



City Council
Mayor John W. Minto
Vice Mayor Ronn Hall
Council Member Laura Koval
Council Member Rob McNelis
Council Member Dustin Trotter

CITY OF SANTEE REGULAR MEETING AGENDA Santee City Council

City Manager | Marlene D. Best
City Attorney | Shawn D. Hagerty
City Clerk | Annette Fagan Ortiz

MEETING INFORMATION

Wednesday, June 22, 2022

6:30 p.m.

Council Chambers | Building 2

10601 Magnolia Ave • Santee, CA 92071

Staff

Assistant to the City Manager | Kathy Valverde
Community Services Director | Nicolas Chavez
Finance Director/Treasurer | Tim McDermott
Fire & Life Safety Director/Fire Chief | John Garlow
Human Resources Director | Matt Rankin
Law Enforcement | Captain Michael McNeill

TO WATCH LIVE:

AT&T U-verse channel 99 (SD Market) | Cox channel 117 (SD County)

www.cityofsanteeca.gov

IN-PERSON ATTENDANCE

Please be advised that current public health orders recommend that attendees wear face coverings while inside the Council Chambers.

LIVE PUBLIC COMMENT

Members of the public who wish to comment on matters on the City Council agenda or during Non-Agenda Public Comment may appear in person and submit a speaker slip, before the item is called. Your name will be called when it is time to speak.

PLEASE NOTE: Public Comment will be limited to 3 minutes and speaker slips will only be accepted until the item is called. The timer will begin when the participant begins speaking.



The City Council also sits as the Community Development Commission Successor Agency and the Santee Public Financing Authority. Any actions taken by these agencies are separate from the actions taken by City Council. For questions regarding this agenda, please contact the City Clerk's Office at (619) 258-4100 x114

ROLL CALL: Mayor John W. Minto
Vice Mayor Ronn Hall
Council Members Laura Koval, Rob McNelis and Dustin Trotter

LEGISLATIVE INVOCATION: Village Church SD – Pastor Scotty James

PLEDGE OF ALLEGIANCE

PROCLAMATION: Proclaiming July 2022 as Parks Make Life Better Month in the City of Santee

CONSENT CALENDAR:

PLEASE NOTE: Consent Calendar items are considered routine and will be approved by one motion, with no separate discussion prior to voting. The public, staff or Council Members may request specific items be removed from the Consent Calendar for separate discussion or action. Speaker slips for this category must be presented to the City Clerk at the start of the meeting. Speakers are limited to 3 minutes.

- (1) **Approval of Reading by Title Only and Waiver of Reading in Full of Ordinances and Resolutions on the Agenda. (City Clerk – Ortiz)**
- (2) **Approval of Payment of Demands as Presented. (Finance – McDermott)**
- (3) **Approval of the Expenditure of \$69,244.83 for May 2022 Legal Services and Reimbursable Costs. (Finance – McDermott)**
- (4) **Adoption of a Resolution Accepting the Santee Lakes Storm Drain Replacement (CIP 2020-24) Project as Complete. (Development Services – Engineering)**
- (5) **Adoption of a Resolution Authorizing the Purchase of New Structural Firefighting Clothing (Turnouts) from Municipal Emergency Services, per Sourcewell Contract #032620-MES in an Amount Not to Exceed \$36,001.90. (Fire – Garlow)**

NON-AGENDA PUBLIC COMMENT (15 minutes):

Persons wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the Agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda. This first Non-Agenda Public Comment period is limited to a total of 15 minutes. Additional Non-Agenda Public Comment is received prior to Council Reports.



CONTINUED BUSINESS:**(6) Cannabis Workshop No. 5. (City Manager – Best)**Recommendation:

1. Receive the revised Regulatory Ordinance; and
2. Conduct the public workshop and provide direction to staff regarding the draft Tax Measure.

(7) Continued Review of the Proposed Operating Budget for Fiscal Year 2022-23, and Resolution Adopting the Operating Budget for Fiscal Year 2022-23 and Taking Related Actions. (Finance – McDermott)Recommendation:

Adopt the Resolution adopting the Operating Budget for Fiscal Year 2022-23 and taking related actions, including any changes directed by the City Council.

NEW BUSINESS:**(8) Workshop on the Use of Remaining Community Development Block Grant Coronavirus (CDBG-CV) Funding. (Development Services – Engineering)**Recommendation:

Consider funding options and amounts and provide direction to staff on recommended amounts in order to prepare the third Substantial Amendment to the Program Year 2019 Annual Action Plan.

(9) Authorize Improvements to Pickleball Courts at Big Rock Park as Donations are Obtained. (Community Services – Chavez)Recommendation:

Authorize staff to proceed with pickleball court improvements at Big Rock Park as donations are obtained.

(10) Resolution Authorizing the Award of a Contract for Street Sweeping Services to Sweeping Corporation of America (SCA). (Community Services – Chavez)

Recommendation:

Adopt the Resolution:

1. Authorizing direct award of the contract for Street Sweeping Services to Sweeping Corp. of America (SCA) for an amount not to exceed \$339,525.12 for Fiscal Year 2022-23; and
2. Authorizing the City Manager to approve up to three (3) additional twelve (12)-month options to renew and one (1) ninety (90)-day extension along with the corresponding purchase orders; and
3. Authorizing the City Manager to approve annual change orders up to ten percent (10%) of the then-current contract amount; and
4. Authorizing the Director of Community Services to execute a Notice of Completion and the City Clerk to file said Notice of Completion upon satisfactory completion of work for each contract term.

(11) Resolution Authorizing the City Manager to Execute a Professional Services Agreement with D-Max Engineering, Inc. for Storm Water Program As-Needed Staffing Services. (Development Services – Engineering)

Recommendation:

Adopt the Resolution authorizing the City Manager to execute a Professional Services Agreement for as-needed Storm Water Program staffing services with D-Max in an amount not to exceed \$234,000.00 for FY 2022-23.

(12) Resolution Authorizing the Expenditure of San Diego River Conservancy Grant Funds in Accordance with All Program Requirements and Finding in Support of and Authorizing an Open Market Purchase of One New 2023 Firematic Dodge 5500 STL Rally 500 Type 6 Wildland Brush Engine from South Coast Fire Equipment, Inc. (Fire – Garlow)

Recommendation:

Adopt Resolution:

1. Finding that open market purchasing is in the City's best interest and authorizing such purchase of one (1) new 2023 Firematic Dodge 5500 STL Rally 500 Type 6 Wildland Brush Engine from South Coast Fire Equipment, Inc., in the amount of \$295,676.41; and
2. Authorizing the City Manager to approve additional expenditures for unforeseen changes in an amount not to exceed \$14,783.82 (5%); and
3. Finding that open market purchasing for select add-ons up to the amount of funds budgeted for this purpose is in the City's best interest and authorize such purchasing; and
4. Authorizing the City Manager to execute all necessary documents.

(13) Community Services Department Cancellation Refund Policy and Guidelines. (Community Services – Chavez)

Recommendation:

Approve the Community Services Department’s Cancellation Refund Policy and Guidelines as presented.

NON-AGENDA PUBLIC COMMENT (Continued):

All public comment not presented within the first Non-Agenda Public Comment period above will be heard at this time.

CITY COUNCIL REPORTS:

CITY MANAGER REPORTS:

CITY ATTORNEY REPORTS:

CLOSED SESSION:

(14) Conference with Labor Negotiators

(Government Code Section 54957.6)

City Designated Representative: City Manager

Employee Organization: Santee Firefighters Association

(15) Conference with Legal Counsel – Anticipated Litigation

(Gov. Code section 54956.9(d)(2))

Significant Exposure to Litigation: One case related to a worker’s compensation claim

ADJOURNMENT:





**BOARDS, COMMISSIONS & COMMITTEES
JUNE & JULY MEETINGS**

Jun	02	SPARC	Council Chamber
Jun	13	Community Oriented Policing Committee	Council Chamber
Jun	08	Council Meeting	Council Chamber
Jun	22	Council Meeting	Council Chamber
Jun	30	District 2 – Community Meet and Greet	City Hall Building 8
Jul	07	SPARC CANCELLED	Council Chamber
Jul	11	Community Oriented Policing Committee CANCELLED	Council Chamber
Jul	13	Council Meeting CANCELLED	Council Chamber
Jul	27	Council Meeting	Council Chamber

The Santee City Council welcomes you and encourages your continued interest and involvement in the City’s decision-making process.

For your convenience, a complete Agenda Packet is available for public review at City Hall and on the City’s website at www.CityofSanteeCA.gov.

The City of Santee complies with the Americans with Disabilities Act. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 12132 of the American with Disabilities Act of 1990 (42 USC § 12132). Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk’s Office at (619) 258-4100, ext. 112 at least 48 hours before the meeting, if possible.



MEETING DATE June 22, 2022

ITEM TITLE PROCLAIMING JULY 2022 AS PARKS MAKE LIFE BETTER MONTH IN THE CITY OF SANTEE

DIRECTOR/DEPARTMENT John W. Minto, Mayor

SUMMARY

July is nationally recognized as “Parks Make Life Better Month” and is the time to celebrate the variety of opportunities offered by the Community Services Department that can be enjoyed by youth, adults, seniors, and families.

As we celebrate “Parks Make Life Better Month”, citizens of Santee are reminded that parks and recreation enrich the lives of residents and visitors, as well as adding value to the community’s homes and neighborhoods.

This Proclamation recognizes the importance of access to local parks, recreation, trails, open space, and facilities as a respite for all Californians impacted by the COVID-19 pandemic. We therefore declare the month of July 2022 as Parks Make Life Better!® Month.

While the majority of the City’s recreational amenities and programs are funded entirely through the City’s General Fund, others receive support from the fundraising efforts of the Santee Park and Recreation Committee (“SPARC”). SPARC has been fundraising on behalf of the City’s recreation programs since FY 1995/96. In FY 2021/22, SPARC’s fundraising proceeds helped provide:

- \$4,761 for the Santee Veterans Memorial Monument flag pole
- \$12,500 towards Senior & Teen Recreation programs and activities
- \$2,244 towards Youth and Senior Recreation program financial assistance
- \$3,700 towards Santee Special Events

The Committee’s total contribution since 2010 has been \$362,818.76.

Dean Velasco, Chair of the Santee Park and Recreation Committee (SPARC) and SPARC committee members will accept the proclamation.

FINANCIAL STATEMENT

N/A

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MDSB*

Present the proclamation

ATTACHMENTS

Proclamation





| Proclamation

WHEREAS, Parks and Recreation promotes physical, emotional and mental health and wellness through organized and self-directed fitness, play, and activity for the people of Santee, California; and

WHEREAS, Parks and Recreation creates memorable experiences through youth sports and enrichment activities, teen centers and programs, senior activities, adult fitness and enrichment programs, free community events, and beyond; and

WHEREAS, Parks and Recreation supports the economic vitality of communities by partnering with local businesses and non-profits, and offering events for resident's engagement; and

WHEREAS, Parks and Recreation strengthens community identity by providing facilities and services that reflect and celebrate community character, heritage, culture, history, aesthetics and landscape; and

WHEREAS, Parks and Recreation supports safe, vibrant, attractive, progressive communities that make life better through positive alternatives offered in their recreational opportunities; and

WHEREAS, the residents of Santee benefit from the wide range of parks, trails, open space, sports fields, great facilities such as Mast Park and ongoing progressive park/program development.

NOW, THEREFORE, I, John W. Minto, Mayor of the city of Santee, on behalf of the City Council do hereby proclaim July 2022 as

“Parks Make Life Better! Month”

in the city of Santee, and encourage all Santee residents to recognize the importance of access to local parks, recreation, trails, open space and facilities, and that Parks and Recreation enriches the lives of its residents and visitors as well as adding value to the community's homes and neighborhoods.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-second day of June, two thousand twenty-two, and have caused the Official Seal of the city of Santee to be affixed.



Mayor John W. Minto

MEETING DATE June 22, 2022

ITEM TITLE APPROVAL OF READING BY TITLE ONLY AND WAIVER OF READING IN FULL OF ORDINANCES AND RESOLUTIONS ON THE AGENDA.

DIRECTOR/DEPARTMENT Annette Ortiz, CMC, City Clerk

SUMMARY

This Item asks the City Council to waive the reading in full of all Ordinances on the Agenda (if any) and approve their reading by title only. The purpose of this Item is to help streamline the City Council meeting process, to avoid unnecessary delay and to allow more time for substantive discussion of Items on the agenda.

State law requires that all Ordinances be read in full either at the time of introduction or at the time of passage, unless a motion waiving further reading is adopted by a majority of the City Council. (Gov. Code, § 36934). This means that each word in each Ordinance would have to be read aloud unless such reading is waived. Such reading could substantially delay the meeting and limit the time available for discussion of substantive Items. Adoption of this waiver streamlines the procedure for adopting the Ordinances on tonight's Agenda (if any), because it allows the City Council to approve Ordinances by reading aloud only the title of the Ordinance instead of reading aloud every word of the Ordinance.

The procedures for adopting Resolutions are not as strict as the procedures for adopting Ordinances. For example, Resolutions do not require two readings for passage, need not be read in full or even by title, are effective immediately unless otherwise specified, do not need to be in any particular format unless expressly required, and, with the exception of fixing tax rates or revenue amounts, do not require publication. However, like Ordinances, all Resolutions require a recorded majority vote of the total membership of the City Council. (Gov. Code § 36936).

FINANCIAL STATEMENT

N/A

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION

It is recommended that the Council waive the reading of all Ordinances and Resolutions in their entirety and read by title only.

ATTACHMENT

None



MEETING DATE June 22, 2022

ITEM TITLE PAYMENT OF DEMANDS

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *TKM*

SUMMARY

A listing of checks that have been disbursed since the last Council meeting is submitted herewith for approval by the City Council.

FINANCIAL STATEMENT *TKM*

Adequate budgeted funds are available for the Payment of Demands per the attached listing.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MAB*

Approve the Payment of Demands as presented.

ATTACHMENT

- 1) Summary of Payments Issued
- 2) Voucher Lists

Payment of Demands
Summary of Payments Issued

<u>Date</u>	<u>Description</u>	<u>Amount</u>
06/01/22	Retiree Health	\$ 5,567.00
06/01/22	Accounts Payable	1,573,860.90
06/02/22	Accounts Payable	209,359.23
06/02/22	Payroll	381,465.25
06/02/22	Accounts Payable	37,454.62
06/06/22	Accounts Payable	112,395.47
06/07/22	Accounts Payable	119,435.56
06/08/22	Accounts Payable	<u>456,832.00</u>
	TOTAL	<u>\$2,896,370.03</u>

I hereby certify to the best of my knowledge and belief that the foregoing demands listing is correct, just, conforms to the approved budget, and funds are available to pay said demands.



Tim K. McDermott, Director of Finance

PyBatch
06/01/2022 9:07:43AM

Payroll Processing Report
CITY OF SANTEE

Org: santee Home Dept: 1601

6/1/2022 to 6/30/2022-1 Cycle m

Status: Active Employees

EARNINGS SECTION					DEDUCTIONS SECTION			LEAVE SECTION						
Type	Hours/units	Rate	Amount	Src	Plan	Base Wages	Deduction	Benefit/Cont	LvPlan	Accrued	Taken	Banked	Lost	
Home Dept: 1601 - Human Resources					Employees: 32									
reth	0.00		5,824.00		catax	5,824.00	46.00							
					fedtax	5,824.00	211.00							
Totals	0.00		5,824.00				257.00	0.00						
										Gross:	5,824.00			
										Net:	5,567.00			

<< No Errors / No Warnings >>



Transfer

Retiree Health - June

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130620	6/1/2022	12060 ACCOUNTING PRINCIPALS	12394394	53612	TEMPORARY ACCOUNTING SPECI	1,665.20
					Total :	1,665.20
130621	6/1/2022	10412 AT&T	301053963-JUNE22		MAST PARK	80.96
					Total :	80.96
130622	6/1/2022	14573 AT&T	EN20095A		REFUNDABLE DEPOSIT EN20095A	78.95
					Total :	78.95
130623	6/1/2022	14306 AZTEC LANDSCAPING, INC	J1126	53493	CUSTODIAL SERVICES - PARKS	1,312.89
					Total :	1,312.89
130624	6/1/2022	12951 BERRY, BONNIE F.	June 1, 2022		RETIREE HEALTH PAYMENT	91.00
					Total :	91.00
130625	6/1/2022	10033 CITY ELECTRIC SUPPLY COMPANY	STE/079106	53623	ELECTRICAL SUPPLIES	226.28
					Total :	226.28
130626	6/1/2022	10268 COOPER, JACKIE	June 1, 2022		RETIREE HEALTH PAYMENT	91.00
					Total :	91.00
130627	6/1/2022	12153 CORODATA RECORDS	rs4764830 rs4790916	53565 53565	RECORD STORAGE, RETRIEVEL & RECORD STORAGE, RETRIEVEL &	436.26 607.02
					Total :	1,043.28
130628	6/1/2022	11862 CORODATA SHREDDING INC	DN1347794 dn1351772 dn1359906	53566 53566 53566	SECURE DESCTRUCTION SERVICE SECURE DESCTRUCTION SERVICE SECURE DESCTRUCTION SERVICE	45.82 45.82 45.82
					Total :	137.46
130629	6/1/2022	10486 COUNTY OF SAN DIEGO	05242022		COUNTY RECORDER FEE - NOI	50.00
					Total :	50.00
130630	6/1/2022	10608 CRISIS HOUSE	683	53674	CDBG SUBRECIPIENT	522.75
					Total :	522.75
130631	6/1/2022	14555 DEBTBOOK	DB1021014	53817	ANNUAL DEBTBOOK SUBSCRIPTIC	6,500.00

Voucher List
CITY OF SANTEE

Bank code : ubgen


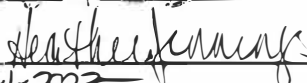
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130631	6/1/2022	14555 14555 DEBTBOOK	(Continued)			Total : 6,500.00
130632	6/1/2022	11881 GOODEN, CHRIS	G5353		WEARING APPAREL	194.84
						Total : 194.84
130633	6/1/2022	14423 GQ BUILDERS INC	CIP 2018-52		RETENTION RELEASE	3,532.70
						Total : 3,532.70
130634	6/1/2022	10490 HARRIS & ASSOCIATES INC	52599 52600	53763 53791	IS/MND - CANNABIS ORDINANCE ESSENTIAL HOUSING PROJECT - E	20,540.63 12,567.50
						Total : 33,108.13
130635	6/1/2022	12591 IMS INFRASTRUCTURE	50390-5 (FINAL)	53639	PAVEMENT CONDITION REPORT U	2,255.00
						Total : 2,255.00
130636	6/1/2022	12011 JAM SERVICES INC	156731	53765	POLARA PUSH BUTTON SYSTEM	14,833.45
						Total : 14,833.45
130637	6/1/2022	14571 KAPPA SURVEYING & ENGINEERING	BC21001A		REFUNDABLE DEPOSIT BC21001A	1,604.84
						Total : 1,604.84
130638	6/1/2022	14570 M. GRANT CORPORATION	GRD1281A		REFUNDABLE DEPOSIT GRD1281A	626.59
						Total : 626.59
130639	6/1/2022	11947 MCCAIN INC	INV0266118	53798	TRAFFIC: 2070 CONTROLLER AND	3,526.66
						Total : 3,526.66
130640	6/1/2022	14499 NANCY J MARSHALL	June 1, 2022		RETIREE HEALTH PAYMENT	91.00
						Total : 91.00
130641	6/1/2022	12904 PAT DAVIS DESIGN GROUP, INC	6871	53460	GRAPHIC DESIGN WORK	3,225.00
						Total : 3,225.00
130642	6/1/2022	12237 RAYON, KYLE	June 1, 2022		RETIREE HEALTH PAYMENT	91.00
						Total : 91.00
130643	6/1/2022	10606 S.D. COUNTY SHERIFF'S DEPT.	SHERIFF MARCH 2022		LAW ENFORCEMENT	1,378,404.57
						Total : 1,378,404.57

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130644	6/1/2022	10407 SAN DIEGO GAS & ELECTRIC	3422 380 562 8-MAY22 4394 020 550 9-MAY22 7990 068 577 7-MAY22 8509 742 169 4-MAY22		ROW / MEDIANS LMD PARKS CITY HALL GROUP BILL	226.67 2,405.26 17,003.17 9,778.48 Total : 29,413.58
130645	6/1/2022	14569 SAN DIEGO SPICE COMPANY	Ref000078920		CORRECTED LICENSE TYPE REFU	43.00 Total : 43.00
130646	6/1/2022	10677 SANTEE CHAMBER OF COMMERCE	2689	53758	SANTEE MAGAZINE - SUMMER ISS	2,160.00 Total : 2,160.00
130647	6/1/2022	10110 SECTRAN SECURITY INC	22050505	53532	FY 21/22 ARMORED CAR TRANSPC	141.67 Total : 141.67
130648	6/1/2022	14038 SINGH GROUP INC	41074	53512	DEAD ANIMAL REMOVAL SERVICE	1,334.30 Total : 1,334.30
130649	6/1/2022	12527 SOCIETY FOR HUMAN	SO1834657		SHRM MEMBERSHIP	229.00 Total : 229.00
130650	6/1/2022	10217 STAPLES ADVANTAGE	3507514275	53513	OFFICE SUPPLIES - FINANCE	45.51 Total : 45.51
130651	6/1/2022	10121 SUPERIOR READY MIX LP	279262	53505	ASPHALT MATERIALS & SUPPLIES	1,022.54 Total : 1,022.54
130652	6/1/2022	14572 TARPY PLUMBING, HEATING & AIR	22STE-00408		REQUEST FOR REFUND; PERMIT #	254.94 Total : 254.94
130653	6/1/2022	11882 THOMPSON, ZANE	W08288		WEARING APPAREL	194.84 Total : 194.84
130654	6/1/2022	14388 TRAVIS STOUT	E4079353		PROFESSIONAL DEVELOPMENT	85.00 Total : 85.00
130655	6/1/2022	14463 TRUESDELL CORPORATION OF	CIP 2013-01		RETENTION RELEASE	51,618.49

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130655	6/1/2022	14463	14463 TRUESDELL CORPORATION OF	(Continued)		Total : 51,618.49
130656	6/1/2022	12480	UNITED SITE SERVICES	114-13080222	PORTABLE TOILETS, TEMP FENCE	208.04
				114-13080223	PORTABLE TOILETS, TEMP FENCE	375.80
				114-13082059	PORTABLE TOILETS, TEMP FENCE	238.11
					Total :	821.95
130657	6/1/2022	13949	VENTEK INTERNATIONAL	131370	REPLACEMENT PRINTER	1,598.76
				53776		
					Total :	1,598.76
130658	6/1/2022	10136	WEST COAST ARBORISTS INC	185328	URBAN FORESTRY MANAGEMENT	1,495.20
				185329	URBAN FORESTRY	854.40
					Total :	2,349.60
130659	6/1/2022	13996	WESTERN AUDIO VISUAL	CIP2016-51R	RETENTION RELEASE	29,132.17
					Total :	29,132.17
130660	6/1/2022	12930	WILLIAMS, ROCHELLE M.	June 1, 2022	RETIREE HEALTH PAYMENT	91.00
					Total :	91.00
130661	6/1/2022	12641	WITTORFF, VICKY DENISE	June 1, 2022	RETIREE HEALTH PAYMENT	31.00
					Total :	31.00
42 Vouchers for bank code : ubgen						Bank total : 1,573,860.90
42 Vouchers in this report						Total vouchers : 1,573,860.90


Prepared by: 
 Date: 6-1-22
 Approved by: 
 Date: 6-1-2022

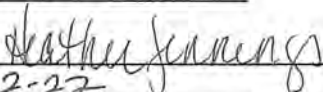
Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130662	6/2/2022	12724 AMERICAN FIDELITY ASSURANCE	D459822		VOLUNTARY LIFE INS-AM FIDELITY	4,802.44
					Total :	4,802.44
130663	6/2/2022	12903 AMERICAN FIDELITY ASSURANCE CO	6052748		FLEXIBLE SPENDING ACCOUNT	2,069.64
					Total :	2,069.64
130664	6/2/2022	10208 ANTHEM EAP	046580737742		EMPLOYEE ASSISTANCE PROGRAI	286.38
					Total :	286.38
130665	6/2/2022	10334 CHLIC	3012034		HEALTH INSURANCE	185,671.76
					Total :	185,671.76
130666	6/2/2022	14458 METROPOLITAN LIFE INSURANCE	72171352		DENTAL INSURANCE	11,565.28
					Total :	11,565.28
130667	6/2/2022	10785 RELIANCE STANDARD LIFE	June 22		VOLUNTARY LIFE INSURANCE	501.16
					Total :	501.16
130668	6/2/2022	10424 SANTEE FIREFIGHTERS	PPE 05/25/22		DUES/PEC/BENEVOLENT/BC EXP	3,220.35
					Total :	3,220.35
130669	6/2/2022	10776 STATE OF CALIFORNIA	PPE 05/25/22		WITHHOLDING ORDER	449.53
					Total :	449.53
130670	6/2/2022	14467 TEXAS LIFE INSURANCE COMPANY	SM0F0U20220515001		VOLUNTARY INS RIDERS	110.35
					Total :	110.35
130671	6/2/2022	10001 US BANK	PPE 05/25/22		PARS RETIREMENT	682.34
					Total :	682.34
10 Vouchers for bank code : ubgen						Bank total : 209,359.23
10 Vouchers in this report						Total vouchers : 209,359.23

Bank code : ubgen

<u>Voucher</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>PO #</u>	<u>Description/Account</u>	<u>Amount</u>
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Prepared by: 
Date: 6-2-22

Approved by: 
Date: 6-2-22

EARNINGS SECTION					DEDUCTIONS SECTION				LEAVE SECTION				
Type	Hours/units	Rate	Amount	Src	Plan	Base Wages	Deduction	Benefit/Cont	LvPlan	Accrued	Taken	Banked	Lost
vtkn	233.11		10,897.01		sb-3		59.95						
wcbf	74.67				sffa		2,662.08						
wctx	41.00		1,243.96		sffapc		422.40						
					st1cs3	96,683.77	2,900.53	-2,900.53					
					st2cs3	12,619.94	378.60	-378.60					
					texlif		55.19						
					vaccpr		598.05						
					vaccpt		289.17						
					vcnpr		456.77						
					vcnpt		161.50						
					vgcpi		88.81						
					vision		497.79						
					voladd		37.29						
					voldis		234.94						
					vollad			250.57					
					vollif		250.59						
Grand Totals	14,531.75		592,953.78				211,488.53	254,425.07					

Gross:	592,953.78
Net:	381,465.25

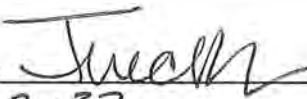
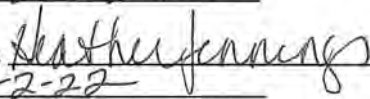
<< No Errors / 14 Warnings >>

HJ

Transfer
PPE 5/25/22
Pay Date 6/2/22


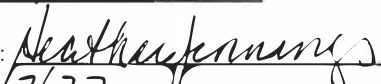
Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
754964	6/2/2022	10959 VANTAGE TRANSFER AGENT/457	PPE 05/25/22		ICMA - 457	33,211.39
					Total :	33,211.39
754984	6/2/2022	10782 VANTAGEPOINT TRNSFR AGT/801801	PPE 05/25/22		RETIREE HSA	4,243.23
					Total :	4,243.23
2 Vouchers for bank code : ubgen						Bank total : 37,454.62
2 Vouchers in this report						Total vouchers : 37,454.62

Prepared by: 
Date: 6-2-22
Approved by: 
Date: 6-2-22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
13098	6/6/2022	10955 DEPARTMENT OF THE TREASURY	June 22 Retirees PPE 05/25/22		FEDERAL WITHHOLDING TAX FED WITHHOLD & MEDICARE	211.00 84,148.27
						Total : 84,359.27
13110	6/6/2022	10956 FRANCHISE TAX BOARD	June 22 Retirees PPE 05/25/22		CA STATE TAX WITHHELD CA STATE TAX WITHHELD	46.00 27,990.20
						Total : 28,036.20
2 Vouchers for bank code : ubgen						Bank total : 112,395.47
2 Vouchers in this report						Total vouchers : 112,395.47

Prepared by: 
Date: 6.7.22
Approved by: 
Date: 6/7/22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
5224	6/7/2022	10353 PERS	05 22 4		RETIREMENT PAYMENT	119,435.56
Total :						119,435.56

1 Vouchers for bank code : ubgen

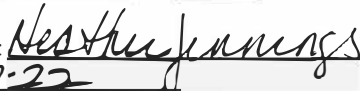
Bank total : 119,435.56

1 Vouchers in this report

Total vouchers : 119,435.56

Prepared by: 

Date: 6-7-22

Approved by: 

Date: 6-7-22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130672	6/8/2022	12060 ACCOUNTING PRINCIPALS	12404179	53612	TEMPORARY ACCOUNTING SPECI/	1,665.20
					Total :	1,665.20
130673	6/8/2022	13287 ANIXTER	187407158	53732	FIBEROPTIC EQUIPMENT	4,073.86
					Total :	4,073.86
130674	6/8/2022	10412 AT&T	000018233460		TELEPHONE	799.91
					Total :	799.91
130675	6/8/2022	10020 BEST BEST & KRIEGER LLP	935317		REDISTRICTING SERVICES	42,200.00
					Total :	42,200.00
130676	6/8/2022	10298 BLACKMAN, HAILE G	7	53816	SANTEE SUMMER CONCERTS	2,000.00
					Total :	2,000.00
130677	6/8/2022	12136 BOB MURRAY & ASSOCIATES	9600 9601	53731 53744	DIRECTOR OF COMMUNITY SERVI DIRECTOR OF HUMAN RESOURCE	176.88 207.69
					Total :	384.57
130678	6/8/2022	12349 CHOICE LOCKSMITHING	042022CH	53521	LOCKSMITH SERVICES	99.50
					Total :	99.50
130679	6/8/2022	12328 CINTAS FIRE 636525	5108594928	53557	FIRST-AID KIT SERVICE	235.12
					Total :	235.12
130680	6/8/2022	12153 CORODATA RECORDS	rs4773511	53565	RECORD STORAGE, RETRIEVEL &	474.09
					Total :	474.09
130681	6/8/2022	10040 COUNTYWIDE MECHANICAL SYSTEMS	50523	53436	HVAC MAINT & REPAIRS	533.40
					Total :	533.40
130682	6/8/2022	14322 CRITTER ENCOUNTERS	350		DAY CAMP PROGRAMMING	275.00
					Total :	275.00
130683	6/8/2022	13129 DAVID TURCH AND ASSOCIATES	5132022	53644	DAVID TURCH & ASSOCIATES AGR	5,000.00
					Total :	5,000.00

Bank code : ubqen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130684	6/8/2022	13442 EBBIN MOSER + SKAGGS LLP	4954 4956	52777 52777	MSCP SUBAREA PLAN MSCP SUBAREA PLAN	10,127.50 9,453.75 Total : 19,581.25
130685	6/8/2022	10057 SAFEBUILT, LLC LOCKBOX #88135	04/2022		SHARE OF FEES	73,746.95 Total : 73,746.95
130686	6/8/2022	10251 FEDERAL EXPRESS	9-626-37288		SHIPPING CHARGES	6.76 Total : 6.76
130687	6/8/2022	14425 FEHR&PEERS	154844	53675	SANTEE SB 743 IMPLEMENTATION	5,617.50 Total : 5,617.50
130688	6/8/2022	10009 FIRE ETC	167774	53443	SAFETY APPAREL	323.25 Total : 323.25
130689	6/8/2022	11911 GALLS LLC	021109629	53778	SAFETY EQUIPMENT	17,413.18 Total : 17,413.18
130690	6/8/2022	10065 GLOBAL POWER GROUP INC	80414	53495	GENERATOR MAINT & REPAIRS	100.00 Total : 100.00
130691	6/8/2022	10066 GLOBALSTAR USA LLC	000000032193066		SATELLITE PHONE SERVICE	92.68 Total : 92.68
130692	6/8/2022	11875 HALL, RONN	110		ICSC 2022 LAS VEGAS	868.10 Total : 868.10
130693	6/8/2022	11196 HD SUPPLY FACILITIES	9202924320	53409	STATION SUPPLIES	45.19 Total : 45.19
130694	6/8/2022	14459 HMC GROUP	162490	53747	SANTEE COMMUNITY CENTER	83,140.75 Total : 83,140.75
130695	6/8/2022	14370 HPS MECHANICAL, INC	85578	53626	PLUMBING REPAIRS	772.00 Total : 772.00
130696	6/8/2022	11391 HUMPHREY, BREANNE	520		ICSC 2022 LAS VEGAS	52.80

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130696	6/8/2022	11391 11391 HUMPHREY, BREANNE	(Continued)			Total : 52.80
130697	6/8/2022	11807 IMPERIAL SPRINKLER SUPPLY	5125968-00 5136796-00	53602 53602	IRRIGATION PARTS IRRIGATION PARTS	25.72 364.42 Total : 390.14
130698	6/8/2022	10120 KEARNY PEARSON FORD	1776769 1777108	53449 53449	VEHICLE REPAIR PART VEHICLE REPAIR PART	26.91 406.01 Total : 432.92
130699	6/8/2022	13223 KOVAL, LAURA	2022		ICSC 2022 LAS VEGAS	375.12 Total : 375.12
130700	6/8/2022	10430 LEAGUE OF CALIFORNIA CITIES	1680		LEAGUE MEMBERSHIP DUES	600.00 Total : 600.00
130701	6/8/2022	10079 MEDICO HEALTHCARE LINEN	20616415	53546	MEDICAL LINEN SERVICE	13.01 Total : 13.01
130702	6/8/2022	14208 MINUTEMAN PRESS EL CAJON	63627	53586	BUSINESS CARDS - DDS	92.56 Total : 92.56
130703	6/8/2022	10507 MITEL LEASING	903716749 MAY 22 903716774 MAY22 903716814 MAY22 903716817 MAY22		MONTHLY RENTAL 122670 MONTHLY RENTAL 124690 MONTHLY RENTAL 130737 MONTHLY RENTAL 131413	1,878.80 312.66 276.33 266.16 Total : 2,733.95
130704	6/8/2022	10083 MUNICIPAL EMERGENCY SERVICES	IN1706255	53788	WEARING APPAREL	1,252.60 Total : 1,252.60
130705	6/8/2022	10105 MYERS & SONS HI-WAY SAFETY INC	129345	53777	TRAFFIC MESSAGE BOARD	17,448.80 Total : 17,448.80
130706	6/8/2022	12991 NATIONAL LIGHTING SUPPLY LLC	134523	53665	LIGHTING/ELECTRICAL SUPPLIES	1,955.06 Total : 1,955.06
130707	6/8/2022	14366 PACIFIC PLAY SYSTEMS INC.	INV2022-859		PLAYGROUND EQUIPMENT PARTS	770.00

Bank code : ubqen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130707	6/8/2022	14366 14366 PACIFIC PLAY SYSTEMS INC.	(Continued)			Total : 770.00
130708	6/8/2022	14534 PELOTON INTERACTIVE, INC	ng5dCQAQ	53830	FITNESS EQUIPMENT	2,779.52
			ng6LnQAI	53830	FITNESS EQUIPMENT	2,617.89
					Total :	5,397.41
130709	6/8/2022	13669 PORTILLO CONCRETE, INC	CIP 2021-05 #2	53773	CITYWIDE CONCRETE REPAIR AND	41,406.60
			CIP 2021-05 #2R		RETENTION	-2,070.33
					Total :	39,336.27
130710	6/8/2022	10095 RASA	5621	53630	MAP CHECK - LANTERN CREST RII	1,305.00
					Total :	1,305.00
130711	6/8/2022	10109 SAN DIEGO COUNTY FIRE CHIEFS'	06022022		SDCFCA INSTALLATION MTNG	140.00
					Total :	140.00
130712	6/8/2022	10407 SAN DIEGO GAS & ELECTRIC	0422 970 321 8 MAY22		STREET LIGHTS	43,756.24
			2237 358 004 2 MAY22		TRAFFIC SIGNALS	6,310.11
					Total :	50,066.35
130713	6/8/2022	13206 SHARP BUSINESS SYSTEMS	9003797790	53579	SHARP COPIES/MAIN 05/2022	932.80
					Total :	932.80
130714	6/8/2022	12223 SITEONE LANDSCAPE SUPPLY LLC	119146748-001	53733	IRRIGATION PARTS	193.38
			119326935-001	53733	IRRIGATION PARTS	1,623.26
			119326935-002	53733	IRRIGATION PARTS	304.40
			119607478-001	53733	IRRIGATION PARTS	541.96
					Total :	2,663.00
130715	6/8/2022	10213 SOUTH BAY FOUNDRY INC	0219906	53767	MEMORIAL PARK BENCH	2,260.60
					Total :	2,260.60
130716	6/8/2022	11056 STANDARD ELECTRONICS	S46547	53510	SECURITY SYS	808.00
					Total :	808.00
130717	6/8/2022	10217 STAPLES ADVANTAGE	3507665475	53548	OFFICE SUPPLIES - DDS	33.87
			3507665476	53467	STAPLES OFFICE SUPPLIES	9.27
			3507735102	53631	AS NEEDED OFFICE SUPPLIES	90.68

Bank code : ubqen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130717	6/8/2022	10217 STAPLES ADVANTAGE	(Continued)			
			3507735103	53467	STAPLES OFFICE SUPPLIES	66.84
			3508083821	53513	OFFICE SUPPLIES - FINANCE	390.49
					Total :	591.15
130718	6/8/2022	10119 STEVEN SMITH LANDSCAPE INC	49022	53502	A 3 LANDSCAPE SERVICES	1,907.03
			49128	53502	A 3 LANDSCAPE SERVICES	11,365.42
			49221	53502	A 3 LANDSCAPE SERVICES	1,006.94
			49319	53502	A 3 LANDSCAPE SERVICES	11,940.16
			49439	53502	A 3 LANDSCAPE SERVICES	755.20
			49545	53502	A 3 LANDSCAPE SERVICES	11,365.42
			49592	53417	A 1 LANDSCAPE SERVICES	14,870.57
			49593	53417	A 1 LANDSCAPE SERVICES	4,118.85
					Total :	57,329.59
130719	6/8/2022	14572 TARPY PLUMBING, HEATING & AIR	22STE-00408		REQUEST FOR REFUND; PERMIT #	203.95
					Total :	203.95
130720	6/8/2022	10183 THE MIGHTY UNTOUCHABLES LLC	06092022	53821	SANTEE SUMMER CONCERTS	1,750.00
					Total :	1,750.00
130721	6/8/2022	14169 TROTTER, DUSTIN	520		ICSC 2022 LAS VEGAS	515.88
					Total :	515.88
130722	6/8/2022	10550 UNIFORMS PLUS INC	56060	53469	WEARING APPAREL	506.27
			56080	53469	WEARING APPAREL	649.50
					Total :	1,155.77
130723	6/8/2022	12480 UNITED SITE SERVICES	114-13095280	53419	PORTABLE TOILETS, TEMP FENCE	94.82
					Total :	94.82
130724	6/8/2022	11194 USAFACT INC	2053314		BACKGROUND CHECK	55.56
					Total :	55.56
130725	6/8/2022	14574 JAMIE THURMAN	Ref000078955		CORRECTED LICENSE TYPE REFU	43.00
					Total :	43.00
130726	6/8/2022	10136 WEST COAST ARBORISTS INC	185815	53503	URBAN FORESTRY	2,136.00

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130726	6/8/2022	10136 WEST COAST ARBORISTS INC	(Continued) 186137 186138	53503 53503	URBAN FORESTRY URBAN FORESTRY MANAGEMENT	3,417.60 854.40
Total :						6,408.00
130727	6/8/2022	10232 XEROX CORPORATION	590574717	53540	XEROX COPIES 12/2021	209.63
Total :						209.63
56 Vouchers for bank code : ubgen						Bank total : 456,832.00
56 Vouchers in this report						Total vouchers : 456,832.00

Prepared by: 

Date: 6-8-22

Approved by: 

Date: 6-8-22

MEETING DATE June 22, 2022

ITEM TITLE APPROVAL OF THE EXPENDITURE OF \$69,244.83 FOR MAY 2022
LEGAL SERVICES AND REIMBURSABLE COSTS

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *TKM*

SUMMARY

Legal services invoices proposed for payment for the month of May 2022 total \$69,244.83 as follows:

1) General Retainer Services	\$ 15,743.00
2) Labor & Employment	1,117.80
3) Litigation & Claims	8,171.70
4) Special Projects - General Fund	32,517.43
5) Special Projects – Other Funds	4,821.00
6) Third-Party Reimbursable Projects	<u>6,873.90</u>
Total	<u>\$ 69,244.83</u>

FINANCIAL STATEMENT *TKM*

	<u>AMOUNT</u>	<u>BALANCE</u>
General Fund:		
Adopted Budget	\$ 796,920.00	
Revised Budget	\$ 796,920.00	
Prior Expenditures	(560,960.51)	
Current Request	(57,549.93)	\$ 178,409.56
Other Funds (excluding third-party reimbursable items):		
Adopted Budget	\$ 85,000.00	
Revised Budget	\$ 92,000.00	
Prior Expenditures	(41,782.18)	
Current Request	(4,821.00)	\$ 45,396.82

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Approve the expenditure of \$69,244.83 for May 2022 legal services and reimbursable costs.

ATTACHMENTS

1. Legal Services Billing Summary May 2022
2. Legal Services Billing Recap FY 2021-22



**LEGAL SERVICES BILLING SUMMARY
MAY 2022**

Attachment 1

DESCRIPTION	CURRENT AMOUNT	INVOICE NUMBER
Retainer 1001.00.1201.51020	\$ 15,743.00 <u>15,743.00</u>	937459
Labor & Employment: Labor & Employment Employee Benefits 1001.00.1201.51020	 923.40 194.40 <u>1,117.80</u>	 937477 937483
Litigation & Claims: Litigation & Claims Affordable Housing Coalition of San Diego County Parcel 4 Litigation Brooks Receivership 1001.00.1201.51020	 2,940.30 2,405.90 2,381.40 444.10 <u>8,171.70</u>	 937478 937480 937461 937465
Special Projects (General Fund): Community Oriented Policing Climate Action Plan CEQA Special Advice Water Quality Parcel 4 Hotel Housing Element Advanced Records Center Services for PRA Cannabis 1001.00.1201.51020	 11,002.23 510.30 2,284.20 801.90 1,765.30 2,162.70 3,153.00 9,258.30 <u>30,937.93</u>	 937479 937481 937474 937482 937485 937460 937466 937467
Special Projects - CSA 69 (General Fund) CSA 69 Dissolution 1001.03.2203.51020	 <u>1,579.50</u>	 937468
Special Projects (Other Funds): Cuyamaca Street Right-of-Way Acquisition Town Center LMD Zone B (The Lakes)	 3,970.50 850.50 <u>4,821.00</u>	 937462 937484
Third-Party Reimbursable: Lantern Crest Castlerock (Weston) MSCP Subarea Plan HomeFed Project Fanita Ranch Referendum Redevelopment of Carlton Oaks Golf Course	 75.40 62.40 942.50 5,070.50 534.60 188.50 <u>6,873.90</u>	 937469 937471 937472 937473 937464 937470
Total	 <u>\$ 69,244.83</u>	

**LEGAL SERVICES BILLING RECAP
FY 2021-22**

<u>Category</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Previously Spent Year to Date</u>	<u>Available Balance</u>	<u>Current Request Mo/Yr</u>	<u>Amount</u>
General Fund:						
General / Retainer	\$ 190,920.00	\$ 190,920.00	\$ 157,694.05	\$ 33,225.95	May-22	\$ 15,743.00
Labor & Employment	60,000.00	60,000.00	32,984.55	27,015.45	May-22	1,117.80
Litigation & Claims	275,000.00	275,000.00	87,574.30	187,425.70	May-22	8,171.70
Special Projects	271,000.00	271,000.00	282,707.62	(11,707.62)	May-22	32,517.43
Total	\$ 796,920.00	\$ 796,920.00	\$ 560,960.52	\$ 235,959.48		\$ 57,549.93
Other City Funds:						
MHFP Commission	\$ 5,000.00	\$ 10,000.00	\$ 12,368.70	\$ (2,368.70)		\$ -
Capital Projects	75,000.00	75,000.00	28,052.68	46,947.32	May-22	3,970.50
Highway 52 Coalition	5,000.00	5,000.00	801.90	4,198.10		-
Town Center LMD	-	2,000.00	558.90	1,441.10	May-22	850.50
Total	\$ 85,000.00	\$ 92,000.00	\$ 41,782.18	\$ 50,217.82		\$ 4,821.00
Third-Party Reimbursable:						
Total			\$ 130,452.49		May-22	\$ 6,873.90

Total Previously Spent to Date FY 2021-22	
General Fund	\$ 560,960.52
Other City Funds	41,782.18
Applicant Deposits or Grants	130,452.49
Total	\$ 733,195.19

Total Proposed for Payment	
General Fund	\$ 57,549.93
Other City Funds	4,821.00
Applicant Deposits or Grants	6,873.90
Total	\$ 69,244.83

MEETING DATE June 22, 2022

ITEM TITLE RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA ACCEPTING THE SANTEE LAKES STORM DRAIN REPLACEMENT (CIP 2020-24) PROJECT AS COMPLETE

DIRECTOR/DEPARTMENT Carl Schmitz, City Engineer *SM FOR:*

SUMMARY

This item requests City Council accept the Santee Lakes Storm Drain Replacement (CIP 2020-24) project as complete. This project removed and replaced a master drainage facility crossing the Santee Lakes Recreational Preserve operated by the Padre Dam Municipal Water District from the preserve's entrance driveway to the Sycamore Creek outfall. Work required the removal of dual 72" diameter corrugated metal pipe (CMP) storm drains and the replacement with a 5'x12' reinforced concrete box culvert and required restoration of concrete sidewalks, asphalt driveways, sod turf, trees and landscape irrigation, on District property.

At its April 14, 2021 meeting, the City Council awarded the construction contract for the Santee Lakes Storm Drain Replacement (CIP 2020-24) project for a total contract amount of \$1,961,597.80 to Southland Paving, Inc. and authorized the Director of Development Services to approve contract change orders in a total amount not to exceed \$196,159.78 for unforeseen items and additional work.

A Notice to Proceed was issued on June 1, 2021 and the work was completed on May 6, 2022. Six contract change orders were approved in the amount totaling \$54,097.97.

Staff requests City Council accept the project as complete and direct the City Clerk to file a Notice of Completion with the San Diego County Clerk.

FINANCIAL STATEMENT *in*

Funding for this project was provided by Drainage Fees available in the adopted Capital Improvement Program budget as part of the Citywide CMP Storm Drain Replacement Program.

Design and Bidding	\$ 346,498.51
Construction Contract	1,961,597.80
Construction Change Orders	54,097.97
Construction Engineering/Management	59,789.50
Project Close Out	2,500.00
Total Project Cost	<u>\$ 2,424,483.78</u>

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Adopt the attached Resolution accepting the Santee Lakes Storm Drain Replacement (CIP 2020-24) project as complete.

ATTACHMENT

Resolution



RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
ACCEPTING THE SANTEE LAKES STORM DRAIN REPLACEMENT (CIP 2020-24)
PROJECT AS COMPLETE**

WHEREAS, the City Council awarded the construction contract for the Santee Lakes Storm Drain Replacement (CIP 2020-24) project to Southland Paving, Inc. on April 14, 2021 in the amount totaling \$1,961,597.80; and

WHEREAS, the City Council authorized staff to approve construction change orders in a total amount not to exceed \$196,159.78; and

WHEREAS, six change orders were approved in the amount totaling \$54,097.97 for unforeseen items and additional work; and

WHEREAS, the construction contract was completed for a total contract amount of \$2,015,695.77; and

WHEREAS, Southland Paving, Inc. has completed the project in accordance with the contract plans and specifications.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, that the work for the construction of the Santee Lakes Storm Drain Replacement (CIP 2020-24) project is accepted as complete on this date and the City Clerk is directed to record a Notice of Completion.

