

CITY OF

SANTA MONICA



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BALLOT GROUP 122

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# Sample Ballot

& Voter Information Pamphlet

GENERAL MUNICIPAL ELECTION

TUESDAY, APRIL 10, 1979

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THE LOCATION OF YOUR  
POLLING PLACE  
IS SHOWN ON BACK COVER

MEASURES SUBMITTED TO VOTE OF VOTERS

<p><b>PROPOSITION "A".</b> Shall Article XVIII of the City Charter be enacted to provide for a system of rent control in the City of Santa Monica?</p>	YES 42 →	<input type="radio"/>
	NO 43 →	<input type="radio"/>
<p><b>PROPOSITION "B".</b> ESTABLISHMENT OF SEPARATE BOARD FOR SANTA MONICA COMMUNITY COLLEGE DISTRICT. Shall the Charter of the City of Santa Monica be amended to provide for a new, separate governing board for the Community College District instead of having the same governing board for both the Santa Monica Unified School District and the Community College District?</p>	YES 47 →	<input type="radio"/>
	NO 48 →	<input type="radio"/>
<p><b>PROPOSITION "C".</b> PERSONNEL CHARTER AMENDMENTS. Shall certain amendments, as proposed, to Section 1110 of the Charter of the City of Santa Monica providing for particular modifications and personnel and employment practices, eliminating or clarifying references to gender, making certain wording changes, and correcting minor grammatical errors, be adopted?</p>	YES 53 →	<input type="radio"/>
	NO 54 →	<input type="radio"/>

MEDIDAS SOMETIDAS AL VOTO DE LOS VOTANTES

← 42	SI	<p><b>PROPOSICION "A".</b> ¿Deberá hacerse ley el Artículo XVIII de la Carta Constitucional para permitir el establecimiento de un sistema de control de rentas en la Ciudad de Santa Monica?</p>
← 43	NO	
← 47	SI	<p><b>PROPOSICION "B".</b> EL ESTABLECIMIENTO DE UNA JUNTA SEPARADA PARA EL DISTRITO COLEGIAL COMUNITARIO DE SANTA MONICA. ¿Deberá la Carta Constitucional de la Ciudad de Santa Monica enmendarse para permitir el establecimiento de una nueva junta gobernante separada para el Distrito Colegial Comunitario en vez de tener la misma junta gobernante para tanto el Distrito Escolar Unificado de Santa Monica como para el Distrito Colegial Comunitario?</p>
← 48	NO	
← 53	SI	<p><b>PROPOSICION "C".</b> ENMIENDAS DE PERSONAL A LA CARTA CONSTITUCIONAL. ¿Deberá adoptarse ciertas enmiendas, según se han propuesto, a la Sección 1110 de la Carta Constitucional de la Ciudad de Santa Monica, disponiendo ciertas modificaciones y prácticas de personal y empleo, eliminando o esclareciendo referencias a género, haciendo ciertos cambios de palabras, y corrigiendo errores gramaticales menores?</p>
← 54	NO	

# *Voters Pamphlet*

## CANDIDATES' STATEMENTS

(Each statement is volunteered by the candidate and is printed at his expense.)

Under requirements of the 1975 amendments to the Federal Voting Rights Act, the City has arranged to provide translation of these ballot materials into the Spanish language. A translation of these ballot materials may be obtained in person at the City Clerk's office in the City Hall or, if requested by letter or telephone, a translation will be promptly mailed.

Bajo los requisitos de los enmendamientos de 1975 al Acto Federal de Derechos de Votación, la Ciudad ha hecho arreglos para proporcionar traducción del texto de la balota al idioma Español. Una traducción del texto de la balota se puede obtener en persona en la oficina del Secretario Municipal situada en la Alcaldía, o si es solicitada por carta o por teléfono, una traducción se enviará por correo prontamente.

**JOYCE SNIDER, City Clerk**  
City Hall, 1685 Main Street  
Santa Monica, California 90401  
Phone: 393-9975

PROPOSED AMENDMENTS  
TO THE CHARTER  
OF THE CITY OF SANTA MONICA,  
CITY ATTORNEY'S ANALYSES,  
AND ARGUMENTS FOR AND AGAINST  
CITY MEASURES

The following arguments for and against the city measures have been filed with the City Clerk pursuant to Article 4, Chapter 3, Division 5 (Sections 5010 to 5016, inclusive) of the Elections Code of the State of California. Arguments in support or opposition of the proposed laws are the opinions of the authors.

<b>A</b> PROPOSITION "A". Shall Article XVIII of the City Charter be enacted to provide for a system of rent control in the City of Santa Monica?	<b>YES</b>	
	<b>NO</b>	

**RENT CONTROL CHARTER AMENDMENT—"A"**

Article XVIII of the City Charter is enacted as follows:

**ARTICLE XVIII. RENT CONTROL**

**Section 1800. Statement of Purpose.** A growing shortage of housing units resulting in a low vacancy rate and rapidly rising rents exploiting this shortage constitute a serious housing problem affecting the lives of a substantial portion of those Santa Monica residents who reside in residential housing. In addition, speculation in the purchase and sale of existing residential housing units results in further rent increases. These conditions endanger the public health and welfare of Santa Monica tenants, especially the poor, minorities, students, young families, and senior citizens. The purpose of this Article, therefore, is to alleviate the hardship caused by this serious housing shortage by establishing a Rent Control Board empowered to regulate rentals in the City of Santa Monica so that rents will not be increased unreasonably and so that landlords will receive no more than a fair return on their investment.

