



SANTA MONICA RENT CONTROL BOARD

ANNUAL REPORT

1987

**Santa Monica Rent Control Board
Annual Report**

1987

INTRODUCTION

Nineteen eighty-seven was a year of challenges, successes, and the beginning of future directions.

- The greatest effort and most resources were devoted to the successful completion of the state-mandated Petris Project, certifying maximum allowable rents for every controlled unit in Santa Monica.

- The demographic study commissioned by the Board showed that the Rent Control Law has had a continuing positive impact in terms of protecting affordable rental housing for age, income and ethnic groups. These tenants might not have been able to live in Santa Monica if there had been no rent control.

- Several legal challenges that would have weakened rent control were defeated in the courts.

- The Board began the development stages for implementing an inclusionary housing program for existing units. Such an innovative program, as outlined in the 1984 Charter Amendment, would provide financial motivation for landlords to maintain and improve their properties while increasing the number of much-needed affordable rental units specifically targeted for low-income people.

The Agency also determined that the number of controlled units was diminishing for a variety of reasons including owner-occupied exemptions, Ellis Act withdrawals, and TORCA (Tenant Ownership Rights Charter Amendment) removals.

SPECIAL PROJECTS FOR 1987

The Petris Project

The major effort that consumed the Rent Control Agency in 1987 was the successful completion of the Petris Project.

Effective January 1, 1987, The Petris Act (SB 2580) required California rent control agencies which registered rents to certify maximum allowable rents (MAR's) for every controlled rental unit in the city. The act also required: 1) providing a hearing procedure for property owners and tenants who had factual reasons to object to the rent certified, and 2) removing any punitive actions against landlords who, after being informed of their noncompliance with the Rent Control Law, have substantially complied with the law. The Petris Act required completion by January 1, 1988.

Because the consequences of certifying rents were so great for both landlords and tenants (if unappealed within 30 days or upon final determination by the Board, the certified rents would not be open to contest except for fraud or misrepresentation), the Board placed great importance on accuracy. Each rent was painstakingly researched and reviewed prior to certification; each objection petition was resolved by a calculation conference or a hearing.

The amount of work was staggering, especially given the time restrictions. The costs of performing the work were very large. Below is detail on the scope of the project and its costs.

Chronology

August 1986:

- Petris Bill passes Legislature.

September 1986:

- Because the Agency anticipated passage of the legislation, and because it had planned to certify rents in any case, work on the project begins immediately.
- The Legal Department begins writing regulations to comply with the Petris Act. They amend parts of Regulation chapters 3, 11 and 13 [Sections 3000(c); 3002(d); 3003(d); 3004(d); 3005(d); 3006(d); 3007(e); 3008(e); 4038(b); 11001(c)(2); 11002(f)(2); 11003(f)(2); 11004(f)(2); 11005(f)(2); 11007(f)(2); 13005 and 13006].

- Information Systems staff begin researching and calculating maximum allowable rents on all units.

- Agency staff begin regular meetings to determine an effective integration of work among departments and timeline to complete all work by the deadline of January 1, 1988.

December 1986:

- Court affirms authority of Rent Control Board to determine base rents on managers' units (Weinberg v. SMRCB).

March 1987:

- Staff attorney transfers to Hearings department to manage all operations on Petris objection petitions.

- Information Systems Department sends out first certification letters.

June 1987:

- Hearings Department holds first calculation conferences and hearings.

October 1987:

- Information Systems Department sends out last batch of certification letters.

December 1987:

- Aside from continuances, Hearings Department sends out last decisions on calculation conferences and hearings on objection petitions.

Accomplishments

Information Systems:

- Researched and calculated MAR's on approximately 20,000 units with a petition history.
- Identified and researched 2,176 decrease petitions.
- Re-programmed computer to produce letters which were mailed to 39,915 tenants and 7,638 landlords.

- Sent out certification letters in series of 26 separate mailings.

- Researched 1,071 correct addresses for returned mail; remailed letters.

