
Santa Monica
Rent Control Board

**Annual Report
1992/93**

Adopted May 5, 1994

Table of Contents

Introduction	2
Significant Developments in 1992/93	4
CHANGES IN THE HOUSING STOCK	
Tracking Residential Development	4
Completed Construction	4
Pending Development	6
The Ellis Act	7
Tenant Ownership Rights Charter Amendment	8
Removal Permits	9
Exemptions	10
Unit Summary	11
PROGRAMS, POLICIES AND ADMINISTRATION	
Threshold Rent Program	12
Incentive Housing Program	13
Decrease Mediation Program	14
Excess Rent Complaints	15
Significant Legal Decisions	16
Regulations	17
Annual General Adjustment	18
Individual Rent Adjustments	19
Fee Waivers	21
The Work of the Rent Control Board by Department	22
Outlook for 1993/94	26

Santa Monica Rent Control Board Annual Report

July, 1992 Through June, 1993

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 1992/93, significant occurrences were:

- The Decrease Mediation Program initiated by the Board in July of 1992 completed the first year with a 74 percent success rate.
- The Threshold Rent Program, started on January 1, 1992, continues to provide rent increases for voluntarily vacated units. There has been an unprecedented response to the Threshold Rent Program, with 1,862 petitions filed within the first eighteen months.
- The number of people seeking information by phone or at the public counter rose to an all-time high. The 30,977 people served represents a three percent increase from the prior year.
- Petitions for Rent Increase continue at a high volume. With additional staffing, the number of hearings conducted increased 253% over last year.
- The interdepartmental task force analyzing the structure of the database completed half of the initial phase, that of identifying the information to be stored on the database. The purpose of the restructure of the database is to better serve the short-term and longterm needs of the Board in its service to the public.

1992/93 saw the departure of two important Rent Control people, Commissioner Dolores Press and Information Systems Manager B.J. Mitchell.

- The Rent Control Board honored Dolores Press upon her departure from the Board in November 1992. Dolores is a dedicated leader of the movement which brought rent control to Santa Monica. She was first elected to the Rent Control Board in 1979. She was re-elected to the Board in 1988, after serving on the Santa Monica City Council. Dolores brought spirited leadership, professionalism of the highest order and inexhaustible energies to the Rent Control Board. She will be missed.

- B. J. Mitchell retired as Information Systems Manager and was honored by the Board for her nine years of distinguished service. B.J. directed the Agency's move into sophisticated computerization so that information could be provided to the public in a speedy fashion. Additionally B.J., acting under a state mandated time frame, led the herculean effort to certify every residential rent in the City in 1987 and 1988.

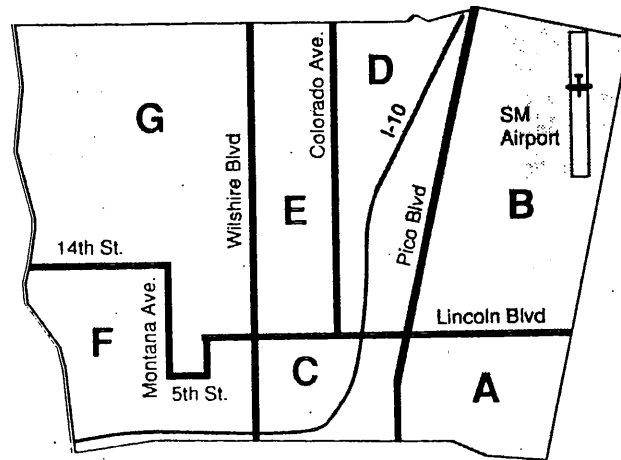
SIGNIFICANT DEVELOPMENTS IN 1992/93

Changes in the Housing Stock

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

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

Area A	17%
Area B	12%
Area C	5%
Area D	10%
Area E	18%
Area F	17%
Area G	21%



Tracking Residential Development

During Fiscal Year 92/93, the Rent Control Board continued tracking residential development in the City using Planning and Building Department records and permits as well as Rent Control records.

Completed Construction

Twenty-four projects which contain 186 units were completed in FY 92/93. These projects replaced 51 residential units which were demolished to make way for this new construction. The 51 units were reported as demolished in previous annual reports. Of the 186 completed units, condominiums comprised 53% (99 units).

