



CITY of CALABASAS
CITY COUNCIL AGENDA REPORT

DATE: APRIL 20, 2021

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MICHAEL KLEIN, A.I.C.P., SENIOR PLANNER *MAK*

SUBJECT: DISCUSSION OF A DRAFT MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CALABASAS AND CALABASAS CREST LTD, THE OWNERS OF THE CALABASAS VILLAGE MOBILE HOME ESTATES.

MEETING DATE: APRIL 28, 2021

SUMMARY RECOMMENDATION:

Staff recommends that the City Council discuss available options for a draft Memorandum of Understanding (MOU, see attachment A) between the City of Calabasas and Calabasas Crest Ltd.

BACKGROUND:

On October 12, 2020, staff provided the City Council with a comprehensive overview of options for rent stabilization ordinances, including options for mobile home parks. Prior to that meeting, Mike Murchison, a representative of Calabasas Crest Ltd, submitted a draft MOU to the City for consideration. Subsequent to receiving the draft MOU, staff provided a copy to the City Manager and the City Council mobile home task force. Staff has participated in meetings with the task force, residents and Calabasas Crest Ltd to discuss the MOU. Now is the appropriate time for the City Council to discuss options for the MOU. Staff and the City Attorney have reviewed, but NOT revised, the proposed MOU, pending further direction from the City Council. The Council's options include: approving the MOU

as proposed by the mobile home park owners; directing staff to negotiate a revised MOU; or taking no further action on any MOU with the mobile home park owners.

DISCUSSION:

An MOU is an agreement negotiated between two parties. In the context of mobile home parks, an MOU may be agreed upon between the property owner and the residents, with the City's assistance and oversight, and may set boundaries on space rent increase and pass through costs. In this particular case, the property owner has proposed an MOU with the City. While an MOU does not have the same legal status as a local rent stabilization ordinance, it is a binding agreement between the City and the property owner and could offer the residents security beyond an executed lease agreement. Example MOUs of both arrangements are provided as attachments b and c to this report. It is important to note that the execution of an MOU does not prevent a future rent stabilization ordinance approved by a future City Council or by initiative. As a result, a rent stabilization ordinance approved by initiative or a future City Council would supersede an executed MOU. The City cannot contract away its legislative power. In other cities, MOUs of this type are, however, used to limit the power of a future Council to enact rent stabilization ordinances in, effectively, political agreements between the park residents, the park owners, and the City. Park owners also sometimes contend that the MOUS create contractual property rights which would be subject to a takings analysis if a later rent stabilization ordinance were to be enacted.

As stated above, the draft MOU was submitted to City on October 12, 2020, by Mike Murchison, a representative of Calabasas Crest Ltd. The MOU was not prepared by staff, nor was staff consulted in preparation of the MOU. Staff and the City Attorney have not revised the proposed MOU either, pending direction from the City Council. After receiving the MOU, staff advised Mr. Murchison that any action regarding the MOU is a policy decision that can only be made by the City Council. As such, the Council has three options:

1. Reject the MOU;
2. Approve the MOU as is; or
3. Approve a modified version of the MOU

If the Council chooses option 3, staff suggests working with Calabasas Crest Ltd and the residents to ensure an MOU that addresses concerns from both parties.

REQUESTED ACTION:

Staff recommends that the City Council discuss options for an MOU between the City of Calabasas and Calabasas Crest Ltd.

ATTACHMENTS:

- Attachment A: Draft MOU submitted by Calabasas Crest Ltd, updated April 19, 2021
- Attachment B: City of Napa MOU
- Attachment C: City of Rancho Cucamonga MOU
- Attachment D: Calabasas Village HOA review of the draft MOU