

**DOWDALL LAW OFFICES**  
A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW  
284 NORTH GLASSSELL STREET  
FIRST FLOOR  
ORANGE, CALIFORNIA 92866-1409  
WWW.DOWDALLLAW.COM

Area Code 714  
TELEPHONE 532.2222  
FACSIMILE 532.3238

TERRY R. DOWDALL  
*trd@dowdalllaw.com*  
JAN D. BRESLAUER  
*jdb@dowdalllaw.com*

ROBIN G. EIFLER  
*rge@dowdalllaw.com*  
MAUREEN A. HATCHELL LEVINE  
*mahl@dowdalllaw.com*

LANDON J. DIAL  
*Provisionally Licensed*  
*ljd@dowdalllaw.com*

IN REPLY REFER TO:

2581

April 19, 2021

**Via Electronic Mail** *mklein@cityofcalabasas.com*

Michael Klein, AICP  
Senior Planner  
100 Civic Center Way  
Calabasas, CA 91302

**Re: CALABASAS MEMORANDUM OF UNDERSTANDING (PROPOSED)**

Dear Mr. Klein,

Please find enclosed the proposed "Memorandum of Understanding" agendized for consideration on April 28, 2021.

In Calabasas, the one mobilehome park (Calabasas Village) has maintained positive, indeed cordial, relationships with its tenants for decades. One reason why is long-term leases. 90% of all tenants are in agreement with the long-term lease. 90% have signed it. That leaves one out of ten who have declined--but knowing they will be treated the same as lessees nonetheless. This lease is the latest iteration of successful long-term leasing efforts in the park. We build on the successful history of a previous lease which was accepted by virtually all tenants. One must consider this very high degree of harmony and consensus in review of the efforts to acknowledge such good public policy. A 90% acceptance level speaks for itself. 10% of the park may freely decline but enjoy the benefits. Just one out of ten oppose? But 100% of residents benefit, signed or not.

Amid the many economic uncertainties in today's world, secure leasing remains a constant. Long term accords work: lease covenants agreed to and backed up by law. The City would profit by many tranquil decades of fair and balanced understandings. The endorsement of a "memorandum of understanding" reflects a commitment to continue honoring leasing as a superior alternative. Without government assistance, intervention, control or expense of any kind. Such long-term success saves taxpayers virtually millions of dollars for rent commissions, staffing, enforcement, and defense.

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Thank you for your attention to the foregoing. If you have any questions or comments, please feel free to contact the undersigned.

Very Truly Yours,

/s/

For  
DOWDALL LAW OFFICES, A.P.C.

cc: Calabasas Village  
Mike Murchison *mike@murchisonconsulting.net*

## **Memorandum of Understanding**

### **Agreement between the City of Calabasas and Owners of Calabasas Village**

#### **Providing for an Annual Maximum Rent Adjustment**

#### **and Secure Tenancy for Period of Accord**

#### **BE IT RESOLVED,**

*Whereas*, the City, Management and Residents of Calabasas Village have agreed to various programs, principles and guidelines for the mutual benefit of the mobile homeowners and management of Calabasas Village including terms of a long-term lease agreement. The lease agreement reflects a continuing accord to long-term resolution of pricing and rights and entitlements to the security offered by long-term lease covenants, without the reliance upon the resources of local government and taxpayer expense.

*Whereas*, it is in the mutual interest of the stakeholders to work together for advancement of entitlements for all. Fair bargaining and appreciation for the interests of others succeeds in long and stable relationships. Everyone benefits. Costly intervention of government is avoided and unnecessary. Stability is enhanced.

*Whereas*, due to changes in state law embodied in AB 2782, governmental authority to provide leasing price regulations previously authorized since 1986 under state law, has been delegated to the authority of local government, An updated lease has been offered and accepted by Calabasas residents, reflecting the changes required by AB 2782 (i.e., the deletion of references to previously authorized lease exemptions from local controls).

*Whereas*, it is desirable to both management and residents to continue leasing based on the terms and conditions previously which were previously agreed to between management and a committee of the Calabasas Village Home Owners Association (CVHOA).

*Whereas*, it is in the interest of the City to recognize and encourage efforts of its citizens to achieve consensus without imposing new expensive burdens on Calabasas taxpayers.

#### **ACKNOWLEDGMENTS**

Calabasas Village and community residents have enjoyed stable and secure long-term relations embodied in leasing throughout the resident community for more than 30 years.

The terms of a new and restated long-term lease agreement have been reached and the lease has been accepted by 88 percent (88%) of the resident community.

The culmination of a long-term lease agreement reflects the hard work and mutual commitment

of both sides of the “landlord/tenant” relationship. In this instance, the mutual benefits and long term security offered by the lease is recognized and reflects that it is unnecessary and without purpose for any form of superfluous governmental regulation to be asserted amid this well-balanced apportionment of rights and duties between the parties.

This memorandum of understanding (“MOU”) is an official recognition of the hard work and effort put forth by all parties to achieve a mutual long-term coalescence of understanding and to do so without the need, benefit, and cost of government intervention or participation.

