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SANTA MONICA  
RENT CONTROL BOARD  
ANNUAL REPORT

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JULY 2003 THROUGH JUNE 2004

Adopted February 3, 2005

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# SANTA MONICA RENT CONTROL BOARD ANNUAL REPORT

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JULY 2003 THROUGH JUNE 2004

## SIGNIFICANT DEVELOPMENTS

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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.

During the last year, from July 2003 through June 2004 the following occurred:

- ◆ A large part of the Hearings Department work in the last fiscal year arose from Regulation 3304, which authorizes owners to implement a one-time increase in the rent of a unit if the Board determines the tenant does not occupy the unit as his or her usual residence. The Board enacted the regulation in March 2003. After the Board was sued in November 2003, the Superior Court issued a preliminary injunction enjoining the Board from taking further action under the regulation. The regulation was amended in January 2004, allowing the Board, rather than the owners to set the new rents for tenants not in occupancy. The injunction was dissolved by the Superior Court in February 2004. During the fiscal year the Agency handled 110 of these petitions. Increases were granted in 41 cases and denied in 16. Thirty-four cases were withdrawn or dismissed, and 19 were pending at the end of the fiscal year.
- ◆ Exemptions from rent control are granted for properties with three or fewer units whose owners reside on the property and own at least 50% of the property. This fiscal year 37 properties with 84 units received these exemptions. However, all but 2 properties with 5 units were previously exempt properties.
- ◆ Effective January 1, 2004 legislative changes supported by the Rent Control Board became law:

Landlords must, within 21 days after the tenants terminate their tenancy, furnish tenants with either documentation of charges incurred to repair or clean

the apartment or a good faith estimate of the repair, along with the return of their security deposits and an itemized statement of all deductions made;

Landlords are potentially liable for damages up to \$5,000 if they serve a three-day notice or demand or collect rent from tenants of a unit which was uninhabitable and which had received a notice of violation from an enforcement agency if the violation remained uncorrected for 35 days prior to the notice or demand or collection of excess rent;

Landlords are potentially liable for a maximum of \$2,000 for each act of fraudulently taking a tenant's possessions, fraudulently appropriating a tenant's money, using force or threats of force, or violating laws concerning entering a tenant's unit in order to influence the tenant to leave the unit. Damages for retaliating against tenants for exercising their rights under state law were increased from \$1,000 to \$2,000 per act.

- ◆ There was a continued increase in the use of electronic information as the Agency pursued ways to increase communications with the public. During the fiscal year Rent Control e-mail communications from the public increased by 18%. There was also increased use by the public of the Rent Control web page and electronic database.

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## PUBLIC OUTREACH

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This fiscal year the Board published two issues of the newsletter, "Rent Control News" which is mailed to all tenants and owners. The November 2003 issue featured articles on maintenance of rental property and free Gas Company services. The March 2004 issue featured an article on a new school district parcel tax that may be passed through to tenants, as well as an explanation of prior existing surcharges. The issue also included an article on tenant protections in new security deposit laws.

In May 2004 a postcard listing the current registered maximum allowable rents was mailed to the occupants of each rent controlled unit in the City.

The June 2004 mailing to owners included reports of the current maximum allowable rents and entitlement to general adjustments for each unit. Almost 725 vacancy registrations were received in the month following the mailing, as compared to an average of 308 monthly filings throughout the rest of the year. This suggests that owners who previously failed to comply with the registration requirement did so in response to this mailing.

[www.santa-monica.org/rentcontrol](http://www.santa-monica.org/rentcontrol)

Interest in the Agency's Internet web site continued to grow this year. During the fiscal year the site received 96,635 web surfers who initiated 384,221 web page "hits." The maximum allowable rent (MAR) database, with rents for each controlled unit in Santa Monica, was accessed 21,870 times. Additionally, staff responded to approximately 558 e-mails, an 18% increase over the previous year.

As in prior years, Board members and Board staff attended community events and neighborhood meetings to provide information and answer questions. These included meetings with various neighborhood associations, community organizations, realtors and the Santa Monica Festival.

