



CITY *of* CALABASAS
CALIFORNIA

Calabasas Fiscal Outlook: Potential Sales Tax Measure

January 27, 2026

Why Timing Matters

Local Control vs. Outside Control

The total local sales tax rate is capped at 10.75%.

Calabasas currently sits at 9.75%

If the City does not act:

- LA County or a regional agency could claim the remaining 1%
- Residents still pay the higher rate
- Funds are controlled and spent outside Calabasas

The question is not if the rate reaches 10.75%, but when and who gets the money.

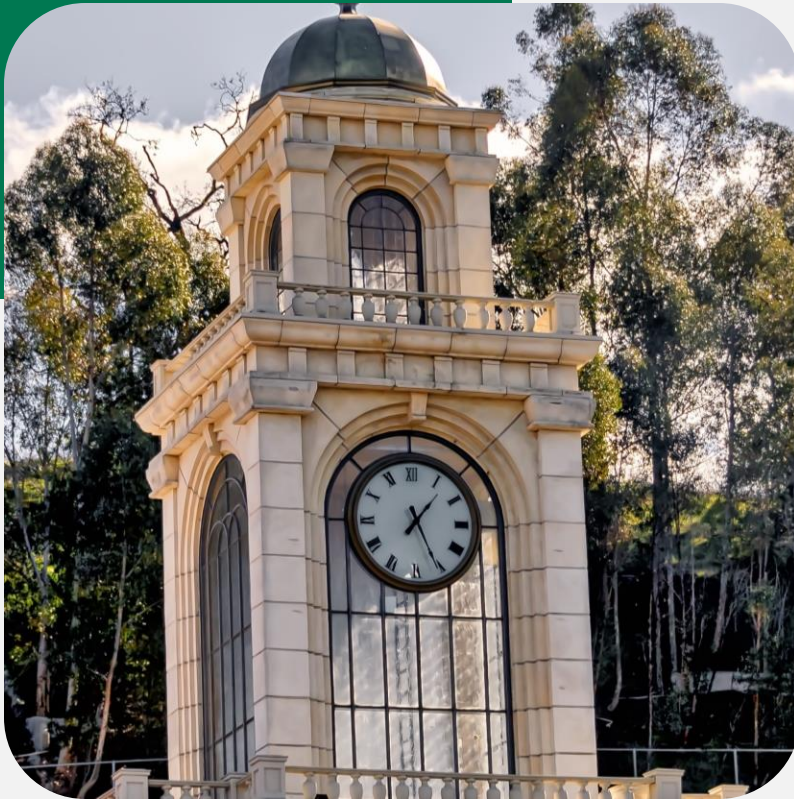
IF CALABASAS ACTS:

- ✓ Final 1% ≈ \$5.3M/year
- ✓ Funds stay in Calabasas
- ✓ Local control & accountability

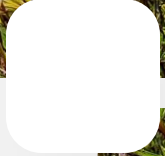
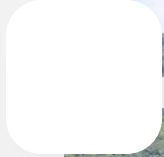
IF CALABASAS DOES NOT ACT:

- ✗ Another agency claims the 1%
- ✗ Residents still pay 10.75%
- ✗ Funds go elsewhere

Why Timing Has Accelerated



- Los Angeles County is actively considering a countywide sales tax on the June 2026 ballot.
- State law caps total sales tax at 10.75%
- Calabasas has only one remaining opportunity to establish local control
- If Calabasas does not act first, remaining capacity could be permanently claimed



Current Year Snapshot

FY 2025–26 (Adopted):

