



City of  
**Santa  
Monica**

***Owning  
Rent-Controlled  
Property in Santa  
Monica***

April 18, 2023

# Presented by

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# Topics

- CIVICS
- Rent control overview
- Registration requirements
- The Maximum Lawful Rent
- Petitions and complaints
- Evictions
  - Current state of Eviction Moratoria
- Limitations on change of use

# How to ask questions

The screenshot shows a Zoom meeting interface. At the top, a green banner reads "Test Seminar" and "The event is live - You are in a view and listen only role and can not be seen or he... DISMISS". The main content area displays a slide titled "Topics" with a list of items: CIVICS, Rent control overview, Registration requirements, The maximum lawful rent, Petitions and complaints, Evictions (with a sub-item "Current state of Eviction Moratoria"), and Limitations on change of use. The City of Santa Monica logo is in the bottom right of the slide. To the right, a "Moderator Chat" window is open, showing a list of participants (4) and a text input field with the placeholder "Type here...". A blue arrow points from the text "Click here to show the Moderator Chat" to the participant list icon, and another blue arrow points from the text "Type your question here" to the chat input field. The bottom of the screen shows the Zoom control bar with icons for mute, video, chat, and a "CC" button, along with the City of Santa Monica logo and "Dolby Voice" branding.

Click here to show the Moderator Chat

Type your question here



# 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

- Permanent and temporary relocation
- Building code violations
- Smoke-free residential ordinance



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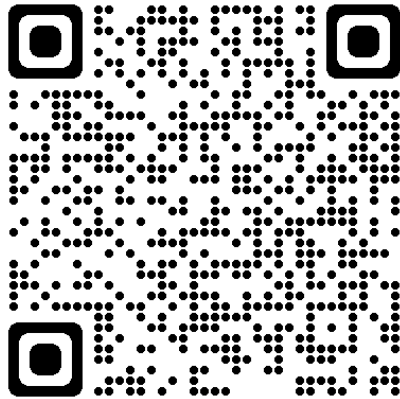


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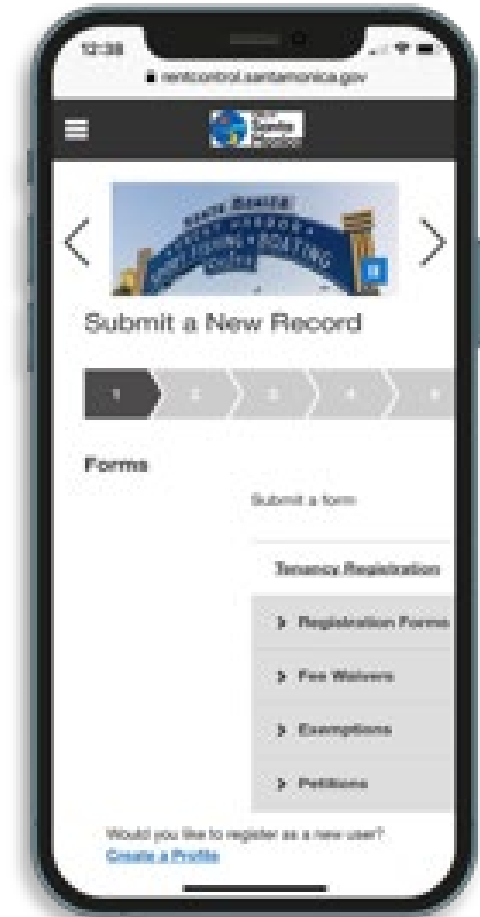
**CIVICS**

# Get CIVICS!

- [Rentcontrol.santamonica.gov](http://Rentcontrol.santamonica.gov)



- Click Create a Profile



# Questions?



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# **Introduction to Rent Control**

