



**CITY OF PACIFICA  
CITY COUNCIL MINUTES**

**Council Chambers  
2212 Beach Blvd  
Pacifica, CA 94044**

Mayor Mike O'Neill  
Mayor Pro Tem John Keener  
Councilmember Sue Digre  
Councilmember Sue Vaterlaus  
Councilmember Deirdre Martin

**May 08, 2017 (MONDAY)  
[www.cityofpacifica.org](http://www.cityofpacifica.org)**

Mayor Mike O'Neill called the meeting to order on May 8, 2017 at 7:05 PM

**7:00 PM OPEN SESSION**

Call to Order

Mayor O'Neill called the meeting to order at 7:05 p.m.

<b>Attendee Name</b>	<b>Title</b>	<b>Status</b>	<b>Arrived</b>
Mike O'Neill	Mayor	Present	
John Keener	Mayor Pro Tem	Present	
Sue Digre	Councilmember	Present	
Sue Vaterlaus	Councilmember	Present	
Deirdre Martin	Councilmember	Present	

Staff Present: Keith Breskin, Interim City Manager; Michelle Kenyon, City Attorney; Lorenzo Hines, Asst. City Manager; Van Ocampo, Public Works Director; Tina Wehrmeister, Planning Director; Christian Murdock, Assoc. Planner; Dan Steidle, Police Chief; Louis Sun, WWTP Dep. Dir.; Ed Vandehey, MIS Mgr.; Kathy O'Connell, City Clerk.

Salute to the Flag led by Mayor O'Neill

Closed Session Report

None.

**SPECIAL PRESENTATIONS**

None

**CONSENT CALENDAR**

Councilmember Digre stated that she wanted to make a comment on Item #6. She expressed her appreciation to staff for providing their packets on Wednesday.

Mayor O'Neill agreed and also thanked staff.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Sue Vaterlaus, Councilmember
<b>SECONDER:</b>	Sue Digre, Councilmember
<b>AYES:</b>	O'Neill, Keener, Digre, Vaterlaus, Martin

1. Approval of Disbursements for 03/31/17 through 04/15/17  
**PROPOSED ACTION:** Move to approve attached list of disbursements for 03/31/17 through 04/15/17.
  
2. Approval of Minutes  
**PROPOSED ACTION:** Move to approve the minutes of the regular meeting held on April 24, 2017.
  
3. Proclamation Confirming Existence of Local Emergency of the Pacifica Coastline from Westline Drive to the End of Beach Boulevard.  
**PROPOSED ACTION:** Accept current photos as of May 3, 2017 (Attachment 2) and move to continue proclamation confirming the existence of local emergency.
  
4. Report on the City of Pacifica Emergency Operations Plan  
**PROPOSED ACTION:** Accept report on the City of Pacifica Emergency Operations Plan.
  
5. Resolution Approving the County of San Mateo Building Department Mutual Aid Agreement and Authorize the City Manager to Sign the Agreement.  
**PROPOSED ACTION:** Move to Adopt the Resolution Approving the County of San Mateo Building Department Mutual Aid Agreement and Authorize the City Manager to Sign the Agreement.
  
6. City Council Agenda Packet Release and Distribution Date  
**PROPOSED ACTION:** Move to approve that the City Council agenda packet be released the Wednesday prior to the regularly scheduled City Council meetings effective with the second meeting of July 2017.

**ORAL COMMUNICATIONS**

**Eduardo Gonzalez, Pacifica**, stated he was with the Youth Leadership Institute, and was with three youth, Sebastian, Florence and Karina.

Sebastian stated they were students from Oceana High School. He stated that they helped other youth to be aware of economic challenges in their community and equip the youth to address those issues.

Karina stated their focus was to investigate predatory financial services, specifically payday lenders. They hoped to limit the number of payday lenders and educate the community on their negative impact and create more youth friendly financial services. She mentioned several other issues they address, such as transportation, housing, etc. They hope to get the support of Council and the community.

Florence stated that they fully support the rent control ordinance.

Mayor O'Neill stated that she cannot mention rent control because it is on the agenda.

Mr. Gonzalez thanked them for their time.

**Mary Bier, Pacifica**, stated she was director of the Pacifica Prevention Partnership and she was going to talk about the marijuana ordinance which will be coming up at some point. She attended the Planning Commission meeting and she was pleased about overlay maps and thanked staff. She stated that she wanted to advocate three, rather than six, retail licenses. She felt the less access points in the community, the less access for the youth, adding that we must keep youth in mind when creating policies that change the landscape of the community.

**Erin Macias, Pacifica**, stated that she wanted to address the Pacifica economic situation. She mentioned that they have requirements to build affordable housing but not the economic resources to support it. She stated that we need tax revenue but the anti-growth mindset that protects our environment has led to the entire tax burden being shifted onto the property owners in Pacifica. She challenged the Council to utilize the skill sets of the two realtors elected by the people and meld them with the three environmentalists elected by the people to negotiate the quarry to build a solar farm. She stated that Pacifica desires tax revenue and environmentalism without new housing tracts and she challenged them to aggressively solicit the sustainable opportunity for our community. She also asked them to look at ocean power technology. She stated that they were working with the US Army Corp of Engineers to address a collapsing cliff damaged by the power of the ocean. She stated that the wave power industry is growing and we were a perfect coastal community to host a major project and need to stop taxing the residents for the lack of vision and begin the discussion of sustain ability.

**Ian Butler, Pacifica**, stated that they had a large crowd because of contentious issues on the agenda, and he asked that they practice civility and have a constructive approach. He stated that even members in the audience should not reward mean behavior by the speakers. He asked that they consider what helps their cause, as well as the City's cause. He acknowledged that they have varying opinions, but he felt it was important to have a reasonable discussion and he hoped they have a lot of that at this meeting.

**Tygarjas Bigstycck, Pacifica**, referred to a CD of the Grateful Dead recently released. He referred to all the negativity in Pacifica, and he felt the volunteer work he has been doing has made a difference for him. He expressed various thoughts regarding his feelings on what is going on in Pacifica, and his desire to circumvent misinterpretations of his comments by stating that his comments are always meant for the good of his community.

**Bridget Duffy, Pacifica**, stated that she was an American, Pacifican, patriot and socialist. She then read a "rap" she wrote on Pacifica. She then stated that we are neighbors and there was nothing that we can't do together. She hoped for some unity at this meeting.

**Therese Dyer, Pacifica**, stated that she has been looking for transparency in our government since she has lived in Pacifica. She mentioned that she has made a lot of public record requests and stated that Mr. Hines who was supposed to communicate with constituents failed to do that and she informed the public that she has about 20 pages from her request and about 15 were outdated. She asked why she wasn't getting the current information. She referred to "certificates of participation" which she said was actually remortgaging our public buildings. She stated that "they" have a board of directors, and she concluded that Council was the board

of directors. She stated that she will be attending their next meeting. She thought Mr. Hines was in violation of a lot of state codes, stating that she has given him a lot of information regarding transferring of sewer funds to the General Fund which she stated was illegal. She stated that she wanted to talk about Sue Digre who was in violation because she lives where the trailer park is and she should have recused herself, but she did not do that. She stated that she wrote a letter to the editor and, if it is published, she hoped everyone takes it to heart.

**Frank Vella, Pacifica**, congratulated the Council for being one of the most deceptive City Councils they have ever seen. He stated that important matters are presented on a Friday and voted on the following Monday which does not give the public enough time to review and discuss important matters in a timely manner. He felt it has happened too many times, was deceitful and he felt they should be ashamed. He stated that the public comments times have been shortened which he felt was wrong. He suggested that they have the meetings at the community center or school where there is plenty of room, pointing out that people were sitting on the floor at this meeting. He stated that some Councilmembers ignore the public opinions when against their objectives. He urged Council to remind the public that freedom of speech should not be taken for granted. He thought signature gatherers have been harassed and false accusations levied. He stated that citizens are being intimidated in public places. He asked Council to remind residents that anyone has a right to ask people to participate in the voting process without being intimidated.

**Cynthia Kaufman, Pacifica**, stated she wanted to address civility and thanked the mayor in maintaining order. She appreciated the sacrifice Councilmembers are making for our community. She stated that she has talked to former Councilmembers who are suffering from posttraumatic stress syndrome. She stated that she feels that the "right wing" killed Jim Vreeland by harassing him to the point of mental disorder. She stated that there was a witch hunt against Sue Digre that was completely unconscionable, adding that she felt she was one of the most honorable people she has ever met. She stated that there is also a freedom of information act request against the three progressive City Council members which she felt was a form of harassment. She mentioned that Ian Butler was threatened with being punched in the face because he was standing around talking to the signature gatherers and helping people understand the lies they were spreading. She would appreciate people understanding the cost of that kind of harassment towards people.

**Doris Krischke, Pacifica**, stated that she agreed with the lack of transparency of Council and city government and she agreed with Therese, stating that she would like to know why Sue Digre was still on the Council. She stated that it has been known for over a year that she had vested interests on agenda items she wanted to get passed. She was upset that she will not answer questions and felt she has been deceptive from the beginning. She was also upset about the harassment regarding the petitions.

**Remi Tan, Pacifica**, stated that he has felt sad at the level of acrimony regarding the rent control subject. He felt that one issue is that there is not enough housing in the city. He stated that he has lived in Pacifica for 20 years and is an architect, in the construction industry and has a real estate license. He stated that others in those fields are very frustrated in dealing with the city in getting permits for projects, adding that it was easier in other cities. He questioned whether the Council knew about a pending state legislation that, if a city doesn't meet their housing/job balance, the state will take over and the city will have no say in the quality and quantity of development, and he urged Council to look at their planning regulations and solve the housing problem and maintain control over our destiny. He stated that he was a member of

NextDoor and they have had a lot of complaints about the overflies from the airport, voicing his concern about potential problems with noise, as well as if an engine fails, etc.

**Anita Rees, Pacifica**, stated she was giving an update on the homeless count which is taken every other year and hoped to provide a draft report as soon as they have it available. She stated that May was Mental Health Awareness month and the PRC will have a ribbon wall and give people an opportunity to talk about how they are impacted by mental health, adding that most everyone knows someone with a mental health issue or has experienced it. They were trying to help alleviate the stigma and recognize that most of us deal with it in some way. She also asked that, if anyone knows of someone who is homeless, they should send them to the PRC for them to help them with resources to help them find housing.

### **COUNCIL COMMUNICATIONS**

Councilmember Martin thanked Anita Rees for her report. She also mentioned that the PRC has a fundraiser where individuals can get a Mother's Day card. She then stated that, at the board meeting, they approved the strategic plan, mentioning having the city's contribution out of the General Fund. She stated it probably would not be in this year's budget but they will see what they will have to sacrifice to make that adjustment. She stated that she attended her first CCAG Bike & Pedestrian meeting, with an application process soon to get funding. She stated that Public Works Dir. Ocampo will be reporting soon on that. She stated that she stands with Councilmember Digre who she felt knows what she is doing, and she asked that everyone understand that. She also asked that everyone be civil. She thanked those from out of town for being present and voicing their opinion. She asked that those from out of town be mindful of Pacificans and hold back and let Pacifican voters and property owners speak first.

Councilmember Digre stated that they have had their first Roundtable legislative meeting regarding the airport and they were going to be aggressive in reaching out across the nation for all similar roundtables and look at all major airports. She stated that they were trying to reach grassroots people as that is where progress will come by getting their congress representatives to vote for noise impacts as a mandate above efficiency. She expected them to be hearing about it, and they would go to the individual cities to have them write letters on this subject. She asked everyone to get everyone they know to be involved in this safety and health concern and add the noise impact as a higher priority than efficiency. She mentioned the Economic Development Committee's meeting the following day, and invited anyone to attend. She then mentioned the Open Space and Parkland meeting on Wednesday. She mentioned that the Sanchez Art Center had a festival, adding that it was nice to see other people to celebrate. She stated that the day at the senior center was excellent, adding that it was a safe and happy place.

