

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
WEDNESDAY- - OCTOBER 25, 2023- -6:00 P.M.

Mayor Ezzy Ashcraft convened the meeting at 7:04 p.m. Councilmember Jensen led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers Daysog, Herrera Spencer, Jensen, Vella, and Mayor Ezzy Ashcraft – 5. [Note: Councilmember Herrera Spencer was present via Zoom and arrived at 6:05 p.m. and Councilmember Vella arrived at 6:06 p.m.]

Absent: None.

AGENDA ITEM

(23-611) Introduction of Ordinance Amending Article XV of the Alameda Municipal Code, Amending and Enhancing the Rent Control Program’s Capital Improvement Plan (CIP) Program and Terminating the Current Moratorium on CIP Applications for Properties that Have 25 or More Rental Units (“Option A”) and Making Other Necessary Updates. Introduced; or

Introduction of an Alternative Ordinance Amending Article XV of the Alameda Municipal Code, Terminating the CIP Program and Terminating the Current Moratorium on CIP Applications for Properties that Have 25 or More Rental Units (“Option B”) and Making Other Necessary Updates. Not introduced;

(23-611 A) Resolution No. 16107, “Repealing Resolution 15138 that Established the Existing Capital Improvement Plan Policy for Rental Units in the City of Alameda.” Adopted;

(23-611 B) Recommendation to Authorize the Creation of a Temporary Relocation Tenant Assistance Program to Provide Emergency Temporary Assistance for Tenants Facing Displacement and Authorize the Program Administrator to Adopt Regulations to Implement the Program; and

(23-611 C) Resolution No. 16108, “Amending the Fiscal Year 2023-24 General Fund Budget to Appropriate \$100,000 from General Fund Residual Fund Balance for the Temporary Relocation Tenant Assistance Program”. Adopted.

The Rent Program Director gave a Power Point presentation.

Councilmember Herrera Spencer inquired whether there is a reason the tenant hardship provision does not include assets.

The Rent Program Director responded dependent on Council’s vote, the tenant hardship provision would be implemented by an administrative regulation and adopted at a later time; stated the City does not need to adopt the specifics of how the tenant

hardship program will work at the current meeting, but staff can take direction from Council on changes to how staff is preliminarily proposing to run the program; staff has looked closely at San Francisco's policy and whether tenants qualify based on means or income.

Councilmember Jensen stated Alameda is the only jurisdiction that does not cap the dollar amount eligible to be passed through; inquired whether Option A includes a cap.

The Rent Program Director responded in the affirmative; stated staff is proposing two caps; there is a 5% cap considered at the time staff is processing the application to set a maximum allowable CIP pass-through; once the pass-through is implemented alongside the annual rent increases, landlords will need to look at the combination of the Annual General Adjustment (AGA), banking, and CIP, and will need to reduce the CIP pass-through or banking, if the total amount adds up to more than an 8% increase over the current rent.

Councilmember Jensen inquired whether the 8% cap was in place prior to the moratorium.

The Rent Program Director responded in the negative; stated as staff processed CIP applications, the total documented, qualifying cost of improvements would be reviewed, as well as the useful life of the improvements and what occurs when the amount is amortized over the useful life of the improvements; there was no limit to the percentage of the rent increase.

In response to Councilmember Jensen's further inquiry related to limit testing, the Rent Program Director stated Assembly Bill (AB) 1482 is a rent control provision for tenants in California that generally refers to more stringent local protections; most of Alameda's rent control protections are robust; AB 1482 usually does not come into play; AB 1482 could be considered when adding together AGA, banking, and the CIP pass-through; staff believes the limit is currently 9.2%; CIP pass-through should be considered when considering the limits of AB 1482; the approach has not been tested in court.

In response to Councilmember Jensen's inquiry related to the 8% cap, the Rent Program Director stated the 8% cap would be a local protection which is more robust than the AB 1482 10% cap.

