2019

ANNUAL REPORT

Santa Monica Rent Control Board

40thYear

- Status of Controlled Rental Housing
- Impact of Market-Rate Vacancy Increases
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INTRODUCTION

Our City Charter specifies that the Board must exercise its powers and duties "independent of and without interference from the City Council, City Manager, and City Attorney," but also specifies that the Board is an integral part of the City's government. Thus, while the Board and the City Council are in many respects independent of each other, the two bodies are also closely bound together. They should, and do, work cooperatively.

As the body that is ultimately responsible for the city's overall well-being, it is imperative that the City Council remain informed about the status of the city's rent-controlled housing. There are, after all, more than 27,000 controlled units housing many, if not most, of the city's residents. And, as the body that administers the Charter's rent control provisions with respect to those units, it is the Board that is best situated to provide the Council with that critical information. This is no doubt why, notwithstanding the Board's autonomy from the City Council, the Charter specifies that the Board will "report annually to the City Council…on the status of controlled rental housing."

As we are now in the 41st year of Santa Monica rent control, this is our 40th such report to the Council, and never has the relationship between the Board and the Council been more important. As this report shows, the current status of the city's controlled housing stock is relatively stable. Ellis activity was slightly lower than it was in 2018, and while the increase in newly-established rents has continued, the rate of increase has slowed. But this surface stability obscures pressing challenges just below the surface. Increasingly, for example, some owners of controlled units are using them not for their intended purpose—permanent housing—but for quasi-hotel like uses, with rentals lasting from a few days to a few weeks. As this practice spreads, it effectively eliminates controlled units from the city's housing stock.

It is the City Council, and not the Board, that regulates land use, and the Council, with the Board's help—not least of which has been provided in the form of these annual reports—has carefully studied this and other problems and their impact, and has begun to take meaningful steps to remedy them. I am pleased to report that this cooperation has been magnified at the staff level. In the waning days of 2019, and continuing in the current year, key Board staff has met with key staff at the City Attorney's Office, the City Manager's Office, Planning, Housing, Code Enforcement and the Office of Communications. Together, these staffers have formed an interdepartmental working group whose goal it is to provide interdepartmental communication with respect to both property-specific problems and policy issues.

We must not take the stability of our controlled housing stock for granted. Nor must we take for granted that our current challenges could inevitably ripen into a growing instability. With vigilance, that instability can be avoided. It is my hope and expectation that next year's report will show that it has been avoided by the steps that we are taking now.

Tracy Condon
Executive Director

NEW DEVELOPMENTS

RENT DECREASE PETITION REGULATIONS

This year, the Board revised the rent decrease petition process to ensure that tenants experiencing reduced housing services or loss of amenities are compensated for those losses during the time the petition process was underway. Under Regulation 4203, if a tenant files a petition for a rent reduction and a hearing officer decision grants a decrease, the rent reduction is calculated from the date the petition was filed. Formerly, reductions were prospective only and did not take into consideration the time during which the petition process was ongoing.

RENT 20/20 GETS UNDERWAY

Following years of planning, the Agency embarked on a major project to replace and improve upon the property and rent-tracking database that is fundamental to the services we provide. The current legacy system is critical to our day-to-day operations and has served the Agency well. However, advances in technology provide opportunities for improving customer service and providing greater access to the documents and data we maintain.

After issuing a request for proposals and reviewing multiple responses, the Agency conducted in-depth interviews with three vendors. In January, the Board entered into a contract with TruePoint Solutions LLC to configure and implement the Infor Public Sector solution, a system that will increase efficiencies and improve the user experience. Throughout the year, the Agency worked closely with vendor partners to meticulously define the business requirements of the new system that will allow constituents to submit updates to property records, register tenancies, file petitions and exemption applications, make payments online, and view records. In a parallel effort, the Agency worked with its document management system vendor (Advanced Documents Solutions, Inc. / OnBase) to make property-specific documents available to the public through a web portal. The combined solution is dubbed Rent 20/20 and is expected to launch in the spring of 2020.

REMOVAL PERMITS

The California Court of Appeals ruled in favor of the Board asserting jurisdiction over units that had previously been granted removal permits but where the units were never actually removed. The Board adopted new regulations in 2019 that, in part, clarified that removal permits would expire if not acted on and that removed units would once again be subject to rent control if they were used for residential rental purposes. As a result, the Agency has begun asserting jurisdiction on several properties that were never removed.

2019 Rent Control Board

Commissioners

Standing:
Steve Duron, Anastasia Foster
Seated:
Nicole Phillis (vice-chairperson)
Caroline Torosis (chairperson)
Naomi Sultan

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 2019, the Board convened 12 regular meetings.

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

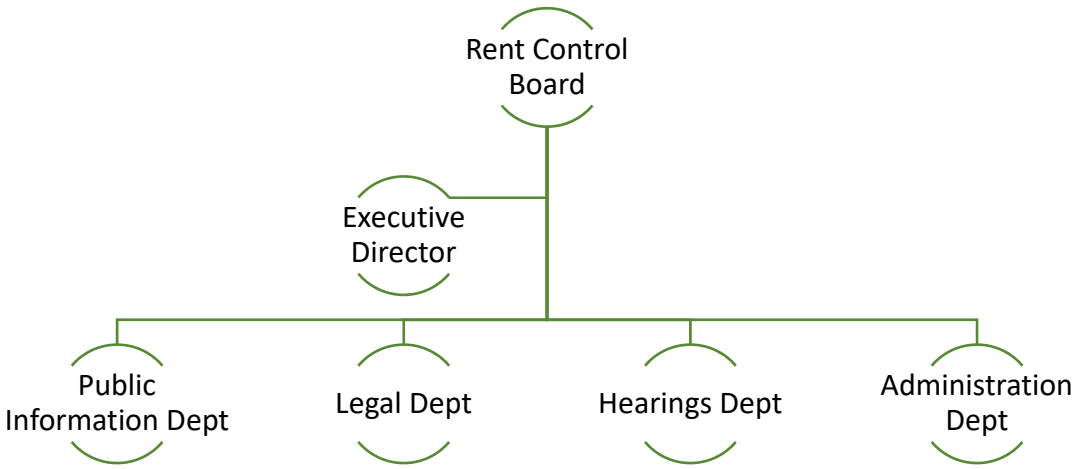
The Public Information Department responds to questions from the public about the rent control law and the history and current status of all controlled units. The department also informs the public about the Agency's services using a variety of media to reach the Agency's constituents. The department 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 34.

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 39.

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 47.



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 2019, Board records indicated there were 27,381 residential rental units currently subject to the law. This was a net loss of 64 units compared to 2018. In the past 10 years, the number of controlled units has varied from 27,381 to 28,180. The number of controlled units at the end of 2019 was six more than in 2017; these two years represent the lowest reported number of controlled units in the last 10 years.

Rent controlled housing accounts for slightly more than one-half of all housing in Santa Monica and just over two-thirds of multi-family housing. Units not currently counted as controlled include those constructed after the adoption of the rent control law, permanently exempt single-family dwellings (3,936 have qualified for permanent exemptions); owner-occupied properties of three units or fewer and properties with other "use" exemptions (4,883 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 (3,674 units). As explained in the *Impact of the Ellis Act* part of this report, the withdrawal of 2,316 net units under the Ellis Act is significant but is just one factor causing 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 27,381 currently controlled units are 1-bedrooms. The next largest segment, more than one-third of the total, are 2-bedroom units. Together, 1- and 2-bedroom units comprise 79 percent of the controlled housing stock. Therefore, the greatest number of tenants are living in 1- and 2-bedroom units, of which there were 22,528 units at year's end.

Three or more-bedroom units are the fewest in number with only 2,000 units of this size. While there are about half as many more studios than 3(+)-bedroom units (2,853 units), they too are a relatively small segment of the controlled housing stock. 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

The Rent Control Agency also tracks trends by seven city areas. These areas roughly parallel the city's neighborhoods and census tracts. They are 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.

The map below also shows the percentage of controlled rental units in each area as of December 31, 2019. 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 area the number of units subject to the law at the end of 2019. Annual changes to the number of units in any area are primarily due to changes in exemption status of properties and Ellis activity.

Fig 1 | Controlled Rental Units by Unit Size

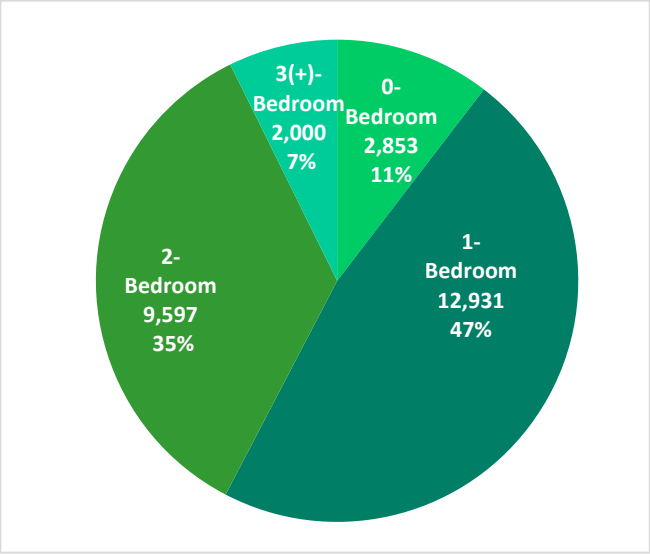
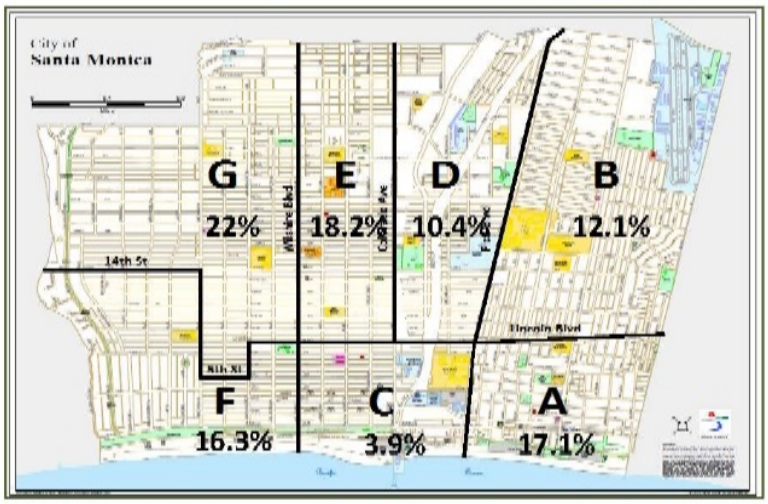


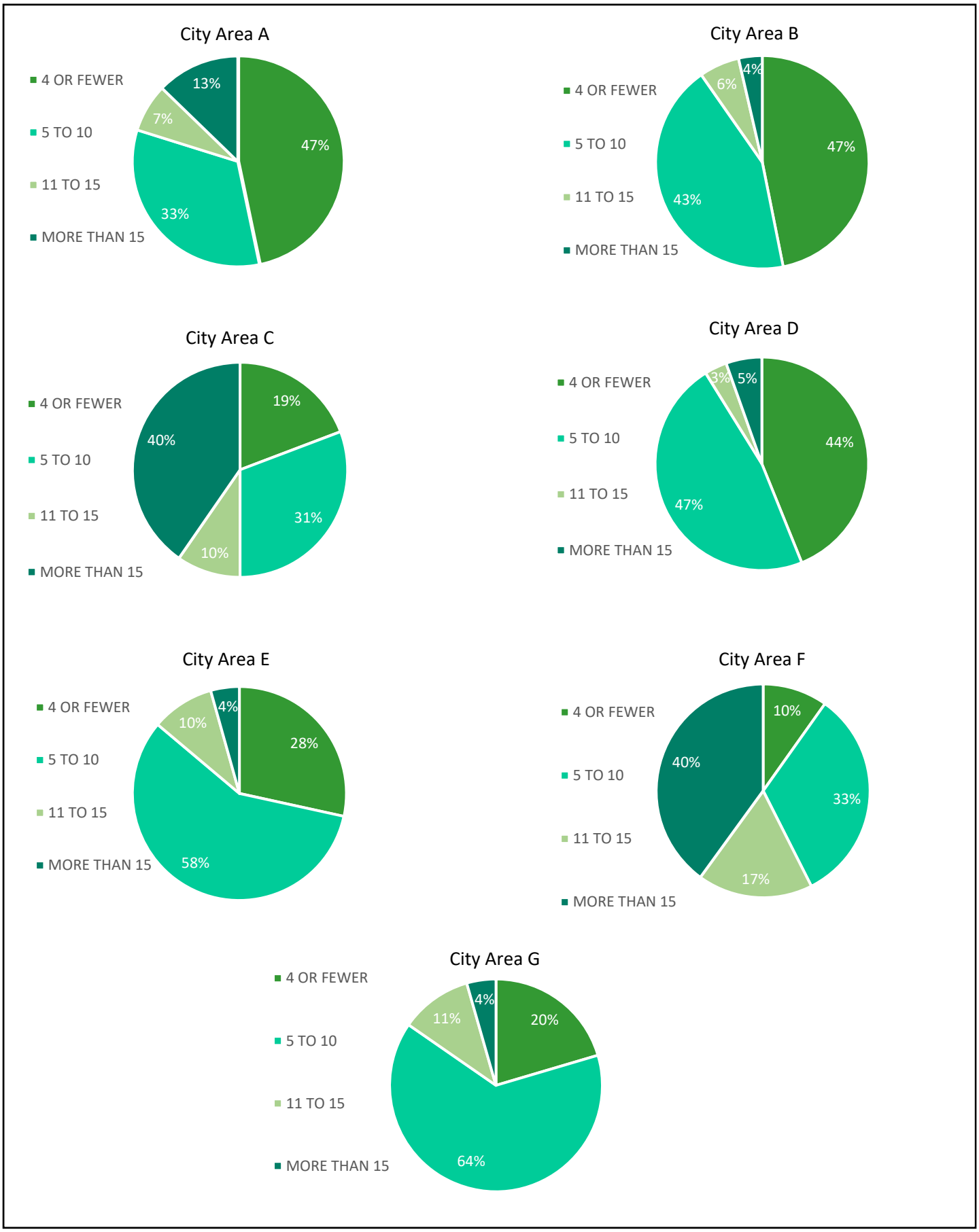
Fig 2 | Controlled Rental Properties by City Area



City Area	Controlled Units as of 12/31/19	Change from 12/31/18
A	4,695	-7
B	3,304	+16
C	1,064	+3
D	2,849	0
E	4,988	-30
F	4,459	-41
G	6,022	-5
Total	**27,381**	**-64**

While the number of controlled units by city area can vary greatly as shown in Figure 2, so too can the number of units per property. Figure 3 on the next page shows the composition of controlled rental properties by the different areas of the city and how they vary. Controlled properties in Santa Monica are predominately made up of 10 or fewer units, although there are areas such as Areas C and F that are downtown and north of downtown, where large properties dominate the makeup of the neighborhoods. More than 78 percent of controlled units in Area C are on large properties of more than 15 units, as a large percentage of properties (40 percent) in this area have 15 or more units. Further from the beach, in City Area E, only 15 percent of controlled units are on properties with more than 15 units, which represent only four percent of the controlled buildings in the area.

Fig 3 | Property Size by City Area



IMPACT OF MARKET-RATE VACANCY INCREASES

INTRODUCTION

The Rent Control Charter Amendment was voted into law 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. The law included a vacancy control provision mandating that rent levels remained in place when a unit was vacated and new tenants moved in. The State Legislature's passage of the Costa-Hawkins Rental Housing Act in 1995 changed that. Under the vacancy decontrol provisions mandated, since 1999 owners have been able to set initial rents for new tenancies at whatever the market will bear. This change has resulted in an exponential growth in initial rents for most new tenancies. The effects of vacancy decontrol on controlled rent levels in Santa Monica are quantified in this report.

While the passage of the Costa-Hawkins Act has impacted rent levels, Santa Monica's rent control law continues to provide important protections for thousands of residents. Once the initial rent is established, subsequent rent increases during the tenancy are controlled. Tenants paying market-rate rents enjoy the same just-cause eviction protections and control of amenities and housing services as tenants who moved in before the law changed in 1999. The big difference between these two groups is primarily the amount of rent they pay. As existing tenants move, year after year landlords have established higher initial rents. Rents for new tenants are not only significantly higher than rents paid by long-term tenants, but in many cases, higher than the rents paid by tenants who moved into their units just one or more years earlier.

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

After 20 years of vacancy decontrol, 72 percent of controlled units are occupied by tenants who moved in with an initial rent set at market-rate. As shown in the pie chart below, only 24.7 percent of units remain occupied by long-term renters. In 2019, there were 139 units registered as being rented at market-rate for the first time.

