

OFFICIAL MINUTES

SPECIAL MEETING OF THE
CITY COUNCIL
CULVER CITY, CALIFORNIA

July 16, 2020
7:00 p.m.

Call to Order & Roll Call

Mayor Eriksson called the special meeting of the City Council to order at 6:02 p.m. in the Mike Balkman Chambers at City Hall via Virtual Webex.

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

*Council Member Lee joined the meeting at 6:35 p.m.

Jeremy Green, City Clerk, indicated that no public comment had been received for Closed Session items.

MOVED BY COUNCIL MEMBER SAHLI-WELLS AND SECONDED BY COUNCIL MEMBER SMALL THAT THE CITY COUNCIL ADJOURN TO CLOSED SESSION.

THE MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: ERIKSSON, FISCH, SAHLI-WELLS, SMALL
NOES: NONE
ABSENT: LEE

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Closed Session

At 6:03 p.m. the City Council recessed to Closed Session to consider the following item:

CS-1 CC - Conference with Labor Negotiators
City Designated Representatives: City Manager John Nachbar;
Assistant City Manager Serena Wright
Employee Organization: Culver City Employees Association;
Culver City Management Group; Culver City Police Officers
Association; Culver City Fire Fighters Association; Culver City
Police Management Group; Culver City Fire Management
Association; Executive Management Employees
Pursuant to Government Code Section 54957.6

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Reconvene

Mayor Eriksson reconvened the special meeting of the City Council at 7:04 p.m. with all Council Members present.

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Pledge of Allegiance

Mayor Eriksson led the Pledge of Allegiance.

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Report on Action Taken in Closed Session

Mayor Eriksson indicated nothing to report out from Closed Session except that that Council Member Lee had joined the meeting at 6:35 p.m.

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

Vice Mayor Fisch urged everyone who could stay home to do so during the next two weeks to slow the spread of the virus.

Council Member Lee announced a meeting of the Equity Subcommittee on July 24 to discuss Individual, Institutional and Structural Racism, and he acknowledged increased community involvement in the last event.

Council Member Sahli-Wells discussed topics to be considered at the upcoming meeting of the Equity Subcommittee on July 24 and

she indicated that she wanted to request consideration of Clean Air Day on a future agenda.

Council Member Small encouraged everyone to wear masks, wash hands and maintain social distance.

Mayor Eriksson emphasized the importance of wearing masks and washing hands, especially during the next two weeks.

Jeremy Green, City Clerk, discussed procedures for making public comment; indicated that all public comment received by 3:00 p.m. had been provided to Council Members and would be made part of the public record; she announced the nomination period for City Council is open until August 7; she encouraged anyone interested in running for City Council on November 3 to visit culvercity.org/vote and click on candidate information; and she noted that potential candidates needed to make an appointment with the City Clerk's office to go over documents by going to city.clerk@culvercity.org or by calling (310) 253-5851.

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Joint Public Comment - Items Not on the Agenda

Mayor Eriksson invited public comment.

The following member of the public addressed the City Council:

Mark Lipman discussed the larger vision for housing policy; solutions to the housing and affordability crisis; reliance on an outdated, top down, developer led, market-rate vision of housing; repeated up-zoned, density driven failed policies; the affordability and homeless emergency; racial injustice; the need to stabilize the housing market; house-rich, cash poor residents; landlord incentives for those willing to house low, and very low income residents; shared housing and roommate models; work to reach housing goals and shore up financial instability of local residents; concern with turning the City over to outside developers who increase economic disparity in the community; land banking; creation of low-cost group homes; financing; public banks; and he asked that staff be directed to work with the Committee on Homelessness and the General Plan Advisory Committee (GPAC) to develop an alternate housing strategy with community-led solutions and policy provisions for City Council consideration.

