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CITY OF CULVER CITY FINANCE ADVISORY COMMITTEE

SPECIAL MEETING OF THE
CITY OF CULVER CITY
FINANCE ADVISORY COMMITTEE
CULVER CITY, CALIFORNIA

September 11, 2024
7:00 p.m.

CALL TO ORDER & ROLL CALL

Chair Lachman called the special meeting of the City of Culver City Finance Advisory Committee to order at 7:05 p.m. in the Rotunda Room at Veterans Memorial Building.

Members Present: ANDREW LACHMAN, Chair
 MARC BAUER, Vice Chair
 LEIGH AUSTIN, Member
 ANISSA DI VINCENTE, Member
 JOHNNIE GRIFFING, Member
 KEITH JONES, Member*
 KEVIN LACHOFF, Member
 VIKRAM THAKUR, Member

*Member Jones arrived at 7:35 p.m.

Staff Present: Elizabeth Shavelson, Financial Systems and
 Purchasing Manager
 Michael Towler, Finance Manager
 Melody Dysim, Revenue and Budget Supervisor
 John Figueroa, Senior Account Clerk

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Chair Lachman provided background on the Finance Advisory Committee and their duties.

Pledge of Allegiance

Member Lachoff led the Pledge of Allegiance.

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Receipt and Filing of Correspondence

None.

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Presentations

Item P-1

A Public Conversation on Affordable Housing Best Practices with Experienced Local Affordable Housing Practitioners: Tara Barauskas, Executive Director with Community Corp. of Santa Monica, Oscar Alvarado, Vice President with Century Housing, Alicen Bartle, Project Development Administrator with the City of West Hollywood; and Natalie Verlinich, Housing Manager with the City of Santa Monica

Chair Lachman introduced the item; discussed meeting procedures; learning from what others are doing; the need to build 3,341 housing units by 2029, 80% of which are affordable housing; the role of cities and other entities to build affordable housing in their communities; he noted that meeting participation was limited to in-person only, but the meeting would be recorded and made available to the public; indicated that the Affordable Housing Ad Hoc Subcommittee was formed to create the speaker series on the economics of affordable housing; discussed meeting format; and he introduced Vice Chair Bauer and Member Austin, thanking them for their efforts.

Vice Chair Bauer provided background on himself; thanked everyone for coming; and he introduced presenters.

Member Austin discussed the presenters from comparable cities chosen intentionally and asked about what affordable housing meant in West Hollywood and what initiatives they were working on.

Alicen Bartle, Project Development Administrator with the City of West Hollywood, provided background on West Hollywood; discussed the founding of West Hollywood; the mostly rent controlled city; the percentage of people living in rent stabilized housing; what affordable housing is in West Hollywood; covenants on properties that govern long-term affordability; city funding that subsidizes lower rents and lower costs; cross subsidies with other sources; leveraging tax credit financing; and the inclusionary housing program.

Oscar Alvarado, Vice President with Century Housing, provided background on the organization; discussed lending resources; housing built over the last 25 years

that they have supported; capital in the form of acquisition loans for the development of affordable housing; development work; the specialty in larger master plan communities; 1,200 homes being developed on the West Los Angeles Veterans Administration (VA) campus for homeless veterans; and a recent ruling mandating that the VA create an additional 1,800 homes.

Tara Barauskas, Executive Director with Community Corp. of Santa Monica, provided background on the organization; discussed expansion of services to other cities; providing permanent affordable housing; the successful model utilizing partnerships; the need for a lot of money, patience, and problem solving; ways cities can be good community partners; financial support; Regional Housing Needs Assessment (RHNA) requirements; working with non-profits to keep housing affordable long-term; financial resources; streamlining; the by-right process; the land use entitlement process; meeting funding guidelines; tax credits; compromises needed when working with other partners; differing priorities; and working together toward a goal.

Member Austin asked for clarification on the definition of affordable housing to provide a clear understanding of what affordable housing is to allow people to approach projects as an educated community member.

Natalie Verlinich, Housing Manager with the City of Santa Monica, provided background on their history and goals; discussed preserving naturally affordable housing; available tools; Housing Trust Funds; guidelines; deed restricted units; extension of the traditional 55-year covenant to 90 years; area median income; and working individuals living in affordable units who would not otherwise be able to live in Santa Monica.

