

MINUTES

City of Guadalupe Regular Meeting of the Guadalupe City Council Tuesday, April 12, 2022, at 6:00 pm City Hall, 918 Obispo Street, Council Chambers

1. ROLL CALL:

Council Member Liliana Cardenas
Council Member Gilbert Robles
Council Member Eugene Costa Jr.
Mayor Pro Tempore Tony Ramirez
Mayor Ariston Julian

The meeting was called to order at 6:00 p.m. All members were present. (Note: The abbreviation, "CM", will be used for "Council Member" in these minutes.)

2. MOMENT OF SILENCE

Prior to the moment of silence, Mayor Julian mentioned the passing of Dorothy Oliveira, long time community resident. Both she and her husband, Tony, did much for Guadalupe. May she rest in peace and condolences to the family. He also mentioned the residents of Ukraine who have suffered under this war and to all who are experiencing significant financial and living conditions related to increased expenses due to inflation, war, and other personal events.

3. PLEDGE OF ALLEGIANCE

4. AGENDA REVIEW

Mr. Todd Bodem requested two changes in the agenda: 1) Item #12. "Fiscal Year 2020-21 Audited Financial Statements and Single Audit Report" be moved to a future meeting, and 2) Item #7. G. "Adopt Resolution No. 2022-26 approving Cannon Corporation additional service agreement No. 2 for construction inspection services for the Le Roy Park and Community Renovation Project" be pulled and moved to a future meeting. CM Ramirez requested that Item #13. "Co-ed Adult Softball League" be moved to go before Item #11. "Selection of Commercial Cannabis Business Permit Application(s) – Retail." No other requests for agenda changes.

5. PRESENTATION

- Housing Crisis 805– Central Coast Alliance United for Sustainable Economy (CAUSE)

Ms. Hazel Avalos from CAUSE gave a brief background about the report to be presented: Renters in Ventura and Santa Barbara Counties were surveyed with the focus on working class and immigrant

tenants who tend to be severely impacted by the housing crisis. The report also includes data from U.S. Census Bureau, Department of Housing and Community Development, local Housing Authority and online real estate databases.

The following are the summarized and more salient points addressed by Ms. Avalos:

In Santa Barbara County, as in Santa Maria and Santa Barbara, more than half, 55%, of renters are cost-burdened, meaning their rent is more than 30% of their income. This versus 29% of homeowners. Renters have about half the median income of homeowners, \$53,341 vs. \$98,900. Not quite half of the renters are Latino (vs. 24% of homeowners), and 34% renters live with children (v. 28% of homeowners).

For a one-bedroom apartment rent, Santa Maria has a higher rent burden than a large urban area such as San Francisco. (The slide with this data was developed in 2019 which was before the pandemic. However, it is three times worse now.) For a two-bedroom apartment rental in Santa Maria, the typical rent has doubled compared to five (5) years ago. (No data gathered for Guadalupe.) There is a local and state crisis with rents.

Various factors result when rent is increased, such as need to get another job, get a roommate, move elsewhere, but the #1 response was to “cut expenses like food or health”. There are human and health impacts when rent is raised.

There are barriers to finding rental housing which impact low income and immigrant population more than others. Such barriers include credit check, application fees (which are non-refundable), references, social security number, etc.

Surveys of local renters showed that 43% received an extreme rent increase of \$100 or more in the past five (5) years and 15% were evicted in the same timeframe.

Supply & Demand – in the housing market, supply is constrained. Houses can't be built quickly for a variety of reasons, such as availability of land, zoning, opposition to affordable housing, farmland, etc. Will take many years for increasing housing supply to meet demand with no guarantees to stabilize or reduce housing prices. Market doesn't correct itself.

So, why rent stabilization (rent control)? The most vulnerable of our community is being harmed as are our schools, neighborhoods, and public health. There's a lot out of people's control. Heavily immigrant communities like Guadalupe are excluded from federally subsidized housing.

AB1482 currently: caps annual rent increases at 5% + CPI, 9% currently for certain units; requires “just cause” evictions and one month's relocation assistance for no-fault causes. This bill is not stronger and has become weaker over time. Cities can do more. It expires in 2030.

The state will allow cities to do certain things, such as covering all units with just cause eviction protection; put a lower rent cap than the state on certain multifamily apartments with certain provisions; require relocation assistance (2-3 months), create enforcement mechanisms like a rent registry, etc.

“Rent Control – Habitability – Eviction” – A well-designed rent stabilization policy will save tenants money and reduce displacement. Provides strength for vulnerable tenants to demand repairs and report landlords for violations. Discourages predatory investment from corporations looking to buy below market apartments and dramatically raise rents.

CM Ramirez commented, “This was good data to share. I learned a lot in a short time. When family members go off to college, they can’t move back. Buy elsewhere...can’t get enough equity to sell and move back here.”

CM Cardenas said, “I appreciate the information. I’ve wanted to hear about this. CM Robles added that the information was very interesting with a lot to soak in.

CM Costa, Jr. “What you presented now. In Section 8, there’s a standard of payment...\$525 in 2,000. How does that help for those who don’t have Section 8? Ms. Avalos responded, “We work with immigration clients. I’m not familiar with Section 8. That’s why we focus on rent stabilization.” CM Costa, Jr, then asked, “If Section 8 can get \$2,800, why would the landlord want to rent at a lower rate?”

Mayor Julian asked, “The data here doesn’t include Guadalupe?” Ms. Avalos said, “There were 600 surveys collected from member bases.” The mayor then asked, “There is a landlord in the audience here. Look at the issue. Santa Maria has high rent, so people come here to Guadalupe. I want to look at our issue locally. We need to take the next step = work with landlords, CAUSE, Council to figure out how we can help local residents.” Ms. Avalos said that she could send information from Oxnard, Ventura and Santa Barbara Counties.

The mayor said, “There’d be need for administrative overview. Staffing needed...discussions between landlords and organizations pushing for rent stabilization. Ms. Avalos said, “There’s the rental registry. A landlord pays a small fee. Oxnard is having a rent board. In Santa Barbara, there’s a landlord/renter task force. The mayor asked how we could get this information on this taskforce. With Ms. Avalos saying she could connect him with this group.

