

Mandatory Utility Allowance, Nondiscrimination, Anti-Harassment Protections, and “Just Cause” for Eviction Protections

This is a notice regarding tenants’ rights with respect to utility allowances, fees/charges, nondiscrimination, and prohibitions against tenant harassment. Please note that while these are generally applicable rules, landlords must comply with the specific requirements of their recorded deed-restriction, which may differ from what is set forth below.

1. Utility Allowances, Fees and Service Charges – Properties that Received Planning Approvals After July 26, 2013.

California Code of Regulations, Title 25, section 6918 defines “Rent” to include a utility allowance for all utilities. Therefore, the Maximum Allowable Rent (“MAR”) must be reduced each month by the corresponding utility allowance for each separately charged utility regardless of the actual amount the tenant pays to third parties for those utilities. A utility allowance schedule is published periodically by the Housing Division and is currently available at:

<https://www.santamonica.gov/housing-ahpp-limits>. Here is an example using utility allowance figures from the 2025 utility schedule:

If a tenant resides in a one-bedroom apartment unit with an MAR of \$2,000 per month, as posted on the online table, and the tenant is required to pay all utilities separately to third parties, consult the utility allowance table and reduce the tenant’s \$2,000 per month as following: heating (natural gas): \$11; cooking (natural gas): \$6; other electric: \$41; water heating (natural gas): \$10; water: \$92; trash collection: \$44. These fees add up to \$204 per month, so the tenant is obligated to pay the landlord \$1,796 per month regardless of the actual amounts the tenant pays to the third parties for those utilities.

The term “Rent” under Section 6918 also includes any separately charged fees or service charges assessed by the landlord which are normally required of all tenants. Therefore, the MAR, as listed on the corresponding chart on the Santa Monica Housing Division’s website, includes any extra fees or service charges (i.e. credit reporting fees, processing fees, keys, fobs, renters’ insurance, personal liability insurance, etc.). Here is an example:

The tenant is residing in a one-bedroom unit with a Maximum Allowable Rent of \$2,000 per month. The Landlord *also* directly charges non-deed restricted tenants \$50 per month in parking, \$5 per month in renters’ insurance, and \$10 per month in processing fees. The landlord must either provide the parking, renters’ insurance and processing free to the affordable unit without separate charge, keeping the \$2000 maximum rent (which is the same as including the \$65 in the \$2,000 Maximum Allowable Rent), or

reduce the \$2,000 maximum rent by the total of all the separately charged fees and services. If the landlord elects to reduce the rent and require the tenant pay separate charges, the landlord must monitor the separate charges and further reduce the rent for any increase in the separate charges.

2. *Utility Allowance, Fees and Services Charges – Properties that Received Planning Approval Prior to July 26, 2013.*

For properties with planning approvals received prior to July 26, 2013, master-metered utilities must be included in the Maximum Allowable Rent while separately metered utilities may be passed through to the tenant. Fees and Services Charges are governed by the same rules as set forth in Section (1).

3. *Nondiscrimination*

Federal, state, and local laws prohibit discrimination against any actual or potential occupant of a rental housing unit, including deed-restricted affordable units, on the basis of categories including the following: sex, race, color, religion, ancestry, national origin, sexual orientation, gender identity, age, pregnancy, marital status, disability, HIV or AIDS status, family composition, source of income, the use of a rental subsidy voucher, the potential or actual occupancy of minor children, or housing status as defined in Santa Monica Municipal Code Section 4.28.030(l).

4. *“Source of Income” and Voucher Non-Discrimination*

State and local law prohibit “source of income discrimination.” This means refusal to rent to, or differential treatment of, an applicant or tenant based on that person’s source of income. Source of income includes use of a Section 8 housing voucher, or similar housing voucher, as well as other sources of income, such as government benefits, pensions, savings, or verified family support. With respect to tenants utilizing housing vouchers, any income standard, such as a requirement that a tenant earn 2.5 times the rent, must be applied to the *tenant’s portion* of rent, not total rent. Here is an example:

If a tenant using a housing voucher will pay only \$100 in rent, with the remainder paid by the Housing Authority through use of the voucher, then a landlord with a 2.5 income-to-rent policy can only require that the voucher tenant earn \$250 per month.

It is unlawful to refuse to rent to a voucher holder; to prioritize non-voucher holders; to refuse to promptly complete, sign and return Section 8 paperwork or to comply with the lease-up process (including signing a W-9, a direct deposit form, or a Housing Assistance Payments Contract); to charge a higher security deposit or require a higher credit score for voucher-holders; or to refuse to make repairs required by a housing authority unless the landlord demonstrates it would be economically infeasible to do so. Paperwork,

administrative burden, and other program requirements are not lawful reasons to choose a non-voucher holder over a qualified voucher holder who applied earlier.

