

THESE MINUTES ARE NOT OFFICIAL
UNTIL APPROVED BY THE CITY COUNCIL

SPECIAL MEETING OF THE
CITY COUNCIL
CULVER CITY, CALIFORNIA

February 12, 2019
6:00 p.m.

Call to Order & Roll Call

Mayor Small called the special meeting of the City Council to order at 6:00 p.m. in the Mike Balkman Chambers at City Hall.

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

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Invocation/Pledge of Allegiance

John Nachbar, City Manager, led the invocation and the Pledge of Allegiance was led by Marla Koosed.

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Community Announcements by City Council Members/Information Items from Staff

Jeremy Green, City Clerk, informed viewers of issues with intermittent wifi and cable broadcast issues, and she added that the parking gate would be open as the parking validation machine was not working.

Council Member Eriksson reported his appointment by the National League of Cities to serve as Chairman of the Aviation Subcommittee.

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Joint Public Comment - Items Not on the Agenda

Mayor Small invited public comment.

No cards were received and no speakers came forward.

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Receipt and Filing of Correspondence

MOVED BY COUNCIL MEMBER LEE, SECONDED BY COUNCIL MEMBER FISCH AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL RECEIVE AND FILE CORRESPONDENCE.

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Order of the Agenda

No changes were made.

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Consent Calendar

None.

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Public Hearings

None.

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Action Items

Item A-1

(1) Discussion of Policy Recommendations from the City Council Short Term Rentals Subcommittee Related to Short Term Residential Rentals; and (2) Direction to the City Manager on the Development of a Short Term Residential Rentals Ordinance

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

Mayor Small invited public comment and explained procedures for public speaking.

The following members of the audience addressed the City Council:

Joe Stone requested clarification regarding duplexes, apartments and triplexes.

Jesse Mays, Assistant to the City Manager, read the recommendations with regard to duplexes, triplexes and apartments.

Joe Stone received clarification that duplex, apartment and triplex owners can only host inside their unit; he indicated that he is a host and felt the proposed recommendations were fair; he did not want to see caps but agreed with permit requirements; he did not agree with the restrictions on triplexes and duplexes; he discussed his history of short term rentals and his plans for retirement; income for the cleaning crew he uses; he noted concerns expressed by the City with taking long term rentals off the market; and he felt that the policy should be consistent for both ADUs, duplexes and triplexes.

Aimee Caldwell reported hosting in her primary residence as a roommate source; she did not want to see a cap instituted; and she expressed agreement with the staff proposal.

Penny Brill expressed agreement with the staff proposal and questioned what the Transient Occupancy Tax (TOT) and licensing fees would be.

John Choi, Airbnb, expressed support for the City and willingness to work together; indicated agreement with tax collection; noted that Airbnb is located at One Culver; indicated that he would not be able to stay for the entire meeting; reported difficulties verifying hosted vs. non-hosted caps; felt that quality of life concerns could be addressed with strong enforcement; he discussed other cities that have enacted separate party house ordinances; he discussed the proposal to consider short term rentals in ADUs; expressed support for Option B that allows the maximum number of units to be built; discussed federal and local standards regarding

duplexes, triplexes, quads and single family homes; he felt that the ability to rent those units for short term and long term is important; and that plus one is a good compromise.

Discussion ensued between Mr. Choi and Council Members regarding incentives for ADUs in other jurisdictions; increased numbers of ADUs; the ability for short term use as a primary driver for homeowners to invest the time and capital for the process; increased numbers of application permits for ADUs in Los Angeles; and cities considering incentives.

Justin Hughes provided background on himself and discussed his positive experiences as a host; he felt that hosts should be accountable; noted that he uses Noise Aware; discussed vetting of guests; he wanted to see an allowance for non-primary residences; he felt the approach was fair and balanced; wanted to see short term rentals allowed; and he wanted to see a one to one ratio permit to single unit whether or not it is a primary residence.

