



City of Fort Bragg

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Meeting Minutes City Council

*THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY
AS THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT
NO. 1 AND THE FORT BRAGG REDEVELOPMENT
SUCCESSOR AGENCY*

Monday, April 27, 2015

6:00 PM

Town Hall, 363 N. Main Street

MEETING CALLED TO ORDER

Mayor Turner called the meeting to order at 6:02 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: 5 - Vice Mayor Lindy Peters, Councilmember Michael Cimolino, Councilmember Scott Deitz, Councilmember Doug Hammerstrom and Mayor Dave Turner

AGENDA REVIEW

1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

Mayor Turner introduced new Police Chief Fabian Lizarraga and welcomed him to Fort Bragg. Chief Lizarraga said it is a pleasure to be here and that he hopes to bring his considerable experience to the position of Chief and to use that experience in a spirit of communication and transparency to accomplish things. He looks forward to the partnership with the City and to getting to meet the people of Fort Bragg and talking to them about the important issues.

1A. [15-118](#) Presentation of Proclamation Declaring the Month of May as Poppy Month

Vice Mayor Peters read the proclamation declaring the month of May as Poppy Month and presented it to American Legion Auxiliary President Carol Brown and Vice President Joan Doolittle. The proceeds from the sales of paper poppies hand-made by Veterans in Veterans Homes is used solely for Veterans in need.

1B. [15-122](#) Presentation of Proclamation Recognizing April as Child Abuse Prevention Month

Councilmember Cimolino read the proclamation declaring April as Child Abuse and Neglect Prevention Month and presented it to Rosalie Gjerde, Laura Welter and Tanya Ayalla of Safe Passage. This year 166 children in this area were helped through Project Sanctuary. Mendocino County has twice the state average of abused children. Safe Passage has documented over 400 cases of child abuse or neglect in 2014. Contact Safe Passage if you know of a family that needs support.

1C. [15-085](#) 2015 Mayor's Well Done Award Nominations

Community Development Director Jones provided a PowerPoint presentation showing the various

projects. Mayor's Well Done Awards were then presented to the following:

1. Best New Residential Construction - Susan & Bruce Piercy and Daniels Construction
2. Best Residential Remodel - Raymond Houghton and Tregoning Construction
3. Best Commercial Paint Job - La Tre
4. Best New Commercial Expansion - North Coast Brewery
5. Best Sustainable Design:
 - a. Kyle & Christe Smith
 - b. Nicholas Marcus
 - c. Daniel & Susan Gastelum
6. Best New Facade - Fort Bragg High School
7. Best Sign:
 - a. Cucina Verona and Sharon Jacobs Designs
 - b. Applewood Property Management and Braggadoon Signs & Graphics
 - c. Culture Shock and The Sign Shop
8. Best Window Display:
 - a. Larry Spring School of Common Sense Physics
 - b. Family Hands
 - b. Edgewater Gallery
9. Best Response to City Request - Miri Fuchs
10. Best New Recreational Amenity - Noyo Headlands Park:
 - a. Bill Harris, landscape architect
 - b. Cathy McKeon, engineer

Director Jones presented a special Community Development Department Award for Best Neighborhood Cleanup Project to Mayor Dave Turner for the Council's efforts in demolishing the residential structure at 125 North McPherson Street.

2. STAFF COMMENTS

City Manager Ruffing welcomed Chief Lizarraga.

Community Development Director Jones announced that a weeding party for the Coastal Trail will take place on May 3 from 10:00 a.m. to 12:00 noon (the correct time is 9:00 a.m. to noon). The City will provide snacks and water; volunteers should bring gardening tools.

Assistant City Manager Feth-Michel reported that the Finance and Admin Committee met on April 21 to discuss the changes REMIF made to the City sponsored health benefits by moving from a fully-insured employee medical plan to a self-funded employee medical plan. The plan being offered is virtually the same plan that the City currently has. Details regarding the plan along with a provider list will be available at open enrollment.

3. MATTERS FROM COUNCILMEMBERS

Mayor Turner reported that he and City Manager Ruffing met with other Mendocino County mayors and City Managers on April 14 to discuss the issues in the County. This will be a regularly scheduled meeting twice annually so city officials can work better together as a county. On April 15, he met with the board of the Mendocino County Recreation and Parks District (MCRPD) regarding budgeting for the C. V. Starr Community Center. MCRPD has the Center well in hand and memberships and reserves are increasing. Mayor Turner met with Secretary Robert Reich on April 18 at the site of the orca whale beaching at MacKerricher and discussed the Noyo Center for Marine Science and the economy in general. He would like to set up a forum to discuss these matters with the community. The mayor also reported that he attended the Earth Day Festival on

April 25 and recognized local women and students at a Soroptimist International event on April 26. Mayor Turner reiterated John Fremont's comments at the last Council meeting regarding the disenfranchised who live outside of city limits and stated that Fremont has offered to create a committee that would inform the Council of the needs and concerns of non-voters. Turner announced that he is forming the Rural Fort Bragg Ad Hoc Committee which John Fremont has agreed to chair. He also stated that he has formed an ad hoc committee consisting of Councilmembers Cimolino and Hammerstrom to discuss issues concerning the Hare Creek Center.