CM Costa, Jr. asked, “Did you put a COLA increase? Did they use that with the data shown?” Ms. Avalos said, “A couple graphs showed back to 2016-2018 showing an increase. It might be the COLA but am not sure.”

- *Guadalupe Rent Stabilization Presentation - Santa Barbara Rental Property Association.*

Mr. Nicholas Gonzales gave a brief introduction then turned the presentation over to Ms. Laura Bodie, Executive Director. The following is a summarized version of their presentation:

Ms. Brodie’s brief introductory comments: Woman from CAUSE did a great job but some points need to be clarified. Small mom and pop property is now looking at pulling out of rentals. About 20% rent is below market. Los Angeles, San Francisco and Chicago are buying single family homes in California. People from Los Angeles and San Francisco are pushing up prices. Solution: Rent control is not it. In a survey, 93% of economists agreed that “a ceiling on rents reduces the quality and quantity of housing available. Rent control doesn’t create housing stability and negatively impacts the disadvantaged it is intended to help.

Economic and Unintended Social Effects of rent control: 1) inhibits new construction; 2) reduces supply of existing rental housing; 3) existing housing deteriorates; 4) reduces local property tax revenue, and 5) has substantial administrative costs for city staff. It will cost over \$5.0M to put in a rental control cap, as in City of Santa Barbara.

Investors look to other areas to develop housing under more reasonable regulatory environments. Small owners would be selling to bigger owners, reducing existing rental housing.

Rent control drives diversity out. Gentrification – higher income people can wait it out with lower income people negatively impacted. Recent study showed that the benefits of rent control flow disproportionately to higher income households and tends to increase the level of income segregation in the city. In other words, rent control benefits those who don't need it and increases already existing income disparity. Rent control's substantial costs fall mostly on the poor, not the higher incomes, potentially promoting housing discrimination.

Local owners in Santa Barbara are converting rental properties to owner-occupied condos due to rent control.

With the "eviction moratorium" over the last two (2) years, landlords still had to pay their mortgages. This led to rental property deterioration as landlords had to cut their expenses, minimizing rental repairs.

In Santa Barbara, with a 2.0% rent cap, apartment supply decreased with 123 units not built and over \$750.0K lost in property tax revenue.

High rents as a percentage of income are not unique to Santa Barbara County. Nationally, 43% of renters pay rent equal to 30% or more of their gross income, with 30% being the "common rule of thumb".

Rental assistance programs are the best way to provide housing assistance. Cities should consider new rental assistance programs to assist those that are not helped by traditional Section 8 vouchers programs. A 2019 Stanford study says "Rental assistance is a better solution to housing insecurity. The savings in terms of expenditure on homelessness outweigh the cost of subsidizing rent. Rental assistance lowers the likelihood that tenants' default on rent and face eviction, and it prevents poor households from becoming homeless by subsidizing their rent."

A new law, "Habitability Inspection" state law, AB 838, requires cities to comply with this unfunded mandate. Must respond to every complaint. Must inspect with a 1–2-day turnaround. This system is set up for habitability complaint and is effective July 1, 2022.

Ms. Brodie gave her closing remarks on rent control. "With the two-year pandemic, we haven't seen how the current 5% + 4% CPI, or 9% rent cap is actually working. Let's see how that 9% works first before creating anything else. Don't make us into San Francisco or Santa Monica where the rents are through the roof. The poor get pushed out. Don't hastily implement a policy that has failed elsewhere and creates unintended negative consequences for renters."

Mayor Julian asked, "Is there any information on rural, farm communities?" Mr. Gonzales responded, "There's very limited data for that. Typically, rental control...valuable commodity, a rent control unit and not limited to a particular income bracket. It gets passed down. Can bring you back data because it's not as big an issue in rural areas as urban."

CM Ramirez said, "Tackling one issue, gentrification. Best combination. Both presentations...if people don't know of legislation, there's a problem. We need to make sure everyone knows to protect both parties."

Mr. Gonzales said, "The majority of rentals are 1-4 units or just 1-unit. The margins are 3-4%. For the first five+ years, there's no income or profitability for the owner." CM Ramirez then said, "Assistance is part of the solution. Supervisor Joan Hartman has a program for assistance to first-time buyers."

Ms. Brodie added, "Education is an answer. There's a 25-page handbook on tenants' rights. There's a mandatory written lease in City of Santa Barbara. All of a sudden, there's an adversarial relationship now with tenants. That's what our organization is trying to help with." Mayor Julian said, "We have landlords we can sit down with and talk to. Please provide Todd (Bodem) with the website and other information."

CM Costa, Jr. asked, "You're a landlord. Section 8 is asking \$2,000 rent for a two-bedroom. With prices going up, how are you able to increase so you're not going beyond the 30% of someone's income? Mr. Gonzales answered, "Section 8, only have to pay 33% in Guadalupe, Lompoc, Santa Maria. Section 8 doesn't allow landlord to have a differential in rent. Can't charge more to Section 8 than general market. Section 8 is exempt from rent increases. In our association, the policy is that the first qualified applicant is accepted and put into the unit." Ms. Brodie said that when Section 8 rent is higher than the market, there's a problem. Mr. Brodie commented that for Section 8 rents, payment standards are based on zip codes.

6. COMMUNITY PARTICIPATION FORUM

Mr. Gilbert Gonzales spoke about his property at 1057 Gularte Street. He said, "I've been trying to resolve an issue with my property. I've reached out to Shannon for an easement to be built. People will be using the street to access their properties. We need to bring this to resolution. I've built a house. Since May 2021, January and February 2022, emails have been sent. I now have a lawyer. Sidewalks need to go in, too, and I want to get things done."

7. CONSENT CALENDAR

The following items are presented for City Council approval without discussion as a single agenda item in order to expedite the meeting. Should a Council Member wish to discuss or disapprove an item, it must be dropped from the blanket motion of approval and considered as a separate item.

- A.** Waive the reading in full of all Ordinances and Resolutions. Ordinances on the Consent Calendar will be adopted by the same vote cast as the first meeting unless City Council indicates otherwise.

