



City of
**Santa
Monica**

2025

Santa Monica Rent Control Board ANNUAL REPORT



- Status of Controlled Rental Housing
- Impact of Market-Rate Vacancy Increases
- Impact of the Ellis Act
- Departmental Overviews



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INTRODUCTION

Throughout 2025, the Santa Monica Rent Control Board stayed focused on promoting stability, fairness, and access in the city’s rental housing market. Amid ongoing affordability challenges, the Board worked to ensure rent control continues to be a solid foundation for both tenants and property owners.

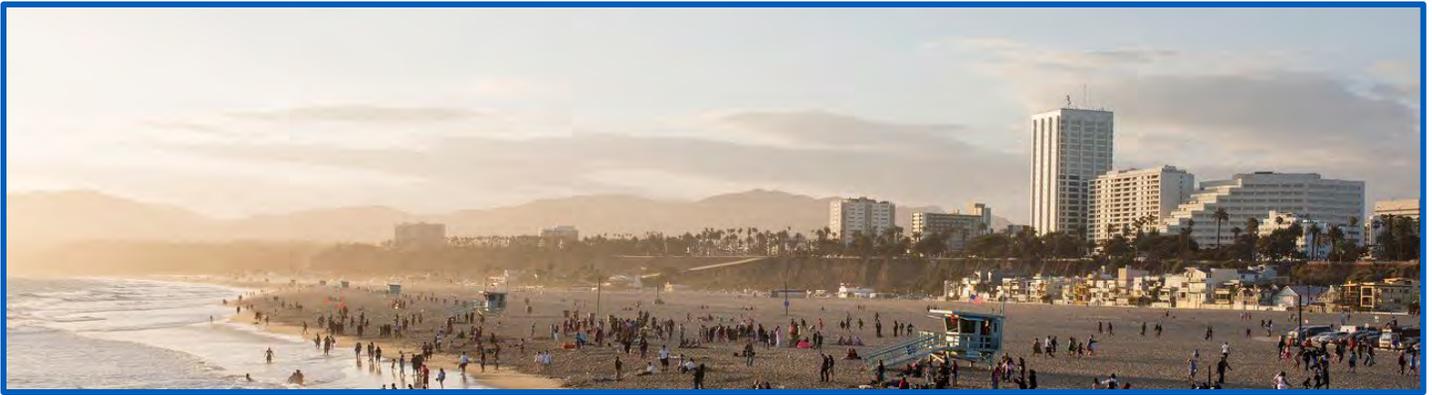
Several key developments shaped the year. The Board adopted a new regulation to limit the impact of accumulated, or “banked,” rent increases—an important step to help prevent sudden rent hikes and ease transitions for renters. The Agency also implemented an annual monitoring effort for deed-restricted units and carried out a successful initiative to collect outstanding registration fees, reinforcing both compliance and fiscal responsibility.

Much of the Agency’s daily work focused on providing direct service to the community. Staff responded to thousands of inquiries, carried out multilingual outreach, and assisted tenants and owners with clear information about their rights, responsibilities, and available resources. Through this work, the Agency aimed to ensure that rent control protections remain accessible and well-understood.

The Board continued engaging in broader housing policy discussions, supporting initiatives that promote greater transparency and tenant protections, including restrictions on algorithmic rent-setting practices. Although regional pressures persist, the Agency’s efforts in 2025 demonstrate a sustained commitment to practical solutions and responsive service.

This Annual Report provides an in-depth look at the Board’s activities over the past year. The Agency encourages all community members to review its contents, reach out with questions, and stay engaged as efforts continue to promote a fair and stable housing environment in Santa Monica.

Jonathan Holub
Executive Director



NEW DEVELOPMENTS IN 2025

Rent Control Board Limits “Banked” General Adjustment Increases

Santa Monica's rent control law permits annual rent increases to maintain fair returns for property owners. Annual general adjustments (GAs) raise the Maximum Allowable Rent (MAR) for a unit every September 1 after the first year of tenancy. To collect the increased MAR, property owners must notify renters as required by state law. However, some owners may delay raising rents or opt for lower increases than authorized. Delaying or “banking” GAs for several years and then requiring renters to pay the current MAR can result in a significant increase above the single-year GA.

To prevent the displacement of tenants by allowing them time to adapt to banked increases, the Board decided at its October 2025 meeting to limit increases to a maximum of ten percent in any 12-month period. Owners may still collect the MAR for a unit; however, if this results in a change exceeding ten percent of the tenant's previous payment, they are permitted to raise the rent only in smaller increments rather than making a single, large increase.

This action aligns local law with statewide protections for most non-controlled rental units, which limit yearly increases to no more than ten percent. The limit also conforms to emergency anti-price-gouging orders when those are in effect, as they were for most of 2025 due to the wildfires in January.

Monitoring of Deed-Restricted Units is Enhanced

Agreements with the Rent Control Board require certain units to be used exclusively by lower-income tenants and that they be rented at rates affordable to such tenants. The affected units are referred to as “deed-restricted units,” and the agreements are filed with the Los Angeles County Recorder and are binding on current and future owners. To ensure compliance with the agreements, staff mailed all owners of deed-restricted units specific information about allowable rent levels for each unit. Included in the mailing was a declaration for the owners to sign and return verifying that Agency records were correct and rents did not exceed limits. A special tenancy registration form was also provided along with current maximum rents and household income eligibility requirements for owners to update Board records with any new tenancies. Compliance with the monitoring effort was nearly 100 percent, and staff are following up on four units where compliance has not been verified. Staff intend to repeat this monitoring effort on an annual basis.

Outstanding Registration Fee Collection

The rent control law requires property owners to pay annual registration fees to fund the reasonable and necessary costs to administer the law. Fees are due by August 1 of each year, and owners who comply are then able to take general adjustment rent increases provided they are not blocked for other reasons. Owners who pay may also pass through one-half of the fee as a monthly surcharge to tenants' rents. Unpaid balances accrue penalty charges, and the Agency mails invoices repeatedly to those with delinquent accounts. Because some owners ignored invoices or failed to update Agency records with ownership or address changes, the Agency's senior litigation attorney led a concentrated effort culminating in 2025 to collect on outstanding fees. The effort focused on properties with multi-year delinquencies, and through a combination of negotiation, small claims actions, and limited civil cases, the number of properties with multi-year delinquencies was reduced by one-third, and more than \$117,000 was collected. This successful effort is ongoing, helping to ensure registration compliance and timely receipts, while educating owners about available exemptions and fee waivers where appropriate.

RENT CONTROL BOARD



Rent Control Board Commissioners 2025

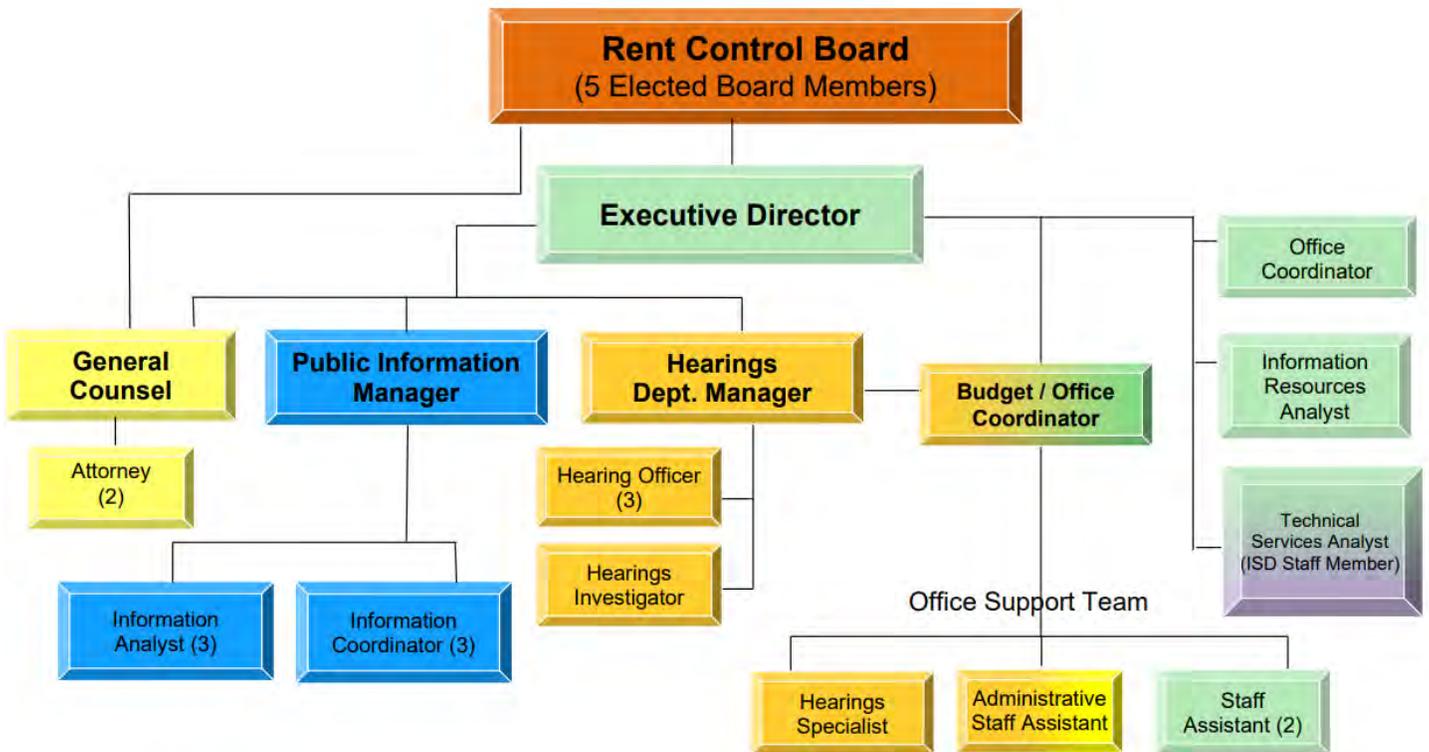
From left to right: Kay Ambriz, Ericka Lesley, Kurt Gonska (Chairperson),
Danny Ivanov (Vice-Chairperson), Phillis Dudick

The Rent Control Board is composed of five elected commissioners who are responsible for exercising the powers and performing the duties under Article XVIII of the City Charter, the rent control law. The Board typically meets once a month to conduct Board business. Kurt Gonska and Danny Ivanov served respectively as chairperson and vice-chairperson for the first time. There were no other changes to the composition of the Board during the year.

The Board convened a total of 16 meetings in 2025 – 11 regular meetings and five special meetings. The agendas for meetings were mostly filled with jurisdictional and administrative work. Several special meetings were held to confer on personnel matters. Due to concerns that it would not offer sufficient protection against demolition of existing rent-controlled housing, at a special meeting in August, the Board passed a resolution in opposition of SB 79, which could accelerate the construction of multi-family housing near public transit hubs by establishing "by-right" (ministerial) approval processes. The Board received a presentation by the Consumer Protection Division of the City Attorney's Office concerning the City Council's consideration of an ordinance prohibiting the sale and use of algorithmic devices to set residential rental prices, and approved a resolution supporting SB 52, a bill that is part of a broader, active effort to curb algorithmic price-fixing that contributes significantly to rising rents and housing instability. They also heard a presentation from the Department of Public Works on electrification efforts to reduce the City's carbon emissions. The Board also received a status update from the Agency's Senior Litigation Attorney on the successful efforts to recover past-due registration fees. They also heard two presentations by their legislative advocate on the 2025-2026 legislative session and proposed bills relating to housing and tenants' rights.

Agendas for Board meetings are available on the Agency's website, via email for people who sign up for electronic communications, and in the office of the Rent Control Agency.

Executive Director and Administration Department



Appointed by the Board, Executive Director Jonathan Holub oversees the day-to-day functioning of the Rent Control Agency including developing a budget; overseeing personnel, contracts, and purchases; and assisting the Board in conducting research and developing regulations to implement the rent control law. The executive director also serves as a liaison between the Agency and other City department heads, providing guidance and acting as a partner on matters of mutual concern.

The Administration Department provides support to the elected Commissioners by preparing agenda packages, scheduling Board meetings, archiving Board actions, and processing correspondence for the Board. The department also provides information technology and systems support to the Agency and maintains the property database, document management system, website, and software systems, as well as computer and peripheral electronic equipment.



STATUS OF CONTROLLED RENTAL HOUSING

Santa Monica voters adopted the rent control law in April 1979 as an amendment to the City Charter. The law primarily applies to all properties and units used for residential rental at that time and to units that were vacant or occupied by owners and family members in 1979 and were later rented, except for those units specifically exempted based on certain criteria. Some exemptions are permanent, and others stay in effect only as long as the criteria upon which the exemption was granted remain true.

Board records indicate there were 27,589 controlled rental units as of December 31, 2025. There are 115 mobile home park spaces in Santa Monica that are also controlled. These spaces are not subject to the vacancy decontrol provisions of the Costa-Hawkins Rental Housing Act and therefore, are not included in the *Impact of Market-Rate Vacancy Increases* section that follows.

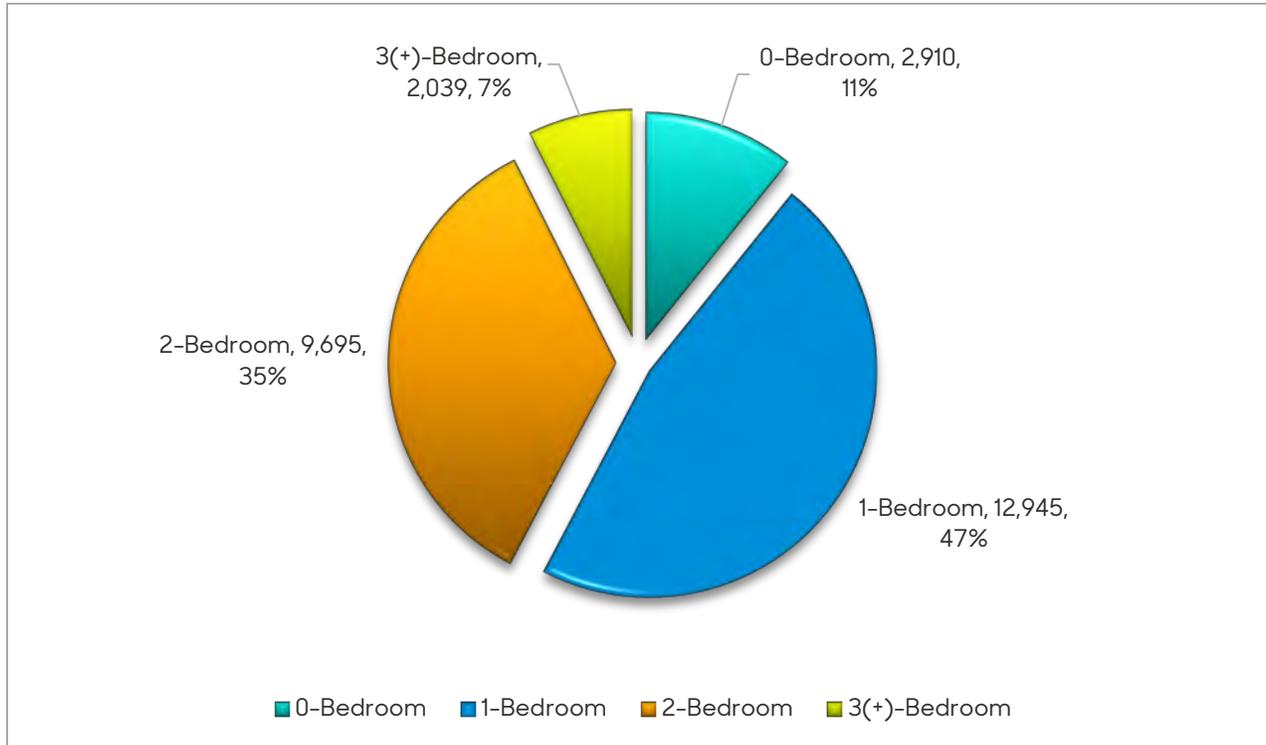
The total number of controlled units fluctuates but remains relatively consistent from year to year. The number increases when temporary use exemptions expire, when units previously withdrawn under the Ellis Act are returned to the rental housing market, and when units are registered for the first time (including Accessory Dwelling Units when they are created by conversion). The number decreases as units are granted exemptions or removal permits and when units are withdrawn under the Ellis Act. The number of units with rent-level protections also decreases as the owners of certain single-family dwellings and condominiums qualify for rent-level decontrol. Because these units no longer have controlled rents, they are not counted among fully controlled units. In 2025, there was a net decrease of 79 controlled units. This was the first year since 2019 that the number of regulated apartments has fallen, owing mostly to a property at 1447 17th St., also known as Holiday Villa East, which became a state-licensed residential care facility, exempting its 86 units from local rent control.

Controlled Units by Size (Number of Bedrooms)

To understand the rental housing market in Santa Monica, the Rent Control Agency categorizes units by their size: 0-bedroom, 1-bedroom, 2-bedroom and 3(or more)-bedrooms. These unit sizes are referenced throughout the *Impact of Market-Rate Vacancy Increases* and the *Impact of the Ellis Act* sections that follow. As Figure 1 on the following page shows, almost half of the 27,589 currently controlled units are 1-bedroom units. The next largest segment, more than one-third of the total, are 2-bedroom units. Together, 1- and 2-bedroom units comprise 82 percent of the controlled housing stock. Therefore, most tenants living in controlled housing are living in 1- and 2-bedroom units, of which there were 22,640 at year end.

Three or more-bedroom units are the fewest in number with only 2,039 units of this size. While there are about 50 percent more studios than 3(+)-bedroom units, they too are a relatively small segment of the controlled housing stock, numbering 2,910. Although the count is higher for studios than 3(+)-bedroom units, a greater number of tenants likely live in 3(+)-bedroom units, as they accommodate more people.

Fig.1 | Controlled Rental Units by Unit Size

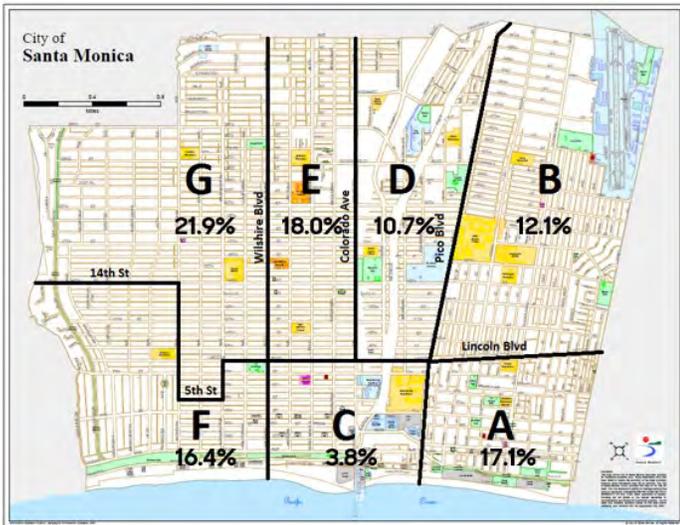


Controlled Units by City Area

The Rent Control Agency also tracks units depending on their location in the city, roughly following the city’s neighborhoods. These seven areas are identified as City Areas A through G in Figure 2 below, and they are referenced throughout this report.

The table and map on the next page show how controlled units are distributed throughout the seven city areas. The significant differences in the distribution of controlled housing in the city areas can be attributed to several factors including the prevalence of single-family homes and commercial properties in some areas. While most controlled properties are predominantly made up of 10 or fewer units, there are city areas downtown (City Area C) and north of downtown (City Area F) where large properties are common. The share of controlled units in each area varies little from year to year. Annual changes to the number of units in any area are primarily due to changes in the exemption status of properties and Ellis activity. The table in Figure 2 quantifies by area units subject to the law at the end of 2025 and changes from 2024.

Fig. 2 | Controlled Rental Properties by City Area and Percentages on Map



City Area	Controlled Units as of 12/31/2024	Controlled Units as of 12/31/2025	Change from 12/31/2024
A	4,719	4,714	-5
B	3,341	3,348	7
C	1,067	1,059	-8
D	2,958	2,946	-12
E	5,055	4,955	-100
F	4,484	4,512	28
G	6,044	6,055	11
Total	27,668	27,589	-79

Rent-Level Decontrolled Single-Family Dwellings and Condominiums

Certain single-family homes and condominiums may qualify for rent-level decontrol. For these units, just-cause eviction protections under the rent control law continue to apply. The Costa-Hawkins Rental Housing Act removed control over rents for single-family dwellings and condominiums that are separately alienable, have been sold for value, and are occupied by tenants who moved in after January 1, 1996, or are vacant or owner-occupied. If they meet these criteria, approximately 3,100 condominium units converted from apartments under the Tenancy Ownership Rights Charter Amendment (TORCA) would qualify for decontrol of the rent level. In 2025, fourteen units were newly identified as qualifying for rent-level decontrol. Overall, there are 1,865 condominiums and single-family homes that have qualified, the majority of which are owner-occupied units. These units are not included in the count of controlled units.

Permanent Exemptions

- [Single-Family Homes](#)

Single-family homes and certain condominiums that were not used as residential rentals on July 1, 1984, or that were owner-occupied for at least two years after that date, qualify for permanent exemption from the rent control law. These units can become exempt either through a declaration that the unit was vacant or not used for a residential rental purpose on July 1, 1984, or if the property was owner-occupied for two years, by application to the Board requesting that the home be granted an exemption.