Councilmember Vaterlaus stated that she will be attending her first CCAG water committee on the 15<sup>th</sup>. She attended the Library Advisory Committee with Councilmember Martin. She stated that the Daly City Services fundraiser works with Oceana and Terra Nova, and the Council of Cities provided information on the anniversary of Redwood City. She attended the Democrats event where Kevin Mullin spoke and was interested in what was happening in Pacifica. She also attended the Relay for Life meeting. She also went to Sacramento and met with Kevin Mullin and Jerry Hill and they all talked about housing issues. She stated that Jerry Brown was the speaker and told them they would need 180,000 new homes in California to meet the statewide housing needs which was a crisis.

Mayor O'Neill stated that he attended the Economic Development Committee with Councilmember Digre. He stated that Council will be voting on the fireworks ordinance. He attended his first BAC meeting and saw the greenhouse behind the fire station. He attended the Alma Heights awards ceremony for youth doing social work in an entrepreneurial way and he congratulated them on their awards.

Councilmember Martin stated that she forgot that "bike to work day" was the following Wednesday and the energizer station will get Reina del Mar and Highway 1. She encouraged those available to attend it.

### **STAFF COMMUNICATIONS**

None.

### **PUBLIC HEARINGS**

7. Public Hearing on Proposed Ordinance Amending Section 6-6.404 and Section 6-6.408 of the Pacifica Municipal Code (Sewer Rates) for Fiscal Years 2017/18 through 2021/22  
**PROPOSED ACTION:** Move that: 1) the Ordinance entitled "Ordinance of the City Council of the City of Pacifica Amending Sections 6-6.404 through 6-6.408 of Chapter 6, Title 6, (Sewer Charges) of the Pacifica Municipal Code to Revise and Increase the City's Sewer Charges" be read by title only and that further reading be waived; and 2) move introduction of the ordinance.

Asst. City Manager Hines opened the staff report.

Public Works Dir. Ocampo continued the staff report.

WWTP Dep. Dir. Sun completed the staff report.

Mayor O'Neill referred to the proposed rates and revenue, and he asked if that was total revenue, not just from the rate increase.

WWTP Dep. Dir. Sun asked if he was referring to the \$81 million.

Mayor O'Neill stated that he was referring to the bottom row mentioning \$12.5 million, \$13.6, \$14.7.

WWTP Dep. Dir. Sun responded that it would be the total revenue for that fiscal year.

Mayor O'Neill opened the public hearing.

**James Lindland, Pacifica**, expressed his opposition to the proposed rate increase of the sewer charges outlined in the recent mailing. He felt this increase was too expensive to many residents and small businesses. His concerns were whether a majority of the city's costs were in line with other coastside communities, if there was oversight of the cost, was it contracted out and if it was open bid, as well as the burden this increase would have on lower or fixed income families and larger households as they are weighted on water usage. He stated that the increase would amount to 44.2% gross increase over the five years or 30.7% net. Based on the rate of inflation over the past five years, he found this increase to be exorbitant. He suggested

the increase be scaled to average rate of inflation or tax relief or subsidies to low or fixed income families. He also suggested no increase but closer oversight. He acknowledged that the city may need an upgrade, but he felt this tax increase goes too far.

**Ellen Yip, Pacifica**, stated she was opposed mostly because it was excluding property owner input, adding that it was obvious that they don't want input and want the increase to be approved. She suggested that they include the option to check yes or no and then citizens can mail it in. She asked if anyone can address that option.

Mayor O'Neill stated that they can't respond to her question.

Ms. Yip stated that she wasn't familiar with the city's process. She then referred to the water used for landscaping and the water department told her that there was only one meter. She asked where they were getting information on a separate meter or monitoring of outside water usage. She was concerned about the items mentioned by the previous speaker regarding low income and fixed income citizens. She also questioned why they can't have a ballot.

**Remi Tan, Pacifica**, stated he was opposed to the way the ordinance was worded and how the increase was allocated. He acknowledged the need to upgrade the sewage infrastructure. He hoped they have done everything to get federal or state money to help the city with this. He felt they were having a charge on the fixed charge and he thought the rate increase should be on usage which he felt would encourage people to conserve water. He also thought getting a discount when individuals conserve water would also encourage conservation. He agreed with the other speakers that it was a huge increase and thought people on lower income should get a break and he thought that could be tied with conservation.

**Laurie Goldberg, Pacifica**, stated that she was against the increase of 43% over five years which she felt was too much. She questioned whether they are explaining where all the money will be going and whether they will have an oversight committee to know where the funding will go. She mentioned that they had built a sewer treatment plant that was supposedly state of the art but they are now saying they have to check to see how good the quality of sewage was. She stated that she went to see the plant when it was built, and heard what the process was all about. She stated that they didn't have an explanation of accounting for where the increased money would be going. She asked if there was interest they would be collecting on this increase. She felt it was too high and should be at a lower rate. She referred to a previous meeting where Mayor pro Tem Keener suggested a one-year trial. She referred to the notice and she thought they should send a postcard asking for a response as to whether we agree to the rate increase. She asked that Council look at the proposal and hoped they would not agree to this proposal.

**Eulalia Halloran, Pacifica**, stated she was a 37 year resident and she would address her concerns. She stated that when she received the blue form she didn't know what the money was for and couldn't figure out if the money requested was reasonable and fair. She felt more information would have been helpful when asking residents to consider it. She also thought the methodology for assessing it was unfair, explaining her reasoning. She also felt water rates already took excess usage into consideration. She asked that they consider those points. She was okay with reasonable increases but, again, felt this was unfair.

**Ken Miles, Pacifica**, stated that he has lived in Pacifica for 45 years and has seen both a lot and nothing happen. He stated that they had a more interesting presentation on March 27 where they essentially voted yes to approve this rate. He wished they had mentioned that in the

notice. He had some questions about the financial figures and thought they should have an independent audit on the wastewater system to assure residents that money has not been wasted and will be used appropriately and should be available to the public. He expressed his concern that, if restaurant's grease traps are causing blockages, they should be outlawed and not be given a break. He asked before and now whether this money will help to pay off the plant and whether we were still paying off the fine from 2009. He stated that landlords will raise their rents.

**Erin Macias, Pacifica**, asked how the absence of sustain ability warrants the increase in the sewer fees. She stated that the fees will not fund the underlying structure problems and she objects to the absence of transparency on that issue. She pointed out the controversial items on this agenda and felt that sufficient time was not afforded for careful deliberation before final decisions are made regarding beaches and the quality of life in Pacifica. She stated that they will see if they will deliberate with care before voting on this important issue or just look at a date from a lawsuit to drive their decision. She mentioned many of her concerns about fees that are put in place and will directly impact seniors and cause them to be forced to sell and she felt they need to outsource city operations due to inability to resolve major infrastructure problems.

**Robert Fontes, Pacifica**, stated that he didn't dispute tax increase to fix the aging sewer system, but did object to the way they are figuring the water usage, which was based on the two months of the year when they are not watering outside and it goes down the sewer and that is how the rates are computed. He felt the present plan to take 90% of water usage as the figure to use was way out of line. He didn't think adding an agricultural water meter was a good idea based on what it would cost to accomplish that. He felt what was proposed was way out of line and he asked that Council not okay this because he also thought there will be a lot of unhappy people when the tax bill comes out.

**Vivien Zielin, Pacifica**, stated that she understood the need to raise costs, but she thought they should be fair and proportional. She thought the blue sheet was confusing. She thought those who reduce the use of water were being asked to subsidize water guzzlers because of the way it was being assessed. She thought the effect for seniors and everyone on fixed incomes would make it impossible for people to live in Pacifica. She also felt they were not transparent, stating that they focus on a \$50 charge for the year but several people have pointed out that it was a 44.5% rise, pointing out that her rate will rise from \$626 to \$903 in that five-year period. She felt they needed to justify the reason for the increase and put it on the ballot, as accept that it will make it unaffordable to many people. She stated that water rates are going up as well. She concluded that they were screwing the residents.

**Lori Bowie, Pacifica**, stated that she loved the city but the city was taxing and bonding them and the additional fees make it unaffordable for them to live here. She didn't know why the city was charging so much when they can't afford it. She asked that they rethink it. She stated that Linda Mar Valley will be "stinked out" of Pacifica by the tank. She again asked them to rethink it as the residents cannot afford it.

**Shirley Babb, Pacifica**, stated that she was against the sewer increase for many of the same reasons mentioned by prior speakers. She stated that it was outrageous that the most expensive item on the property tax bill was the sewer rate which goes up every year and now will be doubled over the next five years. She felt they weren't giving any consideration to people on a fixed income, with disabilities, etc. She stated that, with all the fees being added, if you have only a set amount of money, they are making Pacifica an expensive place to live and making it impossible for people who want to stay but have a limited amount of money to do it.



She stated that she didn't see that they tried to find other ways to make up the money or spread it out over a longer period or a smaller increase. She mentioned that she thought we had the state of the art sewer system and she thought she was now being told it was not. She also thought it was not true that the city was close to paying it off. She asked that they keep an open mind rather than like the water board that had their minds made up no matter what the public said. She felt property taxes were getting outrageous and were making it difficult to stay here.

**Chaya Gordon, Pacifica**, stated that so many have already eloquently expressed what she had to say. She appreciated the work done, and understood the time and financial constraints. While she wasn't saying she could do better, she thought the process was rushed and seemed to have some flaws. She felt they were serious enough that they pay attention to that and revise the plan. She thought five years were too long to be increasing. She felt they need to have a fairer structure, specifically, not fixed charges but usage. She felt we need to continue to conserve water and need a sewer rate increase to encourage people to conserve the water. She also felt it needed to consider low income, disabled, fixed income, seniors, etc., adding that she thought they can do better than PG&E. She urged them to find ways to make it fair, less of a burden with oversight and an independent audit.

**Roy Stotts, Pacifica**, stated that he and his wife have lived in Pacifica for over 40 years and were also apartment owners. He stated that their apartments start at Tier 2 which he thought was unfair. He thought they need to call it an unwarranted tax hike. He thought they should be honest and put it on the ballot.

**Therese Dyer, Pacifica**, stated that she agreed with every prior speaker. She stated that she has lived in Pacifica for 56 years and she was supposed to be exempt but Mr. Rhodes became manager and was able to take that out of the ordinance. She stated that they were using the money to pay off the pension bonds and were borrowing from Peter to pay Paul. She then mentioned several of the figures in connection with the various debt obligations. She concluded that she was against this and felt this needed a state audit, mentioning that there were two sewer funds, maintenance and new sewer. She mentioned that she was told she only had to pay for one. She questioned why they haven't sold the present Council Chambers to pay off the other defunct one.

**David Goodwin, Pacifica**, stated he was against the sewer increase, adding that it piggybacks on another issue coming up. He stated that it was an 8% increase and they were only allowed 3.4 and he didn't see where it adds up. He hoped they consider that he is against this.

**Georgia Berry, Pacifica**, stated that she has lived in Pacifica since 1962, has seen many rates come and none of them have ever left. She stated that this was not an adoption for five years but permanent as the rest of them and she felt it was an unfair tax on everyone, not just seniors and low income individuals. She asked if this money will be paid by the Council or another person. She questioned if they decide to allocate it to another item that comes up and felt we cannot afford it. She was opposed to this and she hoped they consider all the facts.

City Clerk O'Connell stated that after he closes the public hearing, he will need to ask the clerk for a report on the protest.

Mayor O'Neill closed the public hearing and asked the City Clerk to report on the protest.

City Clerk stated that 12,608 notices were mailed to parcel owners. She stated that the number of protests needed was 6,305 and the number received was 1,027 which represents a percentage of protests of 8.15%. She stated that a majority against the proposed rate increase does not exist and the City Council may act to impose the increase if desired.

Mayor O'Neill asked if Council had any questions for staff.

