

CITY OF SANTA MONICA
REGULAR RENT CONTROL BOARD MEETING
1685 Main Street
THURSDAY, May 12, 2011 – 7:00 P.M.
AGENDA

1. CALL TO ORDER
2. ROLL CALL – PLEDGE OF ALLEGIANCE
3. APPROVAL OF THE MINUTES: April 14, 2011
4. SPECIAL AGENDA ITEM
7. JURISDICTIONAL ITEMS (Public discussion is permitted)
 - A. Appeal
 - 1) D-4543: 1915 Ocean Ave. aka 1915 Ocean Way, #208, Appellant – J. Connor, General Mgr, Archstone Santa Monica (LL)
Landlord appeals a hearing officer's decision to grant rent decreases.
 - B. Exemptions
 - Owner Occupancy
 - 1) 1620: 1224 22nd St., Applicant – Rastar
Applicant requests an exemption of a three-unit or less property based upon owner-occupancy pursuant to section 1801(c)(4) of the Rent Control Law. Recommendation: Grant
 - Hotel
 - 2) 1001 3rd St., Applicant – Embassy Hotel Apartments
Applicant requests a hotel exemption pursuant to a settlement agreement with the Rent Control Board. Section 1801(c)(1) of the Rent Control Law. Recommendation: Grant
8. PUBLIC HEARING
 - A. [Proposed Amendments to Chapter 12 Regulations 12051, 12053, 12055 and 12070-12070 Lapse of Exemptions](#)
9. ADMINISTRATIVE ITEMS
 - A. [Proposed Annual General Adjustment – 2011](#)
 - B. [Proposed Regulation 3033, General Adjustment 34](#)
 - C. [2010-2011 Annual Report](#)
 - D. 2010-2011 Third Quarter Budget Report
 - E. 2011-2012 Proposed Operating Budget

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F. Propose Support for Housing-Related Bills in the State Legislature

- AB934 (Feuer) amending California's litigation privilege;
- AB265 (Ammiano) extending the time in which a tenant may pay back rent to avoid eviction; and
- SB184 (Leno) providing express authorization for local jurisdictions to enact enforceable inclusionary housing ordinances.

G. Approval of Excess Rent Form

13. REQUESTS TO SPEAK - (Requests from members of the public to speak to the Board on any issue of general interest to the community)
14. RECESS TO CLOSED SESSION
Personnel (a list of items to be discussed is posted 72 hours before the meeting on bulletin boards on Council Chamber door and outside Rent Control office)
RECONVENE TO OPEN SESSION - REPORT OF CLOSED SESSION
15. ADJOURNMENT

Next Regular RCB meeting – June 9, 2011
7:00 p.m., Council Chamber

The Council Chamber is wheelchair accessible. If you need any disability-related accommodations, please contact Glenda Jacobs at (310) 458-8751 at least three days prior to the meeting. This document is available in alternate format upon request.

Rent Control Board meetings are aired live on CityTV cable channel 16. Any documents produced by the Santa Monica Rent Control Agency and distributed to a majority of the Rent Control Board regarding any item on this agenda will be made available during normal business hours at the Rent Control counter located at City Hall, 1685 Main Street, Room 202, Santa Monica.

SANTA MONICA RENT CONTROL BOARD
REGULAR MEETING MINUTES
May 12, 2011

1. CALL TO ORDER

Commissioner Braun called the Rent Control Board meeting to order at 7:00 p.m. followed by the pledge of allegiance.

2. ROLL CALL

Members Present: Christopher Braun
Todd Flora
Marilyn Korade-Wilson
Robert Kronovet
William Winslow

Others Present: Tracy Condon, Administrator
Michaelyn Jones, General Counsel
Hakhamanesh Mortezaie, Staff Attorney
Amy Regalado, Staff Attorney
Christy Engels, Lead Hearing Officer
Stephen Lewis, Public Information Mgr.
Laima Noseworthy, Budget/Office Coordinator
Evelyn Lansberry, Information Analyst
Glenda Jacobs, Board Secretary

3. APPROVAL OF THE MINUTES: April 14, 2011

Commissioner Korade-Wilson, seconded by Commissioner Winslow, moved to adopt the minutes of April 14, 2011. The motion unanimously passed in a voice vote.

