
Santa Monica Rent Control Board

**Annual Report
1991/92**

Adopted 10/29/92

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**Santa Monica Rent Control Board
Annual Report**

July 1991 Through June 1992

INTRODUCTION

The Rent Control Charter Amendment provides that the Rent Control Board shall report annually to the City Council on the status of controlled rental housing. This report also describes significant programs of the Agency and gives an overview of work performed by the Agency.

During Fiscal Year 1991/92 the most significant occurrences were:

- The Threshold Rent Program was inaugurated on January 1, 1992 in response to the Board seeking ways to increase rents for those units that had low rents when rent control went into effect in 1979. There was an unprecedented response to the program with 785 petitions filed within the first six months and more than 93 percent of those processed being granted.

- The Rent Control Board modified the regulations affecting the decrease and increase petition process. A new feature of the decrease process provides an intermediate step prior to a hearing--a settlement conference/mediation that attempts to resolve the problems informally. A number of regulation changes were made to the increase petition process and the petition form was revised to incorporate the changes.

- The number of people seeking information by phone or at the public counter increased to an all-time high. The 30,086 people served represent a five percent increase from last year, with 80 percent of the inquiries being made by phone.

- Although demolition permits processed by Rent Control remained constant compared to the previous year, the number of building permits once again fell (from 305 to 276).

- Petitions for Rent Increase were up dramatically in this fiscal year, many claiming so-called "Vega issues" (that the 1978 rents for the property did not reflect market conditions). Although more than half of those filed were dismissed due to lack of proper documentation, the number of hearings held and decisions issued by the Hearings Department represented a significant increase over last year.

- A bilingual newsletter, "Rent Control News"/"Noticias del Control de Rentas", was sent to all owners and tenants in June, 1992 along with the annual general adjustment mailing. The newsletter featured articles on the Threshold Rent Program and excess rent complaints.

- The remodel of a portion of the City Hall offices culminated in February. The main work area was reconfigured to create a better work environment for staff, and a resource area was set up near the front desk, which has enhanced delivery of public service at the counter and by phone.

- Since the agency was outgrowing the capacity of its outdated computer, upgraded hardware was purchased and installed. The new equipment can accommodate the expanding volume of data in the database.

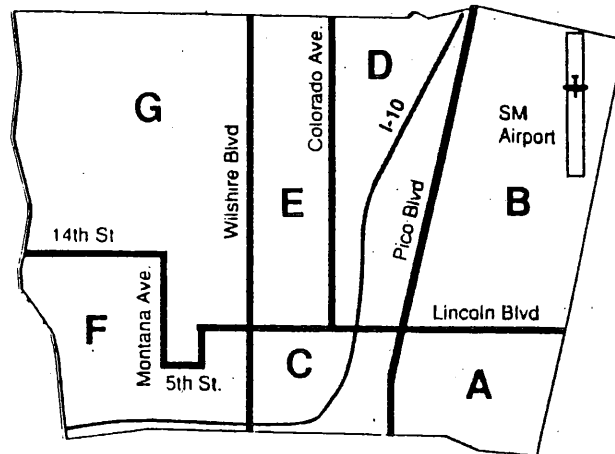
SIGNIFICANT DEVELOPMENTS IN 1991/92

Changes in the Housing Stock

In 1990/91, in order to follow changes in the housing stock in different areas in the City, the Rent Board divided the City into seven sections. Removals, Ellis withdrawals, demolitions, development, TORCA statistics and other data can be identified and analyzed by area.

The City areas and the approximate percentage of rental units in each are shown below:

Area A.	18%
Area B.	11%
Area C.	4%
Area D.	9%
Area E.	18%
Area F.	18%
Area G.	22%



map courtesy of The Outlook

Tracking Residential Development

During Fiscal Year 91/92, the Rent Control Board continued the project begun last year of tracking residential development in the City using Building Department records, Planning Commission agenda and Rent Control records. This year access to Building Department records was improved by the use of the City's newly installed computer-based permit processing system.

