

<p>Chairperson Lisa Motoyama</p> <p>Vice Chairperson Tessa Rudnick</p>	<p><i>El Cerrito Municipal Services Corporation</i></p>	<p>Boardmembers Paul Fadelli Karen Pinkos Gabe Quinto Alexandra Orologas Carolyn Wysinger</p>
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AGENDA

SPECIAL MUNICIPAL SERVICES CORPORATION MEETING November 7, 2023 - 6:00 p.m.

Council Chambers - 10890 San Pablo Ave, El Cerrito

Join Via Zoom (Closed Caption Services Available):
<https://us06web.zoom.us/j/83294794937?pwd=Z6FAD4zbVvgTb0QXXbabRwhYxeyUcD.1>
Meeting ID: 832 9479 4937 **Password:** 575159 **Dial in:** 1-408-638-0968

View:

1. Cable T.V. Broadcast on KCRT Channel 28
2. Livestream Online at www.el-cerrito.org/CouncilMeetingMaterials

Accommodations: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at 510-215-4305. Notification 48 hours prior to the meeting will enable the City to make reasonable accommodations.

Conduct: This meeting shall be conducted pursuant to the El Cerrito [City Council Rules of Order and Procedure](#), including adjourning by 11:00 PM unless extended to a specific time determined by a majority of the Board.

Public Comments:

1. *In-person* by submitting a request to speak to the City Clerk.
2. *By Email* to cityclerk@ci.el-cerrito.ca.us identified in the subject line as **MSC Public Comments – Agenda Item #.**

Written comments received by **2:00 p.m. the day of the meeting** will be provided to the Board and posted [online](#) in advance of the meeting. Comments received after the deadline will be provided to the Board and will be posted **after the meeting.**

6:00 P.M. ROLL CALL – CONVENE SPECIAL MUNICIPAL SERVICES CORPORATION MEETING

- 1. CONSIDER AND TAKE ACTION ON ANY REQUEST FROM A BOARDMEMBER TO PARTICIPATE IN THE MEETING REMOTELY DUE TO EMERGENCY CIRCUMSTANCES PURSUANT TO AB 2449**
- 2. TELECONFERENCE AND PUBLIC COMMENT INSTRUCTIONS**

3. ADOPTION OF THE CONSENT CALENDAR

All items on the consent calendar shall be acted upon in one motion, unless a member of the Board or staff request separate consideration.

A. Approval of Minutes

Action Proposed: Pass a motion to approve the minutes from the April 22, 2022 meeting.

Contact: Holly M. Charléty, Board Secretary

4. POLICY MATTERS

A. Resolution to Accept City of El Cerrito General Fund Loan Repayment

Action Proposed: Adopt a Resolution to accept the City of El Cerrito satisfying the repayment terms of the \$350,000 loan agreement authorized by Municipal Services Corporation Resolution No. 2016-01 by funding the El Cerrito del Norte Complete Streets Improvement Project.

Contact: Melanie Mintz, Community Development Director, Community Development Department; Yvetteh Ortiz, Public Works Director, Public Works Department

B. Community Benefits Contributions from Cannabis Program

Action Proposed: Receive an update on the City's commercial cannabis operating permits performance and community benefits contributions, discuss potential options for consideration and provide staff direction with next steps.

Contact: Aissia Ashoori, Housing-Economic Development Manager; Sean Moss, Planning Manager; Melanie Mintz, Community Development Director, Community Development Department; Alexandra Orologas, Assistant City Manager

5. ADJOURN SPECIAL MUNICIPAL SERVICES CORPORATION MEETING

El Cerrito Municipal Services Corporation

DRAFT MINUTES

SPECIAL MUNICIPAL SERVICES CORPORATION (MSC) MEETING APRIL 19, 2022 – 6:00 p.m.

Members:

Chairperson Gabe Quinto

Vice Chairperson Lisa Motoyama · Boardmember Janet Abelson
Boardmember Paul Fadelli · Boardmember Tessa Rudnick
Boardmember Karen Pinkos · Boardmember Alexandra Orologas

Join Via Zoom:

<https://us06web.zoom.us/j/86085826722?pwd=TUN6MVZzaUV3WVFOcW1DYnlsQmE3QT09>

Meeting ID: 860 8582 6722 **Password:** 006403
or Dial in: 1-408-638-0968

The MSC may continue to meet by teleconference, consistent with the Brown Act as amended by AB 361 (2021). Under the amended rules, the City will not provide a physical location for members of the public to participate in the teleconference meeting.

Members of the public can watch or listen to MSC meeting as follows:

1. Cable T.V. Broadcast on KCRT Channel 28
2. Radio Broadcast on FM 88.1 Or 97.7
3. Livestream Online at www.el-cerrito.org/CouncilMeetingMaterials
4. Via Zoom using the meeting information listed above (*closed captions available*)

Each period for public comment will be announced. Public Comments may be submitted one of two ways:

- Via Zoom using the "[Raise Hand](#)" icon to request to speak. If joining by phone, dial *9 to "raise your hand", and when prompted by the host, *6 to unmute/mute.
- Via email to cityclerk@ci.el-cerrito.ca.us. Email must contain in the subject line **MSC Public Comments – Not on the Agenda** or **MSC Public Comments – agenda item #**.

To ensure the MSC receives your written comments prior to taking action, they must be received by **3:00 p.m. the day of the meeting**. All written comments received by this deadline will be provided to the members and posted online in advance of the meeting. Comments received after the deadline will be provided to the members and included with supplemental materials **after the meeting**. **No written comments will be read into the record.**

6:00 P.M. ROLL CALL – SPECIAL MUNICIPAL SERVICES CORPORATION MEETING

Chairperson Quinto called the meeting to order at 6:00 PM.

Present: Chairperson Quinto, Vice Chairperson Motoyama, Boardmember Fadelli, Boardmember Orologas, Boardmember Pinkos, Boardmember Rudnick **Absent:** Boardmember Abelson

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF A MOMENT OF SILENCE

2. TELECONFERENCE AND PUBLIC COMMENT INSTRUCTIONS

3. ADOPTION OF THE CONSENT CALENDAR

All items on the consent calendar shall be acted upon in one motion, unless a member of the City Council or staff request separate consideration.

Moved/Seconded: Boardmember Fadelli/Boardmember

Pinkos **Action:** Approved the consent calendar as indicated below. **Ayes:** Chairperson Quinto, Vice Chairperson Motoyama, Boardmember Fadelli, Boardmember Orologas, Boardmember Pinkos, Boardmember Rudnick **Noes:** None **Absent:** Boardmember Abelson

A. Approval of Minutes for December 15, 2020

Action Proposed: Pass a motion to approve the meeting minutes from December 1, 2020.

Contact: Holly M. Charléty, City Clerk, City Management

Action: Approved minutes

4. POLICY MATTERS

A. Informational Item: Loan Agreement with City of El Cerrito

Action Proposed: Receive and file an informational item on the 2016 Loan Agreement between the Municipal Services Corporation and the City of El Cerrito and provide direction to staff regarding repayment of the loan.

Contact: Karen Pinkos, Executive Director, Municipal Services Corporation

Presentation and Discussion: Presenters and staff responded to comments and questions raised by members of the council regarding disclosure of other outstanding loans, disclosure of loan obligation, repayment options.

Action: Informal direction provided to move forward with preparing for a single repayment of the \$350,000 loan obligation in the upcoming fiscal year. Received and filed.

