City of Santa Monica

2023

Santa Monica Rent Control Board ANNUAL REPORT

- Status of Controlled Rental Housing
- Impact of Market-Rate Vacancy Increases
- Impact of the Ellis Act
- Departmental Overviews

City of Santa Monica

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For the Rent Control Agency, the end of one year and the beginning of the next is usually the least busy period, as implementation of the September general adjustment passes and the holidays create their usual distractions. This was not the case in 2023. Passage of Measure RC in the November 2022 election delivered unprecedented change, and since it required timely action by most landlords, December and January were as hectic as our busy summer months.

The measure, a response to unusually high inflation in 2022 that resulted in a general adjustment of six percent, required a unique mid-year reduction effective February 1, 2023. Starting immediately after the election, the Agency raced to administer this change and explain to landlords and tenants what it meant. The revised formula presented challenges. Owners who had increased rents by the original six percent general adjustment in September were required to reduce rents effective February - dropping the increase to 0.8 percent for the remaining seven months of the period. This combination achieved a three percent average increase as required by the measure, but tenants and landlords were occasionally perplexed by the way the measure achieved this lawful increase. Nonetheless, staff effectively communicated the measure's impact to the community.

Internally, the Agency's freshly designed system for tracking rents needed unforeseen reconfiguration. New reports had to be written to recalculate the Maximum Allowable Rent (MAR), and a third "Adjusted MAR" had to be recorded to reflect the three percent average increase.

Fortunately, as spring arrived, these challenges started to fade. Inflation moderated and resulted in a general adjustment of just 2.8 percent, which was below the maximum of three percent set by Measure RC. To make it clear as to which amount this adjustment could be applied, modifications were required to the report of maximum allowable rents provided in the summer to landlords and tenants in order for landlords to understand how to notice an increase and what increase a tenant could expect.

Although these challenges made for an unusual year, the biggest adjustment for the organization began toward year end. Longtime Agency executive director, Tracy Condon, announced that she would be retiring after what would amount to 37 years working for the Agency. A nationwide search was conducted for her replacement, and in December, Jonathan Holub was selected by the Rent Control Board. Holub was most recently the rent stabilization division manager for the City of West Hollywood, where he served since 2010. In that role, and earlier as a staff attorney, he participated in the expansion of the city's rent registry, strengthened the municipal code's tenant protection provisions, and assisted in tenant harassment prosecutions. He started his career in public service as deputy county counsel for the Office of Riverside County Counsel.

As 2024 begins with new leadership, the Agency is as well-equipped as ever to do the day-to-day work, improve our processes, and face new challenges including possible changes to state law. The reports that follow on the impacts of market-rate vacancy increases and the Ellis Act provide the most current and highest resolution picture of the controlled rental housing stock today. The included departmental overviews detail the hard work of Agency staff to inform the public, provide a variety of administrative remedies, and ensure compliance with the law, and in ways that are both small and large reflect our dedication to fulfill our mission under the City Charter.

❖ *A message from our new executive director:*

Welcome to the Santa Monica Rent Control Agency's annual report. The information within these pages captures the dedication of our staff members who tirelessly work throughout the year. Their commitment ensures that tenants and landlords alike benefit from the legal protections provided by the Rent Control Charter Amendment and regulations.

I am deeply grateful to the Rent Control Board for the privilege to serve alongside the Agency team. Together, we strive to foster inclusive engagement with the Santa Monica community, furthering the Rent Control Charter Amendment's purpose to ensure due process of law for landlords and tenants, effective remedies for violation of the law, and consistency with constitutional requirements.

Thank you for your interest in our work. I invite you to explore this report and contact us if you have any questions or feedback.

Jonathan Holub
Executive Director

Costa-Hawkins Rental Housing Act Amended to Accommodate Disabled Tenants

Since its passage by the California legislature in 1995, there have been very few amendments to the law that allows owners the right to set new base rents for most new tenancies. The passage of AB 1620 in 2023 marked one of those rare occasions. The amendment now allows a qualifying tenant on a property of five or more units to move to a comparable or smaller unit on an accessible floor of the property without having to pay a new market-rate rent. This accommodation is only available to tenants with a permanent, mobility-related physical disability, and tenants must make the accommodation request prior to an accessible unit becoming available.

Due to the strict requirements for taking advantage of this new law, it may have limited applicability, but for those who otherwise would not be able to afford the market-rate rent of a different unit, it could be life changing. The Rent Control Board adopted a regulation early in 2024 requiring property owners to accommodate qualifying tenants based on the new law.

CIVICS Enhanced with New Features

The user base for CIVICS, the Agency's public-facing portal for filing registration forms, fee waiver and exemption applications online grew by approximately 500 new users, ending the year with approximately 1,350 accounts. Most are held by property owners and managers who have filing requirements.

Users submitted 2,738 tenancy registration forms through CIVICS during the year, most for tenancies begun in 2023. This was an increase over 2022, when 1,160 forms were filed beginning with the launch of the system mid-year. Also in 2023, about 900 tenancy registration forms were submitted on paper, resulting in a ratio of online filings to paper of three to one. As the number of users and their familiarity with the system grow, it's expected the share of online filings will continue to increase, lending efficiency to the process, as data entry by staff is not required and communications with users can be automated.

Staff made several efforts during the year to improve features of the system. When initially launched, each submitted form was identified on the user's dashboard only by an application number. Without opening the form, it was not clear to which property or unit it related. To make it more user friendly, address detail was added alongside the application number as well as better information to indicate the status of the form, such as whether it was under review, completed, or if additional information was needed.

As many property owners and managers have their own systems for storing and retrieving information about their properties, the system was also configured to automatically email a copy of the submitted form to the user, so they can print or store it as they please. Forms can also always be retrieved through the system, but users expressed a preference for having them emailed, as with a prior system.

Another new feature was added that allows users to retrieve comprehensive information about their properties as reflected in our records. Now, each site master record provides a link to a property summary report, which includes the entire MAR history for every unit on the property, that can be generated with a single click.

Progress also began at year end toward integrating a new payment processor, so property owners will be able to pay registration fees directly through their dashboard.

Procedures for Filing Excess Rent Complaints Revised

In an effort to more quickly resolve excess rent complaints, the Rent Control Board adopted changes to regulations regarding the filing of these petitions. Prior to these changes, tenants could file excess rent complaints directly with Rent Control - even before communicating with their landlords. Staff reviewed the evidence provided and determined if a prima facie case existed. If so, staff either reached out to the landlord for an administrative solution or forwarded the complaint to the Agency's Hearings Department for a mediation facilitator to attempt settlement. Claims that could not be settled were scheduled for hearings.

However, time spent attempting to resolve issues and mediate cases often delayed moving complaints to the hearings stage and ultimately, decisions in these cases. Now, tenants must first present their claims directly to their landlords. This opens the possibility for quick resolution without the need to go through a formal process. If a landlord returns the excess rent collected, then the tenant may not file a petition; if there is no resolution after 30 days, they may. This notice requirement is also consistent with the decrease petition process where notice to the landlord is also required before filing a decrease petition.

To conform to these new procedures, tenants who wish to file excess rent claims must prepare and serve notice on the landlord a written notice specifying the claimed period and amount of excess rent. Then, they must allow the landlord 30 days to respond. If there is no resolution, the tenant may file an excess rent complaint with the Agency. It is hoped this streamlined process will deliver faster resolution of these claims.

Analysis of Tenant Contacts Leads to New Insights Regarding DEI Effectiveness

As part of the broad commitment the City of Santa Monica has made to pursue diversity, equity, and inclusion, the Rent Control Agency engaged in several activities in 2023 toward better understanding the challenges that face us, improving our outreach to communities of color, and analyzing how effectively we are serving all of our constituents.

Starting in-house, management continued training on equity issues by reading *The Sum of Us: What Racism Costs Everyone and How We Can Prosper Together by Heather McGhee*. We also participated in conversations with other department heads and supervisors on the City leadership team to consider how concepts in the book might be applied to our work in City Hall. One of the Agency's hearing officers represented the Agency as part of a cohort of equity and inclusion officers from across City departments.

She also was a participant in the City's Racial Equity Committee and helped organize a Civil Treatment Workplace program for Agency staff in September. Attendees discussed practical ways to help create and maintain a workplace where every employee can do their best work.

As part of our commitment to improve outreach, translation services were leveraged to translate important information into Spanish, Farsi, and Amharic. This included the summer mailing and fall newsletter, the Rent Control information sheet outlining basic rights, and a community resource directory. Staff also participated in community events, including tabling at the Ethiopian Cultural Festival in September, and a seminar in Spanish was held at Virginia Avenue Park. Library staff and leaders from Inquilinos Unidos, an advocacy group for tenants, helped promote the latter. The seminar was recorded, and the video is available anytime as a resource on the Agency's website. Several staff members are native Spanish speakers and are available to provide services to those who request. However, only 28 unique addresses of Spanish speakers were recorded in 2023, which appear in magenta on the map below.

To analyze how effectively we are reaching all the communities in Santa Monica, staff began collecting data regarding the people who contacted us for information and/or pursued administrative remedies available to them through the Agency. Beginning in September 2022, the property addresses of a representative sample of tenants were recorded and mapped. That data was analyzed to identify whether tenants of certain areas were more or less likely to contact us or file petitions. Staff also noted whether tenants requested services in Spanish.

As published in our 2022 annual report, initial results revealed that with slight variation, tenants across all city areas contacted us in numbers that correspond to the percentage of units in each area. For example, tenants in the mid-town neighborhood represented 18 percent of contacts, and 18 percent of controlled units are in that area. At most there was a five-point discrepancy between the percentage of contacts and the percentage of units in each area. However, when we compared contacts by city area relative to the petitions filed by tenants in those areas (for such things as removal of amenities or services, excess rent collection, and excessive impacts from construction-related activity), we discovered some areas that did not neatly correlate. For example, tenants living north of downtown, which comprises 16 percent of units, filed nearly a quarter of all complaints.

2023 marked the first full year in which Public Information staff recorded the addresses of tenants they assisted. Addresses were not recorded in every instance depending on the nature of the contact, but addresses were collected for more than 2,100 tenants, which was about one-third of all tenant contacts during the year. In addition to the property address, staff also began recording unit IDs in some cases, as that information can be used to analyze length of tenancy and the rent levels of tenant contacts. When duplicates and properties not subject to the rent control law were removed, 695 unique unit addresses were recorded. Of those contacts, 255 were identified as tenants that moved in before vacancy decontrol, with the remaining 441 having tenancy start dates on or after 1/1/1999.

Addresses of assisted tenants are mapped on the following page. As with 2022, there continued to be not only a widespread distribution of contacts from all city areas, but also a close correlation between the percentage of controlled units in each city area and the percentage of contacts.

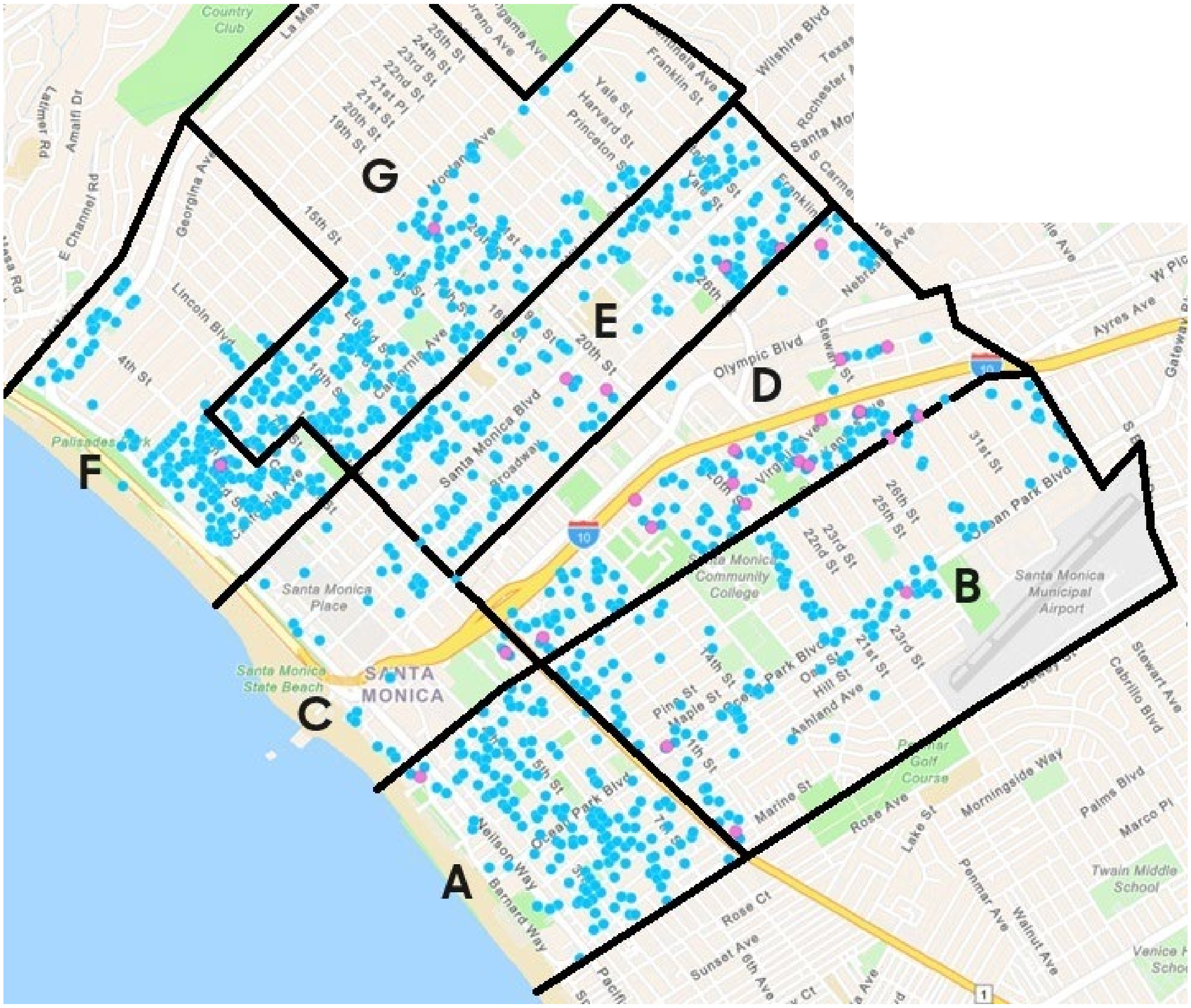


Figure 1 shows a variation not greater than four percent between the percentage of units in an area and the percentage of tenant contacts. Relative to the percentage of units in the areas, tenants in City Areas A (Ocean Park) and C (downtown) continued to show slightly lower contact rates, as was observed in 2022. However, the percentage of contacts from all other areas was not consistent with the prior year. For example, in 2022 we observed that tenants living north of downtown (City Area F) were more likely to contact us, but in 2023, contacts were proportional to the percentage of units in that part of the city. In any case, the close correlation between city areas and contacts indicates tenants from across Santa Monica are reaching out to the Agency in relatively equal measure.

Fig. 1 | Tenant Contacts by City Area 2022 - 2023

City Area	Units per City Area	Tenant Contacts 2022	Difference	Tenant Contacts 2023	Difference
A	17%	13%	-4	14%	-3
B	12%	16%	4	11%	-1
C	4%	2%	-2	3%	-1
D	11%	10%	-1	13%	2
E	18%	18%	0	17%	-1
F	16%	15%	-1	20%	4
G	22%	27%	5	22%	0

Figure 2 shows the percentage of petitions that were filed by tenants relative to the percentage of units in each city area. As in 2022, there is a correlation between the two. For example, tenants in the Pico neighborhood, where 11 percent of controlled units are located, filed 12 percent of petitions. However, the table also shows that tenants in City Areas A and B filed a lower percentage of petitions relative to the percentage of units in the area both in 2022 and 2023. In contrast, tenants in City Area F filed relatively more petitions in both years. In several areas, there were differences of up to 10 percentage points from year to year. Tenants in City Area G (northeast) filed relatively fewer petitions in 2022 but relatively more in 2023. Analysis of these year-to-year changes over time will provide a clearer picture of whether tenants in certain areas are utilizing the administrative remedies available to them equitably. Additional details on tenants pursuing administrative remedies are outlined in the Hearings Department overview that begins on page 47.

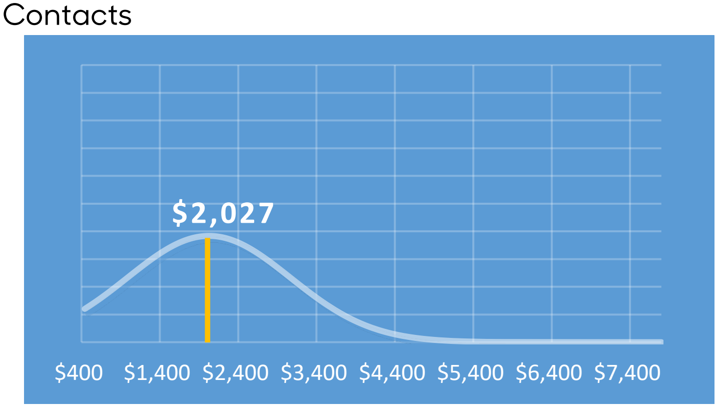
Fig. 2 | Petitions Filed by City Area 2022 - 2023

City Area	Units per City Area	Petitions Filed 2022	Difference	Petitions Filed 2023	Difference
A	17%	15%	-2	13%	-1
B	12%	10%	-2	5%	-7
C	4%	2%	-2	5%	1
D	11%	10%	-1	12%	1
E	18%	21%	3	14%	-4
F	16%	24%	4	23%	7
G	22%	18%	-4	28%	6

For the 695 contacts where a unit address was recorded, it is possible to look at the distribution of the MARs for those units. While there is not necessarily any connection between the rent that that is paid and income level (except that tenants paying high rents necessarily must have the income to pay them), the rent level provides some insight. Do only tenants paying a relatively low rent contact the Agency, or is it tenants who are paying the most who call when they are dissatisfied or need help?

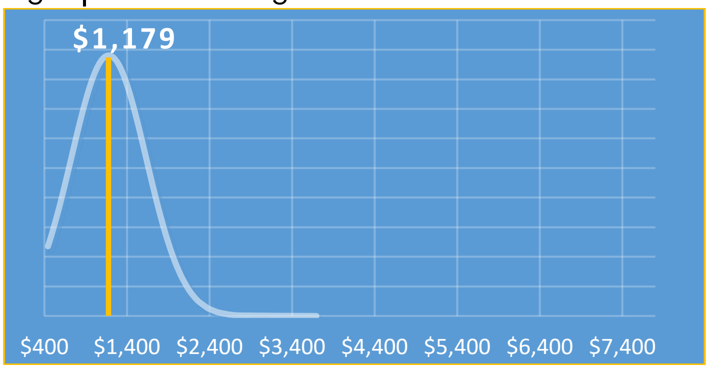
Figure 3 indicates the distribution of the MARs for these 695 units. It shows a mean (average) MAR for these units of $2,027, which is relatively close to the median MAR for all controlled units of $2,313. The volume of calls is shown under the curved line, and the shape of the curve shows how that volume is distributed relative to the average. For example, there were very few callers from units with MARs above $4,400. Conversely, the greatest volume of calls was from tenants who were paying rents that did not deviate significantly from the average amount shown.

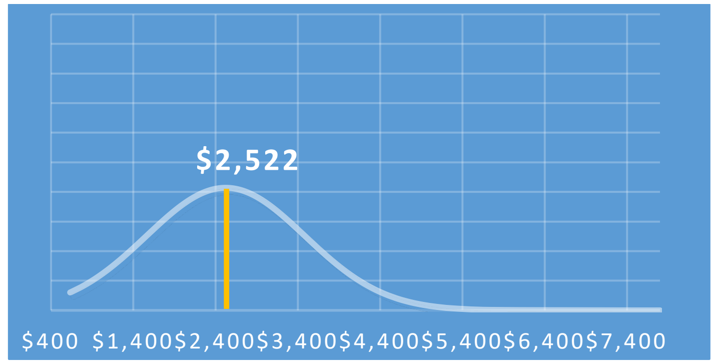
Fig. 3 | MAR of All Tenant Contacts



Similarly, as shown in Figure 4, when contacts are segmented between market-rate and long-term tenants who moved in before vacancy decontrol in 1999, we see a similar relationship between average MARs and the median MAR for each segment, despite the smaller sample size. Especially with long-term tenants, there is a tighter distribution of calls under the curve because there is a relatively smaller standard deviation among the MARs. The average MAR for the 255 long-term tenants who contacted us was $1,179, close to but slightly higher than the median MAR of all long-term units of $1,091. When looking at the MARs of the 440 market-rate tenants whose addresses were recorded, we see an average MAR of $2,522, compared to the median MAR of all market-rate units of $2,592.

Fig. 4 | MARs of Long-Term Tenant Contacts / Market-Rate Contacts

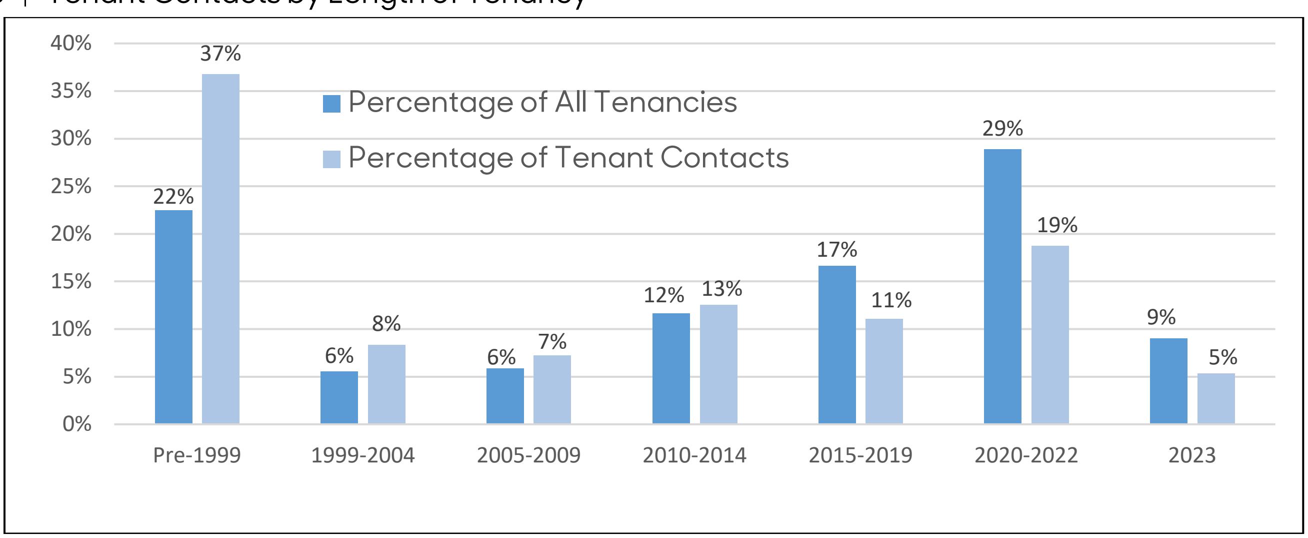




Finally, we looked at the distribution of tenant contacts based on tenancy date – either before 1999 (long-term) or after (market-rate) as recorded per tenancy registration forms. Approximately 37 percent of tenants who contacted the Rent Control Agency in 2023 moved in before January 1, 1999. Considering that long-term units comprise just over 21 percent of all controlled units (as shown in the *Status of Controlled Rental Housing* section that follows), this represents a disproportionate level of contact – but not a surprising one.