Fig 4 | Controlled Rental Units by Type – 2019

	# of Controlled Units 2018	# of Controlled Units 2019	Change from 12/31/18
Market-Rate	19,562	19,701	+139
Long-Term	6,962	6,753	-209
Housing Choice/Sec 8	623	623	0
Restricted	143	148	+5
$0 MAR	155	156	+1
Total	**27,445**	**27,381**	**-64**

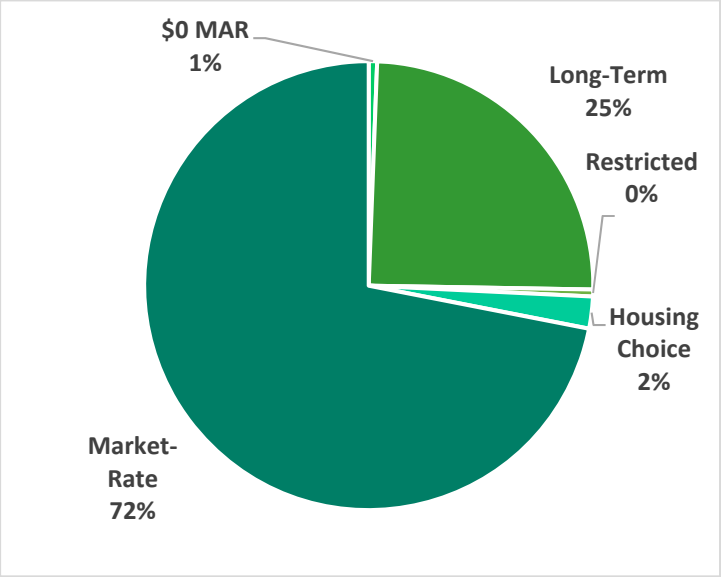
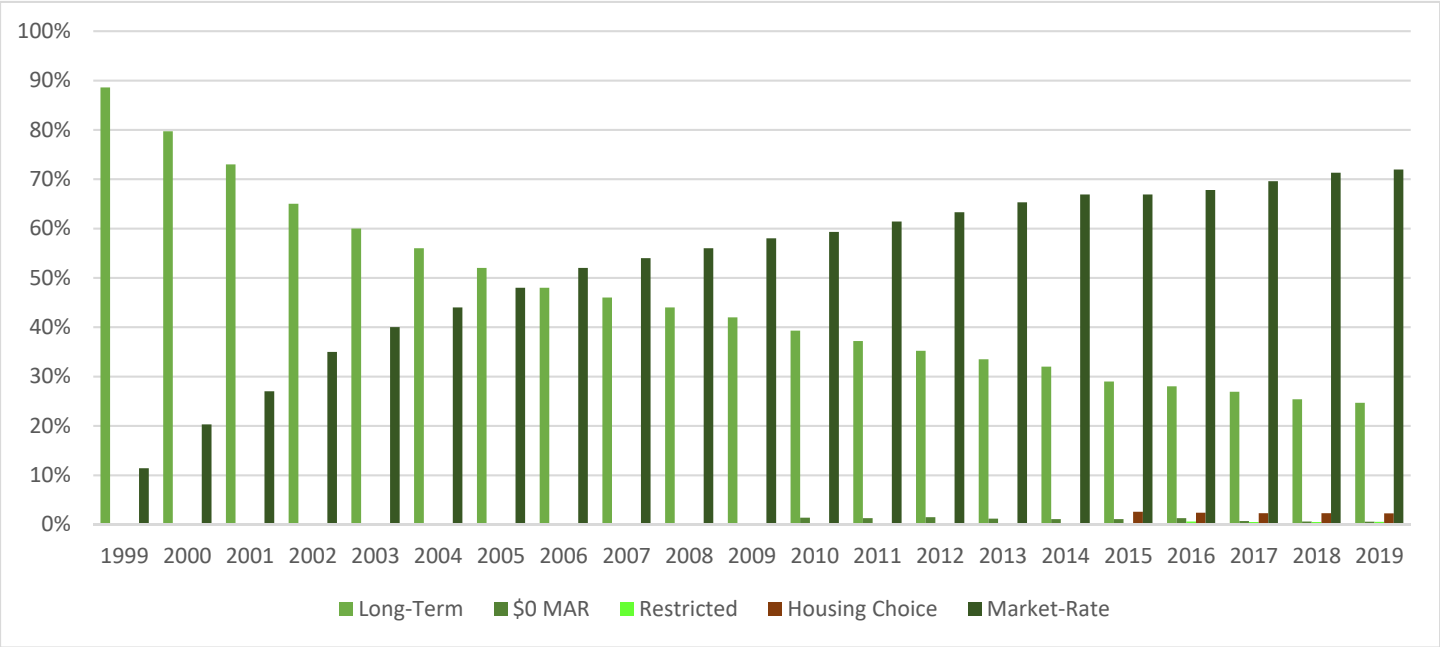


Fig 5 | Controlled Rental Units by Type – 1999 to 2019*



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

Figure 5 depicts changes in the share of units by type: long-term, market-rate, $0 MAR, restricted, and Housing Choice program units, also known as Section 8 units. The share of units with rents pegged to 1978 (long-term units) continues to decline, although the annual change has slowed over time. In 2019, 209 of these units were either rented at market-rate for the first time, withdrawn from the market under the Ellis Act or otherwise became exempt. The number of long-term tenancies lost was lower than in 2018 when 393 of these tenancies were lost. The 209 units lost in 2019 represented three percent of the long-term housing stock at year-end 2018. This is the first year since 2016 when the rate of long-term units lost decreased. From 2016 to 2017, 4.7 percent of then-remaining long-term units were lost, and from 2017 to 2018, 5.3 percent were lost. As detailed later in this report, long-term tenants, and even those who moved in just a year or more ago, see big savings in the rent they pay compared to new tenants.

A small number of units with no registered rental history are identified in the figures above as "$0 Maximum Allowable Rent (MAR)" units. These 156 units are presumed to be owner- or relative-occupied or are not used for a residential rental purpose. The number of $0 MAR units remained relatively steady, only increasing by one unit. This unit was likely previously on an owner-occupied exempt property that became controlled when the exemption lapsed but was not yet registered as rented by the end of 2019.

Also shown in Figures 4 and 5 are units identified as "restricted." These units may not qualify to be rented at initial market-rate levels due to various restrictions. Rent level restrictions result from evictions for owner occupancy, outstanding serious uncorrected building code violations, and units re-rented within five years of being withdrawn under the Ellis Act.

Another segment on these charts identifies units being rented by tenants participating in the Housing Choice Voucher Program. Units occupied by tenants with Housing Choice vouchers remain subject to the rent control law, but the rents are governed by federal contracts. Agency records of units participating in the Housing Choice program are based solely on registration fee waivers applied for by owners. There are more units in the program, but some owners do not apply for a registration fee waiver. The number of units with these fee waivers remained steady from 2018 to 2019.

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 seniors or disabled. There are also fee waivers for condominiums and single-family dwellings for which rent-level restrictions have been lifted pursuant to Costa-Hawkins.

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 below shows, there were only 197 senior fee waivers as of December 31, 2019, a reduction of about 75 percent since 1998.

Figure 6 shows the number of fee waivers of each type that were active in 2019, along with the changes since 2018. Many owner-occupied fee waivers that lapsed during the year were for separately sold condominiums and single-family dwellings and were replaced by condominium/single family dwelling waivers.

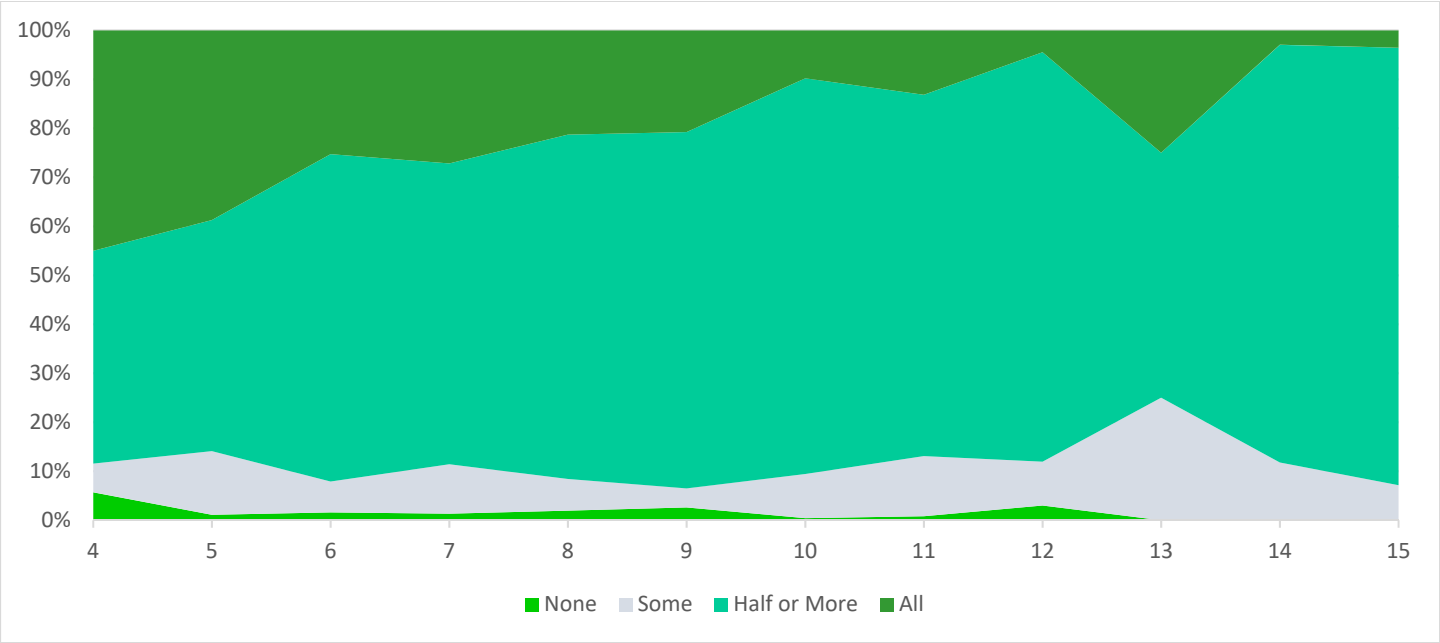
Fig 6 | Registration Fee Waivers by Type – 2018-2019

Type of Fee Waiver	As of 12/31/18	As of 12/31/19	Change from 12/31/18
Housing Choice / Section 8	623	623	0
Low-income senior	209	197	-12
Low-income disabled	72	68	-4
HOME/Tax Credit Units	190	190	0
Owner-occupied	1,941	1,913	-28
+Condominiums / Single-family dwelling	1,712	1,761	+49
Total Fee Waiver Units	**4,747**	**4,752**	**+5**

DISPERSION OF MARKET-RATE UNITS

Excluding single-family dwellings and properties with three or fewer units that may qualify for exemption, 90 percent of rent-controlled properties have between four and 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 the ability to set higher initial rents upon vacancy. As shown in Figure 7 on the next page, nearly 98 percent of properties with 4 to 15 units have units that have been rented initially at market rates. Moreover, the top two bands indicate that, by the end of 2019, on average, owners of 88 percent of properties in this range had rented half or more of their units at market rate. Represented by the small band at the bottom, just 2.3 percent of properties in this range had no registered market-rate rents. This share declined from 2.9 percent in 2018. 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.

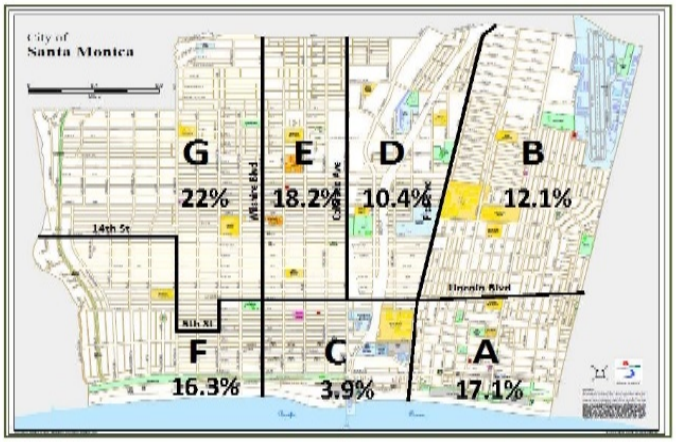
Fig 7 | Share of Market-Rate Rentals by Property Size (4-15 Units)



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 12/31/18	% at Market Rates	Market-Rate Units as of 12/31/19	% at Market Rates
A	3,306	70%	3,346	71%
B	2,311	70%	2,357	71%
C	814	77%	820	77%
D	1,782	63%	1,785	63%
E	3,661	73%	3,666	73%
F	3,197	71%	3,221	72%
G	4,491	75%	4,506	75%

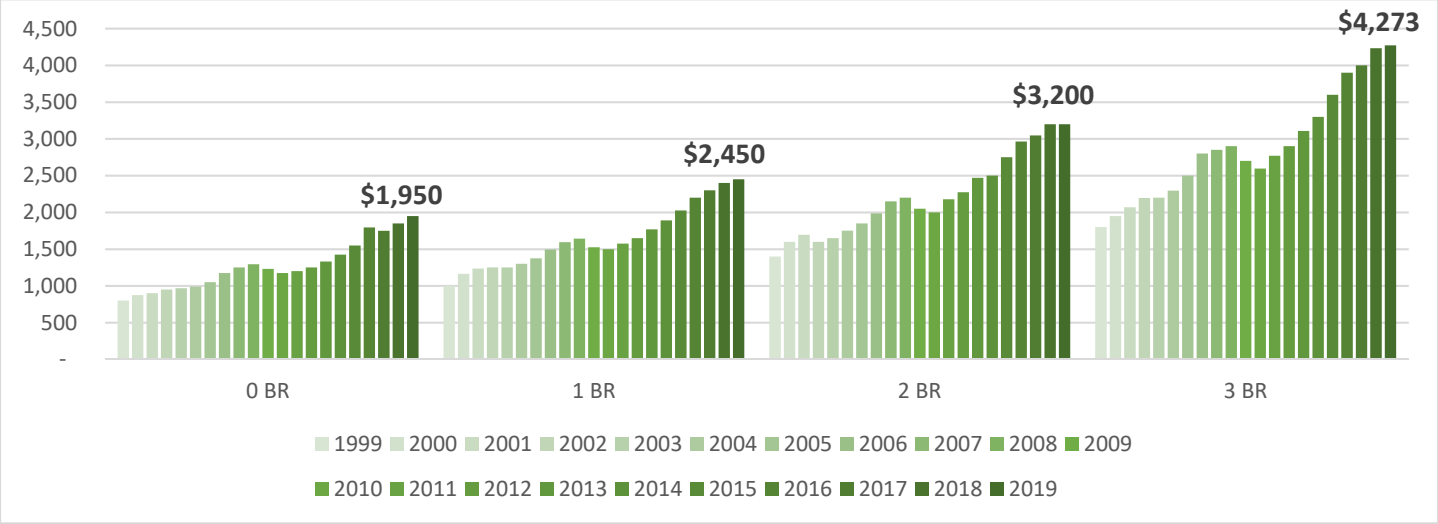


21-YEAR REVIEW

Since vacancy decontrol began in 1999, median initial rental rates for units of all sizes have risen annually, with the exception of a temporary downturn during the recession in 2009 and 2010. Since recovery began, median initial rents have set new records annually, as seen in Figure 9 below. There is some good news here for prospective renters, as it appears the steady pace of annual increases may, for now, be levelling off and the market may be reaching its peak.

Initial median rents for studios rose from 2018 to 2019, but at a slightly lower rate (5.4 percent) than in the previous year (5.7 percent). 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 $1,950, which was $100 higher than for a similarly sized unit a year earlier. This follows a trend that began in 2017 after a $245 median increase in 2015 to 2016. The median rent paid for 1-bedroom units was up $50 to $2,450 as compared to $2,400 in 2018. The rate of annual increase slowed from 4.3 percent in 2018 to 2.1 percent. Turnover was once again highest among 1-bedroom units. More than half of the units registered with new tenancies in 2019 were 1-bedroom units. Median rental rates stayed the same for 2-bedroom units at $3,200. Translated to dollar terms, there was a $153 increase from 2017 to 2018 but no increase from 2018 to 2019 for the median priced 2-bedroom unit. Median rental prices also increased at a slower rate of one percent for units with 3(+) bedrooms. This followed the overall trend of slowing or stagnant increase rates in initial median rents across all units regardless of size. Overall, average median initial rents increased 5.2 percent from 2017 to 2018, but only 2.1 percent from 2018 to 2019.

