



# CITY of CALABASAS

## **CITY COUNCIL AGENDA REPORT**

DATE: JANUARY 5, 2021

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MAUREEN TAMURI, COMMUNITY DEVELOPMENT DIRECTOR, AIC

MICHAEL KLEIN, SENIOR PLANNER, AICP MAK

SUBJECT: UPDATE OF THE CITY'S RENTAL REGISTRATION PROGRAM FOR

2020

MEETING

**JANUARY 13, 2021** 

DATE:

#### **SUMMARY RECOMMENDATION:**

Staff recommends that the City Council receive and file this report.

### **BACKGROUND:**

Following adoption of Ordinance No. 2004-91 and Ordinance No. 2004-193 (Chapter 5.16 of the Municipal Code), property owners of four or more residential rental housing units in Calabasas were required to register their rental units with the City of Calabasas Community Development Department and to report annually on the latest rental rate for each unit. In addition to this annual registration, property owners are required to report to the City all rent increases over 5%. Per the Ordinances, both the renter and the City must be notified of the increase 60 days prior to the effective date of the increase.

## **DISCUSSION/ANALYSIS:**

For this update, staff compared data reported in July 2019 to data reported in July 2020 and calculated the average change in rents by property owner. The following tables summarize this information:

Property Name	Property Address	Total # of Units	Rent in July 2019	Rent in July 2020	Change in rent between 2019 and 2020
Malibu Creek Apartments I	5320 Las Virgenes Rd.	36	\$2,194	\$2,226	+\$32 (+1.46%)
Malibu Creek Apartments II	5302 Parkmor Rd.	8	\$2,168	\$2,242	+\$74 (+3.41%)
Avalon Bay Apartments	3831 N. Orchid Ln.	600	\$2,381	\$2,418	+\$37 (+1.55%)
Malibu Canyon Apartments	5758 N. Las Virgenes Rd.	698	\$2,339	\$2,350	+\$11 (+0.10%)
Horizons	26705 Malibu Hills Rd.	60	\$3,347	\$3,392	+\$45 (+1.45%)
Calabasas Village Mobile Estates	23777 Mulholland Hwy.	210	\$1,520	\$1,553	+\$33 (+2.17%)
		Average:	\$2,281	\$2,307	+\$26 (+1.14%)

Property Name	Property Address	# of affordable units	Expiration Of Affordable Units	Rent in July 2019	Rent in July 2020	Change in rent between 2019 and 2020
Canyon Creek	4803 El Canon	74	2066	N/A	\$845	N/A
Avanti	23500 Park Sorrento	8	2046	\$970	\$1,046	+ \$76 (+7.8%)
Paxton	4240 Las Virgenes	4	2048	N/A	\$1,014	N/A
Average:						+\$76 (+7.8%)

As demonstrated in the table above, the average change in rent between the reporting periods for 2019 and 2020 for all rental communities in the City was an increase of \$26 or 1.14%. On the lower end of the range is Malibu Canyon, with an average increase of 0.10%; and on the higher end of the range is Malibu Creek Apartments, with an average increase of 3.41%. Staff also collected rent reports from two individual owners who collectively own 23 condominiums in the City. The average rent changes for these units was \$155, which represents an average increase of 6.5%. At the time of this report, the USC Casden Forecast Multifamily Report for 2020, which provides average rental rates for the LA County region, was not available. The prior USC Casden Forecast Multifamily Report stated that the average rental rate in LA County was \$2,230 in 2019, with the highest

average rent in the Coastal Communities (such as Malibu) at \$3,060 (see Attachment A). As a result, the average rental rate of \$2,307 in Calabasas for 2020 is consistent with the average rental rate for LA County in 2019. Furthermore, the Consumer Price Index, as reported by the US Department of Labor, states that the cost of rent in Los Angeles County increased by 3.6% from July 2019 to July 2020. As a result, the rent increases seen in Calabasas are generally consistent with the reported average rent increase in the Los Angeles area.

In addition to the Rental Registration program discussed above, the City of Calabasas operates several programs to provide financial assistance to qualified residents. The Community Development Block Grant (CDBG) residential rehabilitation program provides eligible homeowners with financial assistance to complete necessary property improvements, such as upgrades for ADA accessibility and roof repairs. The CDBG program typically provides assistance to 8-12 residents annually. For fiscal year 2019-2020, the City spent \$87,691 on CDBG, providing rehabilitation assistance for ten households. Assistance program, which has been in effect since 2004, provides financial assistance towards rent to eligible multi-family or mobile home households residing in the City of Calabasas. The program is limited to households with seniors or persons that are considered permanently disabled under the SSI program, and whose annual household income does not exceed 80% of the area median income. The program has 50 available spaces, 42 of which are designated for the Calabasas Village Mobile Home Park, and currently provides a \$250 monthly subsidy to each recipient. The owner of the Calabasas Village Mobile Home Park contributes 30% of the subsidy to each of the 42 recipients that reside in the Mobile Home Park (see table below). This amounts to an annual contribution of \$37,800 by the Calabasas Village owner, which has allowed the City to expand the program from 30 to 50 recipients since its inception.

Rental Assistance Program							
	No. of	Contribution per	Monthly	Annual Contribution			
	Recipients	Recipient	Contribution	Annual Contribution			
CVMHP Subsidy							
Park Owner	42	\$75	\$3,150	\$37,800			
City	42	\$175	\$7,350	\$88,200			
Subtotal - CVMHP	42	\$250	\$10,080	\$126,000			
Subsidy for Non-CVMHP Renters							
City (only)	8	\$250	\$2,000	\$24,000			
			\$9,350 (City)	\$112,200 (City)			
Totals	50	\$250	\$3,150 (Park Owner)	\$37,800 (Park Owner)			
Program Totals	50	\$250	\$12,500	\$150,000			

Staff will continue to log reported increases throughout the year, and participating communities will submit new annual rent data in July 2021. Staff does not recommend any changes to the program at this time.

## **REQUESTED ACTION:**

That the City Council receive and file this report as an update of the Rental Registration program.

## **ATTACHMENTS:**

- A. Page 10 of the USC Casden Forecast 2019 Multifamily Report
- B. US Department of Labor CPI for July 2020