

OFFICIAL MINUTES

SPECIAL MEETING OF THE
CITY COUNCIL
CULVER CITY, CALIFORNIA

July 27, 2020
7:00 p.m.

Call to Order & Roll Call

Vice Mayor Fisch called the special meeting of the City Council to order at 6:04 p.m. in the Mike Balkman Chambers at City Hall via Webex.

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

Absent: Göran Eriksson, Mayor

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Pledge of Allegiance

Vice Mayor Fisch led the Pledge of Allegiance.

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

Mimi Ferrel, City Clerk Specialist, indicated that all public comment received by 3:00 p.m. had been provided to Council Members and would not be read, but instead would be made part of the public record; she explained procedures for making public comment; and she indicated that once consideration of the item had begun, no additional public comment would be read.

Council Member Sahli-Wells remembered the life and legacy of Representative John Lewis and asked that the meeting be adjourned in his memory.

MOVED BY COUNCIL MEMBER SAHLI-WELLS AND SECONDED BY COUNCIL MEMBER LEE THAT WHEN THIS MEETING IS ADJOURNED, THAT IT BE ADJOURNED IN MEMORY OF REPRESENTATIVE JOHN LEWIS.

THE MOTION CARRIED BY THE FOLLOWING VOTE:

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

Council Member Sahli-Wells thanked staff and all participants for the successful Teach-In on July 24 led by the Equity Subcommittee; expressed appreciation to staff for their quick adaptation to virtual events; and she asked about including video in future City Council meetings.

Discussion ensued between staff and Council Members regarding the amount of bandwidth required for video; the ability to make changes administratively; support for allowing the public to visually identify who is speaking; and the process to move forward.

Council Member Lee expressed appreciation to staff and speakers who participated in the July 24 Equity Subcommittee event and he hoped to see additional participation from active youth in the community in the future.

Vice Mayor Fisch received clarification that the July 24 event was available to view online for those who were unable to attend at culvercity.org/equity.

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Receipt and Filing of Correspondence

MOVED BY COUNCIL MEMBER SAHLI-WELLS AND SECONDED BY COUNCIL MEMBER SMALL THAT THE CITY COUNCIL RECEIVE AND FILE CORRESPONDENCE.

THE MOTION CARRIED BY THE FOLLOWING VOTE:

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

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Joint Public Comment - Items Not on the Agenda

Vice Mayor Fisch invited public comment.

The following members of the public addressed the City Council:

Leah Pressman, Protect Culver City Renters (PCCR), spoke in support of rent control; discussed the Stanford Study; landlords and their lobbyists; increasing costs; keeping rents stable; the ability to make multiple and dramatic increases; families forced to move out of the Culver City Unified School District (CCUSD) due to rising rents; adverse effects to the supply of available rentals due to loopholes in regulations; inclusion of disincentives for no-fault evictions in permanent rent control; she encouraged the City to look at current peer-reviewed studies on the subject; and she asked that the focus be placed on protecting the City's most vulnerable residents.

Mark Lipman discussed the need to create an alternate housing plan for the City; the racist history of the City; packaging up-zoning and density as progress; the evolution of racism; inclusivity and diversity; providing incentives for rich, predominantly white people; he noted that racism and poverty go hand in hand; discussed the pre-pandemic housing plan; the new, emerging economy; the consistent need for low income affordable housing; and he asked that staff, the Committee on Homelessness (COH) and the General Plan Advisory Committee (GPAC) develop an alternate housing plan for the City.

Discussion ensued between staff and Council Members regarding development of the Housing Element in the General Plan and adapting the process in light of the crisis.

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Consent Calendar Items

Item C-1

CC - (1) Second Review of the Need for Continuing the Local Emergency Declared on March 14, 2020 by the City Manager, as Director of Emergency Services, under City of Culver City Emergency Authority, Due to the Coronavirus Respiratory Disease (COVID-19) Pandemic, in Accordance with the Requirements of Government Code Section 8630; and (2) Direction to City Manager as Deemed Appropriate

Council Member Sahli-Wells discussed the expiration of the existing eviction moratorium for residents and commercial; she expressed support for extending the local emergency; discussed residents and businesses not in a position to pay their rent regularly; expiring unemployment benefits; and she received consensus to add extension of the moratorium on a future agenda.