Vice Mayor Peters met with the Mendocino Transit Authority board last week and reported that a second CC Rider route will be added. The Public Works Committee is looking at new designs for the Waste Water Treatment Facility, with construction anticipated in 2017-18. The first City-sponsored Cinco de Mayo event will be held at Bainbridge Park on Saturday, May 9 from 1:00 to 5:00 p.m., with music, tortilla making, pinatas and fun for kids.

Councilmember Cimolino participated in a spaghetti feed as a fund raiser for the Class of 2015 Safe and Sober graduation.

Councilmember Deitz asked for feedback from local restaurants regarding the City's policies on mobile vending permits and stated that this item will be discussed at the next Community Development Committee meeting on Tuesday, April 28 at 3:00 p.m.

Councilmember Hammerstrom noted how satisfying it was to see the community pitch in to clear up the property on North McPherson Street on April 18 and thanked the volunteers and staff at the Hospitality Center who helped in the cleanup efforts.

6A. PUBLIC COMMENTS ON NON-AGENDA, CONSENT CALENDAR & CLOSED SESSION ITEMS

Wendy Cimolino expressed her disappointment with the City for overlooking John Naulty when choosing a new Chief of Police. She gave Naulty's background and history of service for the City of Fort Bragg. She said she speaks not only for herself but for other members of the community and is bewildered why the City Manager keeps pushing away what is good for the community. She is angry and disappointed with the decisions being made by the City and says there is not a thing she can do about it, but the City Council can; and she urged them to do what is best and right for everyone, not just a few. She concluded by wishing the new Chief good luck.

Leslie Kashiwada read from a letter she distributed to the Councilmembers regarding the wider scope of development in Fort Bragg. She contends that Fort Bragg is heading toward an addiction economy (what she terms booze, buds and buzz) and proposes the focus should be on function, fun and funky, with an emphasis on fostering sustainability, creating a sense of excitement and promoting the uniqueness of the community. Kashiwada stated that local business owners are frustrated with the challenges they face and the lack of support from the City Council; that Group II is not flexible with their terms for rentals and leases; and development is not something tourists get excited about.

David Gurney thought that public comments on the Hare Creek resolutions should come after the City makes its presentation, until the Mayor pointed out that the resolutions were part of the Consent Calendar and there would be no staff report. Gurney objected to the language in the second paragraph of the resolution denying the Hare Creek development permits regarding the access road connecting to Bay View Avenue at some point in the future, saying this was being slipped in under the table in a nefarious manner and was not kosher.

Ann Rennacker wondered why the story poles on the proposed Hare Creek Center property are still standing. She stated that Hare Creek is a salmon spawning stream and salmon are an endangered species, therefore if a mall is constructed it will have an effect on wildlife in Hare Creek. Rennacker wanted to know what happened in the discussion between the developers, the Coastal Commission and the City, and stated that because she doesn't know what happened, it does not seem transparent.

4. PUBLIC HEARING

5. CONDUCT OF BUSINESS

- 5A. [15-088](#)** Receive Report and Consider Adopting City Council Resolution Approving a Forgivable Loan Agreement with Mendocino Coast Hospitality Center to Use Funds from Community Development Block Grant #14-CDBG-9881 to Acquire and Rehabilitate the Old Coast Hotel and Authorizing City Manager to Execute Same (Amount NTE: \$1,162,791; Account No. 315-5014-0630 and 315-5014-0632)

Councilmember Cimolino recused himself from hearing this matter, citing the 500-foot rule under Fair Political Practices Commission (FPPC) regulations.

Housing and Economic Development Coordinator Owen summarized her staff report, highlighting the major points for the Council. Because the funds are being obtained through a Community Development Block Grant (CDBG), the City is required to enter into a loan agreement with Mendocino Coast Hospitality Center (MCHC) prior to utilizing any CDBG funds to acquire a facility. Owen reported that loan documents have been drawn and reviewed by the City attorney's office, and staff recommends that the Council take action to approve the forgivable loan agreement. Owen itemized the project description, use of the facility, comparison of the new facility at the Old Coast Hotel (OCH) with the current space, CDBG history of the project, OCH history, loan documents and requirements, general plan and zoning consistency analysis, and environmental determinations. She also mentioned other considerations, including cost of relocating any residential or commercial tenants, response to community concerns regarding privacy and visibility to passersby, Americans with Disabilities (ADA) access, other locations, parking/traffic impacts, congregation of homeless on streets around the facility, and lead based paint in the building. If the Council approves the resolution and agreement, Owen said the next steps would be to send a complete special conditions package to CDBG for review. Once the special conditions are cleared, MCHC can proceed with acquiring the facility.

Vice Mayor Peters questioned whether or not the proposed use of the Old Coast Hotel is consistent with Policies LU-3.1 and LU-3.2 of the Inland General Plan and asked who makes the determination regarding compliance. City Attorney Zutler stated that it is ultimately the legislators' decision whether the project complies with the General Plan.

Mayor Turner recessed the meeting at 7:35 p.m.; the meeting reconvened at 7:45 p.m.