# The Rent Control Law

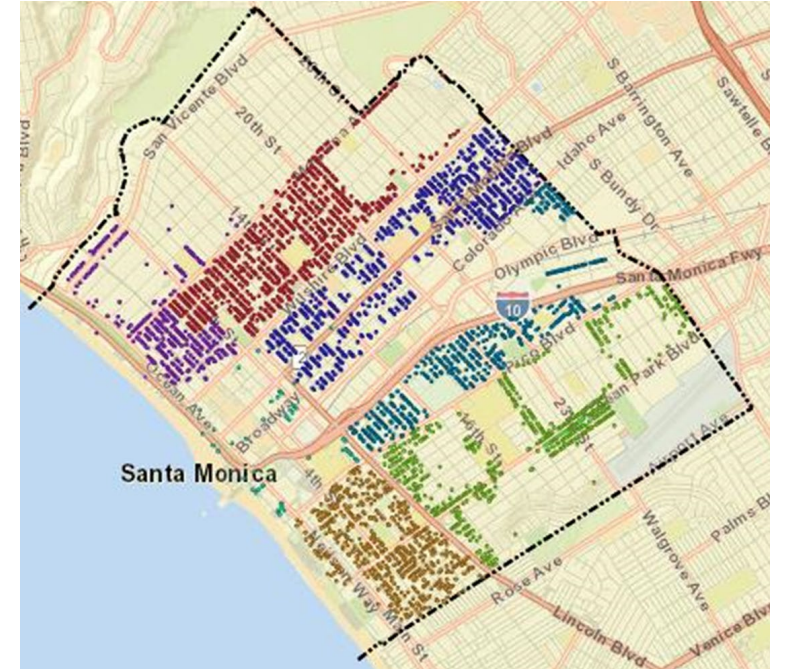
- All rent increases during a tenancy are controlled.
- Remedies are provided for situations where excess rent is charged or maintenance is neglected.
- There are eviction protections. The reasons a tenancy may be terminated are limited.
- Change of use and the physical removal or conversion of controlled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



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# Units Subject to Rent Control

- Most residential rental units in buildings constructed prior to April 10, 1979
- Accessory Dwelling Units (ADU) if by conversion
- Primary exceptions:
  - Most single-family homes
    - Not used for rental July 1, 1984 (declaration)
    - Owner-occupied for two years (application)
  - Most owner-occupied properties with three or fewer units
- Separately sold condominiums with tenancies after January 1, 1996 may have decontrolled rents but eviction protections continue.



# What Is a Three-or-Fewer-Units Owner Occupancy Exemption?

## Requirements:

- There must be three or fewer units on the property.
- The owner living on the property must continuously own at least a 50% interest in the property.
- The owner must live continuously in one of the units as his or her principal place of residence for 120 days before applying.

## The exemption lapses when:

- A property is no longer the owner's principal place of residence.
- The owner no longer owns a 50% interest in the property.
- Exemptions do not transfer to new owners, even if they move onto the property. New owners must apply for a new exemption.



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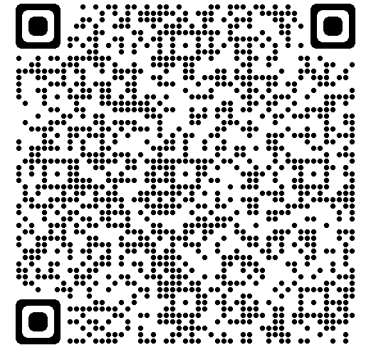
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# **Registration Requirements**

# Owner's Registration Requirements

- Ownership Registration
  - When there is any change in title.
- Agent Authorization
  - When an owner wants to authorize someone else to handle business regarding their property with the Board.
- Registration of New Tenancies and Amenities
  - All new tenants must get a copy of the Rent Control Information Sheet.
- Added Amenities
  - When parking, pets, or storage are added as amenities to post-1/1/99 tenancies.
- Registration must be done within 30 days.



