

RENT CONTROL CHARTER AMENDMENT

Article XVIII is enacted as follows:

ARTICLE XVIII. RENT CONTROL

Section 1800. Statement of Purpose.

A growing shortage of housing units resulting in a low vacancy rate and rapidly rising rents exploiting this shortage constitute a serious housing problem affecting the lives of a substantial portion of those Santa Monica residents who reside in residential housing. In addition, speculation in the purchase and sale of existing residential housing units results in further rent increases. These conditions endanger the public health and welfare of Santa Monica tenants, especially the poor, minorities, students, young families, and senior citizens. The purpose of this Article, therefore, is to alleviate the hardship caused by this serious housing shortage by establishing a Rent Control Board empowered to regulate rentals in the City of Santa Monica so that rents will not be increased unreasonably and so that landlords will receive no more than a fair return.

In order to accomplish this purpose, this Article provides for an elected Rent Control Board to ensure that rents are at a fair level by requiring landlords to justify any rents in excess of the rents in effect one year prior to the adoption of this Article. Tenants may seek rent reductions from the rent in effect one year prior to the adoption of this Article by establishing that those rents are excessive. In addition to giving tenants an opportunity to contest any rent increase, this Article attempts to provide reasonable protection to tenants by controlling removal of controlled rental units from the housing market and by requiring just cause for any eviction from a controlled rental unit.

Through this Article, the city exercises its police power in order to address the serious housing problem recognized in the original enactment of this Rent Control Law in 1979 and still existing in 2002. The 1984 and the 2002 Amendments to the Rent Control Law are intended to clarify the law and ensure that the Rent Control Board possesses adequate and independent authority to carry out its duties. They are intended to ensure due process of law for landlords and tenants, effective remedies for violation of the law, and consistency with constitutional requirements. They are also intended to enable the Board to provide relief to persons facing particular hardship and to protect and increase the supply of affordable housing in the city. Termination or erosion of the protections of this Article would have serious disruptive consequences for persons in need of protection and the supply of affordable housing in the city.

[Section 1800 Amended 11/5/02; Effective 12/20/02]

Section 1801. Definitions.

The following words or phrases as used in this Article shall have the following meanings:

- (a) BOARD: The term "Board" refers to the elected Rent Control Board established by this Article.
- (b) COMMISSIONERS: The members of the Board and Interim Board are denominated Commissioners.
- (c) CONTROLLED RENTAL UNITS: All residential rental units in the City of Santa Monica, including mobile homes, and mobile home spaces, and trailers and trailer spaces, except single family homes to the extent provided for in section 1815 and those units found by the Board to be exempt under one or more of the following provisions:

- (1) Rental units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented primarily to transient guests for a period of less than fourteen (14) days.
- (2) Rental units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an institution of higher education.
- (3) Rental units which a government unit, agency or authority owns, operates, manages, or in which governmentally subsidized tenants reside only if applicable federal or state law or administrative regulation specially exempt such units from municipal rent control.
- (4) Rental units in owner-occupied dwellings with no more than three (3) units. For purposes of this section:
 - (i) The term "owner" means a natural person who owns a fifty (50) percent ownership interest in the building and resides on the property as his or her principal place of residence.
 - (ii) An exemption under this section shall expire by operation of law when the owner ceases to reside on the property as his or her principal place of residence; thereafter, all units on the property shall be subject to all provisions of this Article.
- (5) Rental units and dwellings constructed after the adoption of this Article; this exemption does not apply to units created as a result of conversion as opposed to new construction.
- (6) Where a unit is actually used for purposes of providing, on a non-profit basis, child care or other residential social services in accordance with applicable laws. This exemption shall expire when the use upon which exemption is based ceases. This exemption shall only apply to units as they become vacant and shall only operate to allow the specified use without the necessity of obtaining a removal permit under this Article. This exemption shall not be construed to authorize the eviction of any tenant nor to authorize the charging of rent in excess of that permitted under this Article. The Board may adopt regulations to determine whether a unit qualifies for an exemption under this section.
- (7) Exemptions are not automatic but shall be granted by the Board upon application by the owner pursuant to Board rules, provided that if the Board does not act upon a completed application for exemption within ninety (90) days of its filing it shall be deemed approved.
- (d) HOUSING SERVICE: Housing services include, but are not limited to repairs, maintenance, painting, providing light, hot and cold water, elevator service, window shades and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, refuse removal, furnishings, telephone, parking, the right to have a specified number of occupants, and any other benefit, privilege or facility connected with the use or occupancy of any rental unit. Services to a rental unit shall include a proportionate part of services provided to common facilities of the building in which the rental unit is contained.
- (e) LANDLORD: An owner, lessor, sublessor or any other person entitled to receive rent for the use and occupancy of any rental unit, or an agent, representative or successor of any of the foregoing.

- (f) RENT: All periodic payments and all nonmonetary consideration including but not limited to, the fair market value of goods or services rendered to or for the benefit of the landlord under an agreement concerning the use or occupancy of a rental unit and premises including all payment and consideration demanded or paid for parking, pets, furniture, subletting and security deposits for damages and cleaning.
- (g) RENTAL HOUSING AGREEMENT: An agreement, oral, written or implied, between a landlord and tenant for use or occupancy of a rental unit and for housing services.
- (h) RENTAL UNITS: Any building, structure, or part thereof, or land appurtenant thereto, or any other rental property rented or offered for rent for living or dwelling house units, together with all housing services connected with use or occupancy of such property such as common areas and recreational facilities held out for use by the tenant.
- (i) TENANT: A tenant, subtenant, lessee, sublessee or any other person entitled under the terms of a rental housing agreement to the use or occupancy of any rental unit.
- (j) RECOGNIZED TENANT ORGANIZATION: Any group of tenants residing in controlled rental units in the same building or in different buildings operated by the same management company, agent or landlord, who requests to be so designated.
- (k) RENT CEILING: Rent ceiling refers to the limit on the maximum allowable rent which a landlord may charge on any controlled rental unit.
- (l) BASE RENT CEILING: The maximum allowable rent established in Section 1804(b).
- (m) PROPERTY: All rental units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.
- (n) SINGLE FAMILY HOME: A property that has been developed with only one one-family dwelling and any lawful accessory structures, or a lawfully created condominium, stock cooperative or similar unit that is part of a larger residential structure or complex, excepting those condominiums, stock cooperatives, or similar units converted after April 10, 1979 for which no removal permit or vested right determination has been issued by the Board, and those created pursuant to Article XX of this Charter.

[Section 1801(d) Amended 11/5/02; Effective 12/20/02]

Section 1802. Integrity and Autonomy of Board.

The Rent Control Board shall be an integral part of the government of the city, but shall exercise its powers and duties under this Article independent of and without interference from the City Council, City Manager, and City Attorney. With respect to the internal organization and affairs of the Board:

- (a) BUDGET. The Board shall, prior to July 1 of each year, hold a public hearing on a proposed budget and adopt an annual budget for the ensuing fiscal year. At least thirty-five days prior to the beginning of each fiscal year, the Board's Administrator shall submit to the Board the proposed budget as prepared by him or her. After reviewing the same and making such revisions as it may deem advisable, the Board shall determine the time for the holding of a public hearing thereon and shall cause to be published a notice thereof not less than ten days prior to said hearing, by at least one insertion in the official newspaper. Copies of the proposed budget shall be available for inspection by the public in the office of the Board at least ten days prior to said hearing. The City Council and the City Manager shall have no authority to oversee, supervise, or approve this budget. Upon final adoption, the budget shall be in effect for the ensuing fiscal year and the amounts stated therein shall be and become appropriated by the Board for the respective objects and purposes

therein specified. At any meeting after the adoption of the budget the Board may amend or supplement the budget by the affirmative votes of at least three members. Copies of the adopted budget and any amendments or supplements shall be filed with the City Clerk, City Controller, and City Manager. Necessary adjustments to city administrative procedures shall be made.

- (b) PERSONNEL. Except for the elected or appointed Commissioners, the Administrator, and attorneys employed to represent or advise the Board, all employees of the Board are within the classified civil service of the City. The Board shall appoint an administrator to administer and supervise the exercise of its powers and duties who shall be directly responsible to the Board. All employees of the Board, except the Administrator and attorneys, shall be hired, terminated, suspended, and demoted in accordance with the provisions of Article XI of the Charter and implementing provisions of the Municipal Code. The Board shall classify employee positions, establish employee salaries and benefits, evaluate the performance of its employees, and be responsible for the layoff and recall of its employees, pursuant to regulations and procedures that it establishes. The Board may enter into and approve a Memorandum of Understanding with representatives of its employees concerning their wages, benefits, hours of work, and terms and conditions of employment in accordance with state law. The City Council shall have no power to abolish positions established or classified by the Board under this Article, notwithstanding any other section of this Charter. Provisions of the Municipal Code and other ordinances or resolutions of the City Council shall not limit the Board's power to adopt regulations and policies and to approve Memorandums of Understanding governing its relationship with its employees under this Section.
- (c) BOARD LEGAL WORK. Legal staff hired by the Board shall represent and advise the Board, its Commissioners, and its staff in any civil matters, actions, or proceedings in which the Board, its Commissioners, or its staff, in or by reason of their official capacity, are concerned or are a party. The Board may, in its sole discretion, and without approval of the City Council, retain private attorneys to furnish legal advice or representation in particular matters, actions or proceedings.
- (d) CONTRACTS AND PURCHASES. The Board shall comply with the provisions of the City Charter providing for a centralized purchasing system and competitive bidding, and shall procure goods and services as do other City agencies. Provided, however, that the Board shall have sole and final authority to employ attorneys, legislative lobbyists, and other professionals, and to approve contracts for such professional services.
- (e) CONFORMING REGULATIONS. If any portion of this Article is declared invalid or unenforceable by decision of a court of competent jurisdiction or rendered invalid or unenforceable by state or federal legislation, the Board and not the City Council shall have authority to enact replacement regulations consistent with the intent and purpose of the invalidated provision and applicable law. Such replacement regulations shall supersede invalidated or unenforceable provisions of this Article to the extent necessary to resolve any inconsistency. The subject matter of such replacement regulations shall be limited to rent control matters as enumerated in this Article.

Section 1803. Permanent Rent Control Board.

- (a) COMPOSITION: There shall be in the City of Santa Monica a Rent Control Board. The Board shall consist of five elected Commissioners. The Board shall elect annually as chairperson, one of its members to serve in that capacity.
- (b) ELIGIBILITY: Duly qualified electors of the City of Santa Monica are eligible to serve as Commissioners of the Board.
- (c) FULL DISCLOSURE OF HOLDINGS: Candidates for the position of Commissioner shall submit a verified statement listing all of their interests and dealings in real property, including but not limited to its ownership, sale or management, during the previous three (3) years.

- (d) ELECTION OF COMMISSIONERS: Commissioners shall be elected at general municipal elections in the same manner as set forth in Article XIV of the Santa Monica Charter, except that the first Commissioners shall be elected at a special municipal election held within ninety (90) days of the adoption of this Article. The elected Commissioners shall take office on the first Tuesday following their election. If, upon the City Clerk's determination of the qualified candidates, the number of candidates does not exceed the number of vacant positions, no election will be held and the qualified candidates shall be seated upon swearing in by the City Clerk.
- (e) TERM OF OFFICE: Commissioners shall be elected to serve terms of four years, beginning on the first Tuesday following their election, except that of the first five Commissioners elected in accordance with Section 1803(d), the two Commissioners receiving the most votes shall serve until April 15, 1985 and the remaining three Commissioners shall serve until April 18, 1983. Commissioners shall serve a maximum of two full terms.
- (f) POWERS AND DUTIES: The Board shall have the following powers and duties:
- (1) Set the rent ceilings for all controlled rental units.
 - (2) Require registration of all controlled rental units under Section 1803(q).
 - (3) Establish a base rent ceiling on rents under Section 1804(b).
 - (4) To make adjustments in the rent ceiling in accordance with Section 1805.
 - (5) Set rents at fair and equitable levels in order to achieve the intent of this Article.
 - (6) Hire and pay necessary staff, including hearing examiners and personnel to issue orders, rules and regulations, conduct hearings and charge fees as set forth below.
 - (7) Make such studies, surveys and investigations, conduct such hearings, and obtain such information as is necessary to carry out its powers and duties.
 - (8) Report annually to the City Council of the City of Santa Monica on the status of controlled rental housing.
 - (9) Remove rent controls under Section 1803(r).
 - (10) Issue permits for removal of controlled rental units from rental housing market under Section 1803(t).
 - (11) Administer oaths and affirmations and subpoena witnesses.
 - (12) Establish rules and regulations for deducting penalties and settling civil claims under Section 1809.
 - (13) Refer violations of this Article to appropriate authorities for criminal prosecution.
 - (14) Seek injunctive and other civil relief under Section 1811.
 - (15) Charge and collect registration fees, including penalties for late payments.
- (g) RULES AND REGULATIONS: The Board shall issue and follow such rules and regulations, including those which are contained in this Article, as will further the purposes of the Article. The Board shall publicize its rules and regulations prior to promulgation in at least one newspaper of general circulation in the City of Santa Monica. The Board shall hold at least one public hearing to consider the views of interested parties before deciding whether to impose a dollar-amount ceiling

on a general adjustment under Section 1805(b) or deciding to decontrol or reimpose control for any class of rental units under Section 1803(r). All rules and regulations, internal staff memoranda, and written correspondence explaining the decisions, orders, and policies of the Board shall be kept in the Board's office and shall be available to the public for inspection and copying. The Board shall publicize this Article so that all residents of Santa Monica will have the opportunity to become informed about their legal rights and duties under Rent Control in Santa Monica. The Board shall prepare a brochure which fully describes the legal rights and duties of landlords and tenants under Rent Control in Santa Monica. The brochure will be available to the public, and each tenant of a controlled rental unit shall receive a copy of the brochure from his or her landlord.

- (h) MEETINGS: The Board shall hold such regularly scheduled meetings as are necessary to ensure the timely performance of its duties under this Article. All regular and special meetings shall be called and conducted in accordance with state law.
- (i) QUORUM: Three Commissioners shall constitute a quorum for the Board.
- (j) VOTING: The affirmative vote of three Commissioners of the Board is required for a decision, including all motions, regulations, and orders of the Board.
- (k) COMPENSATION: Each Commissioner shall receive for every meeting attended seventy-five dollars (\$75.00), but in no event shall any Commissioner receive in any twelve month period more than forty-seven hundred and fifty dollars (\$4,750) for services rendered.
- (l) DOCKETS: The Board shall maintain and keep in its office all hearing dockets.
- (m) VACANCIES: If a vacancy shall occur on the Board, the Board shall within thirty (30) days appoint a qualified person to fill such a vacancy until the following municipal election when a qualified person shall be elected to serve for the remainder of the term.
- (n) FINANCING: The Board shall finance its reasonable and necessary expenses by charging landlords annual registration fees in amounts deemed reasonable by the Board up to a maximum annual registration fee of \$288 per controlled unit. Fifty percent (50%) of the amount of the registration fees may be passed through from landlords to tenants, and the Board may establish applicable conditions and procedures governing the pass through. The Board is also empowered to request and receive funding when and if necessary from any available source for its reasonable and necessary expenses.
- (o) RECALL: Commissioners may be recalled in accordance with the provisions of Article XIV of the Santa Monica Charter.
- (p) STAFF: The Board shall employ and pay such staff, including hearing examiners and inspectors, as may be necessary to perform its function efficiently in order to fulfill the purpose of this Article.
- (q) REGISTRATION: Within sixty (60) days after the adoption of this Article, the Board shall require the registration of all controlled rental units, which shall be re-registered at times deemed appropriate by the Board. The initial registration shall include the rent in effect at the time on the date of the adoption of this Article, base rent ceiling, the address of the rental unit, the name and address of the landlord, the housing services provided to the unit, a statement indicating all operating cost increases since the base rent ceiling date, and any other information deemed relevant by the Board. The Board shall require the landlord to report vacancies in the controlled rental units and shall make a list of vacant controlled rental units available to the public. If the Board, after the landlord has proper notice and after a hearing, determines that a landlord has willfully and knowingly failed to register a controlled rental unit, the Board may authorize the tenant of such a non-registered controlled rental unit to withhold all or a portion of the rent for the unit until such time as the rental unit is properly registered. After a rental unit is properly registered, the Board shall determine what portion, if any, of the withheld rent is owed to the landlord for the period

in which the rental unit was not properly registered. Whether or not the Board allows such withholding, no landlord who has failed to register properly shall at any time increase rents for a controlled rental unit until such units are properly registered.

- (r) DECONTROL: If the average annual vacancy rate in any category, classification, or area of controlled rental units exceeds five (5) percent, the Board is empowered, at its discretion and in order to achieve the objectives of this Article, to remove rent controls from such category, classification or area. The Board may determine such categories, classifications, or areas for purposes of decontrol consistent with the objectives of this Article. In determining the vacancy rate for any category, classification or area of controlled rental units, the Board shall consider all available data and shall conduct its own survey. If units are decontrolled pursuant to this subsection, controls shall be reimposed if the Board finds that the average annual vacancy rate has thereafter fallen below five (5) percent for such category, classification or area.
- (s) SECURITY DEPOSITS: Any payment or deposit of money the primary function of which is to secure the performance of a rental agreement or any part of such agreement, including an advance payment of rent, shall be placed in an interest bearing account at a federally insured financial institution until such time as it is returned to the tenant or entitled to be used by the landlord. Unless and until the Board enacts regulations directing that the interest on such accounts be paid directly to the tenant, the landlord may either pay such interest directly to the tenant or use it to offset operating expenses, in which case the offset shall be a factor in making individual rent adjustments under Section 1805. The Board may regulate the amount and use of security deposits consistent with the purposes of this Article and state law.
- (t) REMOVAL OF CONTROLLED UNIT FROM RENTAL HOUSING MARKET:
 - (1) Any landlord who desires to remove a controlled rental unit from the rental housing market by demolition, conversion or other means is required to obtain a permit from the Board prior to such removal from the rental housing market in accordance with rules and regulations promulgated by the Board. In order to approve such a permit, the Board is required to find that the landlord cannot make a fair return by retaining the controlled rental unit.
 - (2) Notwithstanding the foregoing provisions of this subsection, the Board may approve such a permit:
 - (i) If the Board finds that the controlled rental unit is uninhabitable and is incapable of being made habitable in an economically feasible manner, or
 - (ii) If the permit is being sought so that the property may be developed with multifamily dwelling units and the permit applicant agrees as a condition of approval, that the units will not be exempt from the provisions of this Article pursuant to Section 1801(c) and that at least fifteen (15) percent of the controlled rental units to be built on the site will be at rents affordable by persons of low income.
 - (3) The Housing Element of the General Plan of the City of Santa Monica shall at all times contain a provision that neither the City Council nor any City agency shall approve an application for tentative subdivision map or tentative parcel map for a converted unit until and unless the applicant first obtains a removal permit as required by this Section. This subsection shall not apply to any tentative subdivision map or tentative parcel map approved in accordance with Article XX relating to tenant ownership rights.
 - (4) The Board shall render its final decision within one hundred and twenty (120) days of the filing of a completed application under this section.

[Section 1803(g) Amended 11/6/12; Effective 12/12/12]

[Section 1803(n) Amended 11/4/14; Effective 11/29/14]

[Section 1803(d) Amended 11/8/22; Effective 12/6/22]

Section 1804. Maximum Allowable Rents

(a) **TEMPORARY FREEZE:**

- (1) Rents shall not be increased during the one hundred-twenty (120) day period following the date of adoption of this Article.
- (2) Notwithstanding Section 1805, the Board may, in its discretion and in order to protect the public's health and safety, disallow or, alternatively, modify otherwise-allowed annual general adjustments to rent ceilings during a state of emergency declared by the President of the United States, the Governor, or the Los Angeles County Department of Public Health Officer, or upon the declaration of a local emergency by the City Council or Director of Emergency Services. Nothing in this section precludes a landlord from filing a petition for an upward rent adjustment per Section 1805 of the City Charter.

(b) **ESTABLISHMENT OF BASE RENT CEILING:** Beginning one-hundred-twenty (120) days after the adoption of this Article, no landlord shall charge rent for any controlled rental units in an amount greater than the rent in effect on the date one year prior to the adoption of this Article. The rent in effect on that date is the base rent ceiling. If there was no rent in effect on the date one year prior to the adoption of this Article, the base rent ceiling shall be the rent that was charged on the first date that rent was charged following the date one year prior to the adoption of this Article. For tenancies commencing on or after January 1, 1999, which qualify for a vacancy rent increase pursuant to state law, the base rent ceiling is the initial rental rate in effect on the date the tenancy commences. As used in this subsection, the term "initial rental rate" means only the amount of rent actually paid by the tenant for the initial term of the tenancy. The base rent ceiling is the reference point from which the rent ceiling shall be adjusted upward or downward in accordance with Section 1805.

(c) **POSTING:** As soon as the landlord is aware of the maximum allowable rent, the landlord shall post it for each unit in a prominent place in or about the affected controlled rental units. The Board may require that other information it deems relevant also be posted.

[Section 1804(b) Amended 11/5/02; Effective 12/20/02]

[Section 1804(b) Amended 11/6/12; Effective 12/12/12]

[Section 1804(a)(1) Amended and Section 1804(a)(2) Adopted 11/8/22; Effective 12/6/22]

Section 1805. Individual and General Adjustment of Ceilings on Allowable Rents

(a) **ANNUAL GENERAL ADJUSTMENT:** No later than June 30 each year, the Board shall announce the percentage by which rent ceilings for eligible units will be generally adjusted effective September 1 of that year.

- (1) The adjustment shall be equal to seventy five percent of the percentage increase in the Consumer Price Index (All Urban Consumers, Los Angeles, Riverside, Orange County region, or any successor designation of that index that may later be adopted by the U.S. Bureau of Labor Statistics) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the 12-month period ending as of March of the current year.

- (2) In determining the allowable percentage increase, numbers of .04 and below shall be rounded down to the nearest tenth decimal place and numbers of .05 and above shall be rounded up to the nearest tenth decimal place.
- (3) Subparagraph 1 of this subsection notwithstanding, in no event shall the general adjustment be less than zero percent or greater than three (3) percent; and
- (4) Commencing February 1, 2023, the general adjustment during the period from February 1, 2023, through August 31, 2023, shall be 0.8% of the maximum allowable rent (MAR) in effect as of August 31, 2022, with a maximum dollar amount limit of nineteen dollars (\$19) ("Adjusted GA"). Absent an individual adjustment pursuant to subparagraphs (c) through (h) of this Section, the MAR during this seven month transition period shall be the MAR in effect as of August 31, 2022, plus the Adjusted GA. Notwithstanding the Board's June 2022 announcement of the 2022 general adjustment, the MAR for any period after August 31, 2023, shall be calculated pursuant to this Section 1805 as if the General Adjustment for the entire period from September 1, 2022, through August 31, 2023, had been three (3) percent, with a maximum dollar amount limit of seventy dollars (\$70). The Rent Control Board may by regulation increase the Adjusted GA for landlords who did not increase their rents by the full six (6) percent prior to February 1, 2023, so long as the average rent increase for the period from September 1, 2022, through August 31, 2023, does not exceed the lower of 3% or \$70 per month.
- (5) If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Section is for any reason held to be invalid, unlawful, or unconstitutional, such decision shall not affect the validity of the remaining portions of this Section or any portion thereof.

(b) DOLLAR AMOUNT CEILING

The Board may, in its discretion, impose a dollar-amount limit to any annual general adjustment. The dollar-amount limit shall be calculated using the following methodology:

- (1) The Board shall determine the eighty fifth percentile of the maximum allowable rent of all controlled units;
- (2) The Board shall then determine the eighty fifth percentile of maximum allowable rent of all controlled units with a base rent established before January 1, 1999;
- (3) The dollar-amount limit shall be the average of the two rents arrived at under paragraphs (1) and (2) multiplied by the annual general adjustment determined under paragraph (a) of this Section.

(c) PETITIONS: Upon receipt of a petition by a landlord and/or a tenant, the maximum rent of individual controlled rental units may be adjusted upward or downward in accordance with the procedures set forth elsewhere in this Section. The petition shall be on the form provided by the Board and shall include a declaration by the landlord that the unit meets all requirements of Section 1805(h). Notwithstanding any other provision of this Section, the Board or hearing examiner may refuse to hold a hearing and/or grant a rent adjustment if an individual hearing has been held and decision made with regard to maximum rent within the previous six months.

(d) HEARING PROCEDURE: The Board shall enact rules and regulations governing hearings and appeals of individual adjustment of ceilings on allowable rents which shall include the following:

- (1) HEARING EXAMINER: A hearing examiner appointed by the Board shall conduct a hearing to act upon the petition for individual adjustment of ceilings on allowable rents and shall have the power to administer oaths and affirmations.

- (2) NOTICE: The Board shall notify the landlord if the petition was filed by the tenant, or the tenant, if the petition was filed by the landlord, of the receipt of such a petition and a copy thereof.
- (3) TIME OF HEARING: The hearing officer shall notify all parties, as to the time, date and place of the hearing.
- (4) RECORDS: The hearing examiner may require either party to a rent adjustment hearing to provide it with any books, records and papers deemed pertinent in addition to that information contained in registration statements. The hearing examiner shall conduct a current building inspection and/or request the city to conduct a current building inspection if the hearing examiner finds good cause to believe the Board's current information does not reflect the current condition of the controlled rental unit. The tenant may request the hearing examiner to order such an inspection prior to the date of the hearing. All documents required under this Section shall be made available to the parties involved prior to the hearing at the office of the Board. In cases where information filed in a petition for rent ceiling adjustment or in additional submissions filed at the request of the hearing examiner is inadequate or false, no action shall be taken on said petition until the deficiency is remedied.
- (5) OPEN HEARINGS: All rent ceiling adjustment hearings shall be open to the public.
- (6) RIGHT OF ASSISTANCE: All parties to a hearing may have assistance in presenting evidence and developing their position from attorneys, legal workers, recognized tenant organization representatives or any other persons designated by said parties.
- (7) HEARING RECORD: The Board shall make available for inspection and copying by any person an official record which shall constitute the exclusive record for decision on the issues at the hearing. The record of the hearing, or any part of one, shall be obtainable for the cost of copying. The record of the hearing shall include: all exhibits, papers and documents required to be filed or accepted into evidence during the proceedings; a list of participants present; a summary of all testimony accepted in the proceedings; a statement of all materials officially noticed; all recommended decisions; orders and/or rulings; all final decisions, orders and/or rulings, and the reasons for each final decision, order and/or ruling. Any party may have the proceeding tape recorded or otherwise transcribed at his or her own expense.
- (8) QUANTUM OF PROOF AND NOTICE OF DECISION: No individual adjustment shall be granted unless supported by the preponderance of the evidence submitted at the hearing. All parties to a hearing shall be sent a notice of the decision and a copy of the findings of fact and law upon which said decision is based. At the same time, parties to the proceeding shall also be notified of their right to any appeal allowed by the Board and/or to judicial review of the decision pursuant to this Section and Section 1808 of this Article.
- (9) CONSOLIDATION: All landlord petitions pertaining to tenants in the same building will be consolidated for hearing, and all petitions filed by tenants occupying the same building shall be consolidated for hearing unless there is a showing of good cause not to consolidate such petitions.
- (10) APPEAL: Any person aggrieved by the decision of the hearing examiner may appeal to the Board. On appeal, the Board shall affirm, reverse or modify the decision of the hearing examiner. The Board may conduct a de novo hearing or may act on the basis of the record before the hearing examiner without holding a hearing.

- (11) FINALTY OF DECISION: The decision of the hearing examiner shall be the final decision of the Board in the event of no appeal to the Board. The decision of the hearing examiner shall not be stayed pending appeal; however, in the event that the Board on appeal reverses or modifies the decision of the hearing examiner, the landlord, in the case of an upward adjustment in rent, or the tenant, in the case of a downward adjustment of rent, shall be ordered to make retroactive payments to restore the parties to the position they would have occupied had the hearing examiner's decision been the same as that of the Board.
 - (12) TIME FOR DECISION: The rules and regulations adopted by the Board shall provide for final action on any individual rent adjustment petition within one-hundred and twenty (120) days, following the date of filing of the individual rent adjustment petition.
 - (13) BOARD ACTION IN LIEU OF REFERENCE TO HEARING EXAMINER: The Board, on its own motion or on the request of any landlord or tenant, may hold a hearing on an individual petition for rent adjustment without the petition first being heard by a hearing examiner.
 - (14) Decisions decreasing rents shall remain in effect until the Board finds that the landlord has corrected the defect warranting the decrease. The Board shall, by regulation, establish procedures for making prompt compliance determinations. Upon a determination of compliance the landlord shall be entitled to reinstatement of the prior rent level, retroactive to the date that the landlord corrected the defect which warranted the decrease.
- (e) In making individual adjustments of the rent ceiling, the Board shall consider the purposes of this Article and the requirements of law. In making an individual downward adjustment, the Board may consider decreases in living space, furniture, furnishings, equipment, or services; substantial deterioration of the controlled rental unit other than as a result of ordinary wear and tear; or failure on the part of the landlord to provide adequate housing services or to comply substantially with applicable housing, health and safety codes. In making an individual upward adjustment, The Board may employ as its fair return standard any lawful formula, including but not limited to one based on investment or net operating income. The Board shall consider all factors relevant to the formula it employs. Such factors may include: increases or decreases in operating and maintenance expenses; the extent of utilities paid by the landlord; necessary and reasonable capital improvement of the controlled rental unit as distinguished from normal repair, replacement and maintenance; increases or decreases in living space, furniture, furnishings, equipment, or services; federal and state income tax benefits; the speculative nature of the investment; whether or not the property was acquired or is held as a long term or short term investment; the landlord's rate of return on investment; the landlord's current and base date Net Operating Income; and any other factor deemed relevant by the Board in providing the landlord a fair return.
 - (f) No rent increase shall be authorized by this Article because a landlord has a negative cash flow as the result of refinancing the controlled rental unit if at the time the landlord refinanced the landlord could reasonably have foreseen a negative cash flow based on the rent schedule then in existence within the one year period following refinancing. This paragraph shall only apply to that portion of the negative cash flow reasonably foreseeable within the one year period following refinancing of the controlled rental unit and shall only apply to controlled rental units refinanced after the date of adoption of this Article.
 - (g) No rent increase shall be authorized by this Article because a landlord has a negative cash flow if at the time the landlord acquired the controlled rental unit, the landlord could reasonably have foreseen a negative cash flow based on the rent schedule then in existence within the one year period following acquisition. This paragraph shall only apply to that portion of the negative cash flow reasonably foreseeable within the one year period following acquisition of a controlled rental unit and shall only apply to controlled rental units acquired after the date of adoption of this Article.

- (h) No landlord shall increase rent under this Article if the landlord:
- (1) Has failed to comply with any provisions of this Article and/or regulations issued thereunder by the Board, including the provisions requiring the payment of registration fees and registration penalties.
 - (2) Has failed to comply substantially with any applicable state or local housing, health or safety law. No landlord shall increase rent unless the notice increasing rent contains a statement in substantially the following form: "The undersigned (landlord) certifies that this unit and common areas are not subject to any uncorrected citation or notices of violation of any state or local housing health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under this Article, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.
- (i) The Board may, in its discretion, enact regulations to provide for increases of rents on units voluntarily vacated after the effective date of this subsection in properties where the landlord has dedicated a percentage of units to be rented to persons of very low or low income at affordable rents. The Board may enact procedures and other regulations governing determination of the conditions upon which such increases will be permitted, the extent of the increases, the required mix of affordable units to be provided, ways to ensure the continued provision of affordable housing under this subsection, the terms and conditions applicable when landlords cease to participate or when tenants vacate or cease to qualify for units dedicated to affordable housing, and other measures it deems necessary.

If the Board enacts regulations under this subsection, it shall provide for the following:

- (1) That a property shall not be eligible for this program unless a specified percentage of all units on the property, no less than fifteen (15) percent, will be occupied by tenants of very low or low income and the rent on each unit so occupied does not exceed a specified percentage, no greater than thirty (30) percent, of such tenants' income.
- (2) That tenants of very low or low income occupying units maintained at affordable rent levels under this program are protected if the landlord elects not to participate further in the program. Such protection shall include, at a minimum, a provision prohibiting the rent of such tenants from being increased by a percentage greater than the general annual adjustment allowed by the Board even if the resulting rent is below the maximum allowable rent and the landlord has lowered the rent for other units on the property.

[Section 1805(a), (b), (e) Amended 11/6/12; Effective 12/12/12]

[Section 1805(a)(3) Amended and Section 1805(a)(4) and (5) Adopted 11/8/22; Effective 12/6/22]

Section 1806. Eviction

- (a) No landlord shall take action to terminate any tenancy including but not limited, to making a demand for possession of a rental unit, threatening to terminate a tenancy, serving any notice to quit or other eviction notice or bringing any action to recover possession or be granted recovery of possession of a controlled rental unit unless:
- (1) The tenant has failed to pay the rent to which the landlord is entitled under the rental housing agreement and this Article.

- (2) The tenant has continued, after written notice to cease, to commit a material and substantial breach of an obligation or covenant of his or her tenancy which the landlord has not waived either expressly or impliedly through the landlord's conduct and which the landlord is not estopped from asserting, other than the obligation to surrender possession upon proper notice. Notwithstanding any contrary provision in this Section, and notwithstanding any contrary provision in the rental housing agreement, a landlord shall not take any action to terminate a tenancy based on a tenant's sublease of the unit if the following requirements are met:
- (i) The tenant continues to reside in the rental unit.
 - (ii) The sublease replaces a departed tenant(s) under the rental agreement on a one-for-one basis.
 - (iii) The landlord has unreasonably withheld the right to sublease following written request by the tenant. If the landlord fails to respond to the tenant in writing within fourteen (14) days of receipt of the tenant's written request, the tenant's request shall be deemed approved by the landlord.
- (3) The tenant has continued, after written notice to cease, to commit or expressly permit a nuisance in, or cause substantial damage to, the controlled rental unit, or to create a substantial interference with the comfort, safety, or enjoyment of the landlord or other occupants or neighbors of the same.
- (4) The tenant is convicted of using or expressly permitting a controlled rental unit to be used for any illegal purpose.
- (5) The tenant, who had a rental housing agreement which had terminated, has refused, after written request or demand by the landlord, to execute a written extension or renewal thereof for a further term of like duration and in such terms as are not inconsistent with or violative of any provisions of this Article and are materially the same as in the previous agreement.
- (6) The tenant has continued to refuse, after written notice, to grant the landlord reasonable access to the controlled rental unit for the purposes of making necessary repairs or improvements required by the laws of the United States, the State of California or any subdivision thereof, or for the purpose of showing the rental housing to any prospective purchaser or mortgagee.
- (7) The tenant holding at the end of the term of the rental housing agreement is a subtenant not approved by the landlord.
- (8) The landlord seeks to recover possession in good faith for use and occupancy by herself or himself, or her or his children, parents, grandparents, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law.
- (i) A "landlord" shall be defined as a natural person who has at least a fifty (50) percent ownership interest in the property.
 - (ii) No eviction may take place if any landlord or enumerated relative already occupies one unit on the property, or if a vacancy already exists on the property and the vacant unit is comparable to the unit for which eviction is sought. Where the vacant unit is determined not to be comparable, thereby permitting eviction under this subsection, the evicted tenant or tenants shall be first given the right to occupy the vacant unit and the rent thereof shall be the lesser of the maximum allowable rent for the vacant unit and the maximum allowable rent of the unit from which the

tenant or tenants are evicted. The Rent Control Board shall promulgate regulations defining when a unit is comparable for purposes of this paragraph.

- (iii) The notice terminating tenancy shall contain the name, address and relationship to the landlord of the person intended to occupy.
- (iv) The landlord or enumerated relative must intend in good faith to move into the unit within sixty (60) days after the tenant vacates and to occupy the unit as a primary residence for at least two years, unless extenuating circumstances exist. The Board may adopt regulations governing the determination of good faith.
- (v) If the landlord or relative specified on the notice terminating tenancy fails to occupy the unit within sixty (60) days after the tenant vacates or fails to occupy the unit as a primary residence for at least two years, unless extenuating circumstances exist, the landlord shall:
 - A. Offer the unit to the tenant who vacated it.
 - B. Pay to said tenant all reasonable expenses incurred in moving to and/or from the unit.
- (vi) No eviction pursuant to this subsection shall be allowed in any condominium or stock cooperative unit which has been converted from an apartment or other rental unit after April 10, 1979, unless the Rent Control Board has issued a removal permit or declared a vested right for said unit. As used in this subpart, a unit shall be deemed converted after April 10, 1979, if on April 10, 1979, the recorded tract map or parcel map for the property showed the unit as included in the property.
- (vii) A landlord may not evict a tenant pursuant to this Subsection if the tenant (A) has resided in the unit for at least five years and is either at least 62 years old or disabled; or (B) is certified as being terminally ill by the tenant's treating physician. For the purposes of this Subsection, "disabled" means a person who is receiving benefits from a federal, state, or local government, or from a private entity, on account of a permanent disability that prevents the person from engaging in regular, full-time employment.

Notwithstanding the above, a landlord may evict a tenant who qualifies for the exemption if the landlord or enumerated relative who will occupy the unit also meets the criteria for this exemption.

- (9) The landlord seeks to recover possession to demolish or otherwise remove the controlled rental unit from rental residential housing use after having obtained all proper permits from the City of Santa Monica.
 - (10) The landlord has filed the requisite documents with the Rent Control Board initiating the procedure for withdrawing units from rent or lease under Government Code Section 7060 et. seq. and the Board's regulations, with the intention of completing the withdrawal process and going out of the residential rental business.
- (b) Any written notice as described in Subsections (a)(2), (3) or (6) shall be served by the landlord a reasonable period prior to serving a notice to terminate tenancy and shall inform the tenant that a failure to cure may result in the initiation of eviction proceedings. The Board may enact regulations regarding reasonable notice.
 - (c) Notwithstanding any contrary provision in this Section or in the rental housing agreement, if the tenant's spouse, child(ren), and/or domestic partner who has filed an Affidavit of Domestic

Partnership with the City have lived in the unit for at least one year at the time the tenant vacates the unit due to death or incapacitation, the landlord is prohibited from taking any action to obtain possession of the unit from the tenant's spouse, child(ren), and/or registered domestic partner on the ground that the spouse, child(ren) and/or registered domestic partner are not authorized to occupy the unit.

- (d) Notwithstanding the above provisions, possession shall not be granted if it is determined that the eviction is in retaliation for the tenant reporting violations of this Article, for exercising rights granted under this Article, including the right to withhold rent upon authorization of the Board under Section 1803(q) or Section 1809 or for organization other tenants.
- (e) In any notice purporting to terminate tenancy the landlord shall state the cause for the termination, and in any action brought to recover possession of a controlled rental unit, the landlord shall allege and prove compliance with this Section. The landlord shall file with the Rent Control Board a copy of any notice terminating tenancy, except a three day notice to pay rent or vacate, within 3 days after serving the notice on the tenant.
- (f) Failure to comply with any requirement of this Section may be asserted as an affirmative defense in an action brought by the landlord to recover possession of the unit. Additionally, any attempt to recover possession of a unit in violation of this Article shall render the landlord liable to the tenant for actual and punitive damages, including damages for emotional distress, in a civil action for wrongful eviction. The tenant or the Rent Control Board may seek injunctive relief and money damages for wrongful eviction. The prevailing party in an action for wrongful eviction shall recover costs and reasonable attorneys fees.

[Section 1806(b) Amended April 24/25, 1999; Effective 6/15/99]

[Section 1806 Amended 11/5/02; Effective 12/20/02]

[Section 1806(a)(2),(3),(6),(8)(vii) and (b) Amended 11/2/10; Effective 12/17/10]

[Section 1806(a)(8)(iv) and (v) Amended 11/8/22; Effective 12/6/22]

Section 1807. Non-waiverability

Any provision, whether oral or written in or pertaining to a rental housing agreement whereby any provision of this Article for the benefit of the tenant is waived, shall be deemed to be against public policy and shall be void.

Section 1808. Judicial Review

A landlord or tenant aggrieved by any action or decision of the Board may seek judicial review by appealing to the appropriate court within the jurisdiction.

Section 1809. Civil Remedies

- (a) Any landlord who demands, accepts, receives, or retains any payment of rent in excess of the maximum lawful rent, in violation of the provisions of this Article or any rule, regulation or order hereunder promulgated, including the provisions ensuring compliance with habitability standards and registration fee requirements, shall be liable in a civil action to the tenant from whom such payments are demanded, accepted, received or retained, for reasonable attorney's fees and costs as determined by the court, plus damages in the amount by which the payment or payments demanded, accepted, received or retained exceeds the maximum lawful rent. A civil penalty of treble the amount by which the payment or payments demanded, accepted, received or retained exceeds the maximum lawful rent shall be awarded against the landlord upon a showing that the

landlord has acted willfully or with oppression, fraud or malice. No administrative remedy need be exhausted prior to filing suit pursuant to this subsection.

- (b) In lieu of filing a civil action, a tenant may file an administrative complaint. The Board shall establish by rule and regulation a hearing procedure similar to that set forth in Section 1805(d).
 - (1) The rules and regulations adopted by the Board shall provide for final Board action on any complaint for excess rent within one-hundred and twenty (120) days following the date of filing of the complaint.
 - (2) In any administrative hearing under this Section, a landlord who demands, accepts, receives or retains any payment of rent in excess of the maximum lawful rent shall be liable for damages in the amount by which the payment or payments demanded, accepted, received or retained exceeds the maximum lawful rent and may be liable for an additional amount not to exceed Five Hundred Dollars (\$500), for costs, expenses incurred in pursuing the hearing remedy, damages and penalties. The tenant shall bear the burden of proving entitlement to the penalty. The tenant may deduct the penalty and award of damages from future rent payments in the manner provided by the Board. An order authorizing rent withholding under this Article shall survive the sale or other transfer of the property and shall be binding upon successors of the landlord against whom the order was made. If a tenant authorized to withhold rent under this Article vacates the property, the landlord shall pay to such tenant a sum equal to the balance of the rent that the tenant could have withheld.
- (c) If the tenant from whom such excessive payment is demanded, accepted, received or retained in violation of the foregoing provisions of this Article or any rule or regulation or order hereunder promulgated fails to bring a civil or administrative action as provided for in Section 1809(a) and 1809(b) within one hundred and twenty (120) days from the date of occurrence of the violation, the Board may settle the claim arising out of the violation or bring such action. Thereafter, the tenant on whose behalf the Board acted is barred from also bringing an action against the landlord in regard to the same violation for which the Board has made a settlement or brought action. In the event the Board settles said claim, it shall be entitled to retain the costs it incurred in settlement thereof, and the tenant against whom the violation has been committed shall be entitled to the remainder.
- (d) The appropriate court in the jurisdiction in which the controlled rental unit affected is located shall have jurisdiction over all actions brought under this Section.

Section 1810. Criminal Remedies:

Any landlord violating this Article shall be guilty of a misdemeanor. Any landlord convicted of a misdemeanor under the provisions of this Article shall be punished by a fine of not more than five hundred dollars (\$500), or by imprisonment in the county jail for a period not exceeding six months, or by both such fine and imprisonment.

Section 1811. Injunctive and Other Civil Relief.

The Board, and tenants and landlords of controlled units, may seek relief from the appropriate court within the jurisdiction within which the affected controlled rental unit is located to enforce any provision of this Article or its implementing regulations or to restrain or enjoin any violation of this Article and of the rules, regulations, orders and decisions of the Board.

Section 1812. Partial Invalidity:

If any provision of this Article or application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of this Article which can be given effect without the invalid provision or application, and to this end the provisions of this Article are declared to be severable. This Article shall be liberally construed to achieve the purposes of this Article and to preserve its validity.

Section 1813. Relationship to Article XX.

Section 1803(t) of this Article shall not apply to any building for which approval has been received pursuant to Article XX (Tenant Ownership Rights Charter Amendment) of this Charter. All other provisions of this Article, however, shall continue to apply with full force and effect to each unit in any building receiving approval pursuant to Article XX. Tenants residing in such units, whether or not "qualifying," "participating," or any other such designation under Article XX, shall enjoy all the rights and remedies provided by this Article without limitation as to duration or to ownership of the unit. This Section is declarative of existing law and does not impose any new requirements or limit any existing ones.

Section 1814. Existing Board Practices.

To the extent that the amendments to Article XVIII adopted at the same time as this Section incorporate rules, regulations and practices of the Rent Control Board existing on the date of the adoption hereof, this amendment is declarative of existing law and does not impose any new requirements or limit any existing ones.

Section 1815. Single Family Homes.

Single Family homes that were not used for residential rental purposes on July 1, 1984 are automatically exempt from the provisions of this Article. Single family homes that are not exempt under the preceding sentence are subject to all requirements of this Article, but shall be permanently exempted by the Board upon proof that the home has been continuously occupied by the owner for a period of two years as a principal place of residence after voluntary vacancy by the tenant or lawful eviction of the tenant. An owner may have only one exemption under this Section at any one time.

Section 1820. State Owned Property.

This Article shall not apply to any property which is part of the State Park System or sovereign tidelands and owned by the State of California on July 1, 1990.

[Section 1820 Adopted 11/6/90; Effective 12/10/90]

Section 1821. Tenant Harassment.

Tenants living in rental housing units have the right to quiet enjoyment, privacy and freedom from harassment by the property owner. In order to effectuate this right, the City Council shall at all times maintain a Tenant Harassment Ordinance in force which protects tenants from landlords' conduct in derogation of tenants' rights.

[Section 1821 Adopted 11/5/02; Effective 12/20/02]

[Article XVIII Adopted 4/10/79]
[Article XVIII Amended 11/6/84; Effective 12/6/84]
[Section 1820 Adopted 11/6/90; Effective 12/10/90]
[Section 1806(b) Amended April 24/25, 1999; Effective 6/15/99]
[Section 1800 Amended 11/5/02; Effective 12/20/02]
[Section 1801(d) Amended 11/5/02; Effective 12/20/02]
[Section 1804(b) Amended 11/5/02; Effective 12/20/02]
[Section 1806 Amended 11/5/02; Effective 12/20/02]
[Section 1821 Adopted 11/5/02; Effective 12/20/02]
[Section 1806(a)(2),(3),(6),(8)(vii), and (b) Amended 11/2/10; Effective 12/17/10]
[Section 1803(g) Amended 11/6/12; Effective 12/12/12]
[Section 1804(b) Amended 11/6/12; Effective 12/12/12]
[Section 1805(a), (b), (e) Amended 11/6/12; Effective 12/12/12]
[Section 1803(n) Amended 11/4/14; Effective 11/29/14]
[Section 1803(d) Amended 11/8/22; Effective 12/6/22]
[Section 1804(a)(1) Amended and Section 1804(a)(2) Adopted 11/8/22; Effective 12/6/22]
[Section 1805(a)(3) Amended and Section 1805(a)(4) and (5) Adopted 11/8/22; Effective 12/6/22]
[Section 1806(a)(8)(iv) and (v) Amended 11/8/22; Effective 12/6/22]

CHAPTER 1

RULES FOR BOARD MEETINGS

1000. Quorum

Three Boardmembers shall constitute a quorum of the Board. The affirmative vote of three members of the Board is required for a decision, including all motions, regulations, and orders of the Board.

1001. Agenda

The Secretary to the Board shall prepare the agenda. The agenda, with all supporting matters shall be delivered to the Boardmembers one week prior to the Thursday Board Meeting to which it pertains and shall be made available to the public no later than three o'clock on the Wednesday preceding the scheduled Board Meeting; providing, however, that at any time prior to the hour set for the meeting, any Boardmember, the Board's Counsel or the Administrator, may direct any matter he or she deems urgent to be placed upon the agenda; provided, further, that any item of public interest or concern added to the agenda after its publication to the general public shall not be considered unless it is accompanied by a full explanation by the advocate of such item and until after a majority of the Board has voted to do so. Matters directed to be placed on the Agenda by Boardmembers shall be listed thereon in order of receipt of such direction.

1002. Time and Place for Holding Regular Meeting

- (a) The Santa Monica Rent Control Board does hereby establish meetings on the first, second, fourth and/or fifth Thursday of each month at 7:00 p.m. However, if any such Thursday falls on any day designated by law by the City Council or by the Rent Control Board as a day for public feast, Thanksgiving or holiday, or if a change in the date for a regular meeting is reasonably necessary for the Board to perform its duties, the Board shall give the public reasonable notice of the alternative date for the meeting, which shall be preferably held on a Thursday. Regular meetings shall commence at 7:00 p.m., unless the agenda includes a closed-session item, in which case the meeting shall commence at 6:00 p.m.
- (b) The City Council Chamber in City Hall is established as the location for holding the Board's regular meetings held on the first, second, fourth and/or fifth Thursday of each month. If, for any reason, the City Council Chamber is unavailable for a particular regular meeting, the Board shall give the public reasonable notice of the alternative site of the meeting. If, however, the City Council Chamber becomes permanently unavailable, the Board shall, with reasonable notice, amend this regulation to set forth the new location(s) of its regular meetings.

[1002 Amended 5/29/86; Effective 5/29/86]

[1002(a) Amended 1/27/00; Effective 2/11/00]

[1002(a)-(b) Amended 10/13/11; Effective 10/21/11]

[1002(a) Amended 11/8/18; Effective 11/15/18]

1003. Meetings to be Public -- Exception for Closed Sessions

- (a) All regular, adjourned regular, and special meetings of the Rent Control Board shall be public; provided, however, that the Rent Control Board may hold Closed Sessions during a regular or special meeting, from which the public may be excluded, for the purpose of considering the matters referred to in §§54956.7-54957.10 of the California Government Code relating to Closed Sessions of the legislative body, or pursuant to other provisions of law.

The above section is specifically limited by the following:

- (1) Restrictions in Closed Sessions do not apply to meetings of committees of the Rent Control Board consisting of less than a quorum of its members.
 - (2) Closed Sessions may not be held to consider the broad category of "personnel" matters.
 - (3) Closed Sessions relating to personnel are limited to those relating to the appointment, employment, evaluation of performance, or dismissal of an employee or to hear complaints or charges brought against such employee.
 - (4) Closed Sessions may not be held to determine the compensation of employees not represented by a collective bargaining organization.
- (b) The general categories permitting Closed Sessions shall include, but not be limited to:
- (1) Consider the employment, performance evaluation, or dismissal of an employee, or to hear charges brought against such person unless the employee in question requests a public hearing, in which event a public hearing shall be permitted.
 - (2) Discuss with the Board counsel pending, proposed or anticipated litigation where the threat of litigation is likely or would be likely, if discussed in an open meeting.
 - (3) Meeting with Attorney General, District Attorney, Sheriff or Chief of Police (or their Deputies) on matters "posing a threat to the security of public buildings or a threat to the public's right of access to public services or public facilities."
 - (4) Instruct Board staff and/or authorized negotiators concerning salaries, salary schedules or compensation paid in the form of fringe benefits prior to or during negotiations with employee organizations.
 - (5) Negotiate and have discussions with employee organization representatives following intervention of a state labor conciliator in a labor dispute.
 - (6) Instruct Board staff and authorized negotiators concerning purchase, sale, exchange or lease of real property for the purpose of giving instructions regarding the price and terms of payment.
 - (7) Consider those matters which by law are properly subject to Closed Sessions.
- (c) No member of the Rent Control Board, employee, or any other person present during a Closed Session of the Rent Control Board shall disclose to any person the content or substance of any discussion which took place during said closed session unless the Rent Control Board shall authorize the disclosure of such information by majority vote, or unless such disclosure is required, and only to the extent so required, by the provisions of §54957.2 of the California Government Code.
- (d) At any given meeting, no more than one Commissioner may appear at open or closed sessions of the Board's meetings by teleconference, subject to limitations and noticing requirements imposed by Government Code § 54953. A Commissioner wishing to appear by teleconference must so notify the Board Secretary at the earliest possible moment, but no later than 72 hours before the time at which the meeting is scheduled to begin.

[1003 Amended 6/12/97; Effective 6/20/97]
 [1003(a) Amended 10/13/11; Effective 10/21/11]
 [1003(d) Adopted 11/8/18; Effective 11/15/18]

1004. Board Correspondence

(a) Non-Board Items

Written communications addressed to the Board, the subject matter of which comes within the jurisdiction of any other Board, Commission or Department of the City, may be referred to such Body or Department, or both, by the Secretary, and such communications shall not be placed on the Board agenda.

Any person submitting a written communication to the Board which is subsequently referred another Board, Commission, or Department of the City shall be notified of such referral by the Secretary. If dissatisfied with either the action of the Secretary or the action of the Body or Department to which the communication was referred, such person may appeal to the Board.

- (b) The Secretary is authorized to open all mail or other written communications collectively addressed to the Board and to give it immediate attention to the end that all administrative business referred to in said communications which does not necessarily require Board action may be acted upon between Board Meetings.

(c) Board Items

Correspondence collectively addressed to the Board shall be received and opened by the Secretary, transmitted to the appropriate officer having jurisdiction, and placed on the agenda if Board action is deemed appropriate by the Secretary, except in the following circumstances:

- (1) No communication containing material which:
- (i) Is profane;
 - (ii) Is in the nature of a criminal or civil slander, or is potentially slanderous or libelous;
 - (iii) Advocates or opposes the candidacy of any person or party for any elective office;
 - (iv) Is primarily an advertisement or promotion or has as a substantial purpose the advancement of any cause the major benefit of which is private and not public; or
 - (v) Does not necessitate Board action, shall be place upon any Board agenda.

(d) Availability to the Public

- (1) Correspondence addressed to individual Boardmembers shall not be opened by the Secretary unless authorized to do so by individual Boardmembers. Such communications shall not become public records until received and filed by the Board at a regular, special or adjourned meeting of the Board, or retained or used as provided in §6250 of the California Government Code.
- (2) Correspondence received in the Secretary's or other Board offices after twelve o'clock noon on Mondays prior to the Board Meeting shall not be placed on the agenda unless it concerns a matter to be considered by the Board at the next regular meeting or is determined by the Secretary to be an urgent matter which should be brought to the immediate attention of the Board.

- (3) Correspondence shall not be read aloud at a Board Meeting unless requested by a majority vote of the Board. No item which is exempted by §6254 of the California Government Code shall be disclosed or treated as a public record.

1005. Order of Business

- (a) STANDARD ORDER. The Board will ordinarily consider and dispose of its business in the following order:
 - (1) Call to Order. The Chair will call the meeting to order, and the Board Secretary will call the roll.
 - (2) Closed Session. The Board will recess to closed session to consider items on the closed-session agenda. Closed session will ordinarily be held between 6:00 p.m. and 7:00 p.m.
 - (3) Reconvene to Open Session. The Chair will call the open session to order and invite the Board and public to salute the flag.
 - (4) Report of Closed Session. The General Counsel, or other person called upon by the Chair to do so, will provide a report of the Board's closed session.
 - (5) Approval of Minutes. The Board will review the previous meeting's minutes. If the minutes are accurate, the Board will approve them. If the minutes are inaccurate, the Board will correct any inaccuracies and approve the minutes as corrected.
 - (6) Special Agenda Items. The Chair, any member of the Board, or the Board Administrator, will make relevant announcements, present commendations or awards, introduce special guests, or conduct other brief business of a like nature.
 - (7) Public Comment. Members of the public will be given the opportunity to directly address the Board on any item of interest to the public that is within the Board's subject-matter jurisdiction; however, members of the public wishing to address the Board on specific agenda items should address the Board on those items when they are under consideration by the Board. In order to address the Board, any member of the public should inform the Board secretary of his or her name and the issue to be discussed, using a slip provided for the purpose. The speaker must be given three minutes to speak, unless the Board permits a longer or shorter period, or another period is required by regulation.
 - (8) Continued Business. The Board will consider any unconcluded items from previous Board Meeting agendas.
 - (9) Consent Calendar. The Board will consider all consent items as a group by a single motion to approve the consent calendar. Because the consent calendar includes only items of a noncontroversial nature that do not require a public hearing, such as receiving reports or making technical, non-substantive changes to regulations, the title to the individual consent items will not be read unless a request to do so is made by a member of the Board. Public discussion is permitted only if the item is removed from the consent agenda and a specific request to be heard is made.
 - (10) Jurisdictional Items. The Board will consider matters in which the Board is required to make a decision concerning an individual application or appeal.

- (11) Public Hearings. As specifically required by law, or as previously agreed by the Board, the Board will hold a public hearing on the adoption or substantive amendment of any regulation or rule, or the adoption of a resolution necessary to implement any regulation or rule.
 - (12) Administrative Items. The Board will consider issues placed on the agenda by the Administrator. Examples of administrative items include the adoption or amendment of regulations, rules, or resolutions not specifically required by law or not previously suggested for discussion by the Board itself, the presentation of proposed budgets, and matters of a like nature.
 - (13) Reports of Committees. A subcommittee of the Board will present a report of its findings and recommendations, if any, to the entire Board and to the public.
 - (14) Board Discussion Items. A member of the Board, having caused an issue to be placed on the Board's agenda, will succinctly state the issue for the Board's consideration. No final Board action may be taken on anything arising under this part of the agenda. The Secretary must list items in this part of the agenda in the order in which they were received.
 - (15) Written Communications. The Board will receive written communication from the public. The Board Secretary must list all written communications on the agenda in the order in which they were received at the Board's offices, together with a succinct statement of their subject matter. The Board will not discuss the written communication except at the request of a Board member. The discussion may be limited in duration by a majority vote of the Board.
 - (16) Adjournment. The Board will adjourn, and will remain adjourned until its next regularly-scheduled meeting unless an emergency or special meeting is called before the next regularly-scheduled meeting.
- (b) The Board may alter the order of its agenda for an individual meeting, except the call to order and adjournment, by majority vote.

[1005 Amended 8/13/92; Effective 8/20/92]
[1005 Amended 4/14/94; Effective 4/23/94]
[1005 Amended 6/12/97; Effective 6/20/97]
[1005 Amended 10/13/11; Effective 10/21/11]
[1005 Amended 3/13/14; Effective 3/19/14]

1006. Preparation of Minutes

The Secretary shall have exclusive responsibility for preparation of the minutes, and any directions for changes in the minutes shall be made only by a majority action of the Board.

1007. Reading of Minutes

Unless the reading of the minutes of a Board Meeting is ordered by a majority vote of the Board, such minutes may be approved without reading if the Secretary has previously furnished each Boardmember with a copy.

1008. Presiding Officer

The Chairperson shall be the Presiding Officer at all meetings of the Rent Control Board. In the absence

of the Chairperson, the Vice-Chairperson shall preside. In the absence of both the Chairperson and the Vice-Chairperson, the Secretary shall call the Board to order whereupon a temporary Presiding Officer shall be elected by the Boardmembers present to serve until the arrival of the Chairperson or Vice-Chairperson or until adjournment.

1009. Powers and Duties of Presiding Officer

(a) Participation

The Chairperson or Vice-Chairperson or such other member presiding may move, second and debate from the chair, subject only to such limitations of debate as are imposed upon members of the Board by these rules and shall not be deprived of any of the rights or privileges of a Boardmember by reason of his/her acting as Presiding Officer.

(b) Duties

The Presiding Officer shall preserve order at all regular, adjourned regular, and special meetings of the Board. Such officer shall state each question coming before the Board, announce the decisions of the Board on all subjects, rule on all evidentiary matters and decide all questions of order; subject, however, to an appeal by the Board, whereupon a majority vote of the Board on any question of order shall govern and determine conclusively such evidentiary ruling or question of order.

(c) Signing of Documents

The Presiding Officer shall sign all Resolutions and other documents necessitating his/her signature which were adopted in his/her presence, unless he/she is unavailable, in which case the signature of the alternate Presiding Officer may be used. The Administrator shall execute all contracts on behalf of the Board unless otherwise ordered by the Board. Prior to Board authorization each contract shall be reviewed by the Board's counsel as to the form and legality.

1010. Sworn Testimony

- (a) The Presiding Officer may require any person addressing the Board to be sworn as a witness and to testify under oath, and the Presiding Officer shall so require if directed to do so by a majority vote of the Board. Any member of the Board may request that anyone appearing before the Board on any matter shall be sworn. On receipt of such a request, all proceedings shall be suspended and the Board will, without debate, immediately vote on whether the individual should be sworn. A majority vote of the members present shall determine whether the speaker shall be placed under oath. All oaths and affirmations will be administered by the Secretary.
- (b) The Board shall have the power and authority to compel the attendance of witnesses, to examine them under oath, and to compel the production of evidence before it. Subpoenas may be issued in the name of the Board and be attested by the Secretary.

1011. Rules of Debate

(a) Getting the Floor

Every Boardmember desiring to speak shall first address the Chair, gain recognition by the Presiding Officer, and shall confine himself/herself to the question under debate, avoiding personalities and indecorous language.

(b) Questions to Staff

Every Boardmember desiring to question Board staff shall, after recognition by the Presiding Officer, address his/her questions to the Administrator, the Board's counsel, or any staff member then present on the dais. If either the Administrator or the Board's counsel feels another staff member who is not located on the dais could best respond to the Boardmember's question, he or she may direct the question to a member of his/her staff in the audience for that purpose.

(c) Interruptions

(1) A Boardmember, once recognized, shall not be interrupted when speaking unless:

- (i) called to order by the Presiding Officer;
- (ii) a point of order or a personal privilege is raised by another Boardmember; or
- (iii) the speaker chooses to yield to a question by another Boardmember.

(2) If a Boardmember, while speaking, is called to order, he/she will cease speaking until the question of order is determined and, if determined to be in order, he/she may proceed.

(3) Members of the staff after recognition by the Presiding Officer shall hold the floor until completion of their remarks or until recognition is withdrawn by the Presiding Officer.

(d) Points of Order

The Presiding Officer shall determine all points of order subject to the right of any Boardmember to appeal to the Board. If an appeal is taken, the question shall be, "Shall the decision of the Presiding Officer be sustained?" A majority vote shall conclusively determine such question of order.

(e) Point of Personal Privilege

The right of a Boardmember to address the Board on a question of personal privilege shall be limited to cases in which his/her integrity, character or motives are questioned or where the welfare of the Board is concerned. A Boardmember raising a point of personal privilege may interrupt another Boardmember who has the floor only if the Presiding Officer recognizes the privilege.

(f) Privilege of Closing Debate

The Boardmember moving the introduction or adoption of a Resolution or Motion, shall have the privilege of closing the debate, after other members of the Board have been given the opportunity to speak.

(g) Motion to Reconsider

A motion to reconsider any action taken by the Board may be made only by a Boardmember of the prevailing side and may be made only on the same day the action is taken and shall have precedence over all other motions or while a member has the floor and said motion shall be debatable.

(h) Calling for the Question

Neither the moving party nor the party seconding any motion is allowed to call for the question.

(i) Limitation of Debate

No Boardmember shall be allowed to speak more than once upon any particular subject until every other Boardmember desiring to do so shall have spoken. Each Boardmember speaking on any item on the agenda shall be limited to ten (10) minutes per item to state his/her opinion and his/her views.

1012. Remarks of Boardmembers and Synopsis of Debate

A Boardmember may request through the Presiding Officer for the privilege of having an abstract of his/her statement on any subject under consideration by the Board entered in the minutes. If the Board consents thereto, such statement shall be entered in the minutes.

1013. Protest Against Board Action

Any Boardmember shall have the right to have the reasons for his/her dissent from, or his/her protest against any action of the Board entered in the minutes. Such dissent or protest to be entered in the minutes shall be made in the following manner: "I would like the minutes to show that I am opposed to this action for the following reasons . . ."

1014. Rules of Order

- (a) Except as otherwise provided in this Chapter, the City Charter, other rules adopted by the Board, or applicable provisions of State law, the procedures of this Board shall be governed by the latest revised edition of Robert's Rules of Order.
- (b) These Board rules, or any one thereof, may be suspended by a vote of two-thirds (2/3) of the Boardmembers.

1015. Failure to Observe Rules of Order

Rules adopted to expedite the transaction of the business of the Board in an orderly fashion are deemed to be procedural only and the failure to strictly observe such rules shall not affect the jurisdiction of the Board or invalidate any action taken at a meeting that is otherwise held in conformity with law.

1016. Addressing the Board

(a) Public Comment

Pursuant to the Brown Act, public comment is permitted on all agenda items and the public shall have an opportunity to comment on any matter which is not on the agenda but is within the Rent Control Board's jurisdiction. However, members of the public do not have the right to give comments outside the scope or unrelated to the agenda item under consideration. Additionally, members of the public should strive to avoid unduly reiterating their own or others' comments.

(b) Registration

Each person wishing to address the Board regarding items on the agenda where public discussion is permitted shall register his/her request to speak with the Secretary preferably prior to the start of the Board meeting, and to any discussion of that item. Each member of the public is encouraged, but not required, to provide his/her name and address. Except for public hearings, registration to speak is permitted after discussion of a particular agenda item has

commenced. All persons wishing to speak at public hearings must register prior to the opening of the public hearing.

(c) Manner of Addressing the Board

- (1) Each person desiring to address the Board shall:
 - (i) step up to the microphone in front of the rail;
 - (ii) preferably state his/her name and home address for the record;
 - (iii) state the subject he/she wishes to discuss;
 - (iv) state whom he/she is representing if he/she represents an organization or other persons; and
 - (v) For public hearings, and jurisdictional items and proceedings, if the speaker is the applicant or appellant, unless further time is granted by majority vote of the Board, shall limit his/her remarks to five (5) minutes, for all other items, unless further time is granted by a majority vote of the Board, shall limit his/her remarks to three (3) minutes per item, except as limited by section 1016 (d).
- (2) All remarks shall be addressed to the Board as a whole and not to any member thereof.
- (3) No questions shall be asked of a Boardmember or a member of the Board staff without permission of the Presiding Officer.

(d) Discretion to Limit Duration and Number of Speakers

- (1) Where more than one person desires to speak on a particular item, it shall be within the discretion of the Presiding Officer to limit the number and duration of presentations to not less than ten (10) minutes for each side giving equal time for each position or side.
- (2) It is recommended that a spokesperson for each side be chosen prior to the meeting and the Secretary shall advise persons of this recommendation. If a spokesperson has not been selected prior to the meeting, the item may be called and the Presiding Officer may either pass the item or grant a recess to permit the selection of a spokesperson.
- (3) The Presiding Officer may also determine which persons have a predominant or proprietary interest in an item and permit such persons to speak first. If the Presiding Officer determines that more than one person desiring to speak has a predominant or proprietary interest, the person having the burden of proof on the matter should be called to speak first.
- (4) Nothing in this section shall be deemed to preclude the Presiding Officer or a majority of the Boardmembers present from allowing debate on any matter.

(e) Persons Speaking on More Than One Item

Any person wishing to speak on more than one item shall limit his/her remarks to three (3) minutes (five (5) minutes on public hearings) on the item he/she considers most important, two (2) minutes on the item he or she considers next most important, and one (1) minute on any other item unless a greater or lesser time is set by a majority vote of the Board. This subsection does not apply with respect to an applicant or appellant speaking on a Jurisdictional Proceeding item.

(f) After Motion

After a motion has been made or a public hearing has been closed, no member of the public shall address the Board from the audience on the matter under consideration without first securing permission to do so by a majority vote of the Board.

[1016 Amended 6/12/97; Effective 6/20/97]

[1016 Amended 10/13/11; Effective 10/21/11]

1017. Rules of Decorum

(a) Boardmembers

- (1) When the Board is in session, the members must preserve order and decorum, and a member shall neither by conversation nor otherwise delay or interrupt the proceedings or the peace of the Board nor disturb any member while speaking nor refuse to obey the orders of the Presiding Officer.
- (2) Members of the Board shall not leave their seats during a meeting without first obtaining the permission of the Presiding Officer.

(b) Employees

Members of the Board staff and employees shall observe the same rules of order and decorum as are applicable to the Board, with the exception that members of the Board staff who are not seated at the Board table may leave their seats during a meeting without first obtaining the permission of the Presiding Officer.

(c) Persons Addressing the Board

- (1) No person other than a member of the Board and the person having the floor shall be permitted to enter into discussions either directly or through a member of the Board, without permission of the Presiding Officer.
- (2) No questions shall be asked of a Boardmember except through the Presiding Officer.
- (3) All remarks shall be addressed to the Board as a body and not to any one Boardmember.
- (4) Any person making impertinent, slanderous or profane remarks, speaks in a loud, abusive or threatening way, or who becomes boisterous while addressing the Board, or who engages in any other disorderly conduct which disrupts, disturbs or otherwise impedes the orderly conduct of a Board meeting, shall be called to order by the Presiding Officer and if such conduct continues, may, at the discretion of the Presiding Officer, be barred from further audience before the Board during that meeting.

(d) Members of the Audience

- (1) When the Board is in session, all persons present must preserve safety and order. Members of the public should sit in the audience sitting area, unless addressing the Board or leaving the chambers where the Board meeting is being held. They should not block the aisles with personal belongings and should not bring audible equipment into the chambers including cellular telephones or pagers. Members of the public may not, except when testifying on or participating in an agenda item, enter the well area, which is the open area directly in front of the dais and extending outward from it to a line running between the points on the Secretary's desk and the podium nearest to the audience.

- (2) Any person who disrupts the meeting shall be called to order by the Presiding Officer. Disruptions shall include but not be limited to handclapping, stamping of feet, whistling, using profane language, yelling, interrupting individual Boardmembers or the Secretary when the Board is in session, and blocking the audience or camera view of the proceeding. If such conduct continues, the Presiding Officer may request the Sergeant at Arms to remove the person from chambers.
 - (3) Any persons carrying placards, signs, posters, packages, bundles, suitcases, or other large objects shall not allow them to obstruct any person's view of the proceedings. The Presiding Officer may request any person carrying such objects to remove them from the hearing room or place them on the floor during the meeting, and the person carrying such objects shall comply with the Presiding Officer's request.
 - (4) No literature of whatever nature or kind shall be distributed during the meeting unless the person seeking to do so has notified the Secretary of his or her intent prior to the meeting. Literature may only be distributed during the first ten minutes after the meeting has been called to order.
- (e) Persons Authorized to be Within Rail
- No person except members of the Board, staff and recognized representatives of the news media shall be permitted within the rail without the consent of the Presiding Officer.
- (f) Enforcement of Decorum
- The Chief of Police or such member or members of the Police Department as he/she may designate, shall be Sergeant at Arms of the Board and shall carry out all orders given by the Presiding Officer (through the Secretary) for the purpose of maintaining order and decorum at the Board meetings. Any Boardmember may move to require the Presiding Officer to enforce the rules, and the affirmative vote of a majority of the Board shall require him/her to do so.

[1017 Amended 6/12/97; Effective 6/20/97]
 [1017(d)(1)-(4) Amended 10/13/11; Effective 10/21/11]

1018. Voting Procedure

Any vote of the Board, including a roll call vote, may be registered by the members by answering "AYE" for an affirmative vote or "NO" for a negative vote upon his/her name being called by the Secretary. Unless a member of the Board states that he/she is not voting, silence shall be recorded as an affirmative vote.

1019. Disqualification for Conflict of Interest

- (a) Any Boardmember who is disqualified from voting on a particular matter by reason of a conflict of interest shall publicly state or have the Presiding Officer state the nature of such disqualification in an open meeting.
- (b) Where no thoroughly disqualifying conflict of interest appears, the matter of disqualification may, at the request of the Boardmember affected, be decided by other Boardmembers.
- (c) A Boardmember who is disqualified by reason of conflict of interest in any matter shall not remain in his/her seat during the debate and vote on such matter, but shall request and be given the permission of the Presiding Officer to step down from the table and leave the Board Chamber.

- (d) A Boardmember stating such disqualification shall not be counted as part of a quorum and shall be considered absent for the purpose of determining the outcome of any vote on such matter.

1020. Failure to Vote

Every Boardmember is entitled to vote unless disqualified by reason of conflict of interest.

1021. Tie Vote

Tie votes shall be lost motions and may be reconsidered.

1022. Changing Vote

A member may change his/her vote only if he/she makes a timely request to do so immediately following the announcement of the vote by the Secretary and prior to the time that the next item in the order of business is taken up.

1023. Motion Procedures

- (a) The Secretary or Presiding Officer will read the title.
- (b) A report will be presented by staff, if called for by the Presiding Officer.
- (c) Board members may ask questions of staff.
- (d) The public—or in the case of a jurisdictional item, the affected parties—will address the Board, subject to any limitations set forth in the Charter or Board regulations, or time limits imposed by the Board after a vote.
- (e) After all members of the public wishing to address the Board have done so, the Presiding Officer will announce the close of discussion by the public.
- (f) The Board may publicly deliberate.
- (g) A Commissioner may make a motion, or the Presiding Officer may ask for a motion. If the motion is seconded, the motion is before the Board.
- (h) The Board will discuss the motion that is before it.
- (i) The maker of the motion will have a chance for further discussion.
- (j) The Presiding Officer will restate the motion.
- (k) The Board will vote on the motion. If more than one motion is before the Board, the Board must vote on the last-made motion first, then proceed in reverse order to the first-made motion.

[1023 Amended 3/13/14; Effective 3/19/14]

1024. Regulations and Resolutions

- (a) The Presiding Officer, before calling for a motion on the adoption of any regulation or resolution,

shall first inquire if there is anyone who desires to be heard on said proposed regulation or resolution. All persons desiring to be heard must have registered with the Secretary, prior to the discussion of the regulation item they wish to speak on and the Presiding Officer will call upon speakers from that list.

- (b) At the time adoption of a regulation or resolution, it shall be read in full unless, after the reading of the title thereof, the further reading thereof is waived by a unanimous vote of the Boardmembers present. Such consent may be expressed by a statement by the Presiding Officer that "If there is no objection, the further reading of the regulation or resolution shall be waived."

1025. Prior Approval by Administrative Staff

All regulations and resolutions and contract documents shall, before presentation to the Board, have been approved as to form and legality by the Board's counsel, and shall have been examined for administration by the Administrator or his or her authorized representative.

1026. Informal Meetings

The Board, subject to notice and other requirements imposed by law, may hold informal meetings in the Council Chambers of the City Hall at such times as may be designated in order for a special meeting. At any such informal meeting, the Board shall not take any formal motion, resolution, ordinance, nor any other action required by law to be taken by the Board. Such informal sessions shall be devoted exclusively to the presentation and exchange of information.

1027. Adjournment

All Board Meetings shall adjourn at eleven o'clock p.m., unless two-thirds (2/3) of the Boardmembers vote otherwise.

1028. Record of Meetings

All public meetings of the Board shall be electronically recorded. The recording shall be made by the Secretary and shall be part of the records of the Board. The use of other recording or television equipment is permitted so long as it is not disruptive of the meeting.

[1028 Amended 10/13/11; Effective 10/21/11]

1029. Interpretation and Modification of the Rules

These rules shall be interpreted liberally in order to provide for the optimum in the free interchange of information and public debate without any unnecessary waste of time or duplication of effort.

[Chapter 1 Adopted 1/10/85; Effective 2/5/85]

[1002 Amended 5/29/86; Effective 5/29/86]

[1005 Amended 8/13/92; Effective 8/20/92]

[1005 Amended 4/14/94; Effective 4/23/94]

[1003 Amended 6/12/97; Effective 6/20/97]

[1005 Amended 6/12/97; Effective 6/20/97]

[1016 Amended 6/12/97; Effective 6/20/97]

[1017 Amended 6/12/97; Effective 6/20/97]

[1002(a) Amended 1/27/00; Effective 2/11/00]
[1002(a)-(b) Amended 10/13/11; Effective 10/21/11]
[1003(a) Amended 10/13/11; Effective 10/21/11]
[1005 Amended 10/13/11; Effective 10/21/11]
[1016 Amended 10/13/11; Effective 10/21/11]
[1017(d)(1)-(4) Amended 10/13/11; Effective 10/21/11]
[1028 Amended 10/13/11; Effective 10/21/11]
[1005 Amended 3/13/14; Effective 3/19/14]
[1023 Amended 3/13/14; Effective 3/19/14]
[1002(a) Amended 11/8/18; Effective 11/15/18]
[1003(d) Adopted 11/8/18; Effective 11/15/18]

CHAPTER 2

DEFINITIONS

2000. The following words or phrases, as used in the Rent Control Charter Amendment or these Regulations shall have the following meanings:

2001. Owner-Occupied Dwellings

For the purposes of determining exemptions for owner-occupancy under §1801(c)(4) of the Rent Control Charter Amendment:

- (a) An owner-occupant must occupy the housing unit in good faith, as the principal place of residence.
- (b) No corporation, trust, partnership, limited partnership, or association can be considered an owner-occupant.
- (c) A person may be considered an owner-occupant only if said person owns at least a 50% interest in the property.
- (d) The dwelling must contain no more than three units on one legal parcel, including units contained in separate buildings on the same parcel.

[2001(d) Adopted 3/27/80; Effective 4/4/80]

2002. Units Vacant on April 10, 1979

A dwelling unit that was vacant on April 10, 1979 is nonetheless a "rental unit" within the meaning of §1801(c) and (h) if its last previous use within the 12 months prior to April 10, 1979 was a residential rental use not made exempt pursuant to §1801(c)(1-5), and if the unit had not been condemned as dangerous, unsafe, a health and safety hazard, and/or uninhabitable, as of April 10, 1979.

[2002 Adopted 4/12/80; Effective 4/20/80]

2003. Definition of Principal Place of Residence

A person's principal place of residence is that dwelling place in which his or her habitation is fixed, wherein the person has the intention of remaining, and to which, whenever he or she is absent, the person has the intention of returning. A person who leaves his or her principal place of residence to dwell elsewhere temporarily, with the intention of returning, does not lose his or her principal place of residence. At a given time, a person may have only one principal place of residence.

In determining whether a person occupies a dwelling place as his/her "principal place of residence," the following factors shall be considered:

- (a) Whether the person carries on basic living activities at the dwelling place;
- (b) Whether the person maintains another dwelling place and, if so, the amount of time that the person spends at each dwelling place;

- (c) Whether the person has filed for and obtained a homeowner's exemption for the dwelling place;
- (d) Whether the person is a registered voter at the dwelling place;
- (e) Whether the person maintains utility services in his/her name at the dwelling place;
- (f) Whether the person's vehicle registration, driver's license or identification card contains the address of the dwelling;
- (g) Whether the person receives mail at the dwelling place; and
- (h) Any other relevant factors.

[2003 Adopted 11/4/82; Effective 12/4/82]

[2003 Amended 8/13/15; Effective 8/19/15]

2004. Privileges as Housing Services and Material Terms

As defined in subsection 1801(d) of the Rent Control Law, the term "housing service" includes "any . . . privilege . . . connected with the use or occupancy of any rental unit." Such privileges include, but are not limited to, the following:

- a. The right to have roommates;
- b. The right to have overnight guests;
- c. The right to have pets.

Reduction of such services may be grounds for a rent decrease pursuant to subsection 1805(e) of the Rent Control Law and Chapter 4 of these Regulations. In addition, such housing services shall be considered material terms of any rental housing agreement for the purposes of subsection 1806(a)(5) of the Rent Control Law.

[2004 Adopted 6/1/89; Effective 6/10/89]

[2004 Amended 5/6/04; Effective 6/3/04]

2005. Healthcare Providers

As defined in subsection 1801(i) of the Santa Monica City Charter, the term "tenant" does not include healthcare providers who reside in rental units for the purpose of providing any tenant with medically necessary care. Such healthcare providers are not entitled to the protections provided pursuant to section 1806 of the Rent Control Law. The presence of a medically necessary healthcare provider in a controlled rental unit shall not be a reason for eviction of a tenant pursuant to subsections 1806(a)(2) or (a)(7) of the Santa Monica City Charter.

Tenants who require healthcare providers shall, upon request by the landlord, provide the following information:

- a. Proof of the tenants need for the healthcare provider.
- b. The name, address and telephone number of the healthcare provider.
- c. A signed and dated written statement from the healthcare provider acknowledging that the healthcare provider is not residing on the premises as a

tenant. The signed and written statement may be on a form provided by the Board.

[2005 Adopted 2/7/91; Effective 5/8/91]

[2005 Amended 4/25/91; Effective 5/8/91]

[2005 Amended 5/6/04; Effective 6/3/04]

2006. Temporary Use of Vacant TORCA Units for Transient Occupancy by Displaced Tenants

a. Purpose

This regulation is adopted as an emergency measure to ameliorate the effect of the earthquake of January 17, 1994 upon tenants displaced from controlled rental units in buildings receiving red or yellow tags from the City of Santa Monica Department of Building and Safety. The intent of this regulation is to encourage temporary housing of displaced tenants in vacant TORCA units which would otherwise be held vacant until sale.

This regulation recognizes a temporary transient use of such units which will not be deemed a tenancy for purposes of the Rent Control Law and will allow the owner or transient occupant to terminate the occupancy agreement upon thirty days notice. However, the transient occupancy agreement must conform to the requirements of this regulation .

b. Eligible Units

Units which may be subject to a transient occupancy agreement under this regulation are units in properties subject to rent control which have received final approval from the City of Santa Monica to convert to condominiums pursuant to Article XX of the Santa Monica City Charter, also known as the Tenant Ownership Rights Charter Amendment or TORCA. It is not necessary that such units have received final approval from the State of California Department of Real Estate.

A unit which is the subject of a TORCA application and receives final City approval at any time subsequent to adoption of this regulation shall be eligible. All eligible units must have been vacant on January 17, 1994, and must be habitable at the time an agreement is entered into under this section.

c. Registration of Participating Units

An owner who wishes to enter into a transient occupancy agreement under this regulation must register the unit with the Rent Control Board no later than April 1, 1994, on a form to be provided by the Administrator, and prior to entering into such agreement. The Board will assemble a list of eligible units from these registrations to be made available to tenants displaced from red and yellow-tagged buildings, who can then contact the owner. No owner is obligated to enter into an agreement with any person.

d. Terms of agreement

To qualify as a transient occupancy agreement, the agreement must be in writing and specify:

1. that it is a transient occupancy agreement subject to Board regulation 2006;
2. that the unit is an eligible unit as defined in regulation 2006;
3. that the tenant was displaced from a red or yellow-tagged building in Santa Monica;
4. that the agreement is terminable by either party upon 30 days written

notice and is not subject to eviction restrictions in Section 1806 of the City Charter;

5. that the consideration to be paid by the occupant, whether calculated daily, weekly, or monthly, shall not exceed the maximum allowable rent (MAR) for the subject unit. If the MAR is subsequently adjusted, the periodic fee charged the occupant may be adjusted upwards upon thirty days written notice.
6. that the occupant is entitled to the amenities which would be provided to a tenant of the subject unit.

The agreement may prohibit assignment and subletting. An agreement may not require:

1. a security deposit in excess of twice the monthly maximum allowable rent
2. a non-refundable deposit;
3. consideration for occupancy other than the fee as specified above, e.g., no finder's fee, key money, or other additional charge or agreement may be required as a condition of occupancy.
4. any limitations on use of the premises which would not and do not apply to prior or current tenants in the building.

e. Duration of Regulation

This regulation shall expire by its own terms and without necessity of repeal by the Board on January 17, 1995, unless extended by the Board prior to that date. Any agreement for use or occupancy of a controlled rental unit entered into after that date shall be deemed a rental housing agreement entitling the occupant to all rights conferred upon tenants by the Santa Monica Rent Control Law. A transient occupancy agreement entered into prior to that date may be extended indefinitely by the mutual consent of the parties.

f. Not an Exempt Use

Use of any unit for transient occupancy under the terms of this regulation shall not entitle the owner to an exemption from rent control or any provision thereof. This regulation shall have no effect on the entitlement of any other property to such an exemption. No owner shall acquire a vested right to continue the use permitted by this regulation after the regulation expires.

[2006 Adopted 1/27/94; Effective 2/16/94]

2007. Maximum Allowable Rent

A unit's maximum allowable rent is the base rent ceiling established under Charter Section 1804(b) plus any individual or general adjustment approved by the Board.

1. If a unit, which was exempt when a tenancy began on or after January 1, 1999, becomes controlled while that tenancy is ongoing, the unit's maximum allowable rent is the monthly rent in effect on the date when the unit becomes controlled.
2. If a unit becomes exempt during a tenancy and again becomes controlled while that tenancy is ongoing, the maximum allowable rent upon the renewed period of control is the same as it would have been if the exemption had never occurred.

[2007 Adopted 6/13/13; Effective 6/20/13]
[2007 Amended 2/11/16; Effective 2/19/16]

2008. Tenant

a. Person

As used in Charter Section 1801(i), the term “person” means an individual human being.

b. Rental Housing Agreement

As used in Charter Section 1801(i), “rental housing agreement” means an agreement permitting one or more individuals to use and occupy a controlled rental unit as his, her or their permanent residence.

c. Removal Permit Required for Rentals Other Than to Tenants

A landlord wishing to enter into an agreement to rent a controlled rental unit other than to an individual, or individuals, for permanent, long-term habitation must first obtain a removal permit under Charter Section 1803(t). This definition is not intended to, and does not, supersede the provisions of Regulation 3304, relating to tenants not in occupancy.

d. Existing Law

This regulation is for public convenience only and is declarative of existing law.

[2008 Adopted 8/9/18; Effective 8/16/18]

[Chapter 2 Adopted 11/29/79; Effective 12/4/79]
[2001(d) Adopted 3/27/80; Effective 4/4/80]
[2002 Adopted 4/12/80; Effective 4/20/80]
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[2005 Amended 5/6/04; Effective 6/3/04]
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[2003 Amended 8/13/15; Effective 8/19/15]
[2007 Amended 2/11/16; Effective 2/19/16]
[2008 Adopted 8/9/18; Effective 8/16/18]

CHAPTER 3

GENERAL RENT ADJUSTMENTS

3000. General Adjustment Number 1

- (a) Commencing on August 8, 1979, landlords may increase rents above the April 10, 1978, base rent ceiling by an amount not to exceed 7 percent. In order to increase rents pursuant to this section, a landlord must give the notice required by California Civil Code §827. A landlord may serve a notice of rent increase prior to August 8, 1979, so long as the increase is not effective until August 8, 1979, or thereafter.
- (b) No landlord may increase rents pursuant to this section who has not registered the controlled rental unit for which the rent increase is sought.
- (c) Any landlord who has not registered a controlled rental unit by August 8, 1979, may not increase rent for that controlled rental unit until the date of registration.

[3000(c) Amended 12/18/86; Effective 12/25/86]

3001. General Adjustment Number 2

[3001 Adopted 8/16/79; Effective 8/25/79]

[3001 Amended 7/2/87; Effective 7/17/87]

[3001 Repealed 1/13/22; Effective 1/23/22]

3002. General Adjustment Number 3

- (a) Commencing on August 8, 1980, landlords may increase maximum allowable rents by an amount not to exceed 6.5 percent. In order to increase rents pursuant to this section, a landlord must give the notice required by California Civil Code §827. A landlord may serve a notice of rent increase prior to August 8, 1980.
- (b) For purposes of this section, the maximum allowable rent is either
 - (1) the rent in effect on April 10, 1978, plus the 7% general adjustment adopted on July 26, 1979, or
 - (2) the rent level established in a final decision on a petition for individual rent adjustment.

The registration fee pass-through set forth in §11001 shall not be considered part of the rent for calculating the amount of the general adjustment.

- (c) A landlord shall not increase rents, or serve a notice attempting to increase rents, pursuant to this section if any of the following situations exist:
 - (1) The landlord has not properly registered the rental unit for which the rent increase is sought, including executing the registration form under penalty of perjury. In those instances where the Santa Monica Rent Control Board has accepted and filed a Registration Form for the rental unit that is not executed under penalty of perjury, this provision shall apply only to increases of rents made after written notice from the Board that the landlord's registration is defective and that the landlord must properly register under penalty of perjury.
 - (2) The landlord has not paid the registration fee provided for in both Sections 11000 and 11001 of these regulations, including any accumulated late charges.