In order to accomplish this purpose, this Article provides for an elected rent control board to ensure that rents are at a fair level by requiring landlords to justify any rents in excess of the rents in effect one year prior to the adoption of this Article. Tenants may seek rent reductions from the rent in effect one year prior to the adoption of this Article by establishing that those rents are excessive. In addition to giving tenants an opportunity to contest any rent increase, this Article attempts to provide reasonable protection to tenants by controlling removal of controlled rental units from the housing market and by requiring just cause for any eviction from a controlled rental unit.

**Section 1801. Definitions.** The following words or phrases as used in this Article shall have the following meanings:

- (a) **Board:** The term "Board" refers to the appointed or elected rent control board established by this Article.
- (b) **Commissioners:** The members of the Board and interim Board are denominated Commissioners.

(c) **Controlled Rental Units:** All residential rental units in the City of Santa Monica, including mobile homes and mobile home spaces, and trailers and trailer spaces, except:

(1) Rental units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented primarily to transient guests for a period of less than fourteen (14) days.

(2) Rental units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an institution of higher education.

(3) Rental units which a government unit, agency or authority owns, operates, manages or in which governmentally-subsidized tenants reside only if applicable Federal or State law or administrative regulation specifically exempt such units from municipal rent control.

(4) Rental units in owner occupied dwellings with no more than three (3) units.

(5) Rental units and dwellings constructed after the adoption of this Article; this exemption does not apply to units created as a result of conversion as opposed to new construction.

(d) **Housing service:** Housing services include but are not limited to repairs, maintenance, painting, providing light, hot and cold water, elevator service, window shades and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, refuse removal, furnishings, telephone, parking and any other benefit, privilege or facility connected with the use or occupancy of any rental unit. Services to a rental unit shall include a proportionate part of services provided to common facilities of the building in which the rental unit is contained.

(e) **Landlord:** An owner, lessor, sublessor or any other person entitled to receive rent for the use and occupancy of any rental unit, or an agent, representative or successor of any of the foregoing.

(f) **Rent:** All periodic payments and all nonmonetary consideration, including but not limited to, the fair market value of goods or services rendered to or for the benefit of the landlord under an agreement concerning the use or occupancy of a rental unit and premises, including all payments and consideration demanded or paid for parking, pets, furniture, subletting and security deposits for damages and cleaning.

(g) **Rental Housing Agreement:** An agreement, oral, written or implied, between a landlord and tenant for use or occupancy of a rental unit and for housing services.

(h) **Rental Units:** Any building, structure, or part thereof, or land appurtenant thereto, or any other rental property rented or offered for rent for living or dwelling house units, and other real properties used for living or dwelling purposes, together with all housing services connected with use or occupancy of such property such as common areas and recreational facilities held out for use by the tenant.

(i) **Tenant:** A tenant, subtenant, lessee, sublessee or any other person entitled under the terms of a rental housing agreement to the use or occupancy of any rental unit.

(j) **Recognized Tenant Organization:** Any group of tenants, residing in controlled rental units in the same building or in different buildings operated by the same management company, agent or landlord, who requests to be so designated.

(k) **Rent Ceiling:** Rent ceiling refers to the limit on the maximum allowable rent which a landlord may charge on any controlled rental unit.

(l) **Base Rent Ceiling:** The maximum allowable rent established in Section 1804(b).

**Section 1802. Interim Rent Control Board:** No later than thirty (30) days after the adoption of this Article, the City Council of the City of Santa Monica shall appoint a five-member Interim Rent Control Board. No person shall be appointed to the Interim Rent Control Board unless he or she is a duly qualified elector of the City of Santa Monica. The Interim Board shall exercise the following powers and duties until the Permanent Board is elected in accordance with the provisions of Section 1803(d) and assumes office:

(1) Require registration of all controlled rental units under Section 1803(q).

(2) Seek criminal penalties under Section 1810.

(3) Seek injunctive relief under Section 1811.

**Section 1803. Permanent Rent Control Board:**

(a) **Composition:** There shall be in the City of Santa Monica a Rent Control Board. The Board shall consist of five elected Commissioners. The Board shall elect annually as chairperson one of its members to serve in that capacity.

(b) **Eligibility:** Duly qualified electors of the City of Santa Monica are eligible to serve as Commissioners of the Board.

(c) **Full Disclosure of Holdings:** Candidates for the position of Commissioner shall submit a verified statement listing all of their interests and dealings in real property, including but not limited to its ownership, sale or management, during the previous three (3) years.

(d) **Election of Commissioners:** Commissioners shall be elected at general municipal elections in the same manner as set forth in Article XIV of the Santa Monica City Charter, except that the first Commissioners shall be elected at a special municipal election held within ninety (90) days of the adoption of this Article. The elected Commissioners shall take office on the first Tuesday following their election.