Hearings Department:

- Processed 2,448 objection petitions (by property, the majority of which were filed by landlords.)
- Scheduled and sent out notices for each resulting calculation conference and hearing.
- Held 122 calculation conferences.
- Held 374 consolidated hearings.

Costs

The Petris Project entailed a large expenditure of Agency funds and resources, spanning several years. The work began in fiscal year 1986/87 and ended in fiscal year 1987/88, but the residual effects will be felt for at least two additional fiscal years.

Staffing: To perform the work of the Petris Project, it was necessary to hire 23 additional temporary staff including six Information Coordinators to calculate MAR's and respond to inquiries, two Administrative Analysts to conduct calculation conferences, one Assistant Hearings Department Manager, one Staff Attorney to work on appeals, and 13 clerical staff. To this were added ten Hearing Examiners who worked on a contract basis.

The work also impacted current staff, in some cases taking as much as 90% of their time, which would have been spent on other projects and services.

In FY 86/87 it is estimated that \$620,835 in salaries and benefits were related to the Project. In FY 87/88 approximately \$590,080 can be attributed to Petris.

Supplies and Expenses: The Project necessitated large expenditures on Supplies and Expenses -- from typewriter ribbons, paper for decisions, printing and postage for mailing out certification letters, to rent for additional space to house the project at the Hearings Department. This category of expenditure includes the payments to the contract hearing examiners mentioned above.

It is estimated that Petris-related expenditures were \$82,663 in FY 86/87 and \$264,491 in FY 87/88.

The City of Santa Monica performs work for the Agency such as processing payroll and warrants, and performing maintenance to the facilities. These costs are not reflected until two

years after they are actually incurred. The result is that the Agency will still be paying Indirect Expenses necessitated by Petris two years after the Project ended.

Capital Outlay: Because of the size of the project, it was necessary to obtain more equipment to supply the temporary staff. In most cases it was more cost-effective to purchase equipment (some of it renovated) than to rent or lease. These items included computer terminals, recording equipment for hearings, desks, chairs, and another large copier. Also included in this category was approximately \$20,000 to renovate space in the Hearings Department to accommodate the Petris-related requirements.

Capital outlay costs were \$69,534 in FY 86/87 and \$34,406 in FY 87/88 for Petris-related expenditures.

Cost Summary: Estimates indicate that the Petris Project cost the Agency \$773,032 in FY 86/87 and \$888,997 in FY 87/88, with an expected \$152,462 in future years.

In spite of the fact that this work was mandated by the State Legislature, the State provided no funds in the legislation and denied rent control agencies access to normal state-mandated program reimbursements. This left the financial burden to be borne by the Agency.

In FY 86/87 the Agency exhausted its entire reserve covering the additional costs. In FY 87/88 the Agency borrowed \$700,000 from the City of Santa Monica to help defray the costs over a longer period. It is necessary, however, to repay the loan over the next two years.

Demographic Study: "Impacts of Rent Control Upon Santa Monica"

In 1987 the Board sought a clear assessment of the issue of whether or not Santa Monica's Rent Control Law is benefitting those people who need affordable housing. The Planning Group, a Los Angeles-based demographic firm, was hired and in August produced a report, "The Impacts of Rent Control Upon Santa Monica."

That report concluded that rent control has served and is serving the populations it was intended to serve. The report showed that rent control has:

- maintained the rental housing stock,
- protected the affordability of rental housing stock,
- kept the population diverse,
- cut down on disputes between landlords and tenants,
- allowed maintenance and condition of apartment units to remain fairly stable.

A random sample of Santa Monica tenants were surveyed. The 1987 findings were compared to results of a similar survey from 1979, the first year of rent control in Santa Monica.

In summary, they found:

- Compared to rent levels in Los Angeles County, rent control has represented an average savings of \$160 a month to Santa Monica tenants. Rent payments on controlled units average slightly more than 30% of household income, a standard established by H.U.D. as a national goal for a maximum affordable rent level.
- There is no support for the "gentrification" theory that higher income persons are replacing lower-income tenants. In fact, the income distribution of renter households is the same as it was in 1979. The proportion of lower-income households has increased slightly, said the report. Only at the highest end of the income scale has there been an increase in the number of households since 1979, some of which occupy non-rent-controlled units.
- Relations with landlords have stabilized, showing no deterioration in personal relations, and a definite decline in disputes.

