows the citywide median by unit size.

Fig 13 | Median MARs of Long-Term, Market-Rate and All Controlled Units

Median MAR Long-Term Units	Median MAR Market-Rate Units	Median MAR All Controlled Units
\$957	\$2,213	\$1,913

Fig 14 | Median MARs of All Controlled Units by Unit Size & City Area*

City Area	0-Bedroom Units	1-Bedroom Units	2-Bedroom Units	3-Bedroom Units
A	\$1,382	\$1,931	\$2,379	\$2,138
B	\$1,188	\$1,561	\$2,081	\$2,141
C	\$2,146	\$2,089	\$3,010	*
D	\$1,161	\$1,606	\$1,680	\$1,778
E	\$1,369	\$1,671	\$2,117	\$2,264
F	\$1,430	\$2,028	\$2,542	\$2,963
G	\$1,462	\$1,916	\$2,495	\$3,037
CITYWIDE	\$1,435	\$1,824	\$2,277	\$2,408

Figure 15 displays by city area and unit size the difference in median rents of units depending on whether they are occupied by long-term or market-rate tenants. The long-term median MARs are those of units still occupied by tenants who moved in before January 1, 1999. In each city area, it is not uncommon to see market-rate units renting for two or more times as much as similarly sized units occupied by long-term tenants.

Fig 15 | Median MARs by Unit Size & City Area: Long-Term Units vs. Market-Rate Units*

Area	0-Bedroom Units			1-Bedroom Units			2-Bedroom Units			3-Bedroom Units		
	long-term	market-rate	diff.	long-term	market-rate	diff.	long-term	market-rate	diff.	long-term	market-rate	diff.
A	\$678	\$1,555	\$877	\$898	\$2,210	\$1,312	\$1,110	\$2,882	\$1,772	\$1,305	\$3,272	\$1,967
B	\$612	\$1,323	\$711	\$799	\$1,778	\$979	\$946	\$2,400	\$1,454	\$1,282	\$2,554	\$1,272
C	\$779	\$2,301	\$1,522	\$811	\$2,687	\$1,876	\$880	\$3,115	\$2,235	*	*	*
D	\$576	\$1,372	\$796	\$744	\$1,830	\$1,086	\$817	\$2,129	\$1,312	\$1,015	\$2,891	\$1,876
E	\$670	\$1,483	\$813	\$811	\$1,847	\$1,036	\$1,046	\$2,446	\$1,400	\$1,349	\$3,152	\$1,803
F	\$801	\$1,625	\$824	\$981	\$2,268	\$1,287	\$1,286	\$2,933	\$1,647	\$1,511	\$4,000	\$2,489
G	\$737	\$1,609	\$872	\$854	\$2,068	\$1,214	\$1,171	\$2,755	\$1,584	\$1,511	\$3,625	\$2,114
CITY WIDE	\$726	\$1,596	\$870	\$859	\$2,015	\$1,156	\$1,070	\$2,640	\$1,570	\$1,372	\$3,360	\$1,988

* Aside from 1221 Ocean Ave., there are only five 3-bedroom units in Area C, so the median is not reported here.



CURRENT MARKET-RATE MARS BY YEAR OF TENANCY COMPARED TO 2018 MEDIAN INITIAL RENTS

As Figure 15 on the previous page indicates, vacancy decontrol has resulted in median MARs that are much higher for tenants who moved in after January 1, 1999 than for long-term tenants. The trend for most of the past two decades has been rising initial median rents for new tenancies. For tenants who stay in place, the rent control law’s limitation on annual rent increases means the MAR for their units increases by a factor that is tied to inflation, rather than what the market would allow. Figures 16 through 19 show by unit size and by the year a tenancy started, the monthly savings for these in-place tenants compared to median initial rents set in 2018. These figures are based on the current median MARs for units still occupied by tenants who first rented in the years shown and assumes owners have taken all available annual adjustments. For example, the median current MAR for the 40 0-bedroom units still occupied by tenants who moved in in 2007 is \$1,288. Compared to the \$1,850 median initial rent set for 0-bedroom units last year, that represents a monthly savings of \$562. Similar savings are shown in the figures that follow.

Fig 16 | 0-Bedroom Units: Amount Current Median MAR is Below the 2018 Median Initial Rent of \$1,850

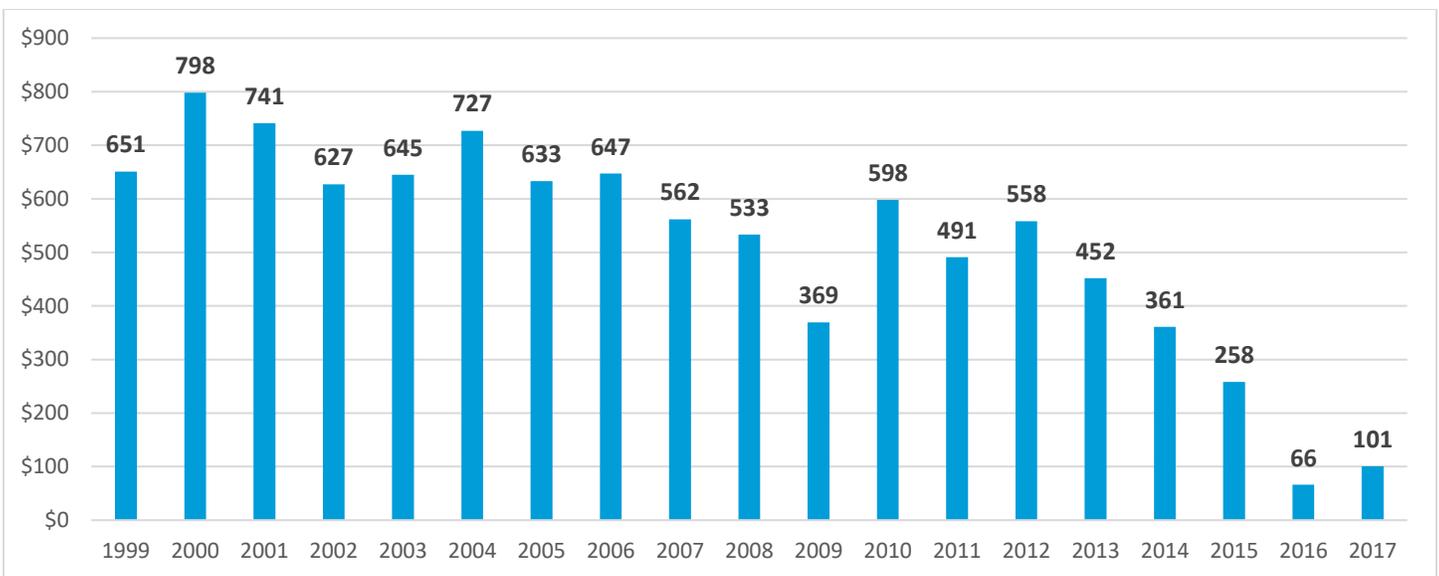


Fig 17 | 1-Bedroom Units: Amount Current Median MAR is Below the 2018 Median Initial Rent of \$2,395

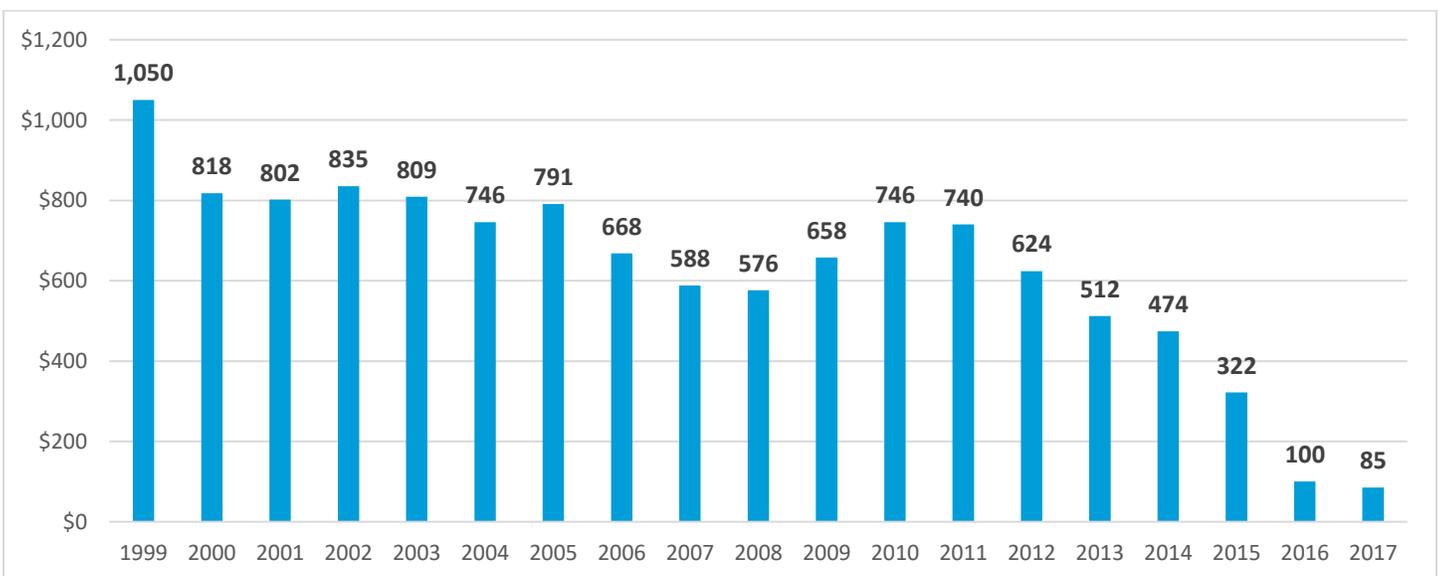


Fig 18 | 2-Bedroom Units: Amount Current Median MAR is Below the 2018 Median Initial Rent of \$3,200

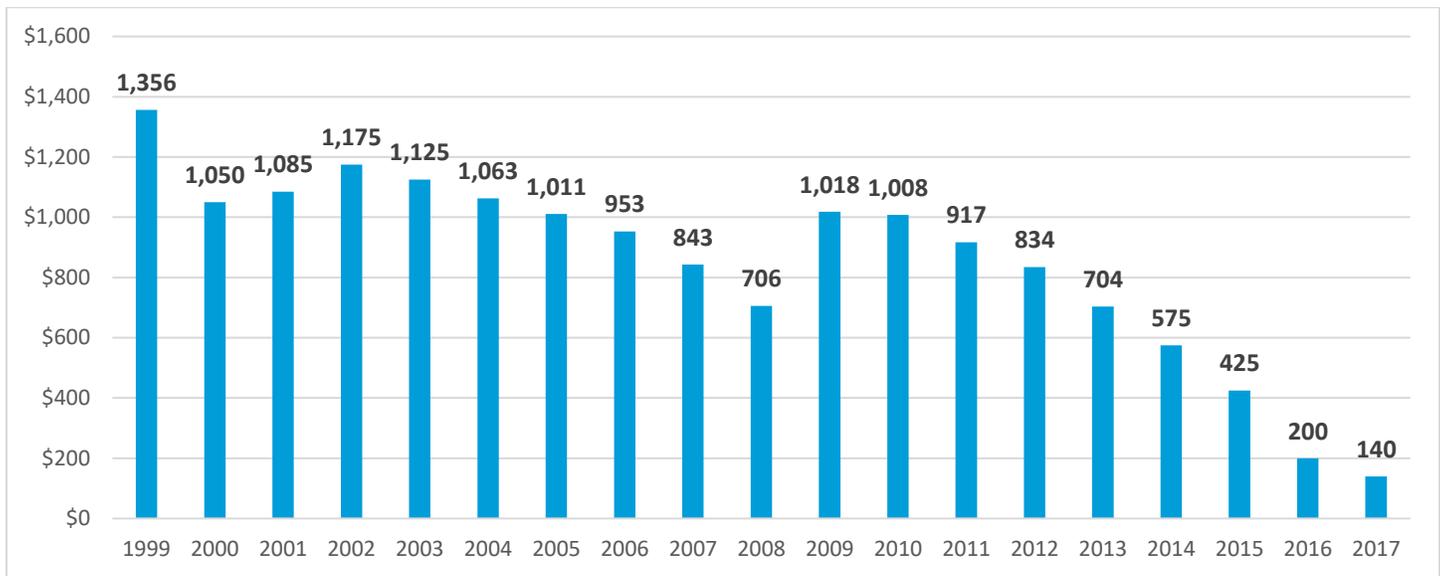
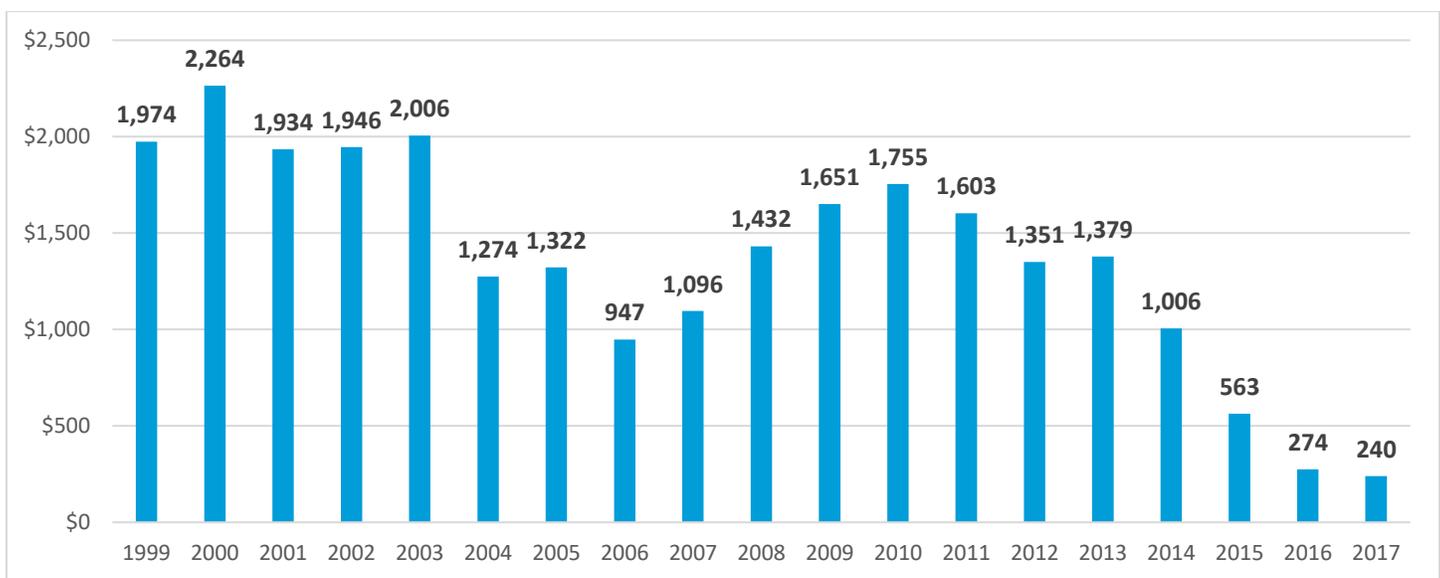


