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UNTIL APPROVED BY THE CITY COUNCIL

SPECIAL MEETING OF THE
CITY COUNCIL
CULVER CITY, CALIFORNIA

August 3, 2020
7:00 p.m.

Call to Order & Roll Call

Mayor Eriksson called the special meeting of the City Council to order at 7:02 p.m. in the Mike Balkman Chambers at City Hall via Webex.

Present: Göran Eriksson, Mayor
Alex Fisch, Vice Mayor
Daniel Lee, Council Member
Meghan Sahli-Wells, Council Member
Thomas Small, Council Member

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Pledge of Allegiance

Mayor Eriksson led the Pledge of Allegiance.

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**Community Announcements by City Council Members/Information
Items from Staff**

Council Member Sahli-Wells thanked staff and all participants for the fast work to open up space for restaurants to accommodate outdoor dining and she hoped to see more in other areas of the City as well.

Council Member Lee echoed thanks for the expanded outdoor dining program; noted that the Equity and Human Relations Committee was meeting at the same time as the City Council; and he discussed the efforts of BIPOC Students for Change to address structural racism and the need for increased resources in Culver City Unified School District (CCUSD).

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Joint Public Comment - Items Not on the Agenda

Mayor Eriksson invited public comment.

The following members of the public addressed the City Council:

Kelli Estes requested that all Council meetings be attended by Council Members and the City Attorney in Council Chambers with a video feed; noted issues with certain Council Members fading in and out; discussed concern with being able to see whether Council Members are actively engaged during public comments; discussion between Council Members; she asked that the number of online attendees be listed in the meeting minutes, with minutes made available before the next occurring regular or special meeting; she pointed out that many people were not on Facebook of NextDoor and therefore were not aware of items being rushed through; and she suggested cutting back on repetitive Facebook ads and adding monthly mailers to alert people to meetings and topics to be discussed.

Sebastian Hernandez asserted that the Culver City Action Network (CCAN) condemned the appointment of Culver City Police Department (CCPD) Lieutenant Luis Martinez as an affront to the very nature and goals of the Equity and Human Relations Advisory Committee (EHRAC); asked that the situation be rectified immediately; discussed the involvement of Lt. Martinez in the shooting of an unarmed Black man; and he felt that the appointment was a serious attack on the power and the efficacy of the Committee.

Freddy Puza, Protect Culver City Renters (PCCR), asked the City Council to protect strong rent stabilization and protections for renters at the August 17 City Council meeting; discussed the number of Culver City residents who rent, and the number of rent-burdened residents; statistics regarding rent increases vs. wage increases over the past ten years in Culver City; renters at risk of displacement; impacts to CCUSD with a loss of students due to affordability issues; benefits of rent stabilization; vulnerability during economic downturns; concern with protecting "Mom and Pop" landlords; the intent to allow for a fair and reasonable return on investment while eliminating abuse of the system; and concern with destabilizing the community and further widening economic inequality.

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Receipt and Filing of Correspondence

Mayor Eriksson indicated that Council Members had been provided with 61 pages of correspondence received before 3:00 p.m.

MOVED BY VICE MAYOR FISCH, SECONDED BY COUNCIL MEMBER SAHLI-WELLS AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL RECEIVE AND FILE CORRESPONDENCE.

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Consent Calendar Items

Item C-3
(Out of Sequence)

CC - (1) Approval of an Agreement with MDJ Management in an Amount Not-to-Exceed \$103,250.04 for the Remodel of the Rotunda Room at Veteran's Memorial Auditorium; and (2) Authorize \$10,325.00 in Change Order Authority for the Public Works Director/City Engineer

MOVED BY COUNCIL MEMBER SAHLI-WELLS, SECONDED BY VICE MAYOR FISCH AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL:

1. APPROVE AN AGREEMENT WITH MDJ MANAGEMENT IN AN AMOUNT NOT-TO-EXCEED \$103,250.04 FOR THE REMODEL OF THE ROTUNDA ROOM AT VETERAN'S MEMORIAL AUDITORIUM; AND,
2. AUTHORIZE \$10,325.00 IN CHANGE ORDER AUTHORITY FOR THE PUBLIC WORKS DIRECTOR/CITY ENGINEER; AND,
3. AUTHORIZE THE CITY ATTORNEY TO REVIEW/PREPARE THE NECESSARY DOCUMENTS; AND,
4. AUTHORIZE THE CITY MANAGER TO EXECUTE SUCH DOCUMENTS ON BEHALF OF THE CITY.