Completed Construction

During FY 91/92, 14 projects completed construction. The 14 residential units which were demolished on these sites were replaced by 116 units. Condominiums comprised 91 percent (106 units) of all new development. Five of the 14 projects (65 units) were built on land which had been vacant since 1979. Two properties with completed Ellis withdrawals (four units) received certificates of occupancy for 12 condominiums (six units on each site). One property which had received a Category D removal (two units) was replaced by six condominiums and two rent controlled units with rents that are deed restricted to be affordable to low income tenants. One two-unit owner-occupied property was replaced by six condominiums. Single family homes on five properties were replaced by 17 condominiums, seven market rate apartments and one unit deed restricted by the City to be affordable to low income tenants.

Different areas in the City experienced widely varied amounts of completed development. This year Areas A and E experienced the most development (77 percent of the new construction). Area A experienced a net increase of 64 units because four of the five projects in this area were constructed on parcels of vacant land.

The table below indicates the units removed and units built in each City area.

<u>City Area</u>	<u>Units Removed</u>	<u>Units Built</u>	<u>% of Development</u>
A	1	65	56
B	1	5	4
C	0	0	0
D	2	13	11
E	7	24	21
F	1	3	3
G	2	6	5
Total	14	116	100%

Pending Development

During FY 91/92, building and/or demolition permits were issued for 63 properties. In many cases, owners take out permits as a way of extending Planning

Commission approvals while obtaining project financing. Therefore, the issuance of a building permit does not necessarily mean the project will be completed. However, if all development projects for which permits were issued are completed, 242 units will have been removed (224 rent-controlled and 18 non-rent controlled units) and replaced by 354 units (155 condominiums, two single family homes, six rent controlled low income units, 174 other low income units, and 17 market rate apartments). The 174 non-rent controlled low income units include 72 senior housing units, 44 single room occupancy units, and 58 affordable rental units.

Of the 63 properties with permit activity in FY 91/92, 30 properties containing 158 rent-controlled units were withdrawn under the Ellis Act. According to permit applications, the proposed development on 27 of these properties includes 103 condominiums as well as office buildings and parking lots to replace the 132 units withdrawn under Ellis. (The other three properties containing 26 units were demolished by order of the Nuisance Abatement Board and do not have pending development activity).

While all areas in the City are experiencing development activity, Areas E and F have the largest number of new units being built. As the table below shows, Areas B, D, E and F will have a net increase of residential units. Areas C and G show a reduction in residential units and Area A is remaining constant.

<u>City Area</u>	<u>Units Removed</u>	<u>Units to Be Built</u>	<u>Increase or Decrease</u>
A	22	22	no change
B	14	58	+44
C	62	44	-18
D	17	33	+16
E	65	79	+14
F	5	76	+71
G	<u>57</u>	<u>42</u>	-15
Total	242	354	

The Ellis Act

When the Ellis Act became law in July 1986, it allowed landlords to go out of the rental business, evict tenants, and withdraw units from the housing market.

During the 1991/92 fiscal year, 12 properties containing 54 units were withdrawn from the residential rental housing market under the Ellis Act. As of July 1, 1992, 190 properties comprised of 891 units had been withdrawn. Another property with six units had begun the process of withdrawal.

During the same period, owners of five properties which had been withdrawn rescinded the withdrawal and re-rented the units. The 24 units on these properties are again under Rent Control.

Ellis activity has continued to diminish. The decline may be the result of economic factors which have slowed development nationally as well as a slowdown in the local economy.

The same areas of the City which had Ellis activity in the past continued to have activity, though at a slower pace. Until the economy picks up and the effect on Ellis activity is seen, it is not possible to predict future trends.

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.

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.

TORCA conversions represent a potential major loss of residential rental units from the housing stock. The cumulative effect of a steady rate of TORCA applications and approvals since the program began is dramatic.

As of June 30, 1992, TORCA conversions had been approved for 132 properties containing 1,359 units. Of those, 32 properties with 310 units were approved for conversion during the past fiscal year.

Applications are pending for 149 properties containing 1,535 units. If all of these units are approved for conversion, a total of 2,894 controlled rental units will have been converted to condominiums, though the present tenants may continue to rent them.