Long-term tenants generally pay less rent compared to new tenants and may be reluctant to ask for repairs. While not always the case, the longer a tenant has occupied the unit, the more likely they are to experience deferred maintenance, carpets that need to be replaced, walls that need to be repainted, and so on. At some point they need remedies and look for information and help from the Rent Control Agency. But it is not just the tenants who moved in before 1999 who contact us disproportionately. As shown in Figure 5, data reveals that after roughly 10 years of occupancy, tenants become more likely to contact the Agency than those who have lived in their units less time.

Fig. 5 | Tenant Contacts by Length of Tenancy



2023 Rent Control Board Commissioners

From left to right: Danny Ivanov, Lonnie Guinn, Anastasia Foster (2023 Chairperson), Ericka Lesley (2023 Vice-Chairperson), Kurt Gonska

The Rent Control Board is composed of five elected commissioners who are responsible for exercising the powers and performing the duties under Article XVIII of the City Charter, the Rent Control Law. The Board typically meets once a month to conduct Board business. Board members are pictured above.

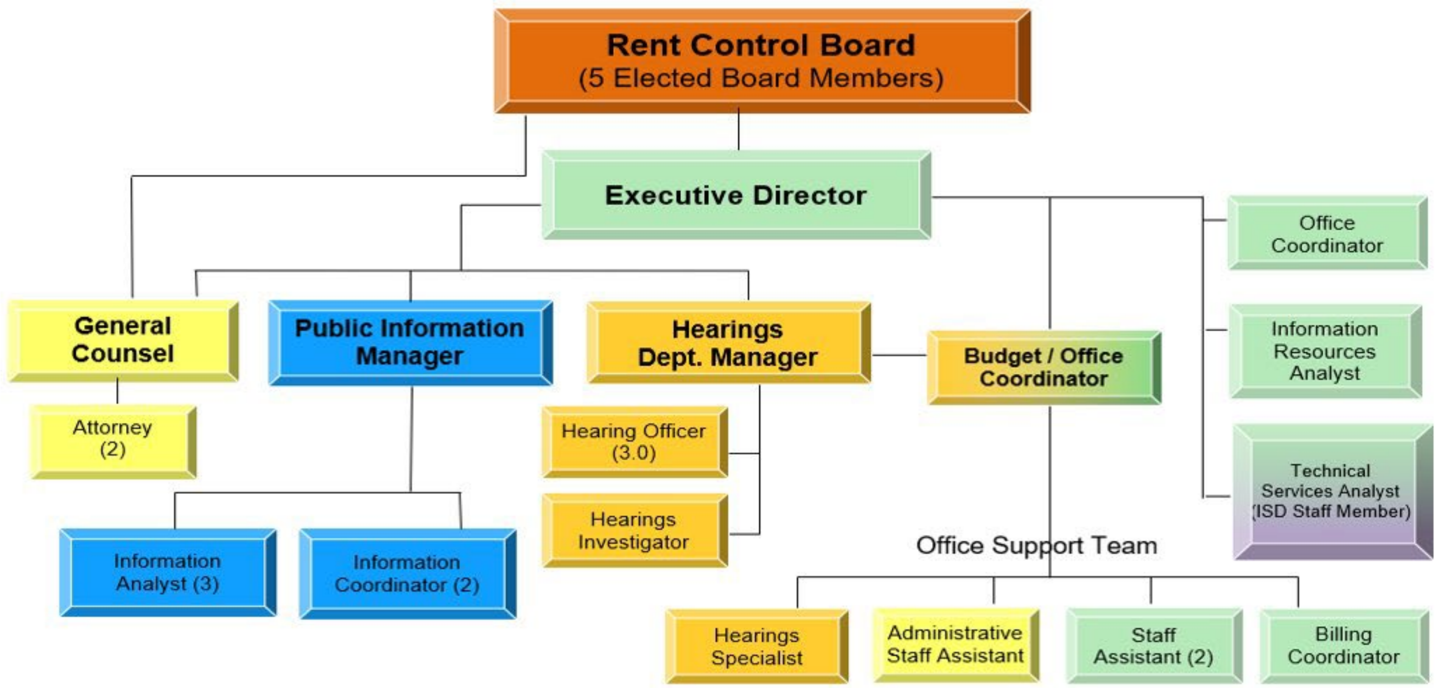
The Board convened a total of 18 meetings in 2023 – 12 regular meetings and six special meetings. At their first meeting of the year, the Board considered applications to fill a vacancy on the Board following Commissioner Caroline Torosis's election to the City Council in the November 2022 election. The Board unanimously appointed Lonnie Guinn, a retired Rent Control Agency employee familiar with the operations of the Agency and the responsibilities of the Board to the open seat.

The agendas for meetings were mostly filled with jurisdictional and administrative work, however, the Board considered several resolutions in support of proposed legislation, as outlined in the Legal Department overview of this report. The Board also invited and received a presentation by the new manager of the Code Enforcement Division. They heard two presentations by their legislative advocate on the 2023-2024 legislative session and proposed bills relating to housing and tenants' rights. They also received a presentation by the deputy and chief deputy of the Consumer Protection Unit in the City Attorney's Office regarding a proposed Tenant Protection Ordinance.

The Board formed two subcommittees during the year. The first was for the purpose of overseeing the selection of a new executive director. The full Board then interviewed top candidates and made their selection of Jonathan Holub in December. Another subcommittee was formed to consider changes to regulations regarding standards for rent decreases for maintenance issues or removed amenities. Consideration of the subcommittee's recommendations were heard and adopted in early 2024.

Agendas for Board meetings are available on the Agency's website, via email for people who sign up for electronic communications, and in the office of the Rent Control Agency.

Executive Director and Administration Department



Appointed by the Board, Executive Director Tracy Condon, in her final year with the Agency, oversaw the day-to-day functioning of the Rent Control Agency including developing a budget; overseeing personnel, contracts, and purchases; and assisting the Board in conducting research and developing regulations to implement the rent control law. The Administration Department provides support to the elected Commissioners by preparing agenda packages, scheduling Board meetings, archiving Board actions, and processing correspondence for the Board. The department also provides information technology and systems support to the Agency and in recent years has been responsible for development of the new information system. Division staff also maintains the property database, document management system, website, and software systems, as well as computer and peripheral electronic equipment.

Santa Monica voters adopted the rent control law in April 1979 as an amendment to the City Charter. The law primarily applies to all properties and units used for residential rental at that time and to units that were vacant or occupied by owners and family members in 1979 and were later rented, except for those units specifically exempted based on certain criteria. Some exemptions are permanent, and others stay in effect only as long as the criteria upon which the exemption was granted remain true.

Board records indicate there were 27,603 controlled rental units as of December 31, 2023. There are 115 mobile home park spaces in Santa Monica that are also controlled. These spaces are not subject to the vacancy decontrol provisions of the Costa-Hawkins Rental Housing Act and therefore, are not included in the *Impact of Market-Rate Vacancy Increases* section that follows.

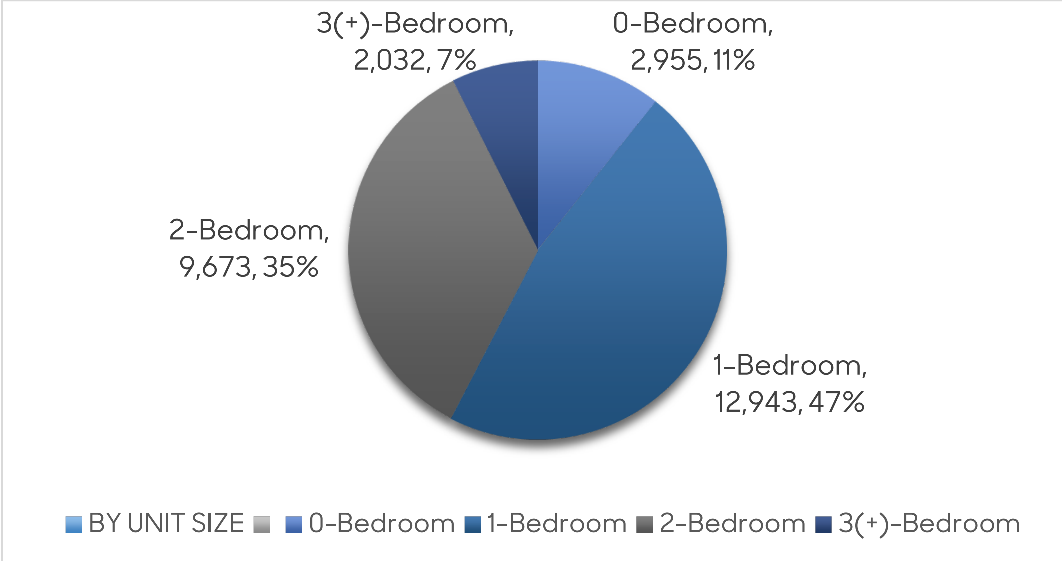
The total number of controlled units fluctuates but does not change significantly from year to year. The number decreases as units are granted exemptions or removal permits and when units are withdrawn under the Ellis Act. The number with rent-level protections also decreases as the owners of certain single-family dwellings and separately sold condominiums qualify for rent-level decontrol. Because these units no longer have rent-level controls, they are not counted among fully controlled units. The number of controlled units increases when temporary use exemptions expire, when units previously withdrawn under the Ellis Act are returned to the rental housing market, and when units are registered for the first time (including Accessory Dwelling Units when they are created by conversion). In 2023, there was a net increase of 22 controlled units due to a combination of these factors.

Controlled Units by Size (Number of Bedrooms)

To understand the rental housing market in Santa Monica, the Rent Control Agency categorizes units by their size: 0-bedroom, 1-bedroom, 2-bedroom and 3 (or more)-bedrooms. These unit sizes are referenced throughout the *Impact of Market-Rate Vacancy Increases* and the *Impact of the Ellis Act* sections that follow. As Figure 6 shows, almost half of the 27,603 currently controlled units are 1-bedroom units. The next largest segment, more than one-third of the total, are 2-bedroom units. Together, 1- and 2-bedroom units comprise 82 percent of the controlled housing stock. Therefore, most tenants living in controlled housing are living in 1- and 2-bedroom units, of which there were 22,616 at year end.

Three or more-bedroom units are the fewest in number with only 2,032 units of this size. While there are almost half as many more studios than 3(+)-bedroom units, they too are a relatively small segment of the controlled housing stock. Although the count is higher for studios than 3(+)-bedroom units, a greater number of tenants likely live in 3(+)-bedroom units, as they accommodate more people.

Fig. 6 | Controlled Rental Units by Unit Size

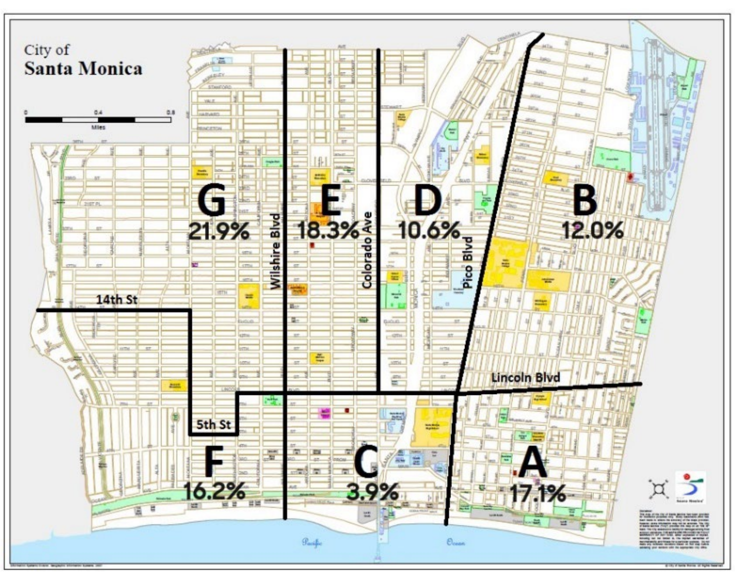


Controlled Units by City Area

The Rent Control Agency also tracks units depending on their location in the city, roughly following the city's neighborhoods. These seven areas are identified as City Areas A through G in Figure 7 below, and they are referenced throughout this report.

The table and map below show how controlled units are distributed throughout the seven city areas. The significant differences in the distribution of controlled housing in the city areas can be attributed to several factors including the prevalence of single-family homes and commercial properties in some areas. While most controlled properties are predominantly made up of 10 or fewer units, there are city areas downtown (City Area C) and north of downtown (City Area F) where large properties are common. The share of controlled units in each area varies little from year to year. Annual changes to the number of units in any area are primarily due to changes in exemption status of properties and Ellis activity. The table in Figure 7 quantifies units by area subject to the law at the end of 2023 and changes from 2022.

Fig. 7 | Controlled Rental Properties by City Area and Percentages on Map



City Area	Controlled Units as of 12/31/22	Controlled Units as of 12/31/23	Change from 12/31/22
A	4,711	4,716	5
B	3,316	3,317	1
C	1,076	1,067	-9
D	2,944	2,935	-9
E	5,031	5,052	21
F	4,469	4,480	11
G	6,034	6,036	2
Total	27,581	27,603	22

Rent-Level Decontrolled Single-Family Dwellings and Condominiums

Certain single-family homes and condominiums may qualify for rent-level decontrol. For these units, just-cause eviction protections under the rent control law continue to apply. The Costa-Hawkins Rental Housing Act removed control over rents for single-family dwellings and condominiums that are separately alienable, have been sold for value, and are occupied by tenants who moved in after January 1, 1996, or are vacant or owner-occupied. If they meet these criteria, approximately 3,100 condominium units converted from apartments under the Tenancy Ownership Rights Charter Amendment (TORCA), would qualify for decontrol of the rent level. In 2023, twenty-eight units were newly identified as qualifying for rent-level decontrol. Overall, there are just over 1,800 condominiums and single-family homes that have qualified, the majority of which are owner-occupied units. These units are not included in the count of controlled units.

Permanent Exemptions

- Single-Family Homes

Single-family homes and certain condominiums that were not used as residential rentals on July 1, 1984, or that were owner-occupied for at least two years after that date, qualify for permanent exemption from the rent control law. These units can become exempt either through a declaration that the unit was vacant or not used for a residential rental purpose on July 1, 1984, or if the property was owner-occupied for two years, by application to the Board requesting that the home be granted an exemption.

In 2023, there were seven declarations submitted for single-family dwellings stating that the homes were not rented on July 1, 1984 and are eligible for permanent exemption. Provided the information in these declarations is true, the subject properties are exempt. The number of declarations filed in recent years has been low compared to the past. Thirty-nine years after the qualifying date in 1984, many owners of properties that qualify have already filed the declaration.

In 2023, two single-family dwellings that didn't qualify for the automatic exemption were granted an exemption by the Board upon the owner's filing of an exemption application. By the end of 2023, there were 3,591 permanently exempt single-family dwellings by declaration and 367 exempted following two years of owner-occupancy.

- New Construction

The rent control law generally exempts units built after April 10, 1979. One exception to this provision is newly constructed units replacing demolished rent-controlled units that received a Board-granted redevelopment-related removal permit. Another exception is when new units are constructed and offered for rent on a property within five years of rent-controlled units being withdrawn from the rental market using the state Ellis Act. In 2023, the Board granted exemptions for three units on three separate properties that had been constructed after the enactment of the rent control law.

Use Exemptions

Use exemptions or "temporary exemptions" may be granted for several different uses of a residential rental property that would otherwise be subject to the rent control law. Examples of some use exemptions include: owner-occupied properties of three or fewer units; residential units in hotels, hospitals, religious institutions, and extended medical care facilities; commercial units; non-rental units; and units owned and operated by governmental agencies. The most common type of use exemption is for owner-occupancy, and activity on these properties is detailed below. Although tenants living on exempt properties do not have rent-level protections, eviction protections were extended to them with the amendment to the City Charter following the passage of Measure RR in the November 2010 election, and many are subject to limitations on rent increases per state law. Other than units on owner-occupied properties, at year end, 3,151 units held use exemptions. No applications for other use exemptions were received in 2023.

- Owner-Occupied Two- or Three-Unit Properties

Two-and three-unit properties occupied by an owner with at least 50 percent interest in the property can qualify for an exemption. This is the type of use exemption that affects the greatest number of properties. Most applications for this exemption are prepared for the Board administratively, provided the owner submits the required documentation and the tenants (if any) verify the owner's residency. Staff prepares a recommendation for the Board, and the Board then determines whether to grant the exemption. In some instances, applications are referred to the Hearings Department for evidentiary hearings to determine if the owner-applicants meet all the requirements to qualify for this exemption. In these cases, a hearing officer makes a recommendation for the Board's consideration and decision.

Owner-occupied exemptions lapse by operation of law when the owner moves off the property or when ownership is transferred. The Board's annual monitoring program of owner-occupied exempt properties, described further on page 45, contributed to determinations in 2023 that 37 properties (83 units) no longer qualified for this exemption. Most lapses occur due to a change in ownership. In 2023, exemptions also ended on two properties when the owners withdrew the properties under the Ellis Act, so they could qualify for a demolition permit.

The Board received owner-occupancy exemption applications for six properties in 2023; an additional application was pending Board consideration from 2022. The Board approved all seven applications. Of the seven properties granted owner-occupied exemptions in 2023, four had been previously exempt within the last five years, but the exemption had lapsed because a new owner purchased the property, title was transferred to a non-qualifying entity, or the owner no longer lived on the property. At year end, 451 two- or three-unit properties (1,094 units) were exempt based upon owner-occupancy. This was fewer than the 476 properties (1,162 units) with this exemption in 2022.

Ellis Act Withdrawals

The Ellis Act is a state law enacted in 1986 that allows owners to exit the rental housing business by evicting tenants and withdrawing rental units from the housing market. As detailed in the *Impact of the Ellis Act* section of this report below, the Ellis Act has been used to withdraw 3,340 units from the controlled housing stock. However, if a withdrawn unit is ever offered for rent, all of the units on that property become recontroled. Similarly, as noted above, if new units are built and offered for rent within five years of withdrawal, those newly constructed units are subject to the Rent Control Law. In 2023, a total of 27 units were withdrawn from the rental housing market and 24 formerly withdrawn units returned, resulting in a net loss of three controlled units for the year.

IMPACT OF MARKET-RATE VACANCY INCREASES

For 20 years following the 1979 enactment of the Rent Control Charter Amendment, rent levels for most controlled units were based on the rent in effect in 1978 plus annual rent increases allowed for controlled units. Regardless of how many times tenants moved in and out of a unit, the vacancy control provision mandated that rent levels remained in place between tenancies. That changed with the state legislature's passage of the Costa-Hawkins Rental Housing Act in 1995. Since January 1, 1999, state-mandated vacancy decontrol has allowed owners to set a new market-rate rent for most new tenancies, and initial rents for new tenancies have risen each year thereafter, except for slight downturns after the 2009 recession and in 2020 and 2021 during the COVID-19 pandemic.

The rent control law provides protections to both long-term and market-rate tenants. People who moved into their units before January 1, 1999, are considered long-term tenants. People who moved in after that date and whose initial rents were subject to vacancy decontrol are considered market-rate tenants. For new tenancies, once the initial rent is established, future rent increases are controlled for the duration of the tenancy. All tenants have just cause eviction protections and amenity and housing service protections. As detailed later in this report, tenants who reside in their units for several years see significant savings in the rent they pay as compared to initial rents established for newer tenancies.

Share of Long-Term and Market-Rate Controlled Housing Stock

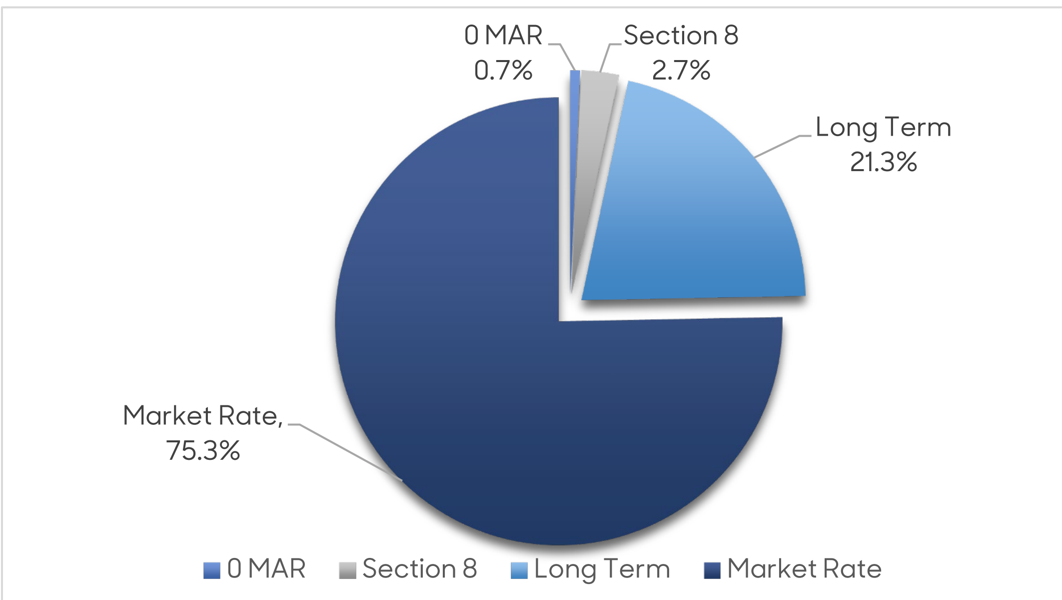
During 24 years of vacancy decontrol, 75.3 percent of controlled units (20,786 units) have been rented at market-rate at least once. As shown in Figure 8 below, only 5,889 (21.3 percent) of controlled housing units remain occupied by renters who moved into their units before 1999. Units categorized as long-term also include 70 units with deed restrictions requiring that they be rented to low-income households at affordable rates.

In 2023, 267 units were rented at market-rate for the first time. Most of these were units formerly occupied by long-term tenants or tenants with Section 8 vouchers who vacated, and their units were rented at market-rates for the first time. They also include units that were on owner-occupied properties where exemptions lapsed and newly constructed replacement units that were rented for the first time. The number of long-term units decreased as tenants moved out, units were withdrawn from the market under the Ellis Act, or properties became exempt.

Another category of controlled units is those with various affordable-housing related fee waivers, including units occupied by tenants participating in the Housing Choice Voucher Program, also known as Section 8. Section 8 units remain subject to the rent control law, but the rent levels are governed by federal contracts. Agency records of units participating in the Housing Choice program are based on registration fee waivers submitted by owners. There are more units in the program than identified here because some owners do not apply for fee waivers. In addition to the 70 deed restricted units mentioned above, there are 21 deed restricted units occupied by tenants with Housing Choice vouchers. The net decrease of 52 units with affordable-housing related fee waivers for the year indicates there are fewer Housing Choice/Section 8 fee waivers as compared to 2022. (See Figure 10 on page 17.)