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Receipt and Filing of Correspondence

MOVED BY COUNCIL MEMBER SMALL, SECONDED BY VICE MAYOR 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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Action Items

Item A-1

CC - (1) Adoption of an Urgency Ordinance Extending Ordinance No. 2019-011 (Interim Rent Control and Tenant Protection Measures), in its Entirety, without Amendment or Modification of its Terms, through October 31, 2020; and (2) Discussion of Rent Control and Tenant Protection Policies for Inclusion in a Permanent Program; and (3) Direction to the City Manager as Deemed Appropriate

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

Heather Baker, Assistant City Attorney, discussed the extension of the Interim Rent Control Ordinance (IRCO); time necessary to structure a permanent rent control program; impacts of an extension on tenants and landlords; allowing a 3% rent increase 12 months after the last increase; and preemption of the IRCO by the current residential tenant eviction moratorium until it expires on August 31, 2020.

Mayor Eriksson invited public comment.

The following members of the audience addressed the City Council:

Robert Zirgulis discussed unlawful detainers; tenants who are gaming the system; difficulty for landlords to collect back rents; and he felt that rent control was unfair to "Mom and Pop" landlords.

Meg Sullivan asserted that local rent control was unnecessary in light of state rent control and increasing vacancies caused by the pandemic; she asked that if rent control is considered, that the most flexible options on the staff list be studied; discussed keeping current "Mom and Pop" owners in business; buildings with six units or less; the original study; average rents; threats to long-term viability by the pandemic; continued expenses while not receiving rent during the pandemic; risk of being replaced by corporate owners; those who bought up single-family homes during the 2008 downturn; and she expressed concern that strict caps would enable local renters to lose their most affordable option.

Jeff Schwartz, Protect Culver City Renters (PCCR), expressed appreciation for the commitment to establish permanent, fair and strong rent stabilization and renter protections; discussed policy recommendations submitted to the City Council; the actions of other communities; and basing the permanent program on the temporary one with changes including: limiting annual rent increases to keep up with inflation at a maximum of 5%, equal to the Regional Consumer Price Index (CPI), and allowing half of the pass-through costs to be shared with tenants over a ten-year period.

Freddy Puza urged the City Council to extend the IRCO and support rental protections; asserted that housing is a human right; discussed public health issues; stability; predictability; ensuring that vulnerable populations can stay in their homes; AB 1482; fairness; ensuring that corporate housing does not take advantage of the process; addressing ways that structural racism affects issues; the racist history of the City; the percentage of non-white renters vs. the number of white homeowners; the annual loss of students from Culver City Unified School District (CCUSD) due to affordability issues; and benefits of stable housing to the community.

Fred Sutton, California Apartment Association, discussed the City Council rejection of AB 1482 as a possible framework for moving forward; check-list items presented for discussion; further stakeholder engagement necessary before moving forward; Council Member involvement; understanding the nuances of rental housing; the Net Operating Income (NOI) formula; the CPI adjustment; costs independent of CPI; and he asserted that rent control was an exclusionary policy.

Paula Amezola, PCCR, expressed support for making renter protections permanent and extending the IRCO to October 31, 2020; she indicated that as a public health professional, she is worried about protecting tenants during COVID-19; and she expressed support for extra protections being considered.

Darryl Menthe discussed difficulties during the pandemic; recovery; preventing economic dislocation; extending the IRCO; the housing crisis; options for how to handle a local rent control ordinance; the ongoing process of protecting renters while being fair to landlords; the importance of preserving flexibility; establishing a Rent Control Board; the proposition on the ballot to repeal actions taken by the City Council for rent control; and he urged the City Council to adopt a local rent control ordinance that retains flexibility to reduce unintended consequences.

Andrea Bardin-Schainen provided background on herself, requested that no more money be wasted on local rent control when the state has a program; discussed the Sustainable Business program and budget cuts in the City; annual rent increases; and she opposed having to pay relocation expenses.