In 2025, there were five declarations submitted for single-family dwellings stating that the homes were not rented on July 1, 1984, and are eligible for permanent exemption. Provided the information in these declarations is true, the subject properties are exempt. The number of declarations filed in recent years has been low compared to the past. More than 40 years after the qualifying date in 1984, many owners of properties that qualify have already filed a declaration.

In 2025, three single-family dwellings that didn't qualify for the automatic exemption were granted an exemption by the Board upon the owner's filing of an exemption application. By the end of 2025, there

were 3,596 permanently exempt single-family dwellings by declaration and 370 exempted following two years of owner-occupancy.

- **New Construction**

The rent control law generally exempts units built after April 10, 1979. One exception to this provision is newly constructed units replacing demolished rent-controlled units that received a Board-granted redevelopment-related removal permit. Another exception is when new units are constructed and offered for rent on a property within five years of rent-controlled units being withdrawn from the rental market using the state Ellis Act. In 2025, the Board received and granted exemption applications for four units on three separate properties that had been constructed after the enactment of the rent control law. The Board also granted an exemption application for two units from another property that had been pending from 2024.

Use Exemptions

Use exemptions or “temporary exemptions” may be granted for several different uses of a residential rental property that would otherwise be subject to the rent control law. Examples of some use exemptions include owner-occupied properties of three or fewer units; residential units in hotels, hospitals, religious institutions, and extended medical care facilities; commercial units; non-rental units; and units owned and operated by governmental agencies. The most common type of use exemption is for owner-occupancy, and activity on these properties is detailed below. Although tenants living on exempt properties do not have rent-level protections under the rent control law, limitations on the reasons for eviction are specified in the municipal code and many units have rent increases limited by state law. Other than units on owner-occupied properties, at year end, 3,205 units held use exemptions. One application was approved by the Board for an 86-unit property licensed as a residential care facility for the elderly, as it is exempt from rent control under state law. The Board reasserted jurisdiction on 28 units on a property that was formerly exempt as a benevolent institution and on three units that had non-rental exemptions but were subsequently rented.

- **Owner-Occupied Two- or Three-Unit Properties**

Two- and three-unit properties occupied by an owner with at least 50 percent interest in the property can qualify for an exemption. This is the type of use exemption that affects the greatest number of properties. Most applications for this exemption are reviewed for the Board administratively, provided the owner submits the required documentation and the tenants (if any) verify the owner’s residency. Staff prepare a recommendation for the Board, and the Board then determines whether to grant the exemption. In some instances, applications are referred to the Hearings Department for evidentiary hearings to determine if the owner-applicants meet all the requirements to qualify for this exemption. In these cases, a hearing officer makes a recommendation for the Board’s consideration and decision.

The Board received owner-occupancy exemption applications for 15 properties in 2025. The Board approved 11 of these applications, with four pending at the end of the year. The Board also approved six applications pending from 2024. Of the 17 properties granted owner-occupied exemptions in 2025, seven had been previously exempt within the last five years, but the exemption had lapsed because a new owner purchased the property, title was transferred to a non-qualifying entity, or because the owner moved off the property.

The Board's annual monitoring program of owner-occupied exempt properties, described further on page 43, contributed to determinations in 2025 that 16 properties no longer qualified for this exemption.

At year end, Board records showed 456 two- or three-unit properties (1,106 units) were exempt based upon owner-occupancy. This was slightly more than the 444 properties (1,080 units) reported as exempt in 2024 but fewer than the 451 properties (1,094 units) that were exempt in 2023 and 476 properties (1,162 units) that were exempt in 2022.

Ellis Act Withdrawals

The Ellis Act is a state law enacted in 1986 that allows owners to exit the rental housing business by evicting tenants and withdrawing rental units from the housing market. As detailed in the *Impact of the Ellis Act* section of this report beginning on page 28, the Ellis Act has been used to withdraw 3,388 units from the controlled housing stock. However, if a withdrawn unit is ever offered for rent, all the units on that property become re-controlled. Similarly, as noted above, if new units are built and offered for rent within five years of withdrawal, those newly constructed units are subject to the rent control law. In 2025, a total of 34 units were withdrawn from the rental housing market and 20 formerly withdrawn units returned, resulting in a net loss for the year of 14 controlled units after Ellis activity.



IMPACT OF MARKET-RATE VACANCY INCREASES

For 20 years following the 1979 enactment of the Rent Control Charter Amendment, rent levels for most controlled units were based on the rent in effect in 1978 plus allowed annual rent increases. Regardless of how many times tenants moved in and out of a unit, the vacancy control provision mandated that rent levels remained in place between tenancies. That changed with the state legislature's passage of the Costa-Hawkins Rental Housing Act in 1995. Since January 1, 1999, state-mandated vacancy decontrol has allowed owners to set new market-rate rents for most new tenancies. Once the initial rent is established for a new tenancy, future rent increases are controlled for the duration of the tenancy. Every year since Costa-Hawkins, initial rents for new tenancies have risen, except for slight downturns after the 2009 recession and in 2020 and 2021 during the COVID-19 pandemic.

In simple terms, the impact of market-rate vacancy increases is erosion of the number of units that are affordable to all but higher-income households. In 2025, the median rent for units rented prior to Costa-Hawkins was \$1,150. Using the standard set by the Department of Housing and Urban Development of 30 percent of income for housing costs, this rent would be affordable to a household with income not more than \$46,000. In contrast, the median rent for all units rented since Costa-Hawkins was \$2,751 in 2025. That's a difference of \$1,601 per month or \$19,212 per year and would require an income of \$110,000 to be considered affordable, an income that is notably above the Area Median Income.

Throughout this report, units occupied by people who moved into their units before January 1, 1999 (pre-Costa-Hawkins), are referred to as "long-term" units or "long-term" tenancies. Units occupied by people who moved in after that date and whose initial rents were subject to vacancy decontrol are considered "market-rate" units.

Share of Long-Term and Market-Rate Controlled Housing Stock

Since Costa-Hawkins and vacancy decontrol, 76.5 percent of controlled units (21,103 units) have been rented at market rates at least once. As shown in Figure 3 on the following page, only 5,521 (20 percent) of controlled housing units remain occupied by renters who moved into their units before 1999. Units categorized as long-term also include 70 units with deed restrictions requiring that they be rented to low-income households at affordable rates.

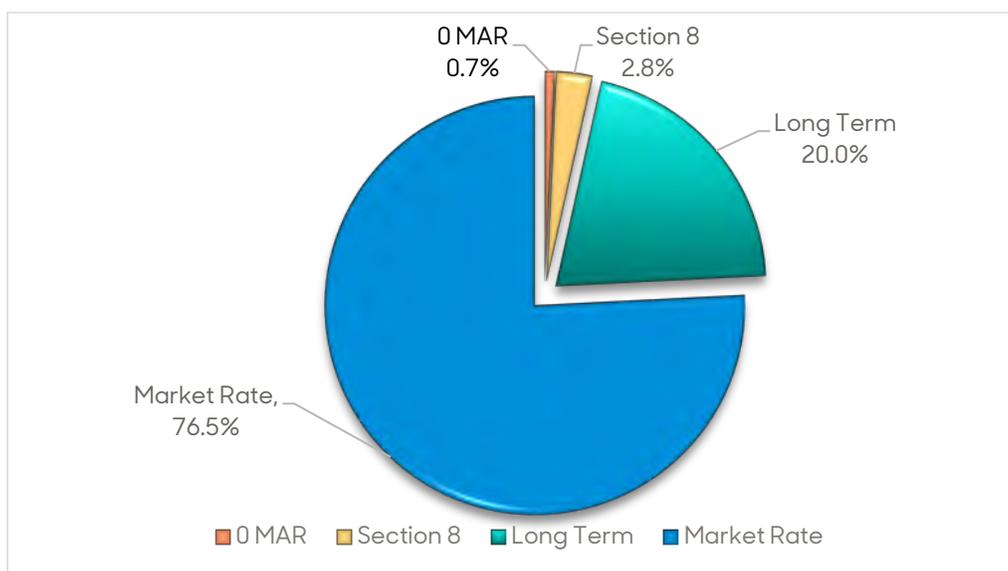
In 2025, 132 units were rented at market-rate for the first time. Most of these were units formerly occupied by long-term tenants or tenants with Section 8 vouchers who vacated, and their units were rented at market-rates for the first time. Although the year ended with 206 fewer long-term units, the

increase in the number of market-rate units is less than 206 since the number of controlled market-rate units in 2025 was reduced by 83 when the 86-unit property identified in the *Status of Controlled Rental Housing* section qualified for exemption as a state licensed residential care facility. The change in the number of market-rate units also includes units that were on owner-occupied properties where exemptions lapsed and where newly constructed replacement units were rented for the first time. The number of long-term units decreased as tenants moved out, units were withdrawn from the market under the Ellis Act, or properties became exempt.

Another category of controlled units is those with various affordable-housing related fee waivers, including units occupied by tenants participating in the Housing Choice Voucher Program, also known as Section 8. Section 8 units remain subject to the rent control law, but the rent levels are governed by federal contracts. Agency records of units participating in the Housing Choice program are based on registration fee waivers submitted by owners. There are more units in the program than identified here because some owners do not apply for fee waivers. In addition to the 70 deed restricted units mentioned above, there are 19 deed restricted units occupied by tenants with Housing Choice vouchers. Also included in this category are units that have fee waivers because they are subsidized by state or federal programs.

Fig. 3 | Controlled Rental Units by Type - 2024 to 2025

Unit Type	# of Controlled Units 2024	# of Controlled Units 2025	Change from 12/31/2024
Market-Rate	20,971	21,103	132
Long-Term	5,727	5,521	-206
Sec 8/HOME/Tax Credit	774	777	3
\$0 MAR	196	188	-8
Total	27,668	27,589	-79

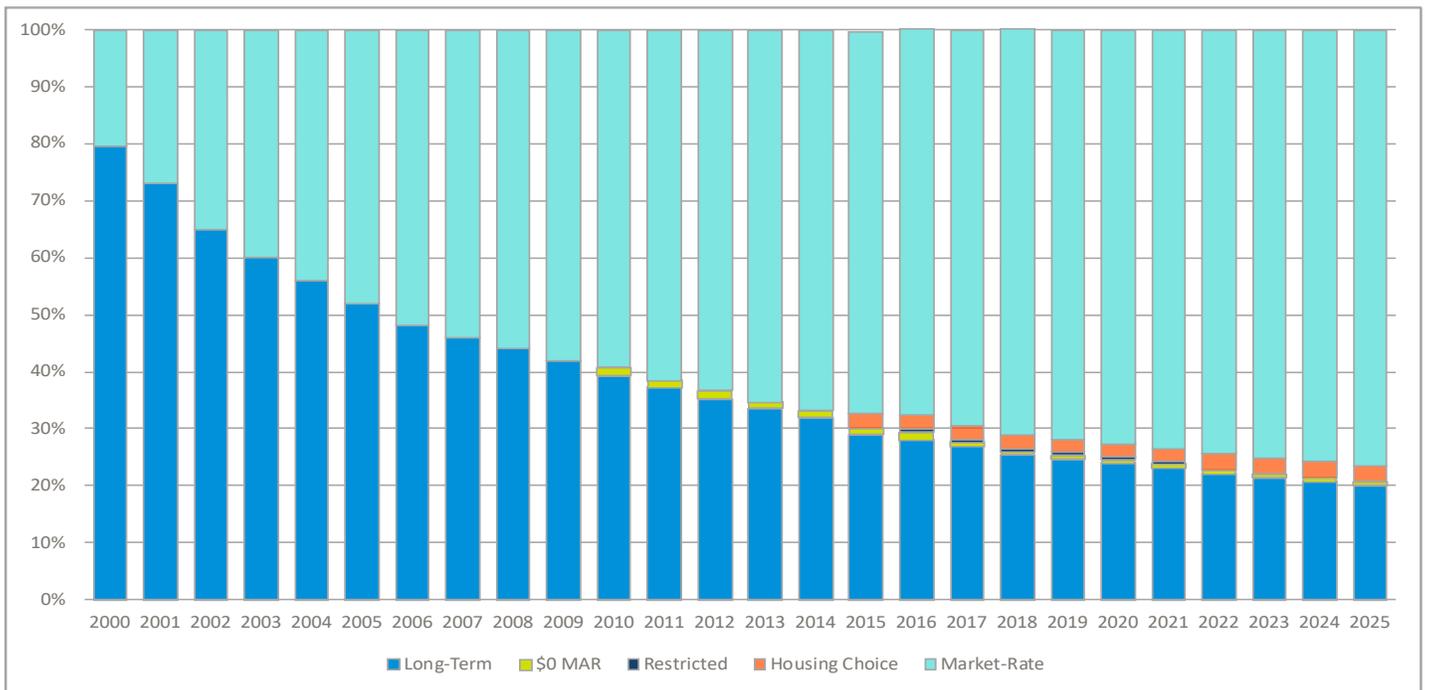


Units with no registered rental history are identified in the figure above as "\$0 MAR (Maximum Allowable Rent)" units. These 188 units are presumed to be owner-or relative-occupied, not used for a residential

rental purpose, or are replacement units pursuant to a removal permit with no base rent because tenancies have not yet been registered. The number of \$0 MAR units decreased by eight units in 2025. This decrease is likely attributable to new units being rented for the first time and existing units that had no rental history until exemptions lapsed and new tenancies were registered.

Figure 4 below shows changes over time in the share of units by these same occupancy types: long-term tenants, market-rate tenants, \$0 MAR units, and those participating in Housing Choice/Section 8 or other affordable housing programs. The annual reduction of units occupied by long-term tenants has slowed over time as a smaller share of units remain occupied by long-term tenants. About 3.6 percent of the remaining long-term units were vacated and re-rented in 2025.

Fig. 4 | Controlled Rental Units by Type - 1999 to 2025



The Rent Control Agency began segmenting controlled units by the five categories indicated above in 2015. Beginning in 2022, units with restricted MARs were incorporated with market-rate and long-term tenancies depending on when the restricted base rent was established, and HOME and Tax Credit units were added to the Housing Choice category.

Registration Fee Waivers

The Agency charges a fee for each controlled unit to fund its operations. In addition to registration fee waivers for units in which tenants are participating in the Housing Choice Voucher Program or other programs subsidized by federal and state funding (HOME/Tax Credit), units occupied by very-low-income tenants who are seniors or are disabled, and those occupied by owners, are eligible for fee waivers. Fee waivers are also available for condominiums and single-family dwellings that qualify for rent-level decontrol pursuant to the Costa-Hawkins law. Figure 5 on the following page shows the number of fee waivers of each type in 2025, along with changes since 2024.

The overall reduction in the number of fee waivers issued to seniors and tenants with disabilities since the implementation of vacancy decontrol is most likely due to vacancies of these low-income tenants

rather than an increase in income that would disqualify them for waivers. At the end of 1998, 791 tenants held senior fee waivers, but by the end of 2025, only 155 senior fee waivers were in place, which is one-fifth the number prior to vacancy decontrol.

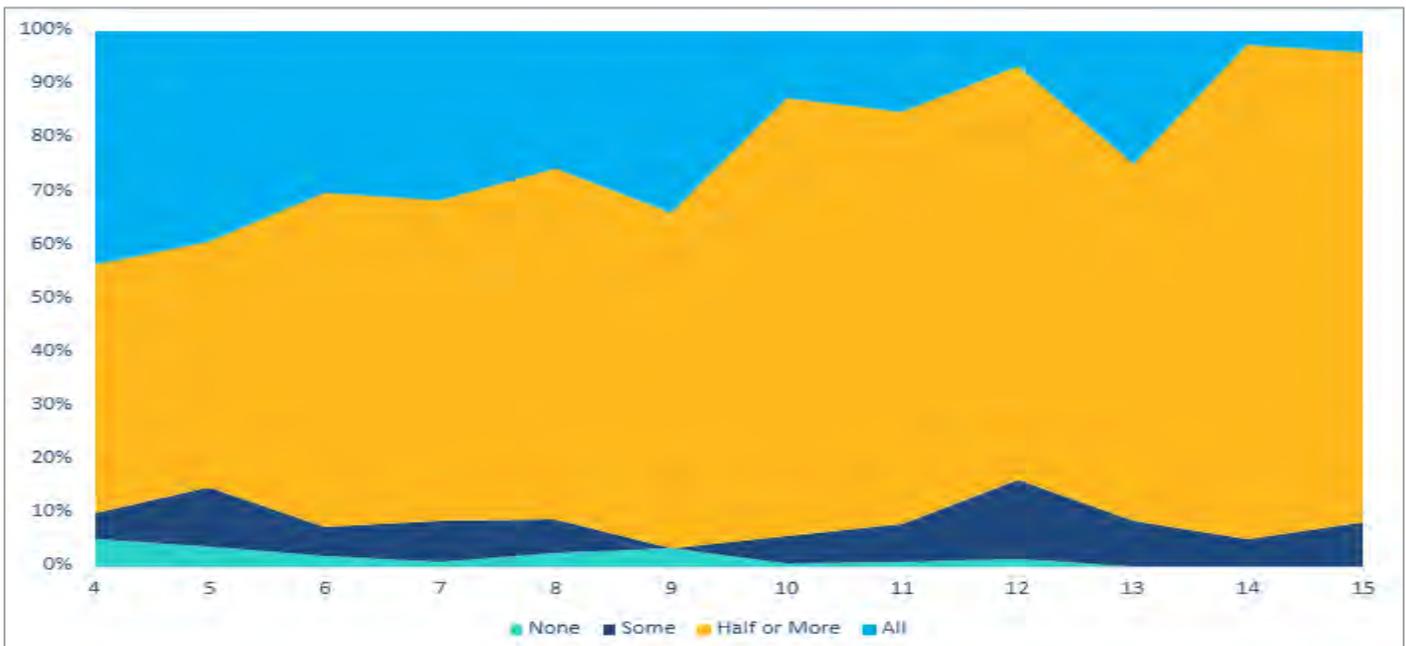
Fig. 5 | Registration Fee Waivers by Type – 2024-2025

Type of Fee Waiver	As of 12/31/2024	As of 12/31/2025	Change from 12/31/2024
Housing Choice/Section 8	587	585	-2
Low-Income Senior	161	155	-6
Low-Income Disabled	58	58	0
HOME/Tax Credit Units	193	192	-1
Owner-Occupied	1,823	1,817	-1
Condo/Single-Family Dwelling	1,849	1,865	16
Total Fee Waiver Units	4,671	4,672	1

Dispersion of Market-Rate Units by Building Size and City Area

Excluding single-family dwellings and properties with three or fewer units that may qualify for exemption, 89 percent of rent-controlled properties have between four and 15 units. As shown by the top two bands in Figure 6, across these property sizes, on average 91 percent of properties had rented half or more of their units at market rates by the end of 2025. The thin blue line at the bottom of the chart represents the small percentage of properties that have no registered market-rate rents. Larger buildings like the 13- to 15-unit buildings shown on the right are unlikely to have no market-rate units and as with most properties, half or more are at market rate.

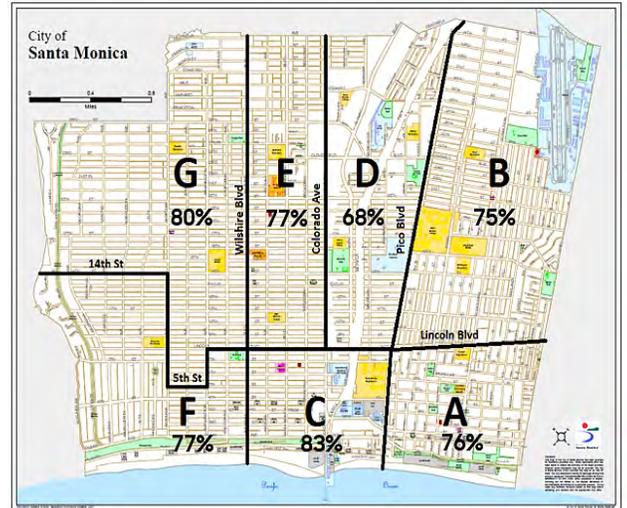
Fig. 6 | Share of Market-Rate Rentals by Property Size (4-15 Units)



Units rented at market-rate are common throughout all city areas, and percentages are shown in Figure 7. The highest percentage of units rented at market rates are in Areas C (downtown) and G (the northeast part of the city). The lowest percentage is in Area D, along the Pico Blvd. corridor, where 68 percent of units have been rented at market rates – a one percentage point increase from the prior year. The percentage of units at market rates also increased incrementally in Areas B, C, and G from the previous year but were unchanged in Areas A, E, and F.