Public Comments on Agenda Item:

Tom Pinizzotto, Mendocino County Behavioral Health Director, believes the OCH is an ideal location for expansion of services provided by MCHC. He noted that people with mental illness suffer from stigmas because of misconceptions, fears, biases and harmful stereotypes, but that they can make important contributions. He cited statistics on people with mental health issues.

Pinizzotto concluded by thanking the City Council for their courage and leadership in support of the project.

Madeline Melo, a Fort Bragg resident, is concerned about the State's ability to fund activities and services at the OCH facility and thinks that grant monies are an "iffy" thing from year to year. Melo said there are currently 18 employees of the MCHC, but at the new facility, additional employees would have to be added to staff the cafe, vocational training, and garden, which seems like a substantial increase over current staffing. She has a financial concern that fund raising will not meet the costs of maintaining the facility. Providing money for transitional housing does not give much "bang for your buck," as there are only two units with ten beds, with most money going to administrative offices, wellness center, culinary and vocational garden program.

James Hooper does not believe the OCH is the right location for this facility. He is concerned that the upstairs units are not ADA accessible, but in order to qualify for transitional housing, clients must be disabled or have a child. Because of this issue and the lead based paint issue, he does not think the Council can make a decision.

Lori-Rachel Stone read a statement for Annette Reynolds, the manager of Figueiredo's Video, who thinks the project is a grave mistake, the police are not taking care of the homeless problems, and that having a facility at the OCH is akin to opening Pandora's Box. She concluded by stating that she hopes the Councilmembers, Anna Shaw, Hospitality House board members, and Ortnier will be sued.

Holly Hawkins quoted attorney Zutler's statement in the April 2 Advocate News that there was no proof that members of Concerned Citizens of Fort Bragg are taxpayers within the city limits and thus have no standing to challenge any of the Council's actions. She is a taxpayer within the city limits and has a standing to challenge the Council's actions. She asked the Council to listen to what is being said.

Dr. Peter Glusker has been a local physician with an office in Fort Bragg for 40 years. He has watched the history of the OCH for many years and has been saddened to see it empty for so many years. He commended the City Council for its imaginative and creative approach to a new solution for that building that will help the town economically and socially. He said that 20 years or so ago a similar set of arguments was made regarding issues over the original Hospitality House. The history of Hospitality House shows it has done a remarkable job providing solutions to the problems the City has with mentally ill, which should be a model for other cities to follow. Dr. Glusker concluded by saying that he hopes the Council will allow this project to go forward, as it will help everybody.

Mara Thomas, president of the board of Art Explorers, offered her full support for Mendocino Coast Hospitality Center, stating that they do good and important work every day. She expressed dismay at the tenor and actions of those who oppose MCHC's plans for the future and the Old Coast Hotel. Thomas stated that the proposed ballot measure to ban homeless services in the Central Business District is an infringement of civil rights and a call to discriminate and segregate the homeless and mentally ill. She called on the public to muster the courage to permit rehabilitation of the OCH and to send a strong and clear message to neighbors and strangers alike that Fort Bragg has not forgotten or forsaken its hardscrabble working class roots and values.

Paula Cohen, Executive Director of the Mendocino Coast Clinics, noted that mental health issues have grown dramatically here in the last 20 years. It is difficult to find resources to help deal with these issues amidst dwindling federal, state and county resources. This project fits that need. She

supports the project and urged the Council to support it as well.

John Gilmore spoke in favor of the OCH project. He recounted a story about the problems encountered by his son last year when he was unable to find services. The current facilities have access from a "funky" alley, which he found appalling. Gilmore asked everyone to come from a compassionate and honest place. As a musician, he has played music at the OCH and has watched what has happened with that property. He said right now it is not benefiting the downtown, it is a big white elephant and he wishes people would stop calling it a jewel, considering its past as a house of ill repute.

Mary McKay thinks helping the homeless and having a facility in Fort Bragg is great. She said the price for the hotel was ridiculous, about \$800,000 less than anyone else could purchase it for. If it was offered to the public at the price being offered to MCHC, it would probably have been bought and restored to be a hotel like it has always been. McKay said the idea is great, but just not at this facility.

Ed Cain said the needs and concerns of those who need health services should inform the City Council's decision. People needing these services have the right to know that their treatment is provided in a safe and secure location. Placing these services in a busy location in the Central Business District offers no such possibility, because there are too many entrances to the courtyard and building. He believes this will discourage people seeking help because there is no privacy if they must pass through a gantlet of public scrutiny. He urged the Council not to vote in favor of the project.

Kevin Scanlon, Fort Bragg resident and general contractor, is worried about the financial and economic loss to the City if the Old Coast Hotel is turned into a homeless services facility. He said the only reason the place has not been sold is because the sales price was too high; and the owners are only selling it so low to get a tax break. He will not let his children pass by the OCH if it is a homeless facility. He said Fort Bragg will not be getting property taxes, bed taxes, or food and beverage taxes if this becomes an MCHC facility. The Central Business District is not the right place for this, as it will take dollars away from business owners. Scanlon was the last licensed painting contractor to paint the building and it is fraught with lead. Lead abatement costs a fortune. Scanlon asserted that this project is an asset drain, not an asset gain.