ADOPTED by the City Council of the City of Santee, California, at a Regular meeting thereof held this 22nd day of June, 2022 by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

MEETING DATE June 22, 2022

ITEM TITLE RESOLUTION AUTHORIZING THE PURCHASE OF NEW STRUCTURAL FIREFIGHTING CLOTHING (TURNOUTS) FROM MUNICIPAL EMERGENCY SERVICES, PER SOURCEWELL CONTRACT #032620-MES

DIRECTOR/DEPARTMENT John Garlow, Fire Chief ⁷⁰

SUMMARY

This item requests City Council authorization to purchase an additional nine (9) pairs of structural firefighting pants and ten (10) structural firefighting coats (“turnouts”) from Municipal Emergency Services (MES). This purchase is necessary in order to outfit one new firefighter with one (1) set, as well as to replace existing gear that failed annual testing and cannot remain in service.

Santee Municipal Code Section 3.24.130(A) authorizes the City to join with other public jurisdictions in cooperative purchasing plans or programs as determined by the purchasing agent to be in the City’s best interest. On May 5, 2020, Sourcewell, a State of Minnesota local government agency and service cooperative, of which the City is a member, completed a competitive request for proposals process for the procurement of firefighting personal protective equipment, apparel and accessories. Based on evaluation criteria such as pricing, selection and variety of products offered, customer support and ability to meet the contract requirements, Municipal Emergency Services (MES) was awarded Contract #032620-MES for an initial term of four years plus one annual option to renew. Staff has evaluated the pricing, products and support provided by the contract and the purchasing agent has determined that utilization of Contract #032620-MES for the purchase of turnouts to be in the City’s best interest.

Santee’s Purchasing Ordinance requires City Council approval of all purchases exceeding \$25,000 in any single fiscal year. The department has already purchased twelve (12) sets of turnouts in the amount of \$38,489.13 this fiscal year. Staff recommends utilizing Sourcewell Contract #032620-MES to purchase an additional nine (9) pairs of pants and ten (10) coats from MES for an amount not to exceed \$36,001.90. The total cost for structural firefighting clothing (turnouts) purchased during FY 2021-22 will be an amount not to exceed \$74,491.03.

FINANCIAL STATEMENT ^{jm}

Adequate funding for the purchase of the additional nine (9) pairs of structural firefighting pants and ten (10) structural firefighting coats (turnouts) is included in the amended FY 2021-22 Fire Department budget.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION ^{MJB}

Adopt the attached resolution authorizing the purchase of structural firefighting clothing (turnouts) to include nine (9) pairs of pants and ten (10) coats from Municipal Emergency Services (MES) per Sourcewell Contract #032620-MES for an amount not to exceed \$36,001.90 and authorizing the City Manager to execute all necessary documents.

ATTACHMENT Resolution



RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
AUTHORIZING THE PURCHASE OF NEW STRUCTURAL FIREFIGHTING CLOTHING
(TURNOUTS) FROM MUNICIPAL EMERGENCY SERVICES PER SOURCEWELL
CONTRACT #032620-MES**

WHEREAS, the City of Santee's ("City") amended FY 2021-22 Fire and Life Safety Department operating budget includes funding for the purchase of structural firefighting clothing (turnouts); and

WHEREAS, Santee Municipal Code Section 3.24.130(A) authorizes the City to join with other public jurisdictions in cooperative purchasing plans or programs as determined by the purchasing agent to be in the City's best interest; and

WHEREAS, in May 2020, Sourcewell, a State of Minnesota local government agency and service cooperative, of which the City is a member, completed a competitive request for proposals process for the procurement of firefighting personal protective equipment, apparel and accessories; and

WHEREAS, based on evaluation criteria such as pricing, selection and variety of products offered, customer support and ability to meet the contract requirements, Municipal Emergency Services (MES) was awarded Contract #032620-MES for firefighting personal protective equipment, apparel and accessories for an initial term of four years plus one annual option to renew; and

WHEREAS, staff has evaluated the pricing, products and support provided by Sourcewell Contract #032620-MES and desires to use Sourcewell Contract #032620-MES to purchase an additional nine (9) pairs of structural firefighting pants and ten (10) structural firefighting coats (turnouts) for the Fire and Life Safety Department to outfit the department's newest firefighter with safety clothing and to replace existing gear that failed annual testing and cannot remain in service.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, that the City Council hereby:

1. Authorizes the purchase of an additional nine (9) pairs of structural firefighting pants and ten (10) structural firefighting coats (turnouts) from Municipal Emergency Services (MES) per Sourcewell Contract #032620-MES for an amount not to exceed \$36,001.90, resulting in a total cost not to exceed \$74,491.03 for FY 2021-22; and
2. Authorizes the City Manager to execute all necessary documents.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 22nd day of June 2022, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

MEETING DATE June 22, 2022

ITEM TITLE CANNABIS WORKSHOP NO. 5

DIRECTOR/DEPARTMENT Marlene Best, City Manager
Tim McDermott, Finance *TM*
Chris Jacobs, Principal Planner *CJ*
Shawn Hagerty, City Attorney

SUMMARY

At the City Council Planning Retreat on March 9, 2021, the City Council established a priority to review economic development and regulatory options for possible cannabis businesses in Santee. This priority was confirmed by the City Council at the City Council meeting on March 24, 2021. The City currently does not allow cannabis businesses to operate within City boundaries. The cannabis industry is highly regulated and the laws have evolved relatively quickly. Many cities across the state are similar to Santee, in that they have restricted cannabis businesses within the City and are now beginning to reconsider such restrictions.

To date the City Council has held four public workshops on the topic of cannabis. In May 2021, the Council considered information regarding the industry, actions of neighboring jurisdictions related to cannabis, and previous actions by the state to allow both medicinal and adult recreational use of cannabis. In August 2021, the City Council gave direction by majority vote to continue to pursue information regarding retail (dispensary) uses, testing labs and microbusinesses that contain at least three elements of the cannabis industry under one company (e.g., retail, distribution, cultivation and/or manufacturing). In October 2021, the Council reviewed information further outlining existing state regulations and requirements as well as policy questions generally related to location, license and revenue options for the industry to be used to assist in drafting the appropriate ordinance. In March 2022, staff presented a draft Cannabis Business Ordinance (“Regulatory Ordinance”) and received Council direction to make certain revisions, which have now been completed. Council has also expressed an interest in considering a cannabis business tax that would apply in the event that cannabis businesses are permitted to operate in the City.

The purpose of this fifth cannabis workshop is (1) to present the revised Regulatory Ordinance; and (2) to present a draft cannabis tax measure (“Tax Measure”) for Council review and direction.

ENVIRONMENTAL REVIEW

This is a workshop, not subject to CEQA pursuant to Section 15306, titled “Information Collection”. Compliance with the Environmental Quality Act (CEQA) would be required for the adoption of the cannabis ordinance, and an Initial Study for the draft ordinance is underway.



FINANCIAL STATEMENT *jm*

Funds to support the investigative and review process were included in the Fiscal Year 2021-22 adopted General Fund Budget. Future implementation costs if pursued would be supported by fees paid by any future cannabis businesses.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MdB*

1. Receive the revised Regulatory Ordinance; and
2. Conduct the public workshop and provide direction to staff regarding the draft Tax Measure.

ATTACHMENTS

Staff Report
Map of Sensitive Uses, Zoning and 900-foot Buffers
Revised Regulatory Ordinance (clean and redline versions)
Draft Tax Measure

**CANNABIS WORKSHOP NO. 5
STAFF REPORT**

**City Council Meeting
June 22, 2022**

A. BACKGROUND

At the City Council Planning Retreat on March 9, 2021, the City Council established a priority to review economic development and regulatory options for possible cannabis businesses in Santee. This priority was confirmed by the City Council at the City Council meeting on March 24, 2021. The City of Santee currently does not allow cannabis businesses to operate within City boundaries. The cannabis industry is highly regulated, and the laws have evolved relatively quickly. Many cities across the state are like Santee, in that they have restricted cannabis businesses within the City and are now beginning to reconsider such restrictions.

At the City Council meeting on May 12, 2021, staff presented information on the status of the cannabis industry in California and within various local cities. Council directed staff to bring back additional information to assist in the consideration of allowing cannabis businesses to operate in Santee. The issue of retaining local control with informed decision making, as opposed to the threat of being subjected to State legislation or a voter initiative, was raised by several Council members.

At the City Council meeting on August 11, 2021, staff presented information and received Council direction regarding the specific types of cannabis businesses warranting further consideration, including retail (dispensary) uses, testing labs, and microbusinesses that contain at least three elements of the cannabis industry under one company (e.g., retail, distribution, cultivation and/or manufacturing).

At the City Council meeting on October 13, 2021, staff presented further information regarding state regulations as well as policy questions related to the location, license and revenue options for the industry segments selected by the City Council. Land use and CEQA considerations, best practices, and fiscal impacts / potential revenues were also discussed which informed the process of developing a Santee cannabis business ordinance.

At the City Council meeting on October 13, 2021, the City Council directed staff to develop a cannabis ordinance.

At the City Council meeting on March 9, 2022, staff presented for Council review a draft Cannabis Business Ordinance (referred to herein as the "Regulatory Ordinance") that would permit certain types of cannabis businesses to operate in the City upon the issuance of a Cannabis Business Permit, and in accordance with the requirements set forth in the Regulatory Ordinance. Council directed staff to make certain revisions to the draft Regulatory Ordinance, as discussed in Section B below.

The purpose of this fifth workshop is (1) to present the revised Regulatory Ordinance; and (2) to present a draft cannabis tax measure (“Tax Measure”) for Council review and direction.

B. REVISED REGULATORY ORDINANCE

The redline included in the agenda materials indicates the revisions made to the Regulatory Ordinance since the last workshop. The following substantive revisions were made, as directed by Council:

- Increased the “buffer” zones from sensitive uses from 600 feet to 900 feet (§7.04.290(C)(2))
- Added parks and places of worship as sensitive uses (§7.04.290(C)(2)(c), (d))
- Clarified the land use zones in which each type of permitted cannabis business would be permitted to operate (§7.04.290(B))
 - Specified that only storefront retail businesses and microbusinesses that include storefront retail (but do not include cultivation) are allowed in the General Commercial zone
- Clarified that the limit of four Cannabis Business Permits that may be issued to retailers includes microbusinesses that engage in storefront retail (§7.04.100(A))
- Clarified that the required background checks will be conducted annually (§§ 7.04.080(C); 7.04.340(K))
- Revised language to provide that when a new owner is added to a cannabis business but the original owners remain in place, an amendment to the Cannabis Business Permit is not required if the new owner owns less than 50% of the business (7.04.240(E))
- Increased insurance requirements to include specific limits (for example, \$2 million per occurrence, \$4 million aggregate for General Commercial Liability insurance) and to require that the City be named as an additional insured (§7.04.300(B))
- Made other minor revisions as directed by Council and shown in the redline

Staff also made minor clerical and clarifying revisions, including expressly stating that outdoor cultivation is prohibited; revising the definition of “microbusiness” to include a list of the possible types of business activities in which a microbusiness may engage.

Unless otherwise directed by Council, staff plans to present the final version of the Regulatory Ordinance at the July 27, 2022 Council meeting, with options for the Council to (1) place the Regulatory Ordinance on the ballot; (2) conduct the first reading of the Regulatory Ordinance and schedule the second reading for a subsequent meeting (resulting in adoption of the Regulatory Ordinance by Council); (3) take no further action (effectively placing the Regulatory Ordinance “on the shelf” for possible future action); or (4) provide other direction.

Development Agreements and CUPs

Some cities regulate cannabis businesses through Development Agreements or Conditional Use Permits (or similar land entitlements). In that case, the Development Agreement or CUP / entitlement sets forth community benefits to be provided by the business. This approach allows a city to develop an individual arrangement with each cannabis business and does not require voter approval. However, because these approaches may create vested rights that run with the property rather than the individual owner (making it potentially more difficult to address a problematic business), Council may wish to consider an approach that achieves the same community benefits but without creating potential vested rights. The Regulatory Ordinance as drafted includes a community benefit requirement (enforced through a Community Benefit Agreement) but decouples that contract from the land use permit, potentially avoiding the issue of vested rights.

C. SUMMARY OF DRAFT TAX MEASURE

Council has expressed an interest in considering a cannabis business tax that would apply in the event that cannabis businesses are permitted to operate in the City. The draft Tax Measure presented for Council consideration would establish a general tax on cannabis businesses (including hemp and hemp products).

The draft Tax Measure would impose certain maximum tax rates by cannabis business activity. The actual tax rates to be imposed may be established and subsequently modified by resolution or ordinance of the City Council at any time, within the following maximum tax rates.

- For commercial cultivation:
 - \$10 per square foot of canopy space (facilities exclusively using artificial lighting)
 - \$7 per square foot of canopy space (facilities using a combination of artificial and natural lighting)
 - \$4 per square foot of canopy space (facilities using no artificial lighting)
 - \$2 per square foot of canopy space (nurseries as defined in the draft Tax Measure)
 - These maximums would be subject to annual CPI based adjustment
- For testing labs: 2% of gross receipts generated by that cannabis business activity
- For retail: 6% of gross receipts generated by that cannabis business activity
- For distribution: 3% of gross receipts generated by that cannabis business activity
- For manufacturing: 4% of gross receipts generated by that cannabis business activity

The draft Tax Measure would also allow the City Council to, by resolution or ordinance, increase or decrease the rate of the medicinal cannabis business tax, including the initial rate of the medicinal cannabis business tax, independent of other cannabis business tax activities, within the established maximum tax rates.

The draft Tax Measure includes specific provisions regarding the registration, reporting and remittance of tax. The filing of a tax statement and the remittance of tax owed would be required on a monthly basis on or before the last day of the month following the close of each month. Any person who fails or refuses to pay any cannabis business tax required on or before the due date would be subject to penalties and interest as follows:

- A penalty equal to 10% of the amount of the tax, plus interest on the unpaid tax at the rate of 1% per month
- If the tax remains unpaid for a period exceeding one calendar month beyond the due date, an additional penalty equal to 25% of the amount of the tax, plus interest on the unpaid tax and on the unpaid penalties at the rate of 1% per month

Section 4.27.190 of the draft Tax Measure includes audit and examination provisions whereby the City or its third-party designees will have the authority to inspect any location where commercial cannabis activity occurs and to audit and examine all books and records of person engaged in cannabis businesses.

The Tax Measure has been drafted to apply to each person who is engaged in business as a cannabis business, regardless of whether the person has been issued a commercial cannabis business permit to operate lawfully in the City or is operating unlawfully. It would apply to businesses based outside of the City that deliver cannabis products into the City, and could also provide additional leverage for the prosecution of businesses operating unlawfully in the City.

The Tax Measure is required by law to be approved by a majority of the voters before it can become effective. If Council desires to place the Tax Measure on the ballot for the November 8, 2022 election, the Council would need to adopt a resolution placing the Tax Measure on the ballot at the July 27, 2022 or August 10, 2022 Council meetings. Because the Tax Measure would impose a general tax, the adoption of the resolution placing the Tax Measure on the ballot would require a 2/3 vote of the Council.

D. CURRENT REGULATIONS IN OTHER JURISDICTIONS

The following table summarizes the maximum cannabis business tax rates for jurisdictions in San Diego County.

CITY	RETAIL	NON-RETAIL
Chula Vista	7% of gross receipts	Cultivation: \$25 per square foot Other Types: 7% of gross receipts
Encinitas	Citizen initiative did not include a cannabis business tax. A tax measure will be on the November 2022 ballot with a range of 4% to 7% of gross receipts.	Citizen initiative did not include a cannabis business tax. A tax measure will be on the November 2022 reflecting the following tax rates. Non-retail: 1% to 4% of gross receipts Cultivation: \$2 to \$10 per square foot
La Mesa	4% of gross receipts	Cultivation: \$7 per square foot Laboratory Testing: 1% of gross receipts Distribution: 2% of gross receipts Manufacturing: 2.5% of gross receipts
Lemon Grove	5% of gross receipts	Cultivation: 4% of gross receipts Laboratory Testing: 2% of gross receipts Distribution: 3% of gross receipts Manufacturing: 4% of gross receipts
Oceanside	5% of gross receipts	Cultivation: 1.5% of gross receipts Distribution: 2% of gross receipts Manufacturing: 2.5% of gross receipts
San Diego	8% of gross receipts	8% of gross receipts
Vista	7% of gross receipts	Laboratory Testing: 1% of gross receipts Distribution: 2% of gross receipts Manufacturing: 4% of gross receipts

County of San Diego

On January 27, 2021, the San Diego County Board of Supervisors approved the development of a cannabis business permitting program. On June 15, 2022, the County considered an ordinance establishing a tax on cannabis activities within the unincorporated areas of the County. The draft tax measure would set the following maximum tax rates:

- For commercial cultivation: \$10 per square foot of canopy space or 3% of gross receipts generated by that cannabis business activity
- For testing labs: 2% of gross receipts generated by that cannabis business activity
- For retail: 6% of gross receipts generated by that cannabis business activity
- For distribution: 3% of gross receipts generated by that cannabis business activity
- For manufacturing: 4% of gross receipts generated by that cannabis business activity

At the June 28, 2022 Board meeting the Board will consider a resolution placing the tax measure on the November 2022 ballot.

E. STATUS OF CEQA ANALYSIS

On January 12, 2022, the City Council authorized a Professional Services Agreement with Harris & Associates to prepare an Initial Study / Mitigated Negative Declaration for the Regulatory Ordinance. On June 3, 2022, the City published a Notice of Intent to Adopt a Negative Declaration / Mitigated Negative Declaration for the Regulatory Ordinance and circulated the draft document for public review. The public review period will end on July 5, 2022. The City will work with Harris & Associates to respond to any comments that are received, and the final Initial Study / Mitigated Negative Declaration will be presented for adoption at the July 27, 2022 Council meeting.

F. NEXT STEPS AND TIMELINE

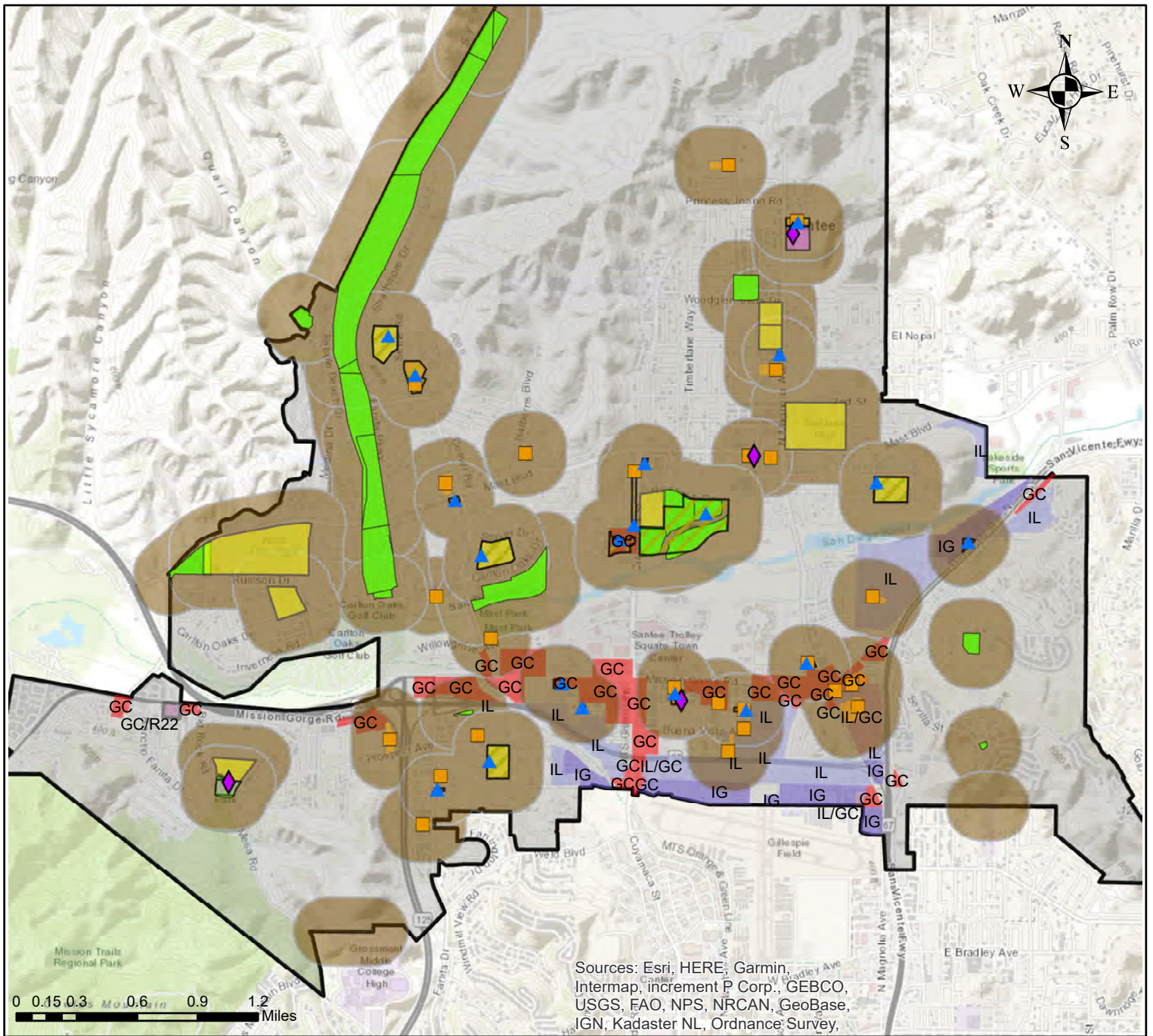
If Council desires to place the Regulatory Ordinance on the November 2022 ballot, the Regulatory Ordinance must be placed on the ballot at either the July 27, 2022 or August 10, 2022 Council meeting in order to be submitted prior to the deadlines established by the Registrar of Voters.

After receiving Council direction, staff will prepare a revised Tax Measure for consideration at the July 27, 2022 Council meeting. As discussed above, the Tax Measure cannot be adopted outright by the Council, it must be approved by voters in order to become effective. The Tax Measure would need to be placed on the ballot at the July 27, 2022 or August 10, 2022 Council meeting in order to be placed on the November 2022 ballot.

G. STAFF RECOMMENDATION

1. Receive the revised Regulatory Ordinance; and
2. Conduct the public workshop and provide direction to staff regarding the Tax Measure.

Map of Sensitive Uses, Zoning, and 900' Buffers



Legend

- | | | |
|---------------------------|---|---------------|
| Child Care Location | Santee Lakes Parcels | GC/R22 |
| Youth Center Location | Child Care Parcel Buffer - 900' | IL/GC |
| Religious Structure | Youth Center Parcel Buffer - 900' | IL |
| Child Care Parcel | Santee Schools Buffer - 900' | IG |
| Youth Center Parcel | Santee Parks Buffer - 900' | City Area |
| Religious Location Parcel | Santee Lakes Parcel Buffer - 900' | City Boundary |
| School | Religious Location Parcel Buffer - 900' | |
| Santee Parks | GC | |

DRAFT

Santee Cannabis Business Ordinance

Chapter 7.04 – Cannabis Businesses

7.04.010 Title.

This chapter shall be known as the Cannabis Business Permit Ordinance of the City of Santee.

7.04.020 Purpose and intent.

It is the purpose and intent of this chapter to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”) to accommodate the needs of medically ill persons in need of cannabis for medicinal purposes as recommended by their health care provider(s), and to provide access to same. It is also the purpose and intent of this chapter to provide access to adult-use cannabis for persons aged 21 and over as authorized by the Control, Tax and Regulate the Adult Use Cannabis Act (“AUMA” or “Proposition 64”), while imposing sensible regulations on the use of land to protect City residents, neighborhoods, and businesses from disproportionately negative impacts. It is the purpose and intent of this chapter to regulate the commercial cultivation, processing, manufacturing, testing, sale, delivery, and distribution of cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of the City and to enforce rules and regulations consistent with state law and in a fair and equitable manner.

7.04.030 Legal authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of MAUCRSA, any subsequent state legislation and regulations regarding same, the City is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City to all commercial cannabis activity.

7.04.040 Cannabis cultivation and cannabis activities prohibited unless specifically authorized by this chapter.

Except as specifically authorized by this chapter, the commercial cultivation, manufacture, processing, storing, laboratory testing, labeling, sale, delivery, distribution, or transportation of cannabis or cannabis products is expressly prohibited in the City. Violations of this chapter are subject to penalties under the Health and Safety Code and Penal Code in addition to the penalties set forth in Section 7.04.520. Outdoor cultivation is expressly prohibited within the City.

7.04.050 Compliance with state and local laws and regulations.

It is the responsibility of the owners, agents, employees, affiliates, and / or operators of any commercial cannabis business within the City limits to ensure that they operate in a manner compliant with this chapter, all applicable state and local laws, and any regulations promulgated thereunder, including but not limited to the MAUCRSA.

7.04.060 Definitions.

“Applicant” means a person or entity that submits an application for a Cannabis Business Permit under this chapter.

“Cannabis” means all parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the California Health and Safety Code. Cannabis shall also have the same meaning as in Section 26001(f) of the Business and Professions Code, as same may be amended from time to time.

“Cannabis Business Permit” or “Permit” means a regulatory permit issued by the City pursuant to this chapter, to a commercial cannabis business and is required before any commercial cannabis activity may be conducted in the City. The issuance of the Cannabis Business Permit and annual renewal of a Cannabis Business Permit is made expressly contingent upon the business’ ongoing compliance with all of the requirements of this chapter and any regulations adopted by the City governing the commercial cannabis activity at issue.

“Cannabis Business Permittee” or “Permittee” means a person or entity that has received a Cannabis Business Permit from the City as authorized under this chapter.

“Caregiver” or “primary caregiver” has the same meaning as that term is defined in Health and Safety Code Section [11362.7](#).

“City Manager” means the City Manager or designee.

“Commercial cannabis business” means any business or operation which engages in medicinal or adult-use commercial cannabis activity.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. All references to cultivation allowed under this chapter mean indoor cultivation only.

“Director” shall mean the Director of Development Services or designee.

“Dispensing” means any activity involving the retail sale of cannabis or cannabis products from a retailer.

“Distributor” shall have the same meaning as that appearing in Business and Professions Code Section [26070](#).

“Enforcement Officer” means any designee authorized by the City Manager to enforce a violation of this chapter.

“Hearing Officer” shall mean an authorized hearing officer designated by the City Manager.

“Laboratory” means a laboratory, facility or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following: (1) accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state; and (2) licensed by the State Department of Cannabis Control within the Business, Consumer Services, and Housing Agency.

“Limited-access area” means an area in which cannabis is stored or held and is only accessible to a licensee and authorized personnel.

“Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.

“Manufacturing site” means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid Cannabis Business Permit for manufacturing from the City and a valid state license as required for manufacturing of cannabis products.

“Medicinal cannabis” means cannabis or a cannabis product, respectively, intended to be sold or donated for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found in Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician’s recommendation, or in compliance with any compassionate use, equity, or other similar program administered by a local jurisdiction.

“Microbusiness” means a business that engages in at least three of the following activities at one location: indoor cultivation (up to 10,000 total square feet), manufacturing, distribution, or retail (storefront or non-storefront).

“Non-store front retailer” is a subset of “retailer” and is a licensed retail business that is closed to the public and provides product to customers solely by means of a delivery service which the retailer owns and controls.

“Nonvolatile solvent” means any solvent used in the extraction process that is not a volatile solvent as defined by state law. For purposes of this chapter, nonvolatile solvents include carbon dioxide, ethanol, and nonhydrocarbon-based or other solvents such as water, vegetable glycerin, vegetable oil, animal fat, and glycerin.

“Owner” means any of the following:

1. A person with an aggregate ownership interest of 10 percent or more in the commercial cannabis business, unless the interest is solely a security, lien, or encumbrance.

2. An individual who manages, directs, or controls the operations of the commercial cannabis business, including but not limited to:

- (a) A member of the board of directors of a nonprofit.

- (b) A general partner of a commercial cannabis business that is organized as a partnership.

- (c) A non-member manager or manager of a commercial cannabis business that is organized as a limited liability company.

(d) The trustee(s) and all persons who have control of the trust and / or the commercial cannabis business that is held in trust.

(e) An individual with the authority to provide strategic direction and oversight for the overall operations of the commercial cannabis business, such as the chief executive officer, president or their equivalent, or an officer, director, vice president, general manager or their equivalent.

(f) An individual with the authority to execute contracts on behalf of the commercial cannabis business.

“Patient” or “qualified patient” shall have the same meaning as that contained in California Health and Safety Code Section [11362.7](#) et seq., as it may be amended, and which includes within its definition a person who is entitled to the protections of California Health and Safety Code Section [11362.22](#).

“Person” shall mean any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.

“Person with an identification card” shall have the same meaning as that contained in California Health and Safety Code Section [11362.7](#).

“Processing” means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and non-manufactured cannabis products.

“Retailer” or “store front retailer” shall have the same meaning as that contained in Business and Professions Code Section [26070\(a\)\(1\)](#), which defines a retailer as having a physical location form which commercial cannabis activities are conducted. A retailer’s premises may be closed to the public. A retailer may conduct sales exclusive by delivery.

“Sheriff” means the Sheriff of the County of San Diego.

“State license” means a permit or license issued by the state of California, or one of its departments or divisions, under the MAUCRSA and any subsequent related state of California legislation, to engage in cannabis activity. A state license alone will not authorize the holder to operate a cannabis business, as state law also requires a permit or other authorization issued by a local jurisdiction.

“Topical cannabis” means a product intended for external application and / or absorption through the skin. A topical cannabis product is not considered a drug as defined by Health and Safety Code Section [109925](#).

“Transport” means the transfer of cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting cannabis activity authorized by the MAUCRSA which may be amended or repealed by any subsequent related state of California legislation. Transport can only be performed by licensed distributors and does not include deliveries of cannabis or cannabis products.

“Volatile solvent” means a solvent as defined by Health and Safety Code Section [11362.3\(b\)\(3\)](#) as of the effective date of this chapter and as subsequently amended.

“Youth center” means any:

1. Public or private facility that is primarily used to host recreation, academic, or social activities for minors, including, but not limited to:

- a. Private youth membership organizations or clubs;
- b. Social service teenage club facilities;
- c. Video arcades where 10 or more video games or game machines or devices are operated, and where minors are legally permitted to conduct business; or
- d. Similar amusement park facilities.

2. Park, playground, or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball, or any similar facility located on a public or private school grounds, or on City, county, or state parks.

“Youth center” shall not include any private martial arts, yoga, ballet, dance, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist office, doctor’s office primarily serving children, or a location which is primarily utilized as an administrative office, or a facility for youth programs or organizations.

7.04.070 Cannabis Business Permit and City Business License required to engage in cannabis business.

No person may engage in any cannabis business within the City including cultivation, manufacture, processing, laboratory testing, distributing, dispensing, or sale of cannabis or a cannabis product unless the person meets all of the following requirements:

- A. Possesses a valid Cannabis Business Permit from the City;
- B. Possesses a valid State of California seller’s permit, as applicable; and
- C. Is currently in compliance with all applicable state and local laws and regulations pertaining to the cannabis business and the cannabis activities, including the duty to obtain any required state licenses.
- D. Possesses a City business license.

7.04.080 Evidence of cannabis owners and / or employees background check required.

- A. Any person who is an owner, employee, agent, and / or who otherwise works within a cannabis business must be legally authorized to do so under applicable state law.
- B. Cannabis business owners, operators, investors, managers, and employees shall be required to submit to a criminal background check for themselves and all persons in their employment.
- C. The City Manager shall conduct or cause to be conducted annual criminal background checks which must at a minimum identify the following:
 1. Whether the owners, operators, investors, managers, and employees applying for employment have ever been convicted of a violent felony as defined by California Penal Code 667.5 or equivalent offenses in other states;

2. Whether the owners, operators, investors, managers, and employees have ever been convicted of a felony for hiring, employing, or in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor; or

3. Whether the owners, operators, investors, managers, and employees have ever been convicted of a felony for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety Code.

D. Evidence of a conviction of any the offenses enumerated in subsection C of this section shall be grounds for denial of ownership or employment.

E. Violation of this section shall be grounds for immediate suspension of the business's operating Cannabis Business Permit, pending a hearing before the City Manager within 30 days for a final determination of the status of the permit.

7.04.090 Personnel prohibited from holding a license or from employment with a Cannabis Business Permittee.

A. Any person, including, but not limited to, any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, in which any of the following actions or notices have been issued for noncompliance, shall not be eligible to obtain a Cannabis Business Permit from the City or employment with a Cannabis Business Permittee in the City:

1. The Applicant has been denied a cannabis permit (excluding an Applicant that did not receive a permit in another jurisdiction due solely to a limited and / or set number of permits and / or licenses), or has had a cannabis permit or license suspended or revoked by any city, county, city and county, or any other state cannabis licensing authority;

2. The Applicant was notified by the state, county, or city that it was conducting cannabis activity in violation of City ordinances, codes, and requirements, and failed to cure the violation in a timely manner;

3. Evidence that the Applicant is delinquent in payment of federal, state, or local taxes and / or fees, and took no steps to cure the delinquency when notified by the appropriate agencies;

4. No person shall be issued a Cannabis Business Permit if such person enters or has entered into either a verbal or written agreement to lease, sublease, or any other agreement for any terms of use of a premises granted by a property owner, commercial broker, or any third party, that is in violation of Section 7.04.070 unless that property is leased at fair market value. Any such lease, sublease, or agreement shall not contain terms or conditions requiring the Cannabis Business Permittee to pay the property owner, commercial broker, or any third party a percentage of gross receipts, royalties, equity, or other unreasonable compensation as determined by the City. In addition, all leases, subleases, or other agreements must be based on a monthly rate.

7.04.100 Maximum number and type of authorized cannabis businesses permitted.

This section is only intended to create a maximum number and types of cannabis businesses that may be issued permits to operate in the City.

A. After the effective date of this Ordinance, the City shall only issue Cannabis Business Permits (consistent with this chapter) for up to four Retailers, including microbusinesses that include storefront retail activities. There is no limit on the number of Cannabis Business Permits that the City may issue to testing laboratories or microbusinesses that do not include storefront retail.

B. Each year following the City Council's initial grant of Permits (if any), or at any time in the City Council's discretion, the City Council may reassess the number of Cannabis Business Permits which are authorized for issuance and may make changes to the number by resolution.

C. The City Council at its sole discretion may determine that the number and / or types of Cannabis Business Permits should remain the same or be modified.

7.04.110 Community benefits.

A. The application process for a Cannabis Business Permit shall include a component on community benefits, the terms of which shall be set out and memorialized in a community benefit agreement.

B. Any community benefits that a cannabis business agrees to provide shall be incorporated into the terms and conditions under which the cannabis business will operate with the City's approval, if and when a Cannabis Business Permit is issued. Such terms and conditions shall be in addition to the requirements of this chapter.

C. Community benefits may include but will not be limited to: in-kind donations; sponsorship of select community events; financial support for special community events such as fairs, afterschool programs, youth centers, local schools (whether public or private); school athletic programs; school clubs; community centers, homeless shelters, senior centers and / or senior living facilities, and / or parks and recreation programs.

7.04.120 City's reservation of rights.

The City reserves the right to reject any or all applications for a Cannabis Business Permit. Prior to such permit issuance, the City may modify, postpone, or cancel any request for applications, at any time without liability, obligation, or commitment to any person, party, firm, or organization, to the extent permitted under State law. Persons submitting applications assume the risk that all or any part of the request for applications, or any particular category of permit potentially authorized under this chapter, may be cancelled at any time prior to Permit issuance. The City further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to a failure to comply with other requirements in this chapter, an application may be rejected for any of the following reasons:

A. The Cannabis Business Permit application was received after the designated time and date of the deadline.

B. The Cannabis Business Permit application did not contain the required elements, exhibits, or was not organized in the required format.

C. The Cannabis Business Permit application was considered not fully responsive to the request for a permit application – that is, the application was substantially incomplete as determined by the City Manager.

7.04.130 Procedure guidelines and review criteria to evaluate Cannabis Business Permit applications.

- A. By resolution, the City Council shall adopt procedures and review criteria for the City's evaluation of Cannabis Business Permit applications. A Cannabis Business Permit application shall be required prior to review and approval of any land use entitlement, business license or other City authorization.
- B. The procedures shall provide the process for soliciting applications including time frames, limitations, forms, and rules for completing applications.
- C. Should the City Council, pursuant to authority granted under Section 7.04.100 of this Code, establish a maximum number of cannabis businesses that may be issued a Cannabis Business Permit, the review criteria shall include detailed instructions on the methodology to be used to evaluate applications on a point, or other evaluation system, tied to particular sets of criteria.
- D. The scoring on review criteria shall be used to determine which candidates will be eligible to proceed to the final selection process as determined by City Council resolution.
- E. The City Manager shall be authorized to prepare any necessary forms and adopt any necessary rules to implement the procedures guidelines and review criteria.
- F. At the time of filing, each Applicant shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the application process.

7.04.140 Exercise of a Cannabis Business Permit.

- A Cannabis Business Permit shall be exercised within 12 months of issuance. "Exercised" shall mean when any of the following occur:
1. A certificate of occupancy has been issued;
 2. The permitted use(s) has commenced on the site; or
 3. A City building permit or grading permit is secured, and construction lawfully commenced.

7.04.150 Continuous Use Requirement.

- A. Once the permitted cannabis use is legally established and operational, the use must remain in continuous operation or all use rights are subject to termination. If a permitted use ceases to operate for a period of four or more months, then the use shall be considered abandoned unless a mitigating circumstance occurred that was beyond the control of the Permittee and an extension is authorized by the City Manager.
- B. The approval of a new use shall terminate all rights and approvals of a Cannabis Business Permit occupying the same site or location.

7.04.160 Term of a Cannabis Business Permit.

All Cannabis Business Permits issued under the provisions of this chapter shall be effective for a period not to exceed one year. The City Manager may renew a Permit through the procedures identified in section 7.04.180 of this Code.

7.04.170 Reapplying for a Cannabis Business Permit.

If an Applicant is denied a Cannabis Business Permit due to a disqualifying factor such as failing a background check or not complying with any state or local jurisdiction's regulatory requirements in which legal or administrative action has been taken, a new application may not

be filed for two years from the date of the denial. This section shall not apply to an Applicant who passed the initial application screening process but was not granted a Cannabis Business Permit by the City Council.

7.04.180 Term and Renewal of Cannabis Business Permits.

A. All licenses issued under the provisions of this chapter shall be effective for a period not to exceed one year. The City Manager may renew a permit through the procedures identified in this section.

B. An application for renewal of a Cannabis Business Permit shall be filed at least 90 calendar days prior to the expiration date of the current Permit, but no earlier than 180 calendar days prior to the expiration date of the current Permit, unless a different time period is set forth by the City Manager.

C. The renewal application shall contain all the information required for new applications.

D. The Applicant shall pay a fee in an amount to be set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the City to administer the program created under this chapter.

E. An application for renewal of a Cannabis Business Permit shall be rejected if any of the following exists:

1. The application is filed less than 90 days before its expiration unless the City Manager, at the City Manager's sole discretion, approves an extension of the deadline.
2. The Cannabis Business Permit is suspended or revoked at the time of the renewal application.
3. The cannabis business has not been in regular and continuous operation in the four months prior to the renewal application or the approved extension of the deadline from the City Manager.
4. The cannabis business has failed to conform to the requirements of the Cannabis Business Permit or this chapter or any regulations adopted pursuant to this chapter.
5. The Permittee fails or is unable to renew its State of California license.
6. If the State has determined, based on substantial evidence, that the Permittee or Applicant is in violation of the requirements of the State rules and regulations and the State has determined that the violation is grounds for termination or revocation of the Cannabis Business Permit.

F. The City Manager is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the City Manager is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety, or welfare. Appeals from the decision of the City Manager shall be conducted as prescribed by resolution of the City Council and shall be subject to a fee as established by resolution of the City Council. If a renewal Cannabis Business Permit application is denied, a person may file a new application pursuant to this chapter no sooner than one year from the date of the denial.

7.04.190 Revocation of permits.

A Cannabis Business Permit may be revoked by the City Manager for any violation of any state or local laws, rules, standards, policies, procedures, or regulations in this chapter relating to cannabis, or any violation of the applicable community benefit agreement.

7.04.200 Effect of state license suspension.

Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis business to operate within the City until the State of California or its respective department or division reinstates or reissues the state license.

7.04.210 Effect of state revocation.

Revocation of a license issued by the State of California, or by any of its departments or divisions, shall immediately revoke the ability of a cannabis business to operate within the City until the State of California or its respective department or division takes appropriate action. Should the State revoke a license, the cannabis business owner may reapply for a new Cannabis Business Permit at such time as it can demonstrate that the grounds for revocation of the license by the State no longer exist or that the underlying deficiency has otherwise been cured.

7.04.220 Appeals.

Appeals relating to denial of a Cannabis Business Permit application; denial of advancement to the final selection process; to revocation or suspension a Cannabis Business Permit; to denial of renewal of a Cannabis Business Permit; or the addition of conditions to a Cannabis Business Permit shall be conducted as prescribed by resolution of the City Council and shall be subject to a fee as established by resolution of the City Council.

7.04.230 Change in location – Updated application form.

A. Any time the business location specified in the Cannabis Business Permit is proposed to be changed, the Permittee and / or Applicant shall submit an updated application to the City Manager for approval prior to the change in location.

B. Within 15 calendar days of any other change in the information provided in the updated application form or any change in status of compliance with the provisions of this chapter, including any change in the cannabis business ownership or management members, the Applicant shall file an updated application with the City Manager for review along with an application fee.

7.04.240 Transfer of Cannabis Business Permit.

A. The owner of a Cannabis Business Permit shall not transfer ownership or control of the permit to another person or entity unless and until the transferee obtains a written and executed amendment to the permit from the City Manager stating that the transferee is now the Permittee. Such an amendment may be obtained only if the transferee files a Cannabis Business Permit application with the City Manager in accordance with all provisions of this chapter (as though the transferee were applying for an original Cannabis Business Permit). The proposed transferee's application shall be accompanied by a transfer fee in an amount set by resolution of the City Council (or if not set, shall be the same amount as the application fee). The transferee's application will be treated as a new application, and will be evaluated according to procedures

adopted by the City Manager, pursuant to Section 7.04.130, and / or by resolution of the City Council.

B. Cannabis Business Permits issued through the grant of a transfer by the City Manager shall be valid for a period of one year beginning on the day the City Manager approves the transfer of the permit. Before the transferee's Permit expires, the transferee shall apply for a renewal Permit and pay the appropriate fee in the manner required by this chapter.

C. A Cannabis Business Permit shall not be transferred when the City has notified the Permittee in writing that the Permit has been or may be suspended or revoked.

D. Any attempt to transfer a Cannabis Business Permit either directly or indirectly in violation of this section is hereby declared a violation of the Permit and this ordinance. Such a purported transfer shall be deemed a ground for revocation of the Permit.

E. This section shall not apply to the extent the current owners are attempting to add a new and / or additional owner whose ownership interest is less than 50% of the business, but all other remaining owners shall remain in place. Any new and / or additional ownership, however, shall require written approval by the City Manager in accordance with procedures adopted by the City Manager and / or by resolution of the City Council. Failure to obtain such approval prior to adding a new owner will result in a violation of the permit and this chapter, and shall be deemed a ground for revocation.

7.04.250 City business license.

Prior to commencing operations, a cannabis business shall obtain a City business license as required under Chapter 4.02.

7.04.260 Building permits and inspections.

Prior to commencing operations, a Cannabis Business Permit shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes, but is not limited to, obtaining any required building permit(s), Fire Department approval, Code Enforcement approvals, Department of Development Services approval, Sheriff's Department approval, County of San Diego health department approval, and any other applicable zoning and land use permit(s) and approvals.

7.04.270 Authorization from the Director.

Prior to commencing operations, a cannabis business must obtain authorization from the Director, certifying that the business is located on a site that meets all of the requirements of Sections 7.04.260, 7.04.280, and 7.04.290.

7.04.280 Right to occupy and to use property.

Prior to the City's issuance of a Cannabis Business Permit pursuant to this chapter, any person intending to open and to operate a cannabis business shall first provide sufficient evidence of the legal right to occupy and to use the proposed location. Such evidence may include a notarized lease, notarized real estate records, and / or other notarized official records that demonstrate a legal right to occupy. If the proposed location will be leased from the property owner, the Applicant shall be required to provide a signed and notarized statement from the owner of the

property, acknowledging that the property owner has read this chapter and consents to the operation of the cannabis business on the owner’s property.

7.04.290 Zoning and location requirements for cannabis businesses.

Cannabis businesses permitted to engage in retail, distribution, manufacturing, testing labs, and microbusiness operations for cannabis and cannabis products are subject to the following zoning and locational requirements:

A. Distribution, manufacturing, testing laboratories and microbusiness that do not include storefront retail activities are only permitted in the following zone districts: IL (Light Industrial) and IG (General Industrial), and must satisfy all the applicable requirements set forth in Title 13 of this Code.

B. Retail businesses (including microbusinesses that include storefront retail activities but do not include cultivation) are only permitted in the following zone districts: IL (Light Industrial), IG (General Industrial), and GC (General Commercial), and must meet all the requirements pursuant to Title 13 of this code.

Land Use	Land Use Designation		
	GC	IL	IG
Distribution, manufacturing	--	P	P
Microbusinesses with storefront retail and without cultivation	P	P	P
Microbusinesses with cultivation	--	P	P
Storefront Retail	P	P	P
Non-storefront Retail	--	P	P
Testing Labs	--	P	P

C. All Cannabis Business Permittees must also meet all of the following distance requirements:

1. The cannabis business shall be no closer than 900 feet from any zoned parcel in the City designated by the City and state law as a sensitive use, and pursuant to subsection C.2 of this section. The distance measured shall be the horizontal distance measured in a straight line from the property line of those parcels in subsection C.2 of this section to the closest property line of the lot on which the cannabis business is located.

2. It shall be no closer than 900 feet from any parcel containing any of the following that is in existence at the time the license is issued:

- a. A school providing instruction in kindergarten or any grades one through 12 (whether public, private, or charter, including preschool, transitional kindergarten, and K – 12);
- b. A commercial daycare center licensed by the state, county or City;
- c. A church or other religious institution; and
- d. A youth center. A “youth center” means any public or private facility that is primarily used to host recreation, academic, or social activities for minors, including, but not limited to:
 - i. Private youth membership organizations or clubs;
 - ii. Social service teenage club facilities;
 - iii. Video arcades where 10 or more video games or game machines or devices are operated, and where minors are legally permitted to conduct business; or
 - iv. Similar amusement park facilities.

“Youth center” shall also include a park, playground, or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball, or any similar facility located on a public or private school grounds, or on City, county, or state parks.

“Youth center” shall not include any private martial arts, yoga, ballet, dance, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist office, doctor’s office primarily serving children, or a location which is primarily utilized as an administrative office, or a facility for youth programs or organizations.

D. Each proposed cannabis business shall also:

1. Conform with the City’s General Plan, any applicable specific plan, master plan, and design requirements.
2. Comply with all applicable zoning and related development standards.
3. Be constructed in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.
4. Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development.
5. Be served by roadways adequate in width and improved as necessary to carry the kind and quantity of traffic such use will generate.
6. Be provided with adequate electricity, sewerage, disposal, water, fire protection and storm drainage facilities for the intended purpose.