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### MARKET VACANCY INCREASES

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In March 2004, the Rent Control Board reviewed "The Impact of Market Rate Vacancy Increases – Five Year Report". The report covers five years of full vacancy decontrol-recontrol (January 1999 – December 2003).

The report detailed that since vacancy decontrol-recontrol began in January 1999, owners have increased the rents to market rate on 10,929 units. Although this represents a significant portion of the controlled rental units, the number of units rented at market rate for the first time has decreased each year since vacancy decontrol began: 3,192 units in 1999; 2,487 in 2000; 1,828 in 2001; 1,729 in 2002<sup>1</sup>; and 1,443 in 2003.

The impact of the increases on rents is summarized below.

- ◆ Upon re-rental, median MARs have increased from \$626 to \$924 (48%) for 0-bedroom units, from \$708 to \$1,231 (74%) for 1-bedrooms, from \$909 to \$1,641 (81%) for 2-bedrooms and from \$1,157 to \$2,109 (82%) for 3+ bedroom units.
- ◆ Depending on the number of bedrooms in a unit, the household income needed to "afford" the median market rent is \$17,000 - \$35,000 higher than the income needed to afford the median rent of the same size unit before vacancy decontrol.
- ◆ Vacancy increases on 10,929 units have resulted in the loss of 7,735 units that had rent levels formerly affordable to low-income households (80% of median income) including 4,547 units with rent levels formerly affordable to very low-income households (50 and 60% of median income).
- ◆ Market rate vacancies continue to be distributed throughout the city, roughly paralleling the distribution of all controlled rental units.

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<sup>1</sup> In 2002, market rate rent levels were also registered on approximately 250 unsold TORCA units. Taken together, first time market rate rentals were registered on 1,979 units in 2002.

- ◆ Market rate rentals have been distributed among 0, 1, 2 and 3 or more bedroom units in approximately the same proportion as their occurrence in the city as a whole.
- ◆ Once a unit is rented at market rate, the tenant has less incentive to stay in place and, therefore, the unit may have several tenants in a relatively short period of time. At the end of the fifth year, 42% of the units rented at market rate had turned over at least once since the first market rate rental.

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## CHANGES IN THE HOUSING STOCK

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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, 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.

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### TRACKING RESIDENTIAL DEVELOPMENT

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The Rent Control Board tracks residential development in the city using Planning and Building Department records and permits as well as rent control records<sup>2</sup>.

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### COMPLETED CONSTRUCTION

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The construction detailed in this section relates to developments that were completed in 2003/2004. It includes properties that either previously contained at least one controlled residential unit, or were previously non-residential, but were developed with residential units.

Eleven new developments containing a total of 173 new residential units were completed, replacing 49 previously rent-controlled residential units.

Condominiums      • Four properties that were previously Ellised and had contained a total of 14 controlled units were developed with 28 condominiums. All four properties paid in-lieu

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<sup>2</sup> All information related to new construction comes from the City's PERMIT system.

fees to the city to meet the City's affordable housing requirements.

Rentals

- Five properties which were previously Ellised and had contained 32 controlled units were developed with 135 new units. Of these new units, 26 units are deed-restricted to senior affordable housing (15 at very low and 11 at moderate incomes) and one unit is deed restricted to a very low income level.
- Two of the five properties met the City's affordable housing requirements by building units on-site. Two properties met the requirement by building units off-site, and one property paid in-lieu fees to the City.
- Two properties with a total of three units received Category C removal permits from Rent Control and were developed with 10 units. In-lieu fees were paid on both properties.
- 1 property which was formerly a parking lot and not under Rent Control was developed as a 90 bed assisted living facility for seniors. This property is not included in the residential development numbers listed by area.