Rod Jones, attorney for Concerned Citizens of Fort Bragg, stated this project is not about whether this coastal community should care for or accommodate the homeless or whether MCHC should have new headquarters, but it is about whether or not the site is appropriate, whether or not the project was improperly fast-tracked, whether the project is more about office space than transitional housing, whether this is a sensible use of tax dollars, what happens if the loan goes into default, and whether the zoning code allows this kind of facility at this location. Jones asked the Council to consider three points: (1) What is the need that is being addressed? He cannot determine the extent of the homeless problem in the City. (2) What will the ramifications be for the City if MCHC's vitality is impaired in the future and what will become of the OCH at that point? Why is there no maintenance budget as part of this loan package? (3) Does the zoning code point in a different direction? Would not a mixed use facility be more appropriate two, three or four blocks away from the Central Business District? He suggested that the zoning code has been twisted to make the project fit when it does not fit. Jones concluded by saying he hoped the City Council will rethink this project.

Jay McMartin-Rosenquist said the letters in support of the project on the City's website have not been signed or are from outside the county. She submitted several letters in opposition to the

project. She remarked that the Building Department has said that no kitchen facilities can be installed in the facility and she wanted to know what would happen to the transitional housing units if they have no access to cooking facilities. Rosenquist also commented on parking in lieu fees, stating that waiving parking fees for this project would not increase revenues because no sales tax will be generated by the homeless services facility. She made some observations about the parking at the Franklin Street location and thinks a new traffic study needs to be done.

Judy Valadao, Fort Bragg resident, observed that this seems to have become an issue of us vs. them when everybody should be on the same side, helping those in need. With \$1.2 million to spend on a 12,000 square foot space, it seems like a waste of money to use only 3,144 square feet for transitional housing and the rest for other offices. She asked, why isn't the money being used for more transitional housing? Valadao said that petitions opposing the project with 1,220 signatures were given to the City Council and they were ignored. She submitted the petitions again, along with an additional petition with 475 signatures for a total of 1,695 signatures, and asked that the Council pay attention this time and listen.

Anne Marie Cesario, local social worker and mental health counselor, understands and appreciates the project and what MCHC does for the community. She said as a patient advocate, Fort Bragg needs rooms and beds more than it needs offices. Cesario gave some background on the Old Coast Hotel and the Italian American history of the community. She said that other properties are out there that will do more for the community and offer more beds for the money, and asked the Council to choose another site.

Mayor Turner read a letter from Robert, Christina and Michelle Affinito in which they proposed the sale and development of 825 South Franklin Street as a mixed use commercial facility to be owned and operated by MCHC. The Affinitos said the location is suitable, the 17,000 square foot building is more than adequate for the project, and separate entrances, parking, and ADA access are available. The offered sales price was \$1.2 million, with the difference between fair market value and the sale price to be a donation from the Affinitos to MCHC.

Les Cizek thinks Hospitality House has done a wonderful job for the town for a long time and he is in favor of their taking over and developing the OCH. He hopes our community will respond to this opportunity with empathy and reason and not fear and ignorance.

Pastor Dan Fowler, citizen of Fort Bragg and member of MCHC, said he was speaking in humility on behalf of the mentally ill, homeless, and poor who are trying to get their lives back together by using the services offered by MCHC. He pointed out that there has been a lot of debate, misinformation and heated argument over services and location, with those opposed to the project saying there are other more appropriate sites. As an MCHC member, Pastor Fowler stated that there has been an exhaustive search for more than a year, but MCHC has not found any site that would work, except for the OCH. He asked, if this facility cannot be in residential neighborhoods or in the Central Business District, then where can it be? He concluded by saying that if the four women who began Hospitality House decades ago tried to do so today, there would be no Hospitality House, no Mendocino Coast Hospitality Center, no mental health services for those in need and no transitional housing. The Pastor said he hoped the community's heart was with the people and not with empty buildings.

Norma Watkins related that her mentally-ill sister died alone without friends or family. She said that her sister's life would have been so much richer if she had access to a facility such as MCHC plans to create at the OCH; she would have felt useful and part of a community. Watkins hopes the Council will support use of the funds for this project.

JoAn Blackstone urged support of the project, which she believes is a well-thought-out financially feasible solution to a critical need for services for the coastal residents and a positive way to ensure the upkeep and maintenance of a historical building. MCHC has a good track record for rehabilitating and maintaining property in the City. She said the fear from the naysayers is real, but sometimes it is not based on facts. Blackstone said that she would gladly let her grandchildren walk by the OCH while it is being used by persons needing those services. She believes that the staff of the Hospitality Center keeps things orderly and this facility will benefit the community. Blackstone ended her remarks by asking the Council to please "go for it."

Linda Jupiter, long-time resident of Fort Bragg, said this issue is one of the more contentious ones she has seen and her first reaction was that it was not a good idea to have homeless services in the Old Coast Hotel. She realized that she is frightened by having homeless people near her and she usually stays clear of them because as a group, they scare her. But she remembered that all these folks are looking to better their circumstances; they want to get into housing, take medications, and to function better in the world. The people who would be using the transitional facilities are not the homeless people that are wandering the streets. She faced her fears and now realizes this is a good move for all citizens and the town of Fort Bragg. Jupiter urged the City Council to support the MCHC.