7.04.300 Limitations on City's liability.

To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to having issued a Cannabis Business Permit pursuant to this chapter or otherwise approving the operation of any cannabis business. As a condition to the approval of any Cannabis Business Permit, the Applicant shall be required to meet all of the following conditions before they can receive the Cannabis Business Permit:

A. Execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at Applicant's sole cost and expense), release, and hold the City, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities, or losses which arise out of, or which are in any way related to, the City's issuance of the Cannabis Business Permit, the City's decision to approve the operation of the cannabis business or activity, the process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the cannabis business or any of its officers, employees or agents.

B. Take out and maintain, at all times while operating the cannabis business, and in a form and with insurance companies acceptable to the City: (1) Commercial General Liability Insurance with a limit of no less than \$2,000,000 per occurrence and \$4,000,000 aggregate for bodily injury (including death), personal injury and property damage; and (2) if Permittee or Permittee's employees use vehicles in the operation of the business, Automobile Liability Insurance for bodily injury (including death) and property damage including coverage for owned, non-owned and hired vehicles, with a limit of no less than \$1,000,000 per occurrence. The City of Santee, its City Council and each member thereof, its officers, employees, and agents shall be named as an additional insured on the Commercial General Liability policy. If Permittee maintains higher limits than the minimum required above, the City requires and shall be entitled to coverage for the higher limits maintained by Permittee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City. Insurance requirements may be adjusted from time to time by the City Manager.

C. Reimburse the City for all costs and expenses, including but not limited to legal fees and costs and court costs, which the City may be required to pay as a result of any legal challenge related to the City's approval of the applicant's Cannabis Business Permit or related to the City's approval of a cannabis activity. The City, at its sole discretion, may participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed on Applicant hereunder.

7.04.310 Records and recordkeeping.

A. Each owner and operator of a cannabis business shall maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a Cannabis Business Permit issued pursuant to this chapter), or at any time upon reasonable request of the City, each cannabis business shall file a sworn statement detailing the number of sales by the cannabis business during the previous 12-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes and fees paid or due to be paid. On an annual basis, each owner and operator shall submit to the City a financial audit of the business's

operations conducted by an independent certified public accountant. Each Permittee shall be subject to a regulatory compliance review and a gross receipts financial audit, where applicable, as determined by the City Manager.

B. Each owner and operator of a cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business, and separately of all the officers, managers, employees, agents, and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this subsection shall be provided to the City Manager upon a reasonable request.

C. All cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing, production, manufacturing, retail, and laboratory testing processes (as applicable) until purchase as set forth in the MAUCRSA.

7.04.320 Security measures.

A. A Cannabis Business Permittee shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis or cannabis products at the cannabis business. Except as may otherwise be determined by the City Manager, these security measures shall include, but shall not be limited to, all of the following:

1. Perimeter fencing and exterior lighting systems (including motion sensors) for after-hours security as approved by the Director in collaboration with the Sheriff's Department, as applicable.
2. Preventing individuals from remaining on the premises of the cannabis business if they are not engaging in an activity directly related to the permitted operations of the cannabis business; in cases in which the individual will not voluntarily leave the premises in violation of applicable law the cannabis employee shall contact the Sheriff's Department.
3. Establishing limited access areas accessible only to authorized cannabis business personnel.
4. Except for limited amounts of cannabis or cannabis products being used for display purposes in retail areas, all finished goods at a commercial cannabis business shall be stored in a secured and locked vault or vault-equivalent during non-operating hours. All safes and vaults used to store cash and / or cannabis goods shall be compliant with Underwriters Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live clone plants that are being sold, shall be kept in a manner as to prevent diversion, theft, and loss.
5. Installing 24-hour security surveillance cameras of at least high-definition (HD) quality to monitor all entrances and exits to and from the premises, all interior spaces within the cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash, or currency is being stored for any period of time on a regular basis, and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The cannabis business

shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager, and that it is compatible with the City's software and hardware. In addition, if required by City, remote and real-time live access to the video footage from the cameras shall be provided to the Sheriff's Department at the expense of the Permittee. Video recordings shall be maintained for a minimum of 120 days and shall be made available to the Sheriff's Department upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the cannabis business and shall be capable of enlargement via projection or other means. Internet protocol address information shall be provided to the Sheriff's Department by the cannabis business, to facilitate remote monitoring of security cameras by the Sheriff's Department. Each business shall have network security protocols that are certified by Underwriters Laboratories, LLC.

6. Sensors shall be installed to detect entry and exit from all secure areas and shall be monitored in real time by a security company licensed by the state of California Bureau of Security and Investigative Services.

7. Panic buttons shall be installed in all cannabis businesses with direct notification to the Sheriff's Department dispatch and shall be configured to immediately alert dispatch for the Sheriff's Department.

8. Having a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the state of California Bureau of Security and Investigative Services.

9. Any security measures, such as bars, installed on the windows or the doors of the cannabis business shall be installed only on the interior of the building.

10. Security personnel shall be on site 24 hours a day or alternative security as authorized by the City Manager and must have a verified response security patrol when closed. Security personnel must be licensed by the state of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager, with such approval not to be unreasonably withheld.

11. Each cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

12. Entrance areas are to remain under the control of a designated responsible party that is either: (a) an employee of the cannabis business; or (b) a licensed security professional.

13. Each cannabis business shall have an accounting software system in place to provide point-of-sale data as well as audit trails for both product and cash, where applicable.

14. Each cannabis business shall demonstrate to the City Manager compliance with the state's track and trace system for cannabis and cannabis products as soon as it is operational.

15. Each cannabis business shall have a professionally installed video surveillance system, access control and intrusion alarm systems designed to protect the inventory, facility, and employees. Each business shall have network security protocols that are certified by Underwriters Laboratories, LLC.

16. Exterior vegetation shall be planted, altered, and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

17. Emergency access and emergency evacuation plans that are in compliance with state and local fire safety standards.

18. Installation of “mosquitos” (high-pitch frequency devices) as a deterrent to vandalism / loitering.

B. Each cannabis business shall identify a designated security representative / liaison to the City, who shall be reasonably available to meet with the City Manager regarding any security related measures or operational issues. The designated security representative / liaison shall, on behalf of the cannabis business, annually maintain a copy of the current security plan on the premises of the business, to present to the City Manager upon request that meets the following requirements:

1. Confirms that a designated manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.

2. Identifies all managers of the cannabis business and their contact phone numbers.

3. Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the manager’s office.

4. Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.

5. Identifies a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the cannabis business, the parking lot, any adjacent property under the business’s control, and ensure that the parking lot is cleared of employees and their vehicles one-half hour after closing.

C. As part of the application and permitting process each cannabis business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, any hazardous materials that may be used by the business, and any currency.

D. The cannabis business shall cooperate with the City whenever the City Manager makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter.

E. A cannabis business shall notify the City Manager within 24 hours after discovering any of the following:

1. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager.

2. Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business.

3. The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the cannabis business.

4. Any other breach of security.

F. Compliance with the foregoing requirements shall be verified by the City Manager prior to commencing business operations. Upon renewal, the City Manager or Sheriff's Department may supplement these security requirements once operations begin, subject to review by the City Manager if requested by the business owner.

7.04.330 Fees and charges.

A. No person may commence or continue any cannabis activity in the City, without timely paying in full all fees and charges required for the operation of a cannabis activity. Fees and charges associated with the operation of a cannabis activity shall be established by resolution of the City Council which may be amended from time to time, and shall be subject to adjustment in accordance with the Consumer Price Index.

B. All cannabis businesses authorized to operate under this chapter shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state, and local law. Each cannabis business shall cooperate with City with respect to any reasonable request to audit the cannabis business's books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes or fees required to be paid during any period.

C. Prior to operating in the City and as a condition of issuance of a Cannabis Business Permit, the operator of each cannabis facility shall enter into an operational or community benefit agreement with the City setting forth the terms and conditions under which the cannabis facility will operate that are in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare.

7.04.340 General operating requirements.

A. Cannabis businesses may operate only during the hours specified in the Cannabis Business Permit issued by the City. No person under the age of 21 shall operate or be issued a permit for a cannabis business of any kind.

B. Restriction on Sales and Consumption. Cannabis shall not be consumed by any person on the premises of any cannabis business. No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco on or about the premises of the cannabis business.

C. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a Cannabis Business Permit, or on any of the vehicles owned or used as part of the cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

D. Reporting and Tracking of Product and of Gross Sales. Each cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), and other information which may be deemed necessary by the City. The cannabis business shall ensure that such information is compatible with the City's recordkeeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager prior to being used by the Permittee.

E. All cannabis and cannabis products sold, distributed, or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the state and local regulations.

F. Emergency Contact. Each cannabis business shall provide the City Manager with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.

G. Signage and Notices.

1. In addition to the requirements otherwise set forth in this section, business identification signage for a cannabis business shall conform to the requirements of Chapter 13.32 (Signs) of this code, including, but not limited to, seeking the issuance of a City sign permit, if applicable.

2. No signs placed on the premises of a cannabis business shall obstruct any entrance or exit to the building or any window.

3. Each entrance to a cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, vaping, or otherwise consuming cannabis on the premises or in the areas adjacent to the cannabis business is prohibited. The sign shall be no larger than two feet by two feet.

4. Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the cannabis business or elsewhere including, but not limited to, the public right-of-way.

5. Signage shall not depict any image of cannabis or cannabis products. No permanent banners, flags, temporary billboards, or other prohibited signs may be used at any time.

H. Minors.

1. Persons under the age of 21 years shall not be allowed on the premises of a cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this chapter for any person to employ any person at a cannabis business who is not at least 21 years of age.

2. Notwithstanding subsection H.1 of this section, persons aged 18 to 20 years shall be allowed on the premises of a cannabis business if they can produce a valid physician's recommendation or a medical marijuana card issued pursuant to Health and Safety Code Section 11362.71. In that event, such persons can lawfully purchase cannabis for the sole purpose of addressing the medical need that is the subject of the valid physician's recommendation.

3. The entrance to the cannabis business shall be clearly and legibly posted with a notice that no person under the age of 21 years of age is permitted to enter upon the premises of the cannabis business.

I. Odor Control. Odor control devices and techniques shall be incorporated in all cannabis businesses to ensure that odors from cannabis are not detectable off site. Cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated

inside the cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis business. As such, cannabis businesses must obtain a building permit and install and maintain the following equipment, or any other equipment which the Director determines is a more effective method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
2. An air system that creates negative air pressure between the cannabis business's interior and exterior, so that the odors generated inside the cannabis business are not detectable on the outside of the cannabis business.

J. Display of Permit and City Business License. The original copy of the Cannabis Business Permit issued by the City pursuant to this chapter and the City-issued business license shall be posted inside the cannabis business in a location readily visible to the public.

K. Annual Background Check. Pursuant to California Penal Code Sections [11105\(b\)\(11\)](#) and [13300\(b\)\(11\)](#), which authorizes City authorities to access state and local summary criminal history information for cannabis employment, licensing, or certification purposes and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, investor, manager, supervisor, employee, contract employee or who otherwise works in a cannabis business must submit fingerprints and other information deemed necessary by the Sheriff's Department, Licensing Division for a background check by the Sheriff's Department. Pursuant to California Penal Sections [11105\(b\)\(11\)](#) and [13300\(b\)\(11\)](#), which requires that there be a requirement or exclusion from cannabis employment, licensing or certification based on specific criminal conduct on the part of the subject of the record, no person shall be issued a permit to operate a cannabis business or be allowed to work in a cannabis business unless they have first cleared the background check, as determined by the Sheriff's Department as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a Cannabis Business Permit is submitted. Evidence of a conviction of any of the offenses enumerated in Business and Professions Code Section [26057\(b\)\(4\)](#), absent a Certificate of Rehabilitation, shall be grounds for immediate disqualification of the applicant.

L. Loitering. The owner and / or operator of a cannabis business shall prohibit loitering by persons outside the facility both on the premises and within 100 feet of the premises. The cannabis business shall notify the Sheriff's Department if anyone continues to loiter around the building or premises in violation of applicable law after all reasonable action has been taken to remove the individual(s) and the action has failed to do so in a timely manner.

M. Permits and Other Approvals. Prior to the establishment of any cannabis business or the operation of any such business, the person intending to establish a cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such cannabis

business intends to establish and to operate pursuant to Section 7.04.290 and all applicable requirements in this chapter.

N. Each cannabis operator shall establish minimum training standards for all employees. The City Manager shall have the discretion to require other training for the business operations should the City identify deficiencies or noncompliance issues with City or state requirements.

7.04.350 Amendments to general operating requirements.

The City Manager may develop other cannabis business operational requirements or regulations as are determined to be necessary to protect the public health, safety, and welfare.

7.04.360 Operating requirements for retail store front facilities.

A. No more than the number of cannabis retailers adopted by City Council resolution may operate within the City at any one time and shall be issued a Cannabis Business Permit by the City.

B. Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of 18 years. If the potential customer is 18 to 20 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and / or Health and Safety Code Section [11362.71](#) identification card (medical marijuana card). For adult-use purchases, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.

C. Individuals must show their government-issued identification, and, in the case of medical cannabis facilities, their physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section [11362.71](#) in order to gain access into the retailer. The government-issued identification and, if applicable, doctor's recommendation or cannabis card must also be shown at the point-of-sale station at the time of purchase. Doctor recommendations are not to be obtained or provided at the retail location.

D. Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. The security personnel shall be at least 21 years of age and shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code. Security personnel may be allowed to carry firearms if authorized by Bureau of Security and Investigative Services.

E. Retailers may have only that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on site in the retail sales area of the retailer. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.

F. All restrooms used by the public shall remain locked and under the control of management.

G. Retailers authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of this chapter.

1. The sale and delivery of cannabis goods shall not occur through a pass-through window or a slide-out tray to the exterior of the premises.

2. Retailers shall not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle.

3. No cannabis goods shall be sold and / or delivered by any means or method to any person within a motor vehicle.

4. All cannabis goods sold by a retail business shall be contained in child-resistant packaging.

5. Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

H. Access to Retailer Premises.

1. Access to the premises of a retail Permittee shall be limited to individuals who are at least 21 years of age.

2. Notwithstanding subsection H.1 of this section, individuals who are at least 18 years of age and in possession of a valid physician's recommendation shall be granted access to the premises of a retail Permittee for the sole purpose of purchasing medicinal cannabis consistent with the physician's recommendation.

I. Authorized Sales. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid physician's recommendation. Medicinal cannabis sales to individuals 21 years of age and older are unrestricted.

J. Limited Access Areas. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the Permittee. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the City Manager or the Sheriff's Department upon request.

K. Operating hours of the store front retailer license shall be limited to the hours of nine a.m. through nine p.m., seven days a week.

L. Store front / Retail Security Requirements. All provisions incorporated within Section 7.04.320, Security measures, are directly applicable to and binding on all cannabis businesses, including all store front / retail businesses.

7.04.370 Retailer, non-store front retailer, and microbusiness delivery requirements.

A. Retailers, non-store front retailers (delivery), and microbusinesses owners and operators are required to verify the age and the necessary documentation of each customer. They must ensure that medical customers are at least 18 years of age and verify that the customer has a valid doctor's recommendation. Doctor recommendations are not to be obtained or provided at the retail location. In the case of adult-use customers, they must verify that the customer is at least 21 years of age. Sales shall only be made to persons matching this criteria.

B. All store front retailers, non-store front retailers (delivery), and microbusinesses which conduct deliveries into or within the City of Santee shall be required to obtain a permit from the City of Santee in order to conduct retail sales regardless, if they are located in the City or another local jurisdiction.

C. Operating hours of the non-store front retailer Permittee or out of town retail delivery services shall be limited to the hours of nine a.m. through nine p.m., seven days a week.

7.04.380 Retailer, non-store front retailer and microbusiness delivery vehicle requirements.

Prior to commencing delivery operations, a cannabis retailer, cannabis non-store front retailer and microbusiness shall provide the following information to the City:

A. Proof of ownership of the vehicle or a valid lease for any and all vehicles that will be used to deliver cannabis or cannabis products.

B. The year, make, model, color, license plate number, and numerical vehicle identification number (VIN) for any and all vehicles that will be used to deliver cannabis goods.

C. Proof of insurance as required in Section 7.04.300.B for any and all vehicles being used to deliver cannabis goods.

D. The Permittee shall provide the City with the information required by this section in writing for any new vehicle that will be used to deliver cannabis goods prior to using the vehicle to deliver cannabis goods.

E. The Permittee shall provide the City with any changes to the information required by this section in writing within 30 calendar days.

7.04.390 Operating requirements for distributors.

A. A distributor shall not store noncannabis products or noncannabis accessories that are to be sold to another party on any licensed or permitted premises. Additionally, a distributor shall not distribute noncannabis products or noncannabis accessories at a licensed premises. For the purposes of this section, noncannabis products are any goods that do not meet the definition of cannabis goods as defined in Title 16, Division 42, Section 5000(c) of the California Code of Regulations.

B. After taking physical possession of a cannabis goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing. The determination of which cannabis goods are to be included in the sample for laboratory testing shall be left to the sole discretion of the laboratory employee.

C. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.

D. The distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within the California Code of Regulations.

E. A distributor or an employee of the distributor shall be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded, and the

recording kept available to the state and the City for a minimum of 180 days, pursuant to Title 16, Division 42, Section 5305 of the California Code of Regulations.

F. A distributor shall not transport cannabis or cannabis products to a licensed retail facility until and unless it has verified that the cannabis or cannabis products have been tested and certified by a testing lab as being in compliance with state health and safety requirements pursuant to Title 16, Division 42, Sections 5705, 5710 and 5714 of the California Code of Regulations.

7.04.400 Operating requirements for testing labs.

A. Testing labs shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section [26100](#) and shall be subject to state and local law. Each testing lab shall be subject to additional regulations as determined from time to time as more regulations are developed under this chapter and any subsequent state of California legislation regarding the same.

B. Testing labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.

C. All cannabis testing laboratories performing testing shall obtain and maintain ISO / IEC 17025 accreditation as required by the Bureau of Cannabis Control.

D. Testing labs shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the Bureau unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the Bureau.

E. Each operator shall ensure that a testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by state law and that the testing laboratory employee transports the sample to the testing laboratory.

F. Except as provided by state law, a testing laboratory shall not acquire or receive cannabis or cannabis products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense cannabis, or cannabis products, from the licensed premises from which the cannabis or cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.

G. A testing laboratory may receive and test samples of cannabis or cannabis products from a qualified patient or primary caregiver only if the qualified patient or primary caregiver presents the qualified patient's valid physician's recommendation for cannabis for medicinal purpose. A testing lab shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or licensee. All tests performed by a testing laboratory for a qualified patient or primary caregiver shall be recorded with the name of the qualified patient or primary caregiver and the amount of the cannabis or cannabis products received.

7.04.410 Operating requirements for cannabis manufacturing

A. Cannabis manufacturing shall only be permitted pursuant to Section 7.04.070 or any subsequent created manufacturing state license as defined in MAUCRSA and may be permitted to operate only within those zone districts as defined in the Santee Municipal Code.

B. Any compressed gases used in the manufacturing process shall not be stored on any property within the City in containers that exceeds the amount which is approved by the Fire Department

and authorized by the regulatory permit. Each site or parcel subject to a Cannabis Business Permit shall be limited to a total number of tanks as authorized by the Fire Department on the property at any time.

C. Cannabis manufacturing facilities may use heat, screens, presses, steam distillation, ice water, ethanol, and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

D. If an extraction process uses a professional grade closed loop CO₂ gas extraction system every vessel must be certified by the manufacturer for its safe use as referenced in subsection F of this section. The CO₂ must be of at least 99 percent purity.

E. Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

F. Certification from an engineer licensed by the state of California, or by a certified industrial hygienist, must be provided to the City for a professional grade closed loop system used by any cannabis manufacturing manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:

1. The American Society of Mechanical Engineers (ASME);
2. American National Standards Institute (ANSI);
3. Underwriters Laboratories, LLC (UL); or
4. The American Society for Testing and Materials (ASTM).

G. The certification document must contain the signature and stamp of the professional engineer or industrial hygienist and serial number of the extraction unit being certified.

H. Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the Fire Department and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.

I. Cannabis manufacturing facilities may use non-volatile solvents, including carbon dioxide, ethanol, and nonhydrocarbon-based or other solvents such as water, vegetable glycerin, vegetable oil, animal fat, and glycerin to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

J. Cannabis manufacturing facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

K. Any person using solvents or gases in a closed looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets to handle, and store the solvents and gases safely.

L. Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

7.04.420 Operating requirements for delivery services.

Prior to commencing operations, a cannabis out-of-City delivery service shall comply with the following requirements:

- A. Obtain from the City a permit authorizing the delivery of cannabis and cannabis products within the City limits. A copy of this permit shall be retained by all drivers.
- B. The retail business operating the delivery service shall provide the City Manager with evidence of a valid state license for a cannabis business on whose authorization the delivery service is performing the delivery function.
- C. The retail business operating the delivery service shall furnish to the City Manager the year, make, model, license plate number, and numerical vehicle identification number (VIN) for any and all vehicles that will be used to deliver cannabis goods.

7.04.430 Permissible delivery locations and customers.

Cannabis delivery businesses located outside of the City permitted to engage in delivery of cannabis and cannabis products inside the City are subject to the following requirements:

- A. A licensed cannabis business shall not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.
- B. A licensed cannabis business shall comply with all requirements of state and local law pertaining to the Cannabis Business Permit and all subsequent policies, procedures and regulations which may be amended by the City Manager from time to time in order to enforce this chapter.
- C. Any kiosk, iPad, tablet, smart phone, fixed location, or technology platform, whether manned or unmanned, other than a retail location permitted by the City, that facilitates, directs, or assists the retail sale or delivery of cannabis or cannabis products is prohibited and shall be a violation of this chapter.

7.04.440. Operating Requirements for Microbusinesses.

The requirements set forth in Sections 7.04.360 through 7.04.430 apply to microbusinesses, to the extent that the microbusiness is engaging in the specified activity.

7.04.450 Promulgation of regulations, standards and other legal duties.

- A. In addition to any regulations adopted by the City Council, the City Manager is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of Cannabis Business Permits, the ongoing operation of cannabis businesses and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.
- B. Regulations shall be published on the City's website.
- C. Regulations promulgated by the City Manager shall become effective upon date of publication. Cannabis businesses shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager.

7.04.460 Community relations.

A. Each cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the cannabis business can be provided. Each cannabis business shall also provide the above information to all businesses and residences located within 100 feet of the cannabis business.

B. During the first year of operation pursuant to this chapter, the owner, manager, and community relations representative from each cannabis business holding a permit issued pursuant to this chapter shall attend meetings with the City Manager, and other interested parties as deemed appropriate by the City Manager, to discuss costs, benefits, and other community issues arising as a result of implementation of this chapter. After the first year of operation, the owner, manager, and community relations representative from each such cannabis business shall meet with the City Manager when and as requested by the City Manager.

C. Cannabis businesses to which a Cannabis Business Permit is issued pursuant to this chapter shall develop a City approved public outreach and educational program for youth organizations and educational institutions that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

7.04.470 Fees deemed debt to the City.

The amount of any fee, cost or charge imposed pursuant to this chapter shall be deemed a debt to the City that is recoverable via an authorized administrative process as set forth in the City ordinance or in any court of competent jurisdiction.

7.04.480 Permit holder responsible for violations.

The person to whom a Cannabis Business Permit is issued pursuant to this chapter shall be responsible for all violations of the laws of the state of California or of the regulations and / or the ordinances of the City, whether committed by the Permittee or any employee or agent of the Permittee, which violations occur in or about the premises of the cannabis business whether or not said violations occur within the permit holder's presence.

7.04.490 Inspection and enforcement.

A. The Enforcement Officer may enter the location of a cannabis business at any time, without notice, and inspect the location of any cannabis business as well as any recordings and records required to be maintained pursuant to this chapter or under applicable provisions of state law.

B. It is unlawful for any person having responsibility over the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis business under this chapter or under state or local law.

C. The Enforcement Officer may enter the location of a cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City shall be logged, recorded, and maintained in accordance with established procedures by the City Manager or these regulations.

7.04.500 Violations declared a public nuisance.

Each and every violation of the provisions of this chapter constitutes a misdemeanor and is hereby deemed unlawful and a public nuisance. The City reserves the right to pursue any available legal remedy to address violations of this chapter.

7.04.510 No vested rights.

No person(s) (including any Applicant, owner, and / or Permittee) shall have any vested rights to any permit, right, and / or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed, and / or otherwise engaged in acts related to the use of cannabis prior to the adoption of the ordinance codified in this chapter.

7.04.520 Civil penalties.

A. In addition to the enforcement and fines described herein, the City Attorney may bring a civil action for injunctive relief and civil penalties pursuant to Chapter 1.04 of this code against any owner who violates this chapter. In any civil action brought pursuant to this chapter, the court may award reasonable attorneys' fees and costs to the prevailing party.

B. The City may pursue any other legal remedy to enforce or collect any fines or amounts owed as set forth herein.

DRAFT-Santee Cannabis Business Ordinance

Chapter 7.04 – Cannabis Businesses

7.04.010 Title.

This chapter shall be known as the Cannabis Business Permit Ordinance of the City of Santee.

7.04.020 Purpose and intent.

It is the purpose and intent of this chapter to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”) to accommodate the needs of medically ill persons in need of cannabis for medicinal purposes as recommended by their health care provider(s), and to provide access to same. It is also the purpose and intent of this chapter to provide access to adult-use cannabis for persons aged 21 and over as authorized by the Control, Tax and Regulate the Adult Use Cannabis Act (“AUMA” or “Proposition 64”), while imposing sensible regulations on the use of land to protect City residents, neighborhoods, and businesses from disproportionately negative impacts. It is the purpose and intent of this chapter to regulate the commercial cultivation, processing, manufacturing, testing, sale, delivery, and distribution of cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of the City and to enforce rules and regulations consistent with state law and in a fair and equitable manner.

7.04.030 Legal authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of MAUCRSA, any subsequent state legislation and regulations regarding same, the City is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City to all commercial cannabis activity.

7.04.040 Cannabis cultivation and cannabis activities prohibited unless specifically authorized by this chapter.

Except as specifically authorized by this chapter, the commercial cultivation, manufacture, processing, storing, laboratory testing, labeling, sale, delivery, distribution, or transportation of cannabis or cannabis products is expressly prohibited in the City. Violations of this chapter are subject to penalties under the Health and Safety Code and Penal Code in addition to the penalties set forth in Section 7.04.520. [Outdoor cultivation is expressly prohibited within the City.](#)

7.04.050 Compliance with state and local laws and regulations.

It is the responsibility of the owners, agents, employees, affiliates, and / or operators of any commercial cannabis business within the City limits to ensure that they operate in a manner compliant with this chapter, all applicable state and local laws, and any regulations promulgated thereunder, including but not limited to the MAUCRSA.

7.04.060 Definitions.

“Applicant” means a person or entity that submits an application for a Cannabis Business Permit under this chapter.

“Cannabis” means all parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the California Health and Safety Code. Cannabis shall also have the same meaning as in Section 26001(f) of the Business and Professions Code, as same may be amended from time to time.

“Cannabis Business Permit” or “Permit” means a regulatory permit issued by the City pursuant to this chapter, to a commercial cannabis business and is required before any commercial cannabis activity may be conducted in the City. The issuance of the Cannabis Business Permit and annual renewal of a Cannabis Business Permit is made expressly contingent upon the business’ ongoing compliance with all of the requirements of this chapter and any regulations adopted by the City governing the commercial cannabis activity at issue.

“Cannabis Business Permittee” or “Permittee” means a person or entity that has received a Cannabis Business Permit from the City as authorized under this chapter.

“Caregiver” or “primary caregiver” has the same meaning as that term is defined in Health and Safety Code Section 11362.7.

“City Manager” means the City Manager or designee.

“Commercial cannabis business” means any business or operation which engages in medicinal or adult-use commercial cannabis activity.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. [All references to cultivation allowed under this chapter mean indoor cultivation only.](#)

“Director” shall mean the Director of Development Services or designee.

“Dispensing” means any activity involving the retail sale of cannabis or cannabis products from a retailer.

“Distributor” shall have the same meaning as that appearing in Business and Professions Code Section 26070.

“Enforcement Officer” means any designee authorized by the City Manager to enforce a violation of this chapter.

“Hearing Officer” shall mean an authorized hearing officer designated by the City Manager.

“Laboratory” means a laboratory, facility or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following: (1) accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state; and (2) licensed by the State Department of Cannabis Control within the Business, Consumer Services, and Housing Agency.

“Limited-access area” means an area in which cannabis is stored or held and is only accessible to a licensee and authorized personnel.

“Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.

“Manufacturing site” means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid Cannabis Business Permit for manufacturing from the City and a valid state license as required for manufacturing of cannabis products.

“Medicinal cannabis” means cannabis or a cannabis product, respectively, intended to be sold or donated for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found in Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician’s recommendation, or in compliance with any compassionate use, equity, or other similar program administered by a local jurisdiction.

“Microbusiness” ~~shall have the same meaning as that contained in Business and Professions Code Section 26001(aj).~~ ~~Microbusinesses that engage in cultivation of cannabis may only engage in cultivation of cannabis on an area less than~~ means a business that engages in at least three of the following activities at one location: indoor cultivation (up to 10,000 total square feet), manufacturing, distribution, or retail (storefront or non-storefront).

“Non-store front retailer” is a subset of “retailer” and is a licensed retail business that is closed to the public and provides product to customers solely by means of a delivery service which the retailer owns and controls.

“Nonvolatile solvent” means any solvent used in the extraction process that is not a volatile solvent as defined by state law. For purposes of this chapter, nonvolatile solvents include carbon dioxide, ethanol, and nonhydrocarbon-based or other solvents such as water, vegetable glycerin, vegetable oil, animal fat, and glycerin.

“Owner” means any of the following:

1. A person with an aggregate ownership interest of 10 percent or more in the commercial cannabis business, unless the interest is solely a security, lien, or encumbrance.
2. An individual who manages, directs, or controls the operations of the commercial cannabis business, including but not limited to:
 - (a) A member of the board of directors of a nonprofit.
 - (b) A general partner of a commercial cannabis business that is organized as a partnership.

(c) A non-member manager or manager of a commercial cannabis business that is organized as a limited liability company.

(d) The trustee(s) and all persons who have control of the trust and / or the commercial cannabis business that is held in trust.

(e) An individual with the authority to provide strategic direction and oversight for the overall operations of the commercial cannabis business, such as the chief executive officer, president or their equivalent, or an officer, director, vice president, general manager or their equivalent.

(f) An individual with the authority to execute contracts on behalf of the commercial cannabis business.

“Patient” or “qualified patient” shall have the same meaning as that contained in California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which includes within its definition a person who is entitled to the protections of California Health and Safety Code Section 11362.22.

“Person” shall mean any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.

“Person with an identification card” shall have the same meaning as that contained in California Health and Safety Code Section 11362.7.

“Processing” means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and ~~nonmanufactured~~non-manufactured cannabis products.

“Retailer” or “store front retailer” shall have the same meaning as that contained in Business and Professions Code Section 26070(a)(1); which defines a retailer as having a physical location form which commercial cannabis activities are conducted. A retailer’s premises may be closed to the public. A retailer may conduct sales exclusive by delivery.

“Sheriff” means the Sheriff of the County of San Diego.

“State license” means a permit or license issued by the state of California, or one of its departments or divisions, under the MAUCRSA and any subsequent related state of California legislation, to engage in cannabis activity. A state license alone will not authorize the holder to operate a cannabis business, as state law also requires a permit or other authorization issued by a local jurisdiction.

“Topical cannabis” means a product intended for external application and / or absorption through the skin. A topical cannabis product is not considered a drug as defined by Health and Safety Code Section 109925.

“Transport” means the transfer of cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting cannabis activity authorized by the MAUCRSA which may be amended or repealed by any subsequent related state of California legislation. Transport can only be performed by licensed distributors and does not include deliveries of cannabis or cannabis products.

“Volatile solvent” means a solvent as defined by Health and Safety Code Section 11362.3(b)(3) as of the effective date of this chapter and as subsequently amended.

“Youth center” means any:

1. Public or private facility that is primarily used to host recreation, academic, or social activities for minors, including, but not limited to:

- a. Private youth membership organizations or clubs;
- b. Social service teenage club facilities;
- c. Video arcades where 10 or more video games or game machines or devices are operated, and where minors are legally permitted to conduct business; or
- d. Similar amusement park facilities.

2. Park, playground, or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball, or any similar facility located on a public or private school grounds, or on City, county, or state parks.

“Youth center” shall not include any private martial arts, yoga, ballet, dance, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist office, doctor’s office primarily serving children, or a location which is primarily utilized as an administrative office, or a facility for youth programs or organizations.

7.04.070 Cannabis Business Permit and City Business License required to engage in cannabis business.

No person may engage in any cannabis business within the City including cultivation, manufacture, processing, laboratory testing, distributing, dispensing, or sale of cannabis or a cannabis product unless the person meets all of the following requirements:

- A. Possesses a valid Cannabis Business Permit from the City;
- B. Possesses a valid State of California seller’s permit, as applicable; and
- C. Is currently in compliance with all applicable state and local laws and regulations pertaining to the cannabis business and the cannabis activities, including the duty to obtain any required state licenses.
- D. Possesses a City business license.

7.04.080 Evidence of cannabis owners and / or employees background check required.

- A. Any person who is an owner, employee, agent, and / or who otherwise works within a cannabis business must be legally authorized to do so under applicable state law.
- B. Cannabis business owners, operators, investors, managers, and employees shall be required to submit to a criminal background check for themselves and all persons in their employment.
- C. The City Manager shall conduct or cause to be conducted annual criminal background checks which must at a minimum identify the following:

1. Whether the owners, operators, investors, managers, and employees applying for employment have ever been convicted of a violent felony as defined by California Penal Code 667.5 or equivalent offenses in other states;
2. Whether the owners, operators, investors, managers, and employees have ever been convicted of a felony for hiring, employing, or in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor; or
3. Whether the owners, operators, investors, managers, and employees have ever been convicted of a felony for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety Code.

D. Evidence of a conviction of any the offenses enumerated in subsection C of this section shall be grounds for denial of ownership or employment.

E. Violation of this section shall be grounds for immediate suspension of the business's operating Cannabis Business Permit, pending a hearing before the City Manager within 30 days for a final determination of the status of the permit.

7.04.090 Personnel prohibited from holding a license or from employment with a Cannabis Business Permittee.

A. Any person, including, but not limited to, any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, in which any of the following actions or notices have been issued for noncompliance, shall not be eligible to obtain a Cannabis Business Permit from the City or employment with a Cannabis Business Permittee in the City:

1. The Applicant has been denied a cannabis permit (excluding an Applicant that did not receive a permit in another jurisdiction due solely to a limited and / or set number of permits and / or licenses), or has had a cannabis permit or license suspended or revoked by any city, county, city and county, or any other state cannabis licensing authority;
2. The Applicant was notified by the state, county, or city that it was conducting cannabis activity in violation of City ordinances, codes, and requirements, and failed to cure the violation in a timely manner;
3. Evidence that the Applicant is delinquent in payment of federal, state, or local taxes and / or fees, and took no steps to cure the delinquency when notified by the appropriate agencies;
4. No person shall be issued a Cannabis Business Permit if such person enters or has entered into either a verbal or written agreement to lease, sublease, or any other agreement for any terms of use of a premises granted by a property owner, commercial broker, or any third party, that is in violation of Section 7.04.070 unless that property is leased at fair market value. Any such lease, sublease, or agreement shall not contain terms or conditions requiring the Cannabis Business Permittee to pay the property owner, commercial broker, or any third party a percentage of gross receipts, royalties, equity, or other unreasonable compensation as determined by the City. In addition, all leases, subleases, or other agreements must be based on a monthly rate.

7.04.100 Maximum number and type of authorized cannabis businesses permitted.

This section is only intended to create a maximum number and types of cannabis businesses that may be issued permits to operate in the City.

A. After the effective date of this Ordinance, the City shall only issue Cannabis Business Permits (consistent with this chapter) for up to four Retailers, including microbusinesses that include storefront retail activities. There is no limit on the number of Cannabis Business Permits that the City may issue to testing laboratories or microbusinesses that do not include storefront retail.

B. Each year following the City Council's initial grant of Permits (if any), or at any time in the City Council's discretion, the City Council may reassess the number of Cannabis Business Permits which are authorized for issuance and may make changes to the number by resolution.

C. The City Council at its sole discretion may determine that the number and / or types of Cannabis Business Permits should remain the same or be modified.

7.04.110 Community benefits.

A. The application process for a Cannabis Business Permit shall include a component on community benefits, the terms of which shall be set out and memorialized in a community benefit agreement.

B. Any community benefits that a cannabis business agrees to provide shall be incorporated into the terms and conditions under which the cannabis business will operate with the City's approval, if and when a Cannabis Business Permit is issued. Such terms and conditions shall be in addition to the requirements of this chapter.

C. Community benefits may include but will not be limited to: in-kind donations; sponsorship of select community events; financial support for special community events such as fairs, afterschool programs, youth centers, local schools (whether public or private); school athletic programs; school clubs; community centers, homeless shelters, senior centers and / or senior living facilities, and / or parks and recreation programs.

7.04.120 City's reservation of rights.

The City reserves the right to reject any or all applications for a Cannabis Business Permit. Prior to such permit issuance, the City may modify, postpone, or cancel any request for applications, at any time without liability, obligation, or commitment to any person, party, firm, or organization, to the extent permitted under State law. Persons submitting applications assume the risk that all or any part of the request for applications, or any particular category of permit potentially authorized under this chapter, may be cancelled at any time prior to Permit issuance. The City further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to a failure to comply with other requirements in this chapter, an application may be rejected for any of the following reasons:

A. The Cannabis Business Permit application was received after the designated time and date of the deadline.

B. The Cannabis Business Permit application did not contain the required elements, exhibits, or was not organized in the required format.

C. The Cannabis Business Permit application was considered not fully responsive to the request for a permit application – that is, the application was substantially incomplete as determined by the City Manager.

7.04.130 Procedure guidelines and review criteria to evaluate Cannabis Business Permit applications.

A. By resolution, the City Council shall adopt procedures and review criteria for the City’s evaluation of Cannabis Business Permit applications. A Cannabis Business Permit application shall be required prior to review and approval of any land use entitlement, business license or other City authorization.

B. The procedures shall provide the process for soliciting applications including time frames, limitations, forms, and rules for completing applications.

C. Should the City Council, pursuant to authority granted under Section 7.04.100 of this Code, establish a maximum number of cannabis businesses that may be issued a Cannabis Business Permit, the review criteria shall include detailed instructions on the methodology to be used to evaluate applications on a point, or other evaluation system, tied to particular sets of criteria.

D. The scoring on review criteria shall be used to determine which candidates will be eligible to proceed to the final selection process as determined by City Council resolution.

E. The City Manager shall be authorized to prepare any necessary forms and adopt any necessary rules to implement the procedures guidelines and review criteria.

F. At the time of filing, each Applicant shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the application process.

7.04.140 Exercise of a Cannabis Business Permit.

A Cannabis Business Permit shall be exercised within 12 months of issuance. “Exercised” shall mean when any of the following occur: 1. A certificate of occupancy has been issued;

2. The permitted use(s) has commenced on the site; or

3. A City building permit or grading permit is secured, and construction lawfully commenced.

7.04.150 Continuous Use Requirement.

A. Once the permitted cannabis use is legally established and operational, the use must remain in continuous operation or all use rights are subject to termination. If a permitted use ceases to operate for a period of four or more months, then the use shall be considered abandoned unless a mitigating circumstance occurred that was beyond the control of the Permittee and an extension is authorized by the City Manager.

B. The approval of a new use shall terminate all rights and approvals of a Cannabis Business Permit occupying the same site or location.

7.04.160 Term of a Cannabis Business Permit.

All Cannabis Business Permits issued under the provisions of this chapter shall be effective for a period not to exceed one year. The City Manager may renew a Permit through the procedures identified in section 7.04.180 of this Code.

7.04.170 Reapplying for a Cannabis Business Permit.

If an Applicant is denied a Cannabis Business Permit due to a disqualifying factor such as failing a background check or not complying with any state or local jurisdiction's regulatory requirements in which legal or administrative action has been taken, a new application may not be filed for ~~one year~~two years from the date of the denial. This section shall not apply to an Applicant who passed the initial application screening process but was not granted a Cannabis Business Permit by the City Council.

7.04.180 Term and Renewal of Cannabis Business Permits.

A. All licenses issued under the provisions of this chapter shall be effective for a period not to exceed one year. The City Manager may renew a permit through the procedures identified in this section.

B. An application for renewal of a Cannabis Business Permit shall be filed at least 90 calendar days prior to the expiration date of the current Permit, but no earlier than 180 calendar days prior to the expiration date of the current Permit, unless a different time period is set forth by the City Manager.

C. The renewal application shall contain all the information required for new applications.

D. The Applicant shall pay a fee in an amount to be set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the City to administer the program created under this chapter.

E. An application for renewal of a Cannabis Business Permit shall be rejected if any of the following exists:

1. The application is filed less than 90 days before its expiration unless the City Manager, at the City Manager's sole discretion, approves an extension of the deadline.
2. The Cannabis Business Permit is suspended or revoked at the time of the renewal application.
3. The cannabis business has not been in regular and continuous operation in the four months prior to the renewal application or the approved extension of the deadline from the City Manager.
4. The cannabis business has failed to conform to the requirements of the Cannabis Business Permit or this chapter or any regulations adopted pursuant to this chapter.
5. The Permittee fails or is unable to renew its State of California license.
6. If the State has determined, based on substantial evidence, that the Permittee or Applicant is in violation of the requirements of the State rules and regulations and the State has determined that the violation is grounds for termination or revocation of the Cannabis Business Permit.

F. The City Manager is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the City Manager is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety, or welfare. Appeals from the decision of the City Manager shall be conducted as prescribed by resolution of the City Council

and shall be subject to a fee as established by resolution of the City Council. If a renewal Cannabis Business Permit application is denied, a person may file a new application pursuant to this chapter no sooner than one year from the date of the denial.

7.04.190 Revocation of permits.

A Cannabis Business Permit may be revoked by the City Manager for any violation of any state or local laws, rules, standards, policies, procedures, or regulations in this chapter relating to cannabis, or any violation of the applicable community benefit agreement.

7.04.200 Effect of state license suspension.

Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis business to operate within the City until the State of California or its respective department or division reinstates or reissues the state license.

7.04.210 Effect of state revocation.

Revocation of a license issued by the State of California, or by any of its departments or divisions, shall immediately revoke the ability of a cannabis business to operate within the City until the State of California or its respective department or division takes appropriate action. Should the State revoke a license, the cannabis business owner may reapply for a new Cannabis Business Permit at such time as it can demonstrate that the grounds for revocation of the license by the State no longer exist or that the underlying deficiency has otherwise been cured.

7.04.220 Appeals.

Appeals relating to denial of a Cannabis Business Permit application; denial of advancement to the final selection process; to revocation or suspension a Cannabis Business Permit; to denial of renewal of a Cannabis Business Permit; or the addition of conditions to a Cannabis Business Permit shall be conducted as prescribed by resolution of the City Council and shall be subject to a fee as established by resolution of the City Council.

7.04.230 Change in location – Updated application form.

A. Any time the business location specified in the Cannabis Business Permit is proposed to be changed, the Permittee and / or Applicant shall submit an updated application to the City Manager for approval prior to the change in location.

B. Within 15 calendar days of any other change in the information provided in the updated application form or any change in status of compliance with the provisions of this chapter, including any change in the cannabis business ownership or management members, the Applicant shall file an updated application with the City Manager for review along with an application fee.

7.04.240 Transfer of Cannabis Business Permit.

A. The owner of a Cannabis Business Permit shall not transfer ownership or control of the permit to another person or entity unless and until the transferee obtains a written and executed amendment to the permit from the City Manager stating that the transferee is now the Permittee. Such an amendment may be obtained only if the transferee files a Cannabis Business Permit application with the City Manager in accordance with all provisions of this chapter (as though the transferee were applying for an original Cannabis Business Permit). The proposed

transferee's application shall be accompanied by a transfer fee in an amount set by resolution of the City Council (or if not set, shall be the same amount as the application fee). The transferee's application will be treated as a new application, and will be evaluated according to procedures adopted by the City Manager, pursuant to Section 7.04.130, and / or by resolution of the City Council.

B. Cannabis Business Permits issued through the grant of a transfer by the City Manager shall be valid for a period of one year beginning on the day the City Manager approves the transfer of the permit. Before the transferee's Permit expires, the transferee shall apply for a renewal Permit and pay the appropriate fee in the manner required by this chapter.

C. A Cannabis Business Permit shall not be transferred when the City has notified the Permittee in writing that the Permit has been or may be suspended or revoked.

D. Any attempt to transfer a Cannabis Business Permit either directly or indirectly in violation of this section is hereby declared a violation of the Permit and this ordinance. Such a purported transfer shall be deemed a ground for revocation of the Permit.

E. This section shall not apply to the extent the current owners are attempting to add a new and / or additional owner whose ownership interest is less than 50% of the business, but all other remaining owners shall remain in place. Any new and / or additional ownership, however, shall require written approval by the City Manager in accordance with procedures adopted by the City Manager and / or by resolution of the City Council. Failure to obtain such approval prior to adding a new owner will result in a violation of the permit and this chapter, and shall be deemed a ground for revocation.

7.04.250 City business license.

Prior to commencing operations, a cannabis business shall obtain a City business license as required under Chapter 4.02.

7.04.260 Building permits and inspections.

Prior to commencing operations, a Cannabis Business Permit shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes, but is not limited to, obtaining any required building permit(s), Fire Department approval, Code Enforcement approvals, Department of Development Services approval, Sheriff's Department approval, County of San Diego health department approval, and any other applicable zoning and land use permit(s) and approvals.

7.04.270 Authorization from the Director.

Prior to commencing operations, a cannabis business must obtain authorization from the Director, certifying that the business is located on a site that meets all of the requirements of Sections 7.04.260, 7.04.280, and 7.04.290.

7.04.280 Right to occupy and to use property.

Prior to the City's issuance of a Cannabis Business Permit pursuant to this chapter, any person intending to open and to operate a cannabis business shall first provide sufficient evidence of the legal right to occupy and to use the proposed location. Such evidence may include a notarized lease, notarized real estate records, and / or other notarized official records that demonstrate a

legal right to occupy. If the proposed location will be leased from the property owner, the Applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this chapter and consents to the operation of the cannabis business on the owner’s property.

7.04.290 ~~Location and design of~~Zoning and location requirements for cannabis businesses.

Cannabis businesses permitted to engage in retail, distribution, manufacturing, testing labs, and microbusiness operations for cannabis and cannabis products are subject to the following zoning and locational requirements:

A. Distribution, manufacturing, testing laboratories and microbusiness that do not include ~~non-store front~~storefront retail activities are only permitted in the following zone districts: IL (Light Industrial) and IG (General Industrial), and must satisfy all the applicable requirements set forth in Title 13 of this Code.

B. Retail ~~store front~~-businesses (including microbusinesses that include storefront retail activities but do not include cultivation) are only permitted in the following zone districts: IL (Light Industrial), IG (General Industrial), and GC (General Commercial), and must meet all the requirements pursuant to Title 13 of this code.

<u>Land Use</u>	<u>Land Use Designation</u>		
	<u>GC</u>	<u>IL</u>	<u>IG</u>
<u>Distribution, manufacturing</u>	--	<u>P</u>	<u>P</u>
<u>Microbusinesses with storefront retail and without cultivation</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Microbusinesses with cultivation</u>	--	<u>P</u>	<u>P</u>
<u>Storefront Retail</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Non-storefront Retail</u>	--	<u>P</u>	<u>P</u>
<u>Testing Labs</u>	--	<u>P</u>	<u>P</u>

C. All Cannabis Business Permittees must also meet all of the following distance requirements:

1. The cannabis business shall be no closer than ~~600~~900 feet from any zoned parcel in the City designated by the City and state law as a sensitive use, and pursuant to subsection C.2 of this section. The distance measured shall be the horizontal distance measured in a

straight line from the property line of those parcels in subsection C.2 of this section to the closest property line of the lot on which the cannabis business is located.