(e) **Term of Office:** Commissioners shall be elected to serve terms of four years, beginning on the first Tuesday following their election, except that of the first five Commissioners elected in accordance with Section 1803 15, 1985, and the remaining three Commissioners shall serve until April 18,

1983. Commissioners shall serve a maximum of two full terms.

(f) **Powers and Duties:** The Board shall have the following powers and duties:

(1) Set the rent ceilings for all controlled rental units.

(2) Require registration of all controlled rental units under Section 1803(q).

(3) Establish a base ceiling on rents under Section 1804(b).

(4) To make adjustments in the rent ceiling in accordance with Section 1805.

(5) Set rents at fair and equitable levels in order to achieve the intent of this Article.

(6) Hire and pay necessary staff, including hearing examiners and personnel to issue orders, rules and regulations, conduct hearings and charge fees as set forth below.

(7) Make such studies, surveys and investigations, conduct such hearings, and obtain such information as is necessary to carry out its powers and duties.

(8) Report annually to the City Council of the City of Santa Monica on the status of controlled rental housing.

(9) Remove rent controls under Section 1803(r).

(10) Issue permits for removal of controlled rental units from rental housing market under Section 1803(t).

(11) Administer oaths and affirmations and subpoena witnesses.

(12) Establish rules and regulations for deducting penalties and settling civil claims under Section 1809.

(13) Seek criminal penalties under Section 1810.

(14) Seek injunctive relief under Section 1811.

(g) **Rules and Regulations:** The Board shall issue and follow such rules and regulations, including those which are contained in this Article, as will further the purposes of the Article. The Board shall publicize its rules and regulations prior to promulgation in at least one newspaper of general circulation in the City of Santa Monica. The Board shall hold at least one (1) public hearing to consider the views of interested parties prior to the adoption of general adjustments of the ceilings for maximum allowable rents under Section 1805, and any decision to decontrol or re-impose control for any class of rental units under Section 1803(r). All rules and regulations, internal staff memoranda, and written correspondence explaining the decisions, orders, and policies of the Board shall be kept in the Board's office and shall be available to the public for inspection and copying. The Board shall publicize this Article so that all residents of Santa Monica will have the opportunity to become informed about their legal rights and duties under

rent control in Santa Monica. The Board shall prepare a brochure which fully describes the legal rights and duties of landlords and tenants under rent control in Santa Monica. The brochure will be available to the public, and each tenant of a controlled rental unit shall receive a copy of the brochure from his or her landlord.

(h) **Meetings:** The Board shall hold at least forty-eight (48) regularly scheduled meetings per year. Special meetings shall be called at the request of at least three Commissioners of the Board. The Board shall hold its initial meeting no later than 15 days after taking office.

(i) **Quorum:** Three Commissioners shall constitute a quorum for the Board.

(j) **Voting:** The affirmative vote of three Commissioners of the Board is required for a decision, including all motions, regulations, and orders of the Board.

(k) **Compensation:** Each Commissioner shall receive for every meeting attended seventy-five dollars (\$75.00), but in no event shall any Commissioner receive in any twelve month period more than forty-seven hundred and fifty dollars (\$4,750) for services rendered.

(l) **Dockets:** The Board shall maintain and keep in its office all hearing dockets.

(m) **Vacancies:** If a vacancy shall occur on the Board, the Board shall within thirty (30) days appoint a qualified person to fill such a vacancy until the following municipal election when a qualified person shall be elected to serve for the remainder of the term.

(n) **Financing:** The Board shall finance its reasonable and necessary expenses by charging landlords annual registration fees in amounts deemed reasonable by the Board. The first annual registration fee shall be set by the Board within thirty days after assuming office. The Board is also empowered to request and receive funding when and if necessary, from any available source for its reasonable and necessary expenses. Notwithstanding the preceding provisions of this paragraph, the City Council of the City of Santa Monica shall appropriate sufficient funds for the reasonable and necessary expenses of the Interim Board and Board during the six month period following adoption of this Article.

(o) **Recall:** Commissioners may be recalled in accordance with the provisions of Article XIV of the Charter of the City of Santa Monica.

(p) **Staff:** The Board shall employ and pay such staff, including hearing examiners and inspectors, as may be necessary to perform its functions efficiently in order to fulfill the purposes of this Article.

(q) **Registration:** Within sixty (60) days after the adoption of the Article, the Board shall require the registration of all controlled rental units, which shall be re-registered at times deemed appropriate by the Board. The initial registration shall include the rent in effect at the time on the date of

the adoption of this Article, base rent ceiling, the address of the rental unit, the name and address of the landlord, the housing services provided to the unit, a statement indicating all operating cost increases since the base rent ceiling, and any other information deemed relevant by the Board. The Board shall require the landlord to report vacancies in the controlled rental units and shall make a list of vacant controlled rental units available to the public. If the Board, after the landlord has proper notice and after a hearing determines that a landlord has willfully and knowingly failed to register a controlled rental unit, the Board may authorize the tenant of such a nonregistered controlled rental unit to withhold all or a portion of the rent for the unit until such time as the rental unit is properly registered. After a rental unit is properly registered, the Board shall determine what portion, if any, of the withheld rent is owed to the landlord for the period in which the rental unit was not properly registered. Whether or not the Board allows such withholding, no landlord who has failed to register properly shall at any time increase rents for a controlled rental unit until such units are properly registered.