B. Informational Item: Cannabis Operating Permit Community Benefit Funding

Action Proposed: Receive and file information regarding the City's Cannabis Operating Permit Community Benefit Funding.

Contact: Karen Pinkos, Executive Director, Municipal Services Corporation

Presentation and Discussion: Presenters and staff responded to comments and questions raised by members of the council regarding potential uses such as homeless services, next steps, reason for language difference between the two permits, costs for CORE Services paid by other west county cities, ability to put more funding toward a social worker versus standard CORE team members, revenue paid to the MSC versus the City general fund, collaboration and consolidation of local non-profit services for homeless, need for more data on local unhoused.

Public Comments: All written comments submitted prior to and during the meeting were posted online as supplemental materials and incorporated into the official meeting record. Written public comments for this item were received from Helen Dickey, Sherry Drobner, and Sarah Klauer.

Oral Public Comments:

Tomi Nagi-Rothe - Spoke in favor of funding homeless resources, grant funding opportunities, need for renters protection, and support for Shuumi.

Sherry Drobner - commented on need to research all available resources and take multiple approaches to address needs.

Action: Informal direction provided to continue researching potential options for additional resources related to homelessness. Received and filed.

5. ADJOURN REGULAR CITY COUNCIL MEETING

Lisa Motoyama, Chairperson

This is to certify that the foregoing is a true and correct copy of the minutes of the El Cerrito Municipal Services Corporation meeting of April 19, 2022 as approved by the El Cerrito Municipal Services Corporation.

Holly M. Charl  ty, MMC, Board Secretary

***El Cerrito Municipal
Services Corporation***

Agenda Item No. 4.A.

Date: November 7, 2023
To: El Cerrito Municipal Services Corporation
From: Melanie Mintz, Community Development Director, Community Development Department; Yvetteh Ortiz, Public Works Director, Public Works Department
Subject: Resolution to Accept City of El Cerrito General Fund Loan Repayment

ACTION PROPOSED

Adopt a Resolution to accept the City of El Cerrito satisfying the repayment terms of the \$350,000 loan agreement authorized by Municipal Services Corporation Resolution No. 2016-01 by funding the El Cerrito del Norte Complete Streets Improvement Project.

BACKGROUND/ANALYSIS

In 2016, the Municipal Services Corporation (MSC) approved a loan agreement with the City of El Cerrito to assist the City to make a required first payment of \$350,000 per the terms of an Installment Payment Plan agreement with the California Department of Finance. Making this payment and entering into the Installment Payment Plan was necessary in order for the City to obtain a Finding of Completion and approval of a required Long Range Management Plan (LRPMP) from the State outlining the disposition and use of former redevelopment agency properties. At the time, the City's General Fund did not have the necessary surplus to make this payment and the MSC had sufficient revenues to fund the loan.

As a nonprofit public benefit corporation, the MSC's specific charitable and public purposes include, among other things, to benefit and support the City and to lessen the burdens of local government. The loan was made consistent with that purpose. The loan of \$350,000 was made at zero percent (0%) simple interest and repayment was intended to be made by Fiscal Year 2019-20, or when sufficient funds were available after completion of the Installment Payment Plan agreement, in either a single lump sum or installments.

The \$350,000 in funds that the MSC held, and loaned to the City, were obtained through an agreement with the MSC, Safeway, and Property Development Centers (PDC) to complete mitigation measures identified as needed for the development of the Safeway property at Hill Street. By accepting the funds through the Third Amendment to Tri-Party Agreement (October 21, 2011; Resolution 2011-81), the MSC agreed to assume responsibility for all costs and future actions associated with the implementation of Mitigation Measure TRANS-1b of the El Cerrito Safeway Mitigation Monitoring Reporting Program approved by the El Cerrito Planning Commission on November 17, 2010 subject to PDC agreeing to pay to the MSC a portion of the costs associated with

the mitigation implementation in the amount of \$350,000. The agreement specified that payment of the \$350,000 constituted full and complete satisfaction of Safeway's and PDC's fiscal obligation in connection with the mitigation measure or any substitute mitigation measure.

The original mitigation measure included widening of Hill Street. With the adoption of the San Pablo Avenue Specific Plan and Complete Streets Plan, as well as changing state laws, this mitigation measure was determined to be inconsistent with the City's multimodal goals and policies. The City's Complete Streets Plan was evaluated as an alternative to the TRANS-1b traffic mitigation measure by Fehr & Peers in 2016, and determined to be acceptable by the City's Planning Division and City Engineer. The Complete Streets Plan improvements were demonstrated to achieve the City's level of service standards and the multimodal performance metrics adopted in the Plan and the EIR traffic projections and were therefore considered a satisfactory alternative.

With the upcoming award of contract for construction of the El Cerrito del Norte Complete Streets improvement Project, the project envisioned in the San Pablo Avenue Specific Plan and Complete Streets Plan that would also satisfy the mitigation measure is ready to be implemented and the funds are necessary to complete the project. As such, City staff have determined that it would be most efficient for the City to provide \$350,000 directly to the Capital Improvement Fund to fund the project, and therefore satisfy the terms of the agreement with PDC and fulfill the requirements of the mitigation measure, rather than to repay the funds to the MSC who would then need to transfer them back to the City's Capital Improvement Fund. The MSC's approval of the resolution will confirm that when the City transfers the funds to the El Cerrito del Norte Complete Streets Improvement Project, the obligations of the Promissory Note would be satisfied.

STRATEGIC PLAN CONSIDERATIONS

The proposed action fulfills many of the City of El Cerrito Strategic Plan Goals including, deepening a sense of place and community identity, developing and rehabilitating public facilities as community focal points, ensuring the public's health and safety and fostering environmental sustainability citywide, by funding the El Cerrito del Norte Complete Streets multimodal project.

ENVIRONMENTAL CONSIDERATIONS

The City Attorney has determined that this action fulfills the City's obligations to complete the alternative mitigation measure identified in the El Cerrito Safeway Mitigation Monitoring Reporting Program.

FINANCIAL CONSIDERATIONS

This action would retire the \$350,000 General Fund debt the City has to the MSC and would contribute the \$350,000 to complete the El Cerrito del Norte Complete Streets Improvement Project. Additionally, the MSC funds leveraged substantial additional outside funds to complete the CIP.

LEGAL CONSIDERATIONS

The City Attorney has reviewed and approved the proposed action.

Reviewed by:

A handwritten signature in blue ink, appearing to read "Karen Pinkos".

