

SANTA MONICA RENT CONTROL BOARD
REGULAR MEETING MINUTES
July 14, 2011

1. CALL TO ORDER

Commissioner Braun called the Rent Control Board meeting to order at 7:02 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
Christy Engels, Lead Hearing Officer
Stephen Lewis, Public Information Mgr.
Laima Noseworthy, Acting Board Secretary

3. APPROVAL OF THE MINUTES: June 9, 2011

Commissioner Korade-Wilson, seconded by Commissioner Winslow, moved to adopt the minutes of June 9, 2011. The motion unanimously passed in a voice vote.

4. SPECIAL AGENDA ITEMS

Administrator Tracy Condon announced that the July 12th owner seminar put on by Board staff was successful and well-attended by approximately twenty-four property owners and managers who received information and assistance about calculating the annual general adjustment increases. Ms. Condon reminded the public that registration fees are due by August 1st and, if not paid on time, owners cannot pass through the fees to tenants for the full year. Additionally, penalties on unpaid balances will accrue on a monthly basis. Ms. Condon announced that the Board received a \$400,000 settlement for outstanding registration fee penalties from an owner who withdrew properties under the Ellis Act and subsequently offered newly constructed units for rent within five years. She thanked current and former staff attorneys, Hakhamanesh Mortezaie and Keith Kresge, and General Counsel Michaelyn Jones for their efforts in this matter. Ms. Condon noted the settlement will help close the deficit gap in the current year's operating budget.

Chairperson Braun proposed taking the Jurisdictional Items out of order by moving item 7B(1) ahead of the rest of the agenda. As there were no objections, the meeting proceeded with item 7B(1).

7. JURISDICTIONAL ITEMS (Public discussion is permitted)

B. Exemptions - Owner Occupancy

1) 1625: 23 Arcadia Terrace, Applicant – Simpson

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 brief summary of the staff report. Commissioner Winslow, seconded by Commissioner Korade-Wilson, moved to adopt the 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.

7. JURISDICTIONAL ITEMS (Public discussion is permitted)

A. Appeals

1) D-4476: 1930 Stewart St., #X-10, Appellant – City of Santa Monica Housing Division, by B. Collins, Housing Mgr.

Landlord appeals hearing officer's decision to grant rent decreases for certain reduced housing services.

Staff Attorney Hakhamanesh Mortezaie presented a summary of the staff report. Tenant Belinda Van Sickle addressed the Board. Following discussion, questions and comments by the Board, Commissioner Flora, seconded by Commissioner Winslow, moved to adopt the staff recommendation to affirm the hearing officer decision. The motion unanimously passed in a roll call vote.

2) D-4531: 2502 5th St., #3, Appellant – T. Dellagatta for the Dellagatta Trust

Landlord appeals hearing officer's decision to grant rent decreases for certain deficiencies and reduced housing services.

Staff Attorney Mortezaie presented a summary of the staff report. Some Commissioners voiced concerns about the amounts of decreases granted for various conditions and the finding that a resident manager was an amenity for the subject unit. Following discussion and comments, the Board took a short recess at 8:16 p.m. The meeting resumed approximately five minutes later, and following additional discussion, Commissioner Flora, seconded by Commissioner Braun, moved to adopt staff recommendation to affirm the hearing officer decision with the exception of modifying the amount of the decrease for loss of on-site management services from \$25 to \$1. The motion passed in a 3-2 roll call vote. Commissioners Winslow and Kronovet voted no.

- 3) N-0202: 751 18th St., #C., Appellant – Montana Athene LLC, by C. Mordoh, Esq. and F. Szkolnik, Esq. (Owner Reps)
Landlord appeals hearing officer's decision to deny a petition for a Tenant-Not-In-Occupancy pursuant to Regulation 3304.

Staff Attorney Mortezaie presented a summary of the staff report. Craig Mordoh, owner representative, addressed the Board. Following discussion, Commissioner Kronovet, seconded by Commissioner Winslow, moved to adopt staff recommendation to reverse the hearing officer decision and grant the owner's petition for a Tenant-Not-In-Occupancy and affirm the hearing officer's finding regarding the new rent level for the unit. The motion unanimously passed in a roll call vote.

- 4) D-4553: 1915 Ocean Ave. aka 1915 Ocean Way, #301, Appellants – Archstone Santa Monica by C. Mordoh (Rep.) and Roxanne Seeman (TT)
Landlord appeals hearing officer's decision to grant rent decreases for certain deficiencies and reduced housing services. Tenant appeals hearing officer's decision to deny rent decreases for certain denied deficiencies and reduced housing services.

Staff Attorney Mortezaie presented a summary of the staff report. Tenant Roxanne Seeman addressed the Board. Following discussion, Commissioner Winslow, seconded by Commissioner Flora, moved to adopt staff recommendation to affirm the hearing officer's decision with the following recommended modifications: reduction of the \$5 decrease for glass patio door to \$3 and elimination of the \$3 decrease for housekeeping supplies left in common areas. The motion passed in a 4 - 1 roll call vote. Commissioner Kronovet voted no.

7. JURISDICTIONAL ITEMS (Public discussion is permitted)

B. Exemptions - Owner Occupancy

- 2) E-1619: 1243 18th St., Applicant – N. Asadi

Hearing officer recommends that the Board grant an exemption for a three-unit or less property based upon owner-occupancy pursuant to section 1801(c)(4) of the Rent Control Law.

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

9. ADMINISTRATIVE ITEM

A. Reestablishment of the Hearings Department Manager Position and Approval of Revised Classification Specifications for Hearings Department Manager and Hearing Officer II.

Administrator Tracy Condon presented a summary of the staff report. Following a brief discussion, Commissioner Korade-Wilson, seconded by Commissioner Braun, moved to reestablish the Hearings Department Manager Position, adopt the proposed salary range, and approve the revised classification specifications for Hearings Department Manager and Hearing Officer II. The motion unanimously passed in a roll call vote.

13. REQUESTS TO SPEAK

The following persons addressed the Board: None.

15. ADJOURNMENT

Prior to adjournment, Commissioner Korade-Wilson acknowledged receipt of correspondence and stated her appreciation of Mr. Lewis's well-stated and compassionate response. At 9:37 p.m., Commissioner Braun adjourned the meeting.