(r) **Decontrol:** If the average annual vacancy rate in any category, classification, or area of controlled rental units exceeds five (5) percent, the Board is empowered, at its discretion and in order to achieve the objectives of this Article, to remove rent controls from such category, classification or area. The Board may determine such categories, classifications, or areas for purposes of decontrol consistent with the objectives of this Article. In determining the vacancy rate for any category, classification or area of controlled rental units, the Board shall consider all available data and shall conduct its own survey. If units are decontrolled pursuant to this subsection, controls shall be reimposed if the Board finds that the average annual vacancy rate has thereafter fallen below five (5) percent for such category, classification or area.

(s) **Security Deposits:** Any payment or deposit of money the primary function of which is to secure the performance of a rental agreement or any part of such agreement, including an advance payment of rent, shall be placed in an interest bearing account at an institution whose accounts are insured by the Federal Saving and Loan Insurance Corporation until such time as it is returned to the tenant or entitled to be used by the landlord. The interest on said account shall be used by the landlord to offset operating expenses and shall be a factor in making individual rent adjustments under Section 1805. In lieu of complying with this requirement, the landlord may pay interest directly to the tenant in accordance with the requirements of any state law.

(t) **Removal of Controlled Rental Unit from Rental Housing Market:** Any landlord who desires to remove a controlled rental unit from the rental

housing market by demolition, conversion or other means is required to obtain a permit from the Board prior to such removal from the rental housing market in accordance with rules and regulations promulgated by the Board. In order to approve such a permit, the Board is required to make each of the following findings:

(1) That the controlled rental unit is not occupied by a person or family of very low income, low income or moderate income.

(2) That the rent of the controlled rental unit is not at a level affordable by a person or family of very low income, low income or moderate income.

(3) That the removal of the controlled rental unit will not adversely affect the supply of housing in the City of Santa Monica.

(4) That the landlord cannot make a fair return on investment by retaining the controlled rental unit.

Notwithstanding the foregoing provisions of this subsection, the Board may approve such a permit:

(1) If the Board finds that the controlled rental unit is uninhabitable and is incapable of being made habitable in an economically feasible manner, or

(2) If the permit is being sought so that the property may be developed with multifamily dwelling units and the permit applicant agrees as a condition of approval that the units will not be exempt from the provisions of this Article pursuant to Section 1801(c) and that at least fifteen (15) percent of the controlled rental units to be built on the site will be at rents affordable by persons of low income.

#### **Section 1804. Maximum Allowable Rents.**

(a) **Temporary Freeze:** Rents shall not be increased during the one hundred-twenty (120) day period following the date of adoption of this Article.

(b) **Establishment of Base Rent Ceiling:** Beginning one-hundred-twenty (120) days after the adoption of this Article, no landlord shall charge rent for any controlled rental units in an amount greater than the rent in effect on the date one year prior to the adoption of this Article. The rent in effect on that date is the base rent ceiling and is a reference point from which fair rents shall be adjusted upward or downward in accordance with Section 1805. If there was no rent in effect on the date one year prior to the adoption of this Article, the base rent ceiling shall be the rent that was charged on the first date that rent was charged following the date one year prior to the adoption of this Article.

(c) **Posting:** As soon as the landlord is aware of the maximum allowable rent, the landlord shall post it for each unit in a prominent place in or about the affected controlled rent units. The Board may require that other information it deems relevant also be posted.

#### **Section 1805. Individual and General Adjustment of Ceilings on Allowable Rents.**

(a) The Board may, after holding those public hearings prescribed by Section 1803(g), set and adjust upward or downward the rent ceiling for all controlled rental units in general and/or for particular categories of controlled rental units deemed appropriate by the Board. Such an adjustment, however, need not take effect immediately, and the Board may decide that new rent ceilings shall not take effect until some reasonable date after the above-stated time periods.

(b) Each year the Board shall generally adjust rents as follows:

(1) Adjust rents upward by granting landlords a utility and tax increase adjustment for actual increases in the City of Santa Monica for taxes and utilities.

(2) Adjust rents upward by granting landlords a maintenance increase adjustment for actual increases in the City of Santa Monica for maintenance expenses.

(3) Adjust rents downward by requiring landlords to decrease rents for any actual decreases in the City of Santa Monica for taxes.

In adjusting rents under this subsection, the Board shall adopt a formula of general application. This formula will be based upon a survey of landlords of the increases or decreases in the expenses set forth in this subsection.

(c) **Petitions:** Upon receipt of a petition by a landlord and/or a tenant, the maximum rent of individual controlled rental units may be adjusted upward or downward in accordance with the procedures set forth elsewhere in this Section. The petition shall be on the form provided by the Board. Notwithstanding any other provision of this Section, the Board or hearing examiner may refuse to hold a hearing and/or grant a rent adjustment if an individual hearing has been held and decision made with regard to maximum rent within the previous six months.

(d) **Hearing Procedure:** The Board shall enact rules and regulations governing hearings and appeals of individual adjustment of ceilings on allowable rents which shall include the following:

(1) **Hearing Examiner:** A hearing examiner appointed by the Board shall conduct a hearing to act upon the petition for individual adjustment of ceilings on allowable rents and shall have the power to administer oaths and affirmations.

