



## SANTA MONICA RENT CONTROL BOARD

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· (310) 458-8751

## Owning Rent-Controlled Property in Santa Monica

The Santa Monica Rent Control Law has been in effect since April 10, 1979. The Rent Control Board and its staff work to advance the Rent Control Law's basic goals, including:

- Controlling residential rents
- Limiting the grounds for eviction
- Preserving rental housing
- Encouraging maintenance
- Ensuring rental-property owners a fair return

The Board and its staff, the Rent Control Agency, administer the law and provide assistance to tenants, property owners and other interested members of the public regarding rent control matters. This fact sheet highlights basic information about the law for current and prospective owners of rent-controlled residential property in Santa Monica. It is not intended as legal advice or as a substitute for reading the Rent Control Law and regulations.

### Rental Units Subject to the Rent Control Law

Most residential rental buildings in the city constructed prior to April 10, 1979 (and some units constructed after that date) are subject to the Rent Control Law. In addition to apartment buildings, single-family homes and condominiums may be rent-controlled, depending on the residential unit's history.

To check on the rent control status, rent levels and/or amenities of a specific property, contact a Rent Control Information Analyst at (310) 458-8751.

### Registration

Whenever there are changes regarding a property's ownership - including how title is held, or a change to the owner's mailing address - or anytime a unit is rented to a new tenant, a registration form must be filed with the Rent Control Board. Failure to register properly may result in a number of penalties, including the property owner being prohibited from implementing annual rent increases or from filing petitions with the Board.

Specifically, registration forms must be filed under the following circumstances:

- When there is a change in ownership or owner's address

Within 30 days of a change in ownership or title, the new owner needs to file a Change of Ownership Registration form with the Rent Control Board. If the owner's mailing address changes, an amendment to the registration form advising the Board of the new mailing address must be filed within 30 days. It is important that the Board have the owner's correct mailing address for the owner to timely receive all communications, legal notices and annual registration fee bills.

- After any new tenancy is established in a unit

As of January 1, 1999, owners may rent units to new tenants at market rates in most cases. In negotiating the initial rent for tenancies starting after January 1, 1999, owners may offer whatever amenities they choose, without regard to the amenities that previously came with the unit. The amenities provided when a unit is rented will remain the unit's amenities for the duration of the tenancy. All new tenancies must be registered with the Rent Control Board within 30 days of rental on a form provided by the Board.

## Registration Fees

An annual registration fee is charged to all owners of rent-controlled property. The fees finance the operations of the Rent Control Board. Registration fee bills are mailed to all owners by July 1 of each year, and payment is due by August 1 (or if it falls on a weekend, the first business day after the weekend). The City Charter provides that owners may only pass through 50% of the registration fee to their tenants, prorated as a monthly surcharge. For the registration fees charged for the 2021/2022 fiscal year, the amount of the allowable pass-through is \$8.25 per month.

Fees not paid by the due date cannot be collected from the tenants at any time. Also, late fees are assessed at the rate of 4% per month on any unpaid registration fees. Owners who have not received their bills by July should contact the Rent Control office.

- Fee Waivers

Registration fees may be waived for units occupied by owners as their principal place of residence, very-low income senior tenants or very-low income disabled tenants, and for units subsidized by a state or federal housing program. Contact the Rent Control office for an application and income guidelines.

## Maximum Lawful Rents

There are three amounts that can be added together to make up the maximum lawful rent for a rental unit:

- the MAR;
- the pass-through of the registration fee (discussed above); and
- allowable surcharges (contact Rent Control for more information).

The MAR is essentially the basic amount of the rent, to which the other charges mentioned above may be added to get the total maximum lawful rent. For tenancies that started before January 1, 1999, the initial MAR was controlled in most cases. However, since January 1, 1999, the MAR and maximum lawful rent for each unit are likely to change with each new tenancy. As long as property owners properly register each new tenancy, the Rent Control Board will have accurate information regarding the MAR for each unit. It is also possible to use the Board's website at [www.santamonica.gov/rentcontrol](http://www.santamonica.gov/rentcontrol) look up the MAR for a unit in the Board's records.

## Rent Increases

### ■ Annual general rent adjustment

Each year, the Rent Control Board announces a general rent increase (annual general adjustment) for all rent-controlled units in the City. The general adjustment is primarily based on a percentage (75%) of the increase in the Consumer Price Index (All Urban Consumers, Los Angeles, Riverside, Orange County region), although the Board retains the right to establish a dollar amount maximum. In June, the Board announces the amount of the general adjustment, and property owners and tenants are then notified by mail of the allowable increase.

The general rent adjustment may be implemented on September 1, after tenants are given proper written notice. Owners may not increase the rent if they are not in substantial compliance with all applicable Building, Health, Fire, and Safety codes and with the Rent Control Law.

### ■ New tenancies

As of January 1, 1999, the initial rent for most new tenancies may be established at market rates. Increases to the new rent will then be controlled by the Rent Control Law. New tenancies must be registered with the Rent Control Board within 30 days of re-rental on a form provided by the Board. (Owners of some condominiums and single-family homes may not be subject to restrictions on how much rent may be charged under the terms of the Rent Control Law. Call Rent Control for more information.)

- Individual rent increase petitions

Property owners may request rent increases in addition to the annual general rent adjustment by filing an Increase Petition. Individual rent increases are usually sought for completed or planned capital improvements, lack of fair return, or increases in operating expenses not covered by the annual general rent adjustment. Call the Rent Control Hearings Department at 310-458-8751 if you need assistance with completing an individual rent increase petition.

## Lawful Evictions

The Rent Control Law limits the reasons a tenant may be evicted. Some causes for eviction arise from actions (or inactions) of the tenant. These are considered "tenant fault" evictions and include things like: failing to pay the rent, violating an important condition of the rental agreement, or causing a substantial nuisance.

There are also lawful eviction situations in which the tenant is not at fault. "No fault" evictions include things like the owner wants to move onto a property or the owner is electing to get out of the rental housing business. Most "no-fault" evictions require the owner to provide relocation assistance to the displaced tenants.

Owners who find themselves in situations where evictions are necessary should consult an attorney. There are specific legal requirements that must be followed in order to complete an eviction properly.

For more information on evictions, contact the Rent Control office and request the handout on evictions and applicable regulations.

## Rent Decreases and Other Topics

If a property owner does not maintain their rental property or limits housing services or amenities available to tenants, the Rent Control Law allows tenants to request rent decreases. For more information on maintenance of rental properties and other topics not covered in this information sheet, please contact the Rent Control office at 310-458-8751 and ask to speak with an Information Analyst. In addition to answering questions, they can send you information sheets on the following topics:

- Frequently Asked Questions
- Maintenance of Rental Property
- Security Deposits
- General Adjustment History and Surcharges
- Temporary Rent Reductions
- How to Prepare for a Rent Control Hearing
- Evictions
- Master-Metered Utilities

More information can be accessed on the Rent Control Board's website, such as the text of the law, video of past Board meetings, notice of upcoming events, and

downloadable forms and information sheets. The website can be found at:  
[www.santamonica.gov/rentcontrol](http://www.santamonica.gov/rentcontrol)