



City of Santa Rosa

City Hall
100 Santa Rosa Ave
Santa Rosa, CA 95404

City Council

Regular Meeting Minutes - Draft

Tuesday, March 7, 2017

2:00 PM

1. CALL TO ORDER AND ROLL CALL

Mayor Coursey called the meeting to order at 2:05 p.m.

Present: 5 - Mayor Chris Coursey, Vice Mayor Jack Tibbetts, Council Member Julie Combs, Council Member Chris Rogers and Council Member Tom Schwedhelm

Absent: 2 - Council Member Ernesto Olivares and Council Member John Sawyer

2. INTERVIEWS FOR BOARDS, COMMISSIONS AND COMMITTEES

Mayor Coursey recessed the meeting to interview applicants at 2:05 p.m.

2.1 INTERVIEWS FOR BOARD OF BUILDING REGULATIONS APPEAL

The Council will interview applicants for the Board of Building Regulation Appeals to fill four vacancies on the board. One appointment will serve the remainder of a term expiring December 31, 2018, and three appointments will serve terms expiring December 31, 2020.

Four applicants were present to interview: David Cooper, Peter Hendrickson, Robert Cantu, and Stan Clark.

Council Member Olivares joined the meeting at 2:40 p.m.

3. ANNOUNCEMENT OF CLOSED SESSION ITEMS

Mayor Coursey recessed the meeting to closed session at 3:00 p.m. to discuss Item 3.1 as listed on the agenda:

3.1 CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6)

Agency Designated Representatives: Rhonda McKinnon, Interim Human Resources Director, Jon Holtzman and Adam Benson of Renne Sloan Holtzman Sakai Public Law Group.

Employee Organizations: Santa Rosa Firefighters Association - Local 1401 (representing City Employee Unit 2); Operating

Engineers Local 3, Maintenance and Utility System Operators (Employee Units 3 and 16); Santa Rosa City Employees Association (Employee Units 4, 6, 7); Santa Rosa Police Officers Association, (Employee Unit 5); Service Employees International Union Local 1021, (Employee Units 8 and 14); Public Safety Management Association (Employee Unit 9); Executive Management (Employee Unit 10); Middle Management (Employee Unit 11); Confidential (Employee Unit 12); Mechanics (Employee Unit 13); City Attorney (Employee Unit 15); Santa Rosa City Attorneys' Association (Employee Unit 17), Santa Rosa Management Association (Employee Unit 18).

Mayor Coursey adjourned the closed session at 4:10 p.m. and reconvened the meeting to open session in the Council Chamber at 4:17 p.m.

4. STUDY SESSION - NONE.

5. ANNOUNCEMENT OF ROLL CALL

Present: 6 - Mayor Chris Coursey, Vice Mayor Jack Tibbetts, Council Member Julie Combs, Council Member Ernesto Olivares, Council Member Chris Rogers and Council Member Tom Schwedhelm

Absent: 1 - Council Member John Sawyer

6. REPORT, IF ANY, ON STUDY AND CLOSED SESSIONS

Interim City Attorney Stricker reported that the Council met in closed session with its labor negotiator regarding Item 3.1 and that instructions were given to the labor negotiator.

7. PROCLAMATIONS/PRESENTATIONS

7.1 PROCLAMATION - WOMEN'S HISTORY MONTH

Council Member Rogers read the proclamation and presented it to Rebecca Slay, Director of Youth Outreach and Education on behalf of the National Women's History Project.

PUBLIC COMMENT

Peter Tscherneff spoke in support of the proclamation.

8. STAFF BRIEFINGS

8.1 ARTSPACE MARKET STUDY OF ARTISTS', CREATIVE INDIVIDUALS', AND ARTS ORGANIZATIONS' SPACE NEEDS AND PREFERENCES

The City contracted with Artspace Projects, Inc., to conduct a market survey of artists' and creative individuals' space needs and preferences. This is to report the findings and outline next steps.