Karen Pinkos, City Manager

Attachments:

1. MSC Resolution
2. MSC Resolution 2016-01

MUNICIPAL SERVICES CORPORATION RESOLUTION 2023-01

A RESOLUTION TO ACCEPT THE CITY OF EL CERRITO SATISFYING THE REPAYMENT TERMS OF THE \$350,000 LOAN AGREEMENT AUTHORIZED BY MUNICIPAL SERVICES CORPORATION RESOLUTION 2016-01 BY FUNDING THE DEL NORTE COMPLETE STREETS CAPITAL IMPROVEMENT PROJECT

WHEREAS, the El Cerrito Municipal Service Corporation (MSC) is a nonprofit public benefit corporation organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes; and

WHEREAS, the specific charitable and public purposes for which the MSC is organized are, among other things, to benefit and support the City of El Cerrito (the "City"), in accordance with Section 509(a)(3) of the Internal Revenue Code of 1986, as amended, and to lessen the burdens of government of the City; and

WHEREAS, in 2010, the City of El Cerrito (City) Planning Commission approved the Safeway project at 11450 San Pablo Avenue, including approval of an Initial Study/Mitigated Negative Declaration Prepared by LSA and a Mitigation Monitoring Reporting Program (MMRP). The MMRP included Mitigation Measure TRANS-1b, which required improvements to Hill Street; and

WHEREAS, in 2011, the MSC entered into an agreement to assume responsibility for all costs and future actions associated with the implementation of Mitigation Measure TRANS-1b, subject to MSC receiving a payment in the amount of Three Hundred Fifty Thousand Dollars (\$350,000) to fund the improvements to Hill Street. The agreement acknowledged the possibility that the City might later determine that the mitigation measure is not required or that a substitute mitigation measure should be implemented; and

WHEREAS, in 2016, the MSC approved a loan to the City in the amount of \$350,000 to assist the City to make a payment related to dissolution of the El Cerrito Redevelopment Agency (Agency). The loan agreement called for repayment by Fiscal Year 2020, or when the City had sufficient funds available after completion of all payments related to dissolution of the Agency. The City informed the MSC that it would not be able to repay the loan in Fiscal Year 2020. The City has now informed the MSC that it has sufficient funds to repay the loan; and

WHEREAS, since approval of the Safeway Project, the City has adopted the San Pablo Avenue Specific Plan and Complete Streets Plan. The City has designed and assembled all funding necessary for the del Norte Complete Streets Project consistent with the Complete Streets Plan. As part of designing the del Norte Complete Streets Project, the City retained Fehr & Peers to assess whether the improvements included in the project would adequately mitigate the impacts addressed by Mitigation Measure TRANS-1b. In a report prepared in 2016, Fehr & Peers concluded that the del Norte Complete Streets Project improvements are a reasonable substitute for Mitigation

Measure TRANS-1b while also furthering the City's multimodal goals and policies, which Mitigation Measure TRANS 1-b would not; and

WHEREAS, the City has proposed to satisfy repayment of the loan agreement by paying \$350,000 of City funds to the del Norte Complete Streets Project. The City will treat the del Norte Complete Streets Project as satisfaction of Mitigation Measure TRANS 1-b.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the El Cerrito Municipal Services Corporation (Board) finds that the above recitals are true and correct.

BE IT FURTHER RESOLVED that the Board agrees to accept the City's payment of \$350,000 toward the del Norte Complete Streets Project as satisfaction of the 2016 Loan Agreement between the City of El Cerrito and the El Cerrito Municipal Services Corporation, subject to the City providing reasonable documentation that it has made the payment.

BE IT FURTHER RESOLVED that the Executive Director or designee is authorized to take all actions reasonably necessary to document satisfaction of the loan agreement, subject to approval as to form by MSC's legal counsel.

BE IT FURTHER RESOLVED that this resolution shall become effective immediately upon passage and adoption.

I CERTIFY that at a special meeting on November 7, 2023 the Municipal Services Corporation passed this Resolution by the following vote:

AYES:	BOARDMEMBERS:
NOES:	BOARDMEMBERS:
ABSTAIN:	BOARDMEMBERS:
ABSENT:	BOARDMEMBERS:

IN WITNESS of this action, I sign this document on_____.

Holly M. Charléty, Board Secretary

APPROVED:

Lisa Motoyama, Board Chairperson

MUNICIPAL SERVICES CORPORATION RESOLUTION NO. 2016-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE EL CERRITO MUNICIPAL SERVICES CORPORATION APPROVING A LOAN AGREEMENT WITH THE CITY OF EL CERRITO

WHEREAS, the El Cerrito Municipal Service Corporation (the "Corporation") is a nonprofit public benefit corporation organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes; and

WHEREAS, the specific charitable and public purposes for which the Corporation is organized are, among other things, to benefit and support the City of El Cerrito (the "City"), in accordance with Section 509(a)(3) of the Internal Revenue Code of 1986, as amended, and to lessen the burdens of government of the City; and

WHEREAS, the City and the El Cerrito Redevelopment Successor Agency ("Successor Agency") entered into an Installment Payment Plan agreement with the Department of Finance so that the Successor Agency could obtain a Finding of Completion and obtain approval of the Long Range Property Management Plan and as a result of making payments in accordance with the Installment Payment Plan Agreement, the City presently needs short-term cash flow assistance and has therefore requested a short-term loan from the Corporation; and

WHEREAS, the Corporation currently has sufficient resources to fund the loan and the City anticipates sufficient revenues in the near-term to repay the loan on the terms requested; and

WHEREAS, providing short-term cash-flow assistance to the City in the form of a loan is consistent with the Corporation's charitable and public purposes; and

WHEREAS, the Corporation is willing to loan funds to the City under terms and conditions that are substantially in the form described in the attached Loan Agreement, which is Exhibit 1 to this Resolution.

NOW THEREFORE, BE IT RESOLVED, the Board finds that the above recitals are true and correct.

BE IT FURTHER RESOLVED, that the Board does hereby authorize the Executive Director to enter into a Loan Agreement with the City of El Cerrito substantially in the form of Exhibit 1 attached hereto.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon its adoption.

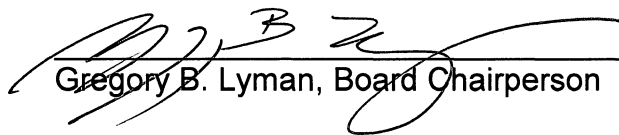
I CERTIFY that at a special meeting on May 17, 2016, the Board of Directors of the El Cerrito Municipal Services Corporation passed this resolution by the following vote:

AYES: Boardmembers Abelson, Friedman, Hanin, Pinkos, Quinto and
Chair Lyman
NOES: None
ABSTAIN: None
ABSENT: Boardmember Bridges

IN WITNESS of this action, I sign this document on May 19, 2016.


Cheryl Morse, Secretary

APPROVED:


Gregory B. Lyman, Board Chairperson

**EXHIBIT 1 TO
RESOLUTION 2016-01**

**LOAN AGREEMENT BETWEEN
THE CITY OF EL CERRITO AND
THE EL CERRITO MUNICIPAL SERVICES CORPORATION**

THIS LOAN AGREEMENT (this "Agreement") is entered into as of _____, 2016 (the "Effective date"), by and between the City of El Cerrito, a California municipal corporation (the "City"), and the El Cerrito Municipal Services Corporation, a nonprofit public benefit corporation (the "Corporation"). The City and the Corporation are hereinafter collectively referred to as the "Parties."

RECITALS

A. The Corporation is a nonprofit public benefit corporation organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes. The specific charitable and public purposes for which the Corporation is organized are, among other things, to benefit and support the City of El Cerrito, in accordance with Section 509(a)(3) of the Internal Revenue Code of 1986, as amended, and to lessen the burdens of government of the City.

B. In November 2015, the City and Department of Finance entered into a Installment Payment Plan agreement related to the dissolution of the former El Cerrito Redevelopment Agency. Pursuant to the Installment Payment Plan agreement, the City agreed to pay funds to the taxing entities via the County Auditor-Controller determined by the Department of Finance to be available as a result of the dissolution of the former Redevelopment Agency, so that the Successor Agency could get a Finding of Completion and obtain approval of its Long Range Property Management Plan, allowing it to proceed with disposition of former RDA properties. As a result of making the installment payments in accordance with the agreement, the City is presently experiencing a need for short-term cash flow assistance. The City has therefore requested a short-term loan from the Corporation.