- (3) The landlord has not fully complied with all final decisions of the Santa Monica Rent Control Board or one of its hearing examiners.
- (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or the regulations promulgated thereunder.
- (5) The landlord is not in substantial compliance with any applicable state or local housing, health or safety law.

Any rent increase notice served in violation of this subsection shall be ineffective to increase the maximum allowable rents pursuant to this Section.

- (d) Any landlord who has not registered a controlled rental unit by September 1, 1980, may not increase rent for that controlled rental unit until the date of registration.

[3002 Adopted 7/24/80; Effective 8/2/80]

[3002(c)(1) Amended 12/10/81; Effective 12/30/81]

[3002(d) Amended 12/18/86; Effective 12/25/86]

3003. General Adjustment Number 4

- (a) Commencing on August 8, 1981, landlords may increase maximum allowable rents by an amount not to exceed 5.5 percent. In order to increase rents pursuant to this section, a landlord must give the notice required by California Civil Code §827. A landlord may serve a notice of rent increase prior to August 8, 1981.
- (b) For purposes of this section, the maximum allowable rent is either:
 - (1) The rent in effect on April 10, 1978, plus 7% general adjustment adopted on July 26, 1979, plus the 6.5% general adjustment adopted on July 24, 1980, or
 - (2) The rent level established in a final decision on a petition for individual rent adjustment.

The registration fee pass-through set forth in §11002 shall not be considered part of the rent for calculating the amount of the general adjustment.

- (c) A landlord shall not increase rents, or serve a notice attempting to increase rents, pursuant to this section if any of the following situations exist:
 - (1) The landlord has not properly registered the rental unit for which the rent increase is sought, including executing the registration form under penalty of perjury. In those instances where the Santa Monica Rent Control Board has accepted and filed a registration form for the rental unit that is not executed under penalty of perjury, this provision shall apply only to increases of rents made after written notice from the Board that the landlord's registration is defective and that the landlord must properly register under penalty of perjury.
 - (2) The landlord has not paid the registration fee provided for in Sections 11000, 11001, and 11002 of these regulations, including any accumulated late charges.
 - (3) The landlord has not fully complied with all final decisions of the Santa Monica Rent Control Board, or one of its hearing examiners.
 - (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or the regulations promulgated thereunder.

- (5) The landlord is not in substantial compliance with any applicable state or local housing, health or safety law.

Any rent increase notice served in violation of this subsection shall be ineffective to increase the maximum allowable rents pursuant to this section.

- (d) Any landlord who has not registered a controlled rental unit by August 14, 1981, may not increase rent for that controlled rental unit until the date of registration.

[3003 Adopted 7/23/81; Effective 8/1/81]

[3003(c)(1) Amended 12/10/81; Effective 12/30/81]

[3003(d) Amended 12/18/86; Effective 12/25/86]

3004. General Adjustment Number 5

(a) Amount of General Adjustment

Commencing on September 1, 1982, landlords may increase maximum allowable rents by an amount not to exceed 5.5 percent (5.5%).

(b) Definition of Maximum Allowable Rent

- (1) For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1982, which represents:

- (a) The rent in effect on April 10, 1978, plus the seven percent (7%) general adjustment adopted on July 26, 1979, plus the 6.5 percent (6.5%) general adjustment adopted on July 24, 1980, plus the 5.5 percent (5.5%) general adjustment adopted on July 26, 1981; or
- (b) The rent level established by an individual rent adjustment decisions as well as any general adjustments not otherwise precluded by final Board decision on individual rent adjustment petitions.

- (2) If an individual rent adjustment decision reducing the rent in a particular unit is in effect on August 1, 1982, the reduced rent level constitutes the maximum allowable rent for purposes of implementing the general adjustment.

- (3) The registration fee pass-through set forth in §11003 shall not be considered part of the maximum allowable rent for purposes of calculating the amount to which a landlord is entitled pursuant to the general adjustment.

(c) Restrictions on Landlords' Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents pursuant to this section if any of the following circumstances exist:

- (1) The landlord has not properly registered the rental unit for which the rent increase is sought, including executing the registration form under penalty of perjury. "Proper Registration" is defined in Chapter 13, Regulation §13002. In those instances where the Santa Monica Rent Control Board has accepted and filed a registration form for the rental unit that is not executed under penalty of perjury or does not otherwise meet the requirements of proper registration, this provision shall apply only after written notice from the Board that the landlord's registration is defective and that the landlord must properly register.

- (2) The landlord has not paid each of the registration fees provided for in sections 11000, 11001, 11002 and 11003 of these regulations, including any accumulated late charges.
- (3) The landlord has not fully complied with all final decisions of the Santa Monica Rent Control Board, or any of its hearing examiners.
- (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or the regulations promulgated thereunder.
- (5) The landlord is not in substantial compliance with applicable state or local housing, health or safety law.

(d) Effect of Improper Registration on General Adjustment

Any landlord who has not registered a controlled rental unit by August 1, 1982, may not increase rent for that controlled rental unit until the date of registration.

(e) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code §827. A landlord may serve a notice of rent increase on or after the date of adoption of this regulation.
- (2) Any rent increase notice served in violation of subsections (a) through (e)(1) shall be ineffective to increase the maximum allowable rents pursuant to this section.

[3004 Adopted 7/8/82; Effective 7/18/82]

[3004(d) Amended 12/18/86; Effective 12/25/86]

3005. General Adjustment Number 6

(a) Amount of General Adjustment

Commencing on September 1, 1983, landlords may increase maximum allowable rents by an amount not to exceed four and one-half percent (4.5%).

(b) Definition of Maximum Allowable Rent

- (1) For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1983, which represents:
 - (a) The rent in effect on April 10, 1978, plus the seven percent (7%) general adjustment adopted on July 26, 1979, plus the six and one-half percent (6.5%) general adjustment adopted on July 24, 1980, plus the five and one-half percent (5.5%) general adjustment adopted on July 26, 1981, plus the five and one-half percent (5.5%) general adjustment adopted on July 8, 1982; or
 - (b) The rent level established by any individual rent adjustment decisions as well as by any general adjustments not otherwise precluded by final Board decision on individual rent adjustment petitions.
- (2) If an individual rent adjustment decision reducing the rent in a particular unit is in effect on August 1, 1983, the reduced rent level constitutes the maximum allowable rent for purposes of implementing the general adjustment.
- (3) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount to which a landlord is entitled pursuant to the general adjustment.

(c) Restrictions on Landlords' Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents pursuant to this section if any of the following circumstances exist:

- (1) The landlord has not properly registered the rental unit for which the rent increase is sought, including executing the registration form under penalty of perjury. "Proper Registration" is defined in Chapter 13, Regulation §13002. In those instances where the Santa Monica Rent Control Board has accepted and filed a registration form for the rental unit that is not executed under penalty of perjury or does not otherwise meet the requirements of proper registration, this provision shall apply only after written notice from the Board that the landlord's registration is defective and that the landlord must properly register.
- (2) The landlord has not paid each of the registration fees provided for in sections 11000, 11001, 11002, 11003, and 11004 of these regulations, including any accumulated late charges.
- (3) The landlord has not fully complied with all final decisions of the Santa Monica Rent Control Board, or any of its hearing examiners.
- (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or the regulations promulgated thereunder.
- (5) The landlord is not in substantial compliance with applicable state or local housing, health or safety law.

(d) Effect of Improper Registration on General Adjustment

Any landlord who has not registered a controlled rental unit by August 1, 1983, may not increase rent for that controlled rental unit until the date of registration.

(e) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code §827. A landlord may serve a notice of rent increase on or after the date of adoption of this regulation.
- (2) Any rent increase notice served in violation of subsections (a) through (e) (1) shall be ineffective to increase the maximum allowable rents pursuant to this section.

[3005 Adopted 7/14/83; Effective 7/21/83]

[3005(d) Amended 12/18/86; Effective 12/25/86]

3006. General Adjustment Number 7

(a) Amount of General Adjustment

Commencing on September 1, 1984, landlords may increase maximum allowable rents by an amount not to exceed four percent (4%).

(b) Definition of Maximum Allowable Rent

- (1) For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1984, which represents:
 - (a) The rent in effect on April 10, 1978, plus the seven percent (7%) general adjustment adopted on July 26, 1979, plus the six and one-half percent (6.5%) general adjustment adopted on July 24, 1980, plus the five and one-half percent (5.5%) general adjustment adopted on July 26, 1981, plus the five and one-half percent (5.5%) general adjustment adopted on July 8, 1982; plus the four and one-half percent (4.5%) general adjustment adopted July 14, 1983; or
 - (b) The rent level established by an individual rent adjustment decisions as well as by any general adjustments not otherwise precluded by final Board decision on individual rent adjustment petitions.
- (2) If an individual rent adjustment decision reducing the rent in a particular unit is in effect on August 1, 1984, the reduced rent level constitutes the maximum allowable rent for purposes of implementing the general adjustment.
- (3) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount to which a landlord is entitled pursuant to the general adjustment.

(c) Restrictions on Landlords' Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents pursuant to this section if any of the following circumstances exist:

- (1) The landlord has not properly registered the rental unit for which the rent increase is sought, including executing the registration form under penalty of perjury. "Proper Registration" is defined in Chapter 13, Regulation §13002. In those instances where the Santa Monica Rent Control Board has accepted and filed a

registration form for the rental unit that is not executed under penalty of perjury or does not otherwise meet the requirements of proper registration, this provision shall apply only after written notice from the Board that the landlord's registration is defective and that the landlord must properly register.

- (2) The landlord has not fully complied with all final decisions of the Santa Monica Rent Control Board, or any of its hearing examiners.
- (3) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or the regulations promulgated thereunder.
- (4) The landlord is not in substantial compliance with applicable state or local housing, health or safety law.

(d) Effect of Improper Registration on General Adjustment

Any landlord who has not registered a controlled rental unit by August 1, 1984, may not increase rent for that controlled rental unit until the date of registration.

(e) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code §827. A landlord may serve a notice of rent increase on or after the date of adoption of this regulation.
- (2) Any rent increase notice served in violation of subsections (a) through (e)(1) shall be ineffective to increase the maximum allowable rents pursuant to this section.

[3006 Adopted 6/28/84; Effective 7/9/84]

[3006(d) Amended 12/18/86; Effective 12/25/86]

3007. General Adjustment Number 8

(a) Amount of General Adjustment

- (1) Commencing on September 1, 1985, landlords may increase maximum allowable rents by three percent (3%).
- (2) Where the landlord pays for all the cost of all gas service for common areas and in all individual units, including cooking and space heating, for all units on the property, the landlord may increase the maximum allowable rent by an additional one percent (1%).
- (3) Where the landlord pays for all the cost of all electrical service for common areas and in all individual units on the property, the landlord may increase the maximum allowable rent by an additional one-half percent (.5%).

(b) Definition of Maximum Allowable Rent

- (1) For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1985, which represents:
 - (a) The rent in effect on April 10, 1978, plus the seven percent (7%) general adjustment adopted on July 26, 1979, plus the six and one-half percent (6.5%) general adjustment adopted on July 24, 1980, plus the five and one-half percent (5.5%) general adjustment adopted on July 26, 1981, plus the five and one-half percent (5.5%) general adjustment adopted on

July 8, 1982, plus the four and one-half percent (4.5%) general adjustment adopted July 14, 1983, plus the four percent (4%) general adjustment adopted June 28, 1984; or

- (b) The rent level established by an individual rent adjustment decision as well as by any general adjustments not otherwise precluded by final Board decision on individual rent adjustment petitions.
- (2) If an individual rent adjustment decision reducing the rent in a particular unit is in effect on August 1, 1985, the reduced rent level constitutes the maximum allowable rent for purposes of implementing the general adjustment.
- (3) The registration fee pass-through set forth in Chapter II shall not be considered part of the maximum allowable rent for purposes of calculating the amount to which a landlord is entitled pursuant to the general adjustment.

(c) Eligibility For Master-Metered Utility Adjustment

To be eligible for a master-metered utility adjustment, the landlord must comply with the following:

- (1) The landlord must pay for all electrical and/or gas service for all common areas and within the individual units on the property including but not limited to the cost of cooking, heating, hot water, and lighting.
- (2) The landlord must complete and file an application for master-metered utility adjustment on the form approved by the Board. The landlord must submit photocopies of all utility bills for the property for the twelve-month period preceding the application at the time of filing the application. The Board will notify the landlord within ten days of receipt of the master-metered utility adjustment application whether the landlord has qualified or if additional information is required.
- (3) The landlord may not notice a rent increase for a master-metered utility adjustment unless the landlord has received written notification of qualification from the Board.
- (4) A landlord may increase rents only for those units for which he or she pays all electrical and/or all gas service.

(d) Restrictions on Landlords' Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents pursuant to this section if any of the following circumstances exist:

- (1) The landlord has not properly registered the rental unit for which the rent increase is sought, including executing the registration form under penalty of perjury. "Proper Registration" is defined in Chapter 13, Regulation §13002. In those instances where the Santa Monica Rent Control Board has accepted and filed a registration form for the rental unit that is not executed under penalty of perjury or does not otherwise meet the requirements of proper registration, this provision shall apply only after written notice from the Board that the landlord's registration is defective and that the landlord must properly register.
- (2) The landlord has not fully complied with all final decisions of the Santa Monica Rent Control Board, or any of its hearing examiners.
- (3) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (4) The landlord is not in substantial compliance with applicable state or local housing, health or safety law.

(e) Effect of Improper Registration on General Adjustment

Any landlord who has not registered a controlled rental unit by August 1, 1985, may not increase rent on that controlled rental unit until the date of registration.

(f) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code §827. A landlord may serve a notice of rent increase on or after the date of adoption of this regulation.
- (2) Any rent increase notice served in violation of subsections (a) through (e)(1) shall be ineffective to increase the maximum allowable rents pursuant to this section.
- (3) No landlord shall increase rent unless the notice contains a statement in substantially the following form: "The undersigned (landlord) certifies that this unit and common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under this article, and may raise the landlord's non-compliance as an affirmative defense in any resulting unlawful detainer action.

[3007 Adopted 6/13/85; Effective 6/27/85]

[3007(c) Amended 10/24/85; Effective 12/5/85]

[3007(e) Amended 12/18/86; Effective 12/25/86]

3008. General Adjustment Number 9

(a) Amount of General Adjustment

- (1) Commencing on September 1, 1986, landlords may increase maximum allowable rents by two and one-half percent (2.5%).
- (2) Where the landlord pays for all the costs of electrical service for common areas and in all individual units on the property, the landlord may increase the maximum allowable rent by an additional two percent (2%).

(b) Definition of Maximum Allowable Rent

- (1) For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1986, which represents:
 - (a) The rent in effect on April 10, 1978, plus the seven percent (7%) general adjustment adopted on July 26, 1979, plus the six and one-half percent (6.5%) general adjustment adopted on July 24, 1980, plus the five and one-half percent (5.5%) general adjustment adopted on July 26, 1981, plus the five and one-half percent (5.5%) general adjustment adopted on July 8, 1982, plus the four and one-half percent (4.5%) general adjustment adopted July 14, 1983, plus the four percent (4%) general adjustment adopted June 28, 1984; plus the three percent (3%) general adjustment adopted June 13, 1985 or
 - (b) The rent level established by an individual rent adjustment or utility rent adjustment as well as by any general adjustments not otherwise precluded by final Board decision on individual rent adjustment petitions.
- (2) If an individual rent adjustment decision reducing the rent in a particular unit is in

effect on August 1, 1986, the reduced rent level constitutes the maximum allowable rent for purposes of implementing the general adjustment.

- (3) The registration fee pass-through set forth in Chapter II shall not be considered part of the maximum allowable rent for purposes of calculating the amount to which a landlord is entitled pursuant to the general adjustment.

(c) Eligibility For Master-Metered Utility Adjustment

To be eligible for a master-metered utility adjustment, the landlord must comply with the following:

- (1) The landlord must pay for all electrical service for all common areas and within the individual units on the property including but not limited to the cost of cooking, heating, hot water, and lighting.
- (2) The landlord must complete and file an application for master-metered utility adjustment on the form approved by the Board. The landlord must submit photocopies of all utility bills for the property for the twelve-month period preceding the application at the time of filing the application. The Board will notify the landlord within ten days of receipt of the master-metered utility adjustment application whether the landlord has qualified or if additional information is required.
- (3) The landlord may not notice a rent increase for a master-metered utility adjustment unless the landlord has received written notification of qualification from the Board.
- (4) A landlord may increase rents only for those units for which he or she pays all electrical and/or all gas service.

(d) Restrictions on Landlords' Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents pursuant to this section if any of the following circumstances exist:

- (1) The landlord has not properly registered the rental unit for which the rent increase is sought, including executing the registration form under penalty of perjury. "Proper Registration" is defined in Chapter 13, Regulation §13002. In those instances where the Santa Monica Rent Control Board has accepted and filed a registration form for the rental unit that is not executed under penalty of perjury or does not otherwise meet the requirements of proper registration, this provision shall apply only after written notice from the Board that the landlord's registration is defective and that the landlord must properly register.
- (2) The landlord has not fully complied with all final decisions of the Santa Monica Rent Control Board, or any of its hearing examiners.
- (3) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (4) The landlord is not in substantial compliance with applicable state or local housing, health or safety law.

(e) Effect of Improper Registration on General Adjustment

Any landlord who has not registered a controlled rental unit by August 1, 1986, may not increase rent for that controlled rental unit until the date of registration.

(f) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as

required by California Civil Code §827. A landlord may serve a notice of the two and one-half percent (2.5%) general adjustment rent increase on or after the date of adoption of this regulation. A landlord who is eligible for the two percent (2%) electrical utility adjustment may serve notice of the electrical utility rent increase on or after the date that he/she receives written approval from the Rent Control Board.

- (2) Any rent increase notice served in violation of subsections (a) through (f)(1) shall be ineffective to increase the maximum allowable rents pursuant to this section.
- (3) No landlord shall increase rent unless the notice contains a statement in substantially the following form: "The undersigned (landlord) certifies that this unit and common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under this article, and may raise the landlord's non-compliance as an affirmative defense in any resulting unlawful detainer action.

[3008 Adopted 6/5/86; Effective 6/13/86]

[3008(e) Amended 12/18/86; Effective 12/25/86]

3009. General Adjustment Number 10

(a) Amount of General Adjustment

- (1) Commencing on September 1, 1987, landlords may increase maximum allowable rents by four percent (4%).

(b) Definition of Maximum Allowable Rent

- (1) For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1987, which represents:
 - (a) The rent in effect on April 10, 1978, plus the seven percent (7%) general adjustment adopted on July 26, 1979, plus the six and one-half (6.5%) general adjustment adopted on July 24, 1980, plus the five and one-half percent (5.5%) general adjustment adopted on July 6, 1981, plus the five and one-half percent (5.5%) general adjustment adopted on July 8, 1982, plus the four and one half percent (4.5%) general adjustment adopted July 14, 1983, plus the four percent (4%) general adjustment adopted June 28, 1984, plus the three percent (3%) general adjustment adopted June 13, 1985, plus the two and one-half percent (2.5%) general adjustment adopted June 5, 1986, or
 - (b) The rent level established by an individual rent adjustment decision as well as by any general adjustments not otherwise precluded by final Board decision on individual rent adjustment petitions.
- (2) If an individual rent adjustment decision reducing the rent in a particular unit is in effect on August 1, 1987, the reduced rent level constitutes the maximum allowable rent for purposes of implementing the general adjustment.
- (3) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount to which a landlord is entitled pursuant to the general adjustment.

(c) Restrictions on Landlords' Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents pursuant to this section if any of the following circumstances exist:

- (1) The landlord has not properly registered the rental unit for which the rent increase is sought, including executing the registration form under penalty of perjury. "Proper Registration" is defined in Chapter 13, Regulation §13002. In those instances where the Santa Monica Rent Control Board has accepted and filed a registration form for the rental unit that is not executed under penalty of perjury or does not otherwise meet the requirements of proper registration, this provision shall apply only after written notice from the Board that the landlord's registration is defective and that the landlord must properly register.
- (2) The landlord has not fully complied with all final decisions of the Santa Monica Rent Control Board, or any of its hearing examiners.
- (3) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (4) The landlord is not in substantial compliance with applicable state or local housing, health or safety law.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code §827. A landlord may serve a notice of the four percent (4%) general adjustment rent increase on or after the date of adoption of this regulation.
- (2) Any rent increase notice served in violation of subsections (a) through (d)(1) shall be ineffective to increase the maximum allowable rents pursuant to this section.
- (3) No landlord shall increase rent unless the notice contains a statement in substantially the following form: "The undersigned (landlord) certified that this unit and common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under this article, and may raise the landlord's non-compliance as an affirmative defense in any resulting unlawful detainer action.

[3009 Adopted 6/25/87; Effective 7/7/87]

3010. General Adjustment Number 11

(a) Amount of General Adjustment

Commencing on September 1, 1988, landlords may increase maximum allowable rents by three (3%).

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1988, which represents:

- (1) Rents Initially Certified Before September 1, 1987

- (a) Where the rent has been certified under Regulation 13005 as of a date prior to September 1, 1987, and that certification is final, the maximum allowable rent is the certified maximum allowable rent plus the 4% general adjustment generally applicable on September 1, 1987; except,
 - (b) Where the Board has rendered a decision in a base rent petition, an individual adjustment petition or addendum after certification, the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.
- (2) Rents Initially Certified on or After September 1, 1987
 - (a) Where the rent has been certified under Regulation 13005 as of a date after September 1, 1987, and that certification is final, the maximum allowable rent is the same as the certified maximum allowable rent; except,
 - (b) Where the Board has rendered a decision in a base rent petition, an individual adjustment petition or addendum after certification, the maximum allowable rent is the rent established by such decision or addendum.
- (3) Rents Which Have Not Been Certified
 - (a) Where there has been no final certification of the maximum allowable rent or where the final certification is lawfully vacated, the maximum allowable rent is the base rent ceiling, as defined by Section 1804(b) of the Rent Control Law, plus any subsequent applicable general adjustments; except,
 - (b) Where the Board has rendered a decision in a base rent petition, an individual adjustment petition or addendum or other final Board decision establishing a rent ceiling, the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.
- (4) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount to which a landlord is entitled pursuant to the general adjustment.
- (c) Restrictions on Landlords' Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents pursuant to this section if any of the following circumstances exist:

 - (1) The landlord has not properly registered the rental unit for which the rent increase is sought, including executing the registration form under penalty of perjury. "Proper Registration" is defined in Chapter 13, Regulation §13002.
 - (2) The landlord has not fully complied with all final decisions of the Santa Monica Rent Control Board, or any of its hearing examiners.
 - (3) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder, including payment in full of all applicable registration fees and penalties thereon imposed pursuant to Chapter 11 of said regulations.
 - (4) The landlord is not in substantial compliance with applicable state or local housing, health or safety law.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code §827. A landlord may serve a notice of the three percent (3%) general adjustment rent increase on or after the date of adoption of this regulation.
- (2) Any rent increase notice served in violation of subsections (a) through (d)(1) shall be ineffective to increase the maximum allowable rents pursuant to this section.
- (3) No landlord shall increase rent unless the notice contains a statement in substantially the following form: "The undersigned (landlord) certifies that this unit and common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's non-compliance as an affirmative defense in any resulting unlawful detainer action.

[3010 Adopted 6/9/88; Effective 6/18/88]

3011. General Adjustment Number 12

(a) Amount of General Adjustment

Commencing on September 1, 1989, landlords may increase maximum allowable rents on each registered rental unit by three percent (3%).

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1989, which represents:

- (1) Rents Initially Certified
 - (a) Where the rent has been certified under Regulation 13005, and that certification is final, the maximum allowable rent is the certified maximum allowable rent plus any subsequent applicable general adjustments not precluded by a final Board decision or addendum; except,
 - (b) Where the Board has rendered a decision in a base rent petition, an individual adjustment petition or addendum after certification, the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent applicable general adjustments not precluded by a final Board decision or addendum.
- (2) Rents Which Have Not Been Certified
 - (a) Where there has been no final certification of the maximum allowable rent or where the final certification is lawfully vacated, the maximum allowable rent is the base rent ceiling, as defined by Section 1804(b) of the Rent Control Law, plus any subsequent applicable general adjustments; except,
 - (b) Where the Board has rendered a decision in a base rent petition, an individual adjustment petition or addendum or other final Board decision establishing a rent ceiling, the maximum allowable rent is the rent established by such decision or

addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.

- (3) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount to which a landlord is entitled pursuant to the general adjustment.

(c) Restrictions on Landlords' Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents pursuant to this section if any of the following circumstances exist:

- (1) The landlord has not properly registered the rental unit for which the rent increase is sought, including executing the registration form under penalty of perjury. "Proper Registration" is defined in Chapter 13, Regulation §13002.
- (2) The landlord has not fully complied with all final decisions of the Santa Monica Rent Control Board, or any of its hearing examiners.
- (3) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder, including payment in full of all applicable registration fees and penalties thereon imposed pursuant to Chapter 11 of said regulations.
- (4) The landlord is not in substantial compliance with applicable state or local housing, health or safety law.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code §827. A landlord may serve a notice of the general adjustment rent increase on or after the date of adoption of this regulation.
- (2) Any rent increase notice served in violation of subsections (a) through (d)(1) shall be ineffective to increase the maximum allowable rents pursuant to this section.
- (3) No landlord shall increase rent unless the notice contains a statement in substantially the following form: "The undersigned (landlord) certifies that this unit and common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's non-compliance as an affirmative defense in any resulting unlawful detainer action.

[3011 Adopted 6/1/89; Effective 6/10/89]

3012. General Adjustment Number 13

(a) Amount of General Adjustment

Commencing on September 1, 1990, landlords may increase maximum allowable rents on each registered rental unit by \$25.00 or 6%, whichever is greater.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1990,

which represents:

(1) Rents Initially Certified

- (a) Where the rent has been certified under Regulation 13005, and that certification is final, the maximum allowable rent is the certified maximum allowable rent plus any subsequent applicable general adjustment not precluded by a final Board decision or addendum; except,
- (b) Where the Board has rendered a decision in a base rent petition, an individual adjustment petition or addendum after certification, the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.

(2) Rents Which Have Not Been Certified

- (a) Where there has been no final certification of the maximum allowable rent or where the final certification is lawfully vacated, the maximum allowable rent is the base rent ceiling, as defined by Section 1804(b) of the Rent Control Law, plus any subsequent applicable general adjustments; except,
- (b) Where the Board has rendered a decision in a base rent petition, an individual adjustment petition or addendum or other final Board decision establishing a rent ceiling, the maximum allowable rent established by such decision or addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.

- (3) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount to which a landlord is entitled pursuant to the general adjustment.

(c) Restrictions on Landlords' Entitlement To General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents pursuant to this section if any of the following circumstances exist:

- (1) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (2) The landlord has not properly registered the rental unit for which the rent increase is sought. "Proper Registration" is defined in Chapter 8, Regulation 8010.
- (3) Failure of the landlord to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (4) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code Section 827. A landlord may serve a notice of the general adjustment rent increase on or after the date of this regulation.
- (2) Any rent increase notice served in violation of subsections (a) through (d)(1) shall be ineffective to increase the maximum allowable rents pursuant to this section.

- (3) No landlord shall increase rent unless the notice contains the following form: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

[3012 Adopted 6/21/90; Effective 7/12/90]

3013. General Adjustment Number 14

(a) Amount of General Adjustment

- (1) Commencing on September 1, 1991, landlords may increase maximum allowable rents on each registered rental unit by 3.5%; or
- (2) If a landlord pays for all the cost of all electrical service for common areas and in individual units on the property, commencing on September 1, 1991, the landlord may increase the maximum allowable rent on each registered rental unit by 3.5%, plus \$7.00; or,
- (3) If a landlord pays for all the cost of all gas service for common areas and in individual units, including cooking and space heating, and for all of the electrical cost as described in subsection 3013 (a)(2) above, commencing on September 1, 1991, the landlord may increase the maximum allowable rent on each registered rental unit by 3.5%, plus \$11.00.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1991, which represents:

- (1) Rents Initially Certified
 - (a) If a rent has been certified under Regulation 13005, and that certification is final, the maximum allowable rent is the certified maximum allowable rent plus any subsequent applicable general adjustment not precluded by a final Board decision or addendum; except,
 - (b) If the Board has rendered a decision in a base rent petition, an individual adjustment petition or addendum after certification, the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.
- (2) Rents Which Have Not Been Certified
 - (a) If there has been no final certification of the maximum allowable rent or where the final certification is lawfully vacated, the maximum allowable rent is the base rent ceiling, as defined by Section 1804(b) of the Rent Control Law, plus any subsequent applicable general adjustments; except,
 - (b) If the Board has rendered a decision in a base rent petition, an individual adjustment petition or addendum or other final Board decision establishing a rent ceiling, the maximum allowable rent is the MAR established by such

decision or addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.

- (3) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount to which a landlord is entitled pursuant to the general adjustment.

(c) Eligibility For Master-Metered Utility Adjustment

To be eligible for a master-metered utility adjustment as set forth in subsections (a)(2) or (a)(3) above, the landlord must comply with the following:

- (1) The landlord must pay for all electrical or all gas and electrical service for all common areas and within the individual units on the property including but not limited to the cost of cooking, heating, hot water, and lighting.
- (2) The landlord must complete and file an application for a master-metered utility adjustment on the form approved by the Board. The landlord must submit photocopies of all utility bills for the property for the twelve month period preceding the application at the time of filing the application. The Board will notify the landlord within ten days of receipt of the master-metered utility adjustment application whether the landlord has qualified or if additional information is required.
- (3) If the landlord has previously received authorization from the Board to collect the master-metered utility adjustment, it is not necessary for the landlord to refile an application pursuant to subsection (c)(2) above.
- (4) The landlord may not notice a rent increase for a master-metered utility adjustment unless the landlord has received written notification of qualification from the Board.
- (5) A landlord may increase rents only for those units for which he or she pays all electrical or all gas and all electrical service.

(d) Restrictions on Landlord's Entitlement To General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents pursuant to this section if any of the following circumstances exist:

- (1) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (2) The landlord has not properly registered the rental unit for which the rent increase is sought. "Proper Registration" is defined in Chapter 8, Regulation 8010.
- (3) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (4) The landlord may not increase rents on any unit for which s/he has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to that unit or common areas of the building.

(e) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code Section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 1991.

- (2) Any rent increase notice served in violation of subsections (a) through (d) above shall be ineffective to increase the maximum allowable rents pursuant to this section.
- (3) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

[3013 Adopted 6/13/91; Effective 6/27/91]

3014. General Adjustment Number 15

(a) Amount of General Adjustment

(1) Mobile Homes And Mobile Home Spaces

Commencing on September 1, 1992, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 3.0%.

(2) Controlled Units Other Than Mobile Homes

Commencing on September 1, 1992, landlords of controlled rental units other than mobile homes and mobile home spaces may increase maximum allowable rents by 3.0% or \$16.00, whichever is greater.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1992, which represents:

(1) Rents Initially Certified

- (a) If a rent has been certified under Regulation 13005, and that certification is final, the maximum allowable rent is the certified maximum allowable rent plus any subsequent applicable general adjustment not precluded by a final Board decision or addendum; except,
- (b) If the Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification, the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.

(2) Rents Which Have Not Been Certified

- (a) If there has been no final certification of the maximum allowable rent or where the final certification is lawfully vacated, the maximum allowable rent is the base rent ceiling, as defined by Section 1804(b) of the Rent Control Law, plus any subsequent applicable general adjustments; except,
- (b) If the Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum or other final Board decision establishing a rent ceiling, the maximum allowable rent is

the MAR established by such decision or addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.

- (3) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount to which a landlord is entitled pursuant to the general adjustment.

(c) Restrictions on Landlord's Entitlement To General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents pursuant to this section if any of the following circumstances exist:

- (1) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (2) The landlord has not properly registered the rental unit for which the rent increase is sought. "Proper Registration" is defined in Chapter 8, Regulation 8010.
- (3) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (4) The landlord may not increase rents on any unit for which s/he has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to that unit or common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code Section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 1992.
- (2) Any rent increase notice served in violation of subsections (a) through (d) above shall be ineffective to increase the maximum allowable rents pursuant to this section.
- (3) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

[3014 Adopted 6/11/92; Effective 6/24/92]

3015. General Adjustment Number 16

(a) Amount of General Adjustment

- (1) Mobile Homes And Mobile Home Spaces

Commencing on September 1, 1993, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 3.0%.

- (2) Controlled Units Other Than Mobile Homes

Commencing on September 1, 1993, landlords of controlled rental units other than mobile homes and mobile home spaces may increase maximum allowable rents by 3.0% or \$16, whichever is greater.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1993, which represents:

(1) Rents Initially Certified

- (a) If a rent has been certified under Regulation 13005, and that certification is final, the maximum allowable rent is the certified maximum allowable rent plus any subsequent applicable general adjustments not precluded by a final Board decision or addendum; except,
- (b) If the Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification, the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.

(2) Rents Which Have Not Been Certified

- (a) If there has been no final certification of the maximum allowable rent or where the final certification is lawfully vacated, the maximum allowable rent is the base rent ceiling, as defined by Section 1804(b) of the Rent Control Law, plus any subsequent applicable general adjustments; except,
- (b) If the Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum or other final Board decision establishing a rent ceiling, the maximum allowable rent is the MAR established by such decision or addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.

- (3) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount to which a landlord is entitled pursuant to the general adjustment.

(c) Restrictions on Landlord's Entitlement To General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents pursuant to this section if any of the following circumstances exist:

- (1) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (2) The landlord has not properly registered the rental unit for which the rent increase is sought. "Proper Registration" is defined in Chapter 8, Regulation 8010.
- (3) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (4) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code Section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 1993.
- (2) Any rent increase notice served in violation of subsections (a) through (d) above shall be ineffective to increase the maximum allowable rents pursuant to this section.
- (3) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

[3015 Adopted 6/3/93; Effective 6/17/93]

3016. General Adjustment Number 17

(a) Amount of General Adjustment.

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 1994, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 2%.

(2) Controlled Units Other Than Mobile Homes

Commencing on September 1, 1994, landlords of controlled rental units other than mobile homes and mobile home spaces may increase maximum allowable rents by 2% or \$11, whichever is greater.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1994, which represents the base rent ceiling, as defined by Section 1804(b) of the Rent Control Law, as certified pursuant to Regulation 13005, plus any subsequent applicable general adjustments not precluded by a final Board decision or addendum.

- (1) Where the Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification, the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.
- (2) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount of the general adjustment.

(c) Restrictions on Landlord's Entitlement To General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (2) The landlord has not properly registered the rental unit for which the rent increase is sought. "Proper Registration" is defined in Chapter 8, Regulation 8010.
- (3) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (4) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code Section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 1994.
 - (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.
- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase the maximum allowable rents pursuant to this section.

[3016 Adopted 6/9/94; Effective 6/23/94]

3017. General Adjustment Number 18

(a) Amount of General Adjustment.

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 1995, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 1.5%.

(2) Controlled Units Other Than Mobile Homes

Commencing on September 1, 1995, landlords of controlled rental units other than mobile homes and mobile home spaces may increase maximum allowable rents by 1.5% or \$8, whichever is greater.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1995, which represents the base rent ceiling, as defined by Section 1804(b) of the Rent Control Law, as certified pursuant to Regulation 13005, plus any subsequent applicable general adjustments not precluded by a final Board decision or addendum.

- (1) Where the Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification, the maximum allowable

rent is the rent established by such decision or addendum, plus any subsequent general adjustments not precluded by a final Board decision or addendum.

- (2) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount of the general adjustment.

(c) Restrictions on Landlord's Entitlement To General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (2) The landlord has not properly registered the rental unit for which the rent increase is sought. "Proper Registration" is defined in Chapter 8, Regulation 8010.
- (3) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (4) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code Section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 1995.
 - (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.
- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase the maximum allowable rents pursuant to this section.

[3017 Adopted 6/8/95; Effective 6/21/95]

3018. General Adjustment Number 19

(a) Amount of General Adjustment.

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 1996, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 1.6%.

(2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces

Commencing on September 1, 1996, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 1.6% or \$9, whichever is greater.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1996, which represents the base rent ceiling, as defined by Section 1804(b) of the Rent Control Law, as certified pursuant to Regulation 13005, plus any subsequent applicable general adjustments not precluded by a final Board decision or addendum.

- (1) Where the Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification, the maximum allowable rent is the rent established by such decision or addendum, or any increases otherwise authorized by law, plus any subsequent general adjustments not precluded by a final Board decision or addendum.
- (2) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount of the general adjustment.

(c) Restrictions on Landlord's Entitlement To General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (2) The landlord has not properly registered the rental unit for which the rent increase is sought. "Proper Registration" is defined in Chapter 8, Regulation 8010.
- (3) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (4) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code Section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 1996.
- (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase the maximum allowable rents pursuant to this section.

[3018 Adopted 6/6/96; Effective 6/15/96]

3019. General Adjustment Number 20

(a) Amount of General Adjustment.

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 1997, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 2%.

(2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces

Commencing on September 1, 1997, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 2% or \$15, whichever is greater.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1997, which represents the base rent ceiling, as defined by Section 1804(b) of the Rent Control Law, as certified pursuant to Regulation 13005, plus any subsequent applicable general adjustments not precluded by a final Board decision or addendum.

(1) Where the Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification, the maximum allowable rent is the rent established by such decision or addendum, or any increases otherwise authorized by law, plus any subsequent general adjustments not precluded by a final Board decision or addendum.

(2) The registration fee pass-through set forth in Chapter 11 shall not be considered part of the maximum allowable rent for purposes of calculating the amount of the general adjustment.

(c) Restrictions on Landlord's Entitlement To General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

(1) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.

(2) The landlord has not properly registered the rental unit for which the rent increase is sought. "Proper Registration" is defined in Chapter 8, Regulation 8010.

(3) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.

(4) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or common areas of the building.

(d) Notice Requirements

(1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code Section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 1997.

(2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health or

safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase the maximum allowable rents pursuant to this section.

[3019 Adopted 6/5/97; Effective 6/15/97]

3020. General Adjustment Number 21

(a) Amount of General Adjustment.

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 1998, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 1%.

(2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces

Commencing on September 1, 1998, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 1% or \$4, whichever is greater, but no more than \$9.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1998. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804(b) of the Rent Control Law plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent applicable general adjustments not precluded by a final Board decision unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) A vacancy rent increase has been established pursuant to Regulation 3301 *et seq.* and Section 1954.5 *et seq.* of the Civil Code, in which case the maximum allowable rent is defined in Regulation 3301(a), plus any subsequent final Board decisions or addenda and/or general adjustments not precluded by a final Board decision or addendum.

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 *et seq.* shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement To General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (2) The landlord has not properly registered the rental unit for which the rent increase is sought. "Proper Registration" is defined in Chapter 8, Regulation 8010.

- (3) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (4) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code Section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 1998.
 - (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.
- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase the maximum allowable rents pursuant to this section.

[3020 Adopted 6/11/98; Effective 6/19/98]

3021. General Adjustment Number 22

(a) Amount of General Adjustment

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 1999, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 1%.

(2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces

Commencing on September 1, 1999, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 1% or \$4, whichever is greater, but no more than \$9, except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 1999. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to former Regulation 3301(a)

and (b) and Section 1954.50 *et seq.* of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 *et seq.* shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after January 1, 1999, and a new base rent after vacancy was lawfully established for the unit.
- (2) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (3) The landlord has not properly registered the rental unit for which the rent increase is sought. "Proper registration" is defined in Regulation 8010, former Regulation 3301(m) (regarding tenancies commencing between January 1, 1995 and December 31, 1998 which qualified for a vacancy increase) and/or Regulation 3301(g) (regarding tenancies commencing after January 1, 1999 which qualify for a new base rent upon vacancy).
- (4) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (5) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 1999.
- (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3021 adopted 6/10/99; Effective 6/25/99]

3022. General Adjustment Number 23

(a) Amount of General Adjustment

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2000, landlords of controlled mobile homes and mobile

home spaces may increase maximum allowable rents by 3%, except as provided in subsection (c) below.

(2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2000, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 3%, but no more than \$28, except as provided in subsection (c) below. For properties other than mobilehome parks with no vacancies between October 1, 1995 and July 31, 2000 and with no vacancy increases under Civil Code section 1954.50 *et seq.* during that time period, landlords may increase maximum allowable rents by 3% or \$12, whichever is greater, except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the rent in effect on August 1, 2000. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 *et seq.* of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.
- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 *et seq.*, the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this regulation.

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 *et seq.* shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 1999, and a new base rent after vacancy was lawfully established for the unit.
- (2) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (3) The landlord has not properly registered the rental unit for which the rent increase is sought.
- (4) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.

- (5) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2000.
 - (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.
- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3022 Adopted 6/8/00; Effective 6/30/00]

3023. General Adjustment Number 24

(a) Amount of General Adjustment

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2001, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 4.2%, except as provided in subsection (c) below.

(2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2001, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 4.2%, but no more than \$40, except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the lawful rent in effect on August 1, 2001. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 *et seq.* of the Civil Code, the maximum allowable rent is the new maximum allowable rent

established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.

- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 *et seq.*, the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this chapter.

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 *et seq.* shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 2000, and a new base rent after vacancy was lawfully established for the unit.
- (2) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (3) The landlord has not properly registered the rental unit for which the rent increase is sought.
- (4) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (5) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2001.
- (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3023 Adopted 6/18/01; Effective 6/24/01]

3023A. Rescission of September 2001 Utility Adjustment for Master-Metered Properties

The \$10 utility adjustment for master-metered properties authorized by the Board commencing September 1, 2001 is hereby rescinded, effective January 1, 2003. The Maximum Allowable Rents of all units which include the \$10 September, 2001 utility adjustment shall be reduced by \$10 commencing January 1, 2003. This regulation does not apply to units for which a lawful new base

rent after vacancy was established after September 1, 2000.

[3023A Adopted 6/18/01; Effective 6/24/01]
[3023A Amended 12/12/02; Effective 12/21/02]

3024. General Adjustment Number 25

(a) Amount of General Adjustment

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2002, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by \$11, except as provided in subsection (c) below.

(2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2002, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by \$11, except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the lawful rent in effect on August 1, 2002. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 *et seq.* of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.
- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 *et seq.*, the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this chapter.
- (4) For condominium units which have not been separately sold and which are rented by tenants whose tenancies commenced between January 1, 1996 and May 7, 2001, the maximum allowable rent is the lawful rent in effect on May 7, 2001, plus applicable general adjustments as set forth in regulation 3302(c).

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 *et seq.* shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 2001, and a new base rent after vacancy was lawfully established for the unit.
- (2) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (3) The landlord has not properly registered the rental unit for which the rent increase is sought.
- (4) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (5) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2002.
- (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3024 Adopted 6/13/02; Effective 06/22/02]

3025. General Adjustment Number 26

(a) Amount of General Adjustment

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2003, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 3%, except as provided in subsection (c) below.

(2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2003, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 3% or \$15, whichever is greater, but no more than \$30, except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the lawful rent in effect on August 1,

2003. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law, plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 et seq. of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.
- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 et seq., the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this chapter.
- (4) For condominium units which have not been separately sold and which are rented by tenants whose tenancies commenced between January 1, 1996 and May 7, 2001, the maximum allowable rent is the lawful rent in effect on May 7, 2001, plus applicable general adjustments, and individual adjustments awarded in Board decisions and addenda.

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 et seq. shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 2002, and a new base rent after vacancy was lawfully established for the unit.
- (2) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (3) The landlord has not properly registered the rental unit for which the rent increase is sought.
- (4) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (5) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2002.

- (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.
- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3025 Adopted 6/12/03; Effective 6/21/03]

3026. General Adjustment Number 27

(a) Amount of General Adjustment

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2004, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 1.3%, except as provided in subsection (c) below.

(2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2004, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 1.3%, but no more than \$20, except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the lawful rent in effect on August 1, 2004. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 *et seq.* of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.
- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 *et seq.*, the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this chapter.
- (4) For condominium units which have not been separately sold and which are rented by

tenants whose tenancies commenced between January 1, 1996 and May 7, 2001, the maximum allowable rent is the lawful rent in effect on May 7, 2001, plus applicable general adjustments as set forth in regulation 3302(c).

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 *et seq.* shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 2003, and a new base rent after vacancy was lawfully established for the unit.
- (2) The unit received a rent increase pursuant to regulation 3304 on or after September 1, 2003.
- (3) The unit's first rental since the adoption of the Rent Control Law commenced on or after September 1, 2003, and the unit's base rent was therefore established on or after September 1, 2003.
- (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (5) The landlord has not properly registered the rental unit for which the rent increase is sought.
- (6) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (7) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2004.
- (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3026 Adopted 06/10/04; Effective 06/18/04]

3027. General Adjustment Number 28

(a) Amount of General Adjustment

- (1) Mobile Homes and Mobile Home Spaces
Commencing on September 1, 2005, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 3%, except as provided in subsection (c) below.
- (2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces
Commencing on September 1, 2005, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 3%, but no more than \$48, except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the lawful rent in effect on August 1, 2005. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law, plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 *et seq.* of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.
- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 *et seq.*, the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this chapter.
- (4) For condominium units which have not been separately sold and which are rented by tenants whose tenancies commenced between January 1, 1996 and May 7, 2001, the maximum allowable rent is the lawful rent in effect on May 7, 2001, plus applicable general adjustments as set forth in regulation 3302(c) and subsequent general adjustment regulations.

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 *et seq.* shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 2004, and a new base rent after vacancy was lawfully established for the unit.

- (2) The unit received a rent increase pursuant to regulation 3304 on or after September 1, 2004.
- (3) The unit's first rental since the adoption of the Rent Control Law commenced on or after September 1, 2004, and the unit's base rent was therefore established on or after September 1, 2004.
- (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (5) The landlord has not properly registered the rental unit for which the rent increase is sought.
- (6) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (7) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2005.
- (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3027 Adopted 6/9/05; Effective 6/18/05]

3028. General Adjustment Number 29

(a) Amount of General Adjustment

- (1) Mobile Homes and Mobile Home Spaces
Commencing on September 1, 2006, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 4%, except as provided in subsection (c) below.
- (2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces
Commencing on September 1, 2006, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 4%, but no more than \$54, except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the lawful rent in effect on August 1, 2006. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law, plus any individual or

general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 *et seq.* of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.
- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 *et seq.*, the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this chapter.
- (4) For condominium units which have not been separately sold and which are rented by tenants whose tenancies commenced between January 1, 1996 and May 7, 2001, the maximum allowable rent is the lawful rent in effect on May 7, 2001, plus applicable general adjustments as set forth in regulation 3302(c) and subsequent general adjustment regulations.

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 *et seq.* shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 2005, and a new base rent after vacancy was lawfully established for the unit.
- (2) The unit received a rent increase pursuant to regulation 3304 on or after September 1, 2005.
- (3) The unit's first rental since the adoption of the Rent Control Law commenced on or after September 1, 2005, and the unit's base rent was therefore established on or after September 1, 2005.
- (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (5) The landlord has not properly registered the rental unit for which the rent increase is sought.
- (6) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (7) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2006.
 - (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.
- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3028 Adopted 6/8/06; Effective 6/17/06]

[3028(c)(2) Amended 8/3/06; Effective 8/12/06]

3028A. September 2006 Utility Adjustment for Master-Metered Properties

- (a) If a landlord pays for all gas and electrical service for common areas and, additionally, for all gas service or all gas and electrical service in individual units on the property, commencing on September 1, 2006, the landlord may increase the maximum allowable rent on qualifying rental units by an additional \$7, in addition to the general adjustment authorized in regulation 3028.
- (b) To be eligible for the master-metered utility adjustment set forth in subparagraph (a) above, the landlord must comply with the following:
 - (1) The landlord must pay for all gas and electrical service for all common areas and, additionally, must pay for all gas or all gas and electrical service within individual units on the property, including but not limited to, the cost of cooking, heating, hot water, and lighting.
 - (2) The landlord must complete and file an application for a master-metered utility adjustment on the form approved by the Board. The landlord must submit photocopies of all utility bills for the property for the twelve-month period preceding the application at the time of filing the application. The Board will notify the landlord within 30 days of receipt of the master-metered utility adjustment application that the landlord has qualified for the adjustment, that additional information is required, or that the application is denied.
 - (3) If the landlord previously received authorization from the Board to collect the master-metered utility adjustment for qualifying units at a particular property, it is not necessary to refile an application pursuant to subparagraph (b)(2) above.
 - (4) The landlord may not notice a rent increase for a master-metered utility adjustment unless the landlord has received written authorization from the Board.
 - (5) A landlord may increase rents pursuant to this regulation only for those units for which he or she pays all gas service or pays all gas and electrical service.
 - (6) In order to increase rents pursuant to this section, a landlord must comply with the notice requirements set forth in regulation 3028(d). A landlord may give notice of the master-metered utility adjustment at the same time as giving notice of the general adjustment.
- (c) A landlord shall not increase rents or serve a notice attempting to increase rents by this utility adjustment where the unit's tenancy commenced on or after January 1, 1999, and a new base

rent after vacancy was lawfully established for the unit.

- (d) A landlord shall not increase rents or serve a notice attempting to increase rents by this utility adjustment where the unit received a rent increase pursuant to regulation 3304 based upon a petition filed on or after January 1, 2004.
- (e) A landlord shall not increase rents or serve a notice attempting to increase rents by this utility adjustment where the unit's first rental since the adoption of the Rent Control Law commenced on or after January 1, 1999, and the unit's base rent was therefore established on or after January 1, 1999.

[3028A Adopted 6/8/06; Effective 6/17/06]

3029. General Adjustment Number 30

(a) Amount of General Adjustment

(1) Controlled Units and Mobile Home Spaces

Commencing on September 1, 2007, landlords of controlled units and mobile home spaces may increase maximum allowable rents by 2.3%, except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the lawful rent in effect on August 1, 2007. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law, plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 *et seq.* of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.
- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 *et seq.*, the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this chapter.
- (4) For condominium units which have not been separately sold and which are rented by tenants whose tenancies commenced between January 1, 1996 and May 7, 2001, the maximum allowable rent is the lawful rent in effect on May 7, 2001, plus applicable general adjustments as set forth in regulation 3302(c) and subsequent general adjustment regulations.

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 *et seq.* shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 2006, and a new base rent after vacancy was lawfully established for the unit.
- (2) The unit received a rent increase pursuant to regulation 3304 based upon a petition filed on or after September 1, 2006.
- (3) The unit's first rental since the adoption of the Rent Control Law commenced on or after September 1, 2006, and the unit's base rent was therefore established on or after September 1, 2006.
- (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (5) The landlord has not properly registered the rental unit for which the rent increase is sought.
- (6) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (7) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2007.
 - (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.
- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3029 Adopted 6/7/07; Effective 6/15/07]

3030. General Adjustment Number 31

(a) Amount of General Adjustment

- (1) Controlled Units and Mobile Home Spaces
Commencing on September 1, 2008, landlords of controlled units and mobile home spaces may increase maximum allowable rents by 2.7%, except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the lawful rent in effect on August 1,

2008. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law, plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 *et seq.* of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.
- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 *et seq.*, the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this chapter.
- (4) For condominium units which have not been separately sold and which are rented by tenants whose tenancies commenced between January 1, 1996 and May 7, 2001, the maximum allowable rent is the lawful rent in effect on May 7, 2001, plus applicable general adjustments as set forth in regulation 3302(c) and subsequent general adjustment regulations.

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 *et seq.* shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 2007, and a new base rent after vacancy was lawfully established for the unit.
- (2) The unit received a rent increase pursuant to regulation 3304 based upon a decision issued on or after September 1, 2007.
- (3) The unit's first rental since the adoption of the Rent Control Law commenced on or after September 1, 2007, and the unit's base rent was therefore established on or after September 1, 2007.
- (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (5) The landlord has not properly registered the rental unit for which the rent increase is sought.
- (6) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (7) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or

the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2008.
 - (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.
- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3030 Adopted 6/5/08; Effective 6/14/08]

3031. General Adjustment Number 32

(a) Amount of General Adjustment

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2009, landlords of controlled mobile homes and mobile home spaces may increase maximum allowable rents by 1%, except as provided in subsection (c) below.

(2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces

Except as provided in subsection (c) below, commencing on September 1, 2009, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 1% or \$8, whichever is greater, but no more than \$16.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the lawful rent in effect on August 1, 2009. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law, plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 *et seq.* of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a

Board decision or addendum.

- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 *et seq.*, the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this chapter.
- (4) For condominium units which have not been separately sold and which are rented by tenants whose tenancies commenced between January 1, 1996 and May 7, 2001, the maximum allowable rent is the lawful rent in effect on May 7, 2001, plus applicable general adjustments as set forth in regulation 3302(c) and subsequent general adjustment regulations.

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 *et seq.* shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 2008, and a new base rent after vacancy was lawfully established for the unit.
- (2) The unit received a rent increase pursuant to regulation 3304 based upon a decision issued on or after September 1, 2008.
- (3) The unit's first rental since the adoption of the Rent Control Law commenced on or after September 1, 2008, and the unit's base rent was therefore established on or after September 1, 2008.
- (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (5) The landlord has not properly registered the rental unit for which the rent increase is sought.
- (6) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (7) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2009.
- (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3031 Adopted 6/11/09; Effective 6/18/09]

3032. General Adjustment Number 33

(a) Amount of General Adjustment

(1) Controlled Units and Mobile Home Spaces

Commencing on September 1, 2010, landlords of controlled units and mobile home spaces may increase maximum allowable rents by 2%, except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the lawful rent in effect on August 1, 2010. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law, plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 *et seq.* of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.
- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 *et seq.*, the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this chapter.
- (4) For condominium units which have not been separately sold and which are rented by tenants whose tenancies commenced between January 1, 1996 and May 7, 2001, the maximum allowable rent is the lawful rent in effect on May 7, 2001, plus applicable general adjustments as set forth in regulation 3302(c) and subsequent general adjustment regulations.

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 *et seq.* shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 2009, and a new base rent after vacancy was lawfully established for the unit.

- (2) The unit received a rent increase pursuant to regulation 3304 based upon a decision issued on or after September 1, 2009.
 - (3) The unit's first rental since the adoption of the Rent Control Law commenced on or after September 1, 2009, and the unit's base rent was therefore established on or after September 1, 2009.
 - (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
 - (5) The landlord has not properly registered the rental unit for which the rent increase is sought.
 - (6) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
 - (7) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or the common areas of the building.
- (d) Notice Requirements
- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2010.
 - (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.
- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3032 Adopted 6/1/10; Effective 6/8/10]

3033. General Adjustment Number 34

(a) Amount of General Adjustment

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2011, landlords of controlled units and mobile home spaces may increase maximum allowable rents by 3.2%, except as provided in subsection (c) below.

(2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2011, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 3.2%, but no more than \$52, except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the lawful rent in effect on August 1,

2011. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law, plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 et seq. of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.
- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 et seq., the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this chapter.
- (4) For condominium units which have not been separately sold and which are rented by tenants whose tenancies commenced between January 1, 1996 and May 7, 2001, the maximum allowable rent is the lawful rent in effect on May 7, 2001, plus applicable general adjustments as set forth in regulation 3302(c) and subsequent general adjustment regulations.

The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 et seq. shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 2010, and a new base rent after vacancy was lawfully established for the unit.
- (2) The unit received a rent increase pursuant to regulation 3304 based upon a decision issued on or after September 1, 2010.
- (3) The unit's first rental since the adoption of the Rent Control Law commenced on or after September 1, 2010, and the unit's base rent was therefore established on or after September 1, 2010.
- (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (5) The landlord has not properly registered the rental unit for which the rent increase is sought.
- (6) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (7) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or

the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2011.
 - (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.
- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

[3033 Adopted 6/9/11; Effective 6/12/11]

3034. General Adjustment Number 35

(a) Amount of General Adjustment

(1) Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2012, landlords of controlled units and mobile home spaces may increase maximum allowable rents by 1.54%, except as provided in subsection (c) below.

(2) Controlled Units Other Than Mobile Homes and Mobile Home Spaces

Commencing on September 1, 2012, landlords of controlled units other than mobile homes and mobile home spaces may increase maximum allowable rents by 1.54%, but no more than \$ 26 except as provided in subsection (c) below.

(b) Definition of Maximum Allowable Rent

For purposes of this section, the maximum allowable rent is the lawful rent in effect on August 1, 2012. This is composed of the rent level certified pursuant to Regulation 13005 (which represents the base rent ceiling, as defined by Section 1804 of the Rent Control Law, plus any individual or general adjustments authorized prior to the date of certification) plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum unless:

- (1) The Board has rendered a decision in a base rent petition, a threshold rent petition, an individual adjustment petition, or addendum after certification. In such a case the maximum allowable rent is the rent established by such decision or addendum, plus any subsequent increases otherwise authorized by law and/or any subsequent general adjustments not precluded by a final Board decision or addendum; or
- (2) For tenancies commencing October 1, 1995 through December 31, 1998 for which a vacancy rent increase has been lawfully established pursuant to Section 1954.50 et seq. of the Civil Code, the maximum allowable rent is the new maximum allowable rent established after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or general adjustments not precluded by a Board decision or addendum.

- (3) For tenancies commencing on or after January 1, 1999, for which a vacancy increase has been lawfully established under Civil Code Section 1954.50 et seq., the maximum allowable rent is the new base rent after vacancy plus any individual rent adjustments established in any subsequent Board decisions or addenda and/or subsequent general adjustments to which the unit is entitled under this chapter.
- (4) For condominium units which have not been separately sold and which are rented by tenants whose tenancies commenced between January 1, 1996 and May 7, 2001, the maximum allowable rent is the lawful rent in effect on May 7, 2001, plus applicable general adjustments as set forth in regulation 3302(c) and subsequent general adjustment regulations. The registration fee pass-through set forth in Chapter 11 or any other surcharges permitted by law as set forth in Regulation 3100 et seq. shall not be considered part of the maximum allowable rent.

(c) Restrictions on Landlord's Entitlement to General Adjustment

A landlord shall not increase rents or serve a notice attempting to increase rents if any of the following circumstances exist:

- (1) The unit's tenancy commenced on or after September 1, 2011, and a new base rent after vacancy was lawfully established for the unit.
- (2) The unit received a rent increase pursuant to regulation 3304 based upon a decision issued on or after September 1, 2011.
- (3) The unit's first rental since the adoption of the Rent Control Law commenced on or after September 1, 2011, and the unit's base rent was therefore established on or after September 1, 2011.
- (4) The landlord is not in compliance with any provision of the Santa Monica Rent Control Charter Amendment or regulations promulgated thereunder.
- (5) The landlord has not properly registered the rental unit for which the rent increase is sought.
- (6) The landlord has failed to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitations.
- (7) The landlord has failed to correct conditions specified in a citation or notice of violation of health, safety or housing laws existing at the subject property with respect to any unit or the common areas of the building.

(d) Notice Requirements

- (1) In order to increase rents pursuant to this section, a landlord must give notice as required by California Civil Code section 827. A landlord may serve a notice of the general adjustment rent increase on or after July 1, 2012.
- (2) No landlord shall increase rent unless the notice contains the following form language: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If a landlord fails to comply with this subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under the Rent Control Law, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

- (e) Any rent increase notice served in violation of any provisions of this regulation shall be ineffective to increase maximum allowable rents pursuant to this section.

3035. Annual General Adjustment

- (a) By June 30 each year, the Board shall:
- (1) Announce, by resolution, the percentage by which the maximum allowable rents for controlled units may be adjusted in accordance with Charter Section 1805(a).
 - (2) Decide, by resolution, whether to impose a dollar-amount ceiling on the increase of maximum allowable rents in accordance with Charter Section 1805(b) and state in the resolution the amount of any such ceiling. Should the Board elect to impose a dollar-amount ceiling, it shall do so by the same resolution by which it announces the general adjustment percentage.
- (b) A landlord may impose a rent adjustment permitted under paragraph (a) of this Regulation effective September 1 of the year for which the adjustment is authorized, unless:
- (1) The landlord lawfully established a new base rent after vacancy after August 31 of the preceding year;
 - (2) The unit's maximum allowable rent was increased by the Board's approval of a Tenant Not In Occupancy petition that became final after August 31 of the preceding year;
 - (3) The unit first base rent ceiling since the adoption of Article XVIII of the City Charter was established after August 31 of the preceding year;
 - (4) The landlord is not in compliance with any provision of Article XVIII of the City Charter or regulations promulgated thereunder;
 - (5) The landlord has not properly registered the unit for which the rent increase is sought;
 - (6) The landlord has failed to pay in full all outstanding registration fees and penalties which are not otherwise barred by the statute of limitations;
 - (7) The landlord has failed to correct cited violations of health, safety, or housing laws in any unit or common area. Violations that affect only an individual unit or units will bar imposition of general adjustments as to the affected unit or units only; or
 - (8) The landlord has failed to provide the tenant with the informational form specified by Regulation 13002, subdivision (g). A landlord who comes into compliance with this requirement may, upon proper notice as specified by state law, prospectively impose any general adjustments that could not lawfully have been imposed during any period of noncompliance.
- (c) A landlord may not collect the general adjustment unless the landlord has provided the affected tenant with written notice as required by California Civil Code Section 827. The notice must include the following certification: "The undersigned (landlord) certifies that this unit and the common areas are not subject to any uncorrected citation or notices of violation of any state or local housing, health, or safety laws issued by any government official or agency." If the landlord fails to comply with this subsection, the tenant may refuse to pay the improperly-noticed rent increase, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.
- (d) A rent-increase notice that does not conform with this Regulation or any other provision of this Chapter is ineffective to increase rent.

- (e) Commencing February 1, 2023, the general adjustment during the period from February 1, 2023 through August 31, 2023, shall be 0.8% of the maximum allowable rent (MAR) in effect as of August 31, 2022, with a maximum dollar amount limit of nineteen dollars (\$19) ("Adjusted GA"). Upon proper notice, the Adjusted GA may be increased above 0.8%, but no greater than 6%, if the August 31, 2022 MAR was increased by less than 6% during the period September 1, 2022 through January 31, 2023, so long as the average rent increase for the period from September 1, 2022 through August 31, 2023 does not exceed the lower of 3% or \$70 per month.

[3035 Adopted 6/13/13; Effective 6/20/13]

[3035(b)(8) Adopted 2/9/17; Effective 7/31/17]

[3035(e) Adopted 12/8/22; Effective 12/16/22]

3100. Smoke Detector Surcharge

(a) Purpose

The surcharge provided by regulation is to reimburse owners of controlled residential rental properties for the cost of the installation of smoke detectors required pursuant to Santa Monica City Ordinance No. 1217.

(b) Amount of Surcharge

A landlord may increase the rent on any controlled rental unit in which a smoke detector has been installed by the amount of two dollars per month, subject to the limitations set forth in (c), (d) and (e) below, provided that such installations occurred subsequent to August 11, 1981 and prior to February 1, 1982 or the date required by the Fire Department pursuant to a formal extension, whichever is later, and provided that no individual adjustment has been granted to cover such cost.

(c) Duration of Surcharge

A landlord may increase the rent on any controlled rental unit by two dollars per month beginning on September 1, 1982. The two dollar pass-through expires on August 31, 1983.

(d) Smoke Detector Specifications

A landlord may not increase rents pursuant to this regulation unless the smoke detector installed in the controlled rental unit is in full compliance with the requirements and specifications of City Ordinance 1217.

(e) Notice Requirements

A landlord shall notify each tenant of a rent increase pursuant to this regulation. The notice must comply with all noticing requirements set forth in Civil Code §827. The notice must state that the landlord has completed the installation of the smoke detector prior to February 1, 1982 or the date required by the Fire Department pursuant to a formal extension, whichever is later.

[3100 Adopted 7/8/82; Effective 7/18/82]

3101. Residential Street Lighting Surcharge

(a) Purpose

The surcharge provided by this regulation is to reimburse owners of controlled residential rental properties for the cost of tenant-initiated street lighting improvements pursuant to §7170 of the Santa Monica Municipal Code.

(b) Board Verification of Compliance

Within ten days of receipt of a tenant petition for street lighting installation, the Board shall verify

that the signatures to the petition represent no less than sixty percent (60%) of the residential units on the parcels indicated on the petition.

(c) Determination of Surcharge

(1) Amount of Annual Assessment

The City of Santa Monica Department of General Services shall notify the Board of the amount of the assessment for each controlled residential rental property in the assessment district. The Board shall calculate the annual property assessment for each property by dividing the total assessment by a ten (10) year amortization period. The annual property assessment shall then be divided by the number of residential rental units on the property to determine the annual surcharge for each residential unit. The annual surcharge will then in turn be divided by twelve (12) to determine the monthly surcharge per residential unit.

(d) Decision

The Board shall increase the maximum allowable rent for the controlled rental units in the assessment district by the monthly surcharge for each unit in those cases where the Board finds that sixty percent (60%) of the residential units in the assessment district indicate their desire for the installation of street lighting improvements. The Board shall base its decision upon the petition, any information submitted with the petition and any testimony presented at the hearing.

(e) Findings

The Board's decision shall be supported by written findings.

(f) Duration of Surcharge

A landlord who has been granted an increase pursuant to this section may collect the monthly surcharge for a period not to exceed one hundred twenty (120) months. This surcharge will automatically expire at the conclusion of the period.

(g) Notice Requirements

A landlord shall notify each tenant of the surcharge pursuant to the regulation and the Board's decision. The notice must comply with all requirements set forth in Civil Code §827. The Board will publicly notify the occupants of rental units of the city of the expiration of the surcharge.

[3101 Adopted 7/5/84; Effective 7/13/84]

3102. School District Special Emergency Tax Surcharge

(a) Purpose

The surcharge provided by this regulation is to reimburse owners of controlled residential rental properties for the cost of the School District Special Emergency Tax Surcharge of \$58 per parcel as approved by the voters on June 5, 1984.

(b) Duration of Surcharge

A landlord may increase the rent on any controlled rental unit in an amount determined by one of the two options provided under subsection (c), provided that the increase shall commence no earlier than January 1, 1985 and shall expire on August 31, 1985.

(c) Amount of Surcharge

A landlord shall offer, and each tenant shall select one of the following two options for payment to

the landlord for the cost of the emergency school tax surcharge:

Option No. 1

The tenant may elect to pay the landlord in a single payment an amount equal to \$58 divided by the number of residential units on the parcel.

Option No. 2

The tenant may elect to pay the landlord in the form of monthly payments for each month from January 1985 to August 1985. The monthly payment shall be equal to \$58 divided by the number of residential units on the parcel which is further divided by the eight month recovery period. A schedule of monthly payments would be as follows:

<u>Number of Units Per Residential Parcel</u>	<u>Monthly Surcharge Per Unit</u>
1	\$7.25
2	3.63
3	2.42
4	1.82
5	1.45
6	1.21
7	1.04
8	.91
9	.81

<u>Number of Units Per Residential Parcel</u>	<u>Monthly Surcharge Per Unit</u>
10	.73
11	.67
12	.60
13	.58
14	.52
15	.48
16	.45
17	.43
18	.40
19	.38
20	.36
	etc.

(d) Notice Requirements

A landlord shall notify each tenant of a rent increase pursuant to this regulation. The notice must comply with all noticing requirements set forth in Civil Code §827.

[3102 Adopted 10/4/84; Effective 10/12/84]

3103. School District Special Tax Surcharge

- (a) The surcharge provided by this regulation is to reimburse owners of controlled residential rental properties for the cost of the School District Special Tax of \$68 per year, per parcel, adjusted annually for inflation, as approved by the voters on November 8, 1994, and for the cost of the School District Special Tax of \$98 per year, per parcel, adjusted annually for inflation, as approved by the voters on November 7, 2000.

(b) Duration of Surcharge

In addition to the monthly rent, a landlord may collect a monthly surcharge in accordance with this section on any controlled rental unit for each month from July 1, 2001 until December 31, 2011. The tax approved November 7, 2000 is for each fiscal year from July 1, 2001 through June 30, 2011 and may be adjusted annually for inflation. The surcharge for this tax for each fiscal year beginning July 1 may be collected in monthly installments commencing the following January 1, or any month within the same calendar year, and continuing for the next twelve months thereafter.

(c) Amount of Surcharge

For the months of July through December, 2001, the monthly surcharge shall not exceed an amount equal to \$74.99, divided by the number of units on the property and further divided by twelve months. A schedule of monthly payments for these months is as follows:

<u>No. of Units on Parcel</u>	<u>Per Unit</u>
1	\$6.25
2	3.13
3	2.08
4	1.56
5	1.25
6	1.04
7	.89
8	.78
9	.69
10	.63
11	.57
12	.52
13	.48
14	.45
15	.42
16	.39
17	.37
18	.35
19	.33
20	.31

Beginning January 1, 2002, the monthly surcharge shall not exceed an amount equal to \$98, adjusted annually for inflation in accordance with the Special Tax approved by the voters, divided by the number of units on the parcel and further divided into twelve monthly payments. A schedule of monthly payments for the first year (at the \$98 per-parcel rate) is as follows:

<u>No. of Units on Parcel</u>	<u>Per Unit</u>
1	\$8.17
2	4.08
3	2.72
4	2.04
5	1.63
6	1.36
7	1.17
8	1.02
9	.91
10	.82
11	.74
12	.68

13	.63
14	.58
15	.54
16	.51
17	.48
18	.45
19	.43
20	.41

(d) Annual Inflation Adjustments

Pursuant to the Special Tax Surcharge approved by the voters on November 7, 2000, the tax shall be set by the Santa Monica-Malibu Unified School District for each fiscal year in an amount not to exceed \$98 per parcel, adjusted annually for inflation in accordance with the Consumer Price Index (CPI-U) for All Urban Consumers (Los Angeles-Anaheim-Riverside Area), after notice and public hearing. If the School District adjusts the Special Tax Surcharge for any fiscal year to an amount other than \$98, subsection (c) of this regulation shall automatically be amended by the Board to reflect said adjustment.

(e) Notice Requirements

A landlord shall notify each tenant of an increase in the surcharge pursuant to this regulation. The notice must comply with all noticing requirements set forth in Civil Code Section 827.

[3103 Adopted 7/18/85; Effective 7/30/85]

[3103 Amended 6/22/89; Effective 7/8/89]

[3103 Amended 8/2/90; Effective 8/10/90]

[3103 Amended 6/8/95; Effective 6/21/95]

[3103 Amended 8/9/01; Effective 8/18/01]

3104. Water Conservation Surcharge

(a) Purpose

The surcharge authorized by this regulation is to reimburse owners of controlled residential rental units for the penalties imposed pursuant to Santa Monica City Ordinance Nos. 1571 (CCS) and 1580 (CCS).

(b) Duration of Surcharge

A landlord may pass through the Water Conservation Surcharge to the units in the building in an amount determined pursuant to subsection (c), provided that any pass-through commence no earlier than May 1, 1991 and shall expire upon the repeal of Santa Monica City Ordinance Nos. 1571 (CCS) and 1580 (CCS).

(c) Amount of Surcharge

Each tenant shall pay to the landlord for a proportionate share of the Mandatory Water Conservation Penalty Surcharge calculated as follows:

- (1) For any residential unit with a separate water meter, 100% of the surcharge may be passed through to the tenant provided that the separate meter reflect water usage for that unit only.
- (2) The per unit surcharge of any property with a master water meter shall be calculated as follows: Each single or bachelor unit counts as one share, each one bedroom unit counts as two shares, each two bedroom unit counts as three shares and each three or more

bedroom unit counts as four shares; the per share cost shall be determined by dividing 75% of the surcharge by the total number of shares in the building; the per share cost is multiplied by the number of shares for that unit. (Bedrooms include "bedrooms" "family rooms" and "dens".)

- (3) No landlord shall be authorized to collect from any tenant any portion of the conservation surcharge unless the landlord has participated in the City of Santa Monica's Baysaver Fixture Retrofit Program replacing shower heads and toilets with low-flow fixtures.

- (4) The surcharge may change with each two-month water bill.

(d) Notice Requirements

A landlord shall notify each tenant, in writing on a form approved by the Board, of the surcharge pursuant to this regulation. Such written notice must include a copy of the Water Department bill showing the penalty surcharge and proof that the landlord has installed low-flow fixtures consistent with the City's Baysaver Fixture Retrofit Program. The surcharge pass-through is payable thirty (30) days after receipt of the Notice by the tenant.

[3104 Adopted 4/11/91; Effective 4/19/91]

3105. School District Bond Surcharge; Santa Monica Community College District Bond Surcharge

(a) Purpose of Surcharge

The surcharges provided by this regulation are meant to permit owners of controlled residential rental properties to offset the cost of any School District or Santa Monica Community College District voted indebtedness for which an assessment appears on the owner's annual property tax bill.

(b) Duration of Surcharge

Except as limited by Regulation 3120, a landlord may collect a monthly surcharge in accordance with this section on any controlled rental unit for as long as School District or Community College District voted-indebtedness assessments appear on the owner's tax bill, or this regulation is repealed or amended. The actual surcharge for each fiscal year beginning July 1 may be collected in monthly installments commencing the following January 1, or any month within the same calendar year, and continuing for the next twelve months thereafter.

(c) Determination of Surcharge

- (1) The monthly surcharge shall not exceed an amount equal to the amount of the yearly school bond property tax assessment as determined by the Santa Monica-Malibu Unified School District, plus the amount of the yearly Santa Monica Community College District Bond assessment, divided by the total number of units on the parcel divided into twelve monthly payments.
- (2) For purposes of this subsection, the term "units" includes, but is not limited to, all units in a controlled rental property that are used for residential rental purposes or for commercial purposes, are owner-occupied or relative occupied, are occupied pursuant to a Section 8 housing agreement, and/or are participating in the Incentive Housing program.
- (3) The yearly tax surcharge per parcel will change each fiscal year based on the actual assessed values, the timing of the sale of the bonds and the interest rates on any bonds sold. The owner of each assessed parcel will receive notice from the County Assessor's Office and/or the School District and/or the Community College District of the amount of the yearly School Bond Tax assessment and the yearly Santa Monica Community College District Special Bond assessment.

(d) Notice Requirements

- (1) Before imposing any surcharge under this section, landlord must notify the affected tenant of a rent increase pursuant to this regulation. The notice must comply with all noticing requirements set forth in Civil Code Section 827.
- (2) The Board shall promulgate a form for the notice required by this regulation.
- (3) The notice shall contain the following information: the amount of the School Bond Tax assessment and/or Santa Monica Community College District Bond assessment for the property; the number of units on the property; the amount of the monthly per-unit surcharge; and, the amount of the maximum lawful rent, including all fees and surcharges. A copy of the portions of the Joint Consolidated Tax Bill or other official notification that reflects the School Bond Tax Assessment, and/or Santa Monica Community College District Bond Assessment, and the parcel number shall be attached to the notice.
- (4) Failure to comply with the notice requirements set forth above shall render any increase excess rent within the meaning of Chapter 8.

[3105 Adopted 10/24/91; Effective 11/1/91]

[3105 Amended 7/28/94; Effective 8/6/94]

[3105 Amended 1/25/18; Effective 3/1/18]

[3105 Amended 7/12/18; Effective 7/19/18]

3106. Stormwater Management User Fee Surcharge

(a) Purpose of Surcharge

The surcharge provided by this regulation is meant to allow owners of controlled residential rental properties to offset the cost of the Stormwater Management User Fee established pursuant to City Ordinance 1811 (CCS), enacted by the Santa Monica City Council on July 25, 1995.

(b) Duration of Surcharge

Except as limited by Regulation 3120, the actual surcharge for each fiscal year beginning July 1, 1996 may be collected in monthly installments commencing the following January 1, or any month within the same calendar year, and continuing for the next twelve months thereafter, as long as the Stormwater Management User Fee appears on the owner's property tax bill, or until this regulation is amended or repealed.

(c) Determination of Surcharge

- (1) The monthly surcharge shall not exceed an amount equal to the amount of the Stormwater Management User Fee, as determined by Ordinance 1811, divided by the total number of units on the parcel, divided into twelve monthly payments.
- (2) For purposes of this subsection, the term "units" includes, but is not limited to, all units in a controlled rental property that are used for residential rental purposes or for commercial purposes, including owner-occupied or relative occupied units, units occupied pursuant to a Section 8 housing agreement, and/or units participating in the Incentive Housing program.
- (3) Upon notice by the County Assessor's Office of the Stormwater Management User Fee, the landlord shall calculate the surcharge provided in this regulation and give notice to the tenants of the amount of the per unit surcharge as set forth in subsection (d) of this regulation.

(d) Notice Requirements

- (1) Before imposing any surcharge under this section, a landlord must notify each affected tenant of the amount of the Stormwater Management User Fee surcharge pursuant to this regulation. The notice must comply with all noticing requirements set forth in Civil Code Section 827.
- (2) The notice shall contain the following information: the amount of the Stormwater Management User Fee for the property; the number of units on the property; the amount of the monthly per-unit surcharge; and, the amount of the maximum lawful rent, including all fees and surcharges. A copy of the portions of the Joint Consolidated Tax Bill or other official notification that reflects the Stormwater Management User Fee, and the parcel number shall be attached to the notice.
- (3) Failure to comply with the notice requirements set forth above shall render any surcharge excess rent within the meaning of §1809 of the Charter and Chapter 8 of the Board's regulations.

[3106 Adopted 12/14/95; Effective 12/24/95]

[3106 Amended 1/25/18; Effective 3/1/18]

[3106(a)-(b), (d) Amended 7/12/18; Effective 7/19/18]

3107. School District Qualified Special Tax Surcharge

(a) Purpose of Surcharge

The surcharge provided by this regulation is to reimburse owners of controlled residential rental properties for the cost of the School District Qualified Special Tax of \$225 per year, per parcel, as approved by the voters on June 3, 2003.

(b) Duration of Surcharge

In addition to the monthly rent, a landlord may collect a monthly surcharge in accordance with this section on any controlled rental unit for each month from January 1, 2004 through December 31, 2009. The tax approved June 3, 2003 is for each fiscal year from July 1, 2003 through June 30, 2009. The surcharge for this tax for each fiscal year beginning July 1 may be collected in monthly installments commencing the following January 1, or any month within the same calendar year, and continuing for the next twelve months thereafter. The landlord shall not collect this surcharge for any year for which the landlord has obtained a senior exemption to the qualified special tax for the parcel from the Board of Education of the District. The landlord shall not collect this surcharge during any month in which the landlord has not paid this tax and the payment is overdue.

(c) Amount of Surcharge

The monthly surcharge shall not exceed \$225, divided by the number of units on the property and further divided by twelve months. A schedule of monthly payments is as follows:

<u>No. of Units on Parcel</u>	<u>Per Unit</u>
1	\$18.75
2	9.38
3	6.25
4	4.69
5	3.75
6	3.13
7	2.68

8	2.34
9	2.08
10	1.88
11	1.71
12	1.56
13	1.44
14	1.34
15	1.25
16	1.17
17	1.10
18	1.04
19	.99
20	.94

(d) Notice Requirements

A landlord shall notify each tenant of the surcharge pursuant to this regulation before collecting the surcharge. The notice must comply with all noticing requirements set forth in Civil Code Section 827.

[3107 Adopted 10/23/03; Effective 10/31/03]

3108. Clean Beaches and Ocean Parcel Tax Surcharge

(a) Purpose of Surcharge

The surcharge provided by this regulation is meant to allow owners of controlled residential rental properties to offset the cost of the Clean Beaches and Ocean Parcel Tax established pursuant to City Ordinance 2214 (CCS), enacted by the Santa Monica City Council on July 25, 2006.

(b) Duration of Surcharge

Except as limited by Regulation 3120, the actual surcharge for each fiscal year beginning July 1, 2008 may be collected in monthly installments commencing the following January 1, or any month within the same calendar year, and continuing for the next twelve months thereafter, for as long as the Clean Beaches and Ocean Parcel Tax appears on the owner's property tax bill, or until this regulation is amended or repealed.

(c) Determination of Surcharge

- (1) The monthly surcharge shall not exceed an amount equal to the amount of the Clean Beaches and Ocean Parcel Tax, as determined by Ordinance 2214, divided by the total number of units on the parcel, divided into twelve monthly payments.
- (2) For purposes of this section, the term "units" includes, but is not limited to, all units in a controlled rental property that are used for residential rental purposes or for commercial purposes, including owner-occupied or relative-occupied units, units occupied pursuant to a Section 8 housing agreement, and/or units participating in the Incentive Housing Program.
- (3) Upon notice by the County Assessor's Office of the Clean Beaches and Ocean Parcel Tax, the landlord shall calculate the surcharge provided in this regulation and give notice to the tenants of the amount of the per unit surcharge as set forth in subsection (d) of this regulation.

(d) Notice Requirements

- (1) Before imposing any surcharge under this section, a landlord must notify each affected

tenant of the amount of the Clean Beaches and Ocean Parcel Tax surcharge pursuant to this regulation. The notice must comply with all noticing requirements set forth in Civil Code section 827.

- (2) The notice shall contain the following information: the amount of the Clean Beaches and Ocean Parcel Tax for the property; the number of units on the property; the amount of the monthly per-unit surcharge; and, the amount of the maximum lawful rent, including all fees and surcharges. A copy of the portions of the Joint Consolidated Tax Bill or other official notification that reflects the Clean Beaches and Ocean Parcel Tax, and the parcel number shall be attached to the notice.
- (3) Failure to comply with the notice requirements set forth above shall render any surcharge excess rent within the meaning of section 1809 of the Charter and Chapter 8 of the Board's regulations.

(e) Exemptions

- (1) Section 7.64.060 of the Santa Monica Municipal Code authorizes the City Council to establish by resolution special exemption procedures and eligibility criteria based on income, age or disability for the Clean Beaches and Ocean Tax. The City Council established special exemption procedures for low-income residents in Resolution 10248 (CCS). All property owners and renters who meet the Clean Beaches and Ocean Tax Exemption eligibility criteria are exempt from the Clean Beaches and Ocean Tax.
- (2) The maximum dollar amount of gross household income for single-person households for purposes of Clean Beaches and Ocean Parcel Tax Exemption eligibility shall be twenty five thousand and two dollars (\$25,002).
- (3) The maximum dollar amount of gross household income for households of two or more persons for purposes of Clean Beaches and Ocean Parcel Tax Exemption eligibility shall be twenty eight thousand six hundred and fifty dollars (\$28,650).
- (4) On July 1, 2008 and in subsequent years on the same date thereafter, the maximum dollar amounts of gross household income for single and two-or-more person households for purposes of Clean Beaches and Ocean Parcel Tax Exemption eligibility as set forth above shall be adjusted by the Los Angeles-Riverside-Orange County Consumer Price Index for Wage Earners and Clerical Workers (CPI-W) for the previous calendar year.
- (5) Application for determination of eligibility for fee waiver under this section must be on a form provided by the City.

[3108 Adopted 1/10/08; Effective 1/18/08]

[3108 Amended 1/25/18; Effective 3/1/18]

[3108(a)-(b) Amended 7/12/18; Effective 7/19/18]

3109. School District Qualified Special Tax Surcharge (Measure R)

(a) Purpose of Surcharge

The surcharge provided by this regulation is to allow owners of controlled residential rental properties to offset the cost of the School District Qualified Special Tax of \$346 per year, per parcel, adjusted annually for inflation, as approved by the voters on February 5, 2008.

(b) Duration of Surcharge

Except as limited by Regulation 3120, a landlord may collect a monthly surcharge in accordance with this section on any controlled rental unit starting no earlier than January 1, 2009. The actual surcharge for each fiscal year beginning July 1, 2008 may be collected in monthly installments

commencing the following January 1, or any month within the same calendar year, and continuing for the next twelve months thereafter. The landlord shall not collect this surcharge for any year for which the landlord has obtained a senior exemption to the qualified special tax for the parcel from the Board of Education of the District. The surcharge may be added to a controlled unit's rent, subject to the above limitations, for as long as the School District Special Tax appears on the owner's property tax bill, or until this regulation is amended or repealed.

(c) Determination of Surcharge

- (1) The monthly surcharge shall not exceed an amount equal to the amount of the School District Qualified Special Tax, divided by the total number of units on the parcel, divided into twelve monthly payments.
- (2) For purposes of this subsection, the term "units" includes, but is not limited to, all units in a controlled rental property that are used for residential rental purposes or for commercial purposes, including owner-occupied or relative-occupied units, units occupied pursuant to a Section 8 housing agreement, and/or units participating in the Incentive Housing program.
- (3) Upon notice by the County Assessor's Office of the School District Qualified Special Tax, the landlord shall calculate the surcharge provided in this regulation and give notice to the tenants of the amount of the per-unit surcharge as set forth in subsection (d) of this regulation.

(d) Notice Requirements

- (1) Before imposing any surcharge under this section, a landlord must notify each affected tenant of the amount of the School District Qualified Special Tax surcharge pursuant to this regulation. The notice must comply with all noticing requirements set forth in Civil Code Section 827.
- (2) The notice shall contain the following information: the amount of the School District Qualified Special Tax for the parcel; the number of units on the parcel; the amount of the monthly per-unit surcharge; and, the amount of the maximum lawful rent, including all fees and surcharges.
- (3) Failure to comply with the notice requirements set forth above shall render any surcharge excess rent within the meaning of section 1809 of the Charter and Chapter 8 of the Board's regulations.

[3109 Adopted 11/20/08; Effective 11/29/08]

[3109 Amended 1/25/18; Effective 3/1/18]

[3109(a)-(b) Amended 7/12/18; Effective 7/19/18]

3120. Limitation on Surcharges

- (a) Beginning March 1, 2018, no surcharge may be added to a unit's rent – other than a charge to recover fifty percent of registration fees, as permitted under Charter Section 1803(n) – for any unit with an initial rent that was established on or after March 1, 2018.
- (b) No surcharge may be added to a unit's rent—other than a charge to recover fifty percent of registration fees, as permitted under Charter Section 1803(n)—for any unit on a parcel about which either of the following is true:
 - (1) The parcel was reassessed, as authorized by California Constitution Article XIII A, § 1 et seq. (Proposition 13), as the result of a change of ownership occurring on or after March 1, 2018;
 - (2) An improvement on the parcel was reassessed, as authorized by California Constitution Article XIII A, § 2 and California Revenue and Taxation Code § 70, on the basis of new

construction that was completed on or after March 1, 2018.

- (c) No surcharge may be added to a unit's rent for any assessment appearing on the owner's property tax bill unless the assessment was timely paid.
- (d) Effective September 1, 2018, for any unit as to which surcharges are not barred by subdivisions (c) or (d) of this section, notwithstanding any other regulation, the total monthly surcharges shall not exceed the lesser of:
 - (1) 4% of the unit's maximum allowable rent; or
 - (2) \$35.

[3120 Adopted 1/25/18; Effective 3/1/18]

[3120 Amended 5/10/18; Effective 5/18/18]

[3120 Amended 7/12/18; Effective 7/19/18]

3200. General Adjustment Methodology

[3200 Adopted 2/13/86; Effective 3/20/86]

[3200 Repealed 6/9/88; Effective 6/18/88]

3201. Separate Agreements

Except as otherwise provided in subsection (i) of this section, this regulation applies only to: (1) tenancies which commenced prior to January 1, 1999; (2) tenancies of mobile home spaces regardless of the date the tenancy commenced; (3) tenancies commenced on or after January 1, 1999 if the tenancy is ineligible for a vacancy rent increase under the Costa-Hawkins Rental Housing Act (Civil Code §1954.53) and Board regulation 3301 and the unit has not had a prior, post-January 1, 1999 vacancy rent increase.