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 – 2017 to 2019

Year	0-Bedroom	1-Bedroom	2-Bedroom	3(+)-Bedroom
2017	$1,750	$2,300	$3,047	$4,000
	-2.5%	**4.5%**	**2.8%**	**2.6%**
2018	$1,850	$2,400	$3,200	$4,232
	5.7%	**4.3%**	**5.0%**	**5.8%**
2019	$1,950	$2,450	$3,200	$4,273
	5.4%	**2.1%**	**0.0%**	**1.0%**

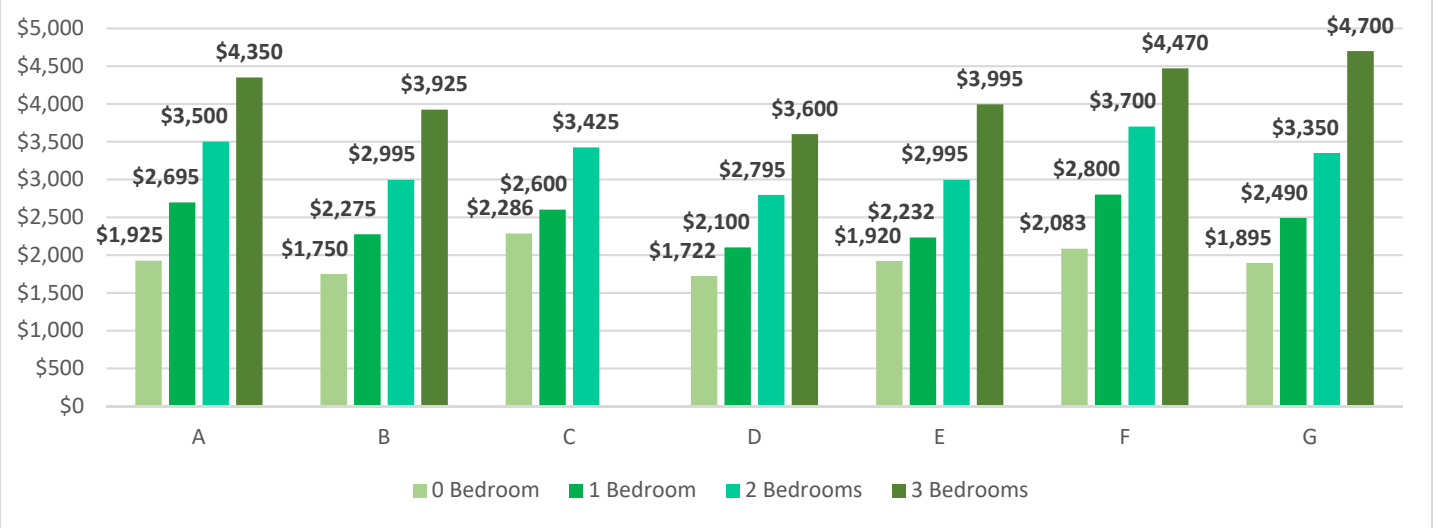
NEWLY ESTABLISHED MARKET-RATE RENTS IN 2019

The median initial rents by city area and unit size for the 2,783 units registered as rented in 2019 are shown in Figure 11. The number of units registered as re-rented in 2019 was about 13 percent lower than the 3,199 units registered last year as re-rented in 2018. However, each year additional tenancies are registered late for recent prior calendar years.

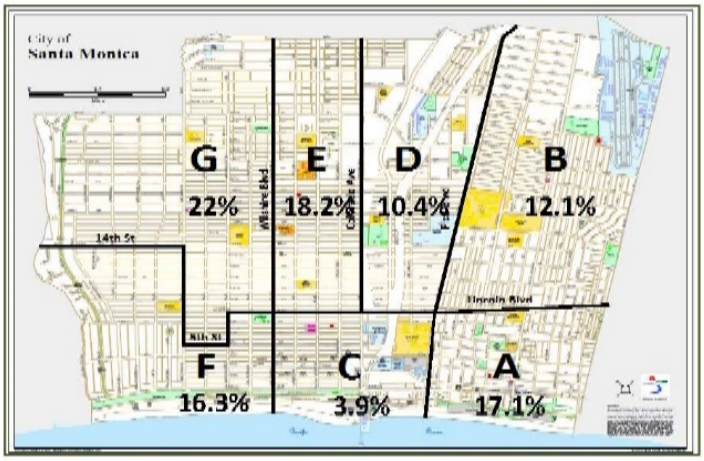
Median rent levels reported here and throughout this report are affected by the number of rentals in each category. In any individual city area, the number of units rented for various unit sizes (by number of bedrooms) is relatively small, resulting in significant variation in median rents.

The highest median rents for studios and 1-bedroom units were set in City Area C, downtown Santa Monica. This area has seen an increase in demand in recent years, and it also has the fewest controlled units as shown in Figure 2. The downtown area has the second highest concentration of controlled units in large buildings of more than 15 units. The medians for studios and 1-bedroom units in City Area C are based upon initial rents established for just 38 studios and 23 1-bedroom units in 2019. More than ten times that number of 1-bedroom units were rented in City Area A. By median price, the most expensive 2-bedroom units continued to be in City Area F north of downtown and along the coast. The median there was $3,700 for a 2-bedroom unit. The lowest median rents for units of all sizes were found in City Area D.

Fig 11 | 2019 Initial Rents, Market-Rate Units by City Area*



** No 3-bedroom unit was rented in City Area C in 2019, so no median is reported here.*



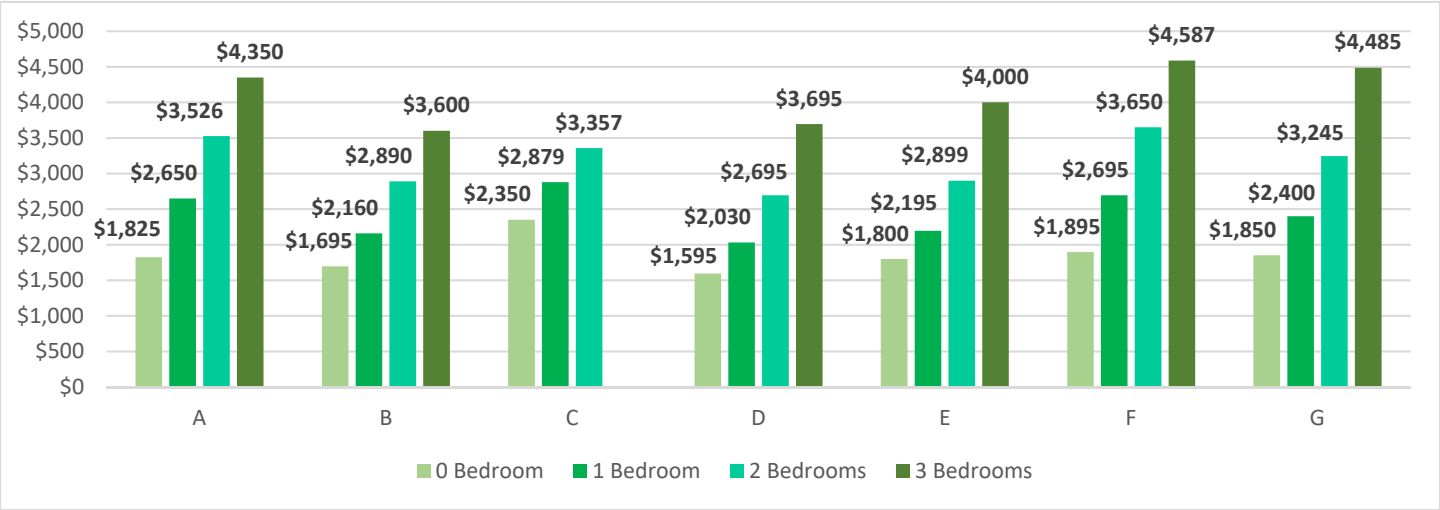
THREE-YEAR MEDIAN MARS BY CITY AREA

While Figure 11 shows newly set rent levels by city area and unit size in 2019, there may be a limited number of rerentals in any specific area to report. Similarly, there may be a limited number of rerentals 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.

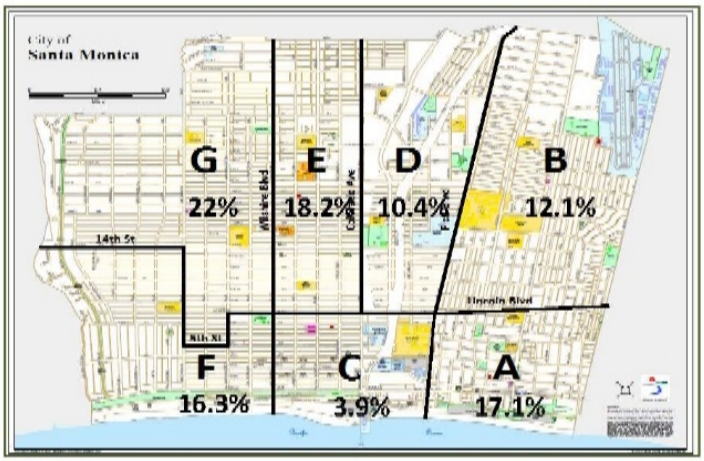
During the three-year period from the start of 2017 to the end of 2019, initial rents were set for 7,746 new tenancies citywide. Many of these units rented more than one time during the period, and each initial rent is considered here. The median rents established over this period are shown below in 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 | 2017–2019 Median MARs, Market-Rate Units by City Area*



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



CURRENT MEDIAN MARS - ALL UNITS

Owners are required to file tenancy registration forms listing the initial rent for a unit when it is set. This establishes the Maximum Allowable Rent or "MAR" for the unit and the base from which all future increases are calculated for the life of the tenancy. For as long as an original tenant remains in place, rent increases are limited to the annual citywide general adjustments or an individual adjustment granted through a rent increase 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
$980	**$2,304**	**$2,000**

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	$1,464	$2,053	$2,465	$2,241
B	$1,231	$1,618	$2,168	$2,187
C	$2,224	$2,175	$3,103	$5,442
D	$1,207	$1,647	$1,742	$1,843
E	$1,432	$1,767	$2,189	$2,238
F	$1,481	$2,137	$2,640	$3,109
G	$1,518	$1,995	$2,593	$3,157
CITYWIDE	**$1,497**	**$1,911**	**$2,371**	**$2,530**

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 unusual for market-rate units to rent for two or more times as much as similarly sized units occupied by long-term tenants. Median rents city wide are at least 125 percent higher for market-rate units than for long-term units.

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	$689	$1,628	$939	$916	$2,300	$1,384	$1,122	$2,988	$1,866	$1,331	$3,383	$2,052
B	$624	$1,367	$743	$815	$1,856	$1,041	$968	$2,505	$1,537	$1,321	$2,626	$1,305
C	$805	$2,384	$1,579	$827	$2,772	$1,945	$898	$3,224	$2,326	*	*	*
D	$553	$1,474	$921	$759	$1,900	$1,141	$838	$2,234	$1,396	$1,035	$3,034	$1,999
E	$705	$1,543	$838	$827	$1,933	$1,106	$1,080	$2,544	$1,464	$1,360	$3,328	$1,968
F	$820	$1,683	$863	$994	$2,376	$1,382	$1,312	$3,044	$1,732	$1,541	$4,165	$2,624
G	$752	$1,713	$961	$871	$2,150	$1,279	$1,190	$2,855	$1,665	$1,541	$3,781	$2,240
CITY WIDE	**$741**	**$1,670**	**$929**	**$876**	**$2,100**	**$1,224**	**$1,091**	**$2,732**	**$1,641**	**$1,399**	**$3,500**	**$2,101**

** 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 2019 MEDIAN INITIAL RENTS

As Figure 15 on the previous page indicates, vacancy decontrol has resulted in much higher median MARs 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 limits annual rent increases to 75 percent of the annual change in inflation. 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 2019. 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. These significant savings benefit even relatively new tenants. For example, the median current MAR for the 249 0-bedroom units still occupied by tenants who moved in in 2017 is $1,779. Compared to the $1,950 median initial rent set for 0-bedroom units in 2019, the difference represents a monthly savings of $171 in just two years' time. Tenants who moved in in 2015, regardless of unit size, are saving about $350 or more per month compared to 2019 initial rents. Similar savings are shown in the figures that follow.

Fig 16 | 0-Bedroom Units: Amount Current Median MAR is Below the 2019 Median Initial Rent of **$1,950**

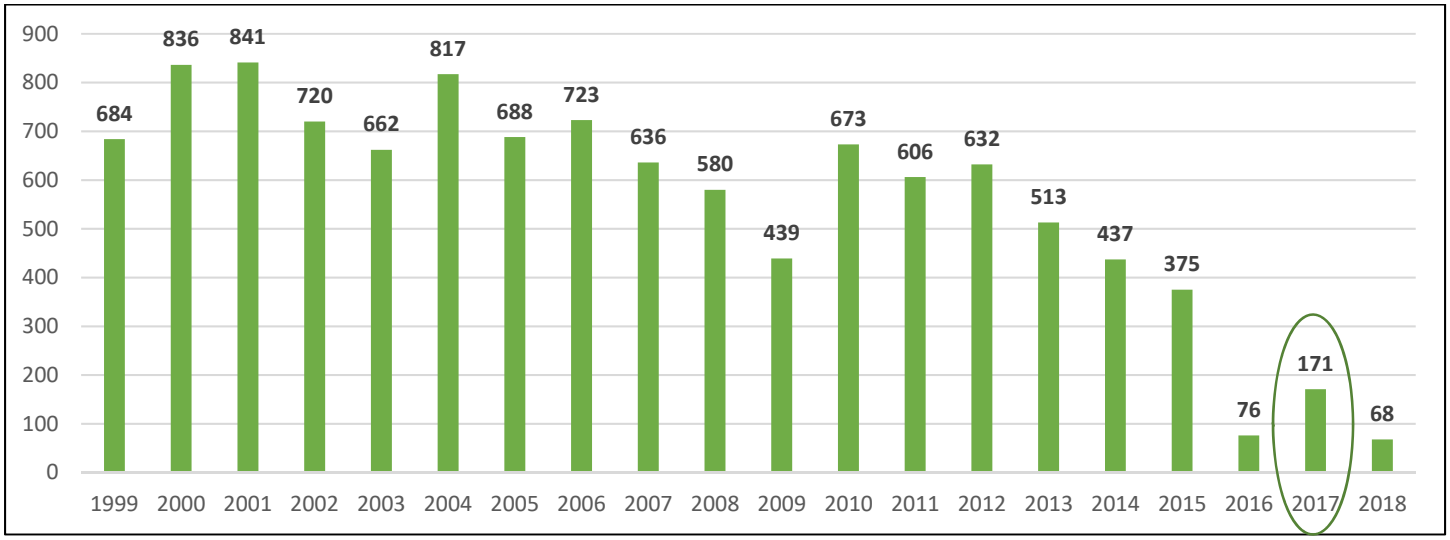


Fig 17 | 1-Bedroom Units: Amount Current Median MAR is Below the 2019 Median Initial Rent of **$2,450**

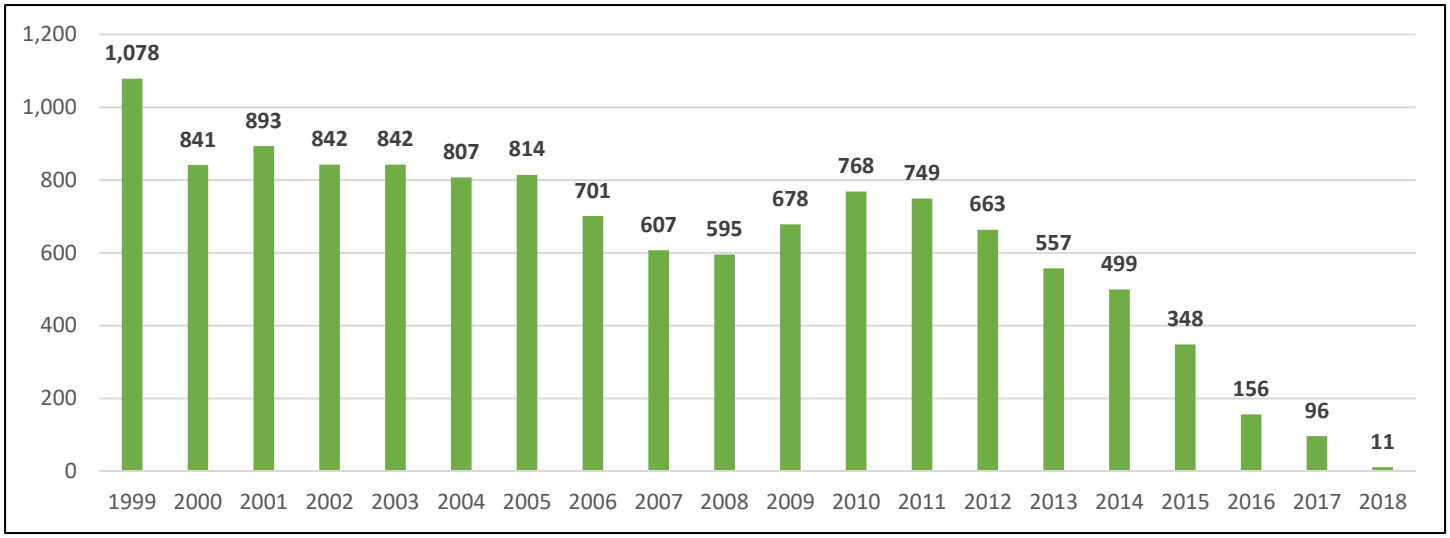


Fig 18 | 2-Bedroom Units: Amount Current Median MAR is Below the 2019 Median Initial Rent of **$3,200**