C. The Corporation believes that providing short-term cash-flow assistance to the City in the form of a loan is consistent with its corporate purposes and is willing to loan funds to the City pursuant to the terms and conditions described in this Agreement.

D. Concurrently herewith the City shall execute a promissory note (the "Note") in the amount of the Loan. This Agreement and the Note are collectively hereinafter referred to as the "Loan Documents."

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

**ARTICLE I
LOAN TERMS**

1.1. Loan and Note. Corporation agrees to loan to City, and City agrees to borrow from Corporation, subject to the provisions of Section 1.2.1, , the sum of up to Three hundred

fifty thousand dollars (\$350,000) upon the terms and conditions and for the purposes set forth in this Agreement (the "Loan"). The Loan shall be evidenced by the Note which shall be dated as of the Effective Date and executed by the City substantially in the form attached hereto as Exhibit A. Provided that City has complied with all conditions set forth in Section 2.3, the Loan Proceeds shall be disbursed in accordance with Section 2.2 hereof. The Parties agree that the Corporation shall disburse Loan Proceeds only for and to the extent necessary for the purposes set forth in Section 2.1.

1.2. Interest Rate; Right to Demand Payment Upon Default. The outstanding principal balance of the Note shall bear interest at the rate of zero percent (0%) simple interest per annum. Provided that the City is not in default under the Loan Documents, no periodic payments shall be due on the Loan. The Corporation shall have the right to declare the entire outstanding principal balance of the Loan together with accrued interest and all other sums due under the Loan Documents due and payable in full upon the occurrence of an Event of Default under the Loan Documents and the expiration of any applicable cure period.

1.3. None

1.4. Payment. The City shall fully repay the Loan on or before June 30, 2020, unless the Parties agree to a later date. At the City's discretion, it may repay the Loan in a single lump sum or in installments of any amount that equal the amount of the Loan.

1.5. Prepayment. The Loan or any portion of the outstanding principal balance due under the Loan Documents may be prepaid at any time and from time to time, without penalty or premium. Prepayments shall be applied first to accrued but unpaid interest and then to principal. In no event shall any amount due under the Loan Documents become subject to any rights of offset, deduction, or counterclaim on the part of the City.

ARTICLE II USE AND DISBURSEMENT OF LOAN PROCEEDS

2.1. Use of Proceeds. The City may use the proceeds of the Loan ("Loan Proceeds") solely and exclusively to pay for legitimate costs of governmental operation.

2.2. Disbursement of Proceeds. Upon satisfaction of the conditions set forth in Section 2.3, provided that the City has provided Corporation with such other documentation as Corporation may reasonably require, Corporation shall disburse Loan Proceeds to City in a lump sum.

2.3. Conditions Precedent to the Disbursement of Proceeds.

(a) Corporation's obligation to disburse the Loan Proceeds is conditioned upon the City's delivery to the Corporation of fully-executed and acknowledged copies of the

Note and this Agreement and such documentation as Corporation shall reasonably require regarding City's authority to execute and perform its obligations under the Loan Documents.

(b) No material adverse change as determined by the Corporation in its reasonable judgment shall have occurred in the financial or other condition of the City since the date of this Agreement.

ARTICLE III REPRESENTATIONS, WARRANTIES, AND COVENANTS

3.1. City's Representations, Warranties, and Covenants. The City represents and warrants to the Corporation as follows, and the City covenants that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 3.1 not to be true, the City shall immediately give written notice of such fact or condition to the Corporation. The City acknowledges that the Corporation shall rely upon the City's representations made herein notwithstanding any investigation made by or on behalf of the Corporation.

(a) Legal Status; Authority. The City is California municipal corporation, duly organized and operating under the laws of the State of California. The City has the full right, power and authority to deliver and perform all obligations of the City under the Loan Documents. The City's execution, performance and delivery of the Loan Documents has been duly authorized by all requisite actions, and when executed and delivered will each constitute a valid and binding obligation of the City, enforceable in accordance with the respective terms thereof. The persons executing this Agreement on behalf of the City have been duly authorized to do so. This Agreement and the other Loan Documents constitute valid and binding obligations of the City, enforceable in accordance with their respective terms.

(b) No Conflict. The execution of the Loan Documents and the City's performance thereunder do not and will not result in a breach of or constitute a default under any agreement, contract, order, indenture or other instrument to which the City is a party or by which the City may be bound.

(c) No Litigation or Other Proceeding. There are no pending or, to the City knowledge, threatened actions or proceedings before any court or administrative body which may adversely affect the financial condition or operation of the City or the City's use of the Proceeds.

(d) No Bankruptcy. The City is not the subject of a bankruptcy or insolvency proceeding.

(e) Compliance with Laws. The City is in compliance in all material respects with all local, state, and federal laws, rules, regulations, orders, and decrees that are applicable to the Loan or to the City in relation thereto ("Applicable Law")

3.2. Corporation's Representations, Warranties, and Covenants. The Corporation represents and warrants to the City as follows, and the Corporation covenants that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 3.2 not to be true, the Corporation shall immediately give written notice of such fact or condition to the City. The Corporation acknowledges that the City shall rely upon the Corporation's representations made herein notwithstanding any investigation made by or on behalf of the City.

(a) Legal Status; Authority. The Corporation is a nonprofit public benefit corporation, duly organized and operating under the laws of the State of California and the United States. The Corporation has the full right, power and authority to deliver and perform all obligations of the Corporation under the Loan Documents. The Corporation's execution, performance and delivery of the Loan Documents has been duly authorized by all requisite actions, and when executed and delivered will each constitute a valid and binding obligation of the Corporation, enforceable in accordance with the respective terms thereof. The persons executing this Agreement on behalf of the Corporation have been duly authorized to do so. This Agreement and the other Loan Documents constitute valid and binding obligations of the Corporation, enforceable in accordance with their respective terms.

(b) No Conflict. The execution of the Loan Documents and the Corporation performance thereunder do not and will not result in a breach of or constitute a default under any agreement, contract, order, indenture or other instrument to which the Corporation is a party or by which the Corporation may be bound.

(c) No Litigation or Other Proceeding. There are no pending or, to the Corporation knowledge, threatened actions or proceedings before any court or administrative body which may adversely affect the financial condition or operation of the Corporation or the Corporation's ability to make the Loan.

(d) No Bankruptcy. The Corporation is not the subject of a bankruptcy or insolvency proceeding.

(e) Compliance with Laws. The Corporation is in compliance in all material respects with all local, state, and federal laws, rules, regulations, orders, and decrees that are applicable to the Loan or to the Corporation in relation thereto ("Applicable Law")

ARTICLE IV INDEMNIFICATION

4.1. Indemnification of Corporation by City. The City shall defend (with counsel reasonably acceptable to Corporation), hold harmless and indemnify the Corporation, its officers, employees and agents from and against all claims, liability, costs, expenses, loss or damages of any nature whatsoever, including reasonable attorneys' fees, arising out of or in any way connected with its failure to perform its covenants and obligations under this Agreement

and any of its operations or activities related thereto, excluding the willful misconduct or gross negligence of the person or entity seeking to be defended, indemnified, or held harmless.