- The tenant population has become a little older than it was in 1979. Demographers found the proportion of elderly population in Santa Monica is higher than they would have projected, while the proportion of children is lower.
- Demographic composition of Santa Monica rents has remained relatively stable. That is, the average size and composition of households have remained constant.
- Although there has been some deterioration in the condition of less than 20% of units, maintenance and condition have been fairly stable since 1979. More than half the tenants surveyed reported "good" to "very good" maintenance of their units and buildings.
- The rental housing stock is essentially the same as it was in 1979. Approximately the same percentage of renters live in apartments as lived in them in 1979; about the same percentage live in condos; a few more rent single-family dwellings.
- Length of residence for renters has increased considerably compared to 1979. Further, about 71% of Santa Monica's renters moved into their units since rent control took effect in 1979.
- Nevertheless, despite a fairly stable income distribution, both black and hispanic populations of renters have declined somewhat in Santa Monica. The Planning Group viewed this decline as part of a West Los Angeles trend.
- The way renters find apartments has changed: often through personal contacts rather than responding to a sign or ad. There has also been a steady increase in the number of extra move-in fees and charges to new renters.

Inclusionary Housing Program

The 1984 Charter Amendment passed by Santa Monica voters included a provision [§1805(i)] for 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."

Such a housing program entails a trade-off: one unit (inclusionary unit) set aside for low-income or very-low-income tenants¹ at rents they can afford in exchange for one unit (incentive unit) on which the landlord can raise the rent by a fixed amount designated by the Board.

Motivated by a desire to increase the number of units affordable to low-income people, the Rent Control Board hired Gary Squier & Associates to study ways of implementing an inclusionary housing program in Santa Monica. Although there is precedent for such programs in new construction, this would be the first inclusionary program to be put into place with existing housing.

Squier and his colleagues met with landlords and tenants together and separately to discover the priorities and concerns of both groups regarding an inclusionary housing program. Tenants tended to be most concerned that inclusionary housing might mean the end of vacancy control and that they would be harrassed to move so the owners could raise rents on incentive units. Landlords' primary concern was achieving market-value rents (or something close to that) in their Santa Monica apartment buildings.

The study team met periodically with the Board members who gave direction with their concerns and priorities. In summary, the following was the team's recommendation which is expected to form the basis of regulations for a pilot program in 1988 or 1989:

- The program would be voluntary. Only those property owners who volunteer would take part in the pilot program.

¹ *Low-income* is a H.U.D. (Department of Housing and Urban Development) classification for people whose total household income is between 50 and 80% of the Los Angeles County median income. *Very-low-income* (also a H.U.D. designation) refers to those whose total household income comes to less than 50% of that median income. Both of these figures are adjusted for family size.

- Inclusionary units may be targeted for very-low-income tenants or low-income tenants or both.
- Rent for inclusionary units would be adjusted annually at 75% of the general rent adjustment.
- To be eligible as an incentive unit, that unit would have to be voluntarily vacated. The Board has requested that staff build into the regulations strong protections against eviction and harrassment of tenants.
- The rents could be raised (incentive amounts added) one time only per incentive unit:
 - \$475 above the current monthly rent in exchange for a very-low-income inclusionary unit
 - or
 - \$275 added for a low-income unit.
- All units in participating buildings would have to brought up to standards.¹ The study team recommends, however, that owners be allowed to elect to phase in standards B and C at the rate of 3 units per year.
- The rents for inclusionary units would depend on income and upon the number of bedrooms in the unit. The following are considered ceiling rent levels. If the current legal rent is already lower, it would not be raised on an inclusionary unit.

| | <u>low</u> | <u>very low</u> |
|------------|------------|-----------------|
| 0 bedrooms | \$373 | \$248 |
| 1 bedroom | \$426 | \$284 |
| 2 bedrooms | \$506 | \$337 |
| 3 bedrooms | \$578 | \$385 |

At the end of 1987, a committee of Rent Control staff members was asked to write regulations to implement such an inclusionary housing program.