4. SPECIAL AGENDA ITEMS

Administrator Tracy Condon announced that the closed session scheduled this evening has been cancelled. She reported there was a nice turnout at the tenant seminar held on Tuesday morning at the Main Library and thanked the attendees and staff who participated. Another event she mentioned was the Santa Monica Festival at Clover Park where staff was available to meet with and give out Rent Control information to the public. And lastly, she announced that on June 28, 2011 the agency will be conducting a tenant seminar in Spanish and if anyone is interested they should contact the Rent Control Office.

7. JURISDICTIONAL ITEMS (Public discussion is permitted)

A. Appeal

- 1) D-4543: 1915 Ocean Ave. aka 1915 Ocean Way, #208, Appellant – J. Connor, General Mgr., Archstone Santa Monica (LL)
Landlord appeals a hearing officer's decision to grant rent decreases.

Staff Attorney Hakhamanesh Mortezaie presented a summary of the staff report. Following a discussion, Commissioner Winslow, seconded by Commissioner Korade-Wilson, moved to adopt the staff recommendation to

remand this matter back to the Hearing Officer for the limited purpose of determining whether the washer/dryer was a base amenity and the appropriate decrease, if any, and to affirm the Hearing Officer's decision in all other respects. The motion passed in a 4-1 roll call vote. Commissioner Kronovet voted no.

B. Exemptions

Owner Occupancy

1) 1620: 1224 22nd St., Applicants – Rastar

Applicant requests an exemption of a three-unit or less property based upon owner-occupancy pursuant to section 1801(c)(4) of the Rent Control Law. Recommendation: Grant

Lead Hearing Officer Christy Engels presented a summary of the staff report. After brief comments, Commissioner Winslow, seconded by Commissioner Korade-Wilson, moved to adopt staff recommendation to grant the exemption application on the basis of owner-occupancy, three or fewer units and to adopt the proposed Findings of Fact and Conclusions of Law. The motion unanimously passed in a roll call vote.

Hotel

1) 1001 3rd St., Applicant – Embassy Hotel Apartments

Applicant requests a hotel exemption pursuant to a settlement agreement with the Rent Control Board. Section 1801(c)(1) of the Rent Control Law. Recommendation: Grant

Staff Attorney Amy Regalado presented a summary of the hotel exemption. Following a discussion, Commissioner Kronovet, seconded by Commissioner Winslow, moved to adopt staff recommendation to comply with the settlement agreement it entered into with the City and the Embassy by granting a hotel exemption for the units as specified in the staff report. The motion unanimously passed in a roll call vote.

8. PUBLIC HEARING

A. Proposed Amendments to Chapter 12 Regulations 12051, 12053, 12055 and 12070-12073 Lapse of Exemptions

Staff Attorney Mortezaie presented a brief summary of the proposed amendments. Commissioner Braun opened the public hearing and with there being no requests to speak, he closed the public hearing. Following a discussion, Commissioner Winslow, seconded by Commissioner Korade-Wilson, moved to adopt the amendments to Chapter 12. The motion passed in a 4-1 roll call vote. Commissioner Kronovet voted no.

9. ADMINISTRATIVE ITEM

A. Proposed Annual General Adjustment - 2011

Prior to the staff report, Commissioner Kronovet recused himself from participating in this item and left the dais. Administrator Condon gave a PowerPoint presentation of the proposed general adjustment of 3.5%. She explained that this year's

calculation follows the long-standing methodology the Board uses and also incorporates supplemental analyses of three tax-related components: the general tax levy, property tax assessments not passed through directly to the tenants as surcharges, and business license expenses. Michael Millman and Bill Dawson addressed the Board. Following a discussion, Commissioner Korade-Wilson, seconded by Commissioner Winslow, moved to set this matter for public hearing on June 9, 2011. The motion passed in a 4-0 roll call vote.

