



City of  
**Santa  
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# **Rent Control 101 for Tenants**

May 1, 2024

# Presented by

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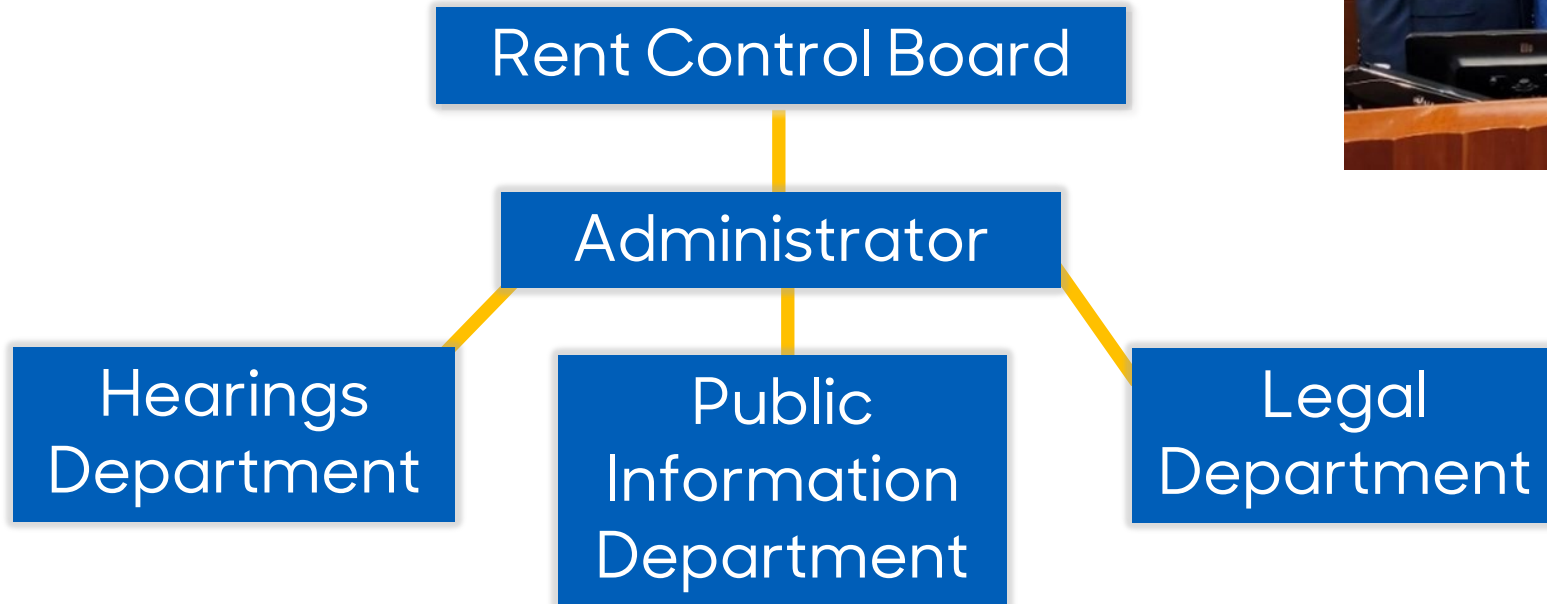


# Topics

- Rent control overview
- What is the lawful rent?
- Unlawful rent increases
- Amenities, maintenance and rent decreases
- Eviction protections