Discussion ensued between presenters, staff, and Committee Members regarding Schedule A; guidelines for annual median income (AMI); income required to qualify for housing; income inequality; the rising cost of rents that incomes cannot keep up with; maintaining diversity in the community; teachers and storekeepers; the huge need; and examples of projects to learn from.

Member Jones joined the meeting.

Oscar Alvarado, Vice President with Century Housing, discussed their partnership with Long Beach; the Uptown Anchors project; phases; funding sources; money committed to the project; donation of city land to the affordable housing project; the cooperative project; lack of a requirement for City Council approval for 100% affordable projects; the entitlement process; and the waiver of most impact fees and plan check fees.

Tara Barauskas, Executive Director with Community Corp. of Santa Monica, discussed the feeling that every project is a victory; unique challenges that arise; the theme of partnership and working together toward a goal; Pacific Landing in

Santa Monica; debate on the proper location for affordable housing; the importance of community partnerships; working together to build affordable housing with things that benefit the community; LEED Platinum projects; challenges with the pandemic; and successful project with a modern design.

Alicen Bartle, Project Development Administrator with the City of West Hollywood, discussed the community desire for a higher level of production; length of time from funding a project to project completion; utilizing city land to fast track processes; RFPs (Request for Proposals); work done with non-profits; partnerships; funding for viable sites; meeting housing requirements; and openness to new developments.

Natalie Verlinich, Housing Manager with the City of Santa Monica, discussed the importance of a large internal and external team to complete projects; an underused parking lot with a historical building on the site that became The Laurel; federal funds involved; challenges; incorporation of the historical building into the project; city owned sites as part of the Housing Element; and lessons learned through the evolving RFP process.

Vice Chair Bauer discussed myths about affordable housing; the complicated affordable housing finance area; and he requested an overview of where the money comes from for affordable housing projects.

Tara Barauskas, Executive Director with Community Corp. of Santa Monica, discussed multiple funding sources required; permanent affordable housing; the low-income housing tax credit; construction costs; government funding sources; competitive funding sources for affordable housing; length of the process; working with different agencies whose processes do not align; tax credits; City funding; conventional funding; affordable housing targeted to lower income residents; cost range for rents; the difficulty of providing affordable housing for a small number of units; buildings as individual business entities that must maintain themselves over time; soft loans that can be paid over time; the importance of long-term funding; ensuring buildings operate well; and maintenance and insurance.

Oscar Alvarado, Vice President with Century Housing, discussed scarce and competitive funding sources; risks; limited resources; and multiple worthy projects.

Discussion ensued between presenters and Committee Members regarding determining where to allocate resources; the Housing Element; Housing Trust Fund Guidelines; processes; addressing needs of the community and costs efficiently; review by an internal loan committee; acquisition and pre-development loans; interest rates; reducing costs for developers; permanent loan commitments; determining financial feasibility; in lieu fees; inclusionary housing; development agreement negotiations; City Council leadership; prioritizing funding for affordable housing; digital billboard revenue in West Hollywood; use of surplus funds to build affordable housing; the shift to focus on building housing; local measures to create

a dedicated funding source for affordable housing; available state resources; trust fund match dollars; and the need to be assertive and chase available resources.

Additional discussion ensued between the presenters and Committee Members regarding land; city assets; city-owned land or land owned by public agencies; RFPs; meeting city goals for affordable housing; partnerships with developers; city control over the project; development strategy; infill developments; redevelopment of the Rancho San Pedro public housing site; partnerships between developers and public agencies; negotiation; larger scale communities; non-housing infrastructure; making use of private properties; competition on the open market; paying market rates; additional requirements with government funding; payment of prevailing wages; meeting higher standards; public policy decisions; tax credits for the loan; Community Redevelopment requirements; difficulty finding land suitable for affordable housing on the westside; church partnerships; and underutilized land.

