

Residential Rental Program

FAQ's

Q: WHAT IS THE PURPOSE OF THIS PROGRAM?

A: The City is responding to community concerns regarding illegal activity and nuisance behaviors that sometimes come with rental properties.

Rental homes are responsible for a disproportionate share of code enforcement and police calls for service. Illegal activity and nuisance behaviors interfere with the health, safety, quality of life, quiet enjoyment and general welfare of those residing near rental homes and may contribute to a decline in the value of surrounding properties.

Previously existing state and local laws have not sufficiently encouraged landlords, particularly absentee landlords, to take reasonable steps to ensure their properties are safe and decent. This program encourages the upkeep of all single-family rental properties, provides additional enforcement tools against illegal activities and nuisance behaviors on the part of tenants.

Q: WHY IS A CITY BUSINESS LICENSE REQUIRED?

A: If you are renting out any portion of your property, you are deriving income from that activity and are thus operating a business. Just like any other business in the City, you must obtain a business license.

Q: DO OTHER CITIES HAVE SIMILAR PROGRAMS?

A: Yes, many other cities have comparable programs. Canyon Lake's ordinance is patterned very closely after a similar ordinance that has been quite successful in the City of Eastvale.

Q: IF I RENT OUT A PORTION OF MY HOUSE, BUT I STILL LIVE ON THE PROPERTY, DO I HAVE TO TAKE PART IN THIS PROGRAM.

A: Yes, you must still register your property as a rental. If you are renting out any portion of your property, you 1) are conducting a business, and therefore must obtain a business license 2) must have an inspection to make sure the property is in a sufficiently safe and decent condition for a tenant to reside, and 3) must have your tenants sign the "Crime-Free Lease Addendum" to ensure that illegal and nuisance behaviors do not occur as a result of your rental activity.

Q: WHY IS THE CITY CHARGING FOR THIS PROGRAM?

A: No new fees have been established by the City for this program. There is no fee to register your property as a rental. However, existing business license fees and inspection fees do apply. Those fees were established as a result of a comprehensive citywide user fee study conducted by the consulting firm NBS in 2018. All fees are designed to simply recover the costs associated with providing the service.

Q: HOW DO LANDLORDS BENEFIT FROM THIS PROGRAM?

A: Under previously existing state and local laws, landlords frequently found themselves without the tools necessary to enforce against illegal activities and nuisance behaviors by their tenants. This program gives them those tools, and gives the City the authority to help them with that enforcement.

Q: I OWN MULTIPLE RENTAL PROPERTIES IN THE CITY UNDER ONE BUSINESS ENTITY. DO I NEED MORE THAN ONE BUSINESS LICENSE?

A: Yes. Every business location within the City is required to have its own business license, regardless of whether the locations are under one or multiple legal entities. A good analogy would be a restaurant or coffee shop. If Starbucks were to open several coffee shops in the City, each location would have to have its own business license.

Q: WHY DID BUSINESS LICENSE FEES INCREASE STARTING IN 2020?

A: Business license fees, along with all other fees charged by the City, were determined through a comprehensive citywide user fee study conducted by the consulting firm NBS in 2018. All fees are designed to simply recover the costs associated with providing the service. Because Canyon Lake is small, fewer businesses are paying into the system. Thus, the cost per business is higher than in some other cities. However, Canyon Lake certainly does not have the highest business license fees in the region. Many cities in Southern California require business license fees of several hundreds, and even several thousands, of dollars.

Q: WHO SHOULD I CONTACT IF I HAVE QUESTIONS ABOUT THIS PROGRAM?

A: Please feel free to contact the City of Canyon Lake in person or by phone if you have any questions or if you need help completing the required forms.

City Hall is located in the Canyon Lake Towne Center, and is open every Monday through Thursday, 8:00 a.m. until 5:00 p.m.

Address: 31516 Railroad Canyon Road, Canyon Lake, CA 92587

Phone Number: (951) 244-2955, Option 3