Councilmember Jensen inquired whether the fair return provision is covered.

The Rent Program Director responded there is no cap on upward adjustments based on fair return; stated fair return is a constitutionally protected right.

Councilmember Herrera Spencer stated South Shore has been working through the process; inquired whether the process can be made retroactive to include South Shore.

The Rent Program Director responded if Council accepts either option, the moratorium

on CIPs for properties with 25 or more units would remain in effect up until the new policy takes place; stated Option A or Option B would maintain the prohibition; Option B goes beyond the prohibition and would eliminate CIP for all units.

The City Attorney stated the South Shore application would continue to be stayed; if Council adopts the permanent policy, the application would be denied.

Councilmember Herrera Spencer inquired what happens to the application; questioned whether the City can indicate no CIP is enacted and only fair return is approved.

The Rent Program Director responded in the affirmative; stated staff has not received feedback on the matter from the owners of South Shore.

The City Attorney stated the City would deny the pending application.

Councilmember Herrera Spencer inquired whether the staff recommendation is to deny the application after months of involvement and a change in policy.

The City Attorney responded the South Shore application was brought to Council as part of the moratorium; Council imposed the moratorium which remains in place; staff's position is that the moratorium is lawful; if Council approves the moratorium as permanent, it will remain lawful.

Stated CIP lends itself to abuse, especially by corporate landlords, such as South Shore; urged implementation of the fair return process be discussed; expressed concern about the process being confusing; suggested the moratorium be extended: Darcy Morrison, Alameda.

Stated private equity firms moving into commercial real estate created a crisis; outlined concerns about corporate owners: Garfield Kincross, Alameda Renters Coalition (ARC)/Tenants Together.

Urged Council to protect renters; quoted from an affordable housing proclamation; urged Council to vote against the CIP: Stacey Rodrigues, South Shore.

Discussed the State population and housing stock; discussed CIP and fair return petitions; urged the moratorium be extended to allow time to review fair return: Efrem Williams, South Shore Tenants Association (SSTA).

Stated ARC opposes the CIP; discussed South Shore; expressed concerns over the housing crisis and costs; stated corporations benefit from housing bubbles: Doyle Saylor, ARC.

Outlined concerns with the CIP policy; discussed habitability and limited code enforcement; urged Council to end the CIP or continue the moratorium: Laura Woodard, Alameda.

Urged Council to eliminate the CIP; outlined how the CIP impacts all renters; discussed rentals not being affordable for Alameda residents; stated the cost of living has increased faster than incomes: Kimberly Tyda, Alameda.

Urged Council to watch the film *Push*; stated regular maintenance is being labeled as capital improvements; urged Council not to allow Blackstone to further squeeze tenants: Roberta Schwarz, SSTA.

Stated SSTA is in favor of Option B; outlined fair return policy petitions: Nancy Lewis, SSTA.

Concurred with previous speakers; stated that he is afraid of corporate property owners abusing the CIP: Ivan Rudenko, Alameda.

Urged Council to eliminate the CIP; stated the CIP policy seems unfair; expressed support for transparency in understanding a landlord's financial situation by documentation being provided to the City and tenants: Amy Little, Alameda.

Stated the CIP is unfair, undermines rent control laws, and places an heavy burden on tenants; homeowners do not receive a subsidy for home improvements; urged the City to develop a comprehensive CIP to cover all residential properties: Toni Grimm, Alameda.

Mayor Ezzy Ashcraft requested clarification whether both options being presented include CIP and one suggests the fair return policy would require landlords to come to City Council.

The City Attorney stated Option B eliminates the CIP policy completely; if Council adopts Option B, there will no longer be a CIP policy in the City; the only process to obtain upward rent adjustments would be through a fair return petition, which has existed throughout the history of Alameda rent control and all rent control since it required by the federal Constitution; CIP applications have never come before Council for individual review; staff is not recommending the review take place; CIP or fair return petitions are highly individualized; complicated financial and legal analyses are being handled by well-trained City Hearing Officers who take in evidence and renders decisions, similar to a court process.