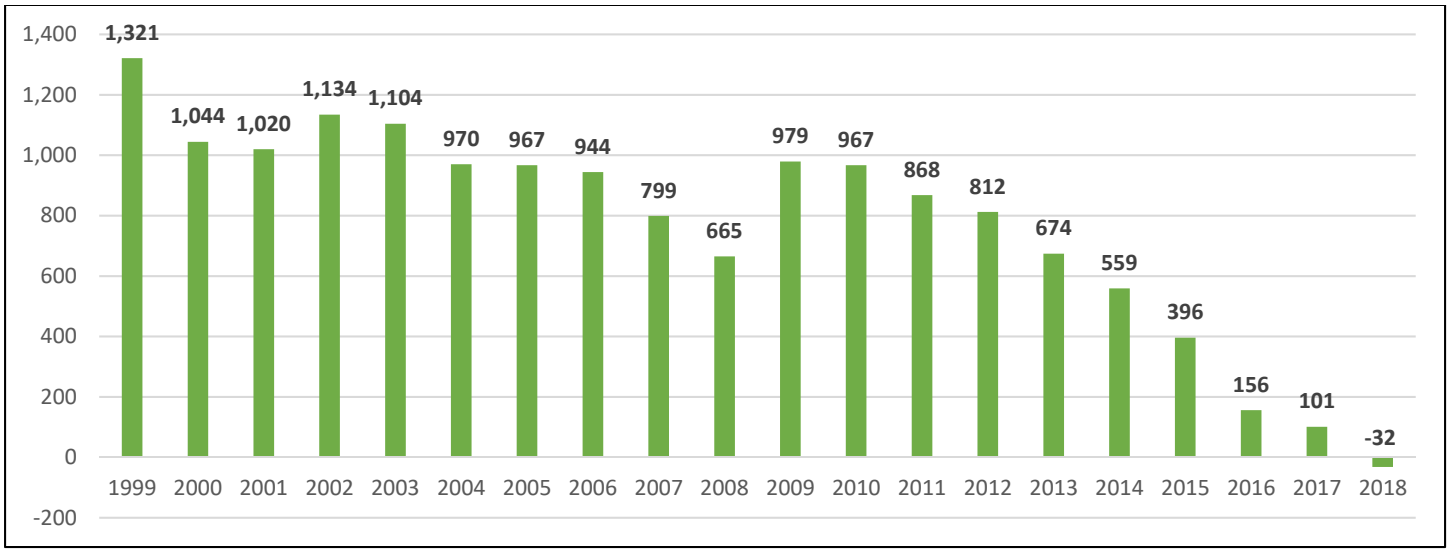
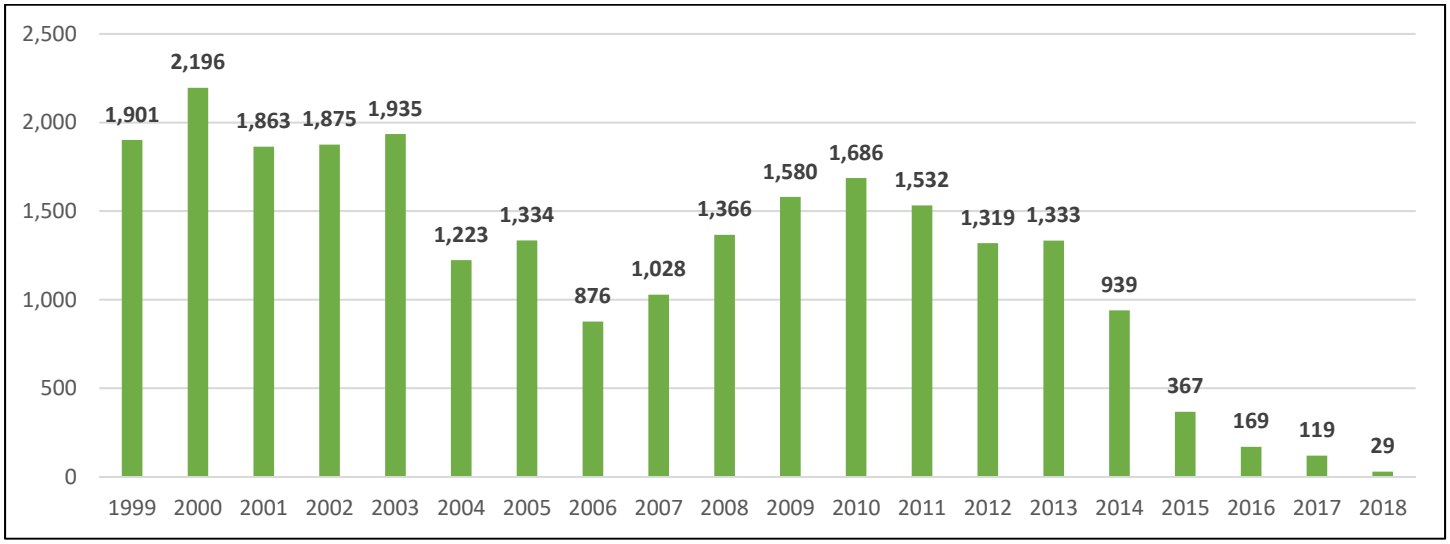


Fig 19 | 3-Bedroom Units: Amount Current Median MAR is Below the 2019 Median Initial Rent of **$4,273**



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 with and without 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 $69,300 in 2018 to $73,100 in 2019. 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 $95,429 to "afford" a 0-bedroom unit, which is about

31 percent higher than the AMI. To afford the median priced 1-bedroom or larger sized unit, a household would need more than double what it would need had vacancy decontrol not been applied. To afford any sized unit larger than a studio at 2019 median prices, a household would need a six-figure income. According to the U.S. Census Bureau, the median household income for Santa Monica from 2014-2018 was $93,865. This means that even though median wages in Santa Monica are higher than the Los Angeles AMI noted above, many Santa Monica households are already being priced out of their community. By contrast, without vacancy decontrol, any household earning the median income would have been able to afford any sized unit last year.

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

			Without Vacancy Decontrol		With Vacancy Decontrol		
No. of Bedrooms	**HUD Affordability Factor**	**Household Size Factor**	**Median MAR**	**Income Needed**	**Median MAR**	**Income Needed**	**Income Difference**
0	0.3	0.7	$827	$47,257	$1,670	$95,429	$48,171
1	0.3	0.8	$938	$46,900	$2,104	$105,200	$58,300
2	0.3	0.9	$1,190	$52,889	$2,739	$121,733	$68,844
3	0.3	1.0	$1,513	$60,520	$3,539	$141,560	$81,040

Calculation: MAR ÷ [.30 affordability factor] ÷ [household size adjustment factor] x 12 months = Income Needed.

Figure 21 shows the availability of controlled rental units affordable at various income levels and compares the current availability with that in 1998 prior to vacancy decontrol. Again, the figures assume an affordability standard that no more than 30 percent of income is used for rent. In 1998, 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 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 on the following page. The boxes show an even distribution of units affordable at various income levels in 1998 but little affordability of units in 2019, except for the highest income groups. The increase in AMI meant an additional 48 units could have been afforded by low-income households compared to 2018, and 198 additional units could have been afforded by moderate income households. Even so, households making less than 80% of the AMI can still only afford 4.2 percent of market rate units.

Fig 21 | Affordability of Market-Rate Rental Units by Income Category, 1998 versus 2019

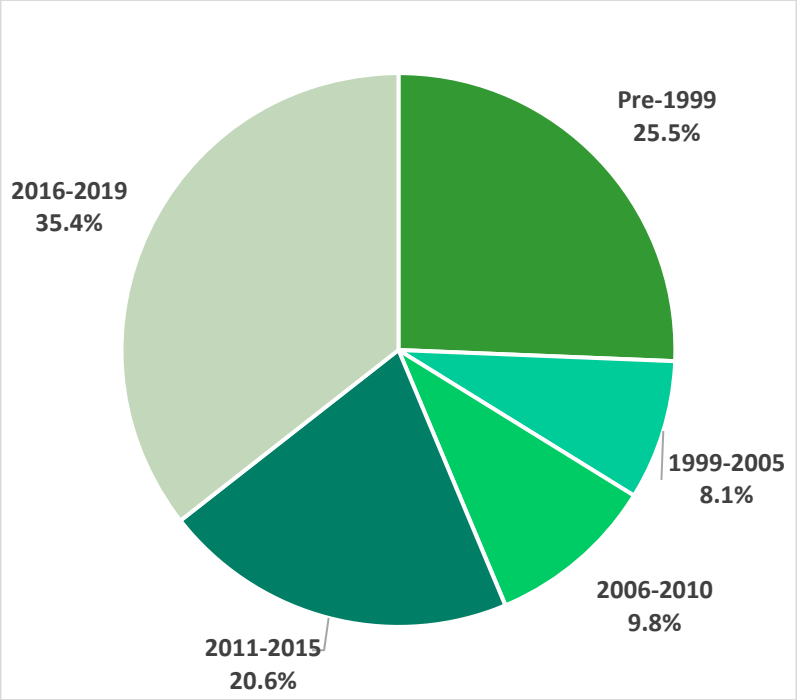
Income Category	1998		2019		Change
Rent Level Affordability	Units	%	Units	%	
Extremely Low (30%)	1,817	9.2	6	0	-99.7%
Very Low (50%)	3,757	19.0	129	0.6	-96.6%
Low (60%)	4,798	24.4	205	1.0	-95.7%
Low (80%)	6,175	31.3	519	2.6	-91.6%
Moderate (110%)	2,392	12.1	1,999	10.1	-16.4%
Higher (>110%)	762	3.9	16,843	85.5	2,110.4%

1998 **2019**

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 Figure 4. About 25 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. On the other hand, high turnover is notable for tenants who've moved in recently. Sixty-five percent of tenants who moved in in 2015 have already moved out.

Fig 22 | Controlled Units by Years Occupied



Additionally, over 35 percent of controlled units were rerented in the past three years alone. That means more controlled units are occupied by tenants who moved in over the last three years than are occupied by tenants who have lived in the city for 20 years or more. More than half of renters in controlled units moved in since 2011, indicating a large share of renters are relatively new to Santa Monica. It is a goal of the Agency to ensure that these new tenants understand their rights under the rent control law, and regulations passed by the Board in 2017 require owners to provide an information sheet to all new tenants to advise them.

Of the tenancies started in 2019, 46 percent were enabled by tenants who moved in in the last three years but ended their tenancies. This is a higher percentage than had vacated in the three years prior to 2018, suggesting the pace at which recent tenants vacate is increasing. By comparison, tenancies begun from 1999 to 2012 represented just 23 percent of vacancies in 2019. With starting rents at rates that would not be considered "affordable" for many tenants, and without deep roots in the community, recent tenants appear more mobile. Tenants who have been renting here for a longer time, likely feel more connected to the community and may realize the financial benefits of remaining in place.

IMPACT OF THE ELLIS ACT

The Ellis Act is a state law that allows owners to exit the rental housing business by evicting tenants and withdrawing rental units from the housing market. This report surveys the Ellis Act's cumulative effects in Santa Monica since its enactment in 1986, with emphasis on Ellis activity during the 2019 calendar year. As shown, owners' use of the Ellis Act has reduced the controlled housing stock, caused the displacement of seniors and disabled tenants (who may have been long-term community residents) and worked against the City's efforts to provide affordable housing.

Last year marked the third time since its passage that the state legislature amended the Ellis Act to mitigate its impacts on tenants. In 2000, the law was amended to extend withdrawal notices from 60 to 120 days and to give senior and disabled tenants the right to request an extension to one year before vacating their units. In 2003, the law was amended to preclude an owner from establishing market-rate rents upon rerental unless a period of five years from the withdrawal date had passed. In 2019, the California State Assembly approved AB 1399, sponsored by local Assembly Member Richard Bloom. The amendment codified tenant protections and clarified aspects of the law. Provisions of AB 1399 provide:

- The date on which the accommodations are deemed to have been withdrawn from the rental market is the date on which the final tenancy among all tenants is terminated;
- Owners who re-enter the rental market within 10 years of withdrawal may not pay prior tenants monetary damages in lieu of offering them the opportunity to rerent their former unit.

While not an amendment to the Ellis Act itself, another law signed in 2019, SB 30 (the Housing Crisis Act of 2019) could curtail some Ellis withdrawals. Primarily intended to limit local impediments to the approval of housing construction, SB 30 also provides that a city may require a housing redevelopment project to include as many residential rental units as were on the demolished property. Units that must be replaced include rent-controlled units and units withdrawn in the past 10 years under the Ellis Act. Many multifamily properties that have been withdrawn in Santa Monica were demolished to make way for a single-family home or for housing projects with fewer units than were demolished. Faced with the requirement that they build no fewer housing units than were withdrawn, some property owners/developers might reconsider plans to withdraw from the rental housing market.

ELLIS WITHDRAWAL BASICS

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 allows them to serve notices of eviction on the tenants and 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.

The Ellis law now clarifies that the date of withdrawal is the date when all accommodations are vacated – either 120 days or one year.

HISTORICAL ELLIS ACTIVITY

As shown in Figure 23 on the following page, during the 34 years since the Ellis Act was passed, 3,227 units on 656 properties have been withdrawn from the rental housing market in Santa Monica. Nine hundred and eleven units on 168 properties, or 28 percent of those that had been withdrawn, were eventually returned to rental use and are again subject to the rent control law. Overall, there has been a net loss of 2,316 units on 488 properties.

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

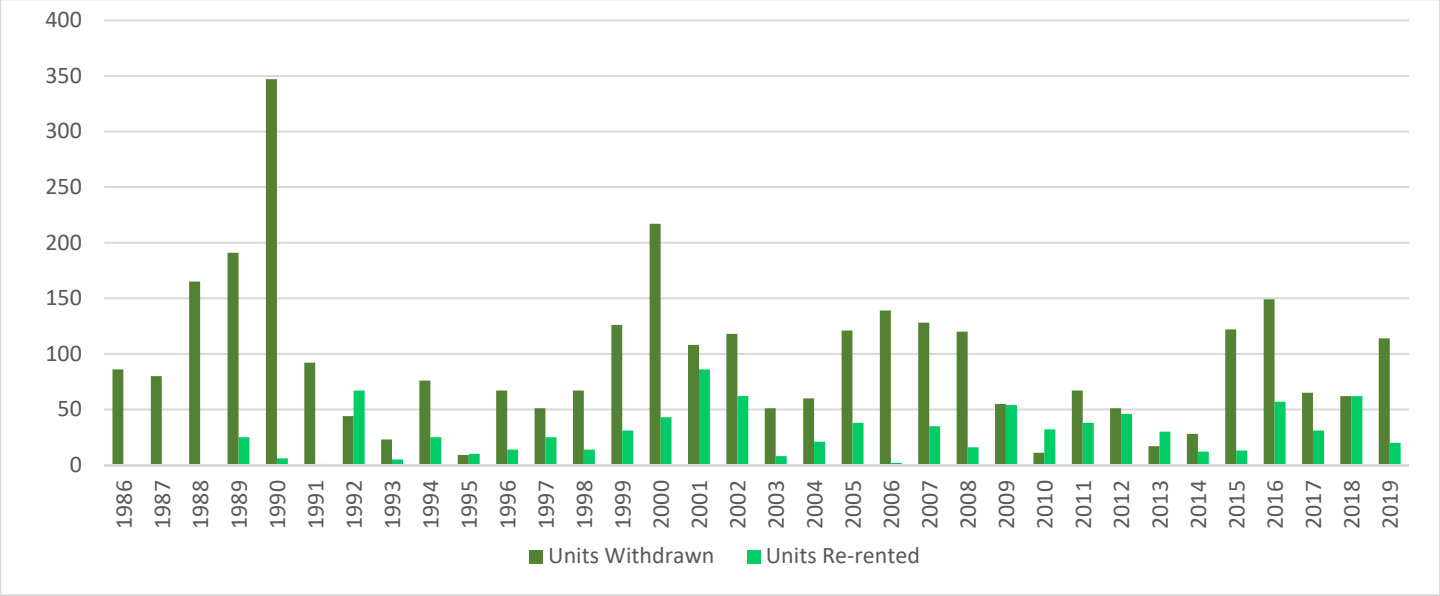
Status	Properties	Units
Withdrawn from the rental market	656	3,227
Returned to the market and under rent control	168	911
Net loss before redevelopment	**488**	**2,316**

Status	Properties	Units
Controlled after property redevelopment	15	258

Total net loss due to Ellis activity	**473**	**2,058**

In addition to the 168 properties that were rerented, 15 withdrawn properties were redeveloped and offered for rent within five years of the withdrawal date. The Ellis Act and Santa Monica's regulations provide that newly constructed units offered for rent within five years of an Ellis withdrawal are subject to the rent control law. These newly constructed properties returned 258 units to rent control, offsetting the total units lost to Ellis activity. With the addition of these controlled units, the total net loss over time was reduced from 2,316 to 2,058 units. The historical withdrawal of properties and subsequent rerentals are displayed graphically in Figure 24.