Chuck Clemente provided background on himself; indicated that he is a Super Host for Airbnb; discussed his duplex; expressed concern with the proposed restriction on owners of triplexes and duplexes; and he suggested grandfathering in those already engaged in short term rentals if the City chooses to impose restrictions.

Arthur Russell expressed opposition to short term rentals in the community as R1 communities are residential, not business zones, and he expressed concern with changing the tone of the community.

Marla Koosed suggested additional vetting by the Planning Commission noting their lack of involvement in the process; she felt the initial guidelines should be a bit stricter and could be relaxed if need be; she discussed impacts to Culver City; and she indicated previous submission of comments to Council Members regarding items that she is in agreement with.

Robert Zirgules, Short Term Renters Association of Culver City, reported staying at Airbnbs all over the world; he asked the City Council to address speculators buying places for short term rentals; expressed concern with long term renters being evicted for speculator purposes; suggested that those who have worked hard to fix up their homes to be used for Airbnb rentals be grandfathered in; he discussed license fees; reported that he pays his taxes through his businesses and

questioned what new procedures would entail; he noted that Mr. Russell was not aware that there is an Airbnb on his block; and he reported that his neighbors were not aware of his Airbnb.

Kathy McConkey discussed her use of a portion of her home as an Airbnb; noted that Airbnb allowed her to have affordable housing; she suggested that the definition of ADUs be included in the guidelines; discussed increasing housing stock; license fees; and she expressed support for the recommended proposal.

Jean Ballantine reported using a portion of her residence for Airbnb; expressed concern with rental units being taken off the market; she discussed not allowing Airbnb to run commercial operations; concerns with mansionization; increases to affordable housing; and she asserted that the use of second story units over garages for short term rentals runs contrary to the intent to create affordable housing so she recommended that not be allowed.

Gabby Monzon, City Clerk Specialist, read written comments submitted by:

Stephen Paull

Discussion ensued between staff and Council Members regarding as yet undetermined permitting fees; use of permitting fees for cost recovery; costs for staff time; clarification that there are no plans to increase the TOT and that any changes would have to go before the voters; other area cities with a defined fee structure for licenses; the effect of the level of enforcement necessary on fees; fees vs. taxes; accessory residential structures; illegal improvements; structures that are not permitted for residential use; City review of safety standards to allow someone to stay overnight; permit history of the home; staff time required for review of permits; enforcement; complaint driven enforcement; spot checks; the primary residence requirement to discourage speculators; grandfathering in existing Airbnbs; clarification that grandfathering is something that is used to continue a legal use that becomes illegal whereas this has always been illegal; the inability to come up with a solution that works for everyone; incentivizing improvements and compliance; phasing in regulations; upgrading accessory structures into code compliance; incentivizing the creation of housing; special permits required vs. business licenses; uniformity of policy; duplexes and triplexes; the housing crisis; maximizing long

term rental opportunities; the unique nature of ADUs; a suggestion to put a cap on ADU rentals to accommodate those families that use the income but will never make the accessory dwelling into a full time rental; and options to encourage long term affordable housing.

Council Member Lee reported serving on the Short Term Rental Subcommittee with Council Member Fisch; expressed appreciation to staff for their efforts on the item; noted that most of the people who participated in the process are hosts; discussed incorporating the concerns of non-hosts; and concern with unasked questions.