Fig. 7 | Share of Market-Rate Rentals by City Area

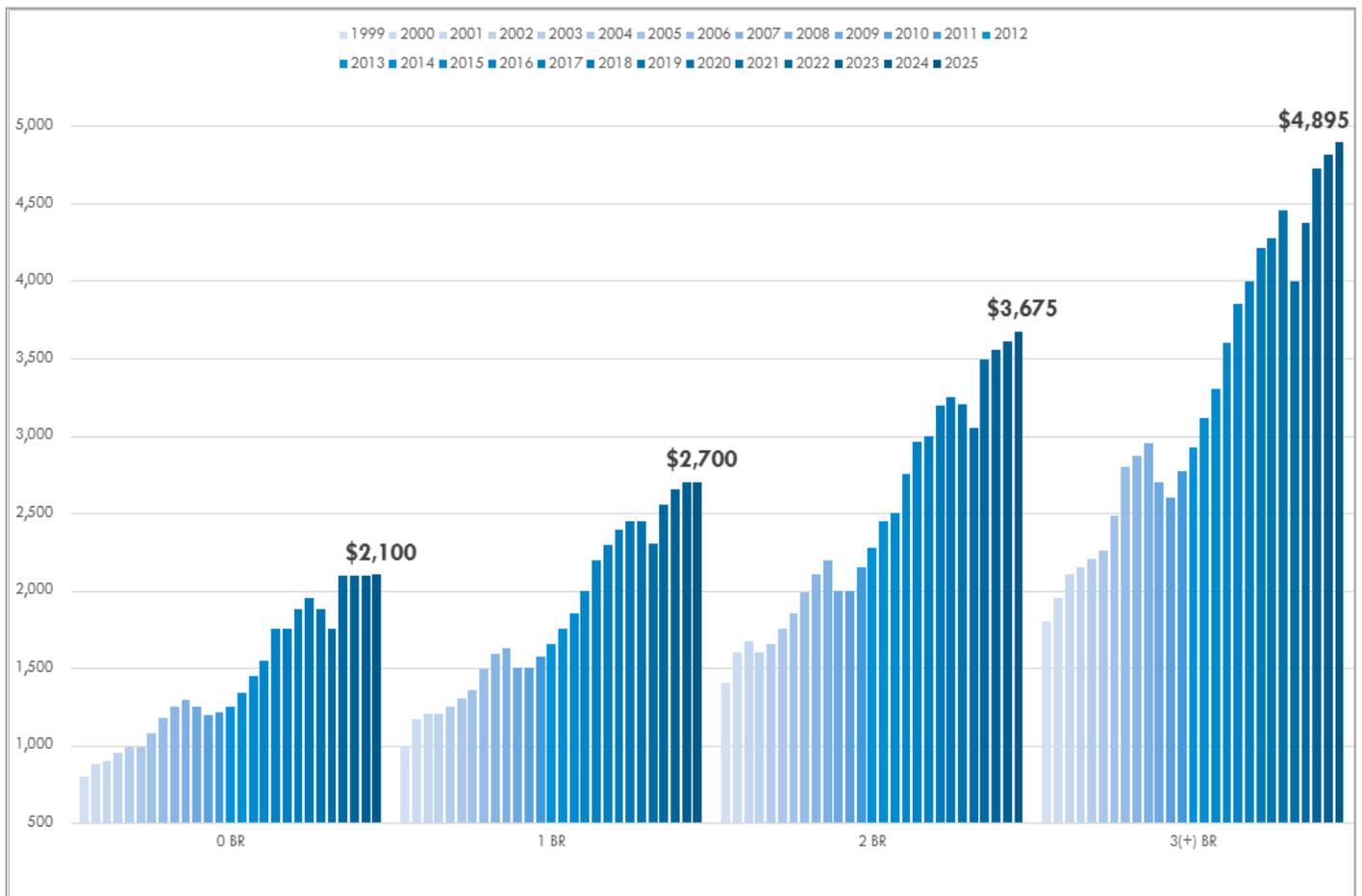
City Area	Market-Rate Units	% at Market Rates
A	3,592	76%
B	2,503	75%
C	878	83%
D	2,012	68%
E	3,834	77%
F	3,468	77%
G	4,816	80%



27-Year Median Initial Rent Review

Figure 8 on the next page shows median initial rental rates by number of bedrooms established each year since vacancy decontrol began in 1999. As noted in the introduction to this section, median initial rental rates for units of all sizes have risen annually except for temporary downturns during the recession in 2009 and 2010 and the pandemic in 2020 and 2021. In 2022, initial median rents resumed their upward trend, increasing between 10 and 20 percent depending on unit size. Increases in the past three years, however, have been modest, as shown in Figure 9 on the next page. The median rent for studios remained virtually unchanged during this period. In 2024 and 2025, median initial rents across all units sizes rose less than two percent. With rents already unaffordable to all but higher income households, data indicate the market for available rental units recently has not sustained the rates of increase seen in previous years. While increases were modest in 2025, record high median rents were again set across all unit sizes. As the figures shown here represent medians, half of the units rented above the amount shown and half rented for less.

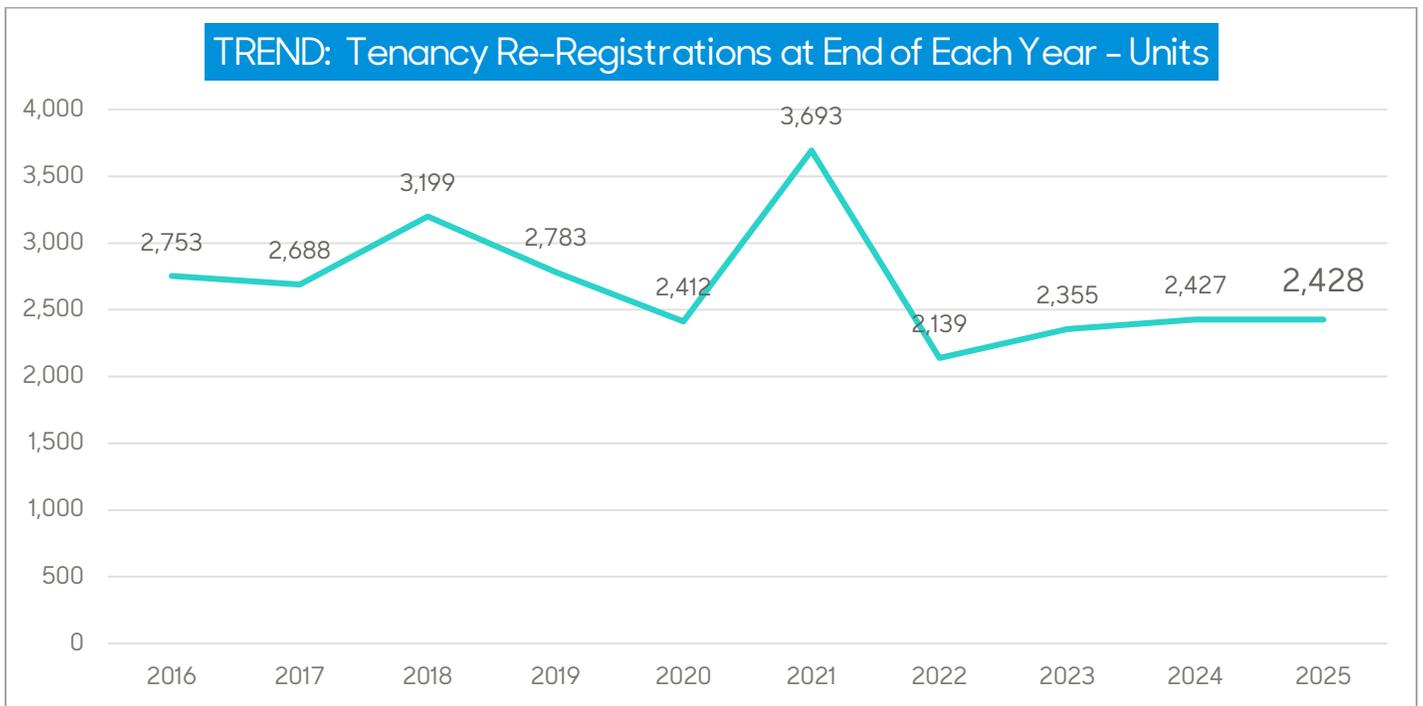
Fig. 8 | Median Initial MARs by Number of Bedrooms*



*Figures 8 - 18 exclude rentals at 1221 Ocean Ave., a luxury property with extraordinarily high rents that would distort median rents reported. Median rents for prior years may vary from previously reported amounts due to late registration of tenancies.

Fig. 9 | Changes in Median MARs by Number of Bedrooms – 2023–2025

Year	0-Bedroom	1-Bedroom	2-Bedroom	3(+)-Bedroom
2023	\$2,095	\$2,649	\$3,555	\$4,722
	0.0%	3.9%	1.7%	8.0%
2024	\$2,093	\$2,695	\$3,607	\$4,812
	-0.1%	1.7%	1.5%	1.9%
2025	\$2,100	\$2,700	\$3,675	\$4,895
	0.3%	0.2%	1.9%	1.7%



Newly Established Market-Rate Rents in 2025

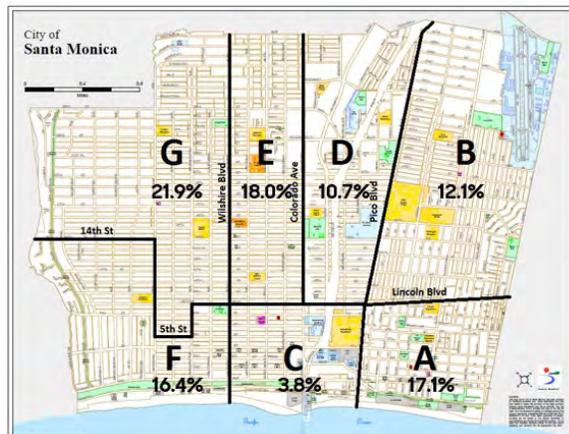
The median initial rents by city area and unit size for the 2,428 units registered as rented in 2025 are shown in Figure 10 on the following page. The number of units registered as re-rented in 2025 was nearly identical to the 2,427 units registered as re-rented in 2024 and consistent with long-term trends. Newly rented units are required to be registered within 30 days of the start of the tenancy. When the Agency learns of an unregistered tenancy, the owner is contacted and directed to submit a registration form. At year end, roughly 400 tenancy registrations were in review stages and not counted here, with about 15 percent of them filed online at the end of the year during the Agency’s Winter Holiday closure.

Median rent levels are affected by the number of rentals in each category. In any city area, the number of units rented in one year by unit size (number of bedrooms) is relatively small, resulting in significant variations in median rents. With just 2,039 total 3(+)-bedroom units in the city and only 111 of them re-rented in 2025, the medians can fluctuate significantly. The 3-year medians shown on the next page are a better representation of the market.

Fig.10 | 2025 Initial Median Rents, Market-Rate Units by City Area*



*Only one 3(+)-bedroom unit was rented in Area C in 2025, so no median is reported here.



Three-Year Median MARs by City Area

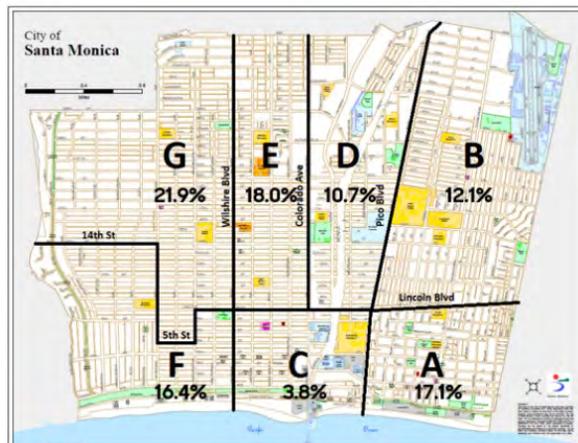
Because the number of new rentals in one year in any individual city area when broken down by unit size is limited, a three-year view of vacancy increases includes a larger selection of units and provides a broader view of overall rental rates. Initial rents for 7,429 tenancies beginning between 2023-2025 were registered by year end in units with three or fewer bedrooms. Some units have been rented more than one time during the period and each of the rentals is considered here. The median rents established over this period are shown below in Figure 11.

Pursuant to Regulation 3304, in some instances the Agency uses this three-year review to establish a market-value rent for a unit when a decision is rendered that a tenant does not use the unit as their primary residence. For this reason, the figures shown here for 3-bedroom units do not include units with more than three bedrooms.

Fig. 11 | 2023-2025 Median MARs, Market-Rate Units by City Area*



*As only two 3-bedroom units in City Area C were rented during the three-year period, no median is reported here.



Current Median MARs – All Units

As noted above, owners are required to file a tenancy registration form to register the initial rent for a unit within 30 days of renting it. This establishes the MAR for the unit and the base from which all future increases are calculated for the duration of the tenancy. For as long as an original tenant remains in place, rent increases are limited to annual general adjustments or an individual adjustment granted through the rent increase petition process. The median MARs reported in this section are those as measured on December 31, 2025.

Figure 12 shows the median MARs for all long-term units, all market-rate units, all controlled units, and units rented in 2025, regardless of unit size. Figure 13 shows current median MARs by city area and unit size for all controlled units, regardless of when the tenancies began, as well as citywide medians at the bottom.

Fig. 12 | Median MARs of Long-Term, Market-Rate, All Controlled Units and 2025 Tenancies

Median MAR Long-Term Units	Median MAR Market-Rate Units	Median MAR All Controlled Units	Median MAR 2025 Tenancies
\$1,150 (↑ \$33)	\$2,751 (↑ \$68)	\$2,486 (↑ \$83)	\$2,995 (↑ \$45)

Fig. 13 | Median MARs of All Controlled Units by Unit Size & City Area*

City Area	0-Bedroom Units	1-Bedroom Units	2-Bedroom Units	3(+)-Bedroom Units
A	\$1,850	\$2,500	\$3,122	\$2,782
B	\$1,756	\$2,115	\$2,788	\$2,962
C	\$2,542	\$2,590	\$3,349	\$7,015
D	\$1,688	\$2,100	\$2,100	\$2,885
E	\$1,784	\$2,195	\$2,795	\$3,088
F	\$1,912	\$2,702	\$2,795	\$4,095
G	\$1,996	\$2,475	\$3,194	\$3,983
CITYWIDE	\$1,895 (↑ \$42)	\$2,355 (↑ \$60)	\$2,962 (↑ \$91)	\$3,394 (↑ \$232)

Figure 14 on the next page displays by city area and unit size the difference in median rents of units depending on whether they are occupied by long-term or market-rate tenants. The long-term median MARs are for units still occupied by tenants who moved in before January 1, 1999. There is a marked difference across all units and city areas between long-term and market-rate medians. Market-rate median rents across the city are close to 150 percent higher than long-term median rents for all categories except 0-bedroom units which are 123 percent higher.

Fig. 14 | Median MARs by Unit Size & City Area: Long-Term Units vs. Market-Rate Units*

Area	0-Bedroom Units			1-Bedroom Units			2-Bedroom Units			3-Bedroom Units		
	long-term	market-rate	diff.									
A	\$863	\$1,936	\$1,073	\$1,068	\$2,689	\$1,621	\$1,316	\$3,553	\$2,237	\$1,532	\$4,088	\$2,556
B	\$786	\$1,844	\$1,058	\$937	\$2,299	\$1,362	\$1,122	\$2,995	\$1,873	\$1,532	\$3,512	\$1,980
C	\$984	\$2,594	\$1,610	\$974	\$2,932	\$1,958	\$1,037	\$3,380	\$2,343	*	*	*
D	\$865	\$1,796	\$931	\$892	\$2,195	\$1,303	\$978	\$2,700	\$1,722	\$1,267	\$3,723	\$2,456
E	\$831	\$1,818	\$987	\$952	\$2,302	\$1,350	\$1,250	\$3,020	\$1,770	\$1,619	\$3,890	\$2,271
F	\$1,035	\$2,000	\$965	\$1,165	\$2,873	\$1,708	\$1,250	\$3,020	\$1,770	\$1,863	\$4,673	\$2,810
G	\$902	\$2,058	\$1,156	\$1,012	\$2,595	\$1,583	\$1,370	\$3,412	\$2,042	\$1,797	\$4,650	\$2,853
CITY WIDE	\$893	\$1,995	\$1,102	\$1,013	\$2,516	\$1,503	\$1,276	\$3,248	\$1,972	\$1,619	\$4,138	\$2,519

* Aside from 1221 Ocean Ave., there are only five 3-bedroom units in Area C, so the median is not reported here.

Current Market-Rate MARs by Year of Tenancy Compared to 2025 Median Initial Rents

As Figure 14 above shows, vacancy decontrol results in much higher median MARs for tenants who moved in after January 1, 1999, as compared to MARs for long-term tenants. For tenants who stay in place, the rent control law limits annual rent increases to 75 percent of the annual change in inflation with an optional dollar cap at the Board’s discretion. Figures 15 through 18 show the difference between current MARs (by unit size and the year a current tenancy started) for comparable units and the median initial rents set in 2025. These figures are based on the median initial MAR for each unit size depending on the year the units were rented and assume owners have taken all available annual rent increases.

Even with general adjustments added to median initial rents, the MARs for units today are, except in a few cases for recent tenancies, significantly lower than the medians set in 2025 for the various unit sizes. As median initial rents have risen only slightly for new tenancies in recent years, when general adjustments of 3.0 percent (2024) and 2.3 percent (2025) are added to the base rents of units rented recently, current medians are actually higher for 0- and 1-bedroom units than the going market rate.

Fig. 15 | 0-Bedroom Units: Amt. Current Median MAR Varies from the 2025 Median Initial Rent of \$2,100

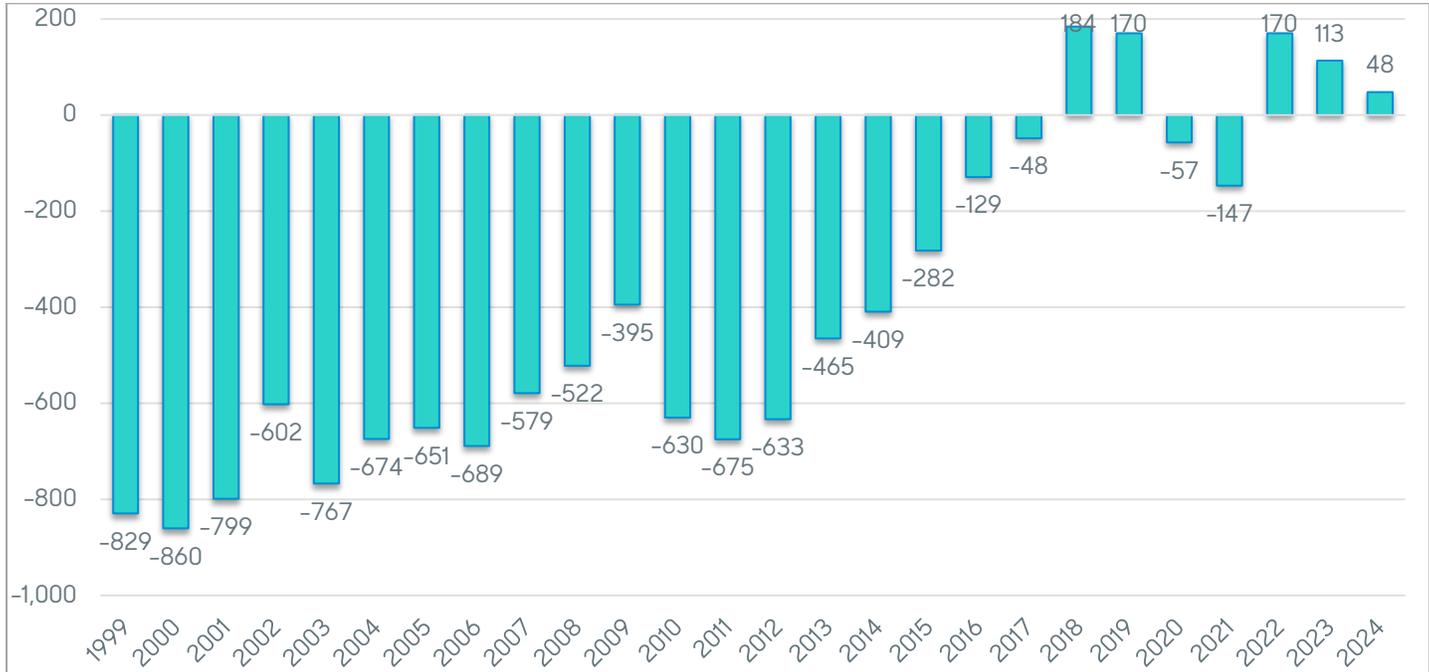


Fig. 16 | 1-Bedroom Units: Amt. Current Median MAR Varies from the 2025 Median Initial Rent of \$2,700