Starting deficit: \$2M

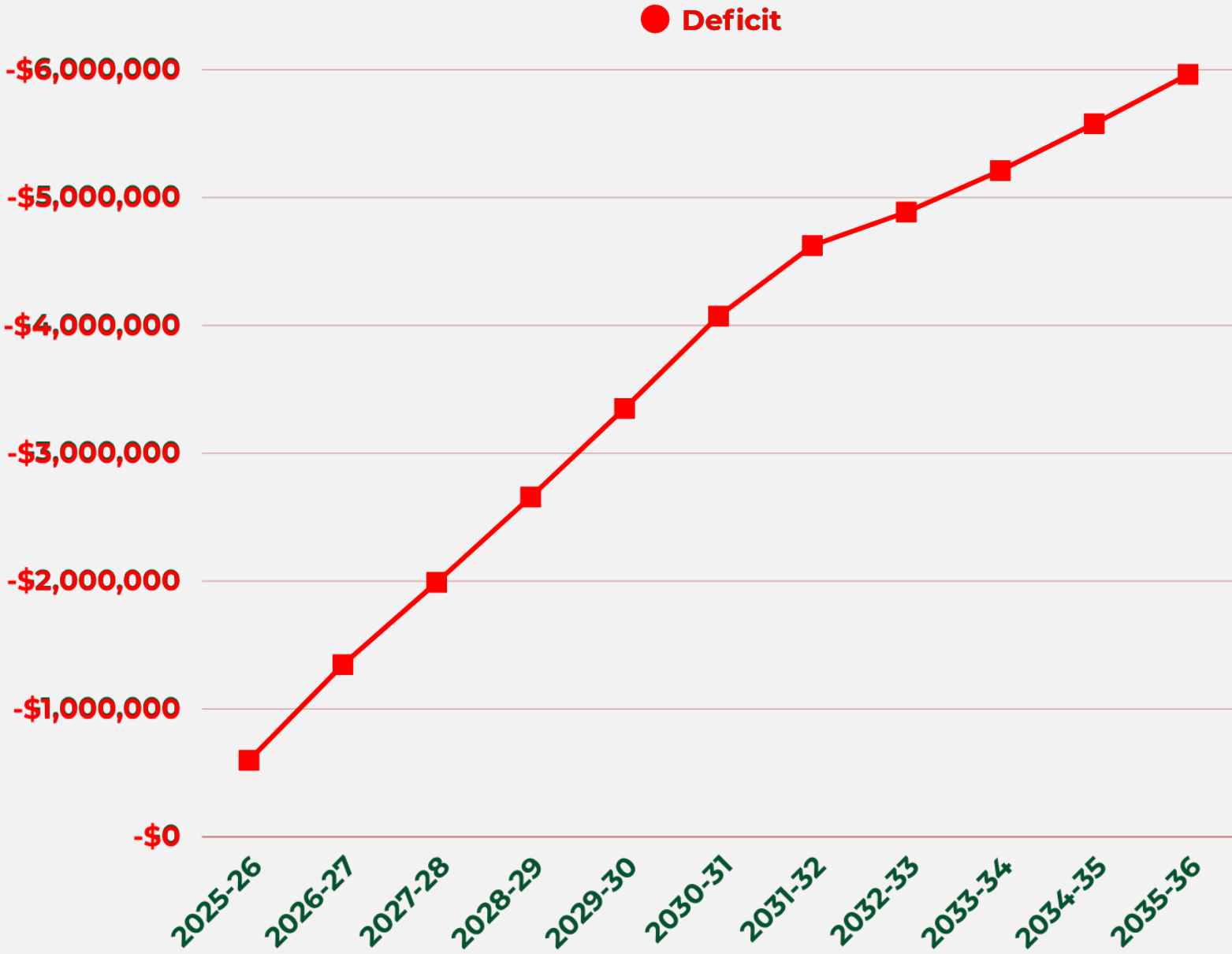
General Fund **Revenues:** \$30.6M

General Fund **Expenditures:** \$31.2M

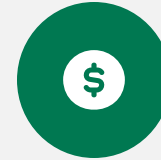
Final structural deficit: \$598,465

General Fund Forecast:

Deficit Increases



Reserves at a Glance



\$19.6M



**64% of
General Fund**



**Deplete in
5–6 years**

What's Driving the Gap

01

Costs growing faster than revenues

02

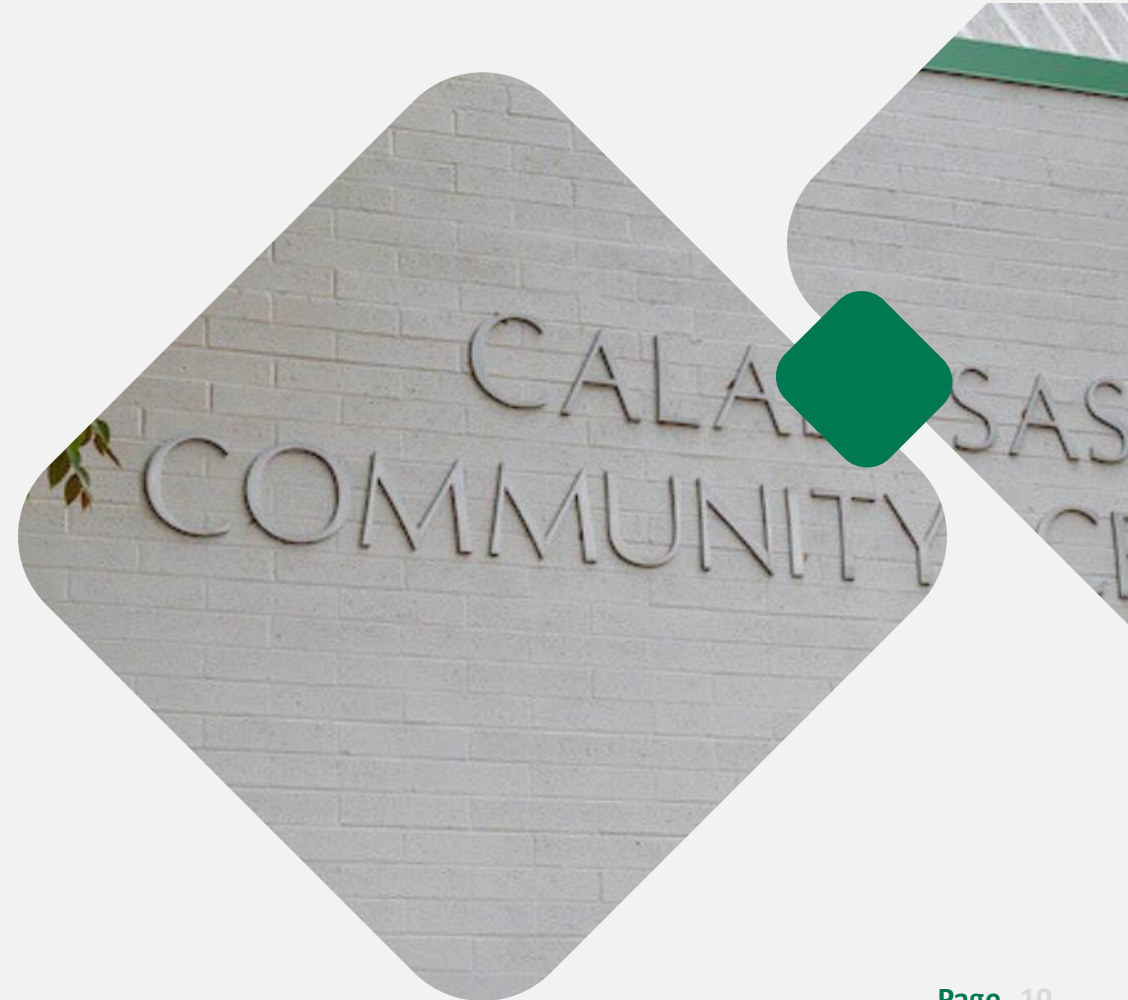
**State/County allocation constraints
(Property Tax)**