Fig. 8 | Controlled Rental Units by Type – 2023

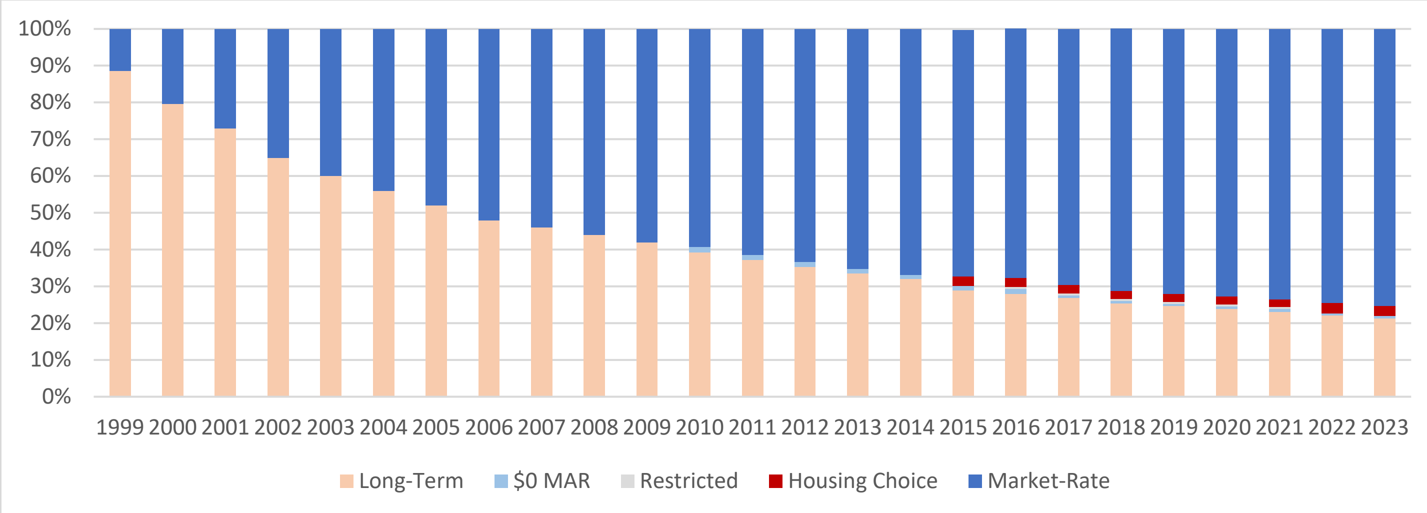
Unit Type	# of Controlled Units 2022	# of Controlled Units 2023	Change from 12/31/22
Market-Rate	20,519	20,786	267
Long-Term	6,083	5,889	(194)
Sec 8/HOME/Tax Credit	790	738	(52)
$0 MAR	189	190	1
Total	27,581	27,603	22



Units with no registered rental history are identified in the figure above as "$0 MAR (Maximum Allowable Rent)" units. These 190 units are presumed to be owner-or relative-occupied, not used for a residential rental purpose, or part of a new building that replaced spaces removed at the Village Trailer Park and have not been registered as rented. The number of $0 MAR units actually increased by one unit in 2023. This increase is likely attributable to the lapsing of an exemption on a unit that had never been previously rented.

Figure 9 on the following page shows changes over time in the share of units by these same occupancy types: long-term tenants, market-rate tenants, $0 MAR units, and those participating in Housing Choice/Section 8 or other affordable housing programs. The annual reduction of units occupied by long-term tenants has slowed over time as a smaller share of units remain occupied by long-term tenants.

Fig. 9 | Controlled Rental Units by Type – 1999 to 2023



**The Rent Control Agency began segmenting controlled units by the five categories indicated above in 2015. Earlier reports did not distinguish units with $0 MARs, in the Housing Choice program, or with restricted rents. In 2022, restricted MARs were not counted separately. Instead, they were incorporated with market-rate and long-term tenancies depending on when the restricted base rent was established. The Housing Choice category includes HOME and Tax Credit units beginning in 2022.*

Registration Fee Waivers

The Agency charges a fee for each controlled unit to fund its operations. In addition to registration fee waivers for units in which tenants are participating in the Housing Choice Voucher Program or other programs subsidized by federal and state funding (HOME/Tax Credit), units occupied by very-low-income tenants who are seniors or disabled, or those occupied by owners are eligible for fee waivers. Fee waivers are also available for condominiums and single-family dwellings that qualify for rent level decontrol pursuant to the Costa-Hawkins law. Figure 10 below shows the number of fee waivers of each type in 2023, along with changes since 2022.

The overall reduction in the number of low-income senior and disabled fee waivers since the implementation of vacancy decontrol indicates continued dwindling of tenants qualifying for those waivers. At the end of 1998, 791 tenants held senior fee waivers, but by the end of 2023, only 174 senior fee waivers were in place, which is less than a quarter of the number prior to vacancy decontrol.

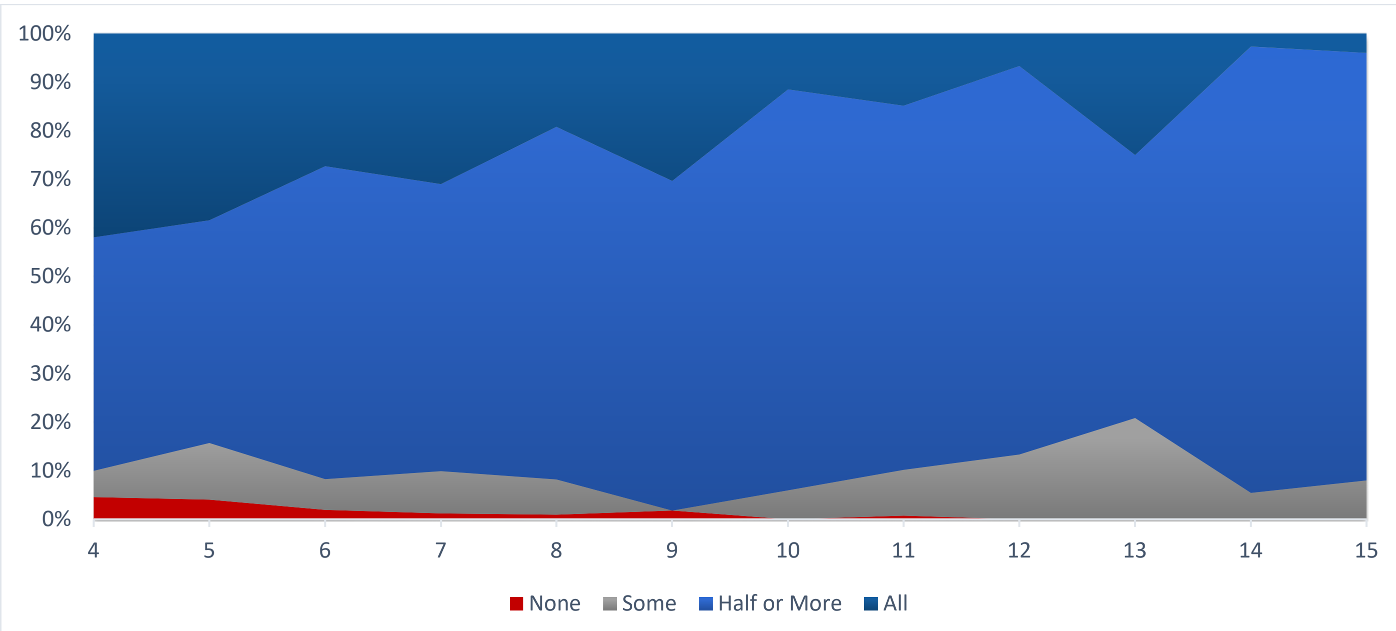
Fig. 10 | Registration Fee Waivers by Type – 2022-2023

Type of Fee Waiver	As of 12/31/22	As of 12/31/23	Change from 12/31/22
Housing Choice/Section 8	596	544	(52)
Low-Income Senior	187	174	(13)
Low-Income Disabled	65	63	(2)
HOME/Tax Credit Units	194	194	0
Owner-Occupied	1,840	1,830	(10)
Condo/Single-Family Dwelling	1,816	1,845	29
Total Fee Waiver Units	4,690	4,650	(40)

Dispersion of Market-Rate Units by Building Size

Excluding single-family dwellings and properties with three or fewer units that may qualify for exemption, 89 percent of rent-controlled properties have between 4 and 15 units. As shown in Figure 11, nearly 98 percent of these properties have units that have been rented at market rate at least once. Moreover, the top two bands in the chart indicate that by the end of 2023, on average, owners of about 92 percent of these properties had rented half or more of their units at market rate. The thin red line at the bottom of the chart represents about 1.3 percent of properties that have no registered market-rate rents. Most properties have had half or more of the units rented at market rate. Much like the properties shown here, most larger properties (16 or more units) follow this pattern with a majority of units rented at market rates.

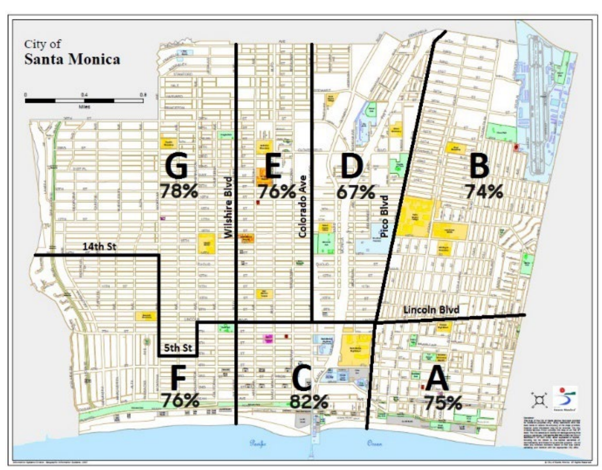
Fig. 11 | Share of Market-Rate Rentals by Property Size (4-15 Units)



Units rented at market-rate are common throughout all city areas. As shown in Figure 12, the highest percentage of units rented at market rates are in Areas C (downtown) and G (the northeast part of the city). The lowest percentage is in Area D, along the Pico Blvd. corridor, where 67 percent of units have been rented at market rates. The percentage of units at market rates increased incrementally across almost all areas from the previous year except in areas C and B. The map below shows the percentage of market rate rentals in the city areas.

Fig. 12 | Share of Market-Rate Rentals by City Area

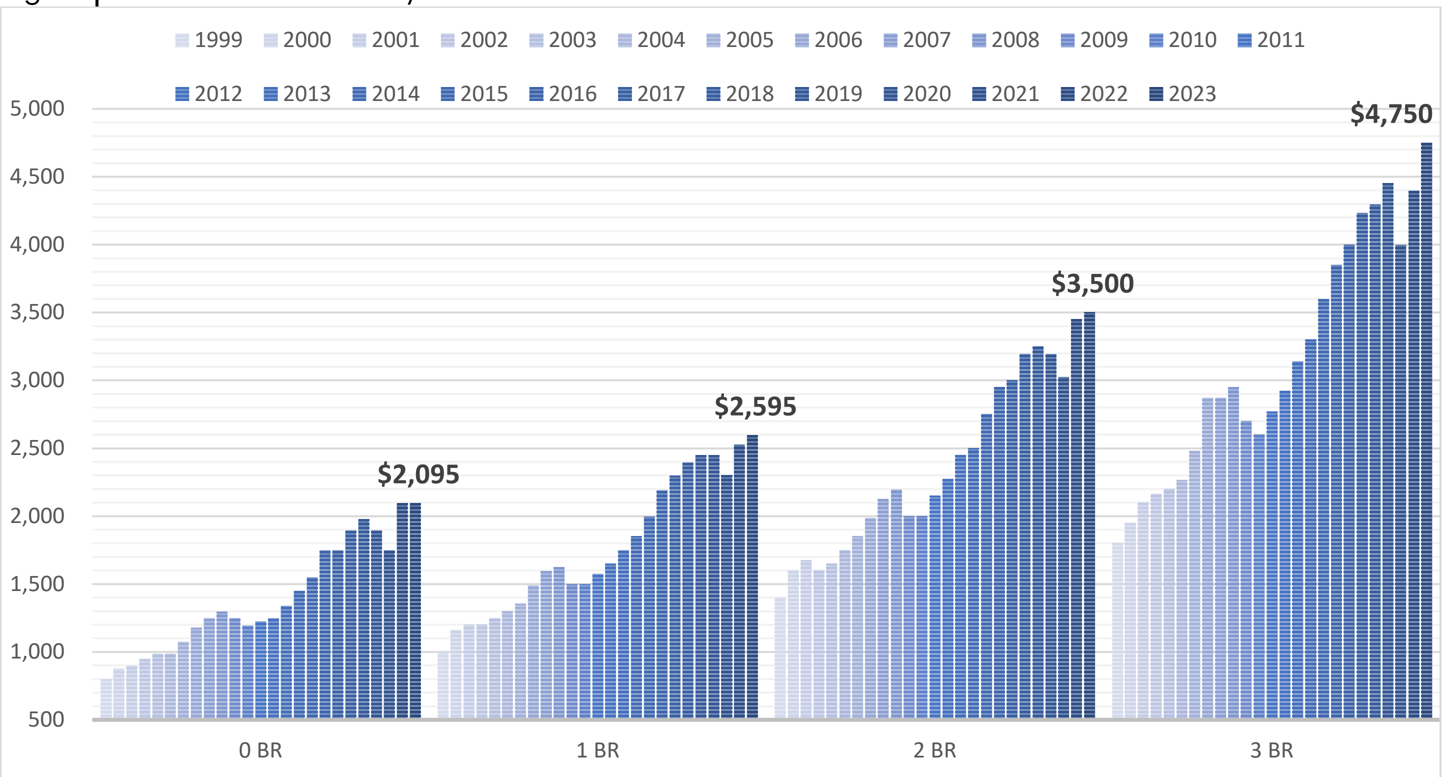
City Area	Market-Rate Units	% at Market Rates
A	3,528	75%
B	2,445	74%
C	872	82%
D	1,954	67%
E	3,863	76%
F	3,389	76%
G	4,735	78%



24-Year Median Initial Rent Review

Figure 13 shows median initial rental rates by number of bedrooms established each year since vacancy decontrol began in 1999. As mentioned above, median initial rental rates for units of all sizes have risen annually with the exception of temporary downturns during the recession in 2009 and 2010 and the pandemic in 2020 and 2021. However, in 2022, with the pandemic waning and demand for units rising, initial median rents resumed their upward trend, increasing between 10 and 20 percent depending on unit size. Median initial rents continued to rise for most unit sizes in 2023, although more modestly. Still, all-time high medians were set or met across all unit sizes.

Fig. 13 | Median Initial MARs by Number of Bedrooms



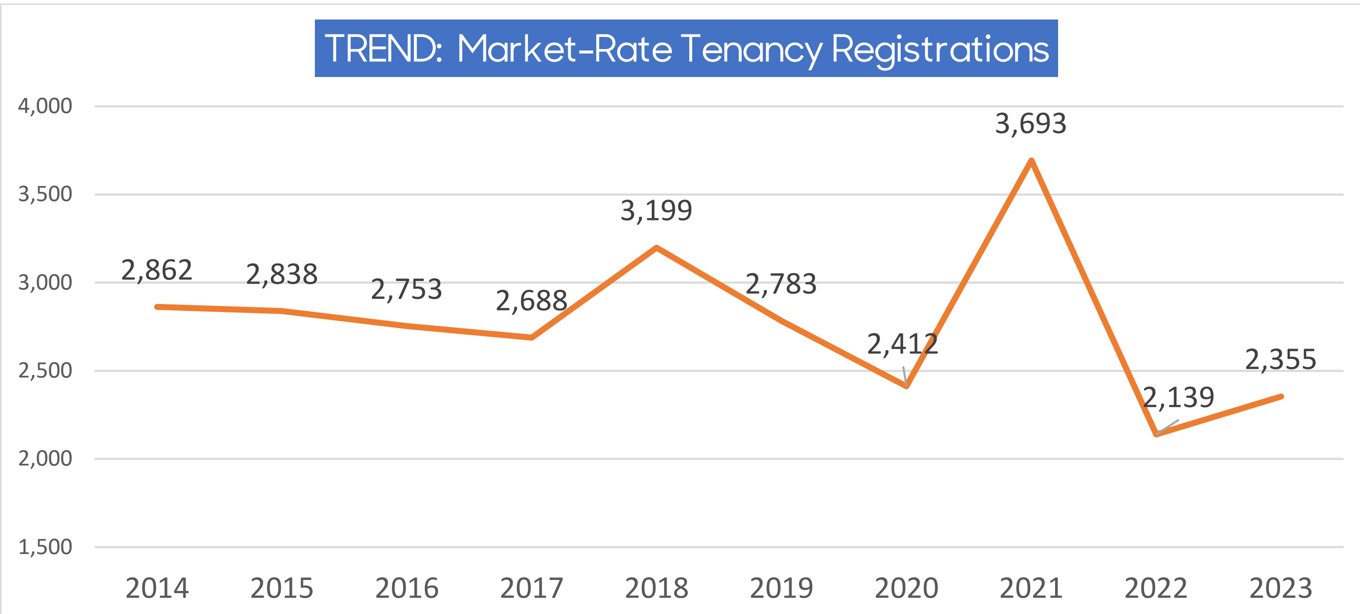
**Figures 13 – 19 exclude rentals at 1221 Ocean Ave., a luxury property with extraordinarily high rents that would distort median rents reported. Median rents for prior years may vary from previously reported amounts due to late registration of tenancies.*

Annual percentage changes by unit size for three years are shown in Figure 14. Although initial median rents for studios had fallen 7.7 percent in 2021, in 2022, they increased the most of any unit size – nearly 20 percent. In 2023, that year-on-year increase of $345 was not sustained, and the median remained flat. The median initial rent paid for 1-bedroom units, which in 2022 had jumped nearly 10 percent from the prior year, rose another $70, but not more than an additional 2.8 percent. Median rental rates for 2-bedroom units, which had declined in 2020 and 2021, similarly had a double-digit increase in 2022 but just a small rise of 1.4 percent in 2023. The median initial rental rate for units with three or more bedrooms increased by the greatest percentage of any unit size, 8.1 percent, even on top of a 10 percent rise in 2022.

These increases seem to represent a market correction after the uncertain times of the height of the COVID-19 pandemic. Despite the noticeable dip in 2020 and 2021 we can see that the upward trend in median rents has returned to a much more consistent pattern of growth we have seen since vacancy decontrol went into effect in 1999.

Fig. 14 | Changes in Median MARs by Number of Bedrooms – 2021-2023

Year	0 Bedroom	1 Bedroom	2 Bedroom	3(+) Bedroom
2021	$1,750	$2,300	$3,025	$3,995
	-7.7%	-7.1%	-6.0%	-13.2%
2022	$2,095	$2,525	$3,450	$4,395
	19.7%	9.8%	14.0%	10.0%
2023	$2,095	$2,595	$3,500	$4,750
	0.0%	2.8%	1.4%	8.1%

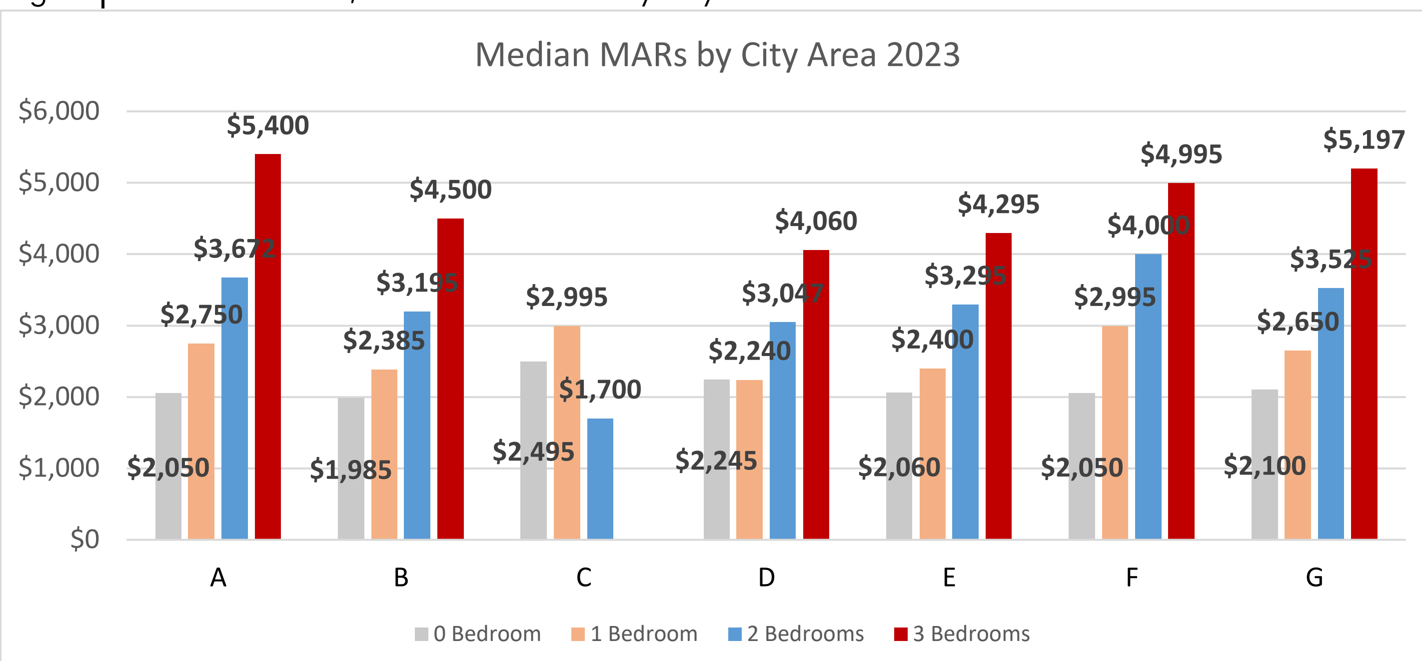


Newly Established Market-Rate Rents in 2023

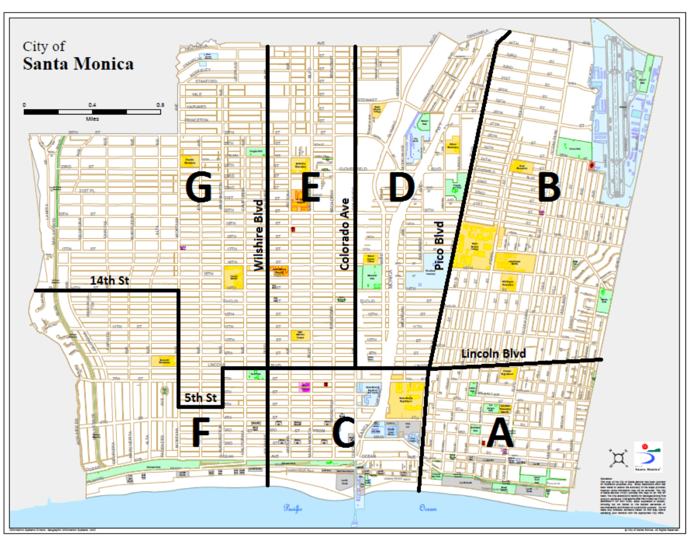
The median initial rents by city area and unit size for the 2,355 units registered as rented in 2023 are shown in Figure 15. The number of units registered as re-rented in 2023 was 9.2 percent higher than the 2,139 units registered as re-rented in 2022. Newly rented units are required to be registered within 30 days of the start of the tenancy. When the Agency learns of an unregistered tenancy, the owner is contacted and directed to submit a registration form. At year end, several hundred tenancy registrations were in review stages of the workflow process.