Fig 19 | 3-Bedroom Units: Amount Current Median MAR is Below the 2018 Median Initial Rent of \$4,300



AFFORDABILITY ANALYSIS

Figure 20 on the next page shows the median MARs today for all controlled units that have been rented at market rates at least once since 1999. It also shows what the rents would be for those same units had vacancy decontrol not been enacted. In other words, it is an apples-to-apples comparison of the same units before and after vacancy decontrol.

The far right column shows the difference in income required to afford a median-priced market-rate unit compared to the income needed to afford the same unit today were there no vacancy decontrol. The California Department of Housing and Community Development (HCD) reports that Area Median Income (AMI) for a four-person household in the greater Los Angeles area increased from \$64,800 in 2017 to \$69,300 in 2018. Assuming the U.S. Department of Housing and Urban Development (HUD) standard that housing is “affordable” if no more than 30 percent of a household’s income is spent on housing, not even a studio in Santa Monica is affordable to a household making the area’s median income. By HUD

affordability standards, a family would need an income of at least \$91,200 to “afford” a 0-bedroom unit, which is about 32 percent higher than the AMI. To afford the median priced 1-bedroom or larger sized unit, a household would need more than double of what it would have needed had vacancy decontrol not been enacted. If rented at 2018 median prices, to afford any sized unit larger than a studio, a household would need a six-figure income. By contrast, had vacancy decontrol not been implemented, any household earning the median household income would have been able to afford any sized unit last year.

Fig 20 | Income Needed to Afford a Market-Rate Unit

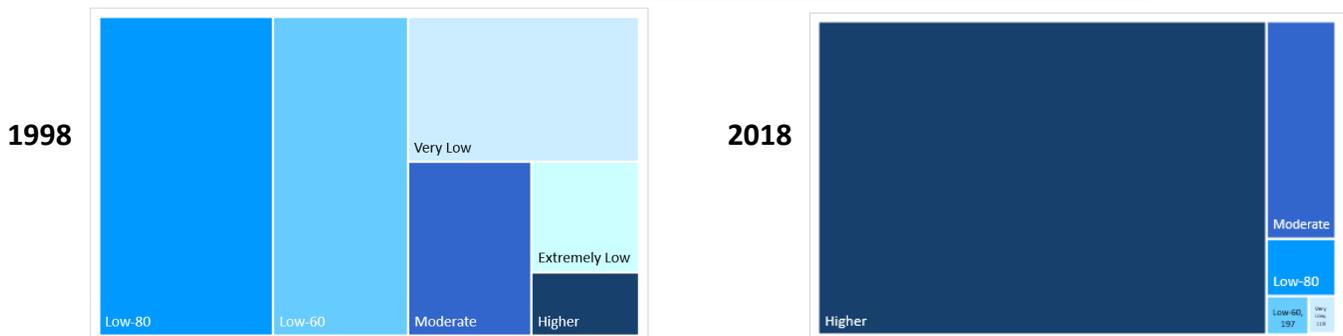
No. of Bedrooms	HUD Affordability Factor	Household Size Factor	Without Vacancy Decontrol		With Vacancy Decontrol		
			Median MAR	Income Needed	Median MAR	Income Needed	Income Difference
0	0.3	0.7	\$808	\$46,171	\$1,596	\$91,200	\$45,029
1	0.3	0.8	\$920	\$46,000	\$2,015	\$100,750	\$54,750
2	0.3	0.9	\$1,167	\$51,867	\$2,640	\$117,333	\$65,467
3	0.3	1.0	\$1,485	\$59,400	\$3,360	\$134,400	\$75,000

Calculation: $MAR \div [.30 \text{ affordability factor}] \div [\text{household size adjustment factor}] \times 12 \text{ months} = \text{Income Needed}$.

Figure 21 shows the availability of controlled rental units affordable at various income levels and compares the current availability with that prior to vacancy decontrol. Again, the figures assume an affordability standard that no more than 30 percent of income is used for rent. In 1999, prior to vacancy decontrol, rents for 84 percent of units were affordable to households in the low-, very low- and extremely low-income categories. Today, just four percent of controlled units’ rents can be considered affordable to such households. Moreover, many of these units are affordable only because they are on properties that are required by agreements with governmental agencies to provide low-income housing. The availability of units by income category is represented graphically in the boxes below. The boxes show a fairly even distribution of units affordable at various income levels in 1998 but little affordability of units in 2018, except for the highest income groups. The increase in AMI meant an additional 58 units could have been afforded by low-income households compared to 2017, and 210 additional units could have been afforded by moderate income households.

Fig 21 | Affordability of Market-Rate Rental Units by Income Category, 1998 versus 2018

Income Category	1998		2018		Change
	Units	%	Units	%	
Extremely Low (30%)	1,358	6.9	6	0	-99.6%
Very Low (50%)	3,811	19.5	119	0.6	-96.9%
Low (60%)	4,872	24.9	197	1.0	-96.0%
Low (80%)	6,313	32.3	479	2.4	-92.4%
Moderate (110%)	2,436	12.5	1,801	9.2	-26.1%
Higher (>110%)	772	3.9	16,960	86.7	2,096.9%

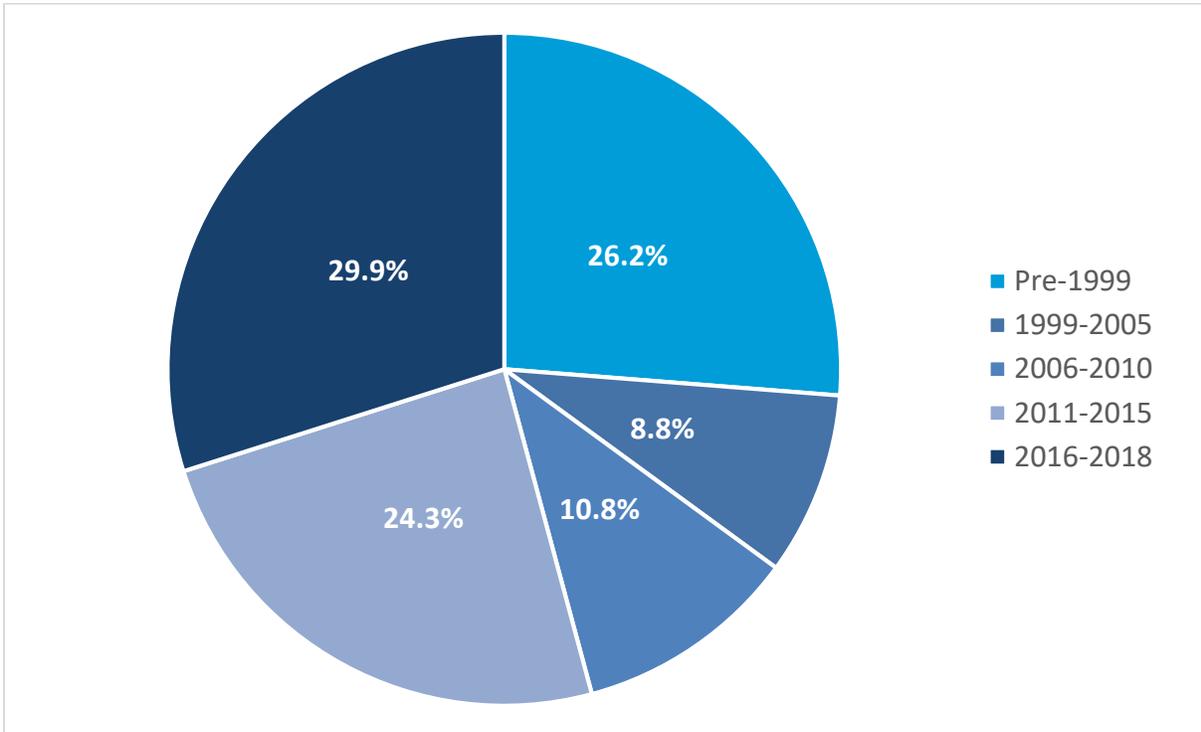




UNITS OCCUPIED BY YEAR OF TENANCY / TURNOVER

The years in which current tenants moved into controlled units are shown in Figure 22. This figure excludes units with no rental history, Housing Choice units and those with rent restrictions, so the share of long-term and market-rate units differs slightly from that shown in Figure 3. Excluding those units, about 26 percent of currently controlled units are occupied by tenants who moved in before 1999. Given the lack of affordable housing options, it is not surprising that long-term tenants are not moving from their current residences. Nonetheless, units vacated by long-term tenants accounted for more than 12 percent of all vacancies in 2018.

Fig 22 | Controlled Units by Years Occupied



In contrast, almost 30 percent of controlled units were re-rented in the past three years by new tenants. That means more tenants living in controlled units have lived here for less than three years than those who have lived in the city for 20 years or more. More than half of renters in controlled units have moved in since 2011, indicating a large share of renters in the city who are relatively new to Santa Monica.

As has been the case for several years, recent tenancies tend not to last long. One-quarter of tenancies begun in 2016 had ended by the end of 2018, as had 42 percent of tenancies begun in 2015. Tenancies begun no earlier than three years ago created 38 percent of vacancies in 2018. With rents that began at rates that would not be considered “affordable” for many tenants, and without deep roots in the community, these tenants appear more mobile. Tenants who have been renting market-rate units for a longer time, however, may realize the financial benefits of remaining in place as shown in Figures 16 to 19. Tenancies begun from 1999 to 2012 represented just 30 percent of vacancies in 2018.

IMPACT OF THE ELLIS ACT

INTRODUCTION

The Ellis Act allows owners to go out of the residential rental business by evicting tenants and withdrawing units from the housing market. Among the consequences of the withdrawal of units are the displacement of tenants and erosion of Santa Monica’s affordable housing stock, which has also been significantly impacted by vacancy decontrol. As forced evictions through the Ellis Act exacerbated the housing crisis, the need to protect tenants led Assembly Member Richard Bloom to introduce a bill in the California Legislature aimed at clarifying provisions in the law.

“Building more housing is important, but families, seniors, disabled people, and young working adults need immediate help now. We should not be pushing them out of their homes, their communities, because of legal loopholes. This is contrary to the spirit of the Ellis Act when it was passed more than 30 years ago.”
- Assembly Member Richard Bloom

While the bill did not pass in the last session, Assembly Member Bloom has introduced a new bill in the current session to attempt to resolve the “legal loopholes.” As this report shows, owners’ use of the Ellis Act has reduced the controlled housing stock, caused the evictions of seniors and disabled tenants and worked against the City’s efforts to provide affordable housing. This report surveys the Ellis Act’s cumulative effects in Santa Monica since its enactment in 1986, with emphasis on Ellis activity during the 2018 calendar year.

HISTORICAL ELLIS ACTIVITY

As shown in Figure 23 below, during 33 years of Ellis activity, 3,113 units on 631 properties were withdrawn from the rental market under the Ellis Act. Nearly 29 percent of the withdrawn units were eventually returned to the rental housing market and are again subject to the rent control law. Eight hundred and ninety-one units on 165 properties came back to the market. By year-end 2018, Santa Monica had experienced a net loss of 2,222 units on 466 properties due to Ellis activity.