- (a) Any payments by the tenant to the landlord, including payments for parking, pets, furniture or facilities, equipment or services which are connected to the use and occupancy of the unit are included as rent as defined by Section 1801(f) of the Charter unless the agreements for such payments meet all of the standards of this section. Except as expressly provided in subsection (f) below, no separate agreements shall be permitted which require extra payments for additional occupants.
- (b) "Base Rent Date" is defined as April 10, 1978, or the date the base rent was established if it was established subsequent to April 10, 1978. If the facilities, equipment or services were provided on the base rent date, and were not provided under a separate agreement on the base rent date, a new charge cannot be added to the tenant's payments in addition to the maximum allowable rent. Such facilities, equipment, and housing services are base amenities of all controlled rental units rented to tenant(s) whose tenancies commenced prior to January 1, 1999, to all mobile home space tenancies, and to tenancies commenced on or after January 1, 1999 if the tenancy is ineligible for a vacancy rent increase under the Costa-Hawkins Rental Housing Act (Civil Code §1954.53) and Board regulation 3301 and the unit has not had a prior, post-January 1, 1999 vacancy rent increase. To be a separate agreement on the base rent date, the agreement must meet all of the conditions in subsection (d) of this section.
- (c) If the particular facilities, equipment or services have not been previously included within the maximum allowable rent as set forth in (b) above, the landlord may offer such facilities, equipment or services to the tenant under the terms of a separate agreement, provided it conforms with this section.
- (d) An agreement may be considered separate from the rental agreement if it meets all the following criteria:
 - (1) The agreement to pay a separate fee for the use of the facilities, equipment or

services must have been negotiated separately from the negotiation for the rental of the rental unit, with no pressure on the tenant to accept the separate agreement or separate fee as a condition of the rental of the apartment.

- (2) The terms of the agreement are comparable to those of similar lawful arrangements obtainable in the unregulated market.
- (3) The continued existence of the 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.
- (e) This section is declarative of existing policy and does not represent a change in policy.
- (f) Former Regulation 3201(f) expired automatically on September 1, 1996. No family occupant separate agreement executed on or after September 1, 1996 shall be enforceable. Any fully executed family occupant separate agreement in existence as of August 31, 1996 shall remain in effect until such time as the agreement is terminated by one of the following actions: upon mutual written agreement between the parties; upon vacancy by the family occupant and written notice to the landlord by the tenant that the family occupant has vacated; upon the voluntary vacancy of the tenant; after breach of the agreement by the tenant, landlord or family occupant, at the option of the non-breaching party only and upon written notice to the party who breached the agreement; or, the tenant and/or family occupant is lawfully evicted pursuant to Section 1806 of the Charter.
- (g) Any separate agreement under former regulation 3201(g) effective February 16, 1994 for long-term occupants displaced by the earthquake entered into prior to January 17, 1995 may be extended indefinitely by mutual consent of the parties.
- (h) With regard to tenancies subject to this regulation, the demand, receipt, acceptance or retention of any payments made as the result of a separate agreement, which does not conform to the requirements of this regulation shall be considered excess rent pursuant to Section 1809 of the Rent Control Charter Amendment and Chapter 8 of the Board's regulations.
- (i) Notwithstanding any other provision of this section, a landlord and a tenant may enter into a separate agreement for charging an electric vehicle if the agreement meets all of the conditions of subsection (d) of this section.

[3201 Adopted 9/17/87; Effective 10/10/87]
[3201(a), (f), (g) Adopted 8/12/93; Effective 8/20/93]
[3201(g), (h) Amended 1/27/94; Effective 2/16/94]
[3201(f) Amended 8/24/95; Effective 12/10/95]
[3201 Amended 12/17/98; Effective 1/1/99]
[3201(b), (h) Amended 1/9/03; Effective 1/18/03]
[3201 Amended 3/7/13; Effective 3/14/13]
[3201(i) Adopted 3/7/13; Effective 3/14/13]

3202. Rounding

In calculating Maximum Allowable Rent, the base rent shall be rounded to the nearest dollar. The first general adjustment shall be added to the base rent and rounded to the nearest dollar. When each succeeding general adjustment is added, the maximum allowable rent shall be rounded to the nearest dollar. Rounding shall occur by calculating the amount to two decimal places. Any fraction of a dollar equal to or less than 49 cents shall be dropped off and any fraction of a dollar equal to or more than 50 cents shall be rounded up to the next dollar.

[3202 Adopted 3/12/87; Effective 3/19/87]
[3202 Amended 12/17/98; Effective 1/1/99]

3300. Threshold Rent Increase

3301. Vacancy Rent Increase

(a) New Base Rent After Qualifying Vacancy

Notwithstanding any Section of Article XVIII, and pursuant to Section 1954.50 et seq. of the Civil Code, the landlord may establish the new base rent after vacancy of any controlled rental unit with a qualifying tenancy commencing on or after January 1, 1999. The new rent level shall thereafter become the new base rent after vacancy for the unit for all purposes of Article XVIII, including, but not limited to, the computation of all future rent adjustments. The new base rent after vacancy shall be the actual initial rent in effect on the initial date of tenancy, regardless of whether it is denominated a discounted rent in the rental agreement.

- (i) If the rental agreement provides for a period of "free" rent within its initial term, the base rent shall be reduced to account for the "free" period. The unit shall otherwise remain controlled by and subject to all sections of Article XVIII and the regulations of the Rent Control Board;
- (ii) If the rental agreement provides for separate charges for shared or master-metered utilities, including, but not limited to, water, sewer or trash, those charges are part of the rent, as defined under Charter section 1801(f). Charges for such housing services must be specified as a dollar amount at the commencement of the tenancy. The base rent will only include those charges that are specified as a dollar amount at the commencement of the tenancy and actually paid by the tenant during the initial term.

(b) Exceptions

The vacancy rent increases otherwise authorized by this regulation are prohibited where any of the following exceptions apply:

- (1) The previous tenancy has been terminated by the landlord pursuant to Civil Code Section 1946.1 or has been terminated upon a change in terms of tenancy noticed pursuant to Civil Code Section 827, except a change permitted by law in the amount of rent or fees. For the purpose of this paragraph, the landlord's termination or nonrenewal of a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, shall be construed as a change in the terms of the tenancy pursuant to Civil Code Section 827.
 - (i) A landlord who terminates or fails to renew a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant shall not be eligible to set an initial rent for three years following the date of the termination or nonrenewal of the contract or agreement. For any new tenancy established during the three-year period, the rental rate for a new tenancy established in that vacated dwelling or unit shall be the same rate as the rent under the terminated or nonrenewed contract or recorded agreement with a governmental agency that provided for a rent limitation to a qualified tenant, plus any increases authorized by the Board after the termination or cancellation of the contract or recorded agreement.
 - (ii) Subparagraph (b)(1)(i) shall not apply to any new tenancy of twelve (12) months' or longer duration established after January 1, 2000, pursuant to the landlord's contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant unless the prior vacancy in that dwelling or unit was pursuant to a nonrenewed or canceled contract or recorded agreement with

a governmental agency that provides for a rent limitation to a qualified tenant as set forth in subparagraph (b)(1)(i).

- (2) The previous tenancy was terminated as a result of the filing of a Notice of Intent to Withdraw under Government Code section 7060-7060.7 (the Ellis Act).
- (3) The landlord has otherwise agreed by contract with the City of Santa Monica, the Santa Monica Rent Control Board, or any other public entity to limit or otherwise restrict rent levels in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of title 7 of the Government Code.
- (4) The landlord is obligated by contract with any individual, person, firm, organization, or public entity, including, but not limited to, the City of Santa Monica and/or the Santa Monica Rent Control Board, to limit or otherwise restrict the amount of rent that may be charged on a residential unit.
- (5) The prior tenant vacated the unit as a result of the landlord's termination without good cause pursuant to section 1806(a)(1) through (a)(7) of the Santa Monica City Charter (Santa Monica Rent Control Law).
- (6) The dwelling or unit has been cited in an inspection report by the appropriate governmental agency as containing serious health, safety, fire or building code violations, as defined by Section 17920.3 of the Health and Safety Code, excluding those caused by disasters; the citation was issued at least sixty (60) days prior to the date of the vacancy; and the cited violation had not been abated when the prior tenant vacated and had remained unabated for at least sixty (60) days. However, the sixty-day time period for compliance may be extended by the appropriate governmental agency that issued the citation.
- (7) The residential rental unit is in a mobilehome park.

(c) Single Family Residences

- (1) For purposes of this regulation, a single family residence is defined as a unit that is alienable separate from the title to any other dwelling unit, including a condominium unit which has been sold separately by the subdivider to a bona fide purchaser for value, or a unit which is a subdivided interest in a subdivision as specified in subdivision (b), (d) or (f) of Section 11004.5 of the Business and Professions Code. If all the units in a condominium complex except one have been sold separately by the subdivider to bona fide purchasers for value and the subdivider has been living in the remaining unsold condominium unit for at least one year after the subdivision occurred, then the remaining unit is a single family residence for purposes of this regulation.
- (2) Commencing January 1, 1999, the landlord may establish the initial and all subsequent rental rates of a single family residence for all new tenancies except where:
 - (i) The preceding tenancy has been terminated by the landlord by notice pursuant to Section 1946.1 of the Civil Code or has been terminated upon a change in terms of tenancy noticed pursuant to Section 827 of the Civil Code.
 - (ii) The previous tenancy was terminated as a result of the filing of a Notice of Intent to Withdraw under Government Code section 7060-7060.7 (the Ellis Act).
 - (iii) The landlord has otherwise agreed by contract with the City of Santa Monica, the Santa Monica Rent Control Board, or any other public entity to limit or otherwise restrict rent levels in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of title 7 of the Government Code.

- (iv) The dwelling or unit contains serious health, safety, fire or building code violations, excluding those caused by disasters, for which a citation has been issued by the appropriate governmental agency, and which citation has remained unabated for six months or longer preceding the vacancy.
 - (v) The residential rental unit is in a mobilehome park.
 - (3) Commencing January 1, 1999, the landlord may establish the initial and all subsequent rental rates pursuant to this subsection for all existing tenancies of single family residences in effect on or after January 1, 1999, if the tenancy was created between January 1, 1996 and December 31, 1998.
 - (4) Single family residences shall otherwise remain subject to all sections of Article XVIII of the Santa Monica City Charter and Board regulations except as provided in this regulation and Civil Code section 1954.52.
- (d) Entitlement to General Adjustment
- No annual general adjustment otherwise authorized by the Board may be applied to a unit's rent if that unit's tenancy commenced on or after September 1 of the previous year.
- (e) Landlord Defined
- "Landlord" is defined as any person, acting as principal or through an agent, having the right to offer residential real property for rent, and includes a predecessor in interest to the landlord or owner. A person who is an owner, lessor, sublessor, or is otherwise entitled to receive rent for the use and occupancy of a residential rental unit, or the agent, representative or successor of any such person shall be considered a landlord.
- (f) No Rent Increase for Existing Tenants
- The maximum allowable rent for any controlled rental unit that is occupied by an existing tenant shall not be increased under the provisions of this Regulation, while said tenant occupies his or her unit.
- (1) Except as provided in paragraph (3) of this subsection, below, for purposes of this regulation, "existing tenant" refers to all persons who are defined as "tenants" pursuant to section 1801(i) of the Charter, including but not limited to, roommates and/or approved subtenants, or other occupants who took possession pursuant to a rental agreement with the owner.
 - (2) No tenant occupying a controlled rental unit, who has the right to occupancy of a controlled rental unit, shall have his or her rent increased pursuant to this regulation or Civil Code §1954.50, et seq. Pursuant to §1806(a)(2) of the Rent Control Law, no tenant shall be required to vacate a controlled rental unit as a result of a covenant or condition in a rental agreement requiring the tenant to surrender possession.
 - (3) The landlord may implement a vacancy related rent increase as authorized by this regulation and state law upon a lawful sublessee or assignee who did not reside in the unit prior to January 1, 1996 where the original tenant or tenants who took possession of the unit pursuant to a rental agreement with the landlord no longer permanently reside there.
 - (4) Units are not eligible for the vacancy related rent increase authorized by this regulation or state law for which partial changes in occupancy have occurred where one or more of the tenants who took possession of the unit pursuant to a rental agreement with the landlord continues to occupy the unit, or where a lawful sublessee or assignee who resided in the unit prior to January 1, 1996 continues to occupy the unit.
 - (5) If the landlord terminates or fails to renew a contract or recorded agreement with a

government agency that provides for a rent limitation to a qualified tenant, and the qualified tenant remains in the unit after the termination or nonrenewal of the contract, that tenant's rent shall be the maximum allowable rent of the unit or, if the unit is a dedicated unit under the Board's Incentive Housing Program, the maximum dedicated rent of the unit.

- (6) In cases in which a tenant's tenancy commenced prior to October 1, 1995, and the tenancy was pursuant to a U.S. Department of Housing and Urban Development ("HUD") Section 8 contract, if the tenant terminates or becomes ineligible for the Section 8 contract but remains as a tenant in the unit, that tenant's rent shall be the maximum allowable rent of the unit, or, if the unit is a dedicated unit under the Board's Incentive Housing Program, the maximum dedicated rent of the unit.
- (7) In cases in which a tenant's tenancy commenced between October 1, 1995 and December 31, 1998, inclusive, and the tenancy was pursuant to a HUD Section 8 contract, if the tenant terminates or becomes ineligible for the Section 8 contract but remains as a tenant in the unit, that tenant's new maximum allowable rent shall be the maximum allowable rent of the unit immediately prior to the date the tenancy commenced, plus an additional 15% increase, plus intervening general adjustments which the landlord is entitled to implement. However, if the unit's maximum allowable rent included two vacancy increases prior to the commencement of the tenancy, or, if the unit is a dedicated unit under the Board's Incentive Housing Program or a deed restricted unit under a removal permit agreement or other agreement with the Board, the new maximum allowable rent shall not include an additional 15% increase but shall be governed by regulation 17210 or provisions of the deed restriction and agreement upon which it is based.
- (8) In cases in which a tenant's tenancy commenced January 1, 1999 or later, and the tenancy was pursuant to a HUD Section 8 contract, if the tenant terminates or becomes ineligible for the Section 8 contract but remains as a tenant in the unit, that tenant's new maximum allowable rent shall be the total of the amount of rent paid by the tenant and the amount of rent paid by the Housing Authority under the Section 8 contract at the inception of the contract, plus intervening general adjustments which the landlord is entitled to implement. However, if the unit is a dedicated unit under the Board's Incentive Housing Program or a deed-restricted unit under a removal permit agreement or other agreement with the Board, its rent shall not be increased but shall be governed by regulation 17210 or provisions of the deed restriction and agreement upon which it is based.

(g) Vacancy Registration

Pursuant to Section 1803(q) of the Rent Control Law, a landlord shall re-register the unit with the Board after the re-rental of the unit and the establishment of the unit's new base rent after vacancy pursuant to the Costa-Hawkins Rental Housing Act and/or this regulation. The landlord shall file the Vacancy Unit Registration form no later than thirty (30) days after the re-rental of the unit.

- (1) The Vacancy Unit Registration shall be filed on a form provided by the Board.
- (2) The landlord shall provide the following information:
 - (i) The date the unit became vacant;
 - (ii) The reason the unit became vacant (i.e. notice of termination of tenancy by previous tenants, abandonment by previous tenants, eviction for cause under the Rent Control Law section 1806(a)(1) through (a)(7), notice by landlord pursuant to Civil Code section 1946.1 or Civil Code section 827).
 - (iii) The new rental rate in effect for the new tenancy per Regulation 3301(a);
 - (iv) Whether one or more parking spaces or garages are provided as a base amenity after vacancy of the unit;

- (v) The date the unit was re-rented;
 - (vi) A telephone number or email address at which the landlord, or the person who filed the Vacancy Unit Registration form on the landlord's behalf, may reliably be reached during normal business hours;
 - (vii) A declaration under penalty of perjury that the information is true and correct.
- (3) Failure of the landlord to properly re-register a unit pursuant to this regulation shall result in the property being deemed not to be in compliance with the Rent Control Law, as set forth in §1805(h)(1), Chapter 13 of the Board's Regulations, and Regulation 8010.
 - (4) In the event that the landlord fails to timely file a registration form or fails to register any of the information required on the Landlord Vacancy Unit Registration for tenancies commencing on or after January 1, 1999 or the Landlord Vacancy Increase Unit Registration for tenancies commencing October 1, 1995 through December 31, 1998, or in the event that the tenant does not agree with the information on the vacancy registration form filed by the landlord, the tenant may file a Tenant Vacancy Unit Registration form setting forth the information required under this regulation. The tenant may attach copies of all written rental agreements under which the tenant rents the unit.
 - (5) The owner of a property which has obtained a temporary exemption from rent control based on owner occupancy of a building with three or fewer units may file a Vacancy Unit Registration form for new base rents after vacancy established after vacancies which qualify for new rent levels under this regulation. The Vacancy Unit Registration form shall not be accepted for filing unless accompanied by a processing fee of fifty dollars (\$50).

(h) Amenities

- (1) Base amenities of the following units are those facilities, equipment, and housing services provided on April 10, 1978, or the first rental date thereafter, included in the unit's rent, or as otherwise determined by final Board decision: (1) units with tenancies which commenced prior to January 1, 1999; (2) all mobile home spaces; and (3) units with tenancies which commenced on or after January 1, 1999 if the tenancy does not qualify for a vacancy rent increase under the Costa-Hawkins Rental Housing Act (Civil Code §1954.53) and Board regulation 3301 and the unit has not had a prior vacancy rent increase.
 - (2) Base amenities of units with tenancies commencing on or after January 1, 1999, except for units listed in subparagraph (h)(1) above, are those amenities, facilities, equipment, and housing services provided to the unit on the initial date of the unit's tenancy. In cases in which the post-January 1, 1999 tenancy was pursuant to a HUD Section 8 contract, if the tenant terminates or becomes ineligible for the Section 8 contract but remains as a tenant in the unit, that tenant's base amenities after vacancy are those amenities provided to tenant during the section 8 tenancy.
 - (3) Landlords are required to maintain base amenities in good working order or be subject to a rent decrease under regulation 4200.
 - (4) With regard to tenancies commencing on or after January 1, 1999, except tenancies of units listed in subparagraph (h)(1) above, if the landlord(s) and tenant(s) agree in an arm's length transaction to the addition of (1) a parking space, (2) a garage, (3) storage space or (4) permission to have a pet as an additional housing service for a unit after the initial date of the tenancy, the parking space or garage, storage space, or permission to have a pet, shall become a base amenity of the unit. The monthly rental amount agreed upon by the landlord(s) and tenant(s) for the added amenity shall be added to the Maximum Allowable Rent of the unit.
- (i) The agreement to add the base amenity must be the result of arm's length

negotiation, with no pressure on the tenant to accept the additional amenity.

- (ii) The monthly rental amount for the added amenity shall be comparable to rental amounts of lawful arrangements obtainable in the unregulated market.
- (iii) The tenant may file a base amenity petition to determine the correct rental amount for the added amenity if the amount negotiated does not meet the requirements of this regulation.

(i) Increase and Decrease Petitions

Nothing in this regulation prohibits tenants or landlords from filing rent decrease or increase petitions pursuant to Chapter 4 of the Board's regulations.

(j) Incentive Housing Units

The Rent Control Board shall not increase the maximum allowable rent on any unit pursuant to this regulation if the unit is the subject of an Incentive Housing agreement pursuant to Chapter 17 of the Board's regulations, except as provided in regulation 17210.

(k) Fraud or Intentional Misrepresentation

Any increase in the rent authorized pursuant to this regulation that is obtained by fraud or misrepresentation by the landlord or his or her agent, servant, or employee shall be void.

(l) Tenant's Request to Move to an Accessible Unit

A landlord must permit a qualifying tenant to move to an available comparable or smaller unit on an accessible floor of the property.

(i) For purposes of this subsection, "qualifying tenant" means a tenant who:

- 1) is not subject to eviction for nonpayment of rent;
- 2) has a permanent physical disability as defined in subdivision m of Section 12926 of the Government Code; and
- 3) the disability is related to mobility.

(ii) For purposes of this subsection, "comparable or smaller unit" means a dwelling or unit that has the same or less than the number of bedrooms and bathrooms, square footage, and parking spaces as the unit being vacated.

(iii) A landlord subject to this requirement, after complying with any requirement to engage in an interactive process with the tenant, including Sections 12177 to 12180, inclusive, of Title 2 of the California Code of Regulations, shall allow the tenant to retain their lease at the same rental rate and terms of the existing lease if the criteria of Civil Code section 1954.53(a)(4)(A)(i-vi) are satisfied, which includes a requirement that the tenant provide the owner with a written request to move to a comparable or smaller unit on an accessible floor prior to that unit becoming available.

(iv) This paragraph shall not apply if the owner, or their spouse, domestic partner, children, grandchildren, parents, or grandparents, intend to occupy the available comparable or smaller unit located on an accessible floor of the property.

[3301 Adopted 9/28/95; Effective 10/7/95]

[3301 Amended 3/27/97; Effective 4/4/97]

[3301(f)(2) Amended 10/1/97; Effective 11/22/97]

[3301 Amended 12/17/98; Effective 1/1/99]

[3301(g)(4) Amended 6/10/99; Effective 6/25/99]

[3301(b)(1)-(6), (l) Amended 1/27/00; Effective 2/11/00]

[3301(b)(1)(i), (b)(7)-(8), (c)(2)(iv)-(vi), (f)(5)-(8), (g), (g)(2)(iv), (h)(2), (h)(4), (l) Amended 9/7/00; Effective 9/23/00]

[3301(f)(5)-(8), (g)(2)(vi)-(vii), (g)(4) Amended 12/7/00; Effective 12/30/00]

[3301(a), (c)(1), (g)(2)(vii) Amended 1/10/02; Effective 1/26/02]
 [3301(h)(1)-(2), (h)(4) Amended 1/9/03; Effective 1/18/03]
 [3301(h)(4)(i)-(iii) Adopted 1/9/03; Effective 1/18/03]
 [3301(b)(5), (f)(2), (g)(2)(ii) Amended 5/6/04; Effective 6/3/04]
 [3301(b)(1), (c)(2)(i), (g)(2)(ii) Amended 12/6/12; Effective 12/12/12]
 [3301(g) Amended 1/9/2020; Effective 1/16/2020]
 [3301(a)(2), (g)(2)(iii) Amended 3/11/21; Effective 3/19/21]
 [3301(l) Adopted 3/14/24; Effective 3/21/24]

3302. Base Rent and Registration for Condominium Units Which Have Not Been Sold Separately

(a) Units Covered by This Regulation. This regulation applies to condominium units if the following factors are met:

- (1) the building has a valid Final Subdivision Public Report issued by the Department of Real Estate, or, if no Final Subdivision Public Report is required, it has a Tract Map;
- (2) the unit has not been sold separately by the subdivider to a bona fide purchaser for value;
- (3) the tenant or lawful sublessee or assignee did not occupy the unit prior to January 1, 1996;
- (4) the unit's rent was not subject to rent control under former Civil Code section 1954.52(a)(3) adopted 1995, effective January 1, 1996; and
- (5) the unit is not subject to one of the exceptions under Civil Code section 1954.52(b), (c), and (d) or regulation 3301(b), which do not allow the landlord to set the initial rent.

(b) Base Rent for Units Covered by This Regulation.

- (1) For purposes of Article XVIII of the Santa Monica City Charter, the base rent of units covered by this regulation is the lawful rent in effect on May 7, 2001, if the current tenancy was in effect on that date. This base rent shall thereafter be the baseline for the computation of all future rent adjustments.
- (2) For purposes of Article XVIII of the Charter, if the tenancy of a unit covered by this regulation commenced after May 7, 2001, the base rent of the unit is the actual rent in effect on the initial date of tenancy, regardless of whether it is denominated a discounted rent in the rental agreement. If the rental agreement provides for a period of "free" rent within its initial term, the base rent shall be reduced to account for the "free" period. This base rent shall thereafter be the baseline for computation of all future rent adjustments.

(c) Maximum Allowable Rents beginning January 1, 2002 for Units Covered by This Regulation. Permissible Maximum Allowable Rents beginning January 1, 2002, for units covered by this regulation, are set forth below. Beginning January 1, 2002, a landlord shall charge no more than the rent provided in the applicable subparagraph.

- (1) If the current tenancy of a unit covered by this regulation commenced prior to September 1, 2000, beginning January 1, 2002, the unit's Maximum Allowable Rent is its base rent (the lawful rent in effect on May 7, 2001), plus the September 1, 2001 general adjustment authorized in regulation 3023 and, if applicable, regulation 3023A. Restrictions on entitlement to the general adjustment set forth in regulations 3023 and 3023A are applicable to units covered by this regulation.
- (2) If the current tenancy of a unit covered by this regulation commenced between September 1, 2000 and May 7, 2001, beginning January 1, 2002, the unit's Maximum Allowable Rent is its base rent (the lawful rent in effect on May 7, 2001).
- (3) If the current tenancy of a unit covered by this regulation commenced after May 7, 2001, beginning January 1, 2002, its Maximum Allowable Rent is its base rent as defined in

subparagraph (b)(2) above.

- (d) Registration. Pursuant to Rent Control Law section 1803(q), the landlord shall register the base rent of units covered by this regulation by February 1, 2002 on the Condominium Rent Level Unit Registration form provided by the Board. The landlord shall provide the following information on the registration form:
- (1) The date the prior tenant vacated the unit;
 - (2) The reason the unit became vacant (i.e. notice of termination of tenancy by previous tenants, eviction for cause under the Rent Control Law section 1806(a)(1) through (a)(7), notice by landlord pursuant to Civil Code section 1946.1 or Civil Code section 827).
 - (3) The base rent of the current tenancy pursuant to subparagraph (b) above.
 - (4) Whether one or more parking spaces or garages are provided as a base amenity of the unit.
 - (5) The date the current tenancy began.
 - (6) The name and street address of the business or residence of the owner primarily responsible for administering the rental business, if owned by individuals.
 - (7) If the owner of the property is a corporation, the name of the chief executive officer of the corporation and street address of its principal place of business; if the owner of the property is a partnership, the name of the managing partner and the street address of its principal place of business; if the owner of the property is a limited liability company, the name of the manager and the street address of its principal place of business.
 - (8) A declaration under penalty of perjury that the information is true and correct.
 - (9) Failure of the landlord to properly register a unit pursuant to this regulation shall result in the property being deemed not to be in compliance with the Rent Control Law, as set forth in §1805(h)(1), Chapter 13 of the Board's Regulations, and Regulation 8010.
 - (10) In the event that the landlord fails to timely file a registration form or fails to register any of the information required on the Condominium Rent Level Unit Registration, or in the event that the tenant does not agree with the information on the vacancy registration form filed by the landlord, the tenant may file a Tenant Condominium Rent Level Unit Registration form setting forth the information required under this regulation. The tenant may attach copies of all written rental agreements under which the tenant rents the unit.

[3302 Adopted 12/14/95; Effective 1/1/96]

[3302 Amended 2/6/97; Effective 2/23/97]

[3302 Repealed 12/17/98; Effective 1/1/99]

[3302 Adopted 1/10/02; Effective 1/26/02]

[3302(d)(2) Amended 5/6/04; Effective 6/3/04]

[3302(d)(2) Amended 12/6/12; Effective 12/12/12]

3303. Notice of Maximum Allowable Rent

This regulation applies only to tenancies commenced prior to January 1, 1999.

- (a) Any landlord who rents a unit at less than the current maximum allowable rent shall, at the time of the hiring of the unit, notify the incoming tenant(s) in writing of the current maximum allowable rent level.
- (b) Notice of the maximum allowable rent shall be acknowledged by the incoming tenant(s) in writing.

- (c) Failure to notify the incoming tenant(s) in writing of the potential increase in the rental rate to the maximum allowable rent shall preclude the landlord from increasing the rent on the incoming tenant. This regulation shall not apply to any general rent adjustments or individual rent increases authorized by the Board subsequent to the commencement of the tenancy.
- (d) Lack of proper notice as required by this regulation shall serve as a defense to any civil proceeding for possession of the unit for non-payment of rent, and/or collection of any rent, in excess of the rental rate established at the commencement of the tenancy. This regulation shall not apply to any general rent adjustments or individual rent increases authorized by the Board subsequent to the commencement of the tenancy.

[3303 Adopted 3/27/97; Effective 4/4/97]

[3303 Amended 12/17/98; Effective 1/1/99]

3304. New Maximum Allowable Rent for Tenant Not In Occupancy

- (a) In accordance with the purposes of the Rent Control Law to regulate rents for tenants in order to help alleviate the impact of the serious housing shortage on tenants, a landlord may petition for a determination that the unit is not the tenant's residence. If a rental unit is kept for secondary occupancy, such as a vacation home, or purpose other than the tenant's residence, the landlord may petition the Board for a determination that the tenant is a "tenant not in occupancy." If a tenant is determined to be a "tenant not in occupancy," a one-time increase in the unit's maximum allowable rent shall be awarded in an amount determined pursuant to paragraph (i) below. If a unit has received a rent increase for this tenancy under Civil Code section 1954.53(d)(2), authorizing rent increases for sublessees, it is not eligible for an increase under this regulation.
- (b) Landlords who seek a determination that a tenant is a "tenant not in occupancy" under this regulation must file an original petition and two copies on a form provided by the Board.
 - (1) The petition shall set forth a statement describing the basis or bases under paragraph (g) of this regulation for the petition, the names, all addresses, and all telephone numbers of all tenants and all known occupants of the unit(s), and the names, addresses, and telephone numbers of all agents who may represent the tenant(s) in connection with the unit. The failure to disclose a known address shall result in the denial of a petition.
 - (2) The petition shall also set forth the proposed new maximum allowable rent for the unit and specify how it was calculated pursuant to paragraph (i) below. If the landlord contends that the unit's rent should be adjusted upwards or downwards under subparagraph (i)(4) below, a specific description of the reasons for the contention shall be included.
 - (3) The petition shall be accompanied by two copies of supporting documentation which the petitioner intends to submit as evidence that the unit is not the tenant's residence and a copy of the written notice required by paragraph (c), along with an original proof of service of the notice, declaring under penalty of perjury that the written notice was served in the manner and upon the person or persons at the addresses specified therein. The petition shall also be accompanied by two copies of all documentation necessary to determine the new maximum allowable rent of the unit under paragraph (i) below.
- (c) Any landlord who intends to file a petition for a determination that a tenant is a "tenant not in occupancy" shall, at least ten (10) days but not more than thirty (30) days prior to filing the petition, provide written notice to all tenants and occupants of the unit(s) of the intention to file the petition and the basis or bases of the intended petition. The written notice shall be served on the tenants and occupants at all known addresses and upon all known agents who may represent the tenant(s) in connection with the unit.
- (d) Upon submission of a petition under this regulation, an administrative staff member designated by the Board Administrator shall review the petition and supporting documents for the purpose of determining whether the petition and documents state a prima facie case under the criteria in

paragraph (g) below. If the petition and supporting documents state a prima facie case, the Board shall mail a copy of the petition and a blank response form to the tenant(s) and occupant(s) of the unit.

- (1) If the tenant returns the response form stating that she or he does not contest the assertions in the petition, the determination that the tenant is not a tenant in occupancy shall be granted by the Board Administrator or Hearings Supervisor in an expedited manner. The Board Administrator or Hearings Supervisor shall set the new maximum allowable rent pursuant to paragraph (i) below. Any party who wishes to contest the new maximum allowable rent set by the Board Administrator or Hearings Supervisor may do so by filing a request for hearing on a form provided by the Board. The request for hearing shall be filed within fifteen (15) days of the issuance of the determination of tenant not in occupancy and new maximum allowable rent. The hearing shall be held and a decision issued according to the procedures set forth in Chapter 15. If no request for hearing is filed within fifteen (15) days, the determination of the Board Administrator or Hearings Supervisor shall become final.
 - (2) If the tenant denies the assertions in the petition or does not return the response form a hearing shall be conducted and a decision issued on the issues of whether the tenant is a "tenant not in occupancy" and the new maximum allowable rent of the unit. The procedures set forth in Chapter 15 shall be used in hearings under this regulation.
- (e) The landlord has the burden of establishing a prima facie case in the petition and supporting documents that the unit is not the tenant's residence. If the landlord establishes this prima facie case, the burden of proof shifts to the tenant to prove that the unit is her or his usual residence of return.
- (f) If the Board staff member determines that the petition and supporting documents do not establish a prima facie case and that the petitioner cannot reasonably be expected to produce additional evidence sufficient to establish the allegations in the petition, then the petition shall be referred to the Board Administrator or Hearings Supervisor for dismissal and notification of the landlord and tenant. The dismissal may be appealed to the Board within ten days of the date of dismissal. The petition may be refiled at a later date should the petitioner obtain additional evidence.
- (g) Occupancy as a tenant's residence does not require that the tenant be physically present in the unit at all times or continuously but that it is the tenant's usual residence of return. Evidence that the unit is not the tenant's residence includes, but is not limited to, the following factors. These factors shall be weighed in light of the totality of the circumstances.
 - (1) the tenant does not carry on basic living activities at the unit for extended periods of time;
 - (2) another property or unit is listed as the tenant's place of residence on any motor vehicle registration, driver's license, voter registration, or with any other public agency, including federal, state, and local taxing authorities;
 - (3) utilities for the unit are billed and mailed to a different residential property;
 - (4) the tenant's personal possessions are not located in the unit;
 - (5) a homeowner's tax exemption or renter's credit for the tenant has been filed for a different property or the tenant is owner of record of a different residential property;
 - (6) the tenant is a corporation or is otherwise not a natural person. This factor shall not apply if the tenant is a trust and the trust's beneficiary is the unit's occupant or if a natural person is the subtenant residing at the unit.
 - (7) the tenant is absent from the unit for extended periods of time, other than for military service, hospitalization, vacation, family or friend emergency or care, Peace Corps service,

academic sabbatical, or other reasonable temporary or seasonal periods of absence, such as travel necessitated by employment or education.

- (8) the unit is used primarily for storage, entertaining, or as an office;
- (9) the tenant rents more than one unit at the property and the number of occupants is less than the number of bedrooms in the combined units.
- (h) A tenant who is enrolled as a student with a minimum class load of 60% or who is a member of the faculty or staff at an educational institution in the Los Angeles area qualifies as a tenant in occupancy notwithstanding his/her having another residence to which he/she will ultimately return.
- (i) Rent increases pursuant to this regulation shall be determined as follows:
 - (1) If a comparable unit or units on the property received a vacancy increase pursuant to Civil Code section 1954.53 within three (3) years of the date the petition was filed, the new maximum allowable rent for the unit rented by the tenant not in occupancy shall be the average maximum allowable rent of those comparable units in effect at the date of the decision.
 - (2) If subparagraph (i)(1) above does not apply, the new maximum allowable rent for the unit rented by the tenant not in occupancy shall be the median rent for comparable units in the area defined in regulation 4104(D)(1) in which the property is located. Only rents for units which have had at least one vacancy increase within three (3) years of the date the petition was filed shall be included in the median rent calculation. This median rent amount shall be taken from the most recent Board Report entitled Impact of Market Rent Vacancy Increases.
 - (3) For purposes of this regulation, a comparable unit is defined as a unit with the same number of bedrooms as the subject unit.
 - (4) The hearing examiner, Hearings Supervisor, Board Administrator, or the Board may adjust the rent determined pursuant to subparagraphs (i)(1) and (2) upwards or downwards upon a showing that the subject unit's amenities or physical condition are substantially different from those of the comparable units. Factors for consideration include but are not limited to those set forth in regulation 4104(D)(4).
- (j) If a timely appeal is filed, the decision of the hearing examiner shall be stayed pending determination by the Board on appeal. The Board's decision to affirm, reverse, or modify the hearing examiner's decision shall become final at the time of the Board action.
- (k) If no appeal is filed, the decision of the hearing examiner shall be the final decision of the Board.
- (l) If the final Board decision grants the landlord's petition, the landlord shall give written notice of the increase in the maximum allowable rent authorized therein as provided in California Civil Code section 827. Notice of a rent increase under this regulation shall not be given until the decision is final.

[3304 Adopted 2/13/03; Effective 3/15/03]

[3304(a), (b), (d), (i), (j) Amended 1/8/04; Effective 2/7/04]

[3304(k), (l) Adopted 1/8/04; Effective 2/7/04]

[3304(d)(1) and (2) Amended 11/14/24; Effective 12/6/24]

[3304(k) Amended 11/14/24; Effective 12/6/24]

[Chapter 3 Adopted 7/26/79; Effective 8/3/79]

[3001 Adopted 8/16/79; Effective 8/25/79]

[3002 Adopted 7/24/80; Effective 8/2/80]

[3003 Adopted 7/23/81; Effective 8/1/81]
 [3002(c)(1) Amended 12/10/81; Effective 12/30/81]
 [3003(c)(1) Amended 12/10/81; Effective 12/30/81]
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 [3100 Adopted 7/8/82; Effective 7/18/82]
 [3005 Adopted 7/14/83; Effective 7/21/83]
 [3006 Adopted 6/28/84; Effective 7/9/84]
 [3101 Adopted 7/5/84; Effective 7/13/84]
 [3102 Adopted 10/4/1984; Effective 10/12/84]
 [3007 Adopted 6/13/85; Effective 6/27/85]
 [3103 Adopted 7/18/85; Effective 7/30/85]
 [3007(c) Amended 10/24/85; Effective 12/5/85]
 [3200 Adopted 2/13/86; Effective 3/20/86]
 [3008 Adopted 6/5/86; Effective 6/13/86]
 [3000(c) Amended 12/18/86; Effective 12/25/86]
 [3002(d) Amended 12/18/86; Effective 12/25/86]
 [3003(d) Amended 12/18/86; Effective 12/25/86]
 [3004(d) Amended 12/18/86; Effective 12/25/86]
 [3005(d) Amended 12/18/86; Effective 12/25/86]
 [3006(d) Amended 12/18/86; Effective 12/25/86]
 [3007(e) Amended 12/18/86; Effective 12/25/86]
 [3008(e) Amended 12/18/86; Effective 12/25/86]
 [3202 Adopted 3/12/87; Effective 3/19/87]
 [3009 Adopted 6/25/87; Effective 7/7/87]
 [3001 Amended 7/2/87; Effective 7/17/87]
 [3201 Adopted 9/17/87; Effective 10/10/87]
 [3010 Adopted 6/9/88; Effective 6/18/88]
 [3200 Repealed 6/9/88; Effective 6/18/88]
 [3011 Adopted 6/1/89; Effective 6/10/89]
 [3103 Amended 6/22/89; Effective 7/8/89]
 [3012 Adopted 6/21/90; Effective 7/12/90]
 [3103 Amended 8/2/90; Effective 8/10/90]
 [3104 Adopted 4/11/91; Effective 4/19/91]
 [3013 Adopted 6/13/91; Effective 6/27/91]
 [3105 Adopted 10/24/91; Effective 11/1/91]
 [3300 Adopted 12/5/91; Effective 1/1/92]
 [3300(h)(8) Adopted 1/30/92; Effective 2/9/92]
 [3014 Adopted 6/11/92; Effective 6/24/92]
 [3300(h)(5)(c), (h)(6) Amended 7/23/92; Effective 8/15/92]
 [3300(e) Amended 9/24/92; Effective 10/9/92]
 [3300(h)(3) Adopted 9/24/92; Effective 10/9/92]
 [3300(k) Adopted 4/15/93; Effective 6/17/93]
 [3015 Adopted 6/3/93; Effective 6/17/93]
 [3201(a), (f), (g) Amended 8/12/93; Effective 8/20/93]
 [3201(g), (h) Amended 1/27/94; Effective 2/16/94]
 [3016 Adopted 6/9/94; Effective 6/23/94]
 [3105 Amended 7/28/94; Effective 8/6/94]
 [3017 Adopted 6/8/95; Effective 6/21/95]
 [3103 Amended 6/8/95; Effective 6/21/95]
 [3300 Moratorium 9/14/95; Effective 9/18/95]
 [3301 Adopted 9/28/95; Effective 10/7/95]
 [3201(f) Amended 8/24/95; Effective 12/10/95]
 [3300 Repealed 2/7/95; Effective 12/17/95]
 [3106 Adopted 12/14/95; Effective 12/24/95]
 [3302 Adopted 12/14/95; Effective 1/1/96]
 [3018 Adopted 6/6/96; Effective 6/15/96]
 [3302 Amended 2/6/97; Effective 2/23/97]
 [3301 Amended 3/27/97; Effective 4/4/97]
 [3303 Adopted 3/27/97; Effective 4/4/97]
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 [3301(f)(2) Amended 10/1/97; Effective 11/22/97]
 [3020 Adopted 6/11/98; Effective 6/19/98]
 [3201 Amended 12/17/98; Effective 1/1/99]
 [3202 Amended 12/17/98; Effective 1/1/99]
 [3301 Amended 12/17/98; Effective 1/1/99]
 [3302 Repealed 12/17/98; Effective 1/1/99]

[3303 Amended 12/17/98; Effective 1/1/99]
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 [3301(g)(4) Amended 6/10/99; Effective 6/25/99]
 [3301(b)(1)-(6), (l) Amended 1/27/00; Effective 2/11/00]
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 [3301(b)(1)(i), (b)(7)(8), (c)(2)(iv)-(vi), (f)-(8), (g), (g)(2)(iv), (h)(2), (h)(4), (l) Amended 9/7/00; Effective 9/23/00]
 [3301(f)(5)-(8), (g)(2)(vi)-(vii), (g)(4) Amended 12/7/00; Effective 12/30/00]
 [3023 Adopted 6/18/01; Effective 6/24/01]
 [3023A Adopted 6/18/01; Effective 6/24/01]
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 [3301(a), (c)(1), (g)(2)(vii) Amended 1/10/02; Effective 1/26/02]
 [3302 Adopted 1/10/02; Effective 1/26/02]
 [3024 Adopted 6/13/02; Effective 6/22/02]
 [3023A Amended 12/12/02; Effective 12/21/02]
 [3201(b)(h) Amended 1/09/03; Effective 1/18/03]
 [3301(h)(1)-(2), (h)(4) Amended 1/9/03; Effective 1/18/03]
 [3301(h)(i)-(iii) Adopted 1/09/03; Effective 1/18/03]
 [3304 Adopted 2/13/03; Effective 3/15/03]
 [3025 Adopted 6/12/03; Effective 6/21/03]
 [3107 Adopted 10/23/03; Effective 10/31/03]
 [3304(a), (b), (d), (i), (j) Amended 1/8/04; Effective 2/7/04]
 [3304(k), (l) Adopted 1/8/04; Effective 2/7/04]
 [3301(b)(5), (f)(2), (g)(2)(ii) Amended 5/6/04; Effective 6/3/04]
 [3302(d)(2) Amended 5/6/04; Effective 6/3/04]
 [3026 Adopted 6/10/04; Effective 6/18/04]
 [3027 Adopted 6/9/05; Effective 6/18/05]
 [3028 Adopted 6/8/06; Effective 6/17/06]
 [3028A Adopted 6/8/06; Effective 6/17/06]
 [3028(c)(2) Amended 8/3/06; Effective 8/12/06]
 [3029 Adopted 6/7/07; Effective 6/15/07]
 [3108 Adopted 1/10/08; Effective 1/18/08]
 [3030 Adopted 6/5/08; Effective 6/14/08]
 [3109 Adopted 11/20/08; Effective 11/29/08]
 [3031 Adopted 6/11/09; Effective 6/18/09]
 [3032 Adopted 6/1/10; Effective 6/8/10]
 [3033 Adopted 6/9/11; Effective 6/12/11]
 [3034 Adopted 6/14/12; Effective 6/28/12]
 [3301(b)(1), (c)(2)(i), (g)(2)(ii) Amended 12/6/12; Effective 12/12/12]
 [3302(d)(2) Amended 12/6/12; Effective 12/12/12]
 [3201 Amended 3/7/13; Effective 3/14/13]
 [3201(i) Adopted 3/7/13; Effective 3/14/13]
 [3035 Adopted 6/13/13; Effective 6/20/13]
 [3035(b)(8) Adopted 2/9/17; Effective 7/31/17]
 [3105 Amended 1/25/18; Effective 3/1/18]
 [3106 Amended 1/25/18; Effective 3/1/18]
 [3108 Amended 1/25/18; Effective 3/1/18]
 [3109 Amended 1/25/18; Effective 3/1/18]
 [3120 Adopted 1/25/18; Effective 3/1/18]
 [3120 Amended 5/10/18; Effective 5/18/18]
 [3105 Amended 7/12/18; Effective 7/19/18]
 [3106(a)-(b), (d) Amended 7/12/18; Effective 7/19/18]
 [3108(a)-(b) Amended 7/12/18; Effective 7/19/18]
 [3109(a)-(b) Amended 7/12/18; Effective 7/19/18]
 [3120 Amended 7/12/18; Effective 7/19/18]
 [3301(g) Amended 1/9/2020; Effective 1/16/2020]
 [3301(a)(2), (g)(2)(iii) Amended 3/11/21; Effective 3/19/21]
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 [3304(d)(1) and (2) Amended 11/14/24; Effective 12/6/24]
 [3304(k) Amended 11/14/24; Effective 12/6/24]

CHAPTER 4

RENT ADJUSTMENT PETITIONS AND AGENCY-INITIATED HEARINGS

4000. Scope of Regulations

These regulations govern petitions for individual rent adjustment under Section 1805 and agency-initiated hearings. Procedures for hearings are governed by Chapter 15.

[4000 Amended 8/12/21; Effective 8/18/21]

[4000 Amended 11/14/24; Effective 12/6/24]

SUBCHAPTER A

PETITION

4001. Obligation to File

Any person who seeks an individual rent adjustment under Section 1805 must file a petition for individual rent adjustment and obtain approval under this Chapter. In a petition for an individual rent adjustment, the person seeking the rent adjustment shall have the burden of proof.

[4001 Amended 8/12/21; Effective 8/18/21]

4001A. Who May File a Petition

- (a) Petitions for individual rent adjustments may be filed by any landlord or tenant of the property which is the subject of the petition or any unit or units thereof, or by their authorized representatives. In order to act as authorized representative of any landlord or tenant, the representative must file concurrently with the petition an official authorization form provided by the Board, signed by the landlord or tenant, which expressly authorizes the representative to act on behalf of the landlord or tenant in the rent adjustment proceeding. Such authorized representative may be an individual or a recognized tenant organization within the meaning of Santa Monica Charter Section 1801(j). A separate authorization form executed by the landlord or tenant must be filed for each landlord or tenant represented.
- (b) In the event that a petition for rent decrease is filed concerning common areas or conditions common to two or more units of the subject property by a landlord or by any individual tenant or tenants occupying less than all of the controlled rental units on the subject property, any Board Commissioner or the Board's Administrator may, when appropriate, file a petition for decrease placing in issue the rent levels of all affected units on the property as to which no petition has previously been filed. All common area petitions concerning the subject property will whenever possible be heard and determined concurrently.
- (c) If a petition for rent increase is filed for a unit in a common interest development, including, but not limited to, condominiums, stock cooperatives or residential rental units converted pursuant to Article XX of the City Charter (TORCA), the petition must include all units in the development owned by the petitioner.

[4001A Adopted 5/8/86; Effective 5/23/86]

[4001A Amended 3/3/88; Effective 3/17/88]

[4001A Amended 10/28/93; Effective 11/10/93]

4002. Petition Forms

- (a) Any person seeking an individual rent adjustment under this chapter must do so on the form provided by the Board. A petition for an individual rent adjustment shall be filed only after the petitioner has provided all the information called for by the form.
- (b) Petition forms will be available commencing on August 1, 1979. Petitions for individual rent adjustments will not be accepted until August 8, 1979, or thereafter.
- (c) A petitioner must attach to two of the copies of the individual rent increase petition copies of all documentary evidence that will be presented at the hearing as specified in the instructions to the rent increase petition. Such copies must be clear, legible, and organized by category, following the organization of the petition format. Additionally, the original documents must be made available at the hearing. Required documentary evidence includes the following: Expert witness reports, any and all invoices, cancelled checks, receipts and ledger sheets or other documentation showing, for the base year and current year of the petition, the following:
 - 1. Rents collected from all tenants;
 - 2. Evidence of deposit of tenants' security deposits in an interest-bearing account, and bank statements showing interest earned thereon;
 - 3. The amount of other income received in the period;
 - 4. Property taxes assessed and paid;
 - 5. Amounts billed and paid for electricity, gas, and water and trash service;
 - 6. Amounts expended for maintenance and repair;
 - 7. Capital expenses;
 - 8. License or other fees paid;
 - 9. Owner-performed labor and the hourly rates listed on the petition;
 - 10. Miscellaneous expenses paid;
 - 11. In the case of a petition involving units in a common interest development (such as condominium units, units converted pursuant to TORCA and/or stock cooperatives): proof of actual expenses for each unit which is the subject of the petition, proof of common area or individual assessments as evidenced by corporation or association financial reports, budgets, reserve account statements. The following documents may be required by the hearing examiner: the governing instruments of the common interest development, including, but not limited to, any Declaration of Covenants, Conditions, and Restrictions (also known as C C & R's), articles of incorporation (or association) and bylaws. In addition, for petitions involving TORCA units:
 - (i) A true and correct copy of the "Tenant Participating Conversion Application" filed with the City of Santa Monica;
 - (ii) Any and all agreements between the developer of the TORCA project, the tenants and the City with respect to the repairs, maintenance and/or improvements proposed or completed in contemplation of the TORCA conversion.

- (d) If it is claimed that there are units at the property whose base rents did not reflect general market conditions at that time, two copies of all evidence which will be relied on at the hearing to substantiate this claim, two copies of all expert witness reports which will be used at the hearing, and two copies of all writings on which the expert's report and/or expert's testimony is or will be based must be submitted with the petition.
- (e) A petitioner must submit with the petition two copies of a witness list providing the name, address, and subject matter(s) of testimony of any person he or she expects to testify on his or her behalf at the hearing. If the petitioner intends to call an expert witness to offer an expert opinion at the hearing, the designation of that witness shall include or be accompanied by a brief narrative statement of the qualifications of the expert and a brief narrative statement of the general substance of the expected testimony of the expert.
- (f) The hearing examiner shall exclude from evidence all documents, reports, writings, and testimony not submitted or disclosed as required above, except upon good cause shown for non-submission or non-disclosure.

[4002(c) Adopted 12/1/88; Effective 12/13/88]

[4002 Amended 5/14/92; Effective 6/3/92]

[4002 Amended 10/28/93; Effective 11/10/93]

[4002(a) Amended 5/12/16; Effective 5/21/16]

4003. Filing and Notice Thereof

- (a) A landlord filing a petition for a rent increase shall file along with the original petition, a copy for the Board, and copies equal to the number of rental units on the property. The original petition and the copy for the Board must include the documentation required by Regulation 4002(c) above. Within five days of filing, the Board shall mail a copy of the petition to each rental unit along with a notice of filing approved by the board.
- (b) A tenant or landlord filing a petition for a rent decrease shall file along with the original petition, two copies of the petition.
- (c) Any tenant who intends to file a decrease petition shall, at least thirty (30) days but not more than one hundred eighty (180) days prior to the filing of the petition, notify the landlord, the landlord's authorized representative or the resident manager of the subject property in writing of the conditions or the loss of housing services upon which the intended petition will be based. In order to be accepted for filing, all tenant-initiated decrease petitions must be accompanied by a copy of the aforementioned written notification and an official Board proof of service form signed by the tenant, or the tenant's agent, declaring under penalty of perjury that the written notice has been served in the manner and upon the person or persons specified herein.
- (d) Any tenant who intends to file a decrease petition may, in lieu of the notice provided for in paragraph (c) above, attach a Compliance Order issued to the landlord by the Santa Monica Department of Building and Safety. The Compliance Order must include the conditions upon which the petition is based, and must have been sent to the landlord at least thirty (30) days but no more than one hundred eighty (180) days before a petition may be filed.

If the petition is based on other conditions not covered in the Compliance Order, the tenant must comply with the notice requirements of paragraph (c) above for these other conditions.

- (e) Notwithstanding the amount of increase or decrease in the maximum allowable rent requested by a petitioner, the Board or its hearing examiners may, upon proof submitted at a hearing and without

further notice to the opposing party, grant an increase or decrease in an amount greater or lesser than the amount requested by a petitioner.

[4003(a)-(b) Renumbered from 4004, Amended 5/8/86; Effective 5/23/86]

[4003(c) Adopted 5/8/86; Effective 5/23/86]

[4003(d) Adopted 3/3/88; Effective 3/17/88]

[4003(a) Amended 12/1/88; Effective 12/13/88]

[4003 Amended 5/10/07; Effective 5/17/07]

4004. Response to Petition

Accompanying the notice of filing of the petition, a form shall be provided to the parties affected by the petition to respond to the petition in writing. This form shall be returned to the Board within ten (10) days of the date of mailing of the notice of filing. A person who does not respond to the petition in writing does not waive his or her right to appear at the hearing before the hearing examiner.

- (a) If at any time before the first date on which the hearing is originally scheduled to occur a landlord states on the response form to a decrease petition that all problems complained of in the petition have been corrected, the Board shall dismiss the petition for rent adjustment after it has verified that the conditions have been corrected.
- (b) If a respondent to an increase petition or the Board intends to call an expert witness to offer an expert opinion at an increase hearing, the party or the Board must submit in writing, within a reasonable time prior to that testimony, the name and address of the expert witness, and a brief narrative statement of the qualifications of the expert. In addition, if an expert witness report will be used at the hearing, the respondent or the Board must submit two copies of the report within a reasonable time prior to its submission into evidence.
- (c) The hearing examiner shall exclude from evidence all documents, reports, writings, and testimony not submitted or disclosed as required in subsection (b) of this regulation, except upon good cause shown for non-submission or non-disclosure.

[4004 Renumbered from 4005, Amended 5/8/86; Effective 5/23/86]

[4004 Amended 5/14/92; Effective 6/3/92]

[4004 Amended 3/24/94; Effective 4/7/94]

[4004(a) Amended 4/11/19; Effective 4/18/19]

4005. Administrative Dismissal of Individual Rent Adjustment Petition

- (a) The Board shall not accept a petition for individual rent increase in any of the following circumstances:
 - (1) Where the property in question is not properly registered with the Board as specified in Regulation §13002;
 - (2) Where registration fees or penalty fees are due and owing;
 - (3) Where the petition submitted has not been completed, or where complete documentation required by Regulation 4002(c) is not attached to the original and one copy of the petition;
 - (4) Where the property is subject to an uncorrected citation or notice of violation of any state or local housing, health, or safety laws issued by a government official or agency;

- (5) Where a previously filed individual rent increase petition, with respect to the property in question, is presently pending before the Board or its hearing examiners. In this instance, the petitioner may amend his/her previously filed petition provided a request for extension of the 120 day time limit set forth in Charter Amendment §1805(d)(12) is submitted with respect to the period between the filing of the previous petition and the time of its amendment;
 - (6) Where the individual rent increase petition has been filed, with respect to the property in question, within six (6) months of a previous final Board decision, unless one of the circumstances enumerated in subsection (d) below applies; or
 - (7) Where a final Board decision on an individual rent increase petition is currently pending before the courts on a petition for a writ of administrative mandamus, unless one of the circumstances enumerated in subsection (d) below applies.
 - (8) Repealed
- (b) The Board shall not accept a petition for individual rent decrease in any of the following circumstances:
- (1) Where the decrease petition submitted has not been completed;
 - (2) Where a previously filed individual rent decrease petition, with respect to the unit in question, is presently pending before the Board or its hearing examiners. In this instance, the petitioner may amend his/her previously filed petition provided a request for extension of the 120 day time limit set forth in Charter Amendment §1805(d)(12) is submitted with respect to the period between the filing of the previous petition and the time of its amendment;
 - (3) Where the individual rent decrease petition has been filed, with respect to the property in question, within six (6) months of a previous final Board decision, unless one of the circumstances enumerated in subsection (d) below applies; or
 - (4) Where a final Board decision on an individual rent decrease petition is currently pending before the courts on a petition for a writ of administrative mandamus, unless one of the circumstances enumerated in subsection (d) below applies.
- (c) Notwithstanding the acceptance of a petition, if any of the foregoing conditions exist, the Board shall dismiss the petition and shall not schedule a hearing or grant a rent adjustment. Prior to dismissal of a petition, Rent Control staff shall mail to the petitioner a written notice of intention to dismiss stating the applicable reasons for such dismissal. The petitioner shall have thirty (30) days from the date of mailing of the notice to cure the defects in the petition prior to dismissal. Rent Control staff shall be available to any petitioner who needs assistance in amending a petition during that thirty (30) day period.
- If a petitioner amends a petition following receipt of a notice of intention to dismiss, the petitioner must submit a written request for extension of the 120 days for the final Board decision specified in Charter Amendment §1805(d)(12) with respect to the period preceding the submission of the amended petition. Unless such written request is submitted, the amendment to the petition shall not be deemed filed and the petition shall be dismissed. However, the six month bar to filing shall not apply with respect to the dismissed petition.
- (d) Notwithstanding any other provisions of these regulations, an individual rent adjustment petition shall not be dismissed if any of the following circumstances exists:

- (1) The grounds upon which the petitioner seeks a rent adjustment could not have been raised at the prior hearing;
 - (2) Currently available evidence which supports a rent adjustment was not available for good reason at the time of the prior hearing;
 - (3) Rent adjustments were not sought as to the particular units in question in the prior petition; or
 - (4) The Board has explicitly stated, in a prior written decision or other written document, that subsection (a)(6) or (b)(3) shall not apply to the petitioner.
- (e) Any of the following persons may make an administrative determination to dismiss a petition:
- (1) A majority of the Rent Control Commissioners;
 - (2) The Administrator; or
 - (3) The Hearings Department Manager.
- (f) A copy of an administrative determination to dismiss a petition containing the applicable reasons for dismissal shall be mailed to the parties within 30 days of the date of filing of the petition.
- (g) The petitioner may appeal dismissal of a petition by the Administrator or the Hearings Department Manager to the Board within 10 days of the date of dismissal. However, if the Board grants the appeal, the 120 days for final Board decision specified in Charter Amendment §1805(d)(12) shall be extended to exclude the period from the date of dismissal to the date the Board grants the appeal, or for 30 days, whichever is shorter.

[4005 Adopted as 4200 4/23/83; Effective 5/15/83]
 [4005 Amended as 4200 10/27/83; Effective 11/5/83]
 [4005 Renumbered from 4200, Amended 5/8/86; Effective 5/23/86]
 [4005(a)(3), (d)(4) Amended 12/1/88; Effective 12/13/88]
 [4005(a)(5), (b)(2), (c), (g) Amended 1/4/90; Effective 1/26/90]
 [4005(a)(8) Adopted 9/10/92; Effective 9/20/92]
 [4005(a)(8) Amended 10/6/94; Effective 10/15/94]
 [4005(a)(8) Repealed 7/31/97; Effective 8/10/97]

4006. Settlement Conference

- (a) Prior to the hearing on a decrease petition, at the discretion of the Board Administrator or Hearings Department Manager, a settlement conference may be scheduled with a Settlement Conference Facilitator. Failure of any party to participate in the settlement conference shall not bar the matter from proceeding to hearing. The purpose of the settlement conference is to provide an expeditious mechanism for the parties to resolve their differences informally, with the assistance of a skilled intermediary.
- (b) No attorney may participate in the settlement conference on behalf of a party. All parties must appear individually, except that a representative other than an attorney may appear on behalf of a landlord which is a business entity and not an individual. Only the petitioner, the landlord (or landlord's representative as discussed above), and the Settlement Conference Facilitator shall participate in the settlement conference. No record shall be made of any act, statement, or occurrence during the settlement process.
- (c) If the parties fail to reach an agreement on all issues, the matter will be set for hearing by the Hearings Department.

[4006 Adopted 5/8/86; Effective 5/23/86]
 [4006 Amended 5/14/92; Effective 6/3/92]
 [4040 Repealed 9/18/81; Effective 10/19/81]
 [4038 Amended 5/8/86; Effective 5/23/86]
 [4038(b) Amended 12/18/86; Effective 12/25/86]
 [4038 Amended 5/14/92; Effective 6/3/92]
 [4038(b) Amended 10/13/94; Effective 10/23/94]
 [4038 Amended 12/17/98; Effective 1/1/99]
 [4031 - 4034 Repealed 11/9/00; Effective 11/25/00]
 [4038(c) Amended 11/11/21; Effective 11/18/21]
 [4007 – 4030, 4035-4039 Repealed 11/14/24; Effective 12/6/24 (See Chapter 15)

SUBCHAPTER B

STANDARDS FOR DECISION

4041. Amortization of Capital Improvements

- (a) In amortizing capital improvements, the following schedule shall be used to determine the amortization period of the capital improvement:

<u>Improvement</u>	<u>Years</u>
Air Conditioners	10
Appliances	
Refrigerator	5
Stove	5
Garbage Disposal	5
Water Heater	5
Dishwasher	5
Microwave Oven	5
Washer/Dryer	5
Fans	5
Cabinets	10
Carpentry	10
Counters	10
Doors	10
Knobs	5
Screen Doors	5
Earthquake Expenses	
Architectural and Engineering Fees	5
Emergency Services	
Clean-up	5
Fencing and Security	5

Management	5
Tenant Assistance	5
Structural Repair and Retrofitting	
Foundation Repair	10
Foundation Replacement	20
Foundation Bolting	20
Iron or Steel Work	20
Masonry-Chimney Repair	20
Shear Wall Installation	10
Electrical Wiring	10
Elevator	20
Fencing	
Chain	10
Block	10
Wood	10
Fire Alarm System	10
Fire Sprinkler System	20
Fire Escape	10
Flooring/Floor Covering	
Hardwood	10
Tile and Linoleum	5
Carpet	5
Carpet Pad	5
Subfloor	10
Fumigation	
Tenting	5
Furniture	5
Automatic Garage Door Openers	10
Gates	
Chain Link	10
Wrought Iron	10
Wood	10
Glass	
Windows	5
Doors	5
Mirrors	5
Heating	
Central	10
Gas	10
Electric	10
Solar	10

Insulation	10
Landscaping	
Planting	10
Sprinklers	10
Tree Replacement	10
Lighting	
Interior	10
Exterior	10
Locks	5
Mailboxes	10
Meters	10
Plumbing	
Fixtures	10
Pipe Replacement	10
Re-Pipe Entire Building	20
Shower Doors	5
Painting	
Interior	5
Exterior	5
Paving	
Asphalt	10
Cement	10
Decking	10
Plastering	10
Pumps	
Sump	10
Railings	10
Roofing	
Shingle/Asphalt	10
Built-up, Tar and Gravel	10
Tile	10
Gutters/Downspouts	10
Security	
Entry Telephone Intercom	10
Gates/Doors	10
Fencing	10
Alarms	10
Sidewalks/Walkways	10
Stairs	10
Stucco	10

Tilework	10
Wallpaper	5
Window Coverings	
Drapes	5
Shades	5
Screens	5
Awnings	5
Blinds/Miniblinds	5
Shutters	5

- (b) The cost of a capital improvement shall be added to the maximum allowable monthly rent of the rental unit only if consistent with Section 1805 of the Santa Monica Rent Control Charter Amendment and only according to the following formula: Cost of Capital Improvement divided by the Amortization Period divided by 12.
- (c) The increase in the maximum allowable rent resulting from any increase authorized pursuant to subsection (a) and (b) above shall be permanent, and shall not decrease upon expiration of the amortization period set forth in subsection (a) above.
- (d) If a unit becomes vacant during the pendency of a schedule which provides for the expiration of increases for capital improvements and the unit qualifies for a vacancy increase pursuant to Civil Code section 1954.53 and regulation 3301, the capital improvements schedule shall terminate upon the landlord's filing of a proper vacancy registration form and no further reductions in rent shall occur pursuant to the schedule.
- (e) Rent increases authorized pursuant to this section shall be allocated as follows:
 - (1) Rent increases for unit-specific capital improvements shall be allocated to that unit;
 - (2) Rent increases for building-wide or common area capital improvements shall be allocated equally among all units;
 - (3) Rent increases resulting from the Net Operating Income analysis shall be allocated equally among all units;
 - (4) Notwithstanding the subsections above, the hearing examiner or the Board, in the interests of justice, shall have the discretion to apportion the rent increases in a manner and to the degree necessary to ensure fairness. Such circumstances include, but are not limited to, units that are vacant or owner occupied.

[4041 Adopted 4/12/80; Effective 4/20/80]
 [4041(e) Adopted 4/19/80; Effective 4/26/80]
 [4041(d)-(f) Amended 12/3/81; Effective 12/10/81]
 [4041 Amended 5/14/92; Effective 6/3/92]
 [4041 Amended 3/24/94; Effective 4/7/94]
 [4041(a) Amended 5/26/94; Effective 6/9/94]
 [4041 Amended 12/17/98; Effective 1/1/99]
 [4041(b) Amended 10/3/02; Effective 10/12/02]

4042. Conditional Rent Adjustments

- (a) The purpose of this procedure is to permit landlords to seek advanced authorization for future rent adjustments based upon anticipated capital improvements. A petition under this Section should

only be made for anticipated expenses that the landlord intends to incur during the twelve month period following the date of final Board decision. This procedure should not be used for anticipated expenses for ordinary repairs and maintenance.

- (b) In order to encourage necessary capital improvements, the Board allows a landlord to petition for an upward rent adjustment based upon anticipated future expenses for capital improvements. If the petition is granted in whole or in part, the rent increase shall be postponed until such time as the capital improvements are made and an Addendum authorizing the increases is issued.
- (c) No addendum shall be issued for such proposed capital improvements unless they are completed within twelve months from the date of final Board decision granting the conditional rent adjustment. A landlord shall be allowed to file no more than three Requests for Addenda authorizing such increases regardless of the number of capital improvements or the timing of their completion. All addenda must be requested within fourteen months from the date of final Board decision. For good cause, and in extraordinary circumstances, the Board may extend this deadline.
- (d) Any unit which received a vacancy rent increase pursuant to Civil Code section 1954.53 and regulation 3301 within the five years prior to the date of the final increase decision shall be ineligible for a rent increase for proposed capital improvements..

[4042 Adopted 3/12/87; Effective 3/19/87]

[4042 Amended 5/14/92; Effective 6/3/92]

[4042(d) Adopted 10/03/02; Effective 10/12/02]

4100. Fair Return

It is the intent of this Regulation to establish rents at a level which will provide landlords with a fair return on their property, consistent with the Rent Control Charter Amendment (Santa Monica City Charter, Article XVIII).

[4100 Adopted 9/19/81; Effective 10/19/81]

4101. Definitions

For purposes of individual rent adjustment proceedings, the following definitions shall be used:

- (a) Net Operating Income equals Gross Income less Operating expenses.
- (b) Gross Income equals the total of the following:
 - (1) Gross Rents, computed as gross rental income at 100% paid occupancy.
 - (i) The rents of units which received a vacancy rent increase pursuant to Civil Code section 1954.53 and regulation 3301 at any time from the first date of the petition's current year through the date of the last hearing on the petition before the hearing officer, shall be computed at the unit's new base rent after vacancy for all twelve months of the petition's current year. In addition, if the unit is eligible for a general adjustment during any months of the current year, the general adjustment shall be included for those months.
 - (ii) The rents of units which are vacant at the start of the petition's current year or which become vacant at any time from the first date of the petition's current year through the date of the last hearing on the petition before the hearing officer, and which have not yet been re-rented on the date of the last hearing,

shall be calculated as follows for all twelve months of the petition's current year. For purposes of this subparagraph, comparable unit is defined as a unit with the same number of bedrooms as the vacant unit, and the definition of property includes a former single parcel or property which has been subdivided into condominiums.

- (A) If the vacant unit received a vacancy rent increase within three years prior to the first date of the current year of the increase petition, the unit's maximum allowable rent shall be used.
 - (B) If (A) above does not apply, and if a comparable unit or units on the property received a vacancy rent increase at any time from three years prior to the first date of the petition's current year through the date of the last hearing on the petition before the hearing officer, the rent for the vacant unit shall be calculated at the average maximum allowable rent of those comparable units in effect at the time of the last hearing on the petition.
 - (C) If (A) and (B) above do not apply, the rent for the vacant unit shall be calculated using the following rent amount.
 - (aa) The median rent for comparable units in the area defined in regulation 4104(D)(1) in which the property is located, which have had at least one post-January 1, 1999 vacancy increase. This median rent amount shall be taken from the most recent Board Report entitled Impact of Market Rate Vacancy Increases.
 - (bb) If the property is located in Area C of the city, as defined in regulation 4104(D)(1), the rent of the vacant unit shall be calculated as provided above in subparagraph (C)(aa), except that the median rent amount of comparable units in an area adjacent to Area C may be used. The hearing officer and Board have the discretion to determine the most appropriate area based on similarity of the subject property to properties in the area selected, using factors such as the size and the location of the property.
- (2) Income from laundry facilities, cleaning fees or services, garage and parking fees; plus
 - (3) All other income or consideration received or receivable for or in connection with the use or occupancy of rental units and housing services;
 - (4) Minus uncollected rents due to vacancy and bad debts to the extent that the same are beyond the landlord's control, calculated at the same rent level as the rental income for the relevant period. Uncollected rents in excess of 3% of Gross Rents shall be presumed to be unreasonable unless established otherwise. Where uncollected rents must be estimated, the average of the preceding 3 years' experience shall be used, or some other comparable method. The hearing examiner and the Board shall have the discretion to amortize rent loss in excess of 3% of Gross Rents over a period of five (5) years if it is determined that the rent loss is unusual and will not recur annually.
- (c) Operating Expenses:
- (1) Operating expenses shall include the following:

- (i) Real Property Taxes;
- (ii) Utility costs;
- (iii) Insurance expense;
- (iv) Management expenses (contracted or owner performed), including necessary and reasonable advertising, accounting and other managerial expenses, and Allowable Professional Expenses. Management expenses are presumed to be 5% of Gross Income, unless established otherwise;
- (v) Normal repair and maintenance expenses, including painting, normal cleaning, fumigation, landscaping, and repair of all standard services, including electrical, plumbing, carpentry, furnished appliances, drapes, carpets, and furniture;
- (vi) Owner-performed labor, which shall be compensated at the following hourly rates upon documentation being provided showing the date, time, and nature of work performed:

Unskilled labor (e.g. collecting rents, keeping records, mowing or watering the lawn, cleaning, sweeping, driving to the bank, buying supplies, making telephone calls to tenants, arranging for handypersons): \$10/hr.

Semi-skilled labor (e.g. painting, minor plumbing, minor repairs, planting): \$17/hr.

Skilled labor (e.g. jobs requiring formal training, education, or work experience: electrical, plumbing, carpentry): \$27/hr.

The documentation must be clear and concise and must indicate for which unit(s) the work has been performed. If the owner-performed labor relates to a specific capital improvement expense, the documentation should so indicate.

Notwithstanding the above, a landlord may receive greater or lesser compensation for self-labor if it can be shown that the amounts set forth above are substantially unfair in a given case.

There shall be a maximum allowance under this paragraph of 5% of Gross Income, unless the landlord shows greater services for the benefit of tenants.

- (vii) License and registration fees required by law to the extent same are not otherwise paid by tenants.
- (viii) The amortized portion of Capital Improvement Expenses otherwise allowed by regulation. A capital improvement is the addition or replacement of a long term betterment to the property. Factors to consider in determining whether an expense is a capital improvement include but are not limited to: (1) nature and extent of the work performed; (2) the amount of the expense, with expenses exceeding \$200 per benefitted unit generally considered a capital improvement; and (3) the likelihood that the expense will recur annually. Capital improvement expenses with a total cost of less than \$200 per benefitted unit, may be considered as a

repair to be expensed in one year, at the discretion of the hearing examiner or the Board.

- (ix) Petitioners must prove by a preponderance of evidence that all labor, whether owner-performed labor or other labor, was performed in connection with either administrative-management tasks, or repair and maintenance tasks, or capital improvements. The documentation for all labor performed must indicate the unit in which the work was done.

(2) Operating Expenses shall not include:

- (i) Avoidable and unnecessary expense increases since the base year;
- (ii) Mortgage principal and interest;
- (iii) Any penalties, fees or interest assessed or awarded for violation of this or any other law;
- (iv) Owner-performed labor incurred in connection with proceedings before the Board or in connection with civil actions against the Board;
- (v) Depreciation of the property;
- (vi) Any expense for which the landlord has been reimbursed by any security deposit, insurance settlement, judgment for damages, settlement, or any other method.

(d) Allowable Professional Expenses shall include:

- (1) Attorney's fees, legal fees and costs incurred in connection with successful good faith attempts to recover rents owing and successful good faith unlawful detainer actions not in derogation of applicable law, to the extent those amounts are not recovered. If, on the basis of substantial evidence, it is determined that these expenses will not reoccur annually, the hearing examiner may amortize those expenses over a period of five (5) years;
 - (i) Actual and reasonable professional expenses that are amortized shall include a reasonable rate of interest. There shall be added to the cost of the professional expense an amount equal to the reasonable rate of interest at an interest rate equal to the rate 5% per annum plus the rate established by the Federal Reserve Bank of San Francisco on advances to member banks under Section 13 and 13(a) of the Federal Reserve Act prevailing on the date the petition was filed.
 - (ii) The cost of the reasonable professional expense shall be considered according to the following formula: The reasonable professional expense, plus reasonable interest, divided by the Amortization Period.
- (e) Base Year for purposes of individual rent increase proceedings shall mean calendar year, 1978.
- (f) Consumer Price Index (CPI) is the CPI for All Urban Consumers for the Los Angeles, Long Beach, Anaheim Metropolitan Area (All Items), provided by the U.S. Bureau of Labor Statistics.

[4101 Adopted 9/19/81; Effective 10/19/81]

[4101(b)-(d) Amended 5/14/92; Effective 6/3/92]

[4101 Amended 3/24/94; Effective 4/7/94]

[4101 Amended 12/17/98; Effective 1/1/99]
[4101(b)(1), (b)(4), (c)(vi), (e) Amended 10/3/02; Effective 10/12/02]
[4101(b)(1)(ii)(A)-(C) Adopted 10/3/02; Effective 10/12/02]

4102. Presumption of Fair Base Year Net Operating Income

Except as provided in §4103, it shall be presumed that the Net Operating Income produced by a property during the base year provided a fair return on property. Landlords shall be entitled to maintain and increase their Net Operating Income from year to year in accordance with §4106.

[4102 Adopted 9/19/81; Effective 10/19/81]

4103. Rebutting the Presumption

It may be determined that the base year Net Operating Income yielded other than a fair return on property, in which case, the base year Net Operating Income may be adjusted accordingly. In order to make such a determination, the Board or Hearing Examiner must make at least one of the following findings:

- A. The landlord's operating and maintenance expenses in the base year were unusually high or low in comparison to other years. In such instances, adjustments may be made in calculating such expenses so the base year Operating Expenses reflect average expenses for the property over a reasonable period of time. The Board or Hearing Examiner shall consider the following factors:
 - (1) The landlord made substantial capital improvements during 1978, which were not reflected in the rent levels on the base date;
 - (2) Substantial repairs were made due to damage caused by natural disaster or vandalism;
 - (3) Maintenance and repair were below accepted standards so as to cause significant deterioration in the quality of housing services;
 - (4) Other expenses were unreasonably high or low notwithstanding the following of prudent business practice. In making this determination, the fact that property taxes prior to 1978 may have been higher than in the base year shall not be considered.
- B. The April 10, 1978 Gross Income includes rents that did not reflect general market conditions due to special and/or unique circumstances.
 - (1) The landlord must prove, by a preponderance of evidence, the existence of peculiar or special circumstances by establishing at least one of the enumerated factors below. In such instances, adjustments may be made in calculating Gross Rents consistent with the purposes of this Chapter. In the absence of such a showing, the landlord does not have standing to establish entitlement to an adjustment pursuant to this section.
 - (a) The rent on the base date was established by a lease or other formal rental agreement which provided for substantially higher rent at other periods during the term of the lease;
 - (b) The rent on the base date was substantially higher or lower than at other times of the year by reason of seasonal demand or seasonal variations in rent;
 - (c) The rent on the base date was substantially higher or lower than preceding months by reason of premiums being charged or rebates being given for

reasons unique to a particular unit or limited to the period determining the base rent;

- (d) There existed a special relationship between the landlord and the tenant (i.e., a family or close friend relationship) on the base date that resulted in an undercharging of rent;
 - (e) The rent had not been increased for five (5) years prior to the base date;
 - (f) The tenant lawfully assumed maintenance responsibilities in exchange for low rent increases or no rent increases; or,
 - (g) Any other special or peculiar circumstances which establish that the base rent was not set as the result of an arm's-length transaction.
- (2) "Rents reflecting general market conditions" is defined as those base rents which fall within the major portion of the range of rents surrounding the median for comparable units on April 10, 1978, as set forth in Appendix "A" to these regulations.
 - (3) "Comparable units" is defined as those units with the same number of bedrooms within the same neighborhood or assessor's map area of the City in which the unit is located, as defined in subsection 4104D of these regulations.
- C. It shall be presumed that where Net Operating Income is less than 50% of Gross Income in the base year, after making adjustments as permitted by subsections (a) and (b) of this Section, the landlord was receiving less than a fair return on property. In such a case, for purposes of determining Base Year Net Operating Income, Gross Income shall be adjusted upward to twice the amount of adjusted Base Year Operating Expenses.

[4103 Adopted 9/19/81; Effective 10/19/81]
[4103 Amended 7/1/93; Effective 7/11/93]

4104. Determination of Base Year Net Operating Income

If a finding is made pursuant to Regulation 4103A (unusual base year Operating Costs), Net Operating Income shall be adjusted pursuant to subsections A and B below. If a finding is made pursuant to Regulation 4103B (base year Net Operating Income did not yield a fair return because the base rent did not reflect general market conditions due to special circumstances), the base year Net Operating Income shall be adjusted as set forth in Subsections C and D below.

- A. To determine the Net Operating Income during the base year, there shall be deducted from the annualized Gross Income being realized on April 10, 1978, a sum equal to the actual Operating Expenses for calendar year 1978, unless the landlord demonstrates to the satisfaction of the Board or Hearing Examiner that some other 12 consecutive month period is justified by reasons independent of the purpose of this Section. In all cases, April 10, 1978, shall fall within the 12 month period utilized herein, except as provided in subsection B.
- B. In the event that the landlord did not own the subject property on January 1, 1978, the Operating Expenses for 1978 shall be determined by one of the following manners, whichever the Board or Hearing Examiner determines to be more reliable in the particular case:
 - (1) The previous owner's actual Operating Expenses as defined in §4101(c); or, where unavailable,

- (2) Actual Operating Expenses for the first calendar year of ownership, discounted to 1978 by the schedule in §4105.
- C. In order to determine the adjusted base year Net Operating Income pursuant to Regulation 4103B, the hearing examiner shall adjust the base year Gross Income as set forth in subsection D below (the "Adjustment Levels"), then subtract from the adjusted base year Gross Income the base year Operating Expenses, as set forth in subsections A and B above. Nothing in this subsection shall be construed to allow adjustments to base rents outside of the Net Operating Income analysis.
- D. Any adjustment in the base year Gross Income shall be accomplished by recalculating, on a unit-by-unit basis, rent levels reflecting general market conditions for comparable units, according to the Adjustment Levels set forth below.

(1) Neighborhoods of the City of Santa Monica Defined

The neighborhoods or assessor map areas of the City of Santa Monica for purposes of this regulation are set forth on the map marked as Appendix "B" to this regulation. The neighborhoods of the City of Santa Monica are further defined as zones of the City as follows:

- (a) Zone A is defined as that area of the City of Santa Monica bounded on the North by Pico Boulevard, on the West by the Pacific Ocean, on the South by the City limits, and on the East by Lincoln Boulevard.
- (b) Zone B is defined as that area of the City of Santa Monica bounded on the North by Pico Boulevard, on the West by Lincoln Boulevard, on the South by the City limits, and on the East by the City limits.
- (c) Zone C is defined as that area of the City of Santa Monica bounded on the North by Wilshire Boulevard, on the West by the Pacific Ocean, on the South by Pico Boulevard, and on the East by Lincoln Boulevard.
- (d) Zone D is defined as that area of the City of Santa Monica bounded on the North by Colorado Boulevard, on the West by Lincoln Boulevard, on the South by Pico Boulevard, and on the East by the City limits.
- (e) Zone E is defined as that area of the City of Santa Monica bounded on the North by Wilshire Boulevard, on the West by Lincoln Boulevard, on the South by Colorado Boulevard, and on the East by the City limits.
- (f) Zone F is defined as that area of the City of Santa Monica bounded on the North by the City limits, on the West by the Pacific Ocean, on the South by Montana Avenue, and on the East by 14th Street; plus, that area of the City bounded on the North by Montana Avenue, on the West by the Pacific Ocean, on the South by Washington Avenue, and on the East by 5th Street; plus, that area of the City bounded on the North by Washington Avenue, on the West by the Pacific Ocean, on the South by Wilshire Boulevard, and on the East by Lincoln Boulevard.
- (g) Zone G is defined as that area of the City of Santa Monica bounded on the North by the City limits, on the West by 14th Street, on the South by Wilshire Boulevard, and on the East by the City limits; plus, that area of the City bounded on the North by Montana Avenue, on the West by Lincoln Boulevard, on the South by Wilshire Boulevard, and on the East by 14th Street; plus, that area of the City bounded on the North by Montana Avenue, on the West by

5th Street, on the South by Washington Avenue, and on the East by Lincoln Boulevard.

(h) The center line of the roadway defines the above boundaries.

(2) Bedrooms Defined

Bedrooms are defined as those rooms within the controlled rental unit that are not otherwise designated as living rooms, kitchens, dining rooms, bathrooms or laundry rooms. The bedrooms must be of sufficient size and character to meet minimum health and safety standards, and must conform to the definition set forth in Santa Monica Municipal Code 9.04.02.030.

(3) Any base year Gross Income adjustment shall be on a unit-by-unit basis, according to number of bedrooms per unit and zone or assessor's map area of the City as set forth in the following schedule.

(a) 0 BEDROOM

<u>ZONE</u>	<u>ADJUSTMENT LEVELS</u>
A	\$165
B	165
C	170
D	Individual case- by-case analysis
E	180
F	190
G	190

(b) 1 BEDROOM

<u>ZONE</u>	<u>ADJUSTMENT LEVELS</u>
A	
Assessor's Map	
Area 4287	\$240
Area 4289	285
Area 4288	Individual case- by-case analysis
B	225
C	225
D	200
E	225
F	300
G	250

(c) 2 BEDROOM

<u>ZONE</u>	<u>ADJUSTMENT LEVELS</u>
A	\$325
B	
Assessor's Map:	
Area 4270	300
Area 4272	250
Area 4273	285
Area 4284	285
Area 4285	300

C	Individual case- by-case analysis
D	250
E	325
F	385
G	350

(d) 3+ BEDROOM

<u>ZONE</u>	<u>ADJUSTMENT LEVELS</u>
A	\$400
B	375
C	Individual case- by-case analysis

<u>ZONE</u>	<u>ADJUSTMENT LEVELS</u>
D	300
E	400
F	

Assessor's Map:

Area 4280	Individual case- by-case analysis
Area 4292	425
Area 4293	500
G	450

(4) The hearing examiner or the Board, in the interests of justice, may make further adjustments either upward or downward for those property-specific or unit-specific characteristics or features, or lack thereof, which differentiate those units or properties from the general market on April 10, 1978. Only those characteristics or features that are quantitatively significant, measurable and affect monthly rent levels may be included.

(a) These characteristics or features include, but are not limited to, the following: date of construction; swimming pool; dishwasher; air conditioning; balcony/patio; ocean view; parking (unsecured, secured, garage); building size (professionally managed); building maintenance; unit size; traffic exposure and externalities.

(b) Cooking facilities, on-site laundry facilities, carpets and drapes were amenities that predominated for all units on April 10, 1978, regardless of neighborhood or number of bedrooms. Therefore, no upward adjustment shall be allowed for the presence of these amenities. However, the absence of such amenities may result in a downward adjustment.

(c) In determining adjustments for specific characteristics and features, the hearing examiner or the Board shall apply the principle of diminishing relative value. With the addition of each unit- or property-specific characteristic or feature, the value of each may diminish, such that a point is reached where the addition of further amenities to a unit no longer influences the rental amount. The individual adjustment shall not fall either above or below the rents set forth in Appendix "B", by zone or map area and number of bedrooms, regardless of the amenities missing or present.

(5) The rent adjustments set forth in subsections (3) and (4) above shall then be used in calculating adjusted annualized Gross Income called for in subsection C.

- E. The base year Net Operating Income adjustment process set forth in regulation 4103B and this regulation is effective for any rent adjustment petition filed on or after June 1, 1993. Regulation 4103B and 4104 shall also apply to any rent increase petition pending as of June 1, 1993 provided no administrative hearing has been held

[4104 Adopted 9/19/81; Effective 10/19/81]

[4104 Amended 7/1/93; Effective 7/11/93]

4105. Schedule of Increase In Operating Expense

Where scheduling of rent increases or other calculations require projections of income and expenses, it shall be assumed that Operating Expenses, exclusive of Property Taxes and Management Expenses, increase at 10% per year, that Property Taxes increase at 2% per year, and that Management Expenses are 5% of Gross Income.

[4105 Adopted 9/19/81; Effective 10/19/81]

4106. Allowable Rent Increases

Upon filing of an individual petition by a landlord, the Board may permit rent increases, unless otherwise proscribed by law, such that the landlord's Net Operating Income will be increased at the rate of forty percent (40%) of the increase in the Consumer Price Index (CPI) over the Base Year. The increase in the CPI shall be calculated by subtracting the monthly figure for April, 1978 (4/78 CPI = 189.6) from the most recently reported monthly figure at the time of the filing of the petition and dividing the result by the April, 1978 monthly figure. In the interests of justice, the hearing officer and the Board shall have the discretion to apportion the rent increases resulting from the Net Operating Income analysis among the units in a manner necessary to ensure fairness. Factors to be considered in the allocation of the NOI increases include, but are not limited to, the size of units, whether units are vacant, and whether units are owner-occupied.

[4106 Adopted 9/19/81; Effective 10/19/81]

[4106 Amended 5/14/92; Effective 6/3/92]

[4106 Amended 10/03/02; Effective 10/12/02]

4107. Limit on Annual Increases - Severe Economic Hardship

- (a) No upward rent adjustment may be authorized for any 12 month period in an amount in excess of twelve percent (12%) or twice the Employment Cost Index (ECI), or fifty dollars per month (\$50.00), whichever is greater, for any tenant of low or moderate income for whom such a rent increase shall result in severe economic hardship. The applicable figure for the ECI shall be the most recently reported calendar year figure at the time of the filing of the petition. If the amount of any individual adjustment otherwise justified under this regulation is greater than said limit, the full justified amount shall be granted over a period of years such that the rent does not increase by greater than the said limit in any given year. The annual rent limitation shall be exclusive of the general adjustment. This annual limit on upward rent adjustments shall not apply to owner-occupied units or units which have been voluntarily vacated.
- (1) Upon the issuance of a hearing examiner decision granting an increase, a tenant of low or moderate income of the subject property has the right to claim that the implementation of the full increase would impose an unreasonably severe economic or financial hardship.