- B. Approve payment of warrants for the period ending April 6, 2022.
- C. Approve the Minutes of the City Council Special Meeting of March 15, 2022, to be ordered filed.
- D. Approve the Minutes of the City Council Regular Meeting of March 22, 2022, to be ordered filed.
- E. Adopt Resolution No. 2022-24 approving the Transportation Development Act (TDA) for City of Guadalupe, 2022-2023 Claim.
- F. Adopt Resolution No. 2022-25 approving an agreement with Ashley and Vance Engineering Inc. to perform a structural assessment of City Hall in preparation for roof replacement, and if warranted, design drawings and specifications for construction.
- G. Adopt Resolution No. 2022-26 approving Cannon Corporation additional service agreement No. 2 for construction inspection services for the Le Roy Park and Community Renovation Project.
- H. Adopt Resolution No. 2022-27 establishing the classification and job description for the Permit Technician position within the Planning and Building Department.
- I. Adopt Resolution No. 2022-28 establishing the classification and job description for the Maintenance Worker Lead position within Public Works Department.
- J. Adopt Resolution No. 2022-29 establishing the classification and job description for the Recreation Leader/Building Attendant position within the Recreation and Parks Department.

Item #7. G. had previously been pulled. No other items pulled. Motion was made by Council Member Ramirez and seconded by Council Member Robles to approve the Consent Calendar with Item #7. G. pulled. 5-0 Motion passed.

K. MONTHLY REPORTS FROM DEPARTMENT HEADS

- 1. Planning Department report for March 2022
- 2. Building Department report for March 2022
- 3. Public Works / City Engineers report for March 2022

8. CITY ADMINISTRATOR REPORT: (Information Only)

Mr. Bodem commented that he had collaborated on the Mayor's Report and had nothing further to add at this time.

9. DIRECTOR OF PUBLIC SAFETY REPORT: (Information Only)

Chief Cash was present but had no report to give.

10. MAYOR'S REPORT- UPDATES

Mayor Julian indicated that the Mayor's Report is on the website and encouraged all to review as there were things happening this month that are "good for Guadalupe".

Prior to going on to Regular Business, CM Ramirez addressed Chief Cash, commenting, "I've been hearing about suspicious vehicles around school-aged kids. I know that the PD is there for drop-off and pick-up." Chief Cash said, "We'll come back at the next council meeting. I've read some of the social media. It's incorrect information. I want to make sure that I have correct information and will reach out to schools so the Council will have the full information on this." CM Ramirez added, "I want to add that the PD is being very diligent."

REGULAR BUSINESS

11. Selection of Commercial Cannabis Business Permit Application(s) – Retail.

Written report: Todd Bodem, City Administrator

Recommendation: That the City Council:

- a. Receive a presentation from staff and any public comments; and
- b. Conduct deliberations concerning the five (5) commercial cannabis business (CCB) permit applications for retail businesses; or
- c. Select one or more of the applicants to be awarded a CCB permit (subject to obtaining a conditional use permit first) and reject the remaining applicant(s); or
- d. Select one or more of the applications to be awarded a CCB permit (subject to obtaining a conditional use permit first) and continue deliberations on the remaining applicant(s) to a future meeting; or
- e. Eliminate one or more applications from further consideration and continue deliberations on the remaining applicant(s) to a future meeting; or
- f. Select and eliminate one or more of the applicants, and continue deliberations on the remaining application(s) to a future meeting; or
- g. Reject all applicants and provide appropriate direction to staff.

Mr. Bodem gave a brief background on this item. He mentioned that a special City Council meeting was held on March 15th where the five (5) applicants were interviewed and evaluated. He then read the various recommendations from the staff report: 1) receive a presentation from staff and any public comments; and 2) conduct deliberations on the five (5) commercial cannabis business (CCB) permit applications for retail businesses; and 3) select one or more of the applicants to be awarded a CCB permit (subject to obtaining a conditional use permit first) and reject the remaining applicants; or 4) select one or more of the applications to be awarded a CCB permit (subject to obtaining a conditional use permit first) and continue deliberations on the remaining applicant(s) to a future meeting; or 5) eliminate one or more applications from further consideration and continue deliberations on the remaining applicant(s) to a future meeting; or 6) select and eliminate one or

more of the applicants, and continue deliberations on the remaining application(s) to a future meeting; or 7) reject all applicants and provide appropriate direction to staff.

The discussion was then turned over to the Council. Mayor Julian asked, "It's open to the Council. What are your feelings on the recommendations?" CM Cardenas asked, "How should we go about this? Do we get to discuss each applicant?" City Attorney Sinco added, "As long as action is taken after you hear public comments." Mayor Julian then said that it was open to the public for comments.

There were five (5) individuals present at the meeting and two (2) on zoom with comments.

Rajan Dave: I am the CEO of HerbNJoy. I just want to reiterate our emphasis on wanting to work with Guadalupe. We will be able to open our store as soon as possible being in strict compliance. We offer wages above others at \$22.50 per hour, with managers upwards to \$100.0K. We look to have 40 employees the first year and by the third year, up to 50 employees. We will offer 1% of gross revenue which we estimate to be \$130.0K in year one and \$200.0K by year four. We can move a disadvantaged community into a thriving one.

Melanie Boecker: I think having one or two dispensaries is good. But I urge you to limit to see how they first work out...to monitor things. Opportunity for the City to have an identity, create a brand. I attended the grant committee meeting. Chief Cash said that you're looking to have a building for a bike repair and bike hostel, to spend the night. This would be good for the town.

At this point, Mayor Julian asked for a quick five-minute break at 7:28 p.m. The meeting resumed at 7:34 p.m.

Andrew Pena on zoom: I'm a resident of Guadalupe. I'm here to support HerbNJoy. They've done a lot to support Guadalupe, such as giving a donation to the Boys & Girls Club. They have strong ownership morals plus a lot of experience in the cannabis industry. They will have 100% local hiring and they pay well. No better company for the community. I'm in favor of bringing cannabis here. It will help kids by giving back to Guadalupe.