(2) **Notice:** The Board shall notify the landlord if the petition was filed by the tenant, or the tenant, if the petition was filed by the landlord, of the receipt of such a petition and a copy thereof.

(3) **Time of Hearing:** The hearing officer shall notify all parties as to the time, date and place of the hearing.



(4) **Records:** The hearing examiner may require either party to a rent adjustment hearing to provide it with any books, records and papers deemed pertinent in addition to that information contained in registration statements. The hearing examiner shall conduct a current building inspection and/or request the City to conduct a current building inspection if the hearing examiner finds good cause to believe the Board's current information does not reflect the current condition of the controlled rental unit. The tenant may request the hearing examiner to order such an inspection prior to the date of the hearing. All documents required under this Section shall be made available to the parties involved prior to the hearing at the office of the Board. In cases where information filed in a petition for rent ceiling adjustment or in additional submissions filed at the request of the hearing examiner is inadequate or false, no action shall be taken on said petition until the deficiency is remedied.

(5) **Open hearings:** All rent ceiling adjustment hearings shall be open to the public.

(6) **Right of assistance:** All parties to a hearing may have assistance in presenting evidence and developing their position from attorneys, legal workers, recognized tenant organization representatives or any other persons designated by said parties.

(7) **Hearing record:** The Board shall make available for inspection and copying by any person an official record which shall constitute the exclusive record for decision on the issues at the hearing. The record of the hearing, or any part of one, shall be obtainable for the cost of copying. The record of the hearing shall include: all exhibits, papers and documents required to be filed or accepted into evidence during the proceedings; a list of participants present; a summary of all testimony accepted in the proceedings; a statement of all materials officially noticed; all recommended decisions, orders and/or rulings; all final decisions, orders and/or rulings, and the reasons for each final decision, order and/or ruling. Any party may have the proceeding tape recorded or otherwise transcribed at his or her own expense.

(8) **Quantum of Proof and Notice of Decision:** No individual adjustment shall be granted unless supported by the preponderance of the evidence submitted at the hearing. All parties to a hearing shall be sent a notice of the decision and a copy of the findings of fact and law upon which said decision is based. At the same time, parties to the proceeding shall also be notified of their right to any appeal allowed by the Board and/or to judicial review of the decision pursuant to this Section and Section 1808 of this Article.

(9) **Consolidation:** All landlord petitions pertaining to tenants in the same building will be consolidated for hearing, and all petitions filed by tenants occupying the same building shall be consolidated for hearing unless there is a showing of good cause not to consolidate such petitions.

(10) **Appeal:** Any person aggrieved by the decision of the hearing examiner may appeal to the Board. On appeal, the Board shall affirm, reverse or modify the decision of the hearing examiner. The Board may conduct a de novo hearing or may act on the basis of the record before the hearing examiner without holding a hearing.

(11) **Finality of Decision:** The decision of the hearing examiner shall be the final decision of the Board in the event of no appeal to the Board. The decision of the hearing examiner shall not be stayed pending appeal; however, in the event that the Board on appeal reverses or modifies the decision of the hearing examiner, the landlord, in the case of a upward adjustment in rent, or the tenant, in the case of a downward adjustment of rent, shall be ordered to make retroactive payments to restore the parties to the position they would have occupied had the hearing examiner's decision been the same as that of the Board's.

(12) **Time for decision:** The rules and regulations adopted by the Board shall provide for final Board action on any individual rent adjustment petition within one-hundred and twenty (120) days following the date of filing of the individual rent adjustment petition.

(13) **Board Action in Lieu of Reference to Hearing Examiner:** The Board, on its own motion or on the request of any landlord or tenant, may hold a hearing on an individual petition for rent adjustment without the petition first being heard by a hearing examiner.

(e) In making individual and general adjustments of the rent ceiling, the Board shall consider the purposes of this Article and shall specifically consider all relevant factors including but not limited to increases or decreases in property taxes, unavoidable increases or decreases in operating and maintenance expenses, capital improvement of the controlled rental unit as distinguished from normal repair, replacement and maintenance, increases or decreases in living space, furniture, furnishings or equipment, substantial deterioration of the controlled rental unit other than as a result of ordinary wear and tear, failure on the part of the landlord to provide adequate housing services or to comply substantially with applicable housing, health and safety codes, federal and state income tax benefits, the speculative nature of the investment, whether or not the property was acquired or is held as a long term or short term investment, and the landlords rate of return on investment. It is the intent of this Article that upward adjustments in rent be made only when demonstrated necessary to the landlord making a fair return on investment.

(f) No rent increase shall be authorized by this Article because a landlord has a negative cash flow as the result of refinancing the controlled rental unit if at the time the landlord refinanced the landlord could reasonably have foreseen a negative cash flow based on the rent schedule then in existence within the one year period following refinancing. This paragraph shall only apply to that portion of the negative cash flow reasonably foreseeable within

the one year period following refinancing of the controlled rental unit and shall only apply to controlled rental units refinanced after the date of adoption of this Article.