Fig 23 | Controlled Rental Units and Properties Withdrawn and Returned to Controlled Status*

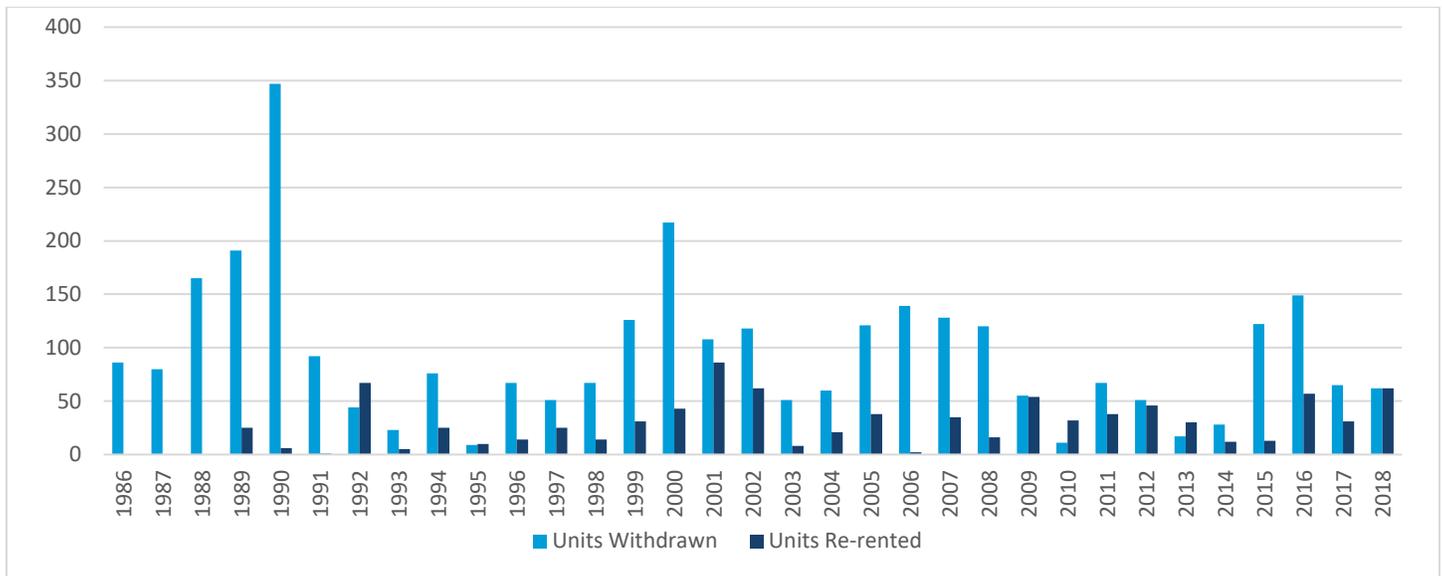
Status	Properties	Units
Withdrawn from the rental market	631	3113
Returned to the market and under rent control	165	891
Net loss before redevelopment	466	2,222
Controlled after property redevelopment	15	258
Net loss due to Ellis activity	451	1,964

*Four withdrawn properties (13 units) and one rerented property (3 units) were omitted from earlier reports.

Fifteen withdrawn properties were redeveloped and offered for rent within five years of the withdrawal date. For three of the new developments, the Ellised property was consolidated with a property that never contained controlled units.

The Ellis Act and Santa Monica’s regulations provide that newly-constructed units offered for rent within five years of the Ellis withdrawal are subject to the rent control law. Of the 330 units built, 258 newly controlled units essentially offset the total units lost to Ellis activity. With these units added, the net loss of controlled units is reduced from 2,222 to 1,964. The historical withdrawal of properties and subsequent rerentals are displayed graphically in Figure 24. As the chart shows, in 2018, 62 units were withdrawn and 62 units were rerented.

Fig 24 | Controlled Rental Units Withdrawn and Rerentals Returned to Controlled Status

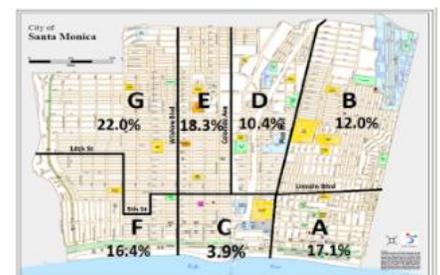


HISTORICAL ELLIS ACTIVITY BY CITY AREA

The Rent Control Agency segments the city into seven areas that roughly parallel the city’s neighborhoods and census tracts. Analyzing Ellis activity by city area helps to show neighborhood impacts. The “Share of Units Ever W/D” column in Figure 25 shows that overall withdrawal activity has been highest in City Areas G and E, where 22.4 percent and 22.3 percent of withdrawals occurred, respectively. Adjusting for the 891 units that have been returned to the controlled rental market, City Areas E and C show the greatest share of currently withdrawn units as indicated in the “Share of Units Curr. W/D” column.

Fig 25 | Percent of Withdrawn (W/D) Units by City Area

City Area	Units Ever W/D	Share of Units Ever W/D	Returned Units	Units Currently W/D	Share of Units Curr. W/D	% of All Units in Area Curr. W/D
A	448	14.39%	115	333	14.99%	6.61%
B	254	8.16%	103	151	6.80%	4.39%
C	538	17.28%	27	511	23.00%	32.51%
D	122	3.92%	38	84	3.78%	2.86%
E	693	22.26%	179	514	23.13%	9.29%
F	359	11.53%	145	214	9.63%	4.54%
G	699	22.45%	284	415	18.68%	6.44%
Total	3,113	100.00%	891	2,222	100.00%	

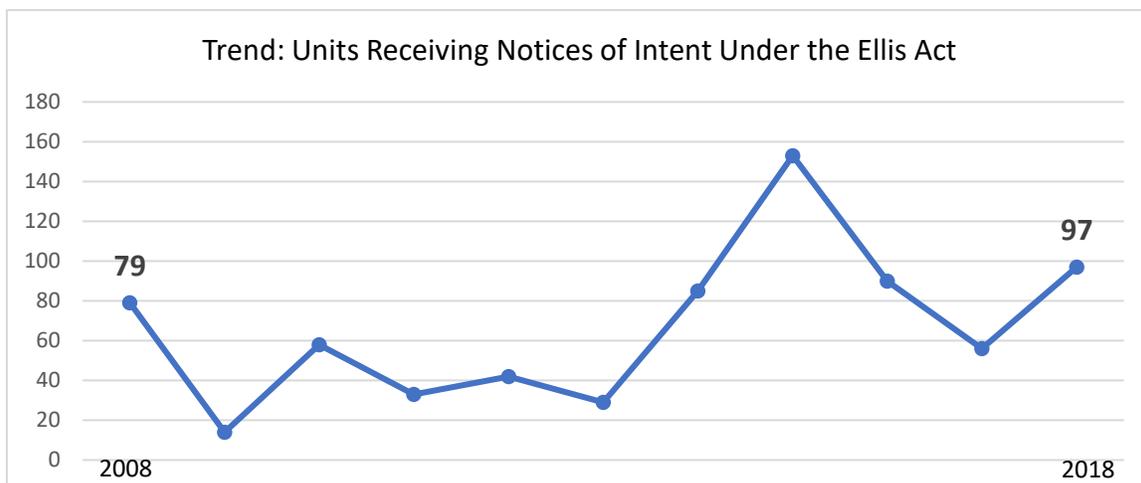


Evaluating currently withdrawn units relative to the number of controlled units in each city area shows the areas of the city experiencing the largest percentage loss of controlled units. (This calculation is based on the number currently withdrawn units divided by currently controlled units plus currently withdrawn units, shown as a percentage.) As shown in the “% of All Units in Area Curr. W/D” column, the relative impact of Ellis withdrawals is greatest in City Area C, downtown, where nearly one-third of once controlled units have been withdrawn. City Area E, east of downtown and between Wilshire Blvd. and Colorado Ave, has lost the next largest share of controlled units, close to 10 percent. The percentage of lost units per area was lowest in City Area D, along the Pico corridor.

ELLIS ACTIVITY IN 2018

Owners of twenty properties with ninety-seven units began the process of withdrawal during the year. These properties are shown in red on the map on the following page. Properties already withdrawn are shown in blue on the map. To initiate the Ellis process, an owner must submit to the Agency a recorded Memorandum and a Notice of Intent (NOI) to Withdraw Accommodations. An owner’s submittal of the NOI results in the Agency recording Ellis-related restrictions on the deed to the property. The recording on the deed occurs regardless of whether the owner completes the Ellis withdrawal.

A property is considered completely withdrawn when all units are vacated, which occurs either 120 days or one year from the date the NOI is filed with the Agency. While most tenants are given 120 days to relocate, senior citizens and disabled tenants are given a year. As shown in Figure 27 on page 26, only seven of the 20 properties with Ellis filings in 2018 completed the withdrawal process during the calendar year. A total of 27 units were withdrawn on these seven properties. (One property had four units withdrawn but a separate structure on the property with 10 units remains controlled.)

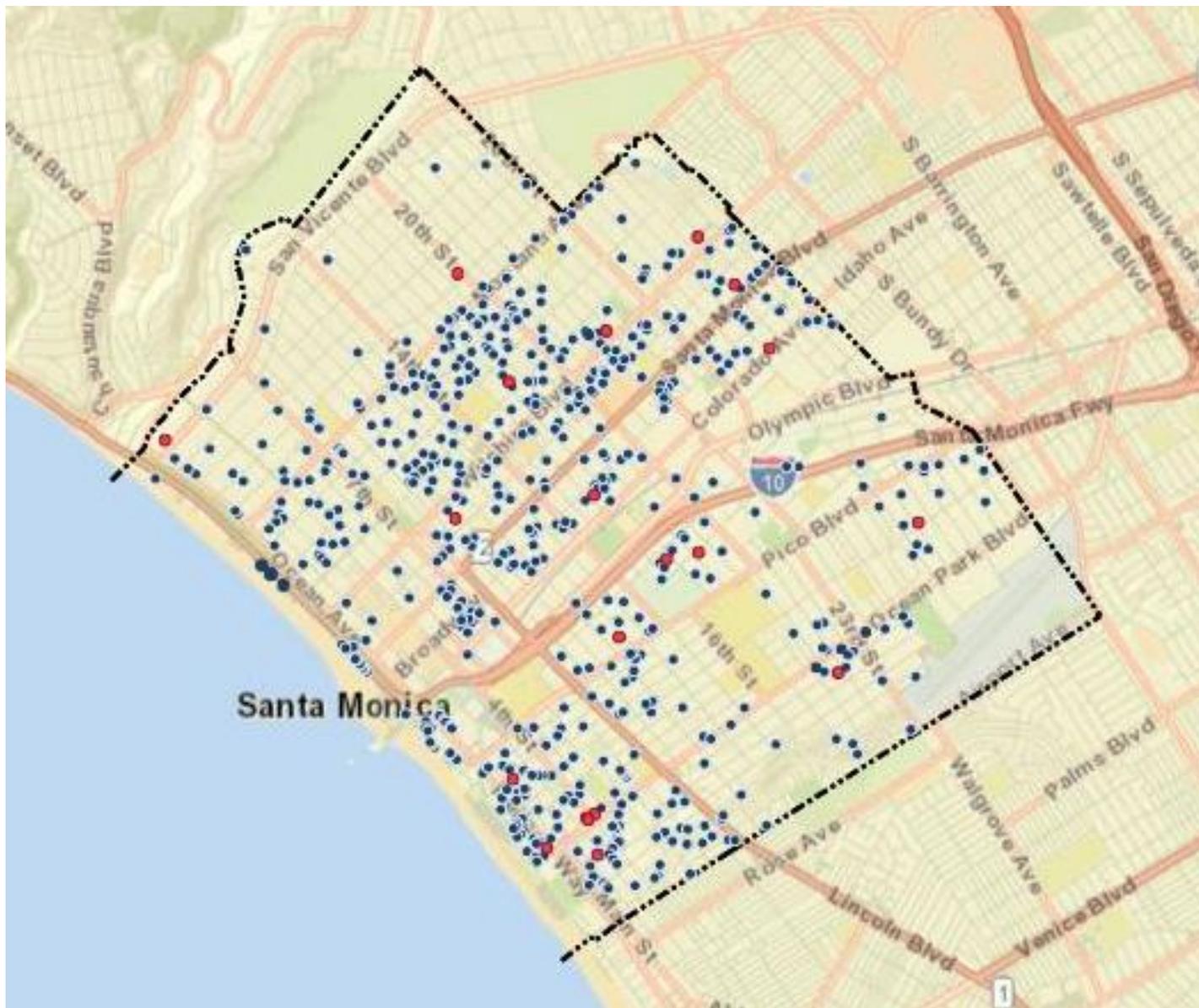


UNITS THAT RECEIVED THE NOI IN 2017 AND COMPLETED WITHDRAWAL IN 2018

At the end of 2017, 10 properties with 35 units had not yet finished the withdrawal process initiated in 2017. Those properties completed the process in 2018. Eight of the units were vacant, and three were family-occupied. The other 24 units were occupied and resulted in the eviction of these households. One-third of these households included senior or disabled tenants who qualified for the one-year extension from the time the NOI was filed. Fifty-four percent of these 35 units were occupied by long-term tenants.