Indications are that the steady rate of TORCA conversions will continue.

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

- Category B -- if the Board finds that the Maximum Allowable Rent for the unit does not provide a fair return and that the landlord cannot rent the unit at the rent necessary to provide the landlord with a fair return.*
- Category C -- if the Board finds that the controlled rental 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 the landlord agrees that the demolished rent controlled units will be replaced with the same number of rent controlled units, and that at least 15% of the controlled units to be built will be at rents affordable to low income people. Because units removed under Category D are replaced with other controlled rental units, they are not treated as units lost to the housing stock.*

In the period July 1, 1991 through June 30, 1992, the Board granted a permit for the removal of one unit on a four-unit property under Category C.

Under Category D, 42 mobile home trailer space units on one property were authorized to be removed. These will be replaced by a 42-bed shelter or 42 single room occupancy units.

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 from rent control: 1) use exemptions; that is, the owner retains the exemption as long as the criteria for which the exemption is granted remain in effect and 2) permanent exemptions. Permanent exemptions are granted for single family dwellings not used as rentals (§1815) and for new construction (§1801).

Between July 1, 1991 and June 30, 1992, 12 exemptions were granted for new construction, affecting 99 units. There were 76 declarations submitted for single family dwellings stating that the structures were not rented on July 1, 1984. The law provides that these units are permanently exempt from rent control. Thirty-seven other single family dwellings -- which may have been used as rentals but have since been owner-occupied for two years -- were also exempted under §1815.

Use exemptions are granted for units used as follows:

- Rental units in buildings having two or 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);
- Rental units in hotels, motels, rooming and boarding houses which are rented to transient guests for fewer than 14 days;

The following use exemptions were granted:

<u>type of exemption</u>	<u>number of units affected July 1991-June 1992</u>	<u>number of properties affected July 1991-June 1992</u>
owner-occupied	79	32
non-rental	13	5
Total	92	37

These exemptions do not all represent a loss of controlled rental units from the housing stock. Six properties (12 units) received owner-occupied exemptions for the first time. The balance of the owner-occupied exempt properties had previous exemptions.

Unit Summary

During the period of this report, the following units were lost from the stock of controlled rental units:

Ellis withdrawals	54
Category C removals	1
New use exemptions	<u>25</u>
Total Units	80

In addition, TORCA conversions were approved for 310 units on 32 properties. Some of these units may still be rented.

During this fiscal year, 24 units withdrawn under the Ellis Act were re-rented and two rent controlled replacement units, deed restricted to low income tenants, were completed. These latter two units were replacement units for two units demolished as part of a Category D removal agreement.

Programs and Policies

Threshold Rent Program

On January 1, 1992, the Board inaugurated the Threshold Rent Program which allows rent increases on voluntarily vacant, low-rent units. The program is an administrative process the Board has instituted to authorize individual rent increases. It is designed to increase rents for those units that had low rents when rent control went into effect in 1979.

A "threshold" or minimum rent level was set for all units, according to the neighborhood in which a unit is located and the number of bedrooms it has. If the Maximum Allowable Rent of a rental unit is below the threshold rent level when a unit is voluntarily vacated, the owner may apply to raise the rent to the threshold level for the new tenant.

One of the key criteria for qualifying for a threshold rent increase is the voluntary vacancy of the unit. Under the Threshold Rent Program, the following are deemed voluntary vacancies: (1) a tenant decides to move out of the subject unit, (2) an owner prevails in a just cause eviction action, and, (3) the death of a tenant.

From January 1, 1992 through June 30, 1992 the agency received 785 petitions for threshold rent increases. Decisions were made on 718 of those; the remaining 67 were pending resolution at the end of the fiscal year.

Of the 718 petitions, 674 were granted, 26 were denied, 16 were withdrawn and two were administratively dismissed. The average increase for the 674 units was \$97 per month.

The program's regulations set forth two different categories of vacancy--units vacant since January 1, 1991, and units vacant in the last thirty days. Of the 674 petitions granted, 138 units had been vacant since before January, 1991.