(g) No rent increase shall be authorized by this Article because a landlord has a negative cash flow if at the time the landlord acquired the controlled rental unit, the landlord could reasonably have foreseen a negative cash flow based on the rent schedule then in existence within the one year period following acquisition. This paragraph shall only apply to that portion of the negative cash flow reasonably foreseeable within the one year period following acquisition of a controlled rental unit and shall only apply to controlled rental units acquired after the date of adoption of this Article.

(h) No landlord shall increase rent under this Section if the landlord:

- (1) Has failed to comply with any provisions of this Article and/or regulations issued thereunder by the Board, or
- (2) Has failed to comply substantially with any applicable state or local housing, health or safety law.

Section 1806. Eviction. No landlord shall bring any action to recover possession or be granted recovery of possession of a controlled rental unit unless:

(a) The tenant has failed to pay the rent to which the landlord is entitled under the rental housing agreement and this Article.

(b) The tenant has violated an obligation or covenant of his or her tenancy other than the obligation to surrender possession upon proper notice and has failed to cure such violation after having received written notice thereof from the landlord in the manner required by law.

(c) The tenant is committing or expressly permitting a nuisance in, or is causing, substantial damage to, the controlled rental unit, or is creating a substantial interference with the comfort, safety or enjoyment of the landlord or other occupants or neighbors of the same.

(d) The tenant is convicted of using or expressly permitting a controlled rental unit to be used for any illegal purpose.

(e) The tenant, who had a rental housing agreement which has terminated, has refused, after written request or demand by the landlord, to execute a written extension or renewal thereof for a further term of like duration and in such terms as are not inconsistent with or violative of any provisions of this Article and are materially the same as in the previous agreement.

(f) The tenant has refused the landlord reasonable access to the controlled rental unit for the purpose of making necessary repairs or improvements required by the laws of the United States, the State of California or any subdivision thereof, or for the purpose of showing the rental housing unit to any prospective purchaser or mortgagee.

(g) The tenant holding at the end of the term of the rental housing agreement is a sub-tenant not approved by the landlord.

(h) The landlord seeks to recover possession in good faith for use and occupancy of herself or himself, or her or his children, parents, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law.

(i) The landlord seeks to recover possession to demolish or otherwise remove the controlled rental unit from rental residential housing use after having obtained all proper permits from the City of Santa Monica.

Notwithstanding the above provisions, possession shall not be granted if it is determined that the eviction is in retaliation for the tenant reporting violations of this Article, for exercising rights granted under this Article, including the right to withhold rent upon authorization of the Board under Section 1803(q) or Section 1809 or for organizing other tenants. In any action brought to recover possession of a controlled rental unit, the landlord shall allege and prove compliance with this Section.

Section 1807. Non-Waiverability: Any provision, whether oral or written, in or pertaining to a rental housing agreement whereby any provision of this Article for the benefit of the tenant is waived, shall be deemed to be against public policy and shall be void.

Section 1808. Judicial Review: A landlord or tenant aggrieved by any action or decision of the Board may seek judicial review by appealing to the appropriate court within the jurisdiction.

Section 1809. Civil Remedies:

(a) Any landlord who demands, accepts, receives, or retains any payment of rent in excess of the maximum lawful rent, in violation of the provisions of this Article or any rule, regulation or order hereunder promulgated, shall be liable as hereinafter provided to the tenant from whom such payments are demanded, accepted, received or retained, for reasonable attorney's fees and costs as determined by the court, plus damages in an amount of five hundred dollars (\$500) or three (3) times the amount by which the payment or payments demanded, accepted, received or retained exceeds the maximum lawful rent, whichever is the greater.

(b) In lieu of filing a civil action as provided for in Section 1809(a), the Board shall establish by rule and regulation a hearing procedure similar to that set forth in Section 1805(d) for determination of the amount of the penalty the tenant is entitled to pursuant to Section 1809(a). After said determination, the tenant may deduct the penalty from future rent payments in the manner provided by the Board.

(c) If the tenant from whom such excessive payment is demanded, accepted, received or retained in violation of the foregoing provisions of this Article or any rule or regulation or order hereunder promulgated fails to bring a civil or administrative action as provided for in Section 1809(a) and

1810(b) within one-hundred and twenty (120) days from the date of occurrence of the violation, the Board may settle the claim arising out of the violation or bring such action. Thereafter, the tenant on whose behalf the Board acted is barred from also bringing an action against the landlord in regard to the same violation for which the Board has made a settlement or brought an action. In the event the Board settles said claim, it shall be entitled to retain the costs it incurred in settlement thereof, and the tenant against whom the violation has been committed shall be entitled to the remainder.

(d) The appropriate court in the jurisdiction in which the controlled rental unit affected is located shall have jurisdiction over all actions brought under this Section.

**Section 1810. Criminal Remedies:** Any landlord violating this Article shall be guilty of a misdemeanor. Any person convicted of a misdemeanor under the provisions of this Article shall be punished by a fine of not more than five hundred dollars (\$500), or by imprisonment in the county jail for a period not exceeding six months, or by both such fine and imprisonment.

**Section 1811. Injunctive Relief:** The Board, and tenants and landlords of controlled units, may seek relief from the appropriate court within the jurisdiction within which the affected controlled rental unit is located to restrain or enjoin any violation of this Article and of the rules, regulations, orders, and decisions of the Board.