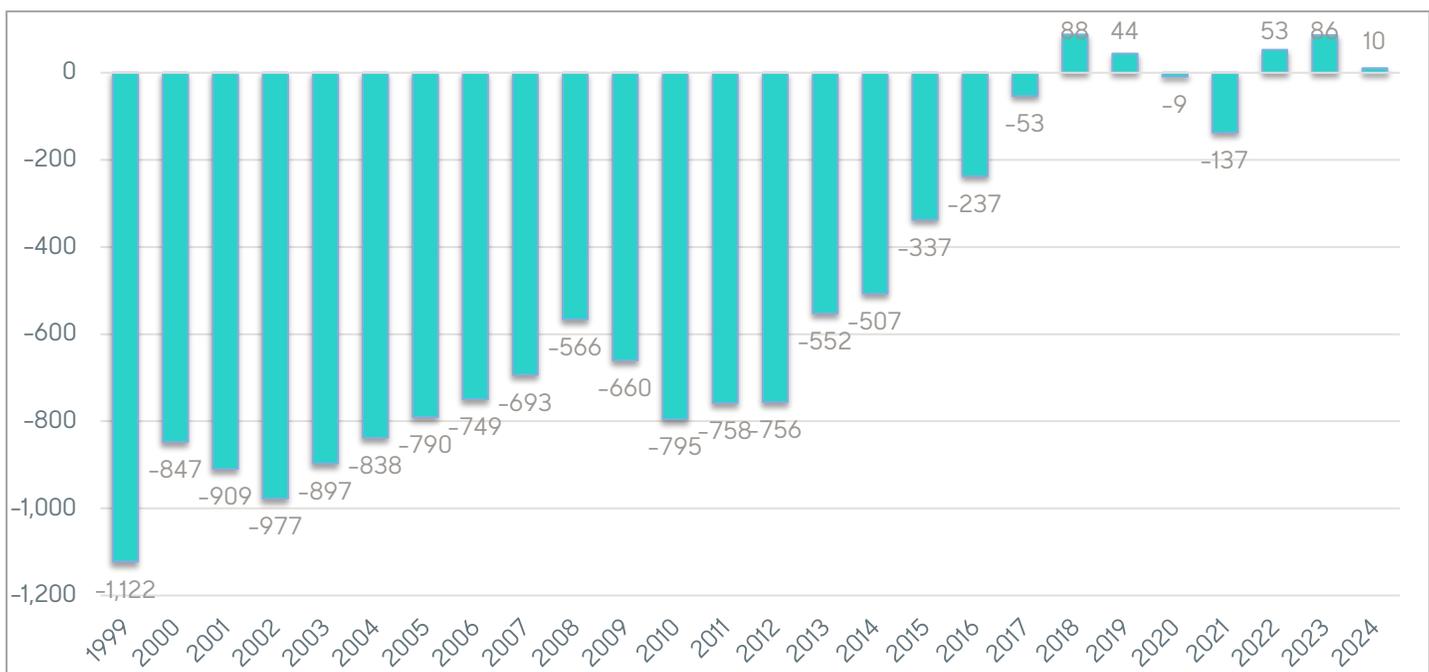


Fig. 17 | 2-Bedroom Units: Amt. Current Median MAR Varies from the 2025 Median Initial Rent of \$3,675

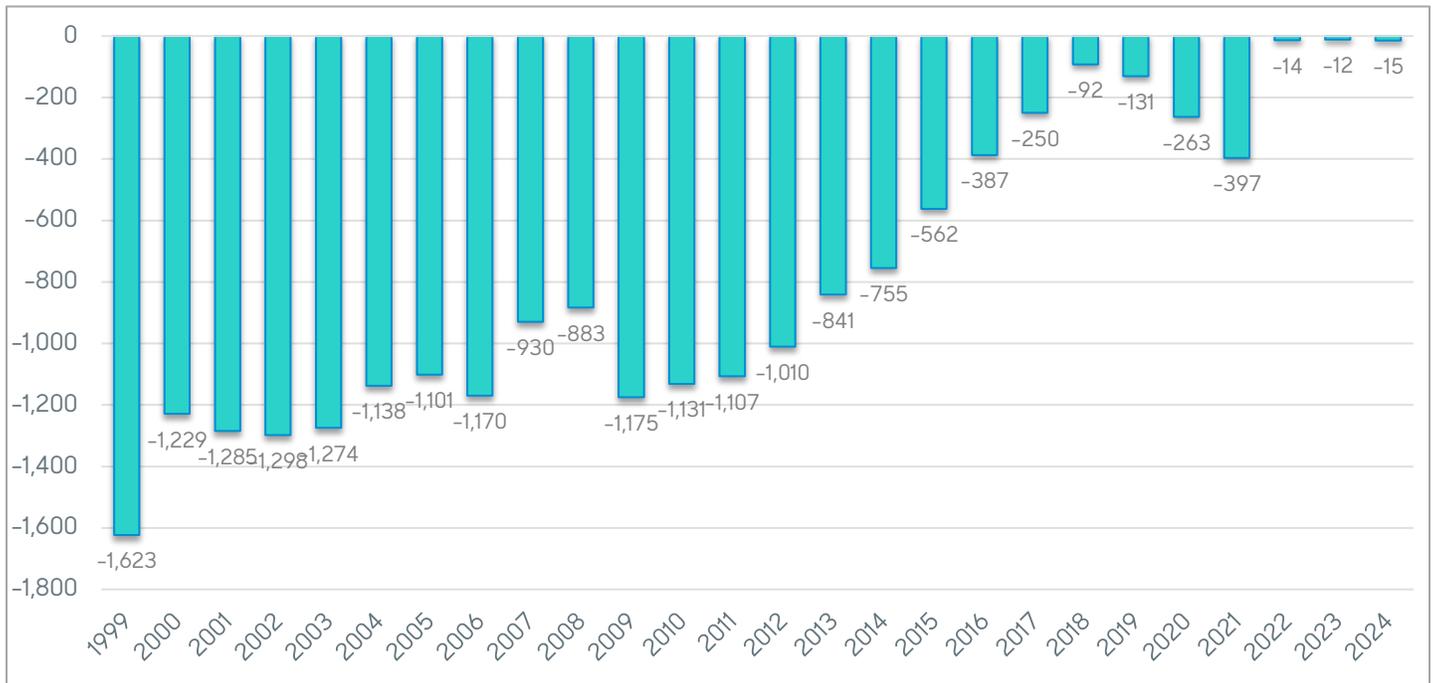
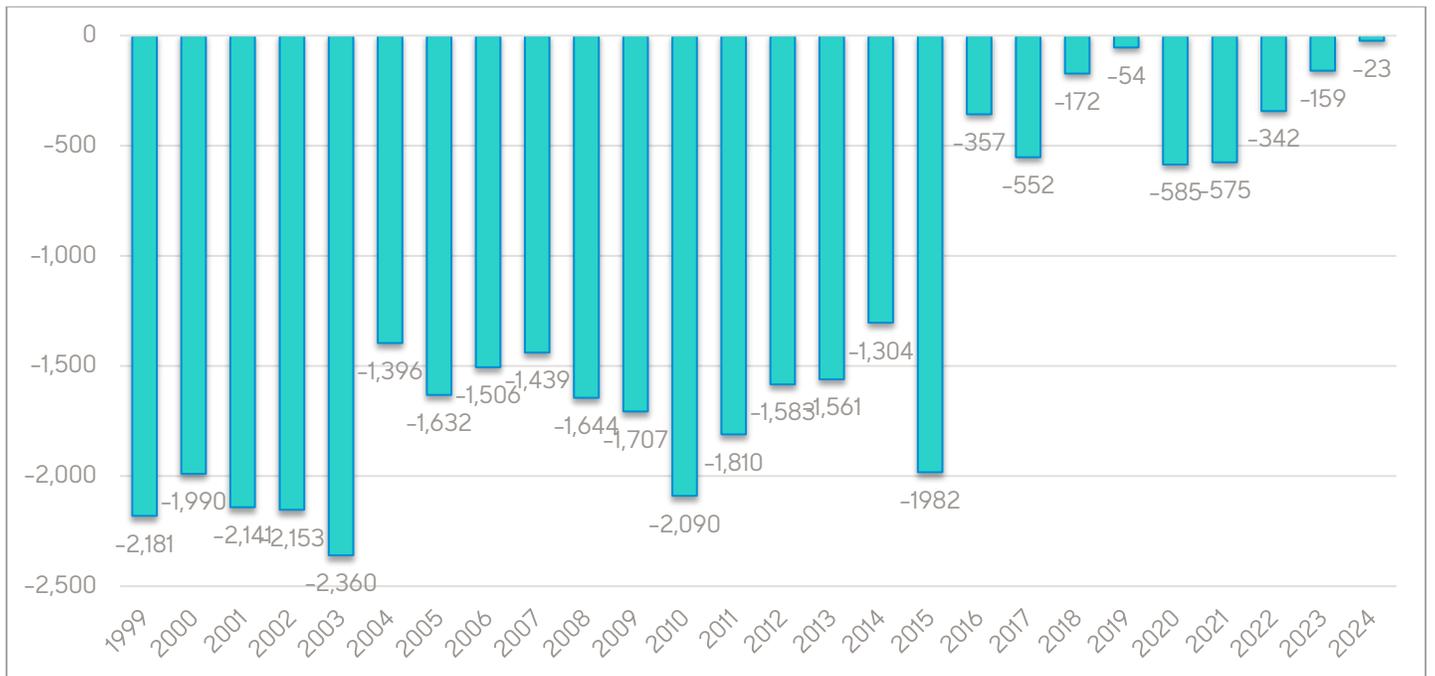


Fig. 18 | 3(+)-Bedroom Units: Amt. Current Median MAR Varies from the 2025 Median Initial Rent of \$4,895



Affordability Analysis

Figure 19 on the following page shows the median MARs for all controlled units rented at market rate in 2025. It also shows the income needed for the rent to be considered “affordable.” As has been the case since 2022, with the exception of studio apartments, for the median rent for any sized unit to be considered affordable, a six-figure household income is needed. The California Department of Housing and Community Development (HCD) reports that Area Median Income (AMI) for a four-person household in the greater Los Angeles area increased from \$98,200 in 2024 to \$106,600 in 2025.

Assuming the U.S. Department of Housing and Urban Development (HUD) standard that housing is “affordable” if no more than 30 percent of a household’s income is spent on housing, only a studio in Santa Monica is affordable to a household making the area’s median income. To afford a studio, household income would need to be approximately \$84,000. A household earning the area median could almost afford a median-priced 1-bedroom unit in Santa Monica, but a four-person household would not likely be comfortable with only one bedroom. By HUD affordability standards, a family of four would need income of at least \$40,000 more than the AMI to afford a 2-bedroom unit or earn about \$89,000 more than AMI to afford a median priced 3-bedroom. If two individuals living together each made a full-time salary based on Santa Monica’s Minimum Wage Ordinance for non-hotel workers (\$17.81 per hour / \$37,045 per person per year / \$74,090 per household per year), they would need to spend 34 percent of their gross income just to rent a median market-rate studio, or 44 percent to rent a 1-bedroom unit.

Although the U.S. Census Bureau reports the median household income for Santa Monica is higher than the Los Angeles AMI noted above, keeping in mind, only about 10 percent of the controlled housing stock are studios and more than 80 percent are 1- of 2-bedroom units, many current Santa Monica households would be challenged to find an affordable market-rate unit if they wanted to move. As rental prices are similarly high regionally, options for affordable housing are very rare not only locally but in many parts of Los Angeles.

Fig.19 | Income Needed to Afford a Market-Rate Unit

Bedrooms	HUD factor	Market-Rate Median MAR	Income Needed
0	0.3	\$2,100	\$84,000
1	0.3	\$2,700	\$108,000
2	0.3	\$3,675	\$147,000
3(+)	0.3	\$4,895	\$195,800

Calculation: MAR x 12 months ÷ [.30 affordability factor] = Income Needed.

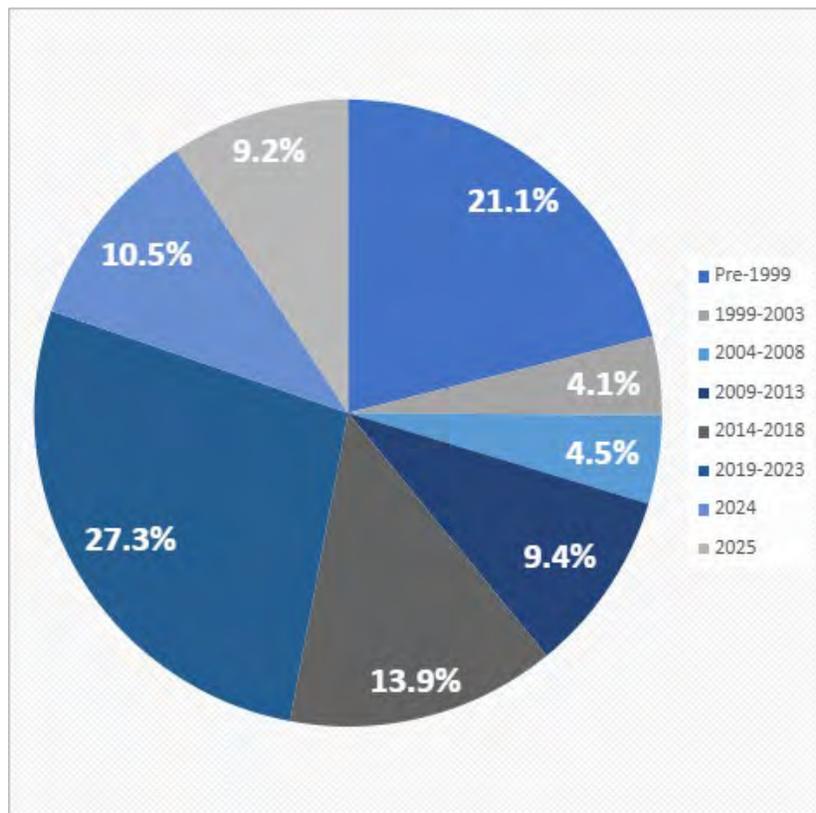
In 1998, prior to vacancy decontrol, about 84 percent of units were affordable not only to households earning median income, but to low-income households as well. That number is less than four percent today. Most of these roughly 1,000 units remain affordable only because they are on properties that are required by agreements with governmental agencies to provide low-income housing. In contrast, the rents for only about 16 percent of units in 1998 required household incomes at 110 percent of AMI or higher, whereas today, that number is above 95 percent.

Units Occupied by Year of Tenancy / Turnover

The years in which current tenancies started in controlled units are shown in Figure 20. This figure excludes units with no rental history as well as Housing Choice and other affordable housing fee waiver

units, so the share of long-term and market-rate units differs slightly from Figure 3. About one in five controlled units are occupied by long-term tenants who moved in before 1999. This represents a stable population that have been Santa Monica residents for at least 26 years. An almost equal share of controlled units are occupied by tenants who moved in only during the past two years. Relatively new tenancies, those started between 2019 and 2023, comprise the next largest group, occupying slightly more than 27 percent of units. Together with tenants who moved in during the past two years, 47 percent of all controlled units are occupied by people who moved in since 2019. About one-third of units are occupied by tenants who moved in over the 20-year span from 1999 to 2018 with twice as many of that group moving in during the latter decade.

Fig. 20 | Controlled Units by Years Occupied



The vacancies that allowed units to be re-rented in 2025 were predominantly created by tenants who moved in recently and have already moved out. Sixty-eight percent of the units re-rented were vacated by tenants who moved in during the four-year period between 2020 and 2024. In contrast, only eight percent of the units were vacated by pre-1999 tenants and less than 11 percent were vacated by tenants who moved in during the 15-year period between 1999 and 2014. Not only is there a greater number of units with recent tenancies that can be vacated, but as shown in Figures 15 – 18 above, the relative savings in rent for longer-term tenancies and limited affordability of market-rate rents makes longer-term tenants less likely to move out. On average about 20 percent of tenancies that started during the 10-year period from 2014 to 2023 ended in 2025, whereas only an average of six percent of tenancies started between the 10-year period from 1999 and 2008 did.

Buyout Disclosure and Agreements

Although it is not a direct effect of vacancy decontrol, as initial rents climb steadily from year to year, some owners have sought to replace long-term or even market-rate tenancies that began long ago at lower rates with new ones at higher base rents. In response to concerns that Santa Monica's heated real estate market was leading some landlords to coerce tenants in rent-controlled units into signing buyout agreements in order to make the unit available to be rented at market rate, the City Council enacted provisions related to these agreements to be followed when a tenant voluntarily moves out of a unit in exchange for a negotiated payment. Before any buyout discussion, landlords must inform tenants of certain rights, including the right to consult an attorney about whether to enter into a buyout agreement and the right to refrain from participating in discussions altogether.

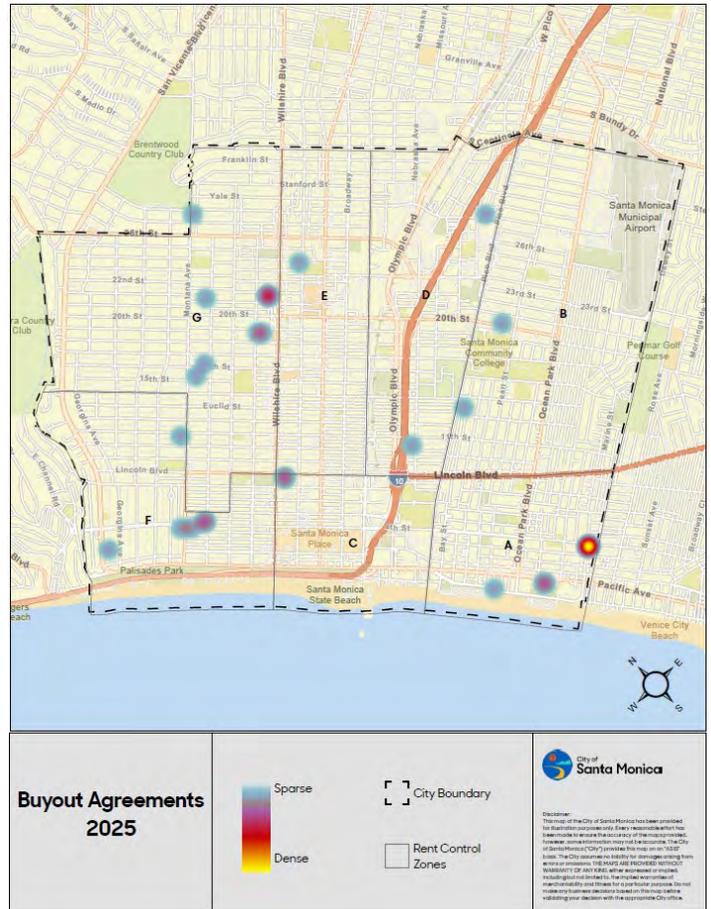
The law also seeks to discourage abuse by requiring mandatory filing of buyout agreements, including amounts paid, with the city. The Board compiles and publicizes information about buyout agreements for rent-controlled units to inform tenants who have been approached to discuss a potential buyout. The Rent Control Board developed a form for owners to provide tenants that includes the disclosure of their rights with respect to a buyout. Landlords are required to provide the form to tenants before making a buyout offer. To protect individual privacy concerns, the Board requires buyout agreements to be maintained in a file separate from other publicly accessible data, and to provide the data to the public in an aggregate manner only.

In 2025, the Board received 31 buyout agreements. This was ten more buyouts than received in 2024, but well below the numbers received before 2020. The average buyout amount of \$49,022 in 2025 was less than the average in 2023 and 2024 but still above the average amount since tracking began in 2015. This is to be expected as a City ordinance added in recent years requires buyout offers to be no lower than the amount required to be paid for permanent relocation.

Figure 21 on the following page identifies the average amounts of buyouts by unit size and city area. The numbers are also updated on the Agency's website each quarter. The figure includes a heat map indicating the approximate locations of buyout agreements that were entered into in 2025. Also on the website is a downloadable file with data on all registered buyouts.

Fig. 21 | Buyout Offers by City Area, Unit Size, and Year

City Area	# Units	Average
A	9	\$37,449
B	2	\$45,675
C	2	\$89,000
D	2	\$58,998
E	1	\$44,000
F	6	\$52,885
G	9	\$60,261
Total	31	\$49,022



Unit Size	# Filed	Average
0 Bedroom	3	\$69,333
1 Bedroom	14	\$33,964
2 Bedrooms	12	\$59,684
3(+) Bedrooms	2	\$60,000
Total	31	\$49,022

Year	# Filed	Average
2025	31	\$49,022
2024	21	\$62,542
2023	37	\$53,711
2022	24	\$43,496
2021	25	\$37,714
2020	22	\$35,693
2019	73	\$40,807
2018	63	\$54,611
2017	53	\$35,813
2016	52	\$28,069
2015	40	\$27,435



IMPACT OF THE ELLIS ACT

The Ellis Act is a state law that allows property owners to exit the rental housing business by evicting tenants and withdrawing rental units from the housing market. Its use has reduced the supply of rent-controlled housing, displaced renters – including many seniors and tenants with disabilities – and undermined the City’s efforts to preserve and expand affordable housing. In some cases, owners have misused the Ellis Act by temporarily removing units from the rental market only to reintroduce them later at significantly higher, market-rate rents. This report examines the cumulative impacts of the Ellis Act in Santa Monica since its enactment in 1986, with particular emphasis on Ellis activity during 2025.

Historical Ellis Activity

As shown in Figure 22, since the enactment of the Ellis Act, 705 properties containing a total of 3,388 units have been withdrawn from Santa Monica’s rental housing market. While these withdrawals were presumably undertaken in good faith, subsequent re-rental activity indicates that a substantial portion of the withdrawn units did not remain permanently removed from the market. Almost one-third of the withdrawn units – 1,068 units across 198 properties – were later returned to residential rental use and are again subject to rent control. After accounting for these re-rentals, the cumulative effect of Ellis Act withdrawals has been a net loss of 2,320 rental units across 507 properties.

