

SANTA MONICA RENT CONTROL BOARD ANNUAL REPORT

JULY 2000 THROUGH JUNE 2001

For the Board Meeting of

February 7, 2002

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SIGNIFICANT DEVELOPMENTS

The Rent Control Charter Amendment provides that the Rent Control Board shall report annually to the City Council on the status of Santa Monica's controlled rental housing. Again this year, much of the impact on the controlled housing stock continues to be the influence of state law.

- ◆ Effective January 1, 2001, according to a law passed by the state Legislature, 60 days' notice must be given to tenants when a landlord increases their rent by more than 10% in a twelve month period. This is significant as a first step in increasing tenant protections after the full implementation of the Costa-Hawkins vacancy decontrol law in January, 1999.
- ◆ There was a dramatic increase in completed construction of housing in this fiscal year, particularly near the downtown Santa Monica area. Overall, twelve new developments containing a total of 420 new residential units were completed, replacing 213 previously rent-controlled units. 353 of these units were constructed near the downtown area replacing 185 rent-controlled units.
- ◆ The Ellis Act allows owners to withdraw from the residential rental market and to return units to the residential rental market under certain circumstances. During the 2000/01 fiscal year, 20 properties with 95 units completed the withdrawal process. During this same period, 18 properties with 90 units came back under rent control after having been previously withdrawn. However, none of the units which returned to the rental market were re-rented to the displaced tenants. This is a marked increase of units returned to the rental housing market which had been previously withdrawn under the Ellis Act.

MARKET VACANCY

INCREASES

On January 11, 2001, the Rent Control Board reviewed "The Impact of Market Rate Vacancy Increases - Two-Year Report". The report covers the first two years of full vacancy decontrol-recontrol (January 1999 - December 2000). Although the time period analyzed does not match the time period covered by this annual report, its findings are summarized here to provide an overview of the impact of vacancy decontrol after two years.

On January 1, 1999 vacancy decontrol-recontrol began and owners were allowed to raise the rents on vacant units to market rate. During the first year (January 1 - December 31, 1999), owners filed 3,796 vacancy market increase forms with the Rent Control Agency. Excluding multiple registrations on the same unit, 3,192 units were impacted. During the second year (January 1 – December 31, 2000), 3,684 market increase forms were filed, impacting an additional 2,487 units for the first time. The remainder of the forms filed either involved a subsequent market rate increase for a unit already impacted, or were filed on units not eligible for an increase. The impact of the increases on the affordability of rents is substantial.

- ◆ Upon re-rental, median MARs have increased from \$568 to \$824 (45%) for 0-bedroom units, from \$645 to \$1,095 (69%) for 1-bedrooms, from \$818 to \$1,528 (87%) for 2-bedrooms and from \$1,061 to \$1,900 (79%) for 3+ bedroom units.
- ◆ Excluding multiple increases on the same unit, 5,679 units have received market increases.
- ◆ Vacancy-related increase forms were filed at approximately the same rate in both the first and second year. In both years, the heaviest filing period was July – September.
- ◆ Once a unit is rented at market rate, the tenant has less incentive to stay in place and therefore the unit may receive subsequent increases in a relatively short period of time. At the end of the second year, 1,144 units had two reported increases, 168 units had three reported increases, 27 units had four reported increases and 9 units had five or more reported increases.
- ◆ Depending on the number of bedrooms in a unit, the household income needed to "afford" the median market rent is \$14,600 - \$31,000 higher than the income needed to afford the pre-increase median rent of the same size unit.

- ◆ Vacancy increases on 5,679 units have resulted in the loss of 3,635 units that had rent levels formerly affordable to low-income households (80% of median income) including 2,269 units with rent levels formerly affordable to very low-income households (50 and 60% of median income).
- ◆ Before the increases, 78% of these units were affordable to low-income households. After the increases, just 14% remained affordable at the low-income level.
- ◆ Before the increases, 19% of these units were only affordable to households with a moderate income or above (100% of median and above). After the increases, 86% of the units were only affordable to households at the moderate-income level or above.

PUBLIC OUTREACH

This fiscal year the Board published two issues of the newsletter, "Rent Control News" which is mailed to all tenants and owners. The November 2000 issue featured articles on bringing additional occupants, such as domestic partners and new spouses, into rental units; using the Rent Control Board's web site; and how to increase repairs and maintenance.