# Rent Control Overview

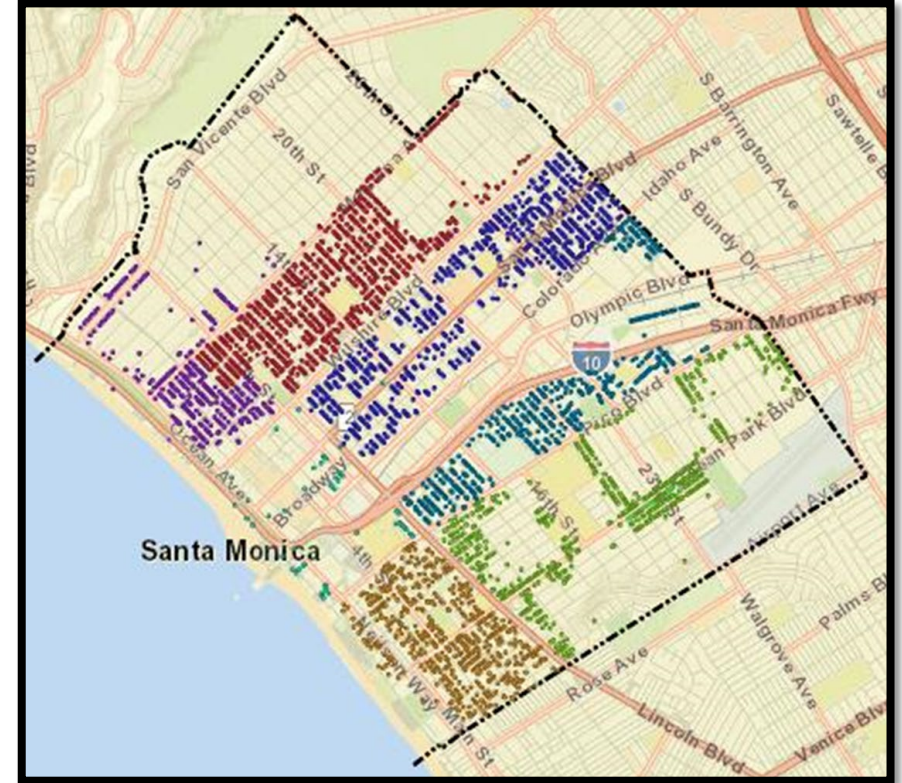
- The Rent Control Law became effective on April 10, 1979.
- It established a governing body separate from the City Council and a source of funding separate from the General Fund.





# Units Subject to Rent Control

- Most residential rental units in buildings constructed prior to April 10, 1979
- Primary exceptions:
  - Most single-family homes
  - Most condominiums
  - Most owner-occupied properties with three or fewer units
- Use the Look Up a Rent feature on our website to see if a property may be subject to Rent Control.



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# The Rent Control Law

- All rent increases during a tenancy are controlled.
- Remedies are provided for situations where excess rent is charged or maintenance is neglected.
- There are eviction protections. The reasons a tenancy may be terminated are limited.
- The physical removal or conversion of controlled rental units is restricted.



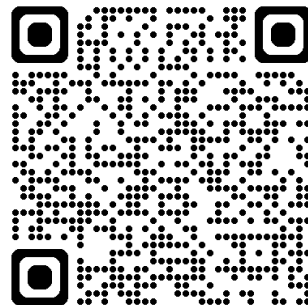
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# Not Our Focus Today

## State Law Issues

- Return of security deposit
- The right of a landlord to enter a tenant unit
- Eviction procedures
- Noticing
- To learn more, read:

*California Tenants – Guide to Residential Tenants' and Landlords' Rights and Responsibilities*



## Municipal Code Issues

- Tenant harassment
- Permanent and temporary relocation
- Building code violations
- Short-term rentals
- Smoke-free residential ordinance



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# What is the Lawful Rent?



# Maximum Allowable Rent (MAR) vs Maximum Lawful Rent (MLR)

$$\begin{array}{r} \text{Maximum Allowable Rent} \\ + \text{Registration Fee Pass-Through} \\ + \text{Allowable Surcharges} \\ \hline \text{Maximum Lawful Rent} \end{array}$$



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# How the MAR is determined

## Pre-1/1/99 Tenancies

The MAR is based on the rent in effect on April 10, 1978, plus all subsequent increases approved by the Rent Control Board or otherwise allowed by the Rent Control Law.

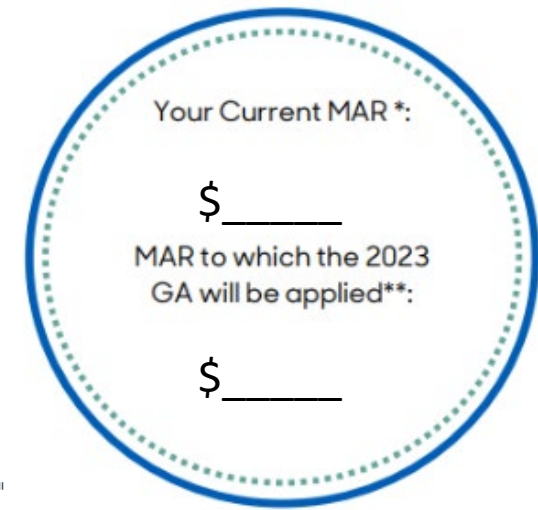
## Post-1/1/99 Tenancies

The MAR is based on the initial rent charged at the beginning of the tenancy, plus all subsequent increases approved by the Rent Control Board or otherwise allowed by the Rent Control Law.