The total of units with 2018 NOIs and withdrawal completed during the calendar year plus units completing withdrawals initiated in 2017 was 62 units on 16 properties.

Fig 26 | GIS: Currently Withdrawn Properties and Those Receiving NOI in 2018



● Currently Withdrawn Property

● Property Receiving NOI in 2018

OCCUPANCY OF UNITS

As shown in Figure 27 on the next page, 40 of the 97 units (41 percent) on the 20 properties beginning the withdrawal process in 2018 were already vacant. On two large properties where many units were withdrawn, more units were vacant than were occupied. This pattern of some units being vacant at the time of withdrawal could stem from owners choosing not to rent vacant units or from owners enticing tenants to accept buyouts prior to starting the withdrawal process. This year, the Agency received anecdotal evidence of some owners issuing “warnings” or “advisories” to tenants encouraging them to accept buyouts accompanied by a threat to invoke the Ellis Act if they did not. While either the acceptance of a buyout or an Ellis eviction result in the tenant vacating the unit, there is an important distinction for low-income tenants.

The City Council adopted a policy that provides a priority for affordable housing opportunities to income-qualified households evicted under the Ellis Act. Data from the Housing Department indicates that in 2017, 19 Ellis households applied for affordable housing using this priority. In 2018, seven displaced households applied for housing using the priority. The priority also applies to Community Corporation of Santa Monica (CCSM), a non-profit housing provider. CCSM reported that 16 households experiencing Ellis withdrawals contacted them for housing. Twelve households applied for housing, and three were subsequently housed. Tenants who accept buyout offers are not eligible for this affordable housing priority.

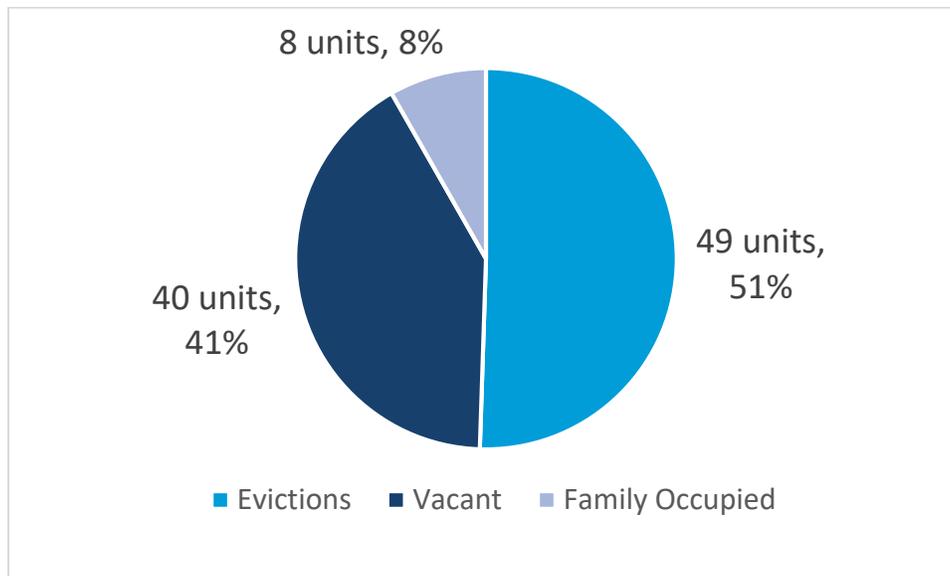
Long-term tenants occupied 20 of the 49 units (41 percent) from which tenants were evicted. Of the 49 occupied units, 20 were occupied by senior or disabled tenants who invoked their right to stay on the properties for one year before relocating.

The nine properties with senior or disabled tenants qualifying for the one-year extension and four properties with notices of withdrawal filed late in 2018 are expected to complete the withdrawal process in 2019. This will result in the loss of 35 units in 2019.

Fig 27 | Status of Properties Receiving Notices to Withdraw in 2018

Location	City Area	Filing Date	Date With-drawn / Pending	Units Rcvng. NOI	Vacant	Family Occupied	Evictions	Senior/ Disabled Tenants	Long-Term Tenants	Market-Rate Tenants
1. 17th St	G	3/14/18	7/12/18	4/14	1	0	3	0	0	3
2. Stanford St	E	4/2/18	7/31/18	5	1	1	3	0	1	2
3. Fraser Ave	A	4/30/18	8/28/18	2	2	0	0	0	0	0
4. 20th St	G	5/9/18	9/6/18	1	1	0	0	0	0	0
5. 29th St	B	6/19/18	10/17/18	1	1	0	0	0	0	0
6. 10th St	E	7/25/18	11/22/18	10	7	0	3	0	0	3
7. Berkeley St	G	8/14/18	12/12/18	4	0	4	0	0	0	0
8. Delaware Ave	D	3/27/18	Pending	5	0	0	5	1	1	4
9. 12th St	D	5/24/18	Pending	3	0	0	3	1	3	0
10. 16th St	E	6/11/18	Pending	6	3	0	3	2	2	1
11. Colorado Ave	E	6/11/18	Pending	3	0	0	3	1	0	3
12. San Vicente Bl	F	8/7/18	Pending	28	17	1	10	8	4	6
13. 24th St	G	9/7/18	Pending	2	1	0	1	0	1	0
14. 4th St	A	9/24/18	Pending	4	3	0	1	0	1	0
15. 4th St	A	9/24/18	Pending	1	0	0	1	0	1	0
16. 17th St	D	10/10/18	Pending	4	1	1	2	1	1	1
17. Ocean Park Bl	A	10/30/18	Pending	4	0	0	4	2	4	0
18. Oak St	B	11/21/18	Pending	4	0	1	3	1	0	3
19. Hill St	A	12/12/18	Pending	4	0	0	4	3	1	3
20. Bicknell Ave	A	12/26/18	Pending	2	2	0	0	0	0	0
TOTAL				97	40	8	49	20	20	29

Fig 28 | Occupancy Status of Units Receiving NOI in 2018

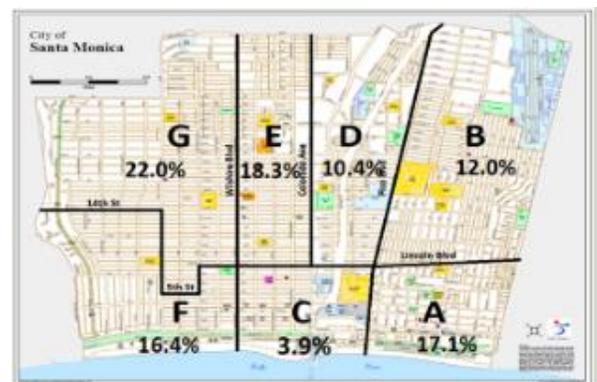


ELLIS ACTIVITY IN 2018 BY CITY AREA

In 2018, Ellis withdrawals were initiated in all but one neighborhood, as shown in Figure 29. In 2017, City Areas E and F had no Ellis activity. In 2018, the two areas combined accounted for 54 percent of units being withdrawn. One building accounted for the 28 units being withdrawn in City Area F. As described above, it is relevant to consider the share of controlled units in each city area when evaluating the impact of Ellis Act withdrawals. For example, City Area G’s share of units starting withdrawal in 2018 was 11 percent, although that area comprises 22 percent of all controlled units.

Fig 29 | Notices of Withdrawal by City Area – 2017 and 2018

City Area	Units w/ 2017 NOI	%	Units w/ 2018 NOI	%
A	17	30%	17	18%
B	14	25%	5	5%
C	8	14%	0	0%
D	7	13%	12	12%
E	0	0%	24	25%
F	0	0%	28	29%
G	10	18%	11	11%
Total	56	100%	97	100%



UNITS RETURNED TO RENT CONTROL JURISDICTION IN 2018

In 2018, eight formerly withdrawn properties with 62 units returned to residential rental use, as shown in Figure 30. Before an owner may rent withdrawn accommodations, he or she must inform the Board of their intent to rent. Owners of each of the eight rerented properties filed a Notice of Intent to Re-Rent Withdrawn Accommodations with the Agency, but one owner filed the required notice only after a tenant alerted the Agency that the property had been rerented. Other

City departments have requirements for a property returning to residential use in the City. The Planning Department requires that an owner obtain an occupancy permit for any use of an Ellis property, including rental.

Fig. 30 | Units Returned to Rental Housing Use in 2018

Location	Area	Withdrawn Date	Rental Date	Units	Tenants Displaced
20th St	G	7/16/2016	1/11/2018	20	5
23rd St	G	12/17/2015	1/20/2018	5	3
25th St	E	1/8/2009	7/5/2018	4	1
12 St	G	11/5/2009	7/15/2018	4	1
Ashland Ave	A	10/20/2011	7/28/2018	4	3
19th St	G	1/4/2007	9/13/2018	7	7
18th St	G	7/12/2016	10/31/2018	7	3
Centinela Ave	B	12/5/2011	11/19/2018	11	0
Total				62	23

As mentioned earlier, deed restrictions that bind all owners and successors in interest are recorded on withdrawn properties. As required by the Ellis Act, if a property is returned to the rental market within 10 years of withdrawal, the owner must first offer the units to the displaced tenants. All eight properties returned to rent control jurisdiction in 2018 were within the 10-year restriction period. Displaced tenants who filed their Notice of Desire to Re-new Tenancy within Two Years were notified by staff that the property was being rerented. When a property is returned to rental housing use within five years of being withdrawn, the owner must first offer the units to displaced tenants who filed their notice of desire to return, and the owner may charge no more than the MAR when the tenant vacated, plus intervening annual adjustments. Three of the eight properties came back into the rental market within five years, and 10 tenants should be able to return to their units. Five properties were rerented beyond the five-year restricted period which allows the owner to rerent the units at market-rate. None of the displaced tenants from these properties are returning to their former units. Of the 23 rerented units from which tenants were displaced, the Agency has no indication that any have been reoccupied by the displaced tenants.

POST-ELLIS ACTIVITY

In collaboration with the Building and Safety and Planning Departments, the Rent Control Agency reviews plan checks and demolition permits that are filed with the City, including those for withdrawn properties. This process helps ensure that owners have complied with all applicable laws and that approved plan checks and demolition permits do not result in the illegal demolition of rent-controlled units. In 2018, the City Council revised its demolition review process for buildings of 40 plus years, many of which are subject to the rent control law. In addition, the City Council adopted an interim ordinance that reduces the size of new construction in R1 single-unit residential zoning districts. These restrictions may impact how a withdrawn property may be used.

For this report, post-Ellis activity is categorized into several groups: change of use (including conversion to single-family dwellings, commercial use, schools, childcare centers and churches); new construction (usually involving demolition of existing structures); family occupancy and non-rental residential use; and no activity. As Figure 31 on the next page shows, properties withdrawn from the rental market are used for a variety of purposes, ranging from projects to replace a building with a garden school to residential mixed use. In 2018, there were no significant changes in the use of properties as compared to the prior year. Twenty-two percent of withdrawn properties continue to be used for non-residential purposes

(commercial, schools/childcare centers/churches, parking lots or vacant lots), while residential development remains the most common use.

Condominium development constitutes the largest Post-Ellis category overall. Thirty-seven percent of withdrawn properties have been redeveloped for multi-family residential use – either apartments or condominiums. Just under five percent of these properties also include a commercial or mixed-use component.

Approximately 21 percent of withdrawn properties are now being used as single-family dwellings (7.7 percent in change of use category and 13.5 percent in new construction), and 21 percent are being used for non-rental residential occupancy and/or family occupancy or show no permit activity and have been left vacant. Fourteen of the sixteen recently withdrawn properties have no activity and are supposedly vacant, while the remaining two withdrawn have occupancy permits.

Figures 31 and 32 show the status of the 466 properties that remain withdrawn since the inception of the Ellis Act plus the 15 properties that were redeveloped within five years of withdrawal and have new units subject to rent control. Figures 33 to 35 map post-Ellis uses and graphically identify how properties in various city areas are used once they have been withdrawn.