Marcus on zoom: I am a cannabis consultant. My sister, Beth Thuna, is with The Roots Dispensary. Santa Barbara County approved six (6) dispensaries, one (1) in Orcutt. The Roots Dispensary in Carpinteria. The Roots Dispensary team can sustain operations, best prices available. Guadalupe should consider two (2) dispensaries with The Roots Dispensary being one of them.

Luis Castenada: All have great operators. Who are the main players? A lot of people have similar things to us, but we've been able to sustain. In Lompoc, there were 14 with 8 now remaining...3 closing. My team wants to be an inspiration. We want to work with everybody to make this work. We adapt to our environment. We connect with Guadalupe.

Joe Armendariz: *This has been a long process. I reiterate what Marcus said. I'm working for Government Affairs. I can boast they went through merit base and came out first in County. Guadalupe dispensary will be a coastal dispensary. A goal of the Dunes Center is to widen its resource base and a dispensary can help. Guadalupe should have two (2) dispensaries. I support Element 7, Lupe Alvarez. (City Attorney Sinco clarified that Mr. Armendariz had emailed a letter which will be posted on the website.)*

Ken Pavia: *Speaking for Mr. Nice Guy, their current location has 50 more parking spaces. Over \$500.0K is planned to be spent on the beautification of the building which will add value to the downtown area. Mr. Nice Guy will bring significant benefits to the community.*

The following are emails/letters received for this item which were not read during the meeting:

Peter Lopez: *To Whom It May Concern: I am writing a letter in favor of allowing "The Roots Dispensary Guadalupe" located at 813 Guadalupe Street, Guadalupe, CA 93434 to be given a license to own and operate this new retail cannabis dispensary business. (Email)*

With recent changes to the State Laws governing dispensaries in California, we need strong, honest minded people to own and operate them.

I have known the applicant Gustavo Alvarez for over 20 years. He is an honest, seasoned minded businessman of strong character as well as a dedicated family man. Being raised in Guadalupe he is very involved and understands his community. Making him a responsible candidate to own and operate such dispensary.

Tab Miller, President, Tab Miller Electric, Inc.: *Re: Gustavo Alvarez, To Whom It May Concern: Conducting business in these current times, has brought a whole new set of challenges to all business owners. So much of the current challenges, we face as business owners, is out of our control. So, though we may not be able to control the rising costs of doing business, the supply chain, or the shortage of finding qualified employees. What we can control are the people who we choose to work with.*

We have had the pleasure of having a long working relationship with Gustavo Alvarez, and his family. As Electrical Contractors, we have been working with the Alvarez family, for the past 18 years. I have witnessed the professionalism in how the Alvarez's conduct business, and the support and involvement they give to their Guadalupe community. We have always found Gustavo to be fair and upstanding in all his business dealings. I would not hesitate in recommending Gustavo Alvarez for any position that calls for a strong leader, and ethical businessman. (Email)

Guadalupe Cultural Arts & Education Center: *Re: Letter of Support – Community Outreach and Support, To Whom It May Concern: This letter of support is to express our continued efforts in the growth and development of our community. In consideration of your efforts in establishing a new commercial business in our community as a cannabis dispensary, this will not only generate a new*

job market but also open the door for community support initiatives that can be very progressive and needed for the City of Guadalupe.

The Guadalupe Cultural Arts & Education Center is a family-oriented community outreach center that is founded by my parents who were born and raised here. Our family has a vested interest in giving back and with the support from companies such as yours will allow us to continue to do the work in providing for our community.

We have known Gustavo Alvarez for well over 30 years, just as his family has provided for this community, we often find our paths crossing when new development occurs in our community and find ourselves with the same vision. This vision of positive growth, supporting our youth, addressing the elderly, cultural awareness to name a few.

We wish you luck through the application process and as always, we support you and your families ongoing efforts in development in our community.

Darren Pardo, President, Kiwanis of Guadalupe: *To Whom It May Concern: I have seen the positive impact cannabis dispensaries have had in surrounding cities. I am in support of a dispensary in Guadalupe owned and employed by local members of our community. I believe Gustavo, Luis, and Atih bring in quality products while understanding and supporting our local beliefs, knowing our community firsthand. I trust they will bring in employment for our locals and they will also provide support to our non-profits. I strongly recommend them (The Roots Dispensary) for a future in our City of Guadalupe. (Email)*

Rajan Dave, CEO Guadalupe Erudite Ventures, HerbNJoy: *Dear Guadalupe City Council and Staff, On behalf of the HerbNJoy team, I want to personally thank you for meeting with us last month and thoughtfully considering our application for licensure. We take the opportunity to serve the Guadalupe very seriously. Throughout this process, we have gleaned that the city seeks a retail cannabis business operator whose main objectives and priorities include operating safely, securely and in strict compliance with all local and state regulatory guidelines. Having heard the concerns of community members, city officials, and city staff, we've carefully incorporated elements into our daily operating procedures to address each concern. We pride ourselves on providing an elevated retail experience with exceptional professionalism, cannabis-industry knowledge, and a focus on community. Signed, Rajan Dave*

As the son of immigrants raised in a low-income household, I am especially conscious of the responsibility we have to provide safe and affordable access to natural, life-enhancing products. Bolstered by my background as a medical professional, since 2017 I have stepped away from my medical practice and focused my efforts on doing just that. As CEO of HerbJoy, I take pride in being involved in all aspects of daily store operations including managing sales, inventory, and staffing, guided as always by our company's commitment to personal wellness and community engagement.