Mayor pro Tem Keener stated that this was a surprise to Council also. He thought they should have had study sessions on it. He didn't think it would have changed anyone's mind about the increase, but it would have laid out the justification for the increase. He stated that they have to approve it each year, and stated that, after they visit Standard & Poors and get the bonds approved, how much they are and how much the equalization basin will cost, they will be in a better position to possibly decrease the amount if necessary. He stated that one piece of information which has been mentioned at the Council meeting on the topic but hasn't been mentioned at this time was the 40% contingency fee on top of the construction estimate for the equalization basin. He stated that the usual is 10% but they went with 40% because they don't know how much the construction will cost. He referred to the way rates are calculated, stating they had three different scenarios to choose from, they chose the recommended one. He stated one was tied to water usage and less paid the minimum charge for usage. They had another option but they chose the middle ground which was the best they could do. He stated that they didn't have any excuses for this and payments into the General Fund for the past three years were going to start to be paid back in another year. He stated that they will revisit this in a year and he hoped they have a study session ahead of that meeting.

Councilmember Digre stated that they had decided that they wanted to be sensitive to hardship issues, but the law didn't allow them to charge according to hardships. She asked the City Attorney if she can give information on this. She mentioned that PG&E can do it, but apparently they are not under the 218 law.

City Attorney Kenyon stated that she wasn't clear on what applies to PG&E, but the city was obligated to comply with Prop. 218 which went into effect in the late 1980s or 1995. That law requires that all property related fees must be proportionable to the reasonable costs provided for the service and all users are required to pay their actual cost for the service and prohibits subsidizing users at the cost of other users.

Councilmember Digre reiterated that it was one constraint for which the city has no choice. She then stated that this has come up before and, if possible, she would like to take the angst to ask if there was something the City Council could do to possibly counteract a proposition, or must that be left for an individual for a group to do.

City Attorney Kenyon stated that the city did not have the authority to preempt state law, but the city could use funds from its own General Fund to subsidize.

Councilmember Digre stated that they could discuss that, but she was saying that, as long as the proposition exists, she thought it could be changed as it was not a constitutional law.

City Attorney Kenyon stated that it could only be changed by the state legislature.

Councilmember Digre stated that they get into the situations and accept it, and she hears a community burdened by this and, as a community, they shouldn't accept it but she didn't see an answer now.

Councilmember Martin thanked everyone who sent a letter of opposition and she expressed her empathy. She reiterated that some know they will get a cost of living increase every year because they are still working. She understood those who are on a fixed income but she also understands that we have to support our infrastructure and city government and trust that highly paid city staff and consultants did their research and offered the best options. She appreciated that they have to approve it every year, and appreciated that the public wasn't informed about the presentation where they could have gotten more information. She stated that a lot of the feedback was having the public more engaged. She understood that some people felt this was dictated, and she felt it was important to find a way to promote conservation as it was highly encouraged. She will probably vote yes, but she reminded them that she was paying it as well.

Councilmember Vaterlaus asked if the toxicity tests were for all cities.

WWTP Dep. Dir. Sun stated that it was something new from the EPA and Pacifica was the first one.

Councilmember Vaterlaus assumed that it cost us more money.

WWTP Dep. Dir. Sun responded affirmatively.

Councilmember Vaterlaus stated that the leaking sewer laterals were causing the problems with the sanitary sewer overflow and the need for the equalization basin. She mentioned that, when houses sell, they have to put in new sewer laterals if they are leaking. She thought that would eventually minimize the problem with the sanitary sewer overflows. She stated that the plant was 27 years old and everything that old needs to be maintained and we need to pay for it. She stated that it was state of the art when it was built, and she questioned what it would cost the city now, possibly 3 or 5 times. She mentioned that people can set up alerts for every meeting with information on the agenda. They can then know when an item of importance to them is on the agenda and can attend the meeting and see the presentation. She added that she will be voting yes.

Mayor O'Neill stated that the idea that came through from all the speakers was communication. He asked confirmation that this agenda item was all for infrastructure.

Asst. City Manager Hines stated that they have \$52 million in infrastructure improvements they have to make over the next five years.

Mayor O'Neill asked if this was "brick and mortar" and no salaries other than the construction workers.

Asst. City Manager Hines stated that a certain amount was for operations, and was part of the \$12.5 million they discussed earlier. He stated that there is a desperate need for capital replacement.

Mayor O'Neill stated that Sony Walkmen were state of the art and now they aren't. He stated that other cities are having a 32% increase in one year because they didn't have the tertiary plant we have. He asked when the bond is paid off for the construction of the plant.

Asst. City Manager Hines stated that it was 2021.

Mayor O'Neill stated that in four years, the initial bond for the construction of the plant will be paid off and this will be for the sewer lines and equalization basin.

Asst. City Manager Hines stated that it would also include other capital improvement projects.

Mayor O'Neill thought the two big issues were lack of communication and understanding for the average person. He asked how they account for the money, such as the bond money being kept in a separate fund.

Asst. City Manager Hines stated that, with bond money, typically, those dollars for the EQ-basin, will go into the bank and, as they expend money, they will be drawing those dollars down from the bank and spending them to build the EQ-basin.

Mayor O'Neill concluded that, if there was any question with the bill, there will be a discussion.

Asst. City Manager Hines understood, but he stated that this was an SEC transaction. He stated that there was a whole level of scrutiny over these kinds of transactions that goes beyond the state of California. He stated that what they do has to be understandable and defensible for every penny spent will be what they said they would spend it for or there will be ramifications.

Mayor O'Neill stated that the work they were putting in was that the higher the bond rating, the lower the cost may be.

Asst. City Manager Hines assured him that the higher the bond rating, the lower the interest costs on the transaction and they can drop the amount of debt associated with the transaction.

Mayor O'Neill pointed out the regulations for a bond issue and a parcel tax, adding that you can opt out of a parcel tax but not a bond issue.

Mayor pro Tem Keener referred to the sewer plant bond being paid off in about four years, and pointed out that it was an interest free loan from the state. He then referred to the cost of the penalties in the lawsuit and stated that most of the penalties were allowed by the organizations that sued us to be put toward our improvement of the sewer systems. He commented that our progress was slow but it was progress.

Mayor pro Tem Keener moved that 1) the Ordinance entitled "Ordinance of the City Council of the City of Pacifica Amending Sections 6-6.404 through 6-6.408 of Chapter 6, Title 6, (Sewer Charges) of the Pacifica Municipal Code to Revise and Increase the City's Sewer Charges" be read by title only and that further reading be waived; and 2) move introduction of the ordinance; seconded by Councilmember Vaterlaus.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	John Keener, Mayor Pro Tem
<b>SECONDER:</b>	Sue Vaterlaus, Councilmember
<b>AYES:</b>	O'Neill, Keener, Digre, Vaterlaus, Martin

**CONSIDERATION**

- 8. Amendment of Article 2 of Chapter 3 of Title 4 of the Pacifica Municipal Code Relating to Fireworks and Amendment of Administrative Policy No. 68 Relating to the Fireworks Permit Process

**PROPOSED ACTION:**

- 1) Introduce and waive first reading of an ordinance entitled "An Ordinance of the City Council of the City of Pacifica Amending Article 2 of Chapter 3 of Title 4 of the Pacifica Municipal Code Relation to Fireworks."
- 2) Adopt amended Administrative Policy No. 68, relating to the fireworks permit policy.

Police Chief Steidle presented the staff report.

Mayor O'Neill stated that he was the Council liaison and he thanked T&T Fireworks because they helped draft quite a few of the items and it helped the city by not having to "reinvent the wheel." He mentioned the cost of destruction of fireworks.

Police Chief Steidle stated that they turn in the fireworks to the sheriff's bomb disposal unit and there has been the threat of loss of funding and making the city responsible for the cost of transportation and destruction of fireworks that could be quite expensive.

Mayor O'Neill acknowledged that.

Mayor O'Neill opened public comments.

**Erin Macias, Pacifica**, thanked the chief and the task force, including T&T. She stated that she has been a member of the softball league and understands the importance of the fundraising of legal fireworks. She acknowledged that the 4<sup>th</sup> of July mayhem has moved from the beaches into the residential neighborhoods and the risk of life and property is a real issue. She mentioned a fire that started behind her property and the threat it posed. She stated that they remember the Oakland Hills fire and stated that fireworks pose a major threat to the majority of residential neighborhoods in Pacifica. She felt the social host ordinance was a fair response to that issue. She commented that, if you have an issue as a social host, it might be time to move the party to their house. She felt they should be able to enjoy the 4<sup>th</sup> of July safely and she asked residents and Council to embrace this fair and reasonable solution to mitigate the illegal fireworks in the residential neighborhoods.

**Bridget Duffy, Pacifica**, stated that she agreed, adding that she didn't realize how pets are affected until she got one. She stated that it makes good sense to have a concentrated area where they can do it and free up smaller neighborhoods.

**Remi Tan, Pacifica**, stated that he has lived in Pacifica for 20 years, and every 4<sup>th</sup> of July and New Year's become a war zone and he was glad to hear that we will have an ordinance to address it. He felt it was a safety issue, mentioning negative personal experiences. He hoped this ordinance will curtail the war zone attitude.

Mayor O'Neill closed public comments.

Councilmember Digre moved to introduce and waive first reading of an ordinance entitled "An Ordinance of the City Council of the City of Pacifica Amending Article 2 of Chapter 3 of Title 4 of the Pacifica Municipal Code Relation to Fireworks."; seconded by Councilmember Vaterlaus.

5-0

Councilmember Digre moved to adopt amended Administrative Policy No. 68, relating to the fireworks permit policy; seconded by Councilmember Vaterlaus.

5-0

Mayor O'Neill called a five-minute break, then reconvened the meeting.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Sue Digre, Councilmember
<b>SECONDER:</b>	Sue Vaterlaus, Councilmember
<b>AYES:</b>	O'Neill, Keener, Digre, Vaterlaus, Martin

9. Council Consideration of Resolution Calling a Special Election on Tuesday, November 7, 2017, and Submitting to the Electors of the City of Pacifica a Proposed Ordinance Entitled Pacifica Community Preservation, Rent Stabilization, and Renters' Rights Act; and Introduction of an Interim Urgency Ordinance Establishing a Temporary Moratorium on Certain Residential Rent Increases in the City and Requiring Just Cause for Tenant Evictions Within the City.

**PROPOSED ACTION:** 1) Move to adopt the attached Resolution Calling a Special Election on Tuesday, November 7, 2017, and Submitting to the Electors of the City of Pacifica a proposed Ordinance entitled Pacifica Community Preservation, Rent Stabilization, and Renters' Rights Act; and

2) Move to adopt by 4/5 vote an Interim Urgency Ordinance Establishing a Temporary Moratorium on Certain Residential Rent Increases and Requiring Just Cause for Tenant Evictions Within the City.

City Attorney Kenyon presented the staff report.

Councilmember Vaterlaus asked if there was a roll back of the rents in the ordinance.

City Attorney Kenyon asked if she meant the rent stabilization ordinance that goes on the ballot, there would be a roll back of rents to February 13, 2017. If the measure passes in November, the rents in place on that date would go back into effect on January 1, 2018.

Mayor O'Neill opened public comments.

**Judy Taylor, El Granada**, stated that the Council gave themselves an increase for something they need to operate but are looking to deny private property owners the same ability. She felt it was "stunning and astonishing." She stated that she has spent a week listening to the problem in California because we have not built enough housing. She stated that they will not get builders building anymore housing. She felt it was not good policy to not do something for a long period of time and then say to property owners that they need to subsidize the other group. She thought they have not exhausted other options, such as a mediation board that deals with the problems. She asked them what the difference was in requiring a small group of property owners to subsidize other and not looking at a quarter percent sales tax to spread the cost over the entire community or a bedroom tax. She worships pragmatism, and stated that rent control

has been around a long time and there was not a single study that says rent control does what it is supposed to do, but does degrade the quantity and quality of stock.