**Section 1812. Partial Invalidity:** If any provision of this Article or application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of this Article which can be given effect without the invalid provision or application, and to this end the provisions of this Article are declared to be severable. This Article shall be liberally construed to achieve the purposes of this Article and to preserve its validity.

**PROPOSITION "A"**  
**ANALYSIS BY THE CITY ATTORNEY**

Effect

This initiative would add a new Chapter XVIII on Rent Control to the City Charter. Unlike existing law, Proposition "A" controls rent, requires specified cause for eviction of tenants, and restricts the removal of rental units from the housing market.

Except as specified in Section 1801 (c), all residential rental units in the City are subject to controls.

If Proposition "A" passes, rents may not be raised during the four (4) months following adoption. Thereafter, a base rent ceiling equal to the rent in effect one (1) year before adoption is established for controlled rental units.

All controlled rental units in the City must be registered with an interim Rent Control Board. A permanent Rent Control Board of five (5) commissioners must be elected within ninety (90) days of adoption.

The Board may make rules of general or categorical application after publication and public hearing; these may effect general adjustments of the base rent. Annual general adjustments must be made to account for changes in utility, tax, and maintenance costs.

The Board may, after survey and public hearing, remove or reimpose controls on classes of rental units, based on a five percent (5%) vacancy rate guideline.

The maximum rent of individual units may be adjusted upward or downward. Procedures for hearings before hearing examiners are specified; relevant and specified factors must be considered; landlords must demonstrate that upward adjustments are necessary to making a fair return on an investment. A landlord who has not complied with a law relating to housing may not receive an upward adjustment. Aggrieved parties may appeal to the Board, and seek judicial review.

Section 1806 specifies causes required for eviction of tenants, and requires landlords to prove that eviction is not in retaliation for a tenant's exercise of rights.

A rental unit may not be demolished, converted, or otherwise removed from the housing market without a permit based on specific findings relative to the displacement of the City's supply of housing, particularly for people of low or moderate income.

Civil and criminal remedies for violations of the law are provided.

Fiscal Impact

The City must fund the first six (6) months' operating expenses of the interim and permanent Boards, including salaries, overhead, and facilities. These costs were estimated in 1978 at two hundred fifty thousand dollars (\$250,000.00) including fifty-five thousand dollars (\$55,000.00) election costs. After six (6) months' operation, the Board must charge landlords a fee to cover expenses, and may seek funding from various sources. Annual costs after the first six (6) months were estimated in 1978 at three hundred fifty thousand dollars (\$350,000.00). If the Board is unable to secure sufficient funds from landlords or outside sources to process rent adjustment petitions adequately, the City must provide sufficient funds and staff to insure due process of law.

It is possible that substantial litigation costs will be incurred.

Proposition "A" will have an impact on the construction, demolition, conversion and maintenance of rental property in the City, as well as affecting rent. The extent and nature of this impact is uncertain.

STEPHEN SHANE STARK  
Assistant City Attorney

## ARGUMENT IN FAVOR OF PROPOSITION A

Santa Monica is confronted with a severe housing crisis.

The crisis was recently documented by the Rental Housing Mediation Coordinator for Santa Monica, who reported "... a portion of the tenant population is experiencing high rent increases and evictions without cause."

Those hardest hit by the housing crisis are the elderly who live on fixed incomes, many of whom are driven from their homes by exorbitant rent hikes.

The Santa Monica City Council has failed to come to grips with the problem. That is why more than 9,000 signatures were collected during an unprecedented 7-week petition campaign by supporters of renters' rights. Proposition A appears on the ballot by popular demand.

Proposition A will insure fair rents and fair profits in the City of Santa Monica. Under Proposition A, yearly rent adjustments will be made to reflect actual increases or decreases in maintenance, utilities, and taxes. In this way, Proposition A protects the rights of both landlords and renters.

Proposition A will insure adequate maintenance of buildings. Improperly maintained units will not be granted increases.

Proposition A will protect renters from unfair evictions. Landlords will be required to show "just cause," such as non-payment of rent, before evicting a tenant.

Proposition A will protect the City from destructive housing speculation. Speculation does not build any new housing, it simply makes existing housing more expensive.

Proposition A will place reasonable limitations upon the conversion of apartment buildings to condominiums.

In over 140 American cities, the conclusion is the same: Rent Control is working.

Join us in adopting a reasonable and workable solution to Santa Monica's housing crisis.

Vote YES to stop the massive displacement of our elderly residents.

Vote YES to protect our low and moderate income renters.

Vote YES to restore a sense of dignity and security to Santa Monica renters.

Vote YES on PROPOSITION A.

BILL JENNINGS

Co-chair

Santa Monicans for Renters' Rights

RUTH YANNATTA

Co-chair

Santa Monicans for Renters' Rights

CHERYL RHODEN

President

Santa Monica Fair Housing Alliance

JEANNE M. CHERRY

2nd Vice President

Santa Monica Democratic Club

MORRIS ROSEN

Director

Israel Levin Senior Adult Center

(for purpose of Identification only)

## REBUTTAL TO THE ARGUMENT IN FAVOR OF PROPOSITION "A"

Proposition A deserves a NO vote from every responsible Santa Monica voter.