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



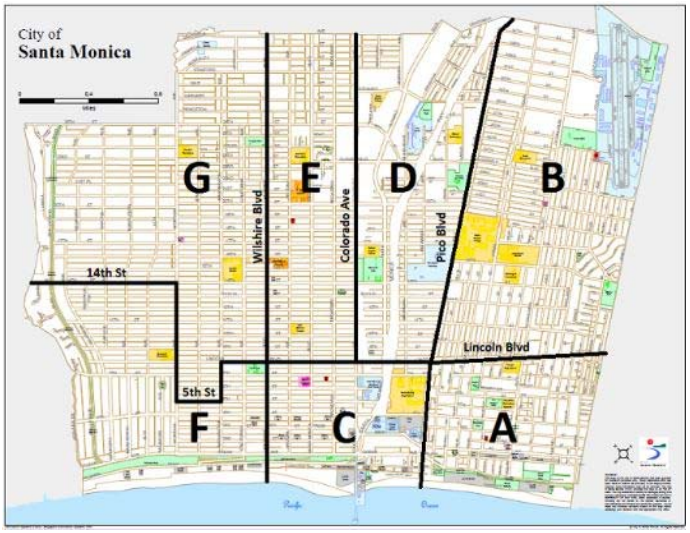
HISTORICAL ELLIS ACTIVITY BY CITY AREA

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 impacts by neighborhood. The "Share of Units Ever Withdrawn (W/D)" column in Figure 25 on the following page shows that overall withdrawal activity has been highest in City Areas E and G in the northeast portion of the city, each accounting for approximately 22 percent of all withdrawals. When the 911 units that were returned to the rental market are accounted for, 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 Curr. W/D	Share of Units Curr. W/D	% of All Units in Area Curr. W/D
A	467	14.5%	124	343	14.8%	6.8%
B	260	8.0%	105	155	6.7%	4.5%
C	538	16.7%	27	511	22.0%	32.4%
D	136	4.2%	38	98	4.2%	3.3%
E	728	22.6%	183	545	23.5%	9.8%
F	387	12.0%	145	242	10.5%	4.8%
G	711	22.0%	289	422	18.2%	6.5%
Total	**3,227**	**100%**	**911**	**2,316**	**100%**	

The number of 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 of 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. In City Area E, east of downtown and between Wilshire Blvd. and Colorado Ave., close to 10 percent of controlled units have been withdrawn. The percentage of lost units per area was lowest in City Area D, along the Pico corridor.



Most Ellis withdrawals have been on smaller properties consisting of four or fewer units. The total number of units withdrawn on small properties compared to the total number of units withdrawn by city area is shown in Figure 26. City Areas A, B and D have the highest concentration of smaller properties that have been withdrawn.

Fig 26 | Percent Withdrawn on 4 Unit or Fewer Properties

City Area	Units Ever Withdrawn	Units Withdrawn on Properties with 4 or Fewer Units	Share of Withdrawn Units on Properties with 4 or Fewer Units
A	467	222	48%
B	260	156	60%
C	538	47	9%
D	136	89	65%
E	728	262	36%
F	387	56	14%
G	711	225	32%
Total	**3,227**	**1,057**	**33%**

ELLIS ACTIVITY IN 2019

Ellis activity was steady throughout the year. Owners of 26 properties with 92 units began the process of withdrawal by filing Notices of Intent to Withdraw (NOI). This was five fewer than had received NOI the prior year. The 26 properties being withdrawn are shown in red on the map on the following page with those already withdrawn shown in green. 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.

Withdrawal was completed on 44 of the units on 13 of the 26 properties. Ten of these properties consisted of four or fewer units. There were also 70 units on 13 other properties where owners initiated the withdrawal process in 2018 and completed the process in 2019. In total, in 2019 Ellis withdrawals were completed on 114 units on 26 properties. Twenty previously withdrawn units were rerented in 2019, resulting in a net loss of 94 units in the year.

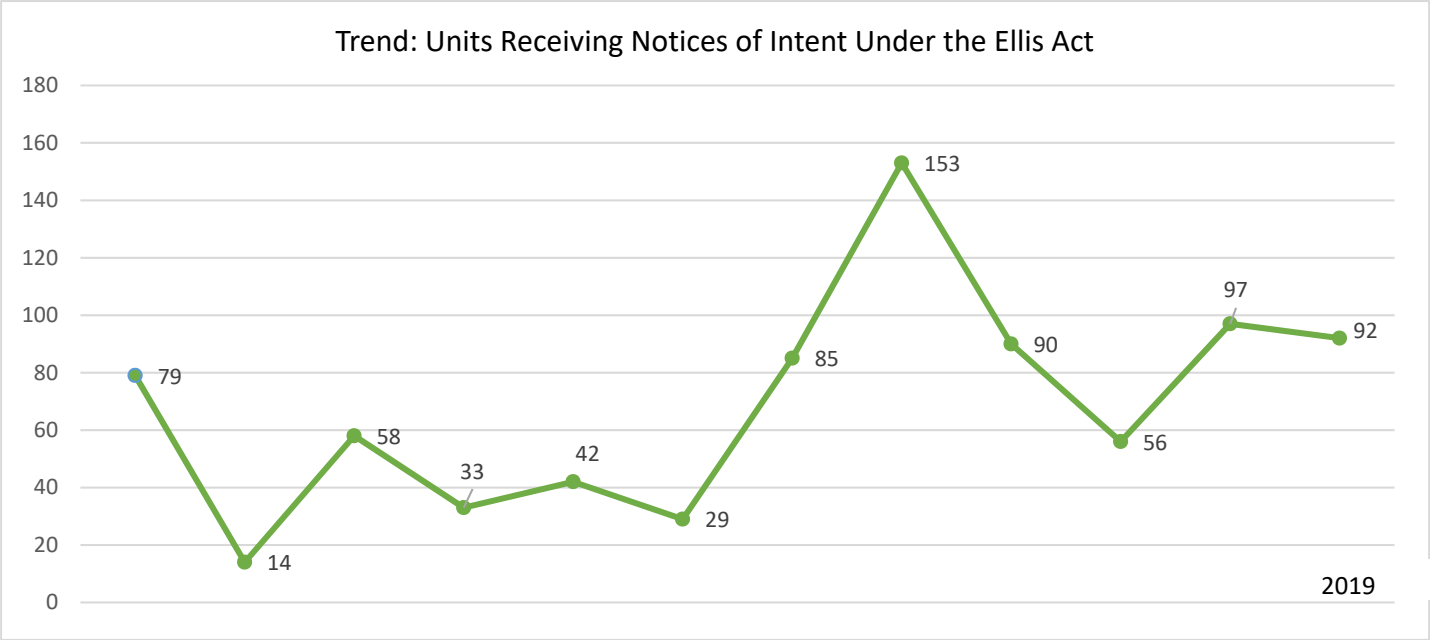
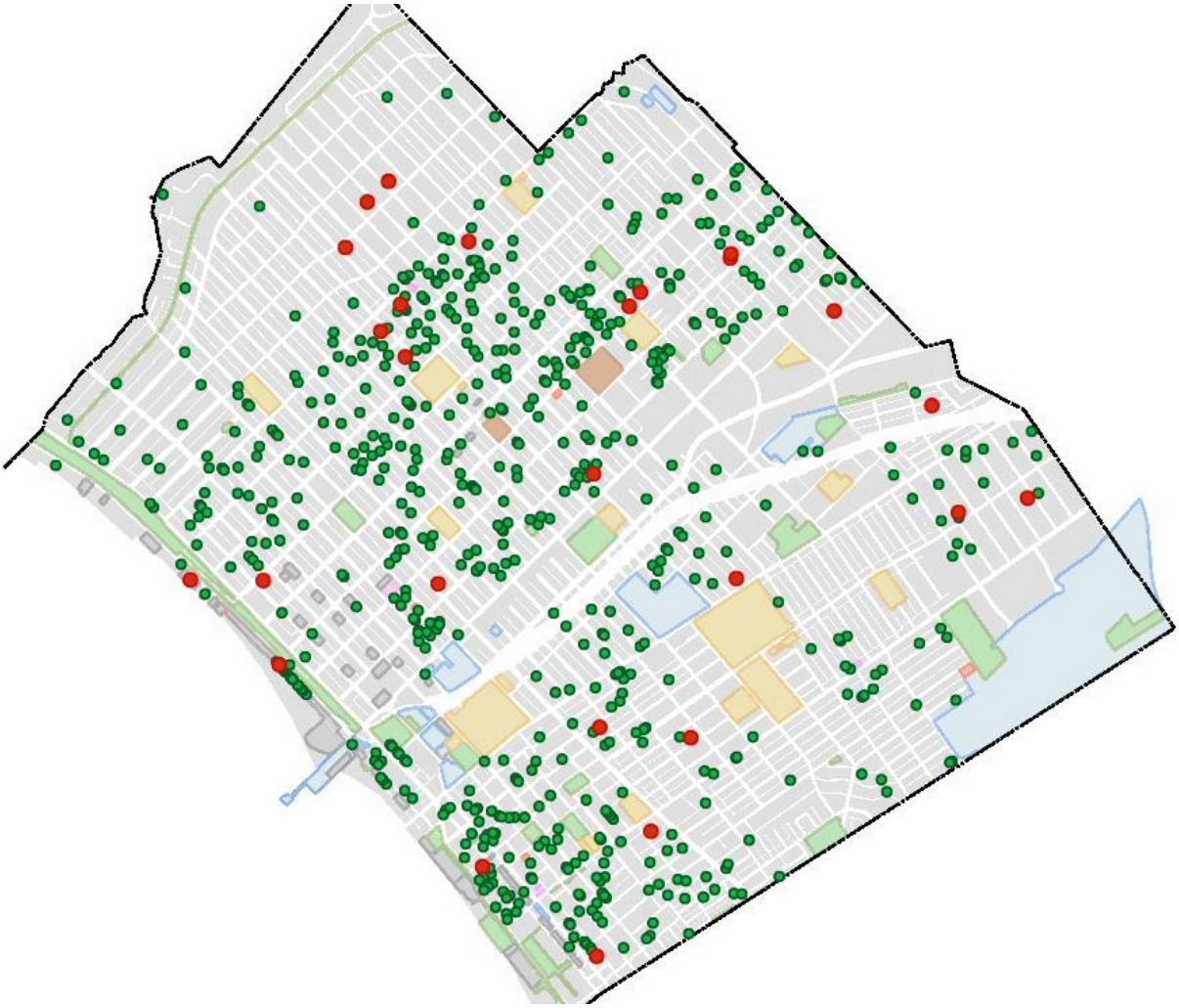


Fig 27 | GIS: Currently Withdrawn Properties and Those Receiving NOI in 2019



Currently Withdrawn Property **Property with Ellis Withdrawal Begun in 2019**

OCCUPANCY OF UNITS

As has been the case in recent years, many units on properties being withdrawn were vacant when the NOI was filed. Forty-three of the 92 units (47 percent) on which the withdrawal process began in 2019 were already vacant. There is no way to ascertain how these units became vacant, perhaps by buyouts or by attrition, but as evidenced by tenant registrations forms filed with the Board, at some point these units had been occupied. The remaining 49 units were occupied, but 19 of them (21 percent of the total) were occupied by owners or their family members. Tenants in 30 occupied units faced eviction due to the Ellis process.

Nearly half of the 30 tenant-occupied units were occupied by long-term tenants. Eleven of these households included senior or disabled tenants who invoked their right to stay on the properties for one year before relocating. Because the tenants will not vacate until next year, withdrawal will not be complete on five properties until then. Eight other properties began the withdrawal process late in the year and are expected to complete the process in 2020. Units withdrawn on these properties in 2019 resulted in seven evictions.

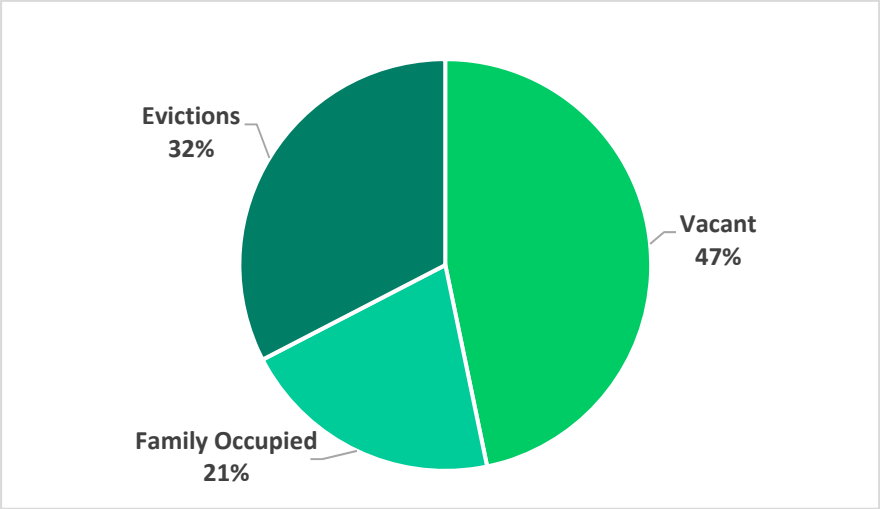
Of the units withdrawn in 2019 on which the process began in 2018, 27 were vacant (one large property with 28 units had 17 vacant ones), and three were family occupied. The Ellis process on these properties resulted in the eviction of 40 households. One-half of these households included senior or disabled tenants who qualified for the one-year extension to relocate. Approximately 48 percent of these 40 units were occupied by tenants who lived in their units for 20 years or longer.

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 Santa Monica Housing Department indicates that in 2019, four households evicted due to an Ellis withdrawal applied for affordable housing using this priority. One household qualified and was granted a Housing Choice voucher, two households did not qualify, and one household's eligibility is pending. The priority also applies to housing with Community Corporation of Santa Monica (CCSM), a non-profit housing provider. CCSM did not report renting to any tenants evicted via the Ellis process in 2019. Tenants who vacated their units pursuant to a buyout offer accepted prior to the owner's filing of the Ellis NOI are not eligible for the affordable housing priority.

