

**MINUTES
CITY COUNCIL MEETING
DECEMBER 12, 1988
WEST HOLLYWOOD PARK
647 N. SAN VICENTE BOULEVARD
6:30 P.M. - PERSONNEL SESSION
7:00 P.M. - REGULAR MEETING**

CALL TO ORDER: The City Council convened at 6:30 p.m. for a Personnel Session. The Council returned from closed session at 8:05 p.m. and the City Attorney announced that they had discussed litigation and negotiation. Mayor Viterbi called the regular meeting to order at 8:07 p.m.

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Beverly Cook.

ROLL CALL: PRESENT: Heilman, Koretz, Land, Schulte, Mayor Albert

MEMBERS OF RENT STABILIZATION COMMISSION PRESENT:
Carey, Carson, Guarriello, Lang, Routh

ALSO PRESENT: City Manager Brotzman
Ken Baar, Rent Stabilization
Consultant
Richard Dorsey Muller, Rent
Stabilization Department Director
Beverly Cook, Legal Division
John Polak, Hearings Division
Jaime Gallardo, Records
Administration and Monitoring
Division
Carol Lynch, City Attorney's Office

APPROVAL OF AGENDA: Item 2b was pulled for separate discussion.

1. CITY MANAGER'S REPORT: There was no City Manager's Report at this time.

2. CONSENT CALENDAR: The following routine matters were acted upon by one motion to approve with the consent of the Council or were removed for separate discussion. ACTION: To approve Items 2a and 2c. Motion Heilman second Schulte. Hearing no objection it was so ordered.

a. Posting of Agenda: The agenda for the meeting of December 12, 1988 was posted at City Hall, Plummer Park, the West Hollywood Library and the Sheriff's Station on Wednesday, December 7, 1988. ACTION: Receive and file.
Approved as part of Consent Calendar.

b. 1988-89 County Cold Weather Program: THIS ITEM WAS REMOVED FROM CONSENT CALENDAR FOR SEPARATE DISCUSSION. The City of West Hollywood has been negotiating with the County of Los Angeles to provide emergency shelter vouchers and warming center spaces for the homeless on nights that the weather forecasts predict will be below 40 degrees, or 50 degrees with a 50% chance of rain. RECOMMENDED ACTION: To execute a contract with the

County to accept \$46,538 in FEMA funds to provide emergency vouchers to families and persons with special needs and to open a warming center at Plummer Park for up to 100 persons and to provide transportation to the Culver City National Guard Armory for "overflow" persons.

Human Services Director Lloyd Long and Tom West, Program Specialist, responded to questions from Council.

ACTION: To authorize staff to accept the County FEMA (Federal Emergency Management Agency) funds to allow the City to provide transportation for up to 100 people on County-declared cold weather nights to the Culver City National Guard Armory. Motion Land second Schulte.

AYES: Heilman, Land, Schulte

NOES: Koretz, Albert

Motion carried.

c. Recycling - ACTION: To approve and adopt Resolution No. 496, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD APPROVING THE SUBMISSION OF A PROPOSAL UNDER THE CALIFORNIA BEVERAGE CONTAINER RECYCLING AND LITTER REDUCTION ACT."

Approved as part of Consent Calendar.

3. JOINT STUDY SESSION WITH RENT STABILIZATION COMMISSION

(Based on four-part report):

- a. Annual Report - Sept. 1987 - August 1988
- b. Report from Kenneth Baar, Consultant
- c. Status Report from Interdepartmental Task Force
- d. Rent Increases for Bond Issue, Sprinkler Systems, and/or Seismic Work

RECOMMENDATION: That City Council provide direction to the Rent Stabilization Commission on issues raised in the Report.

Richard Muller, Rent Stabilization Department Director, reported on the activities of the Rent Stabilization Department during the past year, focussing on how the Department has carried out its three basic goals--to inform, assist, and enforce.

Following this there were reports from each of the Division Heads within the Department: Beverly Cook reported on the activities of the Legal Division; John Polak reported on the Hearings Division; and Jaime Gallardo reported on the Records Administration and Monitoring Division.

Kenneth Baar, Consultant for the Rent Stabilization Department, reported on the treatment of capital improvement and maintenance expenditures under the City's Rent Control Fair Return Standard.

Following this Council directed questions to staff.

Mayor Albert called a recess at 9:35 p.m.
The City Council reconvened at 9:50 p.m.

DIRECTIONS TO STAFF:

Richard Muller, Rent Stabilization Director, reviewed the following recommendations:

That Council and the Commission direct the legal staff to continue exploring opportunities to assist the Commission and the Department and continue to develop a training program for staff.

Approved by consensus of Council.

Recommendations by Hearings Division:

To direct the Rent Stabilization Department to continue its public information efforts in the development of brochures and increased visibility in the community.

Approved by consensus.

To continue working on simplifying vacancy increase procedures.

Approved by consensus.

To continue the Tenant Fee Rebate Program.

Approved by consensus.

To continue the Tenant Relocation Counselling Assistance Program.

Approved by consensus.

In addition, staff was directed to review all forms and make sure that the language is as simple as possible.

Add/Shift Service Programs: To direct staff to explore the feasibility of expanding the scope of categories of services that are allowed under these programs. (This is to go to the Commission first and then to Council.)

Approved by consensus.

Recommendations in the area of Rent Increase and Consultant Ken Baar's Report:

To change the definition of Deferred Maintenance. (Staff will propose language and bring it back to the Commission and Council.)

Approved by consensus.

To clarify the definition of normal repair, major repair, minor repair; get rid of the confusing language; bring back to Council. (Certain items considered amortized will be spread out over the life of the item, and one-time things under \$100 will be

costed-out over the year.)
Approved by consensus.