It is recognized that the duration of the long term-lease assures an ongoing mutual agreement of terms and conditions which both balances the rights of both parties and offers benefits of the management which neither government may extract nor require of the park owner. One example is the agreed waiver of all reimbursements for capital improvements initiated by the Owner and made within the community, a constitutional right given up as a concession in return for an agreeable rent schedule. To date, Owner has expended over \$5 million for capital improvements for which it didn’t receive, nor did it seek any reimbursement from the residents of Calabasas Village.

Jurisdictions considering a government remedy for increasing mobilehome space rent have opted for a cooperative alternative – model leases negotiated among residents and the park owner.

**Mutual Benefits Secured by Agreement:** By providing protections to Calabasas residents in the form of voluntary price constraints and concessions, there are many advantageous benefits no longer allowable to be provided in accordance with state law. For example, the updated long-term lease understanding deletes legal rights to reimbursement for owner initiated capital improvements (which cannot be required by mandatory regulation or imposition). The Calabasas long-term lease reflects a mutually negotiated balance between the interests of park owners and mobilehome owners. To date, there have been no capital improvements at the Park which have not been Owner initiated.

**Untold Tax Savings:** The cost savings for the city with the recognition of long-term leasing agreed upon as a product of mutual negotiation by the stakeholders results in untold tax savings for the taxpayers of the City of Calabasas. Taxes imposed from the general fund to cover the staffing for rent control regulation, applications, enforcement, registration, enforcement, and defense of the administrative bureaucracy of the rent board results in the saving of millions of dollars. More than this, the quality of life for the stakeholders is dramatically improved when long-term understandings are amiably achieved.

**Long-Term Peace and Security:** The success of the private agreement results in the absence of any fiscal impact upon the taxpayer. The potential for unfortunate and needless legal disputes with and between the stakeholders, but always necessarily entangling city involvement, produces significant deterioration of relationships. More than this, the acrimony and legal disputes increases distrust, fear and anxiety about the future. It results in other psycho-social ramifications which occur when the stability and sanctity of one’s home life are unsettled and disturbed. The use of a mutually beneficial long-term private resolution, like any peace accord,

enhance harmony and avoid local government resources from being wastefully drained.

Model leasing Is a Superior Solution To Housing Pricing: Seeking to avoid these encumbrances while still achieving the goal of stabilized rents, aired as many California jurisdictions have begun looking into model leases as a cooperative alternative to rent stabilization /stabilization.

It is the intent of this Memorandum Of Understanding (MOU) that the parties implement and abide by the terms of the lease agreement attached hereto as Exhibit "A." Calabasas Village management agree to distribute and offer a copy of the MOU to all homeowners and potential homeowners.

The parties intend for this MOU to promote success and stability of management-resident relations and to continue to improve communication and understanding between park residents and management,

*Therefore*, the parties agree:

1. The signatories below agree to the foregoing policies, principles and guidelines for future efforts to promote long time security in manufactured home tenancy in Calabasas Village;
2. The signatories below agree to honor and cooperate in assuring respectful communications with any stakeholder and shall maintain an "open door" policy to discourse, discussion, with good faith efforts to appreciate and understand the interests and position of both sides to the management-resident relationship in Calabasas village,
3. The park owners also recognize that there are residents whose incomes have not kept pace with rising living costs and that these residents need assistance from private and governmental sources to remain in their homes. Calabasas Village agrees to continue providing subsidy contributions in the form and manner previously requested by the city of Calabasas. To date Calabasas Village has contributed \$424,598.00 to the City of Mobilehome Rent Subsidy program.
4. Guidelines for rent adjustments, park maintenance and capital improvements: Calabasas management has waived the right to reimbursement for Owner initiated capital improvements under the terms of the long term lease as restated. Space rent adjustments should be fixed based upon the terms of the lease attached as Exhibit "A."
5. Each year, or more, Calabasas Village management should communicate with the Residents Committee regarding any plans for park maintenance, repair, or capital improvements.

**BE IT RESOLVED** that the City Council of the City of Calabasas, with due consideration for rights of mobilehome park residents and park owners and in recognition of the intent of these parties to work together to implement innovative and exemplary leasing to improve the quality of life in the mobilehome park within the City of Calabasas, acknowledges the recitals and recitations set forth In This "Memorandum of Understanding."

The Council of the City of Calabasas endorses and encourages all stakeholders to continue their good faith efforts to maintain long-term, secure, and positive relationships with each other and with the city. Accordingly, the City Council determines that the mutually negotiated long-term lease agreement constitutes necessary and sufficient safeguards against the imposition of any unfair, exploitive, or unreasonable terms and conditions upon mobilehome tenancy. It is the commitment of the city of Calabasas therefore, that Calabasas Village shall not be subject to government intervention in the form of regulation or control of pricing. Accordingly, there will not be impact upon taxpayers, fiscal consequences, or imposition of revenue losses which would result from unnecessary regulation and bureaucratic interference with the negotiated terms of the understandings and agreements of the stakeholders.

\* \* \*

The city clerk shall certify to the passage of this resolution and cause the same to be published in a daily newspaper printed and published in the City of Calabasas.

I hereby certify that the foregoing resolution was passed by the City Council of the City of Calabasas at its meeting of \_\_\_\_, 2021.

City Clerk

\_\_\_\_\_

(Deputy)

Approved: \_\_\_\_\_, 20\_\_

Approved as to form and legality,

\_\_\_\_\_  
City attorney

By: \_\_\_\_\_  
Deputy