**Frank Reisinger, Pacifica**, felt this ordinance was a knee jerk reaction to the mass evictions in the trailer park and he felt it was discriminatory and punitive in its scope and affects very few Pacificans and was a partial result of that eviction. He stated that it was brought up in 2015 and rejected, and he reiterated that it was brought back as an emergency reaction resulting from the trailer park. He stated that this ordinance is scaring both sides and he felt the only emergency that has occurred is the ordinance which has forced property owners to take action that will be rescinded if it passes. He stated that he was at the town hall meeting put on by Daniel Savers. He stated that this is the first part and the second part is AB 1506 coming up in 2018 that will rescind the Costa Hawkins Act. He urged Council to look at the monster ruling to see how far this goes. He stated that he has friends in Pacifica and he doesn't want to see them move. He mentioned where they will get the funds to run the board and pay for lawsuits. He felt it was a bad idea.

**Ben Frandzel, Pacifica**, asked how they protect the most vulnerable in our community. He stated that there was no perfect solution. He didn't want "mom and pop" landlords who live in Pacifica to struggle but a larger and more vulnerable group of people is the renters. He stated that the moratorium would limit rents to the level prior to April 10. He stated that it will reduce the profits that would be made by evicting tenants for new ones at higher rents or collecting rents raised by \$600. He acknowledged that no one wants to see their profit limited which was understandable. He stated that some see the urgency ordinance as unfair, but he pointed out that they have plenty of legislation that limits profits because of the need to protect the most vulnerable members of our society. He stated that they agreed that people with disabilities should have the same access to buildings as everyone else and if they have to pay to modify their business for wheelchairs to get through the door, it will cut into profits. He doubted that any landlord would go out of business before November with a moratorium in place or will become homeless. Without the moratorium, they will see displacement and homelessness increase in our community as they heard in previous meetings and will hear at this meeting. He was concerned that those losing their homes will be parents and he didn't want to see children sleeping in cars in Pacifica or veterans and seniors and lifelong residents losing their homes. He felt it was preventable in the short term with a moratorium. He stated that, if they are forced out of Pacifica, a breathing time will give them time to save money and move out of town.

**Marie Favorini, Pacifica**, stated she was a renter in Manor and she asked how the city will protect vulnerable Pacificans until the November 7 election. She stated that was what the urgency ordinance would do. She asked that the Council vote yes on the ordinance so renters can stay in our community, stay safe in their homes and the renters can have a chance to vote on the November ballot as all Pacificans have the right to do. She stated that she and her husband love their community and patronize local businesses. She is a teacher and they volunteer at the community garden and they pick up trash on the beach. They are active members of local religious communities. They want the chance to stay without the fear that their landlord could evict them unfairly or make their rents even more unaffordable than they already are between now and May 24. She stated that the urgency ordinance would protect them and other vulnerable renters. She stated that their landlord has already raised their rent twice this year, in February and April. She stated that the most recent increase was \$515/month and they will be paying \$2,595/month in rent starting in July. She stated that they live in a humble apartment, nothing fancy, near the carwash. She stated that it was shocking to pay that much per month for an apartment that cost \$1,895 the previous year. She stated that, unless the urgency ordinance is passed, that rent could be raised again. She stated that they

have done nothing wrong and do not want to be evicted without fair cause. Pacifica is their home and she asked that they help them stay and vote yes on the urgency ordinance.

**Suzanne Moore, Pacifica**, stated that they are hearing about sudden rent increases of \$500 to \$700 a month which are likely to force them from their homes. She stated they are hearing from community members who, in defense of tenants, were taunted, bullied and threatened by members of the California Apartment Association. She stated that some say it wouldn't happen if Council had not considered rent stabilization, but she didn't think that made sense. She stated that individual landlords and hired petitioners are responsible for their actions which are unconscionable. She felt they did not represent Pacifica and should not be tolerated by Pacifica. She asked Pacificans to protest the abuse by not signing the petition funded by California Apartment Association and being circulated in Pacifica and, if you signed the petition and felt you were misled, she asked that they contact Fair Rents or the City Clerk to remove their name, and if you do not agree with the aggressive bullying or believe we should have the right to vote on it, remove your name. She stated that these tactics did not represent Pacifica. She urged everyone to demonstrate we are not tolerant of threats to our democracy and she requested that Council pass the urgent moratorium and place the ordinance on the ballot for voter approval.

**Thursday Roberts, Pacifica**, stated she lives in Sharp Park and is a member of Fair Rents for Pacifica. She has shown up for two years and feels badly about her neighbors, who are elderly people on fixed income, social workers, teachers, etc., who are being priced out of our community. She stated that over the course of the last two years the rent increases are escalating. She stated that there are hundreds of renters in the last few weeks who have gotten huge rent increases. She stated that they were talking about an increase of \$50 which is about \$4.18 a month for the sewers which was different from an increase that was a higher amount of \$400, \$500, etc. increases and have no hope of paying that and there is no where to go. She appreciated the Council taking the heat. She believes they are there to help the community and do what is best for the community. She reiterated that there are a lot of people who were misled and want to remove their names, and she then read one signers' response.

**Marsha Murphy, Pacifica**, thanked the Council for serving and willing to sit in the hot seat. She stated that she saw people with stickers that said "save the dream." She stated that was what she wanted to talk about. She experienced the American dream and owns a home in Pacifica. She feels strongly that a large part was due to the rent control she was a part of in San Francisco, mentioning that her mother was able to save money to buy a place in Concord and she saved enough money to make a down payment and pay closing costs. She stated that she owed a lot to rent stabilization which brought her into the middle class. She hoped Council will allow the renters of Pacifica the same opportunity she and her family experienced, stable rent and only just eviction.

**Nani Wilson, Pacifica**, stated she was a member of Pacifica Collaborative and an advocate for our community. She was speaking for coworkers, family and friends whose rent has been increased by \$600. She stated that their non-profit work has not raised their salaries by \$600 and she had the experience of being offered a sticker for "save the dream" which she thought was beautiful, until someone told her it was for the non-rent stabilization and homeowners. She stated that used to be their dream but now, as renters it is to be able to keep a roof over their heads. She felt the outrageous increases were not just. She stated that Anita from the Resource Center cannot handle 2,200 people coming to her door. She stated that it was our responsibility to be able to keep Pacifica a healthy and affordable community.



**Meina Young, Pacifica**, stated that she loves Pacifica with the community being close. She stated her father bought his house when he had a \$3.00/hr wage and he had to work three jobs. She stated that he has dementia and cannot help. She stated that he cannot continue to take care of the tenants, and they deserve to retire and quit their job and should not have to go through just cause and prove it. She stated it was not fair but abusive. She stated that, if they need to petition it doesn't work because they have to go through the paperwork. She felt there would be a lot of lawsuits right away and the costs will pass down to the tenants. She asked that they not pass this.

**Angela Howatt, Pacifica**, stated that the rent controls imposed on people was awful. She stated she was a realtor and lives in Pacifica. She felt putting restrictions on landowners will not help Pacifica. She felt that the few that have been dinged should have something to help them, but not put a cap on the rest of the investors. She stated that they have done all the right things and there were a few doing wrong things. She felt those should be held accountable. She stated that she deals with investors who want to invest in this community but the Council and the Planning Department make it difficult to build in this town. She felt they need to think about the big picture.

**Timothy Cowan, Pacifica**, stated that he will speak bluntly and some of his language will sound pejorative, but he believes it is accurate. He stated that housing costs locally are among the highest in the nation and service sector wages are not equal to the demand. He stated that the choice is simple and clear. A yes vote means, for 5 1/2 months until the ballot is voted, landlords who are doing very well cannot extract more money from those who are very likely barely scraping by now and will be put out of their homes if their rent is raised in the interim. He stated that the Council's job is to choose the greatest good and which does the least harm for the greatest number of Pacificans and is for the good of the whole community. He stated that they are hearing impassioned voices from both sides. He stated that some property owners and realtors are wearing "save the dream" and he supposed that those dreams seem reasonable and laudable but those dreams of limitless rent increases, fatter bank accounts, a sense of personal security, directly imposes an unending horrific nightmare on their fellow citizens who pay those morally unconscionable extortion rents. He stated that he was not there to appeal to their conscience as their presence speaks to that. He stated that as Council members, their vote will speak eloquently about their conscience. He stated that a vote to temporarily limit unneeded profits of the few will actively increase the suffering of the citizens who will likely be put out of their homes.

**Laurie Goldberg, Pacifica**, stated that she was a renter 30 years ago when there was no rent control then and she thought there would be rent control now. She mentioned that friends have had to move out of Pacifica because of rising rent. She stated that she talked to a teacher at a school where she was subbing, and he said that, in a few years, he might have to move out of Pacifica because of the high rents. She mentioned a man in a one bedroom apartment who pays \$2,500 for rent. She stated that was more than her mortgage. She stated that "keep the dream alive" reminds her of "keep the greed alive." She stated that people with property have equity, they can rent out a room, a house, some inherited houses. She stated that a woman she knows paid \$23,000 for her house, and you can imagine what her property tax is. She stated that those who want to keep the greed alive, probably have houses they inherited or bought years ago for \$23,000 or \$30,000 and can charge \$3,000 up to \$5,000 for a house. She stated that the renters deserve a break and deserve rights and deserve to live in Pacifica. She stated that they should vote right away on the temporary moratorium. She stated that there were a couple of real estate agents on the Council which she felt didn't seem fair to be voting on this topic. She stated that it should be placed on the ballot for people to vote, adding that

SAMCAR will spend millions trying to defeat this. She thought it would be a David and Goliath fight if it goes on the ballot and she hopes David wins. She would like that all income levels can live in Pacifica.

**Remi Tan, Pacifica**, stated that this ordinance was so divisive. He stated that they have it in San Francisco, Berkeley, etc., and he felt that all it has done is reduce the amount of rental supply because people stay in their homes forever, and are very wealthy. He stated that there are doctors and lawyers who stay in rent control apartments and buy other properties and rent those out that are not under rent control. He thought it was unconscionable. He felt we should have an ordinance that protects the vulnerable people, such as a tax or voucher that they can give them and tax wealthier renters. He stated that this ordinance was based on how long you live in a place but not how much you earn. He stated that the other problem was that we don't build enough housing. He stated that he owns property in other parts of the country and he hasn't been able to raise the rent since 2006 because some places are not as desirable and there is plenty of housing to go around. He stated that we have a supply and demand issue and they have to make it much easier for more housing to be built, high density near transit corridors and would make traffic issues better.

**Cynthia Kaufman, Pacifica**, thanked Council and staff for putting forth a reasonable moderate and thoughtful version of rent stabilization. She told the mayor that she wanted to speak to him because of the urgency ordinance. She stated that she knows him well and knows he is a very caring person, and she knows he is the swing vote in this situation. She recalls when they were on the school board and working on the Oddstad property and they stood together for what was right. She understands that it can be hard when you decide on something that goes against the community. She stated that, to vote yes was not to say that he was in favor of rent control and she respects that, but this was to say to cool things down for a couple of months so the crazy increases do not happen until the voters decide. She appreciated letting the voters decide on this.

**Lois Plymale, Pacifica**, stated that she moved to Pacifica in 1956, raised her children and grandchildren here. She stated that she and her husband own three different properties in Pacifica, and she knows what it is like to be a homeowner. She stated that, when her husband passed away, she couldn't keep up the house and she had to move. She stated that she stayed in Pacifica, but her children moved because they could not afford it. She stayed in the apartment and the rent keeps going up and she worked until she was 76 years old. She stated that almost half of her pension goes for rent. She loves it here and doesn't want to leave.

**Jack Coots, Pacifica**, stated that there is a cap on increases that have benefitted corporations and property owners for almost 40 years, Prop. 13. He stated that it falls in the same category of restraint by government. He stated that there has been a lot of testimony. He stated that there is a large number of neighbors and friends who happen to be property owners and landlords. He stated that there were a lot of them who stated that they respect their tenants, have a good relationship, charge less than market rate rents and try to be fair. He stated that this is exactly what the ordinance was geared toward, to salute them and say thank you for doing the moral and ethical thing and establish that as the standard for everyone who would do business in the community and make it the law. He suggested that anybody who wants to indulge in the real estate frenzy go elsewhere.