Susan Holli started looking for a homeless resource center eight years ago. She spoke of how the various forms of life co-exist in the coastal ecological environment and asked how we as a community can co-exist. She said the proposed grant is a very significant, important piece of all the work that went into this project. Beyond this, additional housing and rentals need to be located for people who are homeless. For right now, she said, the city needs to get this resource center started so people can have a future and all can benefit from it. Her heart goes out to all who have received a lot of flack over this issue because they have worked so hard to make this happen.

Nancy Tully has been a nurse most of her life and has worked around mentally ill and homeless people, taking care of them for years. She asked what are we going on and on about? They will be just fine in the Old Coast Hotel. The project is really good and we need to do this. If we don't, it is because of people being afraid of what they imagine these people are like. They are just poor, have had problems in their life and they need help. She said she would be ashamed of everybody if this is not passed.

Cathy Hollenback has come in contact with the homeless and less fortunate in our community during her work at both the Coast Hospital and at Harvest Market and through her work with the Presbyterian and Four Square Churches. She is very much in support of the project moving forward. The problem is nationwide and affects every community, but Fort Bragg has the chance to make a positive change that will affect other communities. The town should be supportive and helpful and be able to provide the services needed to help people get their lives back and become beneficial citizens of the community.

David Sindel, 60-year resident of Fort Bragg, is concerned about the drug market in Fort Bragg with the buying and selling of meth, marijuana and other drugs under the Hare Creek Bridge and the mountains of trash from the people living down there. He said these people are not mentally ill; they have made a conscious lifestyle decision not to do anything. They live on free food, free medical care, and the goodwill of the community. This is an economically challenged town and he has watched it go down the tubes over the years. People do not want to come to Fort Bragg and spend their money when panhandlers and beggars are on every corner. Tourism is all we have left. Businesses are struggling and people don't want to go downtown to shop because of the scary

people and their dogs. He urged the Council not to support this project or we will be inundated with more of the same.

Terri Lee Gentry has been a client for many years and wants to get off of disability and become a productive member of society. She related some personal stories about her life. She stated that there are a lot of homeless people that come through this town and a lot of them are vets, foster children, the forgotten ones, and the lost ones. Alcoholism and drug abuse is a result of untreated mental problems.

Mary Haddox, business owner and 19-year resident of Fort Bragg, is a case manager at MCHC and supports the MCHC moving to the OCH because it is a place where the clients can feel proud and more included. They can join the positive classes that will remove the negative stigma and increase self-esteem. This could be an excellent example to other counties who are looking for a model. Some homeless people start out like the rest of us, but through a streak of bad luck or after losing their jobs, they end up selling their possessions, sleeping in their vehicles or couch-surfing. The clients come from all different backgrounds; they are not all drug and alcohol addicts. She concluded by thanking the Council for their ongoing support.

Ann Rennacker thinks the CDBG grant for homeless and mental health services is a good step in the right direction but wishes there were more rooms for the transitional families. It seems to her like five families will not solve much of the problem based on the recent homeless count. She would like more grant money spent on housing than on other things, as well as a place where people could get a meal, shower, and bed without having to jump through hoops or qualify as they have to do for transitional housing. Rennacker said the project is a great idea for now, but in the future, the City needs to look at a bigger property with more rooms.

Carole White is a Concerned Citizen of Fort Bragg, living outside of Fort Bragg for 37 years. She is concerned about the anger, hatred, and negativity by those opposed to the OCH plan. She finds the threats and level of disrespect shameful and finds that people are reluctant to speak because of the nastiness. However, she is happy to see that there are a lot of people supporting the project. At first, she was not happy about the project, but after doing research and talking to people, she changed her mind. She now believes that this is a good use of the building since it has been empty for years. This project can bring forth positive changes in the acceptance and support of people in need and Fort Bragg does need these services, as the current space is totally inadequate. White commended the City and MCHC for the work they have done, saying it is a shame to sabotage the potential for this program to expand. She said those who look, act, talk and live differently are still part of us and of the community; the question is how do we support each other? She concluded by saying locating the MCHC at the OCH is a fine place to start.

Rex Gressett said he knows every homeless person in Fort Bragg on a first name basis and that every one of them detests the institutionalism at "Hostility" House, which he called Dicksonian (Dickensian?) in its cruelty. Homeless people are helped by jobs. If they go to "Hostility" House, it is likely they will be addicted to pharmaceutical drugs. He opposes people who make money on misery and said he would like to see a viable City, with compassion, and that homeless people should be given jobs to get them off the streets. He concluded by saying Anna Shaw is using the homeless as slaves and making a fortune for her company off homeless people.

Joe Wagner of Cleone filed a complaint with the FPPC on Mayor Turner's vote in January because his business, FloBeds, is located close to Hospitality House. He feels Hospitality House and the Mendocino Coast Hospitality Center are interchangeable and the mayor should recuse himself from hearing this matter. He questioned Mayor Turner's moral compass, saying that he might see

another letter from the FPPC if he votes on this item because of the proximity of FloBeds to Hospitality House. Wagner spoke about parking being an issue.

