



## 2023 General Adjustment is 2.8%

### Maximum Increase for Adjusted MARs of \$2,375 or above is \$67

*Effective September 1, 2023*

The Santa Monica Rent Control Board has announced a 2.8 percent general adjustment (annual rent increase) to controlled rents effective September 1, 2023. Following a public hearing on June 8th, the Board voted to limit the amount of the increase to \$67 for units with Adjusted Maximum Allowable Rents (MARs) of \$2,375 and above. Both the general adjustment (GA) and the maximum increase (ceiling) that the Board may choose to apply are determined by formulas in the Santa Monica rent control law.

The law specifies the annual GA is "equal to seventy five percent of the percentage increase in the Consumer Price Index (CPI) ... as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the 12-month period ending as of March of the current year," rounded to the nearest tenth decimal place. The law also states that the general adjustment will not be less than zero percent nor greater than three percent.

The percentage increase in the CPI for the period ending in March 2023 was 3.7 percent. Seventy five percent of 3.7 percent is 2.775 percent, and when rounded, equals 2.8 percent.

For your rent to be increased by the 2023 GA, the owner of the property (or their agent) must give you a written notice in accordance with state law at least 30 days before the increase takes effect (90 days for mobile home spaces). Typically, this is a form called a Notice of Change in Terms of Tenancy. Rent Control provides a blank form for owners to use that looks like the one on page 3. Owners are not required to use our form, but many do. An explanation of the Notice is on page 2. Please call us if you have questions about the notice you receive or follow the links in this newsletter for more information. 🏠

#### For your unit to qualify for this year's General Adjustment, all the following must be true:

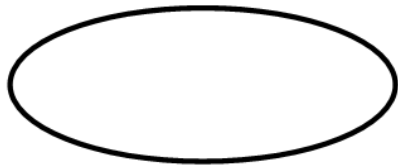
- ✓ Your tenancy began before September 1, 2022.
- ✓ The property owner has properly registered your tenancy with the Rent Control Agency.
- ✓ You are given at least a 30-day written notice of the increase before it goes into effect.
- ✓ All registration fees and penalties owed to the Board by the owner are paid in full.
- ✓ The property has no uncorrected citations for violations of health, safety, or housing laws.
- ✓ The owner is otherwise in compliance with the rent control law.

## Understanding the Notice of Increase

**Part A** of the notice, shown on page 3, relates to the increase to the MAR per this year's GA. The MAR on line 1 is the starting point for this year's calculation. Because there were two changes to the MAR since August 31, 2022, the "old" MAR on this line may be different than the amount you are currently paying, depending on how the changes required by Measure RC were implemented. A little background may help you understand what's on line 1.

If you were a tenant in 2022, you may recall that the original 2022 GA effective last September 1 was 6% above the MAR in effect on August 31, 2022 (with a maximum increase of \$140). Measure RC, passed by Santa Monica voters in November 2022, reduced this increase from February to August of this year to 0.8% above the August 31, 2022 MAR (with a maximum increase of \$19). This mid-year change was implemented to achieve an average 3% (or \$70 maximum) increase for the year. Per Measure RC, the September GA will be applied to the MAR in effect on August 31, 2022 plus 3% (or \$70 max). This is the Adjusted MAR. The amount for your unit is printed in the oval on page 4, and it may be higher than the rent you are currently paying. When the 2023 GA of 2.8% (maximum \$67) is added to the Adjusted MAR, the new MAR effective September 1, 2023 will be the amount shown in the rectangle on page 4.

The Adjusted MAR\* for your unit to which the 2023 GA will be applied:



2.8% or \$67 GA

The MAR for your unit after the 2023 GA is applied:



In **Part B**, the property owner may require you to pay half of the Rent Control registration fee as a monthly surcharge in addition to the new MAR. The annual Rent Control fee is \$228 per unit. If the owner pays the fees in full by August 1, half of the \$19.00 monthly fee may be passed through to you as an \$9.50 monthly surcharge on your rent.

If a registration fee waiver has been approved for your unit because you are a very-low-income senior or very-low-income disabled tenant, or if your rent is subsidized by a state or federal program (such as Section 8), the owner does not pay the registration fee, and nothing is passed through to you. Call us or visit [santamonica.gov/rent-control-fee-waivers](https://santamonica.gov/rent-control-fee-waivers) for a fee waiver application.

In **Part C**, owners may add limited property-tax-related surcharges to your rent— but only if your tenancy began before March 1, 2018 and if the property has not been sold or reassessed since then. Property-tax-related surcharges may not exceed the actual prorated amounts from the tax bill, \$35 or 4% of your 2023/2024 Maximum Allowable Rent, whichever is less. To charge the amounts in Part C, the owner must provide a copy of the property tax bill.

**Part D** shows the new rent that you will pay no earlier than September 1, 2023. ▲

**MORE INFORMATION:** Visit our website or contact us for these written documents.



- **Rent Control Information Sheet** — a summary of your rights [santamonica.gov/rent-control-information-by-subject](https://santamonica.gov/rent-control-information-by-subject)
- **The Spring Newsletter: Maximum Allowable Rents & Measure RC** [santamonica.gov/rent-control-seminars-and-newsletters](https://santamonica.gov/rent-control-seminars-and-newsletters)

NOTICE OF CHANGE IN TERMS OF TENANCY 2023

TO: \_\_\_\_\_  
tenant(s) in possession

\_\_\_\_\_ address \_\_\_\_\_ unit number \_\_\_\_\_ Santa Monica, CA \_\_\_\_\_ zip code

According to Santa Monica Rent Control Regulation 3035 and Board Resolution 23-005, you are hereby notified that thirty days after serving you with this notice (but not before September 1, 2023), the monthly rent for the unit you occupy will be increased as indicated below.