# What Happens if I Fail to Register?

- The right to implement rent increases may be restricted.
- A rent increase to a tenant while registration is not proper may result in the collection of excess rent until registration is proper.
- Rent withholding can be ordered until the landlord comes into compliance with the law.



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# One-Year Minimum Lease Terms

- SMMC 6.22 RESIDENTIAL LEASING REQUIREMENTS
- Requires rental housing units to be:
  - Rented to tenants who will use and occupy the unit as their primary residence
  - Leased for an initial lease term of no less than one-year
  - Leased unfurnished, and
  - Leased only to natural persons.
- Owners must collect documentation from tenants.





# Separate Agreements (Pre-1/1/99 Tenancies)

Property owners and tenants may negotiate a "separate agreement" for the monthly rental of amenities that were not already "base amenities". Requirements:

- The separate agreement must be negotiated separately from the rental agreement.
- It must contain terms comparable to those of similar arrangements in the unregulated market.
- The continued existence of the agreement is not a condition of the tenancy.
- The breach or termination of the agreement is not grounds for eviction.



# Added Amenities for Post-1/1/99 Tenancies

Property owners and tenants may agree to an additional monthly charge for the addition of:

- Parking
  - Storage
  - Right to have a pet
- Such amenities become “base amenities,” and the original amount charged becomes part of the MAR.
- Requirements:
- Must result from an arm’s-length negotiation with no pressure on the tenant to accept the amenity.
  - The amount paid must be comparable to lawful arrangements in the unregulated market.
  - The owner must register the initial amount charged for the amenity with the Board.



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# Questions?



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**Maximum  
Lawful Rent**

# How Much Rent Can I Charge?

- The Maximum Lawful Rent for existing tenants is determined by adding together the following three components:

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



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# What is the Maximum Allowable Rent (MAR)?

- The MAR is the base rent plus any allowable increases.
  - Annual increases are per General Adjustments
  - The addition of certain amenities may also result in allowable increases.

Maximum Allowable Rent

+ Registration Fee Pass-Through

+ Allowable Surcharges

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Maximum Lawful Rent



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# How Is the Base Rent Determined?

## Pre-1/1/99 Tenancies

- The base rent is usually the rent in effect on April 10, 1978.

## Post-1/1/99 Tenancies

- The base rent is usually the initial rent charged at the beginning of each new tenancy.

# What Determines the Amount of the Annual General Adjustment (GA)?

- The GA is based on 75% of the annual change in the regional Consumer Pricing Index (CPI) for the Los Angeles area for the 12 months ending in March:
- The Board retains the authority to apply a maximum dollar-amount based on a formula in the Charter.
- The GA for this year has not been announced yet. However, the GA will be capped at 3% due to Measure RC.
- 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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# Measure RC and 2022 Adjusted GA

- Reduced the maximum GA from 6% to 3%
- Adjusted MARs for units increased 6% per the September GA to a 0.8% increase effective February 2023
- Adjusts MARs for units increased the \$140 maximum per the September GA to a \$19 increase effective February 2023
- Provides monthly increases that average 3% or \$70, whichever is less for year (Sept. 2022 –Aug. 2023) per Board regulations.
- 2023 GA will be based on qualifying MARs in effect on August 31, 2022 plus 3% or \$70 max



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# When Can a GA be Taken?

On September 1 of each year (or anytime after) only if:

- all registration fees and any penalties are paid;
- the tenancies and property are properly registered;
- Rent Control Information Sheet given to new tenants after 7/31/2017.
- there are no uncorrected citations or notices of violation of health, safety, or housing laws for the unit or property;
- substantial compliance with the Rent Control Law;
- the owner gives proper written notice; and,
- the tenancy has been in effect for at least 12 months



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# How Can I Learn the MAR for a Unit?

- Each June, we send property owners a MAR Report to assist in preparing annual rent increase notices.
  - Check tenancy dates for accuracy.
- Use the “Look Up A Rent” link on our website, or call/email us.