Rent control does NOT work — has NEVER worked for the benefit of the people in any city where it has been tried. Study after study draws the same conclusion.

SENATOR THOMAS F. ENGLETON:

"... rent controls provide a cure worse than the disease. The sad truth is that rent controls — enacted for the best of motives to protect middle and low-income tenants — actually work against the very people they were designed to aid."

THE PRESIDENT OF THE PARIS ECONOMIC RESEARCH BUREAU:

"... rent control is self-perpetuating and culminates in both the physical ruin of housing and the legal dispossession of the owners."

THE FRAZER INSTITUTE:

"... the introduction and continuance of rent control . . . has done much more harm than good in rental housing markets — let alone the economy at large . . ."

THE BROOKINGS INSTITUTE, WASHINGTON, D.C.:

"Controls discourage maintenance, repairs, and improvements . . ."

THE RAND CORPORATION:

"As a device for protecting the budgets of the disadvantaged, rent control is poorly targeted."

The facts are very clear. Rent control destroys the incentive and ability of apartment owners to maintain their property; leads to deterioration and blight; lowers property values; reduces local tax revenues and discourages new investment in the community.

Proposition A won't provide needed housing in our city and won't stretch the rent dollar. It WILL destroy our housing stock and create a housing dictatorship under the control of a huge and costly new government bureaucracy.

Vote NO on Proposition A.

DONNA O'BRIEN SWINK

Mayor

FRANCO M. ERSPAMER

Co-Chairman, Santa Monica Taxpayers and Residents Committee — 1979

DONALD A. BRUNSON

Retired Santa Monica Resident

CHARLES E. DAVIS

Board of Directors, Santa Monica Homeowners Association

COLIN C. PETRIE

Santa Monica Community College

Board of Trustees

## ARGUMENT AGAINST PROPOSITION A

Last June, after careful consideration, Santa Monica voters overwhelmingly rejected a rent control scheme which would have been disastrous for our city. Proposition A is just a rehash of this rent control scheme. Another prescription for disaster.

The fact was in June, and still is, that rent control CANNOT solve the complex housing problems facing our city. It can only make them WORSE — just as it has in every other city where it's been tried.

- NEIGHBORHOODS WILL DETERIORATE because owners will be forced to cut back on maintenance and repairs.
- OUR HOUSING SHORTAGE WILL GET WORSE because new construction will stop, major rehabilitation projects will shut down and older buildings will be abandoned.
- PROPERTY TAX REVENUES FOR VITAL CITY SERVICES WILL BE LOST because of lowered assessments on and taxes paid by apartment buildings.
- MORE COSTLY GOVERNMENT BUREAUCRACY WILL BE CREATED to administer and enforce an unmanageable law.

Santa Monica cannot afford to pay this kind of price for a rent control law that will, in the long run, benefit no one. Not even the poor and the elderly who live in some of our community's oldest and most vulnerable housing and who will be the first to be forced out of decaying buildings.

Responsible Santa Monicans have ALREADY rejected rent control and its dangerous consequences and have moved forward to find REAL solutions to our city's housing problems. We have made considerable progress in these few months. Proposition A would stop that progress cold.

We urge you to AGAIN SAY NO TO RENT CONTROL — and tell its misguided advocates once and for all that we intend to preserve and improve our city, not abandon it to a policy that could destroy it. VOTE NO ON PROPOSITION A.

DONNA O'BRIEN SWINK  
Mayor

FRANCO M. ERSPAMER  
Co-Chairman, Santa Monica Taxpayers  
and Residents Committee — 1979

DONALD A. BRUNSON  
Retired Santa Monica Resident

CHARLES E. DAVIS  
Board of Directors, Santa Monica  
Homeowners Association

COLIN C. PETRIE

Santa Monica Community College Board of Trustees

## REBUTTAL TO THE ARGUMENT AGAINST PROPOSITION "A"

The real estate interests are at it again.

Last June they waged a \$257,000 campaign of lies and distortions against the rent control initiative. They flooded the city with slick mailers predicting disaster if rent control passed.

Scare tactics worked last year. But we won't be lied to again.

Now we know that rent control works well in over 140 American cities from Massachusetts to Alaska.

Now we know that rent control encourages good maintenance. Under Prop. A, landlords can pass fair maintenance cost increases on to tenants.

Now we know that new construction is not affected by rent control. Prop. A exempts new construction from control.

Now we know that rent control will not affect the City's income from property taxes. Proposition 13, a state law, has permanently slashed the City's property tax revenues by 60% already.

We know that Rent Control is worth the modest cost of administration. Renters will save more than \$15,000,000 each year under the fair rent provisions of Proposition A.

Last year, we were promised that Proposition 13 rent reductions were on the way.

Last year, we were promised that voluntary controls would work.

Last year, we were promised "real solutions" to our housing crisis.

LAST YEAR WE GOT NOTHING BUT PROMISES.

This year we are voting YES on PROPOSITION A.

BILL JENNINGS  
Co-chair

RUTH G. YANNATTA  
Co-chair

Santa Monicans for Renters' Rights    Santa Monicans for Renters' Rights

CHERYL RHODEN    JEANNE M. CHERRY  
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