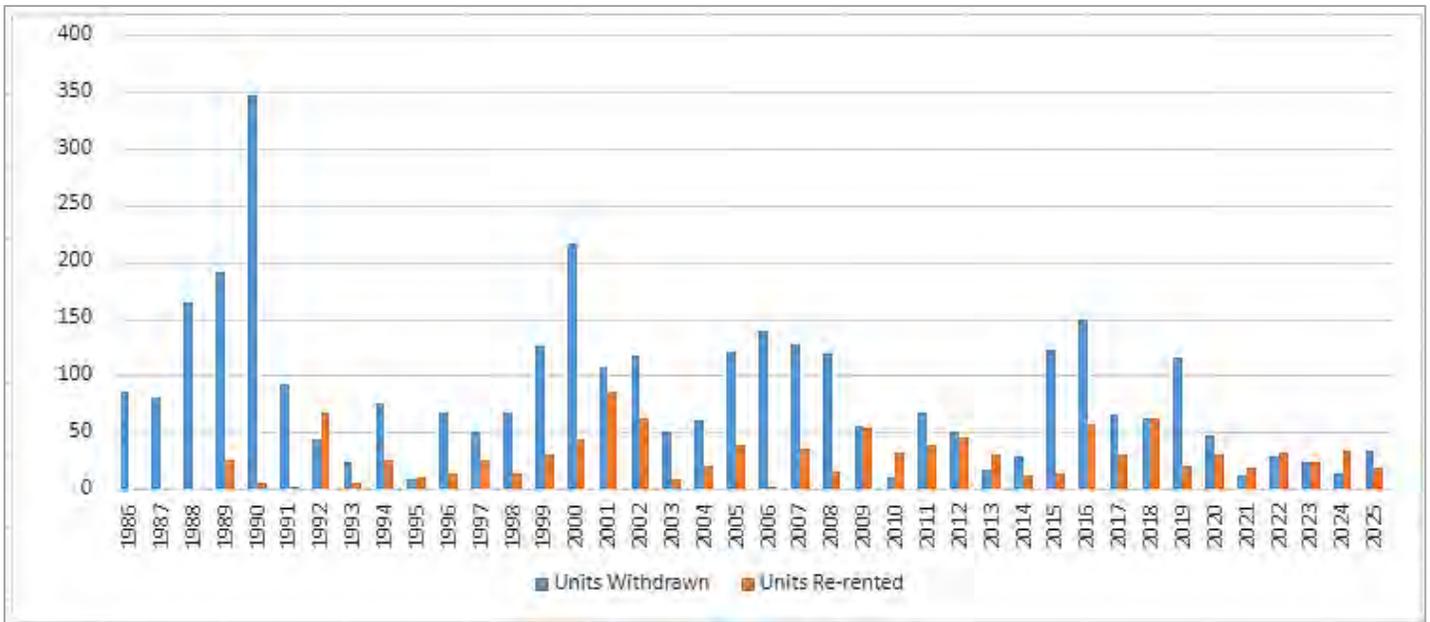
Fig. 22 | Controlled Rental Units Withdrawn and Returned to Controlled Status

Status	Properties	Units
Withdrawn from the rental market	705	3,388
Returned to the market and under rent control	198	1,068
Net loss before redevelopment	507	2,320
	Properties	Units
Controlled after property redevelopment	16	260
Total net loss due to Ellis activity	491	2,060

In addition to the 198 properties returned to the rental market, 16 withdrawn properties were redeveloped as multifamily housing with units offered for rent within five years of the withdrawal date. Per the Ellis Act and Santa Monica’s regulations, under these circumstances, newly constructed units are subject to rent control. One property with two units first rented in 2025 is included here. The 260

controlled units built on these properties partially offset the units lost to Ellis activity. With the inclusion of these units, the total net loss is reduced from 2,320 to 2,060 units. The number of units withdrawn by year as well as the number of units that were re-rented are displayed graphically in Figure 23.

Fig. 23 | Controlled Rental Units Withdrawn and Re-rentals Returned to Controlled Status



As can be seen in the chart for the five-year period from 2020 to 2025, Ellis withdrawals have been relatively low compared to earlier periods, with a total of 160 units withdrawn. During the same period, the number of units being re-rented, 156 units, was nearly the same, resulting in a small net loss.

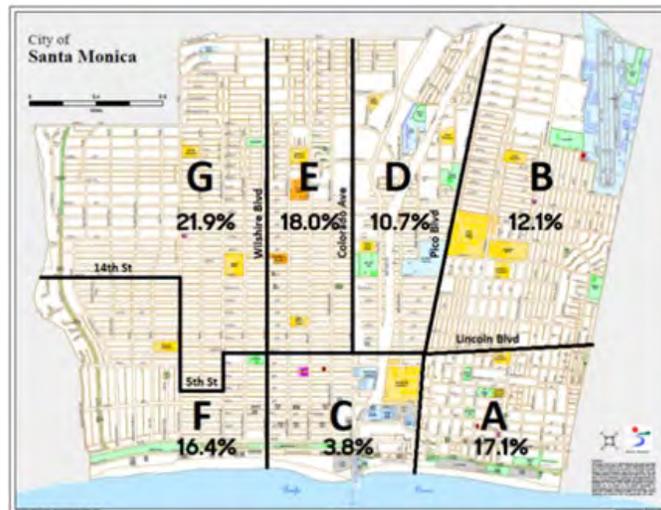
The Housing Crisis Act of 2019 (SB330), as amended by SB8, may explain the reduction in Ellis withdrawals in recent years. That law prohibits the City from approving any housing development project unless certain conditions are met. Those requirements include replacement of controlled units, so there is no net loss of housing, and a right of first refusal to displaced tenants to comparable units in the replacement project at a rent that is affordable to households of the same or lower income category. Accordingly, a property owner who in the past may have withdrawn a multi-unit property to develop a single-family home may no longer do so, and those planning redevelopment of multi-family housing face new restrictions, which may make redevelopment less attractive.

Historical Ellis Activity by City Area and Property Size

The Agency divides Santa Monica into seven geographic areas, generally corresponding to the city's neighborhoods, to assess impacts citywide. The "Share of Units Ever Withdrawn" column in Figure 24 on the next page shows that withdrawal activity has been highest in City Area E (mid-City) and accounts for 22.1 percent of all withdrawals. After factoring in the 1,068 units returned to the rental market, the "Share of Units Curr. Withdrawn" column shows that the shares of currently withdrawn units are highest in both City Areas C and E, which comprise 22.5 percent of withdrawn units. This pattern has remained consistent for at least the past decade.

Fig. 24 | Percent of Withdrawn (W/D) Units by City Area

City Area	Units Ever Withdrawn	Share of Units Ever Withdrawn	Returned Units	Units Curr. Withdrawn	Share of Units Curr. Withdrawn	% of Units Once in Area
A	498	14.7%	139	359	15.5%	7.1%
B	270	8.0%	132	138	6.0%	4%
C	550	16.2%	27	523	22.5%	33%
D	175	5.2%	44	131	5.6%	4.3%
E	749	22.1%	227	522	22.5%	9.5%
F	409	12.1%	187	222	9.6%	4.7%
G	737	21.7%	312	425	18.3%	6.6%
Total	3,388	100%	1,068	2,320	100%	



The ratio of withdrawn units to controlled units by city area indicates which parts of the city have experienced the greatest proportional loss of controlled units. As shown in the last column of Figure 24 (“% of Units Once in Area”), the relative impact of Ellis withdrawals has been greatest in City Area C (Downtown), where one-third of formerly controlled units have been withdrawn. These properties consisted primarily of single-room occupancy units withdrawn in the earliest years of Ellis activity. In contrast, the percentage of withdrawn units was lowest in City Area B (Sunset Park), where just four percent of units have been withdrawn, followed by City Areas D and F, each with less than five percent of units affected.

Slightly more than one-third of withdrawals have occurred on smaller properties with four or fewer units. While properties with three or fewer units may qualify for owner-occupied exemptions, these exemptions are temporary and use-based, which means owners are not permitted to demolish the units. Since redevelopment is not an option, some owners choose to withdraw these smaller properties under the Ellis Act to qualify for demolition. Another motivation to withdraw properties consisting of four units or fewer is to replace tenants with either non-rent-paying family members or co-owners under tenancy-in-common (TIC) ownership.

As discussed in greater detail in the next section, of the 10 properties that received Ellis Notices of Intent to Withdraw (NOIs) in 2025, six had four or fewer units. The share of units withdrawn from small properties varies by city area, as shown in Figure 25 below. City Areas A, B, and D have the highest concentration of withdrawn smaller properties, even though these areas have among the lowest percentages of units withdrawn overall, as shown above in Figure 24.

Fig. 25 | Units Withdrawn on Properties with Four or Fewer Units by City Area

City Area	Units Ever Withdrawn	Units Withdrawn on Properties with Four or Fewer Units	Percent of Units Withdrawn on Properties with Four or Fewer Units
A	498	253	51%
B	270	172	64%
C	550	51	9%
D	175	117	67%
E	749	281	38%
F	409	63	15%
G	737	243	33%
Total	3,388	1,180	35%

Ellis Activity in 2025

Owners began the withdrawal process on ten properties containing a total of 40 units. (See Figure 27 on Page 33.) Twice as many units received NOI in 2025 compared to the year before. As part of the Ellis withdrawal procedure, staff completes an onsite inspection once the owner submits an NOI. Staff also reviews the NOI to ensure compliance with the law. In reviewing one NOI in 2025, staff found an error in the rents reported, and the owner was issued a notice of defects regarding their filing. The defect was cured within 15 days, and the property owner was allowed to continue the withdrawal process. On that property, the withdrawal process was completed within the year; however, the tenant failed to vacate, requiring the owner to initiate formal eviction proceedings. Of the ten properties that began the withdrawal process in 2025, only five had completed the process by year's end, resulting in the withdrawal of twenty units.

In addition, four properties comprising 14 units initiated the withdrawal process in 2024 and completed it in 2025. When combined with properties that both initiated and completed the process in 2025, Ellis Act withdrawals were completed in 2025 for a total of nine properties containing 34 units. These properties will be added to the City's five-year monitoring list to ensure compliance with applicable legal requirements.

While 34 controlled units were withdrawn, 18 formerly withdrawn units and two units on the redeveloped property were re-rented, resulting in a net loss of 14 controlled units. Although re-rentals offset more than half of the withdrawals during the year, historically the pattern has been that withdrawals exceed re-rentals. Net gains when the number of units returning to the rental market exceed the number withdrawn have been measured in only seven of the past 40 years.

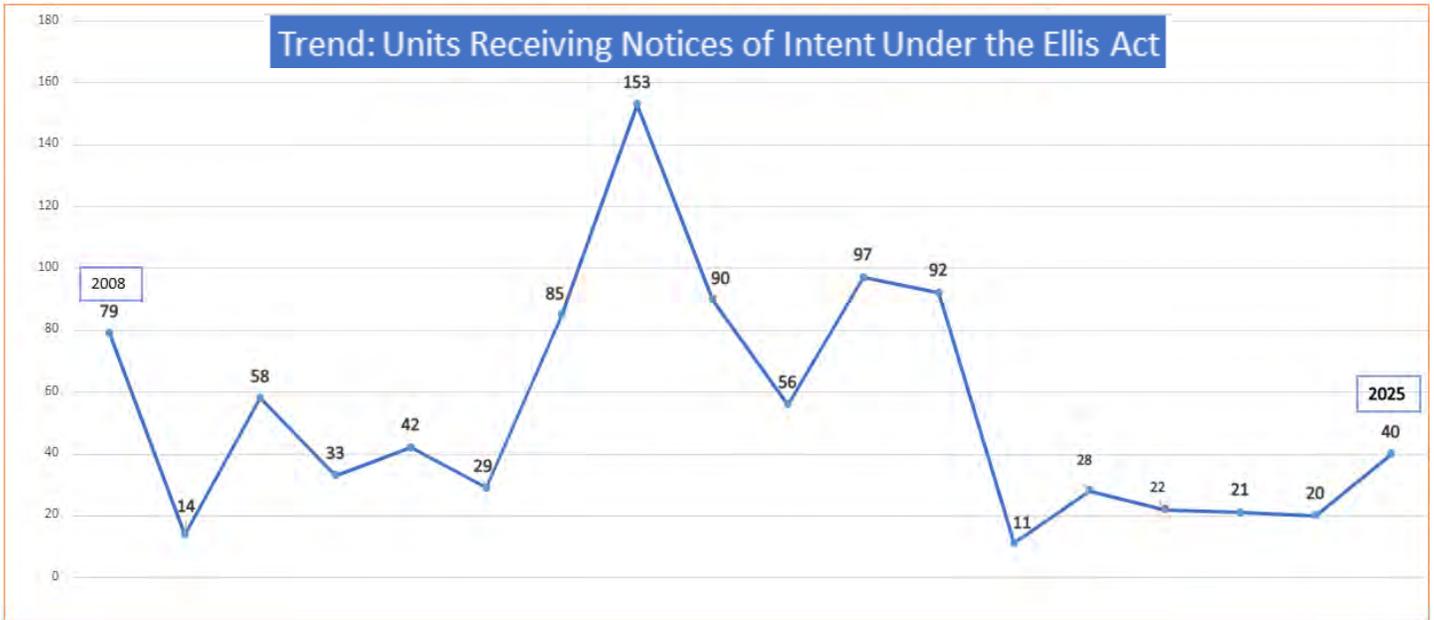
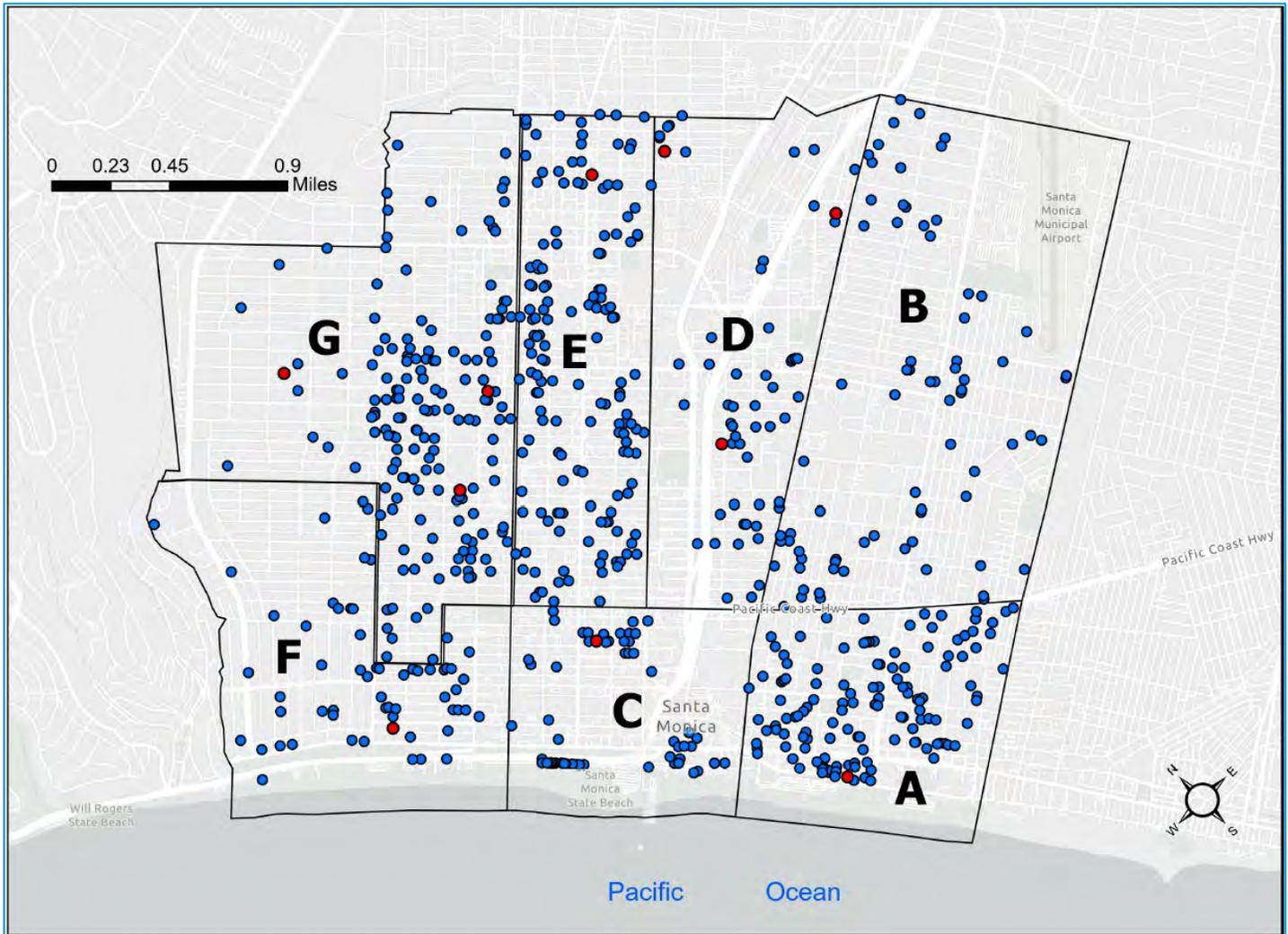


Fig. 26 | GIS: Currently Withdrawn Properties and Those Initiating Withdrawal in 2025



- Currently Withdrawn Property
- Ellis Withdrawal Begun in 2025

Occupancy of Units

As shown in Figure 27, in 2025 withdrawal proceedings under the Ellis Act were initiated for 40 residential units. Of these, 12 units (30 percent) were tenant-occupied at the time of initiation, while 15 units were vacant, and 13 were occupied by members of the owners' families. During the year, 20 units that entered the withdrawal process in 2025 completed withdrawal, with tenant displacement occurring in two units. An additional 14 units completed withdrawal in 2025 from proceedings initiated in 2024, resulting in a total of 34 units withdrawn from the rental market during the year. The remaining 20 units that began the withdrawal process in 2025 are projected to complete withdrawal in 2026. Tenants on four of these properties qualified for a one-year extension prior to displacement based on senior and/or disability status, and the fifth property began the process later in the year.

Fig. 27 | Status of Properties at End of 2025 on which Notices to Withdraw were Filed in 2025

	Location	City Area	Filing Date	Date Withdrawn/ Pending	Units Rcvng. NOI	Vacant	Family Occupied	Evictions	Senior/ Disabled Tenants	Long Term Tenants	Market-Rate Tenants
1	14th St	G	1/8/2025	5/8/2025	5	0	5	0	0	0	0
2	6th St	C	3/10/2025	7/8/2025	9	9	0	0	0	0	0
3	20th St	G	4/25/2025	8/23/2025	1	0	0	1	0	1	0
4	Berkeley St	D	6/12/2025	10/10/2025	3	0	1	2	0	0	2
5	Stewart St	D	8/14/2025	12/12/2025	2	0	2	0	0	0	0
6	2nd St	F	3/14/2025	Pending	5	0	4	1	1	0	1
7	19th St	G	3/18/2025	Pending	4	1	0	3	1	0	3
8	Hart St	A	4/29/2025	Pending	2	0	0	2	2	0	2
9	16th St	D	7/24/2025	Pending	5	2	1	2	1	2	0
10	Santa Monica Blvd	E	10/30/2025	Pending	4	3	0	1	0	1	0
	Total				40	15	13	12	5	4	8

Ellis Activity in 2025 by City Area

As shown in Figure 28 on the next page, properties with withdrawal notices submitted in 2025 were distributed across six of the City's seven geographic areas, indicating that Ellis Act activity recently affected all neighborhoods except Sunset Park. As shown in Figure 24 above, City Area C (Downtown) is one of the areas most affected by Ellis withdrawals. However, in the six years prior to 2025, there had been no new withdrawals, but in 2025, nine units on one property were withdrawn. Two other neighborhoods, City Area D (Pico Neighborhood) and City Area G (north of Wilshire) accounted for 10 units each receiving NOI. Lesser affected areas were City Area F (north of Downtown) which will lose five units, City Area E (Mid-City) with four units pending withdrawal, and City Area A (Ocean Park), where two units are being withdrawn.

Four city areas (City Areas A, D, F, and G) experienced withdrawals in both 2024 and 2025. City Area A has been the most affected in recent years with withdrawals occurring in each of the past four years.

Fig. 28 | Units Served Notices of Withdrawal by City Area - 2024-2025

City Area	NOI in 2024	%	NOI in 2025	%
A	8	40%	2	5%
B	0	0%	0	0%
C	0	0%	9	23%
D	2	10%	10	25%
E	0	0%	4	10%
F	4	20%	5	13%
G	6	30%	10	25%
Total	20	100%	40	100%

Units Returned to Rent Control Jurisdiction in 2025

In 2025, four formerly withdrawn properties containing 18 units were returned to residential rental use. Because the units identified in Figure 29 below were returned to the rental market, these properties are no longer included in the post-Ellis use summaries in Figures 30 and 31 below. Prior to re-renting withdrawn accommodations, owners are required to notify the Board of their intent to re-rent. All but one owner of the four re-rented properties complied with this requirement and filed a Notice of Intent to Re-rent Withdrawn Accommodations with the Agency. On the other property, owners began renting in 2020 in violation of the Ellis Act. Following enforcement action in 2025, the Board initiated proceedings to return the property to controlled housing.

In addition to the requirement to file a Notice of Intent to Re-rent, City ordinances also require that an owner obtain an occupancy permit from the City’s Planning Division for any use of a withdrawn property – even if that is re-rental. All four properties that returned to the market in 2025 obtained occupancy permits, each of which was reviewed and approved by the Board’s Staff Attorney.

Fig. 29 | Units Returned to Rental Housing Use in 2025

Location	Area	Withdrawn date	Re-Rental Date	Units	Households Displaced
6 th ST	A	1/14/2023	1/16/2025	2	0
Hollister Ave	A	2/22/2003	7/1/2020	2	0
21 st ST	G	1/7/2020	4/28/2025	4	3
5 th ST*	F	6/27/1988	1/13/2017	10	10
Total				18	13

* The property is held as a Tenants in Common (TIC) ownership structure. One of the units was re-rented in 2017. In 2025, the Board initiated proceedings for the return of the entire property.