The landlord will receive a total rent payment in an amount that is equivalent to the MAR, as listed on the corresponding chart on the Santa Monica Housing Division's website. This means the Contract Rent, the combination of what is paid by the tenant and the Housing Authority, will not exceed the MAR paid by non-voucher deed-restricted tenants. A landlord is not entitled to extra rent from a voucher holder and may not discriminate against voucher holders or treat non-voucher tenants preferentially.

5. *Consideration of Credit*

Voucher Applicants: Consistent with California Government Code Section 12955(o), applicants using a governmental rental subsidy must be given the option of providing lawful, verifiable evidence, *other than credit*, of the applicant's reasonable ability to pay the voucher holder's portion of rent. Such evidence shall be considered in lieu of credit *at the applicant's discretion*. This option shall be clearly and conspicuously presented to voucher applicants prior to the processing of credit. Such evidence may include, but is not limited to government benefit payments, pay records, and complete bank statements.

In assessing the credit or alternative evidence for an applicant using a governmental rental subsidy, the following factors must be considered: (1) the portion of the rent to be paid by the tenant; (2) the portion of the rent to be paid by a housing authority or other agency issuing a governmental rental subsidy ("Housing Authority"); (3) the ratio of the tenant's portion of rent to the tenant's gross income; (4) the source, amount, and reliability of the tenant's income, including government benefits; and (5) any other evidence of ability to pay.

Non-Voucher Applicants: Consistent with Government Code Section 12955(o) and source of income nondiscrimination protections, applicants for affordable units should be given the option of providing lawful, verifiable evidence, other than credit, of the applicant's reasonable ability to pay rent. Such evidence should be considered in lieu of credit at the applicant's discretion. This option should be clearly and conspicuously presented to applicants prior to the processing of credit. Such evidence may include, but is not limited to government benefit payments, pay records, and complete bank statements.

In assessing the credit or alternative evidence for an affordable unit applicant, the following factors should be considered: (1) the total amount of rent owed under the applicable affordability restriction; (2) the ratio of the affordable rent to the tenant's gross income from all sources; (3) the source, amount, and reliability of the tenant's income, including government benefits; and (4) any other evidence of ability to pay.

6. *Housing Status Non-Discrimination*

Santa Monica law prohibits discrimination based on “housing status,” defined as currently or formerly experiencing homelessness, currently or formerly living in transitional, temporary, or shelter housing, or lacking a residential rental housing history.

7. Consideration of Rental History

Consistent with Santa Monica Municipal Code Section 4.28.030(I), applicants must be given the option of providing lawful, verifiable evidence that the applicant will be a reliable tenant, other than rental or ownership history or landlord references. In the event the applicant lacks a rental history or landlord references, the applicant must be permitted to provide lawful verifiable alternative evidence that the applicant will be a reliable tenant, including but not limited to personal references. The option to provide alternative evidence that the applicant will be a reliable tenant shall be clearly and conspicuously presented prior to any request for information regarding rental history or any request for references.

8. Anti-Harassment Law

Santa Monica prohibits landlords from engaging in tenant harassment, which is engaging in certain unlawful conduct, in bad faith, with the intention of harming or upsetting tenants, or influencing the tenant to vacate a rental housing unit. Tenant harassment includes: taking away services provided in the lease (such as parking, laundry, or storage); failing to make or complete repairs required by law; abusing the right to enter an apartment such as not having proper notice; verbally abusing a tenant in such a way as to provoke a violent reaction; influencing a tenant to vacate through fraud, intimidation, or coercion; threatening physical harm; discriminating against a tenant; taking any action to terminate a tenancy based on facts that are untrue or a legal theory that is frivolous; intentionally disturbing a tenant’s peace and quiet; interfering with a tenant’s right to privacy; and refusing to accept or acknowledge receipt of a lawful rent payment. An FAQ regarding tenant harassment protections is available here:

<https://www.santamonica.gov/media/Attorney/TenantHarassmentFAQ.pdf>.

Violation of the Tenant Harassment Ordinance carries significant potential penalties of up to \$20,000 per violation. The City Attorney’s Office actively enforces the ordinance and takes complaints from the public. A complaint may be filed online here:

<https://csmcpcu.wufoo.com/forms/consumer-complaint/>.

9. Measure RR (2010) and Just Cause Eviction Requirements

All tenants in multi-family residential rental properties are protected by “just cause for eviction” protections, which bar evictions except for a limited number of reasons, or “just causes”, set forth in the City Charter. These include nonpayment of rent and substantial and material lease violations. These protections apply to tenants in deed-restricted

affordable units. For information on the City's Just Cause Eviction requirements, please refer to:

<https://www.santamonica.gov/media/Document%20Library/Topic%20Explainers/Housing%20Protection/Measure%20RR%20Information.pdf>

A limited number of deed-restricted affordable units may be covered by Santa Monica Rent Control, Charter Section 1806. This will be set forth in the deed restriction.

For general information on managing residential rental properties, refer to:

<https://www.santamonica.gov/media/Document%20Library/Topic%20Explainers/Housing%20Protection/Information%20for%20New%20Owners%20rev%201.24.pdf>