Median rent levels are affected by the number of rentals in each category. In any city area, the number of units rented in one year by unit size (number of bedrooms) is relatively small, resulting in significant variations in median rents. With just 2,032 total 3(+)-bedroom units in the city and only 130 of them re-rented in 2023, the medians can fluctuate significantly. The 3-year medians shown on the next page are a better representation of the market.

Fig. 15 | 2023 Initial Rents, Market-Rate Units by City Area*



No 3-bedroom units were rented in Area C in 2023



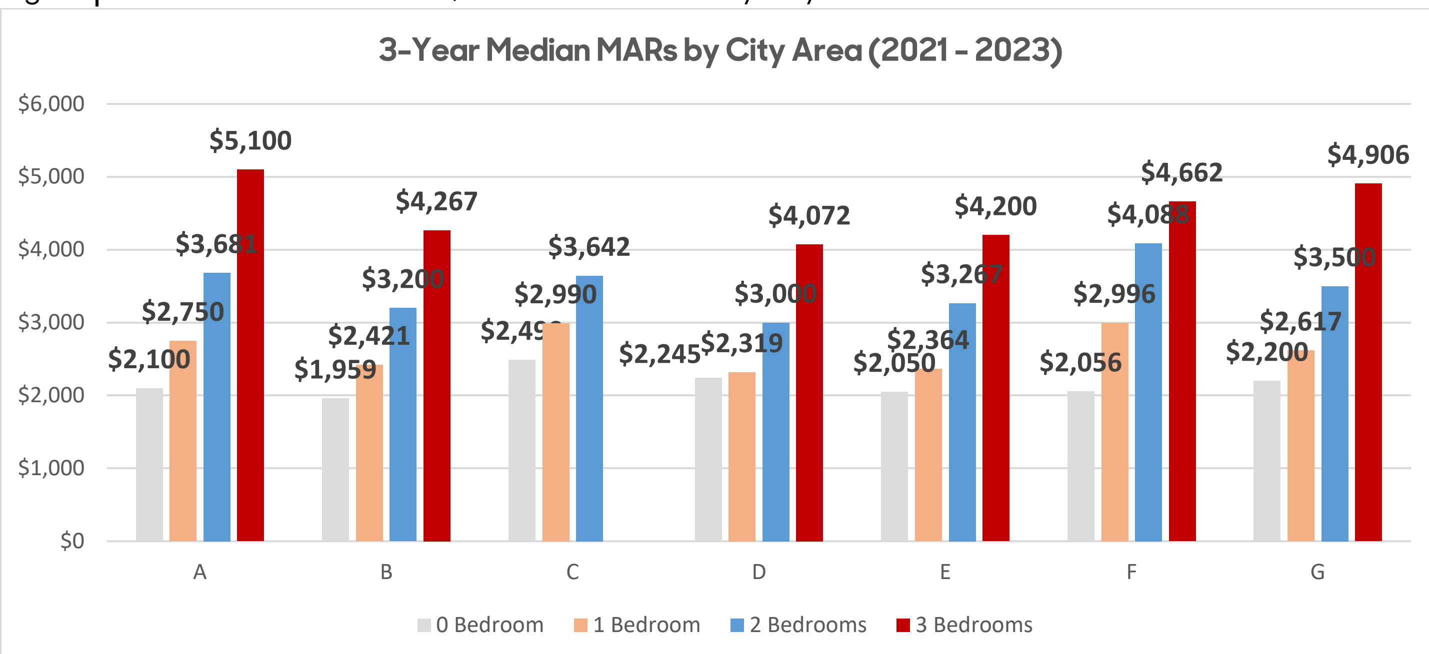
Three-Year Median MARs by City Area

Because the number of new rentals in one year in any individual city area when broken down by unit size is limited, a three-year view of vacancy increases includes a larger selection of units and provides a broader view of overall rental rates.

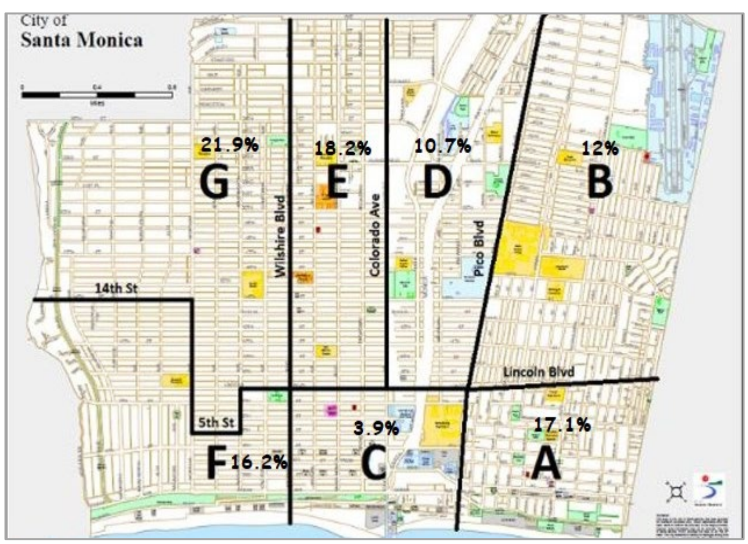
Initial rents for 8,194 tenancies beginning between 2021-2023 have been registered. Some units have been rented more than one time during the period and each of the rentals is considered here. The median rents established over this period are shown below in Figure 16.

Pursuant to Regulation 3304, in some instances the Agency uses this three-year review to establish a market-value rent for a unit when a decision is rendered that a tenant does not use the unit as their primary residence.

Fig. 16 | 2021-2023 Median MARs, Market-Rate Units by City Area*



There was no re-rental of a 3-bedroom unit in City Area C during the three-year period.



Current Median MARs – All Units

As noted, owners are required to file tenancy registration forms to register the initial rent for a unit within 30 days of renting it. This establishes the MAR for the unit and the base from which all future increases are calculated for the duration of the tenancy. For as long as an original tenant remains in place, rent increases are limited to the annual citywide general adjustments or an individual adjustment granted through a rent increase petition process. The median MARs reported in this section are those in effect on December 31, 2023.

Figure 17 shows the median MARs for all long-term units, all market-rate units, all controlled units, and units rented in 2023, regardless of unit size. Figure 18 shows the current median MARs by city area and unit size for all controlled units, regardless of when the tenancies began, as well as the citywide medians.

Fig. 17 | Median MARs of Long-Term, Market-Rate, All Controlled Units and 2023 Tenancies

Median MAR Long-Term Units	Median MAR Market-Rate Units	Median MAR All Controlled Units	Median MAR 2023 Tenancies
$1,091	$2,592	$2,313	$2,850

Fig. 18 | Median MARs of All Controlled Units by Unit Size & City Area*

City Area	0 Bedroom Units	1 Bedroom Units	2 Bedroom Units	3(+) Bedroom Units
A	$1,737	$2,348	$2,917	$2,640
B	$1,665	$1,941	$2,602	$2,716
C	$2,385	$2,458	$3,142	$5,650
D	$1,383	$1,933	$1,933	$2,697
E	$1,750	$2,055	$2,608	$2,795
F	$1,795	$2,527	$2,608	$3,800
G	$1,853	$2,277	$2,962	$3,676
CITYWIDE	**$1,795**	**$2,209**	**$2,752**	**$3,162**

Figure 19 displays by city area and unit size the difference in median rents of units depending on whether they are occupied by long-term or market-rate tenants. The long-term median MARs are for units still occupied by tenants who moved in before January 1, 1999. There is a marked difference across all units and city areas between long-term and market-rate medians. Market-rate median rents across the city are close to 150 percent higher than long-term median rents for all categories except 0-bedroom units which are 122.5 percent higher.

Fig. 19 | Median MARs by Unit Size & City Area: Long-Term Units vs. Market-Rate Units*

Area	0 Bedroom Units			1-Bedroom Units			2 Bedroom Units			3 Bedroom Units		
	long-term	market-rate	diff.	long-term	market-rate	diff.	long-term	market-rate	diff.	long-term	market-rate	diff.
A	$819	$1,826	$974	$1,007	$2,540	$1,444	$1,278	$3,337	$1,948	$1,454	$3,903	$2,327
B	$746	$1,742	$807	$889	$2,154	$1,126	$1,058	$2,832	$1,622	$1,490	$3,327	$1,539
C	$940	$2,485	$1,507	$907	$2,918	$1,928	$984	$3,142	$2,360	*	*	*
D	$760	$1,637	$802	$858	$2,104	$1,139	$928	$2,547	$1,463	$1,191	$3,532	$2,070
E	$821	$1,795	$904	$904	$2,175	$1,142	$1,183	$2,862	$1,530	$1,526	$3,750	$2,091
F	$965	$1,887	$915	$1,106	$2,700	$1,471	$1,183	$2,862	$1,859	$1,772	$4,385	$2,664
G	$856	$1,953	$976	$961	$2,416	$1,337	$1,296	$3,200	$1,774	$1,684	$4,247	$2,405
CITY WIDE	$847	$1,885	$1,038	$961	$2,363	$1,402	$1,212	$3,050	$1,838	$1,537	$3,947	$2,410

** Aside from 1221 Ocean Ave., there are only five 3-bedroom units in Area C, so the median is not reported here.*

Current Market-Rate MARs by Year of Tenancy Compared to 2023 Median Initial Rents

As Figure 19 above shows, vacancy decontrol results in much higher median MARs for tenants who moved in after January 1, 1999, as compared to MARs for long-term tenants. For tenants who stay in place, the rent control law limits annual rent increases to 75 percent of the annual change in inflation. Figures 20 through 23 show the difference between current MARs (by unit size and the year a current tenancy started) for comparable units and the median initial rents set in 2023. These figures are based on the median initial MAR for each unit size depending on the year the units were rented and assumes owners have taken all available annual rent increases. As in the previous section, MARs as of December 31, 2023 are used.

Fig. 20 | 0-Bedroom Units: Amount Current Median MAR Varies from the 2023 Median Initial Rent of $2,095

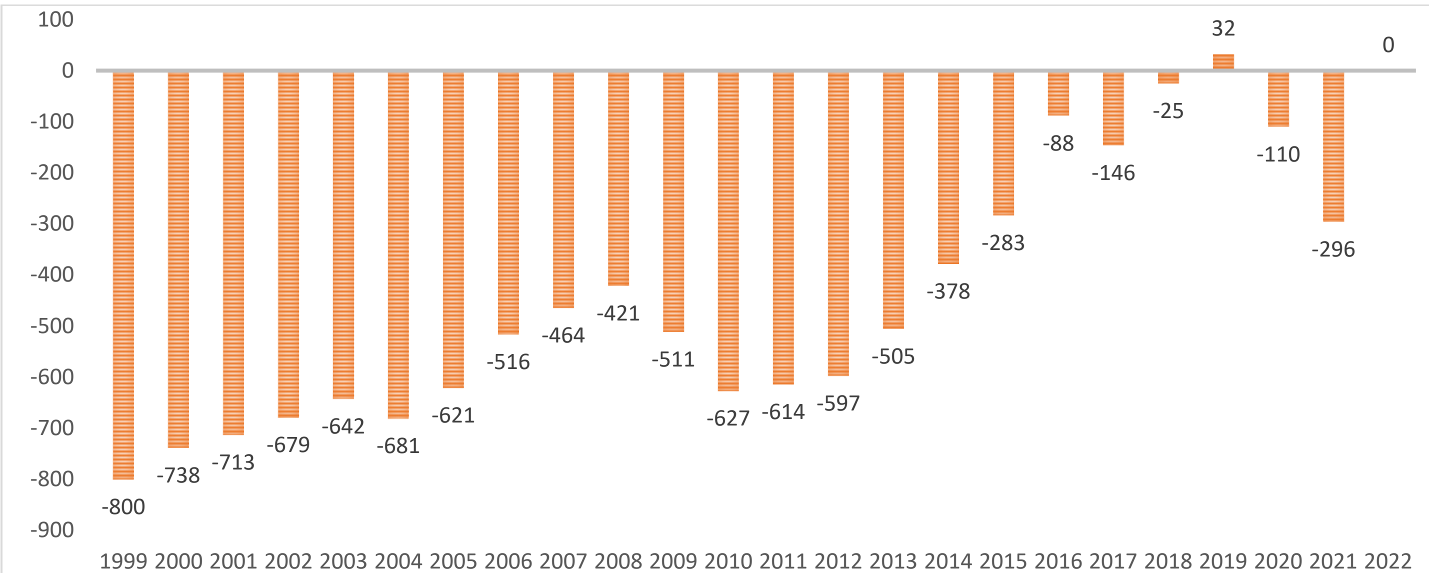


Fig. 21 | 1-Bedroom Units: Amount Current Median MAR Varies from the 2023 Median Initial Rent of $2,595

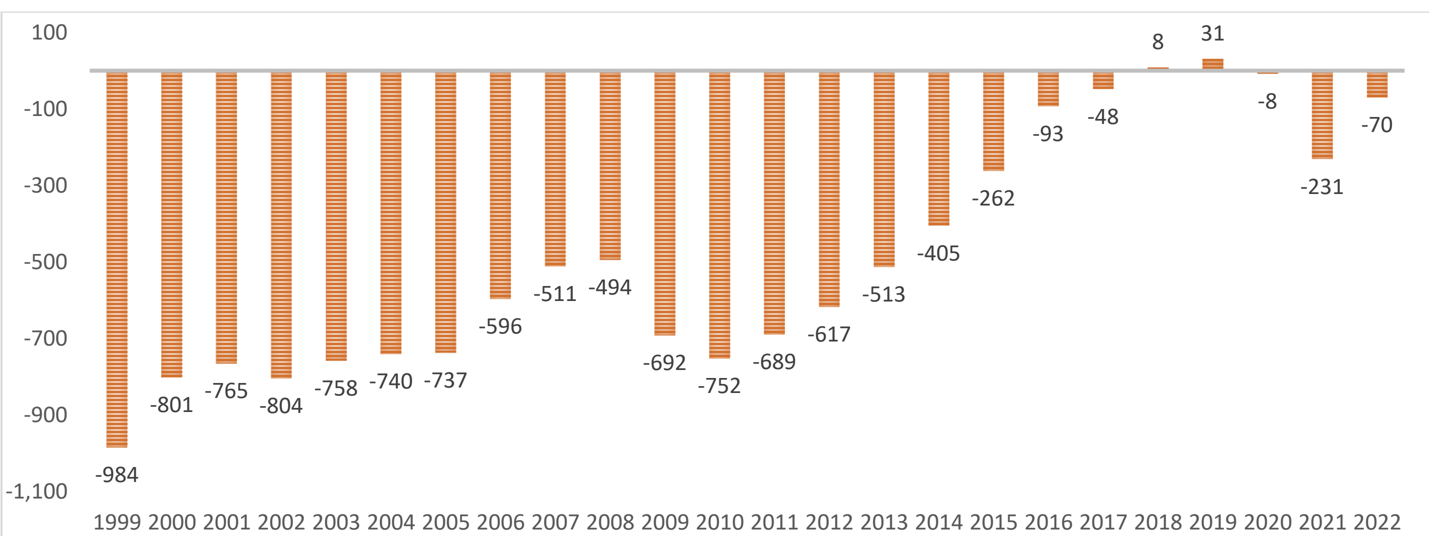


Fig. 22 | 2-Bedroom Units: Amount Current Median MAR Varies from the 2023 Median Initial Rent of $3,500

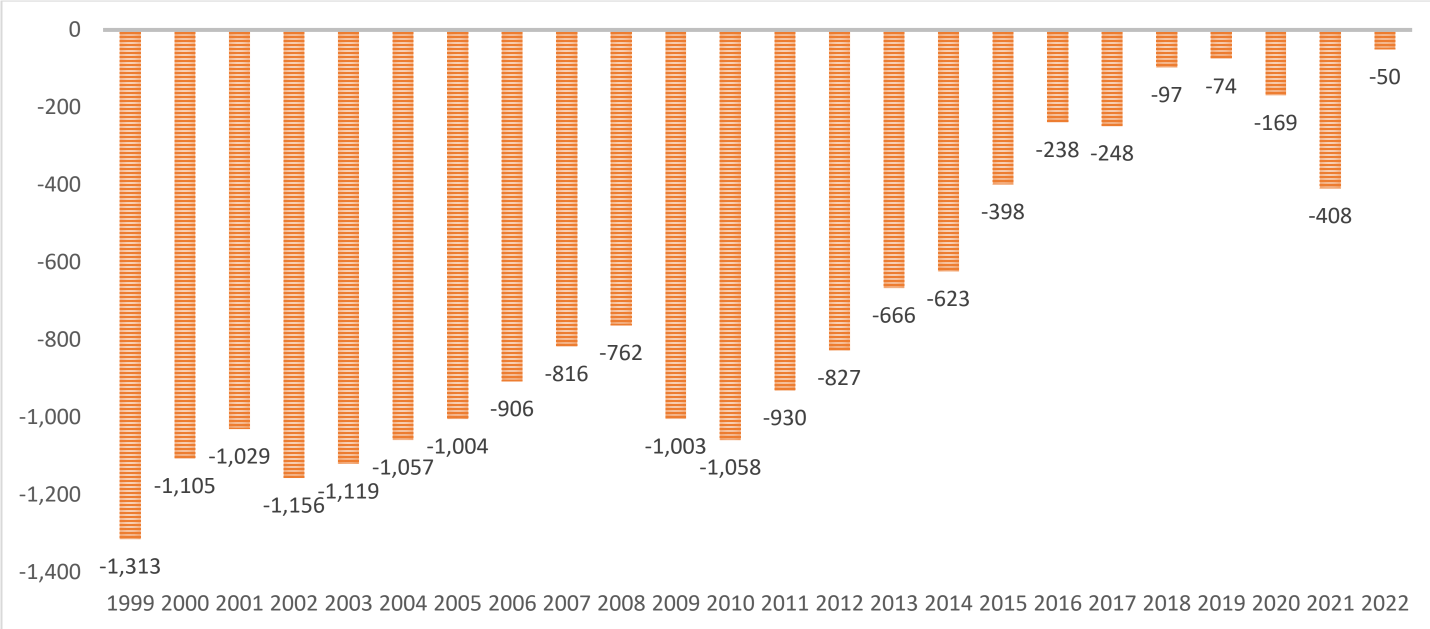
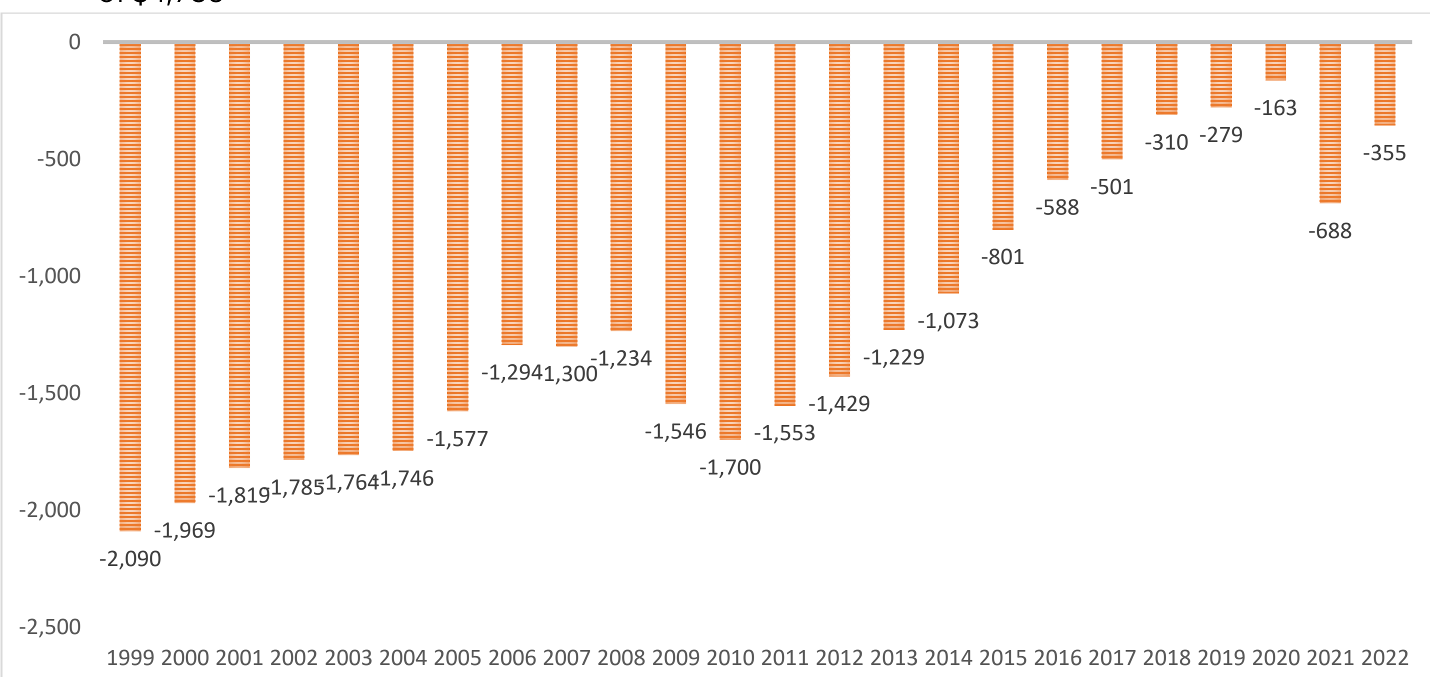


Fig. 23 | 3(+)-Bedroom Units: Amount Current Median MAR Varies from the 2023 Median Initial Rent of $4,750



Affordability Analysis

Figure 24 shows the median MARs for all controlled units rented at market rate in 2023. It also shows the income needed for the rent to be considered "affordable." With the exception of studio apartments, for the median rent for any sized unit to be considered affordable, a six-figure household income is needed. The California Department of Housing and Community Development (HCD) reports that Area Median Income (AMI) for a four-person household in the greater Los Angeles area increased from $91,000 in 2022 to $98,200 in 2023

Assuming the U.S. Department of Housing and Urban Development (HUD) standard that housing is "affordable" if no more than 30 percent of a household's income is spent on housing, only a studio in Santa Monica is affordable to a household making the area's median income. To afford a studio, household income would need to be more than $83,800, and to afford a 3-bedroom apartment, household income would need to be around $190,000. By HUD affordability standards, a family of four would need income of at least $41,800 more than the AMI to afford a 2-bedroom unit. To afford the median priced 3-bedroom or larger sized unit, a household would need $91,800 more than the AMI. If two individuals living together each made a full-time salary based on Santa Monica's Living Wage Ordinance ($19.73 per hour / $41,038 per person per year / $82,076 per household per year), they would be paying just over 30 percent (30.63%) of their gross income to rent a median market-rate 0-bedroom unit.