**A OLD MAR** - Enter the 2022-2023 Adjusted Maximum Allowable Rent (MAR) per Measure GA **1** \$ \_\_\_\_\_ .00  
*Do not include fees and surcharges from last year. Owners: Use amount in Col.1 on MAR Report*

**GENERAL ADJUSTMENT (GA)**

- *Not applicable if the tenancy started September 1, 2022 or after.*
- If Line **1** is \$2,374 or less, multiply amount on Line 1 by 0.028 (2.8%).

If Line **1** is \$2,375 or more, enter \$67 \_\_\_\_\_ **2** \$ \_\_\_\_\_


**NEW MAR** - Add Lines 1 and 2: Enter the 2023-2024 MAR (round up 50¢ 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 2022 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	
			<b>5f Total (5a,5b,5c,5d,5e)</b>		
			<b>5g Multiply Line <b>3</b> by 0.04 (4%)</b>		
Enter only one of 5f, 5g or \$35, whichever is less <b>6</b>					

 \*Regulation 3120 prohibits an owner from passing through surcharges if a tenancy began or the property was reassessed on or after 3/1/2018.

**D 2023/2024 MAXIMUM LAWFUL RENT:** Add Lines **3** + **4** and **6** \$ \_\_\_\_\_

The undersigned hereby verifies that the 2023-2024 Santa Monica Rent Control registration fees, as well as all past fees and penalties, were paid in full by August 1, 2023, 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 \_\_\_\_\_  
Date: \_\_\_\_\_, 2023  
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 3105, 3106, 3108 and 3120.  
\* This is a flat fee of \$471.93 ("SMMUSD-MEAS-R" on tax bill). See Regulation 3109.

*Blank form provided by the Santa Monica Rent Control Board*

Frequently Asked Questions

- ▶ **Q.** Does this mean the MAR is increasing by both 3% AND 2.8% this year?
- ▶ **A.** No. The 3% adjustment was the adjustment for 2022, down from the original 6% GA. This year, the increase is just 2.8% with a maximum of \$67, but it's applied to the Adjusted MAR resulting from a 3% (maximum \$70) increase above the 8/31/2022 MAR.
- ▶ **Q.** What if the owner serves me a notice that increases my rent by more than the cap of \$67?
- ▶ **A.** The 2023 maximum GA increase of \$67 applies only to the Maximum Allowable Rent. The owner may also pass through half of the Rent Control monthly registration fee (\$9.50) and in many cases, certain surcharges from the tax bill. Surcharges may add as much as \$35 monthly, depending on the property.
- ▶ **Q.** What if the owner hasn't increased my rent in previous years but is now taking several general adjustment increases from previous years at once?
- ▶ **A.** In Santa Monica, owners do not lose the right to increase rents to the Maximum Allowable Rent, provided they otherwise qualify. That means an owner who deferred taking general adjustment increases may do so with proper notice. If the owner deferred these increases, tenants benefitted during that time because they did not pay the full Maximum Allowable Rent. If the increase is more than 10% of what you are currently paying, there may be limitations under state law. ▲



**This information and the Rent Control Information Sheet are available on our website in Spanish, Farsi, and Amharic.**

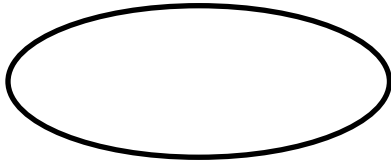
- Esta información está disponible en nuestro sitio web en español.
- این اطلاعات در وبسایت ما به زبان فارسی موجود است.
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[santamonica.gov/rent-control-information-by-subject](http://santamonica.gov/rent-control-information-by-subject)



**Or call  
(310) 458-8751**

The Adjusted MAR\* for your unit to which the 2023 GA will be applied:



The MAR for your unit after the 2023 GA is applied:




This is based on the MAR in effect on August 31, 2022 plus 3% (max \$70). It may be higher than the MAR you are currently paying due to Measure RC.

This will be the MAR for your unit starting September 1, 2023. Although your MAR will change on that date, the rent you must pay will only change if your landlord gives you proper written notice of a rent increase.

**See inside for more information!**

*\* Amounts shown are based on Agency records as of June 13, 2023. If you are a new tenant, the amount shown may be for a prior tenant. Please contact us, so we may inform your landlord registration of your tenancy is required. If the message is "pending" registration is in process. For tenants participating in the Section 8 program, your rent is the contract rent. For tenants in deed-restricted units, only a partial general adjustment may apply.*

 **City of Santa Monica** **Rent Control Board**  
1685 Main Street, Room 202  
Santa Monica, CA 90401

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## Inside the Summer 2023 issue:

**The 2023 General Adjustment is 2.8% with a maximum \$67 increase effective September 1, 2023.**

- Esta información está disponible en nuestro sitio web en español.
- این اطلاعات در وبسایت ما به زبان فارسی موجود است.
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**INFO**



**Telephone & Public Counter Hours**

- Monday - Friday\* 8:00 am - 4:30 pm.
  - Closed for lunch between 12:30-1:30 pm
- (310) 458-8751 — 1685 Main St. Room 202



**Website:** [www.santamonica.gov/rentcontrol](http://www.santamonica.gov/rentcontrol)



**Email:** [rentcontrol@santamonica.gov](mailto:rentcontrol@santamonica.gov)



**[www.facebook.com/santamonicarentcontrol](https://www.facebook.com/santamonicarentcontrol)**

\*City Hall is closed every other Friday.