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Item C-1

CC - Adoption of a Resolution (1) Approving an Amended Assessment Engineer's Report ; and (2) Confirming the Levy and Collection of Municipal Refuse, Recycling and Organics Handling Fees, Effective July 1, 2020

Council Member Sahli-Wells noted that due to various factors beyond the control of the City, refuse costs had gone up exponentially, but due to internal cutbacks and adjustments made by staff, no rate increase was recommended.

MOVED BY VICE MAYOR FISCH, SECONDED BY COUNCIL MEMBER SAHLI-WELLS AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL: ADOPT A RESOLUTION (1) APPROVING AN AMENDED ASSESSMENT ENGINEER'S REPORT; AND (2) CONFIRMING THE LEVY AND COLLECTION OF MUNICIPAL REFUSE, RECYCLING AND ORGANICS HANDLING FEES, EFFECTIVE JULY 1, 2020.

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Item C-2

CC - Approval of and (if Desired) Direction Related to the Finance Advisory Committee Work Plan

Mayor Eriksson invited public input.

The following members of the public addressed the City Council:

Andrew Lachman, Finance Advisory Committee (FAC) Chair, spoke in support of the report; discussed improved government efficiency and creation of an employee recognition program; ways to help the City explore ideas of improving government efficiency; ways to raise money; spending money more efficiently; work done around the Real Estate Transfer Tax; representation of a variety of viewpoints; and working to think creatively.

Darrel Menthe, FAC Vice Chair, pointed out that a Review of the Bylaws had been added to the Workplan to create intentional diversity and equity goals on the FAC; noted current requirements for a breadth of experience on the FAC; the need to pay attention to equity; a new law requiring female representation on every Board of Directors in California; a recommendation to the City Council to include an equity component in the bylaws; gender equity; and becoming a model for other cities.

Council Members discussed appreciation for the work of the FAC; support for increased diversity in all bodies; acknowledgement of the importance of paying attention; revisiting the workplan after the November election; the ability to revisit the living document as needed; and feedback to the Committee from the City Council.

MOVED BY COUNCIL MEMBER SMALL, SECONDED BY VICE MAYOR FISCH AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL: APPROVE THE REVISED FAC WORK PLAN WITH THE POTENTIAL TO REVISIT THE WORKPLAN AFTER THE NOVEMBER 2020 ELECTION.

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Order of the Agenda

No changes were made.

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Action Items

Item A-1

CC - Discussion and Direction Regarding Extension of the Residential and Commercial Tenant Eviction Moratoria Beyond August 31, 2020

Heather Baker, Assistant City Attorney, provided a summary of the material of record.

Mayor Eriksson invited public comment.

The following members of the audience addressed the City Council:

Darrel Menthe, Downtown Business Association, noted that businesses had been in crisis mode due to the pandemic; discussed the importance of the outdoor dining program; the prolonged pandemic; the importance of assuring people that the moratorium would run for the duration of the Coronavirus Emergency in Culver City; enabling compliance for people who are ordered to stay home by ensuring a place to stay; sharing in the economic uncertainty; and he urged the City Council to do what other cities have done and extend the moratorium for the duration of the local emergency.

Yasmine-Imani McMorris expressed support for the extension of the moratorium; discussed the length of the pandemic vs. the length of the moratorium; and she encouraged allowing people to stay in their homes during the pandemic

Discussion ensued between staff and Council Members regarding a potential tsunami of evictions; costs related to displacing people; consistency with state guidance; the importance of continuing the moratorium; appreciation to the Mayor for bringing forward an initiative for relief funding; ways to help people pay their rent; the HEROES ACT; federal assistance; a suggestion to reassess the situation at the start of September; the marked lack of compliance with public health orders and negative effects on others; support for extending the moratorium for the length of the emergency; a suggestion to create a subcommittee for further discussion to address the length of the moratorium and creation of an exit strategy; and direction to write the September staff report in a way that provides for a more open discussion of the item.

MOVED BY COUNCIL MEMBER SAHLI-WELLS, SECONDED BY COUNCIL MEMBER SMALL AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL: APPROVE THE EXTENSION OF THE RESIDENTIAL AND COMMERCIAL TENANT EVICTION MORATORIA AS DISCUSSED WITH DIRECTION TO STAFF TO BRING THE ITEM BACK FOR ADDITIONAL DISCUSSION ON SEPTEMBER 14, 2020, OR AT AN EARLIER MEETING IN SEPTEMBER IF THERE IS ONE.