Although the U.S. Census Bureau reports the median household income for Santa Monica is higher than the Los Angeles AMI noted above, many current Santa Monica households could not afford today's market-rate rents. As prices rise from year to year throughout the region, many Santa Monica households cannot afford to move to other places in Los Angeles, let alone within the city.

Fig. 24 | Income Needed to Afford a Market-Rate Unit[1]

Bedrooms	HUD factor	Market-Rate Median MAR	Income Needed
0	0.3	$2,095	$83,800
1	0.3	$2,595	$103,800
2	0.3	$3,500	$140,000
3	0.3	$4,750	$190,000

Calculation: MAR x 12 months ÷ [.30 affordability factor] = Income Needed.

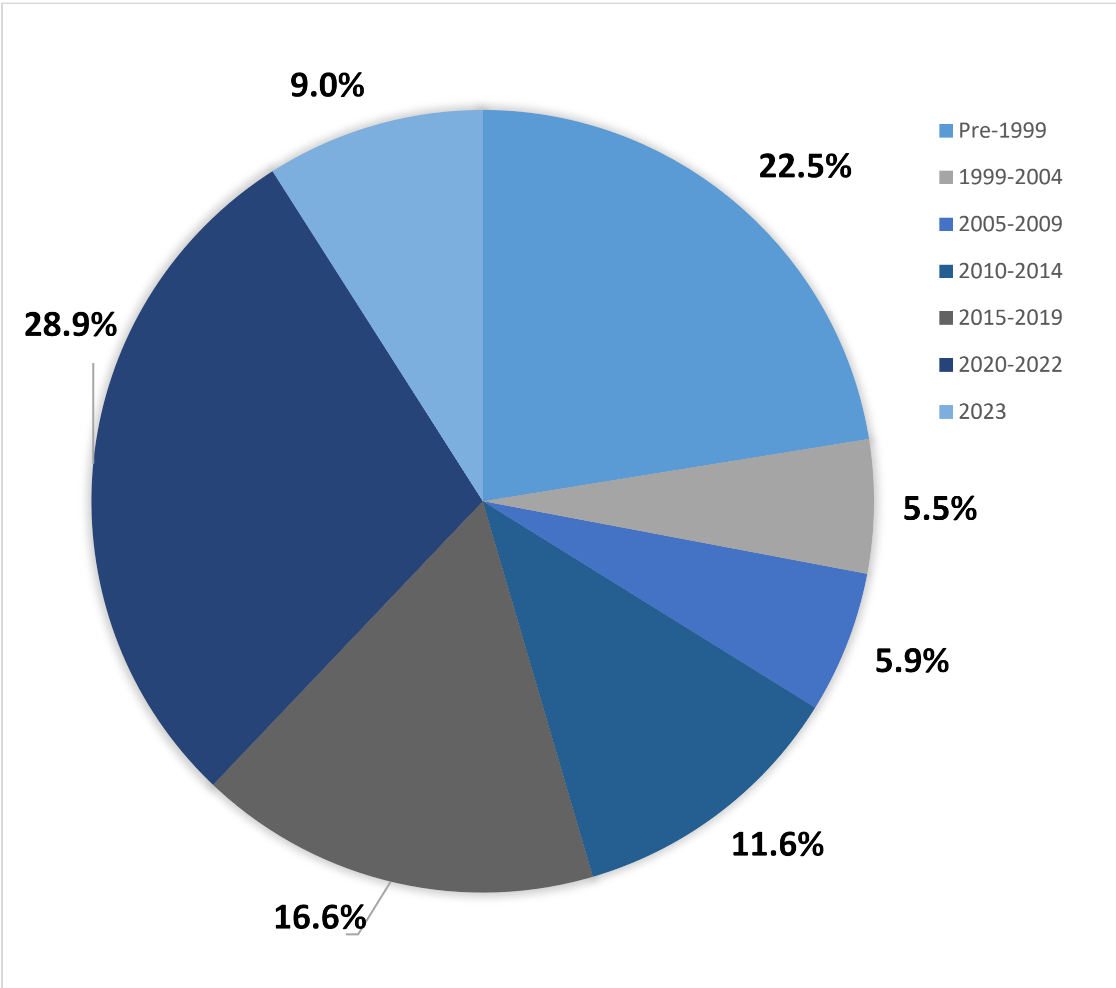
In 1998, prior to vacancy decontrol, about 84 percent of units were affordable to low-income households. That number is less than four percent today. Most of these roughly 1,000 units remain affordable only because they are on properties that are required by agreements with governmental agencies to provide low-income housing. In contrast, the rents for only about 16 percent of units in 1998 required household incomes at 110 percent of AMI or higher, whereas today, that number is above 95 percent.

[1] Previous reports applied household size adjustment factors to calculate the income needed to afford units. However, household size is only a consideration used to determine the maximum income households of various sizes are allowed to qualify for affordable housing programs. Calculations here show only the minimum amount a household (no matter its size) would need to pay the median rent shown assuming it spends only 30 percent of income on rent.

Units Occupied by Year of Tenancy / Turnover

The years in which current tenancies started are shown in Figure 25. This figure excludes units with no rental history as well as Housing Choice and other affordable housing fee waiver units, so the share of long-term and market-rate units differs slightly from Figure 6. Less than a quarter of currently controlled units are occupied by tenants who moved in before 1999. Given the scarcity of affordable housing options, it is not surprising that long-term tenants are remaining in their current residences. On the other hand, high turnover is notable for tenants who've moved in recently, continuing the trend in recent years.

Fig. 25 | Controlled Units by Years Occupied



More than half of controlled units (54.5 percent) are occupied by tenants who moved in between 2015 and 2023. More controlled units are occupied by tenants who moved in since the COVID-19 pandemic began (37.9 percent) than are occupied by tenants who have lived in their units since 2011 or before (37.8 percent). It is a goal of the Agency to ensure that new tenants understand their rights under the rent control law. To accomplish this, in 2017 the Board adopted a regulation requiring owners to provide an Agency-produced information sheet about rent control to all new tenants upon lease signing.

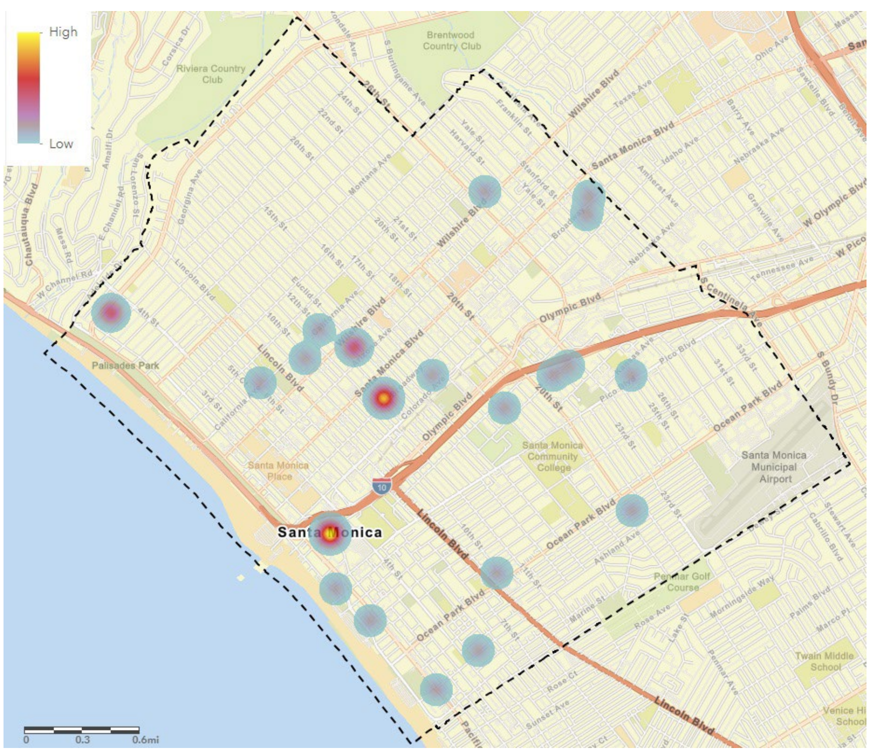
With starting rents at rates that would not be affordable for many tenants, and without deep roots in the community, recent tenants appear more mobile. Tenants who have been renting in Santa Monica for a longer time likely feel connected to the community and realize the financial benefits of remaining in place. Additionally, they may not be able to afford to move given overall housing unaffordability in the Los Angeles area.

Buyout Disclosure and Agreements

Although not a direct effect of vacancy decontrol, as initial rents climb steadily from year to year, some owners have sought to replace long-term or even earlier market-rate tenancies with new ones with higher base rents. In response to concerns that Santa Monica's heated real estate market was leading some landlords to coerce tenants in rent-controlled units into signing buyout agreements in order to open up a unit to be rented at market rate, the City Council enacted provisions related to these agreements to be followed when a tenant voluntarily moves out of a rent-controlled unit in exchange for a negotiated payment. Before any buyout discussion, landlords must inform tenants of certain rights, including the right to consult a lawyer about whether to enter into a buyout agreement and the right not to enter into discussions at all.

The law also seeks to discourage abuse by requiring mandatory filing of the agreements, including amount paid, with the city. The Board compiles and publicizes this information to inform tenants who have been approached to discuss a potential buyout. The Rent Control Board developed a form for owners to provide to tenants that includes the disclosure of their rights with respect to a buyout. Landlords are required to provide the form to tenants before making a buyout offer. To protect individual privacy concerns, the Board required the buyout agreements to be maintained in a file separate from other publicly accessible data, and to provide the data to the public in an aggregate manner, such as on a neighborhood basis instead of by specific property and by unit size.

In 2023, the Board received 37 buyout agreements – a noticeable uptick compared to the last three years but still not returning to pre-pandemic levels. The average buyout amount of $53,711 in 2023 was, however, the second highest since tracking began in 2015. This could be an effect of the Board's reporting on buyout offers. Tenants have more information now regarding the value of their units and what other tenants have considered a fair price. The data reported below is based on city area and unit size. The numbers are updated on the Agency's website each quarter. There is also a downloadable file with data on all registered buyouts.



The heat map to the left shows the approximate locations of buyout agreements that were entered into in 2023.

Due to the anonymity of buyout agreements, we do not share the exact addresses but instead round the address to the nearest block.

This heat map helps visualize the areas where buyout agreements happened, with a red or yellow glow indicating greater numbers of buyouts.

Fig. 26 | Buyout Offers by City Area, Unit Size, and Year

Unit Size	# Filed	Average
0 Bedroom	3	$35,856
1 Bedroom	9	$55,962
2 Bedrooms	9	$52,046
3(+) Bedrooms	0	
Total	37	$53,711

City Area	# Units	Average
A	5	$44,328
B	2	$21,525
C	0	
D	4	$38,750
E	12	$71,471
F	10	$48,650
G	4	$55,865
Total	37	$53,711

Year	# Filed	Average
2023	37	$53,711
2022	24	$43,496
2021	25	$37,714
2020	22	$35,693
2019	73	$40,807
2018	63	$54,611
2017	53	$35,813
2016	52	$28,069
2015	40	$27,435

IMPACT OF THE ELLIS ACT

The Ellis Act is a state law that allows owners to exit the rental housing business by evicting tenants and withdrawing rental units from the housing market. Owners' use of the Ellis Act has reduced the controlled housing stock, caused the displacement of renters, including many seniors and disabled tenants, and worked against the City's efforts to provide affordable housing. Some owners have misused the process to only temporarily withdraw from the rental housing business and re-enter when higher market-rate rents could be charged. This report surveys the Ellis Act's cumulative effects in Santa Monica since its enactment in 1986, with emphasis on Ellis activity during 2023. A COVID-19 eviction moratorium limiting no-fault evictions through the first quarter partially curtailed Ellis activity, as it had during the height of the pandemic.

Historical Ellis Activity

As shown in Figure 27, in the 37 years since the Ellis Act was enacted, 691 properties containing 3,340 units have been withdrawn from Santa Monica's rental housing market. Thirty percent of the withdrawn units (1,016 units on 187 properties) were eventually returned to residential rental use and are again subject to the rent control law. Accounting for these re-rentals, there has been a net loss of 2,324 units on 504 properties since 1986.

Fig. 27 | Controlled Rental Units Withdrawn and Returned to Controlled Status

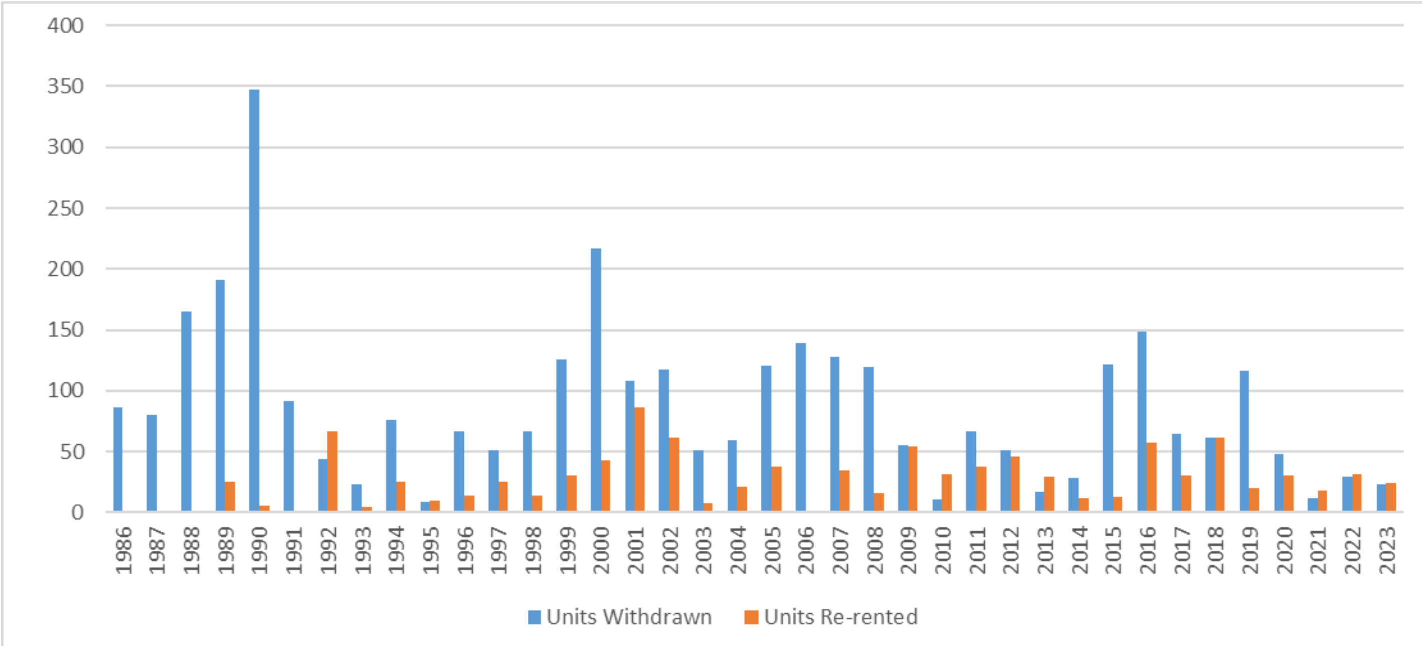
Status	Properties	Units
Withdrawn from the rental market	691*	3,340*
Returned to the market and under rent control	187**	1,016
Net loss before redevelopment	504	2,324
	Properties	Units
Controlled after property redevelopment	15	258
Total net loss due to Ellis activity	489	2,066

**One property with two units had been withdrawn and re-rented previously, so its withdrawal again in 2023 is not counted here.*

***One property that returned to the market is not included because only some units were withdrawn, and the property's status remained controlled.*

In addition to the 187 properties returned to the rental market, 15 withdrawn properties were redeveloped with multifamily housing, and units were offered for rent within five years of the Ellis withdrawal date. The Ellis Act and Santa Monica's regulations provide that under these circumstances, the newly constructed units are subject to the rent control law. The 258 controlled units built on these properties offset the total units lost to Ellis activity. With the addition of these controlled units, the total net loss is reduced from 2,324 to 2,066 units. The historical withdrawal of properties and subsequent re-rentals are displayed graphically in Figure 28.

Fig. 28 | Controlled Rental Units Withdrawn and Re-rentals Returned to Controlled Status



Historical Ellis Activity by City Area

The Agency segments the city into seven areas that roughly parallel the city's neighborhoods to look at impacts across the city. The "Share of Units Ever Withdrawn (W/D)" column in Figure 29 shows that overall withdrawal activity has been highest in City Areas E (mid-City) and G (the northeast portion of the city). Approximately 22 percent of all withdrawals have occurred in each of these areas. When the 1,016 units that were returned to the rental market are accounted for, City Areas C (downtown) and E show the largest share of currently withdrawn units, as indicated in the "Share of Units Curr. W/D" column. This has been the case for at least the past 10 years.

Fig. 29 | Percent of Withdrawn (W/D) Units by City Area

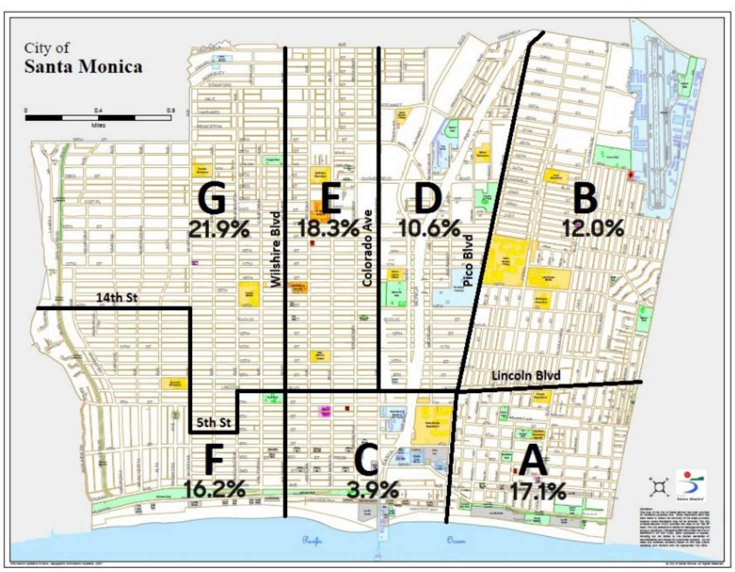
City Area	Units Ever W/D	Share of Units Ever W/D	Returned Units	Units Curr. W/D	Share of Units Curr. W/D	% Of All Units in Area
A	488	14.6%	131	357	15.4%	7.0%
B	270	8.1%	110	160	6.9%	4.6%
C	541	16.2%	27	514	22.1%	32.5%
D	168	5.0%	44	124	5.3%	4.1%
E	747	22.4%	223	524	22.5%	9.4%
F	401	12.0%	177	224	9.6%	4.8%
G	725	21.7%	304	421	18.1%	6.5%
Total	3,340	100%	1016	2,324	100%	

The number of withdrawn units relative to the number of controlled units in each city area shows the areas of the city experiencing the largest percentage loss of controlled units. As the right column in Figure 29 shows ("% of All Units in Area"), the relative impact of Ellis withdrawals has been greatest in City Area C (downtown) where nearly one-third of once-controlled units have been withdrawn and which has the lowest concentration of controlled units. These properties consisted primarily of single room occupancy units withdrawn in the earliest years of Ellis activity. The percentage of withdrawn units per area was lowest in City Area D along the Pico Blvd. corridor, where just 4.1 percent of units in the area have been impacted, followed by Areas B and F, also with less than five percent of units withdrawn.

About one-third of Ellis withdrawals have been on smaller properties of four or fewer units, although there is variation by city area. (Properties consisting of three units or less are eligible for temporary owner-occupied exemptions but the property cannot be demolished.) In 2023, Ellis Notice of Intents (NOI) were initiated on 21 units which were four or fewer units on the properties. The share of units withdrawn on small properties by city area is shown in Figure 30. City Areas A, B and D have the highest concentration of smaller properties that have been withdrawn (these areas have among the lowest withdrawal percentages of units as shown in Figure 29). Since the Elis Act began, 35 percent of withdrawn units have been on properties with four or fewer units. In 2023, Notices of Intent to Withdraw were filed on eight properties with four or fewer units.

Fig. 30 | Percent Withdrawn on 4-Unit or Fewer Properties

City Area	Units Ever Withdrawn	Units Withdrawn on Properties with 4 or Fewer Units	Share of Withdrawn Units on Properties with 4 or Fewer Units
A	488	244	50%
B	270	172	64%
C	541	51	9%
D	168	114	68%
E	747	279	37%
F	401	58	14%
G	725	242	33%
Total	3,340	1,160	35%



Ellis Activity in 2023

With COVID-19 eviction moratoria ending April 1, 2023, it was expected that there would be an uptick in Ellis withdrawals that had been prohibited since 2020. In the five years prior to the pandemic, the average number of withdrawals was 98 per year. However, the uptick never materialized. Owners who had withdrawn units during the moratoria, were nevertheless allowed to initiate eviction actions of tenants who remained housed beginning April 29, 2023. Yet, owners began the withdrawal process on only eight properties containing a total of 21 units (See Figure 32 on page 35.) which was almost identical to the number withdrawn in 2022. There may be a variety of reasons why more Ellis withdrawals may not have materialized in 2023. Reasons may include the lingering effects of the pandemic, high inflation, rising interest rates, SB330's limitations on downzoning, the permitting of ADUs (accessary dwelling units), and record high rent for new tenancies as reported in the *Impact of Market-Rate Vacancy Increases* section of this report could be factors in why owners may not have an incentive to Ellis. In any case, it has preserved the existing housing stock and prevented the eviction of tenants.

As part of the Ellis withdrawal procedure, staff completes an onsite inspection if the Notice of Intent to Withdraw (NOI) states the units are vacant or owner-occupied. Staff also reviews the NOI to ensure compliance with the law. Two owners received notices of defects in their withdrawal fillings. The defects were cured within 15 days, and the properties were allowed to continue withdrawal. Only four of the eight properties that started the withdrawal process in 2023 completed it by the end of the year, affecting 11 units. One property with four units is not added to the count of withdrawn properties because it was its second withdrawal.

Two properties in City Area A had owner-occupied exemptions, which temporarily exempt the properties from Rent Control's jurisdiction while the property owners maintain them as their principal place of residence. Since these properties will not be allowed to demo with this type of exemption, the only option for demolition is to withdraw the property. Both properties have pending demolition permits in the pipeline.

In addition, there were four properties (16 units) where owners initiated the withdrawal process in 2022 and completed it in 2023. One owner rescinded the Ellis withdrawal, and this property with two units did not complete the process of withdrawal. Combining those that started the process in 2022 with those that started and completed it in 2023, Ellis withdrawals were completed on eight properties containing a total of 27 units in 2023.