MOVED BY COUNCIL MEMBER SAHLI-WELLS AND SECONDED BY COUNCIL MEMBER LEE THAT THE CITY COUNCIL: PURSUANT TO GOVERNMENT CODE SECTION 8630, CONDUCT A SECOND REVIEW OF THE NEED FOR CONTINUING THE LOCAL EMERGENCY DECLARED ON MARCH 14, 2020 BY THE CITY MANAGER, AS DIRECTOR OF EMERGENCY SERVICES, UNDER CITY OF CULVER CITY EMERGENCY AUTHORITY, DUE TO THE CORONAVIRUS RESPIRATORY DISEASE (COVID-19) PANDEMIC.

THE MOTION CARRIED BY THE FOLLOWING VOTE:

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

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Item C-2

CC - Adoption of a Resolution Confirming the July 21, 2020 Twenty-First Supplement to Public Order (Temporary Zoning Code Modifications to Support the Safe Outdoor Operation of Gyms, Fitness Centers and Personal Care Services to Aid in the Reopening and Recovery of Businesses During COVID-19; and Authorization to Use Donated Face Masks) Issued by the City Manager, as Director of Emergency Services, under City of Culver City Emergency Authority, Due to the Coronavirus Respiratory Disease (COVID-19) Pandemic

MOVED BY COUNCIL MEMBER SAHLI-WELLS AND SECONDED BY COUNCIL MEMBER LEE THAT THE CITY COUNCIL: ADOPT A RESOLUTION CONFIRMING THE JULY 21, 2020 TWENTY-FIRST SUPPLEMENT TO PUBLIC ORDER (TEMPORARY ZONING CODE MODIFICATIONS TO SUPPORT THE SAFE OUTDOOR OPERATION OF GYMS, FITNESS CENTERS AND PERSONAL CARE SERVICES TO AID IN THE REOPENING AND RECOVERY OF BUSINESSES DURING COVID-19; AND AUTHORIZATION TO USE DONATED FACE MASKS) ISSUED BY THE CITY MANAGER, AS DIRECTOR OF EMERGENCY SERVICES, UNDER CITY OF CULVER CITY EMERGENCY AUTHORITY, DUE TO THE CORONAVIRUS RESPIRATORY DISEASE (COVID-19) PANDEMIC.

THE MOTION CARRIED BY THE FOLLOWING VOTE:

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

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Order of the Agenda

No changes were made.

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Action Items

Item A-1

CC - (1) Discussion of Whether to Place a Measure on the November 3, 2020 General Municipal Election Ballot to Submit to the Voters an Amendment to Culver City Municipal Code Section 3.08.400 to Increase the Real Property Transfer Tax; (2) (If Desired) Creation of an Ad Hoc Real Property Transfer Tax Ballot Measure City Council Subcommittee; and (3) Direction to the City Manager as Deemed Appropriate.

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

Vice Mayor Fisch invited public comment.

The following members of the audience addressed the City Council:

Kelli Estes expressed concern with making a change like this during the pandemic; asserted that the transfer rate was already higher than others in the area; discussed the upcoming election; the need to help people recover; concern with framing the City as racist; and she felt that the City Council was a failure to all they serve.

Mark Lipman discussed seniors who are house-rich and cash-poor; asked about the major corporations tax previously discussed; discussed starting a ballot initiative; expressed concern that there was no floor on the starting point for the tax; he suggested removing the lower tier, exempting sales below \$2 or \$2.5 million and using the higher rates to help the City;

discussed exempting property sales to the City as land banking; purchasing properties for low-cost and group housing; and making use of standard long-term loans.