Presented by Nancy Manchester, Program Specialist.

PUBLIC COMMENT

William Bacon spoke in support of the item with additional suggestions.

Judy Kennedy spoke in support to the item with additional suggestions.

Peter Tscherneff spoke in support of the item.

9. CITY MANAGER'S/CITY ATTORNEY'S REPORTS

There was nothing to report.

10. STATEMENTS OF ABSTENTION BY COUNCILMEMBERS

Vice Mayor Tibbetts will be abstaining from Item 13.1.

11. MAYOR'S/COUNCILMEMBERS' REPORTS

The Mayor and Council Members made announcements and reports of interest to the Council.

Vice Mayor Tibbetts requested a future agenda item to direct staff to find the Housing First Specialist to speak to the full Council. Council Member Rogers concurred.

11.1 MAYOR'S/COUNCILMEMBERS' SUBCOMMITTEE AND LIAISON REPORTS (AND POSSIBLE COUNCIL DIRECTION TO BOARD REPRESENTATIVE ON PENDING ISSUES, IF NEEDED)

11.1.1 Council Subcommittee Reports

Mayor Coursey provided a brief report on Downtown Subcommittee.

11.1.2 Sonoma County Transportation Authority/Regional Climate Protection Authority (SCTA/RCPA)

Mayor Coursey provided a brief report.

11.1.3 Sonoma County Water Agency (SCWA) - Water Advisory Committee

11.1.4 Association of Bay Area Governments (ABAG)

Council Member Combs provided a brief report; and distributed subcommittee updates.

11.1.5 Sonoma County Agricultural Preservation and Open Space District Advisory Committee

11.1.6 Sonoma Clean Power Authority (SCPA)

11.1.7 Sonoma County Waste Management Agency (SCWMA)

11.1.8 Other

11.2 BOARD, COMMISSION & COMMITTEE APPOINTMENTS

11.2.1 Council may vote to make appointments to the following board:

Board of Building Regulations Appeals - four positions

Mayor Coursey announced the full-term appointments of David Cooper, Robert Cantu, and Stan Clark to serve terms expiring December 31, 2020; and the appointment of Peter Hendrickson to the Board of Building Regulations Appeal to serve the remainder of a term expiring December 31, 2018.

12. APPROVAL OF MINUTES

12.1 January 31, 2017, Regular Meeting.

Approved as submitted.

12.2 February 7, 2017, Regular Meeting.

Approved as submitted.

13. CONSENT ITEMS

13.1 RESOLUTION - EXTENSION OF PROCLAMATION OF LOCAL HOMELESS EMERGENCY

RECOMMENDATION: It is recommended by the Housing and Community Services Department that the Council, by resolution, approve an extension of Resolution No. 28839 which formally proclaimed a local homeless emergency within Santa Rosa.

PUBLIC COMMENT

Canini spoke in support of the item.

William Bacon spoke in support of the item.

Mark Holtz spoke in support of the item.

Peter Tscherneff spoke in support of the item.

Karin Jones spoke in support of the item.

A motion was made by Mayor Coursey, seconded by Council Member Rogers, to waive reading of the text and adopt Consent Item 13.1:

RESOLUTION NO. RES-2017-032 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA EXTENDING A PROCLAMATION OF LOCAL HOMELESS EMERGENCY (Government Code Sections 8630 et seq.)

The motion carried by the following vote:

Yes: 4 - Mayor Coursey, Council Member Combs, Council Member Rogers and Council Member Schwedhelm

Absent: 2 - Council Member Olivares and Council Member Sawyer

Recused: 1 - Vice Mayor Tibbetts

14. PUBLIC COMMENT ON NON-AGENDA MATTERS

Anne Seeley spoke regarding the March 7, 2017 Special Election and encouraged everyone to vote.

Dan Noble spoke regarding waste management.

Adrienne Lauby spoke regarding 203 Davis property and CHAP petition supporting the encampments.