Kelli Estes discussed the expiration of the IRCO; implementation of AB 1482; providing an equitable arrangement for landlords and tenants; concern with money spent on studies; and creating a black market for subletting.

Luke Freeborn asserted that most economists agreed that rent control is bad for owners and tenants; discussed housing shortages; making it difficult to justify investing in housing; concern with forcing the price below market value; tearing down rent control buildings to put in new, exempt buildings; removing housing stock; owner preference to not to be regulated; demonizing owners; disincentivizing stewardship; deferred maintenance; rising crime; protections against the high cost of evictions; creating litigious and less-lenient relationships; larger companies vs. "Mom and Pop" owners; and he urged the City Council to reject rent control.

Nkiruka Odunze provided background on herself, asked the City Council to enact permanent rent control; discussed positive contributions of tenants to the City; the need for fair and equitable housing; struggles during financially uncertain times; and the importance of ensuring housing rights for all.

Danielle Leidner-Peretz, Apartment Association of Greater Los Angeles (AAGLA), expressed opposition to the extension of the IRCO and advancement of permanent rent control; referenced a letter submitted on July 14; discussed economic upheaval during the pandemic; solutions that facilitate economic development; insufficient data illustrating rent gouging or the need for an ordinance; the lack of staff direction regarding provisions for a permanent rent ordinance; review of a checklist of options; going beyond AB 1482 to address specific needs of Culver City renters; actions of neighboring cities; and the need to recognize the concerns of small housing providers.

Keith Jones, Protect Culver City (PCC), indicated that their members had consolidated comments into one statement against permanent rent control; discussed the IRCO; unwillingness of the City Council to be open to discussion; putting the issue into the hands of voters with the November ballot initiative; misleading statements; his service on the Finance Advisory Committee (FAC); concern with spending money on a rent control ordinance; the statewide rent control ordinance (AB 1482); reallocating costs of a rent control program to help the homeless; and accountability in November.

Cicely Bingener provided background on herself; spoke in favor of extending the urgency ordinance to October 31, 2020; and did not support added stress for renters during the pandemic.

Leah Pressman, PCCR, indicated that additional information was available on the website; asked that the temporary measure be made permanent with changes including: the inability of landlords to raise rents to market-value after a no-fault eviction in order to discourage abuses in high-demand areas; she discussed rental registry costs; relocation fees; and addressing concerns with "Mom and Pop" landlords.

Michelle Weiner, PCCR, indicated she was presenting the final portion of the document available on the PCCR website and on social media; recommended that temporary measures be made permanent; discussed limiting annual rent increases to CPI; allowing limited pass-throughs; eliminating de-controlling no-fault evictions; she discussed "Mom and Pop" landlords; landlord lobbying groups; and potential changes to Costa Hawkins by Prop 21.

Kimberly Ferguson discussed using AB 1482 in order to save money; potential revisions to the measure before the extension; proposed revisions to Section 5B; subletting; time limits; being

unable to remove someone who is 62 or disabled; downscaling fees; the burden of paying relocation assistance; and she expressed opposition to rent control.

Eric Metz discussed purchasing a home for financial stability; his plan to use an Accessory Dwelling Unit (ADU) to address increasing tax requirements in the City; protecting homeowners with ADUs; the need for higher rents to offset future issues; relocation assistance fees; incentivizing landlords to increase rents every year and minimize investment in their property; and the high cost of permitting.

Carlene Brown quoted Cesar Chavez; discussed social change; People of Color for Social Change; Black, Indigenous and People of Color (BIPOC); the importance of equity; safety and affordable housing; she expressed support for adopting strong, permanent rental protections; the recent virtual forum produced by PCCR; and City Council candidates Yasmine-Imani McMorris and Freddy Puza.

