

# POLICY AND SERVICES COMMITTEE SUMMARY MINUTES

Regular Meeting September 13, 2022

The Policy and Services Committee of the City of Palo Alto met on this date in the Council Chambers and by virtual teleconference at 7:01 P.M.

Present In-Person: Stone (Chair), Cormack, Tanaka

Absent: None

**Oral Communications** 

None

#### Agenda Items

1. Referral from the City Council for Policy & Services Committee Rental Survey Program Discussion and Recommendations

Planning & Development Services Planning Director Jonathan Lait introduced Planning & Development Services Planner Rebecca Atkinson.

Planner Atkinson presented on 6 key considerations for the design and implementation of a rental survey program, which consist of collection of program information, program participation, frequency of reporting, program cost, program fees, and community outreach and engagement. Feedback will be used to craft a draft ordinance to take to the Human Relations Commission, the Planning & Transportation Commission, and City Council.

Council action was taken in November 2021 to support the rental protections package. Items referred to the Policy & Services Committee (PSC) consisted of the Rental Survey Program (RSP), the anti-rent-gouging topic, and the Fair Chance Ordinance. City Council referred the design and implementation of a rental survey program to the PSC including proposed fees, resources, and a timeline. She defined the RSP as a tool to collect information on rental units for landlords.

Information collected by the RSP will help the City learn about the Palo Alto rental landscape as experienced by renters and landlords; guide policy-

making initiatives for certainty, stability, and fairness in the rental market; and ensure implementation of existing State and City renter protections. The RSP would involve creation of a guidance and resources website and an online portal with information on rental units submitted by landlords that could be verified by tenants. Portals could be used by tenants and landlords to access services. The draft enabling ordinance would outline the purposes of the RSP, general categories of information collected, administration considerations, clarification about cost recovery fees, and other topics.

Planner Atkinson stated that Staff seeks PSC confirmation via motion on Staff's recommended collection of information, rental units participating in the program, and the frequency of reporting. Staff will initiate discussion on RSP cost, fees, and community outreach and engagement and return to the PSC in the fall with more information on these topics.

Planner Atkinson highlighted page 8 of the Staff report where they recommend the RSP collect information on rental unit characteristics, property owner and property manager contact information, an avadavat verifying accuracy of information submitted, and the minimum information necessary to demonstrate compliance with State and local requirements as well as information to develop rental policy that would include rent and tenancy information which would yield insight on actual rents, fees charged for services, tenancy turnover rates, and rental unit characteristics.

Staff recommended following property registration requirements defined in Palo Alto Municipal Code Chapter 9.72 that requires landlords to register their rental units. The property registration program does not provide for exceptions.

To ensure RSP information is current, rental unit reporting updates are needed periodically. Other jurisdictions require reporting annually or when a qualifying reporting even occurs or both. Staff recommend initial rental unit registration reporting as well as event-based reporting.

Staff is in the process of investigating RSP costs. Initial anticipated costs include creation of the database and functionality, the reporting structure, the website, online portal, maintenance costs, and staffing and implementation. Cost recovery is the recommended approach when it comes to fees. Fees would be influenced by the number of rental units participating and the degree to which the City would offset program costs. Staff will return in the fall with more information.

Staff conducted initial outreach to stakeholders who participated in earlier renter protection policy work which included the California Apartment Association (CAA), the Palo Alto Renters' Association (PARA), Silicon Valley at Home, LifeMoves, Project Sentinel, and members of the Palo Alto Mediation Program. Further community outreach and engagement is essential to ensure that concerns are considered including costs and ease of implementation. Staff are aware the RSP may be perceived differently by renters as well as landlords with fewer units versus landlords with a greater number of units. Outreach and engagement will have multiple phases during initial design and development, rollout, and ongoing implementation. After receiving Committee and community feedback, Staff will return in the fall of 2022 with additional details of the proposed community outreach and engagement strategy.

Planner Atkinson outlined a tentative timeline including a return to the Committee in the fall. Once receiving input, Staff will return to the Human Relations Commission and the Planning and Transportation Commission for discussion of the draft ordinance and other materials. Then, Staff will return to the PSC for a recommendation to the Council. After the City Council meetings on the ordinance, Staff will release a request for proposals to procure a consultant for design of the RSP. Staff anticipates City Council consideration of staffing and other program resources in the Fiscal Year 2024 budget cycle. The goal is a launch of the RSP at the end of 2023.