Luke Freeborn expressed concern with additional taxes; asserted that the City's agenda differed from public statements; discussed Measure CC; diversion of funds; statements about equity; the housing emergency; the higher tax burden for lower-income households; assessing taxes against one type of asset; households that move frequently; horizontal equity; placing a larger burden on a small share of the population; impacts on new and current home buyers; disincentivizing homeownership in Culver City; he asked that the proposal be thrown out; and he asked that the City Council focus on frugality rather than tax and spend.

Anthony Rizzo indicated that he would be running for City Council in the November election; expressed surprise about the transfer tax proposal; questioned why taxes needed to be increased and what they would be used for; noted that residents were on lockdown and trying to get their lives together; felt the budget should be realigned; and he asked that the proposal be put aside.

Heather Wollin expressed opposition to an increase in the transfer tax; reported frustration with multiple special City Council meetings; she noted that this was the second instance of placing a tax on the ballot without going through the Finance Advisory Committee (FAC); discussed concern that the item was being rushed through when people have difficulty being involved and providing input; the need for fiscal responsibility; frivolous expenditures; increased taxes for homeowners to bail out the City; and she asked that the item be delayed pending FAC consideration and proper public outreach.

Cary Anderson discussed Prop 13; taxing people when they leave their homes; use of monies raised by other measures; diverting funds; he proposed repealing Prop 58; felt that people were being squeezed at every turn; and he questioned how much it would cost.

Ron Bassilian observed that Mayor Eriksson was not present as the City Council was supposed to be recessed; discussed priorities; the ability to place items on the ballot; having a real City-wide debate on rent control; statements that rent control would not be able to be enacted if it is on the ballot; other cities that put rent control on the ballot; he questioned

what the ballot measure would indicate that monies would be used for; and he noted that multi-family units would be impacted the most by the proposed tax, not millionaires.

Mike King provided background on himself; discussed proposed increased prices; financial impacts of the pandemic; people leaving high tax states; taxes passed on to consumers; and concern with increasing the gap between the haves and have nots.

Nancy Barba provided background on herself; expressed support for the exploration of the real estate property transfer tax; discussed the difficulty of remaining solvent for city governments; addressing major budget shortfalls projected before the pandemic; the need for creative financing; the ability to exempt family and commercial developments on their first sale; and appreciation to the City Council for their responsiveness.

Yasmine-Imani McMorris provided background on herself; expressed support for the proposed measure; discussed inheritance transfers; accountability and transparency; finding additional resources to support the City; and the need for respectful engagement.

Keith Jones discussed the transfer tax as an additional way to raise funds for City government; concern that the tax could be punitive; the changing economy; concern with taking taxpayer money for City services; and he hoped that the FAC would have a chance to weigh in on the issue.

Discussion ensued between staff and Council Members regarding exploration of various types of revenue to address long-term issues; the business license fee update; business recovery; the Luskin Report; annual increases; horizontal equity; effective property tax rates; maintaining City services; reliance on sales tax; allowing the voters to decide; the process; the marginal tax rate; the experience of other cities; the complicated process; collection; determining the proper amount; effective rate ranges; posted rates; having the voters approve a rate that is higher than they will actually pay and will raise less money than projected; differences between southern and northern California; tiers; taking a conservative approach; the political climate; not having to return to the voters; potential income generated with a marginal tax vs. with a flat tax; estimates based on 2019 figures; different revenue estimate scenarios from Hindeliter de Llamas (HdL); lowered sales due to the pandemic; the structural deficit; covering the costs of operations;

filling the shortfall as a result of the pandemic; cuts made to the budget to ensure a balanced budget; delayed maintenance; necessary improvements to City buildings; help for the overall budget; area cities dependent on property tax revenue; Utility Users Tax (UUT); decreased revenue sources; reliance on Transient Occupancy Taxes (TOT); Santa Monica City Council consideration of a two tiered system for their transfer tax; exemptions for solar and seismic retrofits; using a maximum of four tiers; discouraging quick property transfers; ensuring that both buyer and seller share in the cost; shifting the burden to those who can afford it; tying the rate to a percentage of the cost of the property; tying rates to the Consumer Price Index (CPI); concern with exempting the first transfer; the business license tax; preventing corporate landlords from coming in and buying single family homes and multi-family units and raising rents; clarifying goals; support for appointing a subcommittee to work out the details; coordination with the FAC; ensuring that all of the decisions work together; the importance of maintaining basic services and not deferring maintenance; rushing the process as a result of the due date and the crisis; the goal to structure the proposal fairly and with as little burden as possible; the amount of funds transferred in large commercial real estate transactions; minimizing the tax on individual homes and small "Mom and Pop" properties; and moving forward with a progressive, tiered rate tax that is marginal.

