



City of Blue Lake Council Meeting Minutes

Tuesday, June 29, 2021 ~ 6:30 p.m. ~ Special Council Meeting Via Zoom
<https://us02web.zoom.us/j/81502608403?pwd=amlzVG1vaVlvRlovMHhKMk40MEI6QT09>

Meeting ID: 815 0260 8403

Passcode: 778529

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1. Establish a Quorum of the Council (6:38 p.m.)

Council Members Present:

Adelene Jones (Mayor)

Chris Curran

Summer Daugherty

Elaine Hogan

Staff Present:

Amanda Mager, City Manager

Russ Gans, City Attorney

Scott Gordon, City Accountant

Garry Rees, City Planner

2. Approve Agenda

Motion: It was moved to approve the agenda as presented

Motion by: Councilmember Daugherty; **Second:** Councilmember Curran

There were no comments from Council or public.

Council Consensus: Motion Passed

3. Public Comment:

Michael Fields (Dell'Arte): Dell'Arte applied for an exception to their existing use permit for the festival; they asked for an hour exception to the noise ordinance and would like to have it reconsidered by the City Council. Due to Covid, they are doing outdoor only events with limited capacity.

Cela Wexler: Provided an update on the Baduwat Festival, including music performances, Circus Nonsense and their work with the Wiyot Tribe. They have had a lot of community support and support from the City; also looking for volunteers for the event.

Garry Rees (City Planner): Explained that the Planning Commission did not deny Dell'Arte's request to extend their hours, nor was the new noise ordinance a part of the issue. Dell'Arte has an existing special event permit for the festival and the concern is that the extension of the hours for the outdoor performances will impact the residents beyond what has been acceptable under the existing permit. Additional conversations can take place to see if there are opportunities to minimize impacts.

Lisa Hoover: Hopes there can be some flexibility to support Dell'Arte's request.

4. **Fiscal Year 2020-2021 Budget Amendment-** Scott Gordon, the City's Accountant, presented the Fiscal Year 20-21 Budget Amendment; he provided an overview of the proposed amendments, including the final budget savings of \$160,000.00

Motion: It was moved to adopt the Fiscal Year 2020-2021 Budget Amendment as presented

Motion by: Councilmember Curran; **Second:** Councilmember Daugherty

There were no comments from Council or public.

Council Consensus: Motion Passed

5. **Fiscal Year 21-22 Budget Presentation and Adoption:** City Accountant Gordon provided an overview of the proposed budget; highlights include:

- General Fund: projecting \$25,000 excess
- Powers Creek District Fund: loss of \$30,000
- Fund 38: \$7,000 excess
- Special revenue funds are break-even

Mayor Jones: commented that she was pleased with the budget and happy to have the budget passed on time again; this wasn't always the case in the past and she's happy to see this trend continue.

Motion: It was moved to adopt Resolution Number 1186: *A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLUE LAKE ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022 AND FINDING THE BUDGET TO BE WITHIN THE APPROPRIATIONS LIMIT REQUIRED BY ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION*

Motion by: Councilmember Daugherty; **Second:** Councilmember Curran

There were no comments from Council or public.

Council Consensus: Motion Passed

6. **DANCO Builders Development Proposal Presentation:** Chris Dart, DANCO representative, provided an overview of DANCO Communities including how long they've been in operation, their staffing structure and their various business entities. Chris provided an overview of projects that have similar features to what is being proposed in the Powers Creek District, including the Plaza Point Project and the Sorrel Place development. DANCO has hired Kash Boodjeh to develop the preliminary designs.

The Powers Creek Project is currently being proposed as a 40-unit development with commercial/retail space on the bottom floor. The current design includes 80 parking spaces and incorporates community common space and a lobby entrance. The retail is facing north and south and the project will be a net zero project.

Questions: Will there be an on-site manager? Yes, they include a manager's unit in the design; the unit is usually bigger than the other units and has increased amenities to encourage long term residency. There may also be a maintenance person living on-site.

What are the next steps?

- Develop either a DDA with the City or an Exclusive Right to Negotiate agreement
- For financing purposes there needs to be a Disposition Development Agreement in place
- There is a lot of money coming down from the State right now and need to move the project forward efficiently in order to take advantage of current opportunities
- Need an agreement in order for the developer to also cover expenses incurred by the City, including review costs, fees, and other pre-development costs

Public Comment:

Kit Mann: We need affordable housing in Blue Lake but this will be the most significant change; I'm worried that we're not paying attention to the bigger issues; segregating housing in an industrial zone across from a rotting biomass plant; you need to think about all of the negative impacts. I'm concerned about losing craft industry and the revenue that it generates. Recommend that DANCO build the City a large industrial building to generate revenue.

Lisa Hoover: I concur with some of Kit's concerns; I'm also concerned about impervious surfaces; why is it 40 units; what's the basis for the 40 units; what does "affordable" mean?

Lin Glen: I agree with Kit's comments about looking at the pros and cons; I want the Council to ask the hard questions; want to know about services for people; what will the service impacts be? Would like to see a City owned light industry building.

Chris Dart: The project is a mixed income project; there will be a range of AMI's with income eligibility from \$50,000 a year down to \$20,000 a year. The project has to go through Planning and the CEQA process to evaluate potential impacts; we will need a conditional use permit as part of the project.

Garry Rees: Technical studies are required as part of the project; any impacts would be required to be mitigated through the CEQA process. It will also go through a development agreement process that can add additional impact fees, etc... Also, would like to point out that light industrial development doesn't generate revenue for the City.

Lisa Hoover: This input has been helpful; what are the next steps for the community to be involved; would like more opportunity to more about the project.

Councilmember Daugherty: There will be multiple opportunities to provide feedback and gain community support.