- (i) The tenant(s) shall have thirty (30) days from the date of the mailing of the hearing examiner decision to submit a tenant hardship claim on a form provided by the Board. The tenant shall provide all information called for by the form, including all relevant income information.
 - (ii) The Board shall notify the petitioner of the filing of any tenant hardship claim.
 - (iii) The petitioner shall have ten (10) days from the date of mailing of the notice of filing of tenant hardship claim to file any written objections to the tenant claim, along with all relevant evidence in support of the objection.
- (2) The tenant shall have the burden of proof to establish unreasonably severe economic or financial hardship by a preponderance of the evidence. "Unreasonably severe economic or financial hardship" includes, but is not limited to, either subsection (i) or subsection (ii) below:
 - (i) The tenant is entitled to and has received a registration fee waiver as a very low-income senior citizen or disabled citizen as set forth in Chapter 11 of the Board's regulations; or,
 - (ii) The gross household income, as certified by the hearing examiner, is at or below 120% of the current median income, adjusted for household size, for the Los Angeles area as determined by the U.S. Department of Housing and Urban Development (HUD), and that, the tenant household will pay more than thirty per cent (30%) of its gross income for rent if the full increase is implemented.
- (3) The hearing examiner shall consider the tenant hardship claim based upon the relevant evidence submitted by the tenant and petitioner regarding the tenant's gross household income.
 - (i) The hearing examiner has the discretion to require additional information, including third-party income verification, consistent with the relevant portions of Board Regulation 17304.
- (4) The hearing examiner shall have the discretion to refer the tenant hardship claim to mediation or to schedule a hearing to resolve any issue relevant to the tenant hardship claim.
- (5) The hearing examiner shall issue a decision regarding the tenant hardship claim by way of an addendum to the increase decision within thirty (30) days of the submission of the claim. The Board shall serve notice of the addendum decision to the tenant(s) and the petitioner.
 - (i) If the increase is determined to constitute an unreasonably severe financial or economic hardship on a particular tenant, the hearing examiner shall determine that the amount of the increase, or any portion thereof, be subject to the limitations set forth in this regulation for the property, or any individual unit.
 - (ii) The increase rent schedule shall not exceed sixty (60) months from the date the increase is authorized.
 - (iii) The hearing examiner shall impute interest into the schedule. The rate of interest shall be calculated as the interest rate equal to the rate 5% per annum plus the rate established by the Federal Reserve Bank of San Francisco on advances to member banks under Section 13 and 13(a) of the Federal Reserve Act prevailing on the date the petition for rent increase was filed.

- (6) The hearing examiner decision with respect to the imposition of the annual limits shall be appealable to the Board in the same manner and subject to the same procedures as set forth in Chapter 15 of the Board's regulations, except to the extent that the 120 day time limit set forth in Chapter 15 shall not apply.
- (b) If a unit becomes vacant during the pendency of a hardship increase schedule pursuant to this section's annual limit on rent increases and the unit qualifies for a vacancy increase pursuant to Civil Code section 1954.53 and regulation 3301, the hardship increase schedule will terminate upon the landlord's filing of a proper vacancy registration form.
- (c) On appeal of the addendum granting a schedule due to a claim of tenant hardship, the Board may waive this regulation's annual limit on rent increases in extraordinary circumstances.

[4107 Adopted 9/19/81; Effective 10/19/81]
 [4107 Amended 10/24/85; Effective 10/30/85]
 [4107 Amended 5/14/92; Effective 6/3/92]
 [4107 Amended 3/24/94; Effective 4/7/94]
 [4107 Amended 12/17/98; Effective 1/1/99]
 [4107(a)(6) Amended 11/14/24; Effective 12/6/24]

4108. Relationship to General Adjustment

The Board shall calculate and establish General Adjustments consistent with §1805 of the Rent Control Charter Amendment.

- (a) In petitioning for an Individual Increase Adjustment, the landlord elects to receive an Individual Adjustment rather than to accept the formula of general application used to determine the General Adjustments for the same time period as the Individual Adjustment. Therefore, any Individual Increase Adjustment established pursuant to this Chapter shall take into account the extent of any General Adjustments the landlord may be implementing, or otherwise be entitled to, at and during the time for which the Individual Adjustment is sought regarding the petitioning year, and the Individual Adjustment may be limited or conditioned accordingly.
- (b) The current year of an increase petition shall consist of four consecutive full quarters and must begin on January 1, April 1, July 1, or October 1. Increase petitions must be filed within ninety (90) days of the end of the last quarter of the petition's current year.
- (c) Based upon the landlord's election to seek an Individual Increase rather than to accept the formula of general application in determining the General Adjustment as outlined in 1805(b) of the Charter, the landlord shall not be entitled to implement any upcoming General Adjustment otherwise authorized by the Board for a twelve-month period from the operative date of a decision authorizing an Individual Increase. If the final decision authorized an increase for proposed capital improvements only, pursuant to Regulation 4042, this regulation applies to the general adjustment that occurs within twelve months of the first addendum authorizing an increase.
- (d) If it is determined from the Net Operating Income analysis that the landlord is not entitled to an Individual Adjustment, s/he may implement the full upcoming General Adjustment.
- (e) If a unit becomes vacant during the twelve-month period in which a general adjustment is deferred pursuant to subsection (c) above and the unit qualifies for a vacancy increase pursuant to Civil Code section 1954.53 and regulation 3301, the unit shall not be entitled to the deferred general adjustment.

[4108 Adopted 9/19/81; Effective 10/19/81]
 [4108 Amended 5/14/92; Effective 6/3/92]
 [4108 Amended 3/24/94; Effective 4/7/94]

[4108 Amended 12/17/98; Effective 1/1/99]

4109. Relationship to Other Individual Rent Adjustments (Repealed)

[4109 Adopted 9/19/81; Effective 10/19/81]

[4109 Repealed 10/03/02; Effective 10/12/02]

4110. Retroactive Effect

In no event shall retroactive rent increases be authorized by application of this Regulation, except as permitted by §1805(d)(11) of the Rent Control Charter Amendment.

[4110 Adopted 9/19/81; Effective 10/19/81]

4111. Partial Invalidity

If any provision of this Regulation or application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of this Regulation which can be given effect without the invalid provision or application, and to this end the provisions of this Regulation are declared to be severable. The Regulation shall be liberally construed to achieve the purposes of this Regulation and to preserve its validity.

[4111 Adopted 9/19/81; Effective 10/19/81]

4112. Rounding

In calculating the amount of any increase in rent resulting from an increase petition the total increase amount for each unit shall be rounded to the nearest dollar. Rounding shall occur by calculating the amount to two decimal places. Any fraction of a dollar equal to or less than 49 cents shall be dropped off and any fraction of a dollar equal to or more than 50 cents shall be rounded up to the next dollar. Each capital improvement increase scheduled to drop off after the useful life of the improvement shall be rounded to the nearest dollar so that that drop off amount will be in whole dollars.

[4112 Adopted 3/12/87; Effective 3/19/87]

[4112 Amended 12/17/98; Effective 1/1/99]

4113 – 4113A. Repealed

[4113 Adopted 1/27/94; Effective 2/16/94]

[4113A Adopted 5/11/95; Effective 5/21/95]

[4113(l) Amended 2/3/94; Effective 2/16/94]

[4113 Amended 4/28/94; Effective 5/11/94]

[4113(f) Amended 1/5/95; Effective 1/14/95]

[4113(f) Amended 3/7/96; Effective 3/16/96]

[4113 Repealed 10/3/02; Effective 10/12/02]

[4113A Repealed 10/3/02; Effective 10/12/02]

4113B. Mitigation of Potentially Hazardous Structures

- (a) **Purpose:** This regulation is adopted to implement portions of City Ordinances 1748 and 1771(CCS) regarding the mitigation of potentially hazardous multifamily residential structures.

- (b) **Pass-Through:** For qualifying expenditures, this regulation establishes an entitlement to a rent increase of one-half (1/2) of the amortized portion of such expenditures, without reference to the net operating income earned by the property for any period, and notwithstanding the procedure ordinarily applicable to rent increase petitions specified in regulations 4100 through 4107. Since this process will not be concerned with fair return, the provisions of Civil Code section 1947.15 relating to attorney fees shall not apply.
- (c) **Effective Date:** The effective date of this regulation is August 1, 1995.
- (d) **Qualifying Expenditures:** Expenditures qualifying for rent increase pass-through under this regulation are one-half (1/2) of any and all expenditures reasonably incurred in mitigation of potentially hazardous structures, as identified in City Ordinances 1748 and 1771(CCS). These ordinances require structural alterations to unreinforced masonry structures, soft/weak story structures, pre-1976 tilt-up concrete buildings, steel framed buildings and pre-cast/reinforced poured in place concrete/non-ductile buildings.

Reasonable expenditures include costs associated with the structural alterations required by Ordinances 1748 and 1771, and as approved by the City's Building and Safety Department, including filing fees charged by the Rent Control Board, and all fees charged by architects, engineers, contractors, subcontractors, and laborers or the Board, provided such expenditures are reliably documented. However, expenditures for demolition of entire structures are not subject to this regulation. Reasonable expenditures do not include attorney fees, although applicants may choose to have the assistance of counsel in pursuing a rent increase under this regulation.

Any owner who petitions for and receives an increase pursuant to this regulation shall waive the right to a rent increase for qualified expenditures under the Board's fair return formula (Regulation 4100, et seq.). If an owner petitions for a net operating income rent increase for qualified expenditures pursuant to the City's "Potentially Hazardous Structures Mitigation Program," no petition may be filed or accepted pursuant to this regulation. This regulation does not preclude any owner from seeking a rent increase pursuant to regulation 4100 through 4107, Regulation 4113 or regulation 4113A on the basis of nonqualified expenditures. Nonqualifying expenditures will not be considered in proceedings under this regulation.

- (e) **Amortization Periods:** All expenditures subject to this regulation shall be deemed common-area capital expenditures subject to the amortization period set forth below.
 - (1) All architectural and/or engineering costs related to the inspection, report, design or plans for hazard mitigation required by Ordinances 1748 and 1771(CCS), and any administrative fees charged by the Board for the processing of the retrofitting petition, shall be amortized at five (5) years.
 - (2) All other expenses related to the required actual hazard mitigation work, including, but not limited to, steel, carpentry, plastering, painting, masonry and clean-up, shall be amortized at twenty (20) years.
 - (3) Amortization shall be for the purpose of calculating an annual amount for rent increases. Rent increases granted pursuant to this section shall not expire at the end of the amortization period.
- (f) **Time Limits:** An owner may file a petition for rent increase under this regulation either prior to incurring the expenditure, to obtain pre-approval, or after incurring the expenditure.

No petition may be filed after the time limits for compliance set forth in City Ordinances 1748 and 1771(CCS), and in no event more than four (4) years from the date of the submission of the

engineering report called for in the city ordinances, unless time for compliance is subsequently extended by the City Council.

- (g) **Petition Process:** A petition for rent increase on the basis of pass-through of the repairs of potentially hazardous structures capital expenditures shall be filed on a form supplied by the Board, which form must be completed in all respects. In addition to the information called for on the form itself, owners must attach the following:
- (1) The report, as required by the city ordinances, certified or under seal, of a qualified structural engineer or similarly qualified professional identifying any structural deficiencies to be remedied;
 - (2) Proof that the remedial plans have been submitted to and approved by the the appropriate city agencies, including, but not limited to, the Building and Safety Department;
 - (3) Proof that the actual remedial work has been approved by the appropriate city agencies, including, but not limited to, the Building and Safety Department;
 - (4) Estimates, or contract(s) and invoices from licensed contractors or subcontractors, which itemize materials and labor supplied or to be supplied, the specific repair or replacement to be effected, and the address of the building and unit (if any) in which the repairs are to be made;
 - (5) Proof of expenses incurred;
 - (6) The Administrator (or hearing examiner) shall have the discretion to require further documentary evidence in support of the petition.
- (h) **Administrative Costs-Filing Fees:** Upon the filing of the petition, the landlord shall pay a filing fee to cover the administrative costs of processing the petition. The filing fee shall be \$100 per petition for all properties up to ten (10) units. For properties with between eleven (11) and fifteen (15) units, the filing fee shall be \$150. For properties with sixteen (16) or more units, the filing fee shall be \$200.
- (i) **Notice and Determination:** If the petition does not meet the requirements of subsection (g) above, the administrator shall deny it without prejudice to later refiling. The owner must provide a list of tenants and all known current addresses of tenants to the Board along with the petition.
- (1) The Board shall immediately mail notices to tenants whose addresses are known advising that tenants have 10 days in which to submit written opposition to the rent increase petition.
 - (2) Tenants may oppose a rent increase petition filed under this regulation only on the following grounds:
 - (i) that an expenditure does not relate to the mitigation of potentially hazardous structures as required by city ordinances;
 - (ii) that the amount of an expenditure is unreasonably high relative to generally prevailing fees for equivalent services; or
 - (iii) if the petition relates to costs already incurred, that the work was not actually performed.
 - (3) The burden of proof with regard to each basis for opposition shall be on the tenant.

- (4) The Board administrator reserves the right to investigate and make independent determinations of each of the issues of opposition on the basis of information from any source.
 - (5) Petitioning owners must allow physical inspection of the building by a representative of the Board and must produce additional documentation on request. Failure of the owner to cooperate in the foregoing respects will permit denial of the petition without prejudice to the owner's right to seek a rent increase under regulations 4100, et seq.
 - (6) The petition may be granted administratively. If the petition is granted administratively, tenants may file an appeal as specified in subsection (i) below. If the administrator denies the petition, the owner may appeal to the Board.
 - (7) If a tenant or tenants oppose the petition for one of the three permissible grounds, the Board's administrator shall have the discretion to schedule a mediation session or a hearing to resolve the disputed issues. If the issues are not resolved by mediation, the administrator shall have the discretion to grant the petition or schedule a hearing. The hearing will be limited to the issue properly disputed.
 - (8) In the interests of justice, the Administrator (or the hearing examiner) shall have the discretion to apportion the individual unit rent increases among the units in a manner and to the degree necessary to insure fairness.
 - (9) If a hearing is denied, the tenant may appeal to the Board. If a hearing is held, notice of the decision shall be mailed to the owner and all tenants whose addresses are known, and the party against whom the hearing examiner rules may appeal to the Board.
 - (10) Nothing in this regulation is intended to abrogate section 1805(h) of the Rent Control Law, prohibiting owners from implementing rent increases while out of compliance with the Rent Control Law or applicable health, safety or housing codes. Such noncompliance will not be an issue in proceedings under this regulation.
 - (11) Except as expressly set forth in this regulation, the procedural requirements set forth in Chapter 15, shall apply to petitions filed pursuant to this program.
- (j) **Approval of Proposed Expenditures:** Owners may petition for rent increase under this regulation on the basis of proposed expenditures or completed capital improvements.
- (1) In the event of proposed expenditures, after approval, the owner will not be permitted to implement the approved rent increases until an addendum is requested and issued.
 - (2) Upon completion of repairs, the owner must file a written request for issuance of an addendum and provide copies of contracts and invoices showing payment of actual expenditures. With the request for issuance of addendum (on a form to be supplied by the Board), the owner shall certify that the building has been inspected by the appropriate city department and deemed habitable.
 - (3) The Board shall give notice to tenants that a request for addendum has been filed and that tenants have ten days in which to contest the issuance of an addendum.
 - (4) The sole ground upon which an addendum may be opposed is that claimed repairs were not actually made.

- (5) After review, the administrator shall approve the issuance of the addendum if it meets the foregoing requirements and corresponds to approval already given. If the actual cost of repairs exceeds the approved estimate by a substantial amount, the administrator may require further information and documentation, and may disallow the excess if it appears unreasonable.
- (6) There shall be no right of appeal from the issuance of an addendum allowing pass-through of all claimed costs. If the administrator refuses to issue the addendum for any reason, or denies pass-through of costs in excess of those previously authorized, the owner may appeal to the Board.
- (k) **Implementation of Rent Increases:** Upon receiving authorization for the rent increase pursuant to this regulation, notice of the increase must be given by the owner pursuant to Civil Code §827 and §1805(h) of the Rent Control Charter Amendment.
- (l) **Appeal to Board:** If a party has a right to appeal to the Board under any of the foregoing provisions, such appeal shall be filed within ten days of mailing of notice of the event which gives rise to the appeal. Appeals under this regulation shall be processed in the same manner as appeals from other administrative decisions concerning rent increases set forth in Chapter 15, except that the parties shall have the right to present oral argument to the Board on appeal.
- (m) **Time for Final Board Action:** The Administrator shall oversee the processing of rent increase petitions under this regulation so as to require an initial administrative decision within 30 days and a final Board decision within 90 days of filing. This shall apply to approval of proposed expenditures and approval of completed expenditures, but not to issuance of addenda under subsection (h) above. Addenda shall be issued or denied within 30 days of proper request.
- (n) **Limitations on Rent Increases:** Regulation 4107, regarding severe economic hardship of rent increases upon tenants, shall apply to any increase granted pursuant to this Regulation.

[4113B Adopted 5/11/95; Effective 5/21/95]
 [4113B Amended 6/29/95; Effective 7/6/95]
 [4113B Amended 7/13/95; Effective 7/26/95]
 [4113B(i)(11) Amended 11/14/24; Effective 12/6/24]
 [4113B(l) Amended 11/14/24; Effective 12/6/24]

4114. Professional Expense Surcharges

If a unit becomes vacant during the pendency of a professional fee surcharge schedule pursuant to former regulation 4114 and the unit qualifies for a vacancy increase pursuant to Civil Code section 1954.53 and regulation 3301, the professional fee surcharge will terminate upon the landlord's establishing the new initial rental rate for the new tenancy.

[4114 Adopted 3/24/94; Effective 4/7/94]
 [4114 Amended 12/17/98; Effective 1/1/99]

4115. Termination of Schedules after Vacancy

Individual rent adjustment schedules are terminated when a new base rent upon vacancy is established pursuant to Civil Code section 1954.53 and regulation 3301, as follows:

- (a) If there is a rent decrease in effect pursuant to regulation 15012 at the time the unit becomes vacant and the unit qualifies for a vacancy increase pursuant to Civil Code section 1954.53 and regulation 15012, the decrease will terminate upon the landlord's filing of a proper vacancy registration form.
- (b) If a unit becomes vacant during the pendency of a schedule which provides for the expiration of increases for capital improvements under former regulation 4041(e) and the unit qualifies for a vacancy increase pursuant to Civil Code section 1954.53 and regulation 3301, the capital improvements schedule shall terminate upon the landlord's filing of a proper vacancy registration form and no further reductions in rent shall occur pursuant to the schedule.
- (c) If a unit becomes vacant during the pendency of a hardship increase schedule with an annual limit on rent increases under regulation 4107 and the unit qualifies for a vacancy increase pursuant to Civil Code section 1954.53 and regulation 3301, the hardship schedule will terminate upon the landlord's filing of a proper vacancy registration form.
- (d) If a unit becomes vacant during the twelve-month period in which a general adjustment is deferred under regulation 4108 and the unit qualifies for a vacancy increase pursuant to Civil Code section 1954.53 and regulation 3301, the unit shall not be entitled to the deferred general adjustment.
- (e) If a unit becomes vacant during the pendency of a professional fee surcharge schedule pursuant to former regulation 4114 and the unit qualifies for a vacancy increase pursuant to Civil Code section 1954.53 and regulation 3301, the professional fee surcharge will terminate upon the landlord's establishing the new initial rental rate for the new tenancy.

[4115 Adopted 12/17/98; Effective 1/1/99]

[4115(a) Amended 11/14/24; Effective 12/6/24]

4200. Rent Decrease Standards

- (a) Under the provisions of Santa Monica Charter Section 1805 and of this Chapter, the maximum allowable rent guarantees landlords a fair return on their properties, and provides sufficient rental income to permit landlords to adequately maintain their properties. In view of that fact, and of the public policy disfavoring deterioration of the condition of the rental housing stock in the City of Santa Monica, decreases under this regulation are intended to be remedial in nature and are not designed to provide a precise correlation between the rental value of particular deteriorated conditions or reductions in services and the decrease in rent. Decreases will be proportional to the amount of impairment, and proportional to the rent.
- (b) The items listed in (d) and (f) below are nonexclusive, and are not intended to exclude rent decreases based on other reductions in housing services or maintenance-related conditions.
- (c) The decrease ranges may be applied per affected area.
- (d) As to maintenance-related conditions, the monthly decreases granted shall be based upon the degree of deterioration or malfunctioning, lack of maintenance or inoperability, and shall, generally, be within the following limits for each item:

	<u>Category</u>	<u>Range of Decreases</u>
(1)	Serious infestation of insects or rodents	\$18.00 -\$228.00
(2)	Substantial holes in floors, walls, or ceilings	\$18.00 - \$228.00

(3)	Damaged wall or ceiling surface, including paint, wallpaper, plaster, drywall, or wood trim	\$18.00 - \$ 117.00
(4)	Water leakage through roof, windows, doors, walls, or ceiling	\$18.00 - \$228.00
(5)	Damaged or missing waterproofing or weather protection	\$18.00 - \$228.00
(6)	Defective plumbing, drains, sewage system, toilet facilities, sinks, showers, bathtubs, or plumbing fixtures	\$18.00 - \$455.00
(7)	Loss of or insufficient hot water or water supply	\$18.00 - \$286.00
(8)	Inoperative or damaged heating system or air conditioning	\$18.00 - \$286.00
(9)	Unsafe or inoperative electrical wiring, outlets, or fixtures	\$18.00 - \$338.00
(10)	Damaged window or door, including locks	\$ 10.00 - \$ 135.00
(11)	Damaged or missing window screen or screen door	\$ 10.00 - \$ 59.00
(12)	Damaged or missing window coverings, including drapes, curtains, shades, or blinds	\$18.00 - \$228.00
(13)	Damaged or missing floor coverings, including carpets, carpet padding, hardwood, laminate, tile, linoleum, or vinyl	\$18.00 - \$429.00
(14)	Defective or inoperative appliance	\$18.00 - \$ 117.00
(15)	Broken fan or vent	\$ 10.00 - \$ 39.00
(16)	Deteriorated countertops	\$18.00 - \$ 59.00
(17)	Damaged or missing tile	\$18.00 - \$ 59.00
(18)	Damaged or missing caulking, grout	\$ 10.00 - \$ 39.00
(19)	Deteriorated or broken cabinets or drawers	\$24.00 - \$ 78.00
(20)	Broken or missing smoke detector, carbon monoxide detector, fire extinguisher, or fire sprinklers	\$18.00 - \$ 98.00
(21)	Defective or inoperative elevator	\$35.00 - \$ 117.00
(22)	Deteriorated porches, walkways, stairs, or railings	\$18.00 - \$228.00
(23)	Accumulation of garbage, debris or other inappropriate materials in common areas	\$ 10.00 - \$ 59.00
(24)	Broken or defective intercom	\$18.00 - \$ 52.00

- | | | |
|------|--|--------------------|
| (25) | Damaged or missing mailbox | \$18.00 - \$ 59.00 |
| (26) | Inoperative or missing exterior lights | \$18.00 - \$ 85.00 |
- (e) Notwithstanding any other standards or limits contained herein, if any condition or conditions of deterioration or malfunction in a unit are of such a nature and/or degree as to substantially interfere with the use of a significant part of the unit for dwelling purposes, the decrease awarded shall be based upon the degree of interference with the use and occupancy of the unit.
- (f) As to decreases based upon reduced base amenities of a unit, the decreases shall be within the following limits:
- | | | |
|------|--|----------------------|
| (1) | Parking | \$36.00 - \$715.00 |
| (2) | Storage | \$ 35.00 - \$286.00 |
| (3) | Furniture | \$ 10.00 - \$358.00 |
| (4) | Laundry facilities | \$36.00 - \$228.00 |
| (5) | Security gates, doors and fencing | \$36.00 - \$338.00 |
| (6) | Recreational facilities | \$18.00 - \$228.00 |
| (7) | Yards, patio, balconies, or play areas | \$18.00 - \$228.00 |
| (8) | Landscaping | \$ 10.00 - \$ 117.00 |
| (9) | Gardening or yard care services | \$ 10.00 - \$ 117.00 |
| (10) | Management services, including on-site management | \$36.00 - \$150.00 |
| (11) | Number of occupants (See Regulation 4200(i) for calculation of decrease) | |
- (g) With respect to the categories of amenities or housing services referred to in this subsection, the determination of the appropriate amount of any decrease shall take into account, but not be limited to consideration of the factors listed below:
- (1) Parking:
- (i) Number of spaces provided for the unit
 - (ii) Whether indoor or outdoor parking
 - (iii) Whether or not parking is in secured area
 - (iv) Whether or not parking is in separate garage
 - (v) Whether tandem or reserved for individual
 - (vi) Amount charged for other, similar parking facilities on the same property

- (vii) Amount charged for other, similar parking facilities on other comparable properties in the neighborhood
 - (viii) Availability of street parking in the immediate area
 - (ix) The property's average maximum allowable rent
 - (x) Alternate uses such as storage, recreation, studio or workshop
- (2) Storage:
 - (i) Size
 - (ii) Location
 - (iii) Whether or not secured
 - (iv) Whether individual or shared access
- (3) Furniture:
 - (i) Number of rooms provided furniture
 - (ii) Items of furniture provided
 - (iii) Quality of furniture
 - (iv) Condition of furniture
 - (v) Whether new or used
- (4) Recreational Facilities:
 - (i) Type of facility provided
 - (ii) Accessibility
 - (iii) Whether indoor or outdoor
- (h) Decreases in amounts above or below the indicated ranges shall be granted only upon clear and convincing proof that under the circumstances of the particular case a decrease within the range would be either inadequate or excessive in relation to the condition giving rise to the petition. If a decrease within the ranges set forth in subparagraphs (d) or (f) is inadequate in a particular case, the hearing officer or the Board may determine the decrease amount by utilizing a percentage of the rent in appropriate cases, considering, among other relevant factors, the percentage of impairment of the tenant's use of and benefit from the unit as a result of the decrease condition. The decrease ranges in subparagraphs (d) and (f) and 4400(h)(2) shall be automatically adjusted on March 1 as follows: 1) the low end of the range will be increased every two years, beginning on March 1, 2026, by an amount equal to the total annual general adjustment percentages announced by the Board effective September 1 of each year, rounded to the nearest whole dollar; and 2) the high end of the range will be increased every two years, beginning on March 1, 2026, by the total percentage change in the median market rental rates established for new tenancies as stated in the two agency year-end reports of median market rate rents for new tenancies, rounded to the nearest whole dollar. These reports will be presented to the Board no later than February 28 of the year the adjustments are made. The adjustments will never be less than zero percent.

- (i) If the reduction in housing service or base amenity is the landlord's refusal to allow a tenant to replace one of the occupants of the unit, the rent shall be decreased by the same percentage as the percentage reduction in number of occupants. For example, if the base amenity is two occupants, and the landlord refuses to allow replacement of one of the occupants, the decrease shall be 50% of the maximum allowable rent; if the base amenity is three occupants, and the landlord refuses to allow replacement of one of the occupants, the decrease shall be 33% of the maximum allowable rent.

[4200 Adopted 5/8/86; Effective 5/23/86]

[4200 Amended 3/3/88; Effective 3/17/88]

[4200 Amended 12/17/98; Effective 1/1/99]

[4200(d)(1)-(24), (e), (f), (h), (i) Amended 10/3/02; Effective 10/12/02]

[4200 Amended 5/12/16; Effective 5/21/16]

[4200(d), (f), (h) Amended 2/8/24; Effective 2/14/24]

4201. Prospective Effect of Amendments

Unless otherwise expressly provided herein, additions and amendments to the provisions of this Chapter shall be prospective in operation, and will, therefore, be applicable only to petitions received for filing on or after the effective dates of the additions or amendments. The effective date of the amendments to this Chapter adopted December 17, 1998 is January 1, 1999.

[4201 Adopted 5/8/86; Effective 5/23/86]

[4201 Amended 12/17/98; Effective 1/1/99]

4202. Rounding

Decrease amounts shall be given in whole dollars. In restoring decrease amounts under Regulation 15012, when general adjustments have intervened between the issuance of the decrease and the date of compliance, hearing examiners shall round the restored amount to the nearest dollar. Rounding shall occur by calculating the amount to two decimal places. Any fraction of a dollar equal to or less than 49 cents shall be dropped off and any fraction of a dollar equal to or more than 50 cents shall be rounded up to the next dollar.

[4202 Adopted 3/12/87; Effective 3/19/87]

[4202 Amended 12/17/98; Effective 1/1/99]

[4202 Amended 11/14/24; Effective 12/6/24]

4203. Calculating the Decrease

A rent decrease resulting from a reduction in housing services or maintenance, including but not limited to a failure to comply with all housing, health, and safety codes, will account for the past, present, and continuing reduction on which the decrease is based.

- (a) **Valuing Past Reductions.** The total value of a reduction of services or maintenance which was in effect through the date when the hearing record is closed is calculated as follows:
- (1) Determine the monthly value of the reduced service or maintenance.
 - (2) Multiply the monthly value of the reduction by the number of months between the first rent-due date after the rent-decrease petition was filed with the Board and the date when the decrease is to go into effect.

- (3) If any portion of the hearing process is delayed or continued for good cause, the calculation of the total decrease amount for past reductions shall not include that period of delay or continuance.
- (b) **Applying a Decrease for Past Reductions.** The entirety of a decrease for past reductions is applied on the first rent-due date during which the decision is in effect. If the amount of the decrease for past reduction is greater than the amount of rent that would otherwise be due, the balance is applied in the subsequent month or months.
- (c) **Valuing Ongoing Reductions.** The value of ongoing reductions is the sum of the monthly values of all items for which a rent decrease is awarded. The decrease in rent will remain in effect from month to month for the duration of the affected tenancy unless restored in accordance with Regulation 15012(b), subdivisions (b) and (c).

[4203 Adopted 4/11/19; Effective 4/18/19]

[4203(c) Amended 11/14/24; Effective 12/6/24]

INTERIOR REPLACEMENT PILOT PROGRAM - Repealed

4300 - 4307 Repealed

[4300 Adopted 2/14/85; Effective 2/28/85]

[4300 Repealed 10/3/02; Effective 10/12/02]

[4301 Adopted 2/14/85; Effective 2/28/85]

[4301 Amended 5/29/86; Effective 6/13/86]

[4301 Repealed 10/3/02; Effective 10/12/02]

[4302 Adopted 2/14/85; Effective 2/28/85]

[4302 Repealed 10/3/02; Effective 10/12/02]

[4303 Adopted 2/14/85; Effective 2/28/85]

[4303 Repealed 10/3/02; Effective 10/12/02]

[4304 Adopted 2/14/85; Effective 2/28/85]

[4304 Repealed 10/3/02; Effective 10/12/02]

[4305 Adopted 2/14/85; Effective 2/28/85]

[4305 Repealed 10/3/02; Effective 10/12/02]

[4306 Adopted 2/14/85; Effective 2/28/85]

[4306 Repealed 10/3/02; Effective 10/12/02]

[4307 Adopted 2/14/85; Effective 2/28/85]

[4307 Repealed 10/3/02; Effective 10/12/02]

4400. Rent Decreases for Construction Impacts

- (a) Purpose. This regulation establishes procedures governing rent decrease petitions alleging that a controlled unit has been made uninhabitable or otherwise unable to be occupied as a residence, or that there has been a substantial interference with a unit's housing services or the tenant's occupancy, as the result of construction within the knowledge and control of the landlord.

(b) Definitions.

- (1) *Construction.* In addition to building new structures or adding to existing structures, construction includes repairs, rehabilitation, maintenance, or upgrades.
- (2) *Necessary Repair or Maintenance.* Repair or maintenance is necessary if it is required to comply with a *government* order; to comply with a building, housing or health code; or to maintain the property in good repair.
- (3) *Property.* Property includes the parcel that includes the tenant petitioner's unit, as well as any adjoining property under common ownership, as provided by Charter Section 1801(m).
- (4) *Substantial Reduction of a Housing Service.* A reduction in a housing service is substantial if, in view of the reduction, the landlord is providing the tenant less than was provided when the initial rent was established, to such an extent that the tenant's rent has become excessive.
- (5) *Unavoidable Construction Impacts.* Interference with a housing service, or other impact resulting from construction, is unavoidable if it would be impossible or impracticable to conduct the construction without causing that interference or impact.
- (6) *Uninhabitable.* A unit is uninhabitable if:
 - (A) it fails to substantially comply with building and housing code standards that materially affect tenants' health and safety, including, but not limited to, Civil Code Sections 1941.1 and 1941.3 and Health & Safety Code Sections 17900 – 17995; or
 - (B) it is affected by odors, dust, debris, vibration, or other impact sufficient to constitute a nuisance under California law.

(c) When Rent Decreases Authorized.

- (1) *Requirements.* The Board may grant a rent decrease under this regulation only under one or more of the following circumstances:
 - (A) the tenant petitioner's controlled rental unit is made uninhabitable by construction occurring on the property;
 - (B) construction results in the substantial reduction of a housing service; or
 - (C) construction substantially interferes with the tenant petitioner's ability to occupy the controlled unit as a residence.
- (2) *Exception.* The Board may not grant a rent decrease under subparagraphs (A) or (B) of the preceding paragraph for unavoidable construction impacts caused by necessary repair or maintenance, unless:
 - (A) the construction is carried out in an unreasonable manner; or
 - (B) the construction takes an unreasonably long time to complete.

- (d) Notice. Upon receiving information, from any source, that substantial repairs, rehabilitation, or upgrades are planned or in progress at a rent-controlled property, the Board will mail a notice to the landlord within 5 business days, copied to each tenant. The notice:
- (1) will inform the recipients that the Board may grant rent decreases for disruptions to a controlled unit's habitability, occupancy, or housing services resulting from construction.; and
 - (2) is the only notice that a landlord must be given before a tenant may file a petition for construction-related decreases, and shall be liberally construed to provide notice of the landlord's potential liability for rent decreases arising from ongoing or contemplated construction.
- (e) Mediation. Mediation services may be offered at the discretion of the Administrator or Hearings Department Manager.
- (1) Except as provided in paragraph (2) of this subdivision, all mediation-related communication is confidential and privileged to the extent provided by California Evidence Code Section 1119.
 - (2) If the parties enter into a written agreement to mitigate the construction's ongoing or future effects, Board staff will forward a copy of that agreement to appropriate city officials so that the agreed-upon mitigation measures can, if appropriate, be incorporated into an amended means and methods plan.
- (f) Filing a Petition. A petition for a rent decrease under this regulation must be on a form provided by the Board.
- (1) *Initial Filing.*
 - (A) Immediately upon the Board's receipt of a petition under this section, the Hearings Department Manager, or his or her designee, must determine whether the petition is complete. A petition is complete if all information called for by the form is provided, and it alleges a current, factual basis for a rent decrease under this chapter.
 - (B) If the Hearings Department Manager or his or her designee determines that the petition is not complete, the petition must be returned to the petitioner with an explanation, and no further action will be taken.
 - (C) If the Hearings Department Manager or his or her designee determines that the petition is complete, then he or she must—within ten working days—accept it for filing and mail a notice of filing to the parties. The notice to the landlord must be accompanied by a copy of the petition.
 - (2) *Amendment.* A petition may be amended before or during the hearing on the petition to include impacts and impairments caused by the construction which arose after the petition was filed.
- (g) Hearing and Appeal Procedures. The hearing on a petition under this regulation, and an appeal to the Board from a hearing examiner's decision, are governed by Chapter 15. The hearing examiner or any party may subpoena witnesses or documents under Chapter 15 of these regulations, and the Hearings Department Manager may coordinate or consolidate proceedings arising from construction at a single property.

(h) Decrease Amounts for Specified Conditions.

(1) *Percentage Decreases:*

(A)	Noise, vibrations	10-50% of monthly rent
(B)	Odors, dust, ventilation	10-75% of monthly rent
(C)	Safety (e.g. compromised security, gas leaks, fire hazards, significant trip and fall hazards, asbestos, lead paint, interference with ingress and egress, etc.)	10-100% of monthly rent
(D)	Utility shutoffs	10-75% of monthly rent
(E)	Inadequate construction management (significant debris, work done outside of permitted hours, etc.)	10-75% of monthly rent
(F)	Other interference with occupancy of unit caused by construction (substantial holes in floors, walls, or ceiling, water leakage, etc.)	10-50% of monthly rent
(G)	Displacement	10-75% of monthly rent

(2) *Dollar Decreases:*

(A)	Loss or reduction of parking	\$36-\$715 per month
(B)	Loss or reduction of storage	\$35-\$286 per month
(C)	Loss or reduction of security gates, doors, fencing	\$36-\$338 per month
(D)	Loss or reduction of laundry facilities	\$36-\$228 per month
(E)	Loss or reduction of recreation facilities	\$18-\$228 per month
(F)	Loss or reduction of yards, patios, balconies, play areas, or landscaping	\$18-\$228 per month
(G)	Loss or reduction of elevator service	\$35-\$117 per month
(H)	loss of access to stairs, walkways or hallways, or other interference with access, ingress, or egress	\$18-\$228 per month

The dollar amounts in 4400(h)(2) will be automatically adjusted every two years per the formula set forth in Regulation 4200(h).

- (3) *Standards for Determining Decrease Amount.* To determine the amount of a rent decrease, the Hearing Examiner must consider:
 - (A) The degree to which the construction-caused condition has caused the petitioner's unit to be uninhabitable;
 - (B) The degree to which the construction-caused condition has reduced the housing service;
 - (C) The degree to which the construction-caused condition has interfered with occupancy of the petitioner's unit;
 - (D) The effect of the construction-caused condition on the petitioner's usual use of the unit, considering such factors as:
 - (i) whether the petitioner works from home;
 - (ii) whether the petitioner is customarily at home during the day;
 - (iii) whether the petitioner provides caregiving for others in the home; and
 - (iv) the health of the petitioner or others in his or her household.
 - (4) *Departure from Specified Range.* The hearing examiner may award a rent decrease outside a range specified above if a decrease within the range would be inadequate or excessive under the circumstances of a particular case. If the hearing examiner departs from the specified range, he or she must state with particularity the factors justifying the departure.
 - (5) *Other Conditions.* The above conditions on which rent decreases may be based are not exclusive and do not bar a rent decrease for other conditions caused by construction.
- (i) Decreases from Less than the Maximum Allowable Rent. If the tenant is paying less than the maximum allowable rent at the conclusion of the hearing, the hearing examiner may, in his or her discretion, decrease the tenant's rent from the amount actually paid, rather than from the maximum allowable rent. That rent shall become the unit's maximum allowable rent during the pendency of the construction rent decrease.
 - (j) Calculating Rent Decreases. A rent decrease under this regulation will account for any past, present, and future impact for which a rent decrease is warranted.
 - (1) *Valuing Past Impacts.* The total value of a construction-caused impact, which has ended by the date when the hearing record is closed, is calculated as follows:
 - (A) Determine the daily rate of the impact.
 - (i) For percentage-based values, multiply the percentage by the monthly rent from which the decrease is to be taken, then divide the resulting dollar-amount by 30.
 - (ii) For dollar-based values, divide the monthly dollar value by 30.

- (B) Multiply the daily rate by the number of days that the construction-related impact existed.
- (2) *Valuing Ongoing Impacts.* The total value of a construction-caused impact that is ongoing on the date when the hearing record closes is calculated as follows:
 - (A) Determine the daily rate of the impact using the formula prescribed in paragraph (1), subparagraph (A) of this subdivision.
 - (B) Add the number of days that the impact has been in existence to the number of days that it is estimated to continue.
 - (C) Multiply the daily rate calculated under paragraph (A) by the number of days calculated under paragraph (B).
- (3) *Valuing Future Impacts:* The hearing examiner may not order a rent decrease for an expected future construction-caused impact unless the affected tenant is entitled to a decrease for a past or ongoing such impact. The valuation of a future construction-caused impact is calculated as follows:
 - (D) Determine the daily rate of the impact using the formula prescribed in paragraph (1), subparagraph (A) of this subdivision.
 - (E) Multiply the daily rate by the number of days that construction-related impact is expected to continue.
- (4) *Valuing Permanent Impacts.* The rent decrease for a permanent impact will likewise be permanent, and is calculated by using the formula prescribed in paragraph (1), subparagraph (A) of this subdivision.
- (k) Monthly Decreases. If the hearing examiner awards a rent decrease under this section, he or she must state in the written decision the monthly decrease amount, and the number of months from the effective date that the decrease will remain in effect.
 - (1) *Effective Date.* The decrease will go into effect on the first rent-due date following the date when the hearing examiner issues the decision.
 - (2) *Monthly Amount.* The monthly amount of the decrease is calculated by dividing a numerator equal to the total dollar value of all construction-related impacts by a denominator equal to either:
 - (A) the total number of months during which the tenant was, or will be, affected by any such impact; or
 - (B) another number that, in his or her discretion, the hearing examiner determines to be reasonable and just.
 - (3) *Decrease Duration.* The rent decrease will last for the number of months corresponding with the denominator used in calculating the monthly decrease amount, unless modified under subdivision (m) of this regulation.
- (l) Reopening a Hearing. The Hearings Department Manager may reopen a hearing on a petition under this section, upon the request of any affected party. Within five working days of receiving a request in conformity with this subdivision, the Hearings Department must mail a copy of the request to all affected parties.

- (1) *Criteria.* A hearing may be reopened only if the construction project that was the subject of the initial petition is ongoing and:
 - (A) a new construction-related impact arises which was not considered in the decrease decision;
 - (B) a condition for which a decrease is in effect is materially different in degree of impact than contemplated by the decrease awarded;
 - (C) an future impact for which a decrease was awarded fails to occur and apparently will not occur; or
 - (D) a construction-related impact for which no decrease was awarded in the original decision, due to insufficient evidence or information, arises after the issuance of the original decision.
- (2) *Form and Content.* The request to reopen must be on a form provided by the Board, and must include a short, plain statement explaining:
 - (A) under which criterion of paragraph (1) of this subdivision the request is made;
 - (B) exactly how that criterion is satisfied; and
 - (C) if the reopened hearing is sought because of a materially different impact than that forming the basis of the decrease awarded, the difference between the basis of the decrease award and the actual impact.
- (3) *Decision to Reopen.* Even if the criteria described in paragraph (1) of this subdivision are satisfied, the decision whether to reopen a hearing is within the Hearings Department Manager's discretion, subject to review for abuse of discretion by the Board. An appeal under this paragraph is governed by the procedures set forth in Chapter 15.
- (4) *Conduct of Reopened Hearing.* A reopened hearing is subject to the same procedures, including with respect to mediation, presentation of evidence, and appeal, as the initial hearing.
- (5) *Stay.* The original decision is not stayed, and remains in effect, except to the extent that a modified decision changes the decrease amount.
- (m) Modifying the Decrease. The hearing examiner may modify a rent decrease upon the application of any affected party.
 - (1) *Reducing the Decrease Amount.* The hearing examiner may reduce the decrease upon a showing by the landlord that a condition on which the decrease was based has been remedied before the time estimated in the original decision.
 - (A) An application under this paragraph must be filed no later than 30 days after the condition that is the subject of the application has been remedied. The hearing examiner may accept a later-filed application upon a showing of good cause.
 - (B) A decision reducing a rent decrease amount will likewise shorten its duration unless the hearing examiner orders otherwise and, in his or her written decision, states with particularity the reason for that order.

- (2) *Lengthening the Duration.* The hearing examiner may lengthen the duration of a rent decrease upon a showing that a condition on which the decrease was based has not been—or will not be—remedied within the time estimated in the original decision.
 - (A) An application under this paragraph must be filed no later than 30 days after the time estimated in the original decision has expired. The hearing examiner may accept a late-filed application upon a showing of good cause.
 - (B) A rent-decrease extension under this paragraph remains in effect until, upon a new application under this subdivision, the hearing examiner determines that the condition has been remedied.
- (3) *Procedures.* A decision to modify a rent decrease is governed by the procedures relating to restoration of rents set forth in regulation 15012, except that:
 - (A) any affected party may apply for a modification, and any affected party may oppose the application; and
 - (B) the modified decision's effective date is the next rent-due date after the modified decision is issued.
- (n) Non-Exclusive Remedy. Rent decreases authorized under this regulation are not a substitute for, and in no way diminish, the right of any tenant to other remedies provided by law or available in any other forum. This regulation does not authorize the award of damages.
- (o) Effective Date. This regulation shall be effective as of October 1, 1999.

[4400 Adopted 9/23/99; Effective 10/1/99]
 [4400 Amended 8/10/17; Effective 8/17/17]
 [4400(h)(2) Amended 2/8/24; Effective 2/14/24]
 [4400(g) Amended 11/14/24; Effective 12/6/24]
 [4400(l)(3) Amended 11/14/24; Effective 12/6/24]
 [4400(m)(3) Amended 11/14/24; Effective 12/6/24]

4500. Agency-initiated hearings

(a) Applicability

The regulations contained in this section govern procedures for hearings initiated by the Board's Administrator. The Administrator or designee may initiate hearings as deemed necessary or appropriate at their discretion. The Administrator's authority to conduct such hearings is not intended in any way to impose any obligation or responsibility on the Administrator to initiate hearings in any particular case. The provisions herein are in addition to and not exclusive of other mechanisms for making determinations in the administration and enforcement of the Rent Control Charter Amendment (RCCA). Nothing herein shall be construed as limiting, in any way, the ability of the agency to utilize other decision-making or enforcement procedures without conducting a hearing.

(b) Scope of Agency-initiated hearings

The Board's Administrator may initiate hearings for any of the following purposes:

- (1) To determinate the validity of an existing exemption;
- (2) To determine whether the rental housing agreement allows for the occupancy of a unit or units as tenants' permanent residence as required by RCCA section 1801(g) and as further defined in Regulation 2008(b);

- (3) To make any other determination or findings necessary or appropriate for the fair and effective application or enforcement of the RCCA.

(c) Content of Notice

- (1) Upon determination of the need for a hearing for the purpose of making one or more of the determinations enumerated above, the Board's Administrator or designee shall mail a notice of hearing to the landlord and all other affected parties.
- (2) Such notice shall include the following:
 - (i) the date, time and location of the hearing;
 - (ii) a brief description of the issues to be determined at the hearing;
 - (iii) a brief summary of the facts on which the determination to conduct the hearing is based;
 - (iv) a statement that all submitted documents and materials as well as any report prepared by staff will be available for public review prior to the hearing;
 - (v) if known and applicable, the estimated range of adjustment in the current Maximum Allowable Rent that might occur as a result of the hearing.

(d) Hearing and Appeal Procedures

The hearing under this regulation, and an appeal to the Board from a hearing examiner's decision, are governed by Chapter 15.

(e) Subpoenas

The hearing examiner or the Administrator may subpoena witnesses and documents under Chapter 15 of these regulations.

(f) Order of Proceedings

An agency-initiated hearing shall ordinarily proceed in the following manner, unless the hearing examiner determines that some other order of proceedings would better facilitate the hearing:

- (1) Presentation by or on behalf of the agency, on the issues presented;
- (2) Presentation by or on behalf of any other affected parties and witnesses on the issues presented; and
- (3) Presentation of the results of any investigations or staff reports in relation to the issues.

(g) Speakers' Presentation

The presentation of each person speaking during a hearing shall be concise and to the point; visual and other presentation aids may be used as deemed appropriate by the hearing examiner. The hearing examiner may establish equitable time limits for presentations at a hearing.

(h) Hearing record

The hearing examiner shall maintain an official hearing record, which shall constitute the exclusive record for decision. The hearing record shall include:

- (1) A copy of the notice stating the basis for the hearing;
- (2) All exhibits, papers and documents offered either before or during the hearing;
- (3) A list of participants present at the hearing;
- (4) A summary of all testimony upon which the decision is based;

- (5) A statement of all materials officially noticed;
- (6) All findings of fact and conclusions of law;
- (7) All recommended or final decisions, findings, orders, or rulings.

[4500 Adopted 8/12/21; Effective 8/18/21]

[4500(d) Amended 11/14/24; Effective 12/6/24]

[Chapter 4 Adopted 7/28/79; Effective 8/2/79]

[4017 Amended 11/8/79; Effective 11/15/79]

[4019 Amended 2/23/80; Effective 2/28/80]

[4029 Amended 2/23/80; Effective 2/28/80]

[4041 Adopted 4/12/80; Effective 4/20/80]

[4041(e) Adopted 4/19/80; Effective 4/26/80]

[4023 Amended 4/19/80; Effective 4/26/80]

[4010A Adopted 5/1/80; Effective 5/8/80]

[4026A Adopted 5/1/80; Effective 5/8/80]

[4040 Amended 9/18/80; Effective 9/26/80]

[4040 Repealed 9/19/81; Effective 10/19/81]

[4100-4111 Adopted 9/19/81; Effective 9/19/81]

[4041(d)-(f) Amended 12/3/81; Effective 12/10/81]

[4026A Amended 7/17/82; Effective 7/28/82]

[4200 Adopted 4/23/83; Effective 5/15/83]

[4023 Amended 5/12/83; Effective 5/20/83]

[4200 Amended 10/27/83; Effective 11/5/83]

[4300-4307 Adopted 2/14/85; Effective 2/28/83]

[4107 Amended 10/24/85; Effective 10/30/85]

[4001A Adopted 5/8/86; Effective 5/23/86]

[4003(a)-(b) Renumbered from 4004, Amended 5/8/86; Effective 5/23/86]

[4003(c) Adopted 5/8/86; Effective 5/23/86]

[4004 Renumbered from 4005, Amended 5/8/86; Effective 5/23/86]

[4005 Renumbered from 4200, Amended 5/8/86; Effective 5/23/86]

[4006 Adopted 5/8/86; Effective 5/23/86]

[4010, 4010A, 4017, 4019 Amended 5/8/86; Effective 5/23/86]

[4019A Adopted 5/8/86; Effective 5/23/86]

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 [4013 Amended 3/24/94; Effective 4/7/94]
 [4019 Amended 3/24/94; Effective 4/7/94]
 [4024 Amended 3/24/94; Effective 4/7/94]
 [4041 Amended 3/24/94; Effective 4/7/94]
 [4101 Amended 3/24/94; Effective 4/7/94]
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 [4108 Amended 3/24/94; Effective 4/7/94]
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[4500(d) Amended 11/14/24; Effective 12/6/24]

Note: Subchapters F and G were combined and incorporated within Subchapter B, Standards for Decision, Effective 12/6/2024

CHAPTER 5

REMOVAL PERMITS

5100. Scope of Authority Granted by a Removal Permit

A removal permit authorizes the owner of a controlled unit to which the permit applies to cease the residential rental of that unit. Upon the Board's grant of a removal permit—and the owner's having obtained any other City-required permits—an owner may give such notice as is legally required to terminate any tenancy in the unit or units to which the permit applies. The Board's grant of a removal permit alters neither any requirement relating to the timing or method by which an owner must give a tenant notice that his or her tenancy will be terminated, nor the requirement to pay relocation fees required by state, local, or federal law.

[5100 Adopted 10/10/19; Effective 10/15/19]

5101. Controlled Status of Removed Units

- (a) A unit as to which the Board has granted a removal permit remains fully subject to the Rent Control Law and all Board Regulations enacted thereunder for as long as it is used, or is held out for use, as a residential rental unit.
- (b) The unit will cease to be a controlled unit when the owner to whom the removal permit is granted (or that owner's successor in interest) has terminated any tenancy in that unit on the basis of the permit's having been granted. The unit will cease to be subject to control only because it will cease to be used, or held out for use, as a residential rental unit.
- (c) If, at any time subsequent to its removal from the residential rental market, a removed unit is again used, or held out for use, as a residential unit, it shall be subject to the Rent Control Law and all Board Regulations enacted thereunder to the same extent as if the permit had never been granted. These regulations include, without limitation, those requiring landlords to:
 - (1) Inform the tenant that his or her tenancy is subject to rent control;
 - (2) Comply with all registration requirements; and
 - (3) Pay all current and future registration fees.

[5101 Adopted 10/10/19; Effective 10/15/19]

5102. Expiration of Removal Permit

A permit to remove a controlled unit from the residential rental market may be used only once for any unit to which it applies. For this reason, a removal permit can no longer be used with respect to a unit once that unit has been removed from the residential rental market pursuant to that permit. A permit to remove a controlled unit from the residential rental market can no longer be used after the earlier of:

- (a) The date when the Board grants the removal permit, for any unit to which the permit applies that is vacant on that date. As to such a unit, the removal is deemed to have occurred simultaneously with the Board's grant of the permit.
- (b) The day when the owner of the unit subject to the permit actually removes the unit from the residential rental market by ceasing to rent the unit or offer it for rent; or
- (c) The expiration any of the following three periods:
 - (1) 90 days after the permit was granted, if the permit was granted because the owner cannot

make a fair return by retaining the unit, as provided for by Charter Section 1803(t)(1), or because the unit is uninhabitable and cannot be made habitable in an economically-feasible manner, as provided for by Charter Section 1803(t)(2)(i).

- (2) Two years after the permit was granted, if the permit was granted so that the property may be developed with multifamily dwelling units and the permit applicant agrees as a condition of approval, that the units will not be exempt from rent control pursuant to Charter Section 1801(c) and that at least 15% of the controlled rental units to be built on the site will be at rents affordable by persons of low income, as provided for by Charter Section 1803(t)(2)(ii).
 - (3) The expiration of any extension to either of the above two periods that the Administrator specifies in a letter written to the owner and copied to the Board and the occupant of any unit affected by the removal permit. The Administrator may extend a removal permit's expiration date beyond that specified in paragraphs (1) and (2) of this subdivision (c) only for good cause as shown in a writing submitted by the owner or owner's representative. Good cause includes, as a minimum, proof that the removal has not occurred by the date originally specified due to factors beyond the owner's control and despite the owner's demonstrated due diligence.
- (d) For any unit granted a removal permit more than one year before the effective date of this regulation, the date when this regulation becomes effective.

[5102 Adopted 10/10/19; Effective 10/15/19]

[Chapter 5 Adopted 7/28/79; Effective 8/3/79]

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[5100 Adopted 10/10/19; Effective 10/15/19]

[5101 Adopted 10/10/19; Effective 10/15/19]

[5102 Adopted 10/10/19; Effective 10/15/19]

CHAPTER 6

CLAIMS OF VESTED RIGHTS

6000. Scope of Regulations

Any person claiming a vested right to be exempted from the permit requirements of Chapter 5 of these regulations must substantiate the claim in a proceeding under this Chapter. In such a proceeding, the person seeking the vested right shall have the burden of proof.

[6000 Amended 8/12/82; Effective 9/3/82]

SUBCHAPTER A

PROCEDURES

6001. Obligation to File

Any person who claims a vested right to be exempt from the permit requirements of Chapter 5 of these regulations must file a claim of vested rights with the Board and obtain approval under this Chapter.

[6001 Amended 8/12/82; Effective 9/3/82]

6002. Claim Forms

Claim of vested right forms shall be approved by the Board. Any person claiming a vested right under this Chapter must do so on the form approved by the Board. A claim of vested rights shall be filed only after the claimant has provided all the information called for by the form.

6003. Determination

As soon as practicable after the filing of a claim, and in no event later than 45 days from the date of filing, the Board shall hold a hearing as hereinafter provided to determine whether to grant or deny the claim of exemption.

6004. Notice of Hearing

At least ten days prior to the hearing, notice shall be mailed to claimant, and to any residents of the property for which the claim of vested rights is sought, of the date and time of the hearing. The notice shall be provided on a form approved by the Board.

6004A. Continuances

Continuances for any hearing conducted under this Chapter shall be granted only for good cause by a majority of the Board or by the Administrator. Requests for continuances shall be made as soon as possible. A written request and the reasons for it must be received by the Rent Control Board at least 72 hours prior to the scheduled hearing, unless good cause is shown for a later request. The written request must contain acceptable alternative dates and an explanation of what efforts were made to ascertain the position of the other parties regarding the request for a continuance. Copies of this written request must be sent immediately to all other parties and proof of such service must accompany the written request filed with the Board.

6005. Staff Report

At least ten days prior to the hearing, a staff report shall be prepared on the claim of vested rights. The staff report shall contain a written recommendation as to whether to grant or deny the claim of vested rights and all pertinent facts upon which the recommendation is based. The staff report will be available for public inspection at the office of the Board.

6006. Conduct of Hearing

The Board's public hearing on a claim of vested right shall be conducted in a manner deemed most suitable to ensure fundamental fairness to all parties concerned, and with a view toward securing all relevant information and material necessary to render a decision without unnecessary delay.

6007. Evidence Rules

The hearing need not be conducted according to technical rules of evidence and witnesses. Any relevant evidence shall be considered if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Unduly repetitious or irrelevant evidence shall be excluded upon order by the chairperson.

6008. Order of Proceedings

- (a) The Board's public hearing on a claim of vested rights shall ordinarily proceed in the following order:
 - (1) Staff Report.
 - (2) Presentation by or on behalf of applicant, if the applicant wishes to expand upon material contained in the claim of vested rights form.
 - (3) Other speakers for the application.
 - (4) Speakers against the application.
 - (5) Rebuttal by the claimant.
 - (6) Motion to close the public hearing (or to continue it to a subsequent meeting).
- (b) Questions by Commissioners will be in order at any time following a speaker's presentation.

6009. Speaker's Presentation

Each speaker's presentation shall be to the point and shall be as brief as possible; visual and other materials may be used as appropriate. The Board may establish reasonable time limits for presentations, which time limits will be made known prior to any hearing. The Board encourages any interested person to submit written evidence and communication prior to the date of the hearing.

6010. Board Action

If the Board finds that a claim of vested rights is substantiated, it shall grant the claim. Three affirmative votes are necessary to grant the claim of vested rights. In the event that three affirmative votes are not obtained, the claim of vested rights shall be denied.

6011. Findings

All decisions of the Board shall be supported by written findings. If the Board adopts the staff recommendation, the staff recommendation shall constitute the findings of the Board unless the Board determines otherwise. If the Board rejects the staff recommendation, the Board may adopt its findings at the next subsequent meeting of the Board.

6012. Effect of Granting Claim of Vested Rights

If the Board grants the claim of vested rights, Chapter 5 of these regulations is not applicable, and the claimant may proceed to evict tenants pursuant to §1806(i) of the Santa Monica City Charter.

[6012 Amended 8/12/82; Effective 9/3/82]

SUBCHAPTER B

STANDARDS FOR DECISION

6013. Basic Test

In order to secure a claim of vested rights, the claimant, prior to April 10, 1979, must have secured the last governmental approval necessary to the performance of the desired thing, and in good faith reliance thereon, must have performed substantial work or incurred substantial liabilities in furtherance thereof. No right shall vest unless all conditions precedent to obtaining all necessary governmental approvals have been satisfied as determined by the Board.

6014. Application of Test

- (a) Claims of vested rights will be sought by claimants who seek to remove rental units from the residential housing market by demolition, conversion or other means.
Subsequent to April 10, 1979, the Santa Monica City Charter and Santa Monica City Ordinances require a permit from the Board in order to remove a controlled rental unit from the residential rental market. Under applicable law, such a requirement cannot be applied to persons who, prior to the adoption of Article XVIII of the Santa Monica City Charter, obtained a vested right to complete a development that included the removal of an otherwise controlled rental unit from the residential rental market.
- (b) In determining claims of vested rights, the Board will consider the following:
 - (1) Prior to April 10, 1979, did the claimant obtain the final governmental approval necessary to remove the controlled rental unit from the housing market. If not, no claim of vested rights can be granted.
 - (2) Prior to April 10, 1979, did the claimant perform substantial work or incur substantial liabilities in reliance on the final governmental approval. If not, no claim of vested rights can be granted.

- (3) Did the claimant perform the substantial work or incur the substantial liabilities in good faith reliance on the final governmental approval. If not, no claim of vested rights can be granted.

[6014(a) Amended 8/12/82; Effective 9/3/82]

6015. Condominium Conversion

In the City of Santa Monica, tentative subdivision map approval is usually given by the Planning Commission. Since the City Council does not generally approve tentative subdivision maps, it retains discretionary power to disapprove final subdivision maps when they come to the City Council for approval. Based upon the subdivision process in the City of Santa Monica, California vested rights decisions, and the intent of the Santa Monica Rent Control Charter Amendment, the Board will generally require that final subdivision map approval has been received prior to April 10, 1979, in order to grant a claim of vested rights for a condominium conversion. However, in each situation, the Board will engage in a detailed examination of all pertinent facts to determine if earlier vesting is appropriate as a matter of law.

6016. Substantial Expenditures and Liabilities

- (a) Expenses incurred or work performed prior to the issuance of the final governmental approval, and expenses incurred in obtaining such approval, including permit fees, are not deemed expenses or liabilities for work and materials incurred in reliance on the approval. Such pre-permit expenses are made in anticipation of the approval, and do not count toward obtaining a vested right.
- (b) Expenses incurred in the acquisition of the property, including all financing costs incurred in connection therewith, generally do not count toward obtaining a vested right. However, financing obtained after the final governmental approval, such as construction financing or conversion financing, may count toward obtaining a vested right.
- (c) In determining what constitutes "substantial" expenditures or liabilities, the Board shall consider:
 - (1) The nature and significance of the work performed.
 - (2) The dollar cost of the expenditures and liabilities.
 - (3) The percentage of the total project costs represented by the expenditures and liabilities.

6200. Administrative Dismissal of Claim of Vested Right

- (a) The Board shall dismiss a claim of vested right and shall not schedule a hearing or grant a vested right in any of the following circumstances:
 - (1) Where the property in question is not properly registered with the Board as specified in Regulation §13002;
 - (2) Where registration fees or penalty fees are due and owing;
 - (3) Where the claim form submitted has not been completed; or
 - (4) Where the Board has previously made a final administrative decision on a claim of vested right for the same property.
- (b) Prior to dismissal of a claim of vested right, Rent Control staff shall mail to the claimant a written notice of intention to dismiss stating the applicable reasons for such dismissal. The claimant shall

have thirty (30) days from the date of mailing of the notice to cure the defects in the claim prior to dismissal. Rent Control staff shall be available to any claimant who needs assistance in amending a claim during that thirty (30) day period.

If a claimant amends a claim following receipt of a notice of intention to dismiss, the 45 days for the final Board decision specified in Regulation 6003 shall be tolled for the period from the date when an amended claim is accepted for filing, or for thirty (30) days, whichever is shorter.

- (c) Any of the following persons may make an administrative determination to dismiss a claim of vested right:
 - (1) A majority of the Rent Control Commissioners;
 - (2) The Administrator; or
 - (3) The Senior Attorney.
- (d) A copy of a notice of administrative determination to dismiss a claim of vested right containing the applicable reasons for dismissal shall be mailed to the parties within 30 days of the date of filing of the petition.
- (e) The claimant may appeal dismissal of a claim by the Administrator or the Senior Attorney to the Board within 10 days of the date of dismissal. However, if the Board grants the appeal, the 45 days for final Board decision specified in Regulation §6004 shall be tolled for the period from the date of dismissal to the date the Board grants the appeal, or for 30 days, whichever is shorter.

[6200 Adopted 4/23/83; Effective 5/15/83]

[6200 Amended 10/27/83; Effective 11/5/83]

[Chapter 6 Adopted 7/26/79; Effective 8/3/79]

[6004A Adopted 5/1/80; Effective 5/8/80]

[6004A Amended 7/17/82; Effective 7/28/82]

[6000 Amended 8/12/82; Effective 9/3/82]

[6001 Amended 8/12/82; Effective 9/3/82]

[6012 Amended 8/12/82; Effective 9/3/82]

[6014(a) Amended 8/12/82; Effective 9/3/82]

[6200 Adopted 4/23/83; Effective 5/15/83]

[6200 Amended 10/27/83; Effective 11/5/83]

CHAPTER 7

RENT ROLLBACK

7000. Rent Rollback

- (a) Beginning on August 8, 1979, no landlord may charge or collect rent for any controlled rental unit in an amount greater than the rent in effect on April 10, 1978, plus the amount of any general and/or individual adjustment granted by the Board.
- (b) Tenants whose rent falls due prior to August 8, 1979, must pay the entire amount of the rent due on that date. Rent may not be prorated.

Example 1. Current rent level of \$300.00 is payable on the first of each month. The April 10, 1978, rent level is \$250.00. On August 5, 1979, tenant would be required to pay rent of \$300.00. On September 5, 1979, tenant would be required to pay rent of \$250.00.

Example 2. Current rent level of \$300.00 is payable on the tenth of each month. The April 10, 1978, rent level is \$250.00. On August 10, 1979, tenant would be required to pay rent of \$250.00.

- (c) In order to increase the rent level above the April 10, 1978, base rent ceiling, including any general adjustment, the landlord must have:
 - (1) Registered the rental unit.
 - (2) Been granted either a general or individual rent adjustment pursuant to §1805.
 - (3) Given written notice to the tenant of the increase in rent as provided by §827 of the California Civil Code.

7001. Manager-Occupied Units on Base Rent Date

With respect to units occupied by resident managers or other persons whose rent consisted of non-monetary consideration for services rendered to the landlord on April 10, 1978 or the first subsequent date on which the landlord received consideration for such unit, the base rent ceiling under §1804(b) of the Charter Amendment is calculated as follows:

- (a) Where the occupant's rent was reduced by a specified amount to compensate for management or other services rendered to the landlord, the base rent is equal to the monetary amount of rent actually paid by such occupant on the base rent date plus the amount by which the landlord reduced the rent in exchange for services at that time.
- (b) Where the occupant's rent cannot be determined under subsection 7001(a), the base rent shall be determined as follows:
 - (1) If other units with the same square footage exist on the property, the base rent is equal to the average of the base rents of those units.
 - (2) If no unit with the same square footage exists on the property, the base rent is equal to the square footage of the unit in question multiplied by the average base rent per square foot of all other units on the property.
 - (3) Upon application by the landlord on a form approved by the Board, the Board or a hearing examiner of the Board may adjust the base rent as determined in (1) or (2) above upwards or downwards upon a showing that the unit's amenities or physical

condition on the base rent date were substantially different from those of the comparison units.

- (c) Rent collected prior to the effective date of this regulation shall not be deemed excess rent where each of the following criteria is met:
 - (1) The base rent for the unit could not be ascertained in the manner set forth in §7001(a); and
 - (2) The owner has not implemented any rent increases for the unit except as permitted by the Charter Amendment and the Board's regulations regarding general adjustments and individual adjustments.
- (d) Rent collected after the effective date of this regulation shall be deemed excess rent where it exceeds the base rent as determined under §7001(a) or 7001(b) plus subsequent general and individual adjustments which have been implemented pursuant to the Charter Amendment and the Board's regulations.

[7001 Adopted 2/10/83; Effective 2/18/83]

[Chapter 7 Adopted 7/28/79; Effective 8/3/79]

[7001 Adopted 2/10/83; Effective 2/18/83]

CHAPTER 8

ADMINISTRATIVE REMEDIES FOR RENT OVERCHARGES OR NONREGISTRATION

8000. Scope of Regulations

These regulations establish certain administrative remedies for violations of the rent overcharge (excess rent) and registration provisions of the Santa Monica Rent Control Charter Amendment (Rent Control Law). The authority for these regulations is contained in Sections 1803(g), 1803(q), and 1809(b) of the Santa Monica City Charter.

8000.5. Regulations Not to be Deemed Administrative Constructions of Limiting Provisions of Rent Control Law

Any limitations imposed by these regulations upon the Board's authority, upon the liability of any property owner or landlord, or upon the rights of any tenants reflect discretionary policy choices made deliberately by the Rent Control Board for reasons of administrative economy and convenience, and do not constitute an administrative construction of any limiting provisions of the Rent Control Law. With particular regard to the provisions of Regulations 8010, 8014, 8021, 8023, and 8024, the Rent Control law grants greater powers to the Board, greater rights to tenants, and imposes greater liabilities and obligations upon landlords than do these regulations. These regulations are not intended and should not be applied as administrative constructions of the Rent Control Law to be relied upon by a court of law in construing the Rent Control Law in any civil proceeding.

8000.6. Severability

If any regulation or portion of any regulation within this Chapter is for any reason held to be invalid, unconstitutional, or otherwise unenforceable by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The Board hereby declares that it would have adopted each regulation and portion thereof in this chapter not declared invalid or unconstitutional, without regard to whether any regulation or portion thereof would be declared invalid or unconstitutional subsequently.

SUBCHAPTER A

COMPLAINT

8001. Complaint

Any person who seeks to file an administrative complaint with the Board must comply with this chapter. Any person with a beneficial interest in the outcome of the proceeding or the Board's Administrator may seek to file a complaint under this chapter.

8002. Complaint Forms

Any person seeking to file a complaint under this chapter must do so on the form approved by the Board.

8003. Type of Complaints

A complaint may be filed under this chapter for either of the following:

- (a) Nonregistration of a rental unit, or registration of a rental unit or property which is incomplete as defined in Regulation 8010 below.
- (b) Acceptance and retention by a landlord of any payment of rent in excess of the lawful rent. The lawful rent is defined in Regulation 8023.

A complaint submitted under subsection (a) shall be processed in accordance with subchapter B of this chapter.

A complaint submitted under subsection (b) shall be processed in accordance with subchapter C of this chapter.

[8003 (Amended 11/14/24; Effective 12/6/24)]

8009. Administrative Dismissals of Complaints

- (a) The Board may dismiss a complaint in any of the following circumstances:
 - (1) Where the complaint submitted fails on its face to state a violation of the Charter Amendment;
 - (2) Where the complaint submitted pertains to a unit over which the Board has no jurisdiction; or
 - (3) The identical issue involving the identical parties and the identical time period has already been heard and decided by a court having jurisdiction, or the Board or its hearing examiners. This regulation does not require the dismissal of a complaint under any circumstances.
- (b) Any of the following persons may make an administrative determination to dismiss a complaint:
 - (1) A majority of the Rent Control Commissioners;
 - (2) The Administrator; or
 - (3) The Supervisor of Hearing Examiners.
- (c) A copy of a notice of administrative determination to dismiss a complaint containing the applicable reasons for dismissal shall be mailed to the parties.
- (d) Except where the Board has ordered the dismissal in the first instance, the party whose complaint is dismissed shall have the right to request reconsideration by the Board of the dismissal.
- (e) Dismissal shall not constitute a bar to refiling of an administrative complaint nor bar any person from maintaining a civil action.

SUBCHAPTER B

ACTION ON COMPLAINT FOR NONREGISTRATION OR INCOMPLETE REGISTRATION

8010. Incomplete Registration for Purposes of Withholding Remedy

- (a) For purposes of this subchapter, an initial registration is incomplete if it omits any of the following:
 - (1) The address of the property and designation of each rental unit thereon;
 - (2) The name and address for service of notice on the landlord(s);
 - (3) The base rent for each unit under section 1804 of the Rent Control Law, unless the MAR for each unit has been certified;
 - (4) The signature of an owner, or authorized agent of the owner for whom an authorization form is on file with the Board.
- (b) For purposes of this subchapter, change of ownership registration forms pertaining to a previously registered property and filed by a new owner subsequent to January 1, 2001 shall be deemed incomplete if they omit any of the following:
 - (1) The address of the property;
 - (2) the name(s) and street address(es) of the business or residence of the landlord(s), including the manager of the property, if any. If the owner of the property is a corporation, the registration form shall provide the street address of its principal place of business and the name and street address of the business or residence of its chief executive officer. If the owner of the property is a partnership, the registration form shall provide the street address of its principal place of business and the names and street addresses of the business or residence of each partner. If the owner of the property is a limited liability company, the registration form shall provide the street address of its principal place of business and the names and street addresses of the business or residence of each manager. If the owner of the property is a trust, the registration form shall provide the name and street address of each trustee;
 - (3) the date of purchase or close of escrow;
 - (4) a declaration under penalty of perjury that the information is true and correct, with the signature of an owner, or authorized agent of the owner for whom an authorization form is on file with the Board.
- (c) For purposes of this subchapter, Vacancy Unit Registration forms filed after January 1, 2001, pertaining to a tenancy commenced on or after January 1, 1999, including a tenancy commenced pursuant to a HUD Section 8 contract which the tenant has later terminated or for which the tenant later became ineligible, shall be deemed incomplete if they omit any of the following:
 - (1) The date and the reason the unit became vacant;
 - (2) The date the unit was re-rented and the new rental rate in effect for the new tenancy;
 - (3) a declaration under penalty of perjury that the information is true and correct, with the signature of an owner, or authorized agent of the owner for whom an authorization form is on file with the Board.
- (d) For purposes of this subchapter, Incentive Unit Registration forms filed after January 1, 2001, pertaining to a new Maximum Allowable Rent of an incentive unit upon expiration of an Incentive

Housing Program Regulatory Agreement shall be deemed incomplete if they omit any of the following:

- (1) The name and street address of the business or residence of the owner primarily responsible for administering the apartment building rental business;
 - (2) If the owner is a corporation, the name of the corporation, the street address of its principal place of business and the name of its chief executive officer. If the owner is a partnership, the name of the partnership, the street address of its principal place of business and the name of its managing partner. If the owner is a limited liability company, the name of the limited liability company, the street address of its principal place of business, and the name of its manager;
 - (3) The rental amount collected for the incentive unit ninety (90) days prior to the expiration of the Regulatory Agreement, which is the new Maximum Allowable Rent of the unit.
 - (4) The signature under penalty of perjury of an owner or authorized agent of an owner for whom an authorization form is on file with the Board.
- (e) For purposes of this subchapter, Condominium Rent Level Unit Registration forms, pertaining to a new base rent for separately alienable, unsold condominium units as defined in regulation 3302(a), shall be deemed incomplete if they omit any of the following:
- (1) The base rent of the unit. For tenancies which commenced on or before May 7, 2001, the base rent is the lawful rent in effect on May 7, 2001. For tenancies which commenced after May 7, 2001, the base rent is the actual rent in effect on the initial date of tenancy;
 - (2) The signature under penalty of perjury of an owner or authorized agent of an owner for whom an authorization form is on file with the Board.
- (f) A registration form which is incomplete within the relevant subparagraph of this regulation shall be considered nonregistration for purposes of this subchapter. Every reference to "nonregistration" in this subchapter includes registration which is incomplete under this regulation.
- (g) The registration of incorrect information or the omission of information other than that called for by the relevant subparagraph of this regulation, above shall not be the basis for a complaint for nonregistration seeking authorization to withhold rent under this subchapter.

However, other remedies for such noncompliance are not limited by this regulation or subchapter.

[8010(b)(2), (b)(5), (c)(1)-(5), (d)(1)-(4) Amended 12/7/00; Effective 12/30/00]

[8010(b)(1)-(2), (b)(4), (c)(2), (d)(2), (e)-(g) Amended 1/10/02; Effective 1/26/02]

[8010(b), (c), (e) Amended 1/9/2020; Effective 1/16/2020]

8011. Nonexclusive Remedy

Pursuing a complaint for nonregistration under this regulation is not a bar to pursuing or participating in any other remedy or proceeding.

8012. Staff Investigation of Nonregistration Complaint

Upon the filing of a complaint for nonregistration or incomplete registration, staff shall investigate the records of the Board to determine whether the rental unit or property is registered in compliance with Regulation 8010. If the rental unit or property is registered in compliance with Regulation 8010, the complainant shall be notified and the complaint shall be administratively dismissed. The complaint shall otherwise be processed in accordance with Regulations 8013 through 8018 below.

8013. Hearing Procedure for Nonregistration Complaint

If the staff determines that the rental unit or property is not registered in compliance with Regulation 8010, the staff shall mail a copy of the complaint to the record owner of the unit or property to which the complaint pertains and shall schedule a hearing before a hearing examiner to determine whether a willful violation of the Rent Control Law or regulations has occurred, and if so, whether the Board should authorize the withholding of rent pursuant to section 1803(q) of the Rent Control Law. The hearing shall be conducted according to the procedures set forth in Chapter 15.

[8013 (Amended 11/14/24; Effective 12/6/24)]

8014. Standards for Decision on Complaint for Nonregistration

- (a) The issues to be determined at the hearing shall be limited to whether the registration form has been completed and filed pursuant to the requirements of Regulation 8010, and, if not, whether the landlord's failure to register in compliance with Regulation 8010 is, at the time of the hearing, knowing and wilful.
- (b) The complainant shall have the burden of proving a wilful and knowing violation of the registration requirement by a preponderance of the evidence.
- (c) A landlord shall be presumed to know and be aware of the registration requirements specified in Regulation 8010 and preexisting regulations and provisions of the Rent Control Law and any regulations in existence at the time of the hearing.

8015. Effect of Finding of Wilful Nonregistration

A finding of wilful nonregistration shall be deemed a violation of the Rent Control Law with respect to all units on the property. That finding shall be binding upon the landlord in any other administrative proceeding brought subsequently by any person against that landlord in which a violation of the Rent Control Law may be at issue.

8016. Registration Before Hearing

If the landlord registers the rental unit or property in compliance with Regulation 8010 before the hearing, the complaint shall be dismissed and the matter shall not be heard. The complainant shall promptly be notified of the dismissal of the complaint.

8017. Decision Authorizing Rent Withholding

- (a) If the hearing examiner determines that the landlord has wilfully failed to register the rental unit or property in accordance with Regulation 8010 the hearing examiner shall authorize the tenant(s) of the unit or property to withhold payment of rent which would otherwise be due and payable until such time as landlord complies with the requirements of Regulation 8010. The hearing examiner, in his or her discretion, may postpone authorization of rent withholding by up to 7 days to permit additional time for compliance by the landlord with Regulation 8010.
- (b) Any tenant who is authorized by the hearing examiner to withhold rent pursuant to a complaint for nonregistration may cease to pay any rent to landlord pending further notice, but will be directed by the hearing examiner's decision to maintain available the funds which would otherwise have

been paid as rent, in the event that all or some of those funds must eventually be paid pursuant to subsection (e), below.

- (c) The authorization to withhold need not state the names of the tenants in any unit in order to be effective.
- (d) The landlord may request a compliance determination at any time by applying to the hearing examiner who authorized rent withholding and furnishing a copy of the registration form filed. Upon notification by the Board that the rental unit or property is registered in compliance with Regulation 8010 the tenant(s) shall resume regular rental payments beginning with the next regularly scheduled rent payment after receipt of notice of compliance.
- (e) In addition to resuming regular rent payments the tenant shall, within ten days of notification by the Board, pay to the landlord a portion of the rent withheld during the period of rent withholding, as determined in the notice of compliance, as follows:
 - (1) If the landlord complies within 30 days of the final hearing examiner or Board decision permitting rent withholding, 75% of the rent withheld.
 - (2) If the landlord complies within 31 to 60 days of the final hearing examiner or Board decision permitting rent withholding, 50% of the rent withheld.
 - (3) If the landlord complies within 61 to 90 days of the final hearing examiner or Board decision permitting rent withholding, 25% of the rent withheld.
 - (4) If the landlord complies after 90 days following the final hearing examiner or Board decision permitting rent withholding, the tenant shall keep all of the rent withheld.

8018. Relationship of Withholding Remedy to Other Administrative Remedies

- (a) In accordance with Regulation 8015 above, a determination that a landlord has wilfully failed to register a unit or property in compliance with Regulation 8010 shall constitute a binding determination that landlord was, at the time of such decision and until determination of compliance is made, in violation of the Rent Control Law. However, such determination does not pertain to any other period of time, and has no binding effect as to any other period of time.
- (b) Upon a finding that landlord is, at the time of hearing, in wilful and knowing violation of the registration requirements of the Rent Control Law and Regulation 8010, landlord shall not implement any rent increases to which he or she would otherwise be entitled until a determination of compliance is made.
- (c) Where noncompliance with any of the registration requirements of Regulation 8010 is raised in a proceeding upon a complaint for excess rent pursuant to subchapter C of this chapter, and a finding is made that landlord is, at the time of the hearing, in wilful and knowing violation of the requirements of Regulation 8010, then the hearing examiner or Board may authorize withholding of rent pursuant to Regulation 8015 in addition to any other relief ordered in that proceeding.
- (d) Where withholding is authorized at the same time that a complaint for excess rent is sustained, the hearing examiner shall at the time of applying Regulation 8017(e) ensure that no withholding of rent authorized as a remedy for nonregistration shall be subtracted or otherwise taken into account in determining tenant's entitlement to recoupment of excess rent, so that the two remedies are separately applied.

[8018(b) Amended 10/11/90; Effective 10/30/90]

SUBCHAPTER C

ACTION ON COMPLAINT FOR RESTITUTION OF RENT OVERCHARGES (EXCESS RENT) AND PENALTIES

8020. Scope of Chapter

The purpose of this subchapter is to establish the pre-hearing procedures, limitations, and substantive standards to be applied to complaints that a landlord has charged more than the maximum lawful amount of rent permitted by the Rent Control Law. The amount by which the rent charged exceeds the maximum lawful rent is a recoverable overcharge, also known as excess rent. This subchapter applies to all forms of excess rent, including, but not limited to:

- (a) a monthly charge greater than the maximum lawful rent;
- (b) the charging by a landlord of a "finder's fee," "key money," "reward" or any other fee, however denominated, as a condition of initial occupancy of the unit other than a lawful security deposit or monthly rent;
- (c) the charging by any person, other than a landlord, of a "finder's fee," "key money," "reward" or any other fee, however denominated, as a condition to the initial occupancy of a specific unit, if any portion of that fee is transferred to landlord or its payment inures to the benefit of the landlord, directly or indirectly;
- (d) the charging by any person, other than a landlord, of a "finder's fee," "key money," "reward" or any other fee, however denominated, as a condition to the initial occupancy of a specific unit, by any person, other than a licensed real estate broker or agent, or other person authorized by law to collect such a fee;
- (e) the charging of any fee for services or amenities which landlord is legally obligated to provide without additional charge, e.g., base amenities or services required to be provided by law;
- (f) the charging of any fee for services or amenities which were not legally required to be provided with the unit but which a tenant was required to agree to accept as a condition of occupying or continuing to occupy the unit, rather than pursuant to a bona fide separate agreement, as described in Regulation 3201.
- (g) The charging of any fee arising from the landlord-tenant relationship or pertaining to the continuing occupancy of a unit which is in addition to the lawful rent and initial security deposit and which is not authorized by law or separate agreement as defined in Regulation 3201.
- (h) The amount by which an otherwise lawful fee arising from the landlord-tenant relationship or pertaining to the continuing occupancy of a unit exceeds the amount allowed by law.
- (i) The amount of any rent increase which landlord was not entitled to implement, subject to the limitations in this subchapter.
- (j) The charging of unadjusted rent in violation of a decrease decision.
- (k) The reasonable market value of goods or services furnished by a tenant to a landlord or person in lieu of any of the fees described herein.
- (l) The charging of rent in excess of the lawful rent to a subtenant or co-tenant by a tenant.

- (m) The charging of any pass-through or surcharge which an owner is not lawfully authorized to charge.

[8020(n) Adopted 1/10/02; Effective 1/26/02]

[8020(n) Repealed 12/14/23; Effective 12/30/23]

8021. Election of Judicial or Administrative Remedies

- (a) The remedy available upon an administrative complaint for excess rent is in lieu of and not additional to the remedy available in a civil action by the tenant for damages for excess rent. Subject to the exceptions in (b) and (c) below, once a hearing on an administrative complaint has been commenced by the taking of evidence, the election of the administrative remedy may serve as a defense to a civil action for damages relating to the same alleged period of time or receipt of excess rent which underlies the administrative complaint.
- (b) The election provided in this provision does not apply to a civil action initiated pursuant to Code of Civil Procedure section 1094.5 to obtain judicial review of an administrative decision, nor to any civil action other than for damages for excess rent, nor does it in any way prevent a tenant from raising an equitable defense of setoff or other defense in an unlawful detainer proceeding.
- (c) Filing of a complaint for excess rent does not operate as an election of remedies until such time as an administrative hearing has commenced in which evidence has been taken. Dismissal or withdrawal of the complaint prior to commencement of hearing does not preclude a complainant from seeking relief by civil action for damages for excess rent.
- (d) Except as provided in subsection (a) above, the remedies available under this chapter are additional to any other remedies that a complainant has under any law. Exhaustion of the administrative procedures under this chapter is not a prerequisite to the availability of any other remedy at law or equity, except that exhaustion of the administrative process shall remain a prerequisite to the filing of a writ pursuant to Code of Civil Procedure Section 1094.5 seeking judicial review of an administrative decision.

[8021(a)-(c) Amended 12/14/23; Effective 12/30/23]

8021.5 "Landlord" Defined

For purposes of subchapter C, and in accordance with Section 1801(e) of the Rent Control Law, the term "landlord" whenever used herein includes the current property owner or any other person who is by law a landlord including successors and predecessors in interest of such persons. However, the liability of a successor owner for excess rent received by a predecessor in interest or for noncompliance of a predecessor in interest shall be limited as set forth in section 8024(h) below.

[8021.5 Amended 10/11/90; Effective 10/30/90]

[8021.5 Amended 4/25/91; Effective 5/8/91]

8022. Requirements of a Complaint

- (a) A complainant seeking to file a complaint under this subchapter shall first serve a letter on the landlord that requests reimbursement of excess rent at least 30 days prior to the filing of the complaint. The letter shall specify the claimed period and amount of excess rent. The landlord's reimbursement of the excess rent alleged in the letter precludes the filing of a complaint for that excess rent.
- (b) If the parties fail to resolve the matter, the complainant may then submit a completed complaint form to the Board with all required attachments. The complaint shall be for the same amount of

excess rent requested in the letter served on the landlord, which shall not preclude a different finding upon adjudication by the hearing officer. The complaint shall also contain the following information:

- (1) The name and address of the complainant;
- (2) The name and address of the current owner or the current property manager of the property at which the complainant resides;
- (3) The date and amount of each payment to landlords, including successors and predecessors in interest, which is alleged to constitute excess rent, whether in whole or in part;
- (4) The names and current addresses of any other person or persons who have occupied or resided in the subject unit and who have paid any rent to any landlord at any time during which excess rent is alleged to have been paid by the complainant;
- (5) The date that the complainant moved into the subject unit, whether the complainant moved into an occupied or vacant unit, the initial rent paid by the complainant, and, if applicable, the initial rent paid by the first tenant of an existing tenancy if the complainant moved into an occupied unit;
- (6) A certification that the complainant has read or has had read to them the Board's regulations in Chapter 8, subchapter C, and acknowledges the election of remedies which occur when the complaint is heard and the limitations on the administrative remedy imposed by Regulation 8022;

(c) The complainant must attach the following to the complaint:

- (1) Copy of a letter from the complainant to the landlord which requests reimbursement of excess rent paid by the complainant;
 - (i) In order to be accepted for filing, the complaint must be accompanied by a copy of the letter and an official Board proof of service form signed by the tenant, or the tenant's agent.
 - (ii) In the proof of service, the tenant shall declare under penalty of perjury that he or she served the letter on the landlord in the manner specified therein.
- (2) Copies of all receipts or cancelled checks or similar documentation available to the complainant tending to establish the alleged payment and acceptance of excess rent by the landlord;
- (3) Copies of any leases or rental agreements between the complainant and any landlord(s) including the initial lease or rental agreement under which the complainant occupied the unit, even if prior to the period for which excess rent is claimed;
- (4) Copies of any written agreements between the complainant and any landlord pertaining to payments for rental or purchase of items or services which may be considered or claimed to be "separate" from payment of rent for the complainant's unit;
- (5) Copies of any written agreements between complainant and any third party or landlord which may be considered separate from the rental agreement or lease and which concern a security deposit, a "finder's fee," a "broker's fee" or any other payment made in connection with initial occupancy of the unit in addition to or other than rent;
- (6) Copies of any annual or periodic notices given by any landlord to the complainant concerning increases in the maximum allowable rent for the subject unit;

- (7) Copies of all other documents available to the complainant pertaining to the claim for excess rent, such as correspondence with any landlord, agreements with real estate brokers or newspaper advertisements for the rental of the subject unit, or any applicable unlawful detainer documents.

If such documents exist but are not readily available to the complainant, the complainant must so state and provide a written explanation as to why such documents cannot be obtained by complainant by ordinary means.

- (d) A complaint shall be subject to dismissal in accordance with regulation 8009 if it fails to contain the information required in section (b) or the attachments required in subsection (c).
- (e) The complainant shall not be permitted to introduce documentary evidence at a subsequent hearing on the complaint unless copies of such documentary evidence were attached to the complaint, or a satisfactory explanation was provided for failure to attach such documents, or the documents could not have been obtained prior to the filing of the complaint in the exercise of reasonable diligence, or an offer of testimony in lieu of the documents was provided in the complaint. This provision shall not prevent a hearing examiner or the Board from entertaining an offer of proof or testimony relating to such documents and considering such documents upon a finding of good cause and materiality.