A federally and locally funded low income senior housing facility with 72 units was built on the site of a former parking lot. Seven properties (31 units), withdrawn under the Ellis Act, received certificates of occupancy for 35 condominiums. Two properties which had received Category C removals (6 controlled units and 1 unit with a non-rental exemption) were replaced by 5 condominiums and 7 units deed restricted by the City as affordable to low income tenants. Two 2-unit owner-occupied properties were replaced by 10 condominiums, five on each site. Additionally, one 2-unit owner-occupied property added a rental unit to the property. Single family homes on 9 properties were replaced by 34 condominiums and 7 units deed restricted by the City as affordable to low income tenants. Two properties which were previously commercial in nature were replaced by 15 condominiums.

The seven areas in the City experienced widely varied amounts of completed development. Areas E and F experienced the most development with 66% of the new construction. Area F had a net increase of 72 units because a senior housing facility was completed on a former parking lot.

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

<u>City Area</u>	<u># of units completed in FY 92/93</u>	<u># of rental units previously removed from these sites</u>
A	14	4
B	16	12
C	0	0
D	25	6
E	50	18
F	72	0
G	<u>9</u>	<u>11</u>
Total	186	51

Pending Development

Twenty-eight properties were issued building and/or demolition permits. In many cases, permits are taken out as a way of extending Planning Commission approvals while project financing is obtained. Therefore, the mere 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, 61 units will have been removed from these sites (59 rent-controlled and 2 non-rent controlled units) and replaced by the 141 units listed below:

- 92 condominiums,
- 3 single family homes,
- 36 single room units in a residential center for recovering mentally ill adults, and
- 10 market rate apartments.

Other permits were issued for the conversion of two units into a preschool, the remodeling of two units, and the consolidation of two units. Sixty-five percent of the total proposed development is condominiums.

Thirteen of the 28 properties (48 units) with permit activity had been withdrawn in prior years under the Ellis Act. According to permit applications, the proposed development includes 67 condominiums and a preschool.

While all areas in the City are experiencing development activity, Areas C and E have the largest number of new units being built. The net increase of 36 units in Area C results from the construction of 36 single room occupancy units on one parcel. As the table below shows, all areas except A will have a net increase of residential units, continuing the intensification of use of land. The 3% decrease in Area A is from the consolidation of two units into one and the modification of two units into a preschool.

PENDING DEVELOPMENT

<u>City Area</u>	<u>Units Removed</u>	<u>Units to Be Built</u>	<u>Increase or Decrease</u>
A	13	10	-3
B	0	1	+1
C	2	38	+36
D	1	9	+8
E	17	44	+27
F	6	12	+6
G	<u>22</u>	<u>27</u>	<u>+5</u>
Total	61	141	+80

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 1992/93 fiscal year, 15 properties containing 44 units were withdrawn from the residential rental housing market under the Ellis Act. As of June 30, 1993, 201 properties comprised of 920 units had been withdrawn. Another property with five units had begun the process of withdrawal.

During the same period, owners of ten properties which had been withdrawn rescinded the withdrawal and re-rented the units. The 59 units on these properties are again under Rent Control.

The net gain of 15 units returned to the residential rental housing market shows a reversal from the net loss of units in prior years.

The same areas of the City which had Ellis activity in the past continued to have activity, though at a slower pace.

Tenant Ownership Rights Charter Amendment (TORCA)

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.

As of June 30, 1993, TORCA conversions had been approved for 254 properties containing 2,545 units¹. Of those, 39 properties with 457 units were approved by the Planning Commission for conversion during the past fiscal year.

An additional 56 properties containing 545 units were pending conversion at the end of the fiscal year. If all of these units are approved for conversion, a total of 3,090 controlled rental units will have been converted to condominiums, though the present tenants may continue to rent them.

Although the TORCA conversion process continues to be a popular option for owners and tenants, it appears the rate of application for conversion has slowed somewhat this past fiscal year. Specifically, the Rent Control Agency issued clearance forms for TORCA conversion of only 34 properties this fiscal year as compared to 147 clearance forms last fiscal year. It should be noted that not all owners who request clearance forms actually file an application for conversion.