**Nick Razlukin, Pacifica**, stated that there was a problem. He stated that they can all agree that some people don't like rent increases. He stated that this is economics 101. He asked what makes the rent go up. He stated that there is market rate, supply and demand. He stated

that we are still in the free market situation. He stated that ten years ago, he would drive at night and have every freeway all to himself, and now there is bumper to bumper traffic almost 24/7. He stated that all these people need a place to live and that pushes the rents up. He asked where the notion is coming that the homeowner has an unfair leverage over the tenant. He stated that it was simply untrue. He stated that it was great if they want to do good, but he thought the problem was that they want to do good with someone else's money. He stated that there is another word for it, socialism. He stated that, in a socialist society, everyone pays. He asked where the logic was in any of this. He stated that there was no qualification for the renter, doesn't matter what they earn but how long they have stayed in the house. He stated that this is financial aid. He mentions the use of the words of just, fair and right, and he asks if they have a right to pay a fraction of the market rate.

**Dave Rosenheim, Pacifica**, thanked Council for being in the hot seat and for their service to Pacifica. He stated that he owns a home in Rockaway, is a business person and a landlord. He stated that the topic is not about rent control, adding that he has mixed feelings about rent control. He stated that it was about leading in the face of unfairness, about being fair in the face of a situation where there are egregious and harmful rent increases. He stated that his mother-in-law was sitting in the back. She didn't want to speak but has had it with this issue and he was speaking for her. He stated that they have a very personal situation. He stated that her rent so far this year has been increased by over 50%. She has terminal cancer and they are her caretakers. Her doctors are at UCSF. He stated that they learned that she is no longer in remission and the cancer is coming back. He stated that they are facing a real possibility, if this urgency moratorium does not pass, she will have to leave the Bay Area and find new doctors at a time when she needs the best doctors in the world. He stated that it was not about rent control but an urgency moratorium that will provide temporary relief until the citizens of Pacifica have a chance to vote on this issue. He begged them to pass this urgency moratorium.

**Erin Macias, Pacifica**, stated that there was clearly an imbalance of supply and demand. She asked if Pacifica bridged economics and empathy to find an alternative to rent control. She stated that Pacifica has a housing target of 413 new units by 2022. She stated that the solution to the lack of supply and increased demand being offered to City Council was rent control. She stated that rent control was the ultimate barrier to new housing developments in Pacifica. She stated that they have to ask what will that housing discrimination cost the residents. She looked at the divisiveness and felt it was not Pacifica. She has a hard time comprehending how an ordinance is fair when it isolates 2,200 housing units and discriminates against a particular type of property owner. She stated that the ordinance encourages the sale of small family owned rentals to larger corporate entities who have the finances to tear them down and rebuild them and convert them to condos commanding highest rents. She stated that there are many alternatives to rent control that have yet to be explored, and questions are can we afford the administrative costs and are the residents willing to allow incremental construction of new housing to help offset the supply issue. She asked if the city has considered replacing the Rent Advisory Task Force with a housing task force to understand the need and better determine whether short term rentals listed on Airbnb can act as permanent housing solutions to displaced Pacifica residents or have imposed an occupancy tax on these short term rentals that can be used to provide housing assistance. She asked if they have considered extending the 60-day notification period to prevent unfair evictions and homelessness or approached San Mateo County to increase the income limits necessary to secure housing assistance. She asked if they considered the value of seniors at risk.

**Ruthe Offill, Pacifica**, stated that, as a member of Local 2, she was in support of rent control and the moratorium. She stated that the idea of rent control was to make housing costs more

manageable and to support both landlords and tenants. She stated that people need housing costs to be manageable. She stated that as a member of Local 2, it can be difficult to get to your hotel if you have to cross the Bay or San Mateo Bridge to get to work. She stated that, if you work on the Peninsula and can't afford to live close to work, you have to commute. She acknowledged that they are in a housing crisis that affects both landlords and renters, and she asked that they attack the cause and not the symptoms. She stated that she knows several people who live in Hayward and San Leandro and BART doesn't go there so they have to drive and that is more traffic and toxics in the air, adding that part of Pacifica is going into the ocean because of the environmental crisis. She stated that, in 2008, landlords were put in a crisis because banks were foreclosing on their homes. She suggested that they look at it as sustainability because everything impacts everything else. She stated that a lot of people rent and they want to protect what they have, but they were wasting their time fighting each other.

**Cesar Gonzalez, Redwood City**, stated that the California Apartment Association has intervened in the affairs of several localities and a pattern has emerged. He detailed the process that transpired when Richmond voters passed rent control despite efforts by the CAA, and Santa Rosa will be voting next week. He stated that, in San Mateo renter protections after close to \$1 million was spent against them, a majority of that raised by the National Association of Realtors and CAA. He stated that they are now in Pacifica and he asked what the city and Mayor do to deal with this crisis.

**Deeg Gold, Pacifica**, stated that two men came to their house in Pacifica to sign the referendum. She stated that the second stated he was working with the Board of Elections and the first one said he had a petition to vote against rent control. She stated that they knew the board would be voting today on the just cause eviction ordinance and there was no need for a referendum but this petition was to put the moratorium on hold and leaves tenants vulnerable for the period up to the election. She stated that this referendum petition allows SAMCAR and rich interest groups to choose their electorate while outspending others. She stated that, if they evict tenants through large rent increases, they will change the voting in Pacifica and this could be the margin of victory. She compared it to union busting employers who fire or layoff workers prior to an NLRB election for union representation, adding that they can appeal to the NLRB for relief and will get their jobs back, etc., but here the renters will have nowhere to appeal. Their only chance for a fair election is for the Council to adopt an urgency measure or families will be displaced if they don't and evicted out of Pacifica permanently. She stated that the landlords who increase each unit by \$600 stand to make \$3,000 for each unit during that five month period or \$30,000 excess for a ten-unit building. She asked that they vote for the rent stabilization and just cause measure.

**Victoria Becker, Pacifica**, stated that this was a question of distinguishing between right and wrong, adding that we live in a country that increasingly values the wealthy who become obscenely rich. She stated that regulations are going out the window to allow the rich to get much richer and benefits for people struggling to make it are being curtailed everywhere. She felt this community needs to decide between right and wrong. She stated that it was right for all residents, renters and owners, to vote on a rent stabilization ballot measure. She stated that it was wrong for landlords to raise rents by up to \$800 a month and force renters out of Pacifica in the interim time. She stated that the only right thing to do was to pass the urgency measure and she asked that they do that.

**Chaya Gordon, Pacifica**, stated that they need to improve the room setup to help the handicapped. She thanked the City Manager for the FAQs on rent stabilization. She stated that they were hearing a lot of mis-information and she felt putting that on the website goes a long

way to get the right information out to people. She is a homeowner and supports the ballot measure. She referred to the urgency ordinance, stating that she has heard many stories about extremely disturbing conduct by people collecting signatures. She stated that it was from out of town realtors who started the referendum drive on the temporary moratorium and those collecting signatures are behaving like thugs, including physical threats. She felt things were out of control and she thought approving the urgency ordinance to stabilize things until the election would help level the playing field. She hoped the election takes place, adding that we will have to live with the results of that.

**Deni Asnis, Pacifica**, stated that this ordinance protects renters in Pacifica without hurting homeowners. She stated that, over the weekend, she spoke with many people about this issue and a huge percentage supported protection for renters. She mentioned two examples, a man who said his rent was raised \$60/week. While he was trying to remain calm, his face and voice expressed his fear and concern about how he would be able to afford it and stay in Pacifica. She stated the other person was a landlord who also supports protection for renters, speaking of her fair treatment of her tenants but expressing support to protect all tenants in Pacifica because she knew how rents were being so exorbitantly raised. She stated that they exemplified the urgency of the issue and the breadth and depth of support in Pacifica. She urged them to vote yes on the urgency ordinance. She stated that she should consider herself lucky as someone who is out to spread real information that all that happened to her was a large man come close to her and hurled insults at her verbally while acting in a threatening manner.

**Diana Reddy, Redwood City**, thanked them for the wonderful work they do. She stated that she was a person of faith. She has been moved by a scripture from Luke, "he who has been given much, much is expected." She stated that she, along with her fellow members of the Pacificans for Fair Rents, has been blessed by housing security. She stated that they have nothing to gain from renter protection except for the knowledge that they have done all they can to prevent the destabilization of Pacifica. She stated that they understand there is a price to pay when they lose teachers, postal workers, police officers and others who provide essential services for the community. She stated that there are also those in and outside the community who have much but it never seems to be enough. She urged Council to stand up for those in the community who live every day with the genuine fear of not knowing how much longer they can stay in Pacifica.

**Cynthia Cornell, Burlingame**, stated that she wanted to speak in support of renters and homeowners in Pacifica who are under threat of displacement of essential workers and essential neighbors. She stated that she was part of the rent stabilization campaign in Burlingame, Measure R, and she has been actively working for renter protections since her rent increase of 63% in 2012. She stated that her building was full of seniors and everyone was displaced. She stated that it was horrifying to watch and since then has witnessed more horrors. She mentioned that, during their Measure R, the opposition lead by California Apartment Association and SAMCAR poured huge amounts of money to defeat rent stabilization and renters were served with an unending chorus that affordable housing is the only real answer to this crisis. She stated that they swore to partner with renter groups, housing advocacy groups and Councils to see that affordable housing will be built and quickly, but they have not heard a peep from either association since then. She stated that it is not in their interest to build affordable housing and renters find themselves fighting for affordable housing in their cities which most will never see. She stated that, since November, renters have gotten unsustainable increases. She urged Pacifica to take the only course that will slow displacement and ongoing pain felt by low and middle income renters. She stated that Pacifica needs an urgency moratorium to protect itself up to the election.

**Eric Castongia, Pacifica**, stated he is a Pacifica resident and a realtor and a member of SAMCAR and CAA and he didn't think he was a villain. He stated that he was a homeowner in Pacifica and a landlord. He stated that he has been to a lot of meetings and a year ago the road to rent control began. He stated that the City Council decided they were going to do a rent advisory task force to come up with solutions to Pacifica's problems. He stated that no one denies they have problems and they need an answer, but he feels that rent control was not the answer as it doesn't create housing. He felt it was only creating a division between landlords and tenants. He stated that rent control makes owning a property a business which he felt it should be but it means there is no Mr. Nice Guy anymore, and when you are a landlord you have to raise your rent when you can and it shouldn't be a surprise that landlords have raised their rent to full market. He stated that, if someone is paying below market rate rent up to now, that was the way it was. He suggested that they have the Rent Advisory Task Force that will come up with real solutions in the community as they won't go away with rent control.

**Ian Butler, Pacifica**, stated that everyone was entrenched in their positions and he wasn't going to try to change anyone's mind about rent control, but he wanted to focus on what they will all agree upon, which is the democratic process. He felt it was a good decision by Council to put this to a vote of the people instead of enacting it on their own. He felt it was great for each side to make their case and may the best argument win. He felt to have a fair and honest debate, both sides need to feel that they can come forward and make their voices heard without retribution. He felt the emergency ordinance would be an essential part of that. He stated that his dream would be a unanimous vote in favor of that as well as a unanimous vote in favor of putting the initiative on the ballot in November. He stated that he heard about the petition and witnessed two different petitioners for a half hour lying to every voter who came up to them. He let people know that they were an anti-rent control ordinance. He stated that, as a result, one of the petitioners told him that, if he didn't leave right away, he would punch him in the face. He stated that others were given similar threats, and he reported that to the police. He stated that he has only had two threats in his adult life, and this was one of them.

**Roy Stotts, Pacifica**, stated that he and his wife are homeowners and investors in Pacifica. He stated that the city with the highest rental rates in the nation is San Francisco and it has one of the highest number of occupancy units that are not available to rent. He stated that was one of the by-products in Pacifica if they do it. He compared the rents between San Francisco and Boston, with a \$1,300 higher rate in a one-bedroom unit in San Francisco, claiming that the difference was because Massachusetts passed a no rent control ordinance. He asked those in favor of rent control what part of "it doesn't work" didn't they understand.