## 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

#### 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



[Programs](#) | [Services](#) | [Getting Around](#) | [Art, Culture & Fun](#) | [Businesses](#) | [Your City Hall](#)

## 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

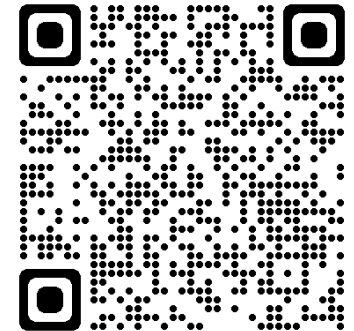
Street Number:  Street Name:

#### 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 (unless a fee waiver has been granted).
- The fee currently is \$228 per year per unit.
- As long as an owner paid 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.

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



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# Registration Fee Waivers

- Low-income elderly and low-income disabled tenants may apply for a registration fee waiver for their units.
- Owners may apply for a registration fee waiver for units occupied by Section 8 tenants.
- Owners holding at least a 25% interest in a property and occupying a unit as their principal place of residence may apply for a fee waiver for their unit.
- If a fee waiver is approved, registration fees are not charged for the unit and there can be no registration fee pass-through charged to a tenant of the unit.



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# Allowable Surcharges

- 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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# Notice of Rent Increase

- The specific costs from the property tax bill are listed on the Notice of Change in Terms of Tenancy forms (also labeled 5a through 5e) prepared by the Rent Control Agency for use by owners in giving tenants notice of their rent increase.

## 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 3 by 0.04 (4%)		
Enter only one of 5f, 5g or \$35, whichever is less 5						

2021 ANNUAL SECURED PROPERTY TAX BILL		2021
SECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 2021 TO JUNE 30, 2022		
PROPERTY IDENTIFICATION ASSESSOR'S ID NO.: 4200-000-000 OWNER OF RECORD AS OF JANUARY 1, 2021		DETAIL OF TAXES DUE FOR 4200-000-000
MAILING ADDRESS OWNER NAME MAILING ADDRESS CITY, STATE ZIP CODE	AGENCY General Tax Levy	RATE AMOUNT All Agencies
<b>PASS THROUGH ONLY LINES MARKED IN BOLD ▶</b>		VOTED INDEBTEDNESS City-Santa Monica Metro Water Dist
	<b>5a ▶ COMMUNITY COLLEGE</b>	0,000.00
	<b>5b ▶ UNIFIED SCHOOLS</b>	0,000.00
	<b>5c ▶ SMMUSD-MEAS-R</b>	439.41
	Floor Control	000.00
	County Park Dist	000.00
	Trauma/Emrg Svcs	000.00
	LA West Most Ad	000.00
	<b>5d ▶ SM STRM-20 FEE</b>	000.00
	<b>5e ▶ SM CLN BEACH TAX</b>	000.00
PROPERTY LOCATION AND/OR PROPERTY DESCRIPTION 1234 ANYSTREET, SANTA MONICA Tract #00000 Lot 0		TOTAL TAXES DUE \$ 0,000.00 FIRST INSTALLMENT TAXES \$ 0,000.00 SECOND INSTALLMENT TAXES \$ 0,000.00



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

# Notice of Change in Terms of Tenancy

This report reflects Board records but is not a rent certification. Call the Rent Control office if you have any questions.

Unit ID	Current MAR as of 6/16/20	Market Rate Established	9/1/20 GA	New MAR as of 9/1/20
<b>SITE ADDRESS: 1134 CENTINELA AVE RENT CONTROL ID#: 4267115515</b>				
1431-A	\$752		1.4%	\$763
1431-B	\$2162	12/27/14	1.4%	\$2162
1433-A	\$627		1.4%	\$639
1433-B	\$2162	07/01/15	1.4%	\$2162

2021 ANNUAL SECURED PROPERTY TAX BILL 2021  
SECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 2021 TO JUNE 30, 2022