The residential development described above was completed in five of the seven areas in the City:

<u>City Area</u>	<u>Units completed in FY 03/04</u>	<u>Rental Units previously removed from these sites</u>
<b>B</b>	<b>3</b>	<b>3</b>
<b>C</b>	<b>122</b>	<b>27</b>
<b>D</b>	<b>4</b>	<b>1</b>
<b>E</b>	<b>26</b>	<b>7</b>
<b>G</b>	<b><u>18</u></b>	<b><u>11</u></b>
<b>Total</b>	<b>173</b>	<b>49</b>

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**THE ELLIS ACT**

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During the period July 1, 2003 through June 30, 2004, 9 properties with 30 units completed the withdrawal process. Seven properties with a total of 26 units came back under rent

control after having been withdrawn. In addition, 1 property with a total of 2 units began the Ellis process but the request was withdrawn prior to completion.

Five properties with a total of 26 units that were pending withdrawal as of June 30, 2004, have subsequently completed the process.

As of June 30, 2004, a total of 318 properties with 1,497 units remained withdrawn from the residential rental housing market by way of the Ellis Act.

As of June 30, 2004, 88 formerly withdrawn properties, containing 428 units, returned to the rental housing market under rent control. These units are not included in the 1,497 units which remain withdrawn.

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## REMOVAL PERMITS

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*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. There are two types of removals which the Board may grant:*

- *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, 2003 through June 30, 2004, the Board granted two Category C removal permits for uninhabitable properties, or uninhabitable units on otherwise habitable properties. This resulted in the removal of 3 units.

No category D removal permits were granted.

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## EXEMPTIONS

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*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 49 declarations submitted for single-family dwellings stating that the structures were not rented on July 1, 1984. Five other single-family dwellings were approved for exemption under §1815 based on the owner's two year occupancy.

This year a project was undertaken to update the Board's records to accurately reflect the new construction status of post-1979 construction on various properties in the City. Nineteen (19) properties redeveloped during the 1980's and 1990's were investigated, and it was determined that 16 properties now contain condominiums (88 units), and three (3) have been re-developed with apartments (23 units). Prior to their current developments, 16 of these properties contained either non-rented single-family homes or two and three unit properties that received owner-occupied exemptions in the early years of rent control. Three properties that contained 8 controlled units received Category D removal permits. These 8 units were replaced with controlled units in the new developments.

**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 for which rent has never been collected since the beginning of rent control (non-rentals)

The following use exemptions were granted:

<u>Type of exemption</u>	<u>Number of properties</u>	<u>Number of units</u>
owner-occupied	37	84
non-rental	1	1

These exemptions do not all represent a loss of controlled rental units from the housing stock in 2003/04. Only two properties with a total of 5 units received owner-occupied exemptions for the first time. The balance of the owner-occupied properties had previous exemptions.

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#### SUMMARY OF CHANGES IN THE RENTAL MARKET

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<u>Activity</u>	<u>Reduction in controlled units</u>	<u>Increase in controlled units</u>	<u>Net change in controlled units</u>
Ellis activity	-30	+26	-4
Category C Removals	-3	0	-3
Category D Removals	0	0	0
New use exemptions	<u>-6</u>	<u>0</u>	<u>-6</u>
Total	-39	26	-13

# PROGRAM, POLICIES AND ADMINISTRATION

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## SIGNIFICANT LEGAL DECISIONS

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During fiscal year 2003-2004, one appellate court opinion was published in cases in which the Board was a party. In *Ocean Park Associates v. Santa Monica Rent Control Board* (2004) 114 Cal.App.4<sup>th</sup> 1050, the petitioner challenged Board decisions which awarded rent decreases under Regulation 4400 based on adverse impacts of construction at the property.

In this case, the property underwent prolonged, years-long construction during which the numerous construction projects left various common-area facilities unavailable for long periods of time and caused considerable disruption, fumes, dust, and noise. Several tenants filed construction decrease petitions, and the Board Administrator filed a common-area petition on behalf of the remaining units at the property.

The lawsuit asserted the decrease decisions were defective in numerous ways, including contentions that regulation 4400 is an unconstitutional intrusion on judicial power and that it does not advance the purposes of the Rent Control Law. The lawsuit also argued that the Board exceeded its authority under the Rent Control Law by filing the common-area petition on behalf of tenants who did not file their own petitions.