Regarding applications, to be able to deal with the law that exists at the time an application is filed rather than amendments that occur after filing. Approved by consensus.

To direct staff to study amortization periods and make them reflect industry standards and report back to Council.
Approved by consensus.

To direct staff to prepare language that would deal with taking exceptional expenditures and one-time costs and allowing them to be prorated or adjusted. The language would be narrowly circumscribed. The intention is also of adjusting expenditures that are unusually high by industry standards.
Approved by consensus.

To waive the painting requirement for vacancy increases when the paint is in good condition. The owner could request an inspection and if the painting requirement is waived there would be an inspection fee charged. (Councilmember Land suggested also that it should be noted when the painting occurred in a particular apartment, for future reference.)
Approved by consensus.

To direct staff to bring back language to exclude interest on capital improvements; also to return with specific examples showing how it affects the formula, etc., so that this can be discussed more fully by Council. (Consultant Baar suggested, also, that new things could be treated differently than things that are replacements.)
Approved by consensus.

To direct staff, as soon as case analyst is on board, to prepare a brochure to landlords and tenants explaining the NOI process. Direction was also given that when there is a notice sent out about a hearing to include that brochure so that everyone understands what is going on.
Approved by consensus.

Richard Muller clarified at this time that staff is not recommending any change in the present procedures that do allow capital expenses to become permanent.

To give direction to staff to codify that when there are repeat applications, that they take into consideration increases already granted but not yet incurred by the individual. For example, if someone is granted a 20 percent increase--they have a 12 percent cap in the first year--they can only collect 12 percent--they file a new application and show only the 12 percent as their income, when they're just about to get another 8; to be able to consider what their actual income is today--when we're looking at

how much increase to allow. Also, to look into having some time limit when someone could come back with a second application.
Approved by consensus.

To direct staff to come back with budget implications of conducting a survey of landlords and tenants in the City to obtain information, demographics and some direct information on the quality and level of maintenance in the City. (Councilmember Land suggested a mail survey the next time there is a yearly increase. However, Consultant Ken Baar suggested that a telephone or door-to-door survey or a combination of both would be more effective.)
Approved by consensus.

Inclusion of Pre-Base Year and Pre-Current Year Capital Expenses: It is fairly easy to find capital improvements just prior to the current year. Trying to find pre-base year capital expenses to put them into the base year is very, very difficult. One alternative is if you don't allow pre-base year capital expenses then don't allow pre-current year capital expenses. Another alternative, suggested by Ken Baar, is to exclude pre-base year capital expenses, but to allow pre-current year--allow to carry into the current year the ones they can show.
Direction to staff: To investigate both alternatives and report back, show implications for both tenant and owner, have some hypothetical illustrations. Approved by consensus.

Appeals of Rent Certificates: To direct staff to explore the feasibility and legality of a procedure whereby changes can be made prospectively without a showing of fraud or misrepresentation. (When there is an agreement by both parties that an innocent mistake was made.) Also, to try to get an amendment to the State law to add that grounds as a way of correcting an error.
Approved by consensus.

Seismic, Sprinkler and Bond Issues: No direction was given regarding these issues. Council was advised that reports will be forthcoming from the Interdepartmental Task Force and the different departments in the City.

Council, in addition, gave the following directions to staff:

To look at some way of keeping people up to date when there are changes to the Rent Stabilization Ordinance. Perhaps a subscription service, and look at a way of financing it. Also, perhaps have an annual seminar for owners, particularly new owners. Maybe when there is a change of registration, having a brochure sent out to the new owner to let the owner know of their responsibilities under the ordinance.

With regard to physical evidence being brought to hearings:
To look at some way to actually see the item--where the

inspector's report is not very definitive--either bringing the things in or having the examiner visit the unit--some way of addressing it that doesn't raise the concerns of having it left in the office for 90 days.

To look at having an annual overview session for the Council and the Commission to keep them refreshed in regard to the ordinance.

CITIZEN COMMENTS: Grafton Tanquary, W.H.: You have made decisions without discussion by the Commission or public discussion. You should save changes to the ordinance and make them on a periodic basis--once a year, or every six months, or every three months, and at least notify owners. No accounting standards in Rent Stabilization Department; you should have published accounting standards. Concerned about changes in the NOI process--you make it more difficult to get an increase through the NOI procedure. Recommend you consider the points made in my letter to you. Anyone appointed to a Commission should be given a test to see if they understand the ordinance and regulations, and be given a refresher once a year.

COUNCILMEMBER COMMENTS: Councilmember Heilman commented that Council has only given direction tonight, they have not made decisions. On some items Council has asked for an analysis of several of the options.

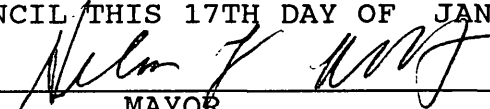
Mayor Pro Tem Land commented that last week she, along with Councilmember Heilman and Council Deputy Nancy Greenstein, had attended the National League of Cities' Conference. They will probably write a short report on it. What she got out of it was--a lot of innovative things other cities are trying regarding issues of housing and infrastructure and business revitalization, are programs that we are already doing in this City.

CLOSED SESSION: No closed session was held at this time.

ADJOURNMENT: Mayor Albert adjourned the meeting at 10:27 p.m. to Monday, December 19, 1988, at 7:00 p.m. at West Hollywood Park.

Chairman Doug Routh adjourned the Rent Stabilization Commission Meeting to Wednesday, December 14, 1988, at 6:00 p.m.

APPROVED BY MOTION OF THE CITY COUNCIL THIS 17TH DAY OF JANUARY, 1989.



MAYOR

ATTEST:



CITY CLERK