Fig 31 | Summary of Post-Ellis Use of Withdrawn Properties as of 12/31/2018

Post-Ellis Use as of 12/31/2018	Rent Controlled	Properties	Percentage
Change of Use			
Commercial		28	6.01
Private/Public Services		12	2.58
Single Family		36	7.73
New Construction			
Apartments	6	18	5.15
Apartments / Mixed Use	6	15	4.51
Condominiums	3	118	25.97
Condominiums / Mixed Use		1	0.21
Single-Family Dwellings		63	13.52
Commercial		33	7.08
Parking Lot		11	2.36
School / Childcare / Church		9	1.93
Vacant Lot		6	1.29
Public Road/Walkway		5	1.07
Total	15	355	
Family Occupancy / Non-Rental Residential		43	9.23
No Activity		53	11.37
Grand Total	466		100.00%

Fig 32 | Summary of Post-Ellis Use of Withdrawn Properties as of 12/31/2018

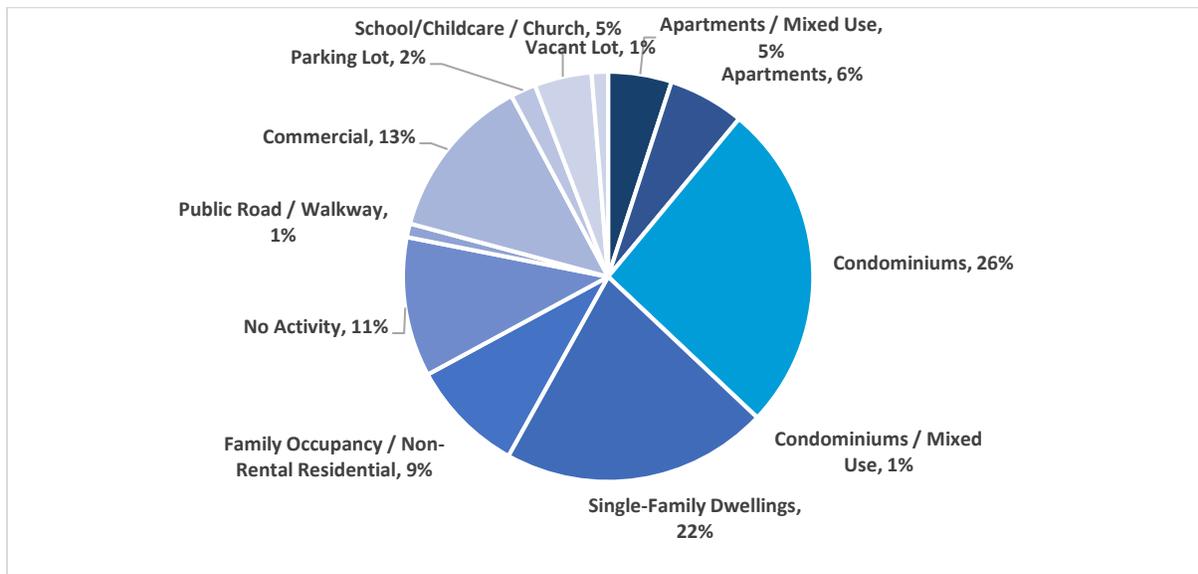


Fig 33 | GIS - Post-Ellis Use: Apartments (light blue), Apartments-Mixed-Use (red)



Fig 34 | GIS - Post-Ellis Use: Condominiums / Condominiums-Mixed-Use

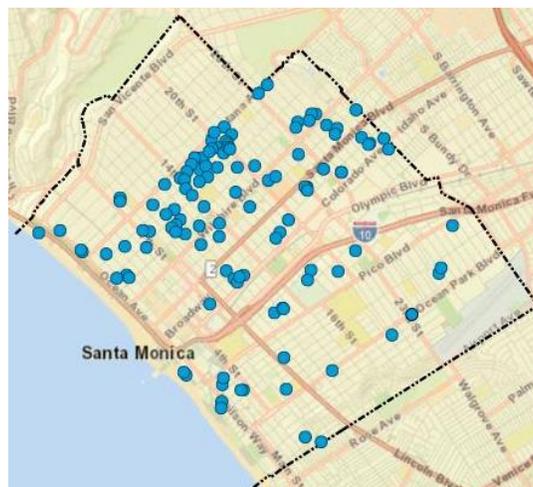


Fig 35 | GIS - Post-Ellis Use: Single Family Dwellings - Redeveloped (light blue), Same Bldg. (red)

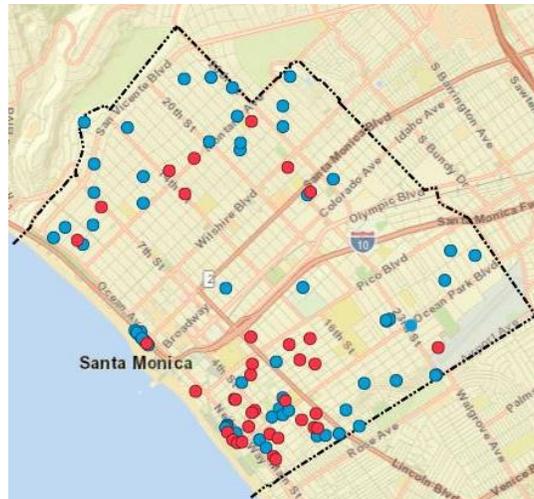


Fig 36 | GIS - Post-Ellis Use: Family Occupancy / Non-Rental Residential (light blue), No Activity (red)

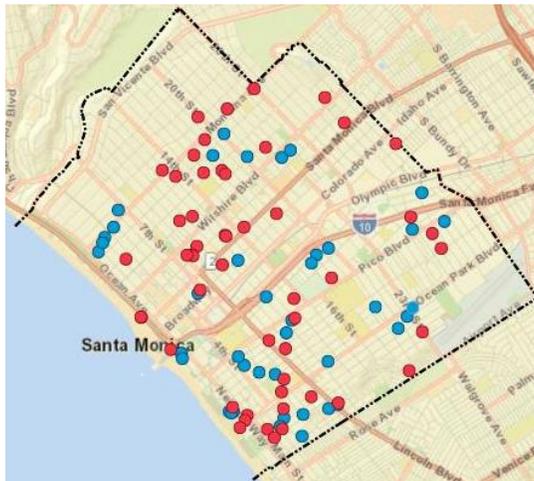
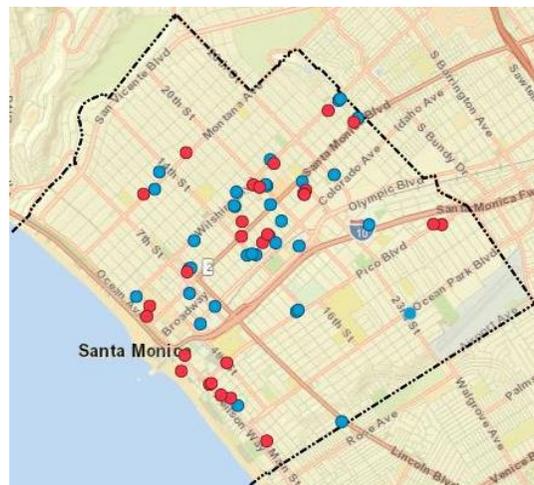


Fig 37 | GIS - Post-Ellis Use: Commercial – Redeveloped (light blue), Same Bldg. (red)





POST-ELLIS MONITORING AND ENFORCEMENT

The Rent Control Agency, in conjunction with the Planning Department, Code Compliance Division and the City Attorney's Consumer Protection Division, work together overseeing post-Ellis activity and ensuring compliance with laws imposed when a property is withdrawn from the rental market. The Agency routinely monitors allegations of any type of rental activity to ensure that owners comply with the restrictions placed on withdrawn properties. In November, the Rent Control staff met with the Planning Department and Code Enforcement to brainstorm solutions for effectively monitoring post-Ellis activity, particularly regarding claimed "non-rent paying" individuals listed on occupancy permits who are residing on withdrawn properties. Each department agreed to strategically identify properties ripe for abuse and immediately investigate any reported rental activity.

During the year, the Agency received several phone calls from the public alleging withdrawn properties were being rented. Based on these claims, Agency staff reported six properties to Code Enforcement for investigation. The Rent Control Agency investigated the following issues:

- Occupants in an Ellised 7-unit property in Area G - The owner has filed a Notice of Re-rental with the Board.
- An Ellised 2-unit property in Area A – The outcome of the investigation is pending.
- An Ellised 4-unit property in Area B – The outcome of the investigation is pending.

Staff also reviews rental listings and found seven withdrawn properties listing units for rent in December. Staff has launched an investigation, which is ongoing.

A few overall observations about the properties on which Ellis withdrawals were initiated in 2018:

- 40% of the properties (8 of 20) were small properties with three or fewer units.
- 25% of the properties (5 of 20) were vacant at the time the notice was filed with the Board.
- 45% of the properties (9 of 20) had at least one senior or disabled tenant who was entitled to one year's notice to relocate.
- About one-third of controlled properties in City Area C are properties returned to rent control following withdrawal under the Ellis Act and redevelopment.

PUBLIC INFORMATION DEPARTMENT

PUBLIC OUTREACH AND INTER-AGENCY ACTIVITY

Direct Communication with Members of the Public

Educating people about the rent control law and answering individual's questions are among the most important services provided by the Rent Control Agency. Whether it is in person at the Agency's public counter in City Hall, by telephone or by email, the public information staff fields a high volume of inquiries from the public. In 2018, staff members logged 13,486 public contacts. This demand for services has remained relatively constant for the past 10 years. Last year, slightly more than three-quarters of public contact was by telephone, but staff also met in person with property owners, tenants and others more than 2,200 times. Excluding email contact, which is not tracked by user type, 43 percent of contacts in 2018 were with property owners, 53 percent were with tenants, and the balance was with others.

Newsletter

The Rent Control Agency publishes a newsletter, *The Rent Control News*, twice a year – in the spring and in the fall. A Spanish language version of the content is available upon request. Mailed to tenants and owners, the newsletter addresses hot topics, changes in the rent control law and regulations, and state and city laws that affect tenants and owners of residential rental property in Santa Monica. It also informs tenants and landlords about their remedies for a variety of issues and shares information on other important topics and programs. Newsletters mailed to tenants include the maximum allowable rent for the unit.

In 2018, both the Spring and Fall editions of the newsletter highlighted the new regulations enacted by the Board to curb pass-through of property-tax-related surcharges beginning on or after March 1, 2018 and limiting them effective September 1, 2018. The Fall 2018 newsletter announced outcomes of the midterm elections: it welcomed the newest member of the Board, Naomi Sultan, who was elected to a four-year term; and it explained that the failure of Proposition 10, which would have repealed vacancy decontrol, allows owners to continue to set market-rate rents for new tenancies. Articles also covered a newly adopted ordinance by the Santa Monica City Council that increases eviction protections against no-fault evictions for Santa Monica educators and students during the school year. Other articles discussed the clarification by the Board that rent-controlled units may only be used to provide long-term permanent housing for individual human beings and not corporations.

Notices of upcoming seminars and inter-agency events were included in each newsletter. Recent newsletters may be viewed on the Agency's website.

Public Information staff members communicate regularly with a variety of constituents, including tenants, property owners and managers, real estate agents and other city staff members. Mailings, seminars, community meetings and interdepartmental meetings provide opportunities to discuss the rent control law and to coordinate solutions in specific contexts.

Digital Communications

Digital communications represent a rapidly growing portion of the Agency's public contacts. Staff responded to 1,282 emails received in the Rent Control Mailbox in 2018, an almost 50 percent increase over the 859 messages responded to in 2017. Additionally, staff members fielded hundreds of other messages directed to their individual email addresses. Constituents interested in receiving periodic emails regarding Board meeting agendas, newsletters and announcements may sign-up on the Board's website at www.smgov.net/rentcontrol.

Visits to the website saw an even larger increase in 2018. Total website hits reached 139,914 during the year, up 60 percent over 2017, which was already 66 percent higher than the number of hits in 2016. The much higher usage of the website is partially attributable to increasing adoption of online tenancy registration, but that alone does not explain the rise in the number of visits. Fewer than 5,000 tenancy registration forms of all kinds were filed in 2018. Most visits to the website were to the "Look Up a MAR" page, where property owners, managers and tenants can see what rents are recorded with the Agency. This page alone saw more than 55,000 hits.

As workflow processing has shortened the turn-around time for tenancy registration, it is possible that property owners and managers are checking back shortly after registering to confirm that the rent tracking database was updated per their online filings. Still, unique website visitors grew from 54,549 in 2017 to 90,759, suggesting most visits were occasional. The many high-profile issues before the Board in 2018, such as changes to allowed property-tax-related surcharges and potential responses to the repeal of the Costa-Hawkins Rental Housing Act, likely drove many visitors to the site looking for information. The Public Information Department, assisted by the Administration Department, continues to build on the Agency's website and its Facebook page as resources and communications tools.



Educational Programs

Staff members participate in a variety of events to interact with the community and convey information about the rent control law. Most of these events are forums to share information and answer questions from the public, some of them are in conjunction with other departments.

Every year, the Agency presents seminars tailored specifically to owners and tenants. Seminars presented in 2018 were:

- Owning Rental Property in Santa Monica
- Tenant Seminar on the Rent Control Law
- Calculating the Annual Rent Increase
- Rental Property Maintenance (co-presented with the Santa Monica Code Enforcement Division)
- Landlord/Tenant Forum (in collaboration with the Consumer Protection Division of the City Attorney's Office)

Two of these events, the Rental Property Maintenance seminar and the Landlord/Tenant Forum, were videotaped and can be viewed on the Agency's website.

Upon request, smaller presentations are prepared for specific groups, such as realtor associations or building-specific tenant organizations. In 2018, staff addressed the Beverly Hills Realtors Association at their annual meeting, Familias Latinas Unidas and, on multiple occasions, the Pico Neighborhood Association.