Jim Hurst, long-time businessman in Fort Bragg and 20-year member of the school board and volunteer with the Recreation District and Harbor Commission, said he was proud of what the community accomplishes through volunteerism and problem solving. He said that the homeless, drug addiction and mental health problems are not going to get better. He feels that the group of volunteers willing to dedicate time and money is very rewarding and recommends to the City Council that they approve the grant. He suggested that after the grant is approved and moving forward, a blue ribbon commission should be established who the City Council is confident will hear all the concerns of people in the city.

Robert Schlosser, property owner and architect in Fort Bragg, did the remodel of the OCH in 1997. His architectural firm has also volunteered to help MCHC on various projects in town. Because the neighbors on Harrison Street did not want to have transitional housing and mental health services near a residential area, the board of MCHC decided to pursue a property that was not in a residential area for that reason. Other locations such as the Golden West Hotel, Gray Whale Inn and Ebb Tide Lodge were not suitable for this facility. Schlosser said that the Affinitos' old Social Services building was considered, but it would be too expensive to make the building habitable and that is just not feasible with the grant monies available. The Carines tried to make the OCH profitable, but in Fort Bragg, they could not make a boutique hotel work here. The choice is to either leave that building sitting totally vacant or to use a grant to help people who are less fortunate.

Dr. Michael Brown, local psychiatrist and psychotherapist, congratulated the Hospitality House for providing services to the homeless and disadvantaged people. He would like to increase the scope of Hospitality House and emphasize coordination and centrality of functions, as things are less likely to fall through the cracks if all the services are in one location. Dr. Brown thinks OCH is the best choice available and supports an expeditious implementation of this project. He believes people should celebrate the need to help their fellow beings and highly recommends that the Council approve the project.

Libby Guthrie, director of Mendocino County Aids/Viral Hepatitis Network, serves people in Mendocino County, contracting with Ortnier. She believes this project is a splendid solution to having a one-stop location for people to get the services that they need in one place that is well-contained and not scattered all over. Guthrie says she is highly supportive of this and speaking on behalf of the Continuum of Care for the Homeless, consolidating services in one place is a wonderful solution. She concluded by hoping that the Council will move forward with the project.

Irene Malone, Fort Bragg resident, supports the project to assist the needy and mentally ill, but it is just the first step. The needy have to have more help as services have suffered major cuts. We need to work together to end the privatization of profit for mental health services.

Jean Stubenrauch, concerned citizen, taxpayer and owner of Mendo Litho, is very concerned about having the MCHC directly across the street and about how it will affect her business. It does not seem right to her that after 43 years, she should move her business. Many of her customers are elderly or have small children and having the homeless services facility at OCH will negatively impact her business. She believes the OCH is an irreplaceable historical building and should be used by the City to enhance more visitor serving businesses. Stubenrauch believes this facility will diminish the whole community, driving business away from the Central Business District, and a

more appropriate location needs to be found.

Dan Hemann stated he was homeless by choice at one time. He said the OCH is not the appropriate location for a homeless services center. It is a huge mistake. Other tourist towns do things to discourage homeless populations because the tourist economy is most severely affected by the presence of homeless and mentally ill. He does not say that Fort Bragg should discourage and disenfranchise homeless, but that Fort Bragg will have to eventually completely discourage the homeless presence because the city will not have the economic feasibility to embrace it and continue. He said that Eureka has hundreds and thousands of homeless and their tourist economy is non-existent.

Discussion:

Vice Mayor Peters said he supported the creation of Hospitality House in 1996 and 1997 because at that time there were not the services available that there are now. He recalled that the City Council loaned money to the OCH to rehabilitate their facility because it would be a good revenue generator for the City's general fund. He feels a vote to support the homeless services facility at the OCH would be going against the decision to rehabilitate the facility to generate tax dollars for the City. Allowing a different use of the building would not be consistent with how he voted last time. Peters believes that parking is an issue and he cannot go along with waiving the in lieu parking fees. He does not feel the project is consistent with Policy LU-3.1 of the General Plan. Several people have contacted him who were clients of Hospitality House and they have had issues and problems. He believes Anna Shaw does a good job and there is a need for these services in our community. The role of government is public safety and the City Council has a responsibility to provide help for those in need. At the same time, he does not think the use of this building by the Hospitality Center is the correct use and thinks it would be better to find a different place. Vice Mayor Peters concluded by saying that he spoke to all the businesses in a three-block radius of the project area and not one said they supported it. He is representing those who do not want this project in the OCH.

Councilmember Deitz gave the history of the public hearings on the project, saying that although the Council approved the project in January, there were concerns about inadequate notice so the Council decided to continue the matter and get further input from the community. The Council has received extensive feedback, both positive and negative, since the first vote. Most concerns are similar to those expressed in January, with a new contention that mental health clients would not be willing to receive services at OCH due to the visibility at this location. Deitz stated that he has spent a lot of time researching the issue and believes that the OCH will be less stigmatizing and provide more privacy than the current services locations. He spoke about the lawsuit filed to stop the project, but said he cannot base his vote solely on the grounds that a lawsuit has been filed, nor on the fact that he has been threatened in writing to be recalled if he does not change his vote. He voiced his disappointment that the project is continually referred to as a homeless shelter and says he would not vote for a shelter in this location. Deitz concluded his remarks by saying that the positives of this project outweigh the negatives and that this transitional housing will help benefit the entire community and show that the City of Fort Bragg is compassionate as well as innovative.