Suzanne DeBenedittis encouraged extending the moratorium through the end of the year; expressed concern with outreach; asked the City to take time to meet with "Moms and Pops" and owner-occupied duplexes; expressed concern with harm done if people are not heard; proposed listening sessions between landlords and tenants with a professional mediator and moderator; discussed finding a "win-win" situation; avoiding gentrification and providing security; helping developers and apartment owners to be more equitable; the number of affordable units reported available in the City; addressing issues faced by current residents; and maximizing affordable development.

Yasmine-Imani McMorris provided background on herself; encouraged the City Council to adopt a permanent rent control ordinance; expressed support for the request from PCCR that additional rental protections be adopted; discussed providing stability and support for community members during the global pandemic; housing as a human right; public health; AB 1482; enforcement; allowing landlords to make a profit; and she provided statistics on renters in the City;.

Rose Valenciea reported on a situation where an elderly family-member and long-term tenant is being harassed by their landlord; expressed appreciation for the moratorium; and she asked that protections be enacted to help people in similar situations.

Judi Sherman expressed support for extending the IRCO and enacting permanent measures; she noted the need for additional stakeholder discussion; expressed opposition to the measure on the November ballot; and she expressed support for renter protections.

Noah Zatz discussed loopholes in AB 1482; exceptions for "Mom and Pop" landlords; shortening the length of the probationary period to reduce gamesmanship by landlords; and he requested that anti-harassment measures be added to the ordinance and when a vacancy is created by harassment or a no-fault eviction, landlords not be allowed to raise rents.

Sebastian Hernandez read a letter from Brian Pogue who provided background on himself and requested that rent control measures be made permanent; expressed concern with creating an undue burden on tenants and encouraging gentrification if rent control is not enacted; discussed destabilization of the workforce; elimination of businesses; increased traffic; effects of the COVID-19 pandemic; and other renters in difficult situations.

Discussion ensued between staff and Council Members regarding clarification that comments received after the start of the item would be allowed at the end of the meeting; agreement to extend the IRCO to October 31, 2020; transitioning into the permanent ordinance; the measure seeking to repeal IRCO; the long-term process to ensure a fair ordinance; balancing everyone's interests; keeping people in their homes during a pandemic; the need to protect small landlords in addition to renters; and eviction prevention.

MOVED BY COUNCIL MEMBER SAHLI-WELLS AND SECONDED BY COUNCIL MEMBER SMALL THAT THE CITY COUNCIL: ADOPT AN URGENCY ORDINANCE EXTENDING ORDINANCE NO. 2019-011 (INTERIM RENT CONTROL AND TENANT PROTECTION MEASURES), IN ITS ENTIRETY, WITHOUT AMENDMENT OR MODIFICATION OF ITS TERMS, THROUGH OCTOBER 31, 2020 (REQUIRES A FOUR-FIFTHS VOTE).

THE MOTION CARRIED BY THE FOLLOWING VOTE:

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

Additional discussion ensued between staff and Council Members regarding tenant protections; conversions to affordable housing; recovery for substantial renovations; displacement; The Meadows; tenant relocation during renovations; ensuring that

tenants are not evicted for renovations; the definition of low-income tenants; private market transactions; discrimination; complaint driven assistance; the Fair Housing Act; ensuring that lower income tenants are not being rejected by landlords and are included in protections from no fault termination; providing options when the permanent ordinance is enacted; examining policies of other cities; the vesting period; additional discussion regarding unauthorized subletting and adding occupants without permission; reduced payment of relocation assistance rather than an exemption for a person with two or less rental units; state ADU laws; owner occupied properties; properties owned by corporate entities; Prop 21; problems created by scarcity; the need to create housing; concern with creating a mechanism to make the goal of adding more housing difficult; ensuring that rent control does not exclude; ensuring flexibility; Costa Hawkins; the need to codify the rolling 15 or 20 year period; concern with General Vacancy Control; disincentivizing using no fault evictions to reset rates to market value; incentivization of ADUs; creating opportunities for missing middle housing; manager units; grounds for no-fault termination; recovery relocation assistance; small B&Bs; voluntary buyouts; the vesting period; Prop 21; additional occupancy; taking a comprehensive look at all rental properties in the City; ensuring that long term landlords are not penalized; formulating a uniform rent control policy that applies to ADUs; financial planning by developers to create a viable project; formulating the ordinance based on consensus; providing more information on remaining items; potential changes to the rent control policy; support for a short probationary period; anti-harassment protections; additional information on the definition of "Mom and Pop"; the percentage of rental units in Culver City that are considered "Mom and Pop"; concern with making an additional tenant grounds for termination given the current situation and restructuring of households; ensuring that renters are not penalized; landlords who are looking for an excuse to evict people without relocation assistance; for-cause termination; and encouragement for the public to provide further comment on issues they want to see addressed.