EVICTION MONITORING

The Rent Control Agency monitors evictions for two main reasons:

- 1) To ensure compliance with the rent control law, which limits the grounds for eviction; and
- 2) To ensure proper procedures are followed when future rents are restricted due to an eviction. This occurs when a tenant is evicted without fault (for example, so an owner can move onto the property) and the rent for the next tenancy in the unit is restricted to the pre-eviction level plus intervening general adjustments.

Eviction monitoring was enabled by an amendment to the rent control law in 2002 that requires property owners to file copies of any eviction notice terminating a tenancy with the Agency, except when the reason is nonpayment of rent. An owner's failure to submit the copy to the Board within three days of serving the tenant may be a defense in an eviction action.

The Board received 112 separate notices of eviction in 2018. The notices included 31 for breach of contract (lease terms), 28 for alleged nuisance, 19 for Ellis withdrawals, six for refusing the owner access to the unit, and nine for unauthorized subtenants. Eleven notices were received for evictions for occupancy by owner. Additionally, although owners are not obligated to provide this type of notice, the figure includes four notices for non-payment of rent.

As a result of Santa Monica voters' passage of Measure RR in 2010, owners are required to give tenants warning letters before starting an eviction action for breach of contract, nuisance or denying reasonable access to a unit. The warning letter must give tenants a reasonable period to correct the identified problem before it rises to a cause for eviction. Although the law does not require owners to file warning letters with the Rent Control Board, 81 were received in 2018.

OWNER-OCCUPIED EXEMPT PROPERTIES: ANNUAL CERTIFICATION

The rent control law provides that an owner who lives on a two- or three-unit property may, under certain circumstances, apply for and receive an exemption from the rent control law. One of the requirements is that the property must be the primary residence of the owner. In 2016, the Board adopted a regulation requiring all owners who received an owner-occupied exemption to annually certify whether the circumstances on which the exemption was granted continue to exist.

Annual monitoring efforts include mailing a letter to the owner of each property that has been exempt for at least one year. These letters include a declaration form the owner may complete and return to the Agency, enabling them to meet the recertification requirement. In 2018, 28 owner-occupied exemptions were found to have lapsed, many of which were identified through this monitoring process. Additional owner-occupied exemptions ended during the year as new owners registered their ownership and exemptions granted to prior owners lapsed by operation of law.

PLAN CHECK APPLICATION AND DEMOLITION PERMIT REVIEW AND APPROVAL

The Rent Control Agency works closely with the City's Building and Safety Department by reviewing all plan check and demolition permit applications that are filed with the City and by attending plan check pre-submittal conferences. Rent Control staff members review applications to verify that the plan check and demolition permit requests do not violate the

rent control law or propose illegal removal of rent controlled units. If plans are in conformance with the rent control law, staff issues departmental approval through the City's permit processing system. Final permits are issued by the Building and Safety Department. In 2018, staff reviewed 368 plan check applications and 137 demolition permit applications and attended eleven pre-submittal conferences.

INTERDEPARTMENTAL COLLABORATION AND PARTICIPATION IN COMMITTEES

Public Information staff members participate in several of the City's interdepartmental groups designed to facilitate collaboration and to educate employees about the City's larger comprehensive goals.

For several years, a staff member has represented the Agency at the City's Senior Task Force, which meets monthly and is overseen by the Human Services Division. Staff members from various city departments, as well as non-profits, including the Legal Aid Foundation of Los Angeles, and Wise and Healthy Aging, meet to coordinate ways to help seniors in danger of losing their housing due to issues related to health, affordability, accessibility, hoarding, and other challenges.

The Government Alliance on Race and Equity (GARE) is a national network of jurisdictions working to achieve racial equity and advance opportunities for all. With GARE's assistance, participating jurisdictions engage in systemic analysis of structural inequalities and policies with the goal of creating equitable outcomes for all. Since 2017, Santa Monica has participated with several other Southern California jurisdictions working to advance racial equity in the region through cohorts comprised of staff from different city departments. Last year, the Rent Control Agency became involved, and its staff attorney is now on the steering committee for Santa Monica's team.

Smaller groups, organized to accomplish the specific tasks of normal operations of the City, meet as the need or opportunity arises. Following are some of the 2018 undertakings:

- Staff attended the first of two collaborative workshops to provide input for a community engagement toolkit that City staff can use to better serve local constituents.
- Several staff participated in the Pico Wellbeing Project's Interdepartmental Housing Meeting. The PWP gives the community a platform to be involved in the shaping of policies and programs and uses the Wellbeing Index to create a different approach to community engagement.
- Staff participated in an interdepartmental Digital Council focused on coordinating and maximizing digital communications as well as preparing for redesign of the City's website.
- Rent Control co-sponsors an annual Maintenance of Residential Rental Property seminar with the Code Enforcement Division and communicates with the City Attorney's Office and Code Enforcement team regularly regarding relocation disputes, use of withdrawn properties, and maintenance and enforcement issues.
- Along with representatives of Santa Monicans for Renters Rights, Action Apartment Association and AAGLA, Agency staff assisted the City Attorney's Office in planning and hosting the annual Fair Housing Workshop.

APARTMENT LISTING SERVICE

The Rent Control Agency provides a free service for property owners to advertise their available rental units. The list of available apartments is updated weekly and may be obtained on the Board's website or at its City Hall office. Owners may submit a listing by telephone or in person at the Rent Control office or by using an email form on the Agency's website. The listing includes the unit's address, number of bedrooms and bathrooms, rent amount, amenities, contact person, phone number and brief comments. In 2018, the Agency received 58 listings, down from 113 listings in 2017.

HEARINGS DEPARTMENT

MEDIATION

The Hearings Department provides mediation services as part of the decrease petition and excess rent complaint processes, as well as for some matters not raised by petition. Mediation is provided as a means to settle disputes without the need for a hearing. Participation in mediation is voluntary.

Settling disputes through mediation, with the help of a trained facilitator (the mediator), is often less confrontational and allows the parties to safely air their differences and reach a mutually satisfactory agreement. Mediation provides an opportunity to tailor solutions that meet each party's specific needs.

The mediators have been very successful in settling a large percentage of cases, in whole or in part, resulting in fewer hearings or narrowing the issues to be considered at a hearing.

The Hearings Department handles tenant- or landlord-initiated petitions, complaints and applications. It conducts mediations and hearings to assist members of the public seeking to resolve rent control-related issues.

HEARINGS

Hearings are held for decrease and excess rent cases not fully resolved through mediation and for all other types of petitions, complaints and situations for which rent control regulations call for a hearing. If a party disagrees with the outcome, the hearing officer's decision may be appealed to the Rent Control Board. Appeals are reviewed, and Board action is recommended by the Board's Legal Department. Contested applications for exemption of two- and three-unit owner-occupied properties are referred to the Hearings Department for a hearing, resulting in a recommendation to the Board. Contested lapses of such exemptions may also be referred for a hearing and recommendation to the Board.

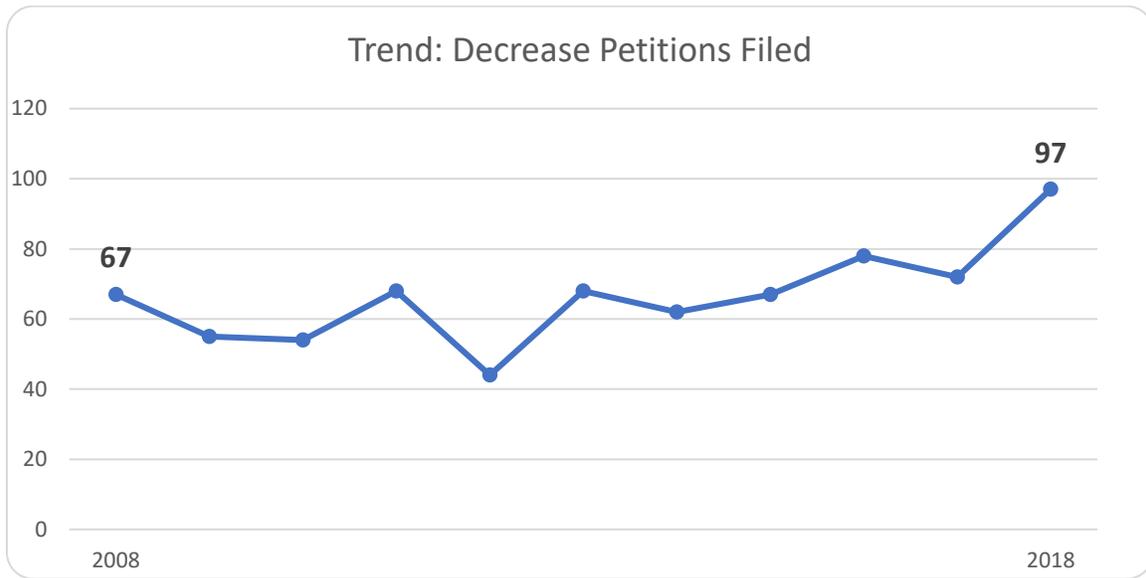
At the hearing, the hearing officer takes evidence from the parties, including witness testimony and documentary evidence. If appropriate to the issues in the case, a hearings staff investigator will visit a property before the hearing to document the conditions and then present that evidence at the hearing. In most cases, the hearing is concluded in one day. Some cases are more complex and require multiple hearings. After the hearing process, the hearing officer reviews the evidence and issues a detailed written decision.

PETITIONS AND COMPLAINTS

Individual Rent Adjustments: Decrease Petitions

Tenants who allege that their rental units need repairs or maintenance, or that their housing services have been reduced, may petition to have their monthly rent decreased. Ninety-seven decrease petitions were filed in 2018. Before filing the petition, a tenant must request in writing that the owner repair the problem or restore the service. If the owner does not meet this request, the tenant may petition for a rent decrease. When a decrease petition is filed, a mediation settlement conference is scheduled in an attempt to resolve the issues without a hearing. Matters not fully resolved in mediation go

to a hearing, where the hearing officer will consider all of the evidence and issue a written decision that may include the granting of a rent decrease if warranted.



APPEALS OF DECREASE PETITION DECISIONS

Eleven appeals were filed on 32 hearing officer decisions issued in 2018. All of the decisions had granted decreases for various conditions. Board decisions were issued on eight of the appeals. Two appeals filed by owners were withdrawn. One of the appeals (filed by owner) was still pending at the end of the year. Of the eight appeals decided by the Board, two were filed by tenants and six were filed by owners. The Board fully affirmed the hearing officer decisions in all eight cases. The Board also affirmed hearing officer decisions in two cases denying decreases that were pending before the Board at the end of 2017; both appeals were filed by tenants.

REINSTATEMENT OF DECREASES

If a rent decrease is granted, the decrease amount is only reinstated (added back into the rent) when the owner makes the required repairs or restores the services for which the decrease was granted. Property owners wishing to have a decrease amount reinstated must first file a notice (“Request for Compliance and Addendum”) with the Agency that the subject problem has been corrected. Twenty-five compliance requests were received in 2018. Once the Agency receives a compliance request, action is taken to verify that the conditions for which the decrease was granted are corrected and a proposed addendum is issued. If the petitioner and/or respondent disagree with the proposed addendum, a hearing is held, after which a finalized addendum is issued. If no hearing is requested, the proposed addendum becomes final. Decrease amounts are reinstated for each properly corrected condition. Once all decreases are reinstated, the owner is found to be in full compliance with the decision. Multiple addenda may be issued on a case during the course of a year; sometimes several addenda are issued before the owner is in full compliance. Addenda may be issued on cases decided during the current year or in prior years.

37%

Decrease petitions mediated
and fully resolved

29%

Decrease petitions mediated
and partially resolved prior to hearing

62%

Decrease petitions filed in 2018 that were
filed for market-rate tenancies
(60 of 97 units)

New Decrease Petitions		
Decrease petitions filed in 2018		97
<i>withdrawn or dismissed prior to mediation or hearing</i>	3	
<i>referred to hearing directly or prior to mediation</i>	16	
<i>resolved prior to mediation</i>	5	
<i>pending referral to mediation</i>	1	
<i>referred to mediation</i>	72	
Mediation Activity		
Cases mediated during 2018		99
<i>current year cases</i>	72	
<i>carried over from prior year</i>	27	
Status at end of 2018		
<i>withdrawn / dismissed (tenants vacated, refiled petitions or non-responsive)</i>	5	
<i>resolved — case closed</i>	24	
<i>no resolution — referred to hearing</i>	29	
<i>partial resolution — referred to hearing</i>	12	
<i>pending</i>	29	
Hearing Activity		
Active cases during 2018		74
<i>referred to hearing directly or prior to mediation</i>	16	
<i>referred from mediation</i>	41	
<i>ongoing from prior year</i>	17	
Status at end of 2018		
<i>withdrawn or dismissed</i>	14	
<i>decision granting decrease</i>	27	
<i>decision denying decrease</i>	5	
<i>pending</i>	28	
Decrease Reinstatements		21
<i>decreases fully reinstated</i>	11	
<i>decreases partially reinstated</i>	9	
<i>no reinstatement as compliance requirements not met</i>	1	
Contested Addenda		3
<i>Finalized addenda issued</i>	3	

Individual Rent Adjustments: Construction Decrease Petitions

The construction decrease regulations allow for rent decreases to address construction-related impacts on tenants residing in buildings undergoing substantial rehabilitation. The decrease amounts are based, in part, on the length of time a tenant experiences problems, the severity of the problems, and the specific impact on the petitioner. When the Agency becomes aware of substantial construction activities on a property, it issues a notice informing the property owner and the tenants that rent decreases may be authorized for construction-related impacts. The notice offers the Board's mediation services to work with the parties to explore solutions, including mitigating the impacts and temporary rent reductions. Tenants may file petitions before, during, or after the mediation process.