Vice Mayor Fisch offered to serve on the City Council subcommittee to review the item.

Additional discussion ensued between staff and Council Members regarding downzoning; volatile taxes; justifying the work done to collect the tax; administrative challenges; reducing economic distortions; price points; land value for single-family homes; deterring house flipping and commercial development; figures regarding the number of households vs. the number of jobs in the City; the Inclusionary Zoning Ordinance; concern with disincentives to build homes; Regional Housing Needs Assessment (RHNA) obligations; demand; the November election; rates for entry-level housing; allowing the subcommittee to formulate rates; the value statement; the importance of getting closer to real price points; support for taking the time to manage the complex process; determining the middle ranges; the limited time frame; Brown Act issues; scheduling; noticing and following proper procedures; feedback from the FAC; the staff report based on subcommittee recommendations; potential changes based on input from FAC members; deadlines; the ability to make revisions; adding Closed Session items at the last minute;

scheduling for the FAC meeting; the ability to call a special meeting; Member availability; getting the information to the public as soon as possible; valuable feedback received; sales tax as the most regressive tax; concern with overburdening the people who can least afford it; tax breaks for homeowners over the years; investing in homeless services and housing with taxes from home sales; investment being made in the business community; communication around the issue; ensuring that the process is not too convoluted; working to eliminate confusion; successful communication of the aim of the ballot initiative and its effects on people; providing a clear indication on whether to vote for or against the measure; volatility of the tax; actively misconstruing the measure; first sale of a multi-unit property; creating revenue for the City; taxes generated by businesses; not disincentivizing things that should be encouraged; first sale exemptions; the constricted time frame; the importance of the revenue to ensure the continued quality of life in the City; and work to create a nuanced, progressive real estate transfer tax.

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

1. PLACE A MEASURE ON THE NOVEMBER 3, 2020 GENERAL MUNICIPAL ELECTION BALLOT TO SUBMIT TO THE VOTERS AN AMENDMENT TO CULVER CITY MUNICIPAL CODE SECTION 3.08.400 TO INCREASE THE REAL PROPERTY TRANSFER TAX; AND,

2. CREATE AN AD HOC REAL PROPERTY TRANSFER TAX BALLOT MEASURE CITY COUNCIL SUBCOMMITTEE AND APPOINT VICE MAYOR FISCH AND COUNCIL MEMBER SMALL TO SERVE.

THE MOTION CARRIED BY THE FOLLOWING VOTE:

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

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Public Comment - Items Not on the Agenda

Vice Mayor Fisch invited public comment.

The following members of the public were called to speak:

Kerri Payne was called to speak but declined.

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Kelli Estes commented on the process to put the item on the ballot; expressed concern that Vice Mayor Fisch and Council Member Small were difficult to understand due to their poor internet connections; and she asked that issues be addressed before the next meeting.

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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 consensus to add discussion of extending the eviction moratorium on a future agenda.

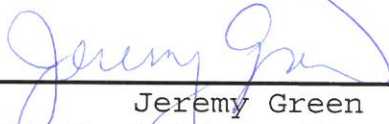
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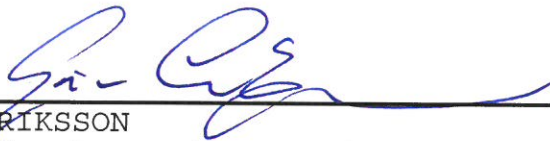
Adjournment

There being no further business, at 9:57 p.m., the City Council adjourned in memory of Representative John Lewis to a special meeting on August 3, 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