¹Standard A Any and all repairs necessary to bring a unit up to all applicable building, housing and health codes.
 Standard B Painting unit interiors.
 Standard C All plumbing and appliances provided by owner brought to good working order.

Microfiche Project

Massive as the Petris Project was, it was not the only major effort undertaken by the Information Systems Department in 1987. Finding space to store files is one of the biggest problems of keeping records on all the controlled properties in Santa Monica; the solution the Information Systems department chose was to microfiche those records.

Microfiche is a filmed record that is stored on what looks like a 4"x6" card of negative film paper. Most property files—even ones which were several inches thick—fit on one or two fiche cards. Over the course of many months in 1987 and continuing into 1988, Information Systems staff worked to film the more than 9,000 property files. Temporary staff was hired to organize and oversee the records-management project.

The sizes of property files varied, but averaged 35 pages per file. Average preparation time for filming was six files per hour; average filming time was 222 shots per hour.

The original property files are now stored at a warehouse. In the form of microfiche, Information Coordinators have much easier access to information as they discuss the properties with the many tenants, landlords and management companies that call or come into the agency with questions every day.

SIGNIFICANT DEVELOPMENTS IN 1987

Changes in the Housing Stock

Introduction

Prior to 1987 the Rent Control Board used a figure of 32,000 to represent the number of billable controlled rental units in the city. As a result of the clean-up of the database that was accomplished through the Petris Project, the Agency found a substantial erosion in the number of units.

Some of the erosion is attributable to the Charter Amendment and regulations. Use and permanent exemptions, as well as removals, were anticipated in the Charter. In other cases, however, units are being lost as a result of legislative action or initiatives that did not originate in the Agency. These actions include the Ellis Act and TORCA removals.

The Ellis Act

Since the Ellis Act became law in July 1986 many residential rental units have been lost. Much of this loss occurred right after the legislation went into effect, but significant Ellis withdrawal activity also took place during 1987.

| | <u>total through 1986</u> | <u>number in 1987</u> | <u>total through 1987</u> |
|---|---------------------------|-----------------------|---------------------------|
| Total Notices of Intent to Withdraw ¹ Accepted | 26 | 19 | 45 |
| Conformed Notice of Withdrawal ² Served | 17 | 18 | 35 |
| <hr/> | | | |
| Total Units Affected | 175 | 105 | 280 |
| Occupied Units | 104 | 75 | 179 |
| Vacant Units | 71 | 30 | 101 |
| Eviction Notices Served to Units | 46 | 44 | 90 |

¹This *Notice of Intent* must be filed with the Rent Control Board at least 30 days before actually filing a Notice of Withdrawal with the Los Angeles County Recorder's Office. Number represents properties.

²This is a copy of the *Notice of Withdrawal* filed with the County Recorder's office. Number represents properties.

One of the reasons that owners withdraw residential rental units under the Ellis Act is to change the use of those units. The Rent Control Board has maintained, however, that the Ellis Act does not allow changing the use of a property, but allows only withdrawing it from the rental market. The Rent Control Law and Board regulations [§1803(t) and Chapter 5] require the owner to apply for a removal permit from the Rent Control Board to change the use of the property. The Board restricts changing the use of residential rentals in order to maintain the stock of rental housing.

The City and the Rent Control Board have been involved in litigation about the use of "Ellis" buildings. These cases are still pending.

Tenant Ownership Rights Charter Amendment

In 1984 Santa Monica voters approved the Tenant Ownership Rights Charter Amendment (TORCA). Under its provisions, an apartment building may be converted to condominiums if a sufficient number of current tenants approve the conversion and agree to purchase their units. Protections are built in for tenants who do not wish to purchase their units.

In 1987 tract maps were approved for 16 properties, representing 110 units. Though not all units are lost to rent control immediately, they will eventually no longer be controlled rental units.