# Checking a Unit's MAR

- The Rent Control Agency keeps track of MARs for all controlled units.



## Rent Control in Santa Monica

Information on this page is intended to assist property owners and tenants to understand their rights and responsibilities under the Santa Monica rent control law. Included here are links to important information about registration of property ownership and new tenancies, rent adjustment petitions, exemptions, and searchable property records - including the Look Up a Rent tool for finding the Maximum Allowable Rent (MAR) of any controlled unit.

### Jump to Section:

[Top Resources](#) | [FAQ](#)

### Top Resources

#### Look Up a Rent

Search our database by property address to find the current MAR for a unit.

#### Document Portal

Searchable database of scanned documents by property

#### Apartment Listing Service

Post vacant units or see available rentals

#### Forms to Register Tenancies, Amenities, and Ownership Information

Understand when registration is necessary and get all required forms.

#### Petition Forms and Instructions

Tenants and owners may file petitions to resolve disputes or adjust rents.

#### Exemption Applications and Instructions

Owners of certain types of properties may apply to the Rent Control Board for exemption.



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## MAR (Maximum Allowable Rent) Database

Select Language

The MARs available here are updated nightly and were last revised on January 31 and updates are expected to resume soon. We strive to provide information that is accurate, reliable, and complete. However, information in this program regarding the MAR for an individual unit may not be up-to-date due to a change in tenancy or the issuance of a Board decision, and there is necessarily a delay between when those changes occur and when the new MAR is entered in this program.

In most cases, MARs are based on rents reported by current or past property owners that have not been independently verified. Thus, we provide this information as a convenience only; it is not legally binding on landlords, tenants, or the Rent Control Agency.

The MARs listed presume the owner is in compliance with the Rent Control Charter Amendment (Article XVIII of the City Charter) and the Rent Control Regulations promulgated thereunder. In addition to these MARs, a tenant's rent can include applicable Rent Control registration fees or surcharges (Community College Bond, Unified Schools Bond, Stormwater Management User Fee, Clean Beaches & Ocean Parcel Tax, and School District Parcel Tax).

Finally, some rental units are temporarily exempt from the Rent Control Law. Because this page is for the lookup of MARs for controlled units, a \$0 MAR in most cases is used to indicate an exempt unit. For information on units with a \$0 MAR, please call Rent Control at 310-458-8751 and ask to speak with an Information Analyst.

To get the most current information about a controlled unit's MAR, to determine a unit's exempt status, or to get a written list of the MARs for a given property, please call us at (310) 458-8751 or visit Room 202 of City Hall at 1685 Main Street, Santa Monica, California.

### List of Santa Monica Street Names

Street Number:  Street Name:

#### EXAMPLES:

Street Number: 624 Street Name: Lincoln Blvd

Street Number: 2012 Street Name: 10th St

Street Number: Street Name: Colorado Ave



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# Registration Fee

- An annual Registration Fee for controlled units is charged to property owners by the Rent Control Board.
- The current fee is \$228 per unit per year.
- As long as an owner pays the annual fee on time (usually by August 1), 50% of the registration fee may be passed through to each tenant by including an additional \$9.50 per month in the tenants' rents.

$$\begin{array}{r} \text{MAR} \\ + \text{Registration Fee Pass-} \\ \text{Through} \\ + \text{Allowable Surcharges} \\ \hline \text{Maximum Lawful Rent} \end{array}$$



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# Allowable Surcharges

- This only applies to tenancies that started before March 1, 2018.
- Allowable surcharges are based on an owners' property tax bill. These costs can be divided among units on a property and passed through to the tenants.
- Surcharges for existing tenancies are capped at 4% of the MAR or \$35, whichever is less.
- Surcharges cannot be passed through for new tenancies beginning March 1, 2018, or if a building was sold or has its value reassessed after that date.

MAR  
+ Registration Fee Pass-  
Through  
+Allowable Surcharges  
Maximum Lawful Rent



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# Property Tax Bill

- This sample of a property tax bill lists the terms used for the specific costs as they appear on a property tax bill (in bold lettering and labeled 5a through 5e).
- Owners must provide a copy of the tax bill to tenants with their rent increase notice to pass through most surcharges.