The Agency issued construction decrease notices to owners of eight properties in 2018. Tenants from two of the properties responded to the notices. At one property, two tenants declined mediation and filed petitions that were referred to hearing. Tenants from a second property contacted Board staff to discuss filing petitions but had not done so by the end of 2018.

During 2018, three properties were involved in the hearing process. For one property with two petitions, the hearing process was terminated during 2018: one petition was dismissed as the tenant vacated her unit following the hearing and the other petition was withdrawn prior to the scheduled hearing. For the remaining two properties, one of which had begun the hearing process towards the end of 2017, hearings were in process at the end of 2018. During the hearing process for both properties, five petitioners ended their participation in the process.

Construction Decrease Petitions 2018	
Agency construction notices issued in 2018	<i>8 properties</i>
Petitions filed in 2018	<i>26 petitions on 2 properties (24 on 1 property)</i>
Mediation Activity	
Mediation services initiated in 2018	<i>1 property (no petitions filed)</i>
Mediations continued from 2017	<i>none</i>
Pending mediation at end of 2018	<i>none</i>
Hearing Activity	
Active cases in Hearings during 2018	3 properties (33 petitions)
Referred to Hearings in 2018	<i>2 properties (26 petitions)</i>
Hearing process terminated (withdrawn =W, dismissed =D, inactive =I)	<i>1 property (2 W / 1 I) 1 property (2 W) 1 property (1W / 1 D)</i>
Decisions issued	<i>none</i>
Ongoing in Hearings from prior years	<i>1 property (7 petitions)</i>
Ongoing in Hearings process	<i>2 properties (26 active petitions)</i>

Excess Rent and Non-Registration Complaints

Rent control regulations allow a tenant who believes he or she is paying more than the maximum lawful rent to petition the Board for recoupment of monies paid that exceeded the maximum lawful rent. A tenant whose landlord has not registered the property or tenancy with the Rent Control Agency may also petition the Board to authorize withholding of rent until the landlord has registered the property or tenancy. The cases are initially sent to a mediator for resolution. In some instances, cases are administratively settled based on a proposed resolution conveyed to parties in writing prior to the mediation. Cases not resolved by mediation are decided by a hearing officer following a hearing. Nineteen complaints were filed in 2018.

APPEALS OF EXCESS RENT COMPLAINT DECISIONS

One excess rent decision was issued in 2018. That decision was not appealed. In one appeal pending at the end of 2017, the Board determined it no longer had jurisdiction of the property as it was Ellised and the matter was closed.

Newly Filed Excess Rent & Non-Registration Complaints		
Complaints filed in 2018		19
<i>withdrawn or dismissed prior to mediation or hearing</i>	1	
<i>referred to hearing directly or prior to mediation</i>	3	
<i>pending referral</i>	6	
Mediation Activity		
Cases mediated during 2018		16
<i>current year cases</i>	9	
<i>carried over from prior year</i>	7	
Status at the end of 2018		
<i>withdrawn or dismissed without mediation</i>	2	
<i>resolved — case closed</i>	4	
<i>resolved administratively</i>	3	
<i>no resolution — referred to hearing</i>	2	
<i>pending</i>	5	
Hearing Activity		
Active cases during 2018		5
<i>referred directly to hearings</i>	3	
<i>referred from mediation</i>	2	
Status at the end of 2018		
<i>decision substantiating complaints</i>	1	
<i>on hold pending jurisdiction issue</i>	1	
<i>pending</i>	3	



63%

**Excess rent complaints filed in 2018 that were for market-rate tenancies
(12 of 19 units)**

77%

Excess rent complaints resolved after administrative or formal mediation

Individual Rent Adjustments: Increase Petitions

Property owners may petition the Rent Control Board for rent increases based on completed or planned capital improvements, lack of a fair return, or increased operating expenses not covered by the general adjustments. During the year, a number of owners consulted with staff seeking guidance about how to properly fill out increase petitions and what documentation and information was needed. However, only one petition of this type, for an 11-unit property, was filed in December and was pending at year-end.

Individual Rent Adjustments: Tenant-Not-in-Occupancy Petitions

Rent Control Regulation 3304 allows for a one-time rent increase to market level if the tenant does not occupy the unit as his/her usual residence of return. If the petition and supporting documents do not support a prima facie case at the time of filing, the petition may be dismissed. When a tenant-not-in-occupancy case is accepted for filing, the petition is handled administratively if the tenant does not contest the owner's petition. It is referred to a hearing if the tenant contests the petition.

If the petition is granted, the Board sets the new Maximum Allowable Rent (MAR) for the unit based on MARs for comparable units on the property rented in the past three years or the three-year median MAR for the city area.

During 2018, five new petitions were filed; all were contested and set for hearing. One petition was withdrawn before a hearing was scheduled. Hearing officer decisions were issued on three of the petitions. One petition was granted and two were denied. In addition, a petition pending from 2017 was granted. Two other contested petitions pending from 2017 were withdrawn during 2018.

APPEALS OF TENANT-NOT-IN-OCCUPANCY DECISIONS

All four decisions issued during 2018 were appealed, although one appeal filed by an owner was withdrawn. Two decisions granting the owner's petition and appealed by the tenants were affirmed by the Board. One decision denying the owner's petition and appealed by the owner was also affirmed by the Board.

Tenant-Not-in Occupancy Activity		
Active Cases in 2018		8
New Cases filed in 2018	5	
<i>Pending from 2017</i>	3	
Status at end of 2018		
<i>Withdrawn</i>	3	
<i>Hearing Officer Decisions</i>	4	
<i>Pending</i>	1	

Petitions to Register Previously Unregistered Units

Petitions may be filed with the Rent Control Board when an owner seeks to register a unit that has never been registered. This most often occurs in cases where a unit was built without permits (i.e., a “bootleg” unit). For a unit to be qualified to register, the petitioner must show that the unit is habitable or capable of being made habitable and the unit was either used as a residential rental unit in April 1979 (or in the 12 months that preceded April 1979), or the unit was created by conversion after April 1979 and conforms to the city’s zoning and development standards. During 2018, four petitions of this type were filed for four units on one property. One consolidated decision was issued for all four petitions: three units qualified for new registration and one unit failed to qualify as it was already properly registered. The decision was not appealed.

Base Rent, MAR, Amenities Determinations

Under certain circumstances, a party may petition for a hearing to establish correct unit and building amenities, base rents, and maximum allowable rents (MARs). During 2018, no petitions of this type were filed. However, one petition filed during 2017 was resolved and the case was withdrawn following mediation.



OWNER-OCCUPIED EXEMPTION APPLICATIONS

As explained earlier in this report, exemptions are available for properties with three or fewer units that are owner occupied. Although most owner-occupied exemption cases are decided by the Rent Control Board without an administrative hearing, there are occasions when an evidentiary hearing is necessary to determine questions of fact or law. In many of these cases, the exemption is contested by one or more tenants. Hearings may also be required in cases where the lapse of an exemption is contested by the owner. The hearing officer issues a recommended decision that is considered by the Board in making a determination on the exemption application or lapse of an exemption.

During 2018, eight exemption applications were referred for evidentiary hearings. One application was withdrawn before a hearing was held. Hearings were held on the remaining seven applications. Hearing officer recommendations were issued on five applications, granting one of the exemptions and denying four. The Board adopted staff’s recommendations in four of the cases. One recommendation to deny was pending before the Board at the end of 2018. Two applications were in the hearing process and pending at the end of 2018.

Also during 2018, a lapse of an owner-occupied exemption was contested. The matter was referred for an evidentiary hearing. The hearing officer recommended the exemption not be lapsed. The Board adopted staff’s recommendation.

LEGAL DEPARTMENT

Of necessity, much of the department's advisory work occurs outside the public view in order to preserve attorney-client confidentiality; but there are important exceptions to this. As a legislative and quasi-adjudicatory body, the Board must operate openly, publicly and transparently. Thus, when the Board decides whether to enact or amend a law, or when it hears an appeal of a hearing officer's decision, its deliberative process must be fully public. As part of that public process, the Legal Department prepares a written report that analyzes the issues presented and advises the Board about legally appropriate outcomes. Last year, the Board's lawyers prepared several public reports, which are detailed in the statistical overview at the end of this Annual

Report. The Board considers the advice given, but it is not bound by it; rather, the Board makes its final decision based on its independent assessment of staff's advice (including legal advice), public input and its own public deliberation.

The Legal Department has no policy-making role. It is the Board, and not its lawyers, whom the public has elected; therefore, the only "policy" advanced by the Legal Department is that which is embodied in the City Charter or the rent control regulations enacted by the people's duly-elected representatives. Nor does the department have any political role. Because its function is to offer the Board complete, accurate, and independent legal advice, it necessarily does so without considering politics, and without favor toward tenants, owners or others.

Under the direction of the General Counsel, the Legal Department serves two principal functions: it advises the Board and the Agency on all legal matters, and it represents the Board in litigation.

LITIGATION

Lawsuits Filed in Prior Years but Resolved in 2018

SMRCB v. Vidugiris
Judgment for Board

The Board filed a lawsuit in 2017 against Dianne J. Vidugiris, landlord of 1227 11th Street, for unpaid registration fees and accrued penalties. In April 2018, the Board obtained a default judgment against Ms. Vidugiris in the amount of \$10,461.90.

Status of Lawsuits Filed by the Board in 2018

SMRCB v. Guirguis v. SMRCB
Pending

The Board filed an action for injunctive relief against Maged Guirguis to secure his compliance with the Board's regulations enacted under the state Ellis Act. Under the Board's regulations, if the owner of a building that was withdrawn from the rental market under the Ellis Act returns it to the rental market within ten years of the date of its withdrawal, he or she must make a written offer to re-rent units to tenants who were displaced from them by the withdrawal, if those tenants request such an offer. Guirguis withdrew his five-unit building at 1128 23rd

Street from the rental market under the Ellis Act, displacing tenants from three units, and informed the Board of his intent to return it to the market a little more than two years later. The displaced tenants informed Guirguis that they wished to receive from him an offer to re-rent the units from which they had been displaced. Guirguis refused, instead paying the tenants the maximum punitive damages that they could have received if they had sued him. Guirguis contended that payment of the punitive damages amount extinguished his obligation to offer the units to the displaced tenants. The Board disagreed and initiated this civil action. Guirguis then filed a cross-complaint for money damages against the Board, which the Board moved to strike under the state anti-SLAPP statute. The trial court denied the Board's anti-SLAPP motion, and the Board has appealed that ruling. The Board's claims against Guirguis remain pending in the trial court, and Guirguis's claims against the Board are stayed pending the Board's appeal.

Status of Lawsuits Filed in Prior Years

Action Apartment Association, Inc. v. SMRCB

Pending

Action Apartment Association sued the Board challenging an alleged Board policy prohibiting the pass-through of water charges to tenants in master-metered buildings, known as a RUBS charge. The Board moved for summary judgment on the ground that it does not have a policy prohibiting RUBS charges, per se, but the City Charter does limit the amount that rents can be increased, and a RUBS charge is rent. Action clarified that it was suing only for a judicial declaration that a RUBS charge is not rent. The trial court granted judgment in the Board's favor. Action has appealed that judgment, and it is anticipated that the Court of Appeal will decide the appeal sometime in the spring or summer of 2019.

ASN Santa Monica, LLC v. SMRCB / 1041 20th Street LLC v. SMRCB

Pending

In 2016, the Board granted excess rent petitions filed by a tenant of ASN Santa Monica, LLC and 1041 20th Street, LLC ("the Landlords"). The Landlords argued that the tenants' units were exempt from rent control because, several years ago, the Board granted a permit allowing the units to be removed from the rental housing market. The Board rejected that argument and concluded that, because the unit is now on the rental market and satisfies no exemption criteria, it is subject to the rent control law. The Landlords sued the Board seeking to reverse the decision on the ground that the prior removal permit created a permanent exemption from regulation and the tenant's unit is not subject to the rent control law. The Landlords prevailed in the trial court, with the trial court failing to rule on whether a removal permit actually makes a unit exempt from rent control, but deciding that, because Board staff had said for 20 years that it did, the Board was equitably estopped from saying otherwise now. The Board has appealed that judgment. The appellate court matter is fully briefed. Oral argument and a ruling by the appellate court are expected in spring or summer 2019.

