

Letter from Cannabis Ad Hoc Committee Members, Dan Kalmick and Rhonda Bolton

TO: THE HONORABLE MAYOR AND CITY COUNCIL
FROM: RHONDA BOLTON, CITY COUNCIL MEMBER
DAN KALMICK, CITY COUNCIL MEMBER
DATE: FEBRUARY 24, 2022
SUBJECT: Recommendation for Council on March 1 Special Tax Vote

Honorable Mayor and Councilmembers,

As you know, the City has received two petitions (to date) seeking ballot questions on an ordinance to allow retail cannabis sales within the City, and we have expressed a desire to stay ahead of such efforts so that we can craft a proposed measure that is tailored to the needs and expectations of our City. In light of these factors, it is our opinion that taking incremental steps on Cannabis policy is the most prudent and deliberate approach to accomplish these policy goals.

The first step is placing a Special Tax measure on the ballot for the June primary thus allowing our residents to weigh in on whether they want Cannabis legally taxed in Huntington Beach. We feel that a tax not to exceed 6% would be appropriate.

To pass, a Special Tax will require two-thirds of residents to agree. This will signal to Council, early in the process, that a super majority of our residents agree with the policy direction. We believe that the Special Tax should be directed towards Public Safety / Education and Homelessness. These are the top quality of life concerns for residents and any additional revenue streams should be directed to those two top priorities, consistent with the Council's previously articulated Strategic Planning Goals.

Asking voters to approve the tax in June will also stunt the two proposed third-party voter initiatives and allow our Cannabis Ad Hoc Committee to continue to work with Council on crafting an ordinance and regulations specific to Huntington Beach. Note that voting to place the Special Tax on the ballot for June does not preclude the Council from placing the completed ordinance on the November ballot if the Council decides it does not want to pass the ordinance and adjust land use through the regular process (Planning Commission and City Council Public Hearings).

We have plenty of additional work to do on this topic and this is the first step. We ask that Council vote to place the Special Tax on the June ballot.