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Item A-2

CC - (1) Adoption of a Resolution to Place on the November 3, 2020 General Election Ballot One Ballot Measure Amending Culver City Municipal Code Section 3.08.400 to Increase the Real Property Transfer Tax on Real Property Transfers or Sales of \$1,500,000 or Greater, Authorizing the City Council and/or Certain Council Members to Submit Primary Ballot Arguments Regarding the Ballot Measure, and Approving Rebuttal Arguments; (2) Potential Creation and Appointment of City Council Members to an Ad-Hoc Subcommittee to Draft and/or Submit Such Ballot Argument(s); (3) Instruction to the City Clerk to Post a Notice Setting the Date After Which No Arguments May be Submitted; and (4) Instruction to the City Attorney to Prepare the Impartial Analysis for the Ballot Measure

Council Member Small indicated that he had been reviewing Item A-2 to ascertain whether he had any conflict of interest based

upon his employment; he reported consultation with the City Attorney prior to first discussing the matter at the special City Council meeting of July 27, 2020 and he determined that he could participate in the discussion as well as vote, noting that under the Public Generally Exception in the Fair Political Practices Regulation 18703e1, he was permitted to participate in the decision in particular as it involves the establishment of taxes as it would be applied proportionally to properties in the City.

Jesse Mays, Assistant City Manager, provided a summary of the material of record.

Discussion ensued between staff and Council Members regarding formulating a plan to communicate the marginal tax to the public; naming of the measure; clarification that two cities cannot use the same ballot letter at the same time; the deadline to request a letter for the measure; the ability of the City Council to delegate the decision; calculations on the amount of money generated annually at the old rate vs. the new rate; the projection for additional revenue; development of the tax brackets; input from the FAC; commercial vs. residential properties; and price points.

Mayor Eriksson invited public comment.

The following members of the audience addressed the City Council:

Max Gabl discussed sacrifices made to own a home; changes and increased costs; the impact of the Coronavirus; property values; retirement costs; and he proposed that the City instead focus on creating jobs.

Kelli Estes discussed the extension of the eviction moratorium; other recently approved tax increases; concern with tax and spend; overwhelming public comment against the proposal; the Culver City rate vs. rates in nearby cities; concern with the enthusiasm of City staff to increase taxes; residents who purchased property as a retirement plan; consultant reports; residents not receiving the services they pay for; she felt that taxpayers should not be carrying employees; noted the regular addition of new programs while repairs are being ignored; and she felt that the City Council was misleading citizens.

Luke Freeborn discussed the major burden of real estate taxes on buyers and sellers; negative impacts of costs on economic

development; volatility of taxes and fees, making them a poor revenue source for general operating costs; asserted that the proposed tax would be an arbitrary levy with owners having to increase rents to counterbalance costs; felt the City should better manage funds rather than continue to increase taxes; discussed adding another level of bureaucracy with rent control; driving people out of the City; selling the proposal as a tax on the rich and then lowering the marginal rate to hit every owner; and he expressed concern with driving up prices.

Keith Jones provided background on himself; expressed opposition to the proposed tax; discussed the actual proposed increase; comparisons with other municipalities in California; concern with adding a burden to people during the pandemic; consideration of the tax proposal when the Mayor was unable to attend the meeting; he asserted that the measure would be taking money away from seniors who rely on their homes for retirement; and he proposed that the ballot measure be entitled Measure FU.

Khin Khin Gyi chose not to speak.

Andrew Lachman discussed careful examination of the proposal by the FAC; efforts to ensure the measure would not affect the average homeowner or dissuade entry level or mid-level housing in Culver City; level of support of the issue by the FAC; average costs of a single-family home in Culver City; General Law Cities vs. Charter Cities in California; he asserted that the tax would not affect most homeowners and was instead, a mansion tax; discussed time constraints; the decision made in 1978 to be a low-property tax city; rates of return compared to other cities in Los Angeles; the major change in state law on the rate of return; appreciation to the subcommittee for taking FAC suggestions into consideration; day-to-day affects to people; he asserted that the FAC felt it was a reasonable approach that minimized the affect due to the economy; and he expressed appreciation for promoting more housing stock in the City.

Kimberly Ferguson expressed agreement with Keith Jones, Luke Freeborn and Kelli Estes; felt that the resolution should not go on the ballot and, at the most, the rate should be 2.5% for \$10 million and up; noted difficulties with finding comparisons; suggested separating out private and commercial; and she hoped the City Council would reconsider bothering with the measure.