The March 2001 issue contained articles on issues and problems surrounding tenants being asked to sign new rental agreements; how low-income tenants can obtain assistance with electricity bills; resources for increasing neighborhood and residential security; and the Board's amended registration requirements.

Instead of a third issue of the newsletter, in May 2001 a postcard listing the current registered maximum allowable rent was mailed to the occupant of each controlled unit in the City. This mailing followed the Board's amendments to the registration regulations that now allow tenants to register their rent level and certain amenities if owners fail to do so in a timely manner or if the tenant disagrees with the owner's registration. More than 50 tenant registrations were received in response to this mailing.

The June 2001 summer mailing to owners included unit-by-unit reports of the current maximum allowable rents and entitlement to general adjustments and utility adjustments where applicable. Almost 650 vacancy registrations were received in the month following the mailing, as compared to an average of 300 monthly filings throughout the rest of the year. This suggests that owners who previously failed to comply with the registration requirement previously did so in response to this mailing.

www.santa-monica.org/rent control

Interest in the Agency's internet web site continued to grow this year. During the fiscal year the site received 52,514 web surfers who initiated 140,840 web page "hits." The maximum allowable rent (MAR) database, with rents for each controlled unit in Santa Monica was accessed 10,362 times. Additionally, staff responded to approximately 417 e-mails.

As in previous years, Board staff attended various community events and neighborhood meetings to provide information and answer questions. These included the Wilshire/Montana Neighborhood Coalition annual meeting and the 2001 Santa Monica Festival in Clover Park.

CHANGES IN THE HOUSING STOCK

In order to follow changes in the housing stock in different areas of the city, several years ago the Rent Board divided the city into seven areas, which parallel neighborhoods and census tracts. Removals, Ellis activity, TORCA statistics, development, and other data are identified and analyzed by area.

A map of the city areas and percentage of rental units in each can be found in Appendix A.

TRACKING RESIDENTIAL DEVELOPMENT

The Rent Control Board tracks residential development in the City using Planning and Building Department records and permits as well as Rent Control records¹.

COMPLETED CONSTRUCTION

The construction detailed in this section relates to developments that were completed in 2000/2001. It includes properties that either previously contained at least one controlled residential unit, or were previously non-residential, but were developed with residential units.

Twelve new developments containing a total of 420 new residential units were completed, replacing 213 previously rent-controlled residential units.

- Condominiums
- Four properties that were previously Ellised and had contained a total of 17 controlled units were developed with 20 condominiums.
 - One property that had previously had a Single Family Dwelling exemption was developed with 5 condominiums.

¹ All information related to new construction comes from the City's PERMIT system.

Rentals

- Two properties which were previously Ellised and had contained a total of 10 controlled units were developed with a total of 22 units. Of the newly constructed 22 units, 18 are deed restricted to moderate income tenants. The remaining 4 are market rent units.
- One property which received a Category D Removal for 3 units was developed with 26 deed restricted units. Of those 26 units, 15 were deed restricted at low income levels and 11 at moderate income levels.
- One property which received a Category C Removal for 4 units was developed with 101 market rate units. In-lieu fees were paid.
- One property which received a Category CQ exemption for 178 units (Sea Castle) was developed with 178 units of which 22 are deed restricted at low income and 23 deed restricted at moderate level income. The other 133 units are market rate units.
- One property that was formerly not under Rent Control was developed with 48 units at market rate.
- One property that was formerly not under Rent Control was developed with 20 deed-restricted units for very low income tenants.

Residential development fitting the parameters described above was completed in five of the seven areas in the City:

<u>City Area</u>	<u>Units completed in FY 00/01</u>	<u>Rent Controlled Units previously removed from these sites</u>
A	20	0
C	353	185
E	22	10
F	5	4
G	<u>20</u>	<u>14</u>
Total	420	213

THE ELLIS ACT

As of June 30, 2001, 276 properties remained withdrawn from the residential rental housing market by way of the Ellis Act. This represents the withdrawal of 1,350 units.

Twelve properties with a total of 60 units that were pending withdrawal as of June 30, 2001, have subsequently completed the process.

Prior to July, 2001, 60 formerly withdrawn properties, containing 184 units, returned to the rental housing market under rent control.

During the period July 1, 2000 through June 30, 2001, 20 properties with 95 units completed the withdrawal process. Eighteen properties with a total of 90 units came back under rent control after having been withdrawn. In addition, 6 properties with a total of 42 units began the Ellis process but withdrew their requests prior to completion.