The specific reason for the vacancy was identified in 607 cases:

--520 units were vacated due to tenant relocation;

--51 units were vacated due to death of the tenant; and

--36 units were vacated due to an unlawful detainer action or other court judgment.

Because of this program, 138 units returned to the rental market after having been vacant for more than a year and, in some cases, several years.

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."

From July 1, 1991 through June 30, 1992, 22 applications were requested by owners. Of these, 17 were submitted for processing; four of these were later withdrawn by the owners.

The Board approved regulatory agreements for eight properties containing 97 units this past year. For these properties, 16 sets (dedicated units linked with incentive units) are in place. Ten of the 16 dedicated units also have HUD subsidies.

Five applications representing 54 units were pending at the end of the fiscal year.

The Incentive Housing Program has been in effect under the current regulations for 32 months. In that period, a total of 32 contracts have been approved by the Rent Control Board with 20 owners. Of the 73 inclusionary sets in place, 21 are linked to low income households and 52 are linked to very low income households.

Excess Rent Complaints

As a result of the 1989 California Supreme Court decision in McHugh v. Santa Monica Rent Control Board, the injunction that prevented the Agency from hearing excess rent complaints for six years was lifted. The Board enacted new Chapter 8 regulations in April, 1990 and began processing excess rent complaints on May 30, 1990.

From July 1, 1991 through June 30, 1992, sixty-three complaints alleging excess rent were filed as were three complaints for non-registration. Twelve were settled during the prima facie determination period, eight were resolved through the settlement/mediation process, 27 were sent to the Hearings Department, six were withdrawn, and two were dismissed.

Of the 27 cases that went to the Hearings Department, three were complaints for non-registration which are forwarded directly to the Hearings Department. One of these was still pending at the close of the fiscal year and the other two were dismissed--one when the property was properly registered, the other when the property changed owners making the claim against the former owner moot.

Of the remaining 24 petitions forwarded to Hearings, 14 were decided, four were withdrawn (one because the excess rent was resolved, three because petitioners chose to file civil actions), and six were pending at the end of the fiscal year. Of the 14 cases that were heard, excess rent violations were substantiated in 13. Rent withholding was authorized for 11 tenants and the other two, who were no longer in possession of their units, had to seek enforcement of the decision through the courts. Of the 14 cases that were decided, eight were appealed to the Rent Control Board.

At the close of the fiscal year, 20 cases were in the mediation/settlement phase.

Significant Legal Decisions

The most important legal ruling regarding rent control came from the U.S. Supreme Court in the matter of Yee v. The City of Escondido. Although the issue before the

Supreme Court involved mobilehome rent control in another jurisdiction, there was speculation that the Court would use this case to expand the "regulatory takings" theory first espoused by the Federal District Court in Hall v. City of Santa Barbara to all forms of residential rent control. In a much anticipated decision, the Court rejected the Fifth Amendment "takings" argument and found that the rent control program under attack did not violate the constitutional prohibitions against the taking of property without due process of law. The implication of the decision for Santa Monica is in the Court's finding that local control of residential rental property is not subject to this kind of constitutional challenge. The City of Santa Monica submitted an amicus brief to the Supreme Court on this case.

Closer to home, two California Court of Appeals decisions directly concerned rent control in Santa Monica. In Kavanau v. Santa Monica Rent Control Board, the Court upheld the Board's regulation 4107 (since amended) limiting yearly rent increases to 12 percent or twice the Employment Cost Index (ECI), whichever is greater. Although the Court of Appeals certified the decision for publication, the California Supreme Court decertified the opinion. Thus, while the net result of the decision was to uphold regulation 4107 in that case, the decision cannot be cited as precedent when the issue is raised in another case. The legal challenges to this regulation continue.

In Richman v. Santa Monica Rent Control Board, the Court of Appeal upheld the Board's base amenities process. Additionally, the court tangentially affirmed the validity of Regulation 3201, regarding separate agreements. This decision has been certified for publication and, therefore, may be cited by other jurisdictions as precedent.

