

Calabasas Village MOU



CITY *of* CALABASAS

City Council October 27, 2021

Background

- 2019-2020
 - Long term lease negotiations between Calabasas Crest Ltd and Calabasas Village HOA
- August 2020
 - Governor approves AB 2782
- October 2020:
 - City Council discussion of rent stabilization options
 - Calabasas Crest Ltd submitted a draft MOU to the City
- April 2021:
 - City Council discussion of the Draft MOU
- August 2021:
 - Community meeting by property owner with residents



Purpose of an MOU

- An MOU is an agreement negotiated between two parties
- Mobile Home Parks
 - Can be used to limit space rent increase and pass through costs
- May limit applicability of future rent stabilization ordinances
- Does not prevent a rent stabilization ordinance adopted by the Council or initiative



AB 2782

- Took effect on January 1, 2021 and expires on January 1, 2025 unless extended
- Applies to all leases signed after February 13, 2020
 - Waiver of protections of local rent control (RSO) from a long term lease is invalid
 - The remainder of the lease remains valid
- Under AB 2782, City may enact a mobile home space RSO subject to the following:
 - Mobile home space is the principal residence
 - New construction is exempt
 - Rental agreements in excess of 12 months entered into before Feb 13, 2020 are exempt



Proposed MOU

- Agreement between the City and Calabasas Crest Ltd
- References long term lease agreement between the residents and Calabasas Crest Ltd
- Prohibits pass through of capital improvement costs
- City agrees not to impose rent regulation – both parties acknowledge City can impose rent regulation as allowed by law at any time



Proposed MOU

- Ends same time as Lease Agreement or December 31, 2029 - whichever is sooner
- May be terminated by either party if breach. Otherwise only by mutual consent
- Has been reviewed and accepted by the HOA



Requested Action

Consideration of Resolution No. 2021-1759, approving a Memorandum of Understanding (MOU) between the City of Calabasas and Calabasas Crest Ltd.