**Jereme Locklin, Pacifica**, stated that he has been living in Pacifica for a year, but did attend high school, graduating in 2012. He plans to stay as he loves it but he can't afford to live here and can't pay \$3,000 for an apartment, but would like to have shelter and a home and he felt the only way to get that was through stabilized rent. He supports rent control and asked Council to also to allow him and others to continue living here.

**Bridget Duffy, Pacifica**, compared the huge increases in rent because of the possibility of rent control to an abusive husband telling his wife that, because she is complaining, he will have to beat her. She felt it was like a bullying situation and the renters are extremely vulnerable because they have no place else to go. She thanked Council for even discussing this regardless of the results. She asked that they pass the emergency ordinance. She added that she didn't think it was a good idea to put rent control on the ballot, because it will just engage in \$1 million fight which the city does not have. She hoped Pacificans can find a way to fight this

without money. She mentioned a woman who got a \$500 rent increase and the landlord said, if she wants to live there after October, she will be paying \$3,200, interesting that it is just before November.

Mayor O'Neill mentioned that it was 11:00 pm and they have to vote to extend the meeting.

Mayor pro Tem Keener moved to extend the meeting to 1:00 am; seconded by Councilmember Vaterlaus.

5-0

**Kelly Moresco, Pacifica**, stated that she has grown up in Pacifica and her parents own rental property and on the weekends they worked on their buildings. She asked the tenants if they like a clean and safe building they are proud to live in and not a building that is run down. She stated that "mom and pop" owners put their own time and money to make a nice place for them to live in. She stated that, if rent control goes through and she has to take over her parents building, she won't have the funds or means to take care of the building. She asked that they keep rent control out of Pacifica and save her parent's dream. She stated that her mother spoke to Council and one of them started yelling at her. She stated that they all have the right to talk and be civil and listen.

**Tygarjas Bigstyck, Pacifica**, stated that he has been mad that rent has gone up for no fewer than 80 units from 10% up to 75%. He commented on what has been happening and referred to due diligence, mentioning that things might be different if they had enacted rent control when dealing with what happened at Pacific Skies Estates as recommended by Mayor pro Tem Keener a year and a half ago. He was not convinced that Council has the tact to tackle the complex problem of building communities for all parties involved. He stated that they seem not to notice that the current approach was harming those intended to be helped and he felt, if Council worked together with all of them, he might be persuaded that their approach was better than the present adversarial approach.

**Carolyn Jaramillo, Pacifica**, stated that she was a member of Fair Rents for Pacifica. She felt housing was a human right. She was speaking to implore the Council to protect renters by passing the urgency moratorium and agreed with people who were praising Council for the courage to take the heat. She also saw this as an opportunity for them to protect approximately 6,000 vulnerable renters and stop the forces seeking to divide them and help Pacifica to be a connected, healthy and compassionate community. She thanked Pacificans who supported them as they attempted to clarify the purpose of a petition circulated by outsiders. She thought the petitioners were concluding that Pacifica did not want this intimidation and false messages from outsiders. She asked Pacificans not to sign the petition that would eliminate protection for renters and not listen to their message that renters and advocates are causing landlords to jack up the rents.

**Chuck Rategan, Pacifica**, stated that he bought a four-unit apartment building in the Manor District. He stated that he has spent over \$200,000 in rehabilitation costs and has kept the rents low and flat for his two lower income tenants. He assumed Council had strong backgrounds in economics and public policy and understands the pressures that any price control creates over time, particularly on people's largest expense, housing, as well as the negative side effects that rent control creates with the financial burdens on the city. He acknowledged that Council was still considering this deeply divisive rent control and putting it on the ballot. He stated that, while it has good intentions, it will be a redistribution from one group

of citizens to another group. He stated that, by putting it on the ballot, it was letting residents vote on permanently capping any bills. He stated that many residents will vote with their pocket books and that was why putting it on the ballot requires a vote by Council. He stated that not all decisions are appropriate to be determined by the public, especially a blanket redistribution of one group's money to another group. He felt a mediator should be considered to look at the facts and circumstances of any complaint, which he felt matters.

**Brian Adler, Pacifica**, stated that he was a small property owner and was against this measure because it was unfair to mom and pop owners. He was responding to comments from the prior meeting. He read the measure and was more afraid than before as he felt it was not a balanced legislation that has listened to the property owners side of the argument. He stated that it was obviously written with a lot of input by a left leaning group of lawyers from East Palo Alto with a political agenda. He compared it to ballots in San Mateo, Burlingame and Mountain View. He stated that it didn't even go through the petition signature process to give it some credibility with the community. He stated that the measure was full of deceptive language such as fair rate of return for the property owner and increases based on CPI which is an inflation gauge. He gave various reasons why he felt it was unfair to property owners and compared their rights to other businesses, stating that they would not be able to raise rates as much as those other businesses.

**Mike Vandermeiden, Pacifica**, stated that he has owned a four-plex for ten years and currently his units are rented well under market and he was one of the landlords who sent notices for increases in six months. He stated that he has not kept up with inflation, let alone the market. He stated that, if rents are frozen at the current level, he will lose everything he invested in the last ten years and he was scared. He stated that Councilmember Digre stated he was protected. He read the measure and he was still scared. He asked what a fair return was. He mentioned several of the points and questioned whether they were guaranteeing what he was told they would.

**Kathy Moresco, Pacifica**, stated she was a homeowner and small landlord in Pacifica. She stated that she was nervous, worried and upset about the rent control ordinance. She stated that while Council was stating that there was an emergency for an ordinance, they needed to take responsibility that there was an emergency. She stated that the original measure was brought to the public on Friday and they voted for it on Monday with the property owners having three days to read it. She stated that, once it was enacted, they had 24 days to respond and they panicked and increased the rents. She felt Council should feel responsible for causing that to the tenants because they got no buy in from the landlords. She stated that, if they talked with them and went over the ordinance and explained it to the landlords, there would be a lot less fear. She thought it was unfortunate. She then referred to the \$19 per unit per month which she thought was not going to pay for the ordinance. She mentioned that, when she talked to Mayor pro Tem Keener about it, he said they would increase it later. She concluded that it was put forth quickly, not explained and not well financed. She was disappointed in the members who put it forward in this manner.

**Ellen Hage, Pacifica**, stated that she has lived in Pacifica for 40 years, and was a member of Faith in Action and Fair Rents for Pacifica. She stated that she has never witnessed or been the recipient of the abusive language and outrageous behavior that took place this past weekend. She stated that individuals came from out of town with petitions to overturn the temporary ordinance to protect renters in Pacifica from evictions and huge rent increases. She stated that they were paid by outside real estate interests, as the CAA, to come here and provided false and misleading information to get signatures. She stated that two landlords told



her directly that the Pacifica landlords were paying for them, but she stated that they were verbally abused and called Communists. She hoped they will all have the opportunity to vote for a rent stabilization ordinance in November. She stated that it was the Council's duty to be a custodian and steward of the welfare of Pacifica and she urged them to vote for the emergency ordinance to protect renters who are already experiencing huge rent increases and are at risk for eviction.

**Barbara Erbacher, Pacifica**, stated that she was a homeowner and member of Faith in Action and Fair Rents for Pacifica. She was appealing to Council to pass the urgency ordinance. She stated that a temporary moratorium was needed to keep residents in their homes. She stated that it was distressing to be subjected to the lies and abuse of the professional petitioners to defeat a temporary moratorium that expires in November when they all get to vote on rent stabilization. She stated that, at this rate, in November all those renters will be gone. She referred to statements that supply and demand and the free market should be the only issues at play, but housing was a human need. She stated that it was no more outrageous than to regulate electricity, etc. She asked that they give renters a chance to stay until the November election.

**Tom Thompson, Pacifica**, stated he is a mom and pop property owner, taxpayer and a rent advisory task force member. He stated that he passed out his comments regarding the November ordinance, but he wanted to address the emergency ordinance. He stated that it smells worse than the sewer tax ordinance. He stated that county wide efforts for rent control started before 2012. He stated that out of town community organizers are behind this from towns that are failures of rent eviction and relocation controls. He felt their goal was simply to disrupt. He stated that the only emergency was that people are now realizing the mess they are creating with the various property control measures. He asked that Council stop this and not vote for the emergency ordinance.

**Therese Dyer, Pacifica**, stated she was sympathetic to the renters, but she was a renter and they bought their house on a GI bill. She stated she made \$1.69/hour in 1965 working for the school district. She stated that, when you rent, it is only temporary and you save money to buy a house. She stated that she has to support the homeowners and renters, because she believed it is an investment, just like playing the stock market. She stated that rent control was like taking from Peter to pay Paul and she didn't think it was fair. She didn't know where they were getting the money to place it on the ballot. She stated that three of the Councilmembers should recuse themselves because they are in real estate which was a conflict of interest and they didn't have a quorum.

**Doris Krischke**, stated that she has heard a lot of people talk about the property owners as being fat cats who are gouging renters. She stated that she is a mom and pop renter and everyone was assuming they don't have a negative on the property. She stated that there are a lot of owners who are renting at a fair price and have a negative on the property. They are hoping and they can leave the properties to their children. She was concerned that, if her children decide they want to rent until they decide they want to occupy the property, they might not be able to get back into the building. She didn't think that was right. She stated that true rent control is a monthly mortgage. She stated that she feels sorry for people who want to live in Pacifica but can't afford to live in Pacifica. She stated that she didn't want to live in the first place she lived, but that was the only place she could afford and she moved up. She felt it was not fair to ask someone who has been responsible and trying to plan for the future to be penalized. She stated she had compassion for others, but she felt she did it the right way and

was not gouging her renters and haven't raised her rent and she felt this was a bad idea. She also stated that Councilmember Digre needs to recuse herself as she is under investigation.

**Monica Olsen, Pacifica**, stated she was present to ask them to pass the emergency ordinance. She stated that it was not being forced on anyone to raise rents and it was not inevitable that they have that happening. She stated that they can stop it out of compassion for what seems to be a practice with the real estate industry to jack up rents. She was sorry to see the petitioners coming around and abusing people and calling them names.

**Bob Beery, Pacifica**, stated that he has lived in Pacifica since 1962 and he was not for rent control. He stated that he has a "save the dream" sticker and when he was growing up, the dream was to work hard, buy something and you can control what happens with your possession. He stated that, if he owns a house, he would not expect someone to move in and live there as long as they want to. He didn't think it was fair that a tenant can move out with a drop of a hat. He also felt, if they don't pay, he wants them to move out. He stated that renters are not forced to stay here, but if they want to stay, the landlords are being forced to keep them here because of the unjust eviction or unjust cause. He objected to the fact that, while you don't purchase the property, you can still tell the owner what they can do with it. He stated that rent control has not worked in any of the cities where they have it, but removes houses from the housing market and they need to pay attention to that.

**Robert Sapieka, Pacifica**, stated that he owns a four-plex and he would like Council to consider what devastating effect these ordinances can have on small mom and pop operators like himself and a previous speaker who spent \$200,000 on a four-unit building to bring it up to rentable condition. He has had his property for many years and he has tried to keep the rent as low as he possibly can but with these measures before them, he was put in a position where he is being punished for having less than market rent and was being forced to subsidize his tenants for the rest of his life. He felt it was not fair and he asked Council to not pass it, adding that it was not fair for the city to strap the city housing problems on the backs of vulnerable small property owners to be saddled with literally the problems forever.

**Suzan Wallace, Pacifica**, mentioned Measures Q and R that took place in Burlingame and San Mateo in the November election. She stated that, prior to the campaign, polls showed the citizens in each city favored rent control by 70% and ultimately the voters ended up rejecting the onerous measures at the polls by over 60%. She stated that Burlingame has a 51% renter ratio. She stated that once voters were educated and informed about how the measures would negatively impact their communities, property owners and renters soundly rejected them. She felt strongly that the recent rent increases would not have happened if Council had not imposed the rent control moratorium. She stated that, for every action, there is reaction. She stated that the increases are fear based response from property owners trying to protect their livelihood, investments and retirement. She stated that owning and managing property is a business. She stated that a median rent in San Mateo County for a two-bedroom apartment is \$3,400. She stated that San Francisco started rent control with an emergency measure and it never went to a vote of the people.