Planner Atkinson stated the Staff recognizes there may be a desire to have a simplified initial version of the RSP. She presented a slide showing slightly less rental unit information including a list of fewer qualified reporting events which may make the database a smaller build.

Planner Atkinson presented draft motions for collection of information, program participation requirements, and reporting frequency which will go into the draft ordinance as well as assist with cost and fee research and outreach.

Chair Greer Stone invited the public to comment.

<u>Public Comment</u>: Elizabeth Gardner, longtime renter in Palo Alto and single mother of 2, stated the debate for the Palo Alto Online Weekly is going on at the same time and was a missed opportunity as the candidates are running on housing as the number one issue. Regarding the number of stakeholders involved in the rental survey, she was surprised there were no individual renters involved. She added that LifeMoves is contracted by the City and she

is not sure how many members or individual stakeholders PARA has. Additionally, she hoped that the rental survey will include some kinds of oversight on the practice, especially during the pandemic, of needing to show proof of 3 times the amount of income to rent plus 700+ credit score plus 3 months of cash reserve in the bank. She said it would be nice to know the cost per square foot of rentals, what services are offered, and the breakdown of costs associated with raising rents from the landlord.

Anil Babbar spoke on behalf of the CAA who appreciates Staff soliciting their input. In the outreach session with Staff, they were clear that rental surveys or rental registries are burdensome to owners and costly for the City to establish, maintain, and ensure compliance. He said these are funded in other cities by taxing owners, which is unreasonable as many owners have gone without rent for months to years due to the pandemic. Mr. Babbar said the rent they are owed is only recoverable from the state for those who earn 80% area median income (AMI) and there are many tenants not paying rent who earn over that and were not eligible for the State Emergency Rental Assistance Program (ERAP) program. He continued that tenants have no way to request landlords exempt their information so there are privacy issues which include rent pricing by landlords. He encouraged Staff and the Council to do more research on what other cities have done regarding rent registries and voiced opposition to the program.

Lauren Bigelow, Board President for PARA, stated that 80 percent of renter households are cost-burdened and PARA believes full implementation of a rent registry or RSP is the single most important and immediate thing Palo Alto can and should do to support renters. PARA encourages the City to move forward expeditiously to ensure compliance with State law.

Marcus Wood suggested that once costs are determined, add a line to the rental agreement stating the cost of the rental survey. He said costs are being inflicted on landlords and the City to fill in required forms.

Emily Ann Ramos stated a policy memorandum on rental surveys was commissioned as part of a multi-year partnership between the City and Partnership for the Bay's Future. She stated the rent registry will be more valuable if it collects comprehensive data across the rental market. She added this will be a new process for landlords and tenants that will get easier over time. She highlighted the need for a robust outreach and education campaign with a focus on support for and collaboration with landlords. She stated the required upfront investment cost will decrease over time and pay off in efficiencies. She added that fee levels in San Jose

decreased about \$50 per year over time with system efficiency and rising participation. She recommended the rent registry cover as many units as it can and include the data of units included in State Law 1482 to ensure state law is being followed and that the data should include rent, number of units, when the unit is turned over, and when an eviction is served. Ms. Ramos urged the Committee to move forward and figure out the best way to implement the registry.

Leah Cowan, an experienced renter in Palo Alto, shared that her mother's rent was raised well beyond the State rental cap of AB 1482 and she stated if the Commission had the data, they would have known about her mother's situation, the bad actors, and when an entire building hiked up rent. She said it can't be fixed if it can't be measured. She advocated for the rent registry and said it is foundational to the City to create stable homes.

Council Member Alison Cormack said there was a discrepancy between the conversation around the kind of information they wanted and the things they were trying to prevent. One place in the Staff report describes protecting people who are cost burdened and another place says that Staff want it everywhere. She referenced the data on pages 18 and 19 and asked whether or not this should apply to everyone including a single-family home that might not be a cost-burdened household and people who are in larger spaces.