PROPERTY IDENTIFICATION  
ASSESSOR'S ID NO.: 4200-000-000  
OWNER OF RECORD AS OF JANUARY 1, 2021

MAILING ADDRESS  
OWNER NAME  
MAILING ADDRESS  
CITY, STATE ZIP CODE

**PASS THROUGH ONLY LINES MARKED IN BOLD ▶**

AGENCY	RATE	AMOUNT
DETAIL OF TAXES DUE FOR 4200-000-000		
General Tax Levy		
VOTED INDEBTEDNESS		
City-Santa Monica		000.00
Metro Water Dist		000.00
<b>5a ▶ COMMUNITY 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>
Flood Control		000.00
County Park Dist		000.00
Trauma/Emerg Serv		000.00
LA West Coast Ad		000.00
<b>5d ▶ SM STRM-DO FEE</b>		<b>000.00</b>
<b>5e ▶ SM CLN BEACH TAX</b>		<b>000.00</b>
<b>TOTAL TAXES DUE</b>		<b>\$ 0,000.00</b>
FIRST INSTALLMENT TAXES		\$ 0,000.00
SECOND INSTALLMENT TAXES		\$ 0,000.00

PROPERTY LOCATION AND/OR PROPERTY DESCRIPTION  
1234 ANYSTREET, SANTA MONICA  
Tract #00000 Lot 0

NOTICE OF CHANGE IN TERMS OF TENANCY - 2022 ADJUSTED G.A.

TO: \_\_\_\_\_  
tenant(s) in possession \_\_\_\_\_  
address \_\_\_\_\_ unit number \_\_\_\_\_ Santa Monica, CA \_\_\_\_\_ 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) \_\_\_\_\_ \$ \_\_\_\_\_  
Use amount in 2021 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 Section 1, 2021 or after.  
 \* If Line 1 is \$2,312 or less, multiply amount on Line 1 by 0.04 (0.4%).  
 \* If Line 1 is \$2,313 or more, enter \$19 \_\_\_\_\_ \$ \_\_\_\_\_

**NEW MAR** - Add Lines 1 and 2: Enter the New 2023 MAR (round up 50¢ and above) \_\_\_\_\_ \$ \_\_\_\_\_

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

**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>1</sup>	+			+12	
5d Stormwater Management User Fee <sup>1</sup>	+			+12	
5e Clean Beaches & Ocean Parcel Tax <sup>1</sup>	+	Insert # 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 5f by 0.04 (4%)
Enter only one of 5f, 5g or \$35, whichever is less. 5h					

**D NEW MAXIMUM LAWFUL RENT:** Add Lines 1 + 2 and 3 \$ \_\_\_\_\_

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 31286. The undersigned further certifies that this unit and the property's common areas are not subject to any unremediated 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  
Date: \_\_\_\_\_  
address of owner/agent \_\_\_\_\_

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 31285, 31286, 31288 and 31290.  
\* On the 2021 tax bill, this is a flat fee of \$409.41 ("SMMUSD-MEAS-R" on tax bill). See Regulation 31285.

Blank form provided by the Santa Monica Rent Control Board



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# School District Parcel Tax Exemption (SMMUSD-MEAS-R)

- Exemptions from this tax are available to property owners who meet the following qualifications:
  - 65+ by June 30th of year in which they apply
  - Occupy the property as primary residence
- Applications are available by contacting SMMUSD at  
(310) 450-8338, ext. 70263.
- When this waiver is granted, no School District Parcel Tax is charged for the property and no School District Parcel Tax surcharge may be passed through to any tenants of the property.



# Clean Beaches and Ocean Parcel Tax Exemption

- Exemption available for low-income owners who qualify and apply. If granted, no Clean Beaches and Ocean Parcel Tax will be charged and no surcharge may be included in the rent for any tenant on the property.
- To apply, contact Curtis Castle, at [curtis.castle@santamonica.gov](mailto:curtis.castle@santamonica.gov)
- A pro-rated waiver of the tax is also available for the unit of any low-income tenants that apply. If granted, no Clean Beaches and Ocean Parcel Tax surcharge may be charged to such tenants.