¹ During this fiscal year the Agency revised its method for tracking City approval of TORCA conversions. Properties that have received Planning Commission approval but are awaiting City Council approval of the Final Map are now considered approved for conversion. In the past the Agency treated these properties as pending conversion. Therefore, the number the Agency considers approved projects has increased significantly over the past year.

Removal Permits

To protect the controlled rental housing stock the Rent Control Board applies the provisions of the Charter to decide whether or not to grant removal permits. There are several types of removals which the Board may grant:

- Category B -- if the Board finds that the Maximum Allowable Rent 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, 1992 through June 30, 1993, the Board granted Category C Removal permits for the removal of one unit on a four-unit property and for a 12-unit property.

Exemptions

The Rent Control Law applies to all residential rental units in Santa Monica, except those the Charter exempts under a number of different criteria. There are two kinds of exemptions 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

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

In this fiscal year, there were 46 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. Twenty-six other single family dwellings -- which may have been used as rentals but have since been owner-occupied for two consecutive years -- were also exempted under §1815.

Between July 1, 1992 and June 30, 1993, exemptions were granted for new construction on nine properties consisting of 73 units.

Use Exemptions

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 (non-rentals);
- Units in hotels, motels, rooming and boarding houses which are rented to transient guests for fewer than 14 days;
- Residential units used for housing as a necessary part of a social service program on a non-profit basis.

The following use exemptions were granted:

<u>Type of exemption</u>	<u>Number of units affected</u>	<u>Number of properties affected</u>
owner-occupied	68	29
non-rental	1	1
residential social service	9	2
	<hr/>	<hr/>
Total	78	32

These exemptions do not all represent a loss of controlled rental units from the housing stock. Eight properties (20 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 changes occurred in the stock of controlled rental units:

<u>Reduction in controlled units</u>		<u>Increase in controlled units</u>		<u>Net change in controlled units</u>
Ellis withdrawal	-44	Ellis re-rental	+59	+15
Category C Removals	-13			-13
New use exemptions	<u>-23</u>		<u>—</u>	<u>-23</u>
Total	-80		+59	-21

Programs and Policies

Threshold Rent Program

On January 1, 1992, the Board inaugurated the Threshold Rent Program which allows rent increases on many voluntarily vacant units. The program is an administrative process which authorizes individual rent increases.

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. 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.

In the first 18 months of operation, the Threshold Rent Program has received 1,862 petitions for rent increase. Rent increases have been granted in 1,675 cases. The average increase was \$103 per month.

On July 1, 1992, 157 threshold rent petitions were pending resolution. In this fiscal year, the Agency received 1,077 petitions for threshold rent increase, of which 119 were pending resolution at the conclusion of the year. The following table outlines the activity on Threshold Rent petitions for the fiscal year:

Granted	1,001
Denied	67
Withdrawn	39
Dismissed	8

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. In the first 18 months of this program, 183 units returned to the rental market after having been vacant for more than a year and, in some cases, several years.

Among the reasons for the vacancies were:

Tenant relocation	539
Death of the tenant	59
Unlawful detainer action or other court judgment	28

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, 1992 through June 30, 1993, 11 applications were submitted for this program; one of these was later withdrawn.

The Board approved regulatory agreements for six properties containing 70 units. For these properties, 14 sets (dedicated units linked with incentive units) are in place. Seven of the 14 dedicated units also have HUD subsidies.

Four applications representing 29 units were pending at the end of the fiscal year.

The Incentive Housing Program has been in effect for nearly four years. In that period, a total of 38 contracts have been approved by the Rent Control Board with 24 owners. Of the 87 inclusionary sets in place, 28 are linked to low income households and 59 are linked to very low income households.

In FY 92/93, amendments to Chapter 17 were adopted which limited occupancy of dedicated units to persons of very low income and allowed an owner who rented two dedicated units to families with children to rent an additional unit at the incentive rate. Also, the length of the contract period was reduced from 10 to 5 years.

Decrease Mediation Program

In July of 1992, the Board implemented a settlement phase in the decrease petitioning process. When a decrease petition is filed, a settlement conference is now scheduled so that the parties can resolve their differences without a hearing. The settlement conference provides an informal, expeditious mechanism for the parties to resolve their differences informally, with the assistance of a skilled intermediary. Unresolved issues are decided in a hearing.