Removals

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. In 1987, the Board granted 16 removal permits allowing the removal of 209 units from the rental housing stock.

- 115 units on two retirement hotel properties were removed on the basis of Category B qualification: these hotels provided full board and other hotel services, the owners of these properties could not make a fair return on the properties even with all permissible increases in the MAR(Category B qualification).
- 43 units were affected by the eight Category C removal permits that were granted. Category C is those properties judged uninhabitable and not capable of being rehabilitated in an economically feasible manner.

- 19 units were affected by the six Category D removal permits granted. Category D permits removal for purpose of developing the property with new multi-unit dwellings. The developer is required to replace the removed controlled units with an equal number of controlled rental units. In addition, at least 15% of the new units must be affordable to low-income tenants. Thirteen controlled units had been replaced by the end of the year.
- There was another kind of removal that Board regulations did permit: a removal of an owner-occupied building of up-to-three units. These removals were permitted under certain conditions specified in the regulation (§5017)¹. During 1987 there was a loss of 32 units as a result of the granting of 20 of these removals (called Letters of Exemption for Purpose of Removal).

Exemptions

The Rent Control Law applies to all residential rental units in Santa Monica, except for those which the Charter exempts under a number of different criteria. There are two kinds of exemptions from rent control: 1) use exemptions; that is, the owner retains the exemption until the criteria for which the exemption is granted no longer apply and 2) permanent exemptions. Permanent exemptions are granted for single family dwellings not used as rentals and for new construction. During 1987, 22 exemptions were granted for new construction, affecting 114 units; 998 single family dwellings were granted permanent exemptions according to the §1815 provisions of the Charter. These units were never under rent control and the exemption was simply an agency documentation of that fact. Twelve other single family dwellings—which had been formerly used as rentals but then owner-occupied for two years—were also exempted under §1815.

Use exemptions are granted for units used as follows:

- Rental units in buildings having up-to-three units, one of which is occupied by the owner;
- Residential units which have never been rented or for which rent has never been collected since the beginning of rent control (called non-rentals);

¹Early in 1988, the Board revoked Board Regulation §5017. Litigation challenging that action is pending.

- Rental units in hotels, motels, rooming and boarding houses which are rented to transient guests for fewer than 14 days;
- Rental units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged;
- Rental units which a government agency owns, operates, manages or subsidizes, under certain conditions.

During 1987, use exemptions were granted as follows:

| <u>type of exemption</u> | <u>number of units affected</u> |
|--------------------------|---------------------------------|
| owner-occupied | 343 |
| non-rental | 33 |
| hotel | 33 |
| asylum | 2 |
| non-profit | 5 |
| Total | <u>416</u> |

Exemptions granted account for a loss from the housing stock of 416 rent controlled units.

Unit Summary

In 1987 a total of 852 units were lost from the stock of controlled rental units . These include:

| | |
|----------------------|------------|
| Ellis removals | 105 |
| TORCA removals | 110 |
| Category B removals | 115 |
| Category C removals | 43 |
| Category D removals | 19 |
| §5017 removals | 32 |
| Permanent Exemptions | 12 |
| Use Exemptions | <u>416</u> |
| Total Units | 852 |

By the end of the year, 13 units had been replaced, two of which are targeted for low-income tenants.

Separate Agreements

During the latter part of 1986, the Board received many communications from tenants who had experienced sudden and sharp rises in parking costs. Some landlords raised parking fees by \$5 to \$100 per month at the time of the general rent adjustment. This activity led groups of tenants to request that the Rent Control Board regulate parking charges.

The Board held several public hearings on parking problems; a questionnaire in the Rent Board News surveyed parking charges and problems in Santa Monica. Instead of developing parking controls, the Board ultimately chose to pass a regulation, [§3201(d)], regarding the status of separate agreements made between tenant and landlord for parking, pets, furniture or any facilities, equipment or services which are connected to the use of a unit. This regulation clarifies Rent Board policy which had already existed.

