

## ***PRESS RELEASE SUBMITTED TO SANTA MONICA NEWSPAPERS***

May 25, 2016

### **LANDLORDS SUE RENT CONTROL BOARD FOR VIOLATION OF VACANCY DECONTROL LAW**

On May 16 ACTION Apartment Association, a non-profit association of landlords, sued the Santa Monica Rent Control Board for a judicial decision as to whether the RCB's prohibition of passing on actual water billings to tenants violates the Costa Hawkins Vacancy Decontrol Law. The complaint alleges that the vast majority of apartment buildings in Santa Monica are master metered for water meaning that the Water Division bills the landlord for the water used by the tenants. New buildings must be designed to allow separate metering and direct billing from the Water Division to the tenants but older buildings were not designed or constructed to allow this. Despite this situation, the RCB has insisted that landlords must absorb the cost of water used by the tenants rather than allowing a sharing arrangement whereby each tenant pays an agreed share of the water bill.

The complaint alleges that the vacancy decontrol law allows landlords to establish the initial rental rate by agreement with new tenants and that as part of the rental agreement the parties can agree that the tenant pay an agreed share of the water bill. Prohibiting landlords to establish a water-pass-through agreement places landlords of these building at a competitive disadvantage with owners of newer buildings with separate metering and fosters excessive use of water by tenants. This latter situation creates a special hardship for landlords because the water rates in Santa Monica are scheduled to increase by over 41% from 2014 to 2020 and the City has placed criminal and civil penalties on landlords if their tenants' use of water causes the landlords' buildings to exceed the mandatory curtailment requirements.

All other utilities, such as, gas, electric, telephone, and internet services, are separately billed and paid by tenants and not considered part of the rent; but in Santa Monica the water utility is treated differently for these older buildings.

Written and submitted by Wes Wellman on behalf of ACTION and Donald Woods Esquire

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