Fig 28 | Status of Properties on which Notices to Withdraw were Filed in 2019

	Location	City Area	Filing Date	Date Withdrawn / Pending	Units Rcvng. NOI	Vacant	Family Occupied	Evictions	Senior/ Disabled Tenants	Long-Term Tenants	Market-Rate Tenants
1	Strand St	A	1/23/2019	5/23/2019	4	0	4	0	0	0	0
2	16th St	G	1/25/2019	5/25/2019	2	2	0	0	0	0	0
3	15th St	G	3/4/2019	7/2/2019	4	0	0	4	0	0	4
4	16th St	G	3/14/2019	7/12/2019	1	0	1	0	0	0	0
5	Chelsea Ave	E	4/4/2019	8/2/2019	4	1	1	2	0	0	2
6	29th St	B	5/1/2019	8/29/2019	2	0	2	0	0	0	0
7	Lincoln Blvd	E	6/11/2019	10/9/2019	13	12	0	1	0	1	0
8	Delaware Ave	D	6/17/2019	10/15/2019	2	1	1	0	0	0	0
9	Yale St	E	6/26/2019	10/24/2019	6	6	0	0	0	0	0
10	Yale St	E	6/26/2019	10/24/2019	2	2	0	0	0	0	0
11	19th St	G	6/28/2019	10/26/2019	1	1	0	0	0	0	0
12	Palisades Beach Rd	F	8/19/2019	12/17/2019	2	2	0	0	0	0	0
13	20th St	G	8/27/2019	12/25/2019	1	1	0	0	0	0	0
14	21st St	G	1/7/2019	Pending	4	0	1	3	3	3	0
15	2nd St	A	1/31/2019	Pending	5	0	0	5	3	3	2
16	17th St	E	4/24/2019	Pending	2	1	0	1	1	1	0
17	19th St	D	9/9/2019	Pending	4	3	1	0	0	0	0
18	Palisades Beach Rd	C	9/12/2019	Pending	3	3	0	0	0	0	0
19	Copeland Ct	A	9/20/2019	Pending	1	0	1	0	0	0	0
20	15th St	G	9/24/2019	Pending	6	5	1	0	0	0	0
21	Grant St	B	10/4/2019	Pending	2	0	2	0	0	0	0
22	25th St	E	10/15/2019	Pending	2	0	1	1	0	1	0
23	33rd St	B	11/11/2019	Pending	1	1	0	0	0	0	0
24	Berkeley St	D	11/13/2019	Pending	6	0	2	4	2	0	4
25	Pine St	B	12/19/2019	Pending	1	0	1	0	0	0	0
26	California Ave	F	12/27/2019	Pending	11	2	0	9	4	4	5
	Total				**92**	**43**	**19**	**30**	**13**	**13**	**17**

Fig 29 | Occupancy Status of Units on Which the Ellis Process began in 2019

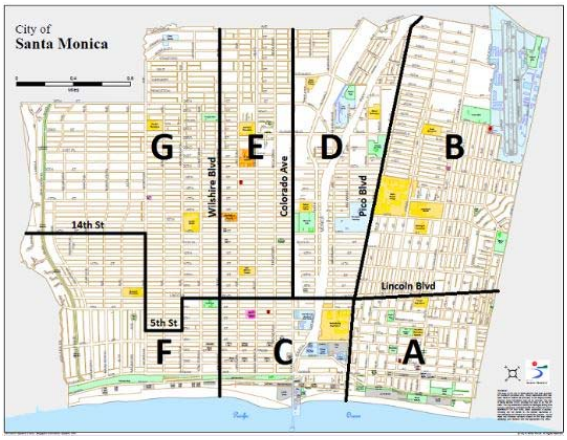


ELLIS ACTIVITY IN 2019 BY CITY AREA

In 2019, Ellis withdrawals were initiated in all neighborhoods, as shown in Figure 30. In 2018, City Areas E and F comprised most of the Ellis activity (54 percent). In 2019, City Areas E and G combined accounted for 54 percent of units being withdrawn.

Fig 30 | Notices of Withdrawal by City Area – 2018 and 2019

City Area	Units w/ 2018 NOI	%	Units w/ 2019 NOI	%
A	17	18%	10	11%
B	5	5%	6	6%
C	0	0	3	3%
D	12	12%	12	13%
E	24	25%	30	33%
F	28	29%	12	13%
G	11	11%	19	21%
Total	**97**	**100%**	**92**	**100%**



UNITS RETURNED TO RENT CONTROL JURISDICTION IN 2019

As mentioned above, 20 units on five formerly withdrawn properties were returned to residential rental use, as shown in Figure 31 on the following page. Before an owner may re-rent withdrawn accommodations, he or she must inform the Board of their intent to re-rent. Owners of each of the five re-rented properties filed a Notice of Intent to Re-Rent Withdrawn Accommodations with the Agency, but one owner filed the required notice only after the Agency found a listing of a unit for rent and informed the owner that the property is back under the Board's jurisdiction. City ordinances require that an owner obtain an occupancy permit from the Planning Department for any use of a withdrawn property, including re-rental.

Fig. 31 | Units Returned to Rental Housing Use in 2019

Location	Area	Withdrawn Date	Rerental Date	Units	Tenants Displaced
23rd St	G	10/22/1986	1/14/2019	5	5
Chelsea Ave	E	6/10/2005	1/1/2019	4*	5
3rd St	A	4/25/2014	11/9/2019	8	5
3rd St	A	9/18/2011	4/1/2019	1	0
Ocean Park	B	6/2/1990	12/17/2019	2	0
Total				**20**	**15**

**This property was withdrawn with five units but came back into the rental market with four units. The owner received permits to demolish an unpermitted unit while the property was withdrawn. Since the property was returned to the rental market more than 10 years after its withdrawal, the owner was not required to offer the units to the displaced tenants.*

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. Amendments to the Ellis Act in 2019 clarify that when a property is returned to the rental market, all withdrawn units must be returned, and displaced tenants get first right of refusal to their units. The owner does not have the option of paying the tenant monetary damages in lieu of offering them the unit.

Only two properties returned to rent control jurisdiction in 2019 within the 10-year restriction period. Displaced tenants who filed a Notice of Desire to Renew Tenancy within Two Years were notified by staff that the property was being re-rented. When a property is returned to rental housing use within five years of being withdrawn, the owner may charge no more than the MAR when the tenant vacated, plus intervening annual adjustments. One property was re-rented beyond the five-year restricted period, allowing the owner to offer the units at market-rate. Some of the displaced tenants from this property expressed interest in returning to their former units at market rate. Two properties returned to the Board's jurisdiction more than 25 years after they had been withdrawn.

POST-ELLIS ACTIVITY

In collaboration with the Santa Monica Building and Safety Department and City's Planning Department, the 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. The City Council recently approved changes to the development standards for single-unit dwellings in R1 zones. The City's main goal is to preserve the character of R1 neighborhoods and encourage remodels instead of demolitions. The four neighborhoods affected are: North of Montana, North of Wilshire, Sunset Park and Expo/Pico. There are 50 withdrawn properties located in the R1 zone.

For this report, post-Ellis activity is categorized into several groups: change of use (including conversion of an existing building to a single-family dwelling, commercial use, schools, childcare centers and churches); new construction (usually involving demolition of existing structures); family occupancy; non-rental residential use; and no activity. As Figure 32 on the next page shows, properties withdrawn from the rental market are used for a variety of purposes. In 2019, there were no significant changes to report in the use of properties as compared to the prior year. Twenty-one 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-four 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.

About one in five withdrawn properties are now being used as single-family dwellings (7.8 percent in the change of use category and 13.1 percent in new construction), and 24 percent are being used for non-rental residential occupancy, family occupancy or show no permit activity and have been left vacant. All but one of the 47 properties in the non-rental residential and family occupancy categories have occupancy permits, and the other has been issued a building permit. These properties are actively monitored by Code Enforcement. (See the Post-Ellis Monitoring and Enforcement section below.)

Figures 32 and 33 show the status of the 488 properties that remain withdrawn including the 15 properties that were redeveloped within five years of withdrawal and have new units subject to rent control. Figures 34 to 39 map post-Ellis uses and graphically identify how properties are used once they have been withdrawn.

Fig 32 | Summary of Post-Ellis Use of Withdrawn Properties as of 12/31/2019

Post-Ellis Use as of 12/31/2019	Rent Controlled	Properties	Percentage
Change of Use			
Commercial		28	5.7
Private/Public Services		12	2.5
Single Family		38	7.8
New Construction			
Apartments	6	17	4.7
Apartments / Mixed Use	6	15	4.3
Condominiums	3	119	25.0
Condominiums / Mixed Use		1	0.2
Single-Family Dwellings		64	13.1
Commercial		33	6.8
Parking Lot		11	2.3
School / Childcare / Church		9	1.8
Vacant Lot		6	1.2
Public Road/Walkway		5	1.0
Total	**15**	**358**	
Family Occupancy		**38**	7.8
Non-Rental Residential		**9**	1.8
No Activity		**68**	13.9
Grand Total	**488**		**100%**

Fig 33 | Summary of Post-Ellis Use of Withdrawn Properties as of 12/31/2019

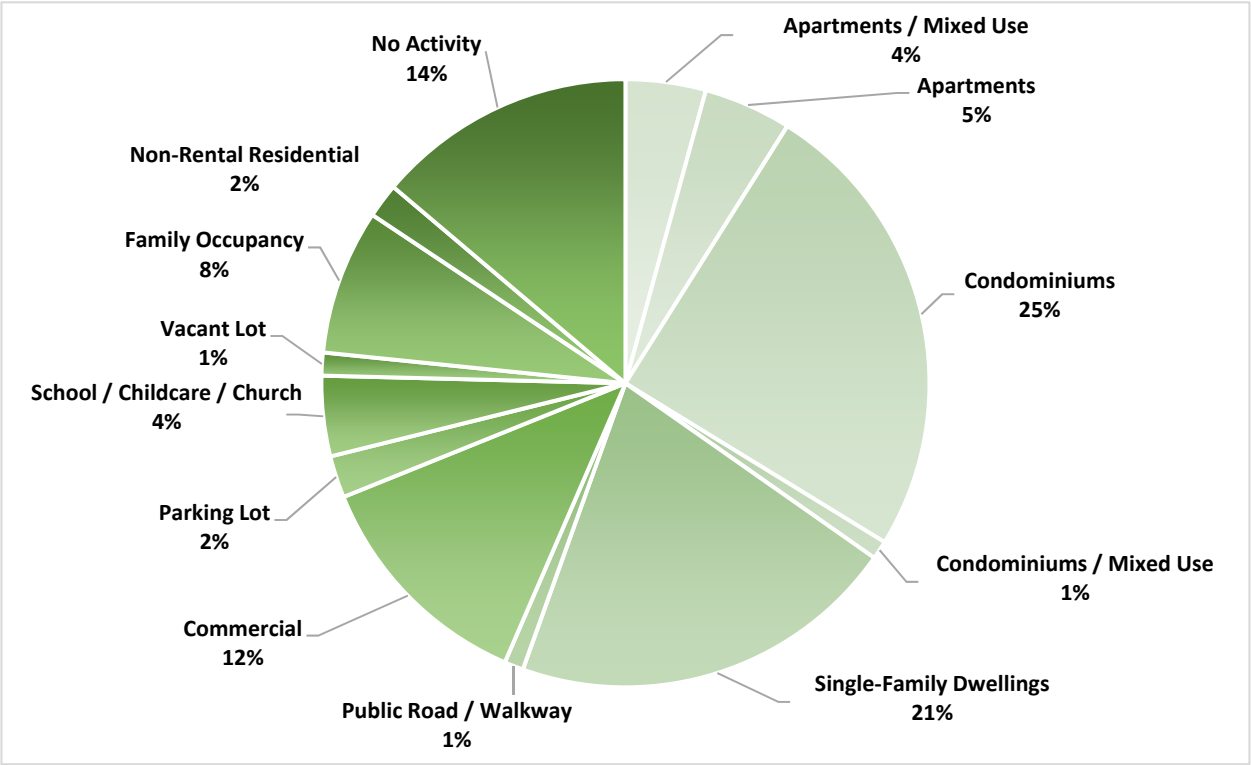


Fig 34 | Post-Ellis Use: Apartments (green); Apartments-Mixed-Use (red)

Fig 35 | Post-Ellis Use: Condominiums / Condominiums-Mixed-Use

Fig 36 | Post-Ellis Use: Single Family Dwellings - Redeveloped (green); Same Building (red)

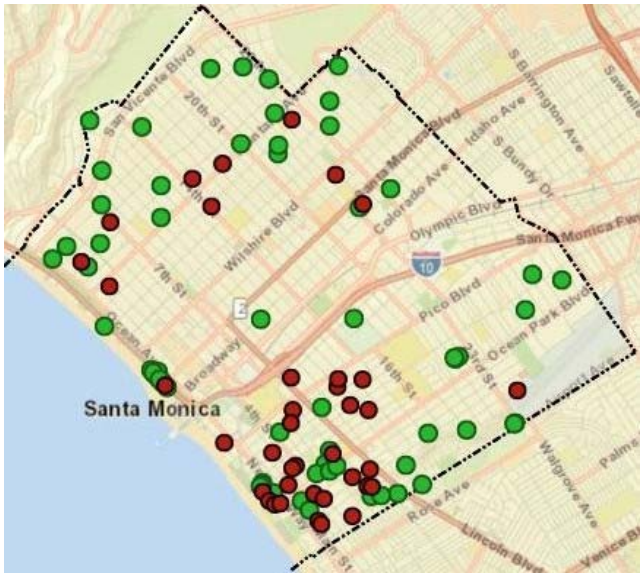


Fig 37 | Post-Ellis Use: Family Occupancy / Non-Rental Residential (green); No Activity (red)

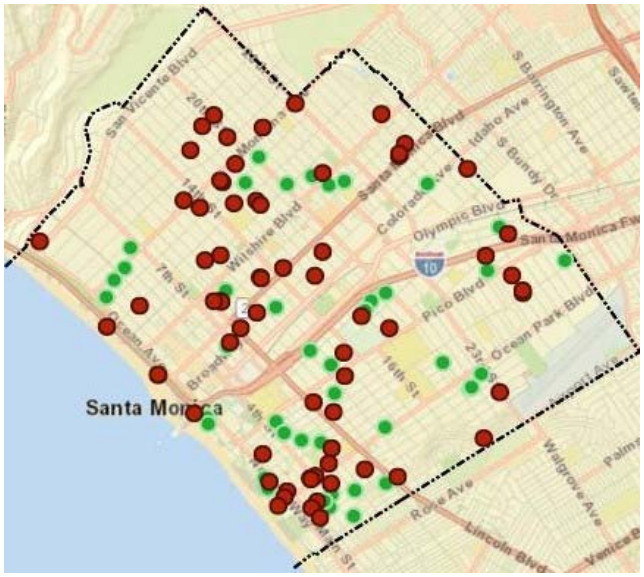


Fig 38 | Post-Ellis Use: Commercial – Redeveloped (green); Same Building (red)

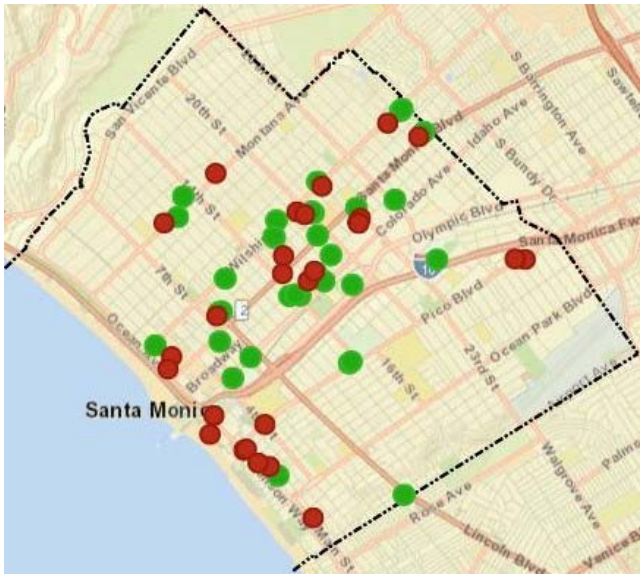
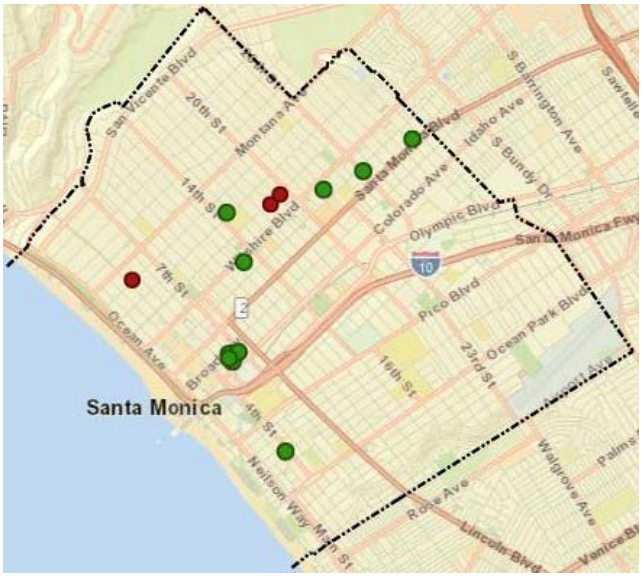


Fig 39 | Post-Ellis Use: Redeveloped with Controlled Units--Apts. (green), Condominiums (red)



POST-ELLIS MONITORING AND ENFORCEMENT

The Rent Control Agency, in conjunction with the City's 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. Code Enforcement with the help of the Rent Control Agency is identifying properties withdrawn within the last five years that are occupied without the required occupancy permits.

As indicated in the 2018 annual report, staff reviewed rental listings and found several withdrawn properties listing units for rent. Staff wrote letters to the owners in 2019 asserting jurisdiction. Outcomes of this investigation follow:

- One withdrawn property listing for rent in City Area E- owner filed the required Notice to Rerent
- One withdrawn property listing for rent in City Area A underwent a hearing process. It was determined the owner had not violated the conditions of the Ellis withdrawal.