2021		ANNUAL SECURED PROPERTY TAX BILL		2021	
		SECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, <u>2021</u> TO JUNE 30, 2022			
PROPERTY IDENTIFICATION ASSESSOR'S ID NO.: 4200-000-000 OWNER OF RECORD AS OF JANUARY 1, <u>2021</u>		DETAIL OF TAXES DUE FOR 4200-000-000			
MAILING ADDRESS OWNER NAME MAILING ADDRESS CITY, STATE ZIP CODE		<b>AGENCY</b> <i>General Tax Levy</i>	<b>RATE</b>	<b>AMOUNT</b> <i>All Agencies</i>	
<b>PASS THROUGH ONLY            LINES MARKED IN BOLD ►</b>		VOTED INDEBTEDNESS <i>City-Santa Monic</i>		<i>000.00</i>	
		<i>Metro Water Dist</i>		<i>000.00</i>	
		<b>5a ► COMMNTY COLLEGE</b>		<b>0,000.00</b>	
		<b>5b ► UNIFIED SCHOOLS</b>		<b>0,000.00</b>	
		DIRECT ASSESSMENTS			
		<b>5c ► SMMUSD-MEAS-R</b>		<b>439.41</b>	
		<i>Flood Control</i>		<i>000.00</i>	
		<i>County Park Dist</i>		<i>000.00</i>	
		<i>Trauma/Emerg Srv</i>		<i>000.00</i>	
		<i>LA West Mosq Ab</i>		<i>000.00</i>	
		<b>5d ► SM STRMH2O FEE</b>		<b>000.00</b>	
		<b>5e ► SM CLN BEACH TAX</b>		<b>000.00</b>	
PROPERTY LOCATION AND/OR PROPERTY DESCRIPTION 1234 ANYSTREET, SANTA MONICA Tract #00000 Lot 0		<b>TOTAL TAXES DUE</b>		<b>\$ 0,000.00</b>	
		FIRST INSTALLMENT TAXES		<b>\$ 0,000.00</b>	
		SECOND INSTALLMENT TAXES		<b>\$ 0,000.00</b>	



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# General Adjustment to the MAR

- The purpose of the GA is to provide property owners a fair return.
- The GA is based on 75% of the percentage change in the Consumer Price Index (CPI) for the Los Angeles area for the 12 months ending in March.
- The GA for this year has not been determined yet. However the GA will be capped at 3%.
- If the unit qualifies and with proper written notice, the GA can be implemented as early as of September 1st of each year.
- If owners did not implement a previous GA, it does not expire and can be prospectively implemented with proper notice.



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# Notice of Rent Increase



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## NOTICE OF CHANGE IN TERMS OF TENANCY – 2022 ADJUSTED G.A.

TO: \_\_\_\_\_  
 \_\_\_\_\_  
 tenant(s) in possession  
 \_\_\_\_\_, Santa Monica, CA \_\_\_\_\_  
 address unit number zip code

According to Santa Monica Rent Control Charter Amendment Section 1805(a)(4), approved by voters in the November 8, 2022 election, you are hereby notified that thirty days after serving you with this notice, the monthly rent for the unit you occupy will be changed as indicated below.

**A OLD MAR** - Enter the 2021-2022 Maximum Allowable Rent (MAR) ..... ① \$ \_\_\_\_\_ .00  
 Use amount in Col.1 on AGA MAR Report. Do not include fees, surcharges, or MAR as of 9/1/2022.

### ADJUSTED GENERAL ADJUSTMENT (AGA)

- Not applicable if the tenancy started September 1, 2021 or after.
- If Line ① is \$2,312 or less, multiply amount on Line 1 by 0.008 (0.8%).