4.2. Indemnification of City by Corporation. The Corporation shall defend (with counsel reasonably acceptable to Corporation), hold harmless and indemnify the City, its officers, employees and agents from and against all claims, liability, costs, expenses, loss or damages of any nature whatsoever, including reasonable attorneys' fees, arising out of or in any way connected with its failure to perform its covenants and obligations under this Agreement and any of its operations or activities related thereto, excluding the willful misconduct or gross negligence of the person or entity seeking to be defended, indemnified, or held harmless.

ARTICLE V EVENTS OF DEFAULT AND REMEDIES

5.1. Events of Default. Each of the following events will constitute an Event of Default ("Event of Default") under this Agreement:

(a) Non-disbursal of Loan Proceeds. The Corporation's failure to disburse Loan Proceeds pursuant to this Agreement.

(b) Nonpayment. The City's failure to make payments pursuant to this Agreement.

(c) Failure to Perform. Either Party's failure, neglect or refusal to perform any promise, agreement, covenant or obligation contained in this Agreement, after any applicable cure periods.

5.2. Notice of Default. Whenever any Event of Default has occurred, other than a failure to pay any sums due, a Party shall give written notice of default to the other Party. If the default is not cured within thirty (30) calendar days after the Date of Default (defined herein), or any extension approved in writing by the Party providing notice, the Party not in default may enforce its rights and remedies under Section 5.3 below. Any default that has occurred will be deemed to commence on the date that written notice of default is effective pursuant to Section 6.1 of this Agreement (the "Date of Default"). In the event of a default in the payment of any payment when due, the City shall have ten (10) calendar days from the payment due date to cure such default, whether or not the Corporation gives written notice.

5.3. Remedies. Upon the occurrence of any Event of Default, a Party, in addition to any other remedies provided herein or by law, has the right, at its option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) In the event that the City fails to make a loan payment, the Corporation may accelerate and declare the balance of the Loan and interest accrued thereon immediately due and payable.

(b) Seek specific performance to enforce the terms of the Loan Documents.

(c) Pursue any and all other remedies available under law to enforce the terms of the Loan Documents and the Party's rights thereunder.

5.4. Remedies Cumulative. Each of the remedies provided herein is cumulative and not exclusive of, and shall not prejudice any other remedy provided in any other Loan Document. A Party may exercise from time to time any rights and remedies available to it under applicable law, in addition to, and not in lieu of, any rights and remedies expressly granted in this Agreement or in any other instrument or notice, demand or legal process of any kind.

ARTICLE VI MISCELLANEOUS

6.1. Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Party in accordance with this Section. All such notices shall be sent by:

(a) Personal delivery, in which case notice shall be deemed delivered upon receipt;

(b) Certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail;

(c) Nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier; or

(d) Facsimile transmission, in which case notice shall be deemed delivered on transmittal, provided that a transmission report is generated reflecting the accurate transmission thereof.

City:

City of El Cerrito
Attn: Finance Director/City
Treasurer
10890 San Pablo Avenue
El Cerrito, CA 94530-2323

Corporation:

El Cerrito Municipal Services Corporation
Attn: Chief Financial Officer
10890 San Pablo Avenue
El Cerrito, CA 94530-2323

6.2. Counterparts. This Agreement may be executed in multiple counterparts each of which shall be an original and all of which taken together shall constitute one and the same instrument.

6.3. Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties are materially altered or abridged by such invalidation, voiding or unenforceability.

6.4. Legal Actions; Attorneys' Fees. In the event any legal action is commenced to interpret or to enforce the terms of this Agreement or to collect damages as a result of any breach thereof, the Party prevailing in any such action shall be entitled to recover against the other Party all reasonable attorneys' fees and costs incurred in such action.

6.5. Captions; Interpretation. The captions of the Sections and Articles of this Agreement are for convenience only and are not intended to affect the interpretation or construction of the provisions herein contained. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party. Time is of the essence in the performance of this Agreement.

6.6. Further Assurances. The Parties agree to execute, acknowledge and deliver to the other such other documents and instruments, and take such other actions, as either shall reasonably request as may be necessary to carry out the intent of this Agreement.

6.7. Parties Not Co-Venturers. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

6.8. Governing Law; Venue. This Agreement shall in all respects be construed and enforced in accordance with laws of the State of California without regard to principles of conflicts of laws. The Parties agree that any action to enforce or interpret this Agreement shall be litigated exclusively in courts having jurisdiction in Contra Costa County. The Parties irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

6.9. Waiver; Modification And Amendment. No failure or delay on the part of the a Party in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy hereunder. No modification or waiver of any provision of this Agreement, nor any consent to any departure by a Party therefrom, shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on a Party in any case shall entitle the Party to any other or further notice or demand in similar or other circumstances. No amendment to

this Agreement shall be effective unless and until such amendment is in writing, properly approved in accordance with applicable procedures, and executed by the Parties.

6.10. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. Notwithstanding the foregoing, the Corporation's obligation to make the Loan is personal to the City, and shall not be assignable by the City by operation of law or otherwise absent the express written consent of the Corporation, and any such assignment by operation of law or otherwise shall be void.

6.11. No Third Party Beneficiaries. There shall be no third party beneficiaries to this Agreement.

6.12. Entire Agreement; Exhibits. This Agreement, together with the other Loan Documents, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any and all prior or contemporaneous oral or written agreements and negotiations between the Parties with respect thereto. Exhibit A attached hereto is incorporated herein by reference as though fully set forth herein.

6.13. Survival. All representations made by the Parties herein, all indemnity provisions and all other provisions that state that they shall survive the termination hereof shall survive the expiration or earlier termination of this Agreement. The representations of a Party made herein have been or will be relied upon by the other Party, notwithstanding any investigation made by the party or on its behalf.

6.14. Corporation Status. The City recognizes and agrees that the Corporation is not a commercial lending institution, but a public benefit nonprofit corporation acting pursuant to its corporate purpose. Any duties or obligations that a commercial lending institution might have to the City shall not apply to this transaction except as set forth herein and in the Loan Documents.

6.15. Action by the City. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, or consent by the City is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by the City Manager or by any person who shall have been designated by the City Manager, without further approval by the City Council.

6.16. Non-Liability of City and City Officials, Employees, and Agents. No member, official, employee or agent of the City shall be personally liable to the Corporation or any successor in interest to any of the foregoing in the event of any default or breach by the City, or for any amount of money which may become due to the Corporation or the Corporation's successors in interest or for any obligation of City under this Agreement.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the City and the Corporation have executed this Agreement as of the Effective Date.

City of El Cerrito

El Cerrito Municipal Services Corporation

Scott Hanin, City Manager

Scott Hanin, Executive Director

Attest:

Attest:

Cheryl Morse, City Clerk

Cheryl Morse, Secretary

Approved as to Form:

Approved as to Form:

Sky Woodruff, City Attorney

Karen Tiedemann, Counsel

2649495.1

EXHIBIT A
FORM OF PROMISSORY NOTE

PROMISSORY NOTE

\$350,000

El Cerrito, California
_____, 2016

A. FOR VALUE RECEIVED, the CITY OF EL CERRITO, a municipal corporation, operating and as authorized by applicable law of the State of California ("Maker"), promises to pay to the EL CERRITO MUNICIPAL SERVICES CORPORATION ("Holder"), the principal sum of THREE HUNDRED FIFTY THOUSAND DOLLARS (\$350,000), or so much thereof as may be advanced by Holder pursuant to the loan agreement described below, together with interest on the outstanding principal balance, in accordance with the terms and conditions described herein.