03

**Reliance on one-time funds is
not sustainable**

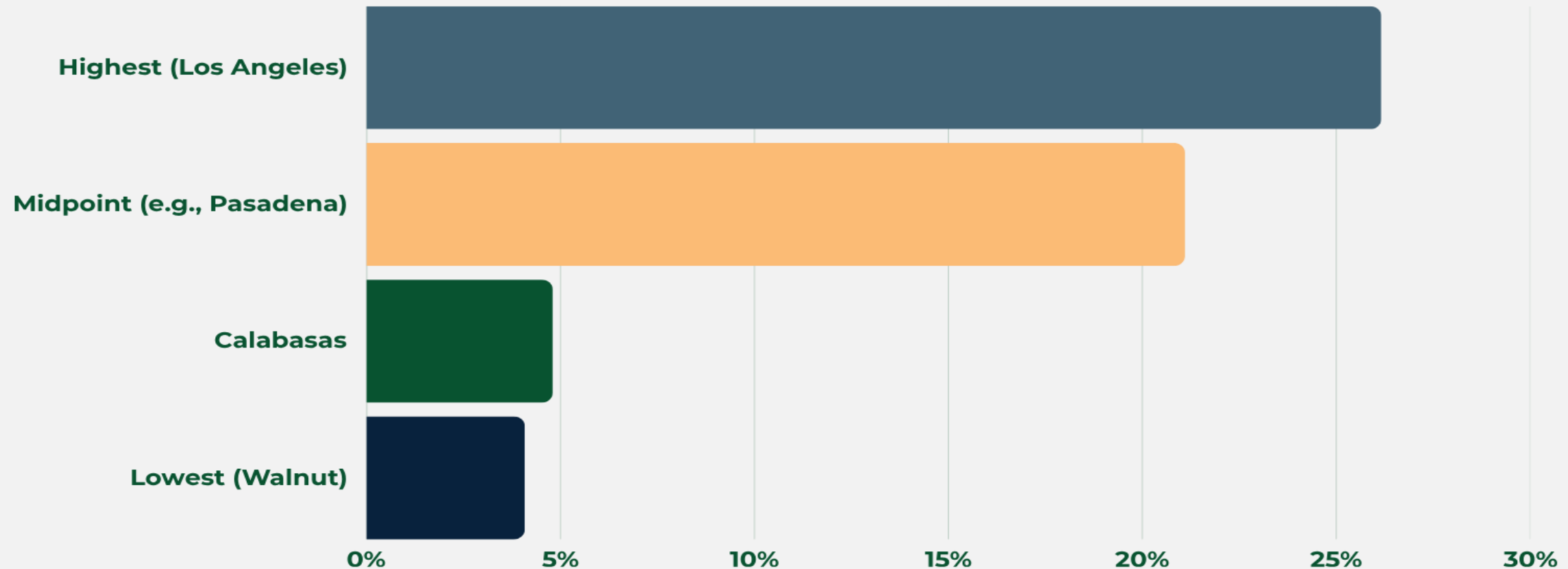
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Unfunded Capital Needs



How Much of Your Property Tax Stays in Calabasas?

Calabasas receives one of the smallest shares of property tax revenue in LA County, just 4.7%, ranking 87th out of 88 cities.



For every \$1M in assessed property value, about \$10,000 is paid in property taxes—and only about \$470 of that goes to the City of Calabasas' General Fund.

Unfunded Capital & Initiatives

Without a dedicated
source, projects are
delayed and costs escalate.