Colin Diaz discussed the process; the statement made by the Mayor about taking a break from the middle of July through the middle of August; recognizing fatigue; transparency; special,

last minute meetings; he questioned why Vice Mayor Fisch waited until July 13 to move forward on the tax; and noted the importance of providing people with enough time to participate.

Vice Mayor Fisch expressed surprise that the President of the Culver City Chamber of Commerce would speak against a tax that would potentially mitigate a future business license tax; discussed process; length of time until the election; and transparency.

Cary Anderson discussed taxes in Culver City over the past several years; comparisons with other cities; labelling of the proposed tax as a "mansion tax" by Andrew Lachman; income property for retirement; painting the tax as "for the other guy"; and he expressed concern with inconsistencies.

Kevin Lachoff thanked staff for their work in a very short time; expressed concern that the process had been a manufactured emergency; clarified that Colin Diaz had expressed frustration with the process and had not commented in support or opposition to the proposed property tax initiative; he expressed concern that not enough time had been allowed for the FAC to offer meaningful input; concern that the decision was made to move forward without a full City Council; discussed the suggestion that FAC Members make public comment if there was not time to convene a meeting; online meetings; and concern with transparency.

Discussion ensued between staff and Council Members regarding the FAC recommendation; the effective tax rate; the emergency situation; placing the measure on the ballot; appreciation to Vice Mayor Fisch for his suggestion that the tax could be used as a tool to save the community from further damage; the compressed timeline for the important issue; the over-dependence of the City on sales tax; progressive vs. regressive taxes; paying your fair share; the business license tax; process concerns; demonstrated need; extraordinary services provided by the City over time and especially during the pandemic; fairness of the marginal rate; complexity of the process; appreciation to staff for their extraordinary efforts; the projected shortfall due to pensions before the pandemic hit; the increased number of meetings due to the crisis; current property tax rates; characterizing the City Council as not listening to the public; acknowledging a segment of the public that has not traditionally been heard; subcommittee meetings in the middle of the day; the need to recognize the economic crisis and changes that need to be made to address it; the dynamic nature of the

times; addressing deficiencies in the General Fund; the rate tied to most of the property owners in the City; voter education; the need for efficient taxation; paying the tax when liquid; clarification that 70% of all sales will see no changes; adding new tiers above the \$1.5 million level; deferred maintenance of City facilities; allowing the people to decide; staff and Council Members interrupting vacations in order to take care of business; details to be addressed; having the subcommittee write the ballot argument; concern with the process; effects on those who have to pay the tax; concern with increased taxes reflected in rents; waiting for the next election cycle; enacting a tax on small property owners; concern that not enough research has been done; the economics of how rent prices are set; ensuring long-term sustainability of the City; important exemptions; new housing; unintended consequences; ensuring that the brackets and percentages are correct; comparisons with other cities; Culver City as an outlier; solving structural problems; addressing budget issues; engaging in a well-thought out process; research already done; The Luskin School; appreciation to the FAC for their consideration of the matter; timing; the Presidential election; the tax as a disincentive to sell large properties; concern with affordability and access; the urgency of the matter; real estate as a wealth creator; retirement plans; the decision that will be made by voters in November; concern with irreparable harm to the City; property values; protecting City assets; the statement by Governor Newsome that business cannot thrive in a society that is failing; participation in supporting the City; frustration expressed by the FAC with the last minute consideration of the issue; and different conclusions about the best way to move forward.

MOVED BY VICE MAYOR FISCH AND SECONDED BY COUNCIL MEMBER SAHLI-WELLS THAT THE CITY COUNCIL:

1. ADOPT THE RESOLUTION TO PLACE ON THE NOVEMBER 3, 2020 GENERAL ELECTION BALLOT ONE BALLOT MEASURE AMENDING CULVER CITY MUNICIPAL CODE SECTION 3.08 TO INCREASE THE REAL ESTATE TRANSFER TAX ON REAL PROPERTY TRANSFERS OR SALES OF \$1,500,000 OR GREATER; AND,
2. AUTHORIZING THE CITY COUNCIL AND/OR CERTAIN COUNCIL MEMBERS TO SUBMIT PRIMARY ARGUMENTS REGARDING THE PROPOSED BALLOT MEASURE, AND AUTHORIZING THE CITY COUNCIL AND/OR CERTAIN COUNCIL MEMBERS TO SUBMIT REBUTTAL ARGUMENTS REGARDING THE PROPOSED BALLOT MEASURE.