On each withdrawn property, the Agency records a Notice of Restrictions with the County Recorder. The Notice of Restrictions binds all owners and successors in interest. As required by the Ellis Act, those restrictions include that if units are returned to rental use within five years of withdrawal, the unit may only be rented at the maximum allowable rent of the unit at the time the tenant was displaced plus intervening annual general adjustments. If a unit is returned to rental use more than five years after withdrawal, or if it were vacant when it was withdrawn, it may be re-rented at market rate.

If a property is returned to the rental market within 10 years of withdrawal, the owner must also first offer the units back to the displaced tenants. Before signing off on the occupancy permit, the Staff Attorney verifies that the owner complied with this requirement. In 2025, six formerly withdrawn units on two properties returned to the Rent Control Board's jurisdiction within the 10-year restriction period. At the time of the withdrawal, three of these units were tenant-occupied. Staff notified the three displaced tenants that the property was being re-rented. Each was offered the opportunity to return to their unit; however, as the five-year restricted period had passed, the rent would be set at the prevailing market rate. None exercised the option to return.

Post-Ellis Activity

The Agency tracks the post-Ellis use of withdrawn properties, categorizing them by either reuse of the existing building (e.g., change of use, family occupancy, non-rental residential) or by the type of new construction (e.g., apartments, condominiums, commercial uses).

The Santa Monica Building and Safety Department forwards plan check applications and demolition permits for both controlled and withdrawn properties to the Agency for review and sign-off. This process ensures compliance with all applicable laws, prevents demolition permits from being issued for properties with rent-controlled units, and allows the Agency to track how withdrawn properties are ultimately redeveloped.

As noted above, if an owner seeks to reuse a withdrawn property in any manner, the owner must obtain an occupancy permit from the City Planning Division. These applications are reviewed by the Agency to confirm compliance with Government Code sections 7060.2 and 7060.4 (the Ellis Act). The re-occupancy permit application requires applicants to identify by name proposed family occupants and non-rent-paying residents, which allows the Agency to determine whether withdrawn units are being used for family occupancy or other non-rental residential uses.

As Figure 30 on the following page shows, properties withdrawn from the rental market are used for a variety of purposes. In 2025, there were no significant changes in the use of properties compared to 2024. Twenty percent of withdrawn properties are being used for non-residential purposes (commercial, schools/childcare centers/churches, parking lots, vacant lots, or public road), while residential use remains the most common usage. Almost a quarter (23.6 percent) of all withdrawn properties have been redeveloped with condominiums, which is the most common post-Ellis use. Approximately seven percent of withdrawn properties have been redeveloped with apartments.

About one in five withdrawn properties are now being used as single-family dwellings (8.2 percent in the change of use category and 13.1 percent newly constructed), and another eight percent are being used for non-rental residential occupancy or family occupancy. About seven percent of withdrawn properties show no permit activity and are presumed to be vacant while 12 percent of withdrawn properties have permits pending.

After a property is withdrawn, it is added to one of the post-Ellis categories summarized in Figures 30 and 31. In 2025, of the nine properties that completed withdrawal, four have been added to the no permit activity category. These four properties will be monitored for five years to verify how they are used. As noted above, when a withdrawn property is subsequently returned to rental housing use, it is no longer shown on the Post-Ellis use chart. In 2025, a total of four properties were removed upon return to the rental market.

Figures 30 and 31 show the status of the 491 properties (less re-rentals) that remain withdrawn. Figure 31 also shows the 16 properties that were redeveloped within five years of withdrawal and have new units subject to rent control.

Fig. 30 | Summary of Post-Ellis Use of Withdrawn Properties as of 12/31/2025

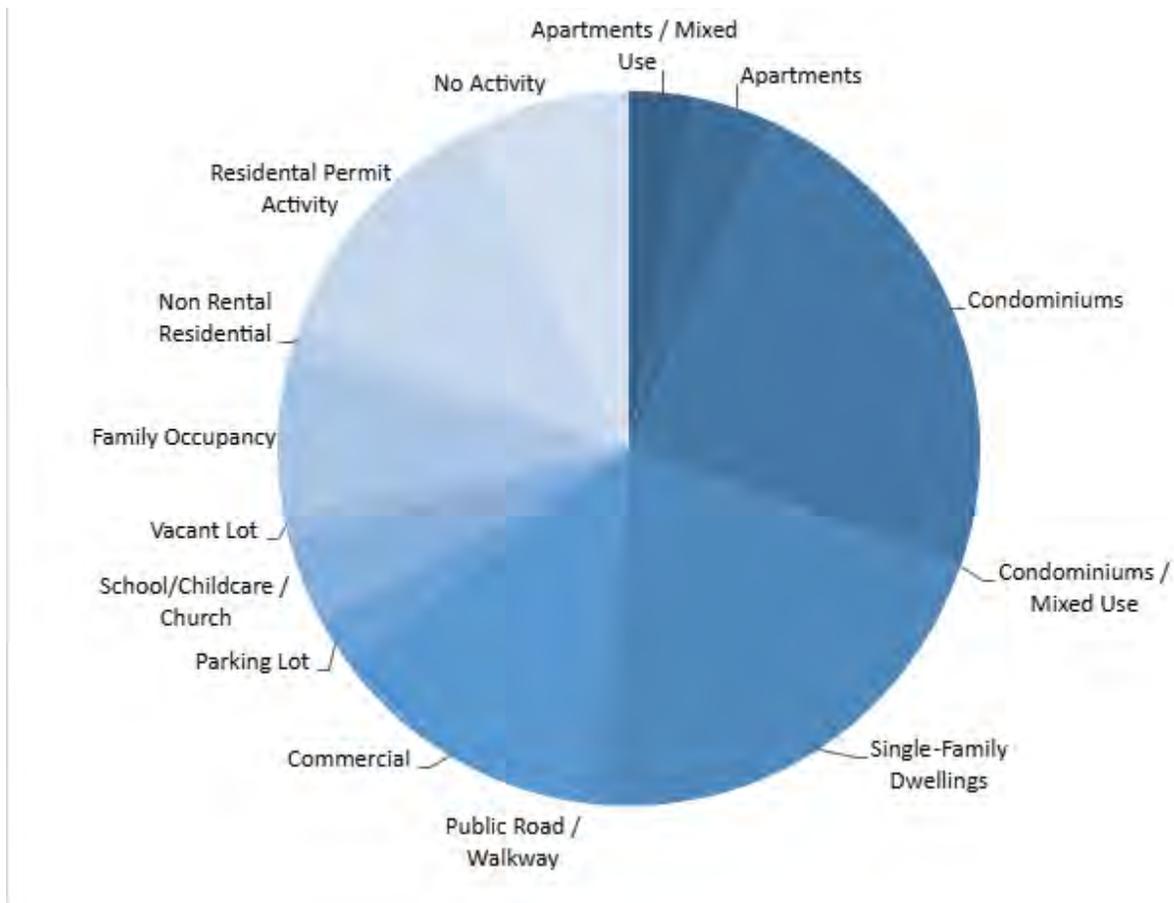


Fig. 31 | Summary of Post-Ellis Use of Withdrawn Properties as of 12/31/2025

Post-Ellis Use as of 12/31/2025	Rent Controlled	Properties	Percentage
Change of Use			
Commercial		28	5.7%
Private/Public Services		11	2.2%
Single Family		40	8.2%
New Construction			
Apartments	6	18	3.7%
Apartments / Mixed Use	7	15	3.1%
Condominiums	3	116	23.7%
Condominiums / Mixed Use		1	0.2%
Single-Family Dwellings		64	13%
Commercial		33	6.7%
Parking Lot		11	2.2%
School / Childcare / Church		9	1.9%
Vacant Lot		6	1.2%
Public Road/Walkway		5	1%
Subtotal 1	16	357	
Family Occupancy		30	6.1%
Non-Rental Residential		7	1.4%
Residential Permit Activity		60	12.2%
No Permit Activity		37	7.5%
Subtotal 2		134	
Total		491	100%

Post-Ellis Monitoring and Enforcement

The Rent Control Agency collaborates with the City’s Planning Division, Code Enforcement Division, and the City Attorney’s Consumer Protection Unit to oversee post-Ellis activity and ensure compliance with all applicable laws governing properties withdrawn from the rental market. In coordination with these other departments, the Agency monitors allegations of rental activity to verify owner compliance with the restrictions imposed on withdrawn properties.

In 2024, staff began on-site investigations of properties that had been withdrawn within five years. These inspections are intended to identify how withdrawn properties are being used by observing signs of occupancy, speaking to occupants who are available to ascertain whether they are owners or possibly renters, noting any construction activity or permits posted on the property, and by doing other research. No inspections in 2025 resulted in determinations that properties were being rented.

The owners of a 10-unit property located in City Area F that was withdrawn more than five years ago were found to be in violation of the Ellis Act after a tenant reported that they had been renting one of the units since 2017. Ownership of the property is as Tenants in Common (TIC), and the property was originally withdrawn in 1988. After reviewing evidence provided by the tenant, the Board determined it had jurisdiction. In 2025, the Board began proceedings to require that the entire property be returned to the rental market. The owners ultimately complied by filing a Notice of Intention to Re-Rent.



PUBLIC INFORMATION DEPARTMENT

The Public Information Department addresses inquiries from the public regarding the rent control law, as well as the history and status of all controlled units. Staff members engage in regular communication with a diverse range of constituents, including tenants, property owners and managers, real estate agents, and other city personnel. Every interaction offers a chance to inform individuals about the rent control law and the Agency's services, as well as to suggest solutions tailored to specific situations.

Information coordinators and analysts interact directly with the public in person, by phone and email, via the City's 311 system, as well as through seminars, community meetings, and various media. The department produces website content, creates subject-specific information sheets, distributes newsletters, and prepares major sections of this annual report including the *Status of Controlled Rental Housing*, the *Impact of Market-Rate Vacancy Increases* and *Impact of the Ellis Act*. The team also processes registration-related forms and fee waivers, resolves issues with tenancy registration forms, sets up Civic user accounts, reviews plan checks, tracks eviction notices, coordinates responses to most public information requests, and works with the staff attorney to recertify owner-occupancy exemptions and monitor Ellis activity.

Direct Communication

One of the most important functions of the Public Information team is to communicate with individuals living in, managing, or owning rent-controlled housing. Staff explain the rent control law, answer questions, make referrals, and assist with the filing of administrative remedies. The number of individuals reaching out to the Agency declined from 11,608 in 2024 to 10,186 in 2025. This represents an approximate 12 percent reduction and is below the average number of contacts over the prior ten years of 12,827. However, the 10-year average includes years when there were major changes like the introduction of the Civics system, high inflation and the adjusted general adjustment, and eviction moratoria. In 2025, contacts were almost evenly divided between tenants and landlords, but reductions were greater among tenants (-16%) versus landlords (-8%). Whether this trend will continue is being monitored while staff continue to make every effort to inform the community about the Agency's services.

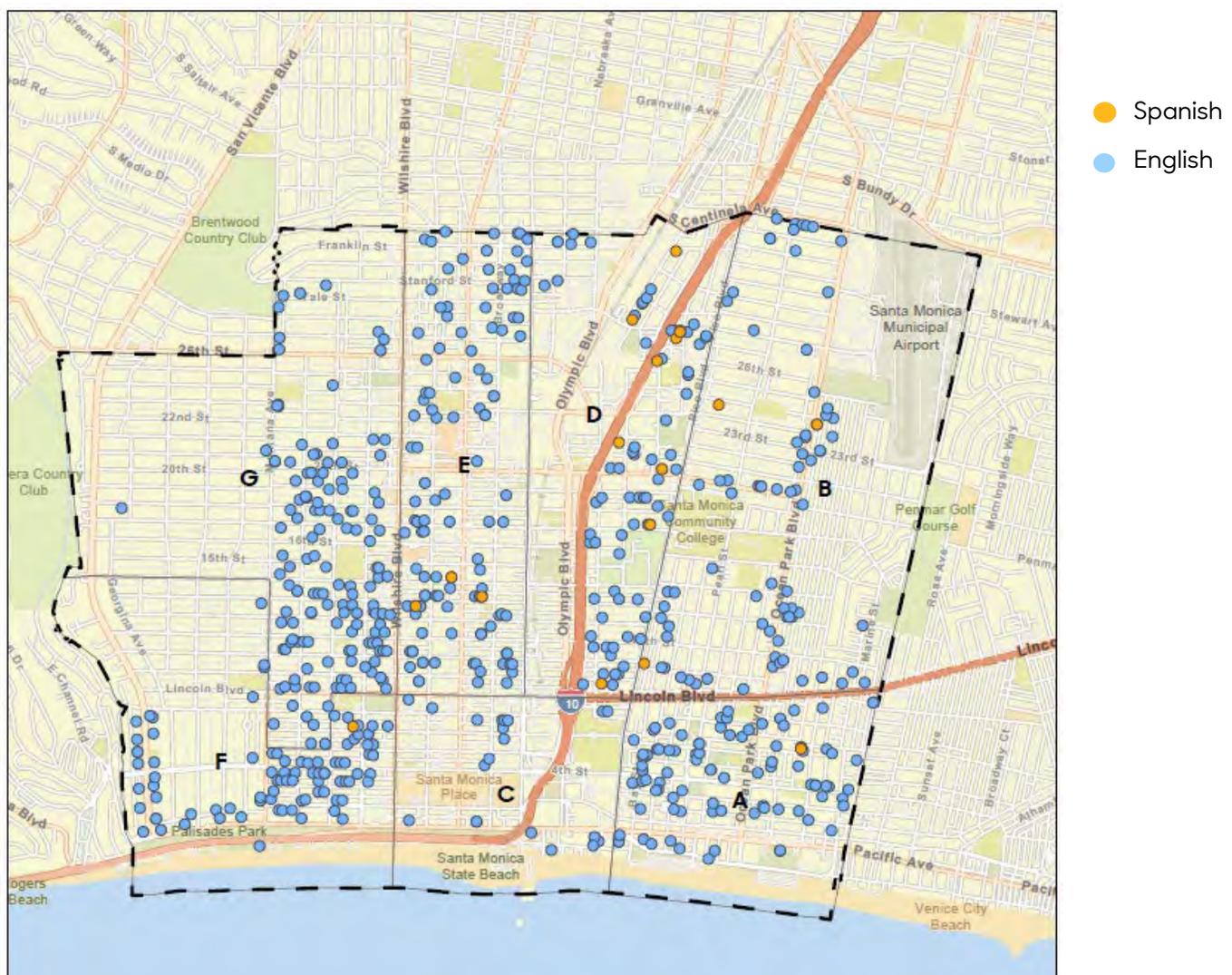
By a wide margin (nearly 70%) the community elects to contact the Agency by phone and speak directly with information coordinators and analysts. Email to the Agency's general mailbox is the second most used channel, comprising about 20 percent of contacts, while in-person visits remain relatively low

at 10 percent. Once staff engage with the public, it is common for communication to shift to email directly to staff, and those interactions are not counted.

When practicable, Public Information staff continued the practice in 2025 of recording the addresses of tenants who contacted the department for information and/or pursued administrative remedies. This data allows the department to analyze how effectively staff reach all the communities in Santa Monica and whether tenants of certain areas were more or less likely to request information or file petitions. While addresses were not recorded in every instance depending on the nature of the contact, addresses were collected for more than 1,100 tenants, which was about 24 percent of all tenant contacts during the year. When duplicates and properties not subject to the rent control law were removed, 567 unique unit addresses were recorded, providing a representative sample of those contacting the Agency.

The addresses of the recorded contacts are mapped below in Figure 32. As with the analysis done in 2024, the map displays that there was a widespread distribution of contacts from all city areas.

Fig. 32 | Representative Tenant Contacts 2025



Staff also recorded whether tenants requested services in Spanish, and those addresses are shown in orange on the map. Only 18 addresses were identified. This appears to be the result of a deficiency in recording because bilingual staff serve tenants in Spanish virtually every day. Staff have been encouraged to more carefully record when they are providing services in Spanish.

As with 2024, there continued to be not only a widespread distribution of contacts from all city areas, but also a close correlation between the percentage of controlled units in each city area and the percentage of contacts. Figure 33 shows a variation not greater than two points between the percentage of controlled units in an area and the percentage of contacts. As observed in 2024, relative to the percentage of units in the areas, tenants in City Area A (Ocean Park) and City Area C (Downtown) appear to contact the Agency at slightly lower rates, and tenants in City Area D (Pico Neighborhood) tend to contact the Agency at a slightly higher rate. Among other city areas, the differences observed in 2024 were not observed in 2025, indicating no particular pattern. Despite the small variations, the close correlation between city areas and contacts indicates that tenants from across Santa Monica continue to reach out to the Agency in relatively equal measures.

Fig. 33 | Tenant Contacts by City Area 2024-2025

City Area	Units per City Area	Tenant Contacts 2024	Difference	Tenant Contacts 2025	Difference
A	17%	13%	-3	15%	-2
B	12%	15%	-1	13%	1
C	4%	3%	-1	3%	-1
D	11%	12%	1	12%	1
E	18%	16%	-2	19%	1
F	16%	20%	4	14%	-2
G	22%	22%	0	24%	2

Newsletters

The Rent Control Agency publishes *Rent Control News* three times a year, in the spring, summer, and fall. Mailed to all tenants, property owners, and their agents, the newsletter covers key topics such as changes in rent control laws and regulations, as well as state and city laws impacting tenants and landlords in Santa Monica. It offers a concise explanation of complex rent control issues, informs both tenants and landlords about their rights and remedies, and serves as a platform for sharing information on other important programs and upcoming seminars.

Considering that thousands of new tenancies begin each year and new tenants may have little idea of what it means to live in a rent-controlled unit, the spring edition featured a cover article explaining the basics of the Maximum Lawful Rent and how it might differ slightly from the rent they pay. At the request of the Hearings Department, the issue also explained requirements for submitting petitions and, as with many other articles in *Rent Control News*, included a QR code where readers could get more

information. The issue also introduced new state laws for security deposits that would be helpful for landlords and tenants alike to know and featured highlights of the Board's 2024 Annual Report.

For the second time, the summer mailing, which included the Maximum Allowable Rent (MAR) for each tenant, was sent in newsletter format to further familiarity with *Rent Control News*. The content focused on the upcoming general adjustment, offered guidance on understanding notices of rent increase, and included a link to an essential publication from California Department of Real Estate covering many aspects of the landlord/tenant relationship under state law and another link to a video recording of the most recent seminar for tenants.

The fall edition informed readers of new Board regulations limiting "banked" general adjustment increases to 10 percent per year. Previously, landlords could increase rents by any amount provided they did not exceed the MAR or violate state noticing laws. The fall issue also introduced property owners and managers to detailed property summaries available through their Civics accounts and shared information regarding two programs offered by the City of Santa Monica offering financial assistance to long-term, low-income senior tenants (POD) and free, energy-efficient home electronic appliances. (REACH). All three newsletters were available in Spanish, Farsi, and Amharic and posted on the Agency's website.

Electronic Communications

Communicating with tenants and landlords via email and social media channels present the opportunity to message many people quickly and efficiently. In addition to the roughly 20 percent of people who contact the Agency by email, the Agency uses Mailchimp to push multiple messages to its mailing list.

These email "blasts" include Board meeting agendas, invitations to seminars, and news of interest to tenants and landlords. In 2025, the mailing list was used to share information regarding emergency orders relating to the Palisades wildfire and windstorm. Among these was an announcement of the City's suspension of its enforcement of a ban on short-term rentals provided housing was provided to people displaced by the wildfires, as well as anti-price-gouging orders. Subsequent messages shared information regarding eviction protections and a rent relief program for tenants financially impacted by the fires and other emergencies.

Staff continues efforts to expand the list of people signed up to receive these messages. Forms have been modified to include a space for owners to enter their email addresses and opt-in to receiving email communications. Welcome letters sent to new tenants when their tenancies are registered also include invitations to join the Agency's mailing list. The introduction of the Civics portal also serves as a communication platform, and it too is used to build a database of email addresses. Users are required to provide their email when signing up for an account, and with their consent, they are added to the mailing list.

Since the launch in 2022 of the Civics portal, owners and property managers have an alternative way to access and file various registration forms, pay registration fees, and retrieve property information that

previously required visiting City Hall or the Agency’s website or sending mail. By year-end 2025, nearly 2,400 user accounts had been started, primarily for property owners and managers who use the system to register new tenancies and update ownership or mailing address information. Of the nearly 4,400 tenancy registration forms filed during the year (some for tenancies in prior years), 86 percent were filed electronically through the system, up from 78 percent in 2024. Increased usage of the Civics portal may help explain declining website pageviews. Total pageviews in 2025 reached 52,545, down 14 percent from 2024. This reduction in website visits is similar to the decline measured in direct public contacts. Few changes to the rent control law during the year may explain why fewer people were compelled to visit the site.

Just a few pages on the website represent the majority of pageviews. As is the case from year to year, the "Look Up a Rent" page represents a large share of view. It allows property owners, managers, and tenants to view the MAR for each unit on a property, as registered with the Agency, along with the number of bedrooms and the date of the most recent tenancy. Unlike other pages, clicks on the "Look Up a Rent" page were about the same as in 2024, and accounted for 37 percent of all site traffic in 2025.