# Questions?



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# Petitions and Complaints

# Complaints for Excess Rent

- Complaints for excess rent may be filed by tenants who believe they are being or have been charged amounts that exceed what is allowed by the Rent Control Law.
- If a hearing decision determines that excess rent has been collected, the tenant will be authorized to withhold rent until the excess rent has been recovered. Interest and penalties can be included in the amount of an award.



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# Common Examples of Excess Rent

Increase for additional occupant

Unregistered additional amenities

Utility Charges

Improper noticing of rent increases

Improper pass-through of surcharges

# Can Tenants Be Charged Separately for 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.
- Ratio Utility Billing Systems (RUBS) are not permissible



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# Petitions for Rent Decrease

- Tenants may file a petition for a rent decrease when necessary repairs are neglected or for the reduction or removal of amenities or housing services. If a rent decrease is granted, it will remain in effect until the repairs are made or the amenities or services are restored.
- Owners who wish to remove a base amenity or housing service may file a decrease petition.



# What maintenance is required?

- In addition to State law and other local laws, Rent Control regulations provide remedies for failure to make necessary repairs inside units and in common areas. These might include issues regarding:

- water supply
- water leakage
- worn paint
- heat
- elevators
- porches
- counters
- smoke alarms
- screens
- insects
- appliances
- dangerous walkways
- broken windows or doors
- electrical problems
- plumbing problems



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# Base Amenities and 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 may include:
  - parking
  - refrigerator
  - smoke alarms
  - storage
  - other appliances
  - right to have roommates
  - carpet
  - window coverings
  - right to overnight guests
  - stove
  - screens
  - right to have a pet
- Includes services to common areas, such as gardening, laundry, on-site management, recreation room, pool, etc.



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# How are Base Amenities Determined?

## Pre-1/1/99 Tenancies

- The date for determining base amenities and housing services is April 10, 1978, or if a unit was not rented then, the first date rented thereafter

## Post-1/1/99 Tenancies

- The date for determining base amenities and housing services is the date the current tenancy began or additional amenity was added.

# 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.



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# Are There Other Times When the MAR Can Be Adjusted?

- Tenant-Not-In-Occupancy petitions: An owner may file a petition for an increase when the owner believes a tenant does not use their unit as a primary residence. If this is proven at a hearing, the Rent Control Board will grant a one-time market-rate increase.
- Individual rent increase petitions: An owner may file a petition for rent increases based on unusually high expenses, such as capital improvement expenses. These petitions must include all the units on a property.

# Effectiveness of Mediation of Petitions

- 78 Decrease Petitions filed in 2022.
- 15 Excess Rent Petitions filed in 2022.
- 11 Construction-Related Petitions filed in 2022.

**44%**

Decrease petitions mediated and fully or partially resolved

**67%**

Excess rent complaints resolved after administrative or formal mediation

**43%**

Construction petitions fully mediated and resolved



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# Questions?



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# Evictions



# How Does the Rent Control Law Affect Evictions?

- The reasons for terminating a tenancy are limited.
- Termination notices served on tenants for most types of evictions must be filed with the Agency and the City Attorney's Office.
- Evictions for owner occupancy are subject to a number of limitations and requirements.
- Warning notices are required for some types of eviction.



# Eviction Limitations

- “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\*\*\*
- The end of a lease is not a just cause for eviction



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# What Kinds of Limitations Are There on Evictions for Owner Occupancy?