Additional discussion ensued between staff and Council Members regarding the original Task Force to address the issue; concern with the potential to change R1 neighborhoods; accommodating a multi-national corporation that does not comply with local laws; balancing interests; annual permits; the primary residency requirement; the need for more housing in Culver City; requiring that the host be onsite; use of host representatives and availability; the 90 day cap; data from Airbnb indicating that average hosting in Culver City is 90 nights per year; increased permit costs for additional nights; a suggestion to require a business license for rentals above a certain number of days per year as then it becomes a business; number of incidents before a permit is provoked; level of infraction; affordable housing vs. attainable housing; opposition to allowing ADUs for short term rentals; units with affordable housing covenants; whether the City would accept denial by a Homeowner Association of Airbnb usage; requiring neighborhood notification; clarification that neighbors do not have to approve but should be notified; a suggestion that neighbors be notified during remodeling as well; penalty structure; number of guests; safety; parking issues; trash issues; the feeling that duplexes and triplexes should be used for long term rentals; the need for inspections; providing notice that items need correction; the feeling that nothing should be grandfathered in; having people bring their units up to standard before usage; appreciation for input and for the process; directly conflicting interests and different perspectives; outreach and communication; taking a balanced approach; enforcement; compliance; a request for a yearly report back to provide transparency for the community; evolution and changes; keeping policy in line with practice; tracking information through licenses; annual reports on the number of complaints of any kind, the amount of money collected, and a regular count of short term rental

households; consequences for non-responsive 24/7 contact; and neighbor notification.

Responding to an inquiry for Short Term Rental Subcommittee input, Council Member Lee indicated support for neighbor notification; concern with creating problems that do not exist; and neighbors that look for issues.

Further discussion ensued between staff and Council Members regarding clarification that notification would be required when getting a license; privacy concerns; requirements for multi-unit housing; residents who are uncomfortable with different people coming in and out of the neighborhood; an observation that renting out rooms becomes a business and has an effect on the neighborhood; the importance of dialogue with the neighbors; consequences of notification; staff time; the process for construction projects; notification to immediately abutting property owners; City mailed notification; requirements of the permittee to do the mailing and submit proof to the City; providing a City-approved form to abutting owners; making the rules clear so that people understand valid complaint procedures; providing the neighbors with appropriate contact information if there are issues; meeting safety requirements; evacuation maps; Fire Department requirements; maintenance; the annual permit process; confirming that life safety measures are in place and the room can be safely used; City Council direction to staff to put together something for Council review; clarification that the Fire Department does not inspect residences; the two-tiered process in Los Angeles; the Airbnb process; responsiveness; issues with a specific Airbnb in the City; benefits to having regulations; data collection and report back; consideration of a pilot program; the goal of getting to the final regulations; clarification that Homeowner Association rules would supersede City rules but the City would not enforce them; different types of Homeowner Associations; Codes, Covenants and Restrictions (CC&Rs); party houses; prohibitions on commercial events taking place at short term rentals; nuisance prohibitions; the suggested two night minimum stay; concern with effects to workers in the community who have a late night and just need a place to stay; intervening when there are negative impacts; allowing people time to adjust; life safety and building code upgrades; impacts to short term rentals in a downturn; stability provided by long term renters; providing a period of amnesty within which to come into compliance; the need for immediate compliance with life safety issues; moving forward with items there is agreement on and further study for those

portions that are still in question; efforts to eliminate investor owned offsite rentals; owners who go on vacation and leave a representative in charge; the difficulty of enforcing a strict number of nights; fee structures in Los Angeles; multiple platforms; the importance of setting rules; the message being sent; people who want to be law abiding; creating policy that people don't automatically thwart; leading with something enforceable; concern with going too far to regulate certain behaviors; taking the opportunity to bring homes into safety compliance; concern with making arbitrary assumptions; the motivation for wanting to enforce 120 nights per year or less; having a smaller number of strangers in the neighborhood; addressing issues if they arise; creating a program that people want to comply with; starting restrictive and then becoming more relaxed vs. correcting problems; the fact that there do not seem to be issues with the number of nights that Airbnb rentals are currently operating; the fact that short term rentals have been taking place for over a decade with few complaints; City Council willingness to address issues quickly; different fee structures in use in Los Angeles; impacts; the more onerous permitting process for use over 120 nights in Los Angeles and additional fees to cover additional staff time; instituting different tiers at a later date; permitting short term rentals in apartments with owner approval; requiring owners to live in the triplex or duplex being rented out; county restrictions on homes with affordable housing covenants; retaining affordable housing for long-term rentals; and concern with restricting low income people from making money off of where they live.

