



September 12th
Cannabis Statement

The Topic of children and creating a dedicated children's fund:

- In my motion I will be asking the council to support using a portion of the cannabis revenue to create a dedicated children's fund. But, let me stress it really isn't about this cannabis revenue stream per say (although, I believe aligned to the voters intentions when passing it), it truly is about upholding a fundamental value - that every child in our community is given the best opportunities in life.

- Cities and counties throughout our state and nation have and continue to generate the political will to make early childhood education and children a priority. And many have successfully found ways to prioritize children - from San Francisco, Oakland, San Mateo, Humboldt County, and Sacramento, to Portland, Seattle, San Antonio Texas and Hartford Connecticut, to mention a few. Locally, our Santa Cruz County Board of Supervisors set aside a portion of their cannabis revenue to go to their Thrive by Three Initiative, supporting families and children from prenatal to preschool.

- Clearly, our budgets are a reflection of our values, and I believe that all children in Santa Cruz (first, second, third, fourth, etc. generation) deserve the best start in life. I don't think we'll find any hard working parent trying to stay and raise their child in Santa Cruz who doesn't seek a safe, thriving, learning and enrichment environment for their child. And as Obama said, "the size of your paycheck shouldn't determine your child's future." We can support changing that!

- Because there is a need right now in our city. I was talking with a friend and colleague just the other day who was sharing how she is concerned about her children and struggles with a choice to find affordable childcare for her infant, and afterschool programming for her older child, all the while trying maintain a job, and sustain affordable housing... so she leaves her children with her elder grandmother, most often watching television.

This story is too common and substantiated by the data. We have the data, the data that is showing we are losing our 25-55 year old residents and their children likely because of the costs of living in our city. This was just demonstrated to us in June when we heard the analysis of impediments to fair housing which indicated that families with children stood out as a priority population in most need of special consideration and assistance because of childcare expenses and lack of affordable housing.

In the Thrive By Three white paper, which summarizes why investing early matters, it was found the city of Santa Cruz, underinvests in early childhood services, estimating just .1% of the city's general fund going to early childhood education.

And, just recently it was brought to our attention that even with all the community support we have through FOPAR to provide scholarships for low income children to access our wonderful parks and recreations programs, we still had more families seeking support for their child than the resources we had available to help them.

In conclusion - I honestly could go on with why...

- Why investing in children, is public safety, is community wellbeing, economic development and is tied to affordable housing;
- Why investing early is considered by nearly all top economists to be the absolute best return on investment a government can make;
- Why our country's history of failed family policies, originating from the belief that a women's place is in the home and children's issues are family issues, has and continues to hurt our country's societal progress,
- And why that just because our Country and our State are failing to tackle this issue head-on doesn't mean that we as a city should have to stand idly by.

Our time to act on ensuring Santa Cruz's children are given the best shot at life is now – and as a result, we'll all prosper.

I want thank you councilmembers for your service, your time this evening and willingness to hear my comments on this topic. I now would like to make a motion for the council to consider...

Martine Motion -

I move that we approve the recommendations presented by staff with the following additional directions:

- Direct staff to review youth prevention cannabis policy recommendations and report back to council on how our proposed regulations mitigate youth access.

- Similar to alcohol and tobacco, I seek policy around signage, advertising, and operations to ensure there are no underage purchases.

- Direct staff to return with an ordinance amendment to set the Cannabis Business Tax to 8% from the current 7%. The effective date shall be the same as the effective date of the City of Santa Cruz Recreational and Medical Marijuana ordinance additions and revisions.

- Direct staff to create and return with a city policy that designates the additional 1% of the cannabis tax revenue to create a dedicated children's fund, prioritizing access to early childhood education programs and vulnerable youth populations, without supplanting existing city services or investments, and to be used to enhance and expand those evidenced based programs with this new funding.

- This relates to quality of life, retaining our working and middle class in Santa Cruz and reducing long-term public safety costs.

- Direct staff to research existing jurisdictional equity policies as it relates to intentionally increasing minority/women owned businesses and return to council with an equity policy recommendation that works for our city, prior to any new cannabis licenses being issued.

- The city's local business preference and federal minority/women owned preferences are examples of how this can be accomplished.

Other points if asked...

There will never be a time when you have enough money – it is simply about the importance of kids, getting started with the idea that this is an important city responsibility, kids can't compete with local interest groups and we have to find a way to give them a voice in how our resources are spent (the true reflection of our values)

If asked on how to oversee the money...

The direction would be to request the major form an ad hoc committee of three councilmembers, parks and rec staff, and community partners to recommend how the money should be allocated.

San Francisco and Oakland oversee these funds – have a pretty rigorous process – develop a plan, create an RFP, select best programs --- have an advisory/oversight body with diverse representation, body can be defined by City Council – 10-15 seats, public and private agencies, etc.

Have to have a “no supplantation” clause in the legislation or resolution that gets passed.

History of Santa Cruz Motion: In 2014 the voters overwhelmingly (82%) passed measure L, which authorized a tax of no more than 10% (7% when enacted). Here is the original ballot language:

"To protect the quality of life in the City of Santa Cruz and to fund essential city services such as police, fire, emergency response, youth and senior programs, job creation, housing, and environmental protection, shall an ordinance be adopted to impose a tax of no more than 10% (7% when enacted) on gross receipts of cannabis (marijuana) businesses in the city, subject to audits, with all funds staying local?"

Following the passage of measure L, if the City adopted the 7% tax rate in an ordinance, an updated ordinance may be needed to change the rate. If this is the case, the direction can be for staff to bring an ordinance with the 8% tax rate back to the Council at the earliest possible date and prior to any licensing of cannabis businesses.