Hirschfield v. Cohen (SMRCB, Intervenor)

Pending

Owner Richard Hirschfield sued tenant Tanya Cohen seeking a declaration that his property is exempt from the rent control law. Because the lawsuit challenges the Board's jurisdiction, the Board intervened in the lawsuit so that its own views on the subject may be heard, and its interests adequately represented. Tenant Tanya Cohen filed a special motion to strike the complaint contending that the complaint unlawfully targets her rights under

the First Amendment of the U.S. Constitution to petition the government for the redress of grievances, because Hirschfield appeared to sue her in response to her previously filing an excess-rent petition. After the motion was denied, she sought review by the Court of Appeal, which affirmed the trial court ruling. The case is now pending, again in the trial court.

Wormser v. SMRCB

Pending

In 2014, the Board denied Ronald Wormser's application for an owner-occupancy exemption. To qualify for the exemption, Board regulations require the property to have had three or fewer units on April 10, 1979. Based on Board records, the Board concluded, after a hearing, that the property had four units on that date. The Board therefore concluded that the property did not qualify for the requested exemption, and the application was denied. Wormser sued the Board claiming that the property has only three units now and that it has qualified for the exemption in the past based on an earlier version of the regulation. The Board demurred (moved to dismiss) on the ground that Wormser's position was unsupported by the facts. The trial court agreed with the Board and judgment was entered in the Board's favor. Wormser sought review by the Court of Appeal, and the appellate court reversed the judgment in the Board's favor on the limited grounds that the trial court was wrong to have based its judgment on the contents (rather than the mere existence) of judicially-noticed documents. The matter was then remanded to the trial court. Although Wormser filed his action against the Board, he still has not ordered the administrative record, without which his litigation cannot proceed. The trial court may lose jurisdiction to consider the matter on the five-year anniversary of its filing, which will be in February 2020.



PERMANENT EXEMPTIONS

The rent control law applies to all residential rental units in Santa Monica, except for those units specifically exempted based on certain criteria. Some exemptions are permanent, while others are "use exemptions," which stay in effect only as long as the criteria upon which the exemption was granted remain true. Subject to certain limitations, new construction (completed after April 10, 1979) and single-family dwellings are eligible for permanent exemption from the rent control law.

In 2018, there were 25 declarations submitted for single-family dwellings stating that the homes were not rented on July 1, 1984 and are eligible for permanent exemption. Provided the information in these declarations is accurate, the subject properties are exempt. There were 36 fewer declarations filed in 2018 as compared to 2017.

Three single-family dwellings that didn't qualify for the automatic exemption were granted an exemption by the Board after the owner filed an exemption application based upon two years of owner occupancy.

The rent control law generally exempts units built after 1979. An exception to this general rule is when new units are built and offered for rent on a property where rent-controlled units were demolished after being Ellised. In 2018, applications were filed for 18 units in an affordable housing project that had been newly constructed and rented more than five years after the original units were Ellised and demolished. The Board granted permanent exemptions for the 18 new units.



USE EXEMPTIONS

“Use exemptions” or “temporary exemptions” may be granted for several different uses of a residential rental property that would otherwise be subject to the rent control law. Although tenants living on exempt properties do not have rent-level protections, eviction protections were extended to these tenants with the amendment to the City Charter following the passage of Measure RR in the November 2010 election.

The “owner-occupied exemption,” which only applies to properties with three or fewer units, is the temporary use exemption that affects the greatest number of properties. Most applications for this type of exemption are prepared for the Board administratively provided the owner submits the required documentation and the tenants (if any) verify the owner’s residency. Staff prepares a recommendation for the Board, which then determines if the exemption is granted. In some instances, applications are referred to the Hearings Department for evidentiary hearings to determine if the owner-applicants meet all the requirements to qualify for this exemption. In these cases, a hearing officer makes a recommendation for the Board’s consideration and decision.

The Board received owner-occupancy exemption applications for 17 properties in 2018. The Board approved eight applications, denied three, five applications were pending at the end of the year, and one was withdrawn. The Board also approved four applications pending from 2017, while one pending application was dismissed because the applicant passed away before the Board heard her application.

Of the 12 properties granted owner-occupied exemptions in 2018, three had been previously exempt within the last five years, but the exemption had lapsed because a new owner purchased the property, or the owner moved off. Owner-occupied exemptions lapse by operation of law when the owner moves off the property or when ownership is transferred. As is described in the section above on Exemption Monitoring, the Rent Control Agency monitors owner-occupancy exemptions and regularly researches changes in ownership of all residential Santa Monica properties. Most lapses are due to a change in ownership.

Examples of other use exemptions include: residential units in hotels, hospitals, religious institutions, and extended medical care facilities; commercial units; non-rental units; and units owned and operated by governmental agencies.



REMOVAL PERMITS

To protect the controlled rental housing stock, the rent control law provides strict criteria the Board must apply before granting permits removing units from rent-control jurisdiction. The Board did not approve any removal permits in 2018.



BUYOUT DISCLOSURE AND AGREEMENTS

Because of concern that Santa Monica’s heated real estate market was leading some landlords to coerce tenants in rent-controlled units into signing buyout agreements—agreements to move from a rent-controlled unit in exchange for payment, which would then allow the landlord to reset the unit’s rent to market rate—the City Council amended the City’s Tenant Harassment Ordinance to require landlords to inform tenants of certain rights. These rights include the right to consult a lawyer before deciding whether to enter into a buyout agreement and the right not to enter into one at all.

The ordinance also sought to discourage abuse by having the amounts paid be made public through mandatory filing of the agreements with the Rent Control Board, which could then provide information to other tenants who have been approached to sign a buyout agreement. In response, the Rent Control Board amended its regulations to accept executed buyout agreements for filing and developed a form that includes the disclosure of rights to tenants who are being offered a buyout. Landlords are required to provide the form to tenants before making a buyout offer. To protect individual privacy concerns, the Board required its staff to maintain the buyout agreements in a file separate from other publicly accessible data, and to provide the data to the public in an aggregate manner, such as on a neighborhood basis instead of by specific property (to avoid revealing personal-identifying information) or on another aggregate basis upon specific request.

In 2018, the Board received 63 buyout agreements. The data reported below is based on city area and unit size.

City Area	Units	Average \$
A	7	\$76,038
B	4	\$64,302
C	2	\$26,574
D	7	\$28,789
E	17	\$28,591
F	23	\$79,653
G	3	\$26,099
Total	63	\$54,611

Unit Size	# Filed	Average \$
0 Bedroom	5	\$48,016
1 Bedroom	27	\$29,444
2(+) Bedrooms	31	\$77,595
Total	63	\$54,611



REGULATIONS & RESOLUTIONS DRAFTED

In 2018, the Legal Department prepared five resolutions and amendments to eight regulations for the Board's consideration.

- Resolution 18-001 supporting AB 1796 (EV charging stations on rent-controlled properties); AB 2219 (rent payment by third parties); AB 2343 (eviction procedures); AB 2364 (Ellis Act amendments); AB 2833 (renters' tax credits); AB 2925 (cause for eviction); and SB 912 (affordable-housing funding). (Adopted 5/10/2018)
- Resolution 18-002, announcing the 2018 general adjustment of 2.9% and imposing a rent-increase ceiling of \$60. (Adopted 6/14/2018)
- Resolution 18-003, supporting the Veterans and Affordable Housing Bond Act of 2018. (Adopted 6/14/2018)
- Resolution 18-004, urging the City Council to make the Preserving Our Diversity (POD) Program permanent. (Adopted 6/14/2018)
- Resolution 18-005, urging the City Council to increase relocation fees. (Adopted 9/13/2018)
- Amendment to Regulations 3105, 3106, 3108, 3109, and 3120 respecting rent surcharges related to voted-indebtedness (United School District and Community College District) and other local impositions on owners' property tax bills. (Adopted 1/25/2018; 3120(e) Adopted 5/10/2018; further amendments to Regulations 3105, 3106, 3108, 3109, and 3120 Adopted 7/12/2018)
- Adoption of Regulation 2008, respecting the definition of "tenant" as an individual human being. (Adopted 8/9/2018)
- Amendment to Regulation 2002, respecting the time and place of the Board's regular meetings, and adoption of a new subdivision (d) to Regulation 2003, respecting Commissioners attending meetings via teleconference. (Approved 11/8/2018)

APPENDIX

Board Meetings		
Board meetings convened and staffed		16
	<i>Regular meetings</i>	16
Public Outreach		
Contacts with people seeking information		13,446
	<i>Counter (17%)</i>	2,262
	<i>Phone (74%)</i>	9,902
	<i>E-mail (9%)</i>	1,282
Constituency-wide mailings produced and distributed		3
	<i>General Adjustment mailings (includes citywide MAR Report mailing to owners)</i>	1
	<i>Newsletters (includes report of current MAR for each unit)</i>	2
Community meetings/seminars		10
	<i>Seminars by Rent Control staff</i>	4
	<i>Beverly Hills Realtor Association</i>	1
	<i>Familias Latinas Unidas</i>	1
	<i>Landlord/Tenant Forum w/City Attorney's Office</i>	1
	<i>Pico Wellbeing Housing Meeting / Pico Neighborhood Association</i>	3
Rent Control Seminar Attendance		128
	<i>Owner seminar</i>	51
	<i>Tenant seminar</i>	14
	<i>General adjustment seminar</i>	23
	<i>Maintenance seminar</i>	40
Website Visits		139,914
Petitions/Complaints		
Petitions processed on intake		152
	<i>Decrease petitions filed</i>	97
	<i>Construction Decrease petitions filed</i>	26
	<i>Registration Determination petitions filed</i>	4
	<i>Base Rent and Amenities Determination petition filed</i>	0
	<i>Excess rent/Non-registration complaints filed</i>	19
	<i>Tenant-Not-in-Occupancy petitions filed</i>	5
	<i>Increase petitions filed</i>	1

Hearings held		112
<i>For 30 individual decrease petitions and 3 sets of consolidated petitions (made up of 2,3 and 8 petitions)</i>	51	
<i>For 4 properties – 2 individual petitions & 2 sets of consolidated petitions (made up of 24 and 7 petitions)</i>	38	
<i>For 3 contested decrease addenda</i>	3	
<i>For 2 excess rent/non-registration complaints</i>	2	
<i>For 6 exemption applications</i>	6	
<i>For 1 contested potential lapse of exemption</i>	6	
<i>For 5 individual tenant-not-in-occupancy petitions</i>	6	
Hearings decisions/addenda issued		71
Written decisions issued on 47 petitions (some petitions consolidated)		43
Final Addenda on contested proposed addenda issued		3
Decrease Petition Proposed Addenda Issued		25
On-site investigations conducted		142
<i>Upon scheduling decrease and construction decrease petitions</i>	49	
<i>Upon scheduling a tenant-not-occupancy petitions</i>	7	
<i>In response to compliance requests</i>	20	
<i>Exemption use investigations</i>	19	
<i>Ellis investigations</i>	22	
<i>Occupancy, unit use, residence verification, construction activities etc.</i>	12	
<i>Other (e.g., measuring, service of documents, etc.)</i>	13	
Ellis Withdrawals, Exemptions and Removals Activity		
Ellis withdrawals filed in 2018		
<i>Properties</i>		20
<i>Units</i>	97	
Ellis withdrawal pending at the end of 2018		
<i>Properties</i>		13
<i>Units</i>	70	
Ellis withdrawals pending from 2017, completed in 2018		
<i>Properties</i>		10
<i>Units</i>	35	
Ellis returns to rental market		
<i>Properties</i>		8
<i>Units</i>	62	
Owner-Occupied 3-Unit or Fewer Exemption applications filed in 2018		17
<i>Applications withdrawn</i>	1	
<i>Pending at the end of 2018</i>	5	
<i>Granted</i>	8	
<i>Denied</i>	3	
Owner-Occupied 3-Unit or Fewer Exemption applications pending from 2017		5

	<i>Granted</i>	4	
	<i>Dismissed</i>	1	
SFD declarations filed			16
SFD 2-year application			3
Owner-occupied verification letters mailed			471
Removal permit applications filed			0
Removal permit applications granted			0
New Construction Exemption applications granted			1
Apartment Listing Service			
Number of listings received			58
Forms & Permits Processed			
Status forms to submit with development applications			179
Demolition permits			137
Building permits			368
Property registrations			502
Tenancy rent registration forms			4,725
Separate agreement registration forms (parking/storage/pets)			57
Tenant-filed rental unit registration forms			2
Registration fee payments processed in-house			3,251
Fee waivers			205
Clean Beaches Tax waivers			23
Appeals and Litigation			
Staff reports on appeal			12
	<i>Decrease petitions</i>	9	
	<i>Excess rent complaints</i>	0	
	<i>Increase petitions</i>	0	
	<i>Tenants-Not-in-Occupancy</i>	3	
	<i>Construction Related</i>	0	
	<i>Unregistered units</i>	0	
	<i>Base Rent</i>	0	
Exemption staff reports prepared and reviewed			22
Supplemental staff reports prepared			0
Litigation cases			8
Administrative records prepared			0
Legal Advisory			
Miscellaneous staff reports written			6
Occupancy permits advisory			10
Responses to subpoenas & Public Records Act requests			29