2. It shall be no closer than ~~600~~900 feet from any parcel containing any of the following that is in existence at the time the license is issued:

a. A school providing instruction in kindergarten or any grades one through 12 (whether public, private, or charter, including preschool, transitional kindergarten, and K – 12);

b. A commercial daycare center licensed by the state, county or City ~~which is in existence at the time the license is issued unless the state licensing authority or the City specifies a greater radius.~~

c. A church or other religious institution; and

~~ed.~~ A youth center ~~that is in existence prior to the submittal of the initial cannabis application or at the time the license is issued, unless the state licensing authority or the City specifies a greater radius.~~ A “youth center” means any public or private facility that is primarily used to host recreation, academic, or social activities for minors, including, but not limited to:

- i. Private youth membership organizations or clubs;
- ii. Social service teenage club facilities;
- iii. Video arcades where 10 or more video games or game machines or devices are operated, and where minors are legally permitted to conduct business; or
- iv. Similar amusement park facilities.

“Youth center” shall also include a park, playground, or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball, or any similar facility located on a public or private school grounds, or on City, county, or state parks.

“Youth center” shall not include any private martial arts, yoga, ballet, dance, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist office, doctor’s office primarily serving children, or a location which is primarily utilized as an administrative office, or a facility for youth programs or organizations.

D. Each proposed cannabis business shall also:

1. Conform with the City’s General Plan, any applicable specific plan, master plan, and design requirements.
2. Comply with all applicable zoning and related development standards.
3. Be constructed in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.
4. Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development.

5. Be served by roadways adequate in width and improved as necessary to carry the kind and quantity of traffic such use will generate.
6. Be provided with adequate electricity, sewerage, disposal, water, fire protection and storm drainage facilities for the intended purpose.

7.04.300 Limitations on City's liability.

To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to having issued a Cannabis Business Permit pursuant to this chapter or otherwise approving the operation of any cannabis business. As a condition to the approval of any Cannabis Business Permit, the Applicant shall be required to meet all of the following conditions before they can receive the Cannabis Business Permit:

A. Execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at Applicant's sole cost and expense), release, and hold the City, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities, or losses which arise out of, or which are in any way related to, the City's issuance of the Cannabis Business Permit, the City's decision to approve the operation of the cannabis business or activity, the process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the cannabis business or any of its officers, employees or agents.

B. Take out and maintain, at all times while operating the cannabis business, and in a form and with insurance companies acceptable to the City: (1) Commercial General Liability Insurance with a limit of no less than \$2,000,000 per occurrence and \$4,000,000 aggregate for bodily injury (including death), personal injury and property damage; and (2) if Permittee or Permittee's employees use vehicles in the operation of the business, Automobile Liability Insurance for bodily injury (including death) and property damage including coverage for owned, non-owned and hired vehicles, with a limit of no less than \$1,000,000 per occurrence. The City of Santee, its City Council and each member thereof, its officers, employees, and agents shall be named as an additional insured on the Commercial General Liability policy. If Permittee maintains higher limits than the minimum required above, the City requires and shall be entitled to coverage for the higher limits maintained by Permittee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City. Insurance requirements may be adjusted from time to time by the City Manager.

~~B. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City Manager.~~

C. Reimburse the City for all costs and expenses, including but not limited to legal fees and costs and court costs, which the City may be required to pay as a result of any legal challenge related to the City's approval of the applicant's Cannabis Business Permit or related to the City's approval of a cannabis activity. The City, at its sole discretion, may participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed on Applicant hereunder.

7.04.310 Records and recordkeeping.

A. Each owner and operator of a cannabis business shall maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a

Cannabis Business Permit issued pursuant to this chapter), or at any time upon reasonable request of the City, each cannabis business shall file a sworn statement detailing the number of sales by the cannabis business during the previous 12-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes and fees paid or due to be paid. On an annual basis, each owner and operator shall submit to the City a financial audit of the business's operations conducted by an independent certified public accountant. Each Permittee shall be subject to a regulatory compliance review and a gross receipts financial audit, where applicable, as determined by the City Manager.

B. Each owner and operator of a cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business, and separately of all the officers, managers, employees, agents, and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this subsection shall be provided to the City Manager upon a reasonable request.

C. All cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing, production, manufacturing, retail, and laboratory testing processes (as applicable) until purchase as set forth in the MAUCRSA.

7.04.320 Security measures.

A. A Cannabis Business Permittee shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis or cannabis products at the cannabis business. Except as may otherwise be determined by the City Manager, these security measures shall include, but shall not be limited to, all of the following:

1. Perimeter fencing and exterior lighting systems (including motion sensors) for after-hours security as approved by the Director in collaboration with the Sheriff's Department, as applicable.
2. Preventing individuals from remaining on the premises of the cannabis business if they are not engaging in an activity directly related to the permitted operations of the cannabis business; in cases in which the individual will not voluntarily leave the premises in violation of applicable law the cannabis employee shall contact the Sheriff's Department.
3. Establishing limited access areas accessible only to authorized cannabis business personnel.
4. Except for limited amounts of cannabis or cannabis products being used for display purposes in retail areas, all finished goods at a commercial cannabis business shall be stored in a secured and locked vault or vault-equivalent during non-operating hours. All safes and vaults used to store cash and / or cannabis goods shall be compliant with Underwriters Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live clone plants that are being sold, shall be kept in a manner as to prevent diversion, theft, and loss.
5. Installing 24-hour security surveillance cameras of at least high-definition (HD) quality to monitor all entrances and exits to and from the premises, all interior spaces within the

cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash, or currency is being stored for any period of time on a regular basis, and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The cannabis business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager, and that it is compatible with the City's software and hardware. In addition, if required by City, remote and real-time live access to the video footage from the cameras shall be provided to the Sheriff's Department at the expense of the Permittee. Video recordings shall be maintained for a minimum of ~~90~~120 days and shall be made available to the Sheriff's Department upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the cannabis business and shall be capable of enlargement via projection or other means. Internet protocol address information shall be provided to the Sheriff's Department by the cannabis business, to facilitate remote monitoring of security cameras by the Sheriff's Department. Each business shall have network security protocols that are certified by Underwriters Laboratories, LLC.

6. Sensors shall be installed to detect entry and exit from all secure areas and shall be monitored in real time by a security company licensed by the state of California Bureau of Security and Investigative Services.

7. Panic buttons shall be installed in all cannabis businesses with direct notification to the Sheriff's Department dispatch and shall be configured to immediately alert dispatch for the Sheriff's Department.

8. Having a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the state of California Bureau of Security and Investigative Services.

9. Any security measures, such as bars, installed on the windows or the doors of the cannabis business shall be installed only on the interior of the building.

10. Security personnel shall be on site 24 hours a day or alternative security as authorized by the City Manager and must have a verified response security patrol when closed. Security personnel must be licensed by the state of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager, with such approval not to be unreasonably withheld.

11. Each cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

12. Entrance areas are to remain under the control of a designated responsible party that is either: (a) an employee of the cannabis business; or (b) a licensed security professional.

13. Each cannabis business shall have an accounting software system in place to provide point-of-sale data as well as audit trails for both product and cash, where applicable.

14. Each cannabis business shall demonstrate to the City Manager compliance with the state's track and trace system for cannabis and cannabis products as soon as it is operational.

15. Each cannabis business shall have a professionally installed video surveillance system, access control and intrusion alarm systems designed to protect the inventory, facility, and employees. Each business shall have network security protocols that are certified by Underwriters Laboratories, LLC.

16. Exterior vegetation shall be planted, altered, and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

17. Emergency access and emergency evacuation plans that are in compliance with state and local fire safety standards.

18. Installation of "mosquitos" (high-pitch frequency devices) as a deterrent to vandalism / loitering.

B. Each cannabis business shall identify a designated security representative / liaison to the City, who shall be reasonably available to meet with the City Manager regarding any security related measures or operational issues. The designated security representative / liaison shall, on behalf of the cannabis business, annually maintain a copy of the current security plan on the premises of the business, to present to the City Manager upon request that meets the following requirements:

1. Confirms that a designated manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.
2. Identifies all managers of the cannabis business and their contact phone numbers.
3. Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the manager's office.
4. Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.
5. Identifies a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the cannabis business, the parking lot, any adjacent property under the business's control, and ensure that the parking lot is cleared of employees and their vehicles one-half hour after closing.

C. As part of the application and permitting process each cannabis business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, any hazardous materials that may be used by the business, and any currency.

D. The cannabis business shall cooperate with the City whenever the City Manager makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter.

E. A cannabis business shall notify the City Manager within 24 hours after discovering any of the following:

1. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager.
2. Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business.
3. The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the cannabis business.
4. Any other breach of security.

F. Compliance with the foregoing requirements shall be verified by the City Manager prior to commencing business operations. Upon renewal, the City Manager or Sheriff's Department may supplement these security requirements once operations begin, subject to review by the City Manager if requested by the business owner.

7.04.330 Fees and charges.

A. No person may commence or continue any cannabis activity in the City, without timely paying in full all fees and charges required for the operation of a cannabis activity. Fees and charges associated with the operation of a cannabis activity shall be established by resolution of the City Council which may be amended from time to time, and shall be subject to adjustment in accordance with the Consumer Price Index.

B. All cannabis businesses authorized to operate under this chapter shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state, and local law. Each cannabis business shall cooperate with City with respect to any reasonable request to audit the cannabis business's books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes or fees required to be paid during any period.

C. Prior to operating in the City and as a condition of issuance of a Cannabis Business Permit, the operator of each cannabis facility shall enter into an operational or community benefit agreement with the City setting forth the terms and conditions under which the cannabis facility will operate that are in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare.

7.04.340 General operating requirements.

A. Cannabis businesses may operate only during the hours specified in the Cannabis Business Permit issued by the City. No person under the age of 21 shall operate or be issued a permit for a cannabis business of any kind.

B. **Restriction on Sales and Consumption.** Cannabis shall not be consumed by any person on the premises of any cannabis business. No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco on or about the premises of the cannabis business.

C. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a Cannabis Business Permit, or on any of the

vehicles owned or used as part of the cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

D. Reporting and Tracking of Product and of Gross Sales. Each cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), and other information which may be deemed necessary by the City. The cannabis business shall ensure that such information is compatible with the City's recordkeeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager prior to being used by the Permittee.

E. All cannabis and cannabis products sold, distributed, or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the state and local regulations.

F. Emergency Contact. Each cannabis business shall provide the City Manager with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.

G. Signage and Notices.

1. In addition to the requirements otherwise set forth in this section, business identification signage for a cannabis business shall conform to the requirements of Chapter 13.32 (Signs) of this code, including, but not limited to, seeking the issuance of a City sign permit, if applicable.
2. No signs placed on the premises of a cannabis business shall obstruct any entrance or exit to the building or any window.
3. Each entrance to a cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, vaping, or otherwise consuming cannabis on the premises or in the areas adjacent to the cannabis business is prohibited. The sign shall be no larger than two feet by two feet.
4. Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the cannabis business or elsewhere including, but not limited to, the public right-of-way.
5. Signage shall not depict any image of cannabis or cannabis products. No permanent banners, flags, temporary billboards, or other prohibited signs may be used at any time.

H. Minors.

1. Persons under the age of 21 years shall not be allowed on the premises of a cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this chapter for any person to employ any person at a cannabis business who is not at least 21 years of age.
2. Notwithstanding subsection H.1 of this section, persons aged 18 to 20 years shall be allowed on the premises of a cannabis business if they can produce a valid physician's

recommendation or a medical marijuana card issued pursuant to Health and Safety Code Section 11362.71. In that event, such persons can lawfully purchase cannabis for the sole purpose of addressing the medical need that is the subject of the valid physician's recommendation.

3. The entrance to the cannabis business shall be clearly and legibly posted with a notice that no person under the age of 21 years of age is permitted to enter upon the premises of the cannabis business.

I. Odor Control. Odor control devices and techniques shall be incorporated in all cannabis businesses to ensure that odors from cannabis are not detectable off site. Cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis business. As such, cannabis businesses must obtain a building permit and install and maintain the following equipment, or any other equipment which the Director determines is a more effective method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
2. An air system that creates negative air pressure between the cannabis business's interior and exterior, so that the odors generated inside the cannabis business are not detectable on the outside of the cannabis business.

J. Display of Permit and City Business License. The original copy of the Cannabis Business Permit issued by the City pursuant to this chapter and the City-issued business license shall be posted inside the cannabis business in a location readily visible to the public.

K. Annual Background Check. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes City authorities to access state and local summary criminal history information for cannabis employment, licensing, or certification purposes and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, investor, manager, supervisor, employee, contract employee or who otherwise works in a cannabis business must submit fingerprints and other information deemed necessary by the Sheriff's Department, Licensing Division for a background check by the Sheriff's Department. Pursuant to California Penal Sections 11105(b)(11) and 13300(b)(11), which requires that there be a requirement or exclusion from cannabis employment, licensing or certification based on specific criminal conduct on the part of the subject of the record, no person shall be issued a permit to operate a cannabis business or be allowed to work in a cannabis business unless they have first cleared the background check, as determined by the Sheriff's Department as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a Cannabis Business Permit is submitted. Evidence of a conviction of any of the offenses enumerated in Business and Professions Code Section 26057(b)(4), absent a Certificate of Rehabilitation, shall be grounds for immediate disqualification of the applicant.

L. Loitering. The owner and / or operator of a cannabis business shall prohibit loitering by persons outside the facility both on the premises and within ~~50~~100 feet of the premises. The cannabis business shall notify the Sheriff's Department if anyone continues to loiter around the building or premises in violation of applicable law after all reasonable action has been taken to remove the individual(s) and the action has failed to do so in a timely manner.

M. Permits and Other Approvals. Prior to the establishment of any cannabis business or the operation of any such business, the person intending to establish a cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such cannabis business intends to establish and to operate pursuant to Section 7.04.290 and all applicable requirements in this chapter.

N. Each cannabis operator shall establish minimum training standards for all employees. The City Manager shall have the discretion to require other training for the business operations should the City identify deficiencies or noncompliance issues with City or state requirements.

7.04.350 Amendments to general operating requirements.

The City Manager may develop other cannabis business operational requirements or regulations as are determined to be necessary to protect the public health, safety, and welfare.

7.04.360 Operating requirements for retail store front facilities.

A. No more than the number of cannabis retailers adopted by City Council resolution may operate within the City at any one time and shall be issued a Cannabis Business Permit by the City.

B. Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of 18 years. If the potential customer is 18 to 20 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and / or Health and Safety Code Section 11362.71 identification card (medical marijuana card). For adult-use purchases, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.

C. Individuals must show their government-issued identification, and, in the case of medical cannabis facilities, their physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71 in order to gain access into the retailer. The government-issued identification and, if applicable, doctor's recommendation or cannabis card must also be shown at the point-of-sale station at the time of purchase. Doctor recommendations are not to be obtained or provided at the retail location.

D. Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. The security personnel shall be at least 21 years of age and shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code. Security personnel may be allowed to carry firearms if authorized by Bureau of Security and Investigative Services.

E. Retailers may have only that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on site in the retail sales area of the retailer. Additional product

may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.

F. All restrooms used by the public shall remain locked and under the control of management.

G. Retailers authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of this chapter.

1. The sale and delivery of cannabis goods shall not occur through a pass-through window or a slide-out tray to the exterior of the premises.
2. Retailers shall not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle.
3. No cannabis goods shall be sold and / or delivered by any means or method to any person within a motor vehicle.
4. All cannabis goods sold by a retail business shall be contained in child-resistant packaging.
5. Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

H. Access to Retailer Premises.

1. Access to the premises of a retail Permittee shall be limited to individuals who are at least 21 years of age.
2. Notwithstanding subsection H.1 of this section, individuals who are at least 18 years of age and in possession of a valid physician's recommendation shall be granted access to the premises of a retail Permittee for the sole purpose of purchasing medicinal cannabis consistent with the physician's recommendation.

I. Authorized Sales. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid physician's recommendation. Medicinal cannabis sales to individuals 21 years of age and older are unrestricted.

J. Limited Access Areas. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the Permittee. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the City Manager or the Sheriff's Department upon request.

K. Operating hours of the store front retailer license shall be limited to the hours of nine a.m. through nine p.m., seven days a week.

L. Store front / Retail Security Requirements. All provisions incorporated within Section 7.04.320, Security measures, are directly applicable to and binding on all cannabis businesses, including all store front / retail businesses.

7.04.370 Retailer, non-store front retailer, and microbusiness delivery requirements.

A. Retailers, non-store front retailers (delivery), and microbusinesses owners and operators are required to verify the age and the necessary documentation of each customer. They must ensure that medical customers are at least 18 years of age and verify that the customer has a valid doctor's recommendation. Doctor recommendations are not to be obtained or provided at the retail location. In the case of adult-use customers, they must verify that the customer is at least 21 years of age. Sales shall only be made to persons matching this criteria.

B. All store front retailers, non-store front retailers (delivery), and microbusinesses which conduct deliveries into or within the City of Santee shall be required to obtain a permit from the City of Santee in order to conduct retail sales regardless, if they are located in the City or another local jurisdiction.

C. Operating hours of the non-store front retailer ~~license~~Permittee or out of town retail delivery services shall be limited to the hours of nine a.m. through nine p.m., seven days a week.

7.04.380 Retailer, non-store front retailer and microbusiness delivery vehicle requirements.

Prior to commencing delivery operations, a cannabis retailer, cannabis non-store front retailer and microbusiness shall provide the following information to the City:

A. Proof of ownership of the vehicle or a valid lease for any and all vehicles that will be used to deliver cannabis or cannabis products.

B. The year, make, model, color, license plate number, and numerical vehicle identification number (VIN) for any and all vehicles that will be used to deliver cannabis goods.

C. Proof of insurance as required in Section 7.04.300.B for any and all vehicles being used to deliver cannabis goods.

D. The Permittee shall provide the City with the information required by this section in writing for any new vehicle that will be used to deliver cannabis goods prior to using the vehicle to deliver cannabis goods.

E. The Permittee shall provide the City with any changes to the information required by this section in writing within 30 calendar days.

7.04.390 Operating requirements for distributors.

A. A distributor shall not store noncannabis products or noncannabis accessories that are to be sold to another party on any licensed or permitted premises. Additionally, a distributor shall not distribute noncannabis products or noncannabis accessories at a licensed premises. For the purposes of this section, noncannabis products are any goods that do not meet the definition of cannabis goods as defined in Title 16, Division 42, Section 5000(c) of the California Code of Regulations.

B. After taking physical possession of a cannabis goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing. The determination of which

cannabis goods are to be included in the sample for laboratory testing shall be left to the sole discretion of the laboratory employee.

C. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.

D. The distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within the California Code of Regulations.

E. A distributor or an employee of the distributor shall be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded, and the recording kept available to the state and the City for a minimum of 180 days, pursuant to Title 16, Division 42, Section 5305 of the California Code of Regulations.

F. A distributor shall not transport cannabis or cannabis products to a licensed retail facility until and unless it has verified that the cannabis or cannabis products have been tested and certified by a testing lab as being in compliance with state health and safety requirements pursuant to Title 16, Division 42, Sections 5705, 5710 and 5714 of the California Code of Regulations.

7.04.400 Operating requirements for testing labs.

A. Testing labs shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each testing lab shall be subject to additional regulations as determined from time to time as more regulations are developed under this chapter and any subsequent state of California legislation regarding the same.

B. Testing labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.

C. All cannabis testing laboratories performing testing shall obtain and maintain ISO / IEC 17025 accreditation as required by the Bureau of Cannabis Control.

D. Testing labs shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the Bureau unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the Bureau.

E. Each operator shall ensure that a testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by state law and that the testing laboratory employee transports the sample to the testing laboratory.

F. Except as provided by state law, a testing laboratory shall not acquire or receive cannabis or cannabis products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense cannabis, or cannabis products, from the licensed premises from which the cannabis or cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.

G. A testing laboratory may receive and test samples of cannabis or cannabis products from a qualified patient or primary caregiver only if the qualified patient or primary caregiver presents the qualified patient's valid physician's recommendation for cannabis for medicinal purpose. A

testing lab shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or licensee. All tests performed by a testing laboratory for a qualified patient or primary caregiver shall be recorded with the name of the qualified patient or primary caregiver and the amount of the cannabis or cannabis products received.

7.04.410 Operating requirements for cannabis manufacturing

A. Cannabis manufacturing shall only be permitted pursuant to Section 7.04.070 or any subsequent created manufacturing state license as defined in MAUCRSA and may be permitted to operate only within those zone districts as defined in the Santee Municipal Code.

B. Any compressed gases used in the manufacturing process shall not be stored on any property within the City in containers that exceeds the amount which is approved by the Fire Department and authorized by the regulatory permit. Each site or parcel subject to a Cannabis Business Permit shall be limited to a total number of tanks as authorized by the Fire Department on the property at any time.

C. Cannabis manufacturing facilities may use heat, screens, presses, steam distillation, ice water, ethanol, and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

D. If an extraction process uses a professional grade closed loop CO₂ gas extraction system every vessel must be certified by the manufacturer for its safe use as referenced in subsection F of this section. The CO₂ must be of at least 99 percent purity.

E. Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

F. Certification from an engineer licensed by the state of California, or by a certified industrial hygienist, must be provided to the City for a professional grade closed loop system used by any cannabis manufacturing manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:

1. The American Society of Mechanical Engineers (ASME);
2. American National Standards Institute (ANSI);
3. Underwriters Laboratories, LLC (UL); or
4. The American Society for Testing and Materials (ASTM).

G. The certification document must contain the signature and stamp of the professional engineer or industrial hygienist and serial number of the extraction unit being certified.

H. Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the Fire Department and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.

I. Cannabis manufacturing facilities may use non-volatile solvents, including carbon dioxide, ethanol, and nonhydrocarbon-based or other solvents such as water, vegetable glycerin, vegetable oil, animal fat, and glycerin to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

J. Cannabis manufacturing facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

K. Any person using solvents or gases in a closed looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets to handle, and store the solvents and gases safely.

L. Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

7.04.420 Operating requirements for delivery services.

Prior to commencing operations, a cannabis out-of-City delivery service shall comply with the following requirements:

A. Obtain from the City a permit authorizing the delivery of cannabis and cannabis products within the City limits. A copy of this permit shall be retained by all drivers.

B. The retail business operating the delivery service shall provide the City Manager with evidence of a valid state license for a cannabis business on whose authorization the delivery service is performing the delivery function.

C. The retail business operating the delivery service shall furnish to the City Manager the year, make, model, license plate number, and numerical vehicle identification number (VIN) for any and all vehicles that will be used to deliver cannabis goods.

7.04.430 Permissible delivery locations and customers.

Cannabis delivery businesses located outside of the City permitted to engage in delivery of cannabis and cannabis products inside the City are subject to the following requirements:

A. A licensed cannabis business shall not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.

B. A licensed cannabis business shall comply with all requirements of state and local law pertaining to the Cannabis Business Permit and all subsequent policies, procedures and regulations which may be amended by the City Manager from time to time in order to enforce this chapter.

C. Any kiosk, iPad, tablet, smart phone, fixed location, or technology platform, whether manned or unmanned, other than a retail location permitted by the City, that facilitates, directs, or assists the retail sale or delivery of cannabis or cannabis products is prohibited and shall be a violation of this chapter.

7.04.440. Operating Requirements for Microbusinesses.

The requirements set forth in Sections 7.04.360 through 7.04.430 apply to microbusinesses, to the extent that the microbusiness is engaging in the specified activity.

7.04.450 Promulgation of regulations, standards and other legal duties.

A. In addition to any regulations adopted by the City Council, the City Manager is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of Cannabis Business Permits, the ongoing operation of cannabis businesses and the

City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.

B. Regulations shall be published on the City's website.

C. Regulations promulgated by the City Manager shall become effective upon date of publication. Cannabis businesses shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager.

7.04.460 Community relations.

A. Each cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the cannabis business can be provided. Each cannabis business shall also provide the above information to all businesses and residences located within 100 feet of the cannabis business.

B. During the first year of operation pursuant to this chapter, the owner, manager, and community relations representative from each cannabis business holding a permit issued pursuant to this chapter shall attend meetings with the City Manager, and other interested parties as deemed appropriate by the City Manager, to discuss costs, benefits, and other community issues arising as a result of implementation of this chapter. After the first year of operation, the owner, manager, and community relations representative from each such cannabis business shall meet with the City Manager when and as requested by the City Manager.

C. Cannabis businesses to which a Cannabis Business Permit is issued pursuant to this chapter shall develop a City approved public outreach and educational program for youth organizations and educational institutions that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

7.04.470 Fees deemed debt to the City.

The amount of any fee, cost or charge imposed pursuant to this chapter shall be deemed a debt to the City that is recoverable via an authorized administrative process as set forth in the City ordinance or in any court of competent jurisdiction.

7.04.480 Permit holder responsible for violations.

The person to whom a Cannabis Business Permit is issued pursuant to this chapter shall be responsible for all violations of the laws of the state of California or of the regulations and / or the ordinances of the City, whether committed by the Permittee or any employee or agent of the Permittee, which violations occur in or about the premises of the cannabis business whether or not said violations occur within the permit holder's presence.

7.04.490 Inspection and enforcement.

A. The Enforcement Officer may enter the location of a cannabis business at any time, without notice, and inspect the location of any cannabis business as well as any recordings and records required to be maintained pursuant to this chapter or under applicable provisions of state law.

B. It is unlawful for any person having responsibility over the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal,

destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis business under this chapter or under state or local law.

C. The Enforcement Officer may enter the location of a cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City shall be logged, recorded, and maintained in accordance with established procedures by the City Manager or these regulations.

7.04.500 Violations declared a public nuisance.

Each and every violation of the provisions of this chapter constitutes a misdemeanor and is hereby deemed unlawful and a public nuisance. The City reserves the right to pursue any available legal remedy to address violations of this chapter.

7.04.510 No vested rights.

No person(s) (including any Applicant, owner, and / or Permittee) shall have any vested rights to any permit, right, and / or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed, and / or otherwise engaged in acts related to the use of cannabis prior to the adoption of the ordinance codified in this chapter.

7.04.520 Civil penalties.

A. In addition to the enforcement and fines described herein, the City Attorney may bring a civil action for injunctive relief and civil penalties pursuant to Chapter 1.04 of this code against any owner who violates this chapter. In any civil action brought pursuant to this chapter, the court may award reasonable attorneys' fees and costs to the prevailing party.

B. The City may pursue any other legal remedy to enforce or collect any fines or amounts owed as set forth herein.

Summary report:	
Litera Compare for Word 11.1.0.69 Document comparison done on 6/15/2022 12:16:06 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://bbklaw-mobility.imatech.com/IMANAGE/34943557/1	
Modified DMS: iw://bbklaw-mobility.imatech.com/IMANAGE/34785981/10	
Changes:	
Add	35
Delete	21
Move From	0
Move To	0
Table Insert	1
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	57

ORDINANCE NO. _____

AN ORDINANCE OF THE PEOPLE OF THE CITY OF SANTEE, CALIFORNIA ADDING CHAPTER 4.27 (CANNABIS BUSINESS TAX) TO TITLE 4 OF THE SANTEE MUNICIPAL CODE ESTABLISHING A TAX ON CANNABIS AND HEMP BUSINESS ACTIVITIES WITHIN THE CITY

NOW THEREFORE, THE PEOPLE OF THE CITY OF SANTEE DO ORDAIN AS FOLLOWS:

SECTION 1. CODE AMENDMENT. Subject to the approval of a majority of the voters of the City of Santee at the Regular Municipal Election so designated by the City Council in a separate resolution placing the proposal on the ballot for such election, Chapter 4.27 is added to Title 4 of the Santee Municipal Code to read as follows:

CHAPTER 4.27

- 4.27.010 Title.
- 4.27.020 Authority and purpose.
- 4.27.030 Intent.
- 4.27.040 Definitions.
- 4.27.050 Tax imposed.
- 4.27.060 Registration, reporting, and remittance of tax.
- 4.27.070 Payments and communications – timely remittance.
- 4.27.080 Payment – when taxes deemed delinquent.
- 4.27.090 Notice not required by City.
- 4.27.100 Penalties and interest.
- 4.27.110 Refunds and credits.
- 4.27.120 Refund procedures.
- 4.27.130 Personal cultivation not taxed.
- 4.27.140 Administration of the tax.
- 4.27.150 Appeal procedures.
- 4.27.160 Enforcement – action to collect.
- 4.27.170 Apportionment.
- 4.27.180 Constitutionality and legality.
- 4.27.190 Audit and examination of premises and records.
- 4.27.200 Other licenses, permits, taxes or charges.
- 4.27.210 Payment of tax does not authorize unlawful business.
- 4.27.220 Deficiency determinations.
- 4.27.230 Failure to report – nonpayment, fraud.
- 4.27.240 Tax assessment – notice requirements.
- 4.27.250 Tax assessment – hearing, application, and determination.
- 4.27.260 Relief from taxes – disaster relief.
- 4.27.270 Conviction for violation – taxes not waived.
- 4.27.280 Violation deemed misdemeanor.

- 4.27.290 Severability.
- 4.27.300 Remedies cumulative.
- 4.27.310 Amendment or modification.

4.27.010 Title.

This ordinance shall be known as the Cannabis Business Tax Ordinance. This ordinance shall be applicable in the City of Santee, California which shall be referred to herein as “City.”

4.27.020 Authority and Purpose.

The purpose of this Ordinance is to adopt a tax, for revenue purposes, pursuant to the City Charter and Sections 37101 and 37100.5 of the California Government Code, upon cannabis and hemp businesses that engage in business in the City. The Cannabis Business Tax is levied based upon business gross receipts except for commercial cannabis cultivation or commercial industrial hemp cultivation which shall be taxed on square footage. It is not a sales and use tax, a tax upon income, or a tax upon real property and shall not be calculated or assessed as such. The Cannabis Business Tax shall not be separately identified or otherwise specifically assessed or charged to any member, customer, patient, or caretaker. The Cannabis Business Tax is a general tax enacted solely for general, governmental purposes of the City and not for specific purposes. All of the proceeds from the tax imposed by this chapter shall be placed in the City's general fund and be available for any lawful City purpose.

4.27.030 Intent.

The intent of this Ordinance is to levy a tax on all cannabis or industrial hemp businesses that operate in the City, regardless of whether such business would have been legal at the time this chapter was adopted. Nothing in this chapter shall be interpreted to authorize or permit any business activity that would not otherwise be legal or permissible under laws applicable to the activity at the time the activity is undertaken.

4.27.040 Definitions.

The following words and phrases shall have the meanings set forth below when used in this chapter:

- A. An “arm’s length transaction” is a sale entered into in good faith and for valuable consideration that reflects the fair market value in the open market between two informed and willing parties, neither under any compulsion to participate in the transaction.
- B. “Business” shall include all activities engaged in or caused to be engaged in within the City, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but shall not include the services rendered by an employee to his or her employer.
- C. “Calendar year” means January 1 through December 31, of the same year.

D. “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” shall not include “industrial hemp,” unless otherwise specified.

E. “Cannabis product” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. “Cannabis product” also means cannabis products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medicinal cannabis products.

F. “Canopy” means all areas occupied by any portion of a cannabis or industrial hemp plant whether contiguous or noncontiguous on any one site. When plants occupy multiple horizontal planes (as when plants are placed on shelving above other plants) each plane shall be counted as a separate canopy area.

G. “Cannabis business” means any business activity involving cannabis or industrial hemp, including but not limited to cultivating, transporting, distributing, manufacturing, compounding, converting, processing, preparing, storing, packaging, delivering, testing, dispensing, retailing and wholesaling of cannabis, cannabis products, industrial hemp, industrial hemp products or of ancillary products and accessories, whether or not carried on for gain or profit.

H. “Cannabis business permit” means a permit issued by the City to a person to authorize that person to operate a cannabis business or engage in business as a cannabis business within the City.

I. “Cannabis business tax” means the tax due pursuant to this chapter for engaging in a cannabis business in the City.

J. “Commercial cannabis cultivation” means cultivation of cannabis or industrial hemp undertaken in the course of conducting a cannabis business.

K. “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis or industrial hemp and includes, but is not limited to, the operation of a nursery.

L. “Employee” means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission, barter or any other form of compensation.

M. “Engaged in business as a cannabis business” means the commencing, conducting, operating, managing or carrying on of a cannabis business, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the City or coming into the City from an outside location to engage in such activities. A person shall be deemed engaged in business within the City if:

1. Such person or person's employee maintains a fixed place of business within the City for the benefit or partial benefit of such person;
2. Such person or person's employee owns or leases real property within the City for business purposes;
3. Such person or person's employee regularly maintains a stock of tangible personal property in the City for sale in the ordinary course of business;
4. Such person or person's employee regularly conducts solicitation of business within the City; or
5. Such person or person's employee performs work or renders services in the City.

The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

N. "Evidence of doing business" means evidence such as, without limitation, use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, or representation to a government agency or to the public that such person is engaged in a cannabis business in the City.

O. "Gross Receipts," except as otherwise specifically provided, means, whether designated as a sales price, royalty, rent, membership fee, ATM service fee, delivery fee, slotting fee, any other fee, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, services and property of any kind or nature) received or payable for sales of goods, wares or merchandise, or for the performance of any act or service of any nature for which a charge is made or credit allowed (whether such service, act or employment is done as part of or in connection with the sale of goods, wares, merchandise or not), without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, losses or any other expense whatsoever. In the event the business is involved in a "non-arm's length transaction" the gross receipts will be subject to the fair market value using a methodology approved by the Tax Administrator. However, the following shall be excluded from Gross Receipts:

1. Cash discounts where allowed and taken on sales;
2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
4. Receipts derived from the occasional sale of used, obsolete or surplus trade

fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;

5. Cash value of sales, trades or transactions between departments or units of the same business located in the City of Santee and if authorized by the Tax Administrator in writing in accordance with Section 4.27.140 (B);

6. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected they shall be included in the amount of gross receipts for the period when they are recovered;

7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded;

8. Retail sales of non-cannabis products, such as t-shirts, sweaters, hats, stickers, key chains, bags, books, posters, rolling papers, cannabis accessories such as pipes, pipe screens, vape pen batteries (without cannabis or industrial hemp) or other personal tangible property which the Tax Administrator has excluded in writing by issuing an administrative ruling per Section 4.27.140 shall not be subject to the cannabis business tax under this chapter.

9. Payments made by the tax-reporting cannabis business (Seller) to a cannabis business (Buyer) for the difference in the original acquisition price and subsequent renegotiated or finalized selling price of products or services sold to a specific end customer. This type of transaction is referred to as a "Billback". The tax-reporting cannabis business must provide supporting documentation to substantiate the transaction in order to be eligible for an exemption.

10. Any business which sells industrial hemp and/or hemp products or offers services or activities related to industrial hemp or hemp products and/or which is not required to obtain a cannabis or industrial hemp permit or license from the City or the State for the purpose of cultivating, growing, drying, curing, manufacturing, processing, packaging, transporting, distributing, testing or selling of industrial hemp either wholesale or retail shall be exempt from the cannabis tax provided that such business does not generate more than 50% of their total gross receipts in the reporting period from the business from industrial hemp activities. However, the exemption may be amended by the City Council by resolution or ordinance pursuant to Section 4.27.050 (B) to increase or decrease the percentage of the business's hemp and/or hemp products gross receipts reporting from zero to one hundred percent. To the extent the gross receipts from the hemp activities do not meet the relevant percentage to be included, this exclusion shall reduce the gross receipts to zero for the sole purpose of calculating the cannabis tax.

P. "Industrial hemp" means a crop that is limited to types of the plant *Cannabis sativa* L. having no more than three-tenths of one percent (0.3%) tetrahydrocannabinol ("THC")

contained in the dried flowering tops, whether growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin produced therefrom. However, should the federal or state legislative body increase or decrease the percentage of THC then this new limit shall be applicable to the tax unless modified by resolution or ordinance of the City Council pursuant to Section 4.27.310.

Q. “Industrial hemp products” means any raw hemp that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. “Hemp product” also means hemp products as defined by Section 11018.5 of the California Health and Safety Code.

R. “Lighting” means a source of light that is primarily used for promoting the biological process of plant growth. Lighting does not include sources of light that primarily exist for the safety or convenience of staff or visitors to the facility, such as emergency lighting, walkway lighting, or light admitted via small skylights, windows or ventilation openings.

S. “Medicinal cannabis” or “medicinal cannabis product” means cannabis or a cannabis product, intended to be sold or sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, for a medicinal cannabis patient in California who possesses a physician’s recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71.

T. “Microbusiness” means a business that engages in at least three of the following activities at one location: indoor cultivation (up to 10,000 total square feet), manufacturing, distribution, or retail (storefront or non-storefront).

U. “Nursery” means a facility or part of a facility that is used only for producing clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis or industrial hemp.

V. A “non-arm's length transaction” is a transaction that does not meet the definition of an “arm’s length transaction.” In other words, the transaction is not a sale that reflects fair market value in the open market. One example of a non-arm's length transaction would be when a cultivator sells cannabis goods to a cannabis distributor at a sales price that is lower than what the same cultivator would charge to other cannabis distributors, or which does not reflect the fair market value in the open market.

W. “Person” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, whether organized as a nonprofit or for-profit entity, and includes the plural as well as the singular number.

X. “Processing” means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis, industrial hemp and non-manufactured cannabis products.

Y. “Retailer” means a person or business as defined in Section 4.27.040 (W) who sells

cannabis, cannabis products, hemp and/or hemp products at their place of business or by delivery to an end user or customer for use or consumption rather than to another person or business for resale.

Z. “Sale” “Sell” and “to sell” means and includes any sale, exchange, or barter either as a retailer or wholesaler by a person or business as defined by Section 4.27.040 (W). It shall also mean any transaction whereby, for any consideration, title to cannabis, cannabis products, industrial hemp and/or industrial hemp products are transferred from one person to another and includes the delivery of cannabis, cannabis products, industrial hemp and/or industrial hemp products pursuant to an order placed for the purchase of the same, but does not include the return of cannabis, cannabis products, industrial hemp and/or industrial hemp products to the licensee from whom the cannabis, cannabis product, industrial hemp and/or industrial hemp product was purchased.

AA. “State” means the State of California.

AB. “State license,” “license,” or “registration” means a state license issued pursuant to California Business & Professions Code Section 26050, and all other applicable state laws, required for operating a cannabis business.

AC. “Tax Administrator” means the Finance Director of the City of Santee or his or her designee.

AD. “Testing Laboratory” means a cannabis business that (i) offers or performs tests of cannabis, cannabis products, industrial hemp and/or industrial hemp products (ii) offers no service other than such tests, (iii) sells no products, excepting only testing supplies and materials, (iv) is accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state and (v) is registered with the Department of Cannabis Control or other state agency.

4.27.050 Tax Imposed.

A. Beginning January 1, 2023, there is imposed upon each person who is engaged in business as a cannabis business a cannabis business tax. Such tax is payable regardless of whether the person has been issued a commercial cannabis business permit to operate lawfully in the City or is operating unlawfully. The City’s acceptance of a cannabis business tax payment from a cannabis business operating illegally shall not constitute the City’s approval or consent to such illegal operations.

B. The City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax, including the initial rate of cannabis business tax. The City Council may, by resolution or ordinance, increase or decrease the rate of the medicinal cannabis business tax, including the initial rate of the medicinal cannabis business tax, independent of other cannabis business tax activities. In addition, the City Council may, by resolution or ordinance, increase or decrease the rate of the

cannabis business tax on hemp or hemp products, including the initial rate of the tax on hemp or hemp products independent of other cannabis activities. Notwithstanding the foregoing, in no event shall the City Council repeal this tax or set any adjusted rate that exceeds the maximum rates calculated pursuant to this chapter.

C. The maximum rate of the cannabis business tax shall be calculated as follows:

1. For every person engaged in commercial cannabis cultivation, including cultivation of industrial hemp, in the City:

a. Through January 1, 2026, the maximum annual rate shall be:

- i. Ten dollars (\$10.00) per square foot of canopy space in a facility that uses exclusively artificial lighting.
- ii. Seven dollars (\$7.00) per square foot of canopy space in a facility that uses a combination of natural and supplemental artificial lighting as defined in Section 4.27.040 (R) of this chapter.
- iii. Four dollars (\$4.00) per square foot of canopy space in a facility that uses no artificial lighting.
- iv. Two dollars (\$2.00) per square foot of canopy space for any nursery.

b. On January 1, 2026 and on each January 1, thereafter, the maximum annual tax rates specified in Subsection 4.27.050(C)(1)(a), shall increase by the percentage increase in the Consumer Price Index (“CPI”) for consumers in the Western Region as published by the United States Government Bureau of Labor Statistics. However, no CPI adjustment resulting in a decrease of any tax imposed by this subsection shall be made.

2. For every person engaged in the operation of a testing laboratory for cannabis, cannabis products, industrial hemp and/or industrial hemp products the person shall be subject to the maximum tax rate not to exceed two percent (2%) of gross receipts generated by that cannabis business activity.

3. For every person engaged in retail sales of cannabis, cannabis products, industrial hemp, and/or industrial hemp products, including as a retailer (dispensary) or non-storefront retailer (retail delivery business), or microbusiness, the person shall be subject to the maximum tax rate not to exceed six percent (6%) of gross receipts generated by that cannabis business activity.

4. For every person engaged in distribution of cannabis, cannabis products, industrial hemp and/or industrial hemp products, the person shall be subject to the maximum tax rate not to exceed three percent (3%) of gross receipts

generated by that cannabis business activity.

5. For every person engaged in manufacturing or processing of cannabis, cannabis products, industrial hemp and/or industrial hemp products, or any other type of cannabis business not described in Section 4.27.050 (C) (1), (2), (3), or (4) the person shall be subject to the maximum tax rate not to exceed four percent (4%) of gross receipts generated by that cannabis business activity.

- D.** Persons subject to the cannabis business tax shall register with the City and if applicable pay the registration fee pursuant to Section 4.27.060 and in accordance with Section 4.03.010.

4.27.060 Registration, reporting and remittance of tax.

- A.** Registration of Cannabis Business. All cannabis businesses shall be required to annually register as follows:

1. All persons engaging in business as a cannabis business, whether an existing, newly established or acquired business shall register with the Tax Administrator within thirty (30) days of commencing operation and shall annually renew such registration within 30 days of the business registration anniversary date of each year thereafter. In registering, such persons shall furnish to the Tax Administrator a sworn statement, upon a form provided by the Tax Administrator, setting forth the following information:

- i. The name of the business;
- ii. The names and addresses of each owner;
- iii. The exact nature or kind of business;
- iv. The place where such business is to be carried on; and
- v. Any additional information which the Tax Administrator may require.

- B.** An annual registration fee in accordance with the current and approved City fee schedule shall be presented with the sworn statement submitted under this chapter. This fee shall not be considered a tax and may be adjusted by resolution of the City Council.

- C.** The cannabis business tax imposed by this chapter shall be paid, in arrears, on a monthly basis. Each person owing a cannabis business tax shall on or before the last day of the month following the close of each month file with the Tax Administrator a statement (“tax statement”) of the tax owed for that calendar month and the basis for calculating that tax. The Tax Administrator may require that the tax statement be submitted on a form prescribed by the Tax Administrator. The tax for each calendar month shall be due and payable on the same date that the tax statement is due.

- D. Upon cessation of a cannabis business, tax statements and payments shall be immediately due for all calendar months up through the calendar month during which cessation occurred.
- E. In the event that there is a complete change in ownership of any cannabis business:
 - a. The new owner is required to submit an updated registration form to the Tax Administrator;
 - b. The new owner is subject to an audit by the Tax Administrator; and
 - c. Unless otherwise provided by law, it is the joint and several liability of both the seller and buyer to remit any taxes, interest, penalties, and fees due up until the date of sale; otherwise, enforcement action may be taken pursuant to Section 4.27.160 of this chapter against both the seller and/or buyer in an amount to be determined by the Tax Administrator.
- F. The Tax Administrator may, at his or her discretion, establish alternative reporting and payment periods for any taxpayer as the Tax Administrator deems necessary to ensure effective collection of the cannabis business tax. The Tax Administrator may also require that a deposit, to be applied against the taxes for a calendar month, be made by a taxpayer at the beginning of that calendar month. In no event shall the deposit required by the Tax Administrator exceed the tax amount he or she projects will be owed by the taxpayer for the calendar month. The Tax Administrator may require that a taxpayer make payments via a cashier's check, money order, wire transfer, or similar instrument.

4.27.070 Payments and communications – timely remittance.

Whenever any payment, statement, report, request or other communication is due, it must be received by the Tax Administrator on or before the final due date. A postmark will not be accepted as timely remittance. If the due date would fall on a Saturday, Sunday or a holiday observed by the City, the due date shall be the next regular business day on which the City is open to the public.

4.27.080 Payment - when taxes deemed delinquent.

Unless otherwise specifically provided under other provisions of this chapter, the taxes required to be paid pursuant to this chapter shall be deemed delinquent if not received by the Tax Administrator on or before the due date as specified in Sections 4.27.060 and 4.27.070.

4.27.090 Notice not required by the City.

The City may as a courtesy send a tax notice to the cannabis business which owes the City a cannabis business tax. However, the Tax Administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this chapter. Failure to send such

notice or bill shall not affect the validity of any tax or penalty due under the provisions of this chapter.

4.27.100 Penalties and interest.

A. Any person who fails or refuses to pay any cannabis business tax required to be paid pursuant to this chapter on or before the due date shall pay penalties and interest as follows:

1. A penalty equal to ten percent (10%) of the amount of the tax, in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at the rate of one percent (1%) per month.

2. If the tax remains unpaid for a period exceeding one calendar month beyond the due date, an additional penalty equal to twenty-five percent (25%) of the amount of the tax, plus interest at the rate of one percent (1%) per month on the unpaid tax and on the unpaid penalties.

3. Interest shall be applied at the rate of one percent (1%) per month on the first day of the month for the full month and will continue to accrue monthly on the tax and penalty until the balance is paid in full.

B. Whenever a check or electronic payment is submitted in payment of a cannabis business tax and the payment is subsequently returned unpaid by the bank for any reason, the taxpayer will be liable for the tax amount due plus any fees, penalties and interest as provided for in this chapter, and any other amount allowed under state law.

C. The Tax Administrator may waive the penalties imposed upon any person under this Section 4.27.100 if:

1. The person requests a waiver of penalties by submitting a written request for waiver to the Tax Administrator no later than June 30 of the second fiscal year following the fiscal year in which the tax became delinquent; and

2. The person provides evidence satisfactory to the Tax Administrator that the failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and in the absence of willful neglect; and the person paid the delinquent taxes, penalties, accrued interest, and fees owed prior to applying to the Tax Administrator for a waiver.

D. The waiver provisions specified in Section 4.27.100 (C) shall not apply to interest accrued on the delinquent taxes and a waiver shall be granted only once during any twenty-four month period. The Tax Administrator's decision on a request for a waiver of penalties is final and conclusive and not subject to appeal under Section 4.27.150.

4.27.110 Refunds and credits.

A. No refund shall be made of any tax collected pursuant to this chapter, except as

provided in Section 4.27.120.

B. No refund of any tax collected pursuant to this chapter shall be made because of the discontinuation, dissolution, or other termination of a business.

4.27.120 Refund procedures.

A. Whenever the amount of any cannabis business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously collected or received by the City under this chapter, it may be refunded to the claimant who paid the tax provided that a written claim for refund signed under the penalty of perjury is filed with the Tax Administrator within one (1) year of the date the tax was originally due or paid, whichever came first. A person may only file a claim for refund if the person paid the tax. No person shall be entitled to a refund unless the person can support the claim by written records sufficient to show entitlement thereto. The Tax Administrator's decision on a claim for refund is final and conclusive and not subject to appeal under Section 4.27.150.