During the first year of the program, tenants and owners alike have expressed their satisfaction with the opportunity to resolve issues raised in a decrease petition without the need to attend a formal evidentiary hearing. Out of 106 cases mediated, 51 cases were fully resolved, 24 were partially resolved, and as of June 30, 1993, three were in the process of having their agreements fulfilled. Only 15 cases were not successfully concluded through mediation. In addition, thirteen cases were withdrawn or dismissed because the tenant moved or decided not to proceed with the petition. Successful resolution through mediation in 74% of the cases filed (78 out of 106 decrease cases) indicates the tremendous success of this program in its first year.

In the early months of decrease mediation, telephone conciliation was often used. However, with more experience, staff has observed that meeting at the apartment in question has proved more efficient and effective for all parties involved. Given the opportunity to view firsthand the item or items in dispute, and hear an explanation of how the Rent Control Law applies to the situation, the participants are often able to agree on an appropriate resolution to the problem. In some cases, repairs are scheduled and completed without a formal written agreement between the parties. However, in most cases the parties negotiate and reach an agreement for a schedule of repairs and/or specific solutions for the disputed issues. The mediator assists the parties in finalizing a written agreement for both parties to sign.

Many tenants have expressed their satisfaction at actually having the repairs made rather than seeing their rent reduced. Similarly, owners have expressed their appreciation at being able to reach an informal resolution to the problems without being forced to accept reduced rents. Perhaps most significant to the Agency is the

fact that the mediation process has reduced by nearly 65% the number of decrease petitions requiring a hearing, decision and subsequent compliance reports.

Excess Rent Complaints

As a result of the 1989 California Supreme Court decision in McHugh v. Santa Monica Rent Control Board, the injunction, that for six years had prevented the Agency from hearing excess rent complaints, was lifted. The Board enacted new regulations in April, 1990 and began processing excess rent complaints on May 30, 1990. The regulations provide for a settlement phase prior to a hearing. The purpose of this 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 the fiscal year, 90 complaints alleging excess rent were submitted and one complaint was submitted for non-registration. Of the 91 complaints submitted, 73 were accepted for filing. Complaints are submitted but not filed for a variety of reasons including: the tenant has not shown a valid claim of excess rent; the property is not under the jurisdiction of the Rent Control Law, i.e., it has an owner-occupied exemption; or the tenant withdraws the complaint prior to filing in favor of going to court.

Of the 73 complaints filed, eight (11%) were resolved prior to formal mediation when owners paid tenants the amount of overcharge claimed by the tenant; 26 (36%) were resolved through the settlement/mediation process; and, five (7%) were withdrawn prior to hearing. A total of 53% of the complaints were resolved without the necessity of a hearing. At the close of the fiscal year, 10 cases were in the settlement/mediation phase.

Twenty-four (33%) cases were sent to the Hearings Department to be resolved through hearing.

Of the thirty-five (24 of which were filed in fiscal year 92/93) cases handled by the Hearings Department this year, the one complaint for non-registration was dismissed upon proper registration and 23 were decided. Excess rent violations were substantiated in all 23 decisions issued. Rent withholding was authorized for 22

tenants, and one tenant, no longer in possession of her unit, had to seek enforcement of the decision through the courts.

As shown throughout the last three years, mediation has been a successful component of the Board's complaint process -- substantially reducing the number of cases which previously would have been heard by the Hearings Department.

Significant Legal Decisions

There were several significant legal decisions in Fiscal Year 92/93. The most important decision was issued by the trial court in two companion West Hollywood rent increase cases known as Klaparda v. City of West Hollywood. The issues in those cases concerned the interpretation of the city's rent adjustment procedures pursuant to the Birkenfeld and Vega decisions. In its decision, the trial court rejected the owners' argument that the showing of "historically low rents" in the base year was sufficient for a rent adjustment. In essence, the court upheld the requirement that there must be a showing of special circumstances to establish that the rents did not reflect general market conditions. These cases are currently on appeal.

In Santa Monica, three trial court cases dealing with the Board's increase process have resulted in conflicting rulings regarding how the Board is to determine claims for rent adjustments pursuant to the Birkenfeld and Vega decisions.