Overall, there were 27 units withdrawn during the year and 24 formerly withdrawn units rerented, leaving a net loss of three units. This compares to 2022 when 29 units completed withdrawal and 32 returned to the market. Since Ellis activity began, the number returned exceeded the number withdrawn only in six years.

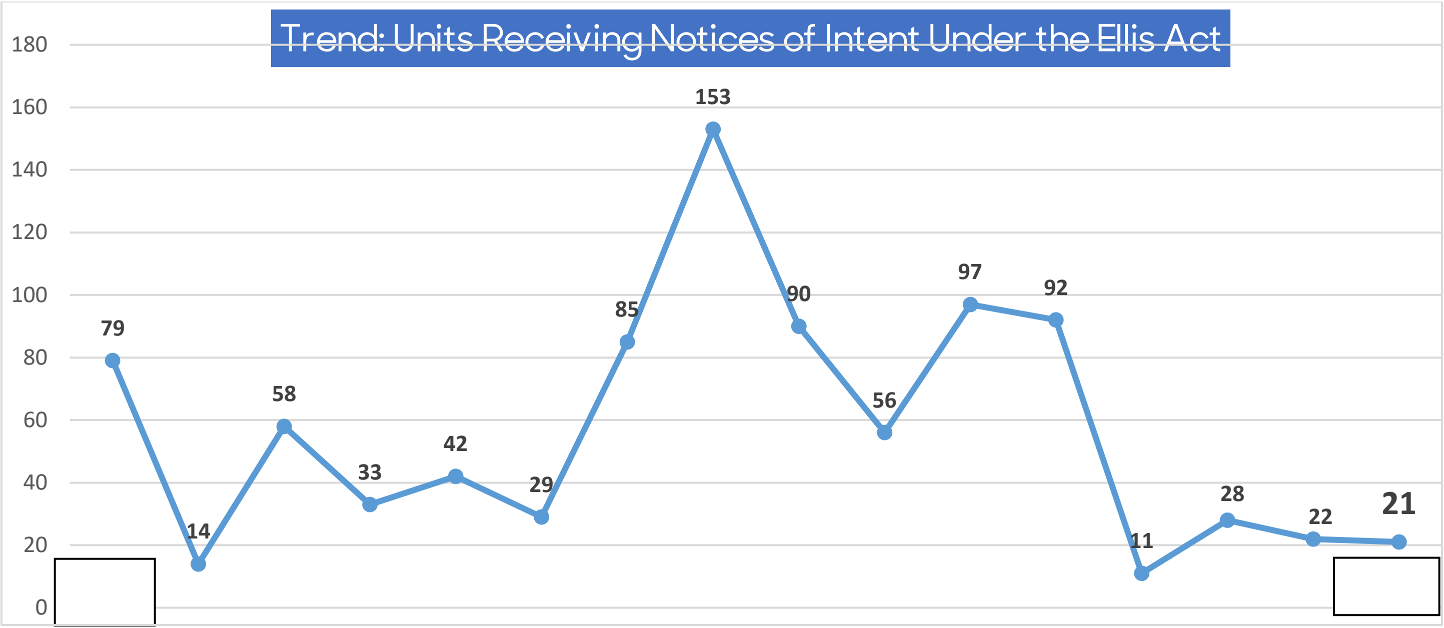
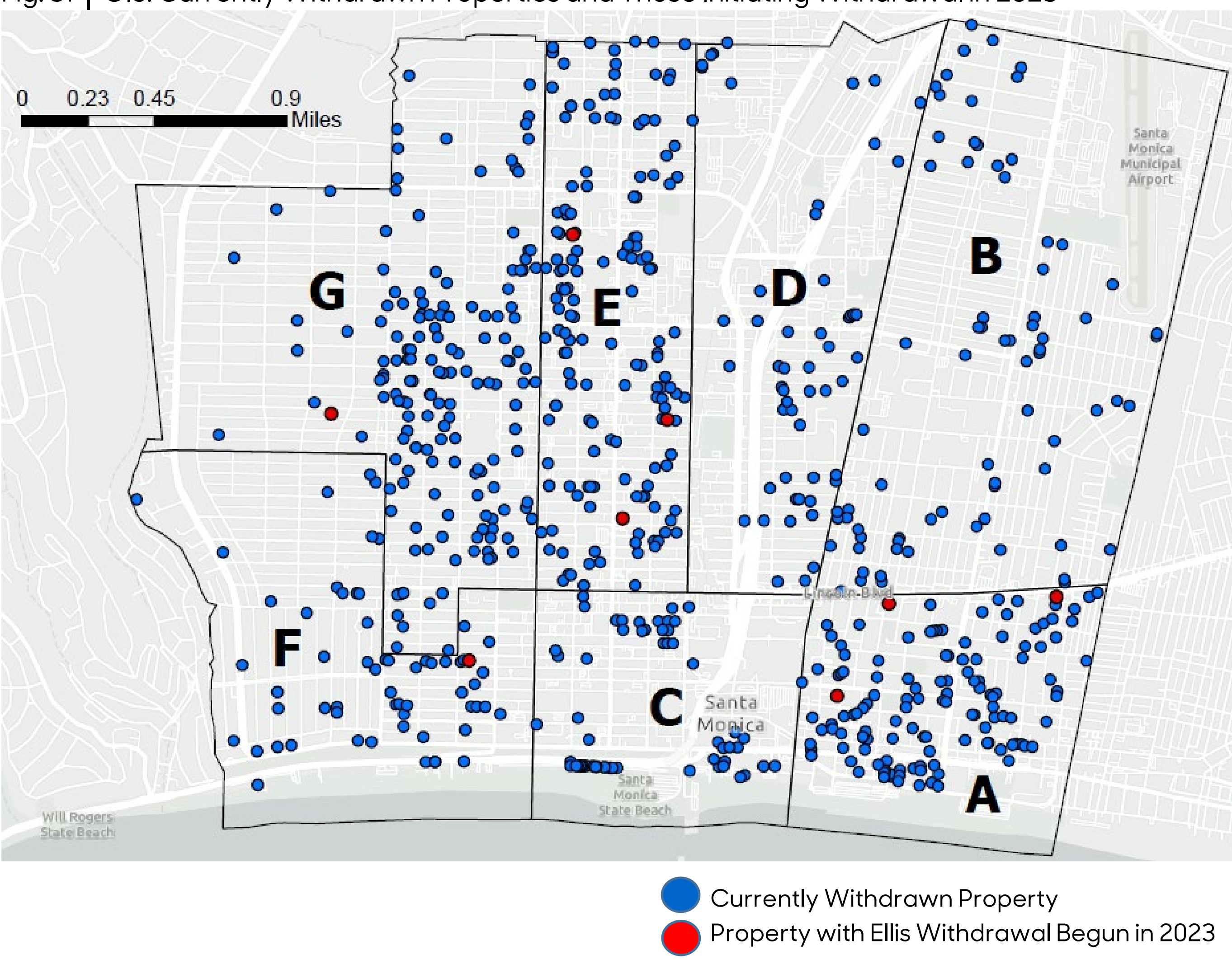


Fig. 31 | GIS: Currently Withdrawn Properties and Those Initiating Withdrawal in 2023



Occupancy of Units

As shown in Figure 32, 9 of 21 units (42 percent) on which the Ellis process was started in 2023 were family occupied, seven units were tenant occupied, and five units were vacant. Of the 11 units on which the withdrawal process was started and completed in 2023 and the 16 units on which the withdrawal process began in 2022 and completed in 2023, only one unit was tenant occupied. That tenant qualified for the one-year extension before being displaced because they were senior or disabled.

Fig. 32 | Status of Properties at End of 2023 on which Notices to Withdraw were Filed in 2023

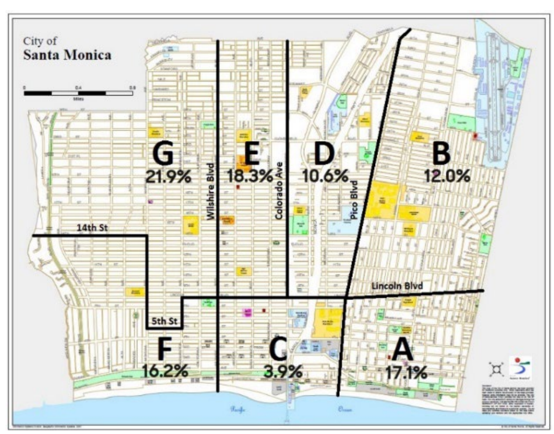
	Location	City Area	Filing Date	Date Withdrawn/ Pending	Units Rcvng. NOI	Vacant	Family Occupied	Evictions	Senior/ Disabled Tenants	Long Term Tenants	Market-Rate Tenants
1	Strand St	A	1/4/2023	5/4/2023	2	0	2	0	0	0	0
2	Chelsea Ave	E	1/26/2023	5/26/2023	4	0	4	0	0	0	0
3	11th St	E	2/2/2023	6/2/2023	3	3	0	0	0	0	0
4	16th St	E	3/7/2023	7/5/2023	2	2	0	0	0	0	0
5	5th St	F	5/31/2023	Pending	4	0	0	4	2	1	3
6	Pier Ave	A	6/1/2023	Pending	2	0	0	2	1	2	0
7	16th St	E	11/2/2023	Pending	2	0	2	0	0	0	0
8	Bicknell Ave	A	11/10/2023	Pending	2	0	1	1	1	1	0
	Total				21	5	9	7	4	4	3

Ellis Activity in 2023 by City Area

Properties on which withdrawal notices were submitted in 2023 were again located in just three of the seven city areas, as shown in Figure 33. Six units were in City Area A (Ocean Park), eleven units were in City Area E (Mid-city), and the remaining four units were in City Area F (north of downtown). Ellis withdrawals in 2022 were similarly initiated in just three city areas: six units in City Area A; six units in City Area D (the Pico neighborhood); and ten units in City Area E. City Area C (downtown), which has the lowest concentration of controlled units, has had the least withdrawal activity recently, with none since 2019.

Fig. 33 | Notices of Withdrawal by City Area – 2022 and 2023

City Area	Units w/ NOI In 2022	%	Units w/ NOI in 2023	%
A	6	27%	6	29%
B	0	0%	0	0%
C	0	0%	0	0%
D	6	27%	0	0%
E	10	45%	11	52%
F	0	0%	4	19%
G	0	0%	0	0%
	22	100%	21	100%



Units Returned to Rent Control Jurisdiction in 2023

Four formerly withdrawn properties containing twenty units were returned to residential rental use. One fourteen-unit property, where four of the units had been withdrawn, also was re-rented, bringing a total of 24 units returning to the residential rental housing market in 2023, as shown in Figure 34, below. Before owners may re-rent withdrawn accommodations, they must inform the Board of their intent to re-rent. Only two owners of the five re-rented properties complied with this requirement and filed a Notice of Intent to Re-rent Withdrawn Accommodations with the Agency. The other three properties were brought back by the Board, as described in the enforcement section of this report.

City ordinances require that an owner obtain an occupancy permit from the City Planning Division for any use of a withdrawn property, including re-rental. Because these units returned to the rental market, these properties are no longer reported in the Post-Ellis Use summaries in Figures 35 and 36 below.

Fig. 34 | Units Returned to Rental Housing Use in 2023

Location	Area	Withdrawn date	Re-Rental Date	Units	Households Displaced
20th St.	D	4/20/2022	3/8/2023	1	0
10th St.	E	11/22/2018	5/11/2023	10	3
17th St.*	G	7/12/2018	8/24/2023	4	3
2nd St.	F	9/22/1990	9/21/2023	5	5
23rd St.	E	4/18/1992	11/10/2023	4	2
Total				24	13

* Four of fourteen units were returned to the Board's jurisdiction.

The Agency records a Notice of Restrictions with the county recorder on each withdrawn property. The Notice of Restrictions bind all owners and successors in interest. As required by the Ellis Act, if a property is returned to the rental market within 10 years of withdrawal, the owner must first offer the units to the displaced tenants. If units are returned to rental within five years of withdrawal, the controlled maximum allowable rent plus intervening annual general adjustments apply. If units are returned to rental more than five years after withdrawal, they may be offered at market rate.

Fifteen formerly withdrawn units returned to the Rent Control Board's jurisdiction within the 10-year restriction period in 2023. At the time of withdrawal, only six of these units were tenant occupied. All six tenant households that had been displaced were notified by staff that the properties were being re-rented. Three displaced tenants on the 10th Street property were offered their units back at the rent they had been paying (adjusted with annual increases) because of a litigated settlement agreement. On the second property, one of the three displaced tenants indicated their desire to re-rent their former unit. Because the property was being returned to the rental market more than five years after withdrawal, the owner of this property offered the unit to the tenant at market rate. However, the unit was offered at an initial monthly rent of $3,500, which was almost twice what the tenant was paying before the property was Ellised. The tenant could not afford to move back into her unit at that level, and she reported that she is considering moving out of California instead.

Post-Ellis Activity

The Agency tracks the post-Ellis use of withdrawn properties and categorizes them either by reuse of the existing building (change of use, family occupancy, non-rental residential) or by the type of new construction (apartments, condominiums, commercial).

The Santa Monica Building and Safety Department forwards plan check applications and demolition permits for both controlled and withdrawn properties to the Agency for review and sign-off. This process ensures that owners comply with all applicable laws and prevents demolition permits from being issued on properties with rent-controlled units. By reviewing demolition and building permits, the Agency tracks how withdrawn properties are redeveloped.

If an owner wants to reuse a withdrawn structure in any way, he or she must obtain an occupancy permit from the City Planning Division. These applications are reviewed by the Agency to confirm that the owner/applicant has complied with Government Code 7060.2 and 7060.4 (The Ellis Act). The re-occupancy permit application requires applicants to list by name proposed family occupants and non-rent-paying residents. This requirement provides the Agency with information on whether withdrawn units are used for family occupancy or non-rental residential uses.

After a property is withdrawn, it is added to one of the post-Ellis categories summarized in Figures 35 and 36. Of the eight properties that completed withdrawal in 2023, three have been added to the no permit activity category. These properties are monitored by Code Enforcement, as there is no permitted reuse. As noted above, when a withdrawn property is subsequently returned to rental housing use, it is no longer shown on the Post-Ellis use chart. In 2023, a total of four properties were removed upon return to the rental market.

As Figure 35 shows, properties withdrawn from the rental market are used for a variety of purposes. In 2023, there were no significant changes in the use of properties as compared to 2022. Twenty-one percent of withdrawn properties are being used for non-residential purposes (commercial, schools/childcare centers/churches, parking lots, vacant lots, or public road), while residential use remains the most common usage. Almost a quarter of all withdrawn properties have been redeveloped with condominiums, the most common post-Ellis use (24 percent). Approximately seven percent of withdrawn properties have been redeveloped with apartments.

About one in five withdrawn properties are now being used as single-family dwellings (8.2 percent in the change of use category and 13.1 percent newly constructed), and another 10 percent are being used for non-rental residential occupancy or family occupancy. Just over five percent of withdrawn properties show no permit activity and are presumed to be vacant.

In 2023, of the eight properties withdrawn, five properties have demo permits and have been added to the category of residential permit activity, and when demolition is approved and newly constructed accommodations are built and a certificate of occupancy is issued, they will be added to the new construction category. One property has a family occupancy permit, and two properties have no permit activity.

Figures 35 and 36 show the status of the 489 properties (less re-rentals) that remain withdrawn plus the 15 properties that were redeveloped within five years of withdrawal and have new units subject to rent control.

Fig. 35 | Summary of Post-Ellis Use of Withdrawn Properties as of 12/31/2023

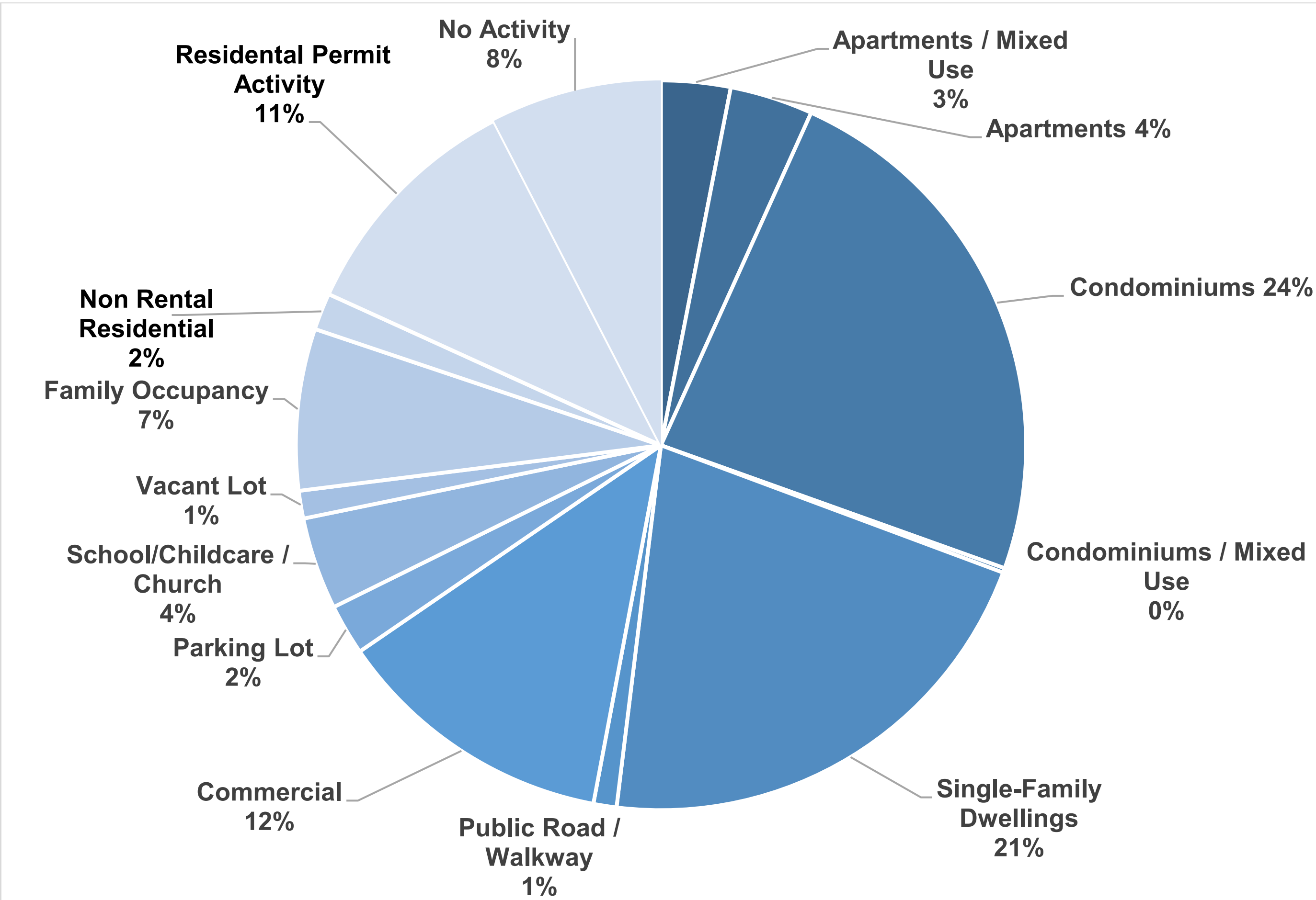


Fig. 36 | Summary of Post-Ellis Use of Withdrawn Properties as of 12/31/2023

Post-Ellis Use as of 12/31/2023	Rent Controlled	Properties	Percentage
Change of Use			
Commercial		28	5.7
Private/Public Services		11	2.2
Single Family		40	8.2
New Construction			
Apartments	6	18	3.7
Apartments / Mixed Use	6	15	3.1
Condominiums	3	116	23.7
Condominiums / Mixed Use		1	0.2
Single-Family Dwellings		64	13.1
Commercial		33	6.7
Parking Lot		11	2.2
School / Childcare / Church		9	1.8
Vacant Lot		6	1.2
Public Road/Walkway		5	1.0
Subtotal 1	15	357	
Family Occupancy		35	7.0
Non-Rental Residential		8	1.6
Residential Permit Activity		57	10.6
No Permit Activity		32	7.8
Subtotal 2		132	
Grand Total	489		100%

Post-Ellis Monitoring and Enforcement

The Rent Control Agency collaborates with the City Planning Division, Code Enforcement Division, and the City Attorney's Consumer Protection Unit to oversee post-Ellis activity and ensure compliance with all laws that apply to properties withdrawn from the rental market. With the other departments, the Agency monitors allegations of any type of rental activity to ensure that owners comply with the restrictions placed on withdrawn properties.

Enforcement

The owner of a five-unit property in City Area F was found to be in violation of the Ellis Act by renting out the units. It was discovered because the owner filed a tenancy registration form. Staff reached out to the owner regarding the violation, and a Notice of Re-rental form was submitted with the Agency. Since the property was Ellised more than 30 years ago, none of the displaced tenants were impacted by the re-rental.

The owner of a four-unit property in City Area E was found to be in violation of the Ellis Act when a tenant reported they were renting one of units. Staff followed up with a letter to the owner about the violation and that all of the units were again subject to the rent control law. The owner attempted to file a Notice of Re-rental indicating only one of the four units was returning to the rental housing market. This was found to be defective, and compliance efforts are ongoing.

A settlement was reached in a lawsuit initiated by the Board and the City of Santa Monica for violation of the Ellis Act and City Ordinances for a 10-unit property in Area E. An outline of the lawsuit, SMRCB et al v. 1238 10th Street LLC, may be found in the Legal Department overview starting on page 57.

The Agency has instituted new procedures upon the filing of withdrawal forms. If a property owner files a Notice of Intent to Withdraw and indicates units are vacant or owner-occupied, staff conducts an onsite investigation to verify. This process was successful in identifying defects in Ellis filings in 2023.

Short term rentals of withdrawn units continue to be a challenge that requires diligent monitoring. To deter these activities, the City Council adopted harsher penalties for violation of the short-term rental ordinance which includes fines of 400-800% of the advertised rate, and for ads without pricing, it ranges from $1,000 to $5,000 per violation. The Rent Control Agency is compiling a list of withdrawn properties to share with the Code Enforcement Division as a reference to those units which should not be rented.

PUBLIC INFORMATION

The Public Information Department responds to questions from the public about the rent control law and the history and current status of all controlled units. Staff members communicate regularly with a variety of constituents including tenants, property owners and managers, real estate agents, and other city staff. Each encounter provides an opportunity to educate people about the rent control law and the Agency's services, and to coordinate solutions in specific contexts.

Information coordinators and analysts communicate directly with the public in person, by phone and email, via the City's 311 system, as well as through seminars, community meetings, and a variety of media. The department publishes website content, subject-specific information sheets, semiannual newsletters, and prepares major sections of this annual report including the *Status of Controlled Rental Housing*, the *Impact of Market-Rate Vacancy Increases* and *Impact of the Ellis Act*. The team processes ownership, authorized agents, and tenancy registrations and other forms, sets up Civic user accounts, tracks eviction notices, and works with the staff attorney to recertify owner-occupancy exemptions and monitor Ellis activity.