Further discussion ensued between presenters and Committee Members regarding faith-based partnerships; the Jubilo Village project; partnership with Culver-Palms United Methodist Church; people leaving Culver City because they cannot afford to live there; the application process to live in affordable housing projects; redevelopment of the church; planned features; potential programming; the location; funding; articles and information about the project; length of the project; the entitlement process; work with the community; funding committed by Culver City; project-based vouchers; Upward Bound House; determining the population of affordable housing projects; the process to become a tenant; leasing; waiting lists; income criteria and documentation; the general call; application submission; and the randomized lottery.

Discussion ensued between the presenters and Committee Members regarding the wait list for the large portfolio of affordable units in Santa Monica; the live/work priority; evictions; people who get a raise and get above the income threshold; income qualification; recertification; providing permanent housing; rent increases; published rent limits; rent control vs. affordable housing; clarification that people are not evicted if they lose their job; ownership of the land; affordable housing vs. permanent supportive housing; tools to address homelessness; types of housing available; social services and wrap around services to ensure that the buildings are successful; finding the right population mix for success; mixed projects with market rate and affordable units; inclusionary housing requirements; density bonuses; the state density program; developer benefit; concessions or waivers; the intent that there is no discernable difference between the affordable units and the market rate units; using market-rate units to get affordable units; and controversy with inclusionary housing.

Additional discussion ensued between the presenters and Committee Members regarding affordable housing addressing climate change; taking a leadership role; providing green housing; providing a healthier environment; filtration and other

measures to contribute to better air quality in homes; decarbonization of the affordable housing portfolio; increasing energy efficiency; allowing people to live in the community they work in; live/work priority; improving quality of life; dedicated funding sources; existing housing trust fund loans; residual receipts; the affordable development for artists in West Hollywood; origin of the trust fund and length of time to build it; artists; protected categories; marketing approaches; transition age youth; ADUs (Accessory Dwelling Units); and pilot programs.

Further discussion ensued between the presenters, staff, and Committee Members regarding questions about specific projects in Culver City; whether there were affordable developers attending the meeting; public input and the ability for people to submit their ideas about the gun store to culvercity.org/11029washington; staff agreement to consider responses to questions submitted; benefits of building affordable housing; allowing housing opportunities for people at all income levels; keeping families in the City; inclusion in City planning; testaments from other small cities, the commitment made, and the resulting benefits; appreciation to the moderators and participants; the ability for people to submit additional questions; and input and ideas for future conversations.

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Consent Calendar Items

Item C-1

Approval of the Minutes for the Finance Advisory Committee Meeting of July 10, 2024

THE FINANCE ADVISORY COMMITTEE APPROVED THE MINUTES FOR THE FINANCE ADVISORY COMMITTEE MEETING OF JULY 10, 2024 AS WRITTEN.

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Public Comment – Items NOT on the Agenda (Continued)

Chair Lachman invited public comment.

The following member of the public addressed the Finance Advisory Committee:

Crystal Rivers indicated serving on another neighborhood Council; reported living in an affordable housing unit; expressed disappointment with incorrect statements made about rent increases; discussed the 10% rent increase planned for the next year; she questioned how the ridiculous rent increases in affordable housing would be addressed; she felt that affordable housing was a scam; noted the original 3%

rent increase discussed, but 7% increase imposed; and reported people that were moving into an RV because they could not afford the increased rents.

James Richardson expressed appreciation for the information provided; asked about the way money is allocated for housing; discussed Universal Basic Income; he pointed out that if the income problem were solved they would not have to worry about building affordable housing; and he questioned what would be done to create funding for a community Wall Street.

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Items from Committee Members/Staff

Chair Lachman thanked staff and Committee Members for their work on the presentation.

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Adjournment

There being no further business, at 8:50 p.m., the City of Culver City Finance Advisory Committee adjourned their meeting to a special meeting to be held on September 25, 2024.

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John Figueroa
SECRETARY of the Culver City Finance Advisory Committee
Culver City, California

APPROVED

Andrew Lachman
CHAIR of the Finance Advisory Committee, Culver City, California

I declare under penalty of perjury under the laws of the State of California that, on the date below written, these minutes were filed in the Office of the City Clerk, Culver City, California and constitute the Official Minutes of said meeting.

Jeremy Bocchino
CITY CLERK

Date