Elizabeth Neylon spoke regarding various topics.

Canini spoke regarding bus stop system.

15. REPORT ITEMS

- 15.1** REPORT - CALLING A SPECIAL ELECTION TO BE HELD ON JUNE 6, 2017 AT WHICH TIME THE PORTIONS OF ORDINANCE NO. 4072 THAT ADD CHAPTER 6-90 TO THE SANTA ROSA MUNICIPAL CODE, SHALL BE SUBMITTED TO A VOTE OF THE REGISTERED VOTERS OF THE CITY OF SANTA ROSA, AND RELATED ACTIONS

BACKGROUND: On September 26, 2016, a timely Referendum Petition was filed with the City Clerk challenging portions of Ordinance No. 4072, establishing rent stabilization, eviction control, and other residential tenant protections in Santa Rosa. The Petition challenged all provisions of the Ordinance except the provision of the Ordinance that repealed both the 90-day moratorium on rent increases (which took effect on July 7, 2016) and the Just Cause Eviction Ordinance (which took effect on September 16, 2016). Both of those earlier ordinances have now been repealed.

On September 26, 2016, the City Clerk submitted the Petition to the Sonoma County Registrar of Voters Office (ROV) for a prima facie review, signature verification, and final count. On December 21, 2016, the ROV submitted to the City Clerk its determination that the Petition contained a sufficient number of signatures of qualified voters.

On December 23, 2016, the City Clerk certified to the City Council that the petition had a sufficient number of signatures to qualify for the ballot. On January 10, 2017, the City Council accepted that certification, and directed staff to bring back to Council an appropriate resolution to submit the challenged portions of Ordinance No. 4072 to the voters at a Special

Election to be held on June 6, 2017. The attached resolution will accomplish this purpose.

RECOMMENDATION: It is recommended by the Interim City Attorney the Council adopt a resolution (1) ordering a special election to be held on June 6, 2017 at which time the portions of Ordinance No. 4072 that add Chapter 6-90 to the Santa Rosa Municipal Code, concerning, as to certain residential rental units in the city, rent stabilization, limitations on the termination of tenancies and the payment of relocation assistance, and other tenant protections shall be submitted to the voters; (2) approving ballot language; (3) permitting the filing of ballot arguments; and (4) directing the City Attorney to provide an impartial analysis.

Presented by Teresa Stricker, Interim City Attorney.

PUBLIC COMMENT

Marlina Martarano spoke in support of the item.

Mayor Coursey proposed amending ballot title to be stated as follows:

"City of Santa Rosa Rent Stabilization

Shall the provisions of the City of Santa Rosa Residential Rent Stabilization and Other Tenant Protections Ordinance that establish rent control for certain residential rental properties, prohibit landlords from evicting tenants of certain properties except for specified reasons, and provide other protections to tenants, be approved?"

A motion was made by Council Member Combs, seconded by Vice Mayor Tibbetts, to approve the ballot title as amended and waive reading of the text and adopt:

RESOLUTION NO. RES-2017-033 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA (1) ORDERING A SPECIAL ELECTION TO BE HELD ON TUESDAY, JUNE 6, 2017, AT WHICH TIME THOSE PORTIONS OF ORDINANCE NO. 4072 THAT ADD CHAPTER 6-90 TO THE SANTA ROSA MUNICIPAL CODE -- CONCERNING, AS TO CERTAIN RESIDENTIAL RENTAL UNITS IN THE CITY, RENT STABILIZATION, LIMITATIONS ON THE TERMINATION OF TENANCIES AND THE PAYMENT OF RELOCATION ASSISTANCE, AND OTHER TENANT PROTECTIONS --

SHALL BE SUBMITTED TO A VOTE OF THE REGISTERED VOTERS OF THE CITY OF SANTA ROSA; (2) APPROVING BALLOT LANGUAGE; (3) PERMITTING THE FILING OF BALLOT ARGUMENTS; (4) DIRECTING THE CITY ATTORNEY TO PROVIDE AN IMPARTIAL ANALYSIS