This Promissory Note ("Note") has been executed and delivered pursuant to the terms of a Loan Agreement dated _____, 2016 (the "Agreement") between Maker and Holder which details the terms and conditions under which Holder agrees to lend to Maker, and Maker agrees to borrow, up to THREE HUNDRED FIFTY THOUSAND DOLLARS (\$350,000), (the "Loan"). The Agreement requires Holder to disburse the amount for the Loan in a lump sum. This Note reflects the disbursement under the Agreement. The rights and obligations of Maker under this Note shall be governed by the Agreement and by the terms set forth in this Note. Capitalized terms used, but not defined herein, shall have the same meaning as set forth in the Agreement.

B. Note Terms.

(1) Loan Term. The Maker shall repay any loan principal and accrued interest in an amount required to pay off the total outstanding loan principal, together with accrued interest thereon, on or before June 30, 2020 (the "Maturity Date").

(2) Interest Rate. The unpaid principal balance of the Loan shall accrue interest at the rate of zero percent (0%) until all indebtedness and other amounts payable under this Agreement are paid in full.

(3) Payments. At the Maker's discretion, it may repay the loan in a single lump sum or in installments of any amount that equal the amount of the loan.

(4) Place and Manner of Payment. Payments shall be made in lawful money of the United States to Holder at 10890 San Pablo Avenue, El Cerrito, CA 94530, or at such other place as Holder may from time to time designate in writing to Maker.

(5) Prepayment. Maker may prepay this Note, including any accrued interest, either in whole or in part, at any time prior to the Maturity Date without penalty or other charge.

C. If default occurs in the payment of this Note when due, and the default is not cured within thirty (30) days, the Holder may accelerate and declare the balance of the loan and interest accrued thereon immediately due and payable. In case of any default by the Maker, Holder shall have available all remedy options stated in Article 5 of the Agreement.

D. Maker agrees to pay the following costs, expenses and attorneys' fees paid or incurred by Holder, or adjudged by a court: (1) reasonable costs of collection, costs, expenses and attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed; and (2) costs of suit and such sums as the court may adjudge as attorneys' fees in an action to enforce payment of this Note or any part thereof.

E. This Note shall be governed by and construed in accordance with the laws of the State of California.

F. The terms of this Note shall be binding upon and inure to the benefit of the respective heirs, successors in interest and assigns of Maker and Holder.

G. Time is of the essence with respect to each and every provision hereof. If any provision hereof is found to be invalid or unenforceable by a court of competent jurisdiction, the invalidity thereof shall not affect the enforceability of the remaining provisions of this Note.

Executed in El Cerrito, California on _____, 2016

CITY OF EL CERRITO

By: Scott Hanin
Its: City Manager

***El Cerrito Municipal
Services Corporation***

Agenda Item No. 4.B.

Date: November 7, 2023
To: El Cerrito Municipal Services Corporation
From: Aissia Ashoori, Housing-Economic Development Manager; Sean Moss, Planning Manager; Melanie Mintz, Community Development Director, Community Development Department; Alexandra Orologas, Assistant City Manager
Subject: Community Benefits Contributions from Cannabis Program

ACTION PROPOSED

Receive an update on the City’s commercial cannabis operating permits performance and community benefits contributions, discuss potential options for consideration and provide staff direction with next steps.

BACKGROUND

Between 2016 – 2021, the City conducted a series of public outreach meetings regarding commercial cannabis in El Cerrito. On October 3, 2017, the City Council held a study session to discuss and hear public input regarding a draft ordinance regulating cannabis storefront businesses in El Cerrito. Subsequently, the City Council adopted the [Commercial Cannabis Ordinance](#) on December 19, 2017, Chapter 6.80 of the El Cerrito Municipal Code.

In 2018, the City received two applications for operation at the same storefront, and issued its first Commercial Cannabis Operating Permit to ECWC Partners, Inc. (NUG) at 11886 and 11896 San Pablo Avenue. After a successful launch of that business, the City opened up the application period for a second permit in 2020. A total of three applications were received for two Operating Permits for cannabis storefront businesses. A City review team consisting of staff from the Police and Community Development departments and the City Manager and City Attorney Offices reviewed the applications. Authentic El Cerrito, LLC was selected to operate the City's second cannabis storefront at 10764-10770 San Pablo Avenue. Both Operating Permits were negotiated separately and have a number of conditions of approval. Both permits require two forms of monetary contributions to the City in the form of community benefits fees and community benefit contributions, based upon annual gross receipts.

The community benefit fee is considered non-departmental and is unrestricted revenue to the General Fund. The community benefit contribution was intended to go to specific programs to improve quality of life.

ANALYSIS

Commercial Cannabis Operating Permits: Community Benefits and Funds

Given that the City does not have a cannabis business tax, which would require voter approval through a ballot measure, each Operating Permit regulates the negotiated fee terms. City staff also utilized HdL Companies during the negotiation process given their extensive experience in the commercial cannabis industry to provide an independent review of the applications and community benefits terms. *Table 1* provides a summary of both Operating Permits. Both Operating Permits require two payments which are distinguished by: 1) Community Benefit Gross Receipts Fee (unrestricted General Fund); 2) Community Benefit Quality of Life Contribution (restricted use).

Table 1: Community Benefits Summary

Operator	Storefront Open Date	Community Benefits
NUG	August 2021	<ul style="list-style-type: none"> • Five percent (5%) of annual gross receipt sales to the General Fund • One percent (1%) support the improvement of quality of life. • Advance toward third year operation: \$60K at Operating Permit issuance; \$50K 6 months after opening; and \$50K in June 2019.
STIIZZY	June 2023	<ul style="list-style-type: none"> • Five percent (5%) of annual gross receipt sales between \$1.00-\$5M; four percent (4%) of annual gross receipt sales between \$5M-\$10M; and three percent (3%) of annual gross receipt sales greater than \$10M+ to the General Fund. • One percent (1%) support the improvement of quality of life. • Advance toward operation: \$100K within 30 days of Operating Permit issuance.

As a reminder, the revenue generated by both storefronts through sales tax is not itemized above or within this report given that such information is confidential per State law. However, in addition to the community benefit fees and contributions discussed in this report, both retail locations also provide a new source of sales tax. Between FY 2021-22 and FY 2022-23, \$818,382 the community benefits fees resulted in \$818,382 of unrestricted revenue to the the General Fund and \$174,287 set aside for Quality of Life activities. Again, this is in addition to the sales tax generated.

Both Operating Permits are subject to a maximum term of three years. The first store, NUG, opened in August 2021 with a permit expiration of August 2024. STIIZZY opened in June 2023 and the permit is set to expire in June 2026. Prior to expiration, City staff will reevaluate both Operating Permits and renegotiate terms in consideration with the conditions of the commercial cannabis industry.

Quality of Life Fund: Services

Community Benefits designated under this fund are restricted to sponsored groups, non-profits, or other organizations to be used for specific purposes that support the City's goals and objectives. Per conversations with City Council, staff has been asked to look into how these funds could support the most vulnerable, such as our unhoused population. Below is some information about how the City and County coordinate to support this population to facilitate a discussion of how the community contributions might be utilized to leverage and provide additional services.

