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CULVER CITY FINANCE ADVISORY COMMITTEE**

**REGULAR MEETING OF THE
CITY OF CULVER CITY
FINANCE ADVISORY COMMITTEE
CULVER CITY, CALIFORNIA**

**January 13, 2021
7:00 p.m.**

CALL TO ORDER & ROLL CALL

Chair Lachman called the regular meeting of the City of Culver City Finance Advisory Committee to order at 7:00 p.m. via Virtual Webex.

Members Present: ANDREW LACHMAN, Chair
 DARREL MENTHE, Vice Chair
 MARC BAUER, Member
 JOHNNIE GRIFFING, Member
 SEAN KEARNEY, Member
 KEVIN LACHOFF, Member
 BRYAN SUA, Member

Members Absent: JOSH GOLDSTEIN, Member
 KEITH JONES, Member

Staff Present: Onyx Jones, Chief Finance Officer
 Erica McAdoo, Financial Systems & Purchasing
 Manager
 Michelle Villongco, Associate Analyst

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Pledge of Allegiance

Vice Chair Menthe led the Pledge of Allegiance.

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Public Comment - Items NOT on the Agenda

Chair Lachman invited public comment.

Michelle Villongco, Associate Analyst, indicated that no public comment had been received.

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The following item was considered out of sequence.

Consent Calendar Items

Item C-1

Approval of the Minutes for the Regular Adjourned Meeting of December 9, 2020

MOVED BY MEMBER GRIFFING, SECONDED BY MEMBER LACHOFF AND UNANIMOUSLY CARRIED, THAT THE FINANCE ADVISORY COMMITTEE APPROVE MINUTES FOR THE REGULAR ADJOURNED MEETING OF DECEMBER 9, 2020 (ABSENT MEMBERS GOLDSTEIN AND JONES).

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Presentations

Item P-1

Presentation to the Finance Advisory Committee Regarding Linkage Fees

Chair Lachman introduced the item noting that the Committee had been exploring opportunities to raise revenue in more efficient ways that would not negatively impact residents.

Todd Tipton, Economic Development Director, discussed the nexus study and recommendations related to the implementation of a linkage fee; the Request for Proposals (RFP) process for hiring the consultant, Economic & Planning Systems (EPS); the task of the consultant to prepare an Affordable Housing Nexus study and conduct the related community outreach; application of the linkage fee; use of the resulting revenue; progress to date; the need for input from the FAC before finalization of the study and submittal to the City Council; and he encouraged any interested Members to attend the City Council presentation.

Darin Smith, EPS, provided background on the company; discussed previous presentations of the material; vetting of assumptions and conclusions with community stakeholders; commercial linkage fees; the study process and timeline;

the City Council priority to produce and preserve affordable housing in Culver City; determining the impact of new commercial development on the local need for affordable housing and allocating some of the costs associated with that housing need to the new developments; and other avenues to produce affordable housing.

Julie Cooper, EPS, discussed commercial linkage fees; the Mitigation Fee Act (AB 1600); the concept that new nonresidential space generates new workers which generates a demand for housing; other area cities that employ linkage fees; demonstration of the relationship between new commercial development and the need for affordable housing; factors used to establish a nexus; fee calculation; and calculated maximum allowable fees and the actions of other cities.

Darin Smith, EPS, discussed impacts of different land use in the City; employee income; reasons for not charging the maximum allowable fee; linkage fee levels in different counties; impacts of fees on development economics; the overall fee burden; the aggregate fee burden; comparisons with similar cities in the area; remaining competitive with other communities; implementation and administration considerations; phasing in fees; fee differentiations; exemptions; timing of fee collection; automatic indexed increase; initial recommendations to start conservatively with the same fee for all non-residential uses; and concern with introducing new costs given the state of the economy.