Fig. 37 | Website Pageviews

Pages	Pageviews
Santamonica.gov/rentcontrol	16,960
Look Up a Rent	19,327
All other rent control pages	16,167
Total	52,545

Educational Programs and Community Outreach

Throughout the year, staff hosted seminars for both property owners and tenants and participated in several community events. In 2025, four in-person seminars were held, with attendance numbers listed below in parentheses.

- Tenants’ Introduction to Rent Control (27)
- Owning Rent-Controlled Property in Santa Monica (29)
- Landlord-Tenant Forum (35)
- Tenant Seminar in Spanish (8)

As in previous years, the Landlord/Tenant Forum was organized in collaboration with the Consumer Protection Division of the City Attorney’s Office. The agenda for this year’s program included explanation of the Board’s new regulation limiting annual rent increases to 10 percent, announcement of expanded eligibility for the Preserving Our Diversity (POD) financial assistance program for low-income senior renters, introduction of the City’s new vacant property and rent registries, new state laws impacting landlords and tenants, and a review of recent litigation enforcing fair housing laws, relocation requirements, and the City’s anti-harassment ordinance.

Public Information staff increased its participation in community events in 2025. In addition to National Night Out, an annual event designed to strengthen police–community partnerships and Santa Monica Pride, for the first time, staff tabled at Local’s Night on the Santa Monica Pier, the State of the City event at Christine Emerson Reed Park, and at the City’s final celebration of its 150th anniversary on the Santa Monica Promenade.

Apartment Listing Service

The Agency provides a free service for property owners to advertise their available rental units. The list of available apartments is updated weekly and can be accessed on the Board’s website. Owners may submit listings either by phone or through an email form on the website. Each listing includes the unit’s address, number of bedrooms and bathrooms, rent amount, amenities, contact details, phone number and brief description. In 2025, the Agency received 40 listings, a slight increase but consistently low as with previous years. Sophisticated, web-based commercial platforms with advanced features are more commonly used to advertise vacant units, so this service will likely continue to have relatively little value for property owners and managers.

Eviction Monitoring

The Rent Control Agency monitors evictions for two main reasons: 1) To ensure compliance with the rent control law, which limits the grounds for eviction; and 2) To ensure proper procedures are followed when future rents are restricted due to an eviction. This occurs when a tenant is evicted without fault (for example, so an owner can move onto the property) and the rent for the next tenancy in the unit is restricted to the pre-eviction level plus intervening general adjustments.

Owners are required to file a copy of any eviction notice terminating a tenancy with the Agency except when the reason is non-payment of rent. An owner’s failure to submit a copy to the Board within three days of serving the tenant may be a defense in an eviction action, and for several cases, the Board’s Custodian of Records issued a certification of absence of these records. In 2025, in addition to eviction notices for properties being withdrawn under the Ellis Act, the Agency recorded eviction notices affecting 55 units. This was fewer than the 74 notices received in 2024 but about average for the past five years. As usual, the most common reason cited for eviction was for alleged lease violations, accounting for 36 of the notices received, followed by seven for nuisance, six for owner-occupancy, and two for denied entry by the landlord.

Since the passage of Measure RR by Santa Monica voters in 2010, property owners have been required to provide tenants with warning letters before initiating eviction proceedings for breach of contract, nuisance, or denial of reasonable access to a unit. Whenever staff receives copies of eviction notices for these reasons, a letter is sent to the tenant advising that they should have received a warning and a reasonable amount of time to resolve any issue.

Owner-Occupied Exempt Properties: Annual Certification

The rent control law provides that an owner who lives on a two- or three-unit property may, under certain circumstances, apply for and receive an exemption from the rent control law. One of the requirements is that the property must be the primary residence of the owner. In 2016, the Board adopted a regulation requiring all owners who received an owner-occupied exemption to annually certify whether the circumstances on which the exemption was granted continue to exist.

Annual monitoring efforts include mailing a letter to the owner of each property that has been exempt for at least one year. In 2025, recertification letters were mailed to 391 exempt properties. These letters include a declaration form the owner must complete and return to the Agency, enabling them to meet the recertification requirement. By closely monitoring owner responses to recertification letters, or more tellingly their failure to respond, properties are identified for further investigation and potential exemption lapse. Owners of these properties are sent an initial notice of exemption lapse with a 15-day window for a response. Copies of these notices are sent to the tenants. If an insufficient response or no response is received, a final notice of lapse is sent. At that time, owners have a second opportunity to respond and request a hearing on the potential lapse. The staff attorney sent 17 initial lapse notices, eight notices of continuing exemption when sufficient evidence was provided, and 14 final lapse notices.

Plan Check Application and Demolition Permit Review and Approval

The Rent Control Agency works with the City's Building and Safety Department to review plan check and demolition permit applications submitted to the city. When reviewing applications, Rent Control staff ensure that the demolition permit and plan check requests do not propose the unlawful removal of rent-controlled units or violate the rent control law. If plans are in conformance with the rent control law, staff grants departmental approval through the City's permit processing system. The Building and Safety Department issues the final permits.

In 2025, staff reviewed 245 plan check applications, roughly seven percent more than the 229 reviewed in 2024. Among the approved plans were 30 permits for the construction of accessory dwelling units (ADUs) on rent-controlled properties, down from 41 the previous year, and 70 demolition permits, a 25 percent increase from the 41 reviewed in 2024. Staff also completed 103 status forms, the same number as in 2024.

Interdepartmental Collaboration and Participation in Committees

Public Information staff members participate in several of the City's interdepartmental groups designed to facilitate collaboration and to educate employees about the City's larger goals and priorities.

- A staff member represents the Agency at the City's Senior and Disabled Task Force which meets monthly and is overseen by the Human Services Division. Staff members from various city departments, as well as non-profits including the Legal Aid Foundation of Los Angeles, Wise and Healthy Aging, and the Disability Community Resource Center meet to coordinate ways to help

seniors and people with disabilities in danger of losing their housing due to issues related to health, affordability, accessibility, hoarding, and other challenges.

- The Public Information Manager participates in monthly planning meetings involving communications staff from many City departments coordinated by the Office of Communications. These meetings are opportunities to share upcoming news and events, calendar press releases, blog posts, and social media, and coordinate opportunities to share information.
- The Public Information Manager, Executive Director, and General Counsel participated in several study sessions to advise a multi-departmental working group in their effort to develop a rent registry for non-controlled units. The Agency's practical knowledge and 30 years of experience with its own rent registry assisted the team by advising on technical solutions, staffing needs, and implementation realities.
- An information analyst participates in Permit Processing Workgroup meetings with members of the Planning and the Building and Safety Divisions to coordinate reviews of major projects and improve efficiency of review processes. Staff also participates in Clariti Project Management meetings to advance work on the Clariti land management and permitting system anticipated to roll out in the first half of 2026.
- A staff member attended Building Performance Standards Working Group meetings coordinated by the Office of Sustainability and the Environment regarding the City's green building initiative. Information on the City's Renters' Energy and Cooling/Heating (REACH) program was shared in the fall issue of *Rent Control News*.
- A staff member serves on the City's Safety Committee, that was established after the City's Emergency Operations Center (EOC) was demobilized in 2024. During its quarterly meetings, the committee addresses safety issues affecting staff on campus. The Agency's representative coordinates the dissemination of safety information throughout the department.
- In 2025, an information coordinator began participating in regular meetings of the Vacant Property Task Force, an interdepartmental group focused on monitoring vacant properties and the development of a registration program for them that was adopted by the City Council.
- The General Counsel and an information analyst participate in biweekly meetings with the City Attorney's Office and a representative from the property at 220 San Vicente Blvd. to obtain updates on construction progress, tenant relocation status, and efforts to mitigate disruptions.
- The Executive Director, General Counsel, Sr. Litigation Attorney, and an information analyst serve on a working group to strengthen tenant protections during construction and review best practices in preparation for the restoration of the Neighborhood Preservation Coordinator position. The working group is headed by the Director of Community Development and consists of principal staff from multiple City departments.



HEARINGS DEPARTMENT

The Hearings Department adjudicates administrative proceedings brought under the Rent Control Charter Amendment and accompanying regulations. Petitions and complaints may be filed by tenants or landlords; and the Agency itself may refer certain matters for a hearing. Hearings staff schedules and conducts mediations, property and unit investigations, and hearings. After the hearings process has concluded, the Hearings Department issues decisions and recommendations based on the evidence as applied under the rent control law.

Petitions, Complaints, Mediations, & Hearings

The Regulations provide for administrative proceedings to resolve disputes arising from various issues under the rent control law. Voluntary mediation has been very successful in resolving many cases in whole or in part, resulting in fewer hearings or in narrowing the issues to be considered at a hearing. The description of, and statistics associated with, each type of proceeding are provided below. The following is an overview of the Hearings Department’s activity in 2025:

Fig. 38 | Hearings Department Overview

Petitions/Complaints submitted	175
Mediations Held (by number of days)	101
Property/Unit Inspections Conducted	130
Hearings Held (by number of days)	76
Decisions Issued	89

Individual Rent Adjustments: Decrease Petitions

Tenants who allege that their rental units need repairs or maintenance, or that their housing services have been reduced, may petition to have their monthly rent decreased. Before filing the petition, a tenant must request in writing that the owner repair the problem or restore the service. If the owner does not comply with this request to the tenant’s satisfaction, the tenant may petition for a rent decrease. Under Regulation 4203, decreases may be authorized for past reductions as well as ongoing reductions in maintenance or housing services.

Fig. 39 | Decrease Petitions

New Decrease Petitions		
Decrease petitions filed in 2025		95
referred to hearing directly or prior to mediation	19	
referred to mediation	74	
Dismissed	2	
Mediation Activity		
Active cases during 2025		98
current year cases	74	
carried over from prior year	24	
Status at end of 2025		
resolved prior to mediation	3	
resolved – case closed	26	
mediation cancelled – referred to hearing	3	
no resolution – referred to hearing	37	
withdrawn / dismissed (tenants vacated; conference not held)	10	
pending	19	
41% of mediated petitions were fully or partially resolved.		
Hearing Activity		
Active cases during 2025		92
referred to hearing directly or prior to mediation	22	
referred from mediation	37	
ongoing from prior year	33	
Status at end of 2025		
decisions granting decrease	24	
decisions denying decrease	7	
withdrawn or dismissed	25	
pending	36	

Reinstatement of Decreases

If a rent decrease is granted, the decrease amount is only reinstated (added back into the rent) when the owner complies with the decision by making the required repairs or restoring the services for which the decrease was granted. Property owners wishing to have a decrease amount reinstated must first request a compliance determination with the Hearings Department stating that the subject problem has been corrected. Once a request for compliance determination is received, staff verifies whether the conditions for which the decrease was granted have been corrected, and a proposed compliance determination is issued. If the petitioner and/or respondent disagree with the proposed compliance

determination, a hearing is held, after which a final compliance determination is issued. If no hearing is requested, the proposed compliance determination becomes final. Decrease amounts are reinstated for each properly corrected condition. Once all decreases are reinstated, the owner is found to be in full compliance with the decision.

Multiple compliance determinations may be issued during the course of a case; sometimes several compliance determinations are issued before the owner is in full compliance. Compliance determinations may be issued on cases initially decided during the current year or in prior years.

Fig. 40 | Compliance Determinations

Compliance Determinations Issued in 2025		27
decreases fully reinstated	3	
decreases partially reinstated	17	
Finalized Compliance Determinations		7

Individual Rent Adjustments: Construction Decrease Petitions

The construction decrease regulations allow for rent decreases to address construction-related impacts on tenants residing in buildings undergoing substantial repairs, rehabilitation, or renovation. The decrease amounts are based, in part, on the necessity of the work, the length of time an impact exists, the severity of the impact, and the specific effect on the petitioner. When the Agency becomes aware of substantial construction activities on a property, it issues a notice informing the property owner and tenants that rent decreases may be authorized for construction-related impacts. The notice offers the Board’s mediation services to work with the parties to explore solutions, including mitigating the impacts and providing temporary rent reductions. Tenants may file petitions before, during, or after the mediation process, as long as active construction is taking place at the time of filing. If mediation does not resolve the issues, the case is referred to hearing. Following the issuance of a decision by a hearing officer, if the construction is still ongoing, the parties may request that the hearing be reopened to modify the original decision based on changed conditions.

Fig. 41 | Construction Decrease Petitions

Construction Decrease Petitions 2025	
Agency construction notices issued in 2025	28 properties
Petitions filed in 2025	32 petitions on 21 properties 14 <i>on individual properties</i> 8 <i>on four properties</i> 6 <i>on two properties</i> 4 <i>on one property</i>
Mediation Activity	
Active cases in Mediation during 2025	32 petitions on 23 properties
Mediation services initiated in 2025	27 petitions on 19 properties 9 <i>resolved</i> 7 <i>no resolution, 6 referred to hearing, 1 dismissed</i> 11 <i>pending at end of 2025</i>
Ongoing in Mediation from prior year	5 petitions on 4 properties 3 <i>resolved</i> 2 <i>no resolution, referred to hearing</i>
57% of the petitions fully mediated were resolved.	
Hearing Activity	
Active cases in Hearings during 2025	29 petitions on 17 properties
Referred to Hearings in 2025	11 petitions 6 referred from mediation 5 direct to hearing
Prior Year Petitions Pending Decision and/or Hearing Process	18 petitions
Decisions issued	11 decisions on 8 properties 10 granted 1 denied
	1 <i>withdrawn during hearing process</i>
	16 <i>pending decisions</i>
Ongoing in hearing process	1 petition
Reopened Hearings Request for modification	2 decisions on 1 property denied

Excess Rent and Non-Registration Complaints

Rent control regulations allow a tenant who believes he or she is paying an unlawful rent to petition the Board for recoupment of monies paid that exceeded the maximum lawful rent. A tenant whose landlord has not registered the property or tenancy with the Rent Control Agency may also petition the Board to authorize withholding of rent until the landlord has registered the property or tenancy. These cases are initially sent to a mediator for resolution. In some instances, cases are administratively settled based on a proposed resolution conveyed to parties in writing prior to the mediation. Cases not resolved by administrative or formal mediation are decided by a hearing officer following a hearing.

Fig. 42 | Excess Rent and Non-Registration Complaints

Newly Filed Excess Rent & Non-Registration Complaints		
Complaints filed in 2025		14
	Dismissed	5
Mediation Activity		
Cases mediated during 2025		11
	current year cases	9
	carried over from prior year	2
Status at end of 2025		
	resolved through mediation	5
	no resolution – referred to hearing	4
	pending	2
56% of cases resolved through formal or administrative mediation.		
Hearing Activity		
Active cases during 2025		9
	referred from mediation	4
	carried from prior year	5
Status at the end of 2025		
	decisions substantiating complaints	5
	dismissed	1
	pending	3

Individual Rent Adjustments: Increase Petitions

Property owners may petition the Rent Control Board for rent increases based on completed or planned capital improvements, lack of a fair return, or increased operating expenses not covered by the general adjustments. During 2025, no increase petitions were submitted.

Individual Rent Adjustments: Tenant-Not-In-Occupancy Petitions

Rent Control Regulation 3304 allows owners to petition for a one-time rent increase to market level if the tenant does not occupy the unit as their usual residence of return. If the petition and supporting documents do not support a prima facie case at the time of filing, the petition may be dismissed. When a tenant-not-in-occupancy case is accepted for filing, if the tenant does not contest the owner’s petition, the case is handled administratively. It is referred to a hearing if the tenant contests the petition.

If the petition is granted, the Board sets the new Maximum Allowable Rent (MAR) for the unit based on MARs for comparable units on the property rented in the past three years or the three-year median MAR for the city area.

Fig. 43 | Tenant-Not-in-Occupancy Petitions

Tenant-Not-in-Occupancy Activity		
New cases submitted in 2025		3
Filing accepted	3	
Active cases 2025		6
Contested and set for hearing	3	
Pending from 2024	3	
Status at end of 2025		
Petitions - granted	5	
Petitions - denied	0	
Pending	1	
Dismissed	2	
Decision after Admin Decision Challenging Rent	1	

Petitions to Register Previously Unregistered Units

Petitions may be filed with the Board when an owner seeks to register a unit that has never been registered. This most often occurs in cases where a unit was built as an accessory dwelling unit (ADU) by converting an existing structure or was built without permits (i.e., a “bootleg” unit). For a unit to be qualified to register, the petitioner must show that the unit is habitable or capable of being made habitable and the unit was either used as a residential rental unit in April 1979 (or in the 12 months that preceded April 1979) or the unit was created by conversion after April 1979 and conforms to the City’s zoning and development standards.

Fig. 44 | Petitions to Register Units

Request to Register Unregistered Units		
Active cases in 2025		39
Petitions filed in 2025	30	
Pending from prior year	9	
Status at end of 2025		
Decisions issued - granted	25	
Dismissed	2	
Pending	12	

Base Rent, MAR, Amenities Determinations

Under certain circumstances, a party may petition for a hearing to establish correct base rents, Maximum Allowable Rents (MARs), and/or unit and building amenities.

During 2025, one petition of this type was filed (by a tenant). A decision was issued following a hearing determining a new base rent, current MAR, and established parking as an amenity of the petitioner’s tenancy.

Fact-Finding Determinations

On occasion, a matter may be referred to the Hearings Department by another department in the Agency to determine facts related to a controlled property. Unlike other cases, such hearings are not initiated by a petition filed by an owner or tenant. During 2025 no cases of this type were referred to the Hearings Department. One case pending from 2024 was decided in 2025. The decision determined the subject property was used for residential rental purposes on July 1, 1984, and therefore, was not exempt under Santa Monica Charter Amendment §1815.

Owner-Occupied Exemption Applications

As explained earlier, exemptions are available for owner-occupied properties with three or fewer units. Although most owner-occupied exemption cases are decided by the Rent Control Board without an administrative hearing, there are occasions when an evidentiary hearing is necessary to determine

questions of fact or law. In many of these cases, the exemption is contested by one or more tenants. Hearings may also be required in cases where the lapse of an exemption is contested by the owner. The hearing officer issues a recommendation to the Board, which then makes a determination on the exemption application or lapse of an exemption.

One exemption application was referred for an evidentiary hearing during 2025. The owner/applicant did not appear at the hearing, and he subsequently withdrew his application.

Appeals of Hearing Officer Decisions

During 2025, 80 hearing officer decisions were issued. Twelve appeals were filed in 2025, eight of which were heard by the Board. One hundred percent of those appeals heard by the Board affirmed the hearing officer decisions (one Board Decision affirmed the hearing officer, but it also remanded the petition for the limited purpose of evaluating the amount of decrease for one condition; no appeal was filed on the remanded decision.)

- 2024 pending appeals

During 2025, two appeals pending from 2024 were heard: One board decision affirmed a Construction petition, and one board decision affirmed the denial of a Tenant-Not-In-Occupancy decision.