TENANT OWNERSHIP RIGHTS CHARTER AMENDMENT (TORCA)

In 1984 Santa Monica voters approved the Tenant Ownership Rights Charter Amendment (TORCA) through which an apartment building could be converted to condominiums if a sufficient number of tenants approved and agreed to purchase their units. Not all converted units are lost from the rent control housing stock immediately. Current tenants may continue to occupy them. However, once a tenant moves and the unit is bought and owner-occupied, it is unlikely that it will again be available on the rental market.

The provisions of the TORCA law ended on June 30, 1996. Applications filed prior to the deadline have been processed, but the City cannot accept new applications.

As of June 30, 2001, TORCA conversions had been approved for 324 properties containing 3,243 units. Effective 1/1/02, as a result of recent legislation, the rents of any unsold units will once again become controlled. Because of this new legislation, staff is investigating to determine the exact number of sold and unsold units.

One property (Mountain View mobile home park) containing 141 units, was still pending conversion at the end of the fiscal year.

REMOVAL PERMITS

To protect the controlled rental housing stock, the Rent Control Board applies the provisions of the Charter to decide whether or not to grant removal permits. The types of removals the Board may grant include:

- Category C -- if the Board finds that the unit is uninhabitable and cannot be made habitable in an economically feasible manner.
- Category D -- if the permit is being sought so that the property can be developed with multifamily rental units, and at least 15% of the controlled units to be built will be deed restricted at rents affordable to low income people.

In the period July 1, 2000 through June 30, 2001, the Board granted two Category C removal permits, one for a two unit property and one for a single unit on another property.

EXEMPTIONS

The Rent Control Law applies to all residential rental units in Santa Monica except those the Charter exempts under a number of different criteria. There are two kinds of exemptions: 1) use exemptions, which the owner retains as long as the criteria for which the exemption is granted remain in effect; and 2) permanent exemptions.

Permanent Exemptions -- Permanent exemptions are granted for single family dwellings not used as rentals (§1815) and for new construction (§1801).

In this fiscal year, there were 44 declarations submitted for single family dwellings stating that the structures were not rented on July 1, 1984. One other single family dwelling was approved for exemption under §1815 based on the owner's two year occupancy.

Use Exemptions -- Use exemptions were granted this year in the following situations:

- Rental units on properties with two or three units, one of which is occupied by the owner;
- Residential units used for purposes of providing, on a non-profit basis, child care or other residential social services.

The following use exemptions were granted:

<u>Type of exemption</u>	<u>Number of units affected</u>	<u>Number of properties affected</u>
owner-occupied	89	34
non-profit social services	<u>1</u>	<u>1</u>
Total	90	35

These exemptions do not all represent a loss of controlled rental units from the housing stock in 2000/01. Only four properties with a total of 12 units received owner-occupied exemptions for the first time. The balance of the owner-occupied properties had previous exemptions.

**SUMMARY OF CHANGES
IN THE RENTAL MARKET**

<u>Activity</u>	<u>Reduction in controlled units</u>	<u>Increase in controlled units</u>	<u>Net change in controlled units</u>
Ellis activity	-95	+90	-5
Category C Removals	-3		-3
New use exemptions	<u>-12</u>	<u>—</u>	<u>-12</u>
Total	-110	+90	-20

PROGRAM, POLICIES AND ADMINISTRATION

SIGNIFICANT LEGAL DECISIONS

The most significant legal decision of the 2000-01 fiscal year concerned eviction protections in a recently enacted San Francisco law. In *Cwynar v City and County of San Francisco*, the appellate court reversed the trial court's granting of a demurrer to the complaint. The appellate court found that the plaintiffs should be able to go to trial on the issue of whether certain of the law's restrictions on evicting tenants for owner-occupancy resulted in an unconstitutional taking of their property without just compensation.

Under the San Francisco law, only one eviction for owner-occupancy is allowed for the life of the property, and a landlord may evict for a close relative to live on the property only if the landlord lives on the property. In addition, a landlord may not evict a tenant who is at least 60 years old or disabled and has lived in the unit ten or more years. The court held that if the owners could prove they were required to permanently rent the unit, they could demonstrate a taking. It also stated that restrictions on owner-occupancy evictions should be closely reviewed by the courts to determine if they achieve their purposes and if they interfere with the owner's expected use in purchasing the property.

