

## **Resolution 23-005**

A Resolution of the Rent Control Board of the City of Santa Monica announcing that the 2023 annual general adjustment for rent-controlled units is 2.8%, and imposing a limit on the general adjustment of \$67, effective September 1, 2023.

The Rent Control Board of the City of Santa Monica does hereby resolve and order as follows:

Section 1. Under § 1805(a) of the City Charter, the Board shall, by June 30 each year, announce the percentage by which rent ceilings for eligible units will be generally adjusted effective September 1 of that year.

Section 2. Under § 1805(a)(1) and (2) of the City Charter, the general adjustment shall be equal to 75% of the percentage increase in the Consumer Price Index (All Urban Consumers, Los Angeles, Riverside, Orange County region) as reported and published by the U.S. Bureau of Labor Statistics, for the 12-month period ending as of March of the current year, rounded to the nearest tenth decimal point.

Section 3. The percentage increase in the CPI index specified by Charter § 1805(a)(1) for the 12 months ending March 2023 is 3.7%. Seventy five percent of 3.7% is 2.775, which, rounded to the nearest tenth decimal point is 2.8%.

Section 4. Under § 1805(b) of the City Charter, the Board may, in its discretion, impose a dollar-amount limit to any annual general adjustment, calculated by averaging the 85<sup>th</sup> percentile of the maximum allowable rents ("MARs") for all controlled units with the 85<sup>th</sup> percentile of the MARs for all controlled units with a base rent established before January 1, 1999, and multiplying the result by the annual general adjustment percentage.

Section 5. The 85<sup>th</sup> percentile of the MARs for all controlled units is \$3,350. The 85<sup>th</sup> percentile of the MARs for all controlled units with a base rent established before January 1, 1999 is \$1,462. The average of \$3,350 and \$1,462 is \$2,406. \$2,406 multiplied by the 2023 annual general adjustment of 2.8%, and rounded to the nearest whole dollar, is \$67.00.

Section 6. In the exercise of its discretion, the Board has elected by majority vote of its members to impose a \$67.00 monthly limit on the amount by which any controlled unit's MAR may be increased pursuant to the 2023 annual general adjustment. Thus, effective September 1, 2023 the MAR for any controlled unit eligible for a general adjustment<sup>1</sup> shall be increased by 2.8% or \$67, whichever is lower.

**Now, therefore, be it hereby resolved that:**

- The 2023 annual general adjustment is 2.8%
- No general adjustment may increase the maximum allowable rent for a controlled unit by more than \$67 per month.

Passed, approved, and adopted by the Rent Control Board of the City of Santa Monica at a regular meeting held this 8<sup>th</sup> day of June, 2023.

  
Anastasia Foster, Chair

Attest:

  
Alvin Ho, Board Secretary

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<sup>1</sup> See Board Regulations 3035, 3301 for rules governing eligibility to impose annual general adjustments.