B. Proposed Regulation 3033, General Adjustment 34

General Counsel Michaelyn Jones presented a brief summary of the proposed regulation. Commissioner Winslow, seconded by Commissioner Korade-Wilson, moved to set this matter for public hearing on June 9, 2011. The motion passed in a 4-0 roll call vote.

At 8:38 p.m., a break was called in the proceedings and the meeting resumed approximately 10 minutes later. Commissioner Kronovet returned to the dais.

C. 2010-2011 Annual Report

Information Analyst Evelyn Lansberry presented a summary of the annual report. After a discussion, the Board thanked Ms. Lansbury for her report. Administrator Condon thanked Ms. Lansbury, Beth Leder-Pack, Stephen Lewis and staff for their collective contribution to this report. The Board directed staff to forward the report to the City Council.

D. 2010-2011 Third Quarter Budget Report

Administrator Condon summarized her report with a PowerPoint presentation. Staff asked the Board to revise the budget by appropriating an additional \$60,000 to line 100 for Permanent Employees and \$25,000 to line 511 for Legal Expenses. Staff also requested authorization to use the funds in the Other Cost line item to pay the total cost of the services provided by Siefel Consulting for analyses of incorporating additional tax components into this year's general adjustment. Following a lengthy discussion, Commissioner Korade-Wilson, seconded by Commissioner Winslow, moved to authorize the additional appropriations and use of Other Cost funds for Seifel Consulting. The motion unanimously passed in a roll call vote.

E. 2011-2012 Proposed Operating Budget

Administrator Condon fielded questions from the Board in regards to the operating budget which was touched upon during the third quarter budget discussion. After a discussion and question/answer session, Commissioner Winslow, seconded by Commissioner Flora, moved to set this item for public hearing on June 9, 2011. The motion unanimously passed in a roll call vote.

F. Propose Support for Housing-Related Bills in the State Legislature

- AB934 (Feuer) amending California's litigation privilege;
- AB265 (Ammiano) extending the time in which a tenant may pay back rent to avoid eviction; and
- SB184 (Leno) providing express authorization for local jurisdictions to enact enforceable inclusionary housing ordinances.

Following comments from Commissioner Kronovet, Commissioner Flora, seconded by Commissioner Winslow, moved to support these pending housing-related bills. The motion passed in a 4-1 roll call vote. Commissioner Kronovet voted no.

G. Approval of Excess Rent Form

Public Information Manager Stephen Lewis presented a summary of the proposed revised form. Following a brief discussion, Commissioner Winslow, seconded by Commissioner Korade-Wilson, moved to adopt the revised excess rent form. The motion unanimously passed in a roll call vote.

13. REQUESTS TO SPEAK

The following persons addressed the Board: None.

Commissioner Korade-Wilson acknowledged mail received from members of the public and commented on what a nice and informative trip she and Commissioner Braun had to the Housing California Conference in Sacramento.

14. REPORT OF CLOSED SESSION

In closed session on Monday, May 2, 2011 the Board and City Council settled the *Embassy v. Santa Monica Rent Control Board*, Case No. BS119080. The Board granted a hotel exemption for the 19 rent controlled units and the City will permit the use under its zoning laws. The hotel exemption for the vacant units would go into effect immediately upon the grant of the exemption but for the tenant occupied units, the exemption would go into effect once the units are lawfully vacated. Embassy will delay using the Ellis Act to withdraw the rent controlled units and will allow the tenants to stay approximately four years. Without this term of the settlement, the tenants would have a minimum of 120 days to stay or a year depending on their circumstances.

15. ADJOURNMENT

At 10:03 p.m., Commissioner Braun adjourned the meeting.