Planning Director Lait stated there is an interest in helping inform policy decisions that will address those that are most cost-burdened, which was a concern addressed by the Council and a goal of the program. He stated Staff was hoping to get feedback from the PSC on the idea of single-family homes with an ADU or JADU as they want to know what the ADUs are being rented for and which ones might qualify as affordable to help inform the reporting to the State in terms of whether some ADUs can be assigned to lower-income groups versus market rate. He stated they currently do not have an inventory of all ADUs in the City but there is a pretty good record on multifamily buildings.

Council Member Cormack asked if more single-family homes are being rented than ADUs, which Planning Director Lait confirmed.

Planning & Development Services Principal Planner Sheldon Ah-Sing said that single-family attached and detached is a pretty big segment and an opportunity to have ADUs, so it is worth collecting data.

Planning Director Lait stated RSP goals have yet to be determined.

Council Member Cormack clarified that the current program for registry exempts someone who is renting out a single-family home that they own.

Planning Director Lait confirmed this covers duplexes and single-family homes.

Council Member Cormack asked if Staff was suggesting this program be applied to absolutely everything in the City.

Planning Director Lait said Staff finds value in collecting more information than just the rent-burdened households.

Council Member Cormack asked how the data would be used and if it would be worth the effort and said she wanted to think about it. She wanted Council to have a better idea of the problem they were trying to solve as they did not have the data when they were trying to decide what size a complex should be when lowering and extending eviction relocation assistance.

Council Member Cormack moved on to a discussion of fees. She said Staff is asking for feedback on fees but she saw no fees listed. She asked what the range of fees was in other places.

Principal Planner Ah-Sing said that was not provided because Staff will be returning to the Committee in the fall with that information. He stated the next phase is to go out and interview some jurisdictions to get more detailed information but they need more feedback about directing their questions. He added that Staff recommend cost recovery.

Council Member Cormack asked if other places charge fees per unit, which was confirmed by Principal Planner Ah-Sing.

Council Member Cormack stated she was surprised Staff recommended event reporting as opposed to annual reporting. She questioned whether people would access the portal to report something every time something happened or whether they would expect reporting be done on a quarterly basis, every 6 months, or yearly.

Principal Planner Ah-Sing responded that was the kind of feedback Staff was wanting. If data were received on an annual basis, they may miss out on

events that happen throughout the year but more frequent reporting may be perceived as a burden.

Council Member Cormack questioned whether a structured schedule may be easier to remember. She asked how other jurisdictions address privacy concerns around race, age, etc.

Planner Atkinson stated other jurisdictions take pains to protect information in the reporting. Staff anticipates aggregating the information and information compiled in the database would not be publicly accessible. The City Attorney's Office has been looking at how to address privacy with regard to public record requests, any recent California legislation on consumer privacy, and other privacy matters. She said this was addressed in the memo that was provided on the preparation of an ordinance.

Council Member Cormack said she imagined that people would want additional information. She asked how many people would be required to do the data work.

Principal Planner Ah-Sing said that was something they would question the other jurisdictions about.

Chair Stone asked for clarification that Staff's recommended motion is not the simplified RSP outlined on slide 20 but the recommendation on slide 12.

Principal Planner Ah-Sing confirmed this and added they are seeking feedback on the simplified version.

Chair Stone asked if ADU registration would be required only if they were being rented out, which was confirmed by Planning Director Lait. Chair Stone said that would provide good information regarding the number of ADUs in the City used for housing purposes.

Planning Director Lait agreed and said they would know what percent were being rented as opposed to not.

Chair Stone said currently all they know is the number of permits issued to build ADUs but once completed, they don't know what happens to the ADUs which could be being used for private gyms, private offices, or housing.

Planning Director Lait confirmed they do not know how the units are being used.

Chair Stone asked why Staff proposed the program be named the Rental Survey Program rather than Rent Registry.

Principal Planner Ah-Sing said this question was posed to the Committee in the Staff report and they are seeking feedback.

Chair Stone asked what other cities have name their programs.

Planner Atkinson responded that cities have named them different things but rent registry is frequently used. She said Staff proposed a more flexible name but that it was fine to change it.