The appellate court upheld the validity of regulation 4400 and the rent decreases awarded to the tenants who filed their own decrease petitions. However, it held that the Rent Control Law does not authorize the regulation's provision allowing the Board Administrator to file common-area petitions on behalf of tenants who did not file their own petitions.

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## REGULATIONS

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In 2003/2004, the Board adopted, amended, or repealed 40 subdivisions of regulations, making changes to subpoena regulations to address privacy concerns, adding provisions for registration of habitable bootleg units under specified narrow circumstances, and updating general adjustment and registration fee regulations. In addition, the Board amended 12 regulations to correct references to section 1806 of the Rent Control Law, so that they reflect the renumbering and relettering of that section, done in the amendments to the law adopted by the voters in November 2002.

The Board amended several sections of Chapter 15, which covers subpoenas. These amendments provide for consumer notice and additional procedures to quash or modify the

subpoenas when personal records, such as employment, medical and banking records, etc. are sought.

The Board also amended regulation 3304, dealing with tenants not-in-occupancy. The amendments provide that the Board, rather than the landlord, set the new rent of units whose tenants are found to be tenants not-in-occupancy. They also set forth the method by which the Board determines the new rents in these cases.

In addition, new regulation 13008 sets forth standards for registration of units not registered prior to April 22, 2003. In order to register such a unit, the applicant must file a petition and demonstrate at a hearing that the unit is habitable and was a rental unit in 1978 or 1979, or that the unit was created by conversion after that time, and it conforms to the City's zoning and development standards. The City Council also adopted an ordinance waiving certain development standards (e.g. parking and setbacks) for habitable bootlegged units registered with the Board prior to April 22, 2003.

Finally, the Board adopted or amended various regulations regarding registration fees and other surcharges, as well as adopting the September 2004 general adjustment regulation authorizing a 1.3% rent increase. The Board amended regulation 11200 to exclude seniors and disabled persons who live in a rental unit owned by a close relative from obtaining a registration fee waiver. Amendments to that regulation also require that gross household income of applicants seeking registration fee waivers include a percentage of the value of assets owned by the household in excess of \$100,000, and they require documentation of household assets as well as household income. The Board also adopted regulation 3107, allowing owners to pass through to tenants their unit's proportionate share of the annual cost of the School District Qualified Special Tax Surcharge actually paid by the owner.

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## LANDLORD-TENANT LEGISLATION

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The state legislature made important amendments to landlord-tenant laws effective January 1, 2004.

SB 90 amended Civil Code section 1950.5, which requires landlords to return tenants' security deposits and give them an itemized statement of all deductions made within 21 days after tenants terminate their tenancy. The amendment mandates that, in addition to the itemization, landlords must furnish tenants with documentation showing charges incurred to repair or clean the apartment. It specifies the type of documentation required, including bills, invoices, and receipts, and it also requires disclosure of the name, address, and telephone number of the person or entity performing the work. If the work is not complete or the documentation not in the hands of the landlord at the time the itemization and return of the security deposit is required, the landlord may provide a good faith estimate of the charges and give the tenant the documentation within 14 days of completing the repair.

In addition, SB 345 amended Civil Code section 1954, which governs written notice of entry into rental units by the landlord and the landlord's agents and workers. The amendments specify information required on the notice of entry, including the date, approximate time,

and purpose of the entry. If the tenant and landlord agree orally that the landlord may enter to make agreed repairs, written notice is not necessary. Written notice is also not required to respond to an emergency or if the tenant is present and consents to the entry at the time of entry.

Before AB 647's amendment to Civil Code section 1942.4, landlords were liable to tenants for \$1,000 if they demanded or collected rent from them for a unit which was uninhabitable and which had received a notice of violation from an enforcement agency if the violation went uncorrected for 60 days prior to the demand for or collection of rent. The amendments increase the potential damages to \$5,000 and reduce the time period for the continued existence of the uncorrected citation to 35 days. They also add the service of a three-day notice to the list of prohibited actions while habitability violations remain unabated. The remedies in this code section are in addition to other remedies.