Councilmember Hogan: I would like to see some community scoping meetings to help with designing the project. Are the amenities that were presented in the presentation part of the negotiation process?

Councilmember Curran: All of the services and amenities that were presented would evolve through process?

Chris Dart: Service providers typically evolve as the design moves forward; typical amenities include exercise and cooking classes, after school programs, social service programs, ride shares...the sky is the limit but must be supported by the project; these

services can be built into the project budget.

Kash Boodjeh: We are planning to conduct community workshops; ability to design the project as a community; Kit's comments can be addressed through the process; a master plan of the entire site is an important part of the process. We need to get the commitment from the City to keep working on the project; need to be able to go after funding but the design process is a larger process that can involve community and participation

Mayor Jones: I like the concept and would like to keep the project moving forward.

Councilmember Daugherty: Let's move the agreements discussion's forward and keep working on the design details with community input.

Councilmember Curran: At what point do the special studies come into play?

Garry Rees: They are usually conducted as part of the CUP process so they can be evaluated and mitigated.

Chris Dart: The DDA will also require that the project meet standards and thresholds and milestones in order to take effect.

Russ Gans: The next step is negotiating the DDA; staff has enough direction to bring a draft agreement forward.

Lin Glen: Will DANCO be in attendance at the community meetings; I would like to be able to ask them questions about prior experience.

Lisa Hoover: I would like clarification on the DDA and does that preclude community input?

Councilmember Daugherty: The DDA sets forth the relationship between DANCO and the City to proceed with the development of a project; if the City decides to move forward with a project then the CUP process will be the next step.

7. **Legal Services Retention Agreement with Best, Best and Kriegers, Attorneys at Law, for Services Associated with the DANCO Builders Development Proposal:** Russ Gans, City Attorney presented the item; this is a specialized field of law and their expertise would best serve the City as this project moves forward. Council authorized up to 40 hours of legal services time with Best, Best and Kriegers and directed the City Manager and the City Attorney to execute the legal services agreement.

Public Comment: No comment on this item.

8. **Consent Agenda:** Motion to approve the Consent Agenda (Meeting Minutes June 8, 2021)
Motion by: Councilmember Hogan; **Second:** Councilmember Curran
There were no comments from Council or public.
Council Consensus: Motion Passed

9. Council Correspondence:

Letter received from Jean Lynch; the letter was read aloud:

Dear Blue Lake Council:

Please note the information contained in this note and add it to the discussion for the Agenda Item # 6 of a Special Meeting for the blue Lake City Council. As I have noted before in the discussion regarding the low income housing within city limits, there is a question of Article 34 in the State of CA that I would like to have entered into this new discussion. I have added some wording that I found on this matter and would like the council to discuss it further.

Article 34 reads:

No low rent housing project shall hereafter be developed, constructed, or acquired in any manner by any state public body until, a majority of the qualified electors of the city, town or county, as the case may be, in which it is proposed to develop, construct, or acquire the same, voting upon such issue, approve such project by voting in favor thereof at an election to be held for that purpose, or at any general or special election.²

According to the argument supporting the initiative, a vote in favor of adding article 34 to the California Constitution was a vote for the right to say yes or no when a community was considering a low-income housing project.³ The need for community control was necessary because of tax waivers, and other forms of community assistance that a public housing project required.⁴

Russ Gans: There are numerous mechanisms to support the project; the exceptions exceed the rule.

Letter received from Lisa Hoover; read aloud:

Hello Mandy,

You mentioned the need for more tax income when we met. While covid resulted in loss of tax revenue during this time (parks and recreation, retail e.g. Brewery, Logger Bar), prior to the pandemic, what was "broken" relative to tax revenue? I would like to see City staff revitalized so please let me know a) the extent to which the tax generation you want will support City Staff and b) beyond this, I would like know the foundation for the need for more tax revenue for the City. I realize that there is a lease with Blue Lake Power Company that is due to expire (when?) that has been a tax revenue--but beyond this, what is the foundation?

Also you mentioned that the State requires "low income" (or is it termed "affordable"?) housing and that Blue Lake had postponed initiating this over the years. I would like to better understand what is meant by "low income" or "affordable" by the State.

*I want the tax base to support the **fundamental infrastructure** for the City of Blue Lake community that includes various elements from maintenance of roads and needed drainage, Blue Lake Water, park-community facilities, partial law enforcement fees, a portion of the fire district, and public school needs. Expansion beyond what I would call fundamental infrastructure based upon tax revenue*

warrants public discussion. Details of what else the taxes would support is requested. Please know, these "other items" may indeed have merit for the community.

Mandy, I am asking that the basis for any tax base expansion, beyond fundamental infrastructure, be outlined for future discussion so that citizens, such as myself, can discern the contribution (or the impact) to the Blue Lake community.

Thank you.

Submitted for the record,

Lisa D. Hoover

10. Reports of Council and Staff:

Councilmember Hogan: Nothing to report.

Councilmember Daugherty: Nothing to report.

Mayor Jones: Met with Charis Bowman regarding the Emporium; she has some good ideas and I wonder if any of the COVID money could be used to support the project.

Councilmember Curran: Attended the RCEA meeting; received an update on the airport solar project/micro-grid; it's moving forward and receiving national attention.

11. Future Agenda Items:

July 6, 2021 Special Meeting:

- **Wiyot Resolution**
- **Councilmember Obidah-Dunn's resignation**
- **DANCO Project**
- **City Manager's Evaluation**
- **Negotiator Designation**

12. Adjourn

Motion: It was moved to adjourn.

Motion by: Councilmember Daugherty; **Second:** Councilmember Curran

No public comment

Council Consensus; the meeting adjourned at 8:48 p.m.

Amanda Mager

Minute Taker