Chair Stone said he did not have a strong preference but he thought rent registry sounded better. Chair Stone asked for clarification that Staff's recommendation is that all units are included in the registry including single-family detached homes that are being rented.

Planning Director Lait said this is an area where they are seeking policy direction from Policy & Services. He amended an earlier statement by saying the current program mentioned in the Staff report is supposed to include rental single-family homes.

Chair Stone asked if that applied to someone renting a room in an owneroccupied house.

Planner Atkinson contemplated if that would apply under the rent registration as it seems to be unit based. She suggested referencing the slide that has the precise language.

Chair Stone asked if a chilling effect has been observed of people removing rental properties from the rental market out of concern over privacy issues or just not wanting to go through the hassle of registering.

Principal Planner Ah-Sing said they were not aware of that issue during initial outreach but they can ask going forward.

Chair Stone said he would like to see this as inclusive as possible and he would not want to restrict housing stock. Pertaining to the motion, he asked where they would include a recommendation on enforcement mechanisms and penalties for noncompliance.

Principal Planner Ah-Sing said it could be added anywhere.

Planning Director Lait said when there is a violation of the municipal code, there is a process and that would be the default regarding fee schedule and notification. He said there is a question of how aggressive the City would be with enforcement. If the data collected is used as an enforcement mechanism, that will require more resources and Staff could present options on how they would approach that.

Chair Stone said he wanted the City Attorney's thoughts on if the landlord does not update their registry within a certain time frame, could they prohibit them from any rent increases until they update the registry.

City Attorney Stump stated she did not know the answer off the top of her head and asked Legal Fellow Jen Fine, who said she has not researched this particular issue.

Chair Stone stated he thought Berkeley allowed tenants to not pay rent while a landlord is out of compliance for updating the survey.

Council Member Greg Tanaka asked what problem they are trying to solve with this program.

Planning Director Lait direction was given by the City Council after identifying renter protection programs as a top priority principally for cost-burdened households.

Council Member Tanaka said other cities have had to hire people to do the surveys due to heavy legal requirements and penalties. He voiced concern over forcing landlords to hire additional staff to comply to rigorous compliance during this time of concerning housing costs. He was aware of people building ADUs in their house to help the rental market and not for profit and he imagined they would be dissuaded by penalties or marks on their record. He said the program felt heavy-handed and he moved that the Committee do something more lightweight like adding a question to the annual survey. Council Member Tanaka voiced concern this program will take rental stock off the market and rental prices will increase with the cost of program compliance for landlords. He remarked there were challenges with doing the business survey. He asked Staff how much it would cost to implement the program.

Planning Director Lait acknowledged there would be additional expenses to staff the program, for a consultant to establish and maintain the rental portal, and potentially for enforcement but he could not provide a dollar

amount. He questioned how much of the cost could be recovered through fees to the landlord.

Council Member Tanaka replied that costs will eventually reach the tenants.

Planning Director Lait said that issue is flagged in the report as a concern.

Council Member Tanaka asked if the cost would be hundreds of thousands or millions.

Planning Director Lait could not give a ballpark estimate.

Council Member Tanaka said it is not clear what they're trying to solve. He said it does not make sense to move forward.

**MOTION:** Council Member Tanaka moved to add a question to the annual National Community Survey, to ask about rent. Chair Stone asked for a second. Receiving none, the motion failed.

Council Member Cormack stated that regarding naming of the program, survey reflects the intent to gather information, and she complimented Staff on the goals and objects as presented on page 7. She added that vacancy information is helpful to understanding availability and demand. She said there was no harm to include single-family homes. She asked if using publically available data, such as that found on Zillow and Apartments.com, has been considered.

Principal Planner Ah-Sing said the survey would collect more focused information that is needed to fulfill State requirements and State laws.

Planner Atkinson said information from The American Community Survey can lag and the information collected by the survey would be more up to date.

Council Member Cormack agreed with translating information into other languages as outlined on page 37. She felt starting with something more lightweight was a good idea to help figure out what's missing. She asked why they would ask about rent range versus just rent amount.

Principal Planner Ah-Sing replied that it was an easier way to quantify data input.