B. The Tax Administrator, his or her designee which may include a third party or any other City officer charged with the administration of this chapter shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of claimant's books and business records after request by the Tax Administrator to do so. The Tax Administrator may collect a fee adopted by resolution by the City Council to pay for the cost of examination and audit should the books and records be provided in a form insufficient to allow the Tax Administrator to make a determination on the claim for refund.

C. In the event that the cannabis business tax was erroneously paid in an amount in excess of the tax due, and the error is attributable to the City, the City shall refund the amount of tax erroneously paid; provided that (i) a claim for refund has been timely filed with the Tax Administrator; and (ii) the refund cannot exceed, under any circumstance, the amount of tax overpaid during the twelve months preceding the last month for which the claim states the tax was overpaid.

4.27.130 Personal Cultivation Not Taxed.

The provisions of this chapter shall not apply to personal cannabis cultivation or personal use of cannabis, to the extent those activities are authorized in the "Medicinal and Adult Use Cannabis Regulation and Safety Act," and the Santee Municipal Code, as either may be amended. This chapter shall not apply to personal use of cannabis that is specifically exempted from state licensing requirements, that meets the definition of personal use or equivalent terminology under state law, and provided that the individual receives no compensation whatsoever related to that personal cultivation or use.

4.27.140 Administration of the tax.

A. It shall be the duty of the Tax Administrator to collect the taxes, penalties, fees, and perform the duties required by this chapter.

B. For purposes of administration and enforcement of this chapter generally, the Tax Administrator may from time to time promulgate such administrative interpretations, rules, and procedures consistent with the purpose, intent, and express terms of this chapter as he or she deems necessary to implement or clarify such provisions or aid in enforcement.

C. The Tax Administrator may take such administrative actions as needed to administer the cannabis business tax, including but not limited to:

1. Provide to all cannabis business taxpayers forms for the reporting of the tax;
2. Provide information to any taxpayer concerning the provisions of this chapter;
3. Receive and record all taxes remitted to the City as provided in this chapter;
4. Maintain records of taxpayer reports and taxes collected pursuant to this chapter;
5. Assess penalties and interest to taxpayers pursuant to this chapter;
6. Determine amounts owed under and enforce collection pursuant to this chapter.

4.27.150 Appeal procedures.

A taxpayer aggrieved by a decision of the Tax Administrator with respect to the amount of tax, interest, penalties, and fees, if any, due under this chapter may appeal only if a hearing was requested and attended pursuant to Section 4.27.250. An appeal may be made by filing a notice of appeal with the City Clerk within thirty (30) calendar days of the serving or mailing of the Tax Administrator's decision of the amount due. Upon receipt of a timely notice of appeal, the City Clerk, or his or her designee, shall fix a time and place for hearing such appeal with a hearing officer or other person appointed by the City Manager. The City Clerk, or his or her designee, shall give at least ten (10) calendar days' notice of the appeal hearing in writing to such taxpayer at the last known place of address. The hearing officer shall render a written decision that shall be served on the taxpayer at the last known place of address. The decision of the hearing officer shall be final and conclusive. Any amount found to be due by the hearing officer shall be immediately due and payable upon the service of the decision. If no notice of appeal is filed within the time prescribed in this Section, the Tax Administrator's decision with respect to the amount of tax, interest, penalties, and fees due is final and conclusive.

4.27.160 Enforcement - action to collect.

Any taxes, interest, penalties, and/or fees required to be paid under the provisions of this chapter shall be deemed a debt owed to the City. Any person owing money to the City under the provisions of this chapter shall be liable in an action brought in the name of the City for the recovery of such debt. The provisions of this chapter shall not be deemed a limitation upon the right of the City to bring any other action including criminal, civil and equitable actions, based upon the failure to pay the tax, interest, penalties, and/or fees imposed by this chapter or the failure to comply with any of the provisions of this chapter.

4.27.170 Apportionment.

If a person subject to the tax is operating both within and outside the City, it is the intent of the City to apply the cannabis business tax so that the measure of the tax fairly reflects the proportion of the taxed activity actually carried on in the City. To the extent federal or state law requires that any tax due from any taxpayer be apportioned, the taxpayer may indicate said apportionment on his or her tax return. The Tax Administrator may promulgate administrative procedures for apportionment as he or she finds useful or necessary.

4.27.180 Constitutionality and legality.

This tax is intended to be applied in a manner consistent with the United States and California Constitutions and state law. None of the tax provided for by this chapter shall be applied in a manner that causes an undue burden upon interstate commerce, a violation of the equal protection or due process clauses of the Constitutions of the United States or the State of California or a violation of any other provision of the California Constitution or state law. If a person believes that the tax, as applied to him or her, is impermissible under applicable law, he or she may request that the Tax Administrator release him or her from the obligation to pay the impermissible portion of the tax.

4.27.190 Audit and examination of premises and records.

A. For the purpose of ascertaining the amount of cannabis business tax owed or verifying any representations made by any taxpayer to the City in support of his or her tax calculation, the Tax Administrator or his/her designees, which may include a third party, shall have the power to inspect any location where commercial cannabis activity occurs and to audit and examine all books and records (including, but not limited to bookkeeping records, access to METRC data, and/or point-of-sale data, state and/or federal income tax returns, excise tax returns, space utilized for cannabis related activities, and other records relating to the gross receipts of the business) of persons engaged in cannabis businesses. In conducting such investigation, the Tax Administrator, or his/her designees, which may include a third party, shall have the power to inspect any space utilized for cannabis business related activities, equipment or software, such as computers, software systems, platforms, and databases (including METRC), and/or point of sale systems, to include any keys or access codes for access to and use of the equipment and/or software, that may contain such records.

B. It shall be the duty of every person liable for the collection and payment to the City of any tax imposed by this chapter to keep and preserve, for a period of at least three (3) years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the City, which records the Tax Administrator or his/her designee, which may include a third party, shall have the right to inspect at all reasonable times.

4.27.200 Other licenses, permits, taxes, fees or charges.

A. Nothing contained in this chapter shall be deemed to repeal, amend, be in lieu of, replace or in any way affect any requirements for any cannabis business permit, City license, permit, or other certificate required by, under or by virtue of any provision of any other Chapter

of this code or any other ordinance or resolution of the City, nor be deemed to repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required under any other Chapter of this code or any other ordinance or resolution of the City. Any references made or contained in any other Chapter of this code to any licenses, permits, certificates, taxes, fees, or charges, or to any schedule of license, permit, certificate, or fees, shall be deemed to refer to the licenses, permits or certificates, and their respective taxes, fees or charges, or schedule of license fees, provided for in other Chapters of this code.

B. The Tax Administrator may revoke or refuse to renew the business license required by Chapter 4.27 and / or the Cannabis Business Permit required by Chapter 7.04 of this code for any business that is delinquent in the payment of any tax due pursuant to this chapter or that fails to make a deposit required by the Tax Administrator pursuant to Section 4.27.060.

A cannabis business permit issued under the Santee Municipal Code may be revoked, suspended or not renewed in the event that the business holding that permit has failed to (i) make a deposit required by the Tax Administrator pursuant to Section 4.27.060 or (ii) timely pay all taxes, interest and penalties owed by that business under this chapter.

4.27.210 Payment of tax does not authorize unlawful business.

A. The payment of a cannabis business tax required by this chapter, and its acceptance by the City, shall not entitle any person to carry on any cannabis business unless the person has complied with all of the requirements of this code and all other applicable state laws.

B. No tax paid under the provisions of this chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any local or state law.

4.27.220 Deficiency determinations.

If the Tax Administrator is not satisfied that any statement filed as required under the provisions of this chapter is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession within three (3) years of the date the tax was originally due and payable. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a cannabis business, a deficiency determination may be made at any time within three (3) years thereafter as to any liability arising from engaging in such cannabis business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Section 4.27.240 and 4.27.250.

4.27.230 Failure to report—nonpayment, fraud.

A. Under any of the following circumstances, the Tax Administrator may make and give notice of an assessment of the amount of tax owed by a person under this chapter at any time:

1. If the person has not filed a complete statement required under the provisions of this chapter;
2. If the person has not paid the tax due under the provisions of this chapter;
3. If the person has not, after demand by the Tax Administrator, filed a corrected statement, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement already filed, or paid any additional amount of tax due under the provisions of this chapter; or
4. If the Tax Administrator determines that the nonpayment of any cannabis business tax due under this chapter is due to fraud, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to penalties and interest otherwise payable under this chapter and any other penalties allowed by law.

B. The notice of assessment shall separately set forth the amount of any tax known by the Tax Administrator to be due or estimated by the Tax Administrator, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable provision of this chapter and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment. The notice shall state that the person has thirty (30) calendar days from the date of the notice to make a written request for an informal hearing before the Tax Administrator. The notice shall also state that if the person fails to timely request an informal hearing within the time allowed, the amount determined by the Tax Administrator is final and conclusive and is immediately due and payable.

4.27.240 Tax assessment - notice requirements.

The notice of assessment shall be served upon the person either by personal delivery, by overnight delivery by a nationally-recognized courier service, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business or to such other address as he or she shall register with the Tax Administrator for the purpose of receiving notices provided under this chapter; or, should the person have no address registered with the Tax Administrator for such purpose, then to such person's last known address. For the purpose of Section 4.27.240, a service by overnight delivery shall be deemed to have occurred one (1) calendar day following deposit with a courier and service by mail shall be deemed to have occurred three (3) days following deposit in the United States mail.

4.27.250 Tax assessment - hearing, application and determination.

Within thirty (30) calendar days after the date of service of the notice of assessment the person may apply in writing to the Tax Administrator for an informal hearing on the assessment. If application for an informal hearing is not made within the time herein prescribed, the tax assessed by the Tax Administrator shall become final and conclusive. Within thirty (30) calendar days of the receipt of any such application for an informal hearing, the Tax Administrator shall cause the matter to be set for an informal hearing before him or her, or his/her designee, no later than thirty (30) calendar days after the receipt of the application, unless a later date is agreed to by

the Tax Administrator and the person requesting the informal hearing. Notice of such informal hearing shall be given by the Tax Administrator to the person requesting such informal hearing no later than five (5) calendar days prior to such informal hearing. A hearing under this section shall be informal and need not follow any formal rules of evidence. At such hearing said applicant may appear and offer evidence why the assessment as made by the Tax Administrator should not be confirmed and fixed as the tax due. After such hearing the Tax Administrator shall determine and reassess (if necessary) the proper amount of tax, interest, penalties, and fees to be charged and shall give written notice of the decision to the person in the manner prescribed in Section 4.27.240 for giving notice of assessment. No appeal of a notice of assessment may be made under Section 4.27.150 unless an informal hearing is timely requested and the person attends the hearing. If the person fails to appear at the informal hearing, the amount due determined by the Tax Administrator in the notice of assessment is final and conclusive.

4.27.260 Relief from taxes – disaster relief.

A. If a person is unable to comply with any tax requirement imposed under this chapter due to a disaster impacting its cannabis business, the person may notify the Tax Administrator of its inability to comply and request relief from the tax requirement. For purposes of this chapter, “disaster” means fire, flood, storm, tidal wave, earthquake, or similar public calamity resulting in physical damage to real property, whether or not resulting from natural causes.

B. The person shall provide any information required by the Tax Administrator including, without limitation, why relief is requested, the time period for which the relief is requested, and the reason relief is needed for the specific amount of time. The person agrees to grant the Tax Administrator or his/her designee access to the location where the cannabis business has been impacted due to a disaster.

C. The Tax Administrator, in his/her sole discretion, may provide relief from the cannabis business tax requirement for businesses whose operations have been impacted by a disaster if such tax relief does not exceed ten thousand (\$10,000) dollars. Such temporary relief may be granted for a reasonable amount of time, in the Tax Administrator’s sole discretion, and the amount and duration of relief should be based upon how long it would reasonably take for the cannabis business to recover from the disaster. The Tax Administrator may require that the cannabis business follow certain conditions to receive temporary relief from the cannabis business tax requirement. The Tax Administrator's decision on a request for relief and the conditions that may be imposed for relief under this section are final and conclusive and not subject to appeal under Section 4.27.150.

4.27.270 Conviction for violation - taxes not waived.

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this chapter or of any state law requiring the payment of all taxes.

4.27.280 Violation deemed misdemeanor.

Any person violating any of the provisions of this chapter shall be guilty of a misdemeanor.

4.27.290 Severability.

If any provision of this chapter, or its application to any person or circumstance, is determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, that determination shall have no effect on any other provision of this chapter or the application of this chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

4.27.300 Remedies cumulative.

All remedies and penalties prescribed by this chapter or which are available under any other provision of this code and any other provision of law or equity are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

4.27.310 Amendment or modification.

Except as set forth in this section, this chapter, or any section of this chapter, may be amended, modified, or temporarily suspended, but not repealed by the City Council without a vote of the people. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment that would expand, extend, or increase the rate or methodology of any tax levied pursuant to this chapter beyond the maximums set forth in this chapter. The people of the City of Santee affirm that the following actions shall not constitute an increase of the rate or methodology of a tax:

A. The restoration or adjustment of the rate of the tax to a rate that is no higher than that allowed by this chapter, in those circumstances where, among others, the City Council has previously acted to reduce the rate of the tax or is incrementally implementing an increase authorized by this chapter;

B. An action that interprets or clarifies (i) the methodology of applying or calculating the tax or (ii) any definition applicable to the tax, so long as the interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the provisions of this Chapter 4.27; or

C. The collection of the tax imposed by this chapter even if the City had, for some period of time, suspended or failed to collect the tax.

SECTION 2. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The people of the City of Santee hereby declare that they would have passed this ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

SECTION 3. ENVIRONMENTAL COMPLIANCE. The people of the City of Santee hereby find and determine that this ordinance relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of the California Environmental Quality Act (“CEQA”) and the State CEQA Guidelines, section 15378(b)(5). In addition, the tax submitted to the voters is a general tax that can be used for any governmental purpose; it is not a commitment to any particular action or actions.

As such, under CEQA Guidelines Section 15378 (b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue generated by the tax were used for a purpose that would have such an effect, the City of Santee would undertake the required CEQA review for that particular project. Therefore, pursuant to CEQA Guidelines Section 15060 CEQA analysis is not required.

SECTION 4. EFFECTIVE DATE. Pursuant to the California Constitution, Article XIIC(2)(b) and California Elections Code 9217, if a majority of the voters voting in the election on Measure “[Insert]” vote in favor of the adoption of such measure, this ordinance shall be deemed valid and binding and shall be considered adopted upon the date that the vote is declared by the City Council and shall go into effect ten (10) days after that date.

This Ordinance was approved and adopted by the People of the City of Santee at the City’s November 8, 2022 General Municipal Election.

This Ordinance was approved by Declaration of the vote by the City Council of the City of Santee on _____.

John W. Minto, Mayor

ATTEST:

Annette Ortiz, CMC, City Clerk

MEETING DATE June 22, 2022

ITEM TITLE CONTINUED REVIEW OF THE PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2022-23, AND RESOLUTION ADOPTING THE OPERATING BUDGET FOR FISCAL YEAR 2022-23 AND TAKING RELATED ACTIONS

DIRECTOR/DEPARTMENT Marlene Best, City Manager
Tim McDermott, Director of Finance *TM*

SUMMARY

The Proposed Operating Budget for Fiscal Year 2022-23 was presented to the City Council and public for initial review and discussion on June 8, 2022. It is now being brought back to the City Council for additional discussion, public comment and adoption.

The Proposed Operating Budget for Fiscal Year 2022-23 is on file in the City Clerk's Office and Finance Department and is posted on the City's web site for public review. The attached June 8, 2022 Staff Report provides an overview of the proposed operating budget.

FINANCIAL STATEMENT *TM*

The Proposed Operating Budget for Fiscal Year 2022-23 reflects a General Fund operating expenditure budget of \$53.5 million and a total operating expenditure budget of \$58.4 million for the upcoming fiscal year. The proposed General Fund budget meets both the General Fund Reserve Policy and the Balanced General Fund Budget Policy as stated in City Council Resolution No. 052-2021 and reflects an available reserve balance of over \$12.3 million at June 30, 2023, representing 23.0% of annual operating expenditures and a supplemental reserve balance of \$1.6 million beyond the 20% minimum policy level.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MBB*

Adopt the attached resolution adopting the Operating Budget for Fiscal Year 2022-23 and taking related actions, including any changes directed by the City Council

ATTACHMENTS

1. Resolution adopting the Operating Budget for Fiscal Year 2022-23 (with Attachment "A" – Salary Schedules Effective July 7, 2022)
2. June 8, 2022 Staff Report
3. Proposed Operating Budget for Fiscal Year 2022-2023

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE,
CALIFORNIA, ADOPTING THE
OPERATING BUDGET FOR FISCAL YEAR 2022-23 AND TAKING RELATED ACTIONS**

WHEREAS, on June 8, 2022 and June 22, 2022 public meetings were held by the City Council to review the Proposed Operating Budget for Fiscal Year 2022-23; and

WHEREAS, the City Council considered all recommendations by staff and public testimony; and

WHEREAS, the City Council desires to adopt the Operating Budget for Fiscal Year 2022-23 incorporating any and all changes directed by the City Council during the public meeting held on June 22, 2022.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Santee, California does hereby find, determine and declare as follows:

Section 1

The Operating Budget for Fiscal Year 2022-23, including all changes directed by the City Council, is hereby adopted.

Section 2

The monies necessary to offset the expenditures in the Operating Budget for Fiscal Year 2022-23 as adopted by the City Council pursuant to Section 1 hereof are authorized by this section to be appropriated out of the funds available to the City during said fiscal year.

Section 3

- A. The City Manager is authorized to implement salary and benefits adjustments for General, Management and Santee Firefighters' Association (SFFA) employee groups as approved and directed by the City Council.
- B. The following adjustments are made to the salary and benefit plan for SFFA employees for fiscal year 2022-23.
 - 1) 3.5% salary increase effective July 7, 2022
 - 2) A stipend in the total amount of 2.0% of base pay to be paid in two payments to all SFFA members employed on July 20, 2022 (1.0% of base pay) and then on January 4, 2023 (1.0% of base pay)

RESOLUTION NO. _____

- C. The following adjustments are made to the salary and benefit plan for General and Management employees including Executive Management for fiscal year 2021-22.
- 1) 3.5% salary increase effective July 7, 2022
 - 2) A stipend in the total amount of 2.0% of base pay to be paid in two payments to all General and Management employees employed on July 20, 2022 (1.0% of base pay) and then on January 4, 2023 (1.0% of base pay)
- D. The Salary Schedules effective July 7, 2022 as presented as Exhibit "A" are approved and adopted.
- E. The following personnel changes are hereby approved:
- 1) Add one Marketing Manager position with an annual salary band of \$95,497.09 to \$128,951.27
 - 2) Reduce the salary band for one Marketing Coordinator position from an annual salary band of \$85,826.99 to \$115,867.17 to an annual salary band of \$68,223.18 to \$97,461.70
 - 3) Add one Management Analyst position (Finance Department) with an annual salary range of \$74,456.86 to \$90,502.77
 - 4) Eliminate one Management Analyst position (Community Services Department) with an annual salary range of \$74,456.86 to \$90,502.77
 - 5) Reclassify one Confidential Accountant position with an annual salary range of \$74,456.86 to \$90,502.77 to a Senior Accountant position with an annual salary range of \$88,505.56 to \$107,579.48
- F. The City Manager is authorized to execute agreements between the City of Santee and appropriate insurance companies for the purpose of providing health, life, long-term disability insurance and dental coverage for the eligible officers, active, retired and terminated employees of the City of Santee and their eligible dependents.

Section 4

- A. The City Manager is authorized to adjust operating budget line items during fiscal year 2022-23 as may from time to time be deemed desirable, not to exceed the authorized departmental totals.
- B. Unencumbered balances remaining at June 30, 2022 for operating accounts, excluding salaries and benefits, may be carried forward at the discretion of the City Manager or designee to the subsequent fiscal year.
- C. For contract building inspection services which are funded by permit fees collected, the City Manager is hereby authorized to increase the expenditure appropriation proportionately as increased revenues are received.

RESOLUTION NO. _____

- D. For Recreation Revolving Fund program expenditures that are funded from program revenues, the City Manager is hereby authorized to increase the expenditure appropriation as additional revenues are realized or if funds are available in the unappropriated balance of the Recreation Revolving Fund.
- E. In accordance with the terms of the Agreement for City Attorney Legal Services with Best Best & Krieger, the consumer price index adjusted rates effective July 1, 2022 will be as follows:
- | | |
|--------------------------------------|----------------|
| 1) Monthly Retainer | \$16,530 |
| 2) Special Services | |
| i. Attorney | \$255 per hour |
| ii. Non-Attorney | \$209 per hour |
| 3) Third Party Reimbursable Services | |
| i. Partner/Of Counsel | \$396 per hour |
| ii. Associate | \$328 per hour |
| iii. Non-Attorney | \$209 per hour |
- F. The City Manager is authorized to execute the following professional service contract renewals provided for in the Operating Budget for Fiscal Year 2022-23 without further Council action:
- 1) David Turch and Associates (legislative advocacy-federal) \$60,000
- G. The City Manager is authorized to execute an amendment to the Agreement Between the City of Santee and Grossmont Union High School District for School Resource Officer Cost Sharing at Santana and West Hills High Schools in an amount for FY 2022-23 consistent with the City Council adopted budget.
- H. Grant funds awarded to the City of Santee, based on an application of these funds approved or accepted by the City Council, shall be appropriated as required.
- I. All fire benefit fee receipts shall be used exclusively to provide fire suppression services, with any funding shortfall made up from other General Fund sources.

Section 5

The General Fund Reserve Policy is hereby continued by this resolution that a minimum reserve of 20% of annual General Fund operating expenditures be maintained.

Section 6

The Balanced General Fund Budget Policy is hereby continued by this resolution that, generally, ongoing revenues shall cover ongoing operating expenditures, allowing for use of General Fund reserves if the General Fund Reserve Policy is met.

RESOLUTION NO. _____

PASSED, APPROVED AND ADOPTED by the City Council of the City of Santee, California, at a regular meeting thereof held this 22nd day of June, 2022, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

EXHIBIT A: Salary Schedules Effective July 7, 2022

CITY OF SANTEE
 SANTEE FIREFIGHTERS' ASSOCIATION SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

<u>Classification</u>		A	B	C	D	E
Fire Captain / PM Base salary	Hourly	34.35	36.07	37.87	39.76	41.75
	Annual	100,027.62	105,030.12	110,281.30	115,794.56	121,584.96
 <i>Educational Incentive</i>						
Fire Captain / PM 31-45 units = 1.5% over base	Hourly	34.87	36.61	38.44	40.36	42.38
	Annual	101,527.82	106,605.59	111,935.62	117,531.64	123,408.77
Fire Captain / PM 46 units and over = 3.0% over base	Hourly	35.38	37.15	39.01	40.96	43.01
	Annual	103,028.34	108,181.03	113,589.93	119,268.09	125,232.24
Fire Captain / PM A.A. Degree = 4.5% over base	Hourly	35.90	37.69	39.58	41.55	43.63
	Annual	104,528.86	109,756.17	115,243.89	121,005.17	127,056.01
Fire Captain / PM Bachelor Degree = 6% over base	Hourly	36.41	38.23	40.14	42.15	44.26
	Annual	106,029.05	111,331.61	116,898.21	122,742.28	128,880.16

CITY OF SANTEE
 SANTEE FIREFIGHTERS' ASSOCIATION SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

<u>Classification</u>		A	B	C	D	E
Fire Captain Base salary	Hourly	32.87	34.51	36.24	38.05	39.95
	Annual	95,720.07	100,506.97	105,532.05	110,808.09	116,348.51
 <i>Educational Incentive</i>						
Fire Captain 31-45 units = 1.5% over base	Hourly	33.36	35.03	36.78	38.62	40.55
	Annual	97,155.82	102,014.36	107,115.36	112,470.25	118,093.78
Fire Captain 46 units and over = 3.0% over base	Hourly	33.86	35.55	37.33	39.19	41.15
	Annual	98,591.89	103,522.07	108,698.01	114,132.09	119,839.05
Fire Captain A.A. Degree = 4.5% over base	Hourly	34.35	36.07	37.87	39.76	41.75
	Annual	100,027.62	105,029.80	110,280.99	115,794.56	121,584.32
Fire Captain Bachelor Degree = 6% over base	Hourly	34.84	36.59	38.41	40.34	42.35
	Annual	101,463.37	106,537.21	111,864.28	117,456.42	123,329.57

CITY OF SANTEE
 SANTEE FIREFIGHTERS' ASSOCIATION SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

<u>Classification</u>		A	B	C	D	E
Fire Engineer/PM Base salary	Hourly	29.47	30.91	32.43	34.09	35.70
	Annual	85,809.85	90,021.24	94,442.37	99,260.43	103,961.77
 <i>Educational Incentive</i>						
Fire Engineer / PM 31-45 units = 1.5% over base	Hourly	29.91	31.38	32.92	34.60	36.24
	Annual	87,097.23	91,371.40	95,858.68	100,749.41	105,521.06
Fire Engineer / PM 46 units and over = 3.0% over base	Hourly	30.35	31.84	33.41	35.11	36.77
	Annual	88,384.30	92,721.93	97,275.61	102,238.00	107,080.42
Fire Engineer / PM A.A. Degree = 4.5% over base	Hourly	30.79	32.30	33.89	35.62	37.31
	Annual	89,671.34	94,072.11	98,692.21	103,726.96	108,640.06
Fire Engineer / PM Bachelor Degree = 6% over base	Hourly	31.24	32.77	34.38	36.13	37.84
	Annual	90,958.72	95,422.63	100,108.81	105,215.93	110,199.40

CITY OF SANTEE
 SANTEE FIREFIGHTERS' ASSOCIATION SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

<u>Classification</u>		A	B	C	D	E
Fire Engineer Base salary	Hourly	28.06	29.44	30.88	32.46	33.99
	Annual	81,706.23	85,715.38	89,925.73	94,513.40	98,990.40
 <i>Educational Incentive</i>						
Fire Engineer 31-45 units = 1.5% over base	Hourly	28.48	29.88	31.34	32.94	34.50
	Annual	82,931.93	87,001.25	91,274.77	95,931.12	100,475.20
Fire Engineer 46 units and over = 3.0% over base	Hourly	28.90	30.32	31.81	33.43	35.01
	Annual	84,157.60	88,286.83	92,623.49	97,348.86	101,960.38
Fire Engineer A.A. Degree = 4.5% over base	Hourly	29.32	30.76	32.27	33.92	35.52
	Annual	85,382.96	89,572.70	93,972.50	98,766.60	103,445.19
Fire Engineer Bachelor Degree = 6% over base	Hourly	29.74	31.20	32.73	34.40	36.03
	Annual	86,608.95	90,858.25	95,321.21	100,184.35	104,930.00

CITY OF SANTEE
 SANTEE FIREFIGHTERS' ASSOCIATION SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

<u>Classification</u>		A	B	C	D	E	F	G	H
Firefighter Paramedic	Hourly	25.25	26.29	27.37	28.50	30.18	31.40	32.67	33.99
Base salary	Annual	73,538.44	76,559.44	79,706.09	82,981.65	87,892.90	91,443.60	95,138.00	98,990.40

Educational Incentive (after completing 3 1/2 years of employment)

	G	H
Firefighter Paramedic	33.16	34.50
31-45 units = 1.5% over base	96,564.89	100,475.20
Firefighter Paramedic	33.65	35.01
46 units and over = 3.0% over base	97,991.81	101,960.38
Firefighter Paramedic	34.14	35.52
A.A. Degree = 4.5% over base	99,419.37	103,445.19
Firefighter Paramedic	34.63	36.03
Bachelor Degree = 6% over base	100,846.27	104,930.00

CITY OF SANTEE
 SANTEE FIREFIGHTERS' ASSOCIATION SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

<u>Classification</u>		A	B	C	D	E	F	G	H
Firefighter	Hourly	21.43	22.50	23.52	24.81	26.05	27.35	28.72	30.15
Base salary	Annual	62,398.04	65,516.54	68,501.89	72,232.91	75,844.83	79,637.40	83,618.38	87,800.28
Educational Incentive (after completing 3 1/2 years of employment)								G	H
Firefighter								29.15	30.60
31-45 units = 1.5% over base								84,872.84	89,117.25
Firefighter								29.58	31.06
46 units and over = 3.0% over base								86,127.01	90,434.21
Firefighter								30.01	31.51
A.A. Degree = 4.5% over base								87,381.45	91,751.51
Firefighter								30.44	31.96
Bachelor Degree = 6% over base								88,635.60	93,068.14

CITY OF SANTEE
 HOURLY, GENERAL AND MANAGEMENT SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

Range	Classification		A	B	C	D	E
29	Account Clerk	Hourly	23.53	24.70	25.94	27.23	28.60
		Annual	48,932.36	51,379.05	53,948.06	56,645.69	59,477.76
35	Administrative Secretary	Hourly	27.28	28.65	30.08	31.58	33.16
		Annual	56,746.77	59,584.06	62,563.32	65,691.78	68,976.26
	Assistant City Clerk	Hourly		32.80	to	46.86	
		Annual		68,223.18	to	97,461.70	
	Assistant to the City Manager	Hourly		62.78	to	84.75	
		Annual		130,574.02	to	176,275.11	
50	Assistant Engineer	Hourly	39.51	41.49	43.56	45.74	48.03
		Annual	82,186.17	86,295.73	90,610.73	95,140.97	99,898.24
58	Associate Civil Engineer / Associate Traffic Engineer	Hourly	48.14	50.55	53.08	55.73	58.52
		Annual	100,135.74	105,142.97	110,400.42	115,920.27	121,716.54
49	Associate Planner	Hourly	38.55	40.48	42.50	44.63	46.86
		Annual	80,181.79	84,190.92	88,400.54	92,820.87	97,461.70
	Building Official	Hourly		57.67	to	75.25	
		Annual		119,959.00	to	156,519.00	
	City Clerk	Hourly		48.03	to	67.26	
		Annual		99,907.68	to	139,895.38	
	City Engineer	Hourly		64.14	to	86.87	
		Annual		133,406.84	to	180,690.27	
	City Manager (Single Rate)	Hourly		116.63	to	116.63	
		Annual		242,562.81	to	242,562.81	

CITY OF SANTEE
 HOURLY, GENERAL AND MANAGEMENT SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

Range	Classification		A	B	C	D	E
26	Code Compliance Assistant	Hourly	21.85	22.94	24.08	25.29	26.55
		Annual	45,438.51	47,710.51	50,096.01	52,600.93	55,230.80
44	Code Compliance Officer	Hourly	34.07	35.78	37.56	39.44	41.41
		Annual	70,869.10	74,412.35	78,133.26	82,039.64	86,141.65
46	Confidential Accountant	Hourly	35.80	37.59	39.47	41.44	43.51
		Annual	74,456.86	78,179.70	82,088.71	86,193.00	90,502.77
46	Confidential Payroll Specialist	Hourly	35.80	37.59	39.47	41.44	43.51
		Annual	74,456.86	78,179.70	82,088.71	86,193.00	90,502.77
46	Confidential Secretary to City Manager/Council	Hourly	35.80	37.59	39.47	41.44	43.51
		Annual	74,456.86	78,179.70	82,088.71	86,193.00	90,502.77
	Crossing Guards ^ (Single Rate)	Hourly			15.53		
	Deputy Fire Chief	Hourly		63.19	to	86.47	
		Annual		131,445.32	to	179,849.01	
35	Development Services Technician	Hourly	27.28	28.65	30.08	31.58	33.16
		Annual	56,746.77	59,584.06	62,563.32	65,691.78	68,976.26
	Director of Community Services	Hourly		68.79	to	91.72	
		Annual		143,085.00	to	190,787.63	
	Director of Development Services	Hourly		68.07	to	91.76	
		Annual		141,578.79	to	190,867.16	
	Director of Finance / City Treasurer	Hourly		71.92	to	96.76	
		Annual		149,585.02	to	201,268.81	
	Director of Fire & Life Safety (Fire Chief)	Hourly		81.67	to	106.61	
		Annual		169,882.83	to	221,746.68	

CITY OF SANTEE
 HOURLY, GENERAL AND MANAGEMENT SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

Range	Classification		A	B	C	D	E
	Director of Human Resources	Hourly		67.16	to	90.67	
		Annual		139,699.80	to	188,594.96	
	Economic Development Manager	Hourly		42.29	to	57.10	
		Annual		87,972.65	to	118,763.86	
48	Engineering Inspector	Hourly	37.61	39.49	41.46	43.54	45.71
		Annual	78,226.16	82,137.46	86,244.06	90,556.41	95,084.36
39	Equipment Mechanic	Hourly	30.11	31.62	33.20	34.86	36.60
		Annual	62,637.92	65,769.94	69,058.38	72,511.36	76,136.71
35	Equipment Operator	Hourly	27.28	28.65	30.08	31.58	33.16
		Annual	56,746.77	59,584.06	62,563.32	65,691.78	68,976.26
38	Facilities Maintenance Supervisor	Hourly	29.38	30.85	32.39	34.01	35.71
		Annual	61,110.18	64,165.66	67,373.91	70,742.83	74,279.87
25	Facilities Maintenance Technician	Hourly	21.31	22.38	23.50	24.67	25.91
		Annual	44,330.15	46,546.53	48,874.13	51,317.56	53,883.31
35	Field Inspector	Hourly	27.28	28.65	30.08	31.58	33.16
		Annual	56,746.77	59,584.06	62,563.32	65,691.78	68,976.26
	Finance Manager	Hourly		53.10	to	71.69	
		Annual		110,449.87	to	149,107.40	
	Fire Battalion Chief (2920 hours)	Hourly		40.27	to	54.59	
		Annual		117,590.66	to	159,411.02	

CITY OF SANTEE
 HOURLY, GENERAL AND MANAGEMENT SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

Range	Classification		A	B	C	D	E
44	Fire Inspector	Hourly	34.07	35.78	37.56	39.44	41.41
		Annual	70,869.10	74,412.35	78,133.26	82,039.64	86,141.65
	Fire Marshal	Hourly		53.10	to	71.69	
		Annual		110,449.87	to	149,107.40	
	Graduate Intern ^	Hourly		15.53	to	21.32	
38	Human Resources Technician	Hourly	29.38	30.85	32.39	34.01	35.71
		Annual	61,110.18	64,165.66	67,373.91	70,742.83	74,279.87
53	Information Technology Analyst	Hourly	42.55	44.68	46.91	49.26	51.72
		Annual	88,505.56	92,930.80	97,577.82	102,456.47	107,579.48
	Information Technology Manager	Hourly		48.27	to	65.17	
		Annual		100,408.97	to	135,552.25	
29	Landscape and Irrigation Maintenance Worker	Hourly	23.53	24.70	25.94	27.23	28.60
		Annual	48,932.36	51,379.05	53,948.06	56,645.69	59,477.76
48	Lead Equipment Mechanic	Hourly	37.61	39.49	41.46	43.54	45.71
		Annual	78,226.16	82,137.46	86,244.06	90,556.41	95,084.36
29	Maintenance Worker	Hourly	23.53	24.70	25.94	27.23	28.60
		Annual	48,932.36	51,379.05	53,948.06	56,645.69	59,477.76
46	Management Analyst	Hourly	35.80	37.59	39.47	41.44	43.51
		Annual	74,456.86	78,179.70	82,088.71	86,193.00	90,502.77

CITY OF SANTEE
 HOURLY, GENERAL AND MANAGEMENT SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

Range	Classification		A	B	C	D	E
	Marketing Aide^	Hourly		15.53	to	21.32	
	Marketing Coordinator	Hourly		32.80	to	46.86	
		Annual		68,223.18	to	97,461.70	
	Marketing Manager	Hourly		45.91	to	62.00	
		Annual		95,497.09	to	128,951.27	
28	Marketing Specialist	Hourly	22.95	24.10	25.30	26.57	27.90
		Annual	47,738.95	50,126.10	52,632.33	55,263.86	58,027.20
	Office Assistant ^	Hourly		15.53	to	21.32	
48	Parks & Landscape Supervisor	Hourly	37.61	39.49	41.46	43.54	45.71
		Annual	78,226.16	82,137.46	86,244.06	90,556.41	95,084.36
	Principal Civil Engineer	Hourly		59.66	to	80.81	
		Annual		124,099.39	to	168,083.97	
	Principal Planner	Hourly		47.28	to	63.83	
		Annual		98,345.52	to	132,768.55	
	Principal Traffic Engineer	Hourly		59.66	to	80.81	
		Annual		124,099.39	to	168,083.97	
38	Procurement Specialist	Hourly	29.38	30.85	32.39	34.01	35.71
		Annual	61,110.18	64,165.66	67,373.91	70,742.83	74,279.87
	Public Services Manager	Hourly		45.91	to	62.00	
		Annual		95,497.09	to	128,951.27	
43	Public Works Supervisor	Hourly	33.24	34.90	36.65	38.48	40.40
		Annual	69,140.49	72,597.39	76,227.35	80,038.85	84,040.43
	Recreation Aide ^	Hourly		15.53	to	18.21	

CITY OF SANTEE
 HOURLY, GENERAL AND MANAGEMENT SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

Range	Classification		A	B	C	D	E
28	Recreation Coordinator	Hourly	22.95	24.10	25.30	26.57	27.90
		Annual	47,738.95	50,126.10	52,632.33	55,263.86	58,027.20
	Recreation Leader ^	Hourly		16.56	to	19.67	
	Recreation Services Manager	Hourly		45.91	to	62.00	
		Annual		95,497.09	to	128,951.27	
	Recreation Supervisor	Hourly		32.80	to	46.86	
		Annual		68,223.18	to	97,461.70	
36	Senior Account Clerk	Hourly	27.96	29.36	30.83	32.37	33.99
		Annual	58,165.56	61,073.86	64,127.71	67,334.03	70,700.96
53	Senior Accountant	Hourly	42.55	44.68	46.91	49.26	51.72
		Annual	88,505.56	92,930.80	97,577.82	102,456.47	107,579.48
	Senior Civil Engineer / Senior Traffic Engineer	Hourly		52.30	to	71.12	
		Annual		108,783.30	to	147,924.36	
	Senior Human Resources Analyst	Hourly		43.33	to	58.49	
		Annual		90,118.33	to	121,660.54	
	Senior Management Analyst	Hourly		41.26	to	55.71	
		Annual		85,826.99	to	115,867.17	
	Senior Planner	Hourly		41.11	to	55.51	
		Annual		85,517.21	to	115,451.06	
	Special Events Supervisor	Hourly		32.80	to	46.86	
		Annual		68,223.18	to	97,461.70	

CITY OF SANTEE
 HOURLY, GENERAL AND MANAGEMENT SALARY SCHEDULE
 EFFECTIVE JULY 07, 2022

<u>Range</u>	<u>Classification</u>		A	B	C	D	E
	Storm Water Program Assistant^	Hourly		28.73	to	34.92	
50	Storm Water Program Coordinator	Hourly	39.51	41.49	43.56	45.74	48.03
		Annual	82,186.17	86,295.73	90,610.73	95,140.97	99,898.24
	Student Intern ^	Hourly		15.53	to	19.67	
	Technical Professional Expert ^	Hourly		50.00	to	160.00	

^Part-time, temporary status

CITY OF SANTEE
MAYOR AND CITY COUNCIL MEMBERS SALARY SCHEDULE
EFFECTIVE JUNE 24, 2021

<u>Range</u>	<u>Classification</u>		
	City Council Member	Monthly	1,754.33
		Annual	21,051.96
	Mayor	Monthly	2,956.58
		Annual	35,478.96

STAFF REPORT

**PROPOSED OPERATING BUDGET
FOR FISCAL YEAR 2022-23**

**CITY COUNCIL MEETING
JUNE 8, 2022**

Overview

The Proposed Operating Budget for Fiscal Year 2022-23 has been developed after a considerable review process. Departmental budget submittals were prepared and reviewed in detail by line item and evaluated in conjunction with historical expenditures, projected revenues and consistency with City Council's stated priorities for fiscal years 2021-22 and 2022-23.

The City has successfully navigated the challenges of the past couple of years from the COVID-19 pandemic and the local economy remains strong, though headwinds are starting to appear in the current high inflationary environment. The General Fund reserve balance at the end of the current fiscal year will provide an opportunity to invest additional resources in street improvements (\$1.0 million), continue to make supplemental payments to reduce CalPERS unfunded pension liabilities (\$600,000) and to provide additional cushion against future economic uncertainties. The Proposed Operating Budget for Fiscal Year 2022-23 is a balanced budget that maintains and enhances service levels and addresses the priorities established by the City Council.

General Fund Proposed Budget Summary FY 2022-23	
Revenues	\$ 54,289,040
Expenditures	(53,497,770)
Revenues Over (Under) Expenditures	791,270
Other Financing Sources	295,850
Transfers to Other Funds	(702,440)
Transfer to Capital Improvement Program	(1,000,000)
Unfunded Liabilities (CalPERS)	(600,000)
Use of Supplemental Reserves	(1,215,320)
Available Fund Balance, 7/1/22	13,522,920
Available Fund Balance, 6/30/23	\$ 12,307,600

General Fund Revenues

General Fund revenues for FY 2022-23 are projected to total \$54.3 million, a \$1.3 million increase from the current fiscal year estimate. Following is a discussion of key revenues.

Property Taxes: Property Taxes represent 43% of General Fund revenues and are received based on property assessed valuation. Citywide assessed valuation is projected to increase by 6.7% in FY 2022-23 primarily due to strong housing demand and rising home prices. Property tax revenues (including real property transfer taxes) are projected to total \$23.2 million in FY 2022-23, an increase of \$1.2 million from the current fiscal year.

Sales Tax: Sales Tax represents 30% of General Fund revenues and is projected to total \$17.9 million in FY 2022-23, an increase of \$349,300 or 2.0% from the current fiscal year estimate. Growth in the City's key General Consumer Goods and Building & Construction categories is expected to flatten in the upcoming quarters as rising interest rates and escalating prices begin to weigh on consumer confidence and overall economic activity.

Franchise Fees: Franchise Fees represent the third largest discretionary source of revenue, and are received from Waste Management, San Diego Gas & Electric (SDG&E), Cox Communications and AT&T. Franchise Fees are projected to total more than \$3.6 million in FY 2022-23, an increase of \$78,150 or 2.2% from the current fiscal year. Increases in revenues from SDG&E and Waste Management continue to be offset by reductions in revenues from Cox Communications and AT&T.

County Service Area 69 (CSA 69): Acknowledging the pending dissolution of CSA 69 and resultant transfer of funding and administrative oversight of emergency medical service transport program responsibilities to a joint powers authority (JPA) to be formed between the City and the Lakeside Fire Protection District, CSA 69 revenues are currently being budgeted based on the current five-year agreement between the City and the County of San Diego. This contract has recently been amended to include additional revenue to be paid to the City in FY 2022-23 for planning efforts in the dissolution of CSA 69 and the formation and transition to the new JPA. Budgeted revenue in FY 2022-23 totals more than \$4.0 million for the General Fund with an additional \$201,820 in the Vehicle Replacement Fund. The General Fund amount reflects a \$239,530 increase from the current fiscal year.

Building Fees: The FY 2022-23 proposed budget reflects a slight decrease in building permit and plan check revenue which is estimated to total \$1.3 million, a \$125,700 decrease from the current fiscal year.

Fire Reimbursements: As a result of the deployment of Santee Fire Department personnel and resources over the past year to combat numerous large wildfires throughout the state and region, the FY 2022-23 estimate of \$450,000 for federal and state reimbursements reflects a \$390,010 reduction from the current fiscal year amount. This estimated revenue reduction is offset by a corresponding reduction in budgeted overtime and other related reimbursable expenditures. Should a very active fire season unfortunately occur, budget adjustments for both reimbursement revenues and corresponding overtime and other related expenditures would be brought forward with the mid-year budget amendments.

Charges to Other Funds: Charges to Other Funds revenue represents reimbursements to the General Fund for costs incurred in support of certain activities that are funded outside of the General Fund. The funds providing these resources back to the General Fund include the Gas Tax Fund, Zone 2 Flood Control District Fund (storm water activities), landscape maintenance districts and the Capital Improvement Program among others. Charges to Other Funds revenue is estimated to total \$927,890 in FY 2022-23, a decrease of \$120,900 from the current fiscal year. This decrease is the result of expected sharp increases in street

sweeping costs affecting the available balance in the Gas Tax Fund and increasing storm water program compliance costs affecting the available balance in the Zone 2 Flood Control District Fund.

General Fund Expenditures

The proposed budget reflects General Fund operating expenditures totaling \$53.5 million in FY 2022-23, a \$2.1 million or 4.1% increase from the current fiscal year budget.

Public safety continues to represent the largest portion of the General Fund operating budget. The Fire and Life Safety budget totals \$17.1 million representing 32% of the total General Fund expenditures and the Law Enforcement budget totals \$17.0 million also representing 32% of the total General Fund expenditures. The Community Services Department expenditures total \$6.1 million and the Development Services Department expenditures total \$5.8 million.

Following is a discussion of some of the key impacts on the proposed budget.

Personnel Costs: The proposed budget includes an increase of two full-time positions and other personnel-related adjustments as follows.

- The addition of one Marketing Manager in the City Manager’s Office (Economic Development and Marketing), with the cost partially offset with a reduction in the salary band for the Marketing Coordinator position
- The addition of one Building Official in the Development Services Department (Building Division), plus a pool of budgeted personnel costs for the hiring of additional in-house City staff for the Building Division. The specific positions and salary bands will be determined later in the fiscal year as approved by the City Council.
- The addition of one Management Analyst position in the Finance Department, with the cost partially funded from the successor JPA to CSA 69, as the Finance Department is expected to be tasked with fiscal administration of the JPA including the medical transport billing contract
- The elimination of one Management Analyst position in the Community Services Department
- The reclassification of one Confidential Accountant in the Finance Department to a Senior Accountant

Recognizing the impacts from inflation currently faced by all City employees, the proposed budget includes a 3.5% salary increase and a 2.0% non-PERS compensable stipend for all Santee Firefighters’ Association (SFFA), General and Management employees in FY 2022-23.

CalPERS Retirement Costs: CalPERS retirement costs continue to impact the City’s budget and are expected to total in excess of \$6.0 million in FY 2022-23, a \$582,430 increase from the current fiscal year. More than \$3.9 million of this amount represents required payments against the City’s unfunded pension liability. In addition, the proposed budget reflects a supplemental payment in the amount of \$600,000 to be made towards the City’s unfunded liability, an amount that if continued to be made each year would eliminate the City’s current unfunded liability in 20 years, approximately five years sooner than would otherwise be the case.

Other Expenditures: Other expenditures of note affecting the proposed budget are as follows.

City Council: Includes \$25,000 in support for the City's adopted military units.

City Attorney: Includes amounts to support a variety of special projects and potential litigation matters, including the City's efforts to develop a hotel at Trolley Square, developing a comprehensive strategy to address issues associated with homelessness, the City's efforts to consider options for allowing and regulating cannabis businesses, assisting in matters regarding the November 2022 election and completing the third annual Santee Municipal Code update.

City Manager: Includes \$50,000 for consulting services to support the City's efforts in updating and/or recreating the City's webpage. This funding is in addition to the \$100,000 included in the adopted Capital Improvement Program budget for the update of the City's website.

Information Technology: Includes a \$247,870 increase in software maintenance and licensing costs, primarily a result for the Tyler Enterprise Permitting and Licensing system (\$172,600).

City Clerk: Includes \$44,000 for a portion of the cost for the November 2022 General Election (two City Council seats and one ballot measure) with the balance having been budgeted in the current fiscal year. Funding is also included for two part-time, non-benefitted Office Assistants which will enable staff to continue administering the City's successful passport program.