Fig. 45 | Appeals

Decision Type	Decisions Issued	Appeals Filed	Heard by Board	Hearing Officer Decision Affirmed	Pending
Decrease	31	8	5	5	3
Tenant Appeal		6			
Owner Appeal		2			
Excess Rent	5	0			
Tenant-Not-in-Occupancy	6	1			1
Tenant Appeal		1			
Construction Decrease	11	2	2	2	
Owner Appeal		2			
Base Rent/Amenities	1	0			
Permission to Register Units	25	0			
Fact-Finding Determination	1	1	1	1	

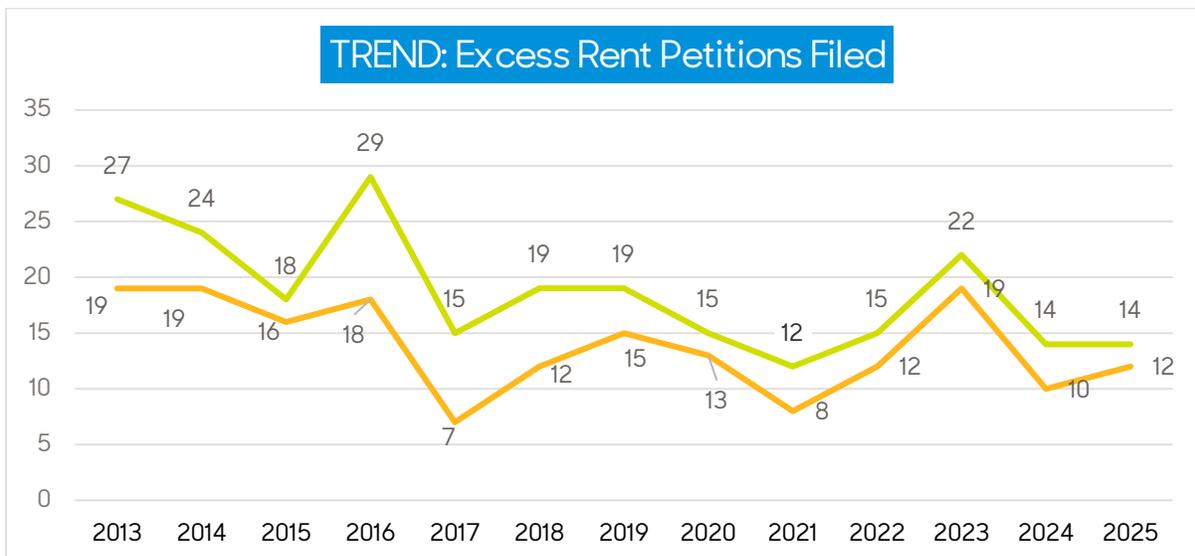
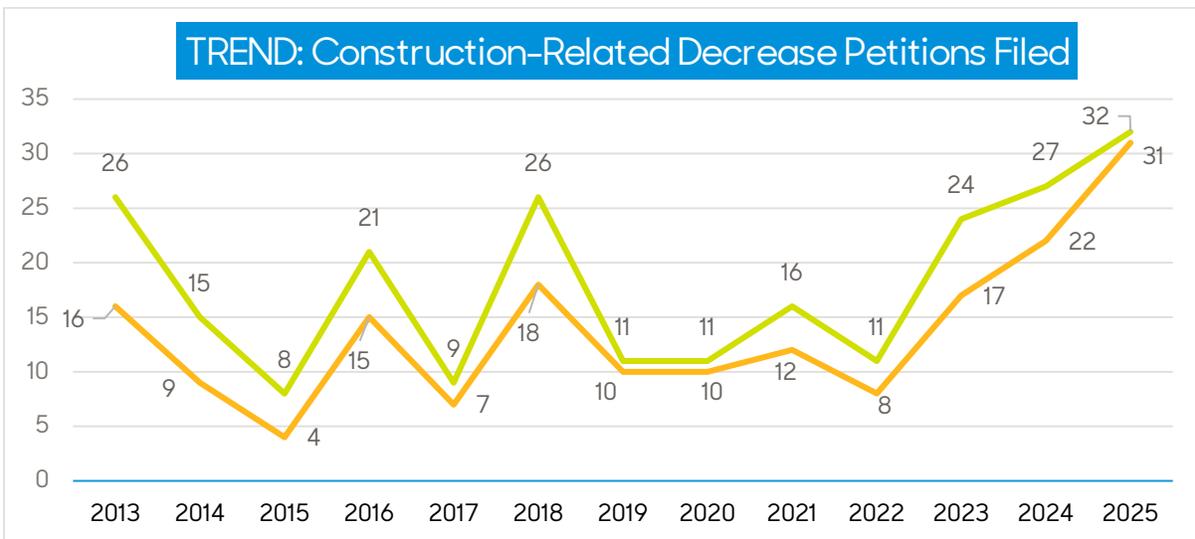
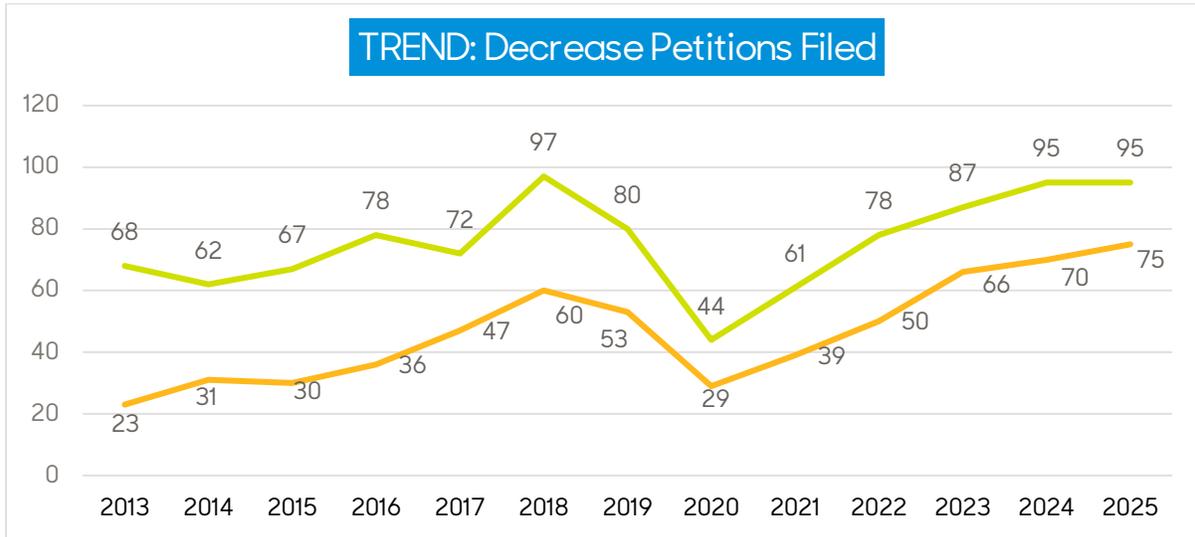
Petitions Trends - 2013 to 2025



Overall Petitions Filed

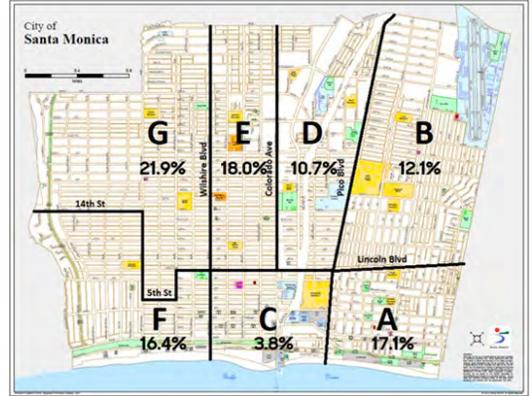
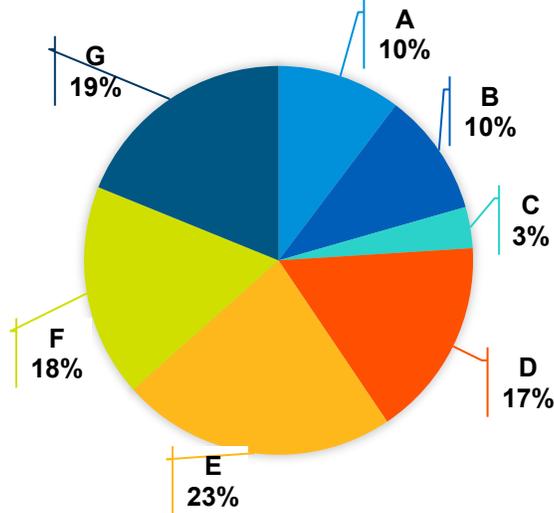


Petitions Filed on Market-Rate Units

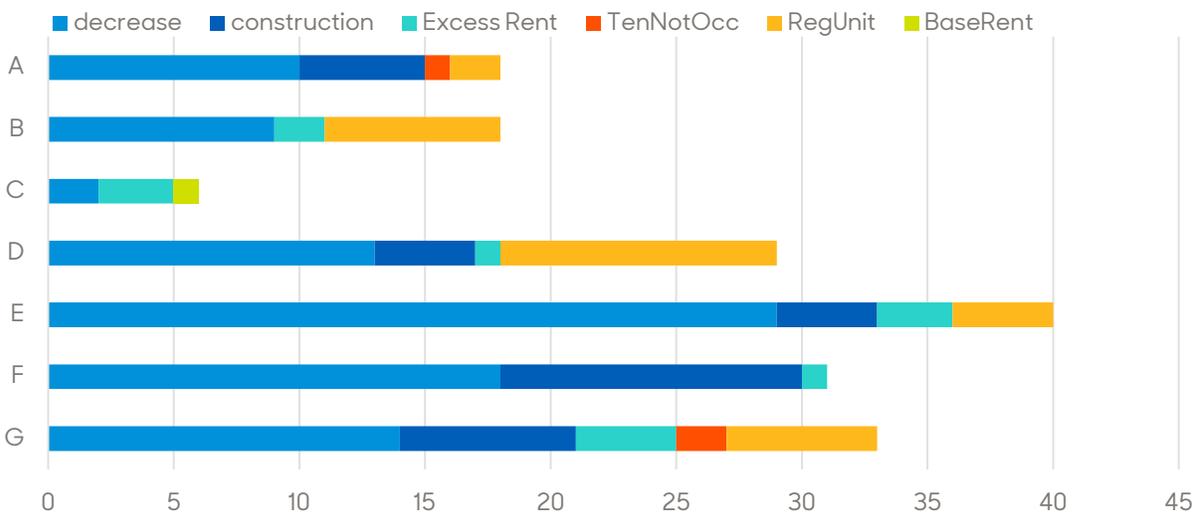


Petitions Filed - By Neighborhood

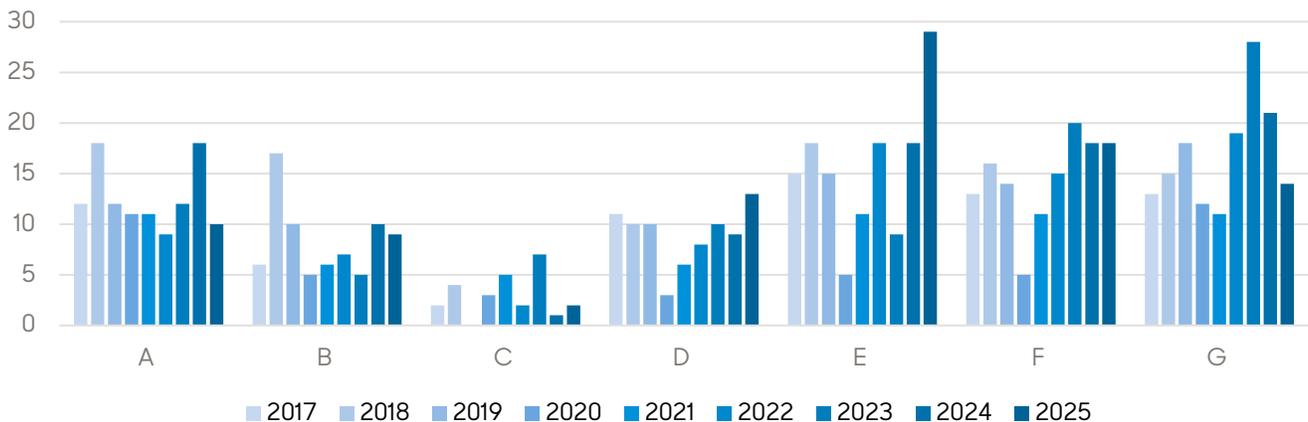
All Petitions 2025 by City Area



Petition Types by City Area



Decrease Petitions by City Area 2017-2025





LEGAL DEPARTMENT

Overseen by the Board's general counsel, the Legal Department advises the staff and Board regarding interpretations of the law and represents the Board in legal disputes to which the Board is a party. It prepares and presents staff reports on appeals of hearing and administrative decisions, as well as removal permit applications and exemption applications. It also drafts and updates regulations for Board consideration and adoption to implement the rent control law.

Of necessity, much of the department's advisory work occurs outside the public view to preserve attorney-client confidentiality; but there are important exceptions to this. As a legislative and quasi-judicatory body, the Board must operate openly, publicly, and transparently. Thus, when the Board decides whether to enact or amend a law, or when it hears an appeal of a hearing officer's decision, its deliberative process must be fully public. As part of that public process, the Legal Department prepares a written report that analyzes the issues presented and advises the Board about legally appropriate outcomes. Last year, the Board's lawyers prepared several public reports, which are detailed in the statistical overview at the end of this Annual Report. The Board considers the advice given, but it is not bound by it; rather, the Board makes its final decision based on its independent assessment of staff's advice (including legal advice), public input, and its own public deliberation.

The Legal Department has no policy-making role. It is the Board, and not its lawyers, whom the public has elected; therefore, the only "policy" advanced by the Legal Department is that which is embodied in the City Charter, or the rent control regulations enacted by the people's duly elected representatives. Nor does the department have any political role. Because its function is to offer the Board complete, accurate, and independent legal advice, it necessarily does so without considering politics, and without favor toward tenants, property owners, or others.

Litigation

Litigation Filed in Prior Years and Resolved in 2025

- **1138 Princeton, LLC v. SMRCB ("Princeton II")**

Dismissed

This case sought to set aside the Board's decision to grant four consolidated construction-impact rent decrease petitions. After constructing several new Accessory Dwelling Units ("ADUs") on the 24-unit residential rental property, tenants in four units sought rent decreases for the impacts on their tenancies that they endured due to construction. The landlord claimed that the Board's hearing officer failed to weigh the evidence fairly and assigned values for decreases to the rent that were excessive considering the record evidence. The suit also claimed that the state's public policy favoring construction of ADUs should exempt the landlord from the application of the rent control law with respect to rent adjustments. The landlord voluntarily dismissed the action prior to briefing on the merits.

Status of Litigation Against the Board in 2025

- **1138 Princeton, LLC v. SMRCB ("Princeton I")**

Pending

This case seeks to set aside the Board's decision to grant a tenant's decrease petition. After constructing several new Accessory Dwelling Units ("ADUs") on the 24-unit residential rental property, the tenant sought a decrease for amenities that were removed in the process. The landlord claims that the Board's hearing officer failed to weigh the evidence fairly and assigned values for decreases to the rent that were excessive considering the record evidence. The suit also claims that the state's public policy favoring construction of ADUs should exempt the landlord from the application of the rent control law with respect to rent adjustments.

- **Taylor Megdal v. SMRCB**

Pending

This case seeks to set aside the Board's decision denying the landlord's petition for a determination of a tenant not in occupancy. If it had been granted, the landlord would have been permitted to raise the rent for the unit. The Board found that although the tenant named on the lease is no longer in occupancy, the remaining occupant is a lawful tenant in his own right and is in occupancy. Thus, the landlord is not entitled to a rent increase based on a tenant not in occupancy. The landlord claims that the remaining occupant is not a lawful tenant in his own right and that the landlord is entitled to a rent increase.

Amicus Briefs

After Pasadena voters passed a Charter amendment enacting a rent control law and establishing an independent Board to administer it, landlord groups sued to invalidate the law. One of their claims was that the Charter change constituted a revision as opposed to an amendment. Revisions are far-reaching overhauls to the local government that can only be put on the ballot by the city council. The

Board submitted an amicus curiae, or friend of the court, brief in support of the City of Pasadena. Santa Monica’s rent control law was also established by a voter-initiated Charter amendment, and the City and Board have 45 years of experience successfully implementing the law without any of the upheaval that the landlord groups claim is inevitable. The Board submitted the brief to assist the Court in evaluating the landlord groups’ claims on this issue.

The Board also submitted an amicus brief in the 9th Circuit Court of Appeals in support of the City of Los Angeles. Two property owners are challenging various provisions of LA’s Rent Stabilization Ordinance as a violation of the takings clause and the equal protection clause of the U.S. Constitution. These provisions include a notice requirement of tenants’ rights, relocation fee requirements, cap on annual rent increases, and a prohibition on eviction for nonpayment of rent unless the amount due is greater than a month’s rent. The case was dismissed by the district court and the plaintiffs appealed. Since the rent control law and the Santa Monica Municipal Code have many of these same provisions, the Board has an interest in ensuring that the dismissal is upheld.

Past-Due Registration Fees

In 2025, the Legal Department resolved registration fee delinquencies—some dating back to 2021—regarding 36 properties. Fees owed for 14 properties were recouped through pre-litigation efforts, and the agency also filed four Limited Civil cases and 14 Small Claims cases. At the end of 2025, two Limited Civil cases filed in 2024, and three Limited Civil cases filed in 2025 remained pending. All Small Claims cases filed in 2025 were resolved within the year. The effort resulted in the recoupment of \$101,397.13 owed to the Board and five unpaid judgments totaling \$16,028. In cases where it appeared that the owners were eligible for owner-occupancy exemptions or separately sold condominium fee waivers, the Legal Department secured compliance with the rent control law by informing the owners of these options and the owners submitting relevant applications to the agency.

Removal Permits

To protect the controlled rental housing stock, the rent control law provides strict criteria the Board must apply before granting permits to remove units from the rental housing market.

If a property owner qualifies for a removal permit, that permit allows the owner to remove the unit or units from the rental housing market by demolition, conversion, or other means. If units subject to a removal permit are then re-rented at some future date, they then become controlled units under the rent control law. The removal permit process only allows qualifying units to be used for non-rental purposes.

In 2025, the Board granted a removal permit for redevelopment of a 12-unit property into a 100-unit property with replacement of the controlled units being removed. Two removal permits for redevelopment of properties and one removal permit for demolition of an uninhabitable unit were pending at the end of the year.

Regulations and Resolutions Drafted

In 2025, the Legal Department prepared the following resolutions and amendments to Board regulations:

- Resolution 25-001: A Resolution of the Rent Control Board of the City of Santa Monica announcing that the 2025 annual general adjustment for rent-controlled units is 2.3% and imposing a limit on the general adjustment of \$60, effective September 1, 2025.
- Resolution 25-002: A resolution of the Rent Control Board of the City of Santa Monica in support of SB 52, legislation pending in the California Legislature to regulate the use of price-setting software and authorizing the Administrator to submit this resolution of support on the Board's behalf.
- Resolution 25-003: A resolution of the Rent Control Board of the City of Santa Monica opposing SB 79, legislation pending in the California Legislature to allow upzoning in residential areas near transit and authorizing the Administrator to submit this resolution of support on the Board's behalf.
- Amendment to Regulation 11200(b) to increase the annual registration fee from \$228 to \$240 per unit, effective Fiscal Year 2025-2026. (Adopted June 12, 2025)
- Revisions to Regulations 1003(d), 4001A(b) and 4104(D)(4)(c) to conform to existing law. (Adopted September 11, 2025)
- Amendment to Regulation 3035 to limit increases for "banked" rent adjustments to a maximum of 10 percent of the monthly rent per year. (Adopted October 9, 2025)



APPENDIX

Board Meetings		
Board meetings convened and staffed		16
Regular meetings	11	
Special meetings	5	
Public Outreach		
Contacts with people seeking information		10,186
Public Counter (11%)	1,086	
Phone (69%)	7,013	
E-mail (20%)	2,087	
Constituency-wide mailings produced and distributed		3
General Adjustment mailings (includes citywide MAR Report mailing to owners)	1	
Newsletters (includes report of current MAR for each unit)	3	
Education Programs and Community Events		8
Website Visits		52,545
Petitions/Complaints		
Petitions processed on intake		175
Decrease petitions filed	95	
Construction Decrease petitions filed	32	
Registration Determination petitions filed	30	
Base Rent and Amenities Determination petitions filed	1	
Excess rent/Non-registration complaints filed	14	
Tenant-Not-in-Occupancy petitions filed	3	
Increase petitions filed	0	
Fact-Finding Determination	0	
Hearings held		76
For 47 individual decrease petitions	47	
For 5 tenant-not-in-occupancy petitions (2 hearings were for 2024 cases)	6	
For 7 contested decrease compliance determination	7	
Construction Decrease petitions (1 hearing on 6 petitions, 2 hearings on 2 petitions; 1 hearing on 3 consolidated petitions; 1 hearing on reopened decisions for 2 consolidated petitions)	12	
Excess rent/non-registration complaints	3	
Base/Rent Amenities Petition	1	

Hearing and Administrative decisions/addenda issued		109
Written decisions issued	80	
Final compliance determinations on contested proposed compliance determinations (7) and Construction reopened decisions (2) issued	9	
Decrease Petition proposed compliance determinations issued	20	
On-site investigations conducted		130
Upon scheduling decrease and construction decrease petitions	55	
Upon scheduling tenant-not-in-occupancy petitions	1	
In response to compliance requests	19	
Exemption use investigations	12	
Ellis investigations	39	
Miscellaneous (use/occupancy/residence	4	
Ellis Withdrawals, Exemptions and Removals Activity		
Ellis withdrawals filed in 2024 and completed in 2025		
Properties		4
Units	14	
Ellis withdrawals filed in 2025		
Properties		10
Units	40	
Ellis withdrawals filed in 2025 and completed in 2025		
Properties		5
Units	20	
Ellis withdrawals pending at the end of 2025		
Properties		5
Units	20	
Ellis returns to rental market		
Properties		4
Units	18	
Owner-Occupied 3-Unit or Fewer Exemption applications pending from 2024		6
Granted	6	
Denied	0	
Withdrawn	0	
Owner-Occupied 3-Unit or Fewer Exemption applications filed in 2025		15
Granted	11	
Denied	0	
Applications withdrawn	0	
Pending at the end of 2024	4	
SFD declarations filed		5
SFD 2-year applications		2
Owner-occupied verification letters mailed		391
Removal permit applications filed		4
Removal permit applications granted		1
New Construction Exemption applications granted (units)		6

Apartment Listing Service

Number of listings received		40
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Forms & Permits Processed		
Status forms to submit with development applications		103
Demolition permits reviewed		70
Building permits reviewed		245
Ownership registrations		355
Agent authorization		123
Tenancy rent registration forms		4,220
Separate agreement registration forms (parking/storage/pets)		58
Fee waivers		51
Clean Beaches Tax surcharge waivers		6
Appeals and Litigation		
Staff reports on appeal		10
	Decrease petitions	5
	Excess rent complaints	0
	Increase petitions	0
	Tenants-Not-in-Occupancy	1
	Construction Related	3
	Unregistered units	0
	Base Rent	0
	SFD Declaration	1
Exemption staff reports prepared and reviewed		22
Supplemental staff reports prepared		1
Litigation Cases		3
Amicus Briefs		2
Limited Civil Cases (filed to recoup registration fees)		4
Small Claims Cases (filed to recoup registration fees)		14
Administrative records prepared		0
Legal Advisory		
Miscellaneous staff reports written		6
Occupancy permits advisory		5
Responses to subpoenas & Public Records Act requests		64