Councilmember Hammerstrom thanked staff for thoroughly researching and discussing the many issues that have been raised. He said that staff has been professional and open in considering the issues and responding to them in a substantive way. Although there are many opinions on the project, not everyone is working on the same information. While listening to pro and con opinions, he noted that people have a broad way or a narrow way of thinking about the issues; some are open to what others have to say and some are not. Hammerstrom stated it is up to the Council to

evaluate everything they hear and as decision makers, to be open and unbiased and make a decision they think is right. In his case, he has evaluated everything he has heard and gives lots of credence to what he considers the professional opinion that this is a good idea. He says the Hospitality House has done good in the community, delivering services in a way that asks their clients to be responsible and participate in their own progress. What Hospitality House does is a solution to homeless people acting out, not a cause of it. Councilmember Hammerstrom also spoke about the inadequacy of the old Social Services building for the project due to cost of rehabilitation; the mayor's alleged conflict of interest; the signatures on the petitions; and the adequacy of notice regarding the project. The money for this project cannot be used in another way, as that decision was made long ago when the Council authorized the project application; the decision was made later to change location. The decision at this meeting is to approve a forgivable loan and he will support the forgivable loan.

Mayor Turner said that someone reported him to FPPC, and the FPPC found there was no conflict of interest on his part. The City has been sued and has been threatened with more lawsuits and a recall if the Councilmembers do not change their vote. He understands this is an issue people feel strongly about. Turner corrected some statements made by Councilmember Peters regarding the loan to the former owners of the OCH. He observed that this is private property and the owners have the right to sell the property to whomever they want. Regarding in lieu parking fees, the City cannot pick and choose who this applies to, so this policy cannot be waived because the nature of the project involves the homeless. The mayor also said that he cannot recuse himself just because he is for the project. He recommended adding Clause 3.2(h) to the loan document (Attachment 2), Events Triggering Repayment, which states: "The borrower fails to provide adequate waiting areas inside the facility and/or courtyard such that clients are forced to congregate outside the premises, and the borrower has been given 30 days notice to correct the issue and has failed to do so." Mayor Turner said that the waiting area is to be utilized as described to avoid problems, and that staff and the City attorney have approved of the language.

Councilmember Hammerstrom was reluctant to add language on the fly, but ultimately approved of the addition of clause 3.2(h). Councilmember Deitz wanted to know if the economy improved a few years down the road and someone wanted to buy the OCH to turn it back into a hotel, and if the MCHC found a more suitable location for the homeless services facility, could the building be sold back? Housing and Economic Development Coordinator Owen responded that a calculation of what was needed to pay back the note may not be exactly what the grant put into it. The Department of Housing and Community Development would do the calculation, applying a ratio against the fair market value, and sometimes that could be a different number than what was put in. Hammerstrom inquired whether the funds could be substituted for a different location, should the building revert to a hotel. City Manager Ruffing said the money paid back to the City would become program income, and the City could apply that income to a CDBG eligible project. Further discussion was held about the terms of the grant.

Deitz proposed adding a clause 3.2(i) saying that if during years five through twenty of the agreement, the Fort Bragg City Council determines for good reason that the use of the Old Coast Hotel for the intended purposes has created a public nuisance, the loan shall be recalled.

Mayor Turner recessed the meeting at 10:07 p.m.; the meeting reconvened at 10:17 p.m.

The Council further discussed the addition of the two proposed clauses to the loan documents and generally agreed to add 3.2(h) as proposed by Mayor Turner but not 3.2(i) as proposed by Councilmember Deitz, and to correct the misnumbering of the clauses in 3.2 to delete the second 3.2(f) and change it to 3.2(g).

A motion was made by Mayor Turner, seconded by Councilmember Hammerstrom, that the meeting continue past 10:00 p.m. until concluded this evening. The motion carried by a unanimous vote.

A motion was made by Vice Mayor Peters to reject the resolution approving a forgivable loan agreement with Mendocino Coast Hospitality Center. There being no second, the motion failed.

A motion was made by Mayor Turner, seconded by Councilmember Hammerstrom, that this Resolution be adopted, with the following amendments to the Loan Agreement: The second Clause 3.2(f) to be renumbered 3.2(g); The addition of Clause 3.2(h) as follows: "The borrower fails to provide adequate waiting areas inside the facility and/or courtyard such that clients are forced to congregate outside the premises, and the borrower has been given 30 days notice to correct the issue and has failed to do so." The motion carried by the following vote:

Aye: 3 - Councilmember Deitz, Councilmember Hammerstrom and Mayor Turner

No: 1 - Vice Mayor Peters

Abstain: 1 - Councilmember Cimolino

Enactment No: RES 3800-2015

6B. PUBLIC COMMENTS ON NON-AGENDA, CONSENT CALENDAR & CLOSED SESSION ITEMS (Continued, If Needed)

Councilmember Cimolino rejoined the meeting at 10:30 p.m.