- Owner must be a natural person with at least 50% ownership.
- Owner can evict for a close family member
- Must intend to move in within 60 days of the date the unit is vacated and occupy the unit as a primary residence for at least 2 years. (Measure RC)
- Not allowed if a landlord or relative already occupy a unit.
- Rent that may be charged for subsequent re-rental is restricted

# What Kinds of Limitations Are There on Evictions for Owner Occupancy?

- Tenants who are terminally ill or have lived in their units for 5 years and are over 62 or disabled cannot be evicted for owner-occupancy unless the evicting owner is also at least 62, disabled or terminally ill.
- Relocation benefit payments must be placed in an escrow account for the tenant who is being evicted.
- Tenants of TORCA condominium units who are "Participating Tenants" (generally, tenants at the time the conversion to condominiums was approved by the City) may not be evicted for owner-occupancy.



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# Limitations on Evictions for Owner Occupancy : Restrictions on Selection of a Unit

- Cannot evict from a unit if there is a comparable unit on the property that is already vacant.
- Cannot evict from a unit if there is a comparable unit on the property that has been occupied by the current tenants for a shorter time.
- Comparable means same number of bedrooms with square footage that varies by no more than 15%

# City of Santa Monica Eviction Limitations

- Good cause eviction protections have been extended to tenants in multi-unit buildings that are not subject to the Rent Control Law. The following limitations apply to rent-controlled and non-rent-controlled properties:
- Municipal Code provides a substantive defense against no fault eviction if:
  - A child under the age of 18 or any educator lives in the unit; or
  - A child or educator is a tenant in the unit or has a custodial or family relationship with a tenant in the unit; and
  - A tenant has lived in the unit for twelve months or more; and
  - The date the tenant must move out of the unit falls during the school year.



# Local and County Eviction Moratoria

Santa Monica Through February 28, 2023 (expired now)

- Residential tenants were protected from the following kinds of evictions:
  - No-fault evictions, including owner-occupancy
  - Refusing entry into a unit, with limited health and safety exceptions
  - Having unauthorized occupants or their pets, with limited health and safety exceptions
  - “Nuisances” (certain behaviors or conditions that would normally be grounds for eviction), with limited health and safety exceptions
  - “Ellis” evictions (removing units from the rental market)
- Temporary Eviction Moratorium for Rent Controlled Tenants
  - Rent due between Sept 1, 2022 and Jan 31, 2023
  - Unit is rent control
  - RC rent has been increase by more than 3% above the MAR in place prior to Sept 1, 2022
  - Tenant cannot pay covered rent due to Covid-19 related financial distress
  - Tenant provides notice and documentation to the landlord of inability to pay due to Covid-19

\*\* Under the SM Temporary Eviction Moratorium for Rent Controlled Tenants, qualifying tenants still owe rent, and must pay covered rent back by **September 1, 2023**



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# Local and County Eviction Moratoria

Los Angeles County

Phase I (2/1/22 – 5/31/22) Phase II (6/1/22–3/31/23) expired now

- Eviction protections for nonpayment of rent, including self-certification to establish affirmative defense, for households with income at or below 80% Area Median Income (AMI) due to COVID-19 financial hardship for rent incurred on or after July 1, 2022.
- To be protected, tenants must have provided notice to their landlord within 7 days of rent due, every month that rent is due.
- [dcba.lacounty.gov/noevictions](https://dcba.lacounty.gov/noevictions) for more information



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# **Limitations on Change of Use**

# Limitations on Changing the Use of Controlled Property

- Removal permits
- The Ellis Act
- Permanent Relocation Benefits must be paid for no-fault evictions.

# What Is a Removal Permit?

- A removal permit may be granted by the board to remove a unit from the rental housing market by demolition, conversion or other means.
  - Unit is uninhabitable and it is not economically feasible to make it habitable.
  - Property to be redeveloped with replacement rent-controlled units.
- Removal permits expire if not acted on.

# What Is the Ellis Act?

A State law that allows owners to withdraw from the rental housing business and evict tenants.

## Requirements:

- Notice of Intent to Withdraw the property must be filed with the Board.
- Notice of termination of tenancy must be properly served on tenants.
- Relocation benefits must be paid to displaced tenants.