Councilmember Jensen stated that she has heard Option B would encourage or establish that fair return could be used for CIP recovery, which is not the case.

The City Attorney stated fair return petitions have always been available to landlords and tenants in all controlled jurisdictions, including the City of Alameda, as federally required; a landlord has the choice to submit a fair return or CIP petition; the approval standard is high for a fair return petition; the CIP process is an easier path to recover capital improvements.

Councilmember Jensen stated there is confusion regarding Option B; Option B would eliminate the CIP, with an additional provision for staff to develop an amortization schedule listing the amortization period for different types of common capital improvements; questioned whether there is confusion surrounding Option B.

The City Attorney stated the City currently does not have amortization schedules built into fair return; staff would look at the Internal Revenue Service (IRS) amortization schedule if a fair return petition is filed; the proposal does not mean CIPs cannot be included in a fair return petition; if Council eliminates the CIP, staff wants to ensure the tools and guidance are clear; staff is not proposing the fair return process be expanded.

Councilmember Jensen inquired whether the development of an amortization schedule would clarify and add fairness in the event of CIPs being used for fair return, to which the City Attorney responded in the affirmative.

Councilmember Jensen stated some have suggested that neither proposed option would be acceptable; only the two proposed options are available; inquired whether a third option is possible.

The City Attorney responded the third option would be to retain the existing CIP provisions, which provides little tenant protection and is not recommended by staff.

Vice Mayor Daysog expressed support for the staff report and community outreach; questioned why a CIP program is available when fair return is an option; read staff's explanation of fair return; stated that he understands tenants request to eliminate CIP and have landlords rely on the fair return program; expressed concern over putting tenants at graver risk than the program currently in-place; stated the matter has come to Council due to the dire situation for South Shore tenants; staff's plan has succeeded in trying to implement protections for renters from the situation South Shore tenants face; staff has also introduced a wide range of protections for all renters, especially in the form of two pass-through caps, as well as hardship eligibility; the protections in Option A, compared to having no CIP, makes Option A the wiser course; Council could modify Option A in the future if there is a desire to do so; expressed support for Option A; stated eliminating CIPs completely while moving toward the fair return mechanism will likely expose many people to consequences that have not been contemplated.

Mayor Ezzy Ashcraft requested clarification; inquired whether there is no limit to future rent increases.

Special Counsel responded the concern with solely having a fair return process is for a landlord's ability to demonstrate a rent increase is warranted;; stated the rent increase becomes part of the base rent, which then is based off any AGA or adjustment; a pass-through has a cap to both the pass-through percentage and the 8% cap; the pass-through amount is outside of base rent and stands separately; there could be better advantage for particular tenants to have a pass-through versus having a rent increase

under a fair return process.

The City Attorney stated the fair return petition is tough; while there are no limits, data shows the process is not one with much success in other jurisdictions; the lack of success is a factor Council must consider; regardless of which option is approved by Council, fair return will always remain as an option to landlords.

Mayor Ezzy Ashcraft inquired why it is so difficult for landlords to achieve a fair return petition.

The City Attorney responded staff establishes a base-year for fair return petitions as the start of rent control; stated a landlord will need to show a future year will not be able to make the same return; rental units turnover often; landlords typically reset the rent to market rate, which results in an extraordinary rent increase; the circumstances of turnover typically yield the landlord being able to recover all of the added costs; successful fair return petitions include long controlled units which never turnover, especially in jurisdictions with a long history of rent control, such as the original five to six jurisdictions that have had over 30 years of rent control; Alameda is in a different situation; control was imposed in 2019; Alameda is seeing turnover in larger units, so fair return applications will likely not be easy to file.

Councilmember Vella inquired what occurs when a tenant voluntarily leaves a unit causing turnover.