We look forward to the possibility of working together to provide the people of Guadalupe with the positive energy, premium products, and expertise to better their lives. Signed/Rajan Dave

Alejandra Enciso Medina, Executive Director, Los Amigos de Guadalupe: *To: Guadalupe Erudite Ventures dba HerbNJoy, Dear Supporter, It is with great appreciation that your organization has supported the Mission of Los Amigos de Guadalupe (LADG) through a monetary donation. The mission of LADG is to enhance and develop the capacity of the City of Guadalupe, community organizations, local businesses, and community members through community development plans and actions that support the community of Guadalupe and surrounding areas to become a resilient, strong community that will grow from disadvantaged to a livable, sustainable community. Your support will lead to the completion of future projects and the sustainability of the organization.*

Please consider this thank you letter as a recognition of your support for the organization and the City of Guadalupe. We welcome you to further explore our organizations' mission, future, and current projects at <https://www.losamigosdeguadalupe.org>

If you have any future interest or questions, please feel free to contact me at alejandra@ladquadalupe.org Signed/Alejandra Enciso Medina

Tom Brandeberry, CEO, Los Amigos de Guadalupe: *Re: Letter of Support for Commercial Cannabis Applicants - Community Outreach and Support, To: Elected Officials of Guadalupe, After careful consideration by the majority of directors of this organization, we offer this letter of support to any and all commercial cannabis applicants in the city of Guadalupe. If an applicant is submitting this letter as part of their package, and it contains an original ink signature, the applicant has engaged with Los Amigos de Guadalupe and has satisfactorily described their approach to cannabis in the City and commitment to support the community.*

We encourage all cannabis applicants to pledge:

- To vigorously seek and hire homegrown Guadalupe talent and provide opportunities for employees to gain new skills within the company.*
- To authentically engage in improving and promoting the business environment of Guadalupe.*
- To actively commit monetary and other resources to improve the aesthetics and quality of life of the Guadalupe community.*

LADG has not asked any applicant to make specific monetary or other support commitments to any LADG project currently underway or discussed future projects to which they may contribute. LADG believes commercial cannabis in Guadalupe will further the economic development of the City and provide additional revenue to the City to improve services, infrastructure, and quality of life. In addition, the financial resources these businesses bring to Guadalupe will directly benefit LADG's efforts and those of other non-profits operating in the City on behalf of its residents.

*As a proud partner of Guadalupe, LADG wishes success for ALL of our non-profit business colleagues in the City. We welcome the addition of commercial cannabis to the community and have no hesitation in supporting cannabis business as future contributors, neighbors and friends.
Signed/Tom Brandeberry*

Michael Boyer, CEO, Boys & Girls Club of Mid Central Coast: *To Whom It May Concern: HerbNJoy has shared with us their intent to pledge an annual gift to us to support character and leadership development that includes structured educational programs to increase awareness of and abstention from using drugs, tobacco, cannabis, alcohol, and other substances.*

The Boys & Girls Club of Mid Central Coast takes drug prevention very seriously and would use these funds to provide educational programs and mentorship that creates more resilient youth who can avoid bad habits and addictive behavior.

*We trust that the City of Guadalupe will make the best decision in selecting the best community partners who will remain in good standing and in compliance with all state and local laws.
Signed/Michael Boyer*

Joe Armendariz, Director of Government Affairs, Armendariz Partners: *Re: Commercial Cannabis Retail, Dear Honorable Mayor and City Council, I have been working in the Cannabis industry as a government affairs consultant since 2019. Prior to that, I spent 20+ years advocating for taxpayers, and private industry as Executive Director of the Santa Barbara County Taxpayers Association, and Santa Barbara Technology and Industry Association. During that time, I spent eight years serving on the Carpinteria City Council (2004 - 2012). With respect to my time on City Council, before, during, and after, I had many opportunities to work with members of the Guadalupe City Council, city staff, as well as members of the Guadalupe community.*

Today I am reaching out to share my thoughts regarding your city's cannabis retail storefront program.

I have followed your city's process from the beginning and after taking time to review each of the five operators' applications, as well as listening to their presentations last month in your council chambers, I would like to provide you with my thoughts on which companies I believe are the best fit for the City of Guadalupe. However, before I do that, I need to provide full disclosure that one of your applicants is a partner of a business that has retained my services. The project I have been retained to assist on is located at 3823 Santa Claus Lane. The company is SCL, LLC dba "The Roots Carpinteria."

SCL, LLC applied for the retail license in the Toro Canyon-Summerland Planning Area and came in first place in a highly competitive, merit-based process that was developed by the County and HdL and scored by the County and HdL. They are now going through the County's review process to secure a Coastal Development Permit. It is for this reason, precisely, that I believe "The Roots Guadalupe"

is the logical choice for the City of Guadalupe. Before I explain why it is I believe this, I want to make a few important points and a few important observations.

First, I believe the city should award two retail licenses and not just one. I also believe it would be a serious mistake for the city to award more than two licenses. And that the city under no circumstances considers awarding five licenses. Some operators applying in Guadalupe favor an unlimited license market in Guadalupe. I couldn't disagree more. A limited license market is of higher value to an operator, their customers, and the cities in which the business operates. The value in a limited license market is exponential because without it there is no way to operate the business in a profitable manner due to the pressures that quickly form in an unlimited license market. And from the city's point of view, it is more advantageous to receive more revenue while spending less staff time and resources on regulation and enforcement. This is best achieved in a limited license market.

I want to share a couple of other quick observations. With respect to Slocal Roots Management dba "Root One", they did not include a revenue projection or financial report in their application. Wasn't that a requirement? As for Mr. Nice Guy, the company's \$20 million in gross sales projection in year one of opening in Guadalupe seems to me a rosy scenario. That would nearly match what Natural Healing Center in Grover Beach will do in its sixth year of operations in Grover Beach. And NHC does two-thirds of all the sales in Grover and is consistently the city's #1 or #2 sales tax generator. So, I would take their projections with a grain of salt. And Herb-n-Joy's numbers look rather ambitious to me as well. My point is I would caution your Council to be careful about companies promising you the moon to win a retail license. Because at the end of the day, a license might be all some of these companies are really after.

Now I want to focus on Roots Guadalupe, why I believe you have a great opportunity to gain from their natural ability to leverage the intrinsic future economic value of their Toro Canyon dispensary, and why it is significant and sets them apart from their competition. I want to restate it for emphasis, only The Roots Guadalupe's strategic affiliate, "Roots Carpinteria", applied for and won a retail license to operate a dispensary in one of Santa Barbara County's six (6) community plan areas. And they can and will use that synergy to add economic value to the City of Guadalupe above and beyond what their store in Guadalupe can and will do on its own. And I believe this is quite significant and offers the City of Guadalupe a tremendous economic opportunity.