If Line ① is \$2,313 or more, enter \$19 ..... ② \$ \_\_\_\_\_

**NEW MAR** – Add Lines 1 and 2: Enter the New 2023 MAR (round up 50c and above) ..... ③ \$ \_\_\_\_\_ .00

**B RENT CONTROL FEE PASS-THROUGH** - \$9.50 (or \$0.00 if fee waiver is in effect)..... ④ \$ \_\_\_\_\_

### C SURCHARGES FROM PROPERTY TAX BILL\*

- Do not include if tenancy began or property was reassessed on or after 3/1/18

Line Item on 2021 Tax Bill*	Amount		Enter Total # of Units on Property	\$ Annual Per Unit	Monthly	\$ Monthly Per Unit
5a Community College Bond <sup>1</sup>		÷			÷12	
5b Unified Schools Bond <sup>1</sup>		÷			÷12	
5c School District Parcel Tax <sup>2</sup>		÷			÷12	
5d Stormwater Management User Fee <sup>1</sup>		÷			÷12	
5e Clean Beaches & Ocean Parcel Tax <sup>1</sup>		÷	Subtract # of unit(s) with waiver(s)		÷12	
*If you gave a notice to the tenant to pay surcharges anytime in 2022, use the same 2021 Tax Bill. If you did not give notice to the tenant to pay surcharges in 2022, use the 2022 Tax Bill for a February 2023 increase.				5f Total (5a,5b,5c,5d,5e)		
				5g Multiply Line ⑤ by 0.04 (4%)		
Enter only one of 5f, 5g or \$35, whichever is less ⑤						

**D NEW MAXIMUM LAWFUL RENT:** Add Lines ③ + ④ and ⑤ \$ \_\_\_\_\_

The undersigned hereby verifies that the 2022–2023 Santa Monica Rent Control registration fees, as well as all past fees and penalties, were paid in full by August 1, 2022, as required by Regulation 11200. The undersigned further certifies that this unit and the property's common areas are not subject to any uncorrected citation or notice of violation of any state or local housing, health or safety law issued by a government official or agency.

By: \_\_\_\_\_ / \_\_\_\_\_  
 print owner/agent name signature of owner/agent  
 \_\_\_\_\_  
 address of owner/agent Date: \_\_\_\_\_

When it is permissible to pass through these taxes, a copy of the property tax bill must be provided to the tenant. Amounts for the Community College Bond, Unified School Bond, Stormwater Management User Fee, and Clean Beaches & Ocean Parcel Tax may change each January. See Regulations 3105, 3106, 3108 and 3120.

<sup>1</sup> On the 2021 tax bill, this is a flat fee of \$439.41 ("SMMUSD-MEAS-R" on tax bill). See Regulation 3109.

# Waivers of Certain Surcharges

- Registration Fee Waivers
  - Low-income senior tenants
  - Low-income disabled tenants
  - If a fee waiver is approved, no registration fees are charged for the unit the tenant occupies, and no registration fee surcharge may be passed through to the tenant of the unit.
- Clean Beaches and Ocean Parcel Tax Surcharge Waiver
  - Low-income tenants may apply for a waiver of this surcharge for their units.
  - If a waiver is issued, this parcel tax is not charged for that unit and the surcharge may not be included in the tenant's rent.





# Questions?



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# **Unlawful Rent Increases**

# Charges for Additional Amenities

- Additional amenities can be added by mutual agreement only.
- There are specific requirements that differ for pre-1/1/99 and post-1/1/99 tenancies.
- Charging for additional amenities without a proper agreement may constitute collection of excess rent.





# Additional Amenities: Pre-1/1/99 Tenancies

- Owner and tenant may negotiate a “separate agreement” for a monthly rental of amenities that are not “base amenities.”
- Separate agreement requirements:
  - Must be negotiated separately from the rental agreement.
  - Must contain terms comparable to those of similar arrangements in the unregulated market.
  - Continued existence of the agreement is not a condition of the tenancy.
  - Breach or termination of the agreement is not grounds for eviction.

# Additional Amenities: Post-1/1/99 Tenancies

- Limited only to:
  - Parking/Garage
  - Storage
  - Right to have a pet
- Requirements:
  - Must be the result of an arm's-length negotiation with no pressure on the tenant to accept the amenity.
  - The amount paid for the amenity must be comparable to lawful arrangements in the unregulated market.
  - Owner must register the initial amount charged for the amenity with the Board, which amount is added the MAR.



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# Additional Occupants

- No provision in the Rent Control Law allows owners to charge additional fees simply for having an additional occupant.
- A tenant's right to sublet their unit or have guests is usually controlled by the terms of their rental agreement. Violations of rental agreement terms could be grounds for eviction.
- The Municipal Code prohibits an eviction based on occupants being added if due to: marriage; domestic partnership (if properly registered); or birth, adoption or change of legal custody of a child.
- If a tenant sublets and no longer permanently resides in the unit, the owner may be entitled to raise the rent.