[8022(a)(2), (b)(1) Amended 10/11/90; Effective 10/30/90]

[8022(a)(4)-(7) Amended 3/4/93; Effective 4/2/93]

[8022(a)-(e) (Amended and Renumbered 12/14/23; Effective 12/30/23)]

8023. Limitations

In order that the administrative remedy for restitution of excess rent and penalties may be made available to the greatest number of tenants in the most efficient manner, the procedures and tenants' rights hereunder have been streamlined and may be narrower in some respects than the remedy available by civil action. The following limitations apply to the administrative remedy available under this chapter, but may or may not apply to civil actions.

- (a) Demand For Excess Rent Without Actual Receipt by Landlord: No remedy is available under this chapter for any demand for payment of excess rent which did not result in actual payment and receipt by landlord of excess rent.
- (b) Full Refund Prior to Implementation of Increase: No remedy is available under this chapter for any payment of excess rent which was refunded by the landlord in whole to the complainant prior to any landlord's implementation of any subsequent rent increase.
- (c) Former Landlord With No Remaining Ownership: No remedy is available under this chapter against a landlord who has relinquished any and all ownership interest, legal, equitable, and beneficial by a bona fide, recorded transfer prior to the date on which the complaint is filed. However, a successor in interest may be liable for excess rent received by a predecessor to the extent set forth in section 8024(h) below.
- (d) Fully Performed Settlement Agreement Predating Complaint: No remedy is available under this chapter for any payment of excess rent where landlord's liability for said payment was discharged by a written agreement voluntarily entered into and fully performed prior to the filing of the complaint. The existence of such an agreement does not bar the processing and hearing of a complaint, but the existence and full performance of the agreement may be established by landlord in the course of the hearing process as a defense to specific allegations of overpayment.

An executory agreement, one which will not by its terms be fully performed within the 30 day period following the filing of the complaint, shall be considered in accordance with Regulation 8028.5.

- (e) Excess Rent Received More Than Three Years Before Complaint Filed: Subject to the exceptions specified in this subsection, no remedy is provided under this chapter for restitution of excess rent which was received more than three years before the filing of the complaint.

Any fact which would operate in a civil proceeding to toll or otherwise avoid the bar of a statute of limitations, including but not limited to fraudulent concealment, estoppel, breach of a duty of disclosure, or conspiracy, shall operate identically to avoid the three year limitation on the availability of restitution under these regulations. The complainant must identify any such fact and the evidence available in support of such fact in the appropriate section of the complaint form.

Evidence of acceptance of excess rent payments more than three years before the filing of the complaint may be considered in establishing that any landlord was in violation of the Rent Control Law at the time of implementing any rent increase which was in effect during the three-year period. See Regulation 8024. If excess rent was accepted both before and after the point in time three years before the filing of the complaint, any partial refunds made by any landlord at any time other than by written agreement, or any amounts previously withheld by the tenants, shall be deemed to apply to discharge liability for the earliest acceptance of excess rent.

- (f) In Lieu of Civil Action: The commencement of a hearing of a complaint under this subchapter bars the complainant and all persons in privity with the complainant from maintaining a civil damage suit pursuant to Section 1809(a) of the Rent Control Law, as to any payments of excess rent and any periods of time placed at issue by the filed complaint. The hearing is deemed commenced at the point at which any evidence is received on the issues raised in the complaint.
- (g) Prior or Pending Civil Action: No complainant may pursue the remedy available under this chapter with respect to any excess rent which is the subject of any outstanding civil action, whether or not such civil action has been resolved. The scope of a civil action and its preclusive effect shall be determined by the hearing examiner or Board by reference to the pleading therein. It shall be the burden of the landlord to raise the fact that a prior or pending civil action exists. A civil action which has been dismissed without prejudice shall not bar the availability of a remedy under these regulations.
- (h) Excess Rent Amounting to Less Than \$100: Any complaint for excess rent which seeks recovery of less than \$100 in excess rent, exclusive of penalties, may be dismissed subject to later refiling.
- (i) Penalty Previously Imposed Relative to Same Calendar Year: The Board will not impose more than one penalty amount upon a landlord found to have willfully accepted excess rent from a single complainant during a single calendar year even if the excess rent accepted during that calendar year is separately addressed in multiple complaint proceedings.

[8023(c) Adopted 10/11/90; Effective 10/30/90]

[8023(c) Amended 4/25/91; Effective 5/8/91]

[8023(a), (c), (d), (e), (i) Amended 12/14/23; Effective 12/30/23]

8024. Historical Lawful Rent Levels in Excess Rent Complaint Proceedings

- (a) Lawful Rent: The lawful rent for any historical point in time is determined initially by reference to the maximum allowable rent ("MAR") reflected in Board records, consistent with the base rent underlying a certified maximum allowable rent, if any, and including all general adjustments granted prior to the date in question and any individual rent adjustments ordered by the Board and in effect on the date in question.
- (b) Maximum Lawful Rent: The maximum lawful rent is determined initially by reference to the lawful rent. The lawful rent is then adjusted upon proof that on the date in question, the landlord was not in compliance and hence not entitled to implement one or more previously available rent increases, whether a general adjustment or individual adjustment, because of landlord's noncompliance with

specific requirements of the Rent Control Law set forth in subsection (e) below. For the purposes of this section, if a landlord is not in compliance on the date that the annual general adjustment becomes available, in accordance with Chapter 3, then the landlord is not entitled to that general adjustment.

- (c) Calculation Generally: Except where the three year limitation period is found inapplicable, the amount of rent overcharge (excess rent) accepted by a landlord is determined by the difference between the amount of rent actually paid, not including any lawfully included registration fee pass-throughs or surcharges, on any occasion during the three years preceding the filing of the complaint and the maximum lawful rent in effect on the date that payment was made. As to a payment for initial occupancy of a unit, excess rent may also be established by the extent to which a payment denominated security deposit exceeds the lawful maximum security deposit under California law.

The authority for this provision is Section 1805(h) of the Rent Control Law and section 1947.7(c) of the Civil Code. A determination that a landlord was not entitled to implement a rent increase is not a penalty.

- (d) Burden of Proof of Historical Noncompliance: A complainant may allege and offer evidence to establish that any historical implementation of a rent increase was at that time unlawful due to landlord's noncompliance with the legal requirements specified in subsection (e) below, and that landlord remained noncompliant during any subsequent implementation of any rent increase.

- (e) Types of Noncompliance: For purposes of this chapter, the only forms of noncompliance with legal requirements which render implementation of a rent increase unlawful on any historical date are limited to the following:

- (1) Knowing retention of excess rent received by landlord from the complainant. Receipt and retention of an insubstantial amount, in good faith, as a result of unintentional mathematical error or other mistake of fact, shall not constitute noncompliance for purposes of this subchapter;
- (2) Failure of landlord to pay in full all outstanding registration fees and penalties which have not otherwise been barred by the statute of limitation;
- (3) Willful failure to register or to register completely, as required by Regulation 8010, if such noncompliance exists at the time of the filing of the complaint;
- (4) Failure to correct within a reasonable period of time conditions specified in a citation or notice of violation of health, safety, or housing laws existing at the subject property with respect to complainant's unit or common areas of the building. A reasonable period of time shall be consistent with the amount of time provided for compliance by the citing agency in its order. A determination by the agency issuing the notice or citation that the condition has been corrected shall be conclusive upon the hearing examiner.

- (f) Period of Noncompliance: Noncompliance with any of the above requirements shall preclude an increase of rent during the period of noncompliance and until compliance occurs. Rent increases lawfully noticed before the period of noncompliance began are not affected by subsequent noncompliance and remain in effect. Likewise, when noncompliance ends, all rent increases which became available during the period of noncompliance may be implemented prospectively, subject to limits imposed by state law and to the limits in Regulation 4107, if applicable.

- (g) Burden of Proof of Subsequent Compliance: Upon a finding supported by a preponderance of the evidence that landlord was not in compliance with any of the requirements of subsection (e) above at the time that a rent increase was implemented, such noncompliance will be presumed to continue until the present time unless landlord establishes by a preponderance of the evidence that he/she came into compliance on a subsequent date. A landlord may offer evidence of compliance at any point in time without admitting or being deemed to have admitted prior noncompliance.

(h) Noncompliance Prior to Ownership

Every person who acquires an interest in rental property shall be deemed conclusively to be in compliance at time of acquisition, except when, at the time of acquisition,

1. A final decision or civil judgment requiring restitution of excess rent is outstanding and unsatisfied. This exception shall not apply to approved repayment agreements.
2. A complaint for excess rent pertaining to the property is pending before the Board.
3. There is an outstanding citation or uncorrected notice of violation of a health, safety or housing code pertaining to the property.

Each of the foregoing exceptions to the presumption of a compliance at acquisition are matters of public record from which a person acquiring property receives constructive notice of potential liability.

[8024(c), (d), (e)(1)-(2), (g) Amended 10/11/90; Effective 10/30/90]

[8024(h) Adopted 10/11/90; Effective 10/30/90]

[8024(h) Amended 4/25/91; Effective 5/8/91]

[8024(a)-(c) Amended and Renumbered 12/14/23; Effective 12/30/23]

[8024(e)(3)-(4), (f) Amended 12/14/23; Effective 12/30/23]

8025. Administrative Determination of Prima Facie Case

[8025(b) Amended 10/11/90; Effective 10/30/90]

[8025 Repealed 12/14/23; Effective 12/30/23]

8026. Time of Filing of Complaint

[8026 Repealed 12/14/23; Effective 12/30/23]

8027. Pre-Hearing Notice and Satisfaction of Complaint

- (a) Notice of Filing: Within five (5) business days of the filing, Staff shall notify the landlord or landlords to whom the complaint relates by mail of the filing of the complaint, including a copy of the complaint. The notice shall inform the landlord that the supporting documentation may be reviewed at the Board's offices. The notice and supporting documentation may be provided by email upon the landlord's written request.
- (b) Notice of Consequences: The Notice of Filing shall also state that adjudication of the complaint by a hearing examiner may result in liability for a greater amount than that which was alleged in the complaint, as well as the imposition of penalties and additional damages up to \$500.
- (c) Withdrawal of Complaint After Filing: The Administrator, acting on behalf of the Board, has an independent interest in the enforcement of the Rent Control Law which could be jeopardized by withdrawal of complaints once filed. A complainant wishing to withdraw a complaint may not do so without the consent of the Administrator, or the Administrator's designee. A request to withdraw must be supported by a written statement of reasons demonstrating that the withdrawal will not weaken or interfere with the Board's enforcement of the Rent Control Law.
- (d) Satisfaction of Complaint by Reimbursement A landlord who reimburses the tenant of the excess amount alleged in the complaint prior to its adjudication by a hearing examiner shall present to the Board a receipt or other document clearly evidencing that tenant has been paid the amount in question in satisfaction of the compliance request, and a written confirmation from the tenant confirming satisfaction of the complaint. Upon their receipt, the complaint shall be dismissed.

- (e) Satisfaction of Complaint by Executory Agreement: A landlord may also satisfy a complaint through an executory agreement in accordance with Regulation 8028.5.

[8027(a)-(e) Amended and Renumbered 12/14/23; Effective 12/30/23]

8028. Settlement Conference

- (a) Prior to the hearing on a complaint, at the discretion of the Hearings Department Manager, a settlement conference may be scheduled with a Settlement Conference Facilitator (SCF). Failure of either party to attend shall not bar the matter from proceeding to hearing.
- (b) The purpose of this regulation is to provide an expeditious and affordable mechanism for complainants and landlords to meet and resolve their differences informally, with the assistance of a skilled intermediary. This regulation ensures due process for landlords and complainants by encouraging each party to assess their probable entitlement and exposure to liability without requiring agreement, and by allowing each party to speak with their attorney, if any, prior to committing to any agreement.
- (c) No attorney may participate in the settlement conference on behalf of a party. All parties must appear individually, except that a representative other than an attorney may appear on behalf of a landlord which is a business entity and not an individual.
- (d) If the parties are able to agree, and the SCF is satisfied that the agreement is reasonable and voluntary, then its terms shall be reduced to writing. Either party may defer signing any agreement until he/she has had an opportunity to consult with an attorney. The parties shall in that event agree to formalize the agreement or reconvene the mediation no later than 10 days thereafter. If the signing of the agreement is deferred, the parties shall waive the 120 day timeline of Section 8066.
- (e) When formalized, an executory agreement shall become a final decision of the Board in accordance with Regulation 8028.5.
- (f) If the parties formalize the agreement and fully perform within its timelines, the SCF shall transfer the matter to the Hearings Department to be closed.
- (g) If the parties do not reconvene at the agreed time and place and/or do not formalize the agreement, or if no agreement is reached, the matter will be transferred to the hearings department for hearing.
- (h) No record shall be made of any act, statement, or occurrence during the settlement process, except that the SCF shall note in the file whether or not the landlord participated in the settlement conference. The hearing examiner may consider the appearance or nonappearance of the parties for the limited purposes set forth in Regulation 8030(c).

[8028 Amended 10/18/93; Effective 11/10/93]

[8028(a)-(h) Amended and Renumbered 12/14/23; Effective 12/30/23]

8028.5 Executory Agreements and Agreements Reducing Liability

- (a) Authority of Board: The Board's authority to enforce the terms of the Rent Control Law cannot be limited by agreements to which it is not a party. The Administrator, acting on behalf of the Board, may refuse to approve executory agreements between a landlord and complainant, or agreements reducing liability, and insist upon proceeding with the hearings process if the requirements of subsections (b) and (c) are not met so long as no more than one hundred and twenty days (120) have passed since the date of the occurrence of the subject violation.

(b) Executory Agreement Made in the Course of the Settlement Conference for Repayment of Excess Rent

Whether entered into before or after the filing of the complaint, any executory agreement for repayment of excess rent reached through, or as the result of, the Board's settlement conference process, shall become a final decision of the Board. The parties shall stipulate, in writing, that a final Board decision will be issued which includes the following:

- (1) The agreement will become a final (non-appealable) Board decision, without the necessity of findings of fact, conclusions of law or formal action by the Board.
- (2) In view of its consensual nature, a Board decision which incorporates an agreement under this regulation may not be challenged pursuant to C.C.P. §1094.5.
- (3) Landlord and successors in interest shall be deemed not in compliance with the Rent Control Law, and not entitled to implement any rent increases, as to the subject unit, until the agreement is fully performed.

(c) Agreement (Made Outside Settlement Conference) Reducing Liability for Repayment

An agreement for repayment other than one reached in the course of the settlement conference which reduces the amount of excess rent to be repaid below the amount requested in the letter requesting reimbursement of excess rent, served on the landlord pursuant to regulation 8022(b), shall be acceptable only following review and at the discretion of the Administrator, acting on behalf of the Board.

In determining whether to accept or reject the agreement, the Board shall consider the following:

- (1) whether the reduction in liability corresponds reasonably to the costs to the complainant of proceeding to hearing and/or the risks of being denied restitution therein;
- (2) whether the landlord has attempted to influence the complainant by threat of adverse consequence, whether expressly or by implication, and whether or not such consequence can otherwise legally occur;
- (3) whether and to what extent the Board has a special interest under the facts of the case in pursuing the hearing process, even against the wishes of the complainant.

If the Administrator rejects the agreement, the landlord and complaining tenant will be notified. The proceedings under this subchapter shall continue from the point at which the agreement was generated. If the complainant thereafter fails to pursue the claim, the Administrator may choose to be substituted as the complainant and the process will continue to final adjudication.

(d) Approved Executory Agreements

If the agreement is approved, and is an executory agreement, it will be adopted subject to the requirements of subsection (b) above.

[8028.5(b) Amended 10/11/90; Effective 10/30/90]

[8028.5(e) Repealed 10/11/90; Effective 10/30/90]

[8028.5 Amended 10/28/93; Effective 11/10/93]

[8028.5(a)-(c) Amended 12/14/23; Effective 12/30/23]

8029. Determination

Upon referral to the hearings department following exhaustion of the settlement process in regulation 8028, the hearing examiner shall schedule a hearing as hereinafter provided to determine:

- (1) Whether landlord has accepted and retained any payment or portion thereof in excess of the maximum lawful rent, and the amount of restitution to be ordered in light thereof;
- (2) To what extent, if any, the complainant is entitled to an additional award for interest upon any excess rent found by the hearing examiner;
- (3) Whether any receipt by landlord of excess rent during the year prior to the filing of the complaint was willful and if so, the amount of a penalty to be imposed pursuant to section 1809(b) of the Rent Control Law.
- (4) The hearing shall be conducted according to the procedures set forth in Chapter 15.

[8029 Amended 10/11/90; Effective 10/30/90]

[8029(4) Amended 11/14/24; Effective 12/6/24]

8030. Standards for Decision In Excess Rent Complaints

- (a) Restitution. If the preponderance of the evidence establishes that landlord has accepted and retained any payment of rent or portion thereof in excess of the maximum lawful rent from the complainant, the current landlord is liable to the complainant for the amount by which payment or payments accepted and retained exceeded the maximum lawful rent.
- (b) Interest. The complainant shall be entitled to an award of interest of up to \$500 on the amount of excess rent for the period of time during which such excess rent was retained prior to the date of filing of the complaint. The applicable rate of interest shall be the rate specified by law (California Constitution, Article XV) and shall be simple interest.
- (c) Penalties. Upon a finding supported by a preponderance of the evidence that any landlord willfully violated the Rent Control Law by receiving or retaining excess rent during the claimed period, the hearing examiner may assess a penalty against the landlord to be added to the award. In making such determination, the hearing examiner shall presume that landlord acted with awareness of all legal requirements expressed by statute, charter, ordinance or regulation. The penalty may not exceed the difference between any interest awarded under subsection (b) above and \$500.

The amount of the penalty will be a proportion of the difference between the \$500 and the interest already awarded. The proportion will be determined by the amount by which the rent received by landlord during the previous year exceeded the maximum lawful rent which landlord was entitled to receive during that year.

- (1) If the rent received exceeded the lawful rent by 10% or less, the penalty shall be a third (33.3%) of the available amount.
- (2) If the rent received exceed the lawful rent by more than 10% but less than 25%, the penalty shall be two-thirds (66.6%) of the available amount.
- (3) If the rent received exceeded the lawful rent by 25% or more, than the entire remainder shall be awarded.
- (4) If the file reflects that the respondent landlord participated in the settlement conference or was excused from participating for good cause, the penalty otherwise awarded under this subsection shall be reduced by \$50.

[8030 Amended 10/11/90; Effective 10/30/90]
[8030(c), (c)(4) Amended 12/14/23; Effective 12/30/23]

[Chapter 8 Adopted 9/6/79; Effective 9/18/79]
[Chapter 8 Amended 9/1/83; Effective 9/10/83] – Complete Reworking of Chapter 8, All Sections Changed
[Chapter 8 Amended 4/12/90; Effective 4/23/90] – Complete Reworking of Chapter 8, All Sections Changed
[8018(b) Amended 10/11/90; Effective 10/30/90]
[8021.5 Amended 10/11/90; Effective 10/30/90]
[8022(a)(2), (b)(1) Amended 10/11/90; Effective 10/30/90]
[8023(c) Adopted 10/11/90; Effective 10/30/90]
[8024(c), (d), (e)(1)-(2), (g) Amended 10/11/90; Effective 10/30/90]
[8024(h) Adopted 10/11/90; Effective 10/30/90]
[8024.5 Repealed 10/11/90; Effective 10/30/90]
[8025(b) Amended 10/11/90; Effective 10/30/90]
[8028.5(b) Amended 10/11/90; Effective 10/30/90]
[8028.5(e) Repealed 10/11/90; Effective 10/30/90]
[8029 Amended 10/11/90; Effective 10/30/90]
[8030 Amended 10/11/90; Effective 10/30/90]
[8021.5 Amended 4/25/91; Effective 5/8/91]
[8023(c) Amended 4/25/91; Effective 5/8/91]
[8024(h) Amended 4/25/91; Effective 5/8/91]
[8022(a)(4)-(7) Amended 3/4/93; Effective 4/2/93]
[8028 Amended 10/28/93; Effective 11/10/93]
[8028.5 Amended 10/28/93; Effective 11/10/93]
[8065 Amended 11/9/00; Effective 11/25/00]
[8010(b)(2), (b)(5), (c)(1)-(5), (d)(1)-(4) Amended 12/7/00; Effective 12/30/00]
[8010(b)(1)-(2), (b)(4), (c)(2), (d)(2), (e)-(g) Amended 1/10/02; Effective 1/26/02]
[8020(n) Adopted 1/10/02; Effective 1/26/02]
[8070(c)(1) Amended 5/6/04; Effective 6/3/04]
[8066 Adopted 1/13/11; Effective 1/22/11]
[8066 Amended 3/10/11; Effective 3/17/11]
[8010(b), (c), (e) Amended 1/9/2020; Effective 1/16/2020]
[8020(n) Repealed 12/14/23; Effective 12/30/23]
[8021(a)-(c) Amended 12/14/23; Effective 12/30/23]
[8022(a)-(e) (Amended and Renumbered 12/14/23; Effective 12/30/23]
[8023(a), (c), (d), (e), (i) Amended 12/14/23; Effective 12/30/23]
[8024(a)-(c) Amended and Renumbered 12/14/23; Effective 12/30/23]
[8024(e)(3)-(4), (f) Amended 12/14/23; Effective 12/30/23]
[8025 Repealed 12/14/23; Effective 12/30/23]
[8026 Repealed 12/14/23; Effective 12/30/23]
[8027(a)-(e) Amended and Renumbered 12/14/23; Effective 12/30/23]
[8028(a)-(h) Amended and Renumbered 12/14/23; Effective 12/30/23]
[8028.5(a)-(c) Amended 12/14/23; Effective 12/30/23]
[8030(c), (c)(4) Amended 12/14/23; Effective 12/30/23]
[8003 (Amended 11/14/24; Effective 12/6/24]
[8013 (Amended 11/14/24; Effective 12/6/24]
[8029(4) Amended 11/14/24; Effective 12/6/24]
[8040-8070- Subchapter D - Repealed 11/14/24; Effective 12/6/24]

NOTE: On 9/1/83 and 4/12/90, the Rent Control Board revised all sections of Chapter 8. For a complete history of Chapter 8 revisions prior to 4/12/90, please contact the Rent Control Board.

CHAPTER 9

EVICCTIONS

9000. Scope of Regulations

These regulations are designed to implement and clarify the just cause eviction requirements of §1806 of the Santa Monica City Charter. The authority for promulgation of these regulations derives from §1803(g) of the Santa Monica City Charter.

9001. Notice of Eviction

Any notice served upon a tenant to terminate a tenancy pursuant to §1806 shall contain a specific statement of the reasons for the termination with specific facts to permit a determination of the date, place, witnesses and circumstances concerning the reason for the eviction.

9002. Evictions Under §1806(a)(8)

(a) Definition of Landlord for Purposes of this Regulation.

- (1) Only a natural person who has at least a 50 percent ownership interest in a property shall be considered a landlord.
- (2) No corporation, partnership, limited partnership, trust company, as defined in California Financial Code, Section 107, or association shall be considered a landlord.

(b) Number of Allowable Evictions Under §1806(a)(8).

A "landlord" as defined in §9002(a)(1) may evict a tenant from a controlled residential rental unit for the use and occupancy of himself or herself or for one of the relatives enumerated in subsection (c) for one unit only on a given property.

- (1) A tenant evicted from a unit for owner or relative occupancy who subsequently re-occupies the unit may not again be evicted from that unit for owner or relative occupancy by that same owner for four years from the date of the first notice to vacate.
- (2) A tenant who has prevailed in a trial on the merits in an eviction for owner or relative occupancy may not have his or her tenancy terminated by that owner for owner or relative occupancy for four years from the date of judgment.
- (3) The landlord or enumerated relative must intend to occupy the unit as his or her primary place of residence.
- (4) If any landlord as defined in §9002(a)(1) or enumerated relative already occupies one unit on a property, no eviction pursuant to §1806(a)(8) may take place.
- (5) No eviction for this purpose is permitted if a vacancy exists on the property and the vacant unit is comparable to the unit for which eviction is sought.

(c) Persons for Whom a Tenant May Be Evicted.

A landlord may evict a tenant from a controlled rental unit if the landlord seeks to recover possession in good faith for the use and occupancy of herself or himself, or her or his children, parents, grandparents, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law.

(d) "Good Faith" Requirements.

This subsection illustrates, but does not exhaust, the factors to be considered in determining whether the landlord is evicting a tenant in good faith under §1806(a)(8).

- (1) A landlord is not acting in good faith if the landlord or enumerated relative for whom a tenant has been evicted does not intend to move into the unit within 60 days of the date that the tenant vacates the unit and does not intend to thereafter occupy the rental unit for a minimum period of two (2) years as his/her principal place of residence, unless extenuating circumstances exist.
- (2) Where proof is presented that an ownership interest was granted for the primary purpose of qualifying a person as a landlord for purposes of eviction under §1806(a)(8), the landlord is not proceeding in good faith.
- (3) A landlord who has served an eviction notice on a tenant under §1806(a)(8) is not proceeding in good faith if the landlord has other vacant rental units in the property where the tenant currently resides or in any other residential rental property s/he owns in Santa Monica or the greater Los Angeles area, from the date of the notice to quit until the date of judgment of unlawful detainer and does not offer each of the available vacant units to the tenant being evicted. A vacant unit shall include any unit for which the landlord has received notice that a tenant intends to vacate and any unit which is being refurbished or repaired and is not currently rented.
- (4) If the unit from which the tenant was evicted pursuant to §1806(a)(8) becomes vacant within two (2) years, the tenant shall have the right of first refusal to re-occupy the unit at the rent in effect when the notice terminating tenancy was served. The landlord shall give the tenant written notice of the vacant unit and the tenant's right to re-occupy it and shall give the tenant a reasonable time to accept or reject the unit. If the landlord fails to give the tenant such notice, the landlord may assert applicable extenuating circumstances as a defense in any subsequent proceeding to enforce this section.
- (5) The court in making a determination regarding the presence or absence of good faith in an eviction should consider, along with any other factors deemed relevant: whether the tenant has recently reported violations of the Charter Amendment to the Board; whether the landlord has vacant rental units in other residential rental properties in the greater Los Angeles area; whether the landlord has previously attempted to evict these or other tenants; whether vacancies existed prior to service of the notice terminating tenancy, but at a time when the intent to evict was being formed; whether the tenant being evicted is paying a low rent in relation to other units on the property; whether the eviction is an attempt to move the tenant into a higher priced rental unit; and any additional relevant information.

(e) Eviction Notice Requirements Under §1806(a)(8).

In an eviction pursuant to §1806(a)(8), the notice of termination of tenancy shall contain the name of the present tenant, the monthly rent currently charged, the name, relationship to landlord, and current home address of the person proposed to occupy the apartment. If the unit is a condominium or stock cooperative unit, the notice must include a copy of the removal permit, the vested rights declaration, or a final tract map recorded on or prior to April 10, 1979. The notice of termination of tenancy shall be filed with the Rent Control Board within three (3) days of service upon the tenant.

- (f) If the individual specified in the notice terminating tenancy fails to occupy the unit as his or her principal place of residence within sixty (60) days after the tenant vacates, the landlord shall both:
- (i) Offer the unit to the tenant who vacated it.

- (ii) Pay to said tenant all reasonable expenses incurred in moving from and/or back to the unit. Such payment shall include, but not be limited to, reasonable payments to moving companies for local moves, utility deposits, storage costs, fees to agencies or individuals who provide services to locate apartments, and security deposits. If the landlord has already paid the tenant under the Relocation Ordinance to vacate, the amount of that payment shall be deducted from the sum required in this regulation.
- (g) If a vacancy occurs in any unit on the property within one year of the date that the tenant vacates his or her unit, the landlord shall offer the vacant unit to the tenant who was displaced.
- (h) Comparable Vacant Units. A unit is comparable under section 1806(a)(8)(ii) if the square footage of the two units varies by no more than 15% and they contain the same number of bedrooms. Unit location and unit amenities shall not be considered in a determination of comparability unless the landlord demonstrates that the location of the tenant-occupied unit or an amenity found only in the tenant-occupied unit is required due to a documented medical need of the landlord or relative intending to move into the unit.
- (i) The remedies provided by this regulation shall be in addition to other remedies provided in the last paragraph of §1806 or by other statutory or decisional law.
- (j) A landlord shall not recover possession of a unit pursuant to Section 1806(a)(8) where there is a comparable unit occupied by a tenant who moved onto the property more recently than the tenant from whom the landlord seeks to recover possession, notwithstanding the existence of a rental agreement for a specific term between the landlord and the more-recent tenant. For purposes of this provision, “comparable unit” shall mean a unit of the same number of bedrooms, with square footage that varies no more than fifteen (15%) from the unit for which the landlord is attempting to recover possession. Unit location and unit amenities shall not be considered in a determination of comparability unless the landlord demonstrates that the location of the longer-term, tenant-occupied unit or an amenity found only in the longer-term, tenant-occupied unit is required due to a documented medical need of the landlord or relative intending to move into the unit.

[9002(j) Amended 6/1/89; Effective 6/10/89]

[9002(b) Adopted 4/29/93; Effective 6/17/93]

[9002(h), (j) Amended 4/12/01; Effective 4/21/01]

[9002(b), (d), (e), (h), (j) Amended 5/6/04; Effective 6/3/04]

[9002(b)(3) Repealed and Renumbered 8/3/06; Effective 8/12/06]

[9002(d), (f) Amended 4/13/23; Effective 4/27/23]

9003. Retaliatory Eviction

If a landlord retaliates against a tenant because of the exercise by the tenant of his/her rights under the Charter Amendment, the eviction or attempted eviction shall be unlawful.

9004. Post-Eviction Use Must Be for Residential Purposes Only

A landlord may evict a tenant under §1806 only if the use and occupancy of the rental unit is to be for residential purposes, unless the landlord has obtained a removal permit in accordance with §1803(t) of the Rent Control Charter Amendment, or a claim of vested rights pursuant to Chapter 6 of these regulations, or the landlord has filed the requisite documents with the Rent Control Board initiating the procedure for withdrawing rental units from rent or lease under Government Code §7060, et seq. and Chapter 16 of Board regulations.

[9004 Amended 5/6/04; Effective 6/3/04]

9005. Eviction for Purpose of Removal of Rental Unit

- (a) A landlord may not evict a tenant pursuant to subdivision (a)(9) of §1806 until the landlord has secured either a removal permit pursuant to §1803(t) of the Rent Control Charter Amendment, or a claim of vested rights pursuant to Chapter 6 of these regulations, or a non-residential rental exemption.
- (b) A landlord seeking to remove a controlled rental unit from the rental housing market who has not complied with subsection (a) above may not constructively evict a tenant by diminishing housing services, diminishing the tenant's rights under the rental agreement, or interfering with the use and enjoyment of the rented premises.
- (c) A landlord seeking to evict a tenant under subdivision (a)(9) of §1806, shall accompany the eviction notice with a copy of the Board's decision either granting a claim of vested rights under Chapter 6 of these regulations, granting a removal permit under §1803(t) of the Rent Control Charter Amendment.

[9005(a), (c) Amended 5/6/04; Effective 6/3/04]

9006. Exemption for Three Unit or Less Owner-Occupancy Required in Order to Evict For Reasons Other Than Those Listed in §1806

A landlord may not evict a tenant for reasons other than those set forth in §1806 of the Charter Amendment unless the landlord has applied for and received an exemption for owner-occupancy by the Board.

9007. Evictions Under Subsection 1806(a)(2) of the Rent Control Charter Amendment

- (a) No tenancy may be terminated for violation of a covenant of a rental agreement, other than the covenant to pay the lawful rent, unless that covenant was a result of an express agreement between the landlord and the tenant. An express agreement must be in writing, signed by both parties, and the tenant must have knowingly consented to the change. A landlord may not unilaterally change the terms of tenancy under Civil Code §827 and then evict the tenant for violation of the added covenant unless the tenant has agreed in writing to the additional covenant.
- (b) As used in section 1806(a)(2) of the Rent Control Charter Amendment, regarding termination of tenancy for violation of an obligation or covenant of a tenancy, an obligation or covenant of a tenancy is defined as a material and substantial term of the tenancy, violation of which the landlord has not waived either expressly or impliedly through conduct or which the landlord is not estopped from asserting.

[9007 Amended 2/11/99; Effective 2/26/99]

[9007(b) Amended 5/6/04; Effective 6/3/04]

9008. Date of Application

This section shall apply to all eviction proceedings in progress as of the effective date of this revised Chapter, and to all eviction proceedings commenced thereafter. Governing Board of Rialto Unified School District v. Mann, 18 Cal. 3d 819, 135 Cal. Rptr. 526, 558 P.2d 1 (1977).

9009. Evictions Pursuant to 1806(a)(1) and (a)(2) - Earthquake Emergency

- (a) Numerous residential rent controlled buildings and units in the City of Santa Monica have been substantially damaged due to the January 17, 1994 Northridge Earthquake and its aftershocks. These buildings and units have been posted by the City's building inspectors with notices of uninhabitability prohibiting entry ("red tags") or limiting entry ("yellow tags"). Red- and yellow-tagged buildings may not be occupied.
- (b) The Board finds that the determination by the City that a unit is not habitable by virtue of a red or yellow tag is prima facie evidence of its uninhabitability pursuant to Civil Code Section 1941, et seq.
- (c) Therefore, any tenant of a rental unit that has been deemed uninhabitable by the City of Santa Monica by virtue of a red or yellow tag shall not be evicted for failure to pay rent due on or after January 17, 1994, pursuant to Sections 1806(a)(1) and (a)(2) of the Charter (as it relates to any obligation or covenant to pay rent) during any period in which the red or yellow tag remains in effect.

[9009 Adopted 1/27/94; Effective 2/16/94]

[9009(c) Amended 5/6/04; Effective 6/3/04]

9010. No Evictions for Violating Santa Monica Municipal Code Section 4.44.040 Which Prohibits Smoking in Multi-Unit Common Areas

- (a) Santa Monica Municipal Code ("SMMC") section 4.44.040 regulates smoking in common areas of multi-unit residential properties by providing a private right of action against an individual who smokes in a common area. Multi-unit common area is defined in SMMC section 4.44.010 as: "Any indoor or outdoor area that is multi-unit residential property (including rental properties and condominiums) that is accessible to and usable by the occupant of more than one unit, including but not limited to halls, walkways, lobbies, laundry rooms, common cooking areas, outdoor dining areas, patios, play areas, swimming pools, gardens, and parking lots."
- (b) SMMC section 4.44.040(a) states as the sole remedy a private right of action. Violators are not subject to criminal penalties.
- (c) SMMC section 4.44.040(c)(1) expressly states that "Nothing in this section may be used as grounds to terminate a tenancy. Nothing in this section shall render smoking in Multi-Unit Common Areas a violation of law pursuant to any rental housing agreement."
- (d) No violation of SMMC section 4.44.040 shall be used as grounds to terminate a tenancy under section 1806.
- (e) This regulation does not affect existing grounds for eviction as set forth in section 1806.

[9010 Adopted 4/23/09; Effective 5/1/09]

9011. Buyout Offers; Disclosure of Tenant Rights

- (a) ***Written notice required before offer is made.*** Under Santa Monica Municipal Code Section 4.57.020(b), a landlord must inform a tenant of certain rights before offering any form of compensation in exchange for a tenant's agreement to voluntarily vacate a controlled rental unit (a "buyout offer"). The information must be given in writing to each tenant in a unit with respect to which a buyout offer is made, on a form approved by the Administrator or his or her designee. The landlord must retain a copy of the form, along with a record of when it was given to the tenant, for

at least five years after it is signed as provided for by paragraph (6), below. The disclosures set forth in the form must include:

- (1) *The right to refuse.* The form must state that the tenant may refuse any buyout offer, and may not be retaliated against for refusing it;
 - (2) *The right to consult a lawyer.* The form must state that the tenant may consult with a lawyer of his or her choosing before deciding whether to accept a buyout offer;
 - (3) *A 30-day right to rescind.* The form must state that the tenant may rescind his or her acceptance of the landlord's buyout offer at any time during the thirty days after the tenant's acceptance. The landlord may not negate this right by requiring the tenant, as a condition of any buyout, to give the landlord written notice of intent to vacate. Any such notice given by the tenant in connection with a buyout is void as a violation of this regulation;
 - (4) *Offer within 6 months of buyout refusal.* The form must state that offering payments to a tenant to vacate within six months after the tenant has notified the landlord in writing that the tenant does not wish to enter into a buyout agreement or buyout negotiations may constitute bad faith harassment of the tenant under Section 4.56.020(f) of the Santa Monica Municipal Code;
 - (5) *Compare to other offers.* The form must contain a statement that the tenant may visit the Rent Board for information about other buyout agreements in rent controlled rental units in the tenant's neighborhood and other relevant information;
 - (6) *Landlord and tenant signatures.* The form must include a place for the landlord to sign, together with the date of the landlord's signature, verifying that he or she gave the tenant the required notice; and a place for the tenant to sign, together with the date of the tenant's signature, verifying that he or she received the notice;
 - (7) *Relocation fees.* The form must include the amount of relocation fees required under Santa Monica Municipal Code Section 4.36.040;
 - (8) *Minimum Amount.* The form must state the minimum buyout amount and that the tenant is entitled to at least that amount;
 - (9) Any other information deemed necessary by the Administrator or his or her designee to effectuate the purpose of Santa Monica Municipal Code Section 4.57.020(b).
- (b) Under Santa Monica Municipal Code Section 4.57.020, subdivision (e), a landlord must file with the City Clerk a copy of any buyout agreement no sooner than thirty-one days, and no later than 60 days, after the agreement has been signed by all parties. The Board will accept these filed agreements from the City Clerk, subject to the following restrictions:
- (1) The agreements must be maintained by the Board's legal staff in a file that is separate from any other file.
 - (2) All information included in the agreements by which an individual might reasonably be identified ("personally-identifying information"), including without limitation an individual's name, unit number, or specific street address, must be maintained as confidential.
 - (3) The Board shall collect data from the filed agreements—including without limitation the compensation paid as consideration for the agreement and the neighborhood of the affected unit—and shall make that data public; but only to the extent that no personally-identifying information is revealed.

- (c) **Enforcement.** This section's purpose is merely to facilitate landlords' compliance with existing city law with respect to the disclosure of tenant rights and filing of buyout agreements. The Board and its staff will not enforce those substantive requirements, but will refer violations to the City Attorney.

[9011 Adopted 3/12/15; Effective 3/18/15]
[9011 Amended 4/9/15; Effective 4/16/15]
[9011 Amended 3/14/24; Effective 3/21/24]

[Chapter 9 Adopted 9/6/79; Effective 9/18/79]
[Chapter 9 Amended 9/23/82; Effective 9/30/82] – Complete Reworking of Chapter 9, All Sections Changed
[Chapter 9 Amended 4/13/89; Effective 4/23/89] – Reworking of Chapter 9, Only Sections 9000 & 9001 Were Unchanged
[9002(j) Amended 6/1/89; Effective 6/10/89]
[9002(b) Adopted 4/29/93; Effective 6/17/93]
[9009 Adopted 1/27/94; Effective 2/16/94]
[9007 Amended 2/11/99; Effective 2/26/99]
[9002(h), (j) Amended 4/12/01; Effective 4/21/01]
[9002(b), (d), (e), (h), (j) Amended 5/6/04; Effective 6/3/04]
[9004 Amended 5/6/04; Effective 6/3/04]
[9005(a), (c) Amended 5/6/04; Effective 6/3/04]
[9007(b) Amended 5/6/04; Effective 6/3/04]
[9009(c) Amended 5/6/04; Effective 6/3/04]
[9002(b)(3) Repealed and Renumbered 8/3/06; Effective 8/12/06]
[9010 Adopted 4/23/09; Effective 5/1/09]
[9011 Adopted 3/12/15; Effective 3/18/15]
[9011 Amended 4/9/15; Effective 4/16/15]
[9002(d), (f) Amended 4/13/23; Effective 4/27/23]
[9011 Amended 3/14/24; Effective 3/21/24]

NOTE: On 9/30/82 and 4/23/89, the Rent Control Board revised all sections (except for 9000 & 9001 on 4/23/89) of Chapter 9. For a complete history of Chapter 9 revisions prior to 4/23/89, please contact the Rent Control Board.

CHAPTER 10

JUDICIAL REVIEW

10000. Judicial Review of Final Board Action

- (a) Judicial review of any final decision of the Board made pursuant to Chapters 4, 5, 6, 8, 12 and 13 of these regulations may be had pursuant to Code of Civil Procedure §1094.5 if and only if the petition for writ of mandamus is filed within 90 days of the date of final Board action
- (b) Code of Civil Procedure §1094.6, pertaining to the time limits for the Judicial Review of administrative orders or decisions, is hereby incorporated in this section as if fully set forth in this section and shall be applicable to any person aggrieved by any decision of the Board who seeks judicial review of such decision pursuant to Code of Civil Procedure §1094.5.

[10000(a) Amended 12/8/83; Effective 12/17/83]

[Chapter 10 Adopted 9/6/79; Effective 9/18/79]

[10000(a) Amended 12/8/83; Effective 12/17/83]

CHAPTER 11

REGISTRATION FEE

11000. Registration Fee

- (a) By Monday, January 14, 1980, the landlord shall pay to the Board a registration fee in the amount of \$12.50 for each controlled rental unit in the City of Santa Monica.
- (b) If the landlord does not pay the amount provided in subdivision (a), a late charge shall be assessed in an amount equal to \$1.00 per controlled rental unit for each month after the due date.

As of April 14, 1980, this late charge shall be \$2.00 per controlled rental unit for each month thereafter.

- (c) A landlord may claim an exemption from the registration fee for one unit if the unit is occupied by the landlord as his or her principal place of residence.
- (d) The registration fee provided by this section is to finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1979, to June 30, 1980.
- (e) No petition, application, claim or request will be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request, and no rent increases granted by hearing examiners or the Board shall take effect for any property for which there is an unpaid registration fee bill.

[11000(a) Amended 11/29/79; Effective 12/4/79]

[11000(e) Adopted 12/6/79; Effective 12/9/79]

[11000(b) Amended 3/6/80; Effective 3/14/80]

11001. Registration Fee Number 2

- (a) By July 31, 1980, the landlord shall pay to the Santa Monica Rent Control Board a registration fee in the amount of \$48.00 for each controlled rental unit in the City of Santa Monica.
- (b) The landlord may increase the rent on any unit for which the registration fee is paid by July 31, 1980, in the amount of \$4.00 per month by serving the notice required by Civil Code §827 if the notice states that the landlord has paid the registration fee provided by this section on or before July 31, 1980. The rent increase permitted by this subsection shall, to the extent feasible, be contained in the same notice increasing rents pursuant to General Adjustment Number 3. The landlord should first add \$4.00 per month for the registration pass-through. The registration fee pass-through shall not be considered part of the rent for calculating the amount of the General Adjustment.

The rent increase permitted by this subsection shall be effective until September 1, 1981, on which date the rent shall be automatically decreased by \$4.00 per month. This subsection is designed to permit the landlord to directly, rather than indirectly, pass the registration fee to tenants of the property on a monthly basis between September 1, 1980, and September 1, 1981. Any landlord who does not pay the registration fee by July 31, 1980, may not increase rents pursuant to this subsection at any time.

- (c) If the landlord does not pay the registration fee by July 31, 1980:
- (1) A late charge shall be assessed in an amount equal to \$5.00 per controlled rental unit for each month after the due date until the fee is paid.
 - (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all of his/her controlled rental units in the City of Santa Monica.
 - (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request, until the landlord has paid the registration fee for all of his controlled rental units in the City of Santa Monica.
- (d) A landlord may claim an exemption from the registration fee for one unit if the unit is occupied by the landlord as his or her principal place or residence.
- (e) The registration fee provided by this Section is to finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1980, to June 30, 1981.
- (f) Registration Fee Waiver for Unit Participating in a Government Funded Rent Subsidy Program

A landlord may claim a waiver of registration fees for the current fiscal year for any controlled unit participating in a Federal and/or State Funded Rent Subsidy Program which is restricted to very low or low income tenants, as defined by the Department of Housing and Urban Development and/or California Housing Finance Agency.

If a unit is rented as a controlled rental unit participating in a Federal or State Rent Subsidy Program for less than an entire year, from September 1, 1980 to August 31, 1981, the landlord shall pay a prorated registration fee for the period of time such unit is not rented pursuant to the Rent Subsidy Program.

A landlord who claims a waiver from payment of part or all of the registration fee for a controlled rental unit pursuant to this Regulation shall submit to the Board such documents necessary to establish participation in a Rent Subsidy Program, or shall sign a statement under penalty of perjury that he/she is participating in the Rent Subsidy Program for the period of time for which the waiver is claimed.

[11001 Adopted 6/26/80; Effective 7/13/80]

[11001(f) Adopted 12/4/80; Effective 12/18/80]

[11001(c)(2) Amended 12/18/86; Effective 12/25/86]

11002. Registration Fee Number 3

- (a) Purpose The registration fee provided by this regulation is to finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1981, to June 30, 1982.
- (b) Amount of Registration Fee A landlord shall pay to the Santa Monica Rent Control Board a registration fee in the amount of \$72.00 for each controlled rental unit he/she owns in the City of Santa Monica.
- (c) Deadline A landlord shall pay all registration fees pursuant to this regulation on or before August 14, 1981. A landlord who does not pay the registration fee by August 14, 1981 shall not increase

rents as provided by subsection (d) of this regulation at any time.

- (d) Registration Fee Pass-Through A landlord may increase the rent on any controlled rental unit for which the registration fee has been paid in accordance with the provisions of this regulation in the amount of \$6.00 per month. The rent increase provided by this subsection shall commence on September 1, 1981 and end on August 31, 1982. The registration fee pass-through shall not be considered part of the rent for calculating the amount of the General Adjustment.
- (e) Notice Requirements A landlord shall notify each tenant of a rent increase pursuant to this regulation. The notice must comply with all noticing requirements set forth in Civil Code §827. Additionally, the notice must state that the landlord has paid the registration fee provided by this regulation on or before August 14, 1981. A notice which does not contain a statement of compliance with subsection (c) of this regulation shall be deemed improper and will require the landlord to re-notice each tenant with an appropriate statement of compliance.
- (f) Delinquent Registration Fees If the landlord does not pay the registration fee by August 14, 1981:
 - (1) A late charge shall be assessed in the amount equal to 5% of the unpaid balance for each property, including the unpaid balance remaining from unpaid registration fees and late fees from prior years, for each month after the due date until the fee is paid.
 - (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all of his/her controlled rental units in the City of Santa Monica.
 - (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration for all of his/her controlled rental units in the City of Santa Monica.
- (g) Registration Fee Waiver for Owner-Occupied Unit

A landlord may claim a registration fee waiver for one unit, if that unit is occupied by the landlord as his/her principal place of residence. A claim of a registration fee waiver must be filed on the form provided by the Rent Control Board.
- (h) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

A landlord may claim a waiver of registration fees for the current fiscal year for any controlled rental unit participating in a Federal and/or State Funded Subsidy program which is restricted to very low or low income tenants, as defined by the Department of Housing and Urban Development and/or California Housing Finance Agency.

If a unit is rented as a controlled rental unit participating in a Federal or State Rent Subsidy Program for less than an entire year, from September 1, 1981 to August 31, 1982, the landlord shall pay a prorated registration fee for the period of time such unit is not rented pursuant to the rent subsidy program.

A landlord who claims a waiver from payment of part or all of the registration fees for a controlled rental unit pursuant to this regulation, shall submit to the Board such documents necessary to establish participation in a rent subsidy program, or shall sign a statement under the penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed.

11003. Registration Fee Number 4

- (a) Purpose The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year f July 1, 1982 to June 30, 1983.
- (b) Amount of Registration Fee A landlord shall pay to the Santa Monica Rent Control Board a registration fee in the amount of \$60.00 for each rent controlled unit he/she owns in the City of Santa Monica.
- (c) Deadline for Payment of Registration Fees
 - (1) A landlord shall pay all registration fees due and owing pursuant to this regulation on or before July 30, 1982, except insofar as he/she falls within the exceptions delineated in subsections (2) and (3) below. A landlord who does not pay the registration fee by July 30, 1982, shall not increase rents as provided by subsection (d) of this regulation at any time.
 - (2) If a landlord has been granted an exemption of a controlled rental unit by the Board which exemption is valid on the date of adoption of this regulation, but which exemption lapses on or after July 31, 1982, and June 31, 1983, that such unit is not exempt from the Rent Control law. Such prorated fees shall become due and owing thirty (30) days following the date on which an exemption lapses.
 - (3) If a landlord has been granted a fee waiver for an owner-occupied unit or for a unit participating in a government funded rent subsidy program on the date of adoption of this regulation, but such fee waiver terminated on or after July 1, 1982, the landlord shall pay prorated registration fees for the period of time between July 1, 1982, and June 30, 1983, that the unit is not eligible for a fee waiver. Such prorated fees shall become due and owing thirty (30) days following the date on which the fee waiver terminates.
- (d) Registration Fee Pass-Through A landlord may increase the rent on any controlled rental unit for which the registration fee has been paid in accordance with the provisions of this regulation in the amount of five dollars (\$5.00) per month. The rent increase provided by this subsection may be implemented on September 1, 1982, and must be terminated on August 31, 1983. Insofar as the landlord falls within the exceptions delineated in subsections (c)(2) and (3) above, the rent increases may be noticed immediately following payment of fees. Such rent increases shall terminate on August 31, 1983. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.
- (e) Notice Requirements A landlord shall notify each tenant of a rent increase pursuant to this regulation. The notice must comply with all requirements set forth in Civil Code §827. Additionally, the notice must state that the landlord has paid the registration fee provided by this regulation on or before July 30, 1982, except insofar as the landlord falls within the exceptions delineated in subsections (c)(2) and (3) above, in which case the notice must state that the landlord has paid the registration fee in accordance with this regulation and must state the date on which such payment was made. A notice which does not contain a statement of compliance with subsection (c) of this regulation shall be deemed improper and the landlord shall be required to re-notice each tenant with an appropriate statement of compliance. Any landlord, therefore,

who improperly notices or neglects to notice a tenant in a controlled rental unit for which the landlord pays registration fees will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.

- (f) Delinquent Registration Fees If a landlord does not pay the registration fees by July 30, 1982, or within thirty (30) days of lapse of an exemption or fee waiver, whichever is sooner:

- (1) A late charge shall be assessed in an amount equal to five percent (5%) of the unpaid balance for each property including the unpaid balance remaining from unpaid registration fees and late fees from prior years, for each month after the due date, until the fee is paid.
- (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all of his/her controlled rental units in the City of Santa Monica.
- (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica.

- (g) Registration Fee Waiver for Owner-Occupied Unit

- (1) A landlord may claim a registration fee waiver for one (1) unit, if that unit is occupied by the landlord as his/her principal place of residence. One registration fee waiver may be authorized per controlled rental property. A landlord must file a claim of entitlement to a registration fee waiver on the form provided by the Rent Control Board.
- (2) An owner-occupied fee waiver expires automatically when the owner no longer occupies the unit.

- (h) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for the current fiscal year for any controlled rental unit participating in a Federal and/or State Funded Subsidy Program which is restricted to very low or low income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of part or all of the registration fees for a controlled rental unit pursuant to this regulation shall either submit to the Board documents which establish participating in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participating in such program.

[11003 Adopted 6/19/82; Effective 6/27/82]

[11003(f)(2) Amended 12/18/86; Effective 12/25/86]

11004. Registration Fee Number 5

- (a) Purpose The registration fee provided by this regulation shall finance the reasonable and

necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1983 to June 30, 1984.

- (b) Amount of Registration Fee A landlord shall pay to the Santa Monica Rent Control Board a registration fee in the amount of \$72.00 for each rent controlled unit he/she owns in the City of Santa Monica.
- (c) Deadline for Payment of Registration Fees
 - (1) A landlord shall pay all registration fees due and owing pursuant to this regulation on or before August 1, 1983, except insofar as he/she falls within the exceptions delineated in subsections (2) and (3) below. A landlord who does not pay the registration fees by August 1, 1983, shall not increase rents as provided by subsection (d) of this regulation at any time.
 - (2) If a landlord has been granted an exemption of a controlled rental unit by the Board which exemption is valid on the date of adoption of this regulation, but which exemption lapses on or after August 1, 1983, the landlord shall pay prorated registration fees for the period of time between July 1, 1983, and June 30, 1984, that such unit is not exempt from the Rent Control law. Such prorated fees shall become due and owing thirty (30) days following the date on which an exemption lapses.
 - (3) If a landlord has been granted a fee waiver for an owner-occupied unit or for a unit participating in a government funded rent subsidy program on the date of adoption of this regulation, but such fee waiver terminates on or after July 1, 1983, the landlord shall pay prorated registration fees for the period of time between July 1, 1983, and June 30, 1984, that the unit is not eligible for a fee waiver. Such prorated fees shall become due and owing thirty (30) days following the date on which the fee waiver terminates.
- (d) Registration Fee Pass-Through A landlord may increase the rent on any controlled rental unit for which the registration fee has been paid in accordance with the provisions of this regulation in the amount of six dollars (\$6.00) per month, provided that all past registration fees and/or penalty fees have been paid as well. The rent increase provided by this subsection may be implemented on September 1, 1983, and must be terminated on August 31, 1984. Insofar as the landlord falls within the exceptions delineated in subsections (c)(2) and (3) above, the rent increases may be noticed immediately following the payment of fees. Such rent increases shall not extend beyond August 31, 1984, and shall not exceed the amount of the registration fees paid by the landlord. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.
- (e) Notice Requirements A landlord shall notify each tenant of a rent increase pursuant to this regulation. The notice must comply with all requirements set forth in Civil Code §827. Additionally, the notice must state that the landlord has paid the registration fee provided by this regulation on or before August 1, 1983, except insofar as the landlord falls within the exceptions delineated in subsections (c)(2) and (3) above, in which case the notice must state that the landlord has paid the registration fee in accordance with this regulation and must state the date on which such payment was made. A notice which does not contain a statement of compliance with subsection (c) of this regulation shall be required to re-notice each tenant with an appropriate statement. Any landlord, therefore, who improperly notices or neglects to notice a tenant in a controlled rental unit for which the landlord pays registration fees will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.
- (f) Delinquent Registration Fees If a landlord does not pay the registration fees by August 1, 1983,

or within thirty (30) days of lapse of an exemption or fee waiver, whichever is sooner, then:

- (1) A late charge shall be assessed in an amount equal to five percent (5%) of the unpaid balance for each property including the unpaid balance remaining from unpaid registration fees and late fees from prior years, for each month after the due date, until the fee is paid.
- (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all of his/her controlled rental units in the City of Santa Monica.

(g) Registration Fee Waiver for Owner-Occupied Unit

- (1) One or more landlords may claim a registration fee waiver for one (1) unit, if that unit is occupied by the landlord(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if said landlord(s) occupying the unit own(s) at least fifty percent (50%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.

No more than two registration fee waivers may be authorized per controlled rental property. A claim of registration fee waiver must be filed on the form provided by the Rent Control Board.

- (2) An owner-occupied fee waiver expires automatically when the owner no longer occupies the unit.

(h) Registration Fee Waiver for Unit Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for the current fiscal year for any controlled rental unit participating in a Federal and/or State Funded Subsidy Program which is restricted to very low or low income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of part or all of the registration fees for a controlled rental unit pursuant to this regulation shall either submit to the Board documents which establish participating in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participation in such program.

[11004 Adopted 6/18/83; Effective 6/26/83]

[11004(f)(2) Amended 12/18/86; Effective 12/25/86]

11005. Registration Fee Number 6

- (a) Purpose The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1984 to June 30, 1985.
- (b) Amount of Registration Fee A landlord shall pay to the Santa Monica Rent Control Board the

amount of \$72.00 for each rent controlled unit he/she owns in the City of Santa Monica.

(c) Deadline for Payment of Registration Fees

- (1) A landlord shall pay all registration fees due and owing pursuant to this regulation on or before August 1, 1984, except insofar as he/she falls within the exceptions delineated in subsection (2) and (3) below. A landlord who does not pay the registration fees by August 1, 1984 shall not increase rents as provided by subsection (d) of this regulation at any time.
- (2) If a landlord has been granted an exemption of a controlled rental unit by the Board which exemption is valid on the date of adoption of this regulation, but which exemption lapses on or after August 1, 1984, the landlord shall pay prorated registration fees for the period of time between July 1, 1984 and June 30, 1985, that such unit is not exempt from the Rent Control law. Such prorated fees shall become due and owing thirty (30) days following the date on which an exemption lapses.
- (3) If a landlord has been granted a fee waiver for an owner-occupied unit or for a unit participating in a government funded rent subsidy program on the date of adoption of this regulation, but such fee waiver terminates on or after July, 1984, the landlord shall pay prorated registration fees for the period of time between July 1, 1984 and June 30, 1985, that the unit is not eligible for a fee waiver. Such prorated fees shall become due and owing thirty (30) days following the date on which the fee waiver terminates.

(d) Registration Fee Pass-Through A landlord may increase the rent on any controlled rental unit for which the registration fee has been paid in accordance with the provisions of this regulation in the amount of six dollars (\$6.00) per month, provided that all past registration fees and/or penalty fees have been paid as well. The rent increase provided by this subsection may be implemented on September 1, 1984, and must be terminated on August 31, 1985. Insofar as the landlord falls within the exceptions delineated in subsections (c)(2) and (3) above, the rent increases may be noticed immediately following the payment of fees. Such rent increases shall not extend beyond August 31, 1985, and shall not exceed the amount of the registration fees paid by the landlord. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.

(e) Notice Requirements A landlord shall notify each tenant of a rent increase pursuant to this regulation. The notice must comply with all requirements set forth in Civil Code §827. Additionally, the notice must state that the landlord has paid the registration fee provided by this regulation on or before August 1, 1984, except insofar as the landlord falls within the exceptions delineated in subsections (c)(2) and (3) above, in which case the notice must state that the landlord has paid the registration fee in accordance with this regulation and must state the date on which such payment was made. A notice which does not contain a statement of compliance with subsection (c) of this regulation shall be deemed improper and the landlord shall be required to re-notice each tenant with an appropriate statement. Any landlord, therefore, who improperly notices or neglects to notice a tenant in a controlled rental unit for which the landlord pays registration fees will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.

(f) Delinquent Registration Fees

- (1) If a landlord does not pay the registration fees by August 1, 1984, or within thirty (30) days of lapse of an exemption or fee waiver, whichever is sooner, then no petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or

request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica.

- (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all of his/her controlled rental units in the City of Santa Monica.

(g) Registration Fee Waiver for Owner-Occupied Unit

- (1) One or more landlords may claim a registration fee waiver for one (1) unit, if that unit is occupied by the landlord(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if said landlord(s) occupying the unit own(s) at least a twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.

A claim of registration fee waiver must be filed on the form provided by the Rent Control Board.

- (2) An owner-occupied fee waiver expires automatically when the owner no longer occupies the unit.

(h) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for the current fiscal year for any controlled rental unit participating in a Federal and/or State Funded Subsidy Program which is restricted to very low or low income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of part or all of the registration fees for a controlled rental unit pursuant to this regulation shall either submit to the Board documents which establish participating in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participating in such program.

(i) Registration Fee Waiver for Units Occupied by Low-Income Senior Citizens

- (1) The Board shall grant a waiver of the 1984 registration fee to the owner of any controlled rental unit which is rented to a low-income senior citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older. In addition, the tenant's gross household income shall not exceed \$12,032 for all members of a household, or \$10,400 for a single tenant. For the purposes of this section "gross household income" shall be and include the income of every member of the household received during the year, including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.
- (3) Application for determination of eligibility for fee waiver under this section shall be made upon a form approved by the Board.

- (4) Upon determination of eligibility for fee waiver as provided by Section 11005(i)(2), the Board shall notify the owner of the unit for which the fee waiver is granted and refund the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated 12-month basis, commencing with the month following determination of eligibility for the fee waiver.
- (5) Upon receipt of a registration fee refund as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (6) Fee Waivers provided for under this section shall expire on August 31, 1985.

[11005 Adopted 6/21/84; Effective 7/9/84]

[11005(i) Adopted 7/5/84; Effective 7/14/84]

[11005(f)(2) Adopted 12/18/86; Effective 12/25/86]

11006. Registration Fee Number 7

- (a) Purpose The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1985 to June 30, 1986.
- (b) Amount of Registration Fee A landlord shall pay to the Santa Monica Rent Control Board the amount of \$84.00 for each rent controlled unit he/she owns in the City of Santa Monica.
- (c) Deadline for Payment of Registration Fees
 - (1) A landlord shall pay all registration fees due and owing pursuant to this regulation on or before August 1, 1985, except insofar as he/she falls within the exceptions delineated in subsection (2) and (3) below. A landlord who does not pay the registration fees by August 1, 1985 shall not increase rents as provided by subsection (d) of this regulation at any time.
 - (2) If a landlord has been granted an exemption of a controlled rental unit by the Board which exemption is valid on the date of adoption of this regulation, but which exemption lapses on or after August 1, 1985, the landlord shall pay prorated registration fees for the period of time between July 1, 1985 and June 30, 1986, that such unit is not exempt from the Rent Control law. Such prorated fees shall become due and owing thirty (30) days following the date on which an exemption lapses.
 - (3) If a landlord has been granted a fee waiver for an owner-occupied unit or for a unit participating in a government funded rent subsidy program on the date of adoption of this regulation, but such fee waiver terminates on or after July, 1985, the landlord shall pay prorated registration fees for the period of time between July 1, 1985 and June 30, 1986, that the unit is not eligible for a fee waiver. Such prorated fees shall become due and owing thirty (30) days following the date on which the fee waiver terminates.
- (d) Registration Fee Pass-Through A landlord may increase the rent on any controlled rental unit for which the registration fee has been paid in accordance with the provisions of this regulation in the amount of seven dollars (\$7.00) per month, provided that all past registration fees and/or penalty fees have been paid as well. The rent increase provided by this subsection may be implemented on September 1, 1985, and must be terminated on August 31, 1986. Insofar as the landlord falls within the exceptions delineated in subsections (c)(2) and (3) above, the rent increases may be

noticed immediately following the payment of fees. Such rent increases shall not extend beyond August 31, 1986, and shall not exceed the amount of the registration fees paid by the landlord. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.

- (e) Notice Requirements A landlord shall notify each tenant of a rent increase pursuant to this regulation. The notice must comply with all requirements set forth in Civil Code §827. Additionally, the notice must state that the landlord has paid the registration fee provided by this regulation on or before August 1, 1985, except insofar as the landlord falls within the exceptions delineated in subsections (c)(2) and (3) above, in which case the notice must state that the landlord has paid the registration fee in accordance with this regulation and must state the date on which such payment was made. A notice which does not contain a statement of compliance with subsection (c) of this regulation shall be deemed improper and the landlord shall be required to re-notice each tenant with an appropriate statement. Any landlord, therefore, who improperly notices or neglects to notice a tenant in a controlled rental unit for which the landlord pays registration fees will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.
- (f) Delinquent Registration Fees If a landlord does not pay the registration fees by August 1, 1985, or within thirty (30) days of lapse of an exemption or fee waiver, whichever is sooner:
 - (1) A late charge shall be assessed in an amount equal to five percent (5%) of the unpaid balance for each property including the unpaid balance remaining from unpaid registration fees from prior years, for each month after the due date, until the fee is paid.
 - (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments for a period of ninety (90) days after the payment of registration fees for all of his/her controlled rental units in the City of Santa Monica.
 - (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica.
- (g) Registration Fee Waiver for Owner-Occupied Unit
 - (1) One or more landlords may claim a registration fee waiver for one (1) unit, if that unit is occupied by the landlord(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if said landlord(s) occupying the unit own(s) at least a twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.
 - (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
 - (3) A claim of registration fee waiver must be filed on the form provided by the Rent Control Board.
 - (4) An owner-occupied fee waiver expires automatically when the owner no longer occupies the unit.

(h) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for the current fiscal year for any controlled rental unit participating in a Federal and/or State Funded Subsidy Program which is restricted to very low or low income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of part or all of the registration fees for a controlled rental unit pursuant to this regulation shall either submit to the Board documents which establish participating in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participating in such program.

(i) Registration Fee Waiver for Units Occupied by Low-Income Senior Citizens

- (1) The Board shall grant a waiver of the 1985 registration fee to the owner of any controlled rental unit which is rented to a low-income senior citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older. In addition, the tenant's gross household income shall not exceed \$12,032 for all members of a household, or \$10,500 for a single tenant. For the purposes of this section "gross household income" shall be and include the income of every member of the household received during the year, including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.
- (3) Application for determination of eligibility for fee waiver under this section shall be made upon a form approved by the Board.
- (4) Upon determination of eligibility for fee waiver as provided by Section 11006(i)(2), the Board shall notify the owner of the unit for which the fee waiver is granted and refund the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated 12-month basis, commencing with the month following determination of eligibility for the fee waiver.
- (5) Upon receipt of a registration fee refund as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (6) Fee Waivers provided for under this section shall expire on August 31, 1986.

[11006 Adopted 6/20/85; Effective 7/26/85]

[11006(g) Amended 10/24/85; Effective 12/5/85]

11007. Registration Fee Number 8

- (a) Purpose The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1986 to June 30, 1987.
- (b) Amount of Registration Fee A landlord shall pay to the Santa Monica Rent Control Board the

amount of \$84.00 for each rent controlled unit he/she owns in the City of Santa Monica.

(c) Deadline for Payment of Registration Fees

- (1) A landlord shall pay all registration fees due and owing pursuant to this regulation on or before August 1, 1986, except insofar as he/she falls within the exceptions delineated in subsection (2) and (3) below. A landlord who does not pay the registration fees by August 1, 1986 shall not increase rents as provided by subsection (d) of this regulation at any time.
- (2) If a landlord has been granted an exemption of a controlled rental unit by the Board which exemption is valid on the date of adoption of this regulation, but which exemption lapses on or after August 1, 1986, the landlord shall pay prorated registration fees for the period of time between July 1, 1986 and June 30, 1987, that such unit is not exempt from the Rent Control law. Such prorated fees shall become due and owing thirty (30) days following the date on which an exemption lapses.
- (3) If a landlord has been granted a fee waiver for an owner-occupied unit or for a unit participating in a government funded rent subsidy program on the date of adoption of this regulation, but such fee waiver terminates on or after July, 1986, the landlord shall pay prorated registration fees for the period of time between July 1, 1986 and June 30, 1987, that the unit is not eligible for a fee waiver. Such prorated fees shall become due and owing thirty (30) days following the date on which the fee waiver terminates.

(d) Registration Fee Pass-Through A landlord may increase the rent on any controlled rental unit for which the registration fee has been paid in accordance with the provisions of this regulation in the amount of seven dollars (\$7.00) per month, provided that all past registration fees and/or penalty fees have been paid as well. The rent increase provided by this subsection may be implemented on September 1, 1986, and must be terminated on August 31, 1987. Insofar as the landlord falls within the exceptions delineated in subsections (c)(2) and (3) above, the rent increases may be noticed immediately following the payment of fees. Such rent increases shall not extend beyond August 31, 1987, and shall not exceed the amount of the registration fees paid by the landlord. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.

(e) Notice Requirements A landlord shall notify each tenant of a rent increase pursuant to this regulation. The notice must comply with all requirements set forth in Civil Code §827. Additionally, the notice must state that the landlord has paid the registration fee provided by this regulation on or before August 1, 1986, except insofar as the landlord falls within the exceptions delineated in subsections (c)(2) and (3) above, in which case the notice must state that the landlord has paid the registration fee in accordance with this regulation and must state the date on which such payment was made. A notice which does not contain a statement of compliance with subsection (c) of this regulation shall be deemed improper and the landlord shall be required to re-notice each tenant with an appropriate statement. Any landlord, therefore, who improperly notices or neglects to notice a tenant in a controlled rental unit for which the landlord pays registration fees will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.

(f) Delinquent Registration Fees If a landlord does not pay the registration fees by August 1, 1986, or within thirty (30) days of lapse of an exemption or fee waiver, whichever is sooner:

- (1) A late charge shall be assessed in an amount equal to five percent (5%) of the unpaid balance for each property including the unpaid balance remaining from unpaid registration fees from prior years, for each month after the due date, until the fee is paid.

- (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all of his/her controlled rental units in the City of Santa Monica.
- (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica.

(g) Registration Fee Waiver for Owner-Occupied Unit

- (1) One or more landlords may claim a registration fee waiver for one (1) unit, if that unit is occupied by the landlord(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if said landlord(s) occupying the unit own(s) at least a twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.
- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) A claim of registration fee waiver must be filed on the form provided by the Rent Control Board.
- (4) An owner-occupied fee waiver expires automatically when the owner no longer occupies the unit.

(h) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for the current fiscal year for any controlled rental unit participating in a Federal and/or State Funded Subsidy Program which is restricted to very low or low income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of part or all of the registration fees for a controlled rental unit pursuant to this regulation shall either submit to the Board documents which establish participating in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participating in such program.

(i) Registration Fee Waiver for Units Occupied by Low-Income Senior Citizens

- (1) The Board shall grant a waiver of the 1986-87 registration fee to the owner of any controlled rental unit which is rented to a low-income senior citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older. In addition, the tenant's gross household income shall not exceed \$12,032 for all members of a household, or \$10,500 for a single tenant. For the purposes of this section "gross household income" shall be

and include the income of every member of the household received during the year, including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.

- (3) Application for determination of eligibility for fee waiver under this section shall be made upon a form approved by the Board.
- (4) Upon determination of eligibility for fee waiver as provided by Section 11007(i)(2), the Board shall notify the owner of the unit for which the fee waiver is granted and refund the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated 12-month basis, commencing with the month following determination of eligibility for the fee waiver.
- (5) Upon receipt of a registration fee refund as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (6) Fee Waivers provided for under this section shall expire on August 31, 1987.

[11007 Adopted 7/3/86; Effective 7/12/86]

[11007(f)(2) Renumbered 11007(f)(3) 12/18/86; Effective 12/25/86]

[11007(f)(2) Adopted 12/18/86; Effective 12/25/86]

11008. Registration Fee Number 9

- (a) Purpose The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1987 to June 30, 1988.
- (b) Amount of Registration Fee A landlord shall pay to the Santa Monica Rent Control Board the amount of \$120.00 for each rent controlled unit he/she owns in the City of Santa Monica.
- (c) Liability The current landlord is jointly and severally liable, along with the former landlord or landlords, for payment of any unpaid registration fees and penalties owing on the property for prior years. This requirement of joint and several liability is declarative of exiting law and does not impose any new requirements or limit any existing ones.
- (d) Deadline for Payment of Registration Fees
 - (1) A landlord shall pay all registration fees due and owing pursuant to this regulation on or before August 1, 1987, except insofar as he/she falls within the exceptions delineated in subsection (e) of this regulation at any time.
 - (2) If a landlord has been granted an exemption of a controlled rental unit by the Board which exemption is valid on the date of adoption of this regulation, but which exemption lapses on or after August 1, 1987, the landlord shall pay prorated registration fees for the period of time between July 1, 1987 and June 30, 1987, that such unit is not exempt from the Rent Control law. Such prorated fees shall become due and owing thirty (30) days following the date on which an exemption lapses.
 - (3) If a landlord has been granted a fee waiver for an owner-occupied unit or for a unit participating in a government funded rent subsidy program on the date of adoption of this regulation, but such fee waiver terminates on or after July, 1987, the landlord shall pay

prorated registration fees for the period of time between July 1, 1987 and June 30, 1988, that the unit is not eligible for a fee waiver. Such prorated fees shall become due and owing thirty (30) days following the date on which the fee waiver terminates.

- (e) Registration Fee Pass-Through A landlord may increase the rent on any controlled rental unit for which the registration fee has been paid in accordance with the provisions of this regulation in the amount of ten dollars (\$10.00) per month, provided that all past registration fees and/or penalty fees have been paid as well. The rent increase provided by this subsection may be implemented on September 1, 1987, and must be terminated on August 31, 1988. Insofar as the landlord fails within the exceptions delineated in subsections (c)(2) and (3) above, the rent increases may be noticed immediately following the payment of fees. Such rent increases shall not extend beyond August 31, 1988, and shall not exceed the amount of the registration fees paid by the landlord. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.
- (f) Notice Requirements A landlord shall notify each tenant of a rent increase pursuant to this regulation. The notice must comply with all requirements set forth in Civil Code §827. Additionally, the notice must state the landlord has paid the registration fee provided by this regulation on or before August 1, 1987, except insofar as the landlord falls within the exceptions delineated in subsections (d)(2) and (3) above, in which case the notice must state that the landlord has paid the registration fee in accordance with this regulation and must state the date on which such payment was made. A notice which does not contain a statement of compliance with subsection (d) of this regulation shall be deemed improper and the landlord shall be required to renotice each tenant with an appropriate statement. Any landlord, therefore, who improperly notices or neglects to notice a tenant in a controlled rental unit for which the landlord pays registration fees will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.
- (g) Delinquent Registration Fees If a landlord does not pay the registration fees by August 1, 1987, or within thirty (30) days of lapse of an exemption or fee waiver, whichever is sooner:
 - (1) A late charge shall be assessed in an amount equal to five percent (5%) of the unpaid balance for each property including the unpaid balance remaining from unpaid registration fees from prior years, for each month after the due date, until the fee is paid.
 - (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all of his/her controlled rental units in the City of Santa Monica.
 - (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica. The administrator may, for good cause, permit acceptance of a petition for exemption or an objection petition notwithstanding nonpayment of fees. Such acceptance may be subject to reasonable conditions, including but not necessarily limited to partial payment of fees owing.
- (h) Registration Fee Waiver for Owner-Occupied Unit
 - (1) One or more landlords may claim a registration fee waiver for one (1) unit, if that unit is occupied by the landlord(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if said landlord(s) occupying the unit own(s) at least a twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those

landlords may aggregate their interest for purposes of this section.

- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) A claim of registration fee waiver must be filed on the form provided by the Rent Control Board.
- (4) An owner-occupied fee waiver expires automatically when the owner no longer occupies the unit.

(i) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for the current fiscal year for any controlled rental unit participating in a Federal and /or State Funded Subsidy Program which is restricted to very low or low-income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of part or all of the registration fees for a controlled rental unit pursuant to this regulation shall either submit to the Board documents which establish participating in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participating in such program.

(j) Registration Fee Waiver for Units Occupied by Low-Income Senior Citizens

- (1) The Board shall grant a waiver of the 1987-88 registration fee to the owner of any controlled rental unit which is rented to a low-income senior citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older. In addition, the tenant's gross household income shall not exceed the following:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$12,550
2	14,350
3	16,150
4	17,950
5	19,400
6	20,800
7	22,250
8 or more	23,700

For the purposes of this section "gross household income" shall be and include the income of every member of the household received during the year, including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.

- (3) Application for determination of eligibility for fee waiver under this section shall be made on a form approved by the Board.
- (4) Upon determination of eligibility for fee waiver as provided by §11008(1)(2), the Board shall notify the owner of the unit for which the fee waiver is granted and refund the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated 12-month basis, commencing with the month following determination of eligibility for the fee waiver.
- (5) Upon receipt of a registration fee refund as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (6) Fee Waivers provided for under this section shall expire on August 31, 1988.

(k) Registration Fee Waiver for Units Occupied by Low Income Disabled Citizens

- (1) The Board shall grant a waiver of the 1987-88 registration fee to the owner of any controlled rental unit which is rented to a low-income disabled citizen upon receipt of a completed application which demonstrates eligibility under this section.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be a "handicapped individual" as defined below. In addition, the tenant's gross household income shall not exceed the following:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$12,550
2	14,350
3	16,150
4	17,950
5	19,400
6	20,800
7	22,250
8 or more	23,700

For the purposes of this section, "gross household income" shall be and include the incomes of every member of the household received during the year, including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.

- (3) A "handicapped impairment" shall mean any person who has a long-term physical impairment or who presently has a mental impairment, either of which substantially limits one or more major life activities.
- (4) A "physical impairment" means any long-term physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: neurological, musculo-skeletal, special sense organs, respiratory, including speech organs; cardio-vascular; reproductive; digestive, genito-urinary; hemic or lymphatic; skin; and endocrine. A "physical impairment" may include but is not limited to such diseases as permanent orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, muscular dystrophy, muscular sclerosis, cancer, heart disease, diabetes, drug addiction and alcoholism.
- (5) A "mental impairment" means any present mental or psychological disorder, such as

mental retardation, organic brain syndrome, emotional illness, and specific learning disabilities.

- (6) "Substantially limits" means that the impairment has been shown to affect the individual's ability to secure employment.
- (7) "Major life activities" means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving educational or vocational training.
- (8) Application for determination of eligibility for fee waiver under this section must be made on a form provided by the Board. The application must include one of the following:
 - (i) A declaration from a licensed physician stating that the tenant suffers from a long-term physical impairment or a present mental or physiological disorder and that such impairment or disorder substantially limits the individual's ability to secure employment.
 - (ii) Proof that the individual tenant is a recipient of social security disability income or social security supplemental security income (SSI) for the blind or disabled.
- (9) Upon determination of eligibility for fee waiver as provided by this subsection, the Board shall notify the owner of the unit for which the fee waiver is granted and refund the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated 12-month basis, commencing with the month following determination of eligibility for the fee waiver. No fee waiver shall be granted for fees which are delinquent.
- (10) Upon receipt of a registration fee refund as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (11) Fee waivers provided for under this section shall expire on August 31, 1988.

[11008 Adopted 6/25/87; Effective 7/7/87]

[11008(k) Adopted 7/9/87; Effective 7/17/87]

[11008(j)(2) Amended 7/9/87; Effective 7/26/87]

11009. Registration Fee Number 10

- (a) Purpose The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1988 to June 30, 1989.
- (b) Amount of Registration Fee A landlord shall pay to the Santa Monica Rent Control Board the amount of \$144.00 for each controlled rental unit he/she owns in the City of Santa Monica.
- (c) Liability The current landlord is jointly and severally liable, along with the former landlord or landlords, for payment of any unpaid registration fees and penalties owing on the property for prior years. This requirement of joint and several liability is declarative of existing law and does not impose any new requirements or limit any existing ones.
- (d) Deadline for Payment of Registration Fees
 - (1) A landlord shall pay all registration fees due and owing pursuant to this regulation on or

before August 1, 1988, except insofar as he/she falls within the exceptions delineated in subsection (2) and (3) below.

- (2) If a landlord has been granted an exemption of a controlled rental unit by the Board which exemption is valid on the date of adoption of this regulation, but which exemption lapses on or after August 1, 1988, the landlord shall pay prorated registration fees for the period of time between July 1, 1988 and June 30, 1989, that such unit is not exempt from the Rent Control law. Such prorated fees shall become due and owing thirty (30) days following the date on which an exemption lapses.
 - (3) If a landlord has been granted a fee waiver for an owner-occupied unit or for a unit participating in a government funded rent subsidy program or for a Low Income Disabled Citizen or for a Low Income Senior Citizen on the date of adoption of this regulation, but such fee waiver terminates on or after July, 1988, the landlord shall pay prorated registration fees for the period of time between July 1, 1988 and June 30, 1989, that the unit is not eligible for a fee waiver. Such prorated fees shall become due and owing thirty (30) days following the date on which the fee waiver terminates.
- (e) Registration Fee Pass-Through A landlord may increase the rent on any controlled rental unit for which the registration fee has been paid for the entire property in accordance with the provisions of this regulation in the amount of twelve dollars (\$12.00) per month, provided that all past registration fees and/or penalty fees have been paid as well. The rent increase provided by this subsection may be implemented on September 1, 1988, and must be terminated on August 31, 1989. Insofar as the landlord falls within the exceptions delineated in subsections (d)(2) and (3) above, the rent increases may be noticed immediately following the payment of fees. Such rent increases shall not extend beyond August 31, 1989, and shall not exceed twelve dollars per month for each month for which fees are charged. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment. A landlord may not obtain a fee waiver under subsections (i), or (j) below after August 1, 1988 for any fees not paid in full by that date. A landlord who does not pay the registration fees by the deadline set forth in subsection (d) above shall not increase rents as provided by this subsection (e) at any time.
- (f) Notice Requirements A landlord shall notify each tenant in writing of a rent increase pursuant to this regulation. The notice must comply with all requirements set forth in Civil Code §827. Additionally, the notice must state the landlord has paid the registration fee provided by this regulation on or before August 1, 1988, except insofar as the landlord falls within the exceptions delineated in subsections (d)(2) and (d)(3) above, in which case the notice must state that the landlord has paid the registration fee in accordance with this regulation and must state the date on which such payment was made. A notice which does not contain a statement of compliance with subsection (d) of this regulation shall be deemed improper and the landlord shall be required to renotice each tenant with an appropriate statement. Any landlord who fails to properly notice a tenant in a controlled rental unit will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.
- (g) Delinquent Registration Fees If a landlord does not pay the registration fees by August 1, 1988, or within thirty (30) days of lapse of an exemption or fee waiver, whichever is sooner:
- (1) A late charge shall be assessed in an amount equal to four percent (4%) of the unpaid balance for each property, including the unpaid balance of registration fees and penalties remaining from unpaid registration fees and penalties from prior years, for each month after the due date, until the fee is paid.

- (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all of his/her controlled rental units in the City of Santa Monica.
- (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica. The administrator may, for good cause, permit acceptance of an application for exemption or an objection petition notwithstanding nonpayment of fees. Such acceptance may be subject to reasonable conditions, including but not necessarily limited to partial payment of fees owing.

(h) Registration Fee Waiver for Owner-Occupied Unit

- (1) One or more landlords may claim a registration fee waiver for one (1) unit, if that unit is occupied by the landlord(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if said landlord(s) occupying the unit own(s) at least a twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.
- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) A claim of registration fee waiver must be filed on the form provided by the Rent Control Board.
- (4) An owner-occupied fee waiver expires automatically when the owner no longer owns or occupies the unit.

(i) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for any controlled rental unit participating in a Federal and/or State Funded Subsidy Program which is restricted to very low or low-income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of the registration fees for a controlled rental unit pursuant to this regulation shall either submit to the Board documents which establish participation in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of the refund or credit shall be calculated on a prorated 12-month basis, commencing with the month following determination of eligibility for the fee waiver.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participating in such program.

(j) Registration Fee Waiver for Units Occupied by Low-Income Senior Citizens or Low-Income Disabled Citizens

- (1) The Board shall grant a waiver of the 1988-89 registration fee which would be eligible for pass-through to the tenant to the owner of any controlled rental unit which is rented to a low-income senior citizen or to a low-income disabled citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older or must be a "handicapped individual" as defined below. In addition, the tenant's gross household income shall not exceed the following:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$12,550
2	14,350
3	16,150
4	17,950
5	19,400
6	20,800
7	22,250
8 or more	23,700

For the purposes of this section "gross household income" shall be and include the income of every member of the household received during the year, including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.

- (3) A "handicapped individual" shall mean any person who has a long-term physical impairment or who presently has a mental impairment, either of which substantially limits one or more major life activities.
- (4) A "physical impairment" means any long-term physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: neurological, musculo-skeletal, special sense organs, respiratory, including speech organs; cardio-vascular; reproductive; digestive, genito-urinary; hemic or lymphatic; skin; and endocrine. A "physical impairment" may include but is not limited to such diseases as permanent orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, muscular dystrophy, muscular sclerosis, cancer, heart disease, diabetes, drug addiction and alcoholism.
- (5) A "mental impairment" means any present mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional illness, and specific learning disabilities.
- (6) "Substantially limits" means that the impairment has been shown to affect the individual's ability to secure employment.
- (7) "Major life activities" means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving educational or vocational training.
- (8) Application for determination of eligibility for fee waiver under this section must be made

on a form provided by the Board. The application on the basis of disability must include one of the following:

- (i) A declaration from a licensed physician stating that the tenant suffers from a long-term physical impairment or a present mental or physiological disorder and that such impairment or disorder substantially limits the individual's ability to secure employment.
 - (ii) Proof that the individual tenant is a recipient of social security disability income or social security supplemental security income (SSI) for the blind or disabled.
- (9) Upon determination of eligibility for fee waiver as provided by this subsection, the Board shall notify the owner of the unit for which the fee waiver is granted and refund the portion of the registration fee for the eligible unit which would have been passed through to the tenant under subparagraph (e) above. The amount of the refund shall be calculated on a prorated 12-month basis, commencing with the month following determination of eligibility for the fee waiver.
- (10) Upon receipt of a registration fee refund as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (11) Fee Waivers provided for under this section shall expire on August 31, 1989 or whenever the tenant for whom the application was granted vacates the unit, whichever comes first.
- (k) No fee waiver for owner-occupancy under subsection (h) or for government rent subsidy under subsection (i) will be granted for any rental unit which is not properly registered, as defined by Regulation 13002.
- (l) A landlord who has been granted a fee waiver must notify the Board within thirty (30) days of the expiration of such fee waiver, if the fee waiver expires before August 31, 1989.

[11009 Adopted 6/9/88; Effective 6/18/88]

11010. Registration Fee Number 11

- (a) Purpose The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1989 to June 30, 1990.
- (b) Amount of Registration Fee A landlord shall pay to the Santa Monica Rent Control Board the amount of \$144.00 for each controlled rental unit he/she owns in the City of Santa Monica.
- (c) Liability The current landlord is jointly and severally liable, along with the former landlord or landlords, for payment of any unpaid registration fees and penalties owing on the property for prior years. This requirement of joint and several liability is declarative of existing law and does not impose any new requirements or limit any existing ones.
- (d) Deadline for Payment of Registration Fees
 - (1) A landlord shall pay all registration fees due and owing pursuant to this regulation on or before August 1, 1989, except insofar as he/she falls within the exceptions delineated in subsection (2) and (3) below.

- (2) If a landlord has been granted an exemption of a controlled rental unit by the Board which exemption is valid on the date of adoption of this regulation, but which exemption lapses on or after August 31, 1989, the landlord shall pay prorated registration fees for the period of time between September 1, 1989 and August 31, 1990, that such unit is not exempt from the Rent Control law. Such prorated fees shall become due and owing thirty (30) days following the date on which an exemption lapses.
 - (3) If a landlord has been granted a fee waiver for an owner-occupied unit or for a unit participating in a government funded rent subsidy program or for a Low Income Disabled Citizen or for a Low Income Senior Citizen on the date of adoption of this regulation, but such fee waiver terminates on or after September 1, 1989, the landlord shall pay prorated registration fees for the period of time between September 1, 1989 and August 31, 1990, that the unit is not eligible for a fee waiver. Such prorated fees shall become due and owing thirty (30) days following the date on which the fee waiver terminates.
- (e) Registration Fee Pass-Through A landlord may increase the rent on any controlled rental unit for which the registration fee has been paid for the entire property in accordance with the provisions of this regulation in the amount of twelve dollars (\$12.00) per month, provided that all past registration fees and/or penalty fees have been paid as well. The rent increase provided by this subsection may be implemented on September 1, 1989, and must be terminated on August 31, 1990. Insofar as the landlord falls within the exceptions delineated in subsections (d)(2) and (3) above, the rent increases may be noticed immediately following the payment of fees. Such rent increases shall not extend beyond August 31, 1989, and shall not exceed twelve dollars per month for each month for which fees are charged. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment. A landlord who does not pay the registration fees by the deadline set forth in subsection (d) above shall not increase rents as provided by this subsection (e) at any time.
- (f) Notice Requirements A landlord shall notify each tenant in writing of a rent increase pursuant to this regulation. The notice must comply with all requirements set forth in Civil Code §827. Additionally, the notice must state the landlord has paid the registration fee provided by this regulation on or before August 1, 1989, except insofar as the landlord falls within the exceptions delineated in subsections (d)(2) and (d)(3) above, in which case the notice must state that the landlord has paid the registration fee in accordance with this regulation and must state the date on which such payment was made. A notice which does not contain a statement of compliance with subsection (d) of this regulation shall be deemed improper and the landlord shall be required to renotice each tenant with an appropriate statement. Any landlord who fails to properly notice a tenant in a controlled rental unit will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.
- (g) Delinquent Registration Fees If a landlord does not pay the registration fees by August 1, 1989, or within thirty (30) days of lapse of an exemption or fee waiver, whichever is applicable:
- (1) A late charge shall be assessed in an amount equal to four percent (4%) of the unpaid balance for each property, including the unpaid balance of registration fees and penalties remaining from prior years, for each month after the due date, until the fee is paid.
 - (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all of his/her controlled rental units in the City of Santa Monica.
 - (3) No petition, application, claim or request shall be accepted from any landlord, and no

hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica. The administrator may, for good cause, permit acceptance of an application or petition notwithstanding nonpayment of fees. Such acceptance may be subject to reasonable conditions, including but not necessarily limited to partial payment of fees owing.