Santa Monica's restrictions of evictions for owner or close-relative occupancy are not as strict as San Francisco's, and they have been in effect for a much longer time than the new San Francisco law. Under Santa Monica's law, an owner may not evict for owner or close-relative occupancy if an owner or relative already lives on the property. However, there is no prohibition against subsequent evictions for owner-occupancy if requirements are met, even if there were an earlier eviction for owner-occupancy. Further, Santa Monica's law does not require that a landlord live on the property in order to evict for close-relative occupancy, and it does not prohibit owner- or relative-occupancy evictions of senior or disabled tenants if other requirements are met. Nevertheless, the *Cwynar* case will be used by landlords to challenge the Rent Control Law's eviction protections in limited cases.

LANDLORD-TENANT LEGISLATION

Effective January 1, 2001, the state legislature amended Civil Code section 827 to require 60 days' notice - up from 30 days' notice in the former version of the law- when a landlord increases a tenant's rent by more than 10 percent in a twelve month period. This provision remains in effect until January 1, 2006, unless it is extended by a later statute. If the rent increase is smaller than 10 percent, the landlord must give 30 days' notice to the tenant, as in the earlier version of the statute.

In addition, the state legislature amended Government Code section 7060.7- one section of the Ellis Act- to make clear that the Ellis Act does not preempt local laws which govern the demolition and redevelopment of residential property. The Ellis Act, which was adopted in 1985, allows landlords to go out of the residential rental business and provides for local regulation of the withdrawal process and the re-entry into the residential business.

REGULATIONS

In 2000/2001, the Board adopted, amended, or repealed 34 subdivisions of regulations. The Board added provisions in its regulations which set forth the rent of units if a landlord terminates or fails to renew the tenant's HUD Section 8 contract, and the rent and base amenities of a unit if a tenant terminates or becomes ineligible for a Section 8 contract. These provisions were necessitated by recent changes in HUD regulations, making it easier for landlords to terminate or fail to renew Section 8 contracts. Other new provisions allow landlords and tenants to agree to add a pet as a base amenity of a unit after the beginning of the tenancy with the agreed-upon rental amount for this amenity added to the Maximum Allowable Rent of the unit.

Several newly adopted provisions concern information required on registration forms, particularly the requirement to provide the identity and a street address of the responsible owner or the chief executive officer of the owner. The amendments also update the times when registration is required. They allow tenants to file registration forms with the Board, registering the rents of their units.

The Board repealed its regulations defining voluntary vacancy and setting forth a procedure to determine a unit's correct rent after vacancy due to a decision in *Cabinda v. SMRCB* which found that these regulations were preempted by the Costa-Hawkins Act.

Finally, the Board amended two subdivisions of regulation 9002 defining "comparable units" for purposes of owner-occupancy evictions. A landlord may not evict a tenant

for owner- or relative-occupancy if there is a comparable vacant unit or a comparable unit with a shorter-term tenant on the property.

INCENTIVE HOUSING PROGRAM

In 1984, as part of a Charter Amendment, Santa Monica voters passed a provision [§1805(i)] which authorized the Board to "enact regulations to provide for increases of rents on units voluntarily vacated where the landlord has dedicated a percentage of units to be rented at affordable rates to low-income tenants." In 1989 the Board passed Chapter 17, "Regulations for Inclusionary Housing Pilot Program."

During the eleven years the program has been in effect, the Rent Control Board has approved 42 contracts. Four of the contracts were subsequently withdrawn. Two were terminated by the Board. Twenty one contracts have expired. Of those 21 expired contracts, 56 dedicated units remain in place. Fifteen properties with 90 units remain active, 45 dedicated units and 45 incentive units.

In total, there are 101 dedicated units. Ninety four of these are rented to households qualifying as "very low income," the remaining 7 units are rented to households qualifying as "low income."

ANNUAL GENERAL ADJUSTMENT

The annual General Adjustment is a determination made yearly by the Board which allows all landlords to raise rents by a specified amount to keep pace with the increase in operating expenses.

For the 2000/01 Annual General Adjustment effective September 1, 2001, the Board used the "pie method" to analyze the increases in operating costs by the various components of the rent dollar. This is the same methodology that has been used over the last several years.

The Consumer Price Index, on which a large part of the calculations are based, rose 3.2 percent. In addition, gas rates for the average apartment in Santa Monica increased 56.9% over a two year period, and electricity rates were estimated to increase by 37% this year based on new rates authorized by the Public Utilities Commission. Therefore, a general adjustment of 4.2% was authorized.