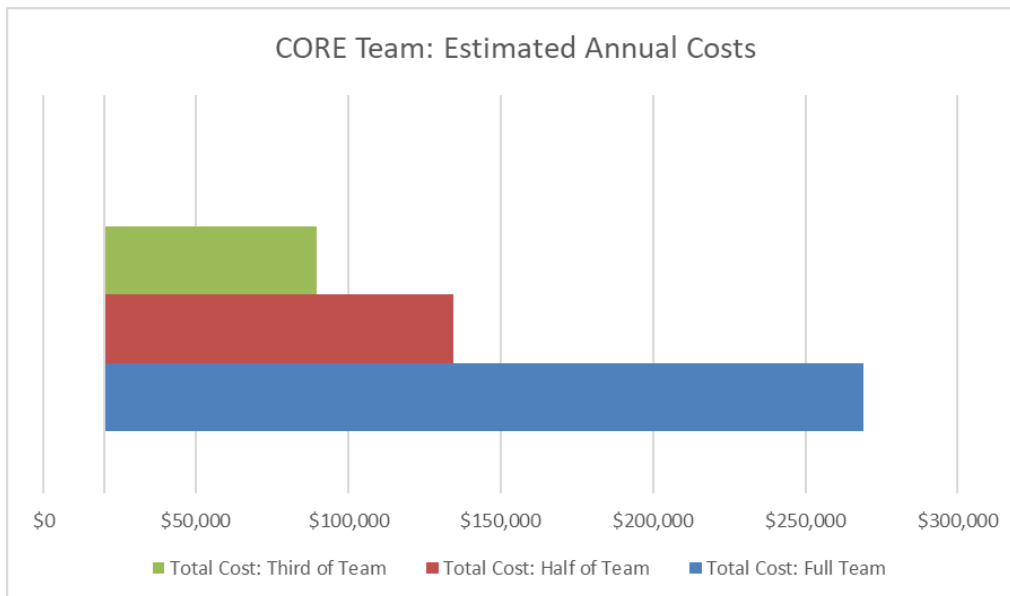
As a small city, El Cerrito is often limited by funding and staffing resources which is why El Cerrito relies on Contra Costa County for many services. The County's Health, Housing and Homeless Services Division (H3) integrates housing and homeless services across the health system; and coordinates housing and homeless services across County government and in the community and is the lead agency for the Continuum of Care (CoC) Program. The CoC forms a network of providers (including government and non-profit) designed to assist individuals and families experiencing homelessness by providing services that are needed to help these individuals and families move into permanent housing, with the goal of long-term stability. The City's 2023-2031 Housing Element also includes a new policy goal: *Program H-2.G Shelter and Housing Solutions for Persons Experience Homelessness*, to address the rise in housing insecurities.

As part of H3, the Coordinated Outreach Referral and Engagement (CORE) Program provides homeless street outreach services to the community operating seven days a week from 8am – 12am. CORE serves as an entry point into Contra Costa's coordinated entry system for unsheltered persons and work to locate, engage, stabilize and house chronically homeless individuals and families. CORE's outreach teams identify individuals who are unhoused, assess their housing and service needs, and facilitate connection to shelter and services. Below is a list of teams available to the entire County that are not tied to a dedicated City/funder and serve as service delivery baseline.

1. All County team – Works across Central/East County, Mon. – Fri. 8am-4pm.
2. All County team – Works across West County, Mon. – Fri. 8am-4pm.
3. All County evening team – Works across all of Contra Costa and supports warming center placements, 4pm-11pm seven days week.
4. All County weekend team – Works across all of Contra Costa County to support daytime weekend hours of operation.

There are other CORE teams either funded by a City or specific to a particular sub-population (transition age youth, families, etc.). The cities of Concord, Martinez, Pittsburg, Pleasant Hill, Richmond, San Pablo, and Walnut Creek have direct partnerships with funding CORE teams that specifically serve those communities. However, CORE has limited capacity when covering the entire geography of the County and unfortunately must triage and prioritize calls that come in through dispatch since they do not have enough general CORE team staff capacity to meet the demand.

If the City were interested in exploring funds for a part-time (a percentage) of one team with other cities in West County, it would allow CORE to have a more customized, consistent presence with dedicated support in El Cerrito. CORE connections and relationships require multiple touch points with lots of hands-on support. They serve as a mobile front door to services in which they transport individuals to appointments (health, behavioral, etc.), provide connections to benefits/resources, and any other services needed to be directly housed. Another component of their service diverts calls from the police regarding unhoused residents by instead referring those dispatch calls directly to CORE for engagement. In addition, this dedicated support would include outreach to El Cerrito businesses as well as the Library. The approximate cost of one full-time CORE team (40 hours/week) in FY 2022-23 is \$269,000 annually comprised of 2.43 employees. These costs include staffing, fringe and other operating expenses. Please see *Table 2* below for total costs associated with a designated CORE team shared with two (1/2 of team) or three other cities (1/3 of team). According to CORE, their costs typically increase by 5% each year.



If the City Council wishes to explore the possibility of funding a pilot part-time CORE team beginning in FY 2024-25, staff can further discuss the possible composition of a team with other West County cities and return with additional information for consideration at a future study session on this topic.

STRATEGIC PLAN CONSIDERATIONS

This update will assist the City in implementing the following goals of the Strategic Plan: *Goal A: Deliver Exemplary Government Services; Goal B: Achieve Long-Term Financial Sustainability; Goal C: Deepen a Sense of Place and Community Identity; and Goal E: Ensure the public's health and safety.*

ENVIRONMENTAL CONSIDERATIONS

This section is not applicable to this agenda item..

FINANCIAL CONSIDERATIONS

This section is not applicable to this agenda item.

LEGAL CONSIDERATIONS

This section is not applicable to this agenda item.

Reviewed by:

A handwritten signature in blue ink, appearing to read "Karen Pinkos".

Karen Pinkos, City Manager



SUPPLEMENTAL AGENDA MATERIALS
SPECIAL MUNICIPAL SERVICES CORPORATION MEETING
November 7, 2023
(Revised November 8, 2023)

1. Agenda Item 4.B. – Community Benefits Contributions from Cannabis Program
 - a. Public Comments
 - b. **Presentation**

Public Comment for MSC Cannabis item

From: Sherry Drobner [REDACTED]
Sent: Monday, November 6, 2023 12:00 PM
To: Lisa Motoyama <LMotoyama@ci.el-cerrito.ca.us>; Tessa Rudnick <TRudnick@ci.el-cerrito.ca.us>; Paul Fadelli <PFadelli@ci.el-cerrito.ca.us>; Gabe Quinto <GQuinto@ci.el-cerrito.ca.us>; Carolyn Wysinger <CWysinger@ci.el-cerrito.ca.us>; Holly Charléty <HCharlety@ci.el-cerrito.ca.us>
Subject: Public Comment: Policy Matters B

Caution! This message was sent from outside your organization.

Dear Mayor and City Council Members,

The City Council asked staff back in March of 2022 to answer some basic questions regarding the use of funds from the dispensaries to assist the unhoused. It's been crickets for some time now- almost 19 months since the staff received questions regarding potential avenues to support the unhoused. I understand that the city now has a better idea of the funding available through the community benefits tax on our dispensaries. I believe we were waiting for this number.

Now, on November 7, 2023 I anticipate there will be some answers. I have a few concerns about the direction the City will take. Will the City present a number of options, including partnering with organizations other than the County, or will they be looking for an expedient administrative solution- one simple contract or will there be a more holistic approach where we can bring in people who can build relationships with those on the street who have been historically reticent about entering shelters or participating in government services.