Council Member Cormack asked if it was a matter of checking a box instead of entering the exact number, which Principal Planner Ah-Sing confirmed.

Planning Director Lait added it would cover the range of what one tenant pays as opposed to another in the same building.

Council Member Cormack said the number of bedrooms is relevant information, and she said she was leaning toward the full version of the program. She asked Staff about the location of the existing property registration participation requirements as mentioned in part B of the motion.

Planner Atkinson replied property registration participation requirements are in Section 9.72.050. The residential property that requires registration is any housing structure occupied as a dwelling or offered for rent or leased as a dwelling.

Council Member Cormack said next time this comes to the Committee, it would be helpful if this information were easier to find.

Planning Director Lait clarified that part B of the motion is saying it would apply to all rental units.

Chair Stone clarified that Staff is looking for feedback on collection of rental survey program information, program participation, and frequency of reporting and then they will follow up on D, E, and F at the next meeting, and this was confirmed by Planning Director Lait. Chair Stone stated he was supportive of the full Staff recommendation but had additions. Under rental unit characteristics on slide 12, he asked if information on affordable housing, BMR units, and deed-restricted units was being collected and if not, it should be included.

Planning Director Lait said they have data on that through Alta Housing and that can be added to the registry or cross-tabulated.

Chair Stone said he didn't want this information to fall through the cracks and asked Staff how they would want the information to be collected.

Planning Director Lait said they could get the data through another source but questioned what the data is needed for and how much needs to be collected.

Planner Atkinson said other jurisdictions include a check box for Section 8 vouchers and rent subsidy and mused this could be collected under unit or rent information.

Chair Stone agreed with the checkbox options as opposed to cross-referencing the information and stated this should be included. He said there is tenancy status and tenancy or vacancy commencement date but no reason for vacancy, which he said is critical information to collect. Chair Stone said they should be sensitive to not asking for immigration status. Chair Stone said he liked Staff's recommendation for a process for landlords to express concerns and share experiences and then for tenants to be able to view what was submitted by landlords and make objections or point out inaccuracies.

Planning Director Lait said when engaging a consultant to build out the portal, it would be helpful to know if the landlord will be putting in data and the tenants accessing data.

Chair Stone said he did not want to see them prioritize the expression of landlords over tenants. Regarding program participation, he was in agreement that all rental units would be in the registry with the understanding that Staff will research chilling effects. Regarding frequency of reporting, he was in support of the Staff recommendation of all rental units by a certain date and then for future qualifying events. He asked if an avadavat is required every time information is submitted.

Planner Atkinson said an avadavat would be required every single time someone submits something but if there were no events over the course of a year, they could submit an annual avadavat.

Chair Stone agreed with draft motion C. He was in support of having landlords update the portal with significant events and does not see it as overly burdensome. He said it needs to be user friendly and mused Staff could hold workshops.

Council Member Cormack offered an amendment to direct staff to offer suggestions to how data be collected and used. She specified the reason to do this is to take positive action and not just to punish bad actors. She asked that Staff help them do a better job identifying what they will do with the data. She said this is one way they can understand what is happening more broadly in the community. She said they need to be sensitive to the wide variety of landlords in the community and not assume there are many things that need to be fixed but see what policy actions are needed.

Chair Stone asked about D and if Staff will come to the next PSC meeting or the one in the spring with suggestions.

Planning Director Lait said they would introduce some ideas in a couple months and then further refine.

Council Member Tanaka asked if the motion would apply to every property in Palo Alto.

Planning Director Lait clarified it would be properties used for rental.

Council Member Tanaka asked if this applies to someone renting out a room.

Chair Stone said that was a gray area.

Legal Fellow Fine stated that whatever Council wants could be drafted into the new rule.

Council Member Tanaka said the Committee should tell Staff what they're trying to do and Staff could respond with what data they need. He said if this applies to everyone, there will be a big outcry and it will be perceived as overreach. He related some landlords did not receive rent payments during the pandemic as tenants could not pay and landlords ate the costs and coupled with the big-brother nature of the program, he voiced concern over the direction. Council Member Tanaka stated participation should be easy for people and reporting frequency should be as events occur. He would like survey costs to be lightweight with no cost to the landlords, tenants, or the City. He questioned how the program will be funded and worried about money taken from the Budget Stabilization Reserve. He said if the program applied to every landlord in the City, outreach is needed.