## Eviction limitations:

- Tenancies must initially be terminated 120 days from filing Notice of Withdrawal. Tenants 62 years or older or disabled may request that their tenancies be extended to a year.
- Withdrawal cannot be completed during a tenant's lease term.
- Individual condo units may not be withdrawn.



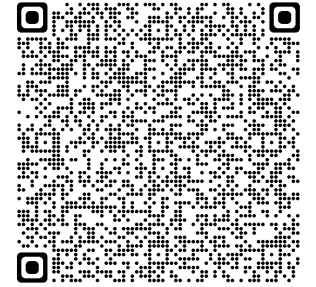
# Ellis Act Restrictions/Penalties

- If withdrawn units are re-rented within two years of withdrawal, displaced tenants can sue for all their damages.
- Any rental within five years of withdrawal must be at the rent-controlled rate applicable for the unit.
- If withdrawn units are demolished and property is redeveloped and new units rented within five years of withdrawal, all new units will be subject to rent control.
- If units are re-rented within ten years of withdrawal:
  - owner must first offer units to displaced tenants; or
  - tenants may obtain a judgment against the owner equal to six times monthly rent when withdrawn.
- Any subsequent use of a withdrawn property requires a re-occupancy permit from the City.

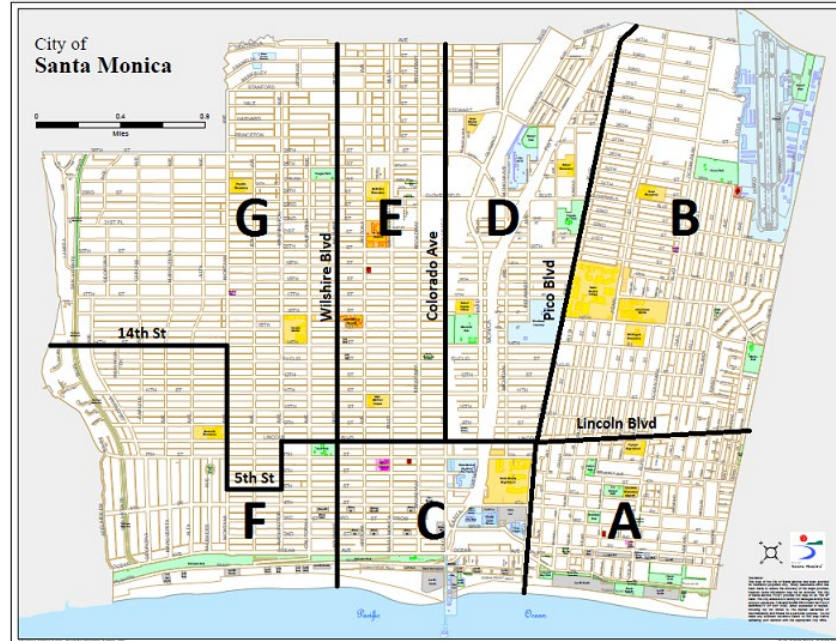


# Buy-out agreements

- Buyouts are voluntary and 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



City Area	# Units	Average
A	3	\$58,333
B	6	\$32,667
C	0	
D	4	\$34,488
E	4	\$54,075
F	2	\$62,500
G	5	\$38,730
<b>Total</b>	<b>24</b>	<b>\$43,496</b>



Unit Size	# Filed	Average
0 Bedroom	3	\$42,217
1 Bedroom	9	\$27,510
2 Bedrooms	9	\$56,683
3(+) Bedrooms	3	\$53,333
<b>Total</b>	<b>24</b>	<b>\$43,496</b>



# Questions?



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# Owning Rent-Controlled Property in Santa Monica

- We will post this presentation on the Seminars and Newsletters page of our website
- The next Rent Control Board meeting is Thursday, May 11, 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)