(h) Registration Fee Waiver for Owner-Occupied Unit

- (1) One or more landlords may claim a registration fee waiver for one (1) unit, if that unit is occupied by the landlord(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if said landlord(s) occupying the unit own(s) at least a twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.
- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) A claim of registration fee waiver must be filed on the form provided by the Rent Control Board.
- (4) An owner-occupied fee waiver expires automatically when the owner no longer owns or occupies the unit.

(i) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for any controlled rental unit participating in a Federal and/or State Funded Subsidy Program which is restricted to very low or low-income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of the registration fees for a controlled rental unit pursuant to this regulation shall either submit to the Board documents which establish participation in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of the refund or credit shall be calculated on a prorated 12-month basis, commencing with the month following determination of eligibility for the fee waiver.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participating in such program.

(j) Registration Fee Waiver for Units Occupied by Low-Income Senior Citizens or Low-Income Disabled Citizens

- (1) The Board shall grant a waiver of the 1989-90 registration fee which would be eligible for pass-through to the tenant to the owner of any controlled rental unit which is rented to a low-income senior citizen or to a low-income disabled citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the

subject unit must be sixty-two (62) years of age or older or must must be a "handicapped individual" as defined below. In addition, the tenant's gross household income shall not exceed the following:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$13,950
2	15,950
3	17,950
4	19,950
5	21,550
6 or more	23,150

For the purposes of this section "gross household income" shall be and include the income of every member of the household received during the year, including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.

- (3) A "handicapped individual" shall mean any person who has a long-term physical impairment or who presently has a mental impairment, either of which substantially limits one or more major life activities.
- (4) A "physical impairment" means any long-term physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: neurological, musculo-skeletal, special sense organs, respiratory, including speech organs; cardio-vascular; reproductive; digestive, genito-urinary; hemic or lymphatic; skin; and endocrine. A "physical impairment" may include but is not limited to such diseases as permanent orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, muscular dystrophy, muscular sclerosis, cancer, heart disease, diabetes, drug addiction and alcoholism.
- (5) A "mental impairment" means any present mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional illness, and specific learning disabilities.
- (6) "Substantially limits" means that the impairment has been shown to affect the individual's ability to secure employment.
- (7) "Major life activities" means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving educational or vocational training.
- (8) Application for determination of eligibility for fee waiver under this section must be made on a form provided by the Board. The application on the basis of disability must include one of the following:
 - (i) A declaration from a licensed physician stating that the tenant suffers from a long-term physical impairment or a present mental or physiological disorder and that such impairment or disorder substantially limits the individual's ability to secure employment.
 - (ii) Proof that the individual tenant is a recipient of social security disability income or social security supplemental security income (SSI) for the blind or disabled.

- (9) Upon determination of eligibility for fee waiver as provided by this subsection, the Board shall notify the owner of the unit for which the fee waiver is granted and refund the portion of the registration fee for the eligible unit which would have been passed through to the tenant under subparagraph (e) above. The amount of the refund shall be calculated on a prorated 12-month basis, commencing with the month following determination of eligibility for the fee waiver.
- (10) Upon receipt of a registration fee refund as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (11) Fee Waivers provided for under this section shall expire whenever the tenant for whom the application was granted vacates the unit.
- (12) Tenants who have received fee waivers under Regulation 11009(j) may renew the fee waiver for 1989-1990 without filing a complete new application, provided that they cooperate with the Board in verifying continued eligibility.
- (k) No fee waiver for owner-occupancy under subsection (h) or for government rent subsidy under subsection (i) will be granted for any rental unit which is not properly registered, as defined by Regulation 13002.
- (l) A landlord who has been granted a fee waiver for owner occupancy, for government funded rent subsidy program participation or for low income senior citizen or disabled tenants must notify the Board within thirty (30) days of the expiration of such fee waiver.

[11010 Adopted 6/8/89; Effective 6/22/89]

11011. Registration Fee Number 12

- (a) Purpose The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1990 to June 30, 1991.
- (b) Amount of Registration Fee A landlord shall pay to the Santa Monica Rent Control Board the amount of \$144.00 for each controlled rental unit he/she owns in the City of Santa Monica.
- (c) Liability The current landlord is jointly and severally liable, along with the former landlord or landlords, for payment of any unpaid registration fees and penalties owing on the property for prior years. This requirement of joint and several liability is declarative of existing law and does not impose any new requirements or limit existing ones.
- (d) Deadline for Payment of Registration Fees
 - (1) A landlord shall pay all registration fees due and owing pursuant to this regulation on or before August 1, 1990, except insofar as he/she falls within the exceptions of subsection (2) and (3) below.
 - (2) If a landlord has been granted an exemption of a controlled rental unit by the Board which exemption is valid on the date of the adoption of this regulation, but which exemption lapses on or after August 31, 1990, the landlord shall pay prorated registration fees for the period of time between September 1, 1990 and August 31, 1991, that such unit is not exempt from the Rent Control Law. Such prorated fees shall become due and owing

thirty (30) days following the date on which an exemption lapses.

- (3) If a landlord has been granted a fee waiver for an owner-occupied unit or for a unit participating in a government funded rent subsidy program or for a Low Income Disabled Citizen or for a Low Income Senior Citizen on the date of adoption of this regulation, but such fee waiver terminates on or after September 1, 1990, the landlord shall pay prorated registration fees for the period of time between September 1, 1990 and August 31, 1991, that the unit is not eligible for a fee waiver. Such prorated fees shall become due and owing thirty (30) days following the date on which the fee waiver terminates.
- (e) Registration Fee Pass-Through A landlord may increase the rent on any controlled rental unit for which the registration fee has been paid for the entire property in accordance with the provisions of this regulation in the amount of twelve dollars (\$12.00) per month, provided that all past registration fees and/or penalty fees have been paid as well. The rent increase provided by this subsection may be implemented on September 1, 1990, and must be terminated on August 31, 1991. Insofar as the landlord falls within the exceptions delineated in subsections (d)(2) and (3) above, the rent increases may be noticed immediately following the payment of the fees. Such rent increases shall not extend beyond August 31, 1991, and shall not exceed twelve dollars per month for each month for which fees are charged. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment. A landlord who does not pay the registration fees by the deadline set forth in subsection (d) shall not increase rents as provided by this subsection (e) at any time.
- (f) Notice Requirements A landlord shall notify each tenant in writing of a rent increase pursuant to this regulation. The notice must comply with all requirements set forth in Civil Code Section 827. Additionally, the notice must state the landlord has paid the registration fee provided by this regulation on or before August 1, 1990, except insofar as the landlord falls within the exceptions delineated in subsections (d)(2) and (d)(3) above, in which case the notice must state that the landlord has paid the fee and must state the date on which such payment was made.

A notice which does not contain a statement of compliance with subsection (d) of this regulation shall be deemed improper and the landlord shall be required to renotice each tenant with an appropriate statement. Any landlord who fails to properly notice a tenant in a controlled rental unit will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.
- (g) Delinquent Registration Fees If a landlord does not pay the registration fees by August 1, 1990, or within thirty (30) days of lapse of an exemption or fee waiver, whichever is applicable:
 - (1) A late charge shall be assessed in an amount equal to four percent (4%) of the unpaid balance for each property, including the unpaid balance of registration fees and penalties remaining from prior years, for each month after the due date, until the fee is paid.
 - (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all controlled rental units on the subject property.
 - (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica. The administrator may, for good cause, permit the acceptance of an application or petition notwithstanding nonpayment of fees. Such acceptance may be subject to reasonable conditions,

including but not necessarily limited to partial payment of fees owing.

(h) Registration Fee Waiver For Owner-Occupied Unit

- (1) One or more landlords may claim a registration fee waiver for one (1) unit, if that unit is occupied by the landlord(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if the landlord(s) occupying the unit own(s) at least twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.
- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) A claim of registration fee waiver must be filed on the form provided by the Rent Control Board.
- (4) An owner-occupied fee waiver expires automatically when the owner no longer owns or occupies the unit.

(i) Registration Fee Waiver for Units Occupied by Low-Income Senior Citizens or Low-Income Disabled Citizens

- (1) The Board shall grant a waiver of the 1990-91 registration fee for a controlled rental unit which is rented to a low-income senior or disabled citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older or must be a "handicapped individual" as defined below. In addition, the tenant's gross household income shall not exceed the following:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$14,600
2	16,700
3	18,750
4	20,850
5	22,500
6 or more	24,200

For the purposes of this section "gross household income" shall include the income every member of the household received during the year including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.

- (3) A "handicapped individual" shall mean any person who has a long-term physical impairment or who presently has a mental impairment, either of which substantially limits one or more major life activities.
- (4) A "physical impairment" means any long-term physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: neurological, musculo-skeletal, special sense organs, respiratory, including

speech organs; cardiovascular; reproductive; digestive, genito-urinary; hemic or lymphatic; skin; and endocrine. A "physical impairment" may include but is not limited to such diseases as permanent orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, cancer, heart disease, diabetes, drug addiction and alcoholism.

- (5) A "mental impairment" means any present mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional illness, and specific learning disabilities.
- (6) "Substantially limits" means that the impairment has been shown to affect the individual's ability to secure employment.
- (7) "Major life activities" means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving educational or vocational training.
- (8) Application for determination of eligibility for fee waiver under this section must be made on a form provided by the Board. The application on the basis of disability must include one of the following:
 - (i) A declaration from a licensed physician stating that the tenant suffers from a long-term physical impairment or a present mental or physiological disorder and that such impairment or disorder substantially limits the individual's ability to secure employment.
 - (ii) Proof that the individual tenant is a recipient of social security disability income or social security supplemental security income (SSI) for the blind or disabled.
- (9) Upon determination of eligibility for fee waiver as provided by this subsection, the Board shall notify the owner of the unit for which the fee waiver is granted and refund the portion of the registration fee for the eligible unit which would have been passed through to the tenant under subparagraph (e) above. The amount of the refund shall be calculated on a prorated 12-month basis, commencing with the month following determination of eligibility for the fee waiver.
- (10) Upon receipt of a registration fee refund as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (11) Fee waivers provided for under this section shall expire whenever the tenant for whom the application was granted vacates the unit.
- (12) Tenants who have received fee waivers under Regulation 11010(j) may renew the fee waiver for 1990-1991 without filing a complete new application provided that they cooperate with the Board in verifying continued eligibility.
- (j) Notice of Expiration of Fee Waiver A landlord who has been granted a fee waiver for owner-occupancy or for low-income senior or disabled tenants must notify the board within thirty (30) days of the expiration of such fee waiver.

(11011 Adopted 6/7/90; Effective 6/18/90)

11012. Registration Fee Number 13

- (a) Purpose. The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1991 to June 30, 1992.
- (b) Amount of Registration Fee A landlord shall pay to the Santa Monica Rent Control Board the amount of \$132.00 for each controlled rental unit he/she owns in the City of Santa Monica.
- (c) Liability The current landlord is jointly and severally liable, along with the former landlord or landlords, for payment of any unpaid registration fees and penalties owing on the property for prior years. This requirement of joint and several liability is declarative of existing law and does not impose any new requirements or limit existing ones.
- (d) Deadline for Payment of Registration Fees
 - (1) A landlord shall pay all registration fees due and owing pursuant to this regulation on or before August 1, 1991 except insofar as he/she falls within the exceptions of subsection (2) and (3) below.
 - (2) If a landlord has been granted an exemption for a controlled rental unit by the Board which exemption lapses on or after July 1, 1991, the landlord shall pay prorated registration fees for the period of time between July 1, 1991 and June 30, 1992, that such unit is not exempt from the Rent Control Law. Such prorated fees are due at the start of the next calendar month following the lapse. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
 - (3) If any registration fee waiver expires on or after July 1, 1991, the landlord shall pay prorated registration fees for the balance of the 1991-92 fiscal year. The prorated fees are due at the start of the next calendar month following the expiration of the fee waiver. The fees are past due, or delinquent, if not paid in full within thirty (30) days.
- (e) Registration Fee Pass-Through

A landlord may increase the rent on any controlled rental unit by eleven dollars (\$11.00) per month, in accordance with the provisions of this regulation, provided all current and past registration fees and penalties for the property have been paid. The rent increase provided by this subsection may be implemented on September 1, 1991, and must be terminated on August 31, 1992. Insofar as the landlord falls within the exceptions delineated in subsections (d)(2) and (3) above, the rent increases may be noticed immediately following the payment of the fees. Such rent increases shall not extend beyond August 31, 1992, and shall not exceed eleven dollars (\$11.00) per month. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment. A landlord who does not pay the registration fees by the deadline set forth in subsection (d) shall not increase rents as provided by this subsection at any time.
- (f) Notice Requirements

A landlord shall notify each tenant in writing of a rent increase pursuant to this regulation. The notice must comply with all requirements set forth in Civil Code Section 827. Additionally, the notice must state the landlord has paid the registration fee provided by this regulation on or before August 1, 1991, unless the landlord falls within the exceptions in subsections (d)(2) and (d)(3), in which case the notice must state that the landlord has paid the fee and must state the date on which such payment was made.

A notice which does not contain a statement of compliance with subsection (d) of this regulation shall be deemed improper and the landlord shall be required to renotice each tenant with an appropriate statement. Any landlord who fails to properly notice a tenant in a controlled rental unit will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.

(g) Delinquent Registration Fees

If a landlord does not pay the registration fees by August 1, 1991, or within thirty (30) days following the lapse of an exemption or the expiration of a fee waiver, whichever is applicable:

- (1) A late charge shall be assessed in an amount equal to four percent (4%) of the unpaid balance for each property, including the unpaid balance of registration fees and penalties remaining from prior years, for each month after the due date, until the fee is paid.
- (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all controlled rental units on the subject property.
- (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica. The administrator may, for good cause, permit the acceptance of an application or petition notwithstanding nonpayment of fees. Such acceptance may be subject to reasonable conditions, including but not necessarily limited to partial payment of fees owing.

(h) Registration Fee Waiver For Owner-Occupied Unit

- (1) One or more landlords may claim a registration fee waiver for one (1) unit, if that unit is occupied by the landlord(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if the landlord(s) occupying the unit own(s) at least twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.
- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) A claim of registration fee waiver must be filed on the form provided by the Rent Control Board with the required documentation. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of the refund or credit may be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (4) An owner-occupied fee waiver expires automatically when the owner no longer owns or occupies the unit.

(i) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for any controlled rental unit participating in a Federal and/or State Funded Subsidy Program which is restricted to very low or low-income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of the registration fees pursuant to this subsection shall either submit to the Board documents which establish participation in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of refund or credit shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participation in such program.

(j) Registration Fee Waiver for Units Occupied by Very Low-Income Senior Citizens or Very Low-Income Disabled Citizens

- (1) The Board shall grant a waiver of the 1991-92 registration fee for a controlled rental unit which is rented to a very low-income senior or a very low-income disabled citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older or must be a "handicapped individual" as defined below. In addition, the tenant's gross household income shall not exceed the following:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$15,250
2	17,400
3	19,550
4	21,750
5	23,500
6 or more	25,250

For the purposes of this section "gross household income" shall include the income every member of the household received during the year including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.

- (3) A "handicapped individual" shall mean any person who has a long-term physical impairment or who presently has a mental impairment, either of which substantially limits one or more major life activities.
- (4) A "physical impairment" means any long-term physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: neurological; musculo-skeletal; special sense organs; respiratory, including

speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic or lymphatic; skin; and endocrine. A "physical impairment" may include but is not limited to such diseases as permanent orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, cancer, heart disease, diabetes, drug addiction and alcoholism.

- (5) A "mental impairment" means any present mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional illness, and specific learning disabilities.
- (6) "Substantially limits" means that the impairment has been shown to affect the individual's ability to secure employment.
- (7) "Major life activities" means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving educational or vocational training.
- (8) Application for determination of eligibility for fee waiver under this section must be made on a form provided by the Board. The application on the basis of disability must include one of the following:
 - (i) A declaration from a licensed physician stating that the tenant suffers from a long-term physical impairment or a present mental or physiological disorder and that such impairment or disorder substantially limits the individual's ability to secure employment.
 - (ii) Proof that the individual tenant is a recipient of social security disability income or social security supplemental security income (SSI) for the blind or disabled.
- (9) Upon determination of eligibility for fee waiver as provided by this subsection, the Board shall notify the owner of the unit for which the fee waiver is granted and refund a portion of the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (10) Upon the granting of a registration fee waiver as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (11) Fee Waivers provided for under this section shall expire whenever the tenant for whom the application was granted vacates the unit.
- (12) Tenants who have received fee waivers under Regulation 11010(j) may renew the fee waiver for 1991-1992 without filing a complete new application provided that they cooperate with the Board in verifying continued eligibility.
- (k) Notice of Expiration of Fee Waiver A landlord who has been granted a fee waiver for owner-occupancy, very low-income senior tenants, very low-income disabled tenants or government funded rent subsidy program must notify the board within thirty (30) days of the expiration of such fee waiver.

[11012 Adopted 6/13/91; Effective 6/27/91]

11013. Registration Fee Number 14

- (a) Purpose The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1992 to June 30, 1993.
- (b) Amount of Registration Fee A landlord shall pay to the Santa Monica Rent Control Board the amount of \$132.00 for each controlled rental unit he/she owns in the City of Santa Monica.
- (c) Liability The current landlord is jointly and severally liable, along with the former landlord or landlords, for payment of any unpaid registration fees and penalties owing on the property for prior years. This requirement of joint and several liability is declarative of existing law and does not impose any new requirements or limit existing ones.
- (d) Deadline for Payment of Registration Fees
 - (1) All registration fees are due and owing pursuant to this regulation as of July 1, 1992, and must be received in the office of the Rent Control Board no later than August 3, 1992, except as provided in subsections (2) and (3) below.
 - (2) If a landlord has been granted an exemption for a controlled rental unit by the Board which exemption lapses on or after July 1, 1992, the landlord shall pay prorated registration fees for the period of time between July 1, 1992 and June 30, 1993 that such unit is not exempt from the Rent Control Law. Such prorated fees are due at the start of the next calendar month following the lapse. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
 - (3) If any registration fee waiver expires on or after July 1, 1992, the landlord shall pay prorated registration fees for the balance of the 1992-93 fiscal year. The prorated fees are due at the start of the next calendar month following the expiration of the fee waiver. The fees are past due, or delinquent, if not paid in full within thirty (30) days.
- (e) Registration Fee Pass-Through

A landlord may increase the rent on any controlled rental unit by eleven dollars (\$11.00) per month, in accordance with the provisions of this regulation, provided all current and past registration fees and penalties for the property have been timely paid in accordance with subsection (d) above; however, if a landlord does not pay the registration fees by the deadline set forth in subsection (d) above, that landlord shall not increase rents as provided by this subsection at any time. The rent increase provided by this subsection may be implemented on September 1, 1992, and must be terminated on August 31, 1993. Insofar as the landlord falls within the exceptions delineated in subsections (d)(2) and (3) above, the rent increases may be noticed immediately following the payment of the fees. Such rent increases shall not extend beyond August 31, 1993, and shall not exceed eleven dollars (\$11.00) per month. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.
- (f) Notice Requirements

A landlord shall notify each tenant in writing of a rent increase pursuant to this regulation.

The notice must comply with all requirements set forth in Civil Code Section 827. Additionally, the notice must state that the landlord has paid the registration fee provided by this regulation on or before August 3, 1992, unless the landlord falls within the

exceptions in subsections (d)(2) and (d)(3), in which case the notice must state that the landlord has paid the fee and must state the date on which such payment was made.

A notice which does not contain a statement of compliance with subsection (d) of this regulation shall be deemed improper, and the landlord shall be required to renotice each tenant with an appropriate statement. Any landlord who fails to properly notice a tenant in a controlled rental unit will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.

(g) Delinquent Registration Fees

Registration fees will be considered delinquent if not received prior to the August 1992 rebilling date, or within thirty (30) days following the lapse of an exemption or the expiration of a fee waiver, whichever is applicable:

- (1) A late charge shall be assessed in an amount equal to four percent (4%) of the unpaid balance for each property, including the unpaid balance of registration fees and penalties remaining from prior years, for each month after the due date, until the fee is paid.
- (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all controlled rental units on the subject property.
- (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica. The administrator may, for good cause, permit the acceptance of an application or petition notwithstanding nonpayment of fees. Such acceptance may be subject to reasonable conditions, including but not necessarily limited to partial payment of fees owing.

(h) Registration Fee Waiver For Owner-Occupied Unit

- (1) One or more owners may claim a registration fee waiver for one (1) unit, if that unit is occupied by the owner(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if the owner(s) occupying the unit own(s) at least twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.
- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) A claim of registration fee waiver must be filed on the form provided by the Rent Control Board with the required documentation. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of the refund or credit may be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (4) An owner-occupied fee waiver expires automatically when the owner no longer owns or occupies the unit.

(i) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for any controlled rental unit participating in a Federal and/or State Funded Subsidy Program which is restricted to very low or low-income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of the registration fees pursuant to this subsection shall either submit to the Board documents which establish participation in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of refund or credit shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participation in such program.

(j) Registration Fee Waiver for Units Occupied by Very Low-Income Senior Citizens or Very Low-Income Disabled Citizens

- (1) The Board shall grant a waiver of the 1992-93 registration fee for a controlled rental unit which is rented to a very low-income senior or a very low-income disabled citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older or must be a "handicapped individual" as defined below. In addition, the tenant's gross household income shall not exceed the following:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$15,250
2	17,400
3	19,550
4	21,750
5	23,500
6 or more	25,250

For the purposes of this section "gross household income" shall include the income every member of the household received during the year including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.

- (3) A "handicapped individual" shall mean any person who has a long-term physical impairment or who presently has a mental impairment, either of which substantially limits one or more major life activities.
- (4) A "physical impairment" means any long-term physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: neurological; musculo-skeletal; special sense organs; respiratory, including

speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic or lymphatic; skin; and endocrine. A "physical impairment" may include but is not limited to such diseases as permanent orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, cancer, heart disease, diabetes, drug addiction and alcoholism.

- (5) A "mental impairment" means any present mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional illness, and specific learning disabilities.
- (6) "Substantially limits" means that the impairment has been shown to affect the individual's ability to secure employment.
- (7) "Major life activities" means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving educational or vocational training.
- (8) Application for determination of eligibility for fee waiver under this section must be made on a form provided by the Board. The application on the basis of disability must include one of the following:
 - (i) A declaration from a licensed physician stating that the tenant suffers from a long-term physical impairment or a present mental or physiological disorder and that such impairment or disorder substantially limits the individual's ability to secure employment.
 - (ii) Proof that the individual tenant is a recipient of social security disability income or social security supplemental security income (SSI) for the blind or disabled.
- (9) Upon determination of eligibility for fee waiver as provided by this subsection, the Board shall notify the owner of the unit for which the fee waiver is granted and refund a portion of the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (10) Upon the granting of a registration fee waiver as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (11) Fee waivers provided for under this section shall expire whenever the tenant for whom the application was granted vacates the unit.
- (12) Tenants who have received fee waivers under Regulation 11012(j) may renew the fee waiver for 1992-1993 without filing a complete new application provided that they cooperate with the Board in verifying continued eligibility.
- (k) Notice of Expiration of Fee Waiver A landlord who has been granted a fee waiver for owner-occupancy, very low-income senior tenants, very low-income disabled tenants or government funded rent subsidy program must notify the board within thirty (30) days of any change in the conditions upon which such fee waiver was based.

[11013 Adopted 6/4/92; Effective 6/20/92]

11014. Registration Fee Number 15.

- (a) Purpose. The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1993 to June 30, 1994.
- (b) Amount of Registration Fee. A landlord shall pay to the Santa Monica Rent Control Board the amount of \$156.00 for each controlled rental unit he/she owns in the City of Santa Monica.
- (c) Liability. The current landlord is jointly and severally liable, along with the former landlord or landlords, for payment of any unpaid registration fees and penalties owing on the property for prior years. This requirement of joint and several liability is declarative of existing law and does not impose any new requirements or limit existing ones.
- (d) Deadline for Payment of Registration Fees
 - (1) All registration fees are due and owing pursuant to this regulation as of July 1, 1993, and must be received in the office of the Rent Control Board, or mailed and postmarked, no later than August 2, 1993, except as provided in subsections (3) and (4) below.
 - (2) No exceptions to, nor extensions of, the deadline set forth in subsection 11014(d)(1) above shall be granted.
 - (3) If a landlord has been granted an exemption for a controlled rental unit by the Board which exemption lapses on or after July 1, 1993, the landlord shall pay prorated registration fees for the period of time between July 1, 1993 and June 30, 1994 that such unit is not exempt from the Rent Control Law. Such prorated fees are due at the start of the next calendar month following the lapse. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
 - (4) If any registration fee waiver expires on or after July 1, 1993, the landlord shall pay prorated registration fees for the balance of the 1993-94 fiscal year. The prorated fees are due at the start of the next calendar month following the expiration of the fee waiver. The fees are past due, or delinquent, if not paid in full within thirty (30) days.
- (e) Registration Fee Pass-Through.

A landlord may increase the rent on any controlled rental unit by thirteen dollars (\$13.00) per month, in accordance with the provisions of this regulation, provided all current and past registration fees and penalties for the property have been timely paid in accordance with subsection (d) above; however, if a landlord does not pay the registration fees by the deadline set forth in subsection (d) above, that landlord shall not increase rents as provided by this subsection at any time. The rent increase provided by this subsection may be implemented on September 1, 1993, and must be terminated on August 31, 1994. Insofar as the landlord falls within the exceptions delineated in subsections (d)(3) and (4) above, the rent increases may be noticed immediately following the payment of the fees. Such rent increases shall not extend beyond August 31, 1994, and shall not exceed thirteen dollars (\$13.00) per month. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.
- (f) Notice Requirements

A landlord shall notify each tenant in writing of a rent increase pursuant to this regulation. The notice must comply with all requirements set forth in Civil Code Section 827.

Additionally, the notice must state that the landlord has paid the registration fee provided by this regulation on or before August 2, 1993, unless the landlord falls within the exceptions in subsections (d)(3) and (d)(4), in which case the notice must state that the landlord has paid the fee and must state the date on which such payment was made.

A notice which does not contain a statement of compliance with subsection (d) of this regulation shall be deemed improper, and the landlord shall be required to renotice each tenant with an appropriate statement. Any landlord who fails to properly notice a tenant in a controlled rental unit will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.

(g) Delinquent Registration Fees

Registration fees will be considered delinquent if not received prior to the August 1993 rebilling date, or within thirty (30) days following the lapse of an exemption or the expiration of a fee waiver, whichever is applicable:

- (1) A late charge shall be assessed in an amount equal to four percent (4%) of the unpaid balance for each property, including the unpaid balance of registration fees and penalties remaining from prior years, for each month after the due date, until the fee is paid.
- (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all controlled rental units on the subject property.
- (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica. The administrator may, for good cause, permit the acceptance of an application or petition notwithstanding nonpayment of fees. Such acceptance may be subject to reasonable conditions, including but not necessarily limited to partial payment of fees owing.

(h) Registration Fee Waiver For Owner-Occupied Unit.

- (1) One or more owners may claim a registration fee waiver for one (1) unit, if that unit is occupied by the owner(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if the owner(s) occupying the unit own(s) at least twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.
- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) A claim of registration fee waiver must be filed on the form provided by the Rent Control Board with the required documentation. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of the refund or credit may be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.

- (4) An owner-occupied fee waiver expires automatically when the owner no longer owns or occupies the unit.

(i) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for any controlled rental unit participating in a Federal and/or State funded subsidy program which is restricted to very low or low-income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of the registration fees pursuant to this subsection shall either submit to the Board documents which establish participation in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of refund or credit shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participation in such program.

(j) Registration Fee Waiver for Units Occupied by Very Low-Income Senior Citizens or Very Low-Income Disabled Citizens

- (1) The Board shall grant a waiver of the 1993-94 registration fee for a controlled rental unit which is rented to a very low-income senior or a very low-income disabled citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older or must be a "handicapped individual" as defined below. In addition, the tenant's gross household income shall not exceed the following:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$ 16,900
2	19,300
3	21,750
4	24,150
5	26,100
6 or more	28,000

For the purposes of this section "gross household income" shall include the income every member of the household received during the year including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.

- (3) A "handicapped individual" shall mean any person who has a long-term physical impairment or who presently has a mental impairment, either of which substantially limits one or more major life activities.
- (4) A "physical impairment" means any long-term physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body

systems: neurological; musculo-skeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic or lymphatic; skin; and endocrine. A "physical impairment" may include but is not limited to such diseases as permanent orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, cancer, heart disease, diabetes, drug addiction and alcoholism.

- (5) A "mental impairment" means any present mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional illness, and specific learning disabilities.
- (6) "Substantially limits" means that the impairment has been shown to affect the individual's ability to secure employment.
- (7) "Major life activities" means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving educational or vocational training.
- (8) Application for determination of eligibility for fee waiver under this section must be made on a form provided by the Board. The application on the basis of disability must include one of the following:
 - (i) A declaration from a licensed physician stating that the tenant suffers from a long-term physical impairment or a present mental or physiological disorder and that such impairment or disorder substantially limits the individual's ability to secure employment.
 - (ii) Proof that the individual tenant is a recipient of social security disability income or social security supplemental security income (SSI) for the blind or disabled.
- (9) Upon determination of eligibility for fee waiver as provided by this subsection, the Board shall notify the owner of the unit for which the fee waiver is granted and refund a portion of the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (10) Upon the granting of a registration fee waiver as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (11) Fee waivers provided for under this section shall expire whenever the tenant for whom the application was granted vacates the unit.
- (12) Tenants who have received fee waivers under Regulation 11013(j) may renew the fee waiver for 1993-1994 without filing a complete new application provided that they cooperate with the Board in verifying continued eligibility.
- (k) Notice of Expiration of Fee Waiver. A landlord who has been granted a fee waiver for owner-occupancy, very low-income senior tenants, very low-income disabled tenants or government funded rent subsidy program must notify the board within thirty (30) days of any change in the conditions upon which such fee waiver was based.

[11014 Adopted 6/3/93; Effective 6/17/93]

11015. Registration Fee Number 16.

- (a) Purpose. The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1994 to June 30, 1995.
- (b) Amount of Registration Fee. A landlord shall pay to the Santa Monica Rent Control Board the amount of \$156.00 for each controlled rental unit he/she owns in the City of Santa Monica.
- (c) Liability. The current landlord is jointly and severally liable, along with the former landlord or landlords, for payment of any unpaid registration fees and penalties owing on the property for prior years. This requirement of joint and several liability is declarative of existing law and does not impose any new requirements or limit existing ones.
- (d) Deadline for Payment of Registration Fees
 - (1) All registration fees are due and owing pursuant to this regulation as of July 1, 1994, and must be received in the office of the Rent Control Board, or mailed and postmarked, no later than August 1, 1994, except as provided in subsections (d)(3) and (4), and subsection (l) below.
 - (2) No exceptions to, nor extensions of, the deadline set forth in subsection 11015(d)(1) above shall be granted.
 - (3) If a landlord has been granted an exemption for a controlled rental unit by the Board which exemption lapses on or after July 1, 1994, the landlord shall pay prorated registration fees for the period of time between July 1, 1994 and June 30, 1995 that such unit is not exempt from the Rent Control Law. Such prorated fees are due at the start of the next calendar month following the lapse. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
 - (4) If any registration fee waiver expires on or after July 1, 1994, the landlord shall pay prorated registration fees for the balance of the 1994-95 fiscal year. The prorated fees are due at the start of the next calendar month following the expiration of the fee waiver. The fees are past due, or delinquent, if not paid in full within thirty (30) days.
- (e) Registration Fee Pass-Through.

A landlord may increase the rent on any controlled rental unit by thirteen dollars (\$13.00) per month, in accordance with the provisions of this regulation, provided all current and past registration fees and penalties for the property have been timely paid in accordance with subsection (d) above; however, if a landlord does not pay the registration fees by the deadline set forth in subsection (d) above, that landlord shall not increase rents as provided by this subsection at any time. The rent increase provided by this subsection may be implemented on September 1, 1994, and must be terminated on August 31, 1995. Insofar as the landlord falls within the exceptions delineated in subsections (d)(3) and (4) above, the rent increases may be noticed immediately following the payment of the fees. Such rent increases shall not extend beyond August 31, 1995, and shall not exceed thirteen dollars (\$13.00) per month. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.
- (f) Notice Requirements

A landlord shall notify each tenant in writing of a rent increase pursuant to this regulation.

The notice must comply with all requirements set forth in Civil Code Section 827.

Additionally, the notice must state that the landlord has paid the registration fee provided by this regulation on or before August 1, 1994, unless the landlord falls within the exceptions in subsections (d)(3) and (d)(4), in which case the notice must state that the landlord has paid the fee and must state the date on which such payment was made.

A notice which does not contain a statement of compliance with subsection (d) of this regulation shall be deemed improper, and the landlord shall be required to renounce each tenant with an appropriate statement. Any landlord who fails to properly notice a tenant in a controlled rental unit will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.

(g) Delinquent Registration Fees

Registration fees will be considered delinquent if not received prior to the August 1, 1994 rebilling date, as set forth in subsection (d)(1) above, or within thirty (30) days following the lapse of an exemption or the expiration of a fee waiver, whichever is applicable:

- (1) A late charge shall be assessed in an amount equal to four percent (4%) of the unpaid balance for each property, including the unpaid balance of registration fees and penalties remaining from prior years, for each month after the due date, until the fee is paid.
- (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all controlled rental units on the subject property.
- (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica. The administrator may, for good cause, permit the acceptance of an application or petition notwithstanding nonpayment of fees. Such acceptance may be subject to reasonable conditions, including but not necessarily limited to partial payment of fees owing.

(h) Registration Fee Waiver For Owner-Occupied Unit.

- (1) One or more owners may claim a registration fee waiver for one (1) unit, if that unit is occupied by the owner(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if the owner(s) occupying the unit own(s) at least twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.
- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) A claim of registration fee waiver must be filed on the form provided by the Rent Control Board with the required documentation. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of the refund or credit may be calculated on a prorated fiscal year basis, commencing with the determination of eligibility for the fee waiver.
- (4) An owner-occupied fee waiver expires automatically when the owner no longer owns or occupies the unit.

(i) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for any controlled rental unit participating in a Federal and/or State funded subsidy program which is restricted to very low or low-income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of the registration fees pursuant to this subsection shall either submit to the Board documents which establish participation in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of refund or credit shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participation in such program.

(j) Registration Fee Waiver for Units Occupied by Very Low-Income Senior Citizens or Very Low-Income Disabled Citizens

- (1) The Board shall grant a waiver of the 1994-95 registration fee for a controlled rental unit which is rented to a very low-income senior or a very low-income disabled citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older or must be a "handicapped individual" as defined below. In addition, the tenant's gross household income shall not exceed the following:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$ 17,766
2	20,304
3	22,842
4	25,380
5	27,157
6 or more	28,933

For the purposes of this section "gross household income" shall include the income every member of the household received during the year including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.

The tenant shall provide appropriate evidence of gross household income, including, if necessary, third-party income verification, consistent with the relevant portions of Board regulation 17304.

- (3) A "handicapped individual" shall mean any person who has a long-term physical impairment or who presently has a mental impairment, either of which substantially limits one or more major life activities.
- (4) A "physical impairment" means any long-term physiological disorder or condition,

cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: neurological; musculo-skeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic or lymphatic; skin; and endocrine. A "physical impairment" may include but is not limited to such diseases as permanent orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, cancer, heart disease, diabetes, drug addiction and alcoholism.

- (5) A "mental impairment" means any present mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional illness, and specific learning disabilities.
- (6) "Substantially limits" means that the impairment has been shown to affect the individual's ability to secure employment.
- (7) "Major life activities" means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving educational or vocational training.
- (8) Application for determination of eligibility for fee waiver under this section must be made on a form provided by the Board. The application on the basis of disability must include one of the following:
 - (i) A declaration from a licensed physician stating that the tenant suffers from a long-term physical impairment or a present mental or physiological disorder and that such impairment or disorder substantially limits the individual's ability to secure employment.
 - (ii) Proof that the individual tenant is a recipient of social security disability income or social security supplemental security income (SSI) for the blind or disabled.
- (9) Upon determination of eligibility for fee waiver as provided by this subsection, the Board shall notify the owner of the unit for which the fee waiver is granted and refund a portion of the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (10) Upon the granting of a registration fee waiver as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (11) Fee waivers provided for under this section shall expire whenever the tenant for whom the application was granted vacates the unit.
- (12) Tenants who have received fee waivers under Regulation 11014(j) may renew the fee waiver for 1994-1995 without filing a complete new application provided that they cooperate with the Board in verifying continued eligibility.
- (k) Notice of Expiration of Fee Waiver. A landlord who has been granted a fee waiver for owner-occupancy, very low-income senior tenants, very low-income disabled tenants or government funded rent subsidy program must notify the board within thirty (30) days of any change in the conditions upon which such fee waiver was based.
- (l) Earthquake Damaged Units. The landlord of any residential rental unit that is currently deemed uninhabitable as a result of the January 17, 1994 "Northridge" earthquake, or its immediate aftershocks, shall not be obligated to pay registration fees for any unit deemed uninhabitable.
 - (1) "Deemed uninhabitable" means that the subject unit(s) is currently red- or yellow-

tagged by the City of Santa Monica Department of Building and Safety.

- (2) Upon a determination by the City Building and Safety Department that the subject unit(s) is habitable (i.e. green-tagged), on or after July 1, 1994, the landlord shall pay prorated registration fees for the period of time between July 1, 1994 and June 30, 1995 that such unit(s) is habitable. Such prorated fees are due at the start of the next calendar month following the habitability determination. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
- (3) The landlord may pass through any prorated fees consistent with subsection (e) above, provided proper notice is given to the tenants pursuant to Civil Code section 827 and subsection (f) of this Regulation.

[11015 Adopted 6/9/94; Effective 6/23/94]

11016. Registration Fee Number 17.

- (a) Purpose. The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1995 to June 30, 1996.
- (b) Amount of Registration Fee. A landlord shall pay to the Santa Monica Rent Control Board the amount of \$156.00 for each controlled rental unit he/she owns in the City of Santa Monica.
- (c) Liability. The current landlord is jointly and severally liable, along with the former landlord or landlords, for payment of any unpaid registration fees and penalties owing on the property for prior years. This requirement of joint and several liability is declarative of existing law and does not impose any new requirements or limit existing ones.
- (d) Deadline for Payment of Registration Fees
 - (1) All registration fees are due and owing pursuant to this regulation as of July 3, 1995, and must be received in the office of the Rent Control Board, or mailed and postmarked, no later than August 1, 1995, except as provided in subsections (3) and (4) below, and subsection (l) below.
 - (2) No exceptions to, nor extensions of, the deadline set forth in subsection (1) above shall be granted.
 - (3) If a landlord has been granted an exemption for a controlled rental unit by the Board which exemption lapses on or after July 1, 1995, the landlord shall pay prorated registration fees for the period of time between July 1, 1995 and June 30, 1996 that such unit is not exempt from the Rent Control Law. Such prorated fees are due at the start of the next calendar month following the lapse. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
 - (4) If any registration fee waiver expires on or after July 3, 1995, the landlord shall pay prorated registration fees for the balance of the 1995-96 fiscal year. The prorated fees are due at the start of the next calendar month following the expiration of the fee waiver. The fees are past due, or delinquent, if not paid in full within thirty (30) days.
- (e) Registration Fee Pass-Through.

A landlord may increase the rent on any controlled rental unit by thirteen dollars (\$13.00) per

month, in accordance with the provisions of this regulation, provided all current and past registration fees and penalties for the property have been timely paid in accordance with subsection (d) above; however, if a landlord does not pay the registration fees by the deadline set forth in subsection (d) above, that landlord shall not increase rents as provided by this subsection at any time. The rent increase provided by this subsection may be implemented on September 1, 1995, and must be terminated on August 31, 1996. Insofar as the landlord falls within the exceptions delineated in subsections (d)(3) and (4) above, the rent increases may be noticed immediately following the payment of the fees. Such rent increases shall not extend beyond August 31, 1996, and shall not exceed thirteen dollars (\$13.00) per month. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.

(f) Notice Requirements

A landlord shall notify each tenant in writing of a rent increase pursuant to this regulation.

The notice must comply with all requirements set forth in Civil Code Section 827. Additionally, the notice must state that the landlord has paid the registration fee provided by this regulation on or before August 1, 1995, unless the landlord falls within the exceptions in subsections (d)(3) and (d)(4), in which case the notice must state that the landlord has paid the fee and must state the date on which such payment was made.

A notice which does not contain a statement of compliance with subsection (d) of this regulation shall be deemed improper, and the landlord shall be required to renotice each tenant with an appropriate statement. Any landlord who fails to properly notice a tenant in a controlled rental unit will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.

(g) Delinquent Registration Fees

Registration fees will be considered delinquent if not received prior to the August 1, 1995 rebilling date, as set forth in subsection (d)(1) above, or within thirty (30) days following the lapse of an exemption or the expiration of a fee waiver, whichever is applicable:

- (1) A late charge shall be assessed in an amount equal to four percent (4%) of the unpaid balance for each property, including the unpaid balance of registration fees and penalties remaining from prior years, for each month after the due date, until the fee is paid.
- (2) That landlord may not increase rent for any controlled rental unit pursuant to any general or individual rent adjustments until payment of registration fees for all controlled rental units on the subject property.
- (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica. The administrator may, for good cause, permit the acceptance of an application or petition notwithstanding nonpayment of fees. Such acceptance may be subject to reasonable conditions, including but not necessarily limited to partial payment of fees owing.

(h) Registration Fee Waiver For Owner-Occupied Unit.

- (1) One or more owners may claim a registration fee waiver for one (1) unit, if that unit is occupied by the owner(s) as his/her principal place of residence. A unit may be

considered owner-occupied for the purpose of qualifying for a registration fee waiver only if the owner(s) occupying the unit own(s) at least twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.

- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) A claim of registration fee waiver must be filed on the form provided by the Rent Control Board with the required documentation. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of the refund or credit may be calculated on a prorated fiscal year basis, commencing with the determination of eligibility for the fee waiver.
- (4) An owner-occupied fee waiver expires automatically when the owner no longer owns or occupies the unit.

(i) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for any controlled rental unit participating in a Federal and/or State funded subsidy program which is restricted to very low or low-income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of the registration fees pursuant to this subsection shall either submit to the Board documents which establish participation in a rent subsidy program or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of refund or credit shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (3) A fee waiver for a unit participating in a government funded rent subsidy program expires automatically upon termination of participation in such program.

(j) Registration Fee Waiver for Units Occupied by Very Low-Income Senior Citizens or Very Low-Income Disabled Citizens

- (1) The Board shall grant a waiver of the 1995-96 registration fee for a controlled rental unit which is rented to a very low-income senior or a very low-income disabled citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older or must be a "handicapped individual" as defined below. In addition, the tenant's gross household income shall not exceed the following:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$ 21,546
2	24,624
3	27,702
4	30,780

5	32,935
6 or more	35,089

For the purposes of this section "gross household income" shall include the income every member of the household received during the year including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, interest, capital gains and inheritances.

The tenant shall provide appropriate evidence of gross household income, including, if necessary, third-party income verification, consistent with the relevant portions of Board regulation 17304.

- (3) A "handicapped individual" shall mean any person who has a long-term physical impairment or who presently has a mental impairment, either of which substantially limits one or more major life activities.
- (4) A "physical impairment" means any long-term physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: neurological; musculo-skeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic or lymphatic; skin; and endocrine. A "physical impairment" may include but is not limited to such diseases as permanent orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, cancer, heart disease, diabetes, drug addiction and alcoholism.
- (5) A "mental impairment" means any present mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional illness, and specific learning disabilities.
- (6) "Substantially limits" means that the impairment has been shown to affect the individual's ability to secure employment.
- (7) "Major life activities" means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving educational or vocational training.
- (8) Application for determination of eligibility for fee waiver under this section must be made on a form provided by the Board. The application on the basis of disability must include one of the following:
 - (i) A declaration from a licensed physician stating that the tenant suffers from a long-term physical impairment or a present mental or physiological disorder and that such impairment or disorder substantially limits the individual's ability to secure employment.
 - (ii) Proof that the individual tenant is a recipient of social security disability income or social security supplemental security income (SSI) for the blind or disabled.
- (9) Upon determination of eligibility for fee waiver as provided by this subsection, the Board shall notify the owner of the unit for which the fee waiver is granted and refund a portion of the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (10) Upon the granting of a registration fee waiver as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.

- (11) Fee waivers provided for under this section shall expire whenever the tenant for whom the application was granted vacates the unit.
- (12) Tenants who have received fee waivers under Regulation 11015(j) may renew the fee waiver for 1995-1996 without filing a complete new application provided that they cooperate with the Board in verifying continued eligibility.
- (k) Notice of Expiration of Fee Waiver. A landlord who has been granted a fee waiver for owner-occupancy, very low-income senior tenants, very low-income disabled tenants or government funded rent subsidy program must notify the board within thirty (30) days of any change in the conditions upon which such fee waiver was based.
- (l) Earthquake Damaged Units. The landlord of any residential rental unit that is currently deemed uninhabitable as a result of the January 17, 1994 "Northridge" earthquake, or its immediate aftershocks, shall not be obligated to pay registration fees for any unit deemed uninhabitable.
 - (1) "Deemed uninhabitable" means that the subject unit(s) is currently red- or yellow-tagged by the City of Santa Monica Department of Building and Safety.
 - (2) Upon a determination by the City Building and Safety Department that the subject unit(s) is habitable (i.e. green-tagged), on or after July 3, 1995, the landlord shall pay prorated registration fees for the period of time between July 3, 1995 and June 30, 1996 that such unit(s) is habitable. Such prorated fees are due at the start of the next calendar month following the habitability determination. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
 - (3) The landlord may pass through any prorated fees consistent with subsection (e) above, provided proper notice is given to the tenants pursuant to Civil Code section 827 and subsection (f) of this Regulation.

[11016 Adopted 6/8/95; Effective 6/21/95]

11017. Registration Fee Number 18.

- (a) Purpose. The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the fiscal year of July 1, 1996 to June 30, 1997.
- (b) Amount of Registration Fee. A landlord shall pay to the Santa Monica Rent Control Board the amount of \$144.00 for each controlled rental unit he/she owns in the City of Santa Monica.
- (c) Liability. The current landlord is jointly and severally liable, along with the former landlord or landlords, for payment of any unpaid registration fees and penalties owing on the property for prior years. This requirement of joint and several liability is declarative of existing law and does not impose any new requirements or limit existing ones.
- (d) Deadline for Payment of Registration Fees
 - (1) All registration fees are due and owing pursuant to this regulation as of July 1, 1996, and must be received in the office of the Rent Control Board, or mailed and postmarked, no later than August 1, 1996, except as provided in subsections (3) and (4) below, and subsection (l) below.

- (2) No exceptions to, nor extensions of, the deadline set forth in subsection (1) above shall be granted.
- (3) If a landlord has been granted an exemption for a controlled rental unit by the Board which exemption lapses on or after July 1, 1996, the landlord shall pay prorated registration fees for the period of time between July 1, 1996 and June 30, 1997 that such unit is not exempt from the Rent Control Law. Such prorated fees are due at the start of the next calendar month following the lapse. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
- (4) If any registration fee waiver expires on or after July 1, 1996, the landlord shall pay prorated registration fees for the balance of the 1996-97 fiscal year. The prorated fees are due at the start of the next calendar month following the expiration of the fee waiver. The fees are past due, or delinquent, if not paid in full within thirty (30) days.

(e) Registration Fee Pass-Through.

A landlord may increase the rent on any controlled rental unit by twelve dollars (\$12.00) per month, in accordance with the provisions of this regulation, provided all current and past registration fees and penalties for the property have been timely paid in accordance with subsection (d) above; however, if a landlord does not pay the registration fees by the deadline set forth in subsection (d) above, that landlord shall not increase rents as provided by this subsection at any time. The rent increase provided by this subsection may be implemented on September 1, 1996, and must be terminated on August 31, 1997. Insofar as the landlord falls within the exceptions delineated in subsections (d)(3) and (4) above, the rent increases may be noticed immediately following the payment of the fees. Such rent increases shall not extend beyond August 31, 1997, and shall not exceed twelve dollars (\$12.00) per month. The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.

(f) Notice Requirements

A landlord shall notify each tenant in writing of a rent increase pursuant to this regulation.

The notice must comply with all requirements set forth in Civil Code Section 827. Additionally, the notice must state that the landlord has paid the registration fee provided by this regulation on or before August 1, 1996, unless the landlord falls within the exceptions in subsections (d)(3) and (d)(4), in which case the notice must state that the landlord has paid the fee and must state the date on which such payment was made.

A notice which does not contain a statement of compliance with subsection (d) of this regulation shall be deemed improper, and the landlord shall be required to renotice each tenant with an appropriate statement. Any landlord who fails to properly notice a tenant in a controlled rental unit will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.

(g) Delinquent Registration Fees

Registration fees will be considered delinquent if not received prior to the August 1, 1996 rebilling date, as set forth in subsection (d)(1) above, or within thirty (30) days following the lapse of an exemption or the expiration of a fee waiver, whichever is applicable:

- (1) A late charge shall be assessed in an amount equal to four percent (4%) of the unpaid balance for each property, including the unpaid balance of registration fees and penalties

remaining from prior years, for each month after the due date, until the fee is paid.

- (2) That landlord may not increase rent for any controlled rental unit pursuant to any Board approved general or individual rent adjustments until payment of registration fees for all controlled rental units on the subject property.
- (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica. The administrator may, for good cause, permit the acceptance of an application or petition notwithstanding nonpayment of fees. Such acceptance may be subject to reasonable conditions, including but not necessarily limited to partial payment of fees owing.

(h) Registration Fee Waiver For Owner-Occupied Unit.

- (1) One or more owners may claim a registration fee waiver for one (1) unit, if that unit is occupied by the owner(s) as his/her principal place of residence. A unit may be considered owner-occupied for the purpose of qualifying for a registration fee waiver only if the owner(s) occupying the unit own(s) at least twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.
- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) A claim of registration fee waiver must be filed on the form provided by the Rent Control Board with the required documentation. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of the refund or credit may be calculated on a prorated fiscal year basis, commencing with the determination of eligibility for the fee waiver.
- (4) An owner-occupied fee waiver expires automatically when the owner no longer owns or occupies the unit.

(i) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for any controlled rental unit participating in, or occupied by a tenant receiving a rent subsidy under, a Federal and/or State funded subsidy program which is restricted to very low or low-income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of the registration fees pursuant to this subsection shall either submit to the Board documents which establish a unit's or tenant's participation in a rent subsidy program, or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed. Upon determination of eligibility for this fee waiver, the Board shall notify the owner of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of refund or credit shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (3) A fee waiver for a tenant receiving a rent subsidy under, or for a unit participating in, a

government funded rent subsidy program expires automatically upon termination of participation in such program. If the fee waiver is based upon the occupancy of the unit by a tenant receiving a rent subsidy, a fee waiver will also expire automatically if such tenant no longer occupies the unit.

(j) Registration Fee Waiver for Units Occupied by Very Low-Income Senior Citizens or Very Low-Income Disabled Citizens

- (1) The Board shall grant a waiver of the 1996-97 registration fee for a controlled rental unit which is rented to a very low-income senior or a very low-income disabled citizen.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older or must be a "handicapped individual" as defined below. In addition, the tenant's gross household income shall not exceed the following:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$ 21,546
2	24,624
3	27,702
4	30,780
5	32,935
6 or more	35,089

For the purposes of this section "gross household income" shall include the income every member of the household received during the year including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, gifts, interest, capital gains and inheritances.

The tenant shall provide appropriate evidence of gross household income, including, if necessary, third-party income verification, consistent with the relevant portions of Board regulation 17304.

- (3) A "handicapped individual" shall mean any person who has a long-term physical impairment or who presently has a mental impairment, either of which substantially limits one or more major life activities.
- (4) A "physical impairment" means any long-term physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: neurological; musculo-skeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic or lymphatic; skin; and endocrine. A "physical impairment" may include but is not limited to such diseases as permanent orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, cancer, heart disease, diabetes, drug addiction and alcoholism.
- (5) A "mental impairment" means any present mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional illness, and specific learning disabilities.
- (6) "Substantially limits" means that the impairment has been shown to affect the individual's ability to secure employment.
- (7) "Major life activities" means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving

educational or vocational training.

- (8) Application for determination of eligibility for fee waiver under this section must be made on a form provided by the Board. The application on the basis of disability must include one of the following:
 - (i) A declaration from a licensed physician stating that the tenant suffers from a long-term physical impairment or a present mental or physiological disorder and that such impairment or disorder substantially limits the individual's ability to secure employment.
 - (ii) Proof that the individual tenant is a recipient of social security disability income or social security supplemental security income (SSI) for the blind or disabled.
- (9) Upon determination of eligibility for fee waiver as provided by this subsection, the Board shall notify the owner of the unit for which the fee waiver is granted and refund a portion of the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (10) Upon the granting of a registration fee waiver as provided under this section, the owner will cease charging the tenant the monthly prorated registration fee.
- (11) Fee waivers provided for under this section shall expire whenever the tenant for whom the application was granted vacates the unit or no longer meets the applicable qualifications.
- (12) Tenants who have received fee waivers under Regulation 11016(j) may renew the fee waiver for 1996-1997 without filing a complete new application provided that they cooperate with the Board in verifying continued eligibility.
- (k) Notice of Expiration of Fee Waiver. A landlord who has been granted a fee waiver for owner-occupancy, very low-income senior tenants, very low-income disabled tenants or government funded rent subsidy program must notify the Board within thirty (30) days of any change in the conditions upon which such fee waiver was based.
- (l) Earthquake Damaged Units. The landlord of any residential rental unit that is currently deemed uninhabitable as a result of the January 17, 1994 "Northridge" earthquake, or its immediate aftershocks, shall not be obligated to pay registration fees for any unit deemed uninhabitable.
 - (1) "Deemed uninhabitable" means that the subject unit(s) is currently red- or yellow-tagged by the City of Santa Monica Department of Building and Safety.
 - (2) Upon a determination by the City Building and Safety Department that the subject unit(s) is habitable (i.e. green-tagged), on or after July 1, 1996, the landlord shall pay prorated registration fees for the period of time between July 1, 1996 and June 30, 1997 that such unit(s) is habitable. Such prorated fees are due at the start of the next calendar month following the habitability determination. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
 - (3) The landlord may pass through any prorated fees consistent with subsection (e) above, provided proper notice is given to the tenants pursuant to Civil Code section 827 and subsection (f) of this Regulation.

11100. Filing Fees

- (a) Purpose. This regulation is adopted to provide for the charging and collection of fees pursuant to §1803(n) of the Rent Control Charter Amendment authorizing the Board to establish a fee to offset reasonable and necessary expenses in the administration of the Rent Control Law.
- (b) Threshold Rent Increase Petitions.
 - (1) Upon filing of a petition pursuant to Regulation 3300 to increase the maximum allowable rent to the threshold level, the owner or authorized representative shall pay a non-refundable filing fee of one hundred dollars (\$100) per petition.
 - (2) The filing fee shall be paid concurrently with the submission of the petition for filing. The petition shall not be processed without full payment of the fee and the petition shall not be deemed filed until such payment is received.
- (c) Potentially Hazardous Structure Mitigation Program
 - (1) Upon filing of a petition pursuant to Regulation 4113B to increase the maximum allowable rent to compensate for the costs mandated by City ordinance for the mitigation of potentially hazardous structures, the landlord or authorized representative shall pay a non-refundable filing fee as set forth below:
 - (i) The filing fee shall be one hundred dollars (\$100)
 - (ii) For properties between eleven (11) and fifteen (15) units, the filing fee shall be one hundred and fifty dollars (\$150);
 - (iii) For properties with sixteen (16) or more units, the filing fee shall be two hundred dollars (\$200).
 - (2) The filing fee shall be paid concurrently with the submission of the petition for filing. The petition shall not be processed without full payment of the fee and the petition shall not be deemed filed until such payment is received.

11200. Registration Fee

- (a) Purpose. The registration fee provided by this regulation shall finance the reasonable and necessary expenses of the Santa Monica Rent Control Board for the regulation of controlled rental units in Santa Monica.
- (b) Amount of Registration Fee. The annual registration fee for each controlled rental unit in the City of Santa Monica, with the exception of those units which meet the criteria in Regulation 11201, shall be \$228.00 per fiscal year, payable by the landlord of each unit. The Board's fiscal year begins on July 1 of each calendar year and ends on June 30 of the next calendar year. Should the annual registration fee increase occasioned by this subsection be held invalid by a court of competent jurisdiction, it shall revert to \$198.00, which was the amount of the fee that last applied before the fee was increased.
- (c) Liability. The current landlord is jointly and severally liable, along with the former landlord or

landlords, for payment of any unpaid registration fees and penalties owing for the controlled unit(s) for prior years. This requirement of joint and several liability is declarative of existing law and does not impose any new requirements or limit existing ones.

(d) Deadline for Payment of Registration Fees

- (1) All registration fees are due and owing pursuant to this regulation as of July 1 of each year, and must be received in the office of the Rent Control Board, or mailed and postmarked, no later than August 1, of each year.
 - (i) For years in which August 1 falls on a day of the week when the Board's offices are closed, fee payments must be received in the Board's office, or mailed and postmarked, no later than the first business day after August 1. For purposes of this regulation only, the Board's offices are closed only when they are not staffed and not conducting business, regardless of whether the public is permitted to enter City Hall. Also for purposes of this regulation, the term "business day" excludes Saturdays, Sundays, all public holidays recognized by the City of Santa Monica, and every other Friday when City offices are closed in compliance with South Coast Air Quality Management requirements.
 - (ii) The deadline set forth herein is subject to the exceptions as provided in (2), (3), (4), and (7) of this subdivision and subsection (I) below.
- (2) Except in extraordinary circumstances, and at the discretion of the Administrator, no exceptions to, nor extensions of, the deadline set forth in subsection (1) above shall be granted.
- (3) If a landlord has been granted an exemption for a controlled rental unit by the Board which exemption lapses, the landlord shall pay prorated registration fees for the balance of the fiscal year in which the exemption lapsed. Such prorated fees are due at the start of the next calendar month following the lapse. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
- (4) If any registration fee waiver expires, the landlord shall pay prorated registration fees for the balance of the fiscal year in which the waiver expires. The prorated fees are due at the start of the next calendar month following the expiration of the fee waiver. The fees are past due, or delinquent, if not paid in full within thirty (30) days.
- (5) If a unit is returned to the rental market pursuant to Chapter 16, the landlord shall pay registration fees for the balance of the fiscal year remaining thirty (30) days after the filing of the Notice of Intention to Re-Rent Withdrawn Accommodations for the subject property. Such prorated fees are due at the start of the next calendar month and are past due and delinquent if not paid in full within thirty (30) days.
- (6) If a newly constructed unit is offered for rent or lease and is subject to the Rent Control Law in accordance with Regulation 1631, the landlord shall pay registration fees for the balance of the fiscal year remaining after the unit is first offered for rent or lease. Such prorated fees are due at the start of the next calendar month and are past due and delinquent if not paid in full within thirty (30) days.

(e) Registration Fee Pass-Through.

- (1) After timely paying all current and past registration fees and penalties for a property in accordance with subdivisions (b) and (d) above, the landlord may pass through to that property's tenants a registration-fee surcharge as permitted by Charter Section 1803(n). If implemented by the landlord, this surcharge may not exceed fifty percent of the fee

actually paid by the landlord with respect to the affected tenant's unit, and must be charged in twelve equal monthly installments. This surcharge shall not apply to any controlled rental unit for which a fee waiver is in effect. As to any unit for which a fee waiver was in effect for only part of the applicable registration-fee year, the landlord may impose the registration fee surcharge only for those months when the waiver was not in effect, as permitted by paragraph (4) of this subdivision. A landlord may not pass through to tenants any previous year's registration fee, nor any penalty imposed by the Board due to the landlord's late payment of registration fees.

- (2) If a landlord does not pay the registration fees for any fiscal year by the deadline set forth in subdivision (d) above, that landlord is forbidden to pass through to tenants any portion of the registration-fee as provided by this subdivision for that fiscal year, unless authorized by the Administrator pursuant to subdivision (d)(2), above.
- (3) The rent increase provided by this subdivision may be implemented on September 1 of the year for which the landlord has timely paid registration fees pursuant to subdivision (d) above.
- (4) For any unit as to which the landlord pays a prorated registration fee under subdivisions (d)(3) or (4) above, the landlord may, immediately following the payment of those fees, give the affected tenant notice of the intent to impose the registration-fee surcharge permitted by this subdivision. The surcharge shall not exceed the monthly amount that would have applied under paragraph (1) of this subdivision if the landlord had paid the registration fee for the entire year.
- (5) The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the General Adjustment.

(f) Notice Requirements

A landlord shall notify each tenant in writing of a rent increase pursuant to this regulation.

The notice must comply with all requirements set forth in Civil Code Section 827. The notice must state that the landlord has paid the registration fee provided by this regulation on or before the deadline set forth in subsection (d)(1) above. If the landlord falls within the exceptions in subsections (d)(2), (3) and (d)(4), the notice must state that the landlord has paid the fee and must state the date on which such payment was made.

A notice which does not contain a statement of compliance with subsection (d) of this regulation shall be deemed improper, and the landlord shall be required to re-notice each tenant with an appropriate statement. Any landlord who fails to properly notice a tenant in a controlled rental unit will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.

(g) Delinquent Registration Fees

Registration fees will be considered delinquent if not received on or before the deadlines as provided in subsection (d)(1) above, or within thirty (30) days following the lapse of an exemption or the expiration of a fee waiver, whichever is applicable:

- (1) A late charge shall be assessed in an amount equal to four percent (4%) of the unpaid balance of registration fees and penalties, including the unpaid balance of registration fees and penalties remaining from prior years, for each month after the due date, until the entire balance owed is paid.

- (2) A landlord may not increase rent for any controlled rental unit pursuant to any Board approved general or individual rent adjustments until payment has been made of all registration fees and penalties owed for the controlled rental unit(s).
- (3) No petition, application, claim or request shall be accepted from any landlord, and no hearing or other proceeding shall be scheduled or take place on any such petition, application, claim or request until the landlord has paid the registration fees for all of his/her controlled rental units in the City of Santa Monica. The administrator may, for good cause, permit the acceptance of an application or petition notwithstanding nonpayment of fees. Such acceptance may be subject to reasonable conditions, including, but not necessarily limited to partial payment of fees owing.

(h) Registration Fee Waiver For Landlord-Occupied Unit.

- (1) Landlords may apply for a registration fee waiver for one (1) unit each, if that unit is occupied by the landlord(s) as his/her principal place of residence. A unit may be considered landlord-occupied for the purpose of qualifying for a registration fee waiver only if the landlord(s) occupying the unit own(s) at least twenty-five percent (25%) interest in the property. If two or more landlords occupy a single unit on the property, those landlords may aggregate their interest for purposes of this section.
- (2) An owner of a condominium converted after April 10, 1979 without a removal permit or vested rights determination may claim a registration fee waiver for his/her unit if that unit is occupied by the owner as his/her principal place of residence.
- (3) An application for a registration fee waiver must be filed on the form provided by the Rent Control Board with the required documentation. Upon determination of eligibility for this fee waiver, the Board shall notify the landlord of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of the refund or credit may be calculated on a prorated fiscal year basis, commencing with the month of determination of eligibility for the fee waiver.
- (4) A landlord-occupied fee waiver expires automatically when the landlord no longer owns or occupies the unit as his/her principal place of residence.

(i) Registration Fee Waiver for Units Participating in a Government Funded Rent Subsidy Program

- (1) A landlord may claim a registration fee waiver for any controlled rental unit participating in, or occupied by a tenant receiving a rent subsidy under, a Federal and/or State funded subsidy program which is restricted to very low or low-income tenants, as defined by the Department of Housing and Urban Development and/or the California Housing Finance Agency.
- (2) A landlord who claims a waiver from payment of the registration fees pursuant to this subsection shall either submit to the Board documents which establish a unit's or tenant's participation in a rent subsidy program, or a statement signed under penalty of perjury that he/she is participating in the rent subsidy program for the period of time for which the waiver is claimed. Upon determination of eligibility for this fee waiver, the Board shall notify the landlord of the unit for which the fee waiver is granted and refund or credit the registration fee for the eligible unit. The amount of refund or credit shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (3) A fee waiver for a tenant receiving a rent subsidy under, or for a unit participating in, a government funded rent subsidy program expires automatically upon termination of participation in such program. If the fee waiver is based upon the occupancy of the unit

by a tenant receiving a rent subsidy, a fee waiver will also expire automatically if such tenant no longer occupies the unit.

(j) Registration Fee Waiver for Units Occupied by Very Low-Income Senior Citizens or Very Low-Income Disabled Citizens

- 1) The Board shall grant a waiver of the registration fee for a controlled rental unit, which is rented to a very low-income senior or a very low-income disabled citizen upon application by such tenant. For purposes of this regulation, very low income is defined as 60% of median income for Los Angeles County, determined by the U.S. Department of Housing and Urban Development, adjusted for household size. However, no registration fee waiver shall be granted to a very low-income senior or very low-income disabled person if he or she occupies a unit on a property which is wholly or partially owned by any of the following:
 - (A) his or her child, parent, grandparent, brother, sister, father-in-law, mother-in-law, son-in-law, and/or daughter-in-law;
 - (B) a partnership, limited or otherwise, of which his or her child, parent, grandparent, brother, sister, father-in-law, mother-in-law, and/or daughter-in-law is a partner;
 - (C) a limited liability company, of which his or her child, parent, grandparent, brother, sister, father-in-law, mother-in-law, and/or daughter-in-law is a member;
 - (D) a closely held corporation, of which his or her child, parent, grandparent, brother, sister, father-in-law, mother-in-law, and/or daughter-in-law is a shareholder.
- (2) In order to be eligible for a fee waiver as provided under this section, the tenant of the subject unit must be sixty-two (62) years of age or older or must be a "disabled individual" as defined below. In addition, the tenant's gross household income shall not exceed the following 60% of median income for Los Angeles County determined periodically by the U.S. Department of Housing and Urban Development. The income limits shall be calculated using 60% of median income for a family of four, adjusted for household size as follows:

Number of persons	1	2	3	4	5	6 or more
Factor	.7	.8	.9	base	1.08	1.16

For the purposes of this section "gross household income" shall include the income every member of the household received during the preceding calendar year including, but not limited to, wages, salaries, bonuses, tips, gross amounts of pensions and annuities, retirement benefits, social security payments, disability payments, life insurance benefits, gifts, interest, capital gains and inheritances. "Gross household income" shall include the amount of any withdrawal of cash or assets from an investment. In addition, "gross household income" shall include an amount equal to 5% of the value of the household's total assets valued from \$100,000 to \$200,000, in addition to the actual income earned by the asset. "Gross household income" shall also include an amount equal to 10% of the value of the household's total assets valued from \$200,000 to \$300,000, in addition to the actual income earned by the asset.

If the senior or disabled person's household owns total assets valued at \$300,000 or more, he or she is not eligible for the registration fee waiver authorized by this subparagraph.

If requested by the Board, the tenant shall annually provide appropriate documentation of gross household income and all assets owned by members of the household, including, if

necessary, third-party income verification, consistent with the relevant portions of Board regulation 17304.

- (3) A "disabled individual" shall mean any person who has a long-term physical impairment or who presently has a mental impairment, either of which substantially limits one or more major life activities.
- (4) A "physical impairment" means any long-term physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: neurological; musculo-skeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic or lymphatic; skin; or endocrine. A "physical impairment" may include but is not limited to such diseases as permanent orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, cancer, heart disease, diabetes, drug addiction and alcoholism.
- (5) A "mental impairment" means any present mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional illness, and specific learning disabilities.
- (6) "Substantially limits" means that the impairment has been shown to affect the individual's ability to secure employment.
- (7) "Major life activities" means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, and receiving educational or vocational training.
- (8) Application for determination of eligibility for fee waiver under this section must be made on a form provided by the Board. The application on the basis of disability must include one of the following:
 - (i) A declaration from a licensed physician stating that the tenant suffers from a long-term physical impairment or a present mental or physiological disorder and that such impairment or disorder substantially limits the individual's ability to secure employment.
 - (ii) Proof that the individual tenant is a recipient of social security disability income or social security supplemental security income (SSI) for the blind or disabled.
- (9) Upon determination of eligibility for fee waiver as provided by this subsection, the Board shall notify the landlord of the unit for which the fee waiver is granted and refund a portion of the registration fee for the eligible unit. The amount of the refund shall be calculated on a prorated fiscal year basis, commencing with the month of the determination of eligibility for the fee waiver.
- (10) Upon the granting of a registration fee waiver as provided under this section, the landlord will cease charging the tenant the monthly prorated registration fee.
- (11) Fee waivers provided for under this section shall expire whenever the tenant for whom the application was granted vacates the unit or no longer meets the applicable qualifications.
- (12) Tenants who have received fee waivers under this regulation, or Regulation 11016(j) may renew the fee waiver yearly without filing a complete new application provided that they cooperate with the Board in verifying continued eligibility.

- (k) Notice of Expiration of Fee Waiver. A landlord who has been granted a fee waiver for landlord-occupancy, very low-income senior tenants, very low-income disabled tenants or government funded rent subsidy program must notify the Board within thirty (30) days of any change in the conditions upon which such fee waiver was based.
- (l) Earthquake Damaged Units. The landlord of any residential rental unit that is currently deemed uninhabitable as a result of the January 17, 1994 "Northridge" earthquake, or its immediate aftershocks, shall not be obligated to pay registration fees for any unit deemed uninhabitable.
 - (1) "Deemed uninhabitable" means that the subject unit(s) is currently red- or yellow-tagged by the City of Santa Monica Department of Building and Safety.
 - (2) Upon a determination by the City Building and Safety Department that the subject unit(s) is habitable (i.e. green-tagged), the landlord shall pay prorated registration fees for the balance of the fiscal year that such unit(s) is determined to be habitable. Such prorated fees are due at the start of the next calendar month following the habitability determination. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
 - (3) The landlord may pass through any prorated fees consistent with subsection (e) above, provided proper notice is given to the tenants pursuant to Civil Code section 827 and subsection (f) of this Regulation.

[11200 Adopted 6/5/97; Effective 6/15/97]
 [11200(b) Amended 6/11/98; Effective 6/19/98]
 [11200(j)(1)-(2) Amended 6/29/00; Effective 7/21/00]
 [11200(j)(1)-(2) Amended 6/24/04; Effective 7/9/04]
 [11200(b), (e)(1), (e)(3)-(4) Amended 6/8/06; Effective 6/17/06]
 [11200(d) Amended 4/14/11; Effective 4/20/11]
 [11200(b) Amended 6/13/13; Effective 6/20/13]
 [11200(e) Amended 7/9/15; Effective 7/16/15]
 [11200(b) Amended 6/8/17; Effective 6/14/17]
 [11200(d)(1) Amended 6/11/20; Effective 6/18/20]
 [11200(b) Amended 6/9/22; Effective 6/16/22]

11200A. January through June, 2002 Registration Fee for Separately Alienable Condominium Units Which Have Not Been Sold Separately

- (a) Units Covered by This Regulation. This regulation applies to condominium units as defined in regulation 3302(a) which received a permanent fee waiver from the Board prior to January 1, 2002 but which have not been sold separately by the subdivider to a bona fide purchaser for value.
- (b) Amount of Registration Fee for January through June, 2002. The registration fee for the last six months of Board fiscal year 2001-2002 (January through June, 2002) for each condominium unit covered by this regulation shall be \$66, payable by the landlord of each unit. Thereafter, registration fees for units covered by this regulation shall be paid in accordance with regulation 11200.
- (c) Deadline for Payment of Registration Fees
 - (1) All registration fees due and owing pursuant to this regulation must be received in the office of the Rent Control Board, or mailed and postmarked, no later than February 1, 2002.

- (2) Except for good cause, and at the discretion of the Administrator, no exceptions to, nor extensions of, the deadline set forth in subparagraph (1) above shall be granted.
- (3) If any registration fee waiver for a unit covered by this regulation expires, the landlord shall pay prorated registration fees for the balance of the 2001-2002 fiscal year. The prorated fees are due at the start of the next calendar month following the expiration of the fee waiver. The fees are past due, or delinquent, if not paid in full within thirty (30) days.

(d) Registration Fee Pass-Through.

- (1) A landlord may increase the rent on a controlled rental unit covered by this regulation by eleven dollars (\$11.00) per month, provided all current and past registration fees and penalties for the property have been timely paid. This rent increase shall not apply to any controlled rental unit for which a fee waiver is in effect.
- (2) If a landlord does not pay the registration fees required by subparagraph (b) of this regulation by February 1, 2002, that landlord shall not increase rents as provided by this subparagraph for fiscal year 2001-2002, unless authorized by the Administrator pursuant to subparagraph (c)(2), above.
- (3) The rent increase authorized by this subparagraph may be implemented on March 1, 2002, and may continue monthly for six months.
- (4) Insofar as the landlord falls within subparagraph (c)(3) above, the rent increases may be noticed immediately following the payment of the prorated registration fees due. Such rent increases shall not exceed eleven dollars (\$11.00) per month.
- (5) The registration fee pass-through shall not be considered part of the rent in calculating the rent increase to which a landlord is entitled pursuant to the annual General Adjustment.

(e) Notice Requirements

A landlord shall notify each tenant in writing of a rent increase pursuant to this regulation. The notice shall comply with all the requirements set forth in Civil Code section 827 and regulation 11200(f). The notice shall state that the landlord has paid the registration fee provided by this regulation on or before February 1, 2002. If subparagraphs (c)(2) or (c)(3) of this regulation apply, the notice must state that the landlord has paid the registration fee and must state the date on which such payment was made.

A notice which does not contain a statement of compliance with subparagraph (c) of this regulation shall be deemed improper, and the landlord shall be required to re-notice each tenant with an appropriate statement. Any landlord who fails to properly notice a tenant in a controlled rental unit will forfeit the pass-through to which he/she would otherwise have been entitled for the number of months for which there was improper notice or lack of notice.

- (f) Delinquent Registration Fees. Registration fees mandated by this regulation are delinquent if not received or mailed and postmarked on or before February 1, 2002 or within thirty (30) days following the lapse of an exemption or the expiration of a fee waiver, whichever is applicable. Regulation 11200(g)(1), (2), and (3)'s provisions regarding late charges, prohibition against increasing rents, and prohibition against filing a petition or application by a delinquent landlord are applicable to registration fees mandated under this regulation.

- (g) Registration Fee Waivers. Landlords may apply for registration fee waivers of the registration

fees mandated by this regulation for units which qualify for the fee waivers under the requirements of regulation 11200(h), (i), and (j). A landlord which has been granted a fee waiver of the registration fees mandated by this regulation must notify the Board within thirty (30) days of any change in the conditions upon which the fees waiver was based.

[11200A Adopted 1/10/02; Effective 1/26/02]

11201. Registration Fee for Single Family Dwellings, TORCA Units and Condominium Units With Rents No Longer Controlled (Civil Code Section 1954.50 et seq.)

- (a) Exception to Regulation 11200. Effective January 1, 1999, Civil Code Section 1954.52(a) (Costa-Hawkins Act) provides that rents for separately alienable rental units where tenancies commenced on or after January 1, 1996 shall no longer be controlled, with exceptions set forth in that code section, which are incorporated by reference into this regulation. Effective January 1, 2002, Civil Code section 1954.52(a) excludes separately alienable condominium units which have not been sold separately by the subdivider to bona fide purchasers for value from its provisions decontrolling the rents of separately alienable units. If a unit qualifies under Civil Code section 1954.52 for decontrol of its rents, it is not liable for payment of registration fees to the Board.
- (b) Qualification for Separately Sold Unit Fee Waiver. In order to qualify for the exception to the requirement to pay registration fees, the tenancy of a separately sold, separately alienable rental unit must have commenced on or after January 1, 1996, the prior tenancy of the unit must not have been terminated by the owner by notice pursuant to Civil Code section 1946.1 or upon a change in terms of the tenancy noticed pursuant to Civil Code section 827, and the unit must not contain serious health, safety, fire, or building code violations for which a citation was issued which was unabated for six months or longer preceding the tenancy.
- (c) Request for Separately Sold Unit Fee Waiver. If a landlord claims that a unit meets the requirements of this regulation for a fee waiver, the landlord may submit a request for a separately sold unit fee waiver. Sufficient documentary evidence to prove that the unit meets the criteria of subsection (b) of this regulation must be submitted.
- (d) Discretion of Administrator. It is within the discretion of the Administrator to grant a reasonable request for a separately sold unit fee waiver which substantially complies with this regulation.

[11201 Adopted 6/11/98; Effective 6/19/98]

[11201(a)-(d) Amended 1/10/02; Effective 1/26/02]

[11201(e)-(g) Repealed 1/10/02; Effective 1/26/02]

[11201(b) Amended 12/6/12; Effective 12/12/12]

[Chapter 11 Adopted 10/4/79; Effective 12/4/79]

[11000(a) Amended 11/29/79; Effective 12/4/79]

[11000(e) Adopted 12/6/79; Effective 12/9/79]

[11000(b) Amended 3/6/80; Effective 3/14/80]

[11001 Adopted 6/26/80; Effective 7/13/80]

[11001(f) Adopted 12/4/80; Effective 12/18/80]

[11002 Adopted 7/2/81; Effective 7/10/81]

[11003 Adopted 6/19/82; Effective 6/27/82]

[11004 Adopted 6/18/83; Effective 6/26/83]

[11005 Adopted 6/21/84; Effective 7/9/84]

[11005(i) Adopted 7/5/84; Effective 7/14/84]

[11006 Adopted 6/20/85; Effective 7/26/85]

[11006(g) Amended 10/24/85; Effective 12/5/85]

[11007 Adopted 7/3/86; Effective 7/12/86]

[11001(c)(2) Amended 12/18/86; Effective 12/25/86]
 [11002(f)(2) Amended 12/18/86; Effective 12/25/86]
 [11003(f)(2) Amended 12/18/86; Effective 12/25/86]
 [11004(f)(2) Amended 12/18/86; Effective 12/25/86]
 [11005(f)(2) Amended 12/18/86; Effective 12/25/86]
 [11007(f)(2) Renumbered 12/18/86; Effective 12/25/86]
 [11007(f)(2) Adopted 12/18/86; Effective 12/25/86]
 [11008 Adopted 6/25/87; Effective 7/7/87]
 [11008(k) Adopted 7/9/87; Effective 7/17/87]
 [11008(j)(2) Amended 7/9/87; Effective 7/26/87]
 [11009 Adopted 6/9/88; Effective 6/18/88]
 [11010 Adopted 6/8/89; Effective 6/22/89]
 [11011 Adopted 6/7/90; Effective 6/18/90]
 [11012 Adopted 6/13/91; Effective 6/27/91]
 [11013 Adopted 6/4/92; Effective 6/20/92]
 [11014 Adopted 6/3/93; Effective 6/17/93]
 [11015 Adopted 6/9/94; Effective 6/23/94]
 [11016 Adopted 6/8/95; Effective 6/21/95]
 [11100 Amended 6/8/95; Effective 6/21/95]
 [11017 Adopted 6/6/96; Effective 6/15/96]
 [11200 Adopted 6/5/97; Effective 6/15/97]
 [11200(b) Amended 6/11/98; Effective 6/19/98]
 [11201 Adopted 6/11/98; Effective 6/19/98]
 [11200(j)(1)-(2) Amended 6/29/00; Effective 7/21/00]
 [11200A Adopted 1/10/02; Effective 1/26/02]
 [11201(a)-(d) Amended 1/10/02; Effective 1/26/02]
 [11201(e)-(g) Repealed 1/10/02; Effective 1/26/02]
 [11200(j)(1)-(2) Amended 6/24/04; Effective 7/9/04]
 [11200(b), (e)(1), (e)(3)-(4) Amended 6/8/06; Effective 6/17/06]
 [11200(d) Amended 4/14/11; Effective 4/20/11]
 [11201(b) Amended 12/6/12; Effective 12/12/12]
 [11200(b) Amended 6/13/13; Effective 6/20/13]
 [11200(e) Amended 7/9/15; Effective 7/16/15]
 [11200(b) Amended 6/8/17; Effective 6/14/17]
 [11200(d)(1) Amended 6/11/20; Effective 6/18/20]
 [11200(b) Amended 6/9/22; Effective 6/16/22]

CHAPTER 12

EXEMPTIONS AND COVERAGE

12000. Exemption Procedures

A property shall not be considered exempt from the Rent Control Law until the owner of said property has applied for, and received, a determination by the Rent Control Board that such property is exempt. With the exception of applications governed by Regulation 12051, all exemptions shall be prospectively effective for all purposes, upon the granting of an application. The prospective effect requirement of this regulation applies to all applications filed on or after August 31, 1989.

[12000 Amended 4/22/82; Effective 5/2/82]

[12000 Amended 9/28/89; Effective 10/10/89]

12051. Exemption Procedures for Rental Units in Hotels, Motels, Inns, Tourist Homes and Rooming and Boarding Houses

- (a) Scope of Section. Hotels, motels, inns, tourist homes and rooming and boarding houses shall not be considered exempt from the Rent Control Law unless and until the owner of the property has applied for, and received, a determination that such units are exempt.
- (b) Filing of Application and Notice Thereof Any person seeking an exemption determination under this section must make application on the form approved by the Board. Within five days of filing of an application, the owner shall either:
 - (1) Serve a copy of such application along with a response form provided by the Board on tenants from every rental unit for which the owner seeks an exemption, or
 - (2) Post a copy of such application along with a copy of the response form provided by the Board in each rental unit for which the owner seeks an exemption.

The applicant must provide occupancy records for the period from January 1, 1979, to the present for every unit of the property for which the applicant seeks an exemption for inspection and copying at the Rent Control Board offices upon request. Failure to provide such records may result in dismissal of the application.

- (c) Determination As soon as practicable after the filing of an application, and in no event later than ninety (90) days from the date of filing, the Board shall make a final determination as to the exempt or non-exempt status of the property. The Board may hold a hearing or direct a hearing examiner to hold a hearing for the purpose of receiving evidence upon which to make the determination.
- (d) Standards for Exemption The Board shall determine that the property is exempt from the Rent Control Law upon making the following findings and subject to the proviso set forth in subsection (e):
 - (1) The property is a hotel, motel, inn, tourist home, or rooming and boarding house.
 - (2) The rental units at the property are rented primarily for use by transient guests.
 - (3) The rental units at the property are rented primarily for rental collection periods of less than fourteen (14) days.

- (e) Exemption Exceptions. A determination of exemption shall not apply to units occupied by tenants in any of the following circumstances until such tenants cease to reside on the property:
- (1) The current occupant has continuously resided in the rental unit for at least three (3) months as of the date of Board hearing; or
 - (2) The current occupant has continuously resided on the property, whether in the rental unit currently occupied or in another unit, for at least three (3) months as of the date of Board hearing; or
 - (3) The current occupant has an oral or written agreement entered into with the owner or owner's agent before the date of Board hearing establishing a tenancy of three (3) months or more.
- (f) Burden of Proof. An applicant shall have the burden of proving entitlement to an exemption under this section. The applicant shall present the records of occupancy required to be kept and documentation of transient occupancy taxes paid to the City under Santa Monica Municipal Code Section 6.68.
- (g) Effective Date of Exemption. Upon determination by the Board that a property is exempt from rent control, the exemption shall be deemed to relate back to the date upon which the conditions entitling an applicant to an exemption arose, providing that such conditions have continued to exist at all times since that date.
- (h) Expiration of Exemption. If the use of a hotel, motel, inn, tourist home, rooming house or boarding house which has been granted an exemption under this section changes such that the rental units on the property are no longer rented primarily for use by transient guests, the exemption shall automatically expire.

[12051 Adopted 5/26/83; Effective 6/4/83]

[12051(c) Amended 3/10/88; Effective 3/30/88]

[12051(f) Amended 5/12/11; Effective 5/20/11]

12052. Extended Medical Care Facilities

- (d) For purposes of §1801 (c)(2), "extended medical care facilities" shall include skilled nursing facilities which are currently licensed as health care facilities under California Administrative Code, Title 22, Division 5, Chapter 3. A skilled nursing facility means a health facility or a distinct part of a hospital which provides the following basic services: skilled nursing care and supportive care to patients whose primary need is for availability of skilled nursing care on an extended basis. It provides 24 hour in-patient care and, as a minimum, includes medical, nursing, dietary, pharmaceutical services and an activity program.
- "Extended medical care facilities" shall not include community care facilities or alcoholic or drug rehabilitation or detoxification centers. A community care facility means a facility which is maintained and operated to provide non-medical residential care. Alcohol and drug rehabilitation or detoxification centers mean recovery houses or other similar facilities providing living arrangements for persons recovering from alcoholism or drug addiction.
- (e) For purposes of §1801(c)(2), "asylums" shall include the benevolent institutions affording shelter and support to some class of the disabled or destitute.

- (1) To qualify for a use exemption under this Regulation an applicant must meet the following requirements:
 - (a) The applicant must be an organization exempt from Federal income taxes under §501 (c)(3) of the Internal Revenue Code provided that the gross income derived from the subject property does not constitute unrelated business income as defined in §512 of the Internal Revenue Code.
 - (b) Housing services are or will be a necessary part of the social service program at the subject property, and the rental units for which an exemption is sought shall be used for residential housing purposes as part of the social service program.
 - (c) The applicant demonstrates to the Rent Control Board that it is proceeding and at all relevant times has proceeded in good faith to effectuate the purposes for which the applicant seeks exemption.
- (2) The exemption shall last only so long as the applicant uses rental units as an asylum, or until the applicant gives up the exemption, whichever is sooner. The Board may, after notice and hearing, revoke any exemption upon a showing that any of the conditions upon which the exemption was based no longer exists.
- (3) The granting of an exemption shall not in any way deprive the then current residents of the effected property of any of the protections contained in the Charter Amendment. These protections include, without limitation, the good cause eviction provisions of Charter Amendment §1806 and the maximum allowable rent provisions of Charter Amendment Sections 1805 and 1809.
- (4) Upon the termination of this exemption, the maximum allowable rent existing prior to the granting of the temporary exemption, plus any subsequent general adjustments, shall be the new maximum allowable rent. This does not prevent a party from applying for an individual rent adjustment.
- (5) The granting of a use exemption under this Regulation does not, in any way, constitute a removal permit under chapter 5 of these regulations.