Staff also reviewed the City's approved home-sharing list and found a withdrawn property with a home sharing license. The Board asserted jurisdiction and billed the owner. The withdrawn property was vacant when it was withdrawn.

A few overall observations about the properties on which Ellis withdrawals were initiated in 2019:

- 77% of the properties (20 of 26) were small properties with four or fewer units.
- 31% of the properties (8 of 26) were vacant at the time the notice was filed with the Board.
- 19% of the properties (5 of 26) had at least one senior or disabled tenant who was entitled to one year to relocate.

PUBLIC INFORMATION DEPARTMENT

PUBLIC OUTREACH AND INTER-AGENCY ACTIVITY

Direct Communication with Members of the Public

One of the most important functions of the public information team is to meet with landlords and tenants at the Agency's public counter or to speak with them by telephone to explain the rent control law, answer their questions and offer the services of the Agency. Demand for this constituent service is heavy and public information staff field a high volume of inquiries. In 2019, staff members logged 15,176 public contacts. While demand for services had not fluctuated much over the past several years, the number of public contacts in 2019 grew by almost 18 percent over the prior five-year average. Most of these engagements were by phone (78 percent in 2019). Staff also met in person with property owners, tenants and others about 2,400 times at the Agency's public counter. Staff also communicated with the public via email, responding to roughly 80 inquiries to the general Agency mailbox each month and many more to staff member inboxes. Excluding email contact, which is not tracked by user type, 41 percent of contacts in 2019 were with property owners, 52 percent were with tenants, and the balance were with others. This ratio was virtually unchanged from 2018.

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.

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.

The two issues in 2019 featured modifications to the rent control law regarding how rent decreases are calculated and clarification of the status of units that received removal permits but which were not acted upon or were subsequently offered for rent. Each issue also included information about local and state laws of general interest to landlords and tenants. The spring issue advised on expansion of state laws requiring landlords to allow tenants on rent-controlled properties to have electric vehicle charging stations installed at parking spaces leased to them. It also covered revisions to tenant relocation benefits that were passed by the City Council. The fall issue helped spread the word about the City's expanded Preserving Our Diversity (POD) program and informed senior tenants living on low incomes, who may be at risk of losing their housing, how to register for the program. The fall issue also introduced Rent 20/20, the Agency's interactive system for tracking property information, online form filing and document access, which is expected to roll out mid-year

2020. Notices of upcoming seminars and inter-agency events were also included in each newsletter. Recent newsletters may be viewed on the Agency's website.

Electronic Communications

As noted above, some members of the public prefer communicating with the Agency and getting information electronically, such as by email. The Agency made several outreach attempts during the year to grow its list of people who are interested in receiving periodic emails regarding Board meeting agendas, newsletters and announcements. These addresses will be particularly useful to facilitate user account set-up when the Agency launches Rent 20/20. Anyone interested may subscribe to email communication or request a Rent 20/20 account on the Board's website at www.smgov.net/rentcontrol.

Visits to the Agency's website continued to remain high, following a large increase from 2017 to 2018, as online filing of tenancy registration forms became more popular. Total website page views reached 133,623 in 2019, down 4.5 percent from the prior year. Website activity was twice as high during the months leading up to the general adjustment in September compared to other times of year. 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 almost 52,000 hits.

As automated workflow processing has shortened the turn-around time for tenancy registration updates, it is possible that property owners and managers are checking back shortly after registering to confirm that the rent tracking database has been updated. Unique website visitors reached 38,413, with more than two-thirds recorded as first-time visitors to the site. Unique website visits count each visit separately if it is from a unique device. That is, the same user may be counted several times if they access the site via their work computer, home computer, mobile device or tablet. While there were not as many high-profile issues before the Board during the year as there were in 2018, many people may have visited the site looking for information on statewide rent caps, which the Agency does not disseminate. 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.

133,623

Total website hits in 2019

38,413

Unique website visitors in 2019

Educational Programs

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

Every year, the Agency presents seminars tailored specifically to owners and tenants. Seminars presented in 2019 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)

Slides of these presentations are posted on the Agency's website. Two of these events, the Rental Property Maintenance seminar and the Landlord-Tenant Forum, were recorded 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 2019, staff addressed the Beverly Hills Realtors Association at their annual meeting and conducted several meetings with tenants who expressed concerns about issues at their buildings.

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 2019, the Agency received 46 listings, which was a dozen fewer than the year before and less than half the number received in 2017.

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 Agency received 86 separate notices of eviction in 2019, down from 112 the year before. The most common reason for notice was for breach of contract or lease terms (33 notices), followed by alleged nuisance (27 notices). The Agency received 10 notices for units being withdrawn under the Ellis Act, yet another 20 units are known to have been occupied when Notices of Intent to Withdraw Accommodations were filed on these properties. (See the *Impact of the Ellis Act* section of this annual report.) This indicates not all owners are complying with the requirement to provide copies of eviction notices with the Agency, presenting a possible defense for tenants. Eight eviction notices were filed for refusing the owner access to the unit, five for owner occupancy, and three for units occupied by unauthorized subtenants. Although owners are not obligated to provide copies of notices for non-payment of rent, the Agency received 28 notices for this reason, which was the highest since 2010 during the recession.

Since the passage of Measure RR by Santa Monica voters 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 of time to correct the identified problem before it rises to a cause for eviction. As with notices for non-payment of rent, the law does not require owners to file warning letters with the Rent Control Board, but 73 were received in 2019.

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. By closely monitoring owner responses to recertification letters, or more tellingly their failure to do so, it became apparent early in the year that dozens of exemptions had potentially lapsed. The public information department identified these properties and collaborated with the staff attorney, who dedicated substantial effort to investigate properties and notice owners. In 2019, 49 properties received notices of final lapse of exemption. Only one owner requested a hearing on the potential lapse, and the Board decided in December that the exemption had not lapsed. As a result of the annual certification effort, 48 properties again became subject to the rent control law and their owners were required to register tenancies and pay registration fees. At year end, the Agency was continuing to investigate more than two dozen properties due to lack of responses to certification letters or initial notices of lapsed exemption.

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 2019, staff reviewed 253 plan check applications (down from 368 in 2018) and 92 demolition permit applications (down from 137 in 2018) and attended five pre-submittal conferences (down from 11 in 2018).

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. The Agency's staff attorney is 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 2019 undertakings:

- Staff met regularly with an inter-departmental group coordinated by the City's Office of Communications to evaluate current website content and technologies toward the goal of streamlining and reformatting the City's websites to be more user focused. A new website is expected to launch late in 2020.
- 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.

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.

Mediation has been very successful in resolving a large percentage of cases, in whole or in part, resulting in fewer hearings or in 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. 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 conditions or make observations about occupancy, 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. 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. If a contested application for exemption of a two- or three-unit owner-occupied property is referred to the Hearings Department for a hearing, the hearing officer issues a written recommendation to the Board. Contested lapses of such exemptions may also be referred for a hearing and recommendation to the Board.

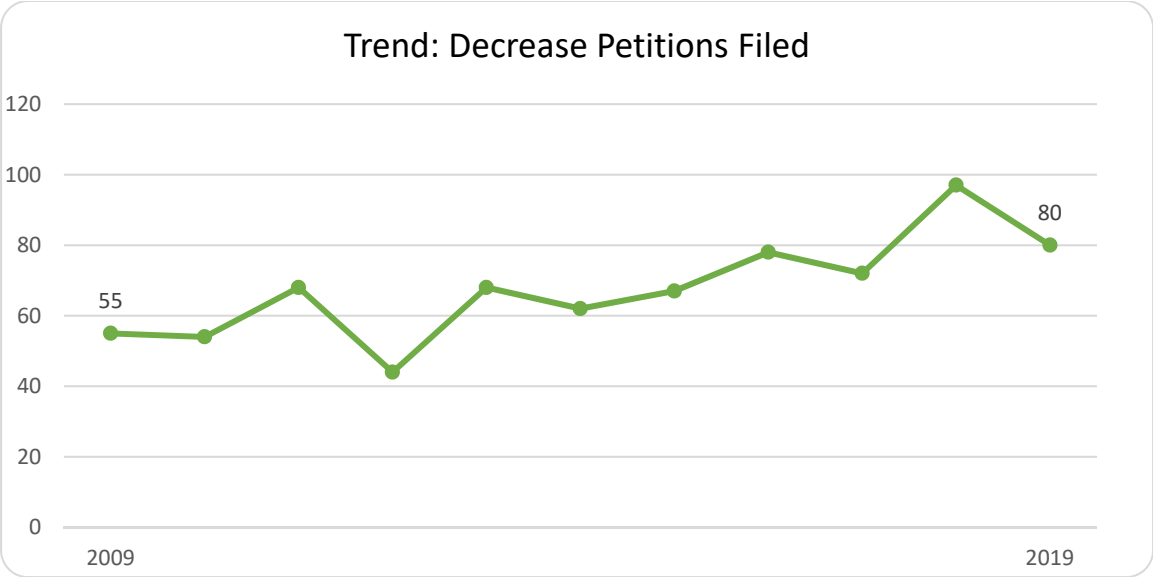
PETITIONS AND COMPLAINTS

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. 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 the evidence and issue a written decision that may include the granting of a rent decrease if warranted. Under new Regulation 4203, decreases may be authorized for past reductions as well as ongoing reductions in maintenance or housing services.

Eighty decrease petitions were filed in 2019, and of those petitions, 17 hearing officer decisions were issued in 2019 (one consolidated decision included two petitions). Another 20 decisions pending from 2018 were issued in 2019, including one consolidated decision on four petitions.



APPEALS OF DECREASE PETITION DECISIONS

Of the 37 hearing officer decisions issued in 2019, 11 appeals were filed. All but four of the decisions granted decreases for various conditions. Three appeals filed by owners were withdrawn. Board decisions were issued on eight of the appeals; six appeals were filed by tenants and two were filed by owners. The Board fully affirmed the hearing officer decisions in five cases and modified one hearing officer decision to provide a higher decrease. In addition, the Board remanded one case, which denied decreases, back to the hearings department for an additional hearing. The Board also affirmed one hearing officer decision denying decreases. In addition, one appeal pending at the end of 2018 was withdrawn by the owner during 2019.

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. Once the Agency receives a compliance request, action is taken to verify whether the conditions for which the decrease was granted have been 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. Forty-three compliance requests were received in 2019.

56%

Decrease petitions mediated and fully resolved

14%

Decrease petitions mediated and partially resolved prior to hearing

66%

Decrease petitions filed in 2019 for market-rate tenancies
(53 of 80 units)

New Decrease Petitions		
Decrease petitions filed in 2019		**80**
withdrawn or dismissed prior to mediation or hearing	3	
referred to hearing directly or prior to mediation	7	
resolved prior to mediation	3	
referred to mediation	67	
Mediation Activity		
Cases mediated during 2019		**97**
current year cases	67	
carried over from prior year	29	
prior year case referred in 2019	1	
Status at end of 2019		
withdrawn / dismissed (tenants vacated, refiled petitions or non-responsive)	16	
resolved — case closed	35	
no resolution — referred to hearing	25	
partial resolution — referred to hearing	4	
pending	17	
Hearing Activity		
Active cases during 2019		**70**
referred to hearing directly or prior to mediation	9	
referred from mediation	31	
remanded from Board	1	
ongoing from prior year	29	
Status at end of 2019		
withdrawn or dismissed	21	
decision granting decrease	33	
decision denying decrease	4	
pending	12	
Decrease Reinstatements		**23**
decreases fully reinstated	13	
decreases partially reinstated	7	
no reinstatement as compliance requirements not met	3	
Contested Addenda		**9**
finalized addenda issued	9	

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 repairs or 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 providing temporary rent reductions. Tenants may file petitions before, during, or after the mediation process, as long as active construction is taking place at the time of filing. If mediation does not resolve the issues, the case is referred to hearing. Following the issuance of a decision by the hearing officer, if the construction is still ongoing, the parties may request that the hearing be reopened to modify the original decision based on changed conditions.

The Agency issued construction decrease notices to owners of eleven properties in 2019. Tenants from seven of the properties responded to the notices and filed petitions. Tenants from other properties contacted Board staff to discuss filing petitions but had not done so by the end of 2019. One petition was referred directly to hearing. One petition, filed at the end of 2019, was pending referral to mediation.

Construction Decrease Petitions 2019	
Agency construction notices issued in 2019	11 properties
Petitions filed in 2019	11 petitions on 7 properties *3 on 1 property* *2 each on 2 properties* *4 on individual properties*
Mediation Activity	
Mediation services initiated in 2019	9 petitions on 5 properties *1 w/3 petitions: 2 resolved, 1 to hearing* *1 w/2 petitions: 2 resolved* *1 w/2 petitions: 1 resolved, 1 to hearing* *2 w/1 petition each: both resolved*
Pending referral to mediation at end of 2019	1 petition on 1 property
Active cases in Hearings during 2019	**30 petitions on 6 properties**
Referred to Hearings in 2019	*2 properties: 1 petition each from mediation* *1 property: 1 petition to hearings directly*
Hearing process terminated	*1 property: 1 petition withdrawn;* *remaining 21 petitions active*
Decisions issued	*1 decision/1 property - 5 petitions (4 units)*
Ongoing in Hearings from prior years	*2 properties: 1 + 21 petitions*
Ongoing in Hearings process	*3 properties: 3 active petitions*

Nine construction decrease petitions were referred to mediation. Seven of those reached a resolution through mediation: five petitions were withdrawn, and two petitions were partially withdrawn but remain active in mediation pending additional construction. One petitioner reached a partial resolution and was referred to hearing for the remaining issues; one petition was not resolved and was referred to hearing.

During 2019, six properties were involved in the hearing process. Five of the properties were in the hearing process at the end of 2019. A decision was issued for the sixth property on five petitions filed for four units (one tenant filed two petitions). Decreases were granted for all four units. An appeal was filed by the owners, but the Board affirmed the hearing officer decision.

During 2019, a property owner requested an addendum to a construction decision issued in 2017. The original decision granted decreases to tenants of four units. In 2019, the owner sought to end the rent recoupment schedule, claiming that construction had ended, and the owner was in compliance with the decision. The proposed addendum was contested by the owner and by one of the tenants, so a hearing was held. The matter was pending at the end of 2019.

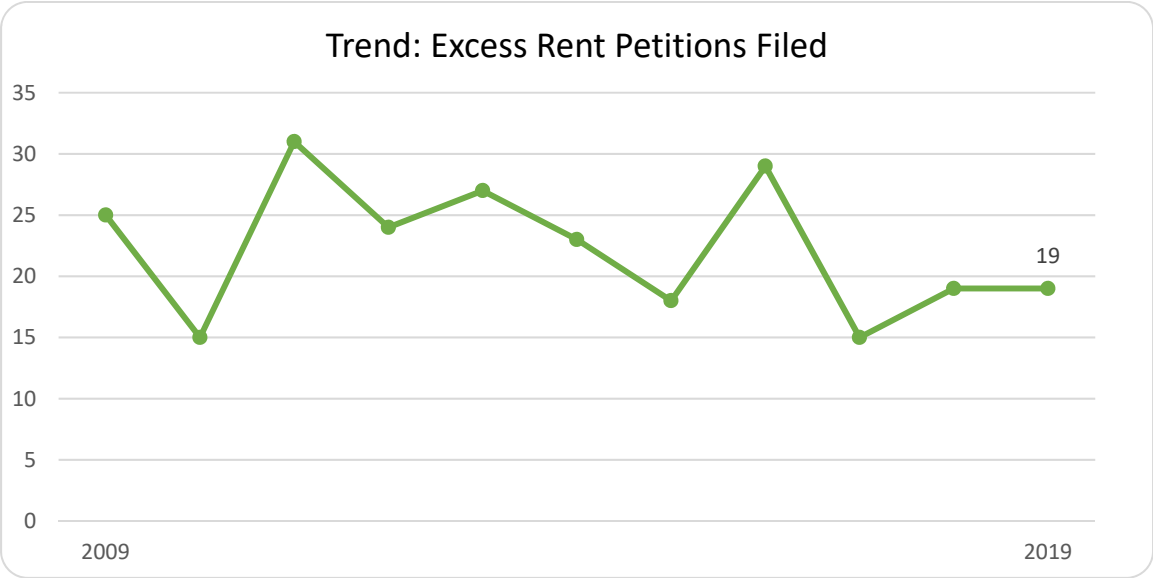
Excess Rent and Non-Registration Complaints

Rent control regulations allow a tenant who believes he or she is paying too much 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 administrative or formal mediation are decided by a hearing officer following a hearing. Nineteen complaints were filed in 2019.

APPEALS OF EXCESS RENT DECISIONS

Six excess rent decisions were issued in 2019. Excess rent claims were substantiated in all six cases (in one case an additional claim for non-registration was not substantiated). Three decisions appealed by the owners were affirmed by the Board.