The City Attorney responded whenever there is turnover, a landlord has a right to reset the rent to market rate or whatever the market will bear; stated there is typically extraordinary rent increases when there is turnover.

Councilmember Vella inquired the number of owner move-ins and Ellis Act actions being seen in the City; questioned what trends are being seen in recent years; stated there has been a pandemic and moratorium since the ordinance was originally enacted.

The City Attorney responded the City's ordinance was paused due to the pandemic; stated the paused has only recently been lifted, which results in less than one year's worth of data.

Councilmember Vella stated it is difficult not to look at broader trends across the City; discussed affordable units and work arounds the City cannot enforce due to State law; stated affordable units are being lost due to turnover, which is a trend worth looking into; requested clarification about the differences between the proposed policies; stated Option A is for buildings with more than 25-units having no CIP pass-through; there are questions and concerns related to South Shore Apartments; inquired whether both proposed policies have no CIP pass-through.

The City Attorney responded in the affirmative; stated any property with 25-units or more, under either scenario, will be precluded from submitting a CIP application.

Councilmember Vella inquired why 25-units was selected as the cut-off; a table in the exhibits breaks down units and cost recovery; discussed tiered cost recovery in Exhibit 1; inquired the reason for different categories.

The Rent Program Director responded staff started by looking closely at Mountain View's policy to determine tiers; stated stakeholder sessions with landlords identified differences in the ways properties are managed based on the number of units; five or more units often require commercial loans; the break between 15- and 16-units comes from State law requiring an on-site property manager for buildings with 16 or more units, which changes business functions; 25-units or more harkens back to the meeting adopting the moratorium; staff considered the number of properties affected by the moratorium at varying levels and found 25-units or more has fewer affected properties, but consists of 35% of the rental units in Alameda; staff reviewed data related to how rents in the properties compare to fair market rents and discovered a higher likelihood of average rents in excess of the fair market as opposed to smaller properties with average rents more in line with fair market rents; data shows having 25-units or more can better absorb capital improvement costs; staff used the existing moratorium as a starting point.

Councilmember Vella inquired the percentage of rental stock for the properties with 16- to 24-units, to which the Rent Program Director responded that he would need to find the information.

Councilmember Vella stated that she understands the financing changes once above a certain number of units, inquired how many units are being accounted for in the first two ranges; stated 66 properties equating to 35% of the rental stock is accounted for in the 25-units or more category; inquired the percentage for the 5- to 24-unit properties; expressed concern over the City creating a more complex system for middle range rental unit properties; inquired whether there is a way to simplify the process.

The Rent Program Director responded 16- to 24-unit properties account for 6% of overall rental units, but only 1% of rental properties; stated 5- to 15-unit properties equates to 20% of the total properties and 25% of total units; 2- to 4-unit properties equates to 76% of the total rental properties and 35% of rental units; 25 units or more are excluded from the CIP proposal and are less than 3% of the total rental properties, but 34% of overall rental units.

Councilmember Vella stated the breakdown indicates how many people are being impacted within different tiers; the information is important for Council to consider when creating a tiered system; questioned the need for separate tiers between the tier with 1% of properties and 6% of the rental units; stated that she appreciates staff presenting different options as well as presenting financing; Council's previous discussions around CIP focused around health and safety; expressed support for focusing on lead abatement; stated proper abatement and repairs are necessary; Alameda has a large stock of pre-1978 buildings and a number of complaints have come to the County Lead

Abatement Joint Powers Agreement (JPA) related to remediation issues; it is worth adding details into the policy.

Councilmember Jensen stated only four CIP applications have been approved since 2016; three of the four were from landlords who sought to terminate tenancies due to improvements not being able to be completed and did not seek a CIP passthrough; inquired whether the information suggests only one CIP passthrough has been approved since 2016 and what was the size.