Discussion ensued between the consultants, staff and Committee Members regarding appreciation for the presentation; other cities examining introducing a linkage fee during this time period; cities continuing to collect fees during the pandemic; the intention to generate funds to put in a Housing Trust Fund to be used for development of new affordable housing or for the preservation of existing affordable housing; the actions of other communities; the comparison against peer cities; the process; comment to be included in the packet for the City Council; how often building use changes from what is intended; reclassification of use; missing the capture; previous transformations; the difficulty of administering a variable cost rate; the fee burden; age of data used; impact of fee levels; comparisons with peer cities; auto-indexing; future nexus studies; annual review; fluctuations in construction costs; index factors; escalation factors; revisiting the underlying analysis; associated costs; staff and vendor costs for programming and configuring; making funds available for affordable housing; implementation costs; the Inclusionary Housing ordinance; affordability requirements on residential construction; in lieu fees; Community Development Block Grant (CDBG) monies and local General Fund monies; issuance of a Notice of Funding Ability; tying the nexus to working households rather than non-working households; clarification that most cities in Los Angeles county do not have linkage fee; inclusive zoning; the approach taken by West Hollywood; using development agreements to secure funding to address needs in the community based on the impacts of the project; developer agreements; the revitalization of Sony Studios; providing surety to a developer that they will be able to implement their project even if code requirements change over time; costs to provide affordable housing; ways to

generate the greatest number of units; implementation of multiple tools to achieve affordable housing; maintaining a quality of life; mitigating impacts of the developments on the community; offsetting concerns; stretching out benefits over a long term period of time; appreciation for the ability to weigh in; next steps; inclusion of the position of the FAC in the recommendation to the City Council; and availability of the information on the webpage for the linkage fee.

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Order of the Agenda

The Consent Calendar was considered before the presentation.

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Action Item

Item A-1

Receive an Update on the Culver City Economic Recovery Task Force

Vice Chair Menthe reported on the most recent meeting of the Economic Recovery Task Force noting that a number of businesses across multiple sectors had shut down with little likelihood of reopening; discussed dismal reports; Paycheck Protection Program (PPP) loans; the lack of an impact of the vaccination on businesses; and the Service Employees International Union (SEIU) presentation regarding Hazard Pay for frontline healthcare workers.

Member Lachoff discussed 60 businesses that had closed in the City; business licenses that did not renew; pushback against Hazard Pay; and holding a Spring Awakening celebration to bolster the City's economy when the City is able to reopen.

Discussion ensued between staff and Committee Members regarding the potential for additional aid for individuals and for cities and businesses after January 20, and the date of the next meeting of the ERTF.

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Item A-2

(1) Discuss Proposed Measure CW Annual Report and (2) Provide a Recommendation for Transmittal to the City Council

Erica McAdoo, Procurement and Financial Services Manager, provided a summary of the material of record;

MOVED BY MEMBER SUA, SECONDED BY MEMBER LACHOFF AND UNANIMOUSLY CARRIED, THAT THE FINANCE ADVISORY COMMITTEE RECOMMEND TRANSMITTAL OF THE MEASURE CW ANNUAL REPORT TO THE CITY COUNCIL (ABSENT MEMBERS GOLDSTEIN AND JONES).

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Item A-3

Discussion of the Regular Meeting Schedule of the Finance Advisory Committee for the Calendar Year 2021

Discussion ensued between staff and Committee Members regarding alternate dates; availability; and agreement to maintain the current schedule.

Vice Chair Menthe expressed appreciation to Members for their consideration of changing the date.

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Item A-4

Discussion of February Agenda

Discussion ensued between staff and Committee Members regarding capture fees; a report from the Bylaws Subcommittee; and development of the agenda for posting by February 4, 2021.

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Public Comment – Items NOT on the Agenda (Continued)

Chair Lachman invited public comment.

Michelle Villongco, Associate Analyst, reported that no public comment had been received.

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Receipt of Correspondence

Michelle Villongco, Associate Analyst, indicated that no correspondence had been received.

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Items from Committee Members/Staff

Onyx Jones, Chief Finance Officer, provided a brief update regarding Measure RE; discussed collection beginning in April 1, 2021; structure of the tiers; coordination with Information Technology (IT) staff to place a calculator on the website to allow people to calculate their tax; logistics of getting started; assistance and coordination with the county; inclusion of Culver City information in the annual county meeting; challenges; and assistance with the revenue audit.

Discussion ensued between staff and Committee Members regarding consideration of the draft agreement with the county; City Council approval; City Manager authority to execute; support for making things easier with a tax calculator; providing an example that performs well to use as a starting point; and better publicizing the work being done by the FAC.

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Adjournment

There being no further business, at 8:44 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, February 10, 2021 at 7:00 p.m.

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Michelle Villongco
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 Green
CITY CLERK

Date