[12052(d) Adopted 5/24/80; Effective 6/3/80]

[12052(e) Adopted 8/27/81; Effective 9/9/81]

[12052(e) Amended 8/12/82; Effective 9/3/82]

12053. Exemption Procedures For Three Unit or Less Owner-Occupied Properties

- (a) Filing of Application.
 - (1) Any person seeking a determination of exemption under Charter §1801(c)(4) must make application on the form approved by the Board. Such application shall not be considered complete until the applicant has submitted a copy of a grant deed or other evidence of applicant's ownership interest and other documentation showing that there [are] were, on April 10, 1979, three or fewer units at the property and that the applicant's principal place of residence is the property for which exemption is claimed. The application for exemption shall not be accepted for filing unless accompanied by a processing fee of one hundred dollars (\$100).
 - (2) Staff shall have five business days from the date the application is submitted to determine if an application is complete. If the application is incomplete, it shall be returned to the applicant and shall not be considered "filed". Any application which is not

rejected as incomplete during the five day review period shall be considered filed on the sixth business day after the date of submission and the ninety days for consideration of the application shall begin on that date. Even if an incomplete application is accepted for filing, it may be dismissed pursuant to Section 12200 of these Regulations.

- (3) If an application for an exemption has been denied or withdrawn the applicant may refile one hundred twenty (120) days or more after the denial.
- (b) Notice. Within five days of filing of a completed application, the Board shall mail a copy of the application for exemption to each rental unit at the property along with an Administrator-approved notice of filing and a tenant response form.
- (c) Standards of Proof. The applicant shall have the burden of proving by a preponderance of evidence that:
 - (1) The applicant owns at least a fifty percent (50%) interest in the property for which exemption is sought and has owned fifty percent (50%) interest since the date of filing the application for exemption;
 - (2) The property, including any contiguous parcels or lots in which the applicant has at least a fifty percent (50%) ownership interest, had three or fewer residential units, including residential units not used for rental purposes, on April 10, 1979;
 - (3) The owner has continuously resided at the property as his or her principal place of residence beginning at least one hundred twenty (120) days prior to the filing of the application for exemption.
- (d) Recommendation Without a Hearing Where Facts Are Not In Dispute Staff shall review the documentation submitted with each application, Board records of the property and all tenant response forms returned to the Board. Staff shall prepare a "Recommendation to the Board" recommending that the application be granted without a hearing, if the applicant's documentation, Board records and all tenant responses confirm that as of the date of filing, the applicant has met the requirements of Regulation 12053(c).
- (e) Reference to Hearing Examiner If upon review of the application, attachments and tenant responses, staff determines that there are any disputed facts or issues of law which are relevant to a determination of owner-occupancy, staff shall not prepare a "Recommendation to Board" and shall instead refer the case to a hearing examiner. Notice of such a hearing shall be given by the hearings department at least ten days prior to the date set for the hearing.
 - (1) Where a case is referred to a hearing examiner, staff shall conduct an on-site inspection of the property prior to the date set for hearing.
 - (2) Staff shall prepare a written "Staff Report" for submission to the hearing examiner and admission to the case record. The staff report shall contain a report of staff's observations during the on-site inspection, any photographs taken by staff, a review of any documents contained in Board records or submitted by the applicant and other parties and the names of any persons who could present evidence. The staff report shall be included in the case file and shall be available for inspection by the parties. It shall be considered competent evidence, but the staff member who prepared the report shall be subject to cross-examination at the hearing.
- (f) Hearing Examiner
 - (1) The following persons may serve as a hearing examiner at a hearing on an exemption application:

- (i) A Board member.
- (ii) The Administrator or his or her designee.
- (2) The functions of the hearing examiner shall be performed in an impartial manner.
- (3) Powers of Hearing Examiner.

The hearing examiner shall have the right to:

- (i) Administer oaths and affirmations.
- (ii) Cause the Board to issue subpoenas for the attendance of persons to testify and to produce books, records and other papers.
- (iii) Direct staff to conduct a pre-hearing inspection and take photographs of the property for which the exemption is sought.
- (iv) Rule on offers of proof and receive relevant evidence.
- (v) Control the course of the hearing.
- (vi) Rule on procedural requests.
- (vii) Question any witness during the course of the hearing.
- (viii) Render a Recommendation to the Board to either grant or deny the application.

[12053 Adopted 3/10/88; Effective 3/30/88]

[12053 Amended 11/10/94; Effective 11/22/94]

[12053(a)(1) Amended 6/10/99; Effective 6/25/99]

[12053(c)(1), (c)(3) Amended 5/25/00; Effective 6/9/00]

[12053(a)(3), (c)(3) Amended 12/14/06; Effective 12/17/06]

[12053(b), (f)(1)-(3) Amended 5/12/11; Effective 5/20/11]

12054. Procedure Where Three Unit or Less Owner-Occupied Exemption Has Been Referred to A Hearing Examiner

- (a) Continuances. Continuances for any exemption hearings shall be granted only for good cause, by the Hearing Examiner, Hearings Department Manager or Administrator. Requests for continuances shall be made as soon as possible. A written request and the reasons for the continuance must be submitted to the Rent Control Board office at least 72 hours prior to the scheduled hearing, unless good cause is shown for a later request. The written request must contain acceptable alternative dates and an explanation of what efforts were made to ascertain the position of the other parties regarding the request for a continuance. Copies of this written request must be sent immediately to all other parties and proof of such service must accompany the written request filed with the Board. A continuance request which meets the requirements of this section may nevertheless be denied if granting the continuance request would impede the Board's ability to decide the case within the ninety-day deadline of Rent Control Law Section 1801(c)(7). The applicant may execute a waiver of the ninety-day deadline to permit further time for consideration of the application.

(b) Hearing Procedure

1. Conduct of Hearing. The hearing on an exemption application shall be conducted in a manner deemed most suitable to ensure fundamental fairness to all parties concerned, and with a view toward securing all relevant information and material necessary to render a decision without unnecessary delay.
2. Evidence Rules. The hearing need not be conducted according to technical rules of evidence. Any relevant evidence shall be considered if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Unduly repetitious or irrelevant evidence shall be excluded upon order by the hearing examiner.
3. Order of Proceedings
 - (a) The hearing on an application for an owner-occupied exemption shall ordinarily proceed in the following order:
 - (1) Presentation by or on behalf of the exemption applicant, if the applicant wishes to expand upon material contained in the application, including any witnesses on behalf of the applicant. A tenant may cross-examine each person who offers testimony. If there is more than one tenant at the property, the tenants shall choose a spokesperson to conduct cross-examination on behalf of all the tenants.
 - (2) Presentation by or on behalf of tenants of the property, including any witnesses on behalf of the tenants. The applicant may cross-examine each witness at the conclusion of testimony by that witness.
 - (3) Rebuttal by applicant or applicant's witness followed by cross-examination of that person regarding the rebuttal testimony.
 - (4) Closing arguments may be presented by the applicant and by tenants of the property at the conclusion of testimony.
 - (b) The hearing examiner or any party may request attendance at the hearing by the staff person who conducted the on-site inspection and prepared the staff report. The staff person may be questioned at the hearing by the applicant and tenants or their representatives and by the hearing examiner.
4. Speaker's Presentation. Each speaker's presentation shall be to the point and shall be as brief as possible; visual and other materials may be used as appropriate. The hearing examiner may establish reasonable time limits for presentations.
5. Right of Assistance. In presenting evidence and developing their positions the applicant and tenants of the property may have assistance from attorneys, legal workers, recognized tenant organization representatives, landlord association representatives, or any other persons designated by said parties.
6. Hearing Record. The hearing examiner shall keep on file an official record, which shall constitute the exclusive record for decision, and which shall include:
 - (a) A copy of the application for exemption
 - (b) Any response to the application for exemption.

- (c) Exhibits, papers, and documents offered either before or during the proceedings, including any reports or photographs submitted by Board staff.
- (d) A list of participants present.
- (e) A summary of all testimony accepted in the proceedings.
- (f) A statement of all materials officially noticed.
- (g) An evaluation of all evidence.
- (h) Proposed findings of fact and conclusions of law.
- (i) All evidentiary or procedural rulings made by the hearing examiner.
- (j) A Recommended decision.

7. Hearing Record Public

The hearing record is a public record and may be inspected and copied by any person. The Board will provide to any person copies of any documents in the hearing record provided that the requesting party reimburse the Board for photocopy expenses. The reimbursement rate will be established by the Board.

[12054 Adopted 3/10/88; Effective 3/30/88]

12055. Recommendation of Hearing Examiner

- (a) Within thirty days (30) of the date of hearing on an application for a three unit or less owner-occupied exemption, the hearing examiner shall issue a "Recommendation to the Board" to either grant or deny the application for exemption. This deadline may be extended by written waiver, executed by the petitioner.
- (b) In making the recommendation the hearing examiner shall consider all documentary material submitted with the application, any information contained in the Board files, any tenant responses and all relevant evidence produced at the hearing. The hearing examiner will consider the applicant's production of or failure to produce the following information, to the extent it appears reasonably available to the applicant without undue effort:
 - (1) Address(es) shown on applicant's driver's license, state identification card and/or vehicle registration.
 - (2) Address or addresses where applicant receives mail.
 - (3) Name and address where utility bills for subject property are sent.
 - (4) Date of utility connection for the applicant's residence.
 - (5) Address for purposes of voter registration.
 - (6) Observations by Board staff and/or neighbors regarding occupancy of applicant.
 - (7) Number of days in a week, month or year which applicant spends at the property for which exemption is sought.

- (8) Ownership by applicant of any other real property or evidence of any other residence of applicant.
- (c) The hearing examiner's Recommendation shall include proposed findings of fact and conclusions of law consistent with the Recommendation. Such proposed findings and conclusions must refer to the following specific subjects:
 - (1) The number of units at the subject property, including units on any contiguous lots or parcels in which applicant has at least a fifty percent (50%) interest.
 - (2) The percentage of ownership interest in the property held by the applicant.
 - (3) Applicant's continuous occupancy of the subject property for at least one hundred twenty (120) days prior to the date of the filing of the exemption application, or evidence of occupancy at another address, and the dates of such occupancy.
 - (4) A specific conclusion of law that:
 - (i) the applicant has continuously resided at the property as his or her principal place of residence beginning at least one hundred twenty (120) days prior to the date of the filing of the exemption application or
 - (ii) the applicant did not reside at the property as his or her principal place of residence beginning at least one hundred twenty (120) days prior to the date of the filing of the exemption application.
- (d) Upon completion by the hearing examiner of the Recommendation to the Board, the hearings department shall send the applicant and all tenants at the property a copy of the Recommendation, and a Notice of Recommendation.

[12055 Adopted 3/10/88; Effective 3/30/88]
 [12055(b)(3), (b)(4)(a)-(b) Amended 5/25/00; Effective 6/9/00]
 [12055(b)(3), (b)(4)(a)-(b) Amended 12/14/06; Effective 12/17/06]
 [12055(a)-(d) Amended 5/12/11; Effective 5/20/11]

12056. Board Consideration

- (a) Notice. The Board shall set the matter for consideration as soon as is practicable, so long as the date for consideration is within the ninety-day deadline set forth above. At least ten days prior to the date set for Board consideration, the Board shall give notice to the applicant and all tenants of the property of the date, time and place for Board meeting.
- (b) Response to Recommendation. The applicant, any tenant of the property, any authorized representative of either landlord or tenant, or any other interested person may file a written response to the Recommendation. The response must be received by the Board at least seventy-two hours prior to the date set for Board hearing on the recommendation. Upon a showing of good cause, the Board may accept a later filing of the response/request.
- (c) Continuances. Continuance requests will be considered by the Board where the requesting party has complied with the requirements of Regulation 12054(a) and the Board has sufficient time within the ninety (90) day deadline to decide the case.

(d) Presentation by Parties

- (1) The applicant and any tenant of the property are parties.
- (2) The parties may offer oral argument and the presentation shall not exceed five minutes per person. The Board's Chair may extend the time.
- (3) If any party claims that there is new evidence available at the time of Board hearing which was undiscoverable at the time of the hearing before the hearing examiner, that party must make an offer of proof to the Board regarding the evidence and why it was undiscoverable previously. If a majority of Commissioners find that the offer of proof is sufficient, they may agree to receive the new evidence at the time of the Board hearing, but may limit the time for presenting such evidence.
- (4) If the Board agrees to receive new evidence, and the applicant agrees to waive time deadlines, the Board may refer the matter back to a hearing examiner for presentation of the evidence and preparation of a new Recommendation.

(e) Decision. The Board's decision shall be based upon the hearing record and Recommendation prepared by the hearing examiner, the responses to the Recommendation and any oral argument presented to the Board. The Board may adopt, reverse, reverse and remand or modify the hearing examiner's recommendation. Remand of the matter may only be ordered if there remains sufficient time to permit such a procedure, or if the applicant executes a waiver of time deadlines sufficient to permit an additional hearing before the hearing examiner. The Board's decision must be supported by findings of fact and conclusions of law.

(f) The granting of an exemption does not relieve the applicant of the obligation to pay registration fees and/or penalties which may have accrued prior to the date of filing of the exemption.

[12056 Adopted 3/10/88; Effective 3/30/88]

[12056(e)(2) Amended 5/25/00; Effective 6/9/00]

[12056 Amended 7/10/14; Effective 7/18/14]

12060. New Construction

- (a) Rental units and dwellings constructed and first receiving occupancy permits outside the boundaries of the City of Santa Monica prior to April 10, 1979 and thereafter moved into the City and first receiving occupancy permits after April 10, 1979 shall not be considered new construction qualifying for exemption under §1801(c)(5).
- (b) Residential rental units constructed and offered for rent or lease within five years of the withdrawal and subsequent demolition of controlled rental units pursuant to Government Code section 7060, et seq. (the Ellis Act) and Board regulations 1600, et seq. shall not be considered new construction qualifying for exemption under §1801(c)(5).

[12060 Adopted 9/9/82; Effective 9/22/82]

[12060 Amended 5/3/90; Effective 8/4/91]

[12060(b) Adopted 2/18/10; Effective 2/24/10]

12070. Lapse of Exemptions

- (a) Scope. This regulation provides the administrative process for lapse of exemptions provided pursuant to Section 1801(c).

- (b) Notice of Lapsed Exemption. Upon receiving credible information that an exemption under Charter Section 1801(c) has lapsed because the facts that supported the Board's granting of that exemption are no longer true, Board staff must notify the landlord and affected tenants of the potential lapse as follows:
- (1) If an owner notifies the Board, in a writing signed by the owner, that the facts which support the exemption no longer exist, the exemption will be deemed to have lapsed and a Final Notice will be sent to the owner and tenants notifying them of the lapse, specifying the facts upon which the determination was made, the date the lapse became effective, the consequences of such lapse – including the establishment of the maximum allowable rent under Regulation 2007– and the procedures available to contest the lapse. The Final Notice shall be sent to the property address and any other known address of the owner.
 - (2) If a new owner files a registration form for the property, or notifies the Board in a writing signed by the new owner that the facts which support the exemption no longer exist, the exemption will be deemed to have lapsed and a Final Notice will be sent to the former owner (except as specified in subparagraph 4 of this subdivision), the new owner, and the tenants notifying them of the lapse, specifying the facts upon which the determination was made, the date the lapse became effective, the consequences of such lapse – including the establishment of the maximum allowable rent under Regulation 2007– and the procedures available to contest the lapse. The Final Notice shall be sent to the property address and any other known addresses of the former and new owners.
 - (3) Upon determination by Board staff that sufficient evidence exists to make an initial determination that an exemption has lapsed, by a means other than outlined in subparagraphs 1 and 2 above, a Notice of Lapse will be mailed to the exemption holder at the property address and any other known address and to the tenants, specifying the facts upon which the initial determination was made, the date upon which the lapse is believed to have occurred, the consequences of such a lapse – including the establishment of the maximum allowable rent under Regulation 2007 – and the procedures available to contest the lapse.
 - (4) For exemptions granted under Charter Section 1801(c)(4), notice shall not be sent to the former owner if the Administrator and General Counsel jointly determine that the former owner is deceased, or that attempting to contact the former owner would otherwise be futile. The basis for any such joint determination shall be stated in a writing signed by the Administrator and General Counsel and that statement, along with any supporting documentation, shall be included in the property file.
- (c) Annual Certification by Owner. The owner of a property found to be exempt under Charter Section 1801(c)(4) (owner occupancy) must annually certify that he or she continues to occupy the property as his or her principal residence. The certification must be on a form approved by the Board's Administrator, and must be signed under penalty of perjury by the landlord. If an owner fails to return the signed certification to the Board within 30 days from the date when it was mailed to him or her, that failure constitutes sufficient evidence to make an initial determination that an exemption has lapsed, under paragraph (3) of subdivision (b) of this section.
- (d) Evidence Available for Inspection. All written or documentary evidence used in the initial determination shall be available to the owner and tenants for inspection and review during normal business hours.
- (e) Opportunity to Respond.
- (1) Within fifteen (15) days of the mailing of the Final Notice, pursuant to subparagraphs (b)(1) and (b)(2) above, an owner or tenant of the property may file a written response to

the Notice. The owner and tenant may include with the response any and all relevant documents. Staff shall review the response and any attached documentation. If, after reviewing all relevant material submitted, staff determines that the facts upon which the Notice was based were inaccurate, incomplete, or otherwise in error, the exemption will be deemed not to have lapsed, and the owner and tenants will be so notified. A response received more than fifteen days after the mailing of the Notice will not be considered in the absence of good cause.

- (2) Within fifteen (15) days of the mailing of the Notice of Lapsed Exemption, pursuant to subparagraph (b)(3) above, an owner or tenant of the property may file a written response to the Notice. The owner and tenant may include with the response any and all relevant documents. Staff shall review the response and any attached documentation. If, after reviewing all relevant material submitted, staff determines that the facts upon which the initial Notice of Lapsed Exemption was based were inaccurate, incomplete, or otherwise in error, the exemption will be deemed not to have lapsed, and the owner and tenants will be so notified.
- (f) Failure to Respond to Notice of Lapsed Exemption. If an owner does not respond within fifteen (15) days of mailing of the Notice of Lapsed Exemption, the exemption will be deemed to have lapsed and a Final Notice will be sent to the owner and tenants notifying them of the lapse and of the date the lapse became effective. A response received more than fifteen days after the mailing of the Notice of Lapsed Exemption will not be considered in the absence of good cause.
- (g) Referral to Hearing Examiner. If an owner responds within the fifteen day period, but the response fails to resolve the issues of law or fact set forth in the original Notice, the matter shall be referred to a hearing examiner for hearing. Notice of such a hearing will be given by the Hearings Department to the owner and all tenants residing at the property at least ten days prior to the date set for hearing.
- (1) Upon referral to a hearing examiner on a Lapse of Exemption, staff may conduct an on-site inspection of the property and prepare a written report for submission to the hearing examiner and submission to the case record.
 - (2) The staff report shall contain a report of staff's observations during the on-site investigation and any photographs taken by staff. The staff report shall be included in the case file and shall be available for inspection by the owner and tenants. It shall be considered competent evidence, but the staff member who prepared the report shall be subject to cross-examination at the hearing.
- (h) No Lapse Upon Death of a Co-owning Surviving Spouse. The death of an owner in whose name an exemption was granted under Charter Section 1801(c)(4) creates an irrebuttable presumption that the facts upon which the exemption was granted are no longer true. But that presumption shall not apply if the deceased owner is survived by a spouse who held at least a fifty percent ownership interest in the property at the time of the deceased owner's death and otherwise qualifies for the exemption.

[12070 Adopted 5/14/98; Effective 5/22/98]
[12070(a)(1)-(2), (b)(1) Adopted 5/22/03; Effective 6/6/03]
[12070(a)(3)-(4), (b)(2) Amended 5/22/03; Effective 6/6/03]
[12070(a), (b), (b)(1)-(2), (c)(1)-(2), (d), (e)(2) Amended 5/12/11; Effective 5/20/11]
[12070 Amended 5/14/15; Effective 5/23/15]
[12070(b) Amended 2/11/16; Effective 2/19/16]
[12070(b)(2) Amended 12/8/16; Effective 12/15/16]
[12070(b)(4), (h) Adopted 12/8/16; Effective 12/15/16]

12071. Recommendation of Hearing Examiner.

(a) Hearing Examiner and Powers of Hearing Examiner.

- (1) The designation and powers of the hearing examiner are as set forth in Regulation 12053, subsection (f), and are incorporated herein by reference.
 - (2) The hearing shall be conducted consistent with Regulation 12054(b), and are incorporated herein by reference.
- (b) Within thirty (30) days of the date of hearing on a Notice of Lapsed Exemption, the hearing examiner shall issue a written "Recommendation to the Board" determining whether the exemption has lapsed. In making the recommendation the hearing examiner shall consider all documentary material submitted with the application, any information contained in the Board files, any tenant responses, and all relevant evidence produced at the hearing.
- (c) The hearing examiner's Recommendation shall include proposed findings of fact and conclusions of law consistent with the Recommendation.
- (d) The Recommendation shall be reviewed and approved by the Hearings Department Manager or his/her designee before it is issued.
- (e) Upon completion by the hearing examiner of the Recommendation to the Board, the Hearings Department shall send all parties a copy of the Recommendation, a Notice of Recommendation and notice of the Board Consideration process set forth in Regulation 12072.

[12071 Adopted 5/14/98; Effective 5/22/98]

[12071(a)(2), (b)-(d) Amended 5/12/11; Effective 5/20/11]

12072. Board Consideration.

- (a) Notice. The Board shall set the matter for consideration as soon as is practicable. At least ten days prior to the date set for Board consideration, the Board shall give notice to all parties of the date, time and place for Board meeting.
- (b) Response to Recommendation. The parties, any authorized representative of the parties, or any other interested person may file a written response to the Recommendation. The written response shall be filed and received by the Board at no later than fifteen (15) days after the date of the Hearing Examiner's Recommendation. Upon a showing of good cause, the Board may accept a later filing of the response.
- (c) Staff Report. At least ten days prior to the date set for Board consideration, a staff report shall be prepared on the Recommendation. The staff report shall contain a written recommendation to adopt, modify, or reverse, or reverse and remand the written Recommendation of the hearing examiner.
- (d) Continuances. Continuance requests will be considered by the Board where the party has complied with the requirements of Regulation 12054(a), incorporated by this reference.
- (e) Placement on Board Agenda. The Lapse of Exemption shall be considered on the Board's agenda as a jurisdictional item. The parties to the claimed lapse shall be permitted to address the Board according to regulations governing jurisdictional items.
- (f) Decision. The Board's decision shall be based upon the hearing record and Recommendation prepared by the hearing examiner, the responses to the Recommendation, any recommendations

of staff and any oral argument presented to the Board. The Board may adopt, reverse, reverse and remand, or modify the hearing examiners recommendation. The Board's decision must be supported by findings of fact and conclusions of law.

[12072 Adopted 5/14/98; Effective 5/22/98]
[12072(c), (f) Amended 5/12/11; Effective 5/20/11]
[12072(e) Amended 7/10/14; Effective 7/18/14]

12073. Notice of Discontinuance of Exempt Use of Property

- (a) The owner(s) of a property exempted by the Board pursuant to Section 1801(c) shall notify the Board when there is a change in the exempt use of the property. If the exemption is for a three-or-fewer-unit, owner-occupied exempt property, the owner(s) shall notify the Board when he/she no longer resides at the property as his/her principal place of residence or no longer owns at least a fifty percent (50%) interest in the property.
- (b) The notice shall be in writing and made as soon as practicable, but not later than fourteen (14) days after the end of the exempt use, owner-occupancy or transfer of ownership, whichever is applicable.

[12073 Adopted 5/25/00; Effective 6/9/00]
[12073(a), (b) Amended 5/12/11; Effective 5/20/11]

12200. Administrative Dismissal of Application for Exemption

- (a) The Board shall dismiss an application for exemption and shall not schedule a hearing or grant an exemption:
 - (1) Where the application submitted has not been completed in its entirety, with evidence of ownership interest and occupancy attached to the application; or
 - (2) Where the application fails, on its face, to state a basis for exemption under §1801(c) of the Charter.
- (b) Rent Control staff shall mail to the applicant and tenants of the property a written notice of dismissal stating the applicable reasons for such dismissal.
- (c) Any of the following persons may make an administrative determination to dismiss a petition:
 - (1) A majority of the Rent Control Commissioners; or
 - (2) The Administrator or his or her designee.
- (d) After dismissal of an application pursuant to §12200(a), an applicant may file an appeal of the dismissal for consideration by the Board.
 - (1) The appeal must be filed within ten days of the date of the notice of dismissal on an appeal form provided by the agency. The appeal shall set forth the specific grounds upon which the appeal is based. Only one appeal may be filed by or on behalf of the applicant.
 - (2) At least ten days prior to the date set for Board action, a staff report on the appeal shall be prepared. The staff report shall contain a written recommendation to affirm the dismissal or to allow the applicant to proceed with the exemption application.

- (3) At least ten days prior to the date set for Board action, all parties shall be notified by mail of the date, time, and place set for Board action on the appeal. A copy of the staff report shall be mailed along with the notice.
- (4) Continuances of dates set for Board action on the appeal shall be granted only for good cause by a majority of the Board or by the Administrator. Requests for continuances shall be made as soon as possible. A written request and the reasons for it must be received by the Rent Control Board at least 72 hours prior to the scheduled hearing, unless good cause is shown for a later request. The written request must contain acceptable alternate dates and an explanation of what efforts were made to ascertain the position of any other parties regarding the request for continuance. Copies of this written request must be sent immediately to all other parties and proof of such service must accompany the written request filed with the Board.
- (5) The Board decision shall be based upon the application, any information submitted in connection with the appeal, and the parties' responses to the staff report on appeal.
- (6) The Board shall issue a statement of decision which sets forth the basis of the decision.
- (7) In the event that the Board reverses the dismissal of the application for exemption, the application shall be deemed filed as of the date of the Board's decision.

[12200 Adopted 4/23/83; Effective 5/15/83]
 [12200 Amended 10/27/83; Effective 11/5/83]
 [12200 Amended 3/10/88; Effective 3/30/88]
 [12200(d)(1)-(7) Amended 5/25/00; Effective 6/9/00]

[Chapter 12 Adopted 2/23/80; Effective 2/28/80]
 [12052(d) Adopted 5/24/80; Effective 6/3/80]
 [12052(e) Adopted 8/27/81; Effective 9/9/81]
 [12000 Amended 4/22/82; Effective 5/2/82]
 [12052(e) Amended 8/12/82; Effective 9/3/82]
 [12060 Adopted 9/9/82; Effective 9/22/82]
 [12200 Adopted 4/23/83; Effective 5/15/83]
 [12051 Adopted 5/26/83; Effective 6/4/83]
 [12200 Amended 10/27/83; Effective 11/5/83]
 [12051(c) Amended 3/10/88; Effective 3/30/88]
 [12053 Adopted 3/10/88; Effective 3/30/88]
 [12054 Adopted 3/10/88; Effective 3/30/88]
 [12055 Adopted 3/10/88; Effective 3/30/88]
 [12056 Adopted 3/10/88; Effective 3/30/88]
 [12200 Amended 3/10/88; Effective 3/30/88]
 [12000 Amended 9/28/89; Effective 10/10/89]
 [12060 Amended 5/3/90; Effective 8/4/91]
 [12053 Amended 11/10/94; Effective 11/22/94]
 [12070 Adopted 5/14/98; Effective 5/22/98]
 [12071 Adopted 5/14/98; Effective 5/22/98]
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 [12053(c)(1), (c)(3) Amended 5/25/00; Effective 6/9/00]
 [12055(b)(3), (b)(4)(a)-(b) Amended 5/25/00; Effective 6/9/00]
 [12056(e)(2) Amended 5/25/00; Effective 6/9/00]
 [12073 Adopted 5/25/00; Effective 6/9/00]
 [12200(d)(1)-(7) Amended 5/25/00; Effective 6/9/00]
 [12070(a)(1)-(2), (b)(1) Adopted 5/22/03; Effective 6/6/03]
 [12070(a)(3)-(4), (b)(2) Amended 5/22/03; Effective 6/6/03]
 [12053(a)(3), (c)(3) Amended 12/14/06; Effective 12/17/06]

[12055(b)(3), (b)(4)(a)-(b) Amended 12/14/06; Effective 12/17/06]
[12060(b) Adopted 2/18/10; Effective 2/24/10]
[12051(f) Amended 5/12/11; Effective 5/20/11]
[12053(b), (f)(1)-(3) Amended 5/12/11; Effective 5/20/11]
[12055(a)-(d) Amended 5/12/11; Effective 5/20/11]
[12070(a), (b), (b)(1)-(2), (c)(1)-(2), (d), (e)(2) Amended 5/12/11; Effective 5/20/11]
[12071(a)(2), (b)-(d) Amended 5/12/11; Effective 5/20/11]
[12072(c), (f) Amended 5/12/11; Effective 5/20/11]
[12073(a), (b) Amended 5/12/11; Effective 5/20/11]
[12056 Amended 7/10/14; Effective 7/18/14]
[12072(e) Amended 7/10/14; Effective 7/18/14]
[12070 Amended 5/14/15; Effective 5/23/15]
[12070(b) Amended 2/11/16; Effective 2/19/16]
[12070(b)(2) Amended 12/8/16; Effective 12/15/16]
[12070(b)(4), (h) Adopted 12/8/16; Effective 12/15/16]

CHAPTER 13

REGISTRATION

13000. Purpose

The purpose of the registration requirement is to enable the Board to control and monitor rents as mandated by the Charter Amendment. The registration requirement and the hearing procedure for determination of the correct rents and amenities to be registered are adopted pursuant to the Board's power and duty to set the rent ceilings for and require registration of all controlled rental units pursuant to Charter Amendment Sections 1803(f)(1), (2) and (3), 1803(g) and 1803(q).

[13000 Amended 12/17/98; Effective 1/1/99]

13001. Times When Registration Is Required

Pursuant to §1803(q) of the Charter Amendment, the Board requires registration and/or re-registration at the following times:

- (a) Initial Registration. The Board required initial registration on or before June 10, 1979, within sixty (60) days following the adoption of the Charter Amendment.
- (b) Change in Ownership. Whenever a change in ownership of a controlled rental property occurs, the new owner is required to file an amendment to the registration form setting forth the name(s) and address(es) of all new owners and the date of change in ownership within thirty (30) days of the change in ownership. The form shall set forth the business or residence street addresses of the owners. It is insufficient to provide an address which is in care of a management company or which is a post office box.
 - (1) If the owner of the property is a corporation, the registration form shall provide the street address of its principal place of business and the name and street address of the business or residence of its chief executive officer.
 - (2) If the owner of the property is a partnership, the registration form shall provide the street address of its principal place of business and the names and street addresses of the business or residence of each partner.
 - (3) If the owner of the property is a limited liability company, the registration form shall provide the street address of its principal place of business and the name and street address of the business or residence of its managers.
 - (4) If the owner of the property is a trust, the registration form shall provide the name and street address of each trustee.
 - (5) Owners who elect to receive communication by email must provide a valid email address.
- (c) Application for Exemption. If an owner has not previously registered, upon filing an exemption application, a registration form and/or an amendment to the registration form, as required in subsections (a) and (b) of this section, must be filed at the same time. This subsection applies to all owners who file exemption applications after January 13, 1983.
- (d) Change of Address of Owner. Whenever the owner's address changes, the owner is required to file an amendment to the registration form setting forth the name and address and the date of the change in the address within thirty (30) days of the change in address. The owner must provide the address information set forth in subsection (b) above.

- (e) Rent Control Board Findings and Decision. If a hearing conducted by the Rent Control Board or one of its hearing examiners reveals that a property is either improperly registered or not registered, the hearing examiner or the Board may either decide the proper amenities or base rent or any other fact that would have been included in a true and proper registration or the hearing examiner or Board may require the owner to file a new registration form containing complete and correct information within thirty (30) days following the date of the final administrative decision.
- (f) New Maximum Allowable Rent Established between October 1, 1995 and December 31, 1998. Whenever a landlord established a new Maximum Allowable Rent pursuant to former Regulation 3301 and/or the Costa-Hawkins Rental Housing Act (Civil Code §1954.50, et seq.) for tenancies commencing during the period of October 1, 1995 through December 31, 1998, the landlord was required to file a vacancy registration form within thirty (30) days of the establishment of the new Maximum Allowable Rent.
- (g) New Base Rent after Vacancy for Tenancies Beginning on or after January 1, 1999. Whenever a landlord establishes a new base rent after vacancy pursuant to Regulation 3301 and/or the Costa-Hawkins Rental Housing Act (Civil Code §1954.50, et seq.), the landlord is required to file a vacancy registration form within thirty (30) days of the establishment of the new base rent after vacancy.
- (h) New Maximum Allowable Rent for Incentive Units Upon Expiration of Incentive Housing Contract. Upon expiration of an Incentive Housing Program Regulatory Agreement, the landlord shall register the adjusted Maximum Allowable Rents of all incentive units under regulation 17210 within thirty (30) days of the expiration of the regulatory agreement.
- (i) Addition of a Parking, Garage, or Pet Base Amenity. If a parking space or garage amenity, or permission to have a pet, is added as a base amenity of a unit pursuant to regulation 3301(h)(4), the landlord shall register the parking, garage, or pet base amenity within thirty (30) days of the addition of the garage, parking, or pet base amenity and shall register the agreed-upon monthly rental amount for the parking, garage, or pet amenity.
- (j) New Rent for Specified Former U.S. Department of Housing and Urban Development ("HUD") Section 8 Units. If a tenant terminates or becomes ineligible for a Section 8 contract and the unit is entitled to a rent increase under regulation 3301(f)(7) or (8), the landlord shall register the adjusted rent pursuant to regulation 3301(f)(7) or (8) and regulation 13002 within thirty (30) days of the termination of the Section 8 contract.
- (k) Deed-Restricted Units under a Removal Permit Agreement with the Board. If a removal permit agreement or other agreement with the Board requires registration of units, the landlord shall register the property or units within the time period specified in the agreement.
- (l) Condominium Units Which Have Not Been Sold Separately to a Bona Fide Purchaser for Value. If a landlord owns unsold condominium units as defined in regulation 3302(a), the landlord shall register the units by February 1, 2002.
- (m) Newly Constructed Rental Units on Properties Withdrawn From the Residential Rental Market Where Withdrawn Units Are Demolished. Whenever new residential rental units constructed on a property withdrawn pursuant to Government Code section 7060, et seq. (the Ellis Act) and Board regulations 1600, et seq. are offered for rent or lease within five years of the date of withdrawal, the landlord shall register the new residential rental units within 30 days of the issuance of the certificate of occupancy for the new construction.
- (n) Lapse of Exemption. If a unit is occupied by a tenant when an exemption lapses, the landlord must register the unit's parking housing services, if any, and a unit's base rent, from which the maximum allowable rent shall be calculated as required by Regulation 2007(1). The landlord must do this within 30 days after the exemption's lapse. This subdivision does not apply to a unit occupied by

the same tenant who occupied the unit before the lapsed exemption took effect; the unit remains subject to the registration filed when the tenancy began.

[13001 Amended 8/22/96; Effective 8/31/96]
[13001 Amended 12/17/98; Effective 1/1/99]
[13001(b)(1)-(2), (d), (i)-(k) Amended 12/7/00; Effective 12/30/00]
[13001(b)(3), (l) Adopted 1/10/02; Effective 1/26/02]
[13001(m) Adopted 2/18/2010; Effective 2/24/2010]
[13001(k)-(m) Amended, 13001 (n) Adopted 2/11/16; Effective 2/19/16]
[13001(b) Amended 1/9/2020; Effective 1/16/2020]

13002. Proper Registration of Rent and Amenities

- (a) A property shall be deemed to be properly registered with regard to April 10, 1978 rent and amenities, so long as the following information is completely and accurately provided on the registration form:
- (1) Name and address of current owners;
 - (2) Address of rental property;
 - (3) April 10, 1978 rents or, in the event that no rent was charged on that date, the amount and date of the first rent charged thereafter for a particular unit and the rental status or use of that unit on April 10, 1978;
 - (i) Rent, as defined under §1801(f) of the Charter Amendment, includes non-monetary consideration rendered to or for the benefit of the landlord. Where the April 10, 1978 base rent included non-monetary consideration, the base rent shall be calculated according to Regulation 7001.
 - (ii) In those instances where the Santa Monica Rent Control Board has accepted and filed a registration form for the rental unit where the base rent includes non-monetary consideration, the unit shall be deemed properly registered until the Board provides written notice that the registration for such unit must be corrected to include a monetary rental rate calculated in accordance with Regulation 7001.
 - (4) The date of purchase;
 - (5) The letter or number identifying each and every unit on the property and the number of bedrooms and baths in each rental unit;
 - (6) Apartment and building amenities provided to each unit on April 10, 1978 or, in the event that no rent was charged for a particular unit on that date, the amenities provided on the date that rent was first charged for the particular unit;
 - (7) Signature under penalty of perjury of an owner or authorized agent of the owner.
- (b) If an owner is unable to obtain April 10, 1978 rents and/or amenities, the Board will accept a registration form listing the first rents and amenities available to the owner, together with the date such rents were first charged, provided that the owner submits a declaration signed under penalty of perjury enumerating the steps taken to ascertain the April 10, 1978 rents and amenities with the registration form. If earlier rents and amenities are subsequently discovered for a unit registered under this subsection, a new registration form must be filed with the earlier information. Such a new registration shall have no retroactive effect on the maximum allowable rents or amenities,

unless a finding is made in a final Board decision that the first registration was the result of fraud or misrepresentation.

- (c) If a landlord is required to register units at a property pursuant to a removal permit agreement with the Board, the landlord shall provide the following information:
 - (1) The date of initial rental and amount of initial rent pursuant to the removal permit agreement of the rent-controlled replacement units, and a specification of which unit(s) are deed restricted;
 - (2) Apartment and building amenities provided to each rent-controlled replacement unit and number of bedrooms in each replacement unit.
 - (3) A telephone number or email address at which the landlord, or the person who filed the Removal Permit application form on the landlord's behalf, may reliably be reached during normal business hours.
 - (4) A declaration under penalty of perjury that the information on the form is true and correct, and the signature of an owner or authorized agent of the owner.
- (d) Base rents and parking amenities after vacancy for qualifying tenancies commenced on or after January 1, 1999 shall be registered on a form provided by the Board. The landlord shall provide the following information and documentation:
 - (1) The date the unit became vacant;
 - (2) The reason the unit became vacant (i.e. notice of termination of tenancy by previous tenants, abandonment by previous tenants, eviction pursuant to Code of Civil Procedure section 1161 for cause under Rent Control Law section 1806(a)(1) through (a)(7), notice by landlord pursuant to Civil Code section 1946.1 or Civil Code section 827);
 - (3) The date the unit was re-rented;
 - (4) The new rental rate in effect for the new tenancy per Regulation 3301(a);
 - (5) Whether one or more parking spaces or garages are provided as a base amenity after vacancy of the unit and a description of the parking provided;
 - (6) A telephone number or email address at which the landlord, or the person who filed the registration form on the landlord's behalf, may reliably be reached during normal business hours;
 - (7) A declaration under penalty of perjury that the information on the form is true and correct, and the signature of an owner or authorized agent of the owner.
- (e) The landlord shall register the base rent of unsold condominium units as defined by regulation 3302(a) on the Condominium Rent Level Unit Registration form provided by the Board. The landlord shall provide the following information on the registration form:
 - (1) The date the prior tenant vacated the unit;
 - (2) The reason the unit became vacant (i.e. notice of termination of tenancy by previous tenants, eviction for cause under the Rent Control Law section 1806(a)(1) through (a)(7), notice by landlord pursuant to Civil Code section 1946.1 or Civil Code section 827);
 - (3) The base rent of the current tenancy pursuant to regulation 3301(b);

- (4) Whether one or more parking spaces or garages are provided as a base amenity of the unit;
 - (5) The date the current tenancy began;
 - (6) A telephone number or email address at which the landlord, or the person who filed the Vacancy Unit Registration form on the landlord's behalf, may reliably be reached during normal business hours;
 - (7) A declaration under penalty of perjury that the information is true and correct.
- (f) In the event that the landlord fails to timely file a registration form or fails to register any of the information required on the landlord's registration form filed for tenancies commencing on or after October 1, 1995 or for unsold condominium units as defined in regulation 3302(a), or in the event that the tenant disagrees with the information on the vacancy registration form filed by the landlord, the tenant may file a tenant's registration form setting forth the required information. The tenant may attach copies of all written rental agreements under which the tenant rents the unit and other documents showing the correct rent of the unit.
 - (g) Effective July 31, 2017, the landlord shall give the tenant a single-page summary of rights and responsibilities under the rent control law at the commencement of every tenancy. This single-page summary shall be prepared by the Administrator, and shall be available for download on the Board's website as well as in hard copy at the rent-control office. The landlord shall state on the tenancy's registration form, which the landlord must sign under penalty of perjury, that the landlord has complied with this requirement.
 - (h) A landlord who fails to comply with this section may not impose any annual general adjustment until this section is fully complied with.

[13002 Amended 8/22/96; Effective 8/31/96]
 [13002 Amended 12/17/98; Effective 1/1/99]
 [13002(c)-(e) Amended 12/7/00; Effective 12/30/00]
 [13002(e) Adopted 1/10/02; Effective 1/26/02]
 [13002(f) Renumbered/Amended 1/10/02; Effective 1/26/02]
 [13002(d)(4), (e)(2) Amended 5/6/04; Effective 6/3/04]
 [13002(d)(4), (e)(2) Amended 12/6/12; Effective 12/12/12]
 [13002(g), (h) Adopted 2/9/17; Effective 7/31/17]
 [13002(c), (d), (e) Amended 1/9/2020; Effective 1/16/2020]
 [13002(d)(4) Amended 3/11/2021; Effective 3/19/2021]

13003. Disputes Regarding Base Rents or Base Amenities

- (a) With regard to tenancies which commenced prior to January 1, 1999, the registration of a different April 10, 1978 (or first rental date thereafter) rent or of different April 10, 1978 (or first rental date thereafter) apartment and building amenities pursuant to §13002 than were first registered for a unit raises a question of fact as to the correct rent or amenities to be registered. Except where the correct registered rent or amenities has already been determined in a final Board or hearing examiner decision, a party seeking to establish which of the registered rents or amenities is correct must file a petition under §13004. These issues shall also be administratively determined as a threshold issue in an excess rent, rent increase, rent decrease, or other administrative case in which their determination is necessary for a determination of the relief requested.
- (b) With regard to tenancies which commenced between October 1, 1995 and December 31, 1998, disputes regarding the correct Maximum Allowable Rent after vacancy under Civil Code sections 1954.52 or 1954.53 shall be administratively determined as a threshold issue in an excess rent,

rent increase, rent decrease, or other administrative case in which determination of the correct Maximum Allowable Rent after vacancy is necessary for a determination of the relief requested.

- (c) With regard to tenancies commenced on or after January 1, 1999, disputes regarding the correct new base rent or new amenities after vacancy or disputes as to whether a unit qualifies for a vacancy increase under Civil Code sections 1954.52 or 1954.53 shall be administratively determined as a threshold issue in an excess rent, rent increase, rent decrease, or other administrative case in which such determination is necessary for a determination of the relief requested. Disputes regarding base amenities may also be determined pursuant to regulation 13004.

[13003 Amended 8/22/96; Effective 8/31/96]

[13003 Amended 12/17/98; Effective 1/1/99]

[13003(b), (c) Amended 12/7/00; Effective 12/30/00]

[13003(a), (c) Amended 1/10/02; Effective 1/26/02]

13004. Hearing Procedure for Amending Registered Rents and Amenities, or Determining Rents and Amenities to be Registered

- (a) Who May File Petition. Any landlord, former landlord, tenant or former tenant of a property, or any Board Commissioner or the Board's Administrator may petition for a hearing to establish the correct rent or apartment and building amenities pursuant to regulations 13002, 13003, and/or 13009 on the form approved by the Board.
- (b) Number of Copies of Petition. The petitioner must file the original petition, one extra copy for each rental unit addressed by the petition, and one extra copy for the Board.
- (c) Decision Without Hearing Where Facts Are Not In Dispute. Where evidence filed with a petition under this section or otherwise available to the Board appears to accurately document the correct rent or the correct apartment and building amenities to be registered under regulation 13002 and any good cause required to raise the issue as set forth in subdivision (e) below, the hearing examiner to whom the case is assigned shall serve a notice on other interested parties that the petition shall be granted unless another party requests a hearing within ten (10) days of the date of the notice. Unless a hearing is timely requested, the petition shall be granted. If a hearing is timely requested, the petition shall be heard and decided as specified in §13004(d).
- (d) Hearing Procedure. A petition not granted under regulation 13004(c) shall be heard and decided pursuant to the procedures and standards set forth in Chapter 15 and 13004(e) of these Regulations. The hearing examiner to whom the case is assigned shall have the affirmative duty to seek and introduce into the record all available evidence regarding the contested rent or amenities.
- (e) Burden of Proof Regarding Registered Rents and Amenities. The party to a hearing under this section who contends that the rent or the apartment and building amenities first registered for a unit are incorrect shall have the burden of proof as to the correct rent or amenities, with the exception of units as to which a petition has been filed pursuant to subsection (a)(3) hereof, the rents of which have not been certified or verified pursuant to Regulations 13005-13006. Regarding such units solely, the landlord who failed to register the unit's rent or amenities within the time limits required by regulation 13001 or his or her successor(s) shall have the burden of proof as to their correctness.
- (f) Effective Date of Base Rent Determination. Where a different base rent than registered is determined after initial certification or later verification of the maximum allowable rent has taken place, the effective date of the newly determined base rent shall be dependent upon whether or not the previous base rent was erroneous due to misrepresentation or fraud, as defined herein, in

the registration of the unit. If misrepresentation or fraud is found, then the newly determined base rent will be retroactively effective for all periods, subsequent to the erroneous registration, during which the unit has been subject to the Rent Control Law. If misrepresentation or fraud are not found, then the newly determined base rent will be prospective in effect, beginning thirty (30) days after the date of issuance of the hearing examiner's decision.

- (g) Initial Determination of Sufficiency of Facts. Applicants claiming that the previous base rent was erroneous due to misrepresentation or fraud shall state in the appropriate portion of the application each and every fact upon which they rely in making such claim. Based solely upon an evaluation of the facts stated in the application, the hearing examiner will render an initial pre-hearing decision in each such case as to whether or not the facts relied upon in the application are sufficient to constitute misrepresentation or fraud as defined herein. In making this determination, the hearing examiner will assume, for purposes of evaluating the alleged facts only, that the facts stated are true. If the hearing examiner finds the alleged facts to be sufficient, the parties will be notified that the decision may have retroactive effect, pursuant to subsection (f) hereof. If the hearing examiner finds the alleged facts to be insufficient, the parties will be notified that the decision will be prospective only, pursuant to subsection (f) hereof. Such notice shall state the reasons for a finding of insufficiency, and notify the applicant of the right to file a new and amended application.
- (h) Final Determination Re Misrepresentation or Fraud. An initial determination of insufficient facts, as provided for in subsection (g) hereof, shall be final, but without prejudice to the filing of a new and amended application. If, however, any such amended application is determined to have alleged insufficient facts, then the determination will be conclusive, and will permanently preclude a decision with retroactive effect under subsection (f) hereof, as to the affected unit. An initial determination of sufficient facts, as provided for in subsection (g) hereof, shall constitute leave to present evidence on the issue for final determination by the hearing examiner.
- (i) Misrepresentation or Fraud Defined. For purposes of this regulation, misrepresentation or fraud means any of the following enumerated acts, which acts shall be interpreted with reference to particular circumstances in a manner consistent with that of the definition of actual fraud found in California Civil Code §1572:
 - 1. The suggestion, as a fact, of that which is not true, by one who does not believe it to be true;
 - 2. The positive assertion, in a manner not warranted by the information of the person making it, of that which is not true, though he believes it to be true;
 - 3. The suppression of that which is true, by one having knowledge or belief of the fact; or
 - 4. Any other act fitted to deceive.
- (j) Burden of Proof of Good Cause in Base Rent Petitions. Where a landlord or tenant seeks to raise a base rent issue that could have been raised by filing an objection to a certification or appeal of a verification letter under Regulation 13005, the landlord or tenant must show that good cause exists for failing to raise the issue at that time. Good cause exists only:
 - (1) when the landlord or tenant who is claiming good cause was not the landlord or tenant of the property on the date the certification or verification letter was mailed, or
 - (2) when, despite reasonably diligent inquiry, the facts constituting the basis for the petition were not known or were incapable of being discovered by the petitioner on the date the certification or verification letter was mailed.

- (k) Administrative Dismissal of Petition. A petition filed under this section may be dismissed under the procedure set forth in Regulation 4005 on any of the following grounds:
- (1) where the petition is incomplete; or
 - (2) where a final Board or hearing examiner decision has already determined the rent or amenities addressed by the petition; or
 - (3) where the Maximum Allowable Rent has been certified or verified, sixty days have passed since the date of certification or verification, no objection petition or appeal of verification has been filed and no good cause ground under subsection (j) of this regulation is stated on the base rent petition.

[13004 Amended 12/17/98; Effective 1/1/99]

[13004(a)(2)-(3), (c), (e) Amended 12/7/00; Effective 12/30/00]

[13004 Amended 8/12/21; Effective 8/18/21]

[13004(d) (Amended 11/14/24; Effective 12/6/24)]

13005. Initial Certification of Rents

- (a) Beginning January 1, 1987, the Rent Control Board will certify current maximum allowable rents in effect for controlled rental units, pursuant to Civil Code Section 1947.8(b).
- (b) After a maximum allowable rent has been certified by the Rent Control Board and has become final under these regulations, it cannot be changed except upon a showing of misrepresentation or fraud. After rents have initially been certified, increases or decreases in maximum allowable rents which are permitted by the Rent Control Law and regulations shall be prospective in effect in the absence of a finding of misrepresentation or fraud. Any change in the maximum allowable rents permitted by the Rent Control Law and regulations after rents have initially been certified shall constitute a newly certified rent, but the change shall not give rise to any hearing rights under this Chapter.
- (c) Any landlord, former landlord, tenant or former tenant of the property, the Board Administrator or any Board Commissioner may petition for a hearing to object to the certified rent on the form approved by the Board provided that the objection is filed with the Board not more than thirty (30) calendar days after the date of mailing of the certification notice. When the thirtieth day occurs on a date when the Rent Control Board is not open for business, the last day for filing such objections shall be extended to the next business day. No objection petition will be accepted if it is filed more than sixty days after the date of mailing of the certification notice. An objection petition filed less than sixty days but more than thirty days after the date of mailing of the certification notice may be accepted upon a showing of good cause for the lateness. A late objection petition must contain a statement of good cause for the lateness. The hearings department manager or his/her designee shall determine whether good cause exists to accept the late objection.
- (d) Where no objections to the certification of rents have been filed and accepted by the deadlines set forth in this section, the certified maximum allowable rent is final for that unit.
- (e) Grounds for objections to certified maximum allowable rents shall be limited to whether such rents are correct under the Rent Control Law and regulations.
- (f) The party who contends that the rent as certified is incorrect shall have the burden of proof and the burden of persuasion as to the correct rent.
- (g) (1) Forms. Any person objecting to a certification must do so on a Board-approved form. An objection shall be accepted for filing only after the objecting party has provided all the

information called for by the form. A party filing an objection form shall file five additional copies along with the original objection. The Board shall mail a copy of the objection to the rental unit affected and the landlord along with a notice of filing approved by the Board.

- (2) The Board shall not accept an objection form where the objection form submitted has not been substantially completed. Notice of non-acceptance of such objection form must be sent to the party submitting it with the reasons for such non-acceptance. The party shall have thirty (30) days from the date of mailing of the notice to cure the defects in the objection. Rent Control staff shall be available to such party needing assistance in amending the objection form during that ten day period. There shall be no appeal from a decision not to accept an objection form.

(h) Response to Objection

The notice of filing of the objection shall be accompanied by a Board-approved response form. Parties wishing to respond to the objection must do so by using this form. The form shall be returned to the Board within 10 days of the date of mailing of the notice of filing.

(i) Screening of Objections

After receipt of the objections and any response to such objections, staff shall screen the objections to determine what type of further proceeding is needed to resolve the issues raised.

- (1) If the objection involves disputed factual issues which can only be resolved by weighing evidence, the matter shall be assigned for a hearing and shall proceed in accordance with subsection (l) below.
- (2) Matters not involving factual disputes shall be screened further to determine whether the dispute rests upon questions about whether an exemption or removal permit has been granted for the property, difference in calculations, or interpretation of past Board decisions and other law and policy matters.
- (3) Questions concerning whether the property has been removed or granted an exemption shall be resolved by the screener without a hearing. No appeal shall be permitted to the Rent Control Board from the screener's determination of exempt or removed status.

(j) Calculation Conference.

If the matter is determined by the screener to be a question of calculation only, all affected parties shall be notified of their right to attend an informal conference conducted by a staff member to resolve the matter.

- (1) No appeal to the Board will be permitted from a decision that results from a calculation conference.
- (2) Should the staff member determine during the conference, that an issue of fact is involved, a full hearing should be scheduled, with proper notice, in accordance with subsection (l) below.
- (3) Should the staff member determine that an issue of interpretation of prior decisions or of law and policy is involved in the course of the conference, the matter should be scheduled to be heard in accordance with subsection (k) below.
- (4) Regulation 13006 subsections (d), (e), (h), (i), (j), and (k) shall be used as the procedural rules for such conferences, with references to "hearing examiner" understood to refer to the staff member conducting the calculation conference.

(k) Interpretation of Past Board Decisions and Other Law or Policy Matters.

When the objection or response to objection concerns an interpretation of past Board decisions affecting the property in question or other legal or policy interpretation, a hearing for the purpose of hearing arguments from all sides will be held. No evidence may be submitted at such a hearing. The hearing examiner may reschedule the matter for a factual hearing in accordance with subsection (l) in the event that the hearing examiner determines that the matter cannot be resolved without a factual hearing. The hearing examiner may limit the time of argument by any party. This procedure may be used to correct errors of calculation or clerical errors in prior Board decisions, but in cases in which the rent levels set by the decision are changed, the changes in the maximum allowable rent will be prospective only. Procedures set forth in Regulation 13006 shall be followed for such hearings.

(l) Hearing Procedure

An objection involving factual issues shall be heard and decided pursuant to the procedures and standards set forth in Chapter 15 and 13005(f) of these Regulations. The hearing examiner to whom the case is assigned shall have the affirmative duty to seek and introduce into the record all available evidence regarding the contested rent. However, no late appeals of hearing examiner decisions shall be accepted which are filed more than twenty days after the date of the decision of the hearing examiner. The Board may accept an appeal filed more than ten days but not more than twenty days after the date of the decision of the hearing examiner, upon a showing of good cause for the lateness. A late appeal must contain a statement of good cause for the lateness. Unless an appeal is timely filed with the Board or a finding of good cause is made by the Board for the lateness, the decision of the hearing examiner shall be the final decision of the Board. The Board's decision to take action to affirm, reverse, or modify the hearing examiner's decision shall become final at the time of Board action.

- (m) Hearings under this section may not be consolidated with hearings under other petitions unless the Hearings Supervisor determines that such consolidation will not delay decisions under this section.

[13005(l) (Amended 11/14/24; Effective 12/6/24)]

13007. Post-Certification Rent Level Verification Process

- (a) The landlord or tenant of any unit whose tenancy began before January 1, 1999 may request verification of the unit's maximum allowable rent based upon the certification conducted under Regulation 13005. The Board shall verify the unit's maximum allowable rent by letter sent to both the affected landlord and tenant within five business days of receiving such a request.
- (b) The landlord or tenant may appeal the verification of the maximum allowable rent by filing an appeal form approved by the Board within fifteen (15) calendar days of the date of mailing of the verification. Grounds for such an appeal shall be limited to challenges to any changes in the maximum allowable rent since originally certified under Regulation 13005. The appellant must include with the appeal form all documentation and written argument in support of the appeal, together with proof of service of the appeal, all supporting papers and a copy of a response form on all tenants of the affected unit and the landlords of the affected unit, other than appellant.
- (c) Within ten (10) days of the filing of the appeal, any interested party may file a response on the response form approved by the Board.
- (d) The administrator shall designate a staff member to review appeals under this section. That staff member shall then review the appeal, response and documents submitted and render a written

decision within sixty (60) days of the filing of the appeal. No hearing shall be required to take place. No appeal to the Board from the decision is permitted, due to the deadlines imposed by state law.

- (e) The verification of maximum allowable rents shall become final when the deadline for appeal has passed with no appeal filed, or when a decision has been rendered on an appeal.
- (f) The appellant shall have the burden of proof and the burden of persuasion that the verified rent is incorrect.
- (g) The administrator or his or her designee may elect to have any such appeals heard by the Board rather than a staff member.
- (h) The Board will not verify or certify the maximum allowable rent for any tenancy that began on or after January 1, 1999. But if a landlord submits a registration form, signed under penalty of perjury, that fully conforms with Board requirements, there shall be a rebuttable presumption that the information included in the registration form is correct.

[13007 Amended 12/17/98; Effective 1/1/99]

[13007(b), (c) Amended 12/7/00; Effective 12/30/00]

[13007 Amended 12/8/16; Effective 12/15/16]

13008. Vacancy Registration

[13008 Adopted 8/22/96; Effective 8/31/96]

[13008 Amended 12/17/98; Effective 1/1/99]

[13008 Repealed 9/7/2000; Effective 9/23/00]

13008. Units Not Registered Prior to April 22, 2003

- (a) Prior to registering a residential rental unit which has not been registered prior to April 22, 2003, a landlord shall file a petition and obtain a Board decision permitting the unit to be registered and determining the correct Maximum Allowable Rent and base amenities for the unit. A tenant may also file a petition under this regulation for a determination of whether registration of a previously unregistered unit is required and determination of the correct Maximum Allowable Rent and base amenities of the unit.
- (b) To obtain permission or a requirement to first register a unit after April 22, 2003, the petitioner shall prove the following by a preponderance of the evidence:
 - (1) the unit is habitable or capable of being made habitable in an economically feasible manner; and
 - (2) the unit was a residential rental unit on April 10, 1979, the unit is a rental unit as defined in regulation 2002, or the unit was created by conversion and conforms to the city's zoning and development standards.
- (c) The original petition and two copies shall be filed on a form provided by the Board. The petition shall set forth a statement describing the bases for the petition under paragraph (b) above, the dates that the unit has been used as a residential rental unit, and, if the petition is filed by a landlord, an explanation of why the unit was not previously registered as required by the Rent Control Law. It shall list the current rents charged for all units sought to be registered, the beginning date of tenancy, and the rent and base amenities provided the unit at the initial date of tenancy. If the tenancy of any current tenant commenced prior to January 1, 1999, the petition shall also list the

unit's April 10, 1978, rent and amenities, or the rent and amenities of the first rental date thereafter. If this information is not provided, the petition shall explain why. The petition shall be accompanied by evidence supporting the information submitted in the petition.

- (d) Where evidence filed with a petition under this section or otherwise available to the Board appears to satisfy the requirements under paragraph (b) above, the hearing examiner to whom the case is assigned shall serve a notice on other interested parties that the petition shall be granted unless another party requests a hearing within ten (10) days of the date of the notice. Unless a hearing is timely requested, the petition shall be granted. If a hearing is timely requested, the petition shall be heard and decided as specified in Section 13008(e).
- (e) Hearings shall be conducted and a decision issued according to the procedures set forth in Chapter 15. The hearing examiner to whom the case is assigned shall seek and introduce into the record all available evidence regarding the unit's residential rental status under subparagraph (b) above and the unit's correct rent and base amenities.
- (f) If the decision determines that the unit should be registered as a controlled rental unit, the landlord shall pay up to three years of past-due registration fees for the unit when filing the registration form. The registration form shall be filed within thirty (30) days after final Board decision.

[13008 Adopted 3/11/04; Effective 3/20/04]

[13008(c)-(d) Amended 11/10/22; Effective 11/15/22]

[13008(e) (Amended 11/14/24; Effective 12/6/24)]

13009. Registration of Incentive Unit Maximum Allowable Rent Upon Expiration of Incentive Housing Program Regulatory Agreement

- (a) Pursuant to section 1803(q) of the Rent Control Law, any landlord who establishes a new Maximum Allowable Rent for an incentive unit under regulation 17210 upon expiration of an Incentive Housing Program Regulatory Agreement shall file an Incentive Unit Registration form regarding the unit(s) with the Board no later than thirty (30) days after the expiration of the incentive housing agreement.
- (b) The Incentive Unit Registration shall be filed on a form provided by the Board and shall state under penalty of perjury the name and the street address of the business or residence of the owner responsible for administering the apartment building rental business and the name and address of the manager of the apartment building, the expiration date of the incentive housing program agreement and the rent in effect for the incentive unit(s) ninety (90) days prior to the agreement's expiration. If the owner is a corporation, the form shall provide the street address of its principal place of business and the name of its chief executive officer. If the owner is a partnership, the form shall provide the street address of its principal place of business and the name of the partner primarily responsible for administering the apartment rental business.

[13009 Adopted 12/17/98; Effective 1/1/99]

[13009(b) Amended 12/7/00; Effective 12/30/00]

[Chapter 13 Adopted 7/8/82; Effective 7/18/82]

[Chapter 13 Amended 1/13/83; Effective 1/25/83] – Complete Reworking of Chapter 13, All Sections Changed

[Chapter 13 Amended 6/16/88; Effective 6/30/88] – Complete Reworking of Chapter 13, All Sections Changed

[13001 Amended 8/22/96; Effective 8/31/96]

[13002 Amended 8/22/96; Effective 8/31/96]

[13003 Amended 8/22/96; Effective 8/31/96]

[13008 Amended 8/22/96; Effective 8/31/96]

[13000 Amended 12/17/98; Effective 1/1/99]
 [13001 Amended 12/17/98; Effective 1/1/99]
 [13002 Amended 12/17/98; Effective 1/1/99]
 [13003 Amended 12/17/98; Effective 1/1/99]
 [13004 Amended 12/17/98; Effective 1/1/99]
 [13007 Amended 12/17/98; Effective 1/1/99]
 [13008 Amended 12/17/98; Effective 1/1/99]
 [13009 Adopted 12/17/98; Effective 1/1/99]
 [13008 Repealed 9/7/00; Effective 9/23/00]
 [13001(b)(1)-(2), (d), (i)-(k) Amended 12/7/00; Effective 12/30/00]
 [13002(c)-(e) Amended 12/7/00; Effective 12/30/00]
 [13003(b), (c) Amended 12/7/00; Effective 12/30/00]
 [13004(a)(2)-(3), (c), (e) Amended 12/7/00; Effective 12/30/00]
 [13007(b), (c) Amended 12/7/00; Effective 12/30/00]
 [13009(b) Amended 12/7/00; Effective 12/30/00]
 [13001(b)(3), (l) Adopted 1/10/02; Effective 1/26/02]
 [13002(e) Adopted 1/10/02; Effective 1/26/02]
 [13002(f) Renumbered/Amended 1/10/02; Effective 1/26/02]
 [13003(a), (c) Amended 1/10/02; Effective 1/26/02]
 [13008 Adopted 3/11/04; Effective 3/20/04]
 [13002(d)(4), (e)(2) Amended 5/6/04; Effective 6/03/04]
 [13001(m) Adopted 2/18/10; Effective 2/24/10]
 [13002(d)(4), (e)(2) Amended 12/6/12; Effective 12/12/12]
 [13001(k)-(m) Amended, 13001 (n) Adopted 2/11/16; Effective 2/19/16]
 [13007 Amended 12/8/16; Effective 12/15/16]
 [13002(g), (h) Adopted 2/9/17; Effective 7/31/17]
 [13001(b) Amended 1/9/2020; Effective 1/16/2020]
 [13002(c), (d), (e) Amended 1/9/2020; Effective 1/16/2020]
 [13002(d)(4) Amended 3/11/2021; Effective 3/19/2021]
 [13004 Amended 8/12/21; Effective 8/18/21]
 [13008(c)-(d) Amended 11/10/22; Effective 11/15/22]
 [13004(d) (Amended 11/14/24; Effective 12/6/24]
 [13005(l) (Amended 11/14/24; Effective 12/6/24]
 [13008(e) (Amended 11/14/24; Effective 12/6/24]

NOTE: On 1/13/83 and 6/16/88, the Rent Control Board revised all sections of Chapter 13. For a complete history of Chapter 13 revisions prior to 6/16/88, please contact the Rent Control Board.

CHAPTER 14

SECURITY DEPOSITS

14000. Definition of Security Deposit

A security deposit is defined as any payment, fee, charge or deposit of money the primary function of which is to secure the performance of a rental agreement or any part of such agreement, including but not limited to an advance payment of rent, used or to be used for any purpose, including, but not limited to, any of the following:

- (a) The compensation of a landlord for a tenant's default in the payment of rent;
- (b) The repair of damages to the premises, exclusive of ordinary wear and tear, caused by the tenant or by a guest or licensee of the tenant;
- (c) The cleaning of the premises upon termination of the tenancy;
- (d) To remedy future defaults by the tenant in any obligation under the rental agreement to restore, replace, or return personal property or appurtenances, exclusive of ordinary wear and tear, if the security deposit is authorized to be applied thereto by the rental agreement.

[14000 Adopted 11/17/83; Effective 12/7/83]

[14000 Amended 1/28/99; Effective 2/12/99]

[14000 (a)-(d) Adopted 1/28/99; Effective 2/12/99]

14001. Placement in Interest Bearing Account

- (a) All security deposits shall be placed in an interest-bearing account at an institution whose accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation until such time as they are returned to tenants or entitled to be used by the landlord.

[14001 Adopted 11/17/83; Effective 12/7/83]

[14001(a) Amended 12/1/83; Effective 12/7/83]

[14001 (b) Amended 1/28/99; Effective 2/12/99]

[14001 (c)-(f) Adopted 1/28/99; Effective 2/12/99]

[14001(b) Amended 3/7/02; Effective 3/15/02]

[14001(b)-(f) Suspended 6/13/02; Effective 6/22/02]

14002. Ceiling on Security Deposit

- (a) Except as provided in regulation 14003 below, the maximum allowable security deposit for any tenant currently renting a controlled rental unit whose tenancy commenced on or before January 1, 1983 is the security deposit in effect on January 1, 1983.
- (b) Except as provided in regulation 14003 below, the-maximum allowable security deposit for any tenant who rents a controlled rental unit subsequent to January 1, 1983 is two times the maximum allowable rent or base rent after vacancy in effect on the initial rental date for an unfurnished rental unit and three times the maximum allowable rent or base rent after vacancy in effect on the initial rental date for a furnished rental unit.
- (c) Except as provided in regulation 14003 below, a security deposit, once established, cannot be raised for the duration of the tenancy. For purposes of this section only, where several tenants occupy one unit, the tenancy shall be deemed to continue so long as any one of the tenants who occupied the unit when the

deposit was set continues to occupy the unit. The general adjustment does not apply to a security deposit.

[14002 Amended 11/17/83; Effective 12/7/83]

[14002 Amended 1/28/99; Effective 2/12/99]

14003. Landlord and Tenant Agreement as to Additional Security Deposit

This regulation applies only to units with tenancies commencing before January 1, 1999.

- (a) In addition to the maximum allowable security deposit as defined in §14002, a landlord may collect an additional security deposit of up to 1 (one) month's additional rent with the written consent of the tenant(s) giving the deposit where the landlord agrees in return to permit the tenant(s) to have additional tenants or to have pets or to make some similar use of the apartment which use was not permitted as of April 10, 1978 or other date on which the base rent was established for the unit.
- (b) In the event that the tenants of the unit revoke consent to the additional security deposit in writing and give up the additional use permitted by the additional security deposit agreement, the landlord's authorization to retain a security deposit pursuant to this section in addition to the maximum allowable security deposit as established under §14002 shall expire thirty (30) days thereafter, and the landlord must refund the additional security deposit to the tenant(s) within such thirty (30) days.
- (c) In no event may the total security deposit collected under Sections 14002 and 14003 exceed the maximum set by state law of two months' rent for an unfurnished unit and three months rent for a furnished unit.

[14003 Adopted 11/17/83; Effective 12/7/83]

[14003 Amended 1/28/99; Effective 2/12/99]

[Chapter 14 Adopted 7/21/83; Effective 8/1/83]

[14000 Adopted 11/17/83; Effective 12/7/83]

[14001 Adopted 11/17/83; Effective 12/7/83]

[14002 Amended 11/17/83; Effective 12/7/83]

[14003 Adopted 11/17/83; Effective 12/7/83]

[14001(a) Amended 12/1/83; Effective 12/7/83]

[14000 Amended 1/28/99; Effective 2/12/99]

[14000 (a)-(d) Adopted 1/28/99; Effective 2/12/99]

[14001(b) Amended 1/28/99; Effective 2/12/99]

[14001(c)-(f) Adopted 1/28/99; Effective 2/12/99]

[14002 Amended 1/28/99; Effective 2/12/99]

[14003 Amended 1/28/99; Effective 2/12/99]

[14001(b) Amended 3/7/02; Effective 3/15/02]

[14001(b)-(f) suspended 6/13/02; Effective 6/22/02]

CHAPTER 15

HEARING PROCEDURES

SUBCHAPTER A

RULES FOR HEARINGS AND APPEALS

15000. Hearing Examiner

- (a) The following persons may serve as a hearing examiner at a hearing under this subchapter:
 - (1) A Board member.
 - (2) A management employee of the Board.
 - (3) One or more hearing examiners employed by the Board on a part-time or full-time basis.
- (b) The functions of the hearing examiner shall be performed in an impartial manner.

15001. Powers of Hearing Examiner

The hearing examiner shall have the right to:

- (a) Administer oaths and affirmations.
- (b) Cause the Board to issue subpoenas for the attendance of persons to testify and to produce books, records and other papers.
- (c) Cause inspections to be made of the rental unit for which a rent adjustment is sought.
- (d) Rule on offers of proof and receive relevant evidence.
- (e) Control the course of the hearing.
- (f) Rule on procedural requests.
- (g) Render decisions on proceedings.
- (h) Take other action authorized by the rules and regulations adopted by the Board.
- (i) To initiate civil action to enforce any order made in the exercise of the foregoing powers.

15002. Notice of Hearing

At least ten calendar days prior to the hearing, notice shall be mailed to the parties of the date, time, and place of the hearing. Notice may be provided by electronic service, in lieu of service by mail, upon written consent to such service.

Any interested party may examine the contents of the complaint or petition file at the Rent Control office at a time mutually convenient to the hearings department and the party, by prior arrangement.

15003. Continuances

Continuances for any hearing shall be granted only for good cause. Continuances may be granted in the discretion of a hearing examiner, the supervisor of hearing examiners, or the Administrator. Requests for continuances shall be made as soon as the necessity for a continuance is known to a participant, but in no event less than 72 hours before the scheduled hearing, unless good cause is shown for a later request.

The request must be written and contain acceptable alternative dates and an explanation of what efforts were made to ascertain the position of the other parties regarding the request for a continuance. The hearing examiner, hearings department supervisor, or Administrator to whom the request is directed may require the requesting party to provide supporting factual information in a declaration executed under penalty of perjury. Copies of the written request must be sent immediately to all other parties and proof of such service must accompany the written request filed with the Board.

If the party making the request for continuance is the petitioner, they must agree in writing to waive the date for final action under Section 1805(d)(12).

15004. Evidence Rules

- (a) General. The hearing need not be conducted according to technical rules of evidence. Any relevant evidence shall be considered if it is the sort of evidence on which responsible persons are accustomed to relying in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Unduly repetitious or irrelevant evidence may be excluded upon order by the hearing examiner.
- (b) Submission of Evidence.
 - (1) Timing: Documents, photos, or videos that parties intend to use at the hearing or submit as evidence must be received by the hearings department no later than 2 business days before the hearing date. Evidentiary submissions may be made by mail or personal delivery during posted business hours to City Hall, 1685 Main Street, Rm. 202, Santa Monica, CA 90401 or by electronic transmission to a designated email address.
 - (2) Form of Submissions:
 - (i) Documents and photographs: May be submitted in hard copy form, on a DVD, or by email as separate attachments to the hearings department. All documents and photos must be converted to pdf format prior to submission electronically.
 - (ii) Videos: Must be copied to a DVD or provided as separate attachments to an email.
 - (3) Failure to provide evidence timely or in the proper form may result in the rejection of that evidence at hearing.

15005. Conduct of Hearing

Administrative hearings shall be conducted in a manner deemed most suitable to ensure fundamental fairness to all parties concerned and with a view toward securing all relevant information and material necessary to render a decision without unnecessary delay.

15006. Order of Proceedings

The hearing shall ordinarily proceed in the following order:

- (a) The hearing examiner may convene a pre-hearing conference with the parties and their representatives. At the pre-hearing conference, the hearing examiner will determine those issues which are not in controversy, evidence that may be admitted without objection, the order in which the evidence is to be presented, the scheduling of hearings and witnesses, and any other procedures consistent with Regulation 15005. The pre-hearing conference may be held immediately preceding the commencement of the hearing.
- (b) Receipt into evidence and consideration of all pertinent documents derived from the official records of the Board.
- (c) Presentation by or on behalf of complainant or petitioner, including presentation of documentary evidence and foundation for such evidence, testimony of the complainant or petitioner, and any witnesses on behalf of the complainant or petitioner.
- (d) Presentation by or on behalf of the respondent, including presentation of documentary evidence and foundation for such evidence, testimony of the respondent, and any witnesses on behalf of the respondent.
- (e) Rebuttals by complainant or petitioner and respondent as allowed in the discretion of the hearing examiner.
- (f) Each speaker's presentation shall be to the point and shall be as brief as possible; visual and other materials may be used as appropriate. The hearing examiner may establish reasonable time limits for each presentation. Any supporting documentation submitted with a complaint is not admissible until properly authenticated.
- (g) The hearings department supervisor may re-open the hearing record when she or he believes that further evidence should be considered to resolve a material issue, where the hearing record has been closed and where a decision has not yet been issued by the hearings department. The parties may waive further hearing by agreeing to allow additional exhibits into evidence. If the matter is an increase case, the hearing may be re-opened only if the petitioner waives the benefit of the 120 day deadline by agreeing to an extension equal to the number of days between the date the hearing record was closed and the date of the proposed additional hearing.

15007. Right of Assistance

All parties to a hearing may have assistance in presenting evidence and developing their positions from attorneys, legal workers, recognized tenant organization representatives, landlord association representatives, or any other persons designated by said parties.

15008. Hearing Record

The hearing examiner shall keep on file an official record, which shall constitute the exclusive record for decision. The hearing record is a public record and may be inspected by any person. Any person may request and receive copies of the hearing record or documents therein upon payment to the Board of the costs of making such copies. The hearing record shall include:

- (a) A copy of the complaint or petition and supporting documentation submitted with it.
- (b) Any response to the complaint or petition.

- (c) Exhibits, papers, and documents offered either before or during the proceeding and admitted into evidence by the hearing examiner.
- (d) A list of participants present.
- (e) A summary of all testimony accepted in the proceedings.
- (f) A statement of all materials officially noticed.
- (g) All findings of fact and conclusions of law.
- (h) All final or recommended decisions, orders or rulings.

15009. Quantum of Proof

No complaint or petition shall be granted unless supported by the preponderance of the evidence submitted at hearing.

15010. Decision

After the closing of the record of the hearing, the hearing examiner shall render a written decision supported by findings of fact and conclusions of law. Each hearing examiner decision must be reviewed and approved by the Hearings Department Manager or his/her designee before it is issued. The hearing examiner's decision shall notify the parties to the hearing of the effect of the decision and of their appeal rights.

15011. Enforcement of Board Excess Rent Decisions

- (a) Effective Date: Unless stayed or restrained by a court of competent jurisdiction, a Board decision shall take effect 30 calendar days after the date upon which the decision becomes final.
- (b) Authorization to Recoup Excess Rent, Interest, and penalties: Upon a determination that a landlord or landlords are liable to a complainant for any amount of excess rent, interest or penalties, the hearing examiner or Board shall specify in their decision that the complainant is entitled to withhold payment of any rent which would otherwise be due and payable following the effective date of the decision, as a means of recouping the amount to which complainant is entitled, until the amount of rent withheld, using the current lawful rent as a measure, is equal to the amount of liability imposed by the decision.
- (c) Effect of Decision: Pursuant to the decision of the California Supreme Court in McHugh v. Santa Monica Rent Control Board, the Board decision imposing liability in a specific amount and authorizing the withholding of rent shall, unless stayed or until vacated by a court of competent jurisdiction, be given collateral estoppel effect in any judicial proceeding, other than a proceeding under Code of Civil Procedure Section 1094.5 challenging the specific decision of the Board. After its effective date, the Board decision, unless stayed or vacated in a proceeding pursuant to Code of Civil Procedure Section 1094.5, has the following legal effect:
 - (1) Defense to Nonpayment Ground for Eviction: As provided in section 1806(e) of the Rent Control Law, the Board decision shall constitute a defense to any unlawful detainer action predicated on nonpayment of rent and filed against a complainant who has been authorized to recoup the amount of the award as long as the entitlement to recoup continues;

However, the issuance of an administrative order shall not be a prerequisite or any way a requirement before a tenant may assert a right to offset previous overpayments of rent as a defense in an eviction proceeding premised on nonpayment of rent.

- (2) Judicial Enforcement of Decision: A complainant who is no longer a tenant of the subject unit and for whom the withholding remedy is consequently ineffective may seek judicial enforcement of the Board decision from a court of competent jurisdiction pursuant to Section 1811 of the Rent Control Law. In appropriate cases, the Board may independently seek judicial enforcement of its order with respect to a complainant who is no longer the tenant of a subject unit. When a tenant vacates a unit prior to withholding the entire amount, the landlord must pay the balance of the award within two weeks thereafter.
- (d) Recoupment. Recoupment by the tenant and compliance with the decision of the Board shall be presumed to occur in the normal course of events. A landlord may discharge the liability imposed by a Board decision by not objecting to recoupment for the necessary period of time, or by paying to the complainant the entire amount, or remaining amount. Should the landlord opt for the latter course of action, compliance may be established by a document freely executed by the complainant and acknowledging receipt of payment in full.
- (e) Rent Increases During Recoupment Period: A landlord found liable under a Board decision shall not be deemed in compliance with the Rent Control Law with respect to the subject tenancy until the entire period of withholding of rent by the complainant has been completed, or the entire amount of liability is otherwise discharged. Until that time, the landlord, including any successor in interest, shall be prohibited from implementing any increases in the maximum lawful rent which could otherwise be implemented as to the subject tenancy.

15012. Effect of Rent Adjustment Decisions.

(a) Effect of Decision for Rent Increase.

If a landlord's petition for an upward rent adjustment is granted by the hearing examiner, the landlord may immediately increase the rent by giving the tenant written notice as provided by §827 of the California Civil Code. If the hearing examiner's decision is appealed, and if the Board reduces or nullifies the amount of the rent increase, the landlord shall immediately reduce the amount of the rent in accordance with the Board's decision and shall refund to the tenant any rent the landlord collected during the period following the hearing examiner's decision that is in excess of the rent allowed to be charged by the Board after rendering its decision on appeal.

(b) Effect of Decision for Rent Decrease.

- (1) If a tenant's petition for a downward rent adjustment is granted by the hearing examiner, the tenant may decrease the rent payment in accordance with the decision in the first rent payment due following thirty (30) calendar days after the date of the hearing examiner's decision. If the hearing examiner's decision is appealed, and if the Board reduces or nullifies the amount of the rent decrease, the tenant shall immediately increase the amount of the rent payment in accordance with the Board's decision and shall refund to the landlord any rent the tenant withheld during the period following the hearing examiner's decision that is in excess of the rent allowed to be withheld by the Board after rendering its decision on appeal.
- (2) Decisions decreasing rents shall remain in effect until the Board finds that the landlord has corrected the defect warranting the decrease, except as provided in subsection (4), below.

- (i) Upon a determination of compliance, the landlord shall be entitled to reinstatement of the prior rent level, retroactive to the date of the first rent payment due after the landlord corrected the defect which warranted the decrease, provided the landlord has made a written request for a compliance determination within sixty (60) calendar days of the correction of the defect or condition which warranted the decrease, as set forth in subsection (c)(1) below.
 - (ii) If the landlord requests compliance more than sixty (60) calendar days from the date of correction of the defect or condition which warranted the decrease, the landlord shall, upon determination of compliance, be entitled to reinstatement of the prior rent level, retroactive to the date of the first rent payment due after the filing of the written request for compliance with the Hearings Department.
 - (iii) If any general adjustment has gone into effect while the decrease was in effect, the hearing examiner shall, upon compliance, adjust the maximum allowable rent to include the general adjustment amount that would have been earned if the decrease were not in effect.
- (3) Procedures for compliance determinations are as follows:
- (i) The landlord shall make a written request to the Hearings Department for a compliance determination and include any documentation or other evidence that the defect or condition which warranted the decrease has been corrected.
 - (ii) If a decrease decision has been issued in the underlying proceeding, a hearing examiner for the Board shall issue a proposed determination stating whether all or part of the decrease shall be reinstated and stating the date and amount upon which such reinstatement shall occur.
 - (iii) If a decrease decision has not been issued in the underlying proceeding, the hearings department will accept the request for compliance determination, and a hearing examiner for the Board shall issue a proposed determination within 30 business days after issuance of the decrease decision, stating whether all or part of the decrease shall be reinstated and stating the date and amount upon which such reinstatement shall occur.
 - (iv) Any party who wishes to contest the proposed determination may do so by filing a request on a form provided by the Board for a limited hearing within 10 business days of issuance of the proposed determination. If no such request is filed within that time, the proposed determination shall become final.
 - (v) Following receipt of the request for limited hearing on the proposed determination, the hearing examiner shall schedule a hearing as soon as practicable and give 10 calendar days' notice of such hearing to the parties. Following the hearing, the hearing examiner shall issue a final compliance determination.
 - (vi) The parties have no further right of administrative appeal of the final compliance determination. However, the landlord may request a new compliance determination as to any remaining conditions which are found to warrant a continued rent decrease. Notwithstanding the issuance of the

compliance determination, a tenant who claims the condition giving rise to the decrease petition is still uncorrected may file a new decrease petition.

- (vii) A request for a compliance determination, or an application to modify a rent decrease per Regulation 4400(m), does not extend the time to file an appeal of the original decision that authorized the rent decrease(s).
- (4) If there is a rent decrease decision in effect at the time the unit becomes vacant and the landlord is entitled to implement a vacancy increase pursuant to Civil Code section 1954.53 and regulation 3301, the decrease will terminate upon the landlord's filing of a proper vacancy registration form.

15013. Appeals

- (a) Time for Appeals. Within ten business days after the date of the decision of the hearing examiner, any person aggrieved by the decision of the hearing examiner may appeal to the Board. Upon a showing of good cause, and at the Board's discretion, the Board may accept a late appeal.
- (b) Aggrieved Person. The following persons may appeal a decision of the hearing examiner to the Board:
 - (1) The parties to a petition or complaint.
 - (2) Any co-tenant, subtenant, or other co-occupant of the subject unit whose rights may be affected by the decision.
 - (3) The Board Administrator, in accordance with regulation 8028.5.
- (c) Any person wishing to appeal the decision of a hearing examiner must do so in writing. The appeal shall set forth the specific grounds upon which the appeal is based. The Board may consider the hearing examiner decision final with respect to matters not timely raised in the appeal.

15014. Board Action on Appeal

- (a) Type of hearing by Board.
 - (1) Appeal on Written Record. The Board shall consider the appeal based solely on the hearing record before the hearing examiner, and any argument heard by the Board. No new evidence shall be received or considered by the Board unless 1) the party obtained the evidence after the hearing and could not have obtained the evidence sooner through the exercise of reasonable diligence, and 2) the evidence bears directly on a material dispute of fact. A party submitting new evidence must explain, in a written request, how the circumstances satisfy the requirements of this regulation.
 - (2) De Novo Hearing. The Board may conduct a de novo hearing upon a finding of egregious circumstances requiring a de novo hearing to rectify a manifest injustice. If the Board determines to hold a de novo hearing, the hearing shall be conducted in the manner set forth in this subchapter governing the hearing before the hearing examiner.
 - (3) Oral arguments. Oral arguments may be heard at the Board's discretion. Each party shall have 5 minutes to speak unless further time is granted by a majority of the Board. The parties need not be present at the meeting when the appeal is considered.
- (b) Determination. As soon as practicable after the filing of the appeal, the Board shall:

- (1) Affirm, reverse or modify the decision of the hearing examiner. The Board's decision to affirm, reverse or modify the decision of the hearing examiner shall be supported by written findings of fact and conclusions of law. When the Board affirms the decision of the hearing examiner, it adopts the findings of fact and conclusions of law in the hearing examiner's decision, unless the motion to affirm states otherwise.
- (2) The Board may also remand the matter to the hearings department for further consideration of factual issues. In that event, the Board will finally resolve all issues that may be resolved apart from the remand, and any appeal from the remand proceeding will be limited to the issues addressed in the remand. Staff shall only issue a notice of remand, and the Board's decision and findings shall not be issued until the remand and any appeal therefrom have concluded.

15015. Staff Report

At least 10 calendar days prior to the date set for Board action a staff report shall be prepared on the appeal and shall be available for public inspection. The staff report shall contain a written recommendation to affirm, reverse or modify the decision of the hearing examiner or to remand the matter, or any portion thereof, to the hearings department for further proceedings.

Any party may submit a written response to the Staff Report no later than noon of the Monday prior to the date set for Board action on the appeal.

15016. Date of Board Action

- (a) Notice. At least ten calendar days prior to the date set for Board action, all parties shall be notified by mail of the date, time and place set for Board action on the appeal. A copy of the staff report shall be mailed along with the notice. The notice and staff report may be provided by electronic service, in lieu of service by mail, upon written consent to such service.
- (b) Continuances. Continuances of dates set for Board action on appeals of hearing decisions shall be granted only for good cause by a majority of the Board or by the Administrator. Requests for continuances shall be made as soon as possible. A written request and the reasons for it must be received by the Rent Control Board at least 72 hours prior to the scheduled hearing, unless good cause is shown for a later request. The written request must contain acceptable alternative dates and an explanation of what efforts were made to ascertain the position of the other parties regarding the request for a continuance. Copies of this written request must be sent immediately to all other parties and proof of such service must accompany the written request filed with the Board.

15017. Finality of Decision; Effect of Appeal

- (a) Finality of Hearing Examiner's Decision. Unless timely appealed to the Board, the decision of the hearing examiner shall be the final decision of the Board.
- (b) Finality of Appealed Decision. If the hearing examiner's decision is timely appealed, the Board's decision to affirm, reverse or modify the hearing examiner's decision shall become final at the time of Board action granting or denying the appeal.
- (c) Effect of Appeal.
 - (1) Rent Adjustment Petitions: In the event of a timely appeal to the Board, the decision of the hearing examiner shall not be stayed pending determination by the Board on appeal.

- (2) Excess Rent Petitions: In the event of a timely appeal to the Board, the decision of the hearing examiner shall be stayed pending determination by the Board on appeal.

15018. Board Action in Lieu of Reference to Hearing Examiner

The Board on its own motion may hold a hearing on a complaint under this subchapter without the complaint first being heard by a hearing examiner.

15019. Time of Decision

Pursuant to section 1809(b)(1), the Board shall take final action on any complaint or petition within one-hundred and twenty (120) days following the date of the initial filing of the complaint unless good cause is shown or the parties otherwise agree. The filing of an amended petition begins a new one-hundred and twenty (120) day time period. This regulation is declarative of existing law and practice and does not impose any new requirements or rights, or limit any existing requirements or rights under the Rent Control Law.