I know that on one level, staff would like to check the box and we all would like to feel good about saying we have "a social worker" or a "housing advocate" for our city who is handling the issue. Unfortunately, experience tells me that this is not a one person solution, nor is it a one agency solution.

I hope the city considers more than one proposal so that there may be an opportunity for a thoughtful process when we spend the precious community benefit funds.

With good intentions and hope for good decision making from you all.

Sherry Drobner
El Cerrito Resident

From: [Howdy Goudey](#)
To: [City Clerk](#)
Subject: Public comment for agenda item 4B - Community Benefits Contributions from Cannabis Program
Date: Tuesday, November 7, 2023 12:22:12 PM

Caution! This message was sent from outside your organization.

Mayor Motoyama and City Council Members,

It is important that the city is considering using **Community Benefits Contributions from Cannabis Program** to fund CORE in El Cerrito). We need to provide services to unhoused individuals in our community, but I hope you will also direct staff to consider a wider scope of community based options that might increase the success of this effort. The challenge of outreach to the unhoused community can benefit from peer to peer services that establish long-term relationships to build trust to engage in services, such as the approach used by SOS - Safe Organized Spaces. Please explore more than just the CORE option.

Thanks,
Howdy Goudey
El Cerrito



Safe Organized Spaces (SOS) Services

RECEIVED
AT THE MEETING OF

NOV 07 2023

Mobile Showers

Tuesdays	Thursdays	CITY OF EL CERRITO CITY CLEAN Saturdays	Sundays
El Portal Church of Christ, El Sobrante 10:30am Food Barn 1835 Rumrill Road 2:30pm	El Portal Church of Christ, El Sobrante 10:30am	Hoffman and 34th St. 10:30am	Central Ave at I-80 10:30am 410 S. 2nd St. 2:30pm

Laundry

Shuttles to/from laundromats from specified locations

Mondays	Wednesdays	Fridays
Food Barn 1835 Rumrill Road	BB's Laundromat - 3340 San Pablo Dam Road	13th St and Hellings
12 noon to 3pm (last call 2pm)	12 noon to 3pm (last call 2pm)	12 noon to 3pm (last call 2pm)

(for the reverse side)

Safe Organized Spaces (SOS) Services

Workforce Clinic

Online assistance for identification documents including birth certificates, DMV IDs, Social Security numbers in preparation for CalJobs registration. Followed by van shuttles for document appointments.

Tuesdays 10:30am - 12:30pm Call O'Neill Fernandez if you need a ride: 925.758.0482

At our partner's location - Community Housing Development Corporation - Community Resource Center — 1540 Fred Jackson Way, Richmond CA

Commercial Cannabis Program Update: Community Benefits Contributions

El Cerrito Municipal Services Corporation

November 7, 2023

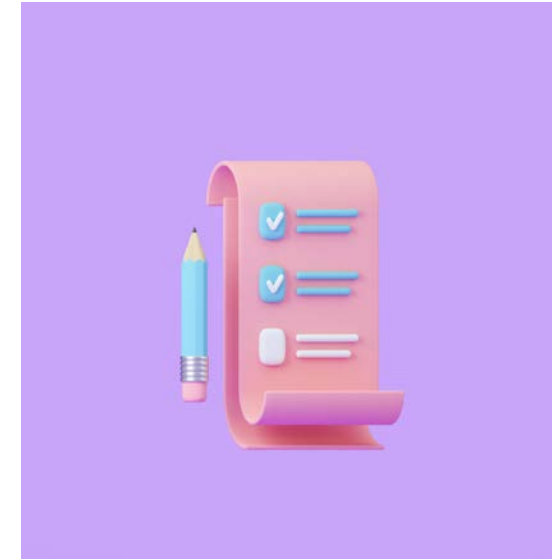
Aissia Ashoori, Housing-Economic Development Manager

Alexandra Orologas, Assistant City Manager



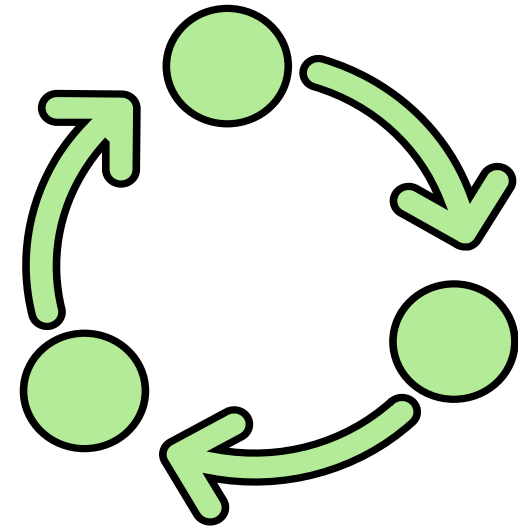
Commercial Cannabis Program Agenda

- Background & Process
- Commercial Cannabis Operating Permits
- Community Benefit Funds
 - Gross Receipts Fund
 - Quality of Life Fund
- Quality of Life: Services
- Discussion/Next steps



Commercial Cannabis Program Background and Process

- 2016: CA Prop 64, the Adult Use of Marijuana Act, passed by voters
- 2016-2021: Public Process
- October 7, 2017: City Council Study Session
- December 19, 2017: Commercial Cannabis Ordinance, Chapter 6.80, adopted
- 2018: Initial Application Process
 - 1 permit issued (2 applications received)
- 2020: Subsequent Application Process
 - 1 permit issued (3 applications received)



Commercial Cannabis Program

Cannabis Operating Permits

Operator	Storefront Open Date	Permit Expiration Date	Community Benefits Summary
NUG	August 2021	August 2024	<ul style="list-style-type: none"> • Five percent (5%) of annual gross receipt sales to the General Fund • One percent (1%) support the improvement of quality of life. • Advance toward third year operation: \$60K at permit issuance; \$50K 6 months after opening; and \$50K in June 2019.
STIIIZZY	June 2023	June 2027	<ul style="list-style-type: none"> • Five percent (5%) of annual gross receipt sales between \$1.00-\$5M; four percent (4%) of annual gross receipt sales between \$5M-\$10M; and three percent (3%) of annual gross receipt sales greater than \$10M+ to the General Fund. • One percent (1%) support the improvement of quality of life. • Advance toward operation: \$100K within 30 days of Operating Permit issuance.

Commercial Cannabis Program Community Benefits Funds

Sales Tax is not included; however new source to City's sales tax

Total Payments
\$970,224

\$818,382

Gross Receipts Fund
(unrestricted)

\$174,287

Quality of Life Fund
(restricted use)



Commercial Cannabis Program

Quality of Life: Services

- Eligibility: restricted to sponsored groups, non-profits, or other organizations to be used for specific purposes that support the City's goals and objectives.
- Explore the current landscape of services/programs available at the County level
- County Health, Housing and Homeless Services Division (H3)
 - Coordinated Outreach Referral and Engagement (CORE) Program:
 - Operates seven days a week 8AM – 12AM
 - \$269,000/annually; 2.43 FTE; 40-hours/week; team can be shared/split
 1. All County team – Works across Central/East County, Mon. – Fri. 8am-4pm.
 2. All County team – Works across West County, Mon. – Fri. 8am-4pm.
 3. All County evening team – Works across all of Contra Costa and supports warming center placements, 4pm-11pm seven days week.
 4. All County weekend team – Works across all of Contra Costa County to support daytime weekend hours of operation.

Questions, Answers, Discussion

Thank you!