**Maddie Bass, Pacifica**, stated that she has lived in Pacifica since 1973. She moved from San Francisco. She stated that her one rental was her retirement and she relies on the income to pay her mortgage, insurance and taxes. She stated that she was a fair landlord and keeps her property up. She wanted to make decisions about her property and not have her rights taken away from her. She did not believe the temporary rent control moratorium is the answer to help tenants. She felt they need long term, more affordable housing.

**Michael Doeltz, Pacifica**, stated that as a former Pacific Skies Estate resident, he sees two issues, one is putting the ordinance to a vote in November. He thought that was what everyone wanted. He was a proponent for rent stabilization and he was a little intimidated by that option, but he felt that was the right way to do things, put it to a vote. He stated that the temporary emergency ordinance was the other issue. He stated that, with the possibility of rent stabilization going into effect, people raise rents, whether landlords are good or not, and he thought, to prevent that from continuing to happen and in preparation for the vote, an emergency ordinance was necessary to limit the rent increases so as to not force people out because they can't afford it and people aren't evicted just to be able to implement vacancy decontrol where they can bring rent up to whatever they want. He referred to mention of having to work harder, but he stated that his wages have gone up about \$537.17 in the past four years for 40 hours, and his rent has gone up \$1,050 a month. He stated that \$850 was in the last two years. He stated that he was limited to the amount of overtime he can work because his company wants to make their profits but he was 24/7 on call and it prohibits him from getting a second job.

**Beth Lemke, Pacifica**, urged Council to vote no on the ordinance. She stated that she bought her property in Pacifica ten years ago and seven years ago she began a business in Pacifica. She stated that her property has been subsidizing a business. She has been proud to be a part of Pacifica but she was frustrated and sad about the direction considered at this time. She stated that it was not just the renters that need protection. She echos what many landlords have said. She stated that there are instruments in place to help people that need rent. She stated that the Resource Center was an instrument in place to help renters and she suggested they put efforts toward that. She referred to a mention a couple of meetings ago about a model in place in another community where they use foundations to help people with housing needs. She asked why it would fall on property owners which makes no sense to her. As a property owner, she relies on their fairness in their decision.

**Larry Hixson, Pacifica**, stated that they were all taxpayers. He stated that he grew up working in Pacifica when he was 14. He bought several homes here. He was for the moratorium. He stated that he has raised children. He stated that, to get a 50% increase in your rent is insane. He stated that their whole building got that. He asked how they can do that in two months. He stated that no one can afford that. He stated that they are retired people, working people, and they are all one bedroom units. He stated that he couldn't get the petitioners to comment, because they were getting paid to get signatures. He stated that he lives here because he loves it. He referred to the people who live and do community work here and have to move.

**Frank Vella, Pacifica**, stated that the rent control ordinance was wrong. He stated that the proponents of rent control are economic deniers. He referred to the comments about San Francisco and New York with rent control and Boston no rent control with much lower prices and no vacant units but San Francisco has the highest vacancies of property in the nation. He stated that anyone can do research that shows rent control does not work but works to create a fantastic living for attorneys. He stated that the temporary ordinance can be modified to become permanent. He stated that the San Francisco ordinance was also temporary. He stated that this ordinance applied to the city as a whole would be fair. He stated that a 3.4% rental increase with an 8% sewer increase and 4% water increase doesn't seem fair. He referred to the signature gatherers and he approached many of them. He talked to them and watched what they were doing and he concluded that they were not doing anything illegal, unjust or lying to people. He didn't know if people were taunting them but he felt they have a right to be there.

**Dan Stegink, Pacifica**, stated he was glad to hear the City Attorney say that this did not affect single family homes or condos. He thought there was a lot of confusion in that area. He stated that this ballot measure affects only apartment buildings. He stated that rent control was a disaster for all but the privileged minority who are protected by it. He stated that it was Donald Trump in the art of the deal. He referred to economics, stating that if you have constant demand for housing, and you reduce housing supply by reducing turnover of apartment buildings only, the values of single family homes rise. He stated that San Francisco, New York, Boston were some of the most expensive real estate markets in the United States for single family homes. He referred to attending Jackie Speier's town hall on rents. He stated that Hispanic leaders in Half Moon Bay were not talking about a housing crisis, but an ethnic cleansing with the number of Hispanics moving out of Half Moon Bay. He urged everyone to take a drive to Half Moon Bay airport and do a lap around it and see the myriad of recreational vehicles for Hispanic people who got evicted out of Half Moon Bay and live around Half Moon Bay Airport 24/7. He stated that there wasn't a lot of empathy for black and Hispanic tenants getting evicted from the Fairmont district. He stated that the school district is building housing supply for teachers who can't afford to live here and the fastest growing group of renters in Pacifica is single women.

**Ellis Manning-Villar, Pacifica**, stated that he has lived in Pacifica for 16 years and was privileged to be part of a family that owns their own home and he appreciated the economic diversity of his peers. He stated that he has friends whose parents work at Genentech or are plumbers, janitors, etc. He felt it was important for his formative experiences. He thought those talking about the supply and demand forces inherent to the housing market in order to propose the ordinance are looking at society in an incredibly simplistic view. He stated that looking at the free market, which doesn't exist in a vacuum, and saying that is the only thing that matters for a community is to ignore the social and human costs of gentrification. He stated that allowing rents to rise to extreme highs will form homogenous income zones around city centers. He asked if we want Pacifica to become a community where only the least vulnerable can live? He stated that, to look down on the less privileged, young, elderly, disabled, etc., and say their worth to the community is solely based on their wealth is to dehumanize the less fortunate among us. He hoped that those like him who are fortunate enough to own or someday will own property passed down to them would value their friends and neighbors even if they make minimum wage, collect disability, and didn't inherit property or have well off parents. He stated that there was only so much we can do to counteract the market. We are in this mess because we have made it too hard to build affordable housing. He feels there is commonality between the sides. He thinks they need rent control until they can start to fix the housing crisis.

Mayor O'Neill closed public comments.

Councilmember Martin asked if they are talking about one or two.

Mayor O'Neill asked if they want two votes, on item one and item two. He suggested they talk about item one first then talk about item two.

Councilmember Martin appreciated everyone from both sides of the issue and their views and time spent, as well as educating themselves. She stated that affordable housing was important to Council and they made it a top goal for this year. She referred to speaking about democracy, but stated that there was a lot of support and a lot of opposition. She stated that her inclination was why wouldn't they want to vote. She referred to a letter sent out by SAMCAR that was so misleading that she received emails asking why she wouldn't let the city vote on this. She

informed the writer of the letter that it was misleading. She stated that she was misled at Sun Valley Market by a petitioner. She was told that, by signing the petition, I would allow the people to vote and if you ask the next question, you will know the truth. She stated that there was a lot of misinformation, including some comments from the speakers at this meeting, but she asked that we all be compassionate. She stated that you should keep a safe distance from those people but educate your neighbors. She referred to comment about up front costs, asking confirmation that they had increased the monthly rate to cover the start up costs for the rent board.

City Attorney Kenyon responded affirmatively.

Councilmember Martin reiterated that they have covered the up front costs. She stated that they spent a lot of time on this and, for those who said they didn't get active participation in the process, she was calling their bluff because this has been going on for a long time. She was sorry that they were working hard and not able to actively engage at the time and get the late notice. She stated that the Council has spent a lot of time and money on this, with both the city attorney and out of town attorneys. She felt this was a fair representation that should be voted on by the people, for landlords and for tenants. She stated that she was a renter for most of her adult life and she was a good tenant to build a nice relationship with her landlord. She stated that it was up to her landlord to have that opportunity to make that decision as to whether they want to have divisiveness in their life. She stated that this was a compassionate, connected community. She stated that Council does feel responsible for the rental increases but they also feel they are doing the right thing. She stated that a community of people came together to show support for this and she was grateful that everyone who supports it was present. She referred to mention of San Francisco and stated that we were not San Francisco, New York or Boston, and they were comparing apples to oranges. She referred to Ellis' comment, stating that he is probably 16 and he wants to be in a connected community that takes care of community. She feels she is doing the right thing, and they all believe they are doing the right thing. She stated that they have to understand that and know that they respect and appreciate each other's opinions, thoughts, etc. She stated that she was a property owner and a landlord and she has first hand experience.

Councilmember Digre stated that it was late and it was admirable that they are all present and care. She stated that the history goes way back and happened when people were being displaced, rents were getting high and there was no place else to go in Pacifica or adjoining towns. They weren't speaking up because of fear, and this has been going on for some time. She stated that the previous Council and this Council said they want to be fair, and "community preservation" came about. They wanted to be fair to residents who are landlords and asked that they come to the City Attorney and give their points of view to make sure this is balanced. She wasn't sure that many came forth from that side, and she felt that was regrettable as they know their situation better. She stated that, for those contacting them recently with what they find good or bad, it was very helpful as they have something concrete and can share their points of view on the ordinance and then let the community vote. She stated that as some mentioned, it will be a good process if there are no finger pointing or interpretations of what they are saying.

Mayor pro Tem Keener stated that many of his points have already been mentioned. He stated that this was a measure that would go on the ballot and the voters of Pacifica would decide. He felt they have tried hard to put together a good measure and he feels comfortable with it. The ultimate outcome will be known in November.

Councilmember Vaterlaus stated that the name of the ordinance was very misleading, called community preservation. She stated that this was rent control and was not fair at all to landlords. She felt it was one-sided. She stated that just cause was not fair to the owner's requiring huge amounts to be paid out when they don't know if the landlords are making money. She stated that the rents that were raised exorbitantly were horrendous and was caused by rent control. She has asked people who came to her and said her rent was raised and she stated it was because of rent control. She stated that, if they didn't do it in the beginning, those rents would not have been raised. She finds it absurd that the property owner has done this to people, but she felt it was caused by rent control. She stated that we need a development priority where they can add housing that won't cause more traffic, density to Eureka Square so they live and work in the same place and shop and eat in the same place. She felt it would have less cars on the road and people will have a place to live. She stated that Menlo Park added the largest number of units in San Mateo County and they are a transportation corridor. She stated that we don't have a corridor like them but we have the freeway and areas where we could add housing, such as Linda Mar Shopping Center. She didn't think rent control has ever worked and will never work and she didn't support it. She stated that there were several suggestions from the audience, such as mediation.

Mayor O'Neill stated that he had no problem putting it on the ballot and he asked if they want to make a motion.

Councilmember Digre referred to Eureka Square and the availability of more density, stating that the conversation was started in 2010 and at the time, the property owner was not interested. She understood that they may be now. She stated that there are other examples.

Mayor pro Tem Keener moved to adopt the attached Resolution Calling a Special Election on Tuesday, November 7, 2017, and Submitting to the Electors of the City of Pacifica a proposed Ordinance entitled Pacifica Community Preservation, Rent Stabilization and Renters' Rights Act; seconded by Councilmember Martin.

4-1

Councilmember Digre moved to adopt by 4/5 vote an interim urgency Ordinance Establishing a Temporary Moratorium on Certain Residential Rent Increases and Requiring just cause for Tenant Evictions Within the City; seconded by Mayor pro Tem Keener.

Councilmember Martin didn't believe the interim urgency ordinance has anything to do with rent control. She stated that Council has expressed interest in helping people with the current housing crisis and she felt this was about Council giving people temporary relief from excessive increases to figure out what they are going to do, wait it out, save money or how they play their cards. She felt that was what voting for this interim urgency ordinance will do, give people time to figure out what is next for them. She believed this was not in support of rent stabilization but in support of helping their community to figure out what they are going to do while this is happening.

Councilmember Vaterlaus felt this was all about rent control and what it did to our community, divided our community by separating people and caused huge rent increases.