Finally, AB 1059 added Civil Code 1940.2, which authorizes a maximum of \$2,000 for each act of a landlord in fraudulently taking a tenant's possessions, fraudulently appropriating a tenant's money, using force or threats of force, or violating laws concerning entry of the tenant's unit in order to influence a tenant to leave the tenant's unit. The code section clarifies that it does not enlarge or diminish the ability of a local government to prohibit harassment. The bill also amended Civil Code section 1942.5 to increase damages from \$1,000 per act to \$2,000 per act for acts by the landlord retaliating against tenants for exercising their rights under the Civil Code.

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## INCENTIVE HOUSING PROGRAM

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*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 thirteen years the program was in effect, the Rent Control Board approved 42 contracts. Four of the contracts were subsequently withdrawn. Two were terminated by the Board. The remaining thirty-six contracts have now expired, the last in July 2003. Although there are no longer any active contracts, the rent level restrictions for tenants who qualified for dedicated units remain in place; 56 of these are rented to households qualifying as "very low income." The remaining 19 units are rented to households qualifying as "low income."

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## ANNUAL GENERAL ADJUSTMENT

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*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.*

The Board approved a 2004-05 general adjustment of 1.3% with a maximum increase of \$20.

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## PETITIONS/HEARINGS

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The Hearings Department receives cases involving Rent Increases, Rent Decreases, Excess Rent, contested Owner-Occupied Exemptions, Petitions for Tenants Not in Occupancy, 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 2003/04, the Hearings Department received three (3) increase petitions. All three were pending at the end of the fiscal year.

In addition, one decision was issued on a petition received in the prior fiscal year. No increases were granted in that case. One increase petition was withdrawn.

***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.

<u>Decrease Cases sent to Hearings from Mediation</u>	33
Decreases granted	19
Decreases denied	2
Dismissed	1
Withdrawn	4
Pending at end of year	7

Decisions were issued in 21 cases. Decreases were granted in 19 of those petitions. In addition, three decisions were issued granting decreases on petitions that were pending from the prior fiscal year. Three other petitions pending from the prior fiscal year were withdrawn.

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

In FY 2003/04 the decreases in 2 of the 19 approved petitions were fully reinstated within the same fiscal year and partially reinstated in another 6 petitions. For cases decided in prior years, decreases were fully reinstated in 8 cases and partially reinstated in 3 cases.

**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 FY 2003/04 four Base Rent/Amenities petitions were received by the Hearings Department, three for base amenities determinations only, and one for rent and amenities. Two of the petitions were withdrawn, and decisions were issued in the other two. In addition, a decision was issued on one Base Rent/Amenities petition filed in the prior fiscal year.

**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 fiscal year 2003/04, 33 complaints alleging excess rent were submitted.

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, e.g. it has an owner-occupied exemption; or the tenant withdraws the complaint prior to filing in favor of going to court. Of the 33 complaints submitted, 9 were withdrawn.

Of the 24 complaints accepted for filing, 2 were resolved prior to formal mediation by owners paying tenants the amount of overcharge claimed by the tenant. The remaining 22 complaints received in 2003/04 were forwarded to the Hearings Department for mediation.

During FY 2003/04 eight new complaints alleging excess rent were received for hearing. Five of these complaints were referred by the mediator, while the other three went directly to hearing without mediation. Excess rent was substantiated in five cases, and three were pending at the end of the fiscal year.

In addition, twelve decisions were issued on complaints received by the Hearings Department in the prior fiscal year. Ten of the twelve were filed by tenants in the Village Trailer Park. Excess rent was substantiated in all twelve cases. Two cases from the prior fiscal year were dismissed, and one was withdrawn.

**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 2003/04, 2 new applications for owner-occupied exemptions were referred to the Hearings Department. During the fiscal year recommended decisions were issued in both cases. The hearing officers recommended that both be denied.