Finally, in a significant decision regarding a challenge to West Hollywood's rent control ordinance, the Court in Concerned Citizens of West Hollywood v. City of West Hollywood found that, for fair return purposes, base rent levels may well be so far

above the just and reasonable mark that even a diminished rate of return may still be more than just and reasonable even if the current cost increases are outpacing permissible rent increases. The import of this decision is that it rejected, as a matter of law, a facial attack on West Hollywood's general adjustment formula. The decision requires that, in order to sustain a constitutional challenge to a fair return formula, the challenging party must present facts to establish the claim that the property owner is not receiving a fair return. The burden of proof is borne by the challenging party to prove that the formula is unconstitutional, not on the agency to prove that it is constitutional.

Regulations

During FY 91/92 new regulations were written establishing the Threshold Rent Program, the pass-through of a school district special bond tax surcharge, as well as the annual general adjustment and registration fee. Major revisions were made to Chapter 4 rent adjustment regulations.

Regulation 3300, the Threshold Rent Increase regulation, was a major project involving a number of staff. The regulation embodies the policy and procedures enacted by the Board for this new program to address historically low rents.

Chapter 4, which contains the individual rent adjustment regulations, was substantially revised. The project involved an interdepartmental committee of representatives from the Hearings, Legal and Administration departments, along with a Board commissioner. The committee met regularly over several months to develop a cohesive set of increase and decrease regulations in order to streamline the petitioning process.

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. Over the years the Board has used various methods to arrive at the General Adjustment.

For the 1992 Annual General Adjustment, the Board utilized the "pie method" of analyzing the increases in operating costs by the various components of the rent dollar.

The Board adopted a general adjustment in maximum rent levels of three percent or \$16, whichever is greater. The \$16 was set to provide a minimum increase to apartments with the lowest rents. Since these units have many of the same expenses, such as trash collection increases, as the higher units, the \$16 assured owners of the minimum necessary to cover their actual costs.

Individual Rent Adjustments

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 the period from July 1991 through June 1992, 90 increase petitions were filed. Sixty-seven of these contained "Vega issues". (The Simonson/Vega court decision allowed a petitioner to receive rent increases based on the claim that the 1978 rents for the subject building did not reflect market conditions.) The remaining 23 petitions dealt with increase issues other than Vega claims.

Of the 90 petitions filed, 56 were dismissed for lack of proper documentation as required by regulation; 49 of those contained Vega issues. Of the remaining 34 petitions, three were withdrawn, 22 were decided and nine were pending at the end of the fiscal year.

Following is an overview of the outcome of the 22 petitions that were decided:

VEGA: Three issued decisions included Vega issues in addition to the standard increase issues. Entitlement to a Vega increase was proved in one petition, another petition was denied in total and in the third, the Vega claim was not proved, but increases were granted for proposed capital improvements.

OTHER INCREASE DECISIONS: The remaining nineteen decisions dealt with increase issues that did not include Vega claims. Fifteen were approved in whole or in part while four were denied. Of the fifteen petitions approved, seven were granted completed capital improvement increases, NOI increases and proposed improvement increases; two were granted completed capital improvement and NOI increases; three were granted completed and proposed capital improvement increases; two were granted proposed capital improvement increases only, and one was granted completed capital improvement increases only.

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's first step is to 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.

In FY 91/92, 60 of the 62 decrease decisions issued by the Hearings Department granted rent decreases. Additionally, 29 of the 122 decrease petitions filed during FY 91/92 were withdrawn because the conditions were corrected prior to hearings or issuance of decisions. Eleven petitions were dismissed. The remaining petitions consist of consolidated petitions and petitions pending at the close of the fiscal year.

Reinstatement of decreases occurs upon receipt of a Request for Proposed Addenda and verification that the conditions were corrected. The decreases in 11 of the 60 approved petitions were fully reinstated and partially reinstated in an additional 17. Twenty-three addenda were issued reinstating decreases awarded in decisions made in the previous fiscal year.

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. The 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.

Twenty administrative decrease petitions were filed in FY 91/92 in conjunction with individual decrease petitions. Decreases were awarded for 11 of these petitions, affecting 170 units. Eight were withdrawn when the companion decrease petitions were withdrawn or when the common area conditions were corrected prior to hearings being held.