Annemarie Weibel commented on the Hare Creek project, stating her concerns with the roadway extension of Harbor Drive. She also talked about the grading permit and visual aspects of the project, and stated that she is not comfortable with the resolutions because they are not consistent.

Deborah Lennox, architect representing the Hare Creek project applicant, thanked the Pattons for giving her a job and would like the Council to think about the jobs that will be created by this project, especially in light of the fact that the construction industry has been struggling. Diversifying the economy and not just relying on the tourists is something she feels is important. She spoke of her hopes that the City will examine other options to help bolster the tourist economy. Lennox voiced her opinion that those who are opposed to the project do not have a full understanding of all the regulations she and the applicants have been dealing with. She and staff have worked hard on the project, have thoroughly researched the codes, and think this is a project that is good for Fort Bragg and for the community.

7. CONSENT CALENDAR

Councilmember Deitz requested that Items 7A. and 7B. be pulled from the Consent Calendar due to a perceived conflict of interest, as he owns properties on Todd Point.

Approval of the Consent Calendar

A motion was made by Vice Mayor Peters, seconded by Councilmember Hammerstrom, to approve the Consent Calendar. The motion carried by the following vote:

Aye: 5 - Vice Mayor Peters, Councilmember Cimolino, Councilmember Deitz, Councilmember Hammerstrom and Mayor Turner

- 7C. [15-121](#)** Adopt City Council Resolution Approving Second Addendum to Professional Services Agreement with Parker Lewis Associates (DBA Community Development Services) for Business Assistance Loan Servicing and Consulting Services and Authorizing City Manager to Execute Same Upon Execution By Consultant (Amount NTE: \$60,000; Account 315-5021-0631 and 315-5021-0632)
- This Resolution was adopted on the Consent Calendar.**
- Enactment No: RES 3803-2015
- 7D. [15-137](#)** Adopt City Council Resolution Approving City Participation in the Redwood Empire Municipal Insurance Fund (REMIF) Self Funded Group Medical Plan
- This Resolution was adopted on the Consent Calendar.**
- Enactment No: RES 3804-2015
- 7E. [15-127](#)** Adopt City Council Resolution Adopting the Corrected City of Fort Bragg Personnel Rules and Regulations
- This Resolution was adopted on the Consent Calendar.**
- Enactment No: RES 3805-2015
- 7F. [15-117](#)** Adopt City Council Resolution Approving a Records Retention Schedule
- This Resolution was adopted on the Consent Calendar.**
- Enactment No: RES 3806-2015
- 7G. [15-116](#)** Readopt Master Traffic Resolution 1271-15/A
- This Resolution was adopted on the Consent Calendar.**
- Enactment No: RES 1271-2015/A
- 7H. [15-115](#)** Reject Claim of Julian Davis Murphy
- This Consent Calendar item was approved on the Consent Calendar.**
- 7I. [15-124](#)** Approve Minutes of April 13, 2015
- These Minutes were approved on the Consent Calendar.**
- 7J. [15-125](#)** Approve Minutes from Special Meeting of April 15, 2015
- These Minutes were approved on the Consent Calendar.**

ITEMS REMOVED FROM CONSENT CALENDAR**7A. [15-095](#)**

Adopt City Council Resolution Granting the Appeal by Edward Oberweiser, et. al., of the Planning Commission's January 28, 2015 Decision to Approve a Mitigated Negative Declaration for the Hare Creek Center Project, Reversing the Decision of the Planning Commission, and Directing that an Environmental Impact Report be Prepared for a Modified Project

A motion was made by Councilmember Hammerstrom, seconded by Vice Mayor Peters, that this Resolution be adopted. The motion carried by the following vote:

Aye: 4 - Vice Mayor Peters, Councilmember Cimolino, Councilmember Hammerstrom and Mayor Turner

Abstain: 1 - Councilmember Deitz

Enactment No: RES 3801-2015

7B. [15-096](#)

Adopt City Council Resolution Denying the Appeal by Group II Real Estate of the Planning Commission's January 28, 2015 Decision to Deny Development Permits for the Proposed Hare Creek Center Project; Project Location: 1250 Del Mar Drive; Permits: CDP 8-13, DR 7-13, USP 5-13 and LLA 3-14, Upholding the Denial Without Prejudice, and Directing that Staff Proceed with Environmental Review for a Revised Project.

A motion was made by Councilmember Hammerstrom, seconded by Vice Mayor Peters, that this Resolution be adopted. The motion carried by the following vote:

Aye: 4 - Vice Mayor Peters, Councilmember Cimolino, Councilmember Hammerstrom and Mayor Turner

Abstain: 1 - Councilmember Deitz

Enactment No: RES 3802-2015

8. CLOSED SESSION**ADJOURNMENT**

Mayor Turner adjourned the meeting at 10:40 p.m.

DAVE TURNER, MAYOR

June Lemos, Administrative Assistant

IMAGED (_____)