Human Resources & Risk Management: Reflects anticipated increases in property and general liability insurance premiums of approximately 25% (\$123,9870 increase).

Finance: Personnel adjustments are proposed as previously discussed.

Development Services:

- The proposed budget includes funding for the vacant Director of Development Services position.
- The Planning Division budget includes \$56,200 for consultant services to update the Sustainable Santee Plan (climate action plan) that is necessitated by the Housing Element rezoning of properties that is underway.
- The Building Division budget reflects the transition from a consultant based operation to one primarily staffed with City personnel. A resolution is included with this item that will establish the salary band for the Building Official position and enable the recruitment to be opened.

Community Services: The Public Services Division budget includes additional funding for dog park mulch (\$197,060 total), playground mulch (\$63,720 total), ongoing maintenance of fire breaks/defensible spaces (\$125,000) and irrigation and landscaping improvements at City Hall (\$94,330). Additional budgetary impacts result from consumer price index based adjustments to various maintenance contract renewals. The Public Services Division-Storm Water budget includes additional funding in the amount of \$24,000 for the cleaning and maintenance of storm drain inlet trash capture devices.

Law Enforcement: In accordance with the terms of the new five-year law enforcement services agreement with the County of San Diego, a 1.0% or \$167,210 increase is reflected for contract law enforcement services for FY 2022-23, bringing the total contract amount to \$16.9 million, \$161,300 of which is paid from State COPS funding in the Supplemental Law Enforcement Fund. Future contract cost increases will be 1.0% in FY 2023-24 and 3.5% each year in FY 2024-25 through FY 2026-27. Also included in the Law Enforcement budget is the continued support of funding for the Grossmont Union High School District in the amount of \$146,420 to fund approximately one-half of the cost of a School Resource Officer.

Fire: Includes \$64,600 in increased overtime costs due to staff efforts in planning for the dissolution of CSA 69 and the formation and transition to the new JPA, as well as \$40,000 in City Attorney support costs for this effort. The proposed budget also includes \$42,720 for the purchase of a 30,000 lb. capacity hydraulic lift to add the ability to lift medic units and other larger vehicles for service and repair.

Transfers and Other Uses: The proposed budget reflects the following transfers and other uses.

- **Transfers to Other Funds:** Proposed transfers to other funds include \$489,000 to the Vehicle Replacement Fund, \$175,000 to the Workers Compensation Reserve Fund and \$38,440 to the Highway 52 Coalition Fund.
- **Transfers to Capital Improvement Program:** A transfer to the Capital Projects Fund is proposed in the amount of \$1.0 million to augment the City's Pavement Repair and Rehabilitation program.
- \$600,000 is included for supplemental payments to reduce the City's unfunded CalPERS pension liability as previously discussed.

Reserve Policy

City Council Resolution No. 052-2021 affirmed the City Council General Fund Reserve Policy that a minimum reserve of 20% of annual General Fund operating expenditures be maintained. The reserve policy contributes to the fiscal security of the City by providing resources that could be used to mitigate future risks such as revenue shortfalls, economic downturns, natural disasters and other catastrophic events, as well as providing a source of revenue from investment earnings. The reserve policy increases the credit worthiness of the City to credit rating agencies, resulting in cost savings when the City issues debt. The reserve policy also provides a benchmark to assist in short-term and long-term financial planning. The proposed budget conforms to the reserve policy and reflects an available reserve balance of over \$12.3 million at June 30, 2023, which represents 23.0% of annual operating expenditures and includes a supplemental reserve balance of \$1.6 million beyond the 20% minimum policy level.

OTHER FUNDS

The Other Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes or have been designated for a specified purpose. Following is an overview of the proposed operating budgets for the Other Funds.

Management and Workers' Compensation Reserve Funds

The Risk Management and Workers' Compensation Reserve Funds are used to account for funds held in reserve for general liability and workers' compensation claims for which the City is self-insured up to the applicable self-insured retention amounts (\$150,000 and \$350,000 per claim respectively). The reserve fund balances are targeted to meet the "expected" funding level based on an actuarial analysis of the estimated outstanding liability. An actuarial analysis of the City's liability and workers' compensation claims experience is performed every two years, with the next such report to be done with a valuation date of June 30, 2022.

Vehicle Acquisition & Replacement Fund

The Vehicle Acquisition & Replacement Fund is used to account for funds that are accumulated for the replacement of City vehicles. While Fire apparatus, paramedic ambulances and other heavy duty equipment will continue to be purchased, on May 12, 2021 the City Council authorized the City's participation in the Enterprise Fleet Management vehicle leasing program for the City's light duty fleet. Following are the new vehicles proposed for purchase or lease in FY 2022-23.

- Purchase of a Type VI fire engine (small brush rig) for enhanced off-road accessibility including the San Diego River bottom area at a total estimated cost of \$330,000, \$246,700 of which is funded from the San Diego River Conservancy grant approved earlier this year.
- A Ford E-450 ambulance chassis and the remount of an existing medic unit body with an estimated cost of \$182,560, which will be reimbursed to the City through CSA 69 and the successor JPA.
- The retrofit of an existing truck to add a hydraulic bucket/lift which will enable staff to replace street signs and hang banners in the right-of-way at an estimated cost of \$67,000.
- Two Ford F-150's for the Community Services Department (leases) to replace existing trucks.
- One Ford F-250 for the Community Services Department (lease).
- One Ford Escape for the Building Division (lease).

Recreation Revolving Fund

The Recreation Revolving Fund is used to account for revenues received from recreation program/class participants and the direct costs of these programs. Included are instructional classes for all ages, sports leagues, youth camps, senior trips, teen activities and the Santee Twilight Brews and Bites Festival special fund-raising event. Revenues are estimated to total \$244,000 in FY 2022-23 with proposed expenditures of \$235,650.

Supplemental Law Enforcement Fund

The Supplemental Law Enforcement Fund is used to account for revenues received annually under the State's Citizens' Option for Public Safety program. These revenues are used to partially offset the cost of one Special Purpose Officer in the Community Oriented Policing Unit.

Highway 52 Coalition Fund

The Highway 52 Coalition Fund is used to account for funds budgeted in support of the Coalition's efforts to secure funding to improve Highway 52 which are used primarily for the cost of a lobbyist assisting in efforts to obtain federal funding, for support costs incurred by the City Attorney's Office and for meetings and outreach efforts with regional, state and federal representatives. The proposed FY 2022-23 budget totals \$66,000.

PEG Fees Fund

The PEG Fees Fund is used to account for Public, Educational and Government ("PEG") fees received from cable television providers in an amount equal to 1% of their gross revenues, that may only be used by the City for capital costs related to public, educational and governmental access facilities consistent with federal and state law. PEG fees have been used for the City Council Chamber Upgrade Project, thereby providing the equipment necessary to livestream and broadcast City Council meetings and other content of interest on SanteeTV. In FY 2022-23 PEG fees collected will be used to reimburse for eligible costs incurred in the City Council Chamber Upgrade Project, as well as to fund two other PEG fee eligible capital improvement projects. The estimated PEG fee revenue for FY 2022-23 is \$135,000.

CASp Certification and Training Fund

The CASp Certification and Training Fund is used to account for a State mandated surcharge collected on every business license issued or renewed. This revenue must be used for certified disabled access specialist training and certification and to facilitate compliance with construction-related accessibility requirements.

Gas Tax Fund

The Gas Tax Fund is used to account for revenues received from the State of California through the Highway Users Tax Account (HUTA) that are restricted for street and road purposes (including the public right-of-way). Gas Tax Fund revenues are projected to total \$1,583,900 in FY 2022-23, exclusive of the Gas Tax revenues received in accordance with State Senate Bill 1 (SB 1) which are separately budgeted and discussed below. Gas Tax HUTA revenues are projected to increase by 10% in FY 2022-23 from the current fiscal year. Gas Tax HUTA revenues are primarily utilized for the following purposes: traffic signal maintenance, street sweeping, street striping, minor street repairs, right-of-way and median landscape maintenance and curb/gutter/sidewalk maintenance. The proposed budget reflects the full expenditure of all Gas Tax HUTA revenues to be received in FY 2022-23 and includes the following.

- A \$143,123 or 75% increase in contract street sweeping costs is reflected, the result of: 1) a recent State determination that this service is now subject to prevailing wage requirements; and 2) lack of competition for firms providing this service in the region. Staff continues to review all options for providing this service and will be bringing this matter forward at an upcoming City Council meeting.
- A transfer to the Capital Improvement Program in the amount of \$120,000 for the Traffic Signal LED Replacement project (\$47,000 is also included in current fiscal year funding for this project).
- The purchase of traffic calming devices such as speed feedback signs and sign enhancing flashers at a total cost of \$20,000.

SAFE Program Fund

The SAFE (Service Authority for Freeway Emergencies) Program Fund provides for the expenditure of Santee's share of excess program reserve funds that were distributed to all cities and the County in accordance with Assembly Bill 1572. This funding is used to offset the cost of traffic management and traffic operations center activities.

Gas Tax-RMRA (SB 1) Fund

The Gas Tax-RMRA (SB 1) Fund is used to account for revenues received from the State of California as a result of the Road Repair and Accountability Act of 2017. The allowable use of Gas Tax-RMRA funds is similar, but not identical to, that of existing Gas Tax funds. Gas Tax-RMRA Fund revenues are projected to total \$1,231,500 in FY 2022-23. Gas Tax-RMRA revenues are projected to increase by 12% from the current fiscal year amount. Gas Tax-RMRA funds will be used exclusively for certain street and road, concrete repair and bridge restoration projects as identified in the proposed Capital Improvement Program for FY 2022 through FY 2026.

Zone 2 Flood Control District Fund

The Zone 2 Flood Control District Fund is used to account for property tax allocations used primarily for activities required by the Municipal Storm Water Permit issued by the San Diego Regional Water Quality Control Board. Revenues are projected to total \$464,100 in FY 2022-23, covering a portion but not all of the storm water permit and storm drain/channel maintenance activities, the balance of which is paid from the General Fund.

Community Development Block Grant (“CDBG”) Fund

The CDBG Fund is used to account for federal CDBG revenues received annually for public service, public facility and program administrative activities that benefit low and moderate income families, aid in the prevention or elimination of blight or address an urgent community need. CDBG revenues are expected to total \$320,590 in FY 2021-22 which will be expended on Program Year 2022 activities in accordance with prior City Council action.

Community Facilities Districts (“CFDs”) Funds:

Community Facilities Districts Funds are used to account for the proceeds of property owner special tax assessments received to pay for the cost of municipal services in the following CFDs:

- CFD No. 2015-1 (Municipal Maintenance Services) – provides for storm water facility maintenance for the 10-residential unit El Nopal Estates II subdivision.
- CFD No. 2017-2 (Weston Municipal Services) – provides a funding mechanism to offset the cost impact of providing various public services as a result of the 415-residential unit Weston development.

Town Center Landscape Maintenance District (“TCLMD”) Funds

The TCLMD Funds are used to account for property owner assessments received to pay for landscape maintenance and related costs within the following four zones: Town Center, The Lakes, San Remo and Mission Creek. Assessment revenues have reached the maximum allowed in each of the four zones. Staff continues to evaluate alternatives for converting landscape materials to more drought-tolerant/low water use materials where feasible. Revenues and operating transfers in from the Gas Tax Fund are estimated to total \$350,500 in FY 2022-23 with proposed expenditures of \$367,290.

Santee Landscape Maintenance District (“SLMD”) Funds

The SLMD Funds are used to account for property owner assessments received to pay for landscape maintenance and related costs within the following ten zones: El Nopal, Country Scenes, Camelot Heights, Silver Country Estates, Mattazaro/Timberlane, The Heights, Prospect Hills, Mitchell Ranch, Dakota Ranch and Allos. Assessment revenues have reached the maximum allowed in seven of the ten zones, and one assessment increase reflecting a CPI adjustment is proposed in FY 2022-23. Staff continues to evaluate alternatives for converting landscape materials to more drought-tolerant/low water use materials where feasible. Revenues are estimated to total \$116,340 in FY 2022-23 with proposed expenditures of \$120,040.

Special Street Light Tax (Zone A) Fund

The Special Street Light Tax Fund is used to account for property tax allocations required to be utilized to operate, maintain and replace street lights of general benefit located throughout the City, primarily arterial streets (also referred to as “Zone A” of the Santee Roadway Lighting District). Revenues are estimated to be \$393,750 in FY 2022-23 with proposed operating expenditures of \$238,600. Reserves that have been accumulated for the replacement and upgrade of street lights to LED in the amount of \$1,327,000 are budgeted this year.

Roadway Lighting District (Zone B) Fund

The Roadway Lighting District Fund is used to account for assessments received from benefiting property owners in order to operate, maintain and replace street lights of special benefit throughout the City (also referred to as “Zone B” of the Santee Roadway Lighting District). The first assessment increase in 15 years is proposed in FY 2022-23 which would bring the annual charge per household/benefit unit from the current \$14.06 to \$15.00 per year. Revenues are estimated to be \$386,350 in FY 2022-23 with proposed expenditures of \$453,130.

Mobile Home Park Ordinance Administration Fund

The Mobile Home Park Ordinance Administration Fund is used to account for assessment revenues collected from mobile park owners to help defray the reasonable and necessary costs incurred in the administration of the City’s mobile home rent control ordinance. Park owners are assessed \$3 per month for each space subject to the City’s rent control ordinance. Revenues are estimated to total \$41,100 in FY 2022-23 with proposed expenditures of \$50,500.

Next Steps

The Proposed Operating Budget for Fiscal Year 2022-23 will be brought back to the City Council on June 22, 2022 for additional discussion, public comment and adoption.

Please note, due to the size of the file, the Proposed Operating Budget attachment is linked separately under the City Council Agenda link.

MEETING DATE June 22, 2022

ITEM TITLE WORKSHOP ON THE USE OF REMAINING COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS (CDBG-CV) FUNDING

DIRECTOR/DEPARTMENT Carl Schmitz, City Engineer 

SUMMARY

On March 27, 2020, the President signed H.R. 748, known as the Coronavirus Relief, and Economic Security Act (CARES) Act. The CARES Act provided an additional \$5 billion of Community Development Block Grant (CDBG-CV) funds to prepare, prevent and respond to the Coronavirus Pandemic. On April 2, 2020 the City was notified that it was allocated \$162,104 in "Round 1" funding and on September 11, 2020 it was allocated \$381,002 in "Round 3" funding, for a total of \$543,106 in CDBG-CV funding.

Through two Substantial Amendments to the Program Year 2019 Annual Action Plan, all of the CDBG-CV funding has been allocated to Coronavirus response activities. However, there is currently approximately \$173,832 available because two of the City's CDBG-CV programs were hampered by competition with the County of San Diego's programs that were well funded and highly marketed and several of the programs had not expended all available funds at the conclusion of their contract terms.

In order to spend down these funds staff sent out a targeted Notice of Funding Availability to five East County services providers with the ability to provide homeless prevention services in response to the Coronavirus Pandemic. Four of the five service providers submitted applications: East County Transitional Living Center, PATH San Diego, Home Start Inc. and the East County Homeless Task Force. A summary of these applications, staff's suggested funding amounts, and the applications submitted are included in the staff report and attached.

ENVIRONMENTAL REVIEW

This action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines section 15378 because it involves a fiscal activity of governments that will not result in any potentially significant impact on the environment. Even if this action is considered a project, it is exempt from environmental review under CEQA by CEQA Guidelines section 15061(b)(3), as there is no potential for the action to cause a significant environmental effect.

FINANCIAL STATEMENT 

The purpose of this Workshop is to reallocate \$173,832 in CDBG-CV funds towards activities that prepare, prevent and respond to the Coronavirus Pandemic. This Workshop will not result in the increase or reduction in the expenditure of CDBG-CV funds.

CITY ATTORNEY REVIEW N/A Completed



RECOMMENDATION *MSB*

Consider funding options and amounts and provide direction to staff on recommended amounts in order to prepare the third Substantial Amendment to the Program Year 2019 Annual Action Plan.

ATTACHMENTS

Staff Report

CDBG-CV Applications

STAFF REPORT

WORKSHOP ON THE USE OF REMAINING COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS (CDBG-CV) FUNDING

CITY COUNCIL MEETING
JUNE 22, 2022

A. CDBG-CV BACKGROUND

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law by President Trump on March 27, 2020, which included additional CDBG funds to assist communities across the United States in mitigating the impacts of COVID-19. The CARES Act provides flexibilities for CDBG grantees to make it easier to use CDBG-CV, Program Year 2019 and Program Year 2020 CDBG entitlement grants for coronavirus response. Notably, the flexibilities granted are the immediate availability of a five-day public comment period (reduced from 30 days) for amendments and new plan submissions, and removal of the 15 percent CDBG public services funding cap to *prevent, prepare for, and respond* to the coronavirus pandemic.

The CARES Act provided that CDBG-CV funds would be distributed over three “rounds” of allocations. The City was notified on April 2, 2020 that it would be receiving \$162,104 in “Round 1” CDBG-CV funding. The City did not receive any funds from the “Round 2” funding allocation as these funds were directed entirely to States and Territories. On September 11, 2020 HUD published the “Round 3” CDBG-CV funding allocations and the City received \$381,002. The total amount of the City’s CDBG-CV allocation is \$543,106.

Through two Substantial Amendments to the Program Year 2019 Annual Action Plan approved by the City Council, all of the CDBG-CV funding has been allocated to Coronavirus response activities. However, there is currently approximately \$173,832 available for funding for the following reasons.

1. The City’s Emergency Rental Assistance Program (ERAP) was negatively impacted when the County started its ERAP in March 2021 shortly after the City’s program started. Additionally, one of the City’s two rental assistance providers was not spending down funds fast enough to comply with CDBG-CV requirements so the agreement was not amended to extend the term. A total of \$109,020.47 was available when the rental assistance agreement expired. Note: as of April 30, 2022, \$5,810,644 in assistance from the County’s ERAP program has been distributed to 596 Santee households.
2. The City’s Microenterprise Assistance Program (MAP) was found to be cumbersome to administer, as it was difficult to identify eligible Santee businesses and the MAP was closed with \$59,611 available when the County started the Small Business Stimulus Grant program. The County’s Small Business Stimulus Grant program prohibited all of a jurisdiction’s businesses from being eligible for the County’s program if the jurisdiction operated its own program.
3. Several of the other CDBG-CV recipients did not spend down all of their allocations prior to the end of their contract terms. A total of \$5,201.30 is available from contracted funds that were unspent.

Amongst the requirements of the CDBG-CV program is that grantees must expend all CDBG-CV funds within the six-year period of performance established by the grant agreement and that 80 percent of the grant funds must be spent within three years. As the grant agreement date is July 23, 2020, 80 percent of the funds must be spent by July 23, 2023 and currently about 68 percent (approximately \$370,000) has been spent. Any unspent CDBG-CV funds would be returned to HUD.

B. SUGGESTED FUNDING ALLOCATION FOR REMAINING CDBG FUNDS

Persons experiencing homelessness are generally at an increased risk for Covid-19 infection based on less access to medical care, personal hygiene materials, masks, ability to self-isolate, use of public transportation, living in close quarters (encampments), age and underlying medical condition and/or substance abuse issues. Based on the growth of homelessness as a result of the Coronavirus Pandemic, particularly in the East San Diego County region, and the impact the Coronavirus Pandemic has had on persons experiencing homelessness, staff is recommending the use of the remaining CDBG-CV funds to provide services to homeless persons to lessen their and the surrounding communities' impacts from the Coronavirus Pandemic.

On May 11, 2022, a targeted Notice of Funding Availability (NOFA) and application for CDBG-CV funding was distributed to five service providers that serve the East County region to submit proposals for homeless prevention programs. Summaries of the four proposals received are below.

PATH San Diego (PATH)

- Amount Requested: \$85,460
- One full time equivalent (FTE) Outreach Specialist funded by CDBG-CV leveraged with an additional outreach specialist from PATH's San Diego Homeless Outreach Program (SD-HOP), funded by the County of San Diego.
- "Street Based" case management.
- Provision of information on CDC and County of San Diego Covid-19 prevention measures.
- Access to re-housing programs such as PATH's rapid re-housing program.
- Transportation support through PATH vehicles, MTS Day Passes, and LYFT services.
- Multi-Disciplinary team to work with recipients to remove barriers to permanent housing options.
- System navigation to access services (e.g. Identification (DMV), Social Security, income verification)
- Note: No prior experience with the City of Santee.

East County Transitional Living Center (ECTLC)

- Amount Requested: \$100,000
- Three daily meal opportunities while sheltered.
- Counseling/Case Management
- Up to a maximum of (28) nights of emergency shelter to homeless families and/or individuals affected directly or indirectly by the Coronavirus Pandemic, to stabilize their immediate housing needs.
- Recipients to be evaluated and provided with additional resources and/or references to obtain permanent housing or enter long term programs.
- CDBG-CV funds will be utilized solely for transitional housing at \$60 per night per person for one to six persons.
- Note: No prior experience with the City of Santee.

Home Start Inc.

- Amount Requested: \$60,423
- Up to three months of rental assistance to "Low Income" (80% AMI) Santee households at risk of losing housing.
- Case Management to develop a long-term housing stability plan.
- Maximum of \$5,675 of rental assistance per household.

- Funds will be distributed directly to landlords or property managers.
- Note: Administrator of the recently completed Santee CDBG-CV funded rental assistance program.

San Diego Regional East County Chamber Foundation (East County Homeless Task Force)

- Amount Requested: \$5,000
- The purpose of the East County Homeless Task Force (ECHTF) is to engage and educate East County communities about housing and services for preventing and ending homelessness.
- Funding requested would be used to support the ECHTF’s collaboration and coordination of homeless prevention services and organizational capacity building.
- Funding would come from the Administration portion of CDBG-CV funding and would for the same purpose as CDBG-CV funding provided to the ECHTF in Fiscal Year 2020-21.

The Chart below provides a list of funding requests, staff’s suggestion for funding amount, services provided and the estimated numbers serviced by these four Coronavirus-response related homelessness prevention services.

Agency	Amount Requested	Suggested Amount	Services Provided	Estimated Number of Persons Served
PATH San Diego	\$ 85,460.00	\$ 85,460.00	Outreach worker to provide case management services with the goal of accessing permanent housing.	120
East County Transitional Living Center	\$ 100,000.00	\$ 50,000.00	Transitional Housing (up to 28 days), meals, case management & services to provide permanent housing.	100
Home Start, Inc.	\$ 60,423.00	\$ 33,372.00	Emergency Rental Assistance (up to 3 months)	4 or more households
East County Homeless Task Force	\$ 5,000.00	\$ 5,000.00	Organizational Support & Capacity Building (Administration Funding)	Not Applicable
TOTAL	\$ 250,883.00	\$ 173,832.00		

C. NEXT STEPS

Following City Council’s direction, the following steps will occur to allocate these CDBG-CV funds.

Amend Program Years 2019 Annual Action Plans – HUD requires the preparation of an Annual Action Plan to describe how federal funds will benefit low income households. After the initiation of the CDBG-CV program HUD provided guidance that jurisdictions should amend their most recently approved Annual Action Plans to allocate CDBG-CV, which was the Program Year (PY) 2019 Annual Action Plan. Furthermore, HUD directed jurisdictions to amend the same Annual Action Plan (PY 2019) for all allocations or reallocations of CDBG-CV funds.

Based on direction provided at this meeting, staff will prepare and notice a public hearing on an amendment to the PY 2019 for approval at the City Council meeting scheduled for July 27, 2022.

D. RECOMMENDATION

Consider funding options and amounts and provide direction to staff on recommended amounts in order to prepare the third Substantial Amendment Program Year 2019 Annual Action Plan.

ATTACHMENT 2
APPLICATIONS FOR CDBG-CV FUNDING

PUBLIC SERVICES

PATH San Diego..... 1
East County Transitional Living Shelter.....31
Home Start Inc.....37

ADMINISTRATION

East County Homeless Task Force47

RECEIVED

JUN 01 2022

Dept. of Development Services
City of Santee



**Community Development Block Grant Program
APPLICATION FOR FUNDING
CDBG-CV Funding**

The following application must be completed by each qualified nonprofit organization interested in being considered for CDBG-CV funding. Please type or print clearly. Attach additional sheets of information as necessary. **All information must be provided or the application will be considered incomplete and will not be further evaluated for funding consideration.**

The application must not exceed a total of fifteen (15) pages. The completed application must be submitted prior to 5:00 P.M. on Wednesday, June 1, 2022. Applications may be submitted electronically to bcrane@cityofsanteeca.gov. Paper copies may be mailed or delivered to the City of Santee, Department of Development Services, Attn: Bill Crane, at 10601 Magnolia Avenue, Santee 92071.

Potential applicant who have questions about the CDBG-CV funding may contact Bill Crane by email at bcrane@cityofsanteeca.gov before: 5:00 P.M. on Wednesday, May 25, 2022. Additionally, general information about CDBG-CV funding may be found on HUD's website at <https://www.hudexchange.info/programs/cdbg-cv/>

GENERAL INFORMATION: Date: 6/1/2022

Agency Name: PATH
Agency Address: 340 N Madison Ave. Los Angeles, CA 90004

Phone: (858) 289-9310 Fax:
E-mail: Grants@epath.org

Project/Program Contact Person (Name and Title): Hanan Scrapper, PATH San Diego Regional Director

Project/Program Location: PATH San Diego, 1250 Sixth Ave, San Diego, CA 92101

Phone: (213) 321-6185 Fax:
E-mail: HananS@epath.org

Type of Project (check one):
Public Service Activity
Public Improvement (Construction)
Acquisition of property
Other (describe)

Federal DUNS Number: 847856390

Person completing application: Tara Pak, Senior Director of Strategic Partnerships

City of Santee – Application for CDBG-CV Funding

FUNDING INFORMATION:

Amount Requested from Santee: \$ 85,460

Total Project/Program Budget: \$ 159,970

Is the Project/Program scalable? Meaning if awarded less than requested could the Project/Program still be carried out, albeit to a lesser degree? Please explain: The project is scalable to either a smaller or larger program, however, PATH believes a minimum of a 1 FTE outreach specialist funded by the City is needed to implement our street-based case management model in Santee. We will leverage an additional FTE outreach specialist from our San Diego Homeless Outreach Program (SD-HOP), funded by the County of San Diego, for a total of 2 FTE. This team will be able to locate and serve approximately 120 out of the estimated 135-183 individuals living unsheltered in Santee, as identified by the city's point-in-time count and the 2022 San Diego River Park Foundation census along the San Diego River. A lesser FTE team will result in fewer individuals served and moved into permanent homes.

Please complete Page 5 (CDBG-CV Project Budget) itemizing revenues and expenses (sources and amounts) for the proposed project or activity in which CDBG-CV funds would be used. Indicate how the requested CDBG-CV funds would relate to the overall proposed budget.

PROJECT/ACTIVITY INFORMATION

A. What is the purpose/mission of the applicant agency?

PATH's mission is to end homelessness for individuals, families, and communities.

B. Briefly describe the purpose of the project, the population to be served, the area to be benefited and estimated number of Santee residents who would benefit from the project. Inclusion of the estimated number of Santee residents served is required.

The purpose of PATH San Diego's Santee Enhanced Outreach Program will be to safeguard Santee's unsheltered population from COVID-19 and provide them with connections and opportunities for accessing permanent homes. Through street-based case management, the program will engage with individuals living on the streets, in encampments, and in vehicles to provide resources to mitigate the spread of the virus and lessen the detrimental effects of the pandemic.

Unhoused individuals are often separated from the wider community and do not have exposure to the constantly evolving health guidelines for social distancing, masking, testing, and vaccinations. Even with this knowledge, most lack the personal protective equipment (PPE) as well as the readily accessible resources of sinks, restrooms, and showers that is inherent to being housed. The greatest safety measure for these vulnerable individuals is a home of their own where they can rebuild their lives and more easily access healthcare. With our housing-focused program, clients will be offered the resources and services that will help them secure and stabilize in housing.

PATH San Diego's target population will be individuals experiencing homelessness in the City of Santee. They will be unsheltered and extremely low-income. We anticipate many to be chronically homeless, meaning they have experienced homelessness for more than

City of Santee – Application for CDBG-CV Funding

a year consecutively or four or more times in the last three years. Our priority subpopulation will be those at higher risk of contracting COVID-19, which has been identified by the Centers for Disease Control and Prevention (CDC) as older adults (ages 65+) and those with underlying health conditions. A further subset is likely to be newly homeless due to COVID-19's disruption of the job market and household income.

The 2022 WeAllCount Report, a point-in-time count administered by the Regional Task Force on Homelessness (RTFH) for the San Diego Continuum of Care (CoC), counted 48 unsheltered homeless individuals in Santee. In addition, the San Diego River Park Foundation counted approximately 135 individuals living in the San Diego River catchment area, within the City of Santee. Taken together, there is strong evidence that 135-183 people are living unsheltered within the city limits. Our outreach team will engage with 120 of these individuals over the term of the grant at a ratio of approximately one specialist to 15 clients at any given time. As described in detail below, the team will build relationships with individuals over time, and provide street-based case management to connect clients to supportive services and housing so they may rebuild their lives in permanent homes.

C. Describe how will the project or activity would prevent, prepare for, or respond to the Coronavirus Pandemic?

The Santee Enhanced Outreach Team (EOT) will help the community prevent, prepare for, and respond to the pandemic through person-centered outreach to people experiencing homelessness in Santee. PATH has integrated COVID-19 resource connections into our outreach and case management model to address the ongoing need to mitigate the crisis. The team will use persistent and frequent engagement to connect unsheltered individuals with COVID-19 and housing-related services.

The outreach specialists will engage unsheltered individuals and provide education and literature on CDC and San Diego County guidelines related to social distancing, masking, and personal hygiene so that they remain healthy and prevent the spread of illness. Outreach workers are often the only source a person living on the street may have for reliable and updated information. We will screen unsheltered individuals for symptoms and immediately connect those who are symptomatic to a medical provider for testing and access to a motel/hotel to self-isolate while awaiting results. Our staff also educates on available vaccines and connects individuals to clinics or healthcare providers where they can receive vaccinations.

We will also provide essential supplies that will address their basic needs such as food, hygiene supplies (e.g., hand sanitizer, wipes), and other resources that may be more difficult to acquire from traditional sources due to the pandemic. These items will also help build trust between outreach specialists and clients, which is critical to engagement, program enrollment, and service linkages.

For individuals who are newly homeless due to the financial difficulties brought on by COVID-19, PATH will implement problem-solving and diversion strategies and leverage other programs to provide re-housing assistance, such as our rapid re-housing programs, SD-HOP, family reunification programs, and more. These programs provide a variety of

City of Santee – Application for CDBG-CV Funding

financial assistance to prevent entry into the homeless services system. This population is found to quickly achieve stability and regain independence with short-term help.

- D. Who will carry out the activities, the period over which the activities will be carried out, and the frequency with which the services will be delivered (be specific).

Our program will be modeled after our existing Enhanced Outreach Team (EOT) program, which operates in East County. The EOT program began in February 2019 and has since served 2,389 individuals and connected 1,147 to permanent or temporary housing. In Santee, we will have a team of two outreach specialists (2 FTE), one operating under PATH's SD-HOP and the one proposed through this City of Santee CDBG-CV funding. The outreach specialists will be fully trained in evidence-based practices, such as motivational interviewing and trauma-informed care, to approach each client with empathy and help them adjust behaviors and encourage them toward their goals.

The outreach team will use a person-centered and culturally responsive approach that emphasizes tangible solutions and rapport-building. This approach is in line with local standards for conducting outreach, which call for outreach workers to spend a majority of their time working with the same individuals to help them resolve their homelessness. In addition, it is a practical approach when a high percentage of outreach clients are disinclined to utilize shelter resources, or else ineligible for these because of disabling conditions, past behavioral issues, pets, and so on.

PATH's multidisciplinary outreach teams will engage unsheltered individuals on the streets every day to build relationships, offer support, and assist them in working towards removing barriers related to accessing permanent housing. The team will target difficult-to-reach individuals with the intent of developing trust and ultimately guiding clients toward services that will help them move off the streets and into permanent homes.

Our model emphasizes a localized approach that allows our staff to become integrated into the community and engender dependability with both our served population and other stakeholders in the city. Outreach specialists will meet and talk with city officials, business owners, housed residents, and other service providers operating in the city to understand the challenges they face related to homelessness. These conversations also help PATH educate the public on homelessness and solutions that will result in long-term outcomes.

The outreach specialists will conduct street outreach approximately 16 hours per week, meeting with unsheltered persons to develop rapport and potentially engage them as clients to work toward a housing solution. Staff will also leverage PATH's long-standing relationship with SDRPF to identify and provide services to unsheltered individuals living along the San Diego River at least one day per week. The outreach specialists will then conduct street-based case management approximately 24 hours per week, maintaining a 15-person caseload consisting of clients engaged through street outreach. Services will be delivered with a Housing First approach that prioritizes placement into a permanent home and providing the supportive services to promote stabilization. The outreach specialists will work with vulnerable, unsheltered individuals to develop a housing stability plan that focuses on eliminating barriers to housing and establishing long-term stability. Our street-based case management approach will include the following components.

City of Santee – Application for CDBG-CV Funding

Field-based services that will establish strong rapport with clients using persistent and frequent engagement. Using evidence-based practices such as peer support and trauma-informed care, specialists will help resolve client's potential ambivalence in obtaining housing.

A multidisciplinary team that will work with clients to remove the barriers that might prevent and/or delay permanent housing placement such as lack of documentation, transportation, and access to income (e.g., employment or disability).

Transportation support individualized to the client's needs. Support includes directly transporting the client in a PATH vehicle, issuance of an MTS day pass, or use of Lyft or rental cars when appropriate. Transportation will be offered for accessing services and appointments related to service engagement.

System navigation support to successfully access services across the various benefits systems available to individuals experiencing homelessness. Outreach specialists will transport clients to appointments to obtain needed documents (e.g., California identification, social security card, income verification), medical and mental health appointments, or residential intake appointments.

Care coordination and provider collaboration with agencies in the city and county through case conferencing to advocate for and ensure clients are connected to permanent housing as quickly as possible. Additionally, our outreach teams often locate clients who have been disconnected from their housing match and need to restart the process. The EOT program will provide a critical role in reconnecting individuals to their housing programs.

The Homeless Management Information System (HMIS) and Coordinated Entry System (CES) are critical tools used by the homeless services community to coordinate care, access resources, and track outcomes. Clients will be entered into HMIS and CES at the earliest opportunity to initiate matches with appropriate housing interventions. If clients are already matched, staff will contact the permanent housing intervention provider and provide assistance and support until the client has completely transitioned into permanent housing.

PATH's team will develop a by-name list that identifies people experiencing homelessness as we engage them, also documenting their unique situations and needs. We will provide case management to these individuals and estimate our caseload at 30 (i.e., 1:15 per specialist). Often PATH's outreach staff spend a significant amount of time working with specific individuals who require intensive support. Though it impacts caseload and clients served, this intensity can successfully develop trusting relationships with the highest acuity clients who have had challenges navigating and trusting the homeless services system.

- E. Describe how the project meets the CDBG Program National Objectives, the City of Santee Priorities, or is included under the Eligible Activities. Please see the the Notice of Funding Availability to assist with this request.

City of Santee – Application for CDBG-CV Funding

PATH's Outreach Program meets CDBG Program National Objective 1, "Benefit low- and moderate income (LMI) persons," and the Eligible Activity (e), "Provision of public services," which includes services to homeless persons, by providing case management and housing and service linkages to LMI individuals living homeless and unsheltered. The program also contributes to National Objective 3 by responding to the urgent threat to the health and welfare of the homeless population brought on by the COVID-19 pandemic. As this population disproportionately lives with chronic health concerns, they are particularly vulnerable to the virus, but lack regular access to healthcare and information. Our outreach workers can educate them, provide PPE and hygiene products, and connect them to vaccinations and medical care, as needed. This, in turn, helps to safeguard the community from further viral spread.

For the same reasons, the program most directly addresses the City of Santee's Priorities (2) "Provide public services and activities to improve the quality of life for residents, including special needs populations and individuals experiencing homelessness," and (3) "Support affordable housing opportunities for low- to moderate-income residents." Our model is both housing-focused and holistic. While our outreach specialists do whatever it takes to help clients secure housing, they also identify all the barriers that affect clients' stability and ensure they are addressed, including health, finances, employment, and life skills. With comprehensive care, we help clients improve their quality of life and ensure instances of homelessness are rare, brief, and non-recurring.

F. Agency/Nonprofit Organization Information:

Outline the background of your agency/nonprofit organization, including the length of time your agency has been in operation, the date of incorporation, the type of corporation and the type of services provided. If the request for funding is submitted as part of a collaborative application, please provide information for each member of the collaborative. **If your organization has received CDBG (or CDBG-CV) funds from the City of Santee in the past, please note the number of years the organization has received CDBG funding.**

PATH began operations in 1983 as a community-led outreach initiative in Los Angeles' Westside, providing food and water to those living on the streets. We incorporated as a 501(c)3 nonprofit organization on October 19, 1984 and have since evolved in direct response to our served population's changing needs while keeping outreach at the core of our model. We opened PATH San Diego in Downtown San Diego in 2013 with Connections Housing, a one-stop, supportive services and residential community that convenes a dozen agencies in a single location. Connections includes permanent and interim housing; a federally qualified health center; a food service program; and the PATH Depot, a robust hub of homeless services and resources. Since PATH San Diego's launch, we have grown our programs countywide to serve 4,200 people annually.

When we opened Connections Housing nearly 10 years ago, our outreach team ambitiously reduced homelessness by 85 percent within a quarter-mile radius. In recent years, we have transformed our model to a regional approach that aligns with the best practices outlined by U.S. Interagency Council on Homelessness (USICH) and others.

City of Santee – Application for CDBG-CV Funding

Our programs are individualized to meet the needs and population of the community where they operate and prioritize problem-solving and diversion. Recent examples include:

San Diego Mid-City Outreach: This program provides targeted outreach to North Park and City Heights in the City of San Diego. It was developed in 2019 in partnership with the Mid-City Homeless Committee, a broad stakeholder collaboration including North Park Main Street, Price Philanthropies Foundation, City Heights Business Improvement District, City Heights Community Development Corporation, Assemblymember Chris Ward (previously Councilmember), and Councilmember Georgette Gómez. Through this program, we began the shift to our signature outreach approach: a neighborhood-specific strategy that allows staff to spend more time in smaller areas, allowing for increased visibility and familiarity. In FY20, we served 181 unsheltered individuals, connecting 105 to permanent or temporary housing.

San Diego Enhanced Outreach Team (EOT) program. After our Mid-City Outreach program proved promising, PATH leveraged the model to apply for our EOT program with RTFH. With this program, we expanded our outreach beyond the City of San Diego, and serve throughout Central and East San Diego County. As the lead agency in Central San Diego, we trained subcontractors Father Joe's Villages and Veterans Village of San Diego on how to implement our model with a streamlined approach. The EOT program began in February 2019 and has since served 2,389 individuals and connected 1,147 to permanent or temporary housing.

City of La Mesa Street Homeless Outreach & Mobile Engagement (HOME). Our reputation for developing collaborative and responsive community relationships led to a partnership with the City of La Mesa in 2020 to provide outreach and rapid response services and help them launch their citywide outreach program. As COVID-19 began disrupting life and presenting critical risks to unhoused individuals, PATH's outreach teams worked to ensure they received hygiene and protective items, food, public health information, and connections to resources to mitigate exposure to the virus. Our multidisciplinary team included a clinical outreach specialist to provide clinical assessments and intensive case management. During the program's first year, it served 114 unhoused individuals and connected 36 to temporary or permanent housing. Please see the attachments for City of La Mesa reference contact information.

Coordinated Street Outreach (CSO) Program. In 2020, San Diego Housing Commission (SDHC) awarded PATH a contract to operate the citywide CSO Program. This program deploys outreach and peer support specialists as part of Rapid Response and Mobile Homeless Resolution Teams. The RRT answers service requests from the community through the Get It Done app and 2-1-1 San Diego, as well as conducting routine street outreach. They respond to individuals in crisis and ensure they are connected to services. The MHRT provides intensive, street-based case management to unsheltered clients until they obtain appropriate supports and housing. By cross-referencing Point-in-Time Count data with areas already served by current outreach programs in the city, PATH's program targets underserved areas to ensure all communities are provided outreach services. Over the life of the program, CSO outreach specialists have served 2,120 individuals. Of those, teams moved 522 off of the street with 135 going to permanent homes.

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San Diego Homeless Outreach Program (SDHOP). Funded through the County of San Diego, PATH and subcontractors Family Health Centers of San Diego (FHCS) and Interfaith Community Services (Interfaith) deploy 25 outreach staff across the county to provide outreach and street-based case management to individuals experiencing homelessness. SDHOP launched in July 2021 with a contract term through June 2026. Beginning in July 2022, the team will add a clinical outreach specialist dedicated to the San Diego County Library to assist library patrons experiencing homelessness. In the first six months of the program, our teams served 440 individuals and connected 69 to permanent or temporary housing. Please see the attachments for reference contact information for the East County Homeless Task Force, an SDHOP program collaborator.

San Diego River Homeless Outreach Program. We collaborate with the San Diego River Park Foundation (SDRPF) to provide an outreach worker dedicated to housing individuals living along the San Diego River. Funded by a grant from Kaiser Permanente, PATH uses SDRPF's sophisticated mapping data and knowledge of the area to locate encampments. Since operations began in March 2021, the program has served 128 individuals and connected nine to permanent or temporary housing. Please see a letter of support from SDRPF in the attachments.

Partnership with Southern California Coastal Water Research Project (SCCWRP) and UCSD to survey people living unsheltered in the San Diego River catchment area about their hygiene habits as part of a study on regional water quality. In preliminary discussions about this study, the researchers anticipated a challenge getting people living in the river area to respond to questions about personal topics like their bathroom habits. PATH was selected for this work in part because of our prior success building rapport with service-hesitant individuals and ability to broach sensitive topics with ease. In the first three months of the project, our team conducted 62 surveys with the exceptionally high participation rate of 66%.

In our outreach programs and beyond, we prioritize chronically homeless individuals and Veterans and directly addresses the multifaceted nature of homelessness by delivering targeted support to improve our clients' welfare. PATH helps our clients develop stable, independent lives with permanent homes and wraparound supportive services through the following core approaches:

Personalized support: Our staff offer personalized, housing-focused case management to transition individuals out of homelessness and into permanent homes. Case managers work with clients to assess their needs through initial intake and develop housing stability plans to identify short- and long-term housing goals along with the action steps needed to achieve them. Our staff refer clients to any needed services either internally or through an external provider to ensure the most effective and personalized solutions. They help our clients navigate public and private systems to access critical resources (e.g., eligible benefits, medical homes, and government-issued identification) required to secure housing, increase income, and stabilize their situations.

Permanent and interim housing: As clients work toward securing their own homes, we provide temporary housing within our 134-bed interim program, including 40 VA-funded

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GPD beds, or through external referrals. We also provide motel vouchers to help people find respite from the streets. For long-term housing solutions, PATH operates 73 units of permanent supportive housing on-site at Connections Housing and provides services to 474 off-site apartments for formerly homeless tenants with Affirmed Housing (The Link, Zephyr), Wakeland Housing and Development Corporation (Ivy Senior Apartments, Atmosphere, Trinity Apartments), and the County of San Diego (Valley Vista). Additionally, PATH's housing department works with landlords to convert vacant market rate units to affordable housing and uses those units to house clients. Once housed, our staff work with clients for up to 12 months to help them achieve self-sufficiency. Additionally, we have extensive experience operating rapid re-housing programs including a Supportive Services for Veteran Families (SSVF) program and an Emergency Solutions Grants (ESG) rapid re-housing program in partnership with SDHC.

Health and wellness: PATH improves clients' health through linkages to healthcare partners such as Family Health Centers of San Diego, which is co-located at the PATH Depot. There, clients can access a full range of medical and mental health services. PATH also provides connections to behavioral health services, substance use treatment providers, and wellness workshops to help individuals maintain healthy habits. PATH San Diego operates CalAIM, which coordinates care for eligible Medi-Cal beneficiaries experiencing homelessness who have complex medical needs and chronic conditions.

Financial stability: PATH strives to help clients gain employment and increase their income so they can reach stability. We also help clients enroll in mainstream benefits to supplement their finances. We address the barriers to employment through interview preparedness training, job skills workshops, networking opportunities, and assistance applying for job openings. PATH San Diego has operated a Department of Labor-funded Homeless Veterans Reintegration Program (HVRP) for eight years (2012-2018; 2020-2022), providing homeless Veterans with case management and job training services to help them gain meaningful employment.

As a statewide agency, PATH is now one of California's largest homeless services agencies, serving 150 cities across 60+ locations, with 2,100 permanent housing units constructed or in development. Since 2013, PATH has helped nearly 14,000 individuals experiencing homelessness move into permanent housing across California—including 2,934 residing in San Diego. Moreover, PATH and PATH San Diego consistently maintain or exceed a 90 percent retention rate, signaling the end of the homelessness cycle for most of our clients. PATH has not received CDBG-CV funds from the City of Santee in the past.

G. Financial:

Describe your agency's fiscal management procedures including financial reporting, record keeping, accounting systems, payment procedures, and audit requirements. Describe how records are maintained to ensure the project benefits targeted groups.

PATH's effective finance and accounting department has developed detailed policies and procedures regarding tracking and complying with fiscal requirements. Our method relies

City of Santee – Application for CDBG-CV Funding

on our comprehensive fiscal control system based on generally accepted accounting practices (GAAP), which have been reviewed by our funders. We use an automated accounting system (i.e., Intacct) to track and process all financial transactions by funding source and cost center, ensuring that funds are used for their intended purpose and are not misappropriated. A separate cost center is maintained for each publicly funded contract, which tracks all income and expenses assigned to that contract and program. This system has protocols for ensuring cash flow between grant disbursements, preparing and/or processing cash receipts, cash disbursements, payroll, financial reporting, contract budgets, invoices, and reports.

All expenses are approved by the program director, with additional approval for irregular or substantial expenses by the chief executive officer, and submitted with the appropriate back-up documentation. Financial statements are prepared monthly on an accrual basis to ensure that revenues are recognized when earned, and expenses are recognized when incurred. PATH is required to conduct a financial audit for every fiscal year. All financial reporting, auditing, and accounting practices are overseen by PATH's chief financial officer and controller to ensure that all programs comply with applicable laws, regulations, and guidelines. PATH maintains a complex network of funding sources and recipients that requires comprehensive programmatic and fiscal operations including program management, quality assurance, fiscal compliance, accounts payable, and internal audit functions. To manage any risk, whether programmatic or fiscal, PATH follows several external regulations and requirements including federal regulations as detailed in Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards; specific funder requirements; specific contract requirements; and specific program requirements. The finance team tracks all outlays and regularly meets with program directors to ensure compliance with budget projections and track progress toward our expenditures. PATH reports spending to funders according to our grant agreements and contracts or as requested by the funder.

Likewise, quality assurance is among PATH San Diego's priorities and our local team works closely with our statewide quality assurance department to track program goals and ensure efficacy. We have incorporated internal quality and performance monitoring into our agency's infrastructure, including site visits and case file reviews. Performance review results are discussed with program management staff, with course corrections or service enhancements implemented as needed to ensure the project will remain on track to achieving its established goals.

H. Personnel:

Identify the staff administering/implementing this project and provide their experience in similar programs.

Hanan Scrapper, PATH San Diego regional director, oversees all programs in San Diego, including outreach, and ensures strategic alignment. She brings 15+ years of experience focused on homelessness, domestic violence, human trafficking, and working with homeless Veterans and their families. Her background includes more than five years of operating family interim programs. Prior to joining PATH San Diego, Ms. Scrapper ran the largest Supportive Services for Veteran Families program in San Diego County (\$2M).