Council Member consensus was achieved with regard to allowing short term rentals under certain conditions, limiting rentals to the owner's primary residence, not imposing limits on the number of nights rented per year, rentals are to be hosted with a one-hour response rate, and the need for the owner to live in the duplex or triplex rented for short term rentals.

Further discussion ensued between staff and Council Members regarding support for staff recommendations regarding ADUs with the addition of a limit on the number of days rented per year for those who would not be renting out their home for long term rentals under any circumstances; incentives; streamlining the permitting process; design or financial assistance; new construction of ADUs; financial incentives to make construction less expensive with required dedicated use for affordable housing for a specific period of time; in lieu funding; inclusionary housing; improving ADUs; affordability

covenants; matching prospective renters with a pool of potential ADUs; buying the affordability covenant; difficulty of administering affordability programs; enforceability of annual limits for ADUs; the smaller number of ADUs in the City; the feeling that ADUs should not be allowed for short term rentals due to the need for housing stock; the percentage of ADUs being used for short term rentals; the number of short term rentals currently operating in the City; the number of permitted ADUs in the City; accessory structures that do not qualify as ADUs; the need to phase in existing activities provided that units are brought into compliance; low income renters; clarification that unpermitted ADUs cannot be counted towards housing stock numbers and goals; bringing unpermitted units into compliance; recent changes in state law making it easier to convert existing legal accessory structures into legal accessory dwelling units; incentives to legalizing accessory residential structures; reaching RHNA numbers; allowing a period of time for short term rental use as an incentive; minimum safety standards; the need for additional research; clarification that short term rentals cannot be part of RHNA but once a unit becomes a permanent part of the housing stock it can be counted; the 2023 target date; effectiveness of short term rental incentives for ADUs; consideration by the Housing Subcommittee; staff to begin drafting an ordinance; length of time to put an ordinance in place; the process; consideration of ADUs from the viewpoint of housing; different perspectives when addressing ADUs; having an open-ended policy discussion on ADUs before summer 2019; exploring ADUs from multiple angles; the proposed incentive program to be presented to the Housing Subcommittee; the need for input from hosts and residents; the intersection of the Housing Subcommittee and the Short Term Rental Subcommittee and the fact that Council Member Fisch serves on both; and the affordable ADU program.

Additional discussion ensued between staff and Council Members regarding modeling neighborhood notification on existing construction practices and annual reports.

Reneau Reneau reported owning a duplex and his need for the flexibility that short term renting offers; he discussed the cost of duplexes; the need for additional income to make ends meet; affordable housing; and he suggested that money received from short term rental taxes could support affordable housing programs.

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Public Comment - Items Not on the Agenda

Mayor Small invited public comment.

No cards were received and no speakers came forward.

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Items from Council Members

Council Member Lee discussed the General Plan process in Los Angeles and suggested interaction with neighborhoods in Los Angeles that border Culver City as they go through a similar process with a possible joint meeting.

Discussion ensued between staff and Council Members regarding integrating a joint meeting into the Prelude Process; examining border conditions between Los Angeles and Culver City; and holding a potential workshop.

Vice Mayor Sahli-Wells invited her colleagues to attend the election for the Regional Council of the Westside Cities Council of Governments on February 14 noting that it would be helpful for her to serve in that position, and she discussed her appointments to various bodies.

Discussion ensued between Council Members regarding clarification that there would not be a Brown Act violation if more than three Council Members attend, and SCAG rules that only allow five Council Members from each City to vote for Regional Council.

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Council Member Requests to Agendize Future Items

None.

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Adjournment

February 12, 2019

There being no further business, at 8:48 p.m. the City Council adjourned to a meeting to be held on February 25, 2019.

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Jeremy Green
CITY CLERK of Culver City, California
EX-OFFICIO CLERK of the City

THOMAS SMALL
MAYOR of Culver City