THE MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: FISCH, LEE, SAHLI-WELLS, SMALL
NOES: ERIKSSON

MOVED BY VICE MAYOR FISCH, SECONDED BY COUNCIL MEMBER SAHLI-WELLS AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL: FORM AN AD HOC SUBCOMMITTEE AND APPOINT VICE MAYOR FISCH AND COUNCIL MEMBER SMALL THERETO FOR THE PURPOSE OF DRAFTING OF THE PRIMARY BALLOT ARGUMENT(S).

Discussion ensued between staff and Council Members regarding whether to require that the subcommittee return to the City Council and agreement that since the measure is not unanimous it makes sense to go out to the community.

MOVED BY VICE MAYOR FISCH, SECONDED BY COUNCIL MEMBER SMALL AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL AUTHORIZE THE SUBCOMMITTEE TO SUBMIT THE PRIMARY BALLOT ARGUMENT BY THE FILING DEADLINE OF 5:30 PM ON AUGUST 14, 2020.

MOVED BY COUNCIL MEMBER SMALL, SECONDED BY COUNCIL MEMBER LEE AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL AUTHORIZE SUCH SUBCOMMITTEE TO ALSO SUBMIT THE REBUTTAL ARGUMENT BY THE FILING DEADLINE OF 5:30 PM ON AUGUST 24, 2020.

MOVED BY VICE MAYOR FISCH, SECONDED BY COUNCIL MEMBER SMALL AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL:

1. DIRECT THE CITY CLERK TO POST A NOTICE SETTING THE DATE AFTER WHICH NO ARGUMENTS MAY BE SUBMITTED; AND
2. DIRECT THE CITY ATTORNEY TO PREPARE THE IMPARTIAL ANALYSIS FOR THE BALLOT MEASURE.

Discussion ensued between staff and Council Members regarding drafting an opposing argument; the process for drafting arguments in favor of and against the measure; multiple arguments for or against the measure; order of priority for multiple submissions; the deadline; submission information; additional information and forms available at culvercity.org/vote; clarification that those interested in submitting an argument need to call (310) 253-5851 to set an appointment; appointment procedures; and support for having the subcommittee decide on the name.

MOVED BY COUNCIL MEMBER SAHLI-WELLS, SECONDED BY VICE MAYOR FISCH AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL ALLOW THE

SUBCOMMITTEE TO MAKE A DETERMINATION FOR LETTER DESIGNATION CHOICE.

Responding to inquiry, Jeremy Green, City Clerk, explained procedures for submitting rebuttal arguments noting that information would be sent out via govdelivery, posted on social media, and published in the Culver City News on August 6, 2020.

Discussion ensued between staff and Council Members regarding the ability of Mayor Eriksson to write the rebuttal; clarification that the City Council can only write one argument; that the Mayor can participate as part of a group or as an individual; clarification regarding the rebuttals and the arguments for and against; and encouragement to anyone with questions to reach out to the City Clerk's Office for further clarification or for examples from previous elections.

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Public Comment - Items Not on the Agenda

Mayor Eriksson invited public comment.

The following member of the public was called to speak:

Ron Bassilian discussed the number of items coming up for consideration at the last minute; the Defend Don't Defund the Police campaign; signs being stolen; concern raised regarding a Culver City Police Lieutenant serving on the EHRAC; he encouraged the City Council to present the facts of the case before taking action; expressed concern regarding a nationwide campaign to defund the police; increased levels of crime; and a recent report of a Culver City police officer shot in the leg.

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Items from Council Members

Council Member Sahli-Wells indicated that video capabilities might be available for the August 10, 2020 City Council meeting and she thanked staff for their efforts.

Vice Mayor Fisch thanked everyone for their participation in the process and he expressed gratitude for the ability to serve.

Jeremy Green, City Clerk, announced upcoming City Council meetings.

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Council Member Requests to Agendize Future Items

Council Member consensus was achieved to consider a resolution regarding the gas storage facility in Playa del Rey.

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Adjournment

There being no further business, at 10:17 p.m., the City Council adjourned to a regular meeting on August 10, 2020 at 7:00 p.m.

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Jeremy Green
CITY CLERK of Culver City, California
Culver City, California

GÖRAN ERIKSSON
MAYOR of Culver City, California

Date: _____