Additional discussion ensued between staff and Council Members regarding the Rent Control Ordinance Checklist; inclusionary zoning; non-government subsidized affordable housing; permissible rent increases; the full NOI analysis; eligible capital improvements; improvements necessary for tenant safety; allowable pass-through costs and recovery; voter approved taxes; the need for additional information from staff; creation of a petition process to challenge increases; the need for a rental

registry; required information; the 3% cap vs. the CPI; not returning the unit to market rate if the eviction is no-fault; defining "Mom and "Pop as two units; applying provisions to all rental units whenever they were built as current luxury units will become standard; discrimination; Section 8; community land trust and government housing; guaranteed minimum rent increase; adding consistency with Prop 21 if it passes; inclusionary units; exempting single family residences that share a property with an ADU; the need to protect all renters while encouraging ADUs; the PCCR proposal to base rent increases on CPI with a cap of 5%; the feeling that regular maintenance should not be a pass-through expense; defining what counts as a major renovation; costs of doing business; amortization; guarding against hidden rent increases disguised as improvements; verification of labor costs and value; ensuring there is a cap on the pass-through amount; items laid out in the initial rental agreement; amenities; comparison cities; required information in the rental registry; tenant access to rental registry information; disputes about amenities; annual registration updates; discouraging vacancies; rapid increases to area median income; the Ellis Act; de facto down-zoning; piecemeal regulation; guaranteed maximums and guaranteed minimums if AB 1482 is not utilized; housing service adjustments; capital improvement deferrals; specific issues with soft costs; voter approved taxes; hardship exemptions; the fair and reasonable return analysis; pass-through costs; including information about housing services on the rental registry; updates to rental registries; the affordable ADU program; size and age of buildings; fair and reasonable return; capital improvements; government mandated improvements; capital improvement loan availability for "Mom and Pops"; the tenant petition process; state law; privately owned vs. owned by an LLC or by corporations; whether rent control achieves the desired goals; concern with accelerating gentrification; taking units off the market; the consensus of economists; concern that anyone who comes in later would be hurt by the process; different interpretations of studies; clarification that no one believes that rent control is a solution to the housing crisis; channeling money to people who are challenged; creating a rental assistance program; and keeping the focus on the agenda item.

Heather Baker, Assistant City Attorney, indicated that staff would return with a discussion draft ordinance including outstanding issues identified by the City Council as requiring additional information.

Public Comment - Items Not on the Agenda

Mayor Eriksson invited public comment.

Nancy Barba and Paul Ferrazzi were called to speak but did not respond.

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Items from Council Members

None.

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Council Member Requests to Agendize Future Items

Council Member Sahli-Wells received City Council consensus to discuss a proclamation for Clean Air Day.

Vice Mayor Fisch agreed to discuss the rent subsidy program in the Housing Committee.

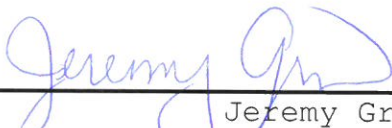
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July 16, 2020

Adjournment

There being no further business, at 10:30 p.m., the City Council adjourned to a special meeting on June 27, 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: 8/12/2020