As in prior years, the Board also set a maximum rent increase, or ceiling, of \$40, again determining that no more than that amount was necessary to allow owners of rent controlled properties to recover increased operating expenses.

In addition, the Board authorized a \$10 per month supplemental adjustment for buildings in which the owner pays for all electricity or both electricity and gas.

PETITIONS/HEARINGS

The Hearings Department receives cases involving Rent Increases, Rent Decreases, Excess Rent, contested Owner-Occupied Exemptions and Base Rents/Amenities determinations. In addition to conducting hearings in these areas, the Department also provides mediation as part of the Decrease and Excess Rent process, as well as with some matters not brought by petition.

***Increase Petitions** -- Property owners may petition the Rent Control Board for rent increases above the yearly general adjustment due to completed or planned capital improvements, lack of a fair return or increased operating expenses not covered by the general adjustments.*

In FY 2000/01, the Hearings Department received four (4) increase petitions. Hearing Officers issued decisions in two (2) cases and granted increases in both. One petition was dismissed, and one was withdrawn.

In addition, action was taken on two petitions received in the prior fiscal year. One of those petitions was dismissed, and a decision was issued denying an increase in the other case.

***Decrease Petitions** -- Tenants whose rental units need repairs or maintenance, or whose housing services have been reduced, may petition to have their monthly rent decreased. The tenant must first request 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 the owner makes required repairs or restores services for which a decrease was granted, the decreased amount is reinstated to the rent. When a decrease petition is filed, a settlement/mediation conference is scheduled to resolve the issues without a hearing, if possible.*

Cases Forwarded To Mediation 115

New cases received during FY 00/01	106	
Cases from prior FY	9	
Cases Fully Resolved	40	
Withdrawn or Dismissed	10	
Partially Resolved Mediation on-going	10	
Pending at end of year	2	
Referred to hearing	53	
<i>Partially resolved</i>	11	
<i>No resolution</i>	27	
<i>Declined mediations</i>	15	

Mediation was fully or partially successful in 69% of all decrease cases mediated during the fiscal year.

Received from Mediation for Hearing

53

Decreases granted	32
Decreases denied	4
Dismissed	1
Withdrawn	3
Pending	13

Decisions were issued in 36 cases. Decreases were granted in 32 of those petitions. Nine additional decisions were issued on petitions that were pending from the prior fiscal year. Decreases were granted in all 9 of those petitions.

Reinstatement of Decreases -- *Reinstatement of decreases occurs upon receipt of a Request for Proposed Addendum and verification that the conditions were corrected.*

In FY 00/01 the decreases in five of the 32 approved petitions were fully reinstated within the same fiscal year and partially reinstated in another eight (8) petitions. For prior year cases decided in 2000/01, decreases were fully reinstated in 6 cases.

Reinstatements also occurred for 17 decisions issued in prior years. Decreases were fully reinstated for 9 decisions and partially reinstated for the remaining 8.

Administrative Petitions -- *Administrative petitions may be filed when an individual decrease petition cites a common area problem such as a leaky roof, dangerous stairs, loss of laundry room, etc. Administrative petitions are filed on behalf of all tenants not covered by the individual decrease petition. If a decrease is warranted for the common area problem, all affected units may then be authorized to take such a decrease.*

During FY 00/01 an administrative decision was issued on a case filed in the prior fiscal year. Decreases affecting 25 units were authorized; those decreases were still in effect at the end of the fiscal year.

Base Rent Petitions -- *Any owner, former owner, tenant or former tenant of a property, or any Board Commissioner or the Board's Administrator may petition for a hearing to establish a correct rent or apartment/building amenities.*

In fiscal year 2000/01 eleven Base Rent/Amenities petitions were received by the Hearings Department – 6 related to base amenities and 5 related to base rents. During the current fiscal year ten of the eleven petitions were decided and petitioners' claims were approved. One was still pending at the end of the year.

Seven additional decisions were issued during fiscal year 2000/01 on petitions filed in the prior fiscal year. Those petitions all concerned base amenities. Petitioners' claims were approved in 5 cases and denied in two.