PUBLIC OUTREACH AND INTER-AGENCY ACTIVITY

Direct Communication

One of the most important functions of the Public Information team is to communicate with individuals living in, managing, or owning rent-controlled units. Staff explain the rent control law, answer questions, make referrals, and assist with the filing of administrative remedies. Perhaps driven by confusion over the implementation of Measure RC, demand for services remained high in 2023. Following a 20 percent increase in the number of contacts per year from 2021 to 2022, an even greater number of people contacted the Agency in 2023. In total, staff logged 13,780 direct public contacts, up from an even 13,000 the prior year.

The demand for in-person services continued to rebound from pandemic lows. In 2022, with the full reopening of City Hall, staff served 695 people at the public counter, which was about 29 percent of the pre-pandemic total. In 2023, the number of people served at the public counter service increased 65 percent to 1,118, which was still only about half the number of annual visits in 2019. While this number continues to grow, in-person services remained less than 10 percent of all contacts. It is clear that members of the public continue to embrace other avenues for reaching staff and getting the information they need.

Most people still contact the Agency by telephone. Staff took 9,700 calls in 2023. Email usage remained about the same as the year prior, with staff responding to just over 3,000 requests for information to the rentcontrol@santamonica.gov mailbox. Usually, there was additional back and forth with individual staff members that was not recorded.

The breakdown of people contacting the Agency changed slightly from the year before with a greater percentage of contacts coming from property owners. They represented 34 percent of contacts in 2022 but 42 percent in 2023. Again, this was most likely due to uncertainty over how to implement the rent adjustments required by Measure RC. The percentage of contacts with tenants dropped from 55 percent in 2022 to 48 percent, and the balance of contacts were from others.

Newsletters

The Rent Control Agency publishes a newsletter, Rent Control News, normally twice a year – in the spring and in the fall. Mailed to all tenants and property owners or their agents, the newsletter addresses hot topics, changes in the rent control law and regulations, and state and city laws that affect tenants and owners of residential rental property in Santa Monica. The newsletter provides an opportunity to explain potentially complicated pieces of the rent control law in a concise format. It also informs tenants and landlords about their remedies for a variety of issues and is a vehicle for sharing information on other important topics and programs, including upcoming seminars.

The spring newsletter featured explanation of Measure RC's effects on allowable rent. It also included information on the Preserving Our Diversity cash assistance program administered by the City's Housing Authority and how tenants could apply. Given the frequent turnover of rental units and the fact that many new tenants and landlords may not be aware of the basics, the issue also included a brief list of reminders about rent control and other city laws affecting tenants and landlords. These included petitions for rent adjustment, lawful rent surcharges, registration of added amenities, utility charges, and rules for making buyout offers. As usual, a Spanish language version of the content was available upon request.

Because newsletters mailed to tenants feature the Maximum Allowable Rent (MAR) for the unit, it was decided to use the newsletter format for the summer general adjustment mailing to tenants. Normally, the summer mailing does not list the MAR or the specific dollar amount of the general adjustment, so as not to confuse tenants regarding the rent they must pay. Any change to a rental amount requires a proper notice from the landlord. However, since the 2023 general adjustment was applied to the Adjusted MAR for the unit (the amount reflecting a three percent or $70 increase over the August 2022 rent), for clarity, newsletters listed both the Adjusted MAR and the new MAR that would be in effect when the 2023 general adjustment was applied.

The fall newsletter featured an announcement of Tracy Condon's retirement and search for a new executive director, details of filing petitions for rent decrease, new city laws prohibiting use of gas leaf blowers, and enhancements to the online CIVICS portal.

For the first time, both the summer mailing and fall newsletter were translated into Spanish, Farsi, and Amharic and were made available on the Agency's website.

Electronic Communications

Communicating with tenants and landlords via email and social media channels present the opportunity to message a large number of people quickly and efficiently. In addition to the roughly 20 percent of people who contact us by email, the Agency uses Mailchimp to push multiple messages to our mailing list.

These email "blasts" included Board meeting agendas, invitations to seminars, and information regarding the 2023 general adjustment. We continue our efforts to expand the list of people signed up to receive periodic emails. Forms have been modified to include a space for owners to enter their email addresses and opt-in to receiving email messages. Welcome letters sent to new tenants when their tenancies are registered also include invitations to join the Agency's mailing list.

The introduction of the CIVICS portal creates new opportunities for reaching owners, managers, and tenants. First, to get an account, users must provide their email address. These are added to our contacts database and become the user's account name. With the user's consent, we add their email address to our mailing list. Second, CIVICS enables communication with users. When additional information or clarification is necessary to process a form submitted through the system, a custom message is attached and appears on the user's dashboard.

The Agency's website continues to serve as a source for information for many people. Total website pageviews decreased compared to 2022, when there was a large uptick likely relating to Measure RC. Total pageviews were 101,470. The most visited page continues to be "Look Up a Rent" where property owners, managers and tenants can see the MAR for each unit on a property, as registered with the Agency, the number of bedrooms, and the date of the most recent tenancy. Visits to this page accounted for 38 percent of all visits to the site in 2023.

	Pageviews
Santamonica.gov	59,794
Look Up a Rent	38,530
Rent Control Board	3,146
Total	101,470

Educational Programs

Throughout the year, staff presents seminars for property owners and tenants. In 2023, three videoconference seminars were presented, and three in-person events were held. The number of attendees, where available, follows in parentheses. Attendance at the tenant and owner seminars was more than double that of 2022, likely due to people seeking information about rent changes per Measure RC.

- Apartment Association of Greater Los Angeles webinar (90)
- Tenants' Introduction to Rent Control (48)
- Owning Rent-Controlled Property in Santa Monica (45)
- Los Angeles County DCBA Tenant Protections Policy Summit
- Landlord-Tenant Forum (30)
- Tenant Seminar in Spanish (9)

The Landlord/Tenant Forum was presented in collaboration with the Consumer Protection Division of the City Attorney's Office. Unlike past presentations that focused exclusively on current "hot topics," part of the Rent Control Agency's presentation was a basic overview of the various registration requirements for landlords. A second part focused on the Agency's CIVICS portal and new features that make it more user friendly.

Public Information staff also participated in National Night Out, an annual event promoting police-community partnerships and building a sense of community. The event was held in front of City Hall in early August. In September, staff tabled at the Ethiopian Cultural Festival held at Virginia Avenue Park and distributed information sheets translated into Amharic.

In November, staff made a presentation to members of the City's Planning Division. It proved to be an excellent opportunity to share knowledge about rent-controlled units and the Agency's role in reviewing plan checks and demolition permits.

Apartment Listing Service

The Agency provides a free service for property owners to advertise their available rental units. The list of available apartments is updated weekly and may be obtained on the Board's website. Owners may submit a listing by telephone or by using an email form on the website. The listing includes the unit's address, number of bedrooms and bathrooms, rent amount, amenities, contact person, phone number and brief comments. In 2023, the Agency received just 34 listings, which was low but on par with previous years.

Eviction Monitoring

The Rent Control Agency monitors evictions for two main reasons:

1) To ensure compliance with the rent control law, which limits the grounds for eviction; and
2) To ensure proper procedures are followed when future rents are restricted due to an eviction. This occurs when a tenant is evicted without fault (for example, so an owner can move onto the property) and the rent for the next tenancy in the unit is restricted to the pre-eviction level plus intervening general adjustments.

Since 2002, property owners have been required to file copies of any eviction notice terminating a tenancy with the Agency, except when the reason is non-payment of rent. An owner's failure to submit the copy to the Board within three days of serving the tenant may be a defense in an eviction action. The Agency received 85 notices of eviction in 2023, up significantly from the 44 received in 2022, and 51 received in 2021 but much more consistent with pre-pandemic numbers.

The City's moratorium included an exception when the reason for eviction is a nuisance that poses a substantial danger to the safety of people or to the premises. Of the 85 notices received in 2023, about 16% (14) claimed nuisance as the reason for eviction. The most common reason for an eviction notice was for other breaches of the lease (38 notices, 45%). Although owners are not required to provide copies of notices for non-payment of rent, the Agency received 32 notices for this reason.

Since the passage of Measure RR by Santa Monica voters in 2010, owners have been required to give tenants warning letters before starting an eviction action for breach of contract, nuisance or denying reasonable access to a unit. The warning letter must give tenants a reasonable period of time to correct the identified problem before it rises to a cause for eviction. As with notices for non-payment of rent, the law does not require owners to file warning letters with the Rent Control Board, none were logged as received in 2023.

Owner-Occupied Exempt Properties: Annual Certification

The rent control law provides that an owner who lives on a two- or three-unit property may, under certain circumstances, apply for and receive an exemption from the rent control law. One of the requirements is that the property must be the primary residence of the owner. In 2016, the Board adopted a regulation requiring all owners who received an owner-occupied exemption to annually certify whether the circumstances on which the exemption was granted continue to exist.

Annual monitoring efforts include mailing a letter to the owner of each property that has been exempt for at least one year. In 2023, recertification letters were mailed to 425 exempt properties. These letters include a declaration form the owner must complete and return to the Agency, enabling them to meet the recertification requirement. By closely monitoring owner responses to recertification letters, or more tellingly their failure to respond, properties are identified for further investigation and potential exemption lapse. Owners of these properties are sent an initial notice of exemption lapse with a 15-day window for a response. Copies of these notices are sent to the tenants. If an insufficient response or no response is received, a final notice of lapse is sent. At that time, owners have a second opportunity to respond and request a hearing on the potential lapse.

The staff attorney sent 27 initial lapse notices, nine notices of continuing exemption when sufficient evidence was provided, and 31 final lapse notices.

Plan Check Application and Demolition Permit Review and Approval

The Rent Control Agency works closely with the City's Building and Safety Department by reviewing plan check and demolition permit applications that are filed with the city and by attending plan check pre-submittal conferences. Rent Control staff members review applications to verify that the plan check and demolition permit requests do not violate the rent control law or propose illegal removal of rent-controlled units. If plans are in conformance with the rent control law, staff issues departmental approval through the City's permit processing system. Final permits are issued by the Building and Safety Department.

In 2023, staff reviewed 422 plan check applications, a slight decrease from the 479 reviewed the previous year. Among the approved plans were 65 permits for construction of accessory dwelling units (ADUs) on rent-controlled properties, more than double from the previous year. Staff completed 96 status forms and reviewed 77 demolition permits, a slight increase from the 71 reviewed in 2022. Staff also participated in Plan Check specific customer service training in 2023 which centered around the plan check process and improving customer experience.

Interdepartmental Collaboration and Participation in Committees

Public Information staff members participate in several of the City's interdepartmental groups designed to facilitate collaboration and to educate employees about the City's larger goals and priorities.

- A staff member represents the Agency at the City's Senior Task Force which meets monthly and is overseen by the Human Services Division. Staff members from various city departments, as well as non-profits including the Legal Aid Foundation of Los Angeles and Wise and Healthy Aging, meet to coordinate ways to help seniors in danger of losing their housing due to issues related to health, affordability, accessibility, hoarding, and other challenges.

- The Public Information Manager participates in monthly planning meetings involving communications staff from many City departments and coordinated by the Office of Communications. These meetings are opportunities to share upcoming news and events, calendar press releases, blog posts, and social media, and coordinate opportunities to share information.

- A staff member participates in Permit Processing Workgroup meetings with members of the Planning Division to coordinate reviews of major projects and improve efficiency of review processes.

- A staff member attends Building Performance Standards Working Group meetings coordinated by the Office of Sustainability and the Environment regarding the City's green building initiative. Meetings are intended to share information and solicit feedback on components of the City's BPS policy from a diverse stakeholder group. The staff member shares information in Board records to assist with outreach to owners of controlled units, and shares information internally on potential impacts of the program on property owners in the future.

- A staff member serves as the department safety representative to the City's Emergency Operations Center. She shares information from EOC meetings, coordinates distribution of safety equipment and COVID-19 testing kits, and takes occasional trainings on emergency preparedness.

The Hearings Department adjudicates administrative proceedings brought under the Rent Control Charter Amendment and accompanying regulations. Petitions and complaints may be filed by tenants or landlords; and the Agency itself may refer certain matters for a hearing. Hearings staff schedules and conducts mediations, property and unit investigations, and hearings. After the hearings process has concluded, the Hearings Department issues decisions and recommendations based on the evidence as applied under the Rent Control Law.

Operations In a New Era

The onset of the recent pandemic required the Hearings Department to modify nearly every process we employ when adjudicating cases under the Charter- from filing petitions to issuing decisions. As we move farther from the restrictions necessitated by that public health crisis, the Hearings Department is in a position to assess the processes we once used, and the new ones implemented recently, to determine how we can best serve tenants and landlords in this new, post-pandemic, era. Remote options have proven wildly popular and convenient, particularly virtual hearings. Looking forward, the Hearings Department will examine ways to standardize and streamline electronic and remote processes to improve the efficiency of the hearing process. The Hearings Department will continue to accommodate those that prefer in-person proceedings or hard copy documents to best meet the needs of the case and the participants.

Petitions, Complaints, Mediations, & Hearings

The Regulations provide for administrative proceedings to resolve disputes arising from various issues under the Rent Control Law. Voluntary mediation has been very successful in resolving many cases in whole or in part, resulting in fewer hearings or in narrowing the issues to be considered at a hearing. The description of, and statistics associated with, each type of proceeding are provided below. The following is an overview of the Hearings Department's activity in 2023:

Petitions/Complaints submitted	144
Mediations Held (by number of days)	102
Property/Unit Inspections Conducted	103
Hearings Held (by number of days)	88
Decisions Issued	35

Individual Rent Adjustments: Decrease Petitions

Tenants who allege that their rental units need repairs or maintenance, or that their housing services have been reduced, may petition to have their monthly rent decreased. Before filing the petition, a tenant must request in writing that the owner repair the problem or restore the service. If the owner does not comply with this request to the tenant's satisfaction, the tenant may petition for a rent decrease. Under Regulation 4203, decreases may be authorized for past reductions as well as ongoing reductions in maintenance or housing services.

New Decrease Petitions		
Decrease petitions filed in 2023		87
referred to hearing directly or prior to mediation	26	
referred to mediation	61	
Mediation Activity		
Active cases during 2023		83
current year cases	61	
carried over from prior year	22	
Status at end of 2023		
resolved prior to mediation	5	
resolved – case closed	19	
partial resolution – referred to hearing	1	
no resolution – referred to hearing	41	
withdrawn / dismissed (tenants vacated; conference not held)	9	
pending	8	
33% of petitions mediated were fully or partially resolved.		
Hearing Activity		
Active cases during 2023		68
referred to hearing directly or prior to mediation	26	
referred from mediation	28	
ongoing from prior year	14	
Status at end of 2023		
decisions granting decrease	23	
decisions denying decrease	3	
withdrawn or dismissed	14	
pending	28	

Reinstatement of Decreases

If a rent decrease is granted, the decrease amount is only reinstated (added back into the rent) when the owner complies with the decision by making the required repairs or restoring the services for which the decrease was granted. Property owners wishing to have a decrease amount reinstated must first request a compliance determination with the Hearings Department stating that the subject problem has been corrected. Once a request for compliance determination is received, staff verifies whether the conditions for which the decrease was granted have been corrected and a proposed compliance determination is issued. If the petitioner and/or respondent disagree with the proposed compliance determination, a hearing is held, after which a final compliance determination is issued. If no hearing is requested, the proposed compliance determination becomes final. Decrease amounts are reinstated for each properly corrected condition. Once all decreases are reinstated, the owner is found to be in full compliance with the decision.

Multiple compliance determinations may be issued during the course of a case; sometimes several compliance determinations are issued before the owner is in full compliance. Compliance determinations may be issued on cases initially decided during the current year or in prior years. Three of the proposed determinations in 2023 were contested.

Compliance Determinations Issued in 2023		12
decreases fully reinstated	6	
decreases partially reinstated	3	
Construction related compliance (1 property)	3	
Finalized Compliance Determinations		3

Individual Rent Adjustments: Construction Decrease Petitions

The construction decrease regulations allow for rent decreases to address construction-related impacts on tenants residing in buildings undergoing substantial repairs, rehabilitation, or renovation. The decrease amounts are based, in part, on the necessity of the work, the length of time an impact exists, the severity of the impact, and the specific effect on the petitioner. When the Agency becomes aware of substantial construction activities on a property, it issues a notice informing the property owner and tenants that rent decreases may be authorized for construction-related impacts. The notice offers the Board's mediation services to work with the parties to explore solutions, including mitigating the impacts and providing temporary rent reductions. Tenants may file petitions before, during, or after the mediation process, as long as active construction is taking place at the time of filing. If mediation does not resolve the issues, the case is referred to hearing. Following the issuance of a decision by a hearing officer, if the construction is still ongoing, the parties may request that the hearing be reopened to modify the original decision based on changed conditions.

Construction Decrease Petitions 2023	
Agency construction notices issued in 2023	18 properties
Petitions filed in 2023	24 petitions on 11 properties 5 *on individual properties* 2 *on two properties* 3 *on two properties* 4 *on one property* 5 *on one property*
In 2022 - 11 petitions were filed on 7 properties	

Mediation Activity	
Active cases in Mediation during 2024	19 petitions on 10 properties
Mediation services initiated in 2023	17 petitions on 8 properties 6 resolved 6 no resolution referred to hearing 1 Dismissed Opted not to pursue 4 pending at end of 2023
Ongoing in Mediation from prior year	2 petitions on 2 properties 2 resolved
40% of the petitions fully mediated were resolved.	

Hearing Activity	
Active cases in Hearings during 2023	7 petitions on 4 properties
Referred to Hearings in 2023	*6 petitions referred from mediation*
Pending from prior years	*1 petition*
Decisions issued	*1 decision* 1 Decision - Granted 6 Pending
Ongoing in hearing process	*5 petitions (2 properties)*

Excess Rent and Non-Registration Complaints

Rent control regulations allow a tenant who believes he or she is paying an unlawful rent to petition the Board for recoupment of monies paid that exceeded the maximum lawful rent. A tenant whose landlord has not registered the property or tenancy with the Rent Control Agency may also petition the Board to authorize withholding of rent until the landlord has registered the property or tenancy. These cases are initially sent to a mediator for resolution. In some instances, cases are administratively settled based on a proposed resolution conveyed to parties in writing prior to the mediation. Cases not resolved by administrative or formal mediation are decided by a hearing officer following a hearing.

Newly Filed Excess Rent & Non-Registration Complaints		
Complaints filed in 2023		22
Mediation Activity		
Cases mediated during 2023		25
current year cases	22	
carried over from prior year	3	
Status at end of 2023		
resolved through mediation	14	
no resolution – referred to hearing	3	
dismissed	2	
pending	6	
77% of cases resolved through formal or administrative mediation.		
Hearing Activity		
Active cases during 2023		6
referred from mediation	3	
ongoing from prior year	3	
Status at the end of 2023		
decisions substantiating complaints	4	
pending	2	

Individual Rent Adjustments: Increase Petitions

Property owners may petition the Rent Control Board for rent increases based on completed or planned capital improvements, lack of a fair return, or increased operating expenses not covered by the general adjustments. During 2023, no increase petitions were submitted.

Individual Rent Adjustments: Tenant-Not-In-Occupancy Petitions

Rent Control Regulation 3304 allows owners to petition for a one-time rent increase to market level if the tenant does not occupy the unit as their usual residence of return. If the petition and supporting documents do not support a prima facie case at the time of filing, the petition may be dismissed. When a tenant-not-in-occupancy case is accepted for filing, if the tenant does not contest the owner's petition, the case is handled administratively. It is referred to a hearing if the tenant contests the petition.

If the petition is granted, the Board sets the new Maximum Allowable Rent (MAR) for the unit based on MARs for comparable units on the property rented in the past three years or the three-year median MAR for the city area.

Tenant-Not-in Occupancy Activity		
New cases submitted in 2023		4
Filing accepted	6	
Withdrawn following Intent to Dismiss	1	
Active cases 2023		8
Contested and set for hearing	6	
Pending from 2022	2	
Status at end of 2023		
Petitions - granted	2	
Petitions - denied	2	
Pending	4	

Petitions to Register Previously Unregistered Units

Petitions may be filed with the Board when an owner seeks to register a unit that has never been registered. This most often occurs in cases where a unit was built as an accessory dwelling unit (ADU) by converting an existing structure or was built without permits (i.e., a "bootleg" unit). For a unit to be qualified to register, the petitioner must show that the unit is habitable or capable of being made habitable and the unit was either used as a residential rental unit in April 1979 (or in the 12 months that preceded April 1979) or the unit was created by conversion after April 1979 and conforms to the City's zoning and development standards.

Request to Register Unregistered Units		
Active cases in 2023		4
Petitions filed in 2023	4	
Pending from 2022	1	
Status at end of 2023		
Pending	5	

Base Rent, MAR, Amenities Determinations

Under certain circumstances, a party may petition for a hearing to establish correct base rents, Maximum Allowable Rents (MARs), and/or unit and building amenities.

During 2023, two petitions were filed by tenants to determine the correct rent. One petition was denied after hearing, resulting in a decision that no changes to the unit's MAR or amenities were warranted. The second petition was resolved in mediation resulting in proper registration of petitioner's rent.

Fact-Finding Determinations

On occasion, a matter may be referred to the Hearings Department by another department in the Agency to determine facts related to a controlled property. Unlike other cases, such hearings are not initiated by a petition filed by an owner or tenant. During 2023, no cases of this type were referred to the Hearings Department.

Owner-Occupied Exemption Applications

As explained earlier, exemptions are available for owner-occupied properties with three or fewer units. Although most owner-occupied exemption cases are decided by the Rent Control Board without an administrative hearing, there are occasions when an evidentiary hearing is necessary to determine questions of fact or law. In many of these cases, the exemption is contested by one or more tenants. Hearings may also be required in cases where the lapse of an exemption is contested by the owner. The hearing officer issues a recommendation to the Board, which then makes a determination on the exemption application or lapse of an exemption.

One contested lapsed exemption was referred for an evidentiary hearing during 2023 and the recommendation by the hearing officer was to not lapse the exemption. The matter was heard by the Board during 2023, and the exemption lapsed.