It established that amenities which were part of the rent on the "base rent date" are still part of the rent. A landlord may not charge extra for them. An agreement is considered separate from the rental agreement only if it meets all the following criteria:

1. The agreement to pay a separate fee for the use of facilities, equipment or services must have been negotiated separately from the negotiation for the rental, with no pressure on the tenant to accept the separate agreement or separate fee as a condition of renting the apartment.
2. The terms of the agreement are comparable to those of similar lawful arrangements obtainable in the unregulated market. That is, the landlord cannot charge the tenant substantially more for space or equipment than it would be worth elsewhere.
3. The continuing arrangement is not a condition of the tenancy and the tenant's termination or breach of the separate agreement is not a ground for eviction.

Significant Legal Decisions

Although the SMRCB was not a party in the case of Pennell v. San Jose, the Rent Control Board did participate in the case by means of an amicus brief co-written with the City Attorney's staff. The U.S. Supreme Court's decision represented a victory for rent control. Chief Justice Rehnquist in the majority opinion held that rent control is a proper exercise of a state's police power. Pennell had challenged rent control by attacking the right of the City of San Jose to base part of its rent control regulation on the income level of tenants.

In the case of Lambert v. Santa Monica Rent Control Board, the legal staff defeated a challenge of the Board's right to set the rent control registration fee. The court held that registration fee regulations are administrative rather than legislative and therefore not subject to state referendum laws, upholding the Board's authority to charge fees to finance its reasonable and necessary expenses.

General Adjustment

The general rent adjustment is intended to compensate property owners for increases in their operating expenses. Over the years the Board has used various methods for computing the percentage increase. The 1987 general rent adjustment was computed according to Board Regulation 3200: that is, the increase percent would be equal to 66% of the percentage increase in the Consumer Price Index (CPI) for Urban Consumers for Los Angeles and Orange Counties. The increase percentage in the CPI from April 1986 to April 1987 was 4.9 percent. Sixty-six percent of 4.9% is 3.23%.

Staff recommended and the Board agreed to add .7% to the 3.23% to arrive at a 4 percent general rent adjustment to compensate residential property owners for the increase in property insurance costs. The reason for adding this extra .7 per cent follows:

At the request of property owners who had complained frequently about the sharp increases in property insurance costs, the Rent Control Board hired a consulting firm specializing in insurance

(Towers, Perrin, Forster and Crosby) to survey the changes in property insurance costs for Santa Monica owners since 1984. In sum, they found :

1. The average expenditure for residential rental property insurance has nearly doubled since 1984.
2. The average property insurance coverage has risen approximately 20% since 1984.
3. The average level of liability insurance coverage has risen approximately nine percent since 1984.

Individual Rent Adjustments

Individual rent adjustments include rent increases, rent decreases and corrections to the registered base rent and amenities of units. Property owners may petition the Rent Control Board for individual rent adjustments. In evaluating a petition for rent increase, a Hearing Examiner analyses the property's income and expenses to determine the net operating income. If the present net operating income is insufficient to provide a fair return, rent increases may be authorized.

Rent increases are often granted to property owners who plan to make major capital improvements to their properties. A landlord who wants to re-roof a building, for example, applies in advance for an individual rent increase. If it is granted, the owner then makes the improvements, and upon proving completion, is allowed to increase rents by an amount specified by the Hearing Examiner.

In 1987 the Hearings department approved 35 out of 53 of increase petitions, or 66 percent.

Tenants may apply for rent decreases when their landlords have discontinued 1) maintaining the property and/or 2) providing a service or amenity which used to be provided. If the toilet stops up, the stove doesn't work, or the landlord wants a tenant's parking spot back, the tenant's first step is to request that the landlord repair the problem or restore the parking spot. If the landlord ignores this request, then the tenant may petition for a rent decrease.

In 1987 there were 77 decisions issued on individual decreases were issued. Of these, 87 percent or 67 petitions were approved.

Fee Waivers

The Rent Control Board provides waivers of payments of Rent Control registration fees for certain categories of occupants. These waivers are available to units occupied by their owners, to units subsidized by H.U.D.(Section 8) and to units occupied by low-income tenants who are over 62. Owners apply for waivers in the cases of owner-occupied and Section 8 units. Tenants apply for senior low-income waivers. Owners whose units are granted fee waivers do not have to pay rent control registration fees on those qualifying units. Therefore, there is no registration fee to pass on to the tenant. Both the landlord and the tenant save money with the fee waiver.