The Roots Guadalupe, and Roots Carpinteria, are in essence coastal-based dispensaries. And this can and will provide residents and tourists of Santa Barbara County, especially in the Carpinteria Valley, and the City of Guadalupe, an exciting opportunity to learn more about the valuable environmental resources that exist at the Guadalupe Dunes and as made better understood by the local community and broader public by the Guadalupe Dunes Center.

As you all know, the Dunes Center is not only an environmental resource, it is an economic resource, as well as an environmental treasure trove that transcends the Guadalupe city limits in need of a wider network of exposure and financial support. Bringing the extraordinary educational value of

the Dunes Center's natural treasures and unique history to the wider attention of the residents and visitors of the county has been one of the more important goals of the organization. Roots Guadalupe, and Roots Carpinteria, will be in a perfect position to do that if Roots Guadalupe is awarded a license in Guadalupe. And this is particularly so because the customers of the Roots Carpinteria dispensary are a natural constituency to learn about what the Dunes Center is all about and are also the type of economic demographic the Dunes Center is in need of reaching out to and so it will prove to be of tremendous benefit to the Dunes Center's fundraising efforts. No other applicant in the City of Guadalupe can provide the Dunes Center with this type of synergistic economic opportunity.

Moreover, other synergistic business opportunities exist as well. Including the fact that Roots Guadalupe has a successful store operating in Lompoc, as well as the fact that Beth Thuna, COO of Roots Guadalupe, is the COO and majority owner of Higher Purpose Cannabis (HPC), which is a successful dispensary in Port Hueneme not to mention was also the first cannabis dispensary to open in that city. From a marketing perspective, there are several interesting community involvement and community investment avenues being explored by the companies to capitalize on these coastal geographical links (Port Hueneme, Carpinteria, Guadalupe) that can accrue to the benefit of the local taxing jurisdictions.

Moreover, also unique to Roots Guadalupe, if awarded a license to operate in Guadalupe, the store will open its doors and begin immediately serving its existing customers who currently live in Guadalupe, Orcutt, and Santa Maria. And even in Lompoc since their customers in that city will no doubt want to visit their new store in Guadalupe. No other applicant can credibly make such a claim. The Roots Dispensary has real analytics, and well-thought-out Pro-forma using actual data from the immediate area and the region. This is important for your Council to consider as you make your decision. A final point about Roots Guadalupe. They are the only applicant that is a minority-owned, but also a WOMAN-LED company. Although I must say Beth Thuna is more than just a female entrepreneur. Beth is a true pioneer in the cannabis industry. And not only that, as partners in the Carpinteria dispensary, together with Maire Radis, a UCSB graduate and highly successful businesswoman in the Carpinteria Valley, and the majority partner in Roots Carpinteria, Beth and Maire can lay claim to having the only women-owned dispensary in all of Santa Barbara County. And as a team, they are a powerhouse!

In conclusion, and as I stated at the beginning, I believe it is in the best interest of the community to have two dispensaries operating in the city. This will allow for market discipline, which is only achieved through competition. Competition benefits the consumer, and this will be good for the city. To that end, I also endorse Element 7. In selecting Lupe Alvarez as their business partner, they've chosen a person of integrity and a proven commitment to the spirit of public service, and civic involvement. Both Lupe and Gustavo Alvarez are men of character. The citizens of Guadalupe trust them and can take comfort in knowing they will not compromise the public's health and safety, or quality of life, nor undermine the interests of the public in pursuit of their own private financial interests. I have known and worked with Lupe on local and regional government issues for almost twenty years and there is not a more honorable public servant.

Thank you for considering my views on this important decision. And please don't hesitate to contact me should you have any questions. Signed/Joe Armendariz

Mayor Julian acknowledged all applicants and the documentation presented to the Council. He noted that the documents were quite detailed, and that Guadalupe is fortunate to be seen as a place for cannabis. He then said, "These decisions will impact our community forever. We have young and intelligent staff studying all documents...all information in place...to legal and HdL."

The mayor then had some pertinent comments and questions, "What criteria will be used for our selection process? What impact will there be on our finance base? Small Town – Big Heart. Not the only revenue source. Increase municipal tax base. Main goal to get City out of the red and stay out. In 2014, there were three (3) tax measures. In 2020, we increased our sales tax. Citizens said to make Guadalupe whole. Police and Fire...taxes...improve our business district. People coming to town. Property taxes – can't really rely on that. Commercial side – 18 acres at Pasadera to be developed. Cannabis coming to aid the City. Tough decision to make. So, how many do we want? Some minds are made up on the Council's side. Take all parameters, sales tax, location, number of employees...in two years, 40-50 employees...in four years 100+ employees...better than living wages...job opportunities."

Mayor Julian then turned and asked if the staff had any comments or input? Mr. Bodem said, "It's a policy decision." And turned the discussion back to the Council. City Attorney Sinco added, "We're here to answer questions. It's up to you." The mayor then turned to the Council and said, "Would appreciate any input from all of you."

CM Robles said, "What's the magic number? What's the fit? Open to discussion. We have our charming downtown corridor. United Alliance...one for every 17,000 populaces. We're here to be the magnet on the coast. We won't reach that number." Then CM Ramirez said that the magic number is two (2). CM Cardenas agreed with two (2). CM Costa, Jr. said that 1-2 dispensaries would be ideal for a small community and that two (2) would be good. CM Robles agreed that two (2) would be a good fit.

With the four (4) council members agreeing that two (2) dispensaries are good, Mayor Julian said, "I agree with two (2) unless there's overwhelming information for more. But I see consensus for two (2) but then, what two (2)?" CM Cardenas then said, "We should decide picking two (2) and reject the others."

Mayor Julian then said, "There can't be the max of 5...just don't see that. Orcutt will have their own this year. Lompoc won't come here. Nipomo, Grover Beach? Guadalupe being a low-income community, there probably will be an average of two (2) visits to a dispensary a month, spending \$100 a visit. Our population, farming, isn't the source but rather outside Guadalupe...we'll attract from the outside. If those two (2) don't make it, look at the three (3) that aren't selected today."