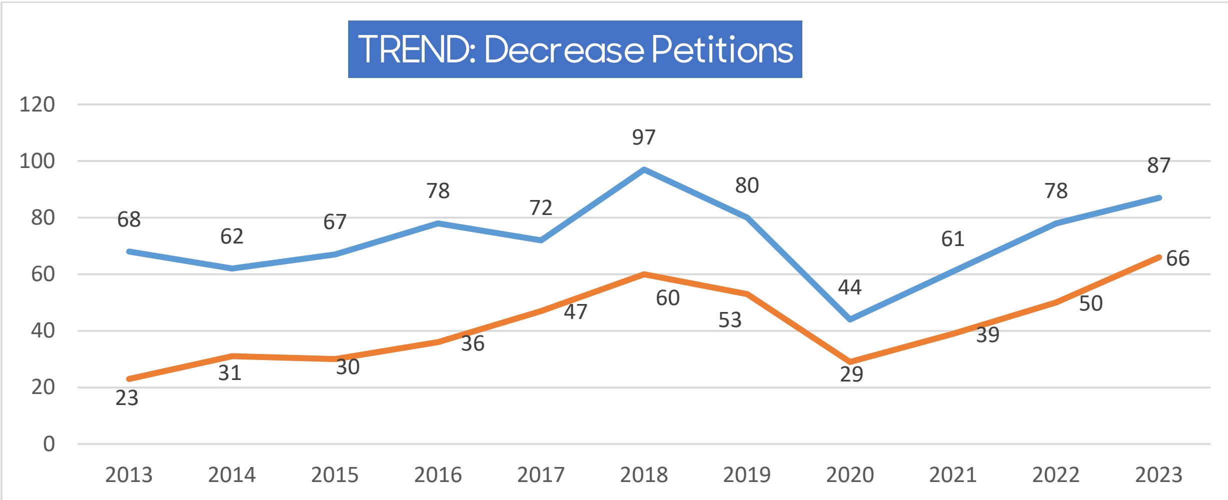
Appeals of Hearing Officer Decisions

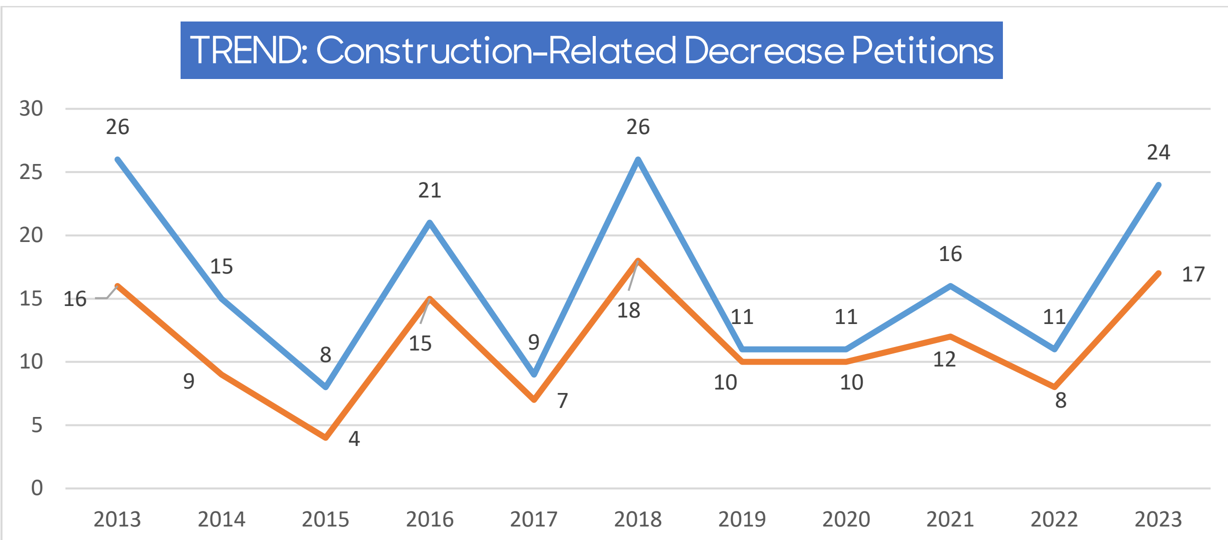
During 2023, 35 hearing officer decisions were issued. Twenty-three appeals were filed in 2023, 19 of which were heard by the Board. One hundred percent of appeals heard by the Board affirmed the hearing officer decisions.

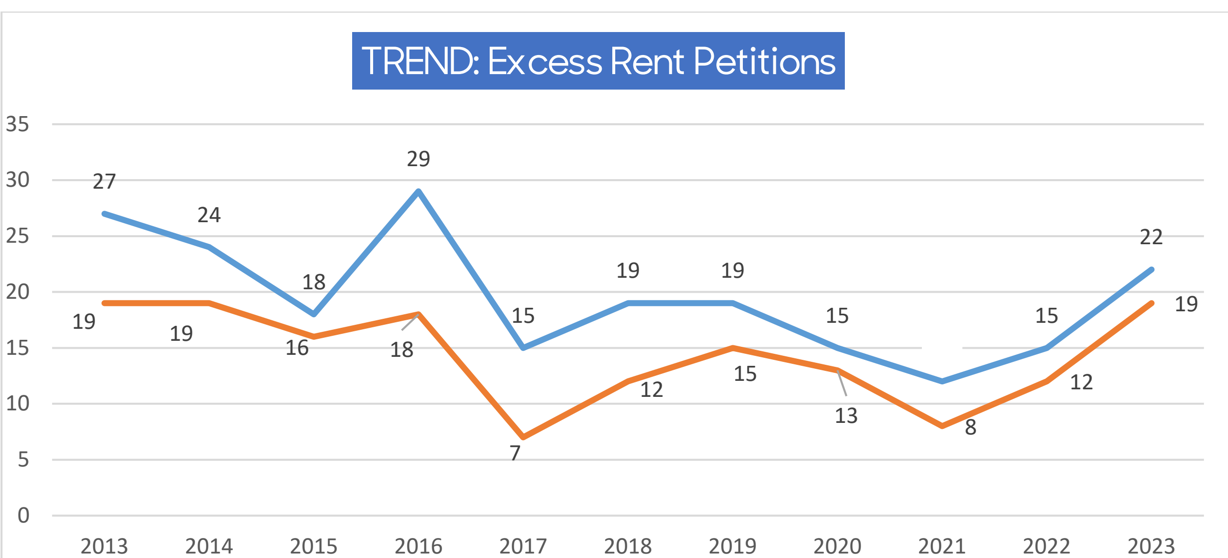
Decision Type	Decisions Issued	Appeals Filed	Heard by Board	Hearing Officer Decision Affirmed	Pending	Appeal WD
Decrease	26	20	15	15	3	2
Tenant Appeal		8				
Owner Appeal		12				
Excess Rent	4	2	2	2	0	
Owner Appeal		2				
Tenant-Not-in-Occupancy	4	3	2	2	1	
Tenant Appeal		1				
Owner Appeal		2				
Construction Decrease	1	0				

Petitions Trends – 2013 to 2023

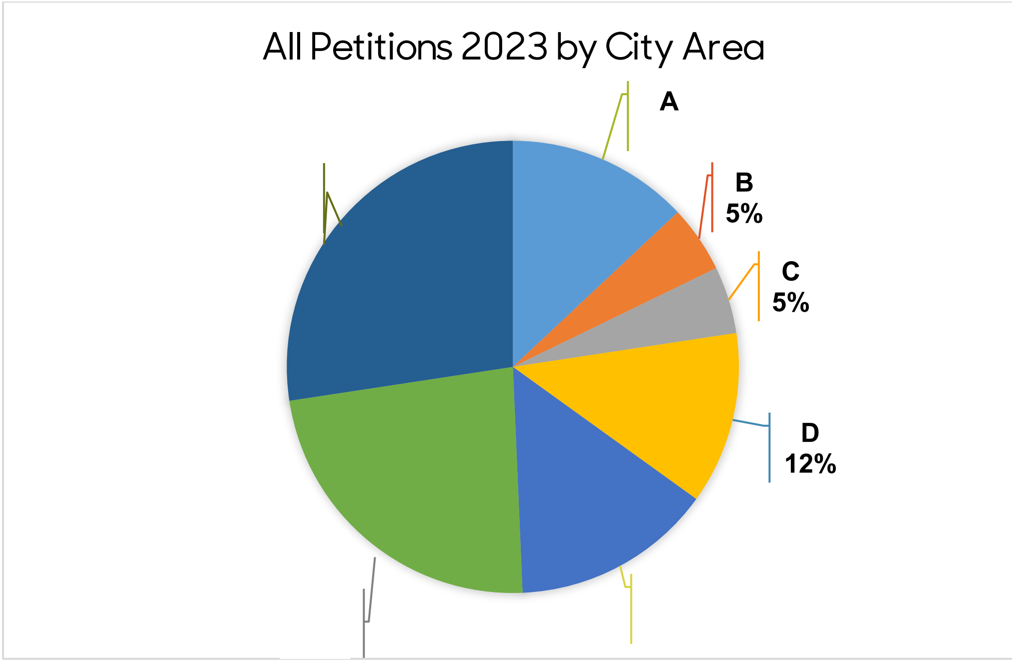
Overall Petitions Filed   Petitions Filed on Market-Rate Units

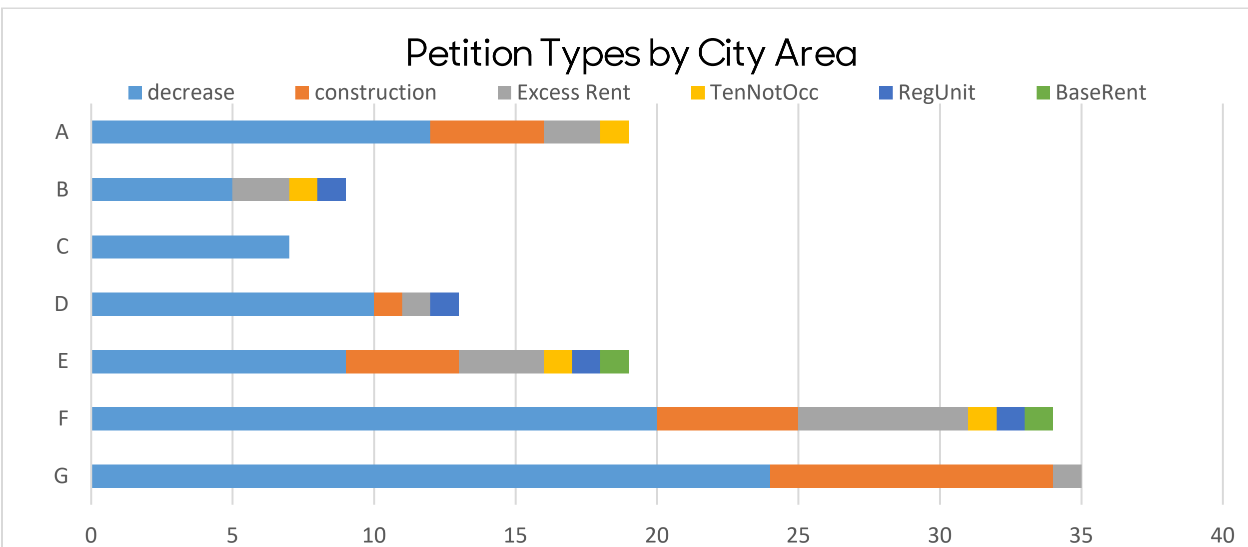


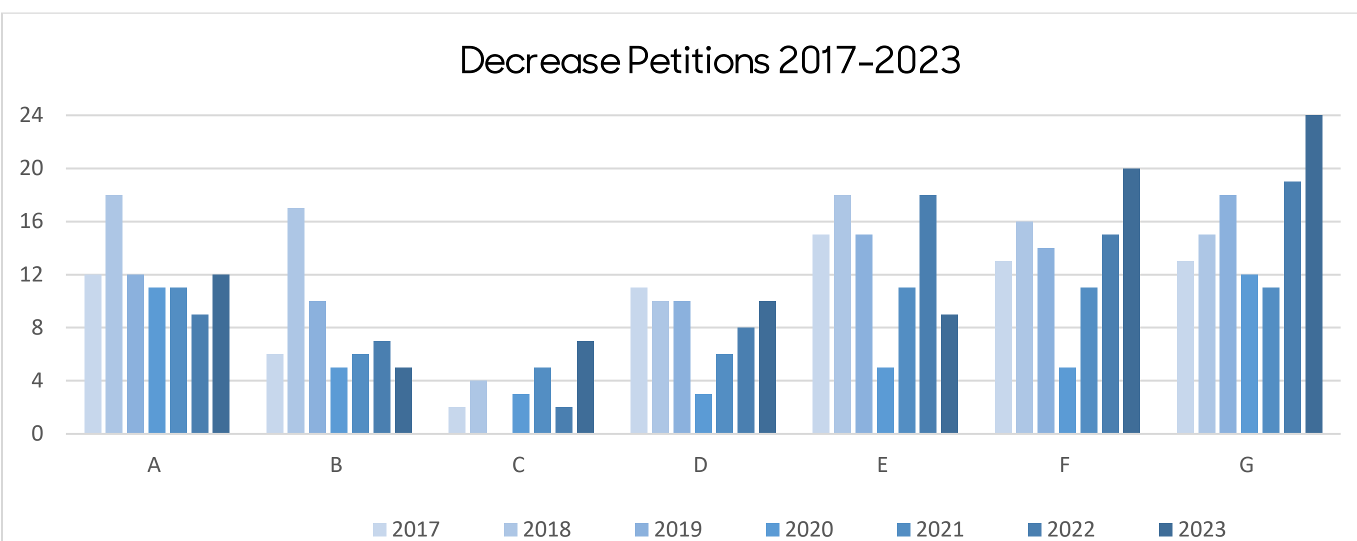




Petitions Filed – By Neighborhood







Overseen by the Board's general counsel, the Legal Department advises the staff and Board regarding interpretations of the law and represents the Board in legal disputes to which the Board is a party. It prepares and presents staff reports on appeals of hearing and administrative decisions, as well as removal permit applications and exemption applications. It also drafts and updates regulations for Board consideration and adoption to implement the rent control law.

Of necessity, much of the department's advisory work occurs outside the public view to preserve attorney-client confidentiality; but there are important exceptions to this. As a legislative and quasi-adjudicatory body, the Board must operate openly, publicly, and transparently. Thus, when the Board decides whether to enact or amend a law, or when it hears an appeal of a hearing officer's decision, its deliberative process must be fully public. As part of that public process, the Legal Department prepares a written report that analyzes the issues presented and advises the Board about legally appropriate outcomes. Last year, the Board's lawyers prepared several public reports, which are detailed in the statistical overview at the end of this Annual Report. The Board considers the advice given, but it is not bound by it; rather, the Board makes its final decision based on its independent assessment of staff's advice (including legal advice), public input, and its own public deliberation.

The Legal Department has no policy-making role. It is the Board, and not its lawyers, whom the public has elected; therefore, the only "policy" advanced by the Legal Department is that which is embodied in the City Charter, or the rent control regulations enacted by the people's duly elected representatives. Nor does the department have any political role. Because its function is to offer the Board complete, accurate, and independent legal advice, it necessarily does so without considering politics, and without favor toward tenants, owners, or others.

Litigation

Lawsuits Filed in Prior Years and Resolved in 2023

1238 10th Street, LLC v. SMRCB
Dismissed

Several tenants of the property located at 1238 10th Street filed petitions with the Board for rent decreases due to construction-related impacts. After holding evidentiary hearings, the hearing officer granted substantial decreases for the construction-related impacts. The owner of the property filed suit against the Board claiming that the tenants are not entitled to a decrease in rent since they also received temporary relocation benefits based on a mandatory relocation order issued by the City. The owner also claimed that the Board established an incorrect reinstatement date after the construction concluded. The suit also named the tenants of Unit 6 and sought financial reimbursement from them of the relocation benefits they received. In May 2023, the case was dismissed as part of a settlement reached with the property owner which resolved multiple claims between the Board, the City of Santa Monica, and various entities associated with NMS Properties and Neil Shekhter.

1433 Euclid St., LLC v. SMRCB

Judgment for the Board

A tenant of 1433 Euclid Street filed an excess rent petition with the Board after her rent was increased above the Maximum Allowable Rent. After an evidentiary hearing was held, the Board's hearing officer concluded that excess rent was charged and authorized withholding of rent to recoup the unlawfully collected amount. The owner of the property filed suit against the Board claiming that it had the right to charge the higher amount pursuant to the Costa-Hawkins Act based on its belief that the purported tenant was a subtenant remaining after the original tenant had vacated. The Board defended the suit on the grounds that the hearing officer's decision was lawful, and the suit failed to state a claim. In February 2023, the Board prevailed.

SMRCB, et al v. 1238 10th Street, LLC

Judgment for the Board (and the City of Santa Monica)

On September 28, 2021, the Santa Monica Rent Control Board, together with the City of Santa Monica (on its own behalf as well as that of the People of the State of California) filed a civil case against various corporate entities and two individuals responsible for the ownership and operation of the 10-unit apartment building located at 1242 10th Street, Santa Monica. The suit alleged that the defendants violated the Ellis Act and rent control regulations, as well as the City's ordinances prohibiting tenant harassment and vacation rentals. The suit also alleged that these violations constitute unfair business practices under Business & Professions Code section 17200. The complaint alleged that after invoking the Ellis Act, the owners advertised the units as fully furnished and available for rent and offered the units as unpermitted and illegal short-term rentals. In May 2023, the case was resolved by settlement. The settlement provides financial benefits and rights to return for the tenants who were unlawfully displaced. And, all 20 units at 1238-1242 10th Street are now deed-restricted as affordable housing.

Status of Lawsuits Filed Against the Board in 2023

Pacific 1, LLC v. SMRCB

Pending

This lawsuit seeks to reverse the Board's decision denying the landlord's petition for a determination of a tenant-not-in-occupancy. If it had been granted, the landlord would have been permitted to raise the rent for the unit. The Board found that although the tenant was away for extended periods, evidence demonstrates that the absences due to work, caring for a sick friend, and seasonal travel to maintain investments out-of-state are excused absences under Board regulations. Thus, the landlord was not entitled to a rent increase. The owner, Pacific 1, LLC, filed a writ petition seeking to set aside the Board's decision. The owner claims that evidence of the tenant's ownership of out-of-state property should have been accorded more weight.

Removal Permits

To protect the controlled rental housing stock, the rent control law provides strict criteria the Board must apply before granting permits removing units from the rental housing market.

If a property owner qualifies for a removal permit, that permit allows the owner to remove the unit(s) from the rental housing market by demolition, conversion, or other means. If the unit(s) subject to a removal permit are then re-rented at some future date, they then become controlled units under the rent control law. The removal permit process only allows qualifying units to be used for non-rental purposes.

The Board did not receive any removal permit applications in 2023.

Regulations and Resolutions Drafted

In 2023, the Legal Department prepared five resolutions and two amendments to Board regulations.

- Resolution 23-001 A resolution of the Rent Control Board of the City of Santa Monica in support of AB 1620, legislation pending in the California Legislature to amend Costa-Hawkins, and authorizing the Administrator to submit this resolution in support on the Board's behalf. (Adopted April 13, 2023)

- Resolution 23-002 A resolution of the Rent Control Board of the City of Santa Monica in support of SB 466, legislation pending in the California Legislature to amend Costa-Hawkins, and authorizing the Administrator to submit this resolution in support on the Board's behalf. (Adopted April 13, 2023)

- Resolution 23-003 A resolution of the Rent Control Board of the City of Santa Monica in support of AB 1505, legislation pending in the California Legislature, and authorizing the Administrator to submit this resolution in support on the Board's behalf. (Adopted April 13, 2023)

- Resolution 23-004 A resolution of the Rent Control Board of the City of Santa Monica opposing unless amended AB 1317, legislation pending in the California Legislature, and authorizing the Administrator to submit this resolution in opposition unless amended on the Board's behalf. (Adopted April 13, 2023)

- 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. (Adopted June 8, 2023)

- Proposed Amendment to Regulation 9002(d) and (f) to conform to Measure RC. (Adopted April 13, 2023)

- Proposed amendments to Chapter 8, Administrative Remedies for Rent Overcharges or Nonregistration. (Adopted December 14, 2023)

Board Meetings		
Board meetings convened and staffed		**18**
Regular meetings	12	
Special meetings	6	
Public Outreach		
Contacts with people seeking information		**13,780**
Public Counter (8%)	1,118	
Phone (70%)	9,647	
E-mail (22%)	3,015	
Constituency-wide mailings produced and distributed		**3**
General Adjustment mailings (includes citywide MAR Report mailing to owners)	1	
Newsletters (includes report of current MAR for each unit)	2	
Community meetings/seminars		**6**
Website Visits		**101,470**
Petitions/Complaints		
Petitions processed on intake		**146**
Decrease petitions filed	87	
Construction Decrease petitions filed	24	
Registration Determination petitions filed	4	
Base Rent and Amenities Determination petitions filed	2	
Excess rent/Non-registration complaints filed	22	
Tenant-Not-in-Occupancy petitions filed	7	
Increase petitions filed	0	
Hearings held		**88**
For 48 individual decrease petitions *(3 petitions had 3 hearings each, 4 had 2 hearings each, 41 petitions had 1 hearing each)*	58	
For 5 tenant-not-in-occupancy petitions *(1 petition had 2 hearings)*	6	
For 3 contested decrease compliance determination / 1 contested modification decision	4	
Construction Decrease petitions (4 hearings on 4 consolidated petitions; 3 hearings on 2 petitions (1 decrease/1 construction); 3 hearings on 4 petitions (2 decrease/ 2 construction) 2 hearings for 1 petition, 1 hearing each for 3 petitions)	15	
Excess rent/non-registration complaints	4	
Potential Lapse of Exemption	1	

Hearing and Administrative decisions/addenda issued		**50**
Written decisions issued on 35 petitions	35	
Final compliance determinations on contested proposed compliance determinations and modification decisions issued	3	
Decrease and Construction Petition proposed compliance determinations issued	12	
On-site investigations conducted		**104**
Upon scheduling decrease and construction decrease petitions	71	
Upon scheduling tenant-not-in-occupancy petitions	4	
In response to compliance requests	10	
Exemption use investigations	7	
Ellis investigations	12	
Ellis Withdrawals, Exemptions and Removals Activity		
Ellis withdrawals filed in 2022 and completed in 2023		
Properties		4
Units	16	
Ellis withdrawals filed in 2023		
Properties		8
Units	21	
Ellis withdrawals filed in 2023 and completed in 2023		
Properties		4
Units	11	
Ellis withdrawals pending at the end of 2023		
Properties		4
Units	10	
Ellis returns to rental market		
Properties		5
Units	24	
Owner-Occupied 3-Unit or Fewer Exemption applications pending from 2022		1
Granted	1	
Denied	0	
Withdrawn	0	
Owner-Occupied 3-Unit or Fewer Exemption applications filed in 2023		6
Granted	6	
Denied	0	
Applications withdrawn	0	
Pending at the end of 2023	0	
SFD declarations filed		7
SFD 2-year applications		2
Owner-occupied verification letters mailed		425
Removal permit applications filed		0
Removal permit applications granted		0
New Construction Exemption applications granted (units)		3

Apartment Listing Service		
Number of listings received		**34**

Forms & Permits Processed		
Status forms to submit with development applications		**96**
Demolition permits reviewed		**77**
Building permits reviewed		**344**
Ownership registrations		**291**
Agent authorization		**225**
Tenancy rent registration forms		**3,881**
Separate agreement registration forms (parking/storage/pets)		**7**
Fee waivers		**110**
Clean Beaches Tax surcharge waivers		**6**
Appeals and Litigation		
Staff reports on appeal		**23**
Decrease petitions	15	
Excess rent complaints	2	
Increase petitions	0	
Tenants-Not-in-Occupancy	3	
Construction Related	2	
Unregistered units	0	
Base Rent	1	
Exemption staff reports prepared and reviewed		**13**
Supplemental staff reports prepared		**1**
Litigation cases		**4**
Administrative records prepared		**0**
Legal Advisory		
Miscellaneous staff reports written		**5**
Occupancy permits advisory		**5**
Responses to subpoenas & Public Records Act requests		**42**