Fee Waivers

The Rent Control Board provides for waivers 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 or disabled.

As of June 30, 1992, the Board has 3,967 active fee waivers:

<u>Type of Fee Waiver</u>	<u>Number</u>
low-income senior	896
low-income disabled	102
owner-occupied	2,330
HUD subsidized (Section 8)	<u>639</u>
Total fee waivers	3,967

THE WORK OF THE RENT CONTROL BOARD BY DEPARTMENT

July 1991-
July 1992

Administration Department

• Rent Board meetings convened and staffed	33
• Rent Board community meetings convened and staffed	3
• Newsletters produced and distributed	1
• Clearance forms to submit TORCA applications	147
• Clearance forms to submit development applications	202
• Demolition Permits processed	61
• Building Permits processed	276
• Utility adjustment applications processed	42
• On-site investigations conducted	20
• Street lighting assessments processed	1

Hearings Department

• Hearings held on rent increases	47
• Hearings held on decreases	82
• Hearings held on base rents and amenities	29
• Hearings on complaints	21
• Hearings on objection petitions	4
• Written decisions issued	160
• Addenda issued	121

July 1991-
July 1992

• On-site investigations conducted	227
108 upon scheduling decrease petitions	
65 in response to compliance requests	
11 regarding unit identification conflicts	
29 Ellis investigations	
14 Threshold petition investigations	
• MARs updated due to decisions/addenda	3,268
• Site file pages copied to fiche	52,940

Information Systems Department

• Number of people helped seeking information	30,086
Number at counter (20%)	6,078
Number by phone (80%)	24,008
• MAR reports generated	290
• Certifications processed	77
• Petitions processed on in-take	411
• Registrations processed	266
• Payments processed	4,343
• Fee waivers processed	679
• Community presentations made	2

July 1991-
July 1992

Legal Department

• Staff reports on appeal prepared		87
base rent cases	13	
decrease cases	32	
common area decrease cases	7	
increase cases	22	
objection petition cases (Petris Project)	1	
complaints (McHugh)	11	
excess rent complaints	1	
• Staff reports prepared in removal cases		2
• Withdrawals of properties filed under Ellis processed		17
• New or amended regulations prepared		5
• Suits brought to enforce Rent Control Law		21
• Lawsuits defended		14
• Lawsuits resolved		29
• Officer of the Day requests responded to		780
• Exemption cases written or reviewed		37
• Incentive Housing cases reviewed		16
• Staff informational meetings conducted		100
• Inquiries from staff answered		120
• Opinions provided for Rent Control Board		45
• Prima facie case review of excess rent complaints		70
• Mediations regarding excess rent		29
Cases settled through mediation		8

July 1991-
July 1992

•Registration fee lawsuits:	
fees collected	\$17,204
lawsuits filed	3
pre-litigation settlement	2
•Small Claims litigation (program started 2/92)	
fees collected	\$2,945
Administrative record suits filed	1
Registration fee suits filed	10
Suits resolved	6
•Administrative Records prepared	12
Collected \$4,047 in transcription and preparation fees	

OUTLOOK FOR 1992/93

- The agency will continue its emphasis on mediation and resolutions short of hearings. During the next fiscal year, the Rent Control Board staff will implement a new step in the decrease petitioning process. Starting in July, 1992, when a decrease petition is filed, it will be reviewed to determine its appropriateness for mediation. If deemed appropriate, a settlement conference will be scheduled to provide an expeditious mechanism for the parties to resolve their differences informally, with the assistance of a skilled intermediary. Any issues not resolved through settlement will be processed through the normal decrease hearing procedure.

- Participation in the Threshold Rent Program is expected to increase and substantial agency resources will continue to be used for this program.

- An interdepartmental task force will be analyzing the current format of the database and making recommendations to restructure it to better serve the short-term and longterm needs of the Board in its service to the public.

- Due to the increase in petitions filed, additional Hearings staff will be needed to handle the workload. Because the increase is expected to be temporary, the additional work will be handled by a combination of contract hearing examiners as well as permanent staff.

