



CITY of CALABASAS
CITY COUNCIL AGENDA REPORT

DATE: FEBRUARY 13, 2023

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MICHAEL KLEIN, COMMUNITY DEVELOPMENT DIRECTOR, AICP
JACLYN RACKERBY, ASSOCIATE PLANNER

SUBJECT: UPDATE OF THE CITY'S RENTAL REGISTRATION PROGRAM FOR
2022

MEETING DATE: FEBRUARY 22, 2023

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 are 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 2021 to data reported in July 2022 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 2021	Rent in July 2022	Change in rent between 2021 and 2022
Malibu Creek Apartments I	5320 Las Virgenes Rd.	36	\$2,235	\$2,317	+\$82 (+3.66%)
Malibu Creek Apartments II	5302 Parkmor Rd.	8	\$2,248	\$2,281	+\$33 (+1.47%)
Avalon Bay Apartments	3831 N. Orchid Ln.	600	\$2,475	\$2,768	+\$293 (+11.84%)
Malibu Canyon Apartments	5758 N. Las Virgenes Rd.	698	\$2,341	\$2,487	+\$146 (+6.23%)
Horizons	26705 Malibu Hills Rd.	60	\$3,443	\$3,536	+\$93 (+2.7%)
Paxton	4385 Paxton Pl	74	\$5,886	\$5,992	+\$106 (+1.8%)
Apartment Total/Average:		1,476	\$2,615	\$2,814	+\$199 (+7.63%)
Calabasas Village Mobile Estates	23777 Mulholland Hwy.	210	\$1,614	\$1,677	+\$62 (+4%)

Property Name	Property Address	# of affordable units	Expiration Of Affordable Units	Rent in July 2021	Rent in July 2022	Change in rent between 2021 and 2022
Canyon Creek	4803 El Canon	74	2066	\$1,041	\$1,018	-\$23 (-2.19%)
Avanti	23500 Park Sorrento	8	2046	\$1,097	\$1,043	-\$54 (-4.97%)
Paxton	4385 Paxton Pl	4	2048	\$1,064	\$1,064	+\$0 (+0%)
Average:				\$1,047	\$1,022	-\$25 (-2.37%)

As demonstrated in the table above, the average change in rent between the reporting periods for 2021 and 2022 for apartment rental communities in the City was an increase of \$199 or 7.63%. On the lower end of the range is Malibu Creek Apartments I, with an average increase of 1.47%; and on the higher end of the range is Avalon Bay Apartments, with an average increase of 11.84%. Staff also collected rent reports from four individual owners (two of which are new to the program this year) who collectively own 36 residential units in the City. For the two property owners that have been in the program for prior years, the average rent changes for these units was \$388, which represents an average increase of

14.92%. The USC Casden Forecast Multifamily Report for 2022 states that the average rental rate for the Calabasas subregion in the first quarter of 2022 was approximately \$3,100 per month (see Attachment A). As a result, the average rental rate of \$2,814 in Calabasas for July 2022 is consistent with the average rental rate for this subregion of LA County. 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 4.3% from July 2021 to July 2022. Therefore, the rent increases seen in Calabasas are on the higher end of 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. Due to Covid-19, no CDBG funds were used during the past two years; however, the City anticipates being able to start up the CDBG program again during the first quarter of 2023. The Rental 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 \$262 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 \$39,816 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 Recipients	Contribution per Recipient	Monthly Contribution	Annual Contribution
CVMHP Subsidy				
Park Owner	42	\$79	\$3,318	\$39,816
City	42	\$183	\$7,686	\$92,232
Subtotal - CVMHP	42	\$262	\$11,004	\$132,048
Subsidy for Non-CVMHP Renters				
City (only)	8	\$262	\$2,096	\$25,152
Totals	50	\$262	\$9,782 (City)	\$117,384 (City)
			\$3,318 (Park Owner)	\$39,816 (Park Owner)
Program Totals	50	\$262	\$13,100	\$157,200

Staff will continue to log reported increases throughout the year, and participating communities will submit new annual rent data in July 2023. Staff does not recommend any changes to the program at this time.

COVID-19 tenant protections are still in place through Los Angeles County, and currently have an expiration date of March 31, 2023. Protections include an eviction moratorium for particular circumstances, including no-fault evictions and nonpayment of rent due to COVID-related hardships.

REQUESTED ACTION:

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

ATTACHMENTS:

- Attachment A: Pages 19-21 of the USC Casden Forecast 2022 Multifamily Report
- Attachment B: US Department of Labor CPI for July 2022
- Attachment C: Rental Registration PowerPoint Presentation