***Tenants not in Occupancy*** -- In March 2003, the Board adopted Regulation 3304. This regulation allows for a one-time increase to market level for units the tenant does not occupy as his/her usual residence of return. In November, 2003 the Court issued a preliminary injunction in the case of *Bisno v. Santa Monica Rent Control Board* (LASC SC077533). The Board was enjoined by the Court to take no further action under Regulation 3304. The Regulation was amended in January 2004, allowing the Board, rather than the petitioners in those cases to set the new rents for tenants not in occupancy. The injunction was dissolved by the Court in February 2004, and the Board resumed hearing and deciding cases under amended Regulation 3304.

When a tenant not in occupancy case ("N" case) is accepted for filing, the petition is either handled administratively (dismissed, withdrawn or, if uncontested, an administrative decision is issued by the Hearings Department) or a hearing is held.

During fiscal year 2003/04 the Agency handled 110 of these petitions. 48 of the 110 petitions were newly filed in 2003/04. Forty (40) petitions had been received by the Hearings Department in the prior fiscal year. Twenty-two (22) of the petitions were still awaiting determination as to whether they would be handled administratively without a hearing or would be scheduled for hearing.

Of the 110 petitions, 74 were assigned for hearings, while 31 were handled administratively during the fiscal year. Five had not yet been assigned to either category when the fiscal year ended. Of the 74 cases assigned for hearings, decisions were issued in 45 cases. Increases were granted in 29 cases and were denied in the remaining 16. Fifteen cases were withdrawn and 1 was dismissed. Fourteen were pending at the end of the fiscal year. Of the 31 cases handled administratively, decisions (no hearing required) granting increases were issued in 12 cases, 18 were dismissed, and one was withdrawn.

## **Mediations**

Rent decrease and excess rent cases are usually referred to the Rent Control Board's mediator before they are set for a hearing. The mediator has been very successful in settling a large percentage of these cases, either in whole or in part. This has resulted in the need for hearings in far fewer cases and in simplification of the issues that do ultimately require a hearing. There are also a number of landlord-tenant disputes other than those brought by petition which are referred to the mediator through direct contact with landlord or tenant or referral from another staff member or City department.

Of the 57 decrease petitions forwarded for mediation, 7 were still pending at the end of the fiscal year, 3 declined mediation, 1 was withdrawn and 1 dismissed. Mediation was fully or partially successful in 84% of the remaining 45 cases.

Twenty- two excess rent petitions were referred for mediation (one of these was filed in the prior fiscal year). Three cases were still being mediated at the end of the fiscal year. One complainant declined mediation. The remaining 18 excess rent cases were mediated; 72% were resolved through the mediation process.

### ***Non-Petition Mediations***

The mediator handled 25 non-petition cases during the year. Twenty-two of these cases arose in this fiscal year, and three were unresolved at the end of the last fiscal year. Nine of the cases were resolved through mediation. Three cases were pending at the end of the fiscal year. Four were not resolved through mediation. Six were closed due to failure of the parties to participate in mediation. Three were referred to other agencies because no remedy was available under the Rent Control Law.

All of these cases came from direct contact with members of the public. Six of these cases came from an owner, and nineteen from tenants.

Of the 25 non-petition cases, eleven cases involved parties who had participated in prior pre-hearing mediations.

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### **FEE WAIVERS**

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The Rent Control Board provides waivers of Rent Control registration fees to units occupied by their owners, subsidized by HUD (Section 8 or HOME program), 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 6/30/04</u>	<u>Change from Prior Year</u>
low-income senior	450	-28
low-income disabled	137	0
owner-occupied	2,573	-51
single family dwelling	877	+103
HUD subsidized (Section 8)	843	+87
HOME program	47	+47
administrative	349	+12
mobile home	9	-15
TARP	1	-0
Total fee waivers	5,286	+155