# Utility Costs

- Where a unit is separately metered, and the tenant pays the utility company directly, a tenant could be required to pay utility costs.
- If a property is master-metered and the lease requires the tenant to pay a share of the monthly utility bill, the owner must specify the exact dollar amount at the start of the tenancy.





# Tenants Not-in-Occupancy

- Rent-controlled units are supposed to be used as the address of usual return for tenants.
- If an owner believes a tenant no longer permanently resides in the unit, he or she may file a petition with the Board to raise the rent to a comparable market-rate rental.
- A decision in favor of the owner is not a reason for eviction.

# Complaints for Excess Rent

- Complaints for excess rent may be filed by tenants (or subtenants) who believe they have been or are being charged amounts that exceed what is allowed by the Rent Control Law.
- To start the process, a tenant must give a written demand to their landlord requesting a refund. The owner has 30 days to respond.
- If a Rent Control Hearing Examiner finds that excess rent has been collected, the tenant will be authorized to withhold rent until the amount of excess rent has been recovered.
- The Rent Control Board can only issue awards for excess rent collected in the previous 36 months. Interest and penalties can be included in the amount of an award.



# Questions?



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**Amenities,  
Maintenance,  
and Rent  
Decreases**



# Owners are required to maintain the property

## Base Amenities & Housing Services

- Amenities and housing services that were provided on the base rent date, as well as those required by law, must continue to be maintained and provided.
- Examples include:
  - Parking
  - Appliances
  - The right to have roommate(s)
- Includes common area housing services and amenities, such as gardening, laundry, recreation room, pool, etc.
- Owners must maintain the conditions of a unit.
- Examples of maintenance include:
  - Water leakage
  - Worn paint
  - Flooring
  - Broken windows or doors
  - Screens
  - Insect or animal infestation
  - Heat
  - Plumbing
  - Smoke alarms
  - Counters
  - Grout



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# Rent Decrease Petition

- Tenants can petition for a rent decrease when an owner reduces or removes base amenities or housing services; or fails to make necessary repairs.
- Decreases are calculated from the time the petition is filed.
- Rent decreases remain in effect until repairs are made or the amenities or housing services are restored.



# Construction Related Rent Decrease

- May be granted when a unit is uninhabitable due to construction, when construction substantially reduces a housing service or when construction interferes with a tenant's ability to occupy the unit as a residence.
- No decrease is authorized for unavoidable construction impacts caused by necessary repair or maintenance unless:
  - The construction is carried out in an unreasonable manner, or
  - The construction takes an unreasonably long time to complete
  - Regulation 4400 sets a decrease range for many possible issues.
  - Decreases are calculated on when the problems arose.
- Mediation service available.



# Questions?



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# Eviction Protections



# Eviction Protections

- “Tenant fault” evictions include:
  - Non-payment of rent
  - Violating an important condition of the rental agreement
  - Causing substantial damage or a substantial nuisance
  - Refusing lawful access to the rental unit
- “No-fault” evictions include:
  - Owner-occupancy
  - Withdrawal of a property from the rental housing business (Ellis Act)
  - Removal permit
  - For most “no fault” evictions, there are specific requirements that must be met, including a requirement in the Municipal Code for the payment of relocation benefits to displaced tenants.
- In some cases a written opportunity to correct is required
- The end of a lease is not a just cause for eviction.



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# Eviction for Owner-Occupancy

- Owner must be a natural person with a 50% or greater ownership interest, but owner can evict for close relative.
- Limited to one unit. Cannot be used if an owner already has possession of a unit.
- There are specific restrictions on the selection of a unit.
- Permanent Relocation must be paid to tenant.
- Requires owner occupancy within 60 days of vacancy
- Requires owner to occupy the unit for two years after eviction in good faith, unless there are extenuating circumstances.