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Her success led to an additional \$500K+ in funds for rapid re-housing to serve veterans. Ms. Scrapper received her Bachelor of Arts in sociology, with a minor in psychology, from George Mason University.

Michele Gehr, MSSW, director of housing initiatives, oversees housing and outreach programs at PATH San Diego. She comes to PATH from the Department of Social Services at the City of Manassas, Virginia, where she was the department director. There she gained experience in government administration as the principal administrator of the agency's \$6M budget and oversaw implementation of COVID-19 protocols. Prior to that, Ms. Gehr served as executive director of Eddy House, a center for homeless and at-risk youth in Reno, Nevada, where she successfully expanded the organization from a drop-in center to an overnight shelter, increasing served youth by 200 percent in two years. Ms. Gehr holds a Master of Science Degree in Social Work from Columbia University.

Brian Gruters, associate director of outreach, coordinates nearly 50 outreach staff in six programs across San Diego County. He joined PATH San Diego in 2019 to lead our enhanced outreach program in Central and East Counties and has been key to growing our outreach services countywide. His previous experience in the region's homeless services includes LeSar Development Consultants where he was a homeless solutions team associate providing policy guidance and technical assistance to clients across California. Projects included program design and evaluation, homeless system analysis, and guidance on emerging service delivery models. Prior to that, Mr. Gruters worked at RTFH as a CES manager for the Central Region. His familiarity and expertise in CES derive from his experience in developing external CES policies and procedures, creating streamlined workflow, and designing and analyzing program structure. He earned his bachelor's degree in Spanish and has professional-level fluency in the language. His master's degree is in environmental studies and has a National Center for Housing Management certification in Low-Income Housing Tax Credit (LIHTC) funding.

Curtis Manual, outreach specialist (SDHOP), will provide outreach and street-based case management in Santee and the San Diego River catchment area in coordination with the City of Santee CDBG-CV outreach specialist. Curtis has been working as a case manager and housing specialist in homeless services since 2017 after spending 12 years working with individuals with development and intellectual disabilities. Mr. Manual is a veteran and earned a bachelor's degree in psychology from National University in San Diego

Outreach specialist, to be hired, will conduct street outreach, housing-focused case management, and provide COVID-19-related support services to individuals encountered during street outreach. When hiring, PATH will prioritize those with lived experience in homelessness, mental health, substance use, or other experiences common to our served population. The candidate will have an associate degree in social work or a related field, or have equivalent experience and education. At onboarding, they will go through a rigorous training curriculum on best and evidence-based practices such as Housing First, motivational interviewing, non-violent crisis intervention, trauma-informed care, harm reduction, mental health first aid, progressive engagement, CPR/first aid, and more.

I. Conflict of Interest:

City of Santee – Application for CDBG-CV Funding

Please identify any member, officer, or employee of your organization who is an officer or employee of the City of Santee or a member of any of its boards, commissions, or committees or has any interest or holding which could be affected by any action taken in the execution of this application.

N/A - PATH has no such member, officer, or employee.

BENEFITS AND BENEFICIARIES

- A.** How accessible or convenient is the proposed project/activity to Santee residents? (Please be specific such as direct services to a client's home, Santee location, transportation provided, etc.)

PATH's outreach specialists will meet unhoused Santee residents where they are at, whether on the streets, in encampments or vehicles, or at interim or transitional housing, if/when they are connected. The program provides transportation assistance to clients through a PATH vehicle, public transportation passes, and Lyft. Specialists will accompany clients to appointments and services as needed to help them access the resources and navigate service systems. PATH ensures all of our services are accessible to our clients, many of whom live with disabilities and chronic health conditions. PATH seeks to employ those with lived experience as well as bilingual staff. We contract with an interpretation agency versed in our services to bridge any language gaps that may arise.

- B.** What is the approximate percentage of your clients that have annual family incomes in each of the following ranges: (Percentages should add to 100%)

100 % of clients are at 30 percent or below of the area median income
 % of clients are between 31 and 50 percent of the area median income
 % of clients are between 51 and 80 percent of the area median income
 % of clients are above 80 percent of the area median income

PATH verifies income status by referring to enrolled government benefits such as Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), Medicaid, Medicare, Temporary Assistance to Needy Families (TANF), Veterans Benefits, General Relief (GR), and (Supplemental Nutrition Assistance Program) SNAP. Additionally, we track income over time using HMIS.

- C.** Does your agency focus its activities on populations with special needs?

No Yes (Please specify)

Please specify which special needs populations. (persons experiencing homelessness, persons with disabilities, persons with substance abuse problems, veterans, seniors, children, etc.)

Persons experiencing homelessness.

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DOCUMENTATION

A. How will the recipients' information be collected and documented?

At intake, the outreach specialist will complete a thorough assessment with each client, collecting their demographic information and identifying all the biological, psychological, and social (i.e., biopsychosocial) factors that are contributing to the client's state of homelessness. The assessment will allow the specialist to identify the individual's needs for housing and services and their current financial and health status. Informed by the assessment, the specialist will work closely with each client to develop a unique housing stability plan that will serve as a roadmap to permanent housing and identify the resources needed to promote retention.

The team will document all meetings, accomplishments, areas for improvement, and service referrals—along with associated dates—in the housing stability plan by the end of the following business day. They will formally review the housing stability plan with the client monthly to discuss progress toward goals, follow up on referrals, and make any necessary adjustments. The plan is designed to be a living document and will be updated continuously in collaboration with the client, according to their changing needs, and at least every 90 days.

Our staff is highly trained in effective engagement techniques for client data collection and data integration, and we have appropriate confidentiality forms and systems in place to allow for the sharing of relevant data, while ensuring the protection of private client data. Client information is entered into HMIS and CES in a timely manner to ensure staff can identify and coordinate resources for the client and track outcomes.

B. What documentation will be used to prove the funds are going to the prevention, preparation or response to COVID-19?

As described above, PATH has established policies and procedures in place as well as a robust finance department to ensure funds are being spent according to contract and program guidelines. Additionally, PATH will track specific COVID-19 activities such as distribution of PPE and other supplies, testing, vaccination assistance, healthcare, and others through HMIS. Leadership will run reports on these activities as needed to document the extent of the activities.

C. How will the outcomes be measured, collected, and documented? .

Clients' housing stability plans serve as a primary tool for monitoring the outreach program as it guides and tracks the client's progress throughout their time in the program and toward their housing goals. In addition, PATH tracks all relevant indicators and outcomes in HMIS and its own organizational database. Using these databases allows program staff to monitor clients' progress on an individual and programmatic level. The associate director will use this data to run comprehensive reports and conduct quantitative program evaluations based on established objectives. If these reports demonstrate that current strategies are not producing the desired results, the associate

City of Santee – Application for CDBG-CV Funding


director and director of housing initiatives will discuss the discrepancy with PATH San Diego’s regional director who will then partner with the senior management team to identify new solutions to achieve identified goals.

Program leadership will conduct internal quality assurance and performance monitoring, including site visits and case file reviews by the quality assurance department, as well as PATH San Diego’s regional director, at least monthly. Performance results will be discussed with program management staff, with course corrections or service enhancements implemented as needed to ensure the program will remain on track to achieve our established goals.

APPLICANT CERTIFICATION

To the best of my knowledge and belief, the information contained in this application is true and correct; the document has been duly authorized by the governing body of the applicant; and the applicant will comply with all assurances, federal, state and local laws and regulations if funding is approved.

Jonathan Castillo, LISW, Chief Regional Officer
Type or Print Your Name and Title



Signature

City of Santee – Application for CDBG-CV Funding

CDBG-CV PROJECT BUDGET

Organization: PATH San Diego

Total organization budget \$ 16,465,090

Program/Project name requesting funds: Santee Enhanced Outreach Program

CDBG-CV funds requested: \$ 85,460 Total program/project budget:
\$ 159,970 Note: Indicate with an asterisk (*) funds that are volunteer time or in-kind contribution.

1. Sources of funding for program/project:		(S)Secured or (A)Anticipated
a. Funding requested from the City	\$ <u>85,460</u>	(A)
b. Other federal funds (if any)	_____	
c. State or local government funds	_____	
d. Donations and contributions	_____	
e. Fees or memberships	_____	
f. In-kind contributions / Volunteer time	_____	
g. Other funding	\$ <u>74,510</u>	(S)
h. TOTAL PROJECT FUNDING (project budget)	\$ <u>159,970</u>	

2. Uses of CDBG-CV funds requested for the program/project: (1.a.)

a. Wages and salaries	\$ <u>50,750</u>	
b. Personnel benefits	\$ <u>12,688</u>	
c. Materials and supplies	\$ <u>3,297</u>	
d. Program expenses and evaluation	\$ <u>5,475</u>	
e. Rent and utilities	_____	
f. Insurance	\$ <u>441</u>	
g. Mileage (<u>8,615</u> @ 58.5 cents/mile)	\$ <u>5,040</u>	
h. Incentives and Special Events	_____	
i. Indirect costs	\$ <u>7,769</u>	
j. _____	_____	
k. _____	_____	
l. TOTAL REQUESTED FUNDING (same as 1.a.)	\$ <u>85,460</u>	

3. Percentage of project budget represented by CDBG request 53 %

4. If your project will require future funding, please provide information about how the program will be funded. PATH will seek out future government and/or private funding as available.

**PATH San Diego
Santee Enhanced Outreach Proposal
Attachment List**

1. Letter of Support from the San Diego River Park Foundation
2. References
3. Key Staff Resumes



**Connect.
Create.
Conserve.**

May 26, 2022

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The San Diego River Park Foundation is a 501(c)(3) charitable organization.

EIN 01-0565671

4891 Pacific Hwy, Ste 114
San Diego, CA 92110

(619) 297-7380

Bill Crane
Senior Management Analyst
Department of Development Services, City of Santee
10601 North Magnolia Avenue, Bldg. 4
Santee, CA 92071

Re: Community Development Block Grant – Coronavirus (CDBG-CV) Response Program

Dear Mr. Crane,

The San Diego River Park Foundation is pleased to support PATH San Diego's proposal in response to the City of Santee's CDBG-CV Response Program NOFA to provide street outreach and COVID-19 mitigation resources to the people experiencing homelessness in your city. Through the program, they will apply a solution-focused and client-centered approach to connect people experiencing homelessness with permanent homes and the supportive services that will help them stay housed long-term.

The San Diego River Park Foundation has been a partner with the City of Santee for more than a decade as we work to help engage community members in stewardship of the San Diego River. Each year, we organize dozens of events on City of Santee's lands in the riverbed, including monitoring water quality, conducting census events for people experiencing homelessness, removing invasive plants and trash in cooperation with City staff.

We have had the opportunity to partner with PATH on outreach to our unsheltered neighbors and provide them avenues to permanent homes. We have partnered with PATH on a formal collaborative survey and outreach effort in the riverbed in the City of San Diego since 2019, and have informally partnered to support PATH's efforts in East County as well. Our data shows that in Santee, there are more than 50 encampments in the riverbed areas, and PATH is uniquely positioned to leverage this survey data and their existing capabilities in Santee to bring resources and solutions to people experiencing homelessness in Santee. This riverbed expertise sets them apart from many other service providers.

From our experience working with PATH San Diego, we are confident in their ability to serve Santee and improve the quality of life for all San Diegans. If you have any questions, feel free to contact me at sarah@sandiegoriver.org or (619) 297-7380.

Sincerely,

Sarah Hutmacher
Chief Associate Director

PATH San Diego
Santee Enhanced Outreach Proposal
References

The following individuals are directly familiar with PATH's outreach work through programs implemented in their communities. Please feel free to contact them to gain more information about our work.

Carlo Tomaino

Assistant City Manager
City of La Mesa
(619) 667-1311
CTomaino@cityoflamesa.us

Bonnie Baranoff

Organizational Development Consultant
East County Homeless Task Force (ECHTF)
(619) 933-7845
Bonnie@frontmatter.pub

Hanan Scrapper

San Diego, CA 92110

Profile

I am a well-rounded professional with extensive experience in helping families overcome the most extreme adversities caused by homelessness, domestic violence, political torture, and human trafficking, to name a few. This experience has fulfilled an innate desire to help others and give back to the community.

Experience in:

- Housing Interventions
- Program Management
- Staff Development and Support
- Coordinate Interagency Collaboration
- Case Management
- Domestic Violence
- Leadership Skills
- Crisis Intervention
- Mediation and Conflict Resolution
- Immigration and Naturalization Services
- Cultural Diversity
- Multi-Lingual
- Grant/Proposal Writing
- Program Outreach

Professional Experience

Regional Director **PATH San Diego** **02/01/2020 - Present**

- Provides oversight of all program contracts to ensure successful implementation, coordination of participant services, achievement of program performance measures, and evaluation of services provided.
- Ensures that programs and projects are in compliance with contracts, partnership agreements, and all other funding requirements, program goals, and stakeholder expectations.
- Provides direct supervision to all staff managing various programs
- Conducts supervision meetings with staff; provides regular and appropriate feedback including training, opportunities for professional growth, verbal and written improvement plans when needed, and evaluations
- Acts as a liaison to cultivate community relationships with program partners and other service organizations as it pertains to the success of PATH San Diego

Director of Programs **PATH San Diego** **02/19/2018- 01/31/2020**

- Managed the day-to-day operations of 40 employees for PATH Connections, including interim housing, rapid rehousing, permanent supportive housing, and outreach
- Responsible for managing program performance outcomes
- Participated in community provider and stakeholder committee meetings
- Identified, developed, and provided staff training to improve client service delivery
- Participated in Veteran homeless services leadership meetings
- Collaborated with leadership to manage program budget

Program Director **Veterans Village of San Diego** **09/15/2013 – 02/02/2018**

Supportive Services for Veteran Families (SSVF)

- Initiated and grew housing intervention services that accounts for 40% of VVSD's overall budget
- Managed the day-to-day operations of 30 employees for Veteran Housing Solutions Dept.
- Implemented the first Housing First program at VVSD under SSVF serving over 500 veteran households annually
- Maintained compliance with minimal findings on contractual outcomes for all programs over tenure at VVSD
- Initiated and lead VVSD initiative to obtain a 3-year CARF Accreditation
- Lead communication with stakeholders and reporting requirements
- Instrumental in VVSD's role in participating with the implementation of the Coordinate Entry System (CES) for San Diego
- Chaired the CES Veteran Sub-Population Committee that lead the effort in establishing a functional Veteran By-Name List
- Coordinate with other SSVF grantees in the San Diego area including working closely with the VA and the CoC to ensure community engagement in ending veteran homelessness

- Participate in the development of long-range plans, service delivery model and other significant strategies and/or systems

Program Director

Veterans Village of San Diego

03/28/2012 – 09/15/2013

Veterans Homelessness Prevention Demonstration (VHPD)

- Oversee the day-to-day operations of the VHPD program along with managing multiple sub-contractors
- Provide oversight and input for the overall operation and implementation of the demonstration project
- Conduct monthly VHPD partners meeting with all agencies involved to identify gaps in services and resources
- Facilitate weekly case reviews to ensure veterans needs are met and there is a consistent screening process for program eligibility
- Compile quarterly statistics and data to report to HUD on veterans served in this demonstration project and review patterns and trends in how to successfully prevent homelessness amongst veterans
- Function as a liaison between the VA, HUD, DOL, and the sub-grantees to ensure grant compliance
- Manage the VHPD budget and approval of dollars spent on homeless prevention and rapid re-housing for veterans

Shelter Director

Artemis House Domestic Violence Shelter

(09/2009 – 02/10/12)

Shelter House Incorporated

Fairfax County, VA

- Oversee the day-to-day operations of a safe, confidential location crisis shelter for victims of domestic and sexual violence and human trafficking
- Create policies and procedures including a detailed process for handling crisis calls and creating individualized safety plans for victims of domestic violence
- Manage a budget of over \$900,000, seek and write grants to increase funding and meet client's needs in obtaining economical self sufficiency
- Recruit and coordinate training for all direct client service providers
- Educate and raise awareness about domestic violence in the community
- Ensure compliance with contractual processes with all appropriate agencies and coordination of services for clients
- Compile statistics and other reports on clients served in Artemis House, review trends and patterns to use in community education and staff training
- Ensure that staff conduct thorough intakes, connect to appropriate services, and creating a realistic, safe discharge plan

Shelter Director

Patrick Henry Family Shelter

(07/2007 – 09/2009)

Shelter House Incorporated

Fairfax County, VA

- Oversee the day-to-day operation of the shelter to ensure the mission of the agency is met
- Manage transitional housing programs, assisting many in obtaining permanent housing
- Establish performance metrics to help characterize the performance of programs and service staff
- Assist in policy development and policy implementation
- Coordinate interagency collaboration between the Department of Family Services' and Community Services Board
- Re-assess mission and incorporate resident feedback into the program development process
- Design and implement ongoing in-service training and professional development programs for shelter staff
- Maintain vital data concerning services provided to clients and their outcomes for monthly/quarterly reports
- Identify strategies to strengthen partnership with community-based and faith-based organizations

Program Manager

Patrick Henry Family Shelter

(11/2006 – 06/2007)

Shelter House Incorporated

Fairfax County, VA

- Supervise and recruit for all programs facilitated by volunteers and contractual employees
- Coordinate after-school tutoring and children's enrichment programs
- Supervise Child Services Coordinator and ensure client files were kept according to state grant regulations
- Conduct and maintain after hours emergency motel placements for families
- Provide direction for volunteers through regular contact

Education and Certifications

George Mason University

- Bachelor of Arts in Sociology with a minor in Psychology

Certifications and Trainings

- Leadership Fairfax Institute class of 2011
- Understanding Traumatic Stress in Working with people experiencing homelessness
- Managing Organizational Conflict
- Domestic Violence and It's Impact on Children
- Working with Sexual Assault Survivors
- Leading Organizational Change
- Cultural Competence in working with Domestic Violence Survivors

Volunteer Experience

After School Programs Coordinator **Sydney Lanier Middle School** Fairfax, VA (01/2005 – 06/2005)

Responsibilities:

- Assist in designing after school programs for at-risk youth
- Facilitate anti drug and gang prevention programs such as D.A.R.E and GREAT
- Evaluate classroom environments to identify special needs and interests for after school programs
- Survey and compile student demographics, academic levels and social needs
- Organize poster contest of countries to enhance awareness of cultural diversity among students

Crisis Intake Coordinator **Women's' Domestic Violence Shelter** Alexandria, VA (04/2002 – 09/2002)

Responsibilities:

- Handle crisis hotline and provide immediate response to callers' situation
- Delegate the coordination for response to crisis situations and help develop safety planning
- Provide information and referral to callers as appropriate
- Review program rules and regulations upon entry

Tutor/Counselor **Alexandria Juvenile Detention Center** Alexandria, VA (09/2001 – 04/2002)

Responsibilities:

- Perform one-on-one consultations with detainees with special needs to ensure educational needs were met
- Assist in recognizing detainees capacity for coping in new environment
- Coordinate family mediation with detainees to resolve disputes and secure safe environment for them upon release

“... Providing innovative, collaborative leadership with the goal of ending homelessness...”

Dedicated director with a passion for developing strategies to create and provide quality programming related to social services. More than 10 years of experience as a strategic program leader—designing, implementing, managing, and evaluating programs, policy, and personnel. Articulate communicator with keen ability to research, analyze, present, advise, and persuade. Strategic thinker and liaison who excels in developing collaborative partnerships, building coalitions between nonprofit and government organizations, and creating positive agency culture. Adaptable, proven leader who inspires and empowers others to perform at peak levels to achieve both large and small goals.

Professional Experience**DIRECTOR, MANASSAS CITY DEPARTMENT OF SOCIAL SERVICES**

SEPTEMBER 2019-DECEMBER 2021

Director of the Department of Social Services for the City of Manassas, Virginia.

Developed and implemented long and short-term plans, goals, and objectives for the department; develops long term plans for family, community and social service and program development; plans for City's ability to provide services and programs in the future; analyzes data, state and national trends, directives and task force findings for impact on community.

- ▶ Served as principal administrator of \$6 million agency budget, including oversight of all administrative functions including personnel management, federal and state benefit programs, child/adult welfare, housing and community programs, customer service, compliance, public relations, budgeting and programming.
- ▶ Monitored status of assigned divisions through subordinate supervisors, consulted with assigned staff of 50 employees, assisted with complex/problem situations; approved special placements of children and adults pending formal action.
- ▶ Carried out mandated state and federal programming in accordance with City policies, procedures and applicable laws including: training, planning, assigning and directing work, appraising performance; addressing complaints and resolving problems; provides guidance for emergency operations of social and family services.
- ▶ Wrote and implemented CARES Act programs to assist community with rental, mortgage, utility, burial, and childcare assistance. Transitioned staff to effective agency-wide telework during COVID-19 pandemic.
- ▶ Served/Chaired on various city and state boards including: Community Policy Management Team; Equity & Inclusion Taskforce; Continuum of Care Governance; Northern Virginia DSS Directors; and City of Manassas Leadership.

EXECUTIVE DIRECTOR, EDDY HOUSE, RENO, NEVADA

JANUARY 2016-SEPTEMBER 2019

Executive Director for the central intake and assessment facility for all homeless youth in Northern Nevada.

- ▶ Increased agency population served by 400% in two years. Raised over \$5 million dollars in funding. Expanded organization to a 24-hour overnight facility designed to get homeless youth off the streets.
- ▶ Serves as principal administrator including oversight of all administrative functions, fundraising, marketing, public relations, budgeting and youth programming. Expert in Trauma-Informed Care and Social and Emotional Learning. Expert in grant writing and grant research.
- ▶ Constructed and trains a diverse staff of professionals and partner organizations to maximize personal and organizational capacities. Administrator of all Human Resource functions.
- ▶ Worked closely with state and federal lawmakers on legislation and policy around issues of inequality. Wrote and presented AB311 to the Nevada Legislature, which defines homeless youth for the State of Nevada.

ENTERPRISE SOLUTIONS TEAM ASSISTANT. United Nations Development Programme, Office of Information Systems and Technology, New York, NY
AUGUST 2014-JUNE 2015

Developed management structures during a time of change management to increase employee satisfaction.

- ▶ Designed group and individual supervision models, including project evaluation and expectations, and assisted in the implementation of annual employee work plans.
- ▶ Developed an employee skill gap assessment to increase unit core competencies and made training recommendations.
- ▶ Analyzed statistical data and collaborated with administration to track deliverables and provide relevant data analysis, case status, and reports to management.
- ▶ Conducted business analysis and gathered requirements to write strategic business requirements, project proposals, and statements of work and provided change management for system upgrades.

MSSW INTERN/ADVOCATE COUNSELOR. Wediko Children's Services, New York, NY
AUGUST 2013-JULY 2014

Managed a caseload of 36 students in one of the poorest congressional districts in the country.

- ▶ Implemented successful individual and small group counseling for multi-cultural middle and high school students and their families, focusing on homelessness, poverty and housing instability.
- ▶ Researched and submitted grants to private foundations and the New York City Department of Education to be used for increased programming.

YOUTH DIRECTOR. St. Rose of Lima Catholic Church, Reno, Nevada
AUGUST 2004-AUGUST 2006

Provided youth programs for middle and high school students. Managed budgets, promotions, and advertising. Directed and led 30+ staff members.

- ▶ Provided youth group instruction to middle and high school students regarding community service, family life, Confirmation Curriculum, problem solving, career counseling, and interpersonal skills.
- ▶ Single-handedly created the largest faith-based youth program in Northern Nevada with a starting budget of \$30,000, resulting in weekly attendance of 200+ middle and high school students and a 50% budget surplus at the end of the first year.

EDUCATION

MASTER OF SCIENCE DEGREE IN SOCIAL WORK AS A MANAGEMENT FELLOW WITH INTERNATIONAL SOCIAL WELFARE SPECIALTY.

(2015) Columbia University, New York, New York 10027. Coursework included: Business Administration, Grants Management, Finance, Leadership/Board Management, Program Evaluation, Human Capital, Staff Development, Capacity Building, Human Resource Management.

BACHELOR OF ARTS DEGREE IN PSYCHOLOGY WITH MINOR IN HOLOCAUST, GENOCIDE, AND PEACE STUDIES.

(2013) University of Nevada Reno, Reno, Nevada 89503. Coursework included: Psychology of Oppression; Trauma and Genocide; Developmental and Personality Psychology, Violence, and PTSD.

Brian B. Gruters
San Diego, CA 92111

PROFESSIONAL EXPERIENCE:

People Assisting the Homeless (PATH) **San Diego, California** **2019-Present**
Associate Director of Outreach

- Oversee creation and implementation of policy for PATH San Diego outreach and related efforts, including COVID-19 response, housing location, and bridge shelter.
- Manage a team of seven direct-report staff and six additional subcontractor staff; direct outreach coverage, crisis response, and other day-to-day aspects of the program.
- Ensure compliance with PATH and funder documentation standards, including submission of quarterly reports for all programs and routine quality assurance audits.
- Monitor program budgets to ensure full utilization of program funds and consistent deliver of client services; seek additional funding and/or modify budgets as required.

LeSar Development Consultants **San Diego, California** **2018-2019**
Associate, Homeless Solutions Team

- Provide policy guidance and technical assistance to clients throughout California. Projects included program design and evaluation, homeless system analysis, guidance on emerging service delivery models including shared housing and diversion.
- Manage projects from contract development through completion, including budgeting, team coordination, and final delivery.

The Regional Task Force on the Homeless **San Diego, California** **2016-2018**
Coordinated Entry System (CES) Manager for Central Region

- Led a team of housing navigators and CES specialists in onboarding providers, meeting client navigation and matching objectives, and providing technical assistance.
- Created external policies and procedures related to CES; designed and implemented CES workflow in the regional Homeless Management Information System; developed internal processes for meeting organizational goals.

VOLUNTEER EXPERIENCE:

- **Clairemont Coalition on Homelessness (2018-Present)** - Founder
- **Casa Cornelia Law Center (2014-Present)** - Pro bono Spanish-English translator

EDUCATION:

University of Waterloo **Waterloo, Ontario** **2006-2008**

- Master of Environmental Studies degree in Environment and Resource Studies

University of Arizona **Tucson, Arizona** **1999-2003**

- Bachelor of Arts degree in Spanish

SKILLS AND ABILITIES:

Languages: Spanish (professional-level fluency)

Computer: Proficient with Windows 10; MS Office; Bitfocus Clarity

Property Management: NCHM certification in LIHTC funding

Curtis Manuel

San Diego, CA 92115

To obtain a professional position that will utilize my customer service and social services skills efficiently and an opportunity for a career as well as a chance to achieve new skills to become an asset to your company.

Work Experience

Outreach Specialist

People Assisting The Homeless (PATH) - San Diego, CA

May 2022 to Present

- Conduct immediate intake and assessments for homeless individuals during outreach to determine eligibility, short term and long term housing and supportive service needs. Provide referrals as applicable to alternate programs if the applicant is not eligible for internal programs and provide resources as necessary.
- Maintain contact and document interactions with all PATH program participants on an ongoing basis.
- Provide linkage and support to program participants as they pursue mental health services through the community mental health system. Assist program participants in gathering documentation necessary and compile social security applications in accordance with the SOAR initiative.
- Provide assistance to locate mainstream and community resources in obtaining benefits, birth certificates, social security cards and other important documents necessary for housing and supportive services.
- Assist in efforts to secure housing and supportive services for PATH program participant by utilizing existing resources within the county.
- Provide consultation to consumers and supportive service providers to develop housing goals and interventions in the person centered planning process.
- Provide housing related case management on an ongoing basis for program participants, working with consumers and landlords to establish positive professional relationships.
- Collect data for the local HMIS to provide statistics regarding homeless persons and outcomes of program services.
- Represent PATH in a variety of community forums to ensure that returning community members have access to all available community housing programs and services, to include but not limited to CIST (Community Interagency Service Team), OC Prioritized Housing, Veteran's BNL, Landlord Events, etc.
- Interface with other departments internally (such as PSH, PATH, HRC) to coordinate and streamline processes.
- Participate in community-based activities when appropriate such as Project Connect, PIT Count, and Human Services Fairs.
- Collect and input data into the local HMIS to provide statistics regarding PATH Program Applicants and Participants, as well as documentation of all contacts, assistance and services provided. Information will be entered in a timely manner to insure accuracy of all reports/demographics at any given time.

Case Manager/Housing Specialist

ALPHA PROJECT FOR THE HOMELESS - San Diego, CA

November 2021 to April 2022

Performs intake interviews, assessments and refers clients to appropriate community resources.

- Work with residents/clients to identify and overcome barriers to securing housing and increasing income.
- Provide encouragement and direction to residents/clients.
- Assist clients with obtaining and completing necessary documents to access housing, benefits, or increasing income.
- Maintains prompt documentation using HMIS, following agency and best standard practices.
- Assesses the client's needs, and arranges, coordinates, monitors, evaluates, and advocates for a variety of services to meet those complex needs, including:
 - Assists clients in identifying, enrolling, and attending medical, substance abuse, and therapeutic services.
- Connect clients with partner agencies and services.
- Assess clients for employment, social security, and disability eligibility.
- Assist clients in benefits enrollment.
- Assist in coordinating transportation for clients for necessary appointments.
- Assesses and addresses housing barriers, including but not limited to:
 - Assisting client to acquire and submit necessary identification documentation, proof of homelessness, benefits statements, proof of identity, etc.
- Maintains a productive case management relationship with residents.
- Meets with clients at least weekly to review, evaluate and support individualized housing, financial, and self-sufficiency action plans.
- Addresses unanticipated client/resident needs/issues as they arise.
- Participates as a multi-disciplinary team member that reviews client cases and develops action plans that meet each client's individual needs.
- Maintains a safe and healthy work environment by adhering to organization standards and all applicable Federal, State, and local laws and regulations.

Housing Specialist

Veterans Village Of San Diego - San Diego, CA

November 2020 to November 2021

- Proactively seeks new housing opportunities and resources to assist individuals/families in obtaining permanent housing
- Maintain an up-to-date Housing Directory which should include documentation of all contacts with housing providers and landlords.
- Conduct initial meeting with each individual/family who participate in the SSVF program.
- In collaboration with case managers, negotiate leases on behalf of clients
- Conduct unit inspection to ensure unit compliance

- Develop and facilitate trainings and workshops for clients and SSVF staff to include tenant rights, responsibilities, housing discrimination, and how to effectively communicate with landlords and others
- Provide housing availability, including Fair Market Rate rentals and other affordable, permanent housing opportunities, to SSVF team and clients in an efficient and timely manner.
- Regularly follow up with clients seeking housing to help support their housing options.
- Identify ways for clients to overcome housing barriers.
- Disseminate relevant housing information to clients and Case Manager in a timely fashion
- Regularly coordinate and communicate with SSVF Case Managers
- Maintain case documentation, using HMIS in accordance with agency and best standard practices.
- Maintain documentation of trainings, budgets, housing contacts, client contacts and other pertinent information in accordance with agency and best standard practices.
- Attend SSVF team and agency meetings as required
- Other duties as assigned by supervisor

Lead Case Manager

Veterans Village of San Diego - San Diego, CA
2017 to November 2020

- Conduct initial intake and assessments including VI-SPDAT
- Data entry using CES/Service Point
- Assess needs related to housing, medical, dental, and other needs
- Develop and monitor goals
- Connect to needed community resources
- Coordinate care with outside providers
- Provide crisis intervention and conflict resolution
- Train new staff members
- Conduct nightly bed check and announcements

RST

Home of Guiding Hands - San Diego, CA
2012 to 2017

Residential Tech

- Supervise daily developmental activities
- Coordinate training in the areas of daily living
- Assisted with teaching daily behavior skills
- Assisted with implementing individual treatment plans
- Assisted with bathing dressing, grooming, preparing meal, and recreational skills
- Provided detailed casework reports.
- Handled the tasks of conducting psychosocial evaluations like assessing patient's mental and physical records as well as gathering demographic information
- Performed the tasks of follow -up with doctors and nurses to discuss physical and mental complications of the patient
- Conducted regular trainings by arranging physical exercises
- Develop behavioral programs and work programs
- Act as a guidance, friend, advocate and maintained professional relationships
- Extensive knowledge of family violence, handicapped rehabilitation and orphan children
- Worked with health professionals as well as collected patient information to provide patients with the best care

- Performed the responsibilities of implementing innovative plans for patients' discharge or problem-resolution

Life Coach

Disability Services of the Southwest - Dallas, TX

2009 to 2010

- Supervise daily developmental activities
- Coordinate training in the areas of daily living
- Assisted with teaching daily behavior skills
- Assisted with implementing individual treatment plans
- Assisted with bathing dressing, grooming, preparing meal, and recreational skills
- Provided detailed casework reports.
- Handled the tasks of conducting psychosocial evaluations like assessing patient's mental and physical records as well as gathering demographic information
- Performed the tasks of follow -up with doctors and nurses to discuss physical and mental complications of the patient
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- Act as a guidance, friend, advocate and maintained professional relationships
- Extensive knowledge of family violence, handicapped rehabilitation and orphan children
- Worked with health professionals as well as collected patient information to provide patients with the best care
- Performed the responsibilities of implementing innovative plans for patients' discharge or problem-resolution

The United States Army - Columbia, SC

2009 to 2009

Supply and ware house and shipping

Life Coach

The Arc of San Diego - San Diego, CA

2005 to 2009

- Supervise daily developmental activities
- Coordinate training in the areas of daily living
- Assisted with teaching daily behavior skills
- Assisted with implementing individual treatment plans
- Assisted with bathing dressing, grooming, preparing meal, and recteational skills
- Provided detailed casework reports.
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- Extensive knowledge of family violence, handicapped rehabilitation and orphan children
- Worked with health professionals as well as collected patient information to provide patients with the best care

- Performed the responsibilities of implementing innovative plans for patients' discharge or problem-resolution

Education

Bachelor's in psychology

National University - San Diego, CA
2014 to 2017

Psychology

Mesa College - San Diego, CA
2004 to 2005

Psychology

Grossmont College - San Diego, CA
2002 to 2003

Skills

- Mental Health
- Case Management
- Documentation
- Counseling
- Time management
- Motivational interviewing
- Social Work
- Individual / Group Counseling
- Research
- Data collection
- Intake
- Developmental Disabilities Experience
- Phone Etiquette
- Crisis intervention
- Microsoft Word
- Microsoft Office
- Presentation skills
- Intake

Military Service

Branch: United States Army

Rank: 2

Certifications and Licenses

Class B CDL

July 2016 to July 2020

CPR Certification

Assessments

Case Management & Social Work — Proficient

May 2020

Prioritizing case tasks, gathering information, and providing services without judgment.

Full results: Proficient

Filing & organization — Proficient

August 2018

Measures a candidate's ability to arrange and manage files or records using a set of rules.

Full results: Proficient

Indeed Assessments provides skills tests that are not indicative of a license or certification, or continued development in any professional field.

Additional Information

24 year customer service experience as well as 16 years experience working with individuals with disabilities. Experience in working in fast paced environments, demanding, strong technical and interpersonal skills. Trustworthy, organized, ethical, and discreet; committed to superior customer service. Confident and poised in interactions with individuals at all levels. Detailed-oriented individual, able to prioritize and delegate tasks effectively to ensure timely project completion within a team environment. Proven ability to coach, train, evaluate and counsel staff. Consistently maintain a positive attitude and enjoy helping others. Articulate with exceptional command of the English language with strong written and dictation skills

SKILLED HIGHLIGHTS

Statistical Data Entry, Vocational Treatment, Therapy Coach, Life Coach, Windows 2000 Pro, Windows XP Pro, Microsoft Office 2003, Microsoft Office 2007, Tools, Access, Info Path, Excel, Outlook, PowerPoint, Publisher, Word, Premiere Systems, P2K Access, Class System, 10 Key, Data Entry, Email Etiquette, Active Listening Skills, Telephone Skills



RECEIVED

MAY 26 2022

Dept. of Development Services
City of Santee

**Community Development Block Grant Program
APPLICATION FOR FUNDING
CDBG-CV Funding**

The following application must be completed by each qualified nonprofit organization interested in being considered for CDBG-CV funding. Please type or print clearly. Attach additional sheets of information as necessary. **All information must be provided or the application will be considered incomplete and will not be further evaluated for funding consideration.**

The application must not exceed a total of fifteen (15) pages. The completed application must be submitted prior to 5:00 P.M. on Wednesday, June 1, 2022. Applications may be submitted electronically to bcrane@cityofsanteeca.gov. Paper copies may be mailed or delivered to the City of Santee, Department of Development Services, Attn: Bill Crane, at 10601 Magnolia Avenue, Santee 92071.

Potential applicant who have questions about the CDBG-CV funding may contact Bill Crane by email at bcrane@cityofsanteeca.gov before: 5:00 P.M. on Wednesday, May 25, 2022. Additionally, general information about CDBG-CV funding may be found on HUD's website at <https://www.hudexchange.info/programs/cdbg-cv/>

GENERAL INFORMATION: Date: 5/26/2022

Agency Name: East County Transitional Living Center
Agency Address: 1527 East Main Street, El Cajon CA 92021

Phone: (619) 442-0457 Fax: (619) 442-2534
E-mail: [Click here to enter text].

Project/Program Contact Person (Name and Title): Ivan Andujar, CEO
Project/Program Location: 1527 East Main Street, El Cajon CA 92021

Phone: (619) 749-6413 Fax: (619) 442-2534
E-mail: landujar@ectlc.org

Type of Project (check one):
Public Service Activity
Public Improvement (Construction)
Acquisition of property
Other (describe)_[Click here to enter text]

Federal DUNS Number: 833183119
Person completing application: Ivan Andujar

City of Santee – Application for CDBG-CV Funding

FUNDING INFORMATION:

Amount Requested from Santee: \$ \$100,000

Total Project/Program Budget: \$ \$100,000

Is the Project/Program scalable? Meaning if awarded less than requested could the Project/Program still be carried out, albeit to a lesser degree? Please explain: Lesser funds would equate to less families/individuals served overall. Program would still provide services.

Please complete Page 5 (CDBG-CV Project Budget) itemizing revenues and expenses (sources and amounts) for the proposed project or activity in which CDBG-CV funds would be used. Indicate how the requested CDBG-CV funds would relate to the overall proposed budget.

PROJECT\ACTIVITY INFORMATION

A. What is the purpose/mission of the applicant agency?

Assist homeless/families and/or individuals affected by the Coronavirus pandemic with shelter, meals, case management and long term housing/program resources.

B. Briefly describe the purpose of the project, the population to be served, the area to be benefited and estimated number of Santee residents who would benefit from the project. Inclusion of the estimated number of Santee residents served is required.

East County Transitional Living Center will provide (3) daily meal opportunities, counseling/case management and up to a maximum of (28) night of emergency shelter to homeless families and/or individuals, affected directly or indirectly by the COVID Pandemic, to stabilize their immediate housing needs. Participants will be evaluated and provided with additional resources and/or references to obtain permanent housing or enter long term programs. CDBG funds will be utilized solely for housing at \$60 per night for (1-6) persons. \$100,000 will assist up to 200 Santee residents with services outlined above.

C. Describe how will the project or activity would prevent, prepare for, or respond to the Coronavirus Pandemic?

Families/individuals affected by COVID related homelessness will be provided shelter, daily meal opportunities, weekly case management, life skills classes, acquiring proper documents and recommendations needed for permanent housing or long term programs

D. Who will carry out the activities, the period over which the activities will be carried out, and the frequency with which the services will be delivered (be specific).

ECTLC Staff will provide case management on a weekly basis, housing provided on a weekly (7days) basis (up to 28 days) and (3) daily meal opportunities.

E. Describe how the project meets the CDBG Program National Objectives, the City of Santee Priorities, or is included under the Eligible Activities. Please see the the Notice of Funding Availability to assist with this request.

City of Santee – Application for CDBG-CV Funding

East County Transitional Living Center's target population is homeless families and/or individuals. ECTLC anticipates assisting (200) men, women and children residing within the City of Santee city limits. Qualifying individuals must have been homeless within the City of Santee city limits (24) hours prior to receiving services

F. Agency/Nonprofit Organization Information:

Outline the background of your agency/nonprofit organization, including the length of time your agency has been in operation, the date of incorporation, the type of corporation and the type of services provided. If the request for funding is submitted as part of a collaborative application, please provide information for each member of the collaborative. **If your organization has received CDBG (or CDBG-CV) funds from the City of Santee in the past, please note the number of years the organization has received CDBG funding.**

East County Transitional Living Center is a 501c (3) non-profit, faith based humanitarian organization, incorporated in 2009, extending housing, meal opportunities and case management to homeless families and/or individuals in East San Diego County.

ECTLC has had (12) successful years administering the CDBG HUD Emergency Housing Program via the City of El Cajon (2010-11, 2011-12 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021 – present).

G. Financial:

Describe your agency's fiscal management procedures including financial reporting, record keeping, accounting systems, payment procedures, and audit requirements. Describe how records are maintained to ensure the project benefits targeted groups.

East County Transitional Living Center, Inc. is a 501 c (3) non-profit organization overseen by an independent Board of Directors. Monthly Board meetings with required reporting to Board appointed Chief Financial Officer

H. Personnel:

Identify the staff administering/implementing this project and provide their experience in similar programs.

Ivan Andujar, CEO will be the CV-Emergency Shelter / Santee Program administrator. Mr. Andujar has (12) prior years administering a duplicate program and (14) years' experience overseeing budgets, and programs as a Recreation Coordinator for the City of Monrovia, Community Services Department.

I. Conflict of Interest:

City of Santee – Application for CDBG-CV Funding

Please identify any member, officer, or employee of your organization who is an officer or employee of the City of Santee or a member of any of its boards, commissions, or committees or has any interest or holding which could be affected by any action taken in the execution of this application.

No employee, member, or officer of the East County Transitional Living Center is an officer or employee of the City of Santee, or is a member of any of its boards, commissions, committees, or has any interest or holding that may be affected by the East County Transitional Living Center's application for/or acceptance of any funds from the Community Development Block Grant Program with the City of Santee.

BENEFITS AND BENEFICIARIES

- A. How accessible or convenient is the proposed project/activity to Santee residents? (Please be specific such as direct services to a client's home, Santee location, transportation provided, etc.)

Santee residents seeking services would call ECTLC directly or walk in Monday – Friday from 8am – 5pm to make inquiries.

- B. What is the approximate percentage of your clients that have annual family incomes in each of the following ranges: (Percentages should add to 100%)

_____ 19% of clients are at 30 percent or below of the area median income
_____ 50% of clients are between 31 and 50 percent of the area median income
_____ 30% of clients are between 51 and 80 percent of the area median income
_____ 1% of clients are above 80 percent of the area median income

[Click here to enter text]

- C. Does your agency focus its activities on populations with special needs?

No Yes (Please specify)

Please specify which special needs populations. (persons experiencing homelessness, persons with disabilities, persons with substance abuse problems, veterans, seniors, children, etc.)

East County Transitional Living Center target population is homeless families and/or individuals affected directly or indirectly by COVID; residing in Santee city limits.

DOCUMENTATION

- A. How will the recipients' information be collected and documented?

Case Managers will complete intake documents with interested parties that include all pertinent personal information. Information is entered into the Regional Task Force on Homeless (HMIS) Homeless Management Information System. ECTLC retains all hard copy documents for 5 years.

City of Santee – Application for CDBG-CV Funding

- B. What documentation will be used to prove the funds are going to the prevention, preparation or response to COVID-19?

ECTLC utilizes software that tracks daily funding expenditures, Case files are kept documenting COVID related homelessness, and Program Administrator also documents all funds and provides monthly reports to Santee City staff.

- C. How will the outcomes be measured, collected, and documented? .

Case Management tracking, monthly client outcome reports both hard copies and digital. Reports submitted monthly to Santee City staff.

APPLICANT CERTIFICATION

To the best of my knowledge and belief, the information contained in this application is true and correct; the document has been duly authorized by the governing body of the applicant; and the applicant will comply with all assurances, federal, state and local laws and regulations if funding is approved.

Ivan Andujar, CEO

Type or Print Your Name and Title



Signature

City of Santee – Application for CDBG-CV Funding

CDBG-CV PROJECT BUDGET

Organization: East County Transitional Living Center

Total organization budget \$3.6 million (includes gift in-kind donations)

Program/Project name requesting funds: CV – Emergency Shelter / Santee

CDBG-CV funds requested: \$100,000 Total program/project budget: \$100,000 Note: Indicate with an asterisk (*) funds that are volunteer time or in-kind contribution.

1. Sources of funding for program/project:		(S)Secured or (A)Anticipated
a. Funding requested from the City	\$100,000	(S) or (A)
b. Other federal funds (if any)	\$0	(S) or (A)
c. State or local government funds	\$0	(S) or (A)
d. Donations and contributions	\$0	(S) or (A)
e. Fees or memberships	\$0	(S) or (A)
f. In-kind contributions / Volunteer time	\$0	(S) or (A)
g. Other funding	\$0	(S) or (A)
h. TOTAL PROJECT FUNDING (project budget)	\$100,000	(S) or (A)

2. Uses of CDBG-CV funds requested for the program/project: (1.a.)

a. Wages and salaries	\$0	
b. Personnel benefits	\$0	
c. Materials and supplies	\$0	
d. Program expenses and evaluation	\$0	
e. Rent and utilities	\$0	
f. Insurance	\$0	
g. Mileage (___ @ 58.5 cents/mile)	\$0	
h. Incentives and Special Events	\$0	
i. Indirect costs	_____	
j. _____	_____	
k. _____	_____	

I. TOTAL REQUESTED FUNDING (same as 1.a.) \$100,000

3. Percentage of project budget represented by CDBG request 100%

4. If your project will require future funding, please provide information about how the program will be funded. 100 percent of the requested \$100,000 proposed budget will be used for sheltering at \$60 per night. All associated staff costs, maintenance, paper goods, linens, cleaning, utilities and insurance will be absorbed by ECTLC.

RECEIVED

JUN 01 2022

Dept. of Development Services
City of Santee



**Community Development Block Grant Program
APPLICATION FOR FUNDING
CDBG-CV Funding**

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GENERAL INFORMATION: Date: 6/1/2022

Agency Name: Home Start, Inc.
Agency Address: 5005 Texas St., Suite 203, San Diego, CA 92108

Phone: 619-692-0727 Fax: 619-692-0785
E-mail: ltancredi-baese@home-start.org

Project/Program Contact Person (Name and Title): Geof Lippert, Director of Housing
Project/Program Location: 333 E. Main Street, El Cajon, CA 92020

Phone: 619-692-0727 Fax: 619-692-0785
E-mail: glippert@home-start.org

Type of Project (check one):
Public Service Activity
Public Improvement (Construction)
Acquisition of property
Other (describe)_[Click here to enter text]

Federal DUNS Number: 158661678
Person completing application: Kevin Stafford, COO

FUNDING INFORMATION:

City of Santee – Application for CDBG-CV Funding

Amount Requested from Santee: \$ \$60,423

Total Project/Program Budget: \$ \$60,423

Is the Project/Program scalable? Meaning if awarded less than requested could the Project/Program still be carried out, albeit to a lesser degree? Please explain: Yes, the program is scalable, but it would reduce rental assistance and staffing.

Please complete Page 5 (CDBG-CV Project Budget) itemizing revenues and expenses (sources and amounts) for the proposed project or activity in which CDBG-CV funds would be used. Indicate how the requested CDBG-CV funds would relate to the overall proposed budget.

PROJECT/ACTIVITY INFORMATION

A. What is the purpose/mission of the applicant agency?

Home Start's vision is for every child to have a safe, stable, and nurturing home. To effectively prevent and treat child abuse, Home Start addresses the conditions that can contribute to risky or abusive situations – poverty, unsafe neighborhoods, lack of affordable housing, and unemployment – while concurrently addressing individual self-sufficiency and emotional needs. Guided by our mission to assure the safety and resiliency of children by strengthening families and their communities, Home Start, Inc., a non-profit child abuse prevention, and treatment agency has strengthened and developed San Diego's families and communities since 1972.