Newly Filed Excess Rent & Non-Registration Complaints		
Complaints filed in 2019		**19**
withdrawn or dismissed prior to mediation or hearing	3	
referred to hearing directly or prior to mediation	5	
pending referral	1	
Mediation Activity		
Cases mediated during 2019		**21**
current year cases	10	
carried over from prior year	11	
Status at the end of 2019		
withdrawn or dismissed without mediation	6	
resolved — case closed	6	
resolved administratively	4	
no resolution — referred to hearing	3	
pending	2	
Hearing Activity		
Active cases during 2019		**12**
referred directly to hearings	5	
referred from mediation	3	
carried over from prior year	4	
Status at the end of 2019		
decisions substantiating complaints	6	
withdrawn prior to hearing - resolved	2	
withdrawn prior to hearing	1	
dismissed	1	
pending	2	



79%

Excess rent complaints filed in 2019 that were for market-rate tenancies (15 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 are needed. However, no petitions of this type were filed during 2019. A decision granting increases for an 11-unit building was issued on a petition pending from 2018.

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, if the tenant does not contest the owner's petition, the case is handled administratively. 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 2019, ten new petitions were filed; seven were contested and set for hearing, one was not contested and was granted by an administrative decision, and two were dismissed as they did not support a prima facie case. Two of the contested petitions were withdrawn after a hearing was scheduled. Hearing officer decisions were issued on three of the petitions. One petition was denied and two were granted. In addition, a petition pending from 2018 was denied. Two petitions were pending at the end of 2019.

APPEALS OF TENANT-NOT-IN-OCCUPANCY DECISIONS

Three decisions issued during 2019 were appealed. One decision granting the owner's petition and appealed by the tenants was pending before the Board at the end of 2019. Two decisions denying the owner's petitions were appealed by the owners. One decision was affirmed by the Board and the other was pending before the Board at the end of 2019.

Tenant-Not-in Occupancy Activity		
Active Cases in 2019		**11**
New Cases filed in 2019	10	
pending from 2018	1	
Status at end of 2019		
withdrawn	2	
dismissed	2	
hearing officer decisions	4	
administrative decisions	1	
pending	2	

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 2019, one petition of this type was filed for one unit at a property. The petition was pending at the end of 2019.

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/or maximum allowable rents (MARs). During 2019, two petitions of this type were filed. Both were pending at the end of 2019.

Fact-Finding Determinations

On occasion a matter may be referred to the Hearings Department by another department in the Agency to determine facts related to a controlled property. Unlike other cases, such hearings are not initiated by a petition filed by an owner or tenant. During 2019, one case of this type, relating to a possible re-rental of a property withdrawn under the Ellis Act, was the subject of an evidentiary hearing. A hearing officer issued a fact-finding determination, concluding that the owner had not violated the conditions of the Ellis withdrawal.

OWNER-OCCUPIED EXEMPTION APPLICATIONS

As explained earlier, exemptions are available for owner-occupied properties with three or fewer units. 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 2019, two exemption applications were referred for evidentiary hearings. One application was withdrawn before a hearing was held. A hearing officer recommendation was issued on the remaining application, recommending that the exemption be granted. The Board adopted the hearing officer's recommendation. In addition, recommendations for two applications pending from 2018 were issued. One recommendation to grant the exemption was adopted by the Board. The other recommendation was to deny. As the Board was unable to reach a decision on that exemption, the exemption was granted by operation of law.

During 2019, one 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 and the Board adopted staff's recommendation.

LEGAL DEPARTMENT

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.

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.

LITIGATION

Lawsuits Filed in Prior Years but Resolved in 2019

SMRCB v. Guirguis v. SMRCB
Dismissed

When Maged Guirguis used the Ellis Act to withdraw his five-unit building at 1128 23rd Street from the rental market, he displaced tenants from three units. A little more than two years later, he informed the Board of his intention to return the property to the rental market. The displaced tenants exercised their statutory right to ask Guirguis for an offer to return to the units from which they were displaced. He refused. Under state and local law, Guirguis's refusal to make the requested offers subjected him to a claim for punitive damages. Guirguis paid the displaced tenants the highest amount that they could be awarded in punitive damages and asserted that the payment extinguished his obligation to allow the tenants to return. The Board disagreed and sued, seeking a court order that Guirguis comply with his obligation to permit displaced the tenants to return. The Board obtained a temporary injunction prohibiting Guirgius from renting the displaced tenants' former units pending the resolution of the litigation. Guirguis decided not to re-rent the units at all and to rescind his notice of intention to do so, making the case moot. The Board voluntarily dismissed its suit against Guirguis without prejudice to re-filing if the problem should arise again in the future.

Status of Lawsuits Filed by the Board in 2019

SMRCB v. ENA1, LLC and ENA10, LLC
Dismissed

Under the Ellis Act and Board regulations, an owner who returns units to the rental market less than ten years after they were withdrawn must make a re-rental offer to any displaced tenant who asks for one. A landlord who fails to make the offer is subject to punitive damages. The Board filed this lawsuit seeking a judicial declaration to answer two questions: 1) can an owner extinguish the obligation to offer to re-rent a unit to a displaced tenant by paying the tenant punitive damages; and 2) may an owner avoid the obligation by returning to the market only units from which no tenants were displaced. While the litigation was pending, the State Legislature amended the Ellis Act, providing clear answers to both questions that were consistent with the positions taken by the Board. Because the change in the law made this litigation unnecessary, the Board dismissed the lawsuit.

Status of Lawsuits Filed against the Board in 2019

Karton v. SMRCB
Pending

An apartment building includes on its grounds a small accessory structure. The structure is uninhabitable, has never been habitable, and cannot be made habitable. The owner applied to the Board for a permit to remove the accessory structure from the residential rental market. The tenant of a separate, habitable unit on the property had been renting the accessory structure for over 20 years, under a lease specifying that it was not to be used for habitation. Although the unit was never intended for residential use, has not been used as a residence during the renter's tenancy, and cannot lawfully be made suitable for residential use—and although the renter does not dispute that the Board had reason to remove the unit from the residential rental market—the renter has now filed suit against the Board seeking to overturn the Board's decision.

Lowe v. SMRCB
Pending

This lawsuit seeks to reverse the Board's decision denying the landlord's petition for a determination of a tenant not in occupancy. If it had been granted, the landlord would have been permitted to raise the rent for the unit. The Board found that although the tenants were away from the unit for extended periods, evidence demonstrates that the absences were due to family vacations, medical treatment and family emergencies, which are all excused absences under Board regulations. Thus, the landlord was not entitled to a rent increase. The landlord's suit asks the Court to set aside the Board's decision and award petitioner attorney's fees.

Status of Lawsuits Filed in Prior Years

Action Apartment Association, Inc. v. SMRCB
Judgment for the Board

In this lawsuit, Action Apartment Association sought a ruling from the Court that a tenant's payment for a portion of the landlord's water bill (via Ratio Utility Billing or other means) does not constitute "rent" under the City Charter's definition of rent. Before Action filed suit, it sent the Board a courtesy copy of the lawsuit that it intended to file. The Board informed Action's lawyer that the suit, if filed, would be an improper request for an advisory opinion. Action filed suit anyway. The trial court ruled in the Board's favor on the merits and Action appealed. The Court of Appeal agreed with the Board that the lawsuit was an improper request for an advisory opinion and ordered the trial court to dismiss the case.

ASN Santa Monica, LLC v. SMRCB / 1041 20th Street LLC v. SMRCB
Judgment for the Board

In 2016, the Board granted excess rent petitions filed by tenants 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. Because that ruling was at odds with decades of well-settled law concerning administrative agencies' requirement to do only what their enabling statues allow, the Board appealed. The Court of Appeal reversed the trial court and validated the Board's position. It held that that because the Board can only act within the scope of its delegated authority and because the Charter does not grant authority to exempt units from rent control after a removed unit is returned to the rental market, the Board was correct in finding that when they are rented, such units are subject to the rent control law. The Court of Appeal therefore ordered that the trial court deny the Landlords' petitions and complaints against the Board.

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.

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 and an evidentiary hearing, the Board concluded that the property had four units on that date. The Board therefore found that the applicant 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 on the limited technical ground that the trial court was wrong to have based its judgment on the contents (rather than the mere existence) of Board records at the demurrer stage (an early stage of litigation). The matter was then remanded to the trial court.

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 2019, there were 16 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 nine fewer declarations filed in 2019 as compared to 2018, and the number was significantly lower than the 63 declarations filed on average during the five years prior.

In 2019, 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 withdrawn under the Ellis Act and new units were constructed and rented within five years of withdrawal. While the Board granted permanent exemptions for 18 new units in 2018 that were rented more than five years after the original units were withdrawn and demolished, there were no applications of this type filed in 2019.

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 13 properties in 2019. The Board approved 10 applications, two applications were pending at the end of the year, and one was withdrawn. The Board also approved four applications pending from 2018.

Of the 14 properties granted owner-occupied exemptions in 2019, 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.

The Board also considered whether an exemption had lapsed after it received information that the owner no longer resided on the property that had been previously exempted based on owner occupancy. After reviewing the evidence, the Board adopted the recommendation of the hearing officer that the exemption had not lapsed.

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 the rental housing market. In 2019, the Board granted four removal permits, three for removal of units that were not habitable, and could not be made habitable in an economically feasible manner, and one for redevelopment of a property as an affordable housing project. This year, however, a significant lawsuit was resolved, which affirmed the meaning of the removal permit process. If a property owner qualifies for a removal permit, that permit allows the owner to remove the unit(s) from the rental housing market by demolition, conversion or other means. If the unit(s) subject to a removal permit are then re-rented at some future date, they then become controlled units under the rent control law. The removal permit process only allows qualifying units to be used for non-rental purposes. In 1041 20th Street, LLC v. SMRCB, the Court of Appeal affirmed the Board's position that the Charter does not grant authority to exempt units from rent control after a removed unit is returned to the rental market; when such units are rented, they are subject to the rent control law. Thus, the Board is now engaged in researching properties that were previously granted a removal permit to determine whether any of them are currently back on the rental market. Through this ongoing review process, in 2019, the Board brought 15 units back under rent control.

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 2019, the Board received 73 buyout agreements. The data reported below is based on city area and unit size.

City Area	Units	Average $
A	20	$40,503
B	3	$36,900
C	1	$50,000
D	8	$46,708
E	12	$32,188
F	24	$44,822
G	5	$18,500
Total	**73**	**$40,807**

Unit Size	# Filed	Average $
0 Bedroom	10	$34,145
1 Bedroom	24	$36,360
2(+) Bedrooms	39	$45,251
Total	**73**	**$40,807**

REGULATIONS & RESOLUTIONS DRAFTED

In 2019, the Legal Department prepared five resolutions and amendments to seven regulations for the Board's consideration.

- Resolution 19-001 urging the City Council to impose a moratorium on the development of new projects on sites in the Pico Neighborhood that previously had been occupied by rent controlled units and consider increasing affordable-housing in-lieu fees for projects that replace rent-controlled housing. (Adopted 3/14/2019)

- Resolution 19-002 in support of AB 36, respecting the application of local rent-control laws to single-family homes and new construction; AB 1481, respecting just cause for eviction; AB 1482, respecting rent gouging; SB 329, respecting discrimination against sources of income used to pay rent; AB 1399, respecting clarification of the Ellis Act; and SB 18, respecting legal assistance for tenants facing eviction. (Adopted 5/9/2019)

- Resolution 19-003 urging the City Council to amend the Municipal Code to (1) ensure that building or technical permits are not issued to permit non-necessary work in tenant-occupied units without the tenant's consent; and (2) prevent the reconfiguration of units that are currently controlled, or that have been subject to control and may again be subject to control, in such a way that a unit is eliminated or reconfigured in a way that makes the unit more easily converted for rental to separate households. (Adopted 5/9/2019)

- Resolution 19-004 announcing that the 2019 annual general adjustment for rent-controlled units is 2.0 percent and imposing a limit on the general adjustment of $44, effective September 1, 2019. (Adopted 6/13/2019)

- Resolution 19-005 adopting revisions to the Board's records retention schedule. (Adopted 11/14/2019)

- Adoption of Regulation 4203, respecting the calculation of rent decreases, specifying that a rent decrease due to the reduction of housing services or maintenance shall be calculated from the date on which the petition as to which it is granted was filed, and amended Regulation 4004, respecting affected parties' response to individual rent-adjustment petitions. (Adopted 4/11/2019)

- Adoption of Regulation 5100, respecting the scope of authority granted by a removal permit; Regulation 5101, relating to the rent-controlled status of removed units; and Regulation 5102, respecting the expiration of removal permits. (Approved 10/10/2019)

APPENDIX

Board Meetings		
Board meetings convened and staffed		**12**
Regular meetings	*12*	
Public Outreach		
Contacts with people seeking information		**15,176**
Counter (16%)	*2,409*	
Phone (78%)	*11,819*	
E-mail (6%)	*948*	
Constituency-wide mailings produced and distributed		**3**
General Adjustment mailings (includes citywide MAR Report mailing to owners)	*1*	
Newsletters (includes report of current MAR for each unit)	*2*	
Community meetings/seminars		**9**
Seminars by Rent Control staff	*5*	
Beverly Hills Realtor Association	*1*	
Building-Specific Tenant Meetings	*3*	
Website Visits		**133,623**
Petitions/Complaints		
Petitions processed on intake		**123**
Decrease petitions filed	*80*	
Construction Decrease petitions filed	*11*	
Registration Determination petitions filed	*1*	
Base Rent and Amenities Determination petitions filed	*2*	
Excess rent/Non-registration complaints filed	*19*	
Tenant-Not-in-Occupancy petitions filed	*10*	
Increase petitions filed	*0*	
Hearings held		**73**
For 27 individual decrease petitions and 2 sets of consolidated petitions (made up of 2 and 5 petitions)	*35*	
For 2 properties – 2 individual construction decrease petitions	*6*	
For 7 contested addenda (6 decrease and 1 construction)	*7*	
For 4 excess rent/non-registration complaints	*7*	
For 2 base rent/amenities petitions consolidated with 2 excess rent complaints	*4*	
For 1 increase petition	*2*	
For 1 Ellis-related fact –finding case	*1*	

For 3 exemption applications	*5*	
For 1 contested potential lapse of exemption	*1*	
For 5 individual tenant-not-in-occupancy petitions	*5*	
Hearing and Administrative decisions/addenda issued		**97**
Written decisions issued on 55 petitions (some petitions consolidated)	46	
Finalized Addenda on contested proposed addenda issued	7	
Decrease Petition Proposed Addenda issued	43	
Construction Petition Proposed Addenda Issued (4 TORCA units – 1 Consolidated addendum)	1	
On-site investigations conducted		**170**
Upon scheduling decrease and construction decrease petitions	*41*	
Upon scheduling tenant-not-in-occupancy petitions	*8*	
In response to compliance requests	*33*	
Exemption use investigations	*22*	
Ellis investigations	*27*	
Occupancy, unit use, residence verification, removal permit related, construction activities etc.	*32*	
Other (e.g., measuring, service of documents, etc.)	*7*	
Ellis Withdrawals, Exemptions and Removals Activity		
Ellis withdrawals filed in 2019		
Properties		**26**
Units	*92*	
Ellis withdrawals pending at the end of 2019		
Properties		**13**
Units	*48*	
Ellis withdrawals pending from 2018, completed in 2019		
Properties		**13**
Units	*70*	
Ellis returns to rental market		
Properties		**5**
Units	*20*	
Owner-Occupied 3-Unit or Fewer Exemption applications filed in 2019		**13**
Applications withdrawn	*1*	
Pending at the end of 2019	*2*	
Granted	*10*	
Denied	*0*	
Owner-Occupied 3-Unit or Fewer Exemption applications pending from 2018		
Granted	*4*	
Denied	*0*	
SFD declarations filed		**16**
SFD 2-year application		**3**
Owner-occupied verification letters mailed		**383**
Removal permit applications filed		**4**
Removal permit applications granted		**4**

New Construction Exemption applications granted		**0**
Apartment Listing Service		
Number of listings received		**46**
Forms & Permits Processed		
Status forms to submit with development applications		**162**
Demolition permits		**92**
Building permits		**253**
Property registrations		**544**
Tenancy rent registration forms		**3,976**
Separate agreement registration forms (parking/storage/pets)		**55**
Tenant-filed rental unit registration forms		**3**
Fee waivers		**103**
Clean Beaches Tax waivers		**19**
Appeals and Litigation		
Staff reports on appeal		**12**
Decrease petitions	*9*	
Excess rent complaints	*0*	
Increase petitions	*0*	
Tenants-Not-in-Occupancy	*3*	
Construction Related	*0*	
Unregistered units	*0*	
Base Rent	*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		**72**