City Attorney Sinco said, "Based on the staff report, there's an alternate option which wasn't mentioned, but is okay. You don't need to eliminate. The ordinance says that the City Council can select a number but doesn't say 'how' or discuss further."

Mayor Julian then asked, "Five here have an idea already?" CM Costa, Jr. said, "Scores are just numbers. Everybody gave good information and intentions. To make it fair, put in a lottery and pull two (2) out." CM Ramirez said, "For me, one stood out most...#4, Root One. Not sure about the second one." CM Robles said, "Some rose to the top. All presentations were good. Some did their homework...some immersed themselves in the community...grass roots, small town. I'm comfortable with Root One." CM Cardenas then added, "I resonate with both of you. Saw genuine connection with the community."

Mayor Julian then said, "I selected Root One, also. Community benefit, 6% tax...hiring local employees. If you go from 5th Street to 11th Street, there are 18 vacant properties or actual businesses. Deserted even further...look at Root One...48% that are vacant buildings. 10th and Guadalupe Streets – Al's Union, Shell building, Pasquini vacant lot, next to the bank – three (3) vacant buildings. Putting Root One in the middle will generate vitality, and the location will spur development. It fits in that area. They're people who have worked in the Food Bank. The Pagaling Family – Michael Pagaling was killed in action during the Vietnam War. For the City's planned 75th anniversary, and without any push from the City, Mr. Pagaling donated \$5,000. When the festivities were cancelled and the check was returned to him, he didn't want it back. He donated \$2,500 to the Police Explorers and \$2,500 to the Guadalupe Sports Hall of Fame."

CM Costa, Jr. then added, "I felt that a lottery was fair. Four (4) of the council members are for Root One. For me, there isn't one topping the list, but one that I liked is #5, Mr. Nice Guy. Going into a vacant building and sprucing it up."

Mayor Julian asked, "Four (4) council members want Root One. Can we set aside as one (1) being chosen now?" City Attorney Sinco said, "Yes, we can set Root One aside now." Then the mayor said that the second dispensary was now open for discussion. CM Robles said, "We should look at balancing the downtown corridor. One on the northern point of Guadalupe Street...need something on the south end."

Mayor Julian said, "My second choice is Element 7 at 859 Guadalupe Street, a vacant building. The Alvarez family is known well for fixing up properties. Two (2) vacant, Royal Theatre, one next to La Pasadita. This is a good location...a lot of money. Two (2) different restaurants already were there. Lupe (Alvarez) spent ten years on the City Council. He has a commitment to the City, many years. Their community benefits are good."

CM Robles said, "Volunteering with the community. Element 7 has worked side-by-side. Building was formerly a restaurant, twice. It's smack in the middle of town. Will create people traffic. Could be beneficial to restaurants." CM Cardenas said, "I'm torn between Element 7 and The Roots Dispensary. Both are good operators with good community benefits." CM Ramirez said, "Same as

CM Cardenas. Only difference is Root One...want to go with two dispensaries but okay with one." CM Costa, Jr. then said, "#2 is HerbNJoy. 9th and Guadalupe Streets...vacant building...good location."

Mayor Julian then said, "Two (2) for Element 7; one (1) maybe for Element 7; one (1) for HerbNJoy, and for CM Ramirez, Root One, if only one."

CM Ramirez asked, "If there's not enough information to select two (2) dispensaries, what other ways have there been to pick a second one?" City Attorney Sinco said, "I can't answer that. The ordinance says you can request more information. If there's a problem with selecting a second, select one (1) now and request staff for more information." CM Ramirez said, "We can move forward with consensus on one – Root One."

Mayor Julian then recapped asking if the Council was comfortable with getting more information. He said, "If we go with Root One and come back for a second selection, what would we want from them?" CM Cardenas said, "Put this on residents? Show choices and have them pick." The mayor said, "There already have been two (2) meetings on this issue. We need to go with Root One as the first selection and then look at Element 7 and the Roots Dispensary."

CM Ramirez asked if it was possible to ask HdL for some guidance. City Attorney Sinco said, "Dave McPhearson from HdL will need direction from the City Council on what additional information the Council needs but you need to take action on your first selection. You need a majority on the number of applicants the Council wants."

The mayor said, "Root One – the majority ok'd. Element 7 and The Roots Dispensary – the Council needs more information." City Attorney Sinco then added, "Only one (1) for Mr. Nice Guy and one (1) for HerbNJoy. Put them on the backburner and not request additional information now." The mayor said, "Limit to Element 7 and The Roots Dispensary but keep the other two (2) applicants aside."

CM Cardenas asked, "What do we need on further information to make a final decision on the second selection?" City Attorney Sinco responded, "Spell out what additional information is needed. How should it be presented? Info should be in written form. Maybe something like Community Benefits."

CM Ramirez said, "Community Benefits. Element 7 had a lot of holdings in any cities. The Roots Dispensary is limited. I'd go with somebody who's easier to access. More on the community benefits piece." Mayor Julian then said, "Look at the management side. Owner of the building will deal with the management piece. Element 7 will have Lupe onsite. He'll be hands on. If we want to get more information from HdL, they need direction from us. All agreed that Mr. Nice Guy and HerbNJoy will be put on the backburner."

Motion was made by Council Member Ramirez and seconded by Council Member Cardenas to move forward with Root One to continue with the process. 5-0 Motion passed.

Mayor Julian asked, "Go back to HdL?" City Attorney Sinco said, "You'd have to tell HdL what's needed? CM Ramirez wants further information on community benefits and, maybe, neighborhood plan." CM Cardenas agreed with that additional information to request. The mayor again said to put the other two (2) applicants on the backburner.

Motion was made by Council Member Ramirez and seconded by Council Member Cardenas to request additional information from Element 7 and The Roots Dispensary on Community Benefits and Neighborhood Compatability for a second interview with the City Council. 5-0 Motion passed.