**MOTION:** Council Member Stone moved, seconded by Council Member Cormack to bring back to the Policy and Services Committee:

- A) Collect rental unit information as outlined in the staff report and presentation Slide 12, including
  - a. Reason for Vacancy
  - b. Deed Restricted Units
- B) Utilize the existing property registration participation requirements outlined in the PAMC Chapter 9.72
- C) Utilize initial rental unit registration and thereafter use qualifying event-based reporting frequency or an annual affidavit if no qualifying events occur

D) Direct staff to offer suggestions about how data collected could be used

#### MOTION PASSED: 2-1, Tanaka no

2. Discussion and Recommendation to the City Council Regarding the City Council Values Statement (Follow up to City Council Referral from February 2022)

Council Member Cormack thanked Deputy City Manager Chantal Cotton Gaines for working with her. They tried to capture positive statements that would help in terms of fiscal, environmental, and equity concerns, how work is done, and community safety and health priorities.

Deputy City Manager Gaines said City Manager Ed Shikada wanted her to note for the Committee there is a question of the City organization values and she recognized Staff is looking to work with Workforce on that. She noted the intention of this item coming as a referral from the City Council is to focus on the City Council values and how they do their work.

#### Public Comment: None.

Chair Stone said it was a really good value statement. He questioned how they wrestle with their own personal views compared to what the Council has authorized and asked if that would be included in how they do their work or if that fits somewhere else.

Council Member Cormack thought that sounded more policies, procedures, protocols, and the other P's in the handbook. Follow-through on their commitments was intended for the Council as a responsibility to themselves to get work done. She hoped the PSC would thoroughly review the handbook to see if they can address some of the situations that have occurred.

Chair Stone referenced #6 and suggested adding something to show they do that with each other and the public.

Council Member Cormack said the intention was transparency. She said she would like fewer in #6 and asked what could be removed. She said #4 is about innovations. She was open to removing things but she wanted to include things that were not controversial that could be expected of themselves. Referencing the phrase now and in the future, she said that works on both the fiscal and climate sides and stated the struggle has been balancing expenses and future impact.

Chair Stone asked Deputy City Manager Gaines how many were in the Staff's value statement.

Deputy City Manager Gaines replied she didn't have an exact number but there are 5 in the existing budget, which is the only place the values of the City organization show up currently, and consistent of Quality – Superior delivery of services; Courtesy – Providing service with respect and concern; Efficiency – Productive and effective use of resources; Integrity - Straightforward, honest, and fair relations; and Innovation – Excellence in creative thought and implementation.

Chair Stone said 5 seemed like a good number and he liked all of them. He also liked open communication from 6.

Council Member Cormack suggested merging 4 and 6. She stated the idea they would be fostering a learning environment was important.

Chair Stone suggested saying we value innovation and open communication.

Council Member Cormack liked value innovation but it made it sound like they were going to do pilot projects. She said they tried to stay away from the word value in an attempt to make it more action oriented. She asked Chair Stone if he wanted to use the word innovation as opposed to learning environment. Council Member Cormack then asked if anything was missing from 1, 2, 3, and 5 that is an enduring value in the community that should be captured. Hearing none, she directed focus to 4 and 6.

Council Member Tanaka liked the value statement for the City Budget. He asked where the Council value statement would go.

Council Member Cormack stated she hoped they could all agree on a set of principles that would help when setting priorities for the work of the year.

Council Member Tanaka said future Councils would have their own agendas.

Council Member Cormack felt it was about time and focus. She said the time spent setting priorities is often focused on things they all agree on and they are not spending enough time on the priorities. She felt fiscal sustainability should be a foundation and they should not be debating its priority every year as it is a shared value.

Council Member Tanaka questioned if that were true and added different members of the Council may have different priorities.

Chair Stone said the values outlined by Council Member Cormack are broadly agreed on and he questioned wasting time on making a priority something they all already agree will be a priority but added the degree of focus on an item could be decided by the Council.

