

RESOLUTION NO. NS-29,

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ CALLING AN ELECTION FOR NOVEMBER 2, 2021 TO INCLUDE A BALLOT MEASURE FOR THE CITY OF SANTA CRUZ TO AMEND THE CITY CHARTER TO ALLOCATE TWENTY PERCENT OF CANNABIS BUSINESS TAX REVENUE TO YOUTH AND EARLY CHILDHOOD DEVELOPMENT PROGRAMS

WHEREAS, the electors of the City of Santa Cruz adopted Measure L by 82.08% at the November 4, 2014 special election; and

WHEREAS, Measure L enacted Chapter 5.07 of the Santa Cruz Municipal Code, instituting a Cannabis Business Tax to be paid by cannabis businesses in the City of Santa Cruz; and

WHEREAS, Municipal Code Section 5.07.070(A) requires every person engaged in cannabis business to pay a business tax at a rate of up to ten percent of gross receipts, with actual rate to be established by ordinance of the City Council; and

WHEREAS, Municipal Code Section 5.07.070(C) sets the Cannabis Business Tax Rate at seven percent of gross receipts; and

WHEREAS, the Cannabis Business Tax was enacted solely to raise revenue for the general governmental purposes of the City and not for purposes of regulation or of raising revenues for regulatory purposes, in that all of the proceeds from the tax imposed by the ordinance are placed in the City's general fund and are used for the usual current expenses of the City; and

WHEREAS, the Santa Cruz City Council has established a Council policy (12.16) that that 12.5% of the City of Santa Cruz's Cannabis Business Tax revenue be designated for the creation and funding of a dedicated Children's Fund, to support enhancement and expansion of evidenced-based programs to prioritize access to early childhood development, prevention, and vulnerable youth programs, without supplanting existing City of Santa Cruz services or investments; and

WHEREAS, pursuant to Policy 12.16, available funding is to be calculated based on the prior year's audited financial statements, with the specific allocation of funds to be determined by the City Council on an annual basis as part of the budget process; and

WHEREAS, the City Council has determined it is in the best interests of the City and its residents to submit to the voters a proposed amendment to the Santa Cruz City Charter enshrining its commitment to prioritize funding for children and youth programs and services unless, and until, the voters determine otherwise by a subsequent Charter amendment; and

WHEREAS, the Santa Cruz City Council desires to submit to the electors of the City of Santa Cruz at a statewide general or special election a Charter amendment as set forth above; and

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the city shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the city shall reimburse the county in full for the services performed upon presentation of a bill to the city; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the Board of Supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot acknowledging that the consolidation election will be held and conducted in the manner prescribed in Section 10418. Upon such request, the Board of Supervisors may order the consolidation; and

WHEREAS, pursuant to Elections Code Section 10406, if a statewide special election is called less than 88 days prior to the date of that election, a district, city, or other political subdivision may call for a special local election for the submission of any question, proposition, or office to be filled, to be consolidated with the statewide special election if the call is issued within four days from the date of issuance of the Governor's proclamation or the effective date of a statute calling for a statewide special election; and

WHEREAS, pursuant to Elections Code Section 10418, if consolidated, the consolidated election shall be held and conducted, election boards appointed, voting precincts designated, candidates nominated, ballots printed, polls opened and closed, voter challenges determined, ballots counted and returned, returns canvassed, results declared, certificates of election issued, recounts conducted, election contests presented, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the statewide or special election, or the election held pursuant to Section 1302 or 1303, as applicable; and

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, various district, county, state, and other political subdivision elections may be or have been called to be held on November 2, 2021 or with State of California’s 2021 special gubernatorial recall election.

NOW THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Santa Cruz that it hereby orders an election be called and consolidated with any and all elections also called to be held on November 2, 2021, if any, insofar as said elections are to be held in the same territory that is in part the same as the territory of the City of Santa Cruz and hereby requests the Board of Supervisors of the County of Santa Cruz to order such consolidation under Elections Code Section 10401, 10403, 10406 and 10418, if applicable.

BE IT FURTHER RESOLVED AND ORDERED that the City Council of the City of Santa Cruz hereby requests the Board of Supervisors to permit the Santa Cruz County Elections Department to provide any and all services necessary for conducting an election and agrees to pay for said services.

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department shall conduct the election for the following measure to be voted on at the November 2, 2021 election.

Measure to be voted on:

Ballot Question:

Measure “ ___ ” Charter Amendment – City of Santa Cruz Children’s Fund of 2021

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| To solidify the City of Santa Cruz’s commitment to prioritizing funding for children and youth programs and services, shall the Santa Cruz City Charter be amended to allocate 20 percent of revenue generated by the Cannabis Business Tax to youth and early childhood development programs and services? | Yes | |
| | No | |

The City Council of the City of Santa Cruz submits to the qualified electors said Ballot Measure Question as set forth above and designates and refers to said measure as the measure to be set forth on the ballots for use in said election. The full text of the measure is set forth in Exhibit A.

In accordance with the provisions of Section 9280 of the California Elections Code, the City Attorney is hereby directed to prepare an impartial analysis of this measure.

In accordance with the provisions of Section 9212 of the California Elections Code, the Finance Director is hereby directed to prepare a fiscal impact statement of this measure.

