COURT FINDS THAT RCB ACTED CAPRICIOUSLY AND GRANTED ATTORNEYS' FEES TO THE PROPERTY OWNER

On January 15, 2019 a Santa Monica Superior Court Judge awarded attorneys' fees and costs to an apartment building owner finding that the Rent Control Board acted "capriciously" in revoking a permit removing the property from rent control after over 20 years of repeatedly reaffirming its status as exempt from rent control.

In 1993, the subject building was found to be uninhabitable and incapable of being made habitable in an economically feasible manner. Accordingly, the RCB approved a removal permit advising the property owner that henceforth the property was not subject to the rent control laws and was outside the jurisdiction of the RCB. Thereafter, for over 20 years, the RCB repeatedly reconfirmed this status.

Then in 2016, the General Counsel of the RCB sent a letter to the owner stating that henceforth he must register all of the units with the RCB and respect all rent control laws. The letter made several incorrect statements. The property owner informed the General Counsel that his understanding of the situation was incorrect and that the Board had granted him a permanent removal from rent controls. Nevertheless, General Counsel stubbornly insisted on pursuing his unauthorized course of action without any hearing before a neutral trier of fact.

The property owner filed a petition for writ of mandate in the Superior Court and at the trial the Court found that the RCB could not recontrol the property. Then in the most recent ruling the Court granted the property owner attorneys' fees and costs under a statute which allows such an award if the agency acted "arbitrarily or capriciously." Attached is a copy of the ruling.