B. Briefly describe the purpose of the project, the population to be served, the area to be benefited and estimated number of Santee residents who would benefit from the project. Inclusion of the estimated number of Santee residents served is required.

Home Start, Inc. will support at least eight (8) households in the City of Santee whose income falls below 80 percent of the local AMI and are at risk of losing their housing by providing up to three (3) months of rental assistance and case management. Home Start, Inc. will leverage our expertise and existing homelessness prevention and rapid re-housing programs to ensure we are able to begin operations immediately and have well-trained and knowledgeable staff that can administer the program. Households will be limited to a maximum of \$5,675 of rental assistance. When necessary, Home Start, Inc. will also provide mediation with landlords to ensure client housing stability. All households will be educated on the short-term nature of the funding and work with case management to develop a long-term housing stability plan to ensure they are able to maintain housing.

Funds will be used to make rental payments directly to landlords or property managers. Clients will be required to provide income certification, recent landlord notices, and proof of present address (e.g., rent receipt, lease or deed, property tax bill). Case management will be provided to assist clients with increasing income and other resources to provide stabilization and financial security. Follow-up services will be provided to all clients including referrals to internal and external resources.

City of Santee – Application for CDBG-CV Funding

- C. Describe how will the project or activity would prevent, prepare for, or respond to the Coronavirus Pandemic?

Home Start, Inc. will operate a program to assist Santee residents (individuals and families) directly impacted by a loss of income due to the COVID-19 public health emergency. Assistance will be provided in the form of rental payments directly to landlords to help residents avoid eviction and prevent residents from becoming homeless.

- D. Who will carry out the activities, the period over which the activities will be carried out, and the frequency with which the services will be delivered (be specific).

Home Start staff will carry out the activities for the program from 7/1/22 to 6/30/23. Services will occur at least two (2) or more days a week as needed to serve the residents of the City of Santee.

- E. Describe how the project meets the CDBG Program National Objectives, the City of Santee Priorities, or is included under the Eligible Activities. Please see the the Notice of Funding Availability to assist with this request.

This rental assistance project will provide public services and activities to improve the quality of life for residents by assisting residents of Santee who have been impacted by COVID-19. This project will deter Santee residents from becoming homeless while assuring that property owners receive rental payments.

- F. Agency/Nonprofit Organization Information:

Outline the background of your agency/nonprofit organization, including the length of time your agency has been in operation, the date of incorporation, the type of corporation and the type of services provided. If the request for funding is submitted as part of a collaborative application, please provide information for each member of the collaborative. **If your organization has received CDBG (or CDBG-CV) funds from the City of Santee in the past, please note the number of years the organization has received CDBG funding.**

Home Start, Inc. has been receiving CDBG-CV funds from the City of Santee since December 31, 2020, to assist households in Santee impacted by the COVID-19 pandemic. Additionally, Home Start has been providing trauma-informed services to disadvantaged and homeless families since the organization's inception in 1972. Our Communities in Action Program, established in 1994, provides thousands of low income and homeless families per year with assessment, stabilization supports, case management, financial literacy, tax assistance, and linkages to employment and community resources. Community Services for Families, established in 2004, provides in-home parenting and visit coaching services to 800+ families annually. First 5 First Steps, established in 2013 and expanded in 2019, provides parent education and case management services for low income, refugee, transition age, and military families. Our Behavioral Health Services offer Trauma Focused Cognitive Behavioral Therapy, Family Therapy, and Parent-Child Interaction Therapy to hundreds of low income and homeless children and families per year. We also operate CalFresh outreach and

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Volunteer Income Tax Assistance programs which serve over 3,000 low-income families per year. In 2007, Home Start expanded our services to include housing primarily focused on families with a transition age youth head of household. The United Way funded the initial start-up of a housing program consisting of 5 units offering up to 20 beds. We have since increased our housing capacity to include Permanent Supportive Housing (PSH) and Transitional Housing. This includes 38 units (owned and master leased by Home Start) with up to 102 beds funded by Federal agencies (HUD, FYSB), the San Diego Housing Commission (SDHC), the California Office of Emergency Services (Cal OES), County Health and Human Services Agency (HHSA), and private donations. Home Start currently subcontracts with San Diego Youth Services (SDYS) and the LGBT Center to provide housing navigation, case management, food assistance, emergency shelter, and resource linkages to hundreds of homeless youth and families per year. This includes the operation of a homeless navigation/resource center in East County. Additionally, Home Start recently entered into an agreement with SDHC for 15 tenant-based emergency housing vouchers for clients current or previously served by Rapid Rehousing (RRH) and Homeless Emergency Aid Program (HEAP). In addition, Home Start has developed and implemented 3 Rapid Re-housing Programs (RRH). The first was funded by County HHSA and served 280 CalWorks families from early 2015 to late 2017. This was initially a short-term pilot program for the County and Home Start, but was so successful at housing and stabilizing a high number of families that it was extended. In 2017, after Home Start successfully proved the model for this population of families, the County made the program a permanent part of their existing CalWorks services and contracts.

In 2017, Home Start entered into a subcontract with the SDHC to operate a TAY Rapid Re-housing Program serving approximately 5 TAY households and 7 individuals in the City of San Diego per year (Home Start has exceeded this minimum). In 2018 Home Start also received two new housing grants from Cal OES. The first is a rapid re-housing and transitional housing program serving homeless youth and families who have been the victims of crime. This grant allows Home Start to serve a minimum of 15 households per year. The second grant supports the operation of the State of California's first Domestic Violence Housing First program. This program utilizes emerging best practices from the State of Washington to provide a rapid re-housing model with flexible financial assistance and critical time intervention support levels for domestic violence survivors in San Diego County.

G. Financial:

Describe your agency's fiscal management procedures including financial reporting, record keeping, accounting systems, payment procedures, and audit requirements. Describe how records are maintained to ensure the project benefits targeted groups.

Home Start will maintain fiscal solvency through the implementation of accounting principles set forth in federal regulations title 45 part 74, applicable OMB circulars such as OMB A-122 Cost Principles for Non-Profit Organizations, and generally accepted accounting procedures (GAAP), the preservation of prudent fiscal reserves, the implementation of the organization's fundraising strategy, and the oversight of experienced leadership and a diverse Board of Directors. Home Start's fiscal solvency is

City of Santee – Application for CDBG-CV Funding

demonstrated in the provided: unaudited financial statements (Appendix), three years of audits (Appendix), and documentation of fiscal reserves (Section 3.1.4.). Internal Fiscal Management Process: Home Start has multiple service contracts with a variety of granting agencies and is accustomed to reviewing, tracking, and monitoring expenses for manifold contracts. As part of the on-going monitoring process, revenue and expense statements are generated each month and distributed to program managers for their review. If questions arise, they can access the contract files, the vendor files, allocation reports, etc. for documentation. Issues related to spending patterns and meeting of project objectives are reviewed and addressed on a monthly basis. Project staff are recruited and hired or re-deployed from within current agency ranks based upon budgetary parameters and project requirements. Salaries are based on the agency ranges for appropriate categories. Timesheets are reviewed and approved by project supervisors. Fringe benefits are established by Federal and State statutes and the agency Board of Directors. Non-personnel operating expenses related to each project are reviewed within the context of an approved budget and signed-off by the project manager. Monthly, a general ledger report of all project expenses is printed for accounting staff review. A spreadsheet that includes budget, monthly and year-to-date expenditures, and variances, is updated from this report, and an invoice to the granting agency prepared. These reports and invoices are filed in the contract file and copied to project managers. The monthly monitoring of expenditures against budget described above helps project staff to understand the developing and ever-changing needs of project staff and participants. This information is presented and discussed at weekly management team meetings, which allows the fund development program to enlist potential donors for support of project objectives. Home Start's strong fund development program ensures that all agency services are of the highest quality possible. Most of the private funds raised are partnered or leveraged with the agency's service contracts to prevent deficit spending while maintaining the level of personnel and infrastructure that supports the delivery of effective services. Additionally, Home Start utilizes a fund-based accounting system, MIP Fund Accounting, and is able to properly account for sources of funding that have restrictions on them. Home Start continues to receive Federal funds from pass-through sources. We currently have contracts with State and County agencies that are continuing beyond the current fiscal year - we anticipate that these funding streams will continue due to the need in the San Diego community. These programs awarded from the respective County and State agencies are varied and include Mental Health Services, CHAT (from the State of California), Tax Assistance, VITA (directly from the IRS), and CSF, from the County of San Diego. All of these pass-through sources provide oversight as to the program delivery and financial oversight to ensure compliance with all Federal guidelines. Additionally, due to Single audit requirements, each year Home Start is required to have an independent auditor that gives an opinion about the financial statements, as well as perform a programmatic audit. The agency has engaged our auditors with the objective to express an opinion about whether our financial statements are fairly presented, in all material respects, in conformity with US GAAP principles, but also to identify weaknesses in the internal controls related to the financial statements and Single Audit Act Amendments (OMB A-133). Any finding or weakness identified through the audit is discussed with the Audit Committee and Management and if needed a letter is created by the Auditor, with the responsibility on the agency to create an action plan to fix any issue that the auditor has expressed an opinion on. The last three independent auditors' reports for fiscal years gave unqualified opinions of the agency's financial statements,

City of Santee – Application for CDBG-CV Funding

which means the financial statements presented fairly, in all material respects, the financial position of Home Start. The agency financial situation is overseen by the Finance Committee of the Board of Directors, which performs a monthly review of the revenue and expense statement and balance sheet. The Committee also serves as the liaison to the Board of Directors, which approves the annual budget and monitors performance. Home Start's Chief Executive Officer and Chief Financial Officer are the staff representatives to the agency Finance Committee and responsible for agency financial management including budget preparation and modification, monitoring use of contract and restricted funds, revenue and expense variance analyses, balance sheet account tracking, working capital management, and compliance with Financial Accounting Standards Board (FASB) and contract requirements. The agency has policies and procedures that detail all processes regarding day-to-day operations and financial reporting, which consider all the issues associated with internal controls (Control Environment, Risk Assessment, Information and Communication Systems, and Monitoring). Home Start uses MIP Fund Accounting (Version 20.3.0.0) software, which is a double-entry, accrual-based fund accounting system. The system is maintained on a secure server with an internal tape drive back-up system. Access to the system is user and password protected. Home Start's accounting system and practices are in accordance with generally accepted accounting principles and applicable Office of Management Circulars such as OMB A-122 Cost Principles for Non-Profit Organizations (A-122). Each agency service project is set-up and maintained as a separate cost-center within the accounting software, which allows segregating, supporting, controlling, and accounting of all funds, property, expenses, revenues, and assets for each County contract to be distinct from other contracted activities. A separate paper /digital file is also set-up with contract documents, budget, correspondence, monthly invoicing, etc. Utilizing this system, following agency policies and procedures, complying with OMB circulars such as OMB A-122 Cost Principles for Non-Profit Organizations and generally accepted accounting procedures, and maintaining well-trained staff working under the oversight of leadership structures that support fiscal management, Home Start will continue to meet all required timeframes and documentation requirements for contract invoicing.

H. Personnel:

Identify the staff administering/implementing this project and provide their experience in similar programs.

Home Start operates under the leadership of a strong and stable executive team helmed by Laura A. Tancredi-Baese, LCSW, Chief Executive Officer who has tirelessly advanced Home Start's mission and vision since 2007. Laura also serves as a director on three boards – California Coalition for Youth (CCY), the Regional Task Force on the Homeless, and El Cajon Collaborative/LH Avocado. Geoffrey Lippert, Director of Housing, will administratively oversee this project. Andrea Castellanos, Team Lead, and Maurizio Martinez, Housing Stability Case Manager, will provide the direct services of this project. Both Ms. Castellanos and Mr. Martinez have been providing similar CDBG services in the Cities of Santee and La Mesa to assist their residents with rental assistance.

I. Conflict of Interest:

City of Santee – Application for CDBG-CV Funding

Please identify any member, officer, or employee of your organization who is an officer or employee of the City of Santee or a member of any of its boards, commissions, or committees or has any interest or holding which could be affected by any action taken in the execution of this application.

None

BENEFITS AND BENEFICIARIES

- A. How accessible or convenient is the proposed project/activity to Santee residents? (Please be specific such as direct services to a client's home, Santee location, transportation provided, etc.)

[Click here to enter text]

- B. What is the approximate percentage of your clients that have annual family incomes in each of the following ranges: (Percentages should add to 100%)

10 % of clients are at 30 percent or below of the area median income
10 % of clients are between 31 and 50 percent of the area median income
80 % of clients are between 51 and 80 percent of the area median income
0 % of clients are above 80 percent of the area median income

[Click here to enter text]

- C. Does your agency focus its activities on populations with special needs?

No X Yes (Please specify)

Please specify which special needs populations. (persons experiencing homelessness, persons with disabilities, persons with substance abuse problems, veterans, seniors, children, etc.)

Home Start, Inc. provides services to pregnant and parenting transitional aged youth, victims of trauma, and persons experiencing homelessness.

DOCUMENTATION

- A. How will the recipients' information be collected and documented?

Home Start, Inc. will maintain complete records of applications and documents submitted and provide all records to the City in electronic format. The program will provide the City with weekly updates regarding the number of applications received, applications processed, and grant amounts awarded. Home Start, Inc. will maintain a

City of Santee – Application for CDBG-CV Funding

complete database of applications received including the date and time applications were submitted. This database will be made available to the City for review along with the final database for documentation purposes.

B. What documentation will be used to prove the funds are going to the prevention, preparation or response to COVID-19?

1) Rental assistance application with demographic information included; 2) Paystub prior to COVID; 3) Documentation that their income has been impacted by COVID: unemployment, furlough letter, paystubs that indicate a decrease in income, bank statements, medical documents; 4) Past due ledger with itemized past due balance detailing months and amounts; 5) Copy of ID; 6) W-9 from landlord; 7) Copy of current lease.

C. How will the outcomes be measured, collected, and documented? .


Outcomes will be measured by: 1) Successful rental assistance payments; 2) Number of households served; 3) and Family income. Outcome data will be obtained during the initial contact, mid-assistance, and at closure. Outcomes will be documented in a ledger and reported to the City of Santee on a quarterly basis (or more often if requested).

City of Santee – Application for CDBG-CV Funding

APPLICANT CERTIFICATION

To the best of my knowledge and belief, the information contained in this application is true and correct; the document has been duly authorized by the governing body of the applicant; and the applicant will comply with all assurances, federal, state and local laws and regulations if funding is approved.

Laura Tancredi-Baese, CEO
Type or Print Your Name and Title


Signature

City of Santee – Application for CDBG-CV Funding

CDBG-CV PROJECT BUDGET

Organization: Home Start Inc.

Total organization budget \$ 11,518,028

Program/Project name requesting funds: City of Santee COVID-19 Rental Assistance Program
CDBG-CV funds requested: \$ 60,500 Total program/project budget:
\$ 60,500 Note: Indicate with an asterisk (*) funds that are volunteer time or in-kind contribution.

1. Sources of funding for program/project:		(S)Secured or (A)Anticipated
a. Funding requested from the City	\$ <u>60,423</u>	(S) or (A)
b. Other federal funds (if any)	_____	(S) or (A)
c. State or local government funds	_____	(S) or (A)
d. Donations and contributions	_____	(S) or (A)
e. Fees or memberships	_____	(S) or (A)
f. In-kind contributions / Volunteer time	_____	(S) or (A)
g. Other funding	_____	(S) or (A)
h. TOTAL PROJECT FUNDING (project budget)	\$ <u>60,423</u>	(S) or (A)

2. Uses of CDBG-CV funds requested for the program/project: (1.a.)

a. Wages and salaries	<u>\$4368</u>
b. Personnel benefits	<u>\$1136</u>
c. Materials and supplies	_____
d. Program expenses and evaluation	<u>\$45400</u>
e. Rent and utilities	_____
f. Insurance	_____
g. Mileage (___ @ 58.5 cents/mile)	_____
h. Incentives and Special Events	_____
i. Indirect costs	<u>\$9519</u>
j. _____	_____
k. _____	_____
l. TOTAL REQUESTED FUNDING (same as 1.a.)	\$ <u>60423</u>

3. Percentage of project budget represented by CDBG request 100%

4. If your project will require future funding, please provide information about how the program will be funded. N/A

RECEIVED

JUN 01 2022

Dept. of Development Services
City of Santee



**Community Development Block Grant Program
APPLICATION FOR FUNDING
CDBG-CV Funding**

The following application must be completed by each qualified nonprofit organization interested in being considered for CDBG-CV funding. Please type or print clearly. Attach additional sheets of information as necessary. **All information must be provided or the application will be considered incomplete and will not be further evaluated for funding consideration.**

The application must not exceed a total of fifteen (15) pages. The completed application must be submitted prior to 5:00 P.M. on Wednesday, June 1, 2022. Applications may be submitted electronically to bcrane@cityofsanteeca.gov. Paper copies may be mailed or delivered to the City of Santee, Department of Development Services, Attn: Bill Crane, at 10601 Magnolia Avenue, Santee 92071.

Potential applicant who have questions about the CDBG-CV funding may contact Bill Crane by email at bcrane@cityofsanteeca.gov before: 5:00 P.M. on Wednesday, May 25, 2022. Additionally, general information about CDBG-CV funding may be found on HUD's website at <https://www.hudexchange.info/programs/cdbg-cv/>

GENERAL INFORMATION: Date: 6/1/2022

Agency Name: San Diego Regional East County Chamber of Commerce Chamber Foundation

Agency Address: 201 S. Magnolia Avenue, El Cajon, CA 92020

Phone: (619) 440-6161

Fax: (619) 440-6164

E-mail: theechtf@gmail.com

Project/Program Contact Person (Name and Title): Rick Wilson, President/CEO

Project/Program Location: East County

Phone: (619) 440-6161

Fax: (619) 440-6164

E-mail: rickw@eastcountychamber.org

Type of Project (check one):

Public Service Activity	<input checked="" type="checkbox"/>
Public Improvement (Construction)	<input type="checkbox"/>
Acquisition of property	<input type="checkbox"/>
Other (describe)_[Click here to enter text]	

Federal DUNS Number: 080237835

Person completing application: Bonnie Baranoff

City of Santee – Application for CDBG-CV Funding

FUNDING INFORMATION:

Amount Requested from Santee: \$ 5,000

Total Project/Program Budget: \$ \$50,000

Is the Project/Program scalable? Meaning if awarded less than requested could the Project/Program still be carried out, albeit to a lesser degree? Please explain: Yes, the program will still be carried out.

Please complete Page 5 (CDBG-CV Project Budget) itemizing revenues and expenses (sources and amounts) for the proposed project or activity in which CDBG-CV funds would be used. Indicate how the requested CDBG-CV funds would relate to the overall proposed budget.

PROJECT/ACTIVITY INFORMATION

A. What is the purpose/mission of the applicant agency?

The San Diego Regional East County Chamber Foundation has been formed for public and charitable purposes, including and without limitation, to operate a nonprofit organization to promote better understanding of business and its integral role in community development in the East San Diego County, California area, to provide training and education to the local community at large, and to solicit, hold and disburse funds and property for the public benefit programs arranged through the San Diego East County Chamber of Commerce.

B. Briefly describe the purpose of the project, the population to be served, the area to be benefited and estimated number of Santee residents who would benefit from the project. Inclusion of the estimated number of Santee residents served is required.

The purpose of the East County Homeless Task Force (ECHTF) is to engage and educate East County communities about housing and services for preventing and ending homelessness. We advocate for policies that result in housing and service options appropriate to East County's range of housing needs. All 58,000+ Santee residents, both housed and unhoused, can benefit from learning more about who's homeless, why, and how we can collaborate to solve homelessness for families, veterans, youth, and seniors.

C. Describe how will the project or activity would prevent, prepare for, or respond to the Coronavirus Pandemic?

The ECHTF continues to help facilitate connections to homeless outreach workers to identify and respond to the needs of Santee's unhoused residents. During Covid-19 shutdowns, we coordinate the provision of hard-to-find supplies for homeless service providers in East County to help maintain their response capacities. We monitor and coordinate with regional partners and outreach workers to expose and address unhoused residents' food, hygiene, face coverings, vaccine, healthcare, shelter, and housing needs.

D. Who will carry out the activities, the period over which the activities will be carried out, and the frequency with which the services will be delivered (be specific).

City of Santee – Application for CDBG-CV Funding

The ECHTF Consulting Program Director will facilitate the activities for the grant period. They will carry out activities daily.

- E. Describe how the project meets the CDBG Program National Objectives, the City of Santee Priorities, or is included under the Eligible Activities. Please see the the Notice of Funding Availability to assist with this request.

The ECHTF strives to benefit low- and moderate-income (LMI) persons and people with no income. The ECHTF also support affordable housing opportunities and expanding services for people experiencing homelessness.

- F. Agency/Nonprofit Organization Information:

Outline the background of your agency/nonprofit organization, including the length of time your agency has been in operation, the date of incorporation, the type of corporation and the type of services provided. If the request for funding is submitted as part of a collaborative application, please provide information for each member of the collaborative. **If your organization has received CDBG (or CDBG-CV) funds from the City of Santee in the past, please note the number of years the organization has received CDBG funding.**

Since 2016, the East County Homeless Task Force has built a constituency of community segments that convene and collaborate to identify and respond to unhoused residents' service and housing needs across East County. Organizations, institutions, and municipalities with homeless concerns operate independently with input and support from the task force. Taskforce support includes gathering community input, providing information about access to resources, increasing service provider programs' capacity, creating new partnerships, sharing knowledge, advocating for housing policy, bringing funding to the region, and combining outreach efforts to avoid duplication. Taskforce participants address the following aspects of homelessness: Shelter and Housing; Homeless Outreach; Access to Services; Mental Health and Substance Use; Veteran Homelessness; Youth Homelessness; Communications. The ECHTF received CDBG-CV funds for one-year, Fiscal Year 2020-2021.

- G. Financial:

Describe your agency's fiscal management procedures including financial reporting, record keeping, accounting systems, payment procedures, and audit requirements. Describe how records are maintained to ensure the project benefits targeted groups.

The East County Chamber of Commerce is the fiscal agent for the Task Force. All income and expenses are handled by the Chamber's Accounting Dept.

- H. Personnel:

Identify the staff administering/implementing this project and provide their experience in similar programs.

City of Santee – Application for CDBG-CV Funding

Bonnie Baranoff will continue managing the ECHTF as the Consulting Program Director. Bonnie has been administering/implementing the project for over 1.5 years and prior to that, served as the Chair of La Mesa’s Citizen Task Force on Homelessness.

I. Conflict of Interest:

Please identify any member, officer, or employee of your organization who is an officer or employee of the City of Santee or a member of any of its boards, commissions, or committees or has any interest or holding which could be affected by any action taken in the execution of this application.

None

BENEFITS AND BENEFICIARIES

A. How accessible or convenient is the proposed project/activity to Santee residents? (Please be specific such as direct services to a client’s home, Santee location, transportation provided, etc.)

ECHTF meetings are held virtually or hybrid. All Santee residents are welcome and encouraged to participate. We also share information via email, our website, social media channels, and regional partners.

B. What is the approximate percentage of your clients that have annual family incomes in each of the following ranges: (Percentages should add to 100%)

_____ % of clients are at 30 percent or below of the area median income
_____ % of clients are between 31 and 50 percent of the area median income
_____ % of clients are between 51 and 80 percent of the area median income
_____ % of clients are above 80 percent of the area median income

[Click here to enter text]

C. Does your agency focus its activities on populations with special needs?

No Yes (Please specify)

Please specify which special needs populations. (persons experiencing homelessness, persons with disabilities, persons with substance abuse problems, veterans, seniors, children, etc.)

The ECHTF focuses its activities on highlighting attention to East County’s unhoused populations, promoting services and housing for all people experiencing homelessness—children, transitional aged youth (TAY), families, veterans, and seniors--many of whom are disabled, have substance abuse problems, mental health concerns, or are unemployed or underemployed.

City of Santee – Application for CDBG-CV Funding

DOCUMENTATION

A. How will the recipients' information be collected and documented?

The ECHTF is not a direct service provider and will not be collecting or documenting information about people experiencing homelessness. People can ask to be added to our mailing list. Their contact information is collected at events and on the ECHTF.org website and maintained in our online database (currently Constant Contact).

B. What documentation will be used to prove the funds are going to the prevention, preparation or response to COVID-19?

Progress reports.

C. How will the outcomes be measured, collected, and documented? .

[Click here to enter text]

APPLICANT CERTIFICATION

To the best of my knowledge and belief, the information contained in this application is true and correct; the document has been duly authorized by the governing body of the applicant; and the applicant will comply with all assurances, federal, state and local laws and regulations if funding is approved.

Rick Wilson, President/CEO

Type or Print Your Name and Title

Signature

City of Santee – Application for CDBG-CV Funding

CDBG-CV PROJECT BUDGET

Organization: East County Chamber Foundation

Total organization budget \$50,000

Program/Project name requesting funds: East County Homeless Task Force

CDBG-CV funds requested: \$5,000 Total program/project budget: \$50,000

Note: Indicate with an asterisk (*) funds that are volunteer time or in-kind contribution.

1. Sources of funding for program/project:		(S)Secured or (A)Anticipated
a. Funding requested from the City	\$5,000	(S) or (A)
b. Other federal funds (if any)	N/A	(S) or (A)
c. State or local government funds	\$15,000	(S) or (A)
d. Donations and contributions	\$6,000	(S) or (A)
e. Fees or memberships	\$0	(S) or (A)
f. In-kind contributions / Volunteer time	\$12,000	(S) or (A)
g. Other funding	\$12,000	(S) or (A)
h. TOTAL PROJECT FUNDING (project budget)	\$50,000	(S) or (A)

2. Uses of CDBG-CV funds requested for the program/project: (1.a.)

a. Wages and salaries	\$35,000	
b. Personnel benefits	\$0	
c. Materials and supplies	\$100	
d. Program expenses and evaluation	\$0	
e. Rent and utilities	\$4,200	
f. Insurance	\$0	
g. Mileage (___ @ 58.5 cents/mile)	\$0	
h. Incentives and Special Events	\$2,500	
i. Indirect costs	\$8,200	
j. _____	_____	
k. _____	_____	


l. TOTAL REQUESTED FUNDING (same as 1.a.) \$5,000

3. Percentage of project budget represented by CDBG request 10%

4. If your project will require future funding, please provide information about how the program will be funded. City grants; corporate grants; donations; sponsors.

MEETING DATE June 22, 2022

ITEM TITLE AUTHORIZE IMPROVEMENTS TO PICKLEBALL COURTS AT BIG ROCK PARK AS DONATIONS ARE OBTAINED

DIRECTOR/DEPARTMENT Nicolas Chavez, Director of Community Services 

SUMMARY

Pickleball was invented in 1965 on Bainbridge Island, a short ferry ride from Seattle, WA. The sport combines many elements of tennis, badminton and ping-pong.

The pickleball court is the same size as a doubles badminton court and measures 20×44 feet. In pickleball, the same court is used for both singles and doubles play. The net height is 36 inches at the sidelines and 34 inches in the middle. The court is striped similar to a tennis court with right and left service courts and a 7-foot non-volley zone in front of the net (referred to as the “kitchen”). Courts can be constructed specifically for pickleball or they can be converted using existing tennis or badminton courts.

Since November 2015, Big Rock Park has been heavily used by pickleballers. Since that time the community interest has grown exponentially. The Community Services Department has been approached by an active local pickleball group interested in improving the courts at Big Rock Park. The Development Services Department has put together an estimate for a Pickleball Court Improvements project totaling \$61,000. This includes concrete work, court resurfacing, minor irrigation repair, removing and remounting posts, and other improvements with the work to be completed with prevailing wage rates. Currently staff is completing installation of fencing materials purchased with donations from the Santee Community Foundation, from funds raised by the local pickleball group. This includes two (2) fences and two (2) gates being installed in the interior of the courts which will enhance player circulation and safety. Big Rock Park has slowly become a popular location in East County for the sport, with certain weekends reaching more than 200 pickleball players and enthusiasts.

The spokesperson for the group believes over time donations can be gathered in order to fund these improvements. Staff recommends these pickleball improvements at Big Rock Park as donations are obtained.

FINANCIAL STATEMENT 

Funding for this project will be provided solely through donations gathered by local pickleball players.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION 

Authorize staff to proceed with pickleball court improvements at Big Rock Park as donations are obtained.

ATTACHMENT

Engineer Estimate





Date: 6/14/2022
Prepared By: Steven Miller

Big Rock Park - Pickle Ball Court Improvements

Construction Estimate					
No.	Item	Quantity	Unit	Unit Price	Subtotal
1	Mobilization	1	LS	\$ 1,192.80	\$ 1,192.80
2	4" Concrete Sidewalk (Per G-7)	560	SF	\$ 18.00	\$ 10,080.00
3	6" Concrete, Pickle Ball Court	200	SF	\$ 35.00	\$ 7,000.00
4	Pickle Ball Court Resurfacing	14,900	SF	\$ 2.15	\$ 32,027.20
5	Minor Irrigation Repair	1	LS	\$ 500.00	\$ 500.00
6	Minor Earthwork and Grading	1	LS	\$ 2,500.00	\$ 2,500.00
7	Bleacher, Concrete Support Pad	6	EA	\$ 750.00	\$ 4,500.00
8	Decomposed Granite (Walkway to Bleachers)	400	SF	\$ 8.00	\$ 3,200.00
9					\$ -
10					\$ -
				Subtotal	\$ 61,000.00
				Total	\$ 61,000.00

MEETING DATE June 22, 2022

ITEM TITLE RESOLUTION AUTHORIZING THE AWARD OF A CONTRACT FOR STREET SWEEPING SERVICES TO SWEEPING CORPORATION OF AMERICA (SCA)

DIRECTOR/DEPARTMENT Nicolas Chavez, Director of Community Services

SUMMARY This item requests City Council authorization of the award of a contract for street sweeping services to Sweeping Corporation of America (SCA). The current contract for street sweeping services will expire on June 30, 2022. Santee Municipal Code Section 3.24.120(C) allows for dispensing with the requirements of formal or informal bidding and procuring supplies, material and equipment on the open market when the City Council determines that due to special circumstances it would be in the City's best interest to do so. In this case, the City has received a proposal for Street Sweeping Services from Sweeping Corporation of America (SCA) at a substantially lower price than that offered through SCA's contract with the Sourcewell local government purchasing cooperative, and substantially lower than SCA's pricing for other jurisdictions in the region. Over the past year SCA has acquired the only two companies that provided full municipal street sweeping services in San Diego County and is now the only such firm currently operating.

The term of the initial contract shall be July 1, 2022 through June 30, 2023, with three (3) subsequent 12-month options to renew. Annual increases for this contract shall not exceed the San Diego All-Urban Consumers Price Index (CPI) for the preceding calendar year.

Santee's Purchasing Ordinance requires City Council approval of all purchases exceeding \$25,000. Staff recommends that City Council authorize execution of an Agreement with SCA for provision of Street Sweeping Services, for an amount not to exceed \$339,525.12 for Fiscal Year 2022-23.

Staff will continue to review other options for Street Sweeping Services as discussed at the June 8, 2022 City Council Meeting.

Staff also requests City Council authorization for the City Manager to approve future purchase orders per subsequent contract renewals and annual change orders up to ten percent (10%) of the then-current contract amount; and for the Director of Community Services to execute a Notice of Completion and the City Clerk to file said Notice of Completion for each term of the contract once the work for that term has been completed to the satisfaction of the Director.

ENVIRONMENTAL REVIEW

This is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines section 15301 (maintenance of existing structures, facilities, and mechanical equipment).



FINANCIAL STATEMENT *m*

Funding for this contract is provided in the proposed Fiscal Year 2022-23 Community Services Department operating budget, primarily in the Gas Tax Fund.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Adopt the Resolution:

1. Authorizing direct award of the contract for Street Sweeping Services to Sweeping Corp of America (SCA) for an amount not to exceed \$339,525.12 for Fiscal Year 2022-23; and
2. Authorizing the City Manager to approve up to three (3) additional twelve (12)-month options to renew and one (1) ninety (90)-day extension along with the corresponding purchase orders; and
3. Authorizing the City Manager to approve annual change orders up to ten percent (10%) of the then-current contract amount; and
4. Authorizing the Director of Community Services to execute a Notice of Completion and the City Clerk to file said Notice of Completion upon satisfactory completion of work for each contract term.

ATTACHMENTS

Resolution

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE AWARD OF A CONTRACT FOR STREET SWEEPING SERVICES TO SWEEPING CORPORATION OF AMERICA (SCA)

WHEREAS, the Santee Municipal Code (SMC) 3.24.120(C) allows for dispensing with the requirements of formal or informal bidding and procuring supplies, material and equipment on the open market when the City Council determines that due to special circumstances it would be in the City's best interest to do so; and

WHEREAS, Sweeping Corporation of America (SCA) has offered a per curb mile price of \$34.72 and parking lot sweeping of \$37.36 per lot, which is a substantially lower price than the Sourcewell local government purchasing cooperative pricing and substantially lower than pricing in the region, including prevailing wage rates; and

WHEREAS, SCA is currently the only firm providing full service municipal street sweeping services in San Diego County; and

WHEREAS, based on Sourcewell pricing and City staff research of surrounding jurisdictions staff recommends authorizing the City Manager to execute a Street Sweeping Services contract with SCA for an amount not to exceed \$339,525.12 for Fiscal Year 2022-23; and

WHEREAS, staff recommends authorizing the City Manager to approve three (3) additional 12-month options to renew and one (1) 90-day extension; and

WHEREAS, staff recommends authorizing the City Manager to approve change orders up to 10% of the then-current contract amount; and

WHEREAS, staff recommends authorizing the Director of Community Services to execute annual Notices of Completion and authorizing the City Clerk to file said notices upon satisfactory completion of work; and

WHEREAS, this item is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to section 15301 (maintenance of existing structures, facilities or mechanical equipment).

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, that it hereby:

SECTION 1. Awards the contract for Street Sweeping Services to Sweeping Corporation of America (SCA) for an amount not to \$339,525.12 for Fiscal Year 2022-23.

SECTION 2. Authorizes the City Manager to approve three (3) additional 12-month options to renew and one (1) 90-day extension.

SECTION 3. Authorizes the City Manager to execute the Street Sweeping Services contract on behalf of the City and approve change orders up to ten percent (10%) of the then-current contract amount.

RESOLUTION NO. _____

SECTION 4. Authorizes the Director of Community Services to execute annual Notices of Completion and authorizes the City Clerk to file said notices upon satisfactory completion of work.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 22nd day of June 2022, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

MEETING DATE June 22, 2022

ITEM TITLE RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH D-MAX ENGINEERING, INC. FOR STORM WATER PROGRAM AS-NEEDED STAFFING SERVICES

DIRECTOR/DEPARTMENT Carl Schmitz, City Engineer *SM FOR:*

SUMMARY

This item requests the City Council authorize the execution of a Professional Services Agreement (Agreement) with D-Max Engineering, Inc. (D-Max) to provide as-needed Storm Water Program staffing and technical support necessary to maintain compliance with the City's Municipal Storm Water Permit under the national Pollutant Discharge Elimination System (NPDES)

D-Max has unique knowledge and history from working with the City for over thirteen years. The company provides specialized services specifically tailored to storm water permit compliance. D-Max provides similar services for various other agencies in San Diego County. This Professional Services Agreement will support the essential duties and functions assigned to the Storm Water Program division.

Specifically, the proposed tasks in the Agreement are required to be performed by the City to remain in compliance of the San Diego Regional Water Quality Control Board Order No. R9-2013-0001(MS4) permit, as amended; the San Diego River Bacteria Total Maximum Daily Load (TMDL); and other relevant regulations and agreements. These tasks include meeting attendance at regional and watershed storm water meetings, program technical support, annual reporting support, structural BMP inspections and maintenance verifications for high priority sites, verification inspections for other sites, as-need storm water plan updates, TMDL compliance support, Storm Water Quality Management Plan reviews for development projects and building permit reviews, and construction storm water inspections.

Staff recommends authorizing the City Manager to execute a Professional Services Agreement with D-Max in an amount not to exceed \$234,000 for FY2022-23. This is intended to be an annual Agreement that provides staff support for the Storm Water Program Division.

ENVIRONMENTAL REVIEW

Per California Environmental Quality Act (CEQA) Guidelines Section 15378, this action is not a project under CEQA and, therefore, is not subject to CEQA review.

FINANCIAL STATEMENT *SM*

Funding for these services will be provided by funds included in the FY 2022-23 proposed Zone 2 Flood Control District Fund and the adopted Capital Improvement Program budget, as well as reimbursements for full cost recovery from developer deposit accounts when performing plan reviews and inspections related to active construction sites, and for fee-based inspections of industrial and commercial properties.



CITY ATTORNEY REVIEW

N/A

Completed

RECOMMENDATION

MSB

Adopt the Resolution authorizing the City Manager to execute a Professional Services Agreement for as-needed Storm Water Program staffing services with D-Max in an amount not to exceed \$234,000 for FY 2022-23.

ATTACHMENTS

Resolution

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL
SERVICES AGREEMENT WITH D-MAX ENGINEERING, INC. FOR STORM
WATER PROGRAM AS-NEEDED STAFFING SERVICES**

WHEREAS, the City of Santee is required to implement the requirements of the San Diego Regional Water Quality Control Board Order No. R9-2013-0001 (MS4) permit, as amended; the San Diego River Bacteria Total Maximum Daily Load (TMDL); and other relevant regulations and agreements; and

WHEREAS, due to unique and specialized requirements in the Storm Water Program Division, there is a need for expert consulting services to ensure compliance with the MS4 Permit, Investigative Orders and other compliance enforcement orders; and

WHEREAS, D-Max Engineering, Inc. has unique knowledge and history from working with the City for over thirteen years, and provides specialized services specifically tailored to storm water permit compliance and provides similar services for various other agencies in San Diego County and can provide the necessary staff; and

WHEREAS, the Storm Water Program is funded by various budgeted funds in the proposed FY 2022-23 General Fund, Zone 2 Flood Control District Fund and the adopted Capital Improvement Program budget for the San Diego River Bacteria TMDL Bacteria Reduction (CIP 2022-22) project; as well as reimbursements for full cost recovery from developer deposit accounts when performing work related to Land Development projects and fee-based inspection from commercial and industrial sites.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Santee, California, authorizes the City Manager to execute a Professional Services Agreement with D-Max Engineering, Inc. in an amount not to exceed \$234,000 for FY 2022-23.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 22nd day of June, 2022, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

MEETING DATE June 22, 2022

ITEM TITLE RESOLUTION AUTHORIZING THE EXPENDITURE OF SAN DIEGO RIVER CONSERVANCY GRANT FUNDS IN ACCORDANCE WITH ALL PROGRAM REQUIREMENTS AND FINDING IN SUPPORT OF AND AUTHORIZING AN OPEN MARKET PURCHASE OF ONE NEW 2023 FIREMATIC DODGE 5500 STL RALLY 500 TYPE 6 WILDLAND BRUSH ENGINE FROM SOUTH COAST FIRE EQUIPMENT, INC.

DIRECTOR/DEPARTMENT John Garlow, Fire Chief *J*

SUMMARY

This item requests City Council authorization of the expenditure of San Diego River Conservancy ("Conservancy") grant funds in the amount of \$246,764.73 and to utilize an open market purchase process to purchase one (1) new 2023 Firematic Dodge 5500 STL Rally 500 Type 6 Wildland Brush Engine from South Coast Fire Equipment, Inc., and select add-on items which will be purchased separately from other vendors. The vehicle is necessary in order to access areas within the San Diego River corridor with a nimbler lightweight 4X4 vehicle. Early access is a key factor to ensure fires are mitigated before becoming large-scale incidents. This vehicle will be an additional vehicle in the fleet and is not a replacement of a current vehicle.

On August 11, 2021, the City Council accepted a \$500,000.00 grant from the Conservancy to implement fuel reduction projects in the San Diego River corridor. On March 10, 2022, the Conservancy authorized the use of \$246,764.73 of the grant funds for the purchase of a Type 6 Wildland Brush Engine to better address fires in the river bottom.

Santee Municipal Code Section 3.24.120(C) allows for dispensing with the requirements of formal or informal bidding and procuring supplies, material and equipment on the open market when the City Council determines that due to special circumstances it would be in the City's best interest to do so. In this case, the City has seen an increasing number of fires within the San Diego River corridor. The Conservancy grant requires that an order be placed for the purchase of the Brush Engine on or before July 29, 2022, the end of the grant performance period. The lack of availability of appropriate vehicle chassis has made it necessary to procure the first appropriate make and model which suits the needs of the City. Due to the ongoing fire risk within the City, an extended build and delivery time is not in the best interest of the community.

FINANCIAL STATEMENT *jm*

The total estimated cost of the Type 6 Brush Engine, including contingency and post-purchase equipment and add-ons, is \$330,000.00. San Diego River Conservancy grant funds will reimburse the City \$246,764.73 toward the cost, with the \$83,235.27 balance funded in the proposed FY 2022-23 Vehicle Acquisition and Replacement Fund budget.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION *MSB*

Adopt Resolution.



1. Finding that open market purchasing is in the City's best interest and authorizing such purchase of one (1) new 2023 Firematic Dodge 5500 STL Rally 500 Type 6 Wildland Brush Engine from South Coast Fire Equipment, Inc., in the amount of \$295,676.41; and
2. Authorizing the City Manager to approve additional expenditures for unforeseen changes in an amount not to exceed \$14,783.82 (5%); and
3. Finding that open market purchasing for select add-ons up to the amount of funds budgeted for this purpose is in the City's best interest and authorize such purchasing; and
4. Authorizing the City Manager to execute all necessary documents.

ATTACHMENT

Resolution

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, AUTHORIZING THE EXPENDITURE OF SAN DIEGO RIVER CONSERVANCY GRANT FUNDS IN ACCORDANCE WITH ALL PROGRAM REQUIREMENTS AND FINDING IN SUPPORT OF AND AUTHORIZING AN OPEN MARKET PURCHASE OF ONE NEW 2023 FIREMATIC DODGE 5500 STL RALLY 500 TYPE 6 WILDLAND BRUSH ENGINE FROM SOUTH COAST FIRE EQUIPMENT, INC.

WHEREAS, Santee Municipal Code (SMC) Section 3.24.120(C) allows for dispensing with the requirements of formal or informal bidding and procuring supplies, material and equipment on the open market when the City Council determines that due to special circumstances it would be in the City's best interest to do so; and

WHEREAS, the City has declared a local emergency due to risk of life and property from an increasing number of fires within the San Diego River corridor; and

WHEREAS, the San Diego River Conservancy has provided grant funds in the amount of \$246,764.73 for the purchase of a Type 6 Wildland Brush Engine to better address spot fires in the river bottom; and

WHEREAS, to meet grant requirements to place an order by July 29, 2022, for the purchase of a Type 6 Wildland Brush Engine, it is necessary to procure the most appropriate available Type 6 chassis for delivery within about 330-350 days.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, that the City Council hereby:

1. Authorizes the expenditure of San Diego River Conservancy grant funds in the amount of \$246,764.73 for the purchase of a Type 6 Wildland Brush Engine; and
2. Finds open market purchasing for one (1) new 2023 Firematic Dodge 5500 STL Rally 500 Type 6 Wildland Brush Engine is in the City's best interest and authorizes said purchase from South Coast Fire Equipment, Incorporated, in the amount of \$295,676.41; and
3. Authorizes the City Manager to approve additional expenditures for unforeseen changes in an amount not to exceed \$14,783.82 (5%); and
4. Finds open market purchasing for select add-on items is in the City's best interest and authorizes such purchasing up to the amount of funds budgeted for this purpose; and
5. Authorizes the City Manager to execute all necessary documents.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 22nd day of June 2022, by the following roll call vote, to wit:

RESOLUTION NO. _____

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

MEETING DATE June 22, 2022

ITEM TITLE **COMMUNITY** **SERVICES** **DEPARTMENT** **CANCELLATION**
REFUND POLICY AND GUIDELINES

DIRECTOR/DEPARTMENT Nick Chavez, Director of Community Services 

SUMMARY

The Community Services Department desires to implement a cancellation refund policy and guidelines to ensure partial cost recovery for administrative time and reduce loss of revenue due to short notice cancellations of recreation programs participation, and indoor and outdoor park facility rentals. This is common practice in the parks and recreation industry.

Santee Municipal Code 8.08.030 authorizes the Director of Community Services to promulgate rules and regulations for the operation of City parks and recreation areas and to charge fees for the use of City parks, in amounts established by resolution of the City Council.

The proposed policy will go into effect July 1, 2022. Users will be notified of this policy at the time of application or registration.

FINANCIAL STATEMENT *m*

Adoption of this policy will provide for enhanced cost recovery and a reduction in lost revenue from short notice cancellations of recreation programs participation and indoor and outdoor park facility rentals.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION *MAB*

Approve the Community Services Department's Cancellation Refund Policy and Guidelines as presented.

ATTACHMENT

Community Services Department's Cancellation Refund Policy and Guidelines

Community Services Cancellation Refund Policy & Guidelines

EFFECTIVE 7/1/2022

If you are unsatisfied with your experience you may apply for a transfer, credit or refund by submitting a written request within the same session by contacting Community Services at csdfrontdesk@cityofsanteeca.gov or (619) 258-4100 ext. 222.

- There is no fee for any program or activity cancelled by the Community Services Department.
- **All online transaction fees and non-resident fees are non-refundable (exceptions apply, see below)**
- Outdoor reservations are in effect rain or shine - NO REFUNDS WILL BE ISSUED AFTER RENTAL/PERMIT DATE
- Exceptions may be considered at the discretion of the department.

Program/Activity

Program/Activity Type	Submission Deadline	Cancellation Fee (amount withheld from refund)
Day Camps & Specialty Camps	5 or more business days prior to start date, per week	\$20
	Less than 5 business days prior to start date, per week	\$50
	City cancelled camps	No Fee (transaction and non-resident fees eligible for refund)
Instructional classes	5 or more business days prior to start date	\$5
	Less than 5 business days prior to start date	\$20
	After attending 1 class	No Fee
	After attending more than 1 class	Prorated based on # of classes attended and # of classes in the session
	City cancelled class	No fee (transaction and non-resident fees eligible for refund)
Senior 55+ Programs and Trips	All programs and trips	Fees may be waived at department discretion, based on impact
Teen Center Membership	Within 30 business days of purchase	\$5
	No refund if past 30 business days of purchase	
Teen Center Bus Transportation	Prior to first day of week	\$5
	Unused full weeks eligible for refund less \$5 fee per request	

Indoor Facility Rentals

Rental Type	Submission Deadline	Cancellation Fee (amount withheld from refund)
Civic Center Rooms 7, 8A and 8P Facility Rentals Payment due in full 20 business days prior to event	\$300 deposit required at time of booking - only charged if damages are incurred during rental time. Credit card or check accepted. Any damages will be reported to permit holder within 5 business days after rental date	
	\$50 nonrefundable reservation deposit - applied to cost of rental	
	Less than 15 business days prior to rental date	50% of total rental cost
	Less than 10 business days prior to rental date	No refund
	Insurance may be eligible for refund regardless of time of cancellation	

Sport Field / Court and Outdoor Rentals

Rental Type	Submission Deadline	Cancellation Fee (amount withheld from refund)
Standard Field/Court Rentals Payment due in full 20 business days prior to event	15 or more business days prior to rental date	\$20
	Less than 15 business days prior to rental date	50% of total rental cost
Outdoor Special Event Rentals / Tournament Rentals Payment due in full 20 business days prior to event	\$50 nonrefundable deposit - applied to cost of rental	
	Cancellation 15 - 19 business days prior to rental date	50% of total rental cost
	Less than 15 business days prior to rental date	No refund
	Janitorial fees may be eligible for refund regardless of time of cancellation	
Picnic Shelter Rentals	Reservation in effect rain or shine	
	5 or more business days prior to rental date	\$5