Excess Rent Complaints -- *Board regulations provide for a settlement phase prior to a hearing in excess rent complaints. The purpose of the settlement phase is to provide an expeditious mechanism for tenants and owners to meet and resolve their differences informally, with the assistance of a skilled intermediary. Unresolved cases are decided by a hearing.*

During FY 00/01, 33 complaints alleging excess rent were submitted and 2 complaints were submitted for non-registration.

Complaints are submitted but not filed for a variety of reasons including: the tenant has not shown a valid claim of excess rent; the property is not under the jurisdiction of the Rent Control Law, i.e., it has an owner-occupied exemption; or the tenant withdraws the complaint prior to filing in favor of going to court. Of the 35 complaints submitted, 4 were withdrawn and 3 were rejected.

Of the 28 complaints accepted for filing, 2 were resolved prior to formal mediation by owners paying tenants the amount of overcharge claimed by the tenant, 1 was withdrawn, and the 2 complaints for non-registration were dismissed when the owners registered. The remaining 23 complaints received in 2000/01 were forwarded to the Hearings Department for mediation, though only 20 were forwarded prior to June 30, 2001.

Excess Rent Mediations

The Hearings Department Mediator received 20 new cases during FY 00/01. Seven cases were resolved through the mediation process. Seven cases were sent to be resolved through hearing (participants declined mediation in two cases). Three cases were closed outside of mediation or hearings and three cases were in the settlement/mediation process at the close of the fiscal year.

Received for Mediation during FY 00/01	20
Settled/Resolved through Mediation	7
Cases closed	3
To Hearings	7
Pending	3

Excess Rent Hearings

The Hearings Department received 10 complaints for excess rent and non-registration. Eight of those complaints were referred from mediation (one of which was filed in the prior fiscal year). Two additional cases were for non-registration only.

During FY 00/01, decisions were issued in 22 excess rent cases (fourteen cases were received in the prior fiscal year, including 12 cases filed for the Village Trailer Park). In 16 cases, the excess rent violation was substantiated and rent withholding was authorized. In one case, the violation was substantiated but rent withholding could not be authorized as the tenant no longer occupied the subject unit.

Two cases were still pending at the end of the fiscal year. Petitioners withdrew 2 of the non-registration cases upon proper registration by the landlord. One excess rent case was withdrawn prior to issuance of a decision.

Non-Petition Mediations – *The Agency seeks to resolve landlord-tenant disputes other than those brought by petition. The case may arise through direct contact with an owner or tenant, or by referral from another staff member or City Department.*

The mediator handled 24 non-petition cases during the year. Eleven were resolved through mediation. In six cases mediation was declined following the intake process, and four cases were pending at the close of the fiscal year.

Seventeen of the cases arose from direct contact by members of the public. Eight of these cases came from owners, and nine from tenants. Seven cases were referred from within the Agency and the mediator made the initial contact. Of the 24 non-petition cases, nineteen cases involved parties who had participated in prior pre-hearing mediations, and twelve of those nineteen were post-hearing cases involving resolution of issues having to do with repairs ordered in rent decrease decisions.

Exemptions – *Although many owner-occupied exemption cases are decided without a hearing, there are occasions when a hearing is necessary. In these cases, questions of fact need to be decided in an evidentiary hearing. In many of these cases the exemption is contested by one or more tenants. Hearings may also be required in cases where a lapsed exemption is contested. The recommended decision is used by the Board to make a final determination on the exemption application.*

In FY 00/01, 5 new applications for owner-occupied exemptions required hearings. During the fiscal year, 6 recommended decisions were issued (one case was received in the prior fiscal year). The hearing officer recommended the exemption applications be granted in 2 cases and denied in 4 cases.

Construction Decrease Petitions and Common Area Construction Petitions – *On October 1, 1999, the Rent Control Board enacted regulations which help mitigate the impacts of certain construction activities on tenants residing in buildings undergoing substantial rehabilitation. The decrease amounts are based, in part, on length of time tenants experience problems, severity of the problems, and the specific impact on the petitioning tenants.*

In FY 00/01, no new construction-related decrease petitions were filed for individual units. However, there were sixteen petitions filed in the prior fiscal year still involved in the hearing process during FY 00/01. (The 16 petitions included one individual petition, one group of seven consolidated petitions, and a second set of seven petitions with a common area petition).