[15000 Adopted 11/14/24; Effective 12/6/24]
[15001 Adopted 11/14/24; Effective 12/6/24]
[15002 Adopted 11/14/24; Effective 12/6/24]
[15003 Adopted 11/14/24; Effective 12/6/24]
[15004 Adopted 11/14/24; Effective 12/6/24]
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[15016 Adopted 11/14/24; Effective 12/6/24]
[15017 Adopted 11/14/24; Effective 12/6/24]
[15018 Adopted 11/14/24; Effective 12/6/24]
[15019 Adopted 11/14/24; Effective 12/6/24]

SUBCHAPTER B

ADMINISTRATIVE DECISION PROCEDURES DURING DECLARED EMERGENCY

15020. Suspension of Complaints, Applications, and Petitions, and Suspension or Alteration of Procedures.

(a) Authority of Administrator

In the event of a national, statewide, or local emergency declared by a government official with statutory authority to issue such a declaration, the Administrator may, to the extent necessitated by the emergency and notwithstanding any Board regulation, temporarily suspend or alter any aspect of the administrative decision process, including but not limited to the acceptance for filing of complaints, applications, or petitions. Any such suspension or alteration must be communicated to owners and tenants of controlled properties in the manner most likely to reach them, and as promptly as possible, consistent with the nature of the emergency itself.

(b) Ratification by the Board

The Administrator must place on the agenda of the first meeting of the Board occurring after he or she has suspended or altered any administrative decision process or procedure an Administrative Item setting forth, in writing, which processes, procedures, or regulations have been altered or suspended. The Board must adopt a resolution accepting, rejecting, or accepting with modifications the suspensions or alterations that the Administrator had imposed.

(c) Prohibition on Certain Types of Suspensions or Alterations

In no event may the Administrator or the Board, in the exercise of the authority granted under this section, suspend or alter any regulation respecting quantum of proof, who bears the burden of proof, or the availability of review by the Board. Nor may the Administrator or the Board suspend or alter any process, procedure, or regulation if doing so will violate any provision of the Charter or result in the deprivation of any person's rights under the Constitutions of the United States or State of California.

(d) Duration of Suspensions or Alterations

- (1) When imposed by the Administrator. Any suspension or alteration of processes, procedures, or regulations by the Administrator under the authority of this section shall remain in effect until ratified, rejected, or modified by the Board as provided for in subdivision (b) of this section.
- (2) When imposed by resolution adopted by the Board. Any suspension or alteration of processes, procedures, or regulations adopted by resolution of the Board as provided for in subdivision (b) of this section shall remain in effect until the date specified in the resolution. If no date is specified, the suspension or alteration terminates automatically at the end of the last day of the declared emergency. Any suspension or alteration remaining in place after the end of the declared emergency must be justified by a separate resolution adopted by the Board, which resolution must include legislative findings showing that it is impossible or impracticable to immediately terminate the suspension or alteration, a statement of steps that the Board will take to terminate the suspension or alteration at the earliest possible date, and a reasonable estimation of what that date will be. A resolution continuing the suspension or alteration must be adopted after a public hearing occurring before the declared emergency has ended.

(e) Effective Date

This regulation will be effective immediately on the date when it is adopted by the Board.

[15020 Adopted 4/23/20; Effective 4/23/20]

SUBCHAPTER C

SUBPOENAS

15030. Statement of Purpose

This subchapter contains implementing regulations for Charter Amendment Section 1803(f)(11). Subpoenas are often indispensable in Rent Control Board hearings since reliable information relevant to the determination of lawful rent levels may be otherwise unobtainable. Persons seeking the issuance of subpoenas and witnesses subject to those subpoenas are entitled to know their legal rights and obligations.

The purposes of this subchapter are, therefore, twofold;

- (1) to provide tenants and landlords, as well as the Board and its hearing examiners, with the means to compel attendance of material witnesses and production of relevant documents or other physical evidence at administrative hearings conducted by the Rent Control Board or its hearing examiners; and
- (2) to establish standards and procedures for the administration of the subpoena power which will prevent abuse by any party.

15031. Subpoena Forms

Any person seeking issuance of a subpoena under this subchapter must do so on an application form approved by the Board. Subpoena forms adopted by the Board shall contain a clear statement of the rights and obligations of both the party on whose behalf the subpoena is issued and those of the subpoenaed witness. This statement shall, at a minimum, advise the subpoenaed witness of the right to contest the sufficiency of the period of notice to appear which he or she has received, the right to contest the relevancy of the documents or other physical evidence which have been demanded, and the right to receive attendance and mileage fees in specified amounts.

15032. Procedure for Obtaining Subpoena or Subpoena Duces Tecum

Any landlord or tenant who is a party to a hearing may request issuance of a subpoena prior to commencement of the hearing by following the procedures set forth in subsections (a) through (d). Upon signing a declaration stating that he or she is authorized to act on behalf of a party to a hearing, an attorney or authorized representative may request issuance of a subpoena.

(a) Application for Subpoena

A party seeking issuance of a subpoena by the Board must complete an application form by filling in all required information, and must declare that he or she is a party to a particular administrative proceeding pending before the Board or one of its hearing examiners. If a subpoena duces tecum (a request for production of documents or other physical evidence) is requested, the applicant must complete the declaration portion of the application, stating under penalty of perjury that good cause exists for requiring the production of the matters and things described in such subpoena, specifying the exact matters or things desired to be produced, setting forth in full detail the materiality thereof to the issues involved in the case, and stating that the witness has the desired matters or things in his possession or under his control.

(b) Subpoena Issuance; Review and Signature

The form must then be submitted for review and signature by the Administrator, General Counsel, or Hearings Supervisor. The subpoena shall be reviewed for completeness prior to issuance. The relevancy or appropriateness of a subpoena may be contested at the hearing, as set forth in Sections 15035 and 15036 below.

(c) Service of Subpoena

A witness shall be afforded reasonable notice of the hearing at which attendance or production of documents or other physical evidence is compelled. A subpoena must be *personally* served upon the witness at least five days prior to the date of the hearing. If the subpoena is for personal records as set forth in regulation 15032.5 below, the subpoena must be personally served at least fifteen (15) days prior

to the date of production. Service may be made by any person over eighteen years of age who is not a party to the hearing.

(d) Witness Fees and Mileage

Witnesses subject to subpoenas issued by the Board shall be entitled to attendance and mileage fees payable in the manner and in the amounts specified by the California Code of Civil Procedure.

[15032(c) Amended 7/10/03; Effective 7/25/03]

15032.5. Subpoena Duces Tecum for Personal Records

When a subpoena duces tecum is sought for "personal records" by a landlord or tenant who is a party to a hearing, in addition to the procedures set forth in regulation 15032, the following shall apply.

(a) Personal Records

"Personal records" are those documents or electronic data pertaining to a consumer which are maintained by a current or former employer, physician, psychotherapist, dentist, ophthalmologist, optometrist, chiropractor, physical therapist, acupuncturist, podiatrist, veterinarian, veterinary hospital, veterinary clinic, pharmacist, pharmacy, hospital, medical center, clinic, radiology or MRI center, clinical or diagnostic laboratory, state or national bank, state or federal association (as defined in California Financial Code Section 5102), state or federal credit union, trust company, title insurance company, underwritten title company, escrow agent licensed or exempt from licensing pursuant to California Financial Code section 1700 et seq., attorney, accountant, institution of the Farm Credit System (as specified in United States Code, Title 12, Section 2002), or telephone corporation, or private or public preschool, elementary school, secondary school, or postsecondary school as described in California Education Code Section 7624.

(b) Consumer

"Consumer" means any individual, partnership of five or fewer persons, association, or trust which has transacted business with, or has used the services of, any of the personal records holders listed in subparagraph (a) above.

(c) Notice to Consumer

At least three days prior to serving the subpoena duces tecum for the production of personal records, the subpoenaing party shall serve on the consumer whose records are being sought a copy of the subpoena duces tecum, including the application, and a Notice to Consumer on a form provided by the Rent Control Board. The notice shall inform the consumer that personal records are being sought from the personal records holder identified in the notice, that the records may be protected by a right of privacy, and, if the consumer objects to the records being disclosed by the records holder, the consumer shall file a written objection, or motion to quash or modify the subpoena in the Rent Control Board proceeding and shall serve the written objection or motion on all parties in the proceeding not less than seven (7) days before the date for production. The notice shall be accompanied by a proof of service.

(d) Service

Along with the subpoena and application for production of the personal records, the subpoenaing party shall do either of the following: (1) serve upon the personal records holder a proof of service showing compliance with the requirements of subparagraph (c) above; or (2) furnish the personal records holder a written authorization signed by the consumer to release the records. If the consumer is represented by

an attorney in the administrative proceeding, service of the Consumer Notice and accompanying documents may be made on the attorney.

(e) Production of Records Required

Notwithstanding the filing of objections to or a motion to quash or modify a subpoena duces tecum for personal records, the personal records holder shall produce the records requested in the subpoena and application. If an objection or motion to quash or modify is filed, the personal records shall be sealed until the hearing examiner hears the objections or the motion to quash or modify the subpoena.

(f) Telephone and Tax Records

A subpoena duces tecum for telephone records and income tax returns shall not be valid or effective unless it includes a consent to release the records, signed by the consumer whose records are requested.

(g) Medical and Attorney Records

A subpoena duces tecum for physician, psychotherapist, dentist, ophthalmologist, optometrist, chiropractor, physical therapist, acupuncturist, podiatrist, pharmacist, pharmacy, hospital, medical center, clinic, radiology or MRI center, clinical or diagnostic laboratory, or attorney records shall not be valid or effective unless it includes a consent to release the records, signed by the consumer whose records are requested.

[15032.5 Adopted 7/10/03; effective 7/25/05]

15033. Use of Subpoena by Rent Control Board or Hearing Examiner

The Board or its hearing examiners may compel the attendance of witnesses in order to examine them under oath or to compel production of documents or other physical evidence. In such cases, the requirements set forth in regulation 15032(b) through 15032(d) and regulation 15032.5 shall apply.

[15033 Amended 7/10/03; Effective 7/25/03]

15034. Geographical Reach of Subpoenas

A witness is not obliged to attend as a witness outside of the county in which he or she resides, unless the distance from the principal place of residence of the witness to the hearing location is less than one hundred fifty miles.

15035. Motion to Quash Subpoena

A witness may contest a subpoena by making objections to the subpoena or making a motion to quash the subpoena if it is unreasonable or oppressive. The objections to or motion to quash or modify the subpoena duces tecum must be served on all parties in the administrative proceeding and filed at least seven (7) days prior to the date for production. If a party is represented by an attorney in the proceeding, service of the motion may be made on the attorney. In deciding a motion to quash, the hearing examiner shall consider all relevant factors, including but not limited to the purpose of the information sought, the effect the disclosure will have on the parties and the hearing, the nature of the objections urged by the party resisting disclosure, and the ability to make an alternative order granting partial disclosure, disclosure in another form, or disclosure only in the event the party seeking the information undertakes certain specified burdens

which are just under the circumstances. When possible, the hearing examiner shall impose partial limitations pursuant to regulation 15036 rather than an outright denial of production. This section neither adds to nor detracts from the right of a witness to institute a court proceeding to quash a subpoena.

[15035 Amended 7/10/03; Effective 7/25/03]

15036. Protection of Witnesses; Modification of Subpoenas

Notwithstanding issuance of a subpoena pursuant to Section 15032 or 15033, the Board and its hearing examiners shall make any remedial orders necessary, including but not limited to the following examples. In the event that a witness disobeys a subpoena after having received untimely notice to appear, a continuance may be granted upon a showing of good cause by the party seeking the testimony of the absent witness. The scope of a subpoena duces tecum may be limited if it appears that items of evidence not relevant to the proceeding have been included or that the subpoena does not sufficiently specify the evidence to be produced, or if the items requested violate the party's privacy rights. In determining the limitations, the hearing examiner and Board shall consider all relevant factors, including but not limited to the purpose of the information sought, the effect disclosure will have on the parties and on the hearing, the nature of the objections urged by the party resisting disclosure, the ability to obtain disclosure in another form, or disclosure only in the event the party seeking the information undertakes certain specified burdens which are just under the circumstances. Remedial orders may be made on the motion of the Board or hearing examiner, or upon motion by the witness, as well as upon the motion of a party.

[15036 Amended 7/10/03; Effective 7/25/03]

15037. Enforcement of Subpoenas

In the event that no motion to quash has been granted pursuant to subsection 15035 nor remedial order issued pursuant to subsection 15036, where a witness fails to obey a subpoena issued by the Rent Control Board (except upon constitutional grounds), the Board may adopt a resolution embodying the facts of such disobedience or refusal to testify and directing the Chairperson of the Rent Control Board to make complaint in the Municipal Court for the Santa Monica Judicial District against such person pursuant to the Santa Monica Municipal Code. If the witness cures such disobedience within five days after adoption of such a resolution, the Board shall withdraw that resolution. In no event shall such a resolution be adopted where the subpoena was not served upon the witness at least five days prior to the hearing date, as set forth in subsection 15032(c) above.

[Chapter 15 Adopted 5/16/85; Effective 6/2/85]
[15032(c) Amended 7/10/03; Effective 7/25/03]
[15032.5 Adopted 7/10/03; Effective 7/25/03]
[15033 Amended 7/10/03; Effective 7/25/03]
[15035 Amended 7/10/03; Effective 7/25/03]
[15036 Amended 7/10/03; Effective 7/25/03]
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[15018 Adopted 11/14/24; Effective 12/6/24]
[15019 Adopted 11/14/24; Effective 12/6/24]

CHAPTER 16

WITHDRAWAL OF ACCOMMODATIONS

SUBCHAPTER A

GENERAL PROVISIONS

1600. Withdrawal of Accommodations from Rent or Lease

Pursuant to California Government Code Sections 7060 et seq. (the "Ellis Act") the owner of residential real property subject to the Rent Control Law may withdraw accommodations on the property from rent or lease in accordance with the provisions of this Chapter.

Amendments to this Chapter, adopted by the Board on January 27, 2000, are made to carry out amendments to the Ellis Act effective January 1, 2000. Amendments to this chapter adopted January 27, 2000 are applicable to all applications for withdrawal of accommodations filed on or after January 1, 2000.

Amendments to this Chapter, adopted by the Board on January 9, 2003, are made to carry out amendments to the Ellis Act effective January 1, 2003. Amendments to this chapter adopted January 9, 2003 are applicable to all new tenancies following return to the rental business created after December 31, 2002.

Amendments to this Chapter, adopted by the Board on October 8, 2020, are intended to incorporate into this Chapter all amendments to the Ellis Act effective January 1, 2020, and are to be construed to effectuate the intent of those amendments to the fullest possible extent. These amendments are applicable to all withdrawn accommodations that are returned to the rental market on or after January 1, 2020.

[1600 Amended 1/27/00; Effective 2/11/00]

[1600 Amended 1/9/03; Effective 1/18/03]

[1600 Amended 10/8/20; Effective 10/14/20]

1601. Definitions

(a) "Accommodations" are defined as either:

- (1) The residential rental units in any detached physical structure containing four or more residential rental units or,
- (2) With respect to a detached physical structure containing three or fewer residential rental units, the residential rental units in that structure and in any other structure located on the same parcel of land, including any detached physical structure specified in subparagraph (1).

(b) "Disabled" means a person with a disability, as defined in Section 12955.3 of the California Government Code.

[1601 Amended 1/27/00; Effective 2/11/00]

1602. Date of Withdrawal

(a) Unless a tenancy is extended as provided for by subdivision (b) of this section, the date on which

accommodations are withdrawn from rent or lease pursuant to this Chapter is one-hundred-twenty (120) days from the date of service upon the Board of the original Notice of Intention to Withdraw Accommodations From Rent or Lease (hereinafter "Notice of Intent") and a conformed copy of the recorded Memorandum Summarizing Non-Confidential Provisions of Notice of Intention to Withdraw Accommodations From Rent or Lease, as required by Section 1608 of these regulations. This section applies equally to all properties withdrawn pursuant to this Chapter, including properties vacant prior to the commencement of the procedure described herein.

- (b) If a tenant or lessee is at least 62 years of age or disabled, and has lived in his or her unit for at least one year prior to the date of the owner filing the Notice of Intent with the Board pursuant to Section 1608, the date of withdrawal of the accommodations as a whole shall be extended to one year after the date of filing the Notice of Intent, provided the tenant or lessee gives written notice of his or her entitlement to an extension to the owner within 60 days of the date of filing of the Notice of Intent. If these qualifications have been met, the following provisions shall apply:
- (1) The tenancy shall continue on the same terms and conditions as existed on the date of filing of the Notice of Intent with the Board, subject to any adjustments otherwise available under the Rent Control Law and regulations.
 - (2) No party shall be relieved of the duty to perform any obligation under the lease or rental agreement.
 - (3) The owner may elect to extend the tenancy in any other unit within the accommodations from 120 days to up to one year after the date of filing the Notice of Intent with the Board, subject to the requirements of subparagraphs (1) and (2), above.
 - (4) Within thirty (30) days of the notification by the tenant or lessee to the owner of his or her entitlement to an extension, the owner shall give written notice to the Board of the claim that the tenant or lessee is entitled to stay in his or her unit for one year after the date of the filing of the Notice of Intent with the Board.
 - (5) Within ninety (90) days of the date of filing of the Notice of Intent with the Board, the owner shall give written notice to the Board and the affected tenants or lessees of the extension of the withdrawal date to one year from the owner's filing of the Notice of Intent to Withdraw with respect to any unit whose tenant is entitled to the extension under this subdivision, as well as the owner's election to extend the tenancies of any other units under paragraph (3), above.
 - (6) Solely for the purpose of determining the rights and responsibilities of owners and new or displaced tenants if withdrawn accommodations are later returned to the rental market—and not for purposes of determining the date on which different tenancies within the accommodations terminate— there shall be only one date of withdrawal for the accommodations as a whole. Therefore, if any tenancy is eligible for extension under this subdivision (b), for purposes of calculating the two, five and ten-year periods from the date of withdrawal specified in Sections 1620, 1621, 1622, 1626, 1629, 1630, and 1633 of this Chapter, the date of withdrawal shall be one year from the date when the owner filed the Notice of Intent to Withdraw with the Board.

[1602 Amended 1/27/00; Effective 2/11/00]

[1602 Amended 10/8/20; Effective 10/14/20]

1603. Owner Must Withdraw All Accommodations

The owner of residential real property may not withdraw from rent or lease less than all of the accommodations, as defined in subparagraphs (1) or (2) of Section 1601(a).

[1603 Amended 1/27/00; Effective 2/11/00]

SUBCHAPTER B

WITHDRAWAL PROCEDURES TO BE FOLLOWED BY OWNERS

1604. Preparation of Notice of Intention to Withdraw Accommodations From Rent or Lease and Memorandum Summarizing Non-Confidential Provisions

- (a) Before initiating the withdrawal process, the property owner must prepare the following two documents:
 - (1) A Notice of Intention to Withdraw Accommodations From Rent or Lease, as set forth in Section 1605 below;
 - (2) A Memorandum Summarizing Non-Confidential Provisions of Notice of Intention to Withdraw Accommodations From Rent or Lease, as set forth in Section 1606 below.

1605. Notice of Intention to Withdraw Accommodations From Rent or Lease

- (a) The Notice of Intention to Withdraw Accommodations From Rent or Lease shall contain the following information:
 - (1) The names and mailing addresses of all owners of the property;
 - (2) A statement that said owners intend to withdraw all of the accommodations from rent or lease;
 - (3) The number of accommodations to be withdrawn;
 - (4) The addresses of those accommodations;
 - (5) The name or names of the tenants or lessees of the accommodations;
 - (6) The rent of each residential unit.
- (b) The Notice of Intent shall include a statement that the information contained therein is true and correct, signed under penalty of perjury by all owners.
- (c) The names of the tenants, the rent of the rental units, and the total number of accommodations shall be treated as confidential information for purposes of the Information Practices Act of 1977.
- (d) The Board will provide an official form Notice of Intent.

1606. Memorandum Summarizing Non-Confidential Provisions of Notice of Intention to Withdraw Accommodations From Rent or Lease

- (a) The Memorandum Summarizing Non-Confidential Provisions of Notice of Intention to Withdraw

Accommodations From Rent or Lease (hereinafter "Memorandum") shall contain the following:

- (1) The names of all owners of the property;
 - (2) A statement that said owners intend to withdraw all of the accommodations from rent or lease;
 - (3) The addresses of the accommodations.
- (b) Said Memorandum shall not contain information concerning the names of the tenants, the rent of the rental units, or the total number of accommodations.
 - (c) Said Memorandum must be signed by all owners, and said signatures must be notarized, or otherwise duly acknowledged, proved or certified, in accordance with the provisions of any applicable law (see, e.g., California Civil Code Sections 1169 through 1207).
 - (d) The Board will provide an official form Memorandum.

1607. Initiation of the Withdrawal Process by Recording Memorandum; Obtaining Conformed Copy

- (a) The owner shall initiate the withdrawal process by recording the Memorandum with the office of the county recorder of Los Angeles County.
- (b) At the time that the Memorandum is recorded, the owner shall have a copy of that document conformed by the office of the County Recorder; said conformed copy shall include the recorder's document number and date of recordation.

1608. Service on Board of Notice of Intent & Conformed Copy of Recorded Memorandum

The owner shall serve simultaneously the following documents upon the Board:

- (a) The original Notice of Intent;
- (b) A copy of the recorded Memorandum, conformed by the Los Angeles County Recorder's Office, including the recorder's document number and the date of recordation.

1609. Time Limit for Completion of Withdrawal Procedures

- (a) In order to withdraw accommodations from rent or lease, the owner must complete all of the procedures set forth in Sections 1610 through 1612 below within five (5) days of service on the Board of the Notice of Intent and recorded Memorandum as required by Section 1608.
- (b) If an owner fails to complete all of the procedures set forth in Sections 1610 through 1612 below within five (5) days of service on the Board of the Notice of Intent and recorded Memorandum, the owner shall not be permitted to displace tenants or to exercise any other right conferred by the Ellis Act.
- (c) Notwithstanding subsections (a) and (b) above, nothing in this Section shall prevent an owner who has failed to complete a withdrawal from initiating and completing a new withdrawal in accordance with these regulations.

1610. Notice to Tenants of Pending Withdrawal

- (a) Within five (5) days after serving the Board with a Notice of Intent and recorded Memorandum in accordance with Section 1608, the owner shall provide each tenant or lessee to be displaced with a written Notice to Tenant Of Pending Withdrawal (hereinafter "Notice to Tenant"), containing the following information:
- (1) That the owner has served upon the Board a Notice of Intent in accordance with Sections 1605 and 1608;
 - (2) That said Notice of Intent specified the name and amount of rent paid by the tenant or lessee;
 - (3) The amount of rent that was specified in said Notice of Intent for the unit occupied by the tenant or lessee;
 - (4) The rights of the tenant or lessee to re-rent the accommodations pursuant to Section 1620 below.
 - (5) A tenant at least 62 years of age or older, or a disabled tenant, who has lived in his unit for at least one year prior to the filing of the Notice of Intent with the Board shall have his or her tenancy extended to one year after the date of filing of the Notice of Intent with the Board, provided that the tenant gives written notice of his or her entitlement to the owner within 60 days of the owner's filing of the Notice of Intent with the Board.
 - (6) For tenants who qualify for extension of withdrawal of accommodations under regulation 1602(b), the extended tenancy shall be continued on the same terms and conditions as existed on the date the owner filed the Notice of Intent with the Board, subject to any adjustments available under the Rent Control Law and regulations.
 - (7) No party to a lease or rental agreement which is extended under regulation 1602(b) shall be relieved of the duty to perform any obligation under the lease or rental agreement during the extended tenancy.
- (b) The Board will provide an official form Notice to Tenant.
- (c) The Notice to Tenant required herein must be served either prior to or contemporaneously with the notice to terminate tenancy served in the manner required by applicable state law (see, e.g., California Civil Code Sections 1946.1 and California Code of Civil Procedure Section 1162).

[1610 Amended 1/27/00; Effective 2/11/00]

[1610(c) Amended 12/6/12; Effective 12/12/12]

1611. Notice to Terminate Tenancies

- (a) Within five (5) days after serving the Board with a Notice of Intent and recorded Memorandum, the owner shall serve each tenant or lessee to be displaced with a written notice of termination of tenancy effective as of the date of withdrawal as defined in regulation 1602, served in the manner required by applicable state law (see, e.g., California Civil Code Section 1946.1; California Code of Civil Procedure Section 1162).

- (b) Said notices of termination of tenancy shall provide that all tenancies be terminated one-hundred-twenty (120) days following the date on which the Board was served with the original Notice of Intent and a copy of the recorded Memorandum as required by Section 1608.
- (c) No Notices of Termination of Tenancy shall be served prior to compliance with Sections 1607, 1608 and 1610; however, such notices may be served contemporaneously with the Notices of Pending Withdrawal required by Section 1610.

[1611 Amended 1/27/00; Effective 2/11/00]

[1611(a) Amended 12/6/12; Effective 12/12/12]

1612. Certification that Actions Commenced To Terminate Tenancies

- (a) Within five (5) days after serving the Board with a Notice of Intent and recorded Memorandum, the owner shall serve upon the Board a Certification that Actions Have Been Initiated to Terminate Tenancies (hereinafter "Certification"), certifying that all tenants or lessees have been served with notices to terminate tenancies effective one-hundred-twenty (120) days from the date of the filing of the Notice of Intent and a copy of the recorded Memorandum as required by regulation 1608, served as required by law, or, if applicable, that there are no remaining tenants or lessees in the accommodations.
- (b) Said Certification must be signed by all owners.
- (c) The Board will provide an official form Certification.

1613. Former Regulation 1613 is Repealed

[1613 Repealed 1/27/00; Effective 2/11/00]

SUBCHAPTER C

PROCEDURES TO BE FOLLOWED BY BOARD

1613. Notice of Service

Within five (5) business days of service of a Notice of Intent and recorded Memorandum upon it, the Board shall mail a Notice of Service to the withdrawing owner and to the occupants of all accommodations to be withdrawn. Said Notice of Service shall include the date that the Notice of Intent and recorded Memorandum were served upon the Board. The Board may enclose with said Notice of Service information concerning the rights and obligations of owners and tenants.

[1613 Amended 1/27/00; Effective 2/11/00]

1614. Review of Memorandum and Notice of Intent; Notice of Defects

- (a) Upon service on the Board of a Notice of Intent and recorded Memorandum, the Board shall:
 - (1) Verify that the Notice of Intent and recorded Memorandum comport with the requirements of Sections 1605, 1606, 1607 and 1608 above;
 - (2) Verify that the residential rental units to be withdrawn are accommodations as

defined by Section 1601(a);

- (3) Verify that owner is not attempting to withdraw less than all accommodations as defined in Section 1601(a);
 - (4) Verify that the ownership information in the Memorandum and Notice of Intent agrees with the record ownership as established by the records of the Los Angeles County Recorder;
 - (5) Verify that the number of accommodations, addresses of accommodations, and rent applicable to each unit as set forth in the Notice of Intent and recorded Memorandum agree with the records of the Board.
- (b) If the withdrawal appears to be improper, incomplete, incorrect or otherwise defective, the Board shall mail a Notice of Defects to the withdrawing owner. Said Notice of Defects shall specify the reason or reasons why the withdrawal appears to be defective. The Board shall also mail a Notice of Defects to the occupants of the accommodations, which shall include all information contained in the Notice of Defects given to the owner, except confidential information as specified in Section 1605(c).
- (c) The owner shall have fifteen (15) days from the date of the mailing of the Notice of Defects to correct the defects set forth in the notice. If all the defects set forth in the notice have not been cured within that time period, the filing will be considered improper and the owner shall not be permitted to displace tenants or to exercise any other rights conferred by the Ellis Act and this Chapter. However, nothing in this regulation shall prevent an owner who has failed to complete a proper withdrawal from initiating and completing a new withdrawal in accordance with these regulations.

[1614 Amended 1/27/00; Effective 2/11/00]

1615. Civil Action to Enjoin Defective Withdrawal

If an owner fails to comply with the provisions of Subchapter B of this Chapter, the Board may file a civil action to enjoin the attempted withdrawal. Nothing in this Section shall preclude the Board or any other aggrieved person from bringing any other action or asserting any defense permitted by law.

SUBCHAPTER D

UNLAWFUL DETAINER PROCEEDINGS

1616. Unlawful Detainers

If an owner seeks to displace a tenant or lessee by an unlawful detainer proceeding, the tenant or lessee may appear and answer or demur pursuant to Section 1170 of the Code of Civil Procedure and may assert by way of defense that the owner has not complied with the applicable provisions of the Ellis Act or of this Chapter.

SUBCHAPTER E

PROCEDURES TO BE FOLLOWED BY TENANTS

1617. Notice of Desire to Renew Tenancy Within Two Years

- (a) If accommodations are offered for rent or lease within two years of the date of withdrawal, a

tenant or lessee who has been displaced may have the right to re-rent the accommodations, as provided in subsection 1621. To acquire that right, the tenant or lessee must advise the owner in writing within thirty (30) days of displacement of his or her desire to consider an offer to renew the tenancy, and must furnish the owner with an address to which the owner's offer to re-rent is to be directed.

- (b) The Board shall make available a form, entitled Notice of Desire to Renew Tenancy Within Two Years, which may be utilized by tenants to provide withdrawing owners with the requisite notice and address.
- (c) A tenant or lessee who desires to consider an offer to renew the tenancy should file a copy of any Notice of Desire to Renew Tenancy Within Two Years with the Board.

[1617 Amended 1/27/00; Effective 2/11/00]

1618. Notice of New Mailing Address

- (a) In order to facilitate exercise of the rights set forth in this Chapter, tenants are advised to provide both the withdrawing owner and the Board with a new address to which correspondence may be directed, and to inform the Board and owners of any subsequent changes in address during the 10-year period following the withdrawal.
- (b) The Board shall make available to tenants an official form, entitled Notice of Change of Address, which may be utilized by tenants to provide withdrawing owners and the Board with notice of any new address to which correspondence should be directed.

SUBCHAPTER F

RENTAL FOR RESIDENTIAL PURPOSES WITHIN TWO YEARS

1619. Damages and Penalties

Rental of withdrawn accommodations for residential purposes within two years of withdrawal shall subject an owner to actual and exemplary damages as set forth in Section 1629.

[1619 Amended 1/27/00; Effective 2/11/00]

1620. Notice to Board

- (a) If an owner wishes to offer any part of withdrawn accommodations again for rent or lease within two years of withdrawal, the owner must return all accommodations or units within the accommodations for rent or lease, subject only to limitations specified in subdivision (e) of regulation 1629 and subdivision (c) of regulation 1630. Before returning withdrawn accommodations to the rental market, the owner shall file a Notice of Intention to Re-Rent Withdrawn Accommodations with the Board containing the following information:
 - (1) The names and mailing addresses of all owners of the property;
 - (2) A statement that said owners intend to re-rent the accommodations;
 - (3) The addresses of those accommodations.

- (b) Except as provided in regulation 1621, the owner shall not offer any unit from which a tenant or lessee was displaced for rent or lease for a period of thirty (30) days following the filing of the Notice of Intention to Re-Rent Withdrawn Accommodations with the Board.
- (c) The Board will provide an official form Notice of Intention to Re-Rent Withdrawn Accommodations.

[1620 Amended 1/27/00; Effective 2/11/00]

[1620(a) Amended 10/8/20; Effective 10/14/20]

1621. Owner Must Offer Accommodations To Certain Displaced Tenants

An owner who offers accommodations for rent or lease within two years of the date of withdrawal shall first offer to rent or lease each unit to the tenant or tenants displaced from that unit upon the same terms and conditions as those which existed prior to withdrawal of the accommodations, provided that said tenant or tenants have given notice of their desire to renew tenancy within two years as required by Section 1618. The owner must include copies of such written offers to the qualifying tenants with the Notice of Intention to Re-Rent Withdrawn Accommodations at the time the Notice is filed with the Board.

[1621 Amended 1/27/00; Effective 2/11/00]

SUBCHAPTER G

PROCEDURES TO BE FOLLOWED UPON RE-RENTAL MORE THAN TWO BUT LESS THAN TEN YEARS AFTER WITHDRAWAL

1622. Notice to Board

- (a) If an owner wishes to offer withdrawn accommodations again for rent or lease more than two years but less than ten years after withdrawal, the owner shall file a Notice of Intention to Re-Rent Withdrawn Accommodations with the Board containing the following information:
 - (1) The names and mailing addresses of all owners of the property;
 - (2) A statement that said owners intend to re-rent the accommodations;
 - (3) The addresses of those accommodations.
- (b) Except as provided in regulation 1625, the owner shall not offer any unit from which a tenant or lessee was displaced for rent or lease for a period of thirty (30) days following service of the Notice of Intention to Re-Rent Withdrawn Accommodations upon the Board.
- (c) The Board will provide an official form Notice of Intention to Re-Rent Withdrawn Accommodations.

[1622 Amended 1/27/00; Effective 2/11/00]

[1622(a) Amended 10/8/20; Effective 10/14/20]

1623. Notice to Displaced Tenants

Upon receipt of a Notice of Intention to Re-Rent Withdrawn Accommodations, the Board shall mail a copy of said notice to all tenants or lessees displaced by the withdrawal at their last known mailing address.

The Board shall include therewith a statement of the date on which the Notice of Intention to Re-Rent Withdrawn Accommodations was received by the Board, a statement of the tenants' rights under this Chapter, and a form Notice of Desire to Re-Rent as provided by Section 1624(b).

1624. Tenant's Notice to Owner

- (a) If the former tenant or lessee desires an offer to re-rent the accommodations, said tenant or lessee shall notify the owner of said desire in writing, within thirty (30) days of the date of service on the Board of the owner's Notice of Intention to Re-Rent Withdrawn Accommodations.
- (b) The Board will provide an official form Notice of Desire to Re-Rent.

1625. Owner's Obligation to Re-Rent To Displaced Tenants

If, within thirty (30) days of the date of service upon the Board of a Notice of Intention to Re-Rent Withdrawn Accommodations, a tenant or lessee displaced from a unit by the withdrawal requests in writing an offer to re-rent the unit, the owner shall first offer to rent or lease the unit to said tenant or lessee upon the same terms and conditions as those which existed prior to withdrawal of the accommodations.

1626. Punitive Damages

- (a) If an owner re-rents withdrawn accommodations more than two years after withdrawal without first notifying the Board in accordance with Section 1622, said owner shall be liable to any tenant or lessee displaced by the withdrawal for punitive damages as provided by Section 1630(b). Payment of such damages shall not extinguish the owner's obligation to offer to re-rent to tenants displaced by the withdrawal the accommodations from which they were displaced.
- (b) If, after receiving written notification of a tenant's desire to re-rent a unit in accordance with Section 1624 within thirty (30) days of the date of service on the Board of a Notice of Intention to Re-Rent Withdrawn Accommodations, the owner fails to offer to re-rent the unit to the tenant or lessee in accordance with Section 1625, said owner shall be liable to any tenant or lessee displaced by the withdrawal for punitive damages as provided by Section 1630(b). Payment of such damages shall not extinguish the owner's obligation to offer to re-rent to tenants displaced by the withdrawal the accommodations from which they were displaced.
- (c) Nothing in this Section shall preclude the Board or a displaced tenant from pursuing any other remedy under the law.

[1626 Amended 1/27/00; Effective 2/11/00]

[1626(a)-(b) Amended 10/8/20; Effective 10/14/20]

SUBCHAPTER H

**PROCEDURES TO BE FOLLOWED UPON
RE-RENTAL MORE THAN TEN YEARS AFTER WITHDRAWAL**

1627. Notice to Board

- (a) If an owner of accommodations wishes to offer those accommodations again for rent or lease more than ten years after withdrawal, the owner shall serve a Notice of Intention to Re-Rent

Withdrawn Accommodations After 10 Years upon the Board containing the following information:

- (1) The names and mailing addresses of all owners of the property;
 - (2) A statement that said owners intend to re-rent the accommodations;
 - (3) The addresses of those accommodations.
- (b) The Board will provide an official form Notice of Intention to Re-Rent Withdrawn Accommodations After 10 Years.

SUBCHAPTER I

RESTRICTIONS ON OWNERS AND SUCCESSORS IN INTEREST

1628. Restrictions

Owners who have withdrawn accommodations pursuant to this Chapter, and their successors in interest, shall be subject to the restrictions set forth in Sections 1629 through 1631.

1629. Restrictions If Accommodations Rented Within Two Years

If the accommodations are offered for rent or lease within two years of the date on which they were withdrawn from rent or lease:

- (a) The accommodations shall be subject to the Rent Control Law in the same manner and to the same extent as if they had not been withdrawn from rent or lease. Initial rent levels for accommodations again offered for rent or lease shall be set pursuant to regulation 1633.
- (b) The owner of the accommodations shall be liable to any tenant or lessee who was displaced from the property by the withdrawal for actual and exemplary damages. Any action by a tenant or lessee pursuant to this paragraph shall be brought within three years of the withdrawal of the accommodations from rent or lease. However, nothing in this paragraph precludes a tenant from pursuing any alternative remedy available under the law.
- (c) The Board may institute a civil proceeding against any owner who has again offered accommodations for rent or lease subject to this section, for exemplary damages for displacement of tenants or lessees. Any action by the Board pursuant to this paragraph shall be brought within three years of the withdrawal of the accommodations from rent or lease.
- (d) Any owner who offers accommodations again for rent or lease shall first offer the unit for rent or lease to the tenant or lessee displaced from that unit by the withdrawal pursuant to this Chapter, if the tenant or lessee has advised the owner in writing within 30 days of the displacement of his or her desire to consider an offer to renew the tenancy and has furnished the owner with an address to which that offer is to be directed. That tenant, lessee, or former tenant or lessee may advise the owner at any time during the eligibility of a change of address to which an offer is to be directed. If the owner again offers the accommodations for rent or lease pursuant to this subdivision, and the tenant or lessee has advised the owner pursuant to this subdivision of a desire to consider an offer to renew the tenancy, then the owner shall offer to reinstitute a rental agreement or lease on terms permitted by law to that displaced tenant or lessee. This offer, to be made prior to or concurrently with the filing of the Notice of Intention to Re-Rent Withdrawn Accommodations with the Board, shall be deposited in the United States mail, by registered or certified mail with postage prepaid, addressed to the displaced tenant or lessee at the address furnished to the owner as provided in this subdivision, and shall describe the terms of the offer.

The displaced tenant or lessee shall have 30 days from the deposit of the offer in the mail to accept the offer by personal delivery of that acceptance or by deposit of the acceptance in the United States mail by registered or certified mail with postage prepaid.

- (e) Notwithstanding subdivision (d) or any other provision of this Chapter, an owner is not required to return to the rental market any unit that:
- (1) was the principal place of residence of any owner or owner's family member at the time of withdrawal, provided that it continues to be that person's or those persons' principal place of residence when accommodations are returned to the rental market; or
 - (2) is the principal place of residence of an owner of the accommodations at the time when the accommodations are returned to the rental market. If the owner vacates the unit within 10 years from the date of withdrawal, the owner shall, within 30 days, offer to re-rent that unit to any tenant who was displaced from it by the withdrawal.

[1629 Amended 1/27/00; Effective 2/11/00]

[1629(a) Amended 1/9/03; Effective 1/18/03]

[1629(e) Adopted 10/8/20; Effective 10/14/20]

1630. Restrictions If Accommodations Rented After Two Years

If the accommodations are offered for rent or lease after two years of the date on which they were withdrawn from rent or lease:

- (a) The accommodations shall be subject to the Rent Control Law in the same manner and to the same extent as if the accommodations had not been withdrawn from rent or lease. Initial rent levels for accommodations again offered for rent or lease shall be set pursuant to regulation 1633.
- (b) An owner who offers accommodations again for rent or lease within a period not exceeding 10 years from the date on which they are withdrawn shall first offer the unit to the tenant or lessee displaced from that unit by the withdrawal, if that tenant or lessee requests the offer in writing within 30 days after the owner has notified the Board of an intention to offer the accommodations again for residential rent or lease. The owner of the accommodations shall be liable to any tenant or lessee who was displaced by that action for failure to comply with this paragraph, for punitive damages in an amount which does not exceed the contract rent for six months, payment of which shall not extinguish the owner's obligation to comply with the offer to re-rent, and to re-rent if the offer is accepted, as required by this section.
- (c) Notwithstanding subdivision (b) or any other provision of this Chapter, an owner is not required to return to the rental market any unit that:
- (1) was the principal place of residence of any owner or owner's family member at the time of withdrawal, provided that it continues to be that person's or those persons' principal place of residence when accommodations are returned to the rental market; or
 - (2) is the principal place of residence of an owner of the accommodations at the time when the accommodations are returned to the rental market. If the owner vacates the unit within 10 years from the date of withdrawal, the owner shall, within 30 days, offer to re-rent that unit to any tenant who was displaced from it by the withdrawal.

[1630 Amended 1/27/00; Effective 2/11/00]

[1630(a) Amended 1/9/03; Effective 1/18/03]

[1630(b) Amended 10/8/20; Effective 10/14/20]

1631. Restrictions If Accommodations Demolished

If the accommodations are demolished, and new accommodations are constructed on the same property, and offered for rent or lease within five years of the date the accommodations were withdrawn from rent or lease:

- (a) The newly constructed accommodations shall be subject to the Rent Control Law, notwithstanding subsection 1801(c)(5) of said law. This section shall apply to all units constructed on the formerly withdrawn property, regardless of the number of units withdrawn.
- (b) The landlord may establish the initial rent level for the newly constructed units at market rate in an arms-length transaction. This rent level shall thereafter become the base rent of the unit for all purposes of Article XVIII, including, but not limited to, the computation of all future rent adjustments. The landlord's right to set rent levels for subsequent tenancies is subject to Regulation 3301 and Civil Code section 1954.50, et seq. (the Costa-Hawkins Rental Housing Act).

[1631 Amended 4/13/2000; Effective 4/28/00]

1632. Recordation of Restrictions

The Board shall record a Notice of Restrictions with the county recorder of Los Angeles County, which shall specifically describe the real property where the accommodations are located, the dates applicable to the restrictions and the names of the owners of record of the real property. The notice shall be indexed in the grantor-grantee index. A person who acquires title to the real property subsequent to the date upon which the accommodations thereon have been withdrawn from rent or lease, as a bona fide purchaser for value, shall not be a successor in interest for the purposes of this Chapter if the Notice of Restrictions has not been recorded with the county recorder at least one day before the transfer of title.

SUBCHAPTER J

RENT LEVELS FOR ACCOMMODATIONS AGAIN OFFERED FOR RENT OR LEASE

1633. Initial Rent Levels

- (a) For all tenancies created after December 31, 2002 and commenced during either of the time periods described in (1) and (2) below, the accommodations shall be offered and rented or leased at the maximum allowable rent in effect at the time any Notice of Intent to Withdraw Accommodations was filed with the Board, plus intervening general adjustments.
 - (1) The five-year period after a Notice of Intent to Withdraw Accommodations From Rent or Lease is filed with the Board, whether or not the Notice of Intent to Withdraw is rescinded or the withdrawal of the accommodations is completed pursuant to the Notice of Intent to Withdraw.
 - (2) The five-year period after the accommodations are withdrawn.
- (b) If a new tenancy was lawfully created prior to January 1, 2003, after a lawful withdrawal of the unit under this Chapter and Government Code § 7060 et seq., the limitations on initial rent levels

set forth in subparagraph (a) may not apply to new tenancies created after that date. If a new tenancy was lawfully created prior to January 1, 2003, after a lawful withdrawal of the unit under this Chapter, rents of subsequent tenancies shall be set in accordance with the provisions of the Costa-Hawkins Act (Civil Code §1954.50 et seq.) and regulation 3301.

- (c) The restrictions on setting initial rent levels set forth in this regulation shall prevail over any conflicting provision of law authorizing the landlord to establish the rental rate upon the initial hiring of the accommodations.

[1633 Adopted 1/9/03; Effective 1/18/03]

[Chapter 16 Adopted 5/22/86; Effective 6/6/86]

[16000-16007 Repealed 10/11/90; Effective 10/19/90]

[1600-1632 Adopted 10/11/90; Effective 10/19/90]

[1613 Repealed 1/27/00; Effective 2/11/00]

[1600, 1601, 1602, 1603, 1609, 1610, 1611, 1613, 1614, 1617, 1619, 1620, 1621, 1622, 1626, 1629, 1630 Amended 1/27/00; Effective 2/11/00]

[1631 Amended 4/13/00; Effective 4/28/00]

[1600 Amended 1/9/03; Effective 1/18/03]

[1629(a) Amended 1/9/03; Effective 1/18/03]

[1630(a) Amended 1/9/03; Effective 1/18/03]

[1633 Adopted 1/9/03; Effective 1/18/03]

[1610(c) Amended 12/6/12; Effective 12/12/12]

[1611(a) Amended 12/6/12; Effective 12/12/12]

[1600 Amended 10/8/20; Effective 10/14/20]

[1602 Amended 10/8/20; Effective 10/14/20]

[1620(a) Amended 10/8/20; Effective 10/14/20]

[1622(a) Amended 10/8/20; Effective 10/14/20]

[1626(a)-(b) Amended 10/8/20; Effective 10/14/20]

[1629(e) Adopted 10/8/20; Effective 10/14/20]

[1630(b) Amended 10/8/20; Effective 10/14/20]

[1630(c) Adopted 10/8/20; Effective 10/14/20]

CHAPTER 17

REGULATIONS FOR INCENTIVE HOUSING PROGRAM

17000. Introduction

This chapter establishes a program to secure the affordability of rental units for very low-income persons through regulatory agreements with participating landlords. Under the regulatory agreements landlords will be permitted to raise rents of "incentive" units in return for contractual agreements that establish rent ceilings on "dedicated" units.

[17000 Amended 3/25/93; Effective 4/2/93]

17001. Program Goals

The Incentive Housing Program has the following goals:

- (a) Occupancy of low rent, rent-controlled units by households with the greatest need for them;
- (b) Reductions in rents on some units to a level affordable to the City's neediest senior citizens, disabled and very low income families;
- (c) The maintenance of buildings participating in the program;
- (d) Creation of affordable units which will remain affordable regardless of the continuance of rent control laws for periods of at least five years;
- (e) Economic feasibility for participating landlords; and
- (f) Protection of existing tenants from harassment and illegal attempts at eviction by participating landlords.

[17001(d) Amended 3/25/93; Effective 4/2/93]

17002. Definitions

- (a) Dedicated Unit. A rental unit designated for occupancy by a very low income household under a Regulatory Agreement pursuant to the conditions set forth in this Chapter.
- (b) Incentive Unit. A rental unit permitted designated increases in Maximum Allowable Rents under a regulatory agreement pursuant to the conditions set forth in this Chapter.
- (c) Voluntary Vacancy. A voluntary vacancy shall be a vacancy created when:
 - (i) The vacating tenant gives the landlord written notice of the termination of tenancy; or
 - (ii) The vacating tenant is evicted after a trial on the merits of an unlawful detainer action, based on one of the tenant fault grounds of Section 1806 of the Rent Control Law, resulting in a final judgment granting possession to the landlord; or
 - (iii) The vacating tenant abandons the premises and the landlord terminates the tenancy pursuant to Civil Code §1951.3, and the Board staff's review of the pertinent facts

show the abandonment was not due to any misconduct of the landlord; or

- (iv) The vacating tenant vacates the premises pursuant to a settlement agreement after the landlord has terminated the tenancy for one of the tenant fault grounds for eviction in Section 1806 of the Rent Control Law, and the Board staff determines that there was a genuine issue of fact or law compromised by the agreement; or
 - (v) Vacancies created prior to January 1, 1989 may be considered voluntary vacancies without satisfying the above conditions where, in the discretion of the Administrator, the purposes of this program are not impaired by doing so.
- (d) Very Low Income Household. A tenant household whose adjusted household income does not exceed 60% of the median income, adjusted for household size, for the Los Angeles area. Each year these amounts will be adjusted by Board staff when the new official area median income information is released by the federal government. The formula for determining the eligible income level for a dedicated unit tenant household is: median income for the relevant year x 60% income category x household adjustment factor. Household Adjustment Factors are as follows:

	<u>60%</u>
1 person	0.7000
2 persons	0.8000
3 persons	0.9000
4 persons	1.0000
5 persons	1.0700
6 persons	1.1400

For 1992-1993, these maximum income levels are:

Very Low Income Households - Maximum Income Levels
(1992-1993)

<u>Household Size</u>	<u>Maximum Income</u>
1	\$17,766
2	\$20,304
3	\$22,842
4	\$25,380
5	\$27,157
6	\$28,933

These maximum income figures shall be adjusted effective September 1 of each year in accordance with the most recent median income figures for Los Angeles-Long Beach (Los Angeles County).

- (e) Three Bedroom Unit. A unit with three bedrooms in addition to a living room and kitchen.
- (f) Two Bedroom Unit. A unit with two bedrooms in addition to a living room and kitchen.
- (g) One Bedroom Unit. A unit with one bedroom in addition to a living room and kitchen.
- (h) Single Unit. A unit with no bedrooms in addition to a living room and kitchen facilities.
- (i) Kitchen Facilities. A kitchen sink with hot and cold running water, and adequate space for the storage and preparation of food, for a cooking stove or range, and for a refrigerator of appropriate

size for the unit.

- (j) Regulatory Agreement. The agreement between the owners of the property and the Santa Monica Rent Control Board governing the rights and obligations of the respective parties under this program. The Regulatory Agreement must be approved by a majority vote of the Board. The Regulatory Agreement will be recorded and the agreement will bind successors in interest of the parties. The term of the regulatory agreement shall be five years.
- (k) Senior Citizen. A person 62 years of age or older.
- (l) Child. A person under eighteen years of age.
- (m) Bedroom. A room other than kitchen, living room, dining room, or bathroom used for sleeping purposes that meets minimum habitability standards. In the case of dispute, the board staff will determine the number of bedrooms in a unit.
- (n) Disabled. A disabled person or a handicapped person as defined by 24 Code of Federal Regulations, Part 812.2.
- (o) Harassment. A knowing and willful act or course of conduct directed at a specific tenant or tenants which would cause a reasonable person to fear the loss of the use and occupancy of a residential rental unit or part thereof, or of any service, privilege or facility connected with such use and occupancy, including any housing service within the meaning of Rent Control Law §1801(d), without legitimate reason or legal justification, or which materially interferes with a tenant's peaceful enjoyment of the use and occupancy of a residential rental unit. A single act may constitute harassment for purposes of the Incentive Housing Program. A course of conduct is a pattern of conduct composed of a series of acts over a period of time, however short, evidencing a continuity of purpose. Acts constituting harassment include, but are not limited to the following:
 - (i) Eviction on grounds of owner or relative occupancy pursuant to Rent Control Law §1806(a)(8), which is not in good faith within the meaning of subsection (4) thereof, and as provided by Board Regulation 9002(d);
 - (ii) The threat or repeated threat to evict a tenant in bad faith, under circumstances evidencing the landlord's purpose to cause the tenant to vacate a controlled rental unit;
 - (iii) Reduction in housing services under circumstances evidencing the landlord's purpose to cause the tenant to vacate a controlled rental unit;
 - (iv) Reduction in maintenance or failure to perform necessary repairs or maintenance under circumstances evidencing the landlord's purpose to cause the tenant to vacate a controlled rental unit;
 - (v) Abuse of the landlord's right of access into a residential rental unit within the meaning of California Civil Code §1954;
 - (vi) Verbal or physical abuse or intimidation.
- (p) Maximum Allowable Rent. The maximum non-Incentive Housing Program rent level authorized for a unit.
- (q) Maximum Dedicated Rent. The maximum rent which may be charged a dedicated unit participating in the Incentive Housing Program.

- (r) Maximum Incentive Rent. The maximum rent which may be charged an incentive unit participating in the Incentive Housing Program.

[17002(a), (d) - (j), (m), (o)(i) Amended 3/25/93; Effective 4/2/93]

[17002(p) - (r) Adopted 3/25/93; Effective 4/2/93]

[17002(o)(i) Amended 5/6/04; Effective 6/3/04]

17100. Conditions for Participating in the Incentive Program

In order to participate in the Incentive Housing Program, a property owner shall be required to enter into a Regulatory Agreement with the Rent Board. No Incentive Housing Regulatory Agreement will be approved by the Board if all units on the property and the common areas of the property do not meet the habitability standards set forth in the Civil Code section 1941.1, if the landlord is not in compliance with the Rent Control Law, if the Board determines that the landlord is not likely to fully cooperate in the implementation of the Incentive Housing Program, or if the landlord has a history of substantial violations of the Rent Control Law.

[17100 Amended 3/25/93; Effective 4/2/93]

17101. Minimum and Maximum Number of Dedicated Units

- (a) As a condition of participating in this program, the landlord must agree that no less than 15% of the units on the property will become dedicated units.

For purposes of determining minimum participation, fractions shall be rounded up to the next whole number.

The minimum number of dedicated units under the Regulatory Agreement in buildings with 33 or fewer units will be determined from the following table:

Minimum Number of Dedicated Units

<u>Number of Units On Property</u>	<u>Minimum Number of Dedicated Units</u>
3 - 6	1
7 - 13	2
14 - 20	3
21 - 26	4
27 - 33	5

- (b) The maximum numbers of units that can be designated as dedicated units in buildings with 31 or fewer units are shown in the following table:

Maximum Number of Dedicated Units

<u>Number of Units On Property</u>	<u>Maximum Number of Dedicated Units</u>
2 - 3	1

4 - 5	2
6 - 7	3
8 - 9	4
10 - 11	5
12 - 14	6
15 - 18	7
19 - 23	8
24 - 28	9
29 - 31	10

The maximum number of dedicated units in buildings with more than 31 units shall be 33% of the total number of units with fractions of .50 or more rounded up to the next whole number.

- (c) The specific number of units that must be dedicated units will be set forth in the regulatory agreement.

[17101(a) Amended 3/25/93; Effective 4/2/93]

17102. Sequence of Dedicated and Incentive Unit Designation Within a Building

- (a) The first unit in a property to enter the Incentive Housing Program shall be a dedicated unit.
- (b) The second unit to enter the program shall be the next unit that has been voluntarily vacated. The unit shall become an incentive unit.
- (c) The third unit to enter the program shall be the next successive unit that has been voluntarily vacated. The unit shall become a dedicated unit. The unit must be rented to a household not living on the participating property or at any other property owned by the landlord(s) of the participating property.
- (d) The fourth unit to enter the program shall be an incentive unit.
- (e) Subsequently participating units shall alternate between dedicated and incentive units. Every other dedicated unit must be rented to a new tenant until at least 15% of the units on the property are dedicated units.

Order of Participation

<u>Round 1</u>	<u>Round 2</u>	<u>Round 3</u>	<u>Round 4</u>
Dedicated (E or N)	Dedicated (N)	Dedicated(E or N)	Dedicated (N)
Incentive	Incentive	Incentive	Incentive

(E) = Existing tenant.
(N) = New tenant.

- (f) Notwithstanding the sequence of dedicated and incentive unit designation set forth above, as soon as two dedicated units are rented to eligible families with children, the next vacant unit may be the bonus incentive unit provided in Regulation 17205.
- (g) Units which become vacant subsequent to an agreement to enter a building into the program shall be required to become dedicated or incentive units until the 15% participating requirement set forth in Section 17101 is met.

[17102(c), (e)-(g) Amended 3/25/93; Effective 4/2/93]

17103. Selection of Dedicated Units

- (a) In buildings with more than one unit which is already occupied by an eligible tenant household, conversion of units to dedicated units with existing tenant households, where allowed, shall be made in the following order of priority:
 - (1) Two or more bedroom units occupied by families with children;
 - (2) Any other units occupied by families with children;
 - (3) Units occupied by persons 62 years of age or older and/or disabled persons;
 - (4) Units occupied by any other eligible tenant household.
- (b) Landlords must rent vacant dedicated units of two or more bedrooms to households with at least as many members as there are bedrooms in the unit.

[17103 Amended 3/25/93; Effective 4/2/93]

17104. Rerental of Dedicated Units that Become Vacant

When a dedicated unit is vacated, the landlord shall re-rent that unit within sixty days to a very low income household.

[17104 Amended 3/25/93; Effective 4/2/93]

17200. Adjustments in Maximum Allowable Rent Dedicated Units

- (a) The Maximum Dedicated Rent for a dedicated unit as of the effective date of these amendments will be as follows:

<u>Unit Size</u>	<u>MAR</u>
Single	\$386
One bedroom unit	\$439
Two bedroom unit	\$518
Three or more bedroom unit	\$591

- (b) If the Maximum Allowable Rent for a dedicated unit is lower than the amount set forth above, the unit's rent will remain at its Maximum Allowable Rent and will not be increased to the above level.
- (c) Where a dedicated unit is also participating in the Section 8 Existing Housing Program or the Section 8 Voucher Program, its rent shall be the rent specified in Regulation 3001 (the Section 8

contract).

- (d) The Maximum Dedicated Rents for dedicated units shall automatically be adjusted to include the annual general adjustment, provided the landlord is in compliance with the Rent Control Law.

[17200(a), (b), (c) Amended 3/25/93; Effective 4/2/93]

[17200(d) Adopted 3/25/93; Effective 4/2/93]

[17200(a) Amended 9/1/93; Effective 9/1/93]

17201. Security Deposits - Dedicated Units

Security deposits for dedicated units rented to new tenants, except for tenants participating in the Section 8 program, shall be limited to one month's rent.

For the purposes of this section "Security Deposits" shall be as defined in Section 1950.5 of the California Civil Code. Under said definition, advance rent payments are considered as a form of security deposits.

17202. Registration Fees - Dedicated Units and Incentive Units

- (a) The registration fee for dedicated units shall be paid by the landlord, but may not be passed through to the tenant, regardless of whether the tenant may be entitled to a fee waiver. If the dedicated unit tenant had a fee waiver, the fees shall be pro-rated if they cover less than a full year.
- (b) The registration fee plus a surcharge equal to the registration fee shall be charged for each incentive unit. The surcharge may not be passed through to the tenant. Surcharges shall be pro-rated if they cover less than a full year.

17203. Adjustments in Maximum Allowable Rents - Incentive Units

- (a) Each time a unit becomes a dedicated unit pursuant to the terms of this Chapter, the Maximum Allowable Rent for an incentive unit may be increased in accordance with the following schedule to determine the unit's Maximum Incentive Rent.

INCREASES IN MAXIMUM ALLOWABLE RENTS FOR INCENTIVE UNITS

<u>No. of Bedrooms In Incentive Unit</u>	<u>For Each Very Low Income Unit Dedicated</u>
0	660
1	770
2	880
3	990

- (b) The foregoing rent increases shall be granted only once for each incentive unit.
- (c) Starting in January 1994, the foregoing amounts shall be increased by \$20, \$25, \$30, and \$35, respectively, each January.

- (d) No rents may be increased until the Rent Control Board provides a written authorization increasing the Maximum Allowable Rent of the unit to its Maximum Incentive Rent level.
- (e) During the pendency of an application for participation in the Incentive Housing Program, the landlord may rent the proposed incentive unit(s) to a new tenant or tenants, providing the following occurs:
 - (i) The landlord must file the Application for Participation in the Incentive Housing Program prior to entering into the rental agreement with the prospective incentive tenant(s).
 - (ii) Prior to entering into the rental agreement, the landlord shall notify the prospective tenant(s), in writing, that there is a pending Application for Participation in the Incentive Housing Program, and the potential Maximum Incentive Rent under the program.
 - (iii) Until the Incentive Housing Program application is approved, the landlord shall charge no more than the proposed incentive unit's Maximum Allowable Rent.
 - (iv) The rental agreement must cover a minimum one-year period. It must be reviewed by the Board's legal staff and approved as conforming to this regulation prior to its execution by the proposed incentive tenant(s).
 - (v) If the landlord's Application for Participation in the Incentive Housing Program is approved by the Board, the landlord must give notice as required by California Civil Code section 827.

[17203(a) - (d) Amended 3/25/93; Effective 4/2/93]

[17203(e) Adopted 3/25/93; Effective 4/2/93]

17204. Verification of Voluntary Vacancy as a Precondition to Rent Increases for Incentive Units

No adjustment in the maximum allowable rent for an incentive unit will be made until the Administrator verifies that the vacancy for any participating unit was a voluntary vacancy as defined in this Chapter.

17205. Additional Incentive Unit for Renting Dedicated Units to Families with Children

When two dedicated units at a participating property are rented to eligible households with children, the participating property will be eligible for an additional incentive unit. If and when the landlord subsequently re-rents one or both of the dedicated units with children to a household without children, the additional incentive unit's rent shall immediately be reduced to the unit's Maximum Allowable Rent.

[17205 Amended 3/25/93; Effective 4/2/93]

17206. Annual General Adjustments of Participating Units

Annual general adjustments in Maximum Dedicated Rents and Maximum Incentive Rents shall be determined in the same way as those for other rent controlled units.

[17206 Amended 3/25/93; Effective 4/2/93]

17207. Increase Petitions - Dedicated and Incentive Units

Increase petitions for a property that is participating in the program may be filed while the property is involved in the program. Current year income shall be calculated based on the Maximum Allowable Rents that would be in effect if units were not involved in the program. Increases resulting from increase petitions will not affect the Maximum Dedicated Rents or Maximum Incentive Rents of dedicated or incentive units. Such increases will affect only the Maximum Allowable Rent of the units.

When a dedicated unit's rent is its Maximum Allowable Rent pursuant to Regulation 17200(b), the individual adjustment may be added to the unit's Maximum Allowable Rent and be passed through to the dedicated tenant up to the level of the Maximum Dedicated Rent of the unit. In the event the dedicated unit's Maximum Allowable Rent plus the individual adjustment equals or exceeds the Maximum Dedicated Rent for the unit, the unit's rent under the Incentive Housing Program shall become the unit's Maximum Dedicated Rent.

For non-participating units on the property, rent increases resulting from increase petitions shall be no higher or lower than if the property were not participating in the program.

[17207 Amended 3/25/93; Effective 4/2/93]

17208. Decrease Petitions - Dedicated and Incentive Units

Decrease petitions shall be permitted on incentive or dedicated units. However, a reduction of housing services may constitute a violation of the Regulatory Agreement and remedies for violation of the Regulatory Agreement may be pursued by the Administrator in addition to a decrease petition.

17209. Base Rent Petitions or Objection Petitions Dedicated and Incentive Units

Base rent petitions or objection petitions may be filed on the property while the property is involved in the program, if the regulations in Chapter 13 permit such petitions. If a base rent or objection decision increases the Maximum Allowable Rent of a dedicated unit, whose rent under the Incentive Housing Program is its Maximum Allowable Rent pursuant to Regulation 17200(b), to a higher level than the unit's Maximum Dedicated Rent, that unit's rent under the Program shall become the unit's Maximum Dedicated Rent.

[17209 Amended 3/25/93; Effective 4/2/93]

17210. Maximum Allowable Rents After Expiration of Regulatory Agreement

- (a) Rental agreements for dedicated units must provide that if rent controls are not in effect in Santa Monica, rents may not increase by more than 66% of the annual percentage increase in the Consumer Price Index for All Urban Consumers for the Los Angeles-Anaheim-Riverside area.
- (b) After the Regulatory Agreement terminates, the rents for dedicated units shall increase to the units' Maximum Allowable Rents only after the Board staff has certified that the tenant of the dedicated unit has voluntarily vacated the unit.
- (c) When the Regulatory Agreement terminates, the Maximum Allowable Rents on incentive units shall be adjusted to the rental amount for the incentive unit collected by the landlord ninety days prior to the expiration of the Regulatory Agreement.

[17210(b) and (c) Amended 3/25/93; Effective 4/2/93]
[17210(c) Amended 11/12/98; Effective 11/27/98]

17211. Threshold Rent Program

If a prospective dedicated or incentive unit meets the requirements of the Threshold Rent Program set forth in Board Regulation 3300, the landlord may file a petition to increase the unit's Maximum Allowable Rent to the threshold level at the same time as the landlord applies for the unit's participation in the Incentive Housing Program.

[17211 Adopted 3/25/93; Effective 4/2/93]

17300. Applications to Participate

A landlord who wishes to participate in the Incentive Housing Program must complete an application form for each participating property on a form approved by the Board. All owners of the property must sign the application or an authorization to appoint an agent for purposes of participating in this program. The property must be properly registered, with no registration fees or penalties owing.

17301. Temporary Suspension of Application Processing

If the Board determines at any point that it is not possible to process applications in a timely manner due to insufficient staff or unanticipated difficulties in program operation, the Board may temporarily suspend acceptance of applications.

17302. Discretion to Deny Participation

If facts indicate that the administrator has good reason to believe that the landlord applying to participate in the program is not likely to fully cooperate in the implementation of the Incentive Housing Program, or if the landlord has a history of substantial violations of the Rent Control Law, the Administrator may exercise her discretion to deny participation to such a landlord. Said decision may be appealed to Rent Control Board.

17303. Units Ineligible as Dedicated Units

No mobilehome spaces, trailer spaces, or recreational or vehicle spaces shall be designated as dedicated units. A unit may not be designated as a dedicated or incentive unit if a tenancy has been terminated from that unit for owner occupancy after July 1, 1989.

17304. Eligible Tenants for Dedicated Units

- (a) A tenant household seeking occupancy of a dedicated unit must be approved by Board staff. The tenant household members must complete an application form approved by the Board together with verifications of all sources of income on the forms approved by the Board. No application will be considered until it is complete. A complete application includes completion of the Board approved form by the applicant and verification by all income sources of the amount of income for all members of the tenant household. A tenant household establishes eligibility by meeting all of the qualifications and showing that none of the disqualifications apply. The Administrator or her

designee shall determine whether the tenant household is eligible for the program and notify the tenant household within ten days of the filing of the tenant household's complete application.

- (b) Qualifications include eligibility by income, assets, and household composition.
- (c) Income standards shall be identical to those used by the Section 8 Existing Housing Certificate Program. The federal regulations at 24 Code of Federal Regulations, Part 813 are incorporated into these regulations for purposes of determining income eligibility for the program.
- (d) The income of prospective dedicated tenants who are self-employed or who are engaged in occupations which provide irregular work and income shall be measured by averaging three years' income.
- (e) Assets of households seeking the occupancy of a dedicated unit, excluding necessary items of personal property, such as furniture and automobiles, shall be treated as follows:
 - (1) 10% of the value of the household's total assets valued under \$100,000 shall be imputed as income in addition to the actual income earned by the asset, if any;
 - (2) 15% of the total cash value of assets valued between \$100,000 and \$200,000 will be imputed as income in addition to actual income earned, if any.
- (f) Households eligible for the proposed dedicated unit shall be limited to very low income households with either:
 - (1) One or more children; or
 - (2) A person over 62 years of age or over; or
 - (3) A disabled person or a handicapped person as defined by 24 Code of Federal Regulations, Part 812.2.
- (g) Disqualifications. The following persons are not eligible to be tenants of dedicated units.
 - (1) Heads of households who are full time students, except for persons participating in the AFDC or SSI job training program;
 - (2) The participating landlord, his or her spouse, domestic partner, children, parents, grandparents, brother, sister, sister-in-law, brother-in-law, mother-in-law, father-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, and cousin;
 - (3) Employees of the participating landlord and employees of the Santa Monica Rent Control Board;
 - (4) Households with a member or members who own residential real property;
 - (5) Households owning assets with a cash value totalling more than \$200,000.

[17304(b), (f), (g) Amended 3/25/93; Effective 4/2/93]

[17304(d) (e) Adopted 3/25/93; Effective 4/2/93]

17305. Subsequent Ineligibility of Tenant

- (a) By May 1 of each year, every tenant occupying a dedicated unit under this program must report annually to the Rent Control Board all income for the preceding calendar year for all members of

the tenant household.

- (b) When a dedicated tenant household's income increases to more than 100% of median income, adjusted for household size, for one calendar year, the Rent Control Board may increase the unit's rent to its Maximum Allowable Rent.
- (c) If the Board adjusts the dedicated unit's rent under this regulation, Board staff will mail notice to the landlord and the tenant thirty days in advance of the effective date of the increase to the Maximum Allowable Rent. When an adjustment is made under this regulation, the participating landlord must designate a new dedicated unit from occupied units or designate the next voluntarily vacated unit as the replacement dedicated unit. The participating landlord may designate an occupied unit as a dedicated unit if the tenant occupying that unit is eligible for the program and agrees to participate in the program.
- (d) The tenant's failure to report income for any two consecutive calendar years may, after notice to the tenant by the Board, be treated as an admission that income has exceeded 100% of median income for one consecutive calendar year, unless the tenant shows good cause for such failure to report income.

[17305(b)-(d) Amended 3/25/93; Effective 4/2/93]

17306. Property Quality Standards

The landlord must certify that all units on the property and common areas meet the habitability standards set forth in the Civil Code section 1941.1.

Said certification shall be on a form provided by the Board. It must be based on an inspection of all units by the landlord with the exception of units in which inspections are waived by the tenant. The Board shall conduct an inspection of the proposed dedicated units and common areas. No regulatory agreement shall be executed unless the property meets the habitability standards.

17307. Rental Agreements

As a condition of participating in the program, Board staff must approve any rental agreement used for a dedicated unit to ensure compliance with the Regulatory Agreement and the Rent Control Law. Board staff may develop a model lease for use by participating landlords.

17308. Required Covenants of Regulatory Agreement on Rental Use

As a condition of participating in this program, the landlord shall agree to waive during the term of the agreement his or her rights to:

- (a) apply for a removal permit under Section 1803(t) of the Rent Control Law,
- (b) apply for any applicable exemption, for any unit on the property.
- (c) convert dedicated units in the building to condominiums under the Tenant Ownership Rights Charter Amendment, and
- (d) withdraw units under Government Code §7060 and Chapter 16 of Board Regulations.

17309. Reporting of Vacancies and Changes in Household Composition

- (a) Participating landlords must report to the Board any vacancy or anticipated vacancy and whether that vacancy is a voluntary vacancy, as defined in this Chapter. If the vacancy is claimed as a voluntary vacancy, the landlord must furnish all appropriate documentation requested by Board staff to establish that fact. Such a report must occur within thirty days of the vacancy. The non-reporting of vacancies may be grounds for termination of participation in the Incentive Housing Program.
- (b) By May 1st of each year, the landlord must report to the Board the actual rent charged on all incentive units and dedicated units and the name and unit designation of all tenants at the property, on a form supplied by the Board. Failure to return this completed form may be grounds for termination of participation in the Incentive Housing Program.

[17309 Amended 3/25/93; Effective 4/2/93]

17310. Successors in Interest

In the event the Santa Monica Rent Control Board ceases to exist for any reason, the Santa Monica Rent Control Board's rights and obligations under the Regulatory Agreement are assigned to the City of Santa Monica.

The terms of the Regulatory Agreement shall apply to any successor in interest of the landlord.

17400. Withdrawal by Landlords

Within two years of signing the Regulatory Agreement, any landlord who has entered into a Regulatory Agreement under this Chapter may terminate the Regulatory Agreement upon payment of a cancellation fee to the Board. The cancellation fee will be based on the actual cost to the Board of processing the termination and adjusting the maximum rents under Regulation 17210, but in no event more than \$500.

17401. Sanctions for Harassment and Unlawful Evictions

Tenants in properties participating in the program may report to the Board instances of unlawful eviction attempts or harassment of tenants by the landlord for the purpose of forcing that tenant to vacate. Where, after investigation, the Administrator or her designee concludes that the landlord did, in bad faith, attempt to force a tenant to vacate, increases on incentive units may be withheld or reduced. In extreme cases, the Board may terminate the Regulatory Agreement.

Remedies

- (a) Termination. The participation of any landlord in the Incentive Housing Program may be terminated prior to the date of expiration contained in the Regulatory Agreement for reasons stated in sections (e) and (f) of this Regulation. Termination can occur only by means of Termination Proceedings, the procedure of which is specified in this Regulation.
- (b) Effect of Termination; Tenant or Administrator Complaint.

Upon termination of a landlord's participation in the Program, due to grounds stated in section (e) of this Regulation, resulting from a complaint filed by a tenant or the Board's administrator, the rents of the landlord's participating units shall be adjusted as follows:

- (i) Incentive Units. Rents for incentive units will be reduced as of the next rental payment following termination to the units' Maximum Allowable Rent. Upon the rendering of a decision terminating a landlord's participation in the Program, staff will send a certification of the correct Maximum Allowable Rent to the landlord and affected tenants.
- (ii) Dedicated Units. Upon a landlord's termination from the Incentive Housing Program, rents of the landlord's dedicated units will remain at such levels and be adjusted in such manner as is prescribed under the terms of the Program until the dedicated units have been voluntarily vacated within the meaning of Regulation 17002(c) by the tenants occupying them at the time of the termination. Upon such voluntary vacation, rents of the dedicated units may be restored to their Maximum Allowable Rents. The landlord may increase the rents in that circumstance only through notifying the Board and obtaining a certification of the correct rent level.
- (c) Effect of Termination; Landlord Complaint. Upon termination of a landlord's participation in the Program, due to grounds stated in section (f) of this Regulation, resulting from a complaint filed by a landlord, the rents of the landlord's participating units shall be adjusted in the same manner as would occur upon the expiration of the Regulatory Agreement, as provided in Board Regulation 17210.
- (d) Effect of Termination Due to False Qualification for Incentive Rent Levels. Upon a determination in proceedings conducted under terms of this Regulation that the landlord obtained permission to enroll an incentive unit in the Program through actual or constructive fraud or through undue influence, as defined in section (e)(iii) of this Regulation, it shall be concluded that the owner was at no time lawfully entitled to collect incentive rent levels for the unit.
- (e) Grounds for Termination. A landlord's participation in the Incentive Housing Program may be terminated due to an act or acts of the landlord or any person acting on behalf of or in concert with the landlord, including, but not limited to the following:
 - (i) Harassment, as provided in Board Regulation 17002(o);
 - (ii) Unlawful eviction of a tenant from the property participating in the Program;
 - (iii) False qualification for enrollment of an incentive unit in the Program by means of actual or constructive fraud as defined in California Civil Code §§1572-1573, or undue influence as defined in California Civil Code §1575;
 - (iv) Collection of rent in excess of the Maximum Allowable Rent for use and occupancy of any controlled rental unit not participating in the Incentive Housing Program or in excess of the Maximum Dedicated Rent or Maximum Incentive Rent for any unit participating in the Incentive Housing Program, provided that the landlord has acted willfully or with oppression, fraud or malice, and has refused to make prompt restitution. This ground is valid only upon a court's filing of a judgment establishing the unlawful collection or the issuance of a final Board decision so establishing, followed by the expiration of the time limit for the filing of a petition for administrative mandate;
 - (v) Persistent violations of the Rent Control Law Board Regulations or a Regulatory Agreement;
 - (vi) Persistent failure to provide adequate maintenance and repair of a participating property, or to provide adequate housing services, or failure to comply substantially with applicable state or local housing, health or safety laws;

- (vii) Material violation of this Chapter or a material breach of the Regulatory Agreement, including non-reporting of vacancies at the participating property as required by Regulation 17309(a) and failure to return the completed report of actual rent charged and name and unit designation of tenants by May 1 of each year, as required by Regulation 17309(b).
- (f) Termination Due to Board's Breach of Agreement. A landlord's participation in the Incentive Housing Program may be terminated due to the Board's material breach of the Regulatory Agreement.
- (g) Complaints. Termination Proceedings may be commenced only by means of the filing of a complaint, submitted upon a Board-approved complaint form and filed at the Board's administrative offices. The only persons authorized to file such complaints are tenants residing on a property participating in the Incentive Housing Program, participating landlords and the Santa Monica Rent Control Board's administrator. A tenant or administrator complaint shall allege that grounds exist within the meaning of section (e) of this Regulation to terminate a landlord's participation in the Program. A landlord complaint shall allege that the Board has materially breached the terms of the Regulatory Agreement.
- (h) Contents of Complaints. The complaint must state the particular ground or grounds for termination, and must contain a complete statement of the alleged facts upon which the complaining party relies, and the dates or approximate dates upon which the events are alleged to have occurred. The complaint shall be subscribed by the complaining party, verifying the truth, or his or her belief in the truth of the facts alleged "under penalty of perjury." No tenant complaint will be accepted for filing by the Board unless accompanied by a proof of service, submitted on a Board-approved form, declaring under penalty of perjury that a true copy of the complaint has been delivered, either in person or by U.S. Mail, to the landlord named in the complaint.
- (i) Landlord's Response. A landlord named in a termination complaint may file a response to the complaint, submitted upon a Board-approved response form and filed at the Board's administrative offices. This response is optional and informal, and may contain any information, contentions or references that the landlord believes are relevant to the issues raised by the complaint. Any factual allegation in the complaint will be deemed to have been denied by the landlord, unless it is specifically admitted.
- (j) Time Limitations. A landlord's participation in the Program may not be terminated due to the landlord's acts or failures to act, when under a duty to act, which occurred more than three (3) years prior to the filing of the complaint.
- (k) Preliminary Investigation; Tenant or Administrator Complaint. As soon as practicable following the filing of a tenant or administrator complaint, an investigator in the Board's employ will conduct a preliminary investigation of the matter. The results of the investigation will be stated in a written report in which the probable facts will be marshalled. Copies of all pertinent documents will be attached to the report. Upon completion, the report will be forwarded to an attorney on the Board's legal staff, to whom the case will be assigned for recommendation.
- (l) Staff Attorney's Analysis; Informal Office Conference. The assigned staff attorney will analyze the complaint, the answer, if any, the preliminary investigation report and any accompanying documents. The staff attorney, at his or her discretion, may schedule an informal office conference with the landlord, the purpose of which will be to gather more information, and where necessary, to obtain the landlord's voluntary compliance. The staff attorney may exercise discretion as to whether to include both the landlord and the complaining party in the conference.
- (m) Staff Attorney's Report and Recommendation. Within ten (10) working days following the forwarding of the preliminary report to the staff attorney, or following the office conference, if any, the staff attorney will issue a report and recommendation to the Board to grant or deny the

complaint for termination of participation in the Incentive Housing Program. All reports and recommendations are subject to approval by the Board's General Counsel. Copies of the report and recommendation will be sent to the parties by U.S. Mail, at least ten (10) calendar days prior to the Board's consideration of the recommendation, along with an official notice advising the parties of the time and place of such consideration by the Board.

- (n) Board Hearing. The staff attorney's report and recommendation will be placed on the Board's agenda for hearing and determination.
- (o) Conduct of Hearing. The Board's hearing on a complaint for termination of participation in the Incentive Housing Program shall be conducted in a manner deemed most suitable to ensure fundamental fairness to all parties concerned, and with a view toward securing all relevant information and material necessary to render a decision without unnecessary delay.
- (p) Evidence Rules. The hearing need not be conducted according to technical rules of evidence. Any relevant evidence shall be considered if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Unduly repetitious or irrelevant evidence shall be excluded upon order by the Chairperson.
- (q) Order of Proceedings. The Board's public hearing on a complaint for termination of participation in the Incentive Housing Program shall ordinarily proceed in the following order:
 - (i) Staff Report.
 - (ii) Presentation by or on behalf of complainant, if the complainant wishes to expand upon material contained in the complaint.
 - (iii) Other speakers for the complaint.
 - (iv) Landlord's case in response to complaint.
 - (v) Other speakers against the complaint.
 - (vi) Rebuttal by complainant.
 - (vii) Motion to close the public hearing (or to continue it to a subsequent meeting).
 - (viii) Questions by Commissioners will be in order at any time following a speaker's presentation.
- (r) Board Determination. If the Board finds that the complaint for termination is supported by a preponderance of the evidence, it shall grant the complaint and terminate the landlord's participation. Three votes are necessary to grant the complaint for termination. In the event that three affirmative votes to grant the complaint for termination are not obtained, the complaint shall be denied.
- (s) Findings. All decisions of the Board shall be supported by written findings. If the Board adopts the staff recommendation, the staff recommendation shall constitute the findings of the Board unless the Board determines otherwise. If the Board rejects the staff recommendation, the Board may adopt its findings at the next subsequent meeting of the Board.
- (t) Hearing Procedure Upon Filing of Landlord Complaint. Upon the filing of a termination complaint by a landlord, alleging the Board's material breach of the Regulatory Agreement, the procedures provided in sections (k) through (s) of this Regulation shall not be applicable. The matter will

proceed as follows: Staff will prepare a report analyzing the complaint, and will place the matter on the Board's agenda for a public conference between the Board and the landlord. Notice of this conference will be given to the affected tenants at least ten working days prior to such conference. The conference will be for the purpose of openly reaching a settlement of the matter satisfactory to the Board and landlord. If no settlement is reached, the Board shall refer the matter to a hearing officer for a determination.

- (u) Hearing. If, as a result of the foregoing procedures, a termination complaint filed by a landlord is referred by the Board for hearing, the matter will be heard by a hearing officer who will be an impartial, disinterested person selected by the City of Santa Monica. In no event will a Board employee hear termination complaints filed by a landlord, and in no event will the Board designate the specific hearing officer who will hear such termination complaints. The hearing will be conducted in the manner specified in Board Regulations 4009 through 4018.
- (v) Joint Selection of Hearing Officer After Objection. If any party to a termination proceeding pursuant to a landlord complaint objects to having the matter heard by the particular hearing officer selected by the City of Santa Monica, then the parties will jointly select a hearing officer from a list of five attorneys included in the Regulatory Agreement for the participating property, chosen by the parties thereto at the time they entered the Regulatory Agreement.
- (w) Decision. Within sixty (60) days after the date on which the matter is referred for hearing, the hearing officer shall render a written decision supported by findings of fact and conclusions of law. In the decision, the hearing officer will decide either to terminate the participation of the landlord in the Program due to the Board's material breach of the Regulatory Agreement or that the landlord shall continue to participate in the Program if no such material breach by the Board is found. A decision terminating a landlord's participation shall specify that the termination is effective thirty (30) days after the decision is rendered. The decision of the hearing officer shall be subject to no further administrative appeal, and shall be considered the final administrative decision for all purposes.
- (x) Judicial Review. The provisions of Board Regulation 10000, pertaining to judicial review of Board decisions pursuant to Code of Civil Procedure §1094.5, through petitions for writ of administrative mandate, are applicable to all hearing officer's and Board decisions upon termination complaints under this Regulation. A petition for writ of mandate, challenging a decision under this Regulation must be filed in Superior Court within ninety (90) days after the hearing officer or Board renders the decision.
- (y) Termination Complaints Raising Issues Cognizable in Other Types of Proceedings. In the event that a termination complaint alleges facts raising issues within the Board's regulatory jurisdiction, which are ordinarily addressed by the Board in other types of proceedings, including rent decrease, non-registration, excess rent or base rent proceedings under Chapters 4, 8 and 13 of Board Regulations, respectively, the staff attorney assigned to the case shall include in the report and recommendation to the Board under section (m) of this Regulation, a recommendation that such issues be separately heard in the appropriate proceedings, upon the filing of the necessary petitions or complaints. The jurisdiction of the hearing officer or Board under this Regulation is limited solely to the question of whether or not there are grounds to terminate the landlord's participation in the Program. Notwithstanding the foregoing, the hearing officer or Board may take administrative notice of the contents of the files of any type of Board proceeding, and of the findings of fact, conclusions of law and decisions of the Board and its hearing examiners in any such proceeding.
- (z) Prohibition of Increases. In the event that a landlord's participation in the Program is terminated upon any grounds constituting a violation of the Rent Control Law or Board Regulations, the Board shall, upon the recommendation of its staff, with due notice to the affected parties, and to the extent consistent with the provisions of California Civil Code §1947.7, order that the subject property be ineligible for individual or general rent adjustments until such time as the landlord has

fully ceased and remedied such violation, including, where appropriate, restitution of any excess rent collections which have been retained.

[17401(b), (c), (e)(iv), (e)(vii), (m), (n), (t) - (z) Amended 3/25/93; Effective 4/2/93]
[17401(o) - (s) Adopted 3/25/93; Effective 4/2/93]

17402. Failure to Comply with the Regulatory Agreement

The Regulatory Agreement shall provide for sanctions for noncompliance with its terms. Such sanctions shall include withholding of incentive rent increases until compliance is obtained, termination from the program and damages for the Board's costs in enforcing the Regulatory Agreement.

17403. Option to Renew

Landlords shall have the option of renewing participation in the program for an additional five year period.

[17403 Amended 3/25/93; Effective 4/2/93]

17404. Renegotiation of Existing Contracts

Incentive Housing Program Regulatory Agreements which are in effect on the effective date of these amendments to Chapter 17 may be amended to conform to these amendments to Chapter 17 by a recorded addendum to the agreement. The landlord must request such amendment in writing within ninety (90) days of the effective date of the amendments to Chapter 17.

[17404 Adopted 3/25/93; Effective 4/2/93]

17501. Program Review

Program review may be conducted by the board at regular intervals or after the first, second and third years.

[17501 Amended 8/27/92; Effective 9/9/92]
[17501 Amended 3/25/93; Effective 4/2/93]

[Chapter 17 Adopted 2/23/89; Effective 3/7/89]
[Chapter 17 Amended 10/26/89; Effective 11/16/89]
[17501 Amended 8/27/92; Effective 9/9/92]
[17000 Amended 3/25/93; Effective 4/2/93]
[17001(d) Amended 3/25/93; Effective 4/2/93]
[17002(a), (d) – (j), (m), (o)(i) Amended 3/25/93; Effective 4/2/93]
[17002(p) - (r) Adopted 3/25/93; Effective 4/2/93]
[17100 Amended 3/25/93; Effective 4/2/93]
[17101(a) Amended 3/25/93; Effective 4/2/93]
[17102(c), (e)-(g) Amended 3/25/93; Effective 4/2/93]
[17103 Amended 3/25/93; Effective 4/2/93]
[17104 Amended 3/25/93; Effective 4/2/93]
[17200(a), (b), (c) Amended 3/25/93; Effective 4/2/93]
[17200(d) Adopted 3/25/93; Effective 4/2/93]
[17203(a) - (d) Amended 3/25/93; Effective 4/2/93]

[17203(e) Adopted 3/25/93; Effective 4/2/93]
[17205 Amended 3/25/93; Effective 4/2/93]
[17206 Amended 3/25/93; Effective 4/2/93]
[17207 Amended 3/25/93; Effective 4/2/93]
[17209 Amended 3/25/93; Effective 4/2/93]
[17210(b), (c) Amended 3/25/93; Effective 4/2/93]
[17211 Adopted 3/25/93; Effective 4/2/93]
[17304(b), (f), (g) Amended 3/25/93; Effective 4/2/93]
[17304(d), (e) Adopted 3/25/93; Effective 4/2/93]
[17305(b)-(d) Amended 3/25/93; Effective 4/2/93]
[17309 Amended 3/25/93; Effective 4/2/93]
[17401(b), (c), (e)(iv), (e)(vii), (m), (n), (t) - (z) Amended 3/25/93; Effective 4/2/93]
[17401(o) - (s) Adopted 3/25/93; Effective 4/2/93]
[17403 Amended 3/25/93; Effective 4/2/93]
[17404 Adopted 3/25/93; Effective 4/2/93]
[17501 Amended 3/25/93; Effective 4/2/93]
[17200(a) Amended 9/1/93; Effective 9/1/93]
[17210(c) Amended 11/12/98; Effective 11/27/98]
[17002(o)(i) Amended 5/6/04; Effective 6/3/04]

CHAPTER 20

PARTIAL INVALIDITY OF REGULATIONS

20000. If any provision of the Regulations enacted by the Santa Monica Rent Control Board or application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of the Board's Regulations which can be given affect without the invalid provision or application, and to this end the provisions of all Board Regulations are declared to be severable. The Board's Regulation shall be liberally construed to achieve their purpose and to preserve their validity.

[Adopted 1/23/82; Effective 1/29/82]