The motion carried by the following vote:

Yes: 6 - Mayor Coursey, Vice Mayor Tibbetts, Council Member Combs, Council Member Olivares, Council Member Rogers and Council Member Schwedhelm

Absent: 1 - Council Member Sawyer

15.2

REPORT - A) RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA DECLARING A FISCAL EMERGENCY IN THE CITY AS A RESULT OF THE RECENT ENACTMENT OF THE MEDICAL CANNABIS REGULATION AND SAFETY ACT AND PASSAGE OF CALIFORNIA STATE PROPOSITION 64 (ADULT USE OF MARIJUANA ACT)

B) RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA (1) ORDERING A SPECIAL ELECTION TO BE HELD ON TUESDAY, JUNE 6, 2017 FOR THE PURPOSE OF SUBMITTING TO SANTA ROSA VOTERS AN ORDINANCE OF THE CITY OF SANTA ROSA AMENDING CHAPTER 6-04 OF THE SANTA ROSA CITY CODE AND ADDING CHAPTER 6-10 OF THE SANTA ROSA CITY CODE TO IMPOSE A CANNABIS INDUSTRY TAX ON CANNABIS BUSINESSES OPERATING IN SANTA ROSA, (2) APPROVING BALLOT LANGUAGE, (3) PERMITTING THE FILING OF BALLOT ARGUMENTS, (4) DIRECTING THE CITY ATTORNEY TO PROVIDE AN IMPARTIAL ANALYSIS, AND (5) SETTING INITIAL TAX RATES FOR A 2-YEAR TERM

BACKGROUND: In September, 2015, the State enacted the Medical Cannabis Regulation and Safety Act (MCRSA), establishing a state licensing framework and authorizing local regulation of medical cannabis. The City has adopted interim regulations and is in the process of developing comprehensive medical cannabis policies. On November 8, 2016, the California State election passed ballot measure Proposition 64, known as "the Adult Use of Marijuana Act." Proposition 64 brings businesses that support adult recreational cannabis use into a

regulated market, and allows the City of Santa Rosa to enact local regulations on such businesses in addition to the regulations that will be imposed by the state.

With the passage of Proposition 64, the enactment of MCRSA and the City's existing and anticipated cannabis regulations, the City of Santa Rosa anticipates incurring substantial costs associated with the newly-legalized cannabis industry, including code enforcement of City business regulations, policy development and administration, legal support and oversight, public safety, non-recoverable permit, planning and inspection, education, workshops, and outreach (for the industry and for the community), and economic impact research and studies. In light of the imminent financial burdens on the City, Staff recommends the Council declare a fiscal emergency.

In order to pay for the expected costs of authorizing and regulating cannabis businesses, it is recommended that the Council submit an ordinance to the voters that would authorize the Council to impose a local business tax on the cannabis industry to cover the costs to the City of allowing this emerging industry to operate in Santa Rosa. The proposed ordinance includes a cap of \$25 per sq foot or 8% of gross receipts for cultivation, and a cap of 8% of gross receipts for cannabis manufacturing, distribution and dispensaries. The resolution recommends starting rates for the cannabis business tax between 1% and 3%. The proposed tax is not a sales tax and would not be imposed directly on cannabis users or consumers.

RECOMMENDATION: It is recommended by the Planning and Economic Development and Finance Departments that the Council adopt the following:

- a. Resolution to declare a fiscal emergency as a result of the recent enactment of the Medical Cannabis Regulation and Safety Act and passage of Proposition 64 (the Adult Use of Marijuana Act); and
- b. Resolution to (1) order a special election to be held on Tuesday, June 6, 2017 for the purpose of submitting to Santa Rosa voters an ordinance of the City of Santa Rosa amending Chapter 6-04 of the Santa Rosa City Code and adding Chapter

6-10 of the Santa Rosa City Code to impose a cannabis industry tax on cannabis businesses operating in Santa Rosa, (2) approving ballot language, (3) permitting the filing of ballot arguments, (4) directing the City Attorney to provide an impartial analysis, and (5) setting initial tax rates for a 2-year term.