The Rent Program Director responded in the affirmative; stated the property is 4-units, with 3 tenant-occupied units; one of the tenants is newer and began after the capital improvements were made; the passthrough was only imposed onto 2 of the 4-units.

Councilmember Jensen inquired whether the three that sought to terminate tenancies were also smaller.

The Rent Program Director responded in the affirmative; stated fourteen applications were received; one was for South Shore with 452-units; the other thirteen all have less than ten units, including applications which were denied, withdrawn, or suspended; instances of relocation were often for a single tenant whose tenancy was terminated.

Councilmember Jensen stated Option A draws distinctions between the number of units.

Mayor Ezzy Ashcraft stated that she spends much of her time working on housing issues; discussed the three Ps: protect, preserve, and produce; Council needs to protect Alameda's tenants, as well as the housing stock; the housing stock needs to be maintained and habitable; expressed concern over the financial burden of repairs being placed on tenants; stated owning rental property is a value and can be borrowed against; lines of credit or equity can be taken out for repairs, modifications, or renovations; renovations add value to property and increase its value; Alameda's property values are rising and those fortunate enough to own property in Alameda are paying increased property taxes; expressed support for landlord's performing; stated landlords must understand property related expenses; property owners have different means of achieving repairs which should not need to be added to the burden for tenants; adding water saving devices is helpful; discussed grant and rebate opportunities from East Bay Municipal Utility District (EBMUD); stated the City is working on converting from gas to electric and has been looking at the cost of providing equitable building electrification; the process applies to property owners, not just landlords; many people working in Alameda are unable to afford to live in Alameda, which causes impacts; there is an opportunity to have another funding source; expressed support for enacting ordinances and finding solutions that are straightforward and use common sense; questioned unit breakdowns and why some tenants should be saddled with a higher cost; expressed concern over the keeping residents of all income levels in Alameda; stated many tenants have been struggling and have left Alameda; expressed concern over the process continuing; stated the City can accomplish goals

with common sense in adopting Option B.

Councilmember Herrera Spencer requested clarification about Councilmember Vella's comments related to tiers; questioned whether there is support to combine or eliminate tiers.

Councilmember Vella stated that she understands the financing portion; the tiers with 16- to 24-units and 5- to 15-units do not make sense; expressed support for not having four different tiers and for approving only 4-units or less with no CIP for properties over 4-units; stated the number of rental units impacted makes sense and properties have different financing structures.

Councilmember Herrera Spencer expressed concern over equity firms; stated Council might be driving the concerns; she is a renter and is concerned over telling businesses or landlords how to operate; Council must choose whether to support smaller landlords with a passthrough percentage in order for repairs to be made; Alameda's CIP is not working; units need repairs; expressed support for finding balance and for a program that does not favor equity firms expressed support for the staff recommendation of Option A; stated Alameda has smaller landlords who own apartment buildings with 5- or 6-units; she would prefer smaller landlords own buildings versus equity firms; smaller landlords are likely to keep rents lower and perform on a personal level.

Councilmember Herrera Spencer moved approval of Option A [including introduction of ordinance and adoption of the resolutions] and to fund the authorization of creating a Temporary Relocation Tenant Assistance Program (TRTAP) to provide emergency temporary assistance for tenants facing displacement and authorize the Program Administrator to implement the program.

Mayor Ezzy Ashcraft stated another way to look at opening the door for equity firms to come in is for Council to approve a structure that makes rents out of reach for struggling tenants; vacancies will occur and open the City up to gentrification or buildings being purchased by equity firms; she is unsure how much interest there is for equity firms to purchase property with fewer units.

Councilmember Herrera Spencer expressed concern over equity firms pushing the envelope related to rents, not smaller landlords; stated smaller landlords do not want to have vacant units and are trying to work within the City's rent control apparatus.

Vice Mayor Daysog seconded the motion.