In 1987 the Rent Board added fee waivers for units occupied by low-income disabled tenants [§11008 (k)]. The Board intends the waivers for units occupied by qualified low-income tenants to act as incentives to landlords to rent to low-income seniors and disabled people.

The Board granted a total of 3,125 registration fee waivers for fiscal year 1987/88:

| | |
|----------------------------|-------|
| low-income senior | 1,126 |
| low-income disabled | 41 |
| owner-occupied | 1,388 |
| HUD subsidized (Section 8) | 570 |
| TOTAL | 3,125 |

THE WORK OF THE RENT CONTROL BOARD BY DEPARTMENT

Administration Department

- Wrote and distributed 3 issues of *Rent Board News*.
- Wrote and distributed 4 issues of *Boardtalk* to 300 community leaders.
- Produced 6 information brochures on such subjects as "Exemptions," "Evictions," "The Rent Control Board -- Its Members and Its Meetings."
- Convened and staffed 53 Board meetings including 10 special meetings.
- Processed 199 exemption applications.
- Processed 1 street lighting assessment representing 338 properties and 980 rental units.
- Processed 118 demolition permits.
- Processed 32 utility adjustment applications.
- Conducted approximately 50 on-site investigations.

Hearings Department

In addition to the Petris Project work listed above, the Hearings Department:

- Received 433 petitions.
- Held 80 hearings on rent increases.
- Held 130 hearings on decreases.
- Held 172 base rent and amenities hearings.
- Held 34 hearings on complaints.
- Issued 291 written decisions and 128 addenda.
- Conducted 125 on-site investigations for decreases.
- Conducted 35 on-site investigations for decrease compliances.
- Conducted 84 unit i.d. investigations.
- Conducted 32 Ellis visual checks.

Information Systems

Including the Petris Project, the Information Systems Department:

- Spoke with 29,890 people seeking information. Twenty-five percent were at the counter and 75% on the phone.

- Answered 28,796 questions at the counter and 86,390 on the phone, a total of 115,186 (an average of 3.8 questions per inquirer). The number of questions was 80% higher than the previous year.

Legal Department

Including the Petris Project, the Legal Department:

- Brought suit in one case involving Ellis withdrawals and defended in another; kept track of property withdrawn under the Ellis provision and monitored the "Ellised" properties for re-renting.

- Answered 100 inquiries from staff.

- Conducted 60 meetings with staff for legal advice purposes.

- The officers of the day responded to 1,300 requests for information from the public.

- Prepared 14 new or amended regulations.

- Prepared and presented 10 complex exemption cases.

- Prepared 21 removal cases and 22 §5017 cases.

- Wrote 121 staff reports on appeals.

- Provided 49 opinions for the Board on Petris, Ellis, Brown Act and other miscellaneous subjects.

OUTLOOK FOR 1988

What became clear during 1987 was that the sources of revenue (rent control registration fees) were less than previously anticipated. For some period of time as removal permits are issued and exemptions granted the revenue base will continue to diminish. In addition, the past and future costs of the Petris project have depleted all reserve funds. Consequently, the Board had to trim expenditures to stay in line with more clearly projected revenue. The 1988/89 budget will reflect this cutting back in expenditures.

Although some of the programs that the Board would like to see in place in Santa Monica may not be funded in 1988, the Board will continue to concentrate on providing essential services. Also, the Board will continue to be responsive to community concerns.

Toward the end of 1987 the Rent Control Board decided not to renew administrator Howell Tumlin's contract for another year. At the beginning of 1988 a new (and former) Rent Board administrator, Mary Ann Yurkonis, was named to head the agency. Yurkonis served the Rent Control Board in its early years as Acting Administrator and Staff Attorney. Before returning to the Board she was a Deputy City Attorney in the area of civil litigation.