Councilmember Digre thought cause involves intent, and it would fall upon the intent or reason why they felt they needed to do it. She stated that the reason they were talking about it was

because people were being displaced because of rents rising at that time, and there was no talk of rent control. She reiterated that people were being displaced and our community was having upheaval. She stated that, if you are in a certain economic bracket and can't do 3 or 4 jobs or go back to school and get a better job within 24 hours, you were gone. The response was that it didn't sit right that, due to an individual's economic status, and they were allowing an essential part of our community to get out of Pacifica. She referred to teachers, and stated they should ask every day who was in the classroom. They were valuable people, but it will be nurses also. She asked if the dishwashers were also important. She believes that the community said no, they were not going to allow that to happen without trying to do something. She felt that, in the interim, they were putting a little bit more constraints and control so that does not get out of hand between now and determining whether or not this community believes that rent control is fair to both sides. She stated, as mentioned by Councilmember Martin, renters at least can have that calm time for a small period to say they can't take the risk of hanging around until November and have to think of other things to do. She stated that was not going to be easy to get out of town without being homeless or in trailer or car. She stated that was the sad reality of how it was.

Mayor O'Neill stated that he has talked to people in small and large groups and by phone. He stated that the reason they were present at this time was basically "fear", by the tenants for egregious rent increases and by the landlords of having their income capped while there is no cap on their expenses. He felt it was a justifiable reaction for both sides for their expectations of a return on investment, etc., or help toward goals. He stated that, when talking to them, you see both sides of the story, such as someone's mother and how a rent increase would affect her, and a fatally ill landlord who owns a unit and needs the rental income to provide for her cancer treatment. He stated that there are the two sides, and this was a divisive issue in Pacifica and pitting them against each other. He knows that is sad but it was also sad that proponents of rent control are villifying one set of people, the neighbors, realtors who sponsor little leagues, and he didn't think realtors were necessarily ogres as being portrayed by Councilmembers and other citizens in the audience. He stated that it was a valid issue for a landlord and some of them are raising the rent due to rent control ordinance potentially happening and some are renting and thinking they will sell the building before rent control happens because their sales price will be determined by the amount of income generated by the building. He referred to one issue of just cause eviction in San Francisco, mentioning a house for sale on 18<sup>th</sup> Avenue and the owner was trying to sell it and the note says that the tenant has a camera crew of friends filming people coming into the property and trying to interview them. He asked if that was fair to deal with in the just cause part. He admitted this was a hard thing. He was not happy with either choice, as he felt rent increases have been obscene and above what is necessary or fair. He would like to make a motion but there was a motion on the floor that has to be voted on. He stated that they can vote on that one and he will make his motion afterwards.

3-2

Mayor O'Neill moved that they have a mandatory deviation, any rent increases over the 3.5% requires going to mediation prior to rent control. He stated that he discussed it with the City Attorney and staff.

City Attorney Kenyon stated that what he was suggesting was to direct staff to bring back at a future meeting a consideration of a mandatory mediation ordinance.

Mayor O'Neill stated that she was correct, adding that he discussed it with the City Manager who said staff would be able to bring that back by the next meeting. Councilmember Digre asked if it was an urgency mediation.

Mayor O'Neill stated that it would be an urgency mediation ordinance.

Councilmember Martin asked what the maximum was.

Mayor O'Neill stated it would be anything over the 3.5% they have now.

Councilmember Martin asked how they would pay for that.

Mayor O'Neill stated that was something staff will research, mentioning that there are several cities that already have mediation ordinances and they will contact those cities.

City Attorney Kenyon stated that was a good point. She stated that he just brought this up to staff before the meeting and she agreed that they can bring back for the next agenda a consideration of an ordinance. She stated that once she gets more information, she needs to look into whether or not exactly what a mandatory mediation ordinance would look like, and investigate to make sure they can make the findings for an urgency ordinance. She stated that she thought they can, and they can bring it back at the next meeting. She stated that they will also have to investigate the fiscal impact of what the cost will be for administering a mandatory mediation program. She stated that she was not familiar with that program, although she thought staff was. They will look into it and bring back to the, as part of that staff report, their findings with regard to an urgency ordinance or regular ordinance and costs associated with administering that program.

Mayor pro Tem Keener asked if he was envisioning this as an interim ordinance.

Mayor O'Neill stated that it would be structured very similar to what they just voted on, except there would be mandatory mediation.

Mayor pro Tem Keener asked if it would be like the permanent ordinance.

Mayor O'Neill stated that he would like to see what staff brings back to them.

City Attorney Kenyon thought Mayor pro Tem Keener's question was whether he was looking at a temporary ordinance that would only be in effect similar to the interim ordinances, not the rent stabilization ordinance that was placed on the ballot.

Mayor O'Neill agreed that it would not be like that one.

Councilmember Digre asked if he made a motion to bring it back.

Mayor O'Neill questioned whether he made a motion.

Mayor pro Tem Keener stated that he made a motion.

Councilmember Martin stated that she wasn't opposed to it but was curious as to whether it would be passed onto the renters on top of this. She understood wanting to see what it looks like but she was concerned about more costs for the renters.



Councilmember Vaterlaus stated that, having never seen any type of mandatory mediation ordinance, there were lots of processes and whether or not the rate was the proper rate, 5% increase or 10% increase. She referred to the gentleman who said his rent was at \$1,250 and if he wants to raise his rents above \$1,250, that was a minimal amount.

Mayor O'Neill stated that he would like to keep it uniform with what will be going on the ballot.

Mayor pro Tem Keener stated that he was trying to wrap his head around how exactly a mandatory mediation would work.

Mayor O'Neill understood that it worked with a landlord planning a \$500 a month increase and that would work out to 25% increase, and then by city ordinance, they are required to go to a mediation. The mediation service would then mediate between the tenant and the landlord to come to some sort of agreement as to what it is.

City Attorney Kenyon stated that she was not familiar with this ordinance, and she asked if he was anticipating that the mediator would make an ultimate decision that would be binding. She stated that, generally, mediation means that it was an attempt to facilitate an agreement but if there is no agreement, nobody is bound by any mediator decision.

Mayor O'Neill stated that he would like to see what the other cities have in their ordinance as he doesn't want to be the pioneer and have to fight lawsuits. He asked that they see what other cities have in their ordinances and move forward with that.

Mayor pro Tem Keener asked if this would apply only to rents that gave notice before May 24, but if the signature campaign for that as a referendum was effective, this would apply up through November or December.

Mayor O'Neill thought that was something the City Attorney answers. He asked that, if they have enough signatures on one referendum for an ordinance and they come in with another one, what was the rule.

City Attorney Kenyon stated that they can draft the mandatory mediation ordinance in any way that they deem fit, so long as they can make the appropriate findings. She stated that they can carve into the mandatory mediation ordinance alternatives. If the interim ordinance becomes ineffective, which would happen if there was a successful referendum, she stated that it would be put on hold and they can carve that into the mandatory mediation. They will have to think about that, and there are multiple scenarios that they are contemplating and, if it is the desire of the full Council, staff will do the best they can to try and bring it back, but they might want to discuss in more detail if they think they will have a majority consensus to bring the item back and staff would request that they discuss more detail what he would like to see being brought back.

Mayor O'Neill assumed this would require the 4/5 as an urgency.

City Attorney Kenyon stated that he was directing them to bring back an item for them, and they are not adopting anything.

Mayor O'Neill understood, but he was saying that it would be an urgency ordinance at the next meeting.

City Attorney Kenyon stated that she will confirm that, and if it can be an urgency ordinance, she will bring that back.

Mayor pro Tem Keener stated that they should discuss the details before they indicate support one way or the other, because the details will matter. He would like to see mandatory mediation with teeth.

Mayor O'Neill stated that it was binding arbitration.

Mayor pro Tem Keener agreed it would be binding arbitration as a range of possibilities, because he wasn't sure that was what the mayor has in mind. He was not sure of the legalities, ranging down to mandatory mediation that was not binding.

Mayor O'Neill thought that was a fair question.

Councilmember Digre stated that she was trying to look for some protection in the urgency.

Councilmember Martin stated that she was trying to figure what this will look like, binding arbitration, and she needs to see how that plays out. She asked if they need a special session. She stated that if he will present it, she will want to go through and just a few days was not time. She felt they need another session. She supports the idea of mediation, but if it was going to be fruitless and more money for tenants or more money for landlords, she can't make a decision on that now.

City Attorney Kenyon stated that, to be fair, she didn't think they will be able to craft a mandatory mediation ordinance prior to the May 24 Council meeting. She thought they could have a special meeting not for adoption but to discuss more particulars as they get to know it before May 24, but the earliest that they could get a draft ordinance to them for adoption would be May 24.

Mayor O'Neill understood but asked if they could have a meeting prior for discussion.

City Attorney Kenyon responded affirmatively.

Councilmember Martin thought that was the best option.

Councilmember Vaterlaus stated that six local cities do have that.

Councilmember Martin stated that she wants to understand more about it.

Councilmember Vaterlaus stated it was mandatory tenant landlord mediation programs.

Mayor O'Neill stated that it was fair. He asked if she had direction from Council and feels comfortable.

City Attorney Kenyon stated that she was listening to Councilmember Vaterlaus mentioning the six cities that have this ordinance, and she didn't hear their conversation about whether they were going to ask staff to look for a special meeting prior to May 22 to discuss the details or prepared for May 22.

Councilmember Martin hated to have more meetings, time and money, but she felt this was important and she thinks they need to do that.

City Attorney Kenyon asked if they can pick a date now or have staff get calendars. She stated that they will work on getting a date prior to May 22 where Council can discuss what staff has uncovered to date with regard to mandatory mediation and alternatives.

Councilmember Martin stated that they had a budget study session reserved for May 18. She stated that, if no one booked up their time, they could use that day.

City Attorney Kenyon stated that it wouldn't be enough time for them to get it on the agenda for the 22<sup>nd</sup>.

City Attorney Kenyon responded affirmatively.

Mayor O'Neill asked if they had a budget session on the 16<sup>th</sup>.

Interim City Manager Breskin stated that they have a budget study session on the 16<sup>th</sup> and they can add it to that.

Mayor pro Tem Keener agreed that they could add to that. He asked if that date sounded good.

City Attorney Kenyon stated that it was good, and asked if it would be before the study session.

Mayor O'Neill stated that it was Planning so the Planning Director would be there also.

Councilmember Martin asked if it would be before.

City Attorney Kenyon stated that they would need two hours before.

Mayor O'Neill stated that the budget sessions have been lasting about an hour.

Councilmember Martin asked if they will start at 5:30

Interim City Manager Breskin thought that would be okay.

Mayor O'Neill was okay with 5:30.

Councilmember Martin concluded that they will meet at 5:30 on May 16.

Mayor pro Tem Keener stated that he was in favor of it.

Councilmember Digre if that date was the fire meeting.

Mayor O'Neill stated that the fire meeting was on June 5.

<b>RESULT:</b>	<b>ADOPTED [4 TO 1]</b>
<b>MOVER:</b>	Sue Digre, Councilmember
<b>SECONDER:</b>	John Keener, Mayor Pro Tem
<b>AYES:</b>	O'Neill, Keener, Digre, Martin
<b>NAYS:</b>	Vaterlaus

10. City of Pacifica Financing Authority Meeting Schedule  
**PROPOSED ACTION:** Move to adopt the resolution setting the City of Pacifica Financing Authority meeting schedule.

Asst. City Manager Hines presented the staff report.

Mayor pro Tem Keener asked who the president was.

Mayor O'Neill thought it was the mayor.

Asst. City Manager Hines also thought it would be the mayor.

There were no public comments.

Councilmember Vaterlaus moved to adopt the resolution setting the City of Pacifica Financing Authority meeting schedule; seconded by Mayor pro Tem Keener.

5-0

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Sue Vaterlaus, Councilmember
<b>SECONDER:</b>	John Keener, Mayor Pro Tem
<b>AYES:</b>	O'Neill, Keener, Digre, Vaterlaus, Martin

**ADJOURN**

Mayor O'Neill adjourned the meeting at 12:30 a.m.

Transcribed by Barbara Medina, Public Meeting Stenographer.

Respectfully submitted,

Kathy O'Connell, City Clerk

APPROVED: 5-0; 6/12/17

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Mike O'Neill, Mayor