Under discussion, Vice Mayor Daysog stated that he believes staff has presented Council with protections against passthrough challenges; the most important protection is the hardship exemption for lower-income renters; expressed concern over Council not adopting Option A; stated the City will likely find itself in the same situation with South Shore tenants returning to Council; the fair return process can be onerous, but is always available; having the mechanism offered in Option A is a roadblock to go through before

attempting fair return; if the City does not put up the necessary roadblock, landlords will have to use fair return; a trillion dollar entity will be challenged by South Shore tenants in fair return discussions; Option A provides protections.

Mayor Ezzy Ashcraft stated that she is unable to support Option A; expressed support for modifications; stated landlords able to take out a commercial loan should do so; Council can fashion new language with a lower unit cutoff.

Councilmember Vella stated there is a difference in buying a multi-unit property with a commercial loan; the financing is different; the transaction goal relates to the profit margin.

Councilmember Vella proposed a friendly amendment to approve streamlined tiers with the cutoff of 4 or fewer units versus having the two larger unit tiers; stated the larger tiers amount to less than 21% of total properties.

Mayor Ezzy Ashcraft expressed concern over small landlords owning multiple, small unit properties within Alameda with different names; inquired how Council or the City would determine the proper protections for smaller landlords.

The Rent Program Director responded the staff report includes some suggestions; stated tenants proposed that landlords owning multiple properties with less units and a total amount adding up to 25 should trigger the protection.

Mayor Ezzy Ashcraft stated data limitations and the use of corporate holdings would create difficulty in accurately determining the total number of units owned.

The Rent Program Director stated Limited Liability Companies (LLCs) sometimes have a single owner for multiple properties; each property having its own LLC makes it difficult to ascertain the owners of multiple properties.

Mayor Ezzy Ashcraft inquired whether commercial loans are based on the property instead of congregate holdings.

The Rent Program Director responded in the affirmative; stated the process occurs for each property; investing in a 5-unit property requires a commercial loan regardless of any other properties owned.

Mayor Ezzy Ashcraft expressed concern over someone owning 25 units in Alameda.

Councilmember Jensen stated the tiers were put into place with supporting data; looking at the data prior to the request from South Shore, staff approved four CIP applications all for a complex with less than 15 units.

The Rent Program Director stated the history CIP applications is generally as stated by Councilmember Jensen; the City has not received many applications.

Councilmember Jensen stated CIP is a tool that is not overly used by property owners in Alameda; expressed support for the discussion related to Option A as well as the proposed amendments.

Councilmember Jensen proposed a friendly amendment to the motion to approve eliminating the opportunity for CIP to be used to displace tenants.

The City Attorney stated staff's proposal eliminates permanent displacement.

The Rent Program Director stated the current CIP policy allows landlords to submit documentation showing work on a property is expected to take longer than six months; landlords submitting documentation showing the delay and related timelines are able to permanently terminate tenancy; the tenant receives a permanent relocation payment, but must move and find other housing; of the three approved applications, two were approved for permanent relocation and the third application included temporary relocation; the landlord expected the tenant to move back into the unit once the work was completed; staff has proposed that permanent relocation no longer be allowed under Option A; temporary relocation options would still be allowed so that improvements that cannot be completed while a unit is tenant-occupied can be conducted.

Mayor Ezzy Ashcraft questioned why Council is creating a policy with so few CIP applications being made, and why the fair return policy is not enough; stated a number of speakers have mentioned personal hardships and no landlord indicated the proposed policy would not work; she expects landlords would indicate which repair financing option is desired; the City can vote not to allow landlords to displace tenants; questioned whether a CIP can be enough to push a tenant out; expressed concern over the State's housing crisis and housing affordability; stated that she is unsure of the problem being solved; expressed concern over a problem possibly being created; stated that she is proud of Alameda being the first city to have its Housing Element certified; CIP applications are little-used; she will not support a motion that does not have a carefully carved-out exception.