BE IT FURTHER RESOLVED AND ORDERED that Santa Cruz County Elections Department is requested to:

Print the attached measure text exactly as filed or indicated on the filed document in the Voter's Information Pamphlet section of the Sample Ballot for the November 2, 2021 election. Cost of printing and distribution of the measure text will be paid for by the city.

To print the measure text in the Voter's Information Pamphlet of the Sample Ballot but send a copy to voters upon request at the cost of said city/district.

Not to print the measure text in the Voter's Information Pamphlet of the Sample Ballot but send a copy to voters upon request at the cost of said city/district.

BE IT FURTHER RESOLVED AND ORDERED that the City Clerk Administrator of the City of Santa Cruz is hereby ordered and directed to cause said proposed ordinance (Exhibit A) and notice of election to be published in accordance with the provisions of the California State Election Code.

PASSED AND ADOPTED this 22nd day of June, 2021, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Donna Meyers, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator

EXHIBIT A

Charter Amendment – Santa Cruz Children’s Fund Act of 2020

Section 1. Name.

This measure shall be known as the “Santa Cruz Children’s Fund Act of 2020” (hereinafter, the “Act”).

Section 2. Findings and Declarations.

- A. Cities benefit when youth live safe, peaceful, and healthy lives free from involvement with the juvenile and criminal justice systems.
- B. By helping City of Santa Cruz children and youth to succeed in school and graduate high school prepared for college, career, and community, the City of Santa Cruz will benefit.
- C. Fostering the healthy development of young children, ages 0-5 years old, will have a positive impact on the Santa Cruz community.

Section 3. Purpose and Intent

- A. The chief purpose and intent of this measure is to establish the Santa Cruz Children’s Fund to protect and expand funding for services that help children and youth less than 25 years old to be safe, healthy and productive.
- B. This measure allocates audited, actual total annual unrestricted revenues equivalent to twenty percent (20%) of revenue derived from the City of Santa Cruz’s Cannabis Business Tax (Santa Cruz Municipal Code Chapter 5.07) to the Santa Cruz Children’s Fund.
- C. Monies in the Santa Cruz Children’s Fund are to be used to provide services to Santa Cruz children and youth less than twenty-five (25) years old, in accordance with asset-based youth development principles, and placing a strategic priority on serving those children and youth most impacted by poverty, trauma, and violence.

Section 4. Section 1431 of the Santa Cruz City Charter is added to read as follows:

“1432. City of Santa Cruz Children’s Fund.

- 1. Children’s Fund Established. The “Santa Cruz Children’s Fund” is hereby established within the City’s General Fund.
- 2. The goals of the Santa Cruz Children’s Fund are to support enhancement and expansion of evidenced- based programs to prioritize access to early childhood development,

prevention, and vulnerable youth programs, without supplanting existing City of Santa Cruz services or investments.

3. Notwithstanding any other provision of law, effective July 1, 2022, the Santa Cruz Children's Fund shall receive funds from the City's General Fund equivalent to twenty percent (20%) of the City of Santa Cruz's audited total actual annual unrestricted revenues derived from the City's Cannabis Business tax. The annual amount of revenue for the next fiscal year shall be estimated by the City Manager no later than January 15 of each year, beginning January 15, 2022. Twenty percent (20%) of the estimated amount of the City's unrestricted Cannabis Business Tax revenue for the next fiscal year shall be deposited in the Fund no later than July 1 of each year. The Director of Finance shall publish the audited actual amount of Cannabis Business Tax revenues for the prior fiscal year not later than January 15 of each subsequent year, beginning January 15, 2022. Differences between the amount of estimated revenues deposited in the Fund and the audited actual amount of revenues for a fiscal year shall be reconciled by an adjustment in the amount deposited in the Fund for the following fiscal year.
4. Monies in the Santa Cruz Children's Fund shall be appropriated by the City Council to support enhancement and expansion of evidenced-based programs to prioritize access to early childhood development, prevention, and vulnerable youth programs. The City Council shall designate a community oversight panel to make recommendations on the use of future revenues in a manner consistent with this Section which may include, but shall not be limited to, representatives of the following:
 - A. The City's Parks and Recreation Commission;
 - B. The Santa Cruz City School District;
 - C. First Five Santa Cruz;
 - D. Youth Organizations;
 - E. The City Council.
5. Monies in the Santa Cruz Children's Fund shall not be appropriated or expended for:
 - A. any service which merely benefits children and youth incidentally;
 - B. acquisition, lease, or maintenance of any capital item or real property not for primary and direct use by children and youth; or
 - C. any service for which a fixed or minimum level of expenditure is mandated by state or federal law, to the extent of the fixed or minimum level of expenditure."

Section 5. Severability.

If any provision of this Act or any application thereof to any person or circumstance is held invalid, the remainder of this section and its applications shall not be affected. To this end, the provisions of this measure are severable.

Section 6. Conflicting Measures.

The measure is intended to be comprehensive. It is the intent of the People that in the event this measure and another measure relating to establishing the Santa Cruz Children's Fund to protect

and expand funding for services that help children and youth shall appear on the same City ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. If this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.

Section 7. Conflicting Charter Provisions.

Any section or part of any section in the Santa Cruz City Charter, insofar as it conflicts with this Act or with any part thereof, shall be superseded by the contents of this Act