Council Member Tanaka stated he highly disagreed with having a budget that was not sustainable, which he has been outvoted on.

Council Member Cormack noted Council Member Tanaka's disagreement with #1 and asked his thoughts on #2.

Council Member Tanaka said he actually liked #1 but he questioned its practicality for future Councils. He liked the idea of what they were trying to do but questioned the mechanism to enable it as whoever gets elected will have their own values and assign different priorities.

Chair Stone asked for details on the referral to the PSC from City Council in February.

Council Member Tanaka said the referral pertained to setting values for the City and not for the City Council.

Chair Stone said they should focus conversation on the value statement before them. He added the merits of having a value statement has already been debated by the Council and voted on.

Deputy City Manager Gaines referenced the minutes from the February 5, 2022, Council Retreat that said: The City Council sent the following motion to the Policy & Services Committee: Refer to the Policy & Services Committee to recommend to the Council a set of values that will continue over successive years as values for the City and the community. Consider the following topics but not limited to fiscal sustainability, social justice, healthy city, healthy community, and environmental sustainability.

Council Member Tanaka stated that made more sense and noted it did not say set the values for the City Council.

Council Member Cormack stated that in the interim, the City Manager is interested in developing values but not telling their staff how to do things and specified their role is to set policy and choose 4 Council-appointed officers to do that work. She felt they should table the discussion as to whether it pertains to the City or the City Council. She said they could bring these value statements back for a full discussion with the entire Council with

the City Manager offering thoughts on whether or not this is helpful. Council Member Cormack then directed the discussion back to 4 and 6.

Council Member Tanaka interjected that there should be guidance from Council as to the values of the organization and the City and if new people get elected and the values change, they can get updated. He said there is merit in making meetings more efficient but he is not sure a common set of values is the way to do it. He added that the work that was done will help in the future.

Deputy City Manager Gaines said the current City organization values are from the early 2000s and therefore dated and not reflective of the current set of circumstances. She said setting some of the values of the City Council is informing the work Staff is doing and they know they have a lot touchpoints and engagement to do with Workforce and City Council. She said the Committee's guidance and budget process help in that effort, and she said Assistant to City Manager Lupita Alamos will be working on this.

Council Member Cormack proposed that 5 read: We will communicate openly with all members of our community and welcome innovative solutions.

Chair Stone stated he loved it.

Council Member Cormack said the current 5 would be 4 and they all start with we will. Council Member Cormack asked if the Chair wanted a motion to send this to Council and ask the City Manager to provide information on how this would align with the work being done within the organization.

Chair Stone said that made sense.

Deputy City Manager Gaines said the Committee was interested in this being adopted before the next priority setting meeting in late January or early February.

Council Member Tanaka asked who wrote the value statement for the City Budget.

Deputy City Manager Gaines said the work done in the early 2000s was likely led by the City Manager at that time but they don't have exact information.

Council Member Tanaka said he liked the previous statement in the City Budget and it has stood the test of time. He wondered if it would be better

to have a unified value statement across the whole city versus a different one for different organizations. He asked if parts of the one from the City Budget could be incorporated into the new one.

Council Member Cormack said the previous one was more about how to do work and less about the kind of work to be done. She felt they were more about operations and less about policy.

Chair Stone concurred with Council Member Cormack's assessment and was happy with the value statement in the motion.

Council Member Tanaka again emphasized a unified value statement.

**MOTION:** Council Member Cormack moved, seconded by Council Member Stone to recommend the City Council consider adopting a Values Statement:

- 1. We will make decisions that balance revenues and expenses, now and in the future.
- 2. We will make decisions that respect the environment, now and in the future.
- 3. We will integrate equity into our decisions, considering how decisions affect people differently based on their identity or circumstances.
- 4. We will build a healthy, safe, and welcoming environment for all in our community.
- 5. We will communicate openly with all members of our community and welcome innovative solutions.

MOTION PASSED: 2-1, Tanaka no

Future Meetings and Agendas

Deputy City Manager Gaines said the date for the November meeting was on election night and said she would discuss this offline.

Adjournment: The meeting was adjourned at 9:19 P.M.