**Identified
unfunded
CIP:**

~~\$27.8M~~
\$23.6M*

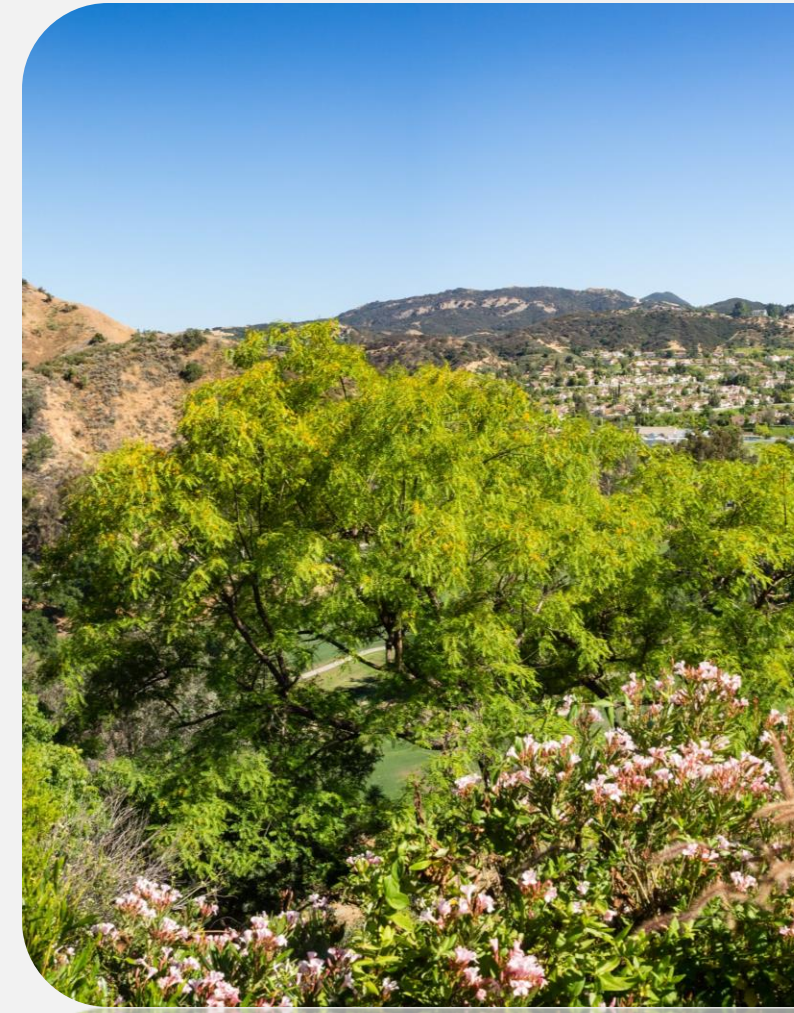


*As of January 1, 2026 and the implementation of the new fees at the Calabasas Tennis & Swim Center, the facility will be able to pay for future capital projects.

What's been done so far?

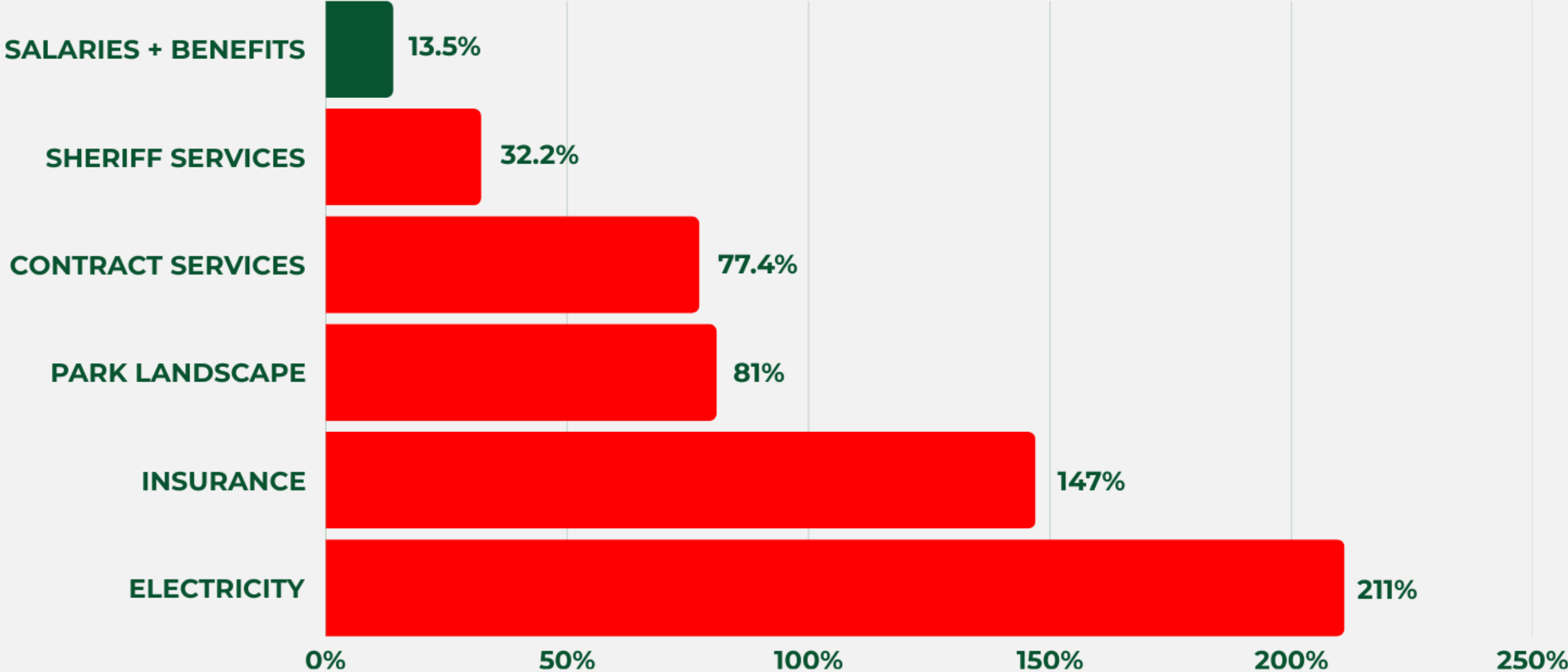
The City Council has undertaken a fiscally responsible approach over the years, including:

- Reduced the City's workforce
- Deferred repairs and maintenance
- Implemented a hiring freeze
- Eliminated programs and events
- Conducted and implemented fee studies for planning and the Tennis & Swim Center
- Renegotiated and/or eliminated contracts
- Used one-time funds and reserves to bridge operating gaps



Historical Trends

Percent increase shown from FY2015–16 through FY2024–25



Revenue Options the Council has Discussed



- **Local Sales Tax (TUT)**



- **Parcel Tax**



- **Transient Occupancy Tax (TOT)**



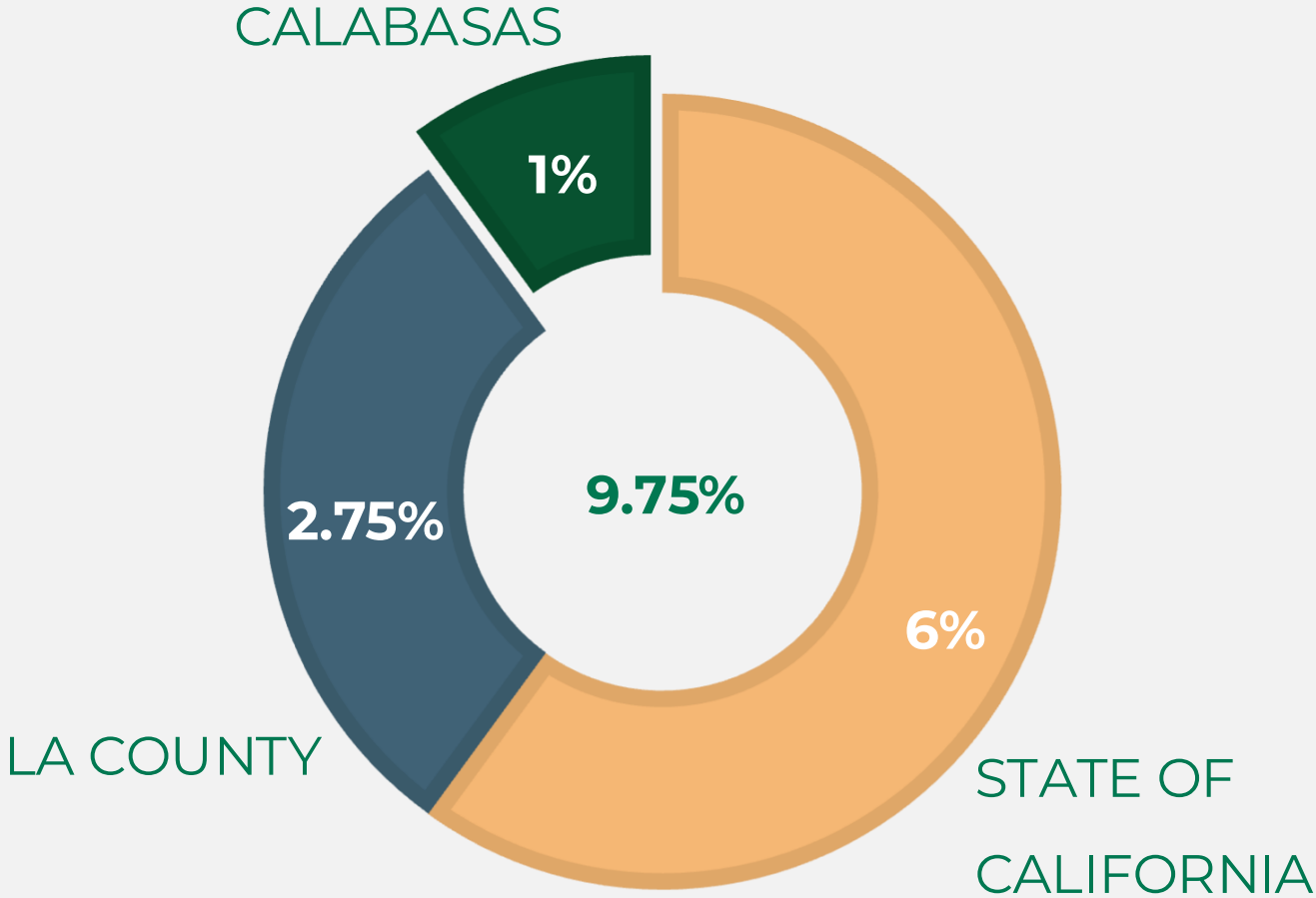
- **Utility Users Tax (UUT)**



- **Fee Adjustments**

Current Breakdown of Sales Tax

The current sales tax in Calabasas is 9.75%, and only 1% of that is under local control.



How Do We Compare?

Calabasas: 9.75%



**Malibu:
10.25%**



**Santa Monica:
10.75%**



**Culver City:
10.75%**



**Glendale:
10.50%**



**Westlake Village:
9.75%**



**Burbank:
10.50%**



**West Hollywood:
10.50%**



**Pasadena:
10.50%**



**Agoura Hills:
9.75%**



**Torrance:
10.25%**

LA County Cap: 10.75%

Who Pays?

Approximately 57% of Calabasas sales-tax revenue comes from non-residents/visitors

43%
Comes from Calabasas residents



57%
Comes from non-Calabasas residents/visitors

A 10.75% Tax Rate Means...



AN ADDITIONAL ONE PENNY
Per \$1 spent

How Much Does 1¢ Really Add Up To?



≈ \$8.25 per month

≈ \$8.25 / month
About one combo meal



A Sales Tax Would NOT Apply To:



GROCERIES



MEDICINE



HOUSING



LABOR



EDUCATION

Revenue From a Local Sales Tax Measure Would Stay in Calabasas

A voter-approved 1 cent transaction & use tax would generate **approx. \$5.3M/year in local revenue**



Maintain 911 and Sheriff Response



Keep Public Areas and Parks Safe and Clean



Prepare for and Respond to Wildfires



Reduce Fire Risk by Managing Brush, Other Fuels, and Natural Areas



Help Prevent Property Crimes and Home Break-Ins



Repair Streets and Potholes

Together, we can keep Calabasas “Calabasas”




- By keeping funds local
- Giving residents a say in how the funds are spent
- Maintaining the Calabasas quality of life

Next Steps

- **February–May:** City provides voter information
- **May 5:** All-Mail Ballot Election
- **Post-Election:**
 - **If approved:** implementation, oversight, and reporting
 - **If not approved:** Council considers additional budget actions

Share Your Input & Stay Engaged

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