Councilmember Jensen concurred with Mayor Ezzy Ashcraft; stated ideally, there will be more low- and moderate-income housing in the future; the City will also have more market rate housing; market rate units will not be under rent control and landlords will be able to apply for CIP to increase rents; eventually, the City will have many units that will not fall under rent control where landlords can make money to pay loans by raising rents or through eviction; there will be challenges, however, Council is under the constraints of the Costa Hawkins State law which does not allow the City to address the housing problem with all landlords in the City; changes can be made to Option A in order to create fairness for tenants; some landlords may sell property to a corporation that will be able to find out ways to file successful fair return petitions; Option A helps keep the cost under 8% and has strong requirements and policies addressing what projects can be approved; Option A establishes that there is not an increase in the

base; expressed support for Option A and questioned whether there is support from Councilmember Vella for an amendment to change the tiers.

Mayor Ezzy Ashcraft stated new units being built are helping increase the number of affordable units; brand new units typically do not need CIP funding for repairs due to being new construction; landlords cannot charge any amount for rent and can charge what the market will bear; the housing being built increases the supply to meet the demand, which helps keep landlords in check; new housing will motivate landlords to improve properties and perform necessary repairs.

Councilmember Herrera Spencer expressed concern over changing the tiers; stated four tiers are currently proposed; reducing the tiers down to one is concerning; expressed support for consolidating the higher tiers into one while keeping the remaining two tiers; stated Alameda has a lot of older housing stock that needs repairs; the current formula has not been working; the City has not been receiving applications and repairs are not being made; expressed support for trying something new and concern over eliminating all tiers; stated fair return has always been an option and the City is trying to find a way to help smaller landlords perform repairs; there is benefit to tenants in homes where repairs are being made; questioned whether eliminating the higher tier and having no option for CIP would be sufficient; stated the approach appears to be a good compromise; she is happy to make a friendly amendment to the motion.

Vice Mayor Daysog expressed support for the compromise.

Councilmember Vella stated that she would prefer to have the 2- to 4-unit tier as the compromise rather than including the 5- to 15-unit and 16- to 24-unit tiers.

Councilmember Vella proposed a substitute motion to approve Option A with CIP allowed for only 2- to 4-unit properties [including introduction of the ordinance and adoption of the resolution repealing the existing CIP policy].

Councilmember Jensen seconded the substitute motion.

Under discussion, Vice Mayor Daysog inquired whether the substitute motion takes precedence even with the original motion being seconded, to which the Mayor Ezzy Ashcraft responded in the affirmative.

The City Attorney stated staff's recommendation to include remediation for lead should also be considered.

Councilmember Vella amended her substitute motion to include approval for lead remediation as a qualified improvement.

Councilmember Jensen inquired whether the motion needs to include the fund for relocation.

Mayor Ezzy Ashcraft responded the relocation fund can be voted on separately.

Vice Mayor Daysog expressed concern over the motion process.

Councilmember Herrera Spencer stated that she will not be supportive of the motion as it is extreme and does not achieve the purpose of the goal.

On the call for the question, the motion by the following roll call vote: Councilmembers Daysog: No; Herrera Spencer: No; Jensen: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 3. Noes: 2.

In response to Councilmember Vella, the Rent Program Director stated Council approved Option A amended such that properties with 2- to 4-units would be eligible for 100% passthrough of qualifying improvements and properties with 5 or more units would not be eligible for CIP.

Councilmember Vella inquired whether the 100% passthrough is still subject to a cap, to which the Rent Program Director responded in the affirmative.

Councilmember Jensen moved approval of adoption of the resolution amending the general fund budget.

Councilmember Vella seconded the motion, which carried by the following roll call vote: Councilmembers Daysog: No; Herrera Spencer: No; Jensen: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 3. Noes: 2.

ORAL COMMUNICATIONS, NON-AGENDA

None.

ADJOURNMENT

There being no further business, Mayor Ezzy Ashcraft adjourned the meeting at 8:24 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.