

RESOLUTION NO. _____ (CM)

**A RESOLUTION OF THE CITY COUNCIL OF CITY OF WATSONVILLE
APPROPRIATING \$42,752 FROM THE CANNABIS REVENUE FUND TO
THE COMMUNITY DEVELOPMENT DEPARTMENT TO COVER
EXISTING CONTRACTS**

WHEREAS, on November 8, 2016, Watsonville voters passed Measure L, the Watsonville Marijuana Business Tax, 74.2% to 25.8%. Measure L implemented a tax on cannabis cultivation, manufacturing, and retail sales; and

WHEREAS, in FY 2021-2022 \$42,752 was appropriated from the Cannabis Revenue Fund (0291-603-7322) to the Community Development (0150-315-7307) to cover the costs of existing contracts; and

WHEREAS, no contract work related to the Cannabis Revenue Fund was completed in FY 2021-2022, and therefore the funds were re-appropriated to the Cannabis Revenue Fund; and

WHEREAS, work is now being done on the contracts that the funds were originally appropriated for, and therefore staff requests appropriation of the funds back to the Community Development to cover the cost of the contracts.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF WATSONVILLE, CALIFORNIA AS FOLLOWS:**

1. This action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378(b)(5), in that adopting a Resolution appropriating funds from one fund account to another does not meet CEQA's definition of a "project," because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and because the action constitutes

organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment and if a “project,” is exempt under the “common sense” exception (14 Cal. Code Regs. § 15061(b)(3)) because it can be seen with certainty that there is no possibility that this action may have a significant effect on the environment.

2. That the appropriation of \$42,752 from the Cannabis Revenue Fund (0291-603-7322) to the Community Development Department (0150-315-7307) to cover existing contracts is hereby approved.