12. Fiscal Year 2020-21 Audited Financial Statements and Single Audit Report.

Written report: Lorena Zarate, Finance Director

Recommendation: That the City Council receive and accept the City of Guadalupe Financial Statements for the Year ended June 30, 2021, along with the Independent Auditor's Report and accept the Single Audit Report for 2021.

This item was previously pulled during Agenda Review to be scheduled for a future meeting.

13. Co-ed Adult Softball League.

Written report: Hannah Fuentes, Recreation Services Manager

Recommendation: That the City Council adopt Resolution No. 2022-30 approving the Co-ed Adult Softball League.

Ms. Fuentes explained that the co-ed softball league has an 8-week season, with 12 people on each roster. She explained, "I wanted to make it accessible to older kids. Games will be held at O'Connell Park. Registration fee for resident team is \$535, non-resident team is \$655. Santa Maria and San Luis Obispo are the only two (2) local cities offering co-ed. The registration period is from April 15th through May 23rd with a June 3rd start date. There will be one (1) week of playoffs."

CM Cardenas asked how all of this was being advertised. Ms. Fuentes said, "The social media policy for Recreation and Parks has not yet been developed but will be soon. It would then be reviewed by the City Attorney and presented to City Council in a future meeting. Police and Fire have their own for personal comments to these departments. I'll put this information on the co-ed softball league on the City's website and post in businesses." CM Cardenas said, "Use Parent Square through the school district marquee." (Many of the city's residents are on Parent Square, a mobile app that can be used for mass notifications that can reach many in the community.)

CM Robles asked, "What are the teams being provided?" Ms. Fuentes said, "Referees, bats, baseballs. Jerseys would be provided by a sponsor. CM Robles then asked about the days to be played. Ms. Fuentes said, "The referee from Santa Maria proposed Mondays and Thursdays with a 5:00 p.m. start time."

CM Cardenas asked, "Where can you get applications? Ms. Fuentes said that information and application will be on the City's website, a PDF on the website.

CM Robles asked, "What about striping and prepping the field for play?" Ms. Fuentes said that striping would be her responsibility but would ask players and volunteers to help.

Mayor Julian asked how many teams there would be. Ms. Fuentes said that she'd be looking at 5-6, with 6 being the goal.

CM Costa, Jr. asked, "With the fee, who pays for the umpires? In Santa Maria, cost for the umpire is split between the teams." Ms. Fuentes commented, "Each team would pay the assigned referee \$15.00. This is separate from the fee for the 'referee assigner' who will train referees and assign them to scheduled games." CM Costa, Jr. then asked, "Resident and non-resident fees. How many does it take on a team to get the resident fee?" Mayor Julian said, "50%+1 = 7 players."

CM Robles mentioned that there are no lights at O'Connell Park so these games have to be played fast. Ms. Fuentes said, "Yes, we're looking at 50-minute games. We can fit in two (2) games and maybe a Saturday game." CM Ramirez added, "This is exciting to have this coming." CM Robles looked at the other council members and jokingly asked, "Do we have a team here?" CM Ramirez responded, "Only if a barbershop in our sponsor!"

**Motion was made by Council Member Costa, Jr. and seconded by Council Member Robles to adopt Resolution No. 2022-30 approving the Co-Ed Adult Softball League. Roll Call: All Ayes 5-0
Motion passed.**

14. FUTURE AGENDA ITEMS

CM Robles asked for Ms. Sweeney to give a status on striping Obispo and Main Streets. He said that there are no clear dividing lines and people are speeding. He also mentioned that weeds on Main Street (by Treasure Park) are way past being overgrown. Mr. Bodem said, "That's being addressed now. Half of the weeds were sprayed and should be killed in a couple of weeks. Then the other half will be sprayed, etc." CM Costa, Jr. suggested that the weeds just be mowed down. Mr. Bodem said, "Give us direction and we'll go ahead and do it." CM Costa, Jr. said, "We have Code Enforcement going out there and letting residents know of problems. The City has to lead by example." Mr. Bodem said, "Done."

15. ANNOUNCEMENTS – COUNCIL ACTIVITY/COMMITTEE REPORTS

CM Robles

Saturday, April 23rd, Earth Day will be celebrated at the Dunes Center. There will be a community cleanup from 9:00 a.m. to 11:00 a.m. From 12:00 p.m. to 1:00 p.m. Mr. George Muranaka, Master Bonsai, will have a demonstration and sign up for bonsai classes.

Mayor Julian

Starting Monday, April 18th, at the Senior Center will be "Coffee for Seniors". This will be held weekly on Mondays and Wednesdays, 9:00 a.m. to 11:00 a.m. The Senior Center is undergoing renovations in hopes to bring it back to a comfortable environment where seniors can meet and enjoy a cup of coffee with friends.

Thursday, April 21st, Congressman Salud Carbajal will be at Le Roy Park at 2:30 p.m. The federal government grant program awarded the City a grant for \$1.7M to be able to build the 2,000 square foot extension to the community center, an amphitheater, additional barbecue pit, and a parking lot with asphalt surfacing.

Monday, April 25th, the film, "Untold Truths" about Filipino regiments out of San Luis Obispo and here will be shown. Mr. Flores, a WWII expert, will be speaking.

Sunday, June 12th, Le Roy Park grand re-opening ribbon cutting at 1:00 p.m.

CM Cardenas

Saturday, May 7th, Cinco de Mayo festivities, from 11:30 a.m. to 2:00 p.m. at the Veterans Memorial Plaza (downtown parking lot).

CM Ramirez


Saturday, May 7th, Guadalupe Bulldogs Football sign-ups at O'Connell Snack Bar from 10:00 a.m. to 1:00 p.m.

Tuesday, May 17th, Art Gala of McKenzie and Mary Buren Schools at the Cultural Arts Center from 6:00 p.m. to 7:30 p.m.

16. ADJOURNMENT

Motion was made by Council Member Ramirez and seconded by Council Member Cardenas to adjourn the meeting. 5-0 Motion passed. Meeting was adjourned at 8:40 p.m.

Prepared by:


Amelia M. Villegas, City Clerk

Approved by:


Ariston Julian, Mayor