Presented by David Guhin, Director of Planning and Economic Development.

PUBLIC COMMENT

Patrick Stubbs spoke in support of the item, with an amendment to reduce rates.

Steve Monahan spoke in support of the item, with an amendment to reduce rates.

Tawnie Logan spoke in support of the item, with an amendment to reduce rates.

Shelly Browning spoke in support of the item.

Sarah Shrader spoke in support of the item, with an amendment to reduce rates.

Nick Caston spoke in support of the item, with an amendment to reduce rates.

A motion was made by Council Member Olivares, seconded by Council Member Rogers, to waive reading of the text and adopt as amended:

RESOLUTION NO. 2017-034 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA DECLARING A FISCAL EMERGENCY IN THE CITY AS A RESULT OF THE RECENT ENACTMENT OF THE MEDICAL CANNABIS REGULATION AND SAFETY ACT AND PASSAGE OF CALIFORNIA STATE PROPOSITION 64 (ADULT USE OF MARIJUANA ACT)

The motion carried by the following vote:

Yes: 6 - Mayor Coursey, Vice Mayor Tibbetts, Council Member Combs, Council Member Olivares, Council Member Rogers and Council Member Schwedhelm

Absent: 1 - Council Member Sawyer

A motion was made by Council Member Olivares, seconded by Council Member Combs, to waive reading of the text and adopt:

RESOLUTION NO. RES-2017-035 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA (1) ORDERING A SPECIAL ELECTION TO BE HELD ON TUESDAY, JUNE 6, 2017 FOR THE PURPOSE OF SUBMITTING TO SANTA ROSA VOTERS AN ORDINANCE OF THE CITY OF SANTA ROSA ADDING CHAPTER 6-10 TO THE SANTA ROSA CITY CODE AND AMENDING CHAPTER 6-04 OF THE SANTA ROSA CITY CODE TO IMPOSE A CANNABIS INDUSTRY TAX ON CANNABIS BUSINESSES OPERATING IN SANTA ROSA, (2) APPROVING BALLOT LANGUAGE, (3) PERMITTING THE FILING OF BALLOT ARGUMENTS, (4) DIRECTING THE CITY ATTORNEY TO PROVIDE AN IMPARTIAL ANALYSIS, AND (5) SETTING INITIAL TAX RATES FOR A 2-YEAR TERM

The motion carried by the following vote:

Yes: 6 - Mayor Coursey, Vice Mayor Tibbetts, Council Member Combs, Council Member Olivares, Council Member Rogers and Council Member Schwedhelm

Absent: 1 - Council Member Sawyer

16. PUBLIC HEARINGS - NONE.

17. WRITTEN COMMUNICATIONS (AND POSSIBLE COUNCIL ACTION)

- 17.1 LETTERS OF SUPPORT FOR: SB1 - TRANSPORTATION FUNDING, SB2 - BUILDING HOMES AND JOBS ACT, SB3 - AFFORDABLE HOUSING BOND ACT OF 2018, AND AB1 - TRANSPORTATION FUNDING - Provided for information.

18. PUBLIC COMMENTS ON NON-AGENDA MATTERS - NONE.

19. ANNOUNCEMENT OF CONTINUED CLOSED SESSION ITEMS, RECESS TO CLOSED SESSION IN THE MAYOR'S CONFERENCE ROOM, RECONVENE TO OPEN SESSION, AND ANNOUNCEMENTS [IF NEEDED]

20. ADJOURNMENT OF MEETING

Hearing no further business, Mayor Coursey adjourned the meeting at 7:51 p.m. The next regularly scheduled meeting will take place on March 14, 2017, at a time to be set by the Mayor.

Approved on:

Daisy Gomez
City Clerk