During the fiscal year, decisions were issued in fifteen of the petitions granting construction-related decreases in all fifteen cases. One petition was pending settlement at the end of the fiscal year

FEE WAIVERS

The Rent Control Board provides waivers of Rent Control registration fees to units occupied by their owners, subsidized by HUD (Section 8), or occupied by low-income tenants who are over 62 or disabled. There are also fee waivers for condominiums and single-family-dwellings on which rent restrictions have been lifted pursuant to the Costa-Hawkins' Act, for tenants participating in the City of Santa Monica TARP program, and in mobile home parks for units where tenants have signed long-term leases.

<u>Type of Fee Waiver</u>	<u>As of FY 2000/01</u>	<u>Change from Prior Year</u>
low-income senior	572	-44
low-income disabled	144	-3
owner-occupied	2,684	-41
single family dwelling	956	+130
HUD subsidized (Section 8)	669	-5
administrative	326	-5
mobile home	38	+13
seismic safety	0	-18
TARP	1	-1
Total fee waivers	5,390	+26

THE WORK OF THE RENT CONTROL BOARD BY DEPARTMENT

ADMINISTRATION AND PUBLIC INFORMATION DEPARTMENTS

◆	Rent Board meetings convened and staffed	20
	<i>regular meetings</i>	15
	<i>Special meetings</i>	5
◆	Number of people helped seeking information	20,576
	<i>number at counter (17%)</i>	2,953
	<i>number by phone (82%)</i>	17,206
	<i>number by e-mail (1%)</i>	417
◆	Rent Control web pages viewed	140,840
◆	Web page MAR's viewed	10,362
◆	Mass mailings produced and distributed	4
	<i>General Adjustment mailing</i>	1
	<i>(Includes City-wide MAR Report Mailing)</i>	
	<i>Newsletter</i>	2
	<i>MAR Postcards to Tenants</i>	1
◆	Clearance forms to submit development applications	198
◆	Demolition Permits processed	112
◆	Building Permits processed	366
◆	Property Registrations processed	277
◆	Vacancy Registration Forms Processed	3,667
◆	Registration fee payments processed	3,891
◆	Fee waivers processed	340
◆	MAR reports generated	76
◆	Petitions processed on in-take	150
◆	Excess Rent Prima Facie Determinations	28
◆	Small Claims litigation – fees collected	\$11,779
	<i>collection actions taken</i>	18
	<i>settlements entered</i>	9
	<i>registration fee suits filed</i>	0

HEARINGS DEPARTMENT

◆ Hearings held		98
<i>on rent increases</i>	5	
<i>on decreases</i>	62	
<i>on base rents and amenities</i>	8	
<i>on construction decrease petitions</i>	2	
<i>on complaints</i>	14	
<i>on exemptions</i>	7	
◆ Written decisions issued		113
◆ Addenda issued		46
◆ On-site investigations conducted		179
<i>upon scheduling decrease petitions</i>	65	
<i>in response to compliance requests</i>	24	
<i>regarding unit identification conflicts</i>	6	
<i>Ellis investigations</i>	55	
<i>research and measuring</i>	16	
<i>other, i.e., occupancy, unit use, etc.</i>	13	
◆ MARs updated due to decisions/addenda		1,040
◆ Drop-off letters generated		214
◆ Interpreter services provided (<i>Spanish</i>)		3

LEGAL DEPARTMENT

◆ Staff reports on appeal prepared		38 (on 78 cases)
<i>base amenity cases</i>	4 consolidated	
<i>decrease cases</i>	18 consolidated	
<i>increase cases</i>	3	
<i>earthquake increase cases</i>	3	
<i>excess rent complaints</i>	4 consolidated	
<i>vacancy increase cases</i>	1	
◆ Ellis withdrawals		40
<i>withdrawals processed</i>	26	
<i>returns to rental market processed</i>	14	
◆ Excess rent prima facie cases reviewed		28
◆ Exemption staff reports written or reviewed		36
<i>owner-occupied</i>	35	
<i>1815</i>	1	
<i>non-rental</i>	0	
<i>lapse</i>	0	
◆ Miscellaneous staff reports		1
◆ New or amended regulations prepared		34

◆ Litigation cases	20
◆ Pre-Litigation settlement agreements/Use agreements	4
◆ Officer of the Day requests responded to	1030
◆ Administrative records prepared	4
◆ Removal Permits – Category C	2

APPENDIX A

A map of the City areas and percentage of rental units in each are shown below:

- Area A 17%
- Area B 12%
- Area C 3%
- Area D 10%
- Area E 19%
- Area F 17%
- Area G 22%