# THE WORK OF THE RENT CONTROL BOARD BY DEPARTMENT

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## ADMINISTRATION AND PUBLIC INFORMATION DEPARTMENTS

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◆	Rent Board meetings convened and staffed	20
	<i>regular meetings</i>	<i>16</i>
	<i>special meetings</i>	<i>4</i>
◆	Number of people helped seeking information	20,282
	<i>number at counter (15%)</i>	<i>3,053</i>
	<i>number by phone (82%)</i>	<i>16,671</i>
	<i>number by e-mail (3%)</i>	<i>558</i>
◆	Rent Control web pages viewed	384,221
◆	Web page MAR's viewed	21,870
◆	Mass mailings produced and distributed	4
	<i>General Adjustment mailing</i>	<i>1</i>
	<i>(Includes City-wide MAR report mailing)</i>	
	<i>Newsletter</i>	<i>2</i>
	<i>MAR Postcards to Tenants</i>	<i>1</i>
◆	Clearance forms to submit development applications	170
◆	Demolition Permits processed	94
◆	Building Permits processed	121
◆	Property Registrations processed	483
◆	Vacancy Registration Forms Processed	3,706
◆	Registration fee payments processed	3,743
◆	Fee waivers processed	333
◆	MAR reports generated	40
◆		
◆	Petitions processed on in-take	134
◆	Excess Rent Prima Facie Determinations	33
◆	Small Claims litigation fees collected	\$18,200
	<i>collection actions taken</i>	<i>19</i>
	<i>settlements entered</i>	<i>5</i>
	<i>registration fee suits filed</i>	<i>3</i>

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HEARINGS DEPARTMENT

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◆ Hearings held		91
<i>on tenant not in occupancy petitions</i>	41	
<i>on rent increases</i>	9	
<i>on decreases</i>	29	
<i>on base rents and amenities</i>	3	
<i>on complaints</i>	7	
<i>on exemptions</i>	2	
◆ Written decisions issued		104
◆ Addenda issued		29
◆ On-site investigations conducted		163
<i>upon scheduling decrease petitions</i>	42	
<i>in response to compliance requests</i>	29	
<i>regarding unit identification conflicts</i>	4	
<i>Ellis investigations</i>	16	
<i>Exemption investigations</i>	2	
<i>Occupancy, unit use, residence verification, etc.</i>	10	
<i>Other, i.e., measuring, service of documents, etc.</i>	5	
<i>N-petition on-sites</i>	55	
◆ MARs updated due to decisions/addenda		631
◆ Drop-off letters generated		125
◆ Interpreter services provided		2
◆ Excess Rent Prima Facie Cases Reviewed		29
◆ Tenant Not in Occupancy Prima Facie Cases Reviewed		65
◆ Tenant Not in Occupancy dismissal letters written		18
◆ Exemption staff reports reviewed		40

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LEGAL DEPARTMENT

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◆ Staff reports on appeal prepared		37
<i>base amenity cases</i>	<i>1</i>	
<i>decrease cases</i>	<i>9</i>	
<i>increase cases</i>	<i>0</i>	
<i>excess rent complaints</i>	<i>13</i>	
<i>tenant not in occupancy cases</i>	<i>14</i>	
◆ Ellis withdrawals		25
<i>withdrawals processed</i>	<i>18</i>	
<i>returns to rental market processed</i>	<i>7</i>	
◆ Excess rent prima facie cases reviewed		2
◆ Exemption staff reports written or reviewed		4
<i>owner-occupied</i>	<i>3</i>	
<i>1815</i>	<i>0</i>	
<i>non-rental</i>	<i>1</i>	
◆ Miscellaneous staff reports written		19
◆ New or amended regulations prepared		52
◆ Board meetings staffed		20
◆ Small claims cases advisory		2
◆ Litigation cases		14
◆ Amicus briefs filed		3
◆ Officer of the Day requests responded to		672
◆ Infoco Meetings Advisory		29
◆ Administrative records prepared		3
◆ Removal Permits		2
Category C	<i>2</i>	
Category D	<i>0</i>	
◆ Agreements Written		1
◆ Occupancy Permits Advisory		10
◆ Responses to subpoenas and Public Record Act requests served on Agency		13
◆ Consultations with planning and City Attorney staffs		96

APPENDIX A

A map of the City areas and percentage of rental units in each as of 6/30/04 are shown below:

- Area A 17%
- Area B 12%
- Area C 4%
- Area D 10%
- Area E 19%
- Area F 16%
- Area G 22%