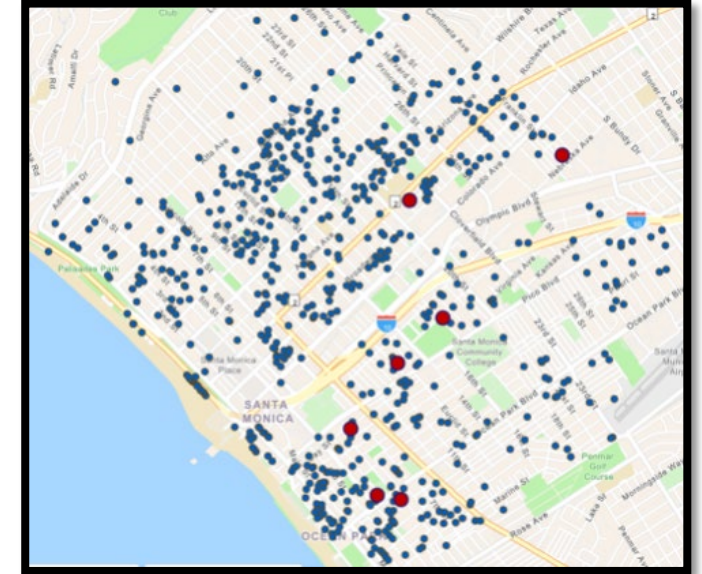
If you receive an eviction notice for owner-occupancy please call us!



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# The Ellis Act

- A State law that allows owners to withdraw from the rental housing business and evict tenants.
- Tenancies terminate either in 120 days or one year.
- Withdrawal may not be completed during a tenant's lease term.
- Individual condo units may not be withdrawn.
- City Ordinance provides additional protection against no-fault eviction for educators and students during the school year.
- Relocation benefits must be paid to tenants being evicted.
- Displaced tenants who income qualify may be given priority for affordable housing options in the city.
- Property returns to rent control if re-rented.
  - Displaced tenants may be able to return to the property if the owner re-rents within ten years.
  - If the owner re-rents within five years, the rent is restricted.



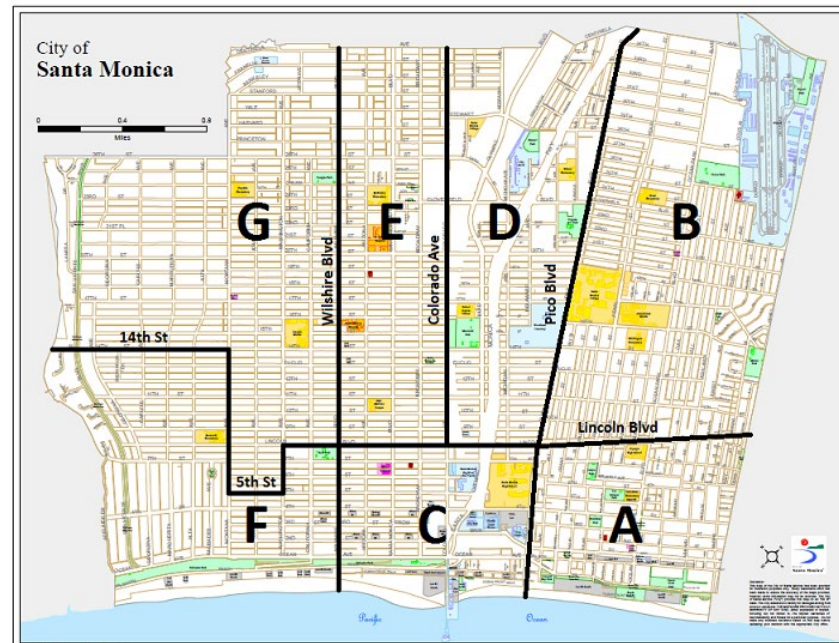
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# Buy-out agreements

- Buyouts are voluntary and are different from permanent relocation fees.
- Landlords must give a tenant a written notice of their rights.
  - The right not to enter into a buyout agreement
  - The right to consult with an attorney and/or the RCB before signing
  - The right to cancel the agreement at any time up to 30 days after signing
  - The right to an amount not less than the permanent relocation fee amount

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



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



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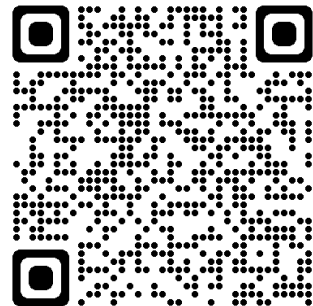
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**Thank you!**



# What's Next?

- We will post this presentation on the Seminars and Newsletters page of our website
- The next Rent Control Board meeting is Thursday, May 9, at 7:00 p.m. in Council Chambers at City Hall.
- For more information:
  - Call: (310) 458-8751
  - Email: [rentcontrol@santamonica.gov](mailto:rentcontrol@santamonica.gov)
  - Website: [santamonica.gov/rentcontrol](http://santamonica.gov/rentcontrol)



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