The first of these is Corrigan v. Santa Monica Rent Control Board. In that case, the owner challenged the Board's denial of a removal permit in conjunction with a claim that the base rents did not reflect general market conditions. The court upheld the Board's decision and further found that, due to the investment backed expectations of the post-rent control purchaser, the owner was not entitled to make a Vega claim.

On the other hand, the court in Apartment Owners Association of Greater Los Angeles v. Santa Monica Rent Control Board found that the Board's regulation

restricting Vega claims to pre-rent control owners was unconstitutional on its face. This case is currently on appeal.

Finally, in Amanat v. Santa Monica Rent Control Board the court held that, by adopting the Threshold Rent Program, the owner was entitled to an adjustment of all rents that were below the median pursuant to that program. The court recently signed the judgment in that case and the Board has filed its notice of appeal.

The other significant legal matter to be resolved during the last fiscal year was in Santa Monica Rent Control Board v. Ciaramella. This case was brought by the Board to recover compensatory and punitive damages for excess rent against an owner who required tenants to purchase art at inflated prices in exchange for the right to occupy rental units. After an arbitration hearing, the arbitrator awarded in excess of \$35,000 in compensatory damages to the tenants of two of the units involved. The arbitrator's decision was disseminated to the community through press coverage, resulting in increased awareness in both the landlord and tenant community regarding the use and abuse of separate agreements.

Regulations

The most significant action regarding new regulations for FY 92/93 occurred with respect to the Incentive Housing Program. Chapter 17, which contains the regulatory procedures for the program, was substantially amended by the Board. The amendments to Chapter 17, among other modifications, reduced the length of the agreement from ten years to five years, limited occupancy of dedicated units to persons of very low income, and allowed an owner who rented two dedicated units to families with children to rent an additional unit at the incentive rate.

There were also revisions which allow units involved in the Incentive Housing Program to be granted threshold increases while remaining as dedicated units.

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 1993 Annual General Adjustment, the Board once again used 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 3% 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 set expenses, such as trash collection increases, as the higher units, the \$16 assured owners of the minimum necessary to cover their actual cost increases.

Individual Rent Adjustments

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 92/93, 67 increase petitions were received by the Hearings Department. Twenty-five 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 general market conditions.) The remaining 42 petitions dealt with increase issues other than Vega claims.

Hearing examiners issued decisions in 35 cases. Twenty-four increases were granted and eleven cases were denied. Two of the denials included Vega claims, while four cases included Vega claims that were not proven but were granted based on standard increase issues. Nineteen petitions were dismissed for lack of proper documentation; 16 of these contained Vega issues. Six petitions were withdrawn (only one contained Vega issues), and the remainder were pending at the end of the year.

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'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 July of 1992, a settlement phase was implemented in the petitioning process. When a decrease petition is filed, a settlement conference is now scheduled to resolve the issues without a hearing, if possible.

Of the 106 decrease petitions filed this year, 51 were fully resolved in mediation, 13 cases were withdrawn or dismissed and, at the end of FY 92/93, three were in the process of having their agreements fulfilled. Mediation efforts were partially successful in 24 cases and in 15 cases mediation efforts proved unsuccessful. These cases with outstanding issues were forwarded to the Hearings Department for a hearing.

Thirty-one of the 35 decrease decisions issued by the Hearings Department granted rent decreases. Two petitions were dismissed. The remaining petitions were pending at the close of the fiscal year.

Reinstatement of decreases occurs upon receipt of a Request for Proposed Addendum and verification that the conditions were corrected. The decreases in 5 of the 31 approved petitions were fully reinstated and partially reinstated in another 9. Additionally, decreases awarded in decisions made in prior fiscal years were fully reinstated in 22 cases and partially reinstated in 17.

Administrative Petitions

Administrative petitions may be filed when an individual decrease petition cites a common area problem such as a leaky roof, dangerous stairs, loss of laundry room, etc. 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.

Four administrative common area decrease decisions were issued in conjunction with individual decrease petitions. Decreases were awarded in all four of these petitions, affecting 70 units. After repairs, the common area decreases were fully reinstated in three of the four petitions.

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.

Nineteen base rent decisions were issued by the Hearings Department in FY 92/93. An additional five were dismissed and six were withdrawn. Of the decisions issued, 10 concerned base amenity issues while 9 concerned base rents. Seven of the 9 petitions dealing with base rent issues were approved and two were denied.

Fee Waivers

The Rent Control Board provides 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 HUD (Section 8) and to units occupied by low-income tenants who are over 62 or disabled.

As of June 30, 1993, the Board has 4,142 active fee waivers:

<u>Type of Fee Waiver</u>	<u>Number</u>
low-income senior	844
low-income disabled	117
owner-occupied	2,523
HUD subsidized (Section 8)	<u>658</u>
Total fee waivers	4,142

THE WORK OF THE RENT CONTROL BOARD BY DEPARTMENT

July 1992-
June 1993

Administration Department

• Rent Board meetings convened and staffed	38
• Mediations conducted	179
• Newsletters produced and distributed	1
• Clearance forms to submit TORCA applications	34
• Clearance forms to submit development applications	212
• Demolition Permits processed	60
• Building Permits processed	204
• Utility adjustment applications processed	9
• On-site investigations conducted	24

Hearings Department

• Hearings held on rent increases	119
• Hearings held on decreases	37
• Hearings held on base rents and amenities	36
• Hearings on complaints	27
• Hearings held on threshold petitions	10
• Written decisions issued	122
• Addenda issued	115

July 1992-
June 1993

• On-site investigations conducted		234
71 upon scheduling decrease petitions		
69 in response to compliance requests		
11 regarding unit identification conflicts		
11 Ellis investigations		
48 Threshold petition investigations		
24 other, i.e., measuring, habitability, etc.		
• MARs updated due to decisions/addenda		3,506
• Site file pages copied to fiche by contractor		49,037
• Interpreter services provided		23
Spanish	20	
Korean	1	
Cantonese	1	
Serbian	1	

Information Systems Department

• Number of people helped seeking information		30,977
Number at counter (21%)	6,600	
Number by phone (79%)	24,377	
• MAR reports generated		241
• Certifications processed		29
• Petitions processed on in-take		365
• Registrations processed		185
• Registrations processed (new protocol)		465
• Registration fees processed		4,263
• Fee waivers processed		652

July 1992-
June 1993

Legal Department

• Staff reports on appeal prepared		51
base rent cases	4	
decrease cases	12	
threshold rent	2	
increase cases	21	
complaints (McHugh)	2	
excess rent complaints	6	
court remands	4	
• Staff reports prepared in removal cases		7
• Withdrawals of properties filed under Ellis processed		16
• Withdrawals of Excess Rent processed		10
• Miscellaneous staff reports		7
• New or amended regulations prepared		18
• Suits brought to enforce Rent Control Law		6
• Lawsuits defended		11
• Lawsuits resolved		37
• Officer of the Day requests responded to		780
• Exemption cases written or reviewed		70
• Incentive Housing cases reviewed		6
• Opinions provided for Rent Control Board		84
• Prima facie case review of excess rent complaints		102

July 1992-
June 1993

• Registration fee lawsuits:	
fees collected	\$48,562
lawsuits filed	8
pre-litigation settlement	6
• Ellis or other damage litigation	
fees collected	\$32,000
• Small Claims litigation (program started 2/92)	
fees collected	\$8,643
Administrative record suits filed	2
Registration fee suits filed	7
Suits resolved	7
• Administrative Records prepared	9
Collected \$10,008 in transcription and preparation fees	

OUTLOOK FOR 1993/1994

Although the annual report was written prior to January 17, 1994, it was not transmitted to the Rent Control Board and the City Council until after the Northridge earthquake. Any prospects staff may have had for 1993/1994 have been totally changed by the severe damage to the housing stock in the earthquake.

1994 will be filled with responses to the damaged buildings, including the development of a new petition process to allow owners to recoup the costs of earthquake-related repairs through rent increases. A streamlined removal permit process will be developed to allow owners of severely damaged properties to obtain a removal permit for the properties' demolition and reconstruction. The Rent Control Board staff will be working with the 3,000-3,500 displaced tenants and the owners of damaged properties. The major task of 1994 will be to try and keep both owners and tenants apprised of their rights and responsibilities as the